Activia Properties Inc.

June 8, 2023

FOR IMMEDIATE RELEASE

Activia Properties Inc.
21-1, Dogenzaka 1-chome, Shibuya-ku, Tokyo
Nobuhide Kashiwagi
Executive Director
(Code: 3279)

Asset Management Company
TLC REIT Management Inc.
Akira Kubo
President & CEO

Inquiries
Manabu Kamikawara
General Manager of Strategy Department
Activia Management Division
(Tel: +81-3-6455-3377)

Notice Concerning Borrowing of Funds

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

I. Borrowings

1. Details of the borrowing

< Long-term borrowings >

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.	4.2 billion yen	0.14% +Base rate (Note 2)	June 15, 2023	June 15, 2025	Borrowing based on a borrowing agreement with the lenders shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd. MUFG Bank, Ltd. Development Bank of Japan Inc. Sumitomo Mitsui Banking Corporation	8.05 billion yen	To be determined (Fixed rate) (Note 3) (Note 4)	June 15, 2023	June 15, 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) The interest payment will be made on the last day of June 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).

(Note 3) Interest rate of the borrowing will be announced upon the determination.

(Note 4) The interest payment will be made on December 29, 2023 and the last days of June and December 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 borrowings to redeem long-term borrowings of 12.25 billion yen (the "Existing Long-term Borrowings") with a due date of June 15, 2023. For the details of the Existing Long-term Borrowings, please refer to "Notice Concerning Borrowing of Funds" released on May 28, 2015, "Notice Concerning Borrowing of Funds" released on December 8, 2015 and "Notice Concerning Borrowing of Funds" released on May 25, 2017.

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

(1) Total amount
12.25 billion yen in total

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

(3) Scheduled date of disbursement
June 15, 2023

II. 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 June 8, 2023)	After the Borrowing (As of June 15, 2023)	Change
Short-term borrowings (Note)	0	0	0
Long-term borrowings to be repaid within one year	34,250	22,200	(12,250)
Long-term borrowings (Note)	203,900	216,150	12,250
Total amount of borrowings	238,150	238,150	0
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	265,850	265,850	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.

2. Basic financing information after the Borrowing

	Before the Borrowing (As of June 8, 2023)	After the Borrowing (As of June 15, 2023)	Change (point)
Long-term debt ratio (Note 1) (Note 4)	100.0%	100.0%	0.0
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)	87.1%	91.7%	4.6
Fixed interest ratio (Note 3) (Note 4)	95.7%	94.1%	(1.6)

(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.

III. 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 February 22, 2023.

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