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For Immediate Release

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

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

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

To hedge the risk of interest rate fluctuations of 3,000 million yen loan<sup>(Note1)</sup> to be made on December 18, 2015.

<sup>(Note1)</sup> Please refer to the “Notice Concerning Debt Financing and Repayment of Loan” dated December 11, 2015 for details.

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

Loan to be hedged: Long-term loans (1,000 million yen 10 year and 2,000 million yen 8 year)

(JPY:million)

No.	Counterparty	Notional principal	Contract start date	Contract end date	Repayment period	Interest rate	
						Pay (Fixed rate)	Receive (Floating-rate)
1	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000	December 18, 2015	December 18, 2025	10 year	0.48000% <sup>(Note2)</sup>	1 month yen TIBOR <sup>(Note2)</sup>
2	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000	December 18, 2015	December 18, 2023	8 year	0.34500% <sup>(Note2)</sup>	1 month yen TIBOR <sup>(Note2)</sup>
	Total or weighted average	3,000			8.7 year	0.39000% <sup>(Note2)</sup>	1 month yen TIBOR <sup>(Note2)</sup>

<sup>(Note2)</sup> Interest payment dates are last business day of every month during the contract period, starting January 2016 and ending on the contract period end.

The interest rate for the loan above (principal amount of 1,000 million yen, 10 year, floating rate) is to be basically fixed at 0.84000% and the loan above (principal amount of 2,000 million yen, 8 year, floating rate) is to be basically fixed at 0.60500% by entering the interest rate swap agreement.

#### 3. Contract date of interest rate swap agreements

December 16, 2015

\* 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.