



November 28, 2014

For Immediate Release

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Notice Concerning Debt Financing

Advance Residence Investment Corporation (ADR) announced today its decisions regarding debt financing.

1. Debt Financing (10.7 billion yen)

(1) Purpose for the debt financing

The funds procured from the debt financing as detailed below, will be used to acquire the beneficiary interests in trust (RESIDIA Nerima and 12 other properties)^(Note1) as detailed below.

(Note1) Please refer to the press release "Notice Concerning Acquisition of Investment Asset (RESIDIA Nerima and 12 other properties)" dated today.

(2) Details of the debt financing

< Short-term loan: 1 year, floating interest rate >

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|-------------------------------|---------------------------------------------------------------------------------|
| 1) Scheduled Lenders | : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited |
| 2) Scheduled Amount | : 10,700,000,000 yen |
| 3) Interest rate | : Base rate (JBA 1month yen TIBOR) + 0.10% ^(Note2) |
| 4) Planned drawdown date | : December 4, 2014 |
| 5) Debt financing method | : Loan contract shall be concluded on December 2, 2014. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : December 4, 2015 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed. |

(Note2)

- Interest payment dates are, last business day of every month starting from December 2014 and the principal repayment date.
- 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 (<http://www.jbatibor.or.jp/english/>) for the 1 month yen TIBOR.



Reference Material : Debt Financing Balance (As of December 4, 2014)

(JPY:thousand)

	Before Refinancing	After Refinancing	Increase (Decrease)
Short-term Loans ^(Note 3)	2,900,000	13,600,000	10,700,000
Long-term Loans ^(Note 3)	187,011,837	187,011,837	—
Total Loans	189,911,837	200,611,837	10,700,000
Corporate Investment Bonds	37,500,000	37,500,000	—
Total interest-bearing debt	227,411,837	238,111,837	10,700,000

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

- * The original Japanese version of this material is released today to the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Ministry of Land, Infrastructure and Transport Press Club for Construction Publications.
- * URL: <http://www.adr-reit.com/en/>

[Provisional Translation Only]

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