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For Immediate Release

Advance Residence Investment Corporation
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Notice Concerning Debt Financing (Including Green Loan) and Redemption of Bond

Advance Residence Investment Corporation (ADR) announced today its decisions regarding debt financing and redemption of bond as detailed below.

A portion of this loan is a green loan to be executed in accordance with the Green Finance Framework ^{Note1} (hereinafter referred to as the "Framework") developed by ADR and this is the first green loan for ADR. Going forward, ADR will continue to promote ESG considerations in its asset management and enhance our financing base by procuring funds through green finance.

1. Debt Financing (drawdown date: April 24, 2023)

(1) Details of the debt financing

(JPY:million)

No.	Lender	Planned Drawdown Date	Scheduled Amount	Interest Rate	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
1	Mizuho Bank, Ltd. (Green Loan)	April 24, 2023	2,000	Base rate ^{Note2} +0.11000%	April 24, 2024	1.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed
2 ^{Note3}	MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd.		1,000	Base rate ^{Note2} +0.50000%	October 24, 2023	0.5 year		
	Total or Weighted Average		3,000			0.8 year		

Note1 • For more information on the Green Finance Framework, please refer to the "Green Finance" page of ADR's website (<https://www.adr-reit.com/en/sustain/07>).

Note2 • Interest payment dates are the last business day of every month starting May 31, 2023 and ending on the principal repayment date.
• The JBA 1 month yen TIBOR rate of two business days prior to the latest interest payment date will be used as the base rate to calculate the applicable interest rate for the current calculation period. If the calculation period is less than 1 month, the accrued interest will be calculated using the base rate applicable and according to the method described in the contract.
• The floating interest rate for the loan will not be announced in the future. Please refer to JBA website (<https://www.jbatibor.or.jp/english/>) for the 1 month yen TIBOR.

Note3 • This is a loan based on the loan commitment agreement concluded on May 1, 2015.

(2) Scheduled contract date of green loan

April 20, 2023

(3) Scheduled submission date of loan application based on the loan commitment agreement

August 17, 2023

2. Amount and Purpose of the Debt Financing

(1) Amount of the debt financing

3,000 million yen

(2) Purpose of the debt financing

The fund procured from the debt financing will be used to redeem the existing bond (ADR Unsecured Bond #19) due on April 25, 2023. The existing investment corporation bond was procured to repay a loan originally used in the acquisition of Pacific Royal Court Minato Mirai Ocean Tower and Park Tower Shibaura Bayward Urban Wing. As of March 3, 2022, both properties have acquired A-rank in the CASBEE certification for real estate and are Eligible Green Assets that meet the eligibility criteria under the Framework.

3. Details of the Existing Bond to be Redeemed

(JPY:million)

Name of Investment Corporation Bond	Drawdown Date	Amount	Interest Rate (fixed rate)	Principal Repayment Date	Repayment Period	Principal Repayment	Collateral/ Guarantee
ADR Unsecured Bond #19 (with <i>Pari Passu</i> clause among specified investment corporation bonds)	April 25, 2013	3,000	1.32000%	April 25, 2023	10.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed

Reference Material: Debt Financing Balance (As of April 25, 2023)

(JPY:million)

	Before Refinancing ^{Note4}	After Refinancing	Increase (Decrease)
Short-term Loans ^{Note5}	0	3,000	3,000
Long-term Loans ^{Note5}	198,709	198,709	0
Total Loans	198,709	201,709	3,000
Corporate Investment Bonds	34,600	31,600	(3,000)
Total interest-bearing debt	233,309	233,309	-

Note4 As of April 23, 2023

Note5 Short-term Loans are Loans with maturity dates within one year from drawdown date and long-term Loans are Loans with maturity dates that are more than one year away.

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest J-REIT specializing in residential properties and is managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group, investing in over 270 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 470 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.

"Advance" is the common brand name of the real estate investment corporation managed by ITOCHU REIT Management Co., Ltd.

ADR's website: <https://www.adr-reit.com/en/>

IRM's website: <https://www.itc-rm.co.jp/en/>