



February 8, 2017

**For Immediate Release**

Advance Residence Investment Corporation  
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**Notice Concerning Issuance of Investment Corporation Bond**

Advance Residence Investment Corporation (ADR) announced today its decision to issue investment corporation bond as follows, based on the general resolution on ADR bond issuance adopted at the Board of Directors' Meeting held on July 25, 2016.

1. Terms of Investment Corporation Bonds

(1) Name of Investment Corporation Bond

ADR Unsecured Bond #26 (Bond #26)  
(with *Pari Passu* clause among specified investment corporation bonds)

(2) Total Amount of Bond

Bond #26 2,000 million yen

(3) Form of Investment Corporation Bond Certificates

Under the *Act of Book-Entry Transfer of Company Bonds, Shares, etc.*, there will be no bond certificate for Bond #26.

(4) Issue Price

100 yen per par value of 100 yen

(5) Redemption Price

100 yen per par value of 100 yen

(6) Coupon Rate

Bond #26 0.18%

(7) Denomination

100 million yen

(8) Offering Method

Public offering

- (9) Offering Period  
February 8, 2017 (Wednesday)
- (10) Issue Date  
February 17, 2017 (Friday)
- (11) Collateral / Guarantee  
No collateral or guarantee is on the bond and no assets are reserved as security specifically for the bond.
- (12) Redemption Method and Redemption Date  
Bond #26            The entire principal shall be redeemed on August 17, 2022.  
The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.
- (13) Coupon Payment Dates  
February 17 and August 17 every year (first payment date is August 17 2017)
- (14) Financial Covenants  
Contains a negative pledge.
- (15) Acquired Ratings  
AA            (JCR)
- (16) Fiscal, Issuing and Paying Agent  
Mizuho Bank, Ltd.
- (17) Underwriters  
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
Mizuho Securities Co., Ltd.

## 2. Purpose of the Issuance

The funds will be used in the early repayment of loans <sup>(Note1)</sup>.

(Note1) Please refer to the press release “*Notice Concerning Early Repayment of Loan*” dated today for the loans detail.

## 3. Amount, Use and Scheduled Expenditure Date of Proceeds

- (1) Amount of estimated net proceeds  
1,988 million yen
- (2) Specific usage and Scheduled Expenditure Date of Proceeds  
The proceeds will be used for the early repayment of loans on February 28, 2017.

#### 4. Other

There are no significant changes in the “Investment Risk” stated in the Securities Report filed on October 28, 2016 regarding the risk concerning redemption of investment corporation bonds.

#### Reference

#### Status of Interest-Bearing Debts after the Issuance of the Investment Corporation Bonds

(As of February 28, 2017)

(in thousand yen)

	Before Issuance	After Issuance	Difference
Short-term loans <sup>(Note2)</sup>	0	0	-
Long-term loans <sup>(Note2) (Note3)</sup>	190,274,329	188,074,329	-2,200,000
Total loans	190,274,329	188,074,329	-2,200,000
Investment Corporation Bonds	33,500,000	35,500,000	2,000,000
Total interest-bearing debt	223,774,329	223,574,329	-200,000

(Note2) Short-term loans are loans with original maturity periods of one year or less and long-term loans are loans with original maturity periods of over one year.

(Note3) The balance assumes early repayment of the existing loans on February 28, 2017, announced in the press release titled “Notice Concerning Early Repayment of Loans” today.

\* 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/en/>

*[Provisional Translation Only]*

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