



October 19, 2021

For Immediate Release

Advance Residence Investment
Corporation
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Notice Concerning Issuance of Investment Corporation Bonds (Green Bond)

Advance Residence Investment Corporation (ADR) announced today its decision to issue an investment corporation bonds (Green Bond) as follows, based on the general resolution on ADR bond issuance adopted at the Board of Directors' Meeting held on August 26, 2021.

1. Terms of Investment Corporation Bonds

(1) Name of Investment Corporation Bonds

ADR Unsecured Bond #34, Green Bond
(With *Pari Passu* clause among specified investment corporation bonds)
(Hereinafter referred to as the "Bond #34").

ADR Unsecured Bond #35, Green Bond
(With *Pari Passu* clause among specified investment corporation bonds)
(Hereinafter referred to as the "Bond #35").

(2) Total Amount of Bond Issuance

Bond #34	1,000 million yen
Bond #35	1,600 million yen
Total	2,600 million yen

(3) Form of Investment Corporation Bond Certificates

Under the *Act of Book-Entry Transfer of Company Bonds, Shares, etc.*, there will be no certificate for the bond.

(4) Issue Price

100 yen per par value of 100 yen

(5) Redemption Price

100 yen per par value of 100 yen

(6) Coupon Rate

Bond #34	0.400%
Bond #35	0.660%

- (7) Denomination
100 million yen
- (8) Offering Method
Public offering
- (9) Offering Period
October 19, 2021 (Tuesday)
- (10) Issue Date
October 25, 2021 (Monday)
- (11) Collateral / Guarantee
No collateral or guarantee is on the bond and no assets are reserved as security for the bond.
- (12) Redemption Method and Redemption Date
Bond #34 The entire principal shall be redeemed on October 24, 2031.
Bond #35 The entire principal shall be redeemed on October 24, 2036.
The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.
- (13) Coupon Payment Dates
April 25 and October 25 every year (first payment date is April 25 2022)
- (14) Financial Covenants
Contains a negative pledge.
- (15) Acquired Ratings
AA rating from JCR
- (16) Fiscal, Issuing and Paying Agent
Sumitomo Mitsui Trust Bank, Limited
- (17) Underwriters
Mizuho Securities Co., Ltd.
SMBC Nikko Securities Inc.

2. Purpose of the Issuance

ADR believes that the issuing of green bonds will enhance our financing base by broadening our investor universe, especially for investors interested in ESG investment. It is with this belief that ADR today decided to issue the first green bond among residential J-RIETs. The Investment Corporation bonds will be issued as green bonds in accordance with the green finance framework formulated by the Investment Corporation. Regarding the eligibility of the green finance framework, ADR has received a “Green 1 (F)” rating, the highest rating, in the JCR Green Finance Framework Evaluation by the Japan Credit Rating Agency, Ltd., an institution which assesses green financing.

3. Amount, Use and Scheduled Expenditure Date of Proceeds

(1) Amount of eEstimated Net Proceeds

2,577 million yen

(2) Specific Usage and Scheduled Expenditure Date of Proceeds

The proceeds will be used to partially repay a loan coming due on October 29, 2021. The existing loan was used to repay a loan originally used in the acquisition of Pacific Royal Court Minato Mirai Ocean Tower. As of March 4, 2019, Pacific Royal Court Minato Mirai Ocean Tower is awarded with 4 stars under DBJ Green Building Certification, and meet the eligible criteria as Eligible Green Assets.

(3) Investors Who Declared Intention to Invest in the Investment Corporation Bonds

Listed below in alphabetical order are investors to date who declared their intention of investment in the Investment Corporation Bond and agreed to the disclosure of their names.

- ASAHIKAWA SHINKIN BANK
- DaitokyoShinkumi Credit Cooperative
- GUNMAMIRAI Shinkumi Bank.
- Nishihyogo Shinkin Bank
- Shizuoka Yaizu Shinkin Bank
- SUWA SHINKIN BANK
- THE AWAJI SHINKIN BANK
- The Dai-ichi Life Insurance Company, Limited
- The SAGAMI Shinkin Bank
- The Yamanashi Chuo Bank, Ltd.

4. Other

There are no significant changes in the “Investment Risk” stated in the Securities Report filed on April 28, 2021 regarding the risk concerning redemption of investment corporation bonds.

Reference Material: Debt Financing Balance (As of October 29, 2021)

(in million yen)

	Before Refinancing ^(Note1)	After Refinancing ^(Note2)	Increase (Decrease)
Short-term Loans ^(Note3)	2,700	2,700	-
Long-term Loans ^(Note3)	186,009	183,409	(2,600)
Total Loans	188,709	186,009	(2,600)
Corporate Investment Bonds	34,000	36,600	2,600
Total interest-bearing debt	222,709	222,709	-

(Note1) As of October 24, 2021.

(Note2) The balance assumes that the following actions will be made.

* Of the 6,100 million yen in loan that will become due for repayment on October 29, 2021, 2,600 million yen will be repaid with the proceeds and cash on hand, and 2,000 million yen will be refinanced with long-term loan of the same amount on the repayment date, as announced in the " Notice Concerning Debt Financing and Repayment of Loan " dated March 25, 2021. In addition, the remaining 1,500 million yen will be refinanced with the same amount of long-term loan on the repayment date.

* There shall be no increase or decrease in loans and investment corporation bonds other than the above.

(Note3) Short-term loans are loans with repayment dates within one year from the drawdown date and long-term loans are loans with repayment dates that are more than one year away.

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest residential J-REIT, investing in over 270 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 460 billion yen). ADR can be expected have a stable dividend in the long-term and can be considered as a defensive J-REIT, on back of the stable income from residential assets and with the largest dividend reserve among J-REITs. ADR's website: <https://www.adr-reit.com/en/>

[Provisional Translation Only]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.