



January 23, 2014

For Immediate Release

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Notice Concerning Debt Financing and Repayment of Loan

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

1. Debt Financing

(1) Purpose for the debt financing (Total:6,410,000,000 yen)

The fund will be used to acquire assets (RESIDIA Higashizakura II and RESIDIA Sendai-Honcho)^(Note1) and repay a existing loan (3,000,000,000 yen) as detailed below.

(Note1) Please refer to the press release "Notice Concerning Acquisition of Investment Assets (RESIDIA Nakameguro II and 10 other properties)" dated January 9, 2014.

(2) Details of the debt financing

<Short-term loan: 0.5 month, floating interest rate>

- | | |
|-------------------------------|---|
| 1) Scheduled Lender | : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited |
| 2) Scheduled Amount | : 2,560,000,000 yen ^(Note2) |
| 3) Interest rate | : Base rate (JBA yen TIBOR) +0.70% ^(Note3) |
| 4) Planned drawdown date | : January 31, 2014 |
| 5) Debt financing method | : Loan based on the Loan Commitment agreement (3yrs) signed on May 1, 2012. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : February 17, 2014 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed |

<Short-term loan: 0.3 month, floating interest rate>

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|-------------------------------|---|
| 1) Scheduled Lender | : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation |
| 2) Scheduled Amount | : 3,850,000,000 yen |
| 3) Interest rate | : Base rate (JBA yen TIBOR) +0.50% ^(Note3) |
| 4) Planned drawdown date | : February 6, 2014 |
| 5) Debt financing method | : Loan based on the Loan Commitment agreement (3yrs) signed on May 1, 2012. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : February 17, 2014 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed |

2. Details of Repayment of existing loan

The loan to be repaid is based on the loan contract dated April 25, 2012.

- 1) Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
- 2) Loan Amount : 3,000,000,000 yen
- 3) Amount of Repayment : 3,000,000,000 yen^(Note2)
- 4) Principal Repayment date : January 31, 2014
- 5) Planned Date of Repayment : January 31, 2014

(Note2) • The balance of 440,000,000 yen between the amount listed on the Short-term loan of 2,560,000,000 yen and the repayment amount of 3,000,000,000 yen will be repaid from net proceeds of 2,000,000,000 yen bond issuance (Please refer to the “Notice Concerning Issuance of Investment Corporation Bond” dated November 8, 2013 for details.)

(Note3) • Interest payment will be made on the principal repayment date February 17, 2014.

• JBA 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. The accrued interest for the period will be calculated using one week and one month rate yen TIBOR 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.zenginkyo.or.jp/tibor/>) for JBA yen TIBOR.

Reference Material : Debt Financing Balance(As of February 6, 2014)

(JPY:thousand yen)

	Before Financing	After Financing (Note4)	Increase (Decrease)
Short-term Loans ^(Note 5)	0	6,410,000	6,410,000
Long-term Loans ^(Note 5)	183,552,970	180,549,595	-3,003,375
Total Loans	183,552,970	186,959,595	3,406,625
Investment Corporate Bonds	35,000,000	35,000,000	-
Total interest-bearing debt	218,552,970	221,959,595	3,406,625

(Note4) The calculation of the outstandings are based on the assumption that the January 31, 2014 amortization repayment (3,375,000yen) are executed.

(Note5) Short-term loans are loans with original repayment dates within one year and long-term loans are loans with original repayment dates over 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>

[Provisional Translation Only]

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