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FOR IMMEDIATE RELEASE

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Notice Concerning Borrowing of Funds

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

I. Borrowing (i)

1. Details of the borrowing

< Long-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. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	2.5 billion yen	To be determined (Fixed rate) (Note 2) (Note 3)	January 10, 2023	January 10, 2031	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) Interest rate of the borrowing will be announced upon the determination.
(Note 3) The interest payment will be made on the last day of July 2023 and the last days of January and July in each year thereafter as well as on the due date of the principal. (If an 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.)

2. Reasons for the borrowing

API will use the funds from the borrowing to redeem a long-term borrowing of 2.5 billion yen (the "Existing Long-term Borrowing") with a due date of January 10, 2023. For the details of the Existing Long-term Borrowing, please refer to "Notice Concerning Borrowings of Funds" released on December 25, 2018.

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

(1) Total amount
2.5 billion yen in total

(2) Specific purpose of use
Funds will be used to redeem the Existing Long-term Borrowing

(3) Scheduled date of disbursement
January 10, 2023

II. Borrowing (ii)

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.	3.5 billion yen	0.13% +Base rate (Note 2)	January 13, 2023	January 13, 2024	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 January 2023 and the last day of each month thereafter as well as on the due date of the principal. (If an 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. (For the first interest payment, it will be on the drawdown 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).

< Long-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. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	5.5 billion yen	To be determined (Fixed rate) (Note 2) (Note 3)	January 13, 2023	January 13, 2032	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) Interest rate of the borrowing will be announced upon the determination.
(Note 3) The interest payment will be made on the last day of July 2023 and the last days of January and July in each year thereafter as well as on the due date of the principal. (If an 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.)

2. Reasons for the borrowing

API will use the funds from the borrowing for a part of the purchase price and the related expenses of the real estate trust beneficiary interest in the anticipated property announced in "Notice of Acquisition of Asset and Lease Contract with New Tenant (A-FLAG NISHI SHINSAIBASHI)" released on October 27, 2022.

For the details of the anticipated property, please refer to " Notice of Acquisition of Asset and Lease Contract with New Tenant (A-FLAG NISHI SHINSAIBASHI)" released on October 27, 2022.

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

(1) Total amount
9 billion yen in total

(2) Specific purpose of use
A part of the purchase price and the related expenses of the real estate trust beneficiary interest in the anticipated property

(3) Scheduled date of disbursement
January 13, 2023

Activia Properties Inc.

III. Status of borrowings payable, etc. after the Borrowings

1. Interest-bearing debt balance after the Borrowings

(In millions of yen)

	Before the Borrowings (As of December 27, 2022)	After the Borrowings (As of January 13, 2023)	Change
Short-term borrowings (Note)	0	3,500	3,500
Long-term borrowings to be repaid within one year	31,250	40,750	9,500
Long-term borrowings (Note)	201,400	197,400	(4,000)
Total amount of borrowings	232,650	241,650	9,000
Investment corporation bonds to be redeemed within one year	0	0	0
Investment corporation bonds	27,700	27,700	0
Total amount of borrowings and investment corporation bonds	260,350	269,350	9,000

(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.

2. Basic financing information after the Borrowings

	Before the Borrowings (As of December 27, 2022)	After the Borrowings (As of January 13, 2023)	Change (point)
Long-term debt ratio (Note 1) (Note 4)	100.0%	98.7%	(1.3)
Long-term debt ratio (excluding the long-term borrowings to be repaid and investment corporation bonds to be redeemed within one year) (Note 2) (Note 4)	88.0%	83.6%	(4.4)
Fixed interest ratio (Note 3) (Note 4)	98.7%	97.4%	(1.3)

(Note 1) Long-term debt 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 2) Long-term debt 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.

IV. Other

Regarding the risks related to the repayment of the Borrowings, 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/