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FOR IMMEDIATE RELEASE

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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)

Activia Properties Inc. ("API") announces that it decided today to issue investment corporation bonds (green bonds).

1. Summary of the investment corporation bonds (green bonds)

(1)	Name	The 15th unsecured investment corporation bonds (green bonds) (with pari passu conditions among specified investment corporation bonds) ("the Investment Corporation Bonds")
(2)	Total issue amount	¥2 billion
(3)	Form of bond certificate	Subject to the provisions of the Act on Book-Entry Transfer of Corporate Bonds, Shares, etc., the investment corporation bond certificates will not be issued for the Investment Corporation Bonds.
(4)	Issue price	¥100 per ¥100 of each bond
(5)	Redemption price	¥100 per ¥100 of each bond
(6)	Interest rate	0.820% per annum
(7)	Denomination price	¥100 million
(8)	Offering method	Public Offering
(9)	Offering date	December 13, 2022 (Tuesday)
(10)	Payment date	December 19, 2022 (Monday)
(11)	Collateral	Neither collateral nor guarantee is provided for the Investment Corporation Bonds, and no asset has been particularly secured for the Investment Corporation Bonds.
(12)	Redemption method and date	The total amount of the Investment Corporation Bonds will be redeemed on December 17, 2032. Redemption by purchase of the Investment Corporation Bonds by API will be available any time on and after the following day of the payment date, unless otherwise determined by the depository.
(13)	Interest payment date	June 19 and December 19 every year (For the interest payment for the period commencing on and including June 20, 2032 and ending on and including December 17, 2032, the redemption date, the interest payment date will be on December 17, 2032.)
(14)	Financial covenant	Negative pledge among unsecured bonds

(15)	Credit rating	AA (Japan Credit Rating Agency, Ltd.)
(16)	Depository	Japan Securities Depository Center, Inc.
(17)	Fiscal agent, issuing agent and paying agent	MUFG Bank, Ltd.
(18)	Underwriter	SMBC Nikko Securities Inc.

2. Reasons for the issuance

API has decided to issue the Investment Corporation Bonds in order to extend and balance the debt maturity and diversify the financing methods. Also, through the issuance of the Investment Corporation Bonds as green bonds in accordance with the Green Bond Framework (Note) for which a second-party opinion obtained from Sustainalytics, an ESG rating agency, API aims to further promote its sustainability initiatives and invite new investors to its investment corporation bonds by stimulating their demand who have interest in ESG investment.

(Note) For details of API's Green Bond Framework, please refer to the following.
https://www.activia-reit.co.jp/en/sustainability/greenbond.html

3. Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

(1) Amount of funds to be raised (estimated amount of net proceeds)
¥1,989 million

(2) Specific use of proceeds and scheduled timing of expenditure
¥999 million out of the funds raised will be used on December 27, 2022 for the funds for an early repayment of the short-term borrowings (¥999 million) which will become due and payable on August 10, 2023 (the "Existing Short-term Borrowings"), and the remaining amount of the funds raised will be used on December 27, 2022 for a partial early repayment of the long-term borrowings (¥2.5 billon) which will become due and payable on September 10, 2023 (the "Existing Long-term Borrowings"). For further details, please refer to the "Notice Concerning Partial Early Repayment of Funds" announced as of today.

4. Status of borrowings payable, etc. after the issuance of the Investment Corporation Bonds

(1) Interest-bearing debt after the issuance of the Investment Corporation Bonds

(In millions of yen)

	Before the issuance (As of December 13, 2022)	After the issuance (As of December 27, 2022) (Note 1)	Change
Short-term borrowings (Note 2)	999	0	(999)
Long-term borrowings to be repaid within one year	32,250	31,250	(1,000)
Long-term borrowings (Note 2)	201,400	201,400	0
Total amount of borrowings	234,649	232,650	(1,999)
Investment corporation bonds to be redeemed within one year	0	0	0
Investment corporation bonds	25,700	27,700	2,000
Total amount of borrowing and investment corporation bonds	260,349	260,350	1

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowings (¥999 million) and the Existing Long-term Borrowings (¥1 billion) will be made on December 27, 2022.

(Note 2) 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.

(2) Basic financing information after the issuance of the Investment Corporation Bonds

	Before the issuance (As of December 13, 2022)	After the issuance (As of December 27, 2022) (Note 1)	Change (point)
Long-term borrowing ratio (Note 2) (Note 5)	99.6%	100.0%	0.4
Long-term borrowing ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 3) (Note 5)	87.2%	88.0%	0.8
Fixed interest ratio (Note 4) (Note 5)	97.9%	98.7%	0.8

(Note 1) The figures are based on assumption that the early repayment of the Existing Short-term Borrowings (¥999 million) and the Existing Long-term Borrowings (¥1 billion) will be made on December 27, 2022.

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

(Note 3) 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 4) 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 5) Figures are rounded to the first decimal place.

5. Other

Regarding the risks related to the redemption of the Investment Corporation Bonds, there are no significant changes in the “Investment Risk” section of the securities report submitted on August 29, 2022.

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