



July 4, 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 #27 (Bond #27)
(with *Pari Passu* clause among specified investment corporation bonds)

(2) Total Amount of Bond

Bond #27 3,000 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 #27.

(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 #27 0.50%

(7) Denomination

100 million yen

(8) Offering Method

Public offering

- (9) Offering Period
July 4, 2017 (Tuesday)
- (10) Issue Date
July 18, 2017 (Tuesday)
- (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 #27 The entire principal shall be redeemed on July 16, 2027.
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
January 18 and July 18 every year (first payment date is January 18 2018)
- (14) Financial Covenants
Contains a negative pledge.
- (15) Acquired Ratings
AA (JCR)
- (16) Fiscal, Issuing and Paying Agent
Sumitomo Mitsui Trust Bank,Limited
- (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 loan ^(Note1).

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

3. Amount, Use and Scheduled Expenditure Date of Proceeds

- (1) Amount of estimated net proceeds
2,980 million yen
- (2) Specific usage and Scheduled Expenditure Date of Proceeds
The proceeds will be used for the early repayment of loan on July 31, 2017.

4. Other

There are no significant changes in the “Investment Risk” stated in the Securities Report filed on April 27, 2017 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 July 31, 2017)

(in thousand yen)

	Before Issuance	After Issuance	Difference
Short-term loans ^(Note2)	0	0	-
Long-term loans ^{(Note2) (Note3)}	192,074,329	188,874,329	-3,200,000
Total loans	192,074,329	188,874,329	-3,200,000
Investment Corporation Bonds	31,500,000	34,500,000	3,000,000
Total interest-bearing debt	223,574,329	223,374,329	-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 loan on July 31, 2017, announced today in the press release titled “Notice Concerning Early Repayment of Loan”.

* 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.