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FOR IMMEDIATE RELEASE

Activia Properties Inc.
16-3 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Haruki Sakane
Executive Director
(Code: 3279)

Asset Management Company
TLC Activia Investment Management Inc.
Haruki Sakane
Representative Director, President and Chief Executive Officer

Inquiries
Satoshi Minekawa
Executive Officer of Fund Management Department
(Tel: +81-3-6415-3120)

Notice Concerning Borrowing of Funds and Early Repayment

Activia Properties Inc. (hereinafter referred to as the “Investment Corporation”) announces that it decided to borrow funds today. Details are as follows.

1. Borrowing of Funds

(1) Details of the borrowing

	Financial institution	Borrowing amount	Interest rate	Drawdown date	Due date	Borrowing and repayment methods, security, and guarantee
1	Mizuho Trust & Banking Co., Ltd. Resona Bank, Ltd. The Bank of Fukuoka, Ltd. The Gunma Bank, Ltd. Shinkin Central Bank Sumitomo Mitsui Trust Bank, Limited	6 billion yen	0.15% + Base rate (Note 1, 2)	March 29, 2013	March 31, 2015	Borrowing based on a loan agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
2	Mizuho Trust & Banking Co., Ltd. Resona Bank, Ltd. The Bank of Fukuoka, Ltd. The Gunma Bank, Ltd. Shinkin Central Bank Sumitomo Mitsui Trust Bank, Limited	6 billion yen	0.175% + Base rate (Note 1, 2)	March 29, 2013	March 31, 2017	Borrowing based on a loan agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
3	Sumitomo Mitsui Trust Bank, Limited	5 billion yen	0.20% + Base rate (Note 3, 4, 5)	March 29, 2013	March 31, 2018	Borrowing based on a loan agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

(Note 1) Interest payments will be made on the last day of April 2013 first, thereafter, the last day of each month and the due date of the principal (if this day is a non-business day, the following business day. If this day comes in the following month, the immediately preceding business day).

(Note 2) The base rate used for the calculation period for interest to be paid on interest payment dates is the 1-month Japanese Yen TIBOR of the Japanese Bankers Association, two business days before the interest payment date immediately preceding each interest payment date. However, if the calculation period is less than one month, the base rate will be the one corresponding to the period

that will be calculated based on a method provided for in the agreement.

- (Note 3) Interest payments will be made on the last day of September 2013 first, the last day of every March and September thereafter, and the due date of the principal (if this day is a non-business day, the following business day. If this day comes in the following month, the immediately preceding business day).
- (Note 4) The base rate used for the calculation period for interest to be paid on interest payment dates is the 6-month Japanese Yen TIBOR of the Japanese Bankers Association, two business days before the interest payment date immediately preceding each interest payment date. However, if the calculation period is less than six months, the base rate will be the one corresponding to the period that will be calculated based on a method provided for in the agreement.
- (Note 5) For the borrowing stated in 3 in the table above, the Investment Corporation will fix the interest rate by entering into an interest swap agreement (hereinafter referred to as the “interest rate swap for borrowing 3”) with the financial institution as of March 27, 2013.
- (Note 6) After this, the Investment Corporation will not announce the interest rate decisions for its borrowings on a floating-rate basis. For changes in the Japanese Yen TIBOR of the Japanese Bankers Association, the base rate, please check the website of the Japanese Bankers Association (<http://www.zenginkyo.or.jp/tibor/>).

2. Reasons for the borrowing

The Investment Corporation will stabilize the financial base (by prolonging the average remaining life and increasing the long-term borrowing ratio) and diversify the source of finance by borrowing the funds and repaying the borrowing before maturity that is stated in 2 below.

2. Early Repayment

(1) Details of the early repayment of borrowing

Financial institution	Borrowing amount	Interest rate	Drawdown date	Due date	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited	17 billion yen	0.275% + Base rate	June 13, 2012	June 13, 2013	Borrowing based on a loan agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

(Note) There will be no penalty or settlement fee applicable to this early repayment.

(2) Amount to be repaid before maturity (principal)

17 billion yen

(3) Scheduled date of repayment before maturity

March 29, 2013

3. Status of borrowings, etc. after the borrowing of the funds and the repayment before maturity (hereinafter referred to as “after implementing this matter”)

(1) Interest-bearing debt after implementing this matter.

(Million yen)

	Before implementing this matter	After implementing this matter	Change
Short-term loans payable (Note)	17,000	0	(17,000)
Long-term loans payable (Note)	64,000	81,000	17,000
Total loans payable	81,000	81,000	0
Investment corporation bonds	0	0	0
Total loans payable and investment corporation bonds	81,000	81,000	0
Other interest-bearing debt	0	0	0
Total interest-bearing debt	81,000	81,000	0

(Note) Short-term loans payable are loans payable that will come due within one year, while long-term loans payable are loans payable that will come due after one year.

(2) Basic financing information after implementing this matter

	Before implementing this matter	After implementing this matter	Change
Long-term borrowing ratio (Note 1) (Note 4)	79.0%	100.0%	21.0%
Fixed interest ratio (Note 2) (Note 3) (Note 4)	66.7%	72.8%	6.1%

(Note 1) Long-term borrowing ratio is the ratio of the long-term outstanding borrowings to the total of interest-bearing debt.

(Note 2) Fixed interest ratio is the ratio of the total of interest-bearing debt of fixed interest ratio to the total of interest-bearing debt.

(Note 3) The fixed interest ratio after implementing this matter is calculated on the assumption that interest rates have been fixed by concluding the interest rate swap for borrowing 3 on March 27, 2013.

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

4. Other

There are no significant changes in the “Investment Risk” of the securities report submitted on February 26, 2013, in relation to the risks related to the repayment of the borrowing.

*Distribution of this material: This material is distributed to the Kabuto Club; the press club for the Ministry of Land, Infrastructure, Transport, and Tourism; and the press club for construction trade newspapers at the Ministry of Land, Infrastructure, Transport, and Tourism.

*Website of the Investment Corporation: <http://www.activia-reit.co.jp/english>