



June 19, 2012

For Immediate Release

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Notice Concerning Debt Financing and Repayment of Loans

Advance Residence Investment Corporation (ADR) announced today its decisions regarding debt financing and repayment of loans as detailed below.

1. Debt Financing

(1) Reason for debt financing (Total:8,200,000,000 yen)

The funds will be used to repay of loans. (Total:8,225,078,000 yen)

(2) Details of debt financing

< Long-term loan: 2 year, floating interest rate >

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| 1) Scheduled Lenders | : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
Aozora Bank, Ltd.
The Nishi-Nippon City Bank |
| 2) Scheduled Amount | : 2,500,000,000 yen |
| 3) Interest rate | : Base rate (JBA 1 month yen TIBOR) + 0.39% (Note1) |
| 4) Planned drawdown date | : June 25, 2012 |
| 5) Debt financing method | : Loan contract shall be signed on June 21, 2012. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : June 30, 2014 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed. |

< Long-term loan: 3 year 2 month, floating interest rate >

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| 1) Scheduled Lenders | : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
Resona Bank, Limited
The Nishi-Nippon City Bank |
| 2) Scheduled Amount | : 3,000,000,000 yen |
| 3) Interest rate | : Base rate (JBA 3 month yen TIBOR) + 0.48% (Note2) |
| 4) Planned drawdown date | : June 25, 2012 |
| 5) Debt financing method | : Loan contract shall be signed on June 21, 2012. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : August 31, 2015 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed. |

< Long-term loan: 7 year, fixed interest rate >

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| 1) Scheduled Lenders | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Trust Bank, Limited
Aozora Bank, Ltd. |
| 2) Scheduled Amount | : | 2,700,000,000 yen |
| 3) Interest rate | : | Base rate (JBA 3 month yen TIBOR) + 0.70% (Note2) |
| 4) Planned drawdown date | : | June 29, 2012 |
| 5) Debt financing method | : | Loan contract shall be signed on June 21, 2012. |
| 6) Principal repayment method | : | The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : | June 28, 2019 |
| 8) Collateral/guarantee | : | Unsecured and non-guaranteed. |

2. Details of Repayment

Loan based on the loan contract dated June 23, 2008.

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| 1) Lenders | : | Sumitomo Mitsui Trust Bank, Limited
Aozora Bank, Ltd.
Resona Bank, Limited
The Nishi-Nippon City Bank |
| 2) Loan Amount | : | 4,978,369,000 yen (Note3) |
| 3) Amount of Repayment | : | 4,978,369,000 yen |
| 4) Principal Repayment date | : | June 25, 2012 |
| 5) Planned Date of Repayment | : | June 25, 2012 |

Loan based on the term loan contract dated May 27, 2010.

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| 1) Lenders | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Aozora Bank, Ltd. |
| 2) Loan Amount | : | 3,246,709,000 yen (Note3) |
| 3) Amount of Repayment | : | 3,246,709,000 yen |
| 4) Principal Repayment date | : | June 29, 2012 |
| 5) Planned Date of Repayment | : | June 29, 2012 |

(Note1) • Interest payment dates are, last business day of every month and the principal repayment date.

- JBA 1 month yen TIBOR rate of two business days prior to the latest interest payment date will be used as the base rate to calculate the applicable interest rate for the current calculation period. If the calculation period is less than 1 month, the accrued interest will be calculated using the base rate applicable and according to the method described in the contract.
- The floating interest rate for the loan will not be announced in the future. Please refer to JBA website (<http://www.zenginkyo.or.jp/tibor/>) for the 1 month yen TIBOR.

(Note2) • Interest payment dates are, last business day of January, April, July, October and the principal repayment date.

- JBA 3 month yen TIBOR rate of two business days prior to the latest interest payment date will be used as the base rate to calculate the applicable interest rate for the current calculation period. If the calculation period is less than 3 month, the accrued interest will be calculated using the base rate applicable and according to the method described in the contract.
- The floating interest rate for the loan will not be announced in the future. Please refer to JBA website (<http://www.zenginkyo.or.jp/tibor/>) for the 3 month yen TIBOR.

(Note3) • The balance of 25,078,000 yen between the amount listed on the “1. Debt Financing” of 8,200,000,000 yen (Planned drawdown date June 29, 2012) and the repayment amount of 8,225,078,000 yen (Planned repayment date June 29, 2012) will be repaid using cash on hand.

Reference Material : Debt Financing Balance(As of June 29, 2012)

(The amount is rounded down to the nearest thousand yen.)

	Before Refinancing(Note3)	After Refinancing	Increase (Decrease)
Short-term Loans(Note 4)	1,500,000	1,500,000	-
Long-term Loans(Note 4)	167,372,964	167,347,886	-25,078
Total Loans	168,872,964	168,847,886	-25,078
Corporate Investment Bonds	37,500,000	37,500,000	-
Total interest-bearing debt	206,372,964	206,347,886	-25,078

(Note4) Short-term loans are loans with repayment dates within one year and long-term loans are loans with repayment dates over one year away.

- * 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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