

FOR IMMEDIATE RELEASE

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Notice Concerning Borrowings of Funds

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

1. Details of the borrowings

< 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.	3.9 billion yen	0.13% +Base rate (Note 2)	September 10, 2021	September 10, 2022	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 September 2021 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 (<https://www.jbatibor.or.jp/english>).

Disclaimer: This press release is an announcement by Activia Properties Inc. concerning the borrowings of funds, and has not been prepared for the purpose of solicitation for investment. Investors are asked to ensure that they read the prospectus for the issuance of new investment units, as well as any amendments thereto (if any), prepared by Activia Properties Inc. before they invest and that they make decisions on investment at their own discretion.

< 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.	2.5 billion yen	0.14% +Base rate (Note 2)	September 10, 2021	September 10, 2023	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. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	4.9 billion yen	To be determined (Fixed rate) (Note 3) (Note 4)	September 10, 2021	September 10, 2029	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. Sumitomo Mitsui Banking Corporation Development Bank of Japan Inc.	4.9 billion yen	To be determined (Fixed rate) (Note 3) (Note 4)	September 10, 2021	September 10, 2030	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 September 2021 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 (<https://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 the last day of March 2022 and the last days of March and September 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.)

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2. Reasons for the borrowings

API will use the borrowings for a part of the purchase price and the related expenses of the real estate trust beneficiary interests in the three anticipated properties announced in “Notice of Acquisition of Assets and Lease Contract with New Tenants (Three Properties Including Meguro Tokyu Building)” released on August 24, 2021. For the details of the anticipated properties, please refer to “Notice of Acquisition of Assets and Lease Contract with New Tenants (Three Properties Including Meguro Tokyu Building)” released on August 24, 2021.

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

(1) Total amount

16.2 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 interests in the anticipated properties

(3) Scheduled date of disbursement

September 10, 2021

4. 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 September 6, 2021)	After the Borrowings (As of September 10, 2021)	Change
Short-term borrowings (Note)	0	3,900	3,900
Long-term borrowings to be repaid within one year	26,100	26,100	0
Long-term borrowings (Note)	195,250	207,550	12,300
Total amount of borrowings	221,350	237,550	16,200
Investment corporation bonds to be redeemed within one year	1,000	1,000	0
Investment corporation bonds	21,800	21,800	0
Total amount of borrowings and investment corporation bonds	244,150	260,350	16,200

(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.

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(2) Basic financing information after the Borrowings

	Before the Borrowings (As of September 6, 2021)	After the Borrowings (As of September 10, 2021)	Change (point)
Long-term debt ratio (Note 1) (Note 4)	100.0%	98.5%	(1.5)
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)	88.9%	88.1%	(0.8)
Fixed interest ratio (Note 3) (Note 4)	97.4%	95.1%	(2.3)

(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.

5. Other

Regarding the risks related to the repayment of the Borrowings, there are no significant changes in the “Investment Risk” section of the securities registration statement submitted on August 24, 2021.

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

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