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For Immediate Release

Advance Residence Investment Corporation
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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:3,400,000,000 yen)

The funds will be used to repay a maturing loan (903,235,000 yen) and redeem the part of Nippon Residential Investment Corporation's 3rd Series Unsecured Investment Corporation Bond (9,700,000,000 yen).

(2) Details of debt financing

< Long-term loan: 5 year, fixed interest rate >

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|-------------------------------|--|
| 1) Scheduled Lenders | : Taiyo Life Insurance Company |
| 2) Scheduled Amount | : 1,500,000,000 yen |
| 3) Interest rate | : TBD ^(Note1) |
| 4) Planned drawdown date | : September 19, 2012 |
| 5) Debt financing method | : Loan contract shall be signed on September 14, 2012. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : September 29, 2017 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed |

< Long-term loan: 3 year 7 month, floating interest rate >

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| 1) Scheduled Lenders | : The Kagawa Bank, Ltd. |
| 2) Scheduled Amount | : 500,000,000 yen |
| 3) Interest rate | : Base rate (JBA 3 month yen TIBOR) + 0.44% ^(Note2) |
| 4) Planned drawdown date | : September 21, 2012 |
| 5) Debt financing method | : Loan contract shall be signed on September 19, 2012. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : April 28, 2016 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed |

< Long-term loan: 5 year, floating interest rate >

- 1) Scheduled Lenders : The Kagawa Bank, Ltd.
- 2) Scheduled Amount : 500,000,000 yen
- 3) Interest rate : Base rate (JBA 3 month yen TIBOR) + 0.53% ^(Note2)
- 4) Planned drawdown date : September 21, 2012
- 5) Debt financing method : Loan contract shall be signed on September 19, 2012.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : September 29, 2017
- 8) Collateral/guarantee : Unsecured and non-guaranteed

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

- 1) Scheduled Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- 2) Scheduled Amount : 450,000,000 yen
- 3) Interest rate : TBD ^(Note1)
- 4) Planned drawdown date : September 21, 2012
- 5) Debt financing method : Loan contract shall be signed on September 19, 2012.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : September 30, 2019
- 8) Collateral/guarantee : Unsecured and non-guaranteed

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

- 1) Scheduled Lenders : Sumitomo Mitsui Trust Bank, Limited
- 2) Scheduled Amount : 450,000,000 yen
- 3) Interest rate : TBD ^(Note1)
- 4) Planned drawdown date : September 21, 2012
- 5) Debt financing method : Loan contract shall be signed on September 19, 2012.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : September 30, 2019
- 8) Collateral/guarantee : Unsecured and non-guaranteed

2. Details of Repayment

Loan based on the loan contract dated September 14, 2007.

- 1) Lenders : Taiyo Life Insurance Company
- 2) Loan Amount : 903,235,000 yen ^(Note3)
- 3) Amount of Repayment : 903,235,000 yen
- 4) Principal Repayment date : September 19, 2012
- 5) Planned Date of Repayment : September 19, 2012

(Note1) · The interest rate will be disclosed separately when it is finalized.

(Note2) · Interest payment dates are, last business days 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 7,203,235,000 yen between the amount listed on the “1. Debt Financing” of 3,400,000,000 yen (Planned drawdown date September 19, 2012 and September 21, 2012) and the total amount 10,603,235,000 yen of the repayment amount of 903,235,000 yen (Planned repayment date September 19, 2012) and the redemption amount of 9,700,000,000 yen of the Nippon Residential Investment Corporation’s 3rd Series Unsecured Investment Corporation Bond (Planned redemption date September 24, 2012) will be repaid using cash on hand and the proceed from the investment corporation bond issuance announced on September 5, 2012.

Reference Material : Debt Financing Balance(As of September 24, 2012)

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

	Before Refinancing	After Refinancing	Increase (Decrease)
Short-term Loans ^(Note 4)	1,500,000	1,500,000	-
Long-term Loans ^(Note 4)	167,269,511	169,766,276	2,496,765
Total Loans	168,769,511	171,266,276	2,496,765
Investment Corporate Bonds	37,500,000	35,000,000	-2,500,000
Total interest-bearing debt	206,269,511	206,266,276	-3,235

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