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FOR IMMEDIATE RELEASE

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Notice Concerning Borrowing of Funds

Activia Properties Inc. ("API") announces today that it decided to borrow funds (the "Borrowing"). Details are as follows:

1. Details of the Borrowing

< Short-term borrowing >

Lender	Loan amount	Interest rate	Drawdown date (plan)	Due date (Note 1)	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd.	4 billion yen	0.13% +Base rate (Note 2)	April 24, 2019	November 24, 2019	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

(Note 1) If the due date is a non-business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.

(Note 2) The interest payment will be made on the last day of May 2019 and the last day of each month thereafter as well as on the due date of the principal. (If the interest payment date is a non-business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.)
The base rate applicable to the period for the calculation of the interest payable on an interest payment date is the JBA one-month Japanese Yen TIBOR as of a date two business days prior to the interest payment date immediately preceding each interest payment date. However, if the base rate applicable to the calculation period doesn't exist, the base rate will be the one corresponding to the period that will be calculated based on a method provided in the agreement.
After this, API will not announce the interest rate decisions for the Borrowing. For changes in the JBA Japanese Yen TIBOR, the base rate, please check the website of the JBA TIBOR Administration (http://www.jbatibor.or.jp/english).

2. Reasons for the Borrowing

API will use the Borrowing to redeem the Investment Corporation 1st unsecured bonds of 4 billion yen which becomes mature on April 25, 2019 (the "Existing Investment Corporation Bonds"). For the details of the Existing Investment Corporation Bonds, please refer to "Notice Concerning Issuance of Investment Corporation Bonds" released on April 17, 2014.

3. Amount, use and schedule of disbursement of funds to be raised

(1) Total amount
4 billion yen in total

(2) Specific purpose of use
Funds will be used to redeem the Existing Investment Corporation Bonds

(3) Scheduled date of disbursement
April 25, 2019

4. Status of borrowings payable, etc. after the Borrowing

(1) Interest-bearing debt balance after the Borrowing

(In millions of yen)

	Before the Borrowing (As of April 19, 2019)	After the Borrowing (As of April 25, 2019)	Change
Short-term borrowings (Note)	14,100	18,100	4,000
Long-term borrowings to be repaid within one year	20,400	20,400	0
Long-term borrowings (Note)	181,850	181,850	0
Total amount of borrowings	216,350	220,350	4,000
Investment corporation bonds to be redeemed within one year (Note)	8,000	6,000	(2,000)
Investment corporation bonds (Note)	10,000	8,000	(2,000)
Total amount of borrowings and investment corporation bonds	234,350	234,350	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	234,350	234,350	0

(Note) Short-term borrowings refer to borrowings with a maturity period of one year or less, and long-term borrowings refer to borrowings with a maturity period of more than one year. On the next day of the Borrowing, Investment corporation bonds due within one year will be redeemed to the same extent as the amount of the Borrowing. As a result, the amount of the investment corporation bonds due within one year will decrease by 4 billion yen and the amount of short-term borrowings will increase by 4 billion yen. Meanwhile, since the maturity period for a long-term borrowing of 2 billion yen with a due date of April 21, 2020 will become less than one year, the amount of investment corporation bonds due within one year will increase by 2 billion yen and the amount of investment corporation bonds will decrease by 2 billion yen. Consequently, the amount of short-term borrowings will increase by 4 billion yen, the amount of investment corporation bonds due within one year will decrease by 2 billion yen, and the amount of investment corporation bonds will decrease by 2 billion yen, after the Borrowing as shown on the above table.

(2) Basic financing information after the Borrowing

	Before the Borrowing (As of April 19, 2019)	After the Borrowing (As of April 25,2019)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	94.0%	92.3%	(1.7)
Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 2) (Note 4)	81.9%	81.0%	(0.9)
Fixed interest ratio (Note 3) (Note 4)	89.0%	87.2%	(1.7)

(Note 1) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings (including the portion of long-term borrowings to be repaid within one year) and the investment corporation bonds (including the investment corporation bonds to be redeemed within one year) to the total of outstanding interest-bearing debt.

(Note 2) Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) is the ratio of the outstanding long-term borrowings (excluding the long-term borrowings to be repaid within one year) and investment corporation bonds (excluding the investment corporation bonds to be redeemed within one year) to the total of outstanding interest-bearing debt.

(Note 3) Fixed interest ratio is the ratio of the total of outstanding interest-bearing debt with fixed interest rates to the total of outstanding interest-bearing debt. The total of outstanding interest-bearing debt with fixed interest rates includes debts whose interest rates were converted into fixed interest rates by interest rate swap agreements.

(Note 4) Figures are rounded to the first decimal place.

5. Other

Regarding the risks related to the repayment of the Borrowing, there are no significant changes in the "Investment Risk" section of the securities report submitted on February 26, 2019.

*Website of API: https://www.activia-reit.co.jp/en/