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For Immediate Release

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Notice Concerning on Signing of Interest Rate Swap Agreement

Advance Residence Investment Corporation (ADR) announced today its decision to enter into interest rate swap agreement as detailed below.

1. Reason for entering into the interest rate swap agreement

To hedge the risk of interest rate fluctuations of 10,400 million yen loan^(Note1), (hereafter; the LOAN) to be made on April 27, 2012.

^(Note1)Please refer to the "Notice Concerning Debt Financing and Repayment of Loans" dated April 25, 2012 for details.

2. Details of interest rate swap agreement

Long-term loan (6,000million yen, 5 year 4 month)

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|-----------------------------|---|------------------------|-------------------|
| (1) Counterparty: | Mitsubishi UFJ Trust and Banking Corporation | | |
| (2) Notional principal: | 6,000 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.485% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract period: | From April 27, 2012 to August 31, 2017. | | |
| (5) Interest payment dates: | Interest payment dates are last business day of January, April, July and October of every year during the contract period, starting July 2012 and the end of the contract which is August 31, 2017. | | |

The interest rate for the LOAN (principal amount of 6,000 million yen) is to be basically fixed at 1.095% by entering the interest rate swap agreement.

Long-term loan (4,400million yen, 6 year)

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|-----------------------------|--|------------------------|-------------------|
| (1) Counterparty: | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | | |
| (2) Notional principal: | 4,400 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.535% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract period: | From April 27, 2012 to April 27, 2018. | | |
| (5) Interest payment dates: | Interest payment dates are last business day of January, April, July and October of every year during the contract period, starting July 2012 and the end of the contract which is April 27, 2018. | | |

The interest rate for the LOAN (principal amount of 4,400 million yen) is to be basically fixed at 1.195% by entering the interest rate swap agreement.



- * 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>

[Provisional Translation Only]

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