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For Immediate Release

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### **Notice Concerning Signing of Interest Rate Swap Agreements**

Advance Residence Investment Corporation announced today its decision to enter into interest rate swap agreements as detailed below.

#### 1. Purpose for entering into the interest rate swap agreements

To hedge the risk of interest rate fluctuations of 10,000 million yen loan out of 12,500 million yen loan <sup>(Note)</sup>, to be made on April 14, 2015.

<sup>(Note)</sup> Please refer to the "Notice Concerning Debt Financing" dated April 3, 2015 for details.

#### 2. Details of the interest rate swap agreements

##### Long-term loan (1,500 million yen, 10 year)

- |                             |  |                        |                   |
|-----------------------------|--|------------------------|-------------------|
| (1) Counterparty:           | The Bank of Tokyo-Mitsubishi UFJ, Ltd.   |                        |                   |
| (2) Notional principal:     | 1,500 million yen  |                        |                   |
| (3) Interest rate:          | Pay:   | Fixed rate interest    | 0.56600%          |
|                             | Receive:   | Floating-rate interest | 1 month yen TIBOR |
| (4) Contract period:        | From April 14, 2015 to April 14, 2025  |                        |                   |
| (5) Interest payment dates: | Interest payment dates are last business day of every month during the contract period, starting April 2015 and ending on the contract period end of April 14, 2025. |                        |                   |

By entering the interest rate swap agreement, the interest rate for the loan above (principal amount of 1,500 million yen, 10 year) is to be virtually fixed at 0.99600%.

##### Long-term loan (1,400 million yen, 9 year)

- |                             |  |                        |                   |
|-----------------------------|--|------------------------|-------------------|
| (1) Counterparty:           | The Bank of Tokyo-Mitsubishi UFJ, Ltd.   |                        |                   |
| (2) Notional principal:     | 1,400 million yen  |                        |                   |
| (3) Interest rate:          | Pay:   | Fixed rate interest    | 0.49600%          |
|                             | Receive:   | Floating-rate interest | 1 month yen TIBOR |
| (4) Contract period:        | From April 14, 2015 to April 12, 2024  |                        |                   |
| (5) Interest payment dates: | Interest payment dates are last business day of every month during the contract period, starting April 2015 and ending on the contract period end of April 12, 2024. |                        |                   |

By entering the interest rate swap agreement, the interest rate for the loan above (principal amount of 1,400 million yen, 9 year) is to be virtually fixed at 0.87600%.



Long-term loan (3,200 million yen, 8 year)

- (1) Counterparty: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (2) Notional principal: 3,200 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.42725%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From April 14, 2015 to April 14, 2023
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting April 2015 and ending on the contract period end of April 14, 2023.

By entering the interest rate swap agreement, the interest rate for the above eight year loan will be fixed at 0.74725% for the amount of 2,700 million yen and 0.72725% for the amount of 500 million yen out of the total principal amount of 3,200 million yen.

Long-term loan (1,200 million yen, 7 year 6 month)

- (1) Counterparty: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (2) Notional principal: 1,200 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.39675%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From April 14, 2015 to October 14, 2022
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting April 2015 and ending on the contract period end of October 14, 2022.

By entering the interest rate swap agreement, the interest rate for the loan above (principal amount of 1,200 million yen, 7 year 6 month) is to be virtually fixed at 0.68675%.

Long-term loan (1,700 million yen, 7 year)

- (1) Counterparty: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (2) Notional principal: 1,700 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.36075%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From April 14, 2015 to April 14, 2022
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting April 2015 and ending on the contract period end of April 14, 2022.

By entering the interest rate swap agreement, the interest rate for the loan above (principal amount of 1,700 million yen, 7 year) is to be virtually fixed at 0.62075%.

Long-term loan (1,000 million yen, 6 year)

- (1) Counterparty: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (2) Notional principal: 1,000 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.29550%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From April 14, 2015 to April 14, 2021
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting April 2015 and ending on the contract period end of April 14, 2021.

By entering the interest rate swap agreement, the interest rate for the loan above (principal amount of 1,000 million yen, 6 year) is to be virtually fixed at 0.49550%.



\* URL: <http://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.*