

April 12, 2016

For Immediate Release

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Notice Concerning Debt Financing Interest Rate and Signing of Interest Rate Swap Agreement

Advance Residence Investment Corporation (ADR) announced that out of the 1.75 billion long-term loan ^(Note 1) to be drawn down on April 14, 2016, interest rates for the 500 million yen fixed rate ten year tranche of the loan has been set as follows.

Additionally, ADR announced that an interest rate swap agreement has been entered to hedge against the risk of interest rate fluctuation for the 500 million yen floating rate twelve year tranche of the loan as detailed below.

^(Note1) Please refer to the “Notice Concerning Debt Financing and Repayment of Loan” dated March 16, 2016 for details.

1. Debt Financing Interest Rate (Long-term Loan : 500 million yen, 10 year)

| Lender | Loan Balance (mm yen) | Drawdown Date | Interest Rate | Principal Repayment date | Repayment Period | Principal repayment | Collateral/ Guarantee |
|--|-----------------------|----------------|---------------------|--------------------------|------------------|----------------------------------|--------------------------|
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 500 | April 14, 2016 | Fixed rate 0.51000% | March 24, 2026 | 10 year | Pay in full on the maturity date | Unsecured Non-guaranteed |

2. Details of interest rate swap agreement

- Contract date of interest rate swap agreement: April 12, 2016
- Loan to be hedged: Long-term loans (500 million yen, 12 year)

| Counterparty | Notional principal (mm yen) | Contract start date | Contract end date | Repayment period | Interest rate | |
|-------------------------------------|-----------------------------|---------------------|-------------------|------------------|--------------------------------|--------------------------------------|
| | | | | | Pay (Fixed rate) | Receive (Floating-rate) |
| Sumitomo Mitsui Trust Bank, Limited | 500 | April 14, 2016 | March 24, 2028 | 12 year | 0.28525% ^(Note2) | 1 month yen TIBOR ^(Note2) |

^(Note2) Interest payment dates are last business day of every month during the contract period, starting April 2016 and ending on the contract period end.

The interest rate for the loan above (principal amount of 500 million yen, 12 year, floating rate) is to be basically fixed at 0.74525% by entering the interest rate swap agreement.

* URL: <http://www.adr-reit.com/en/>

[Provisional Translation Only]

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