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FOR IMMEDIATE RELEASE

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Notice Concerning Borrowing of Funds

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

Long-term borrowing

Long term borrowing					
Financial institution	Total amount to be borrowed	Interest rate	Drawdown date (plan)	Due date	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited	1.06 billion yen	0.275% + Base rate (Note)	December 19, 2013	December 19, 2020	Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	1.06 billion yen				
Mizuho Bank, Ltd.	1.06 billion yen				
The Bank of Tokyo-Mitsubishi UFJ Ltd.	1.06 billion yen				
Sumitomo Mitsui Banking Corporation	0.53 billion yen				
Development Bank of Japan Inc.	0.53 billion yen				
Sumitomo Mitsui Trust Bank, Limited	0.16 billion yen	0.25% + Base rate (Note)	January 10, 2014	January 10, 2020	
Mitsubishi UFJ Trust and Banking Corporation	0.16 billion yen				
Mizuho Bank, Ltd.	0.16 billion yen				
The Bank of Tokyo-Mitsubishi UFJ Ltd.	0.16 billion yen				
Sumitomo Mitsui Banking Corporation	0.08 billion yen				
Development Bank of Japan Inc.	0.08 billion yen				
Sumitomo Mitsui Trust Bank, Limited	1.34 billion yen	0.275% + Base rate (Note)	January 10, 2014	January 10, 2021	

Mitsubishi UFJ Trust and Banking Corporation	1.34 billion yen				
Mizuho Bank, Ltd.	1.34 billion yen				
The Bank of Tokyo-Mitsubishi UFJ Ltd.	1.34 billion yen				
Sumitomo Mitsui Banking Corporation	0.67 billion yen				
Development Bank of Japan Inc.	0.67 billion yen				
Total	12.8 billion yen				

(Note) The base rate applicable on the interest payment date is based on a swap offered rate two business days before the borrowing which is corresponding to the term of each borrowing plus the TIBOR/LIBOR spread.

Short-term borrowing

Financial institution	Total amount to be borrowed	Interest rate	Drawdown date (plan)	Due date	Borrowing and repayment methods, security, and guarantee
Sumitomo Mitsui Trust Bank, Limited	0~2.1 billion yen (Note 1)	0.15% + Base rate (Note 2)	January 10, 2014	April 10, 2014	Borrowing based on a borrowing agreement with the lender shown at left as the creditor, lump-sum repayment, unsecured, and unguaranteed

(Note 1) Total amount to be borrowed will be decided after considering our cash on hand. In certain circumstances we may not carry out the borrowing.

(Note 2) The first interest payment will be made on the last day of January 2014 and the last day of each month thereafter, as well as on the due date of the principal (if this day is a non-business day, the following business day. If such day comes in the following month, the immediately preceding business day). 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. The base rate corresponding to the first interest calculation period is based on the drawdown 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.

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 appropriate the borrowed funds to acquire the real estate trust beneficiary interests to the 6 properties (the total anticipated acquisition price of 47,430 million yen) and for related expenses as announced in “Notice of Acquisition of Assets” on November 22, 2013. For the details of the properties to be acquired, please refer to the “Notice of Acquisition of Assets” announced on November 22, 2013.

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

(1) Amount of funds to be raised

A total of 12.8-14.9 billion yen

(2) Specific use of funds to be raised

Funds will be used to acquire the 6 properties and to cover related expenses as announced in “Notice of Acquisition of Assets” on November 22, 2013

(3) Time of disbursement

December 19, 2013 and January 10, 2014

4. Status of borrowings payable, etc. after the borrowing

(1) Interest-bearing debt after the borrowing

(In millions of yen)

	Before the borrowing (As of December 9, 2013)	After the borrowing (As of January 10, 2014) (Note 2)	Change
Short-term borrowings payable (Note 1)	3,000	3,000	0
Long-term borrowings to be repaid within a year	10,000	10,000	0
Long-term borrowings payable (Note 1)	75,000	87,800	12,800
Total borrowings payable	88,000	100,800	12,800
Investment corporation bonds	0	0	0
Total borrowings payable and investment corporation bonds	88,000	100,800	12,800
Other interest-bearing debt	0	0	0
Total interest-bearing debt	88,000	100,800	12,800

(Note 1) Short-term borrowings payable refer to the borrowings with a maturity period of one year or less, and long-term borrowings payable refer to the borrowings with a maturity period of more than one year.

(Note 2) Short-term borrowings payable, total borrowings payable, total borrowings payable and investment corporation bonds, and total interest-bearing debt after the borrowings assume that the short-term borrowing shall not be carried out.

(2) Basic financing information after the borrowing

	Before the borrowing (As of December 9, 2013)	After the borrowing (As of January 10, 2014) (Note 5)	Change (point)
Long-term borrowing ratio (Note 1) (Note 4)	96.6%	97.0%	0.4%
Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) (Note 2) (Note 4)	85.2%	87.1%	1.9%
Fixed interest ratio (Note 3) (Note 4)	71.6%	75.2%	3.6%

(Note 1) Long-term borrowing ratio is the ratio of the outstanding long-term borrowings including the portion of long-term borrowings to be repaid within a year to the total of outstanding interest-bearing debt.

(Note 2) Long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) is the ratio of the outstanding long-term borrowings (excluding the portion of long-term borrowings to be repaid within a 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 of fixed interest ratio to the total of outstanding interest-bearing debt and calculated after fixing the interest rate by interest rate swap agreement.

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

(Note 5) Long-term borrowing ratio, long-term borrowing ratio (excluding long-term borrowings to be repaid within a year) and fixed interest ratio assume that the short-term borrowing shall not be carried out.

5. Other

There are no significant changes in the “Investment Risk” section of the securities registration statement submitted on November 22, 2013, in relation to the risks related to the repayment of the borrowing.

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