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For Immediate Release

Advance Residence Investment Corporation
Securities Code : 3269
3-26 Kanda Nishiki-cho, Chiyoda-ku, Tokyo
Kenji Kousaka, Executive Director

Asset Management Company:
AD Investment Management Co., Ltd.
Kenji Kousaka, President

Inquiries:
Tomoyuki Kimura, Director and General Manager
Corporate Management Department
TEL. +81-3-3518-0480

Notice Concerning Debt Financing and Repayment of Loans

Advance Residence Investment Corporation (ADR) announced today its decisions regarding debt financing and repayment of loans (hereafter; refinancing), as detailed below.

1. Outline

(1) Purpose of the refinancing (debt financing: Total: 20,880,000,000 yen)

The fund will be used to repay existing loans (20,912,749,000 yen) as detailed below.

(2) Effect of the refinancing

Debt Financing at Significantly Longer Duration and Lower Interest Rate Compared to the Retiring Existing Loans		
	Retiring Existing Loans (note1)	Debt Financing (note2)
Amount	20,912,749,000 yen	20,880,000,000 yen
Weighted Average Initial Duration	2.1yrs	7.6 yrs
Weighted Average Interest Rate	1.34% (note3)	1.02% (note4)

Financial Foundation Strengthened		
	Before Refinancing (as of 31 January 2014)	After refinancing (as of 17 February 2014)
Weighted Average Initial Duration	3.8yrs (note5)	4.4yrs (note5)
Weighted Average Interest Rate	1.26% (note3)	1.22% (note3 · note4)

(note1) Please refer to “3.Details of Repayment of existing loans (Total:20,912,749,000 yen)” as details of existing loans.

(note2) Please refer to “2.Details of the debt financing (Total: 20,880,000,000 yen)” as details of debt financing.

(note3) In calculating the weighted average interest rate, the effect of the interest rate swaps are reflected. If there are any discrepancies between the principal amount of the swap and the underlining amount of debt, the swap’s principal amount will be capped at the underlining amount of debt in the calculation.

(note4) The interest rate for the 20,880 million yen loan is scheduled to be fixed through interest rate swap. The interest rate listed above assumes that the swap is executed using the swap rate as of February 5, 2014. The actual fixed rate will be announced at the time of actual execution.

(note5) In calculating, amortization is not counted.

2. Details of the debt financing (Total: 20,880,000,000 yen)

<Long-term loan: 11 year, floating interest rate>

- 1) Scheduled Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- 2) Scheduled Amount : 500,000,000 yen^(Note6)
- 3) Interest rate : Base rate (JBA 3 month yen TIBOR) +0.625%^(Note7)
- 4) Planned drawdown date : February 17, 2014
- 5) Debt financing method : Loan contract shall be concluded on February 13, 2014.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : February 14, 2025
- 8) Collateral/guarantee : Unsecured and non-guaranteed

<Long-term loan: 10 year, floating interest rate>

- 1) Scheduled Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
- 2) Scheduled Amount : 1,000,000,000 yen^(Note6)
- 3) Interest rate : Base rate (JBA 3 month yen TIBOR) +0.575%^(Note7)
- 4) Planned drawdown date : February 17, 2014
- 5) Debt financing method : Loan contract shall be concluded on February 13, 2014.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : February 16, 2025
- 8) Collateral/guarantee : Unsecured and non-guaranteed

<Long-term loan: 9 year, floating interest rate>

- 1) Scheduled Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
Sumitomo Mitsui Banking Corporation
Mizuho Bank, Ltd.
- 2) Scheduled Amount : 3,660,000,000 yen^(Note6)
- 3) Interest rate : Base rate (JBA 3 month yen TIBOR) +0.525%^(Note7)
- 4) Planned drawdown date : February 17, 2014
- 5) Debt financing method : Loan contract shall be concluded on February 13, 2014.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : February 16, 2023
- 8) Collateral/guarantee : Unsecured and non-guaranteed

<Long-term loan: 8 year, floating interest rate>

- 1) Scheduled Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
Mizuho Bank, Ltd.
Mizuho Trust & Banking
- 2) Scheduled Amount : 5,800,000,000 yen^(Note6)
- 3) Interest rate : Base rate (JBA 3 month yen TIBOR) +0.425%^(Note7)
- 4) Planned drawdown date : February 17, 2014
- 5) Debt financing method : Loan contract shall be concluded on February 13, 2014.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : February 16, 2022
- 8) Collateral/guarantee : Unsecured and non-guaranteed

<Long-term loan: 7 year, floating interest rate>

- 1) Scheduled Lender : Mizuho Bank, Ltd.
Mizuho Trust & Banking
Mitsubishi UFJ Trust and Banking Corporation
- 2) Scheduled Amount : 4,670,000,000 yen^(Note6)
- 3) Interest rate : Base rate (JBA 3 month yen TIBOR) +0.35%^(Note7)
- 4) Planned drawdown date : February 17, 2014
- 5) Debt financing method : Loan contract shall be concluded on February 13, 2014.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : February 16, 2021
- 8) Collateral/guarantee : Unsecured and non-guaranteed

<Long-term loan: 6 year, floating interest rate>

- 1) Scheduled Lender : Mizuho Bank, Ltd.
Mizuho Trust & Banking
- 2) Scheduled Amount : 5,250,000,000 yen^(Note6)
- 3) Interest rate : Base rate (JBA 3 month yen TIBOR) +0.3%^(Note7)
- 4) Planned drawdown date : February 17, 2014
- 5) Debt financing method : Loan contract shall be concluded on February 13, 2014.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : February 14, 2020
- 8) Collateral/guarantee : Unsecured and non-guaranteed

3. Details of Repayment of existing loans (Total:20,912,749,000 yen)

The loan to be repaid is based on the Term Loan Commitment (No. 1) agreement signed on June 4, 2010.

- 1) Lender : Mizuho Bank, Ltd.
Mizuho Trust & Banking
- 2) Loan Amount : 12,996,355,000 yen
- 3) Amount of Repayment : 12,996,355,000 yen^(Note6)
- 4) Principal Repayment date : February 17, 2014
- 5) Planned Date of Repayment : February 17, 2014

The loan to be repaid is based on the Term Loan Commitment (No. 2) agreement signed on June 4, 2010.

- 1) Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
Sumitomo Mitsui Banking Corporation
Mitsubishi UFJ Trust and Banking Corporation
- 2) Loan Amount : 1,506,394,000 yen
- 3) Amount of Repayment : 1,506,394,000 yen^(Note6)
- 4) Principal Repayment date : February 17, 2014
- 5) Planned Date of Repayment : February 17, 2014

The loan to be repaid is based on the Loan Commitment agreement (3yrs) signed on May 1, 2012.

1) Lender	:	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited
2) Loan Amount	:	2,560,000,000 yen
3) Amount of Repayment	:	2,560,000,000 yen ^(Note6)
4) Principal Repayment date	:	February 17, 2014
5) Planned Date of Repayment	:	February 17, 2014

The loan to be repaid is based on the Loan Commitment agreement (3yrs) signed on May 1, 2012.

1) Lender	:	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited
2) Loan Amount	:	3,850,000,000 yen
3) Amount of Repayment	:	3,850,000,000 yen ^(Note6)
4) Principal Repayment date	:	February 17, 2014
5) Planned Date of Repayment	:	February 17, 2014

(Note6) • The balance of 32,749,000 yen between the amount listed on the “2.Details of the debt financing (Total 20,880,000,000 yen)” and “3.Details of Repayment of existing loans (Total: 20,912,749,000 yen)” will be repaid from cash on hand.

(Note7) • Interest payment dates are, last business days of January, April, July, October and the principal repayment date starting from April 2014.
• JBA 3 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 3 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.zenginkyo.or.jp/tibor/>) for the 3 month yen TIBOR.

Reference Material : Debt Financing Balance(As of February 17, 2014)

(JPY:thousand yen)

	Before Financing	After Financing	Increase (Decrease)
Short-term Loans ^(Note 8)	6,410,000	0	-6,410,000
Long-term Loans ^(Note 8)	180,549,595	186,926,846	6,377,251
Total Loans	186,959,595	186,926,846	-32,749
Investment Corporate Bonds	35,000,000	35,000,000	-
Total interest-bearing debt	221,959,595	221,926,846	-32,749

(Note8) 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.