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For Immediate Release

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Notice Concerning Debt Financing and Signing of Interest Rate Swap Agreement

Advance Residence Investment Corporation (ADR) announced that out of the 7,290 million long-term loan ^(Note 1) to be drawn down on March 24, 2020, interest rates for the 5,000 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 1,370 million yen floating rate ten year tranche of the loan as detailed below.

^(Note1) Please refer to the “Notice Concerning Debt Financing and Repayment of Loans” dated March 12, 2020 for details.

1. Debt Financing (drawdown date: March 24, 2020)

(1) Details of the Debt Financing

(JPY:million)

No.	Lender	Planned Drawdown Date	Scheduled Amount	Interest Rate	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
1	MUFG Bank, Ltd.	March 24, 2020	2,000	0.41000%	March 22, 2030	10.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed
2	Sumitomo Mitsui Trust Bank, Limited Shinkin Central Bank		3,000	0.43880%				
	Total or Weighted Average		5,000	0.42728%				



2. Details of Interest Rate Swap Agreement

- Loan to be hedged: Long-term loans (1,370 million yen, 10 year)
- Contract date of interest rate swap agreement: March 19, 2020

Counterparty	Notional principal (mm yen)	Contract start date	Contract end date	Repayment period	Interest rate	
					Pay (Fixed rate)	Receive (Floating-rate)
Nomura Securities Co., Ltd.	1,370	March 24, 2020	March 22, 2030	10 year	0.2000% (Note2)	3 month yen TIBOR ^(Note2)

^(Note2) Interest payment dates are the last business day of every January, April, July, October starting April 30, 2020 and ending on the principal repayment date.

The interest rate for the loan above (principal amount of 1,370 million yen, 10 year, floating rate) is to be basically fixed at 0.4000% by entering the interest rate swap agreement.

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest residential J-REIT, investing in over 260 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 450 billion yen). ADR can be expected have a stable dividend in the long-term and can be considered as a defensive J-REIT, on back of the stable income from residential assets and with the largest dividend reserve among J-REITs.

ADR's website: <https://www.adr-reit.com/en/>