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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:4,148,000,000 yen)

The funds will be used to repay a maturing loan (4,148,629,000 yen).

(2) Details of debt financing

< Long-term loan: 1 year, floating interest rate >

- |                               |   |
|-------------------------------|---|
| 1) Scheduled Lenders          | : The Bank of Tokyo-Mitsubishi UFJ, Ltd.<br>Sumitomo Mitsui Trust Bank, Limited |
| 2) Scheduled Amount           | : 4,148,000,000 yen <sup>(Note1)</sup>  |
| 3) Interest rate              | : Base rate (JBA 1 month yen TIBOR) + 0.35% <sup>(Note2)</sup>                  |
| 4) Planned drawdown date      | : January 25, 2013  |
| 5) Debt financing method      | : Loan based on the loan contract that shall be signed on January 23, 2013.     |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date.    |
| 7) Principal repayment date   | : January 24, 2014  |
| 8) Collateral/guarantee       | : Unsecured and non-guaranteed  |

#### 2. Details of Repayment

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

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|------------------------------|---|
| 1) Lenders                   | : Development Bank of Japan<br>Sumitomo Mitsui Trust Bank, Limited<br>Aozora Bank, Ltd.<br>Resona Bank, Limited |
| 2) Loan Amount               | : 4,148,629,000 yen <sup>(Note1)</sup>  |
| 3) Amount of Repayment       | : 4,148,629,000 yen   |
| 4) Principal Repayment date  | : January 25, 2013  |
| 5) Planned Date of Repayment | : January 25, 2013  |

- (Note1) • The balance of 629,000 yen between the amount listed on the “1. Debt Financing ” of 4,148,000,000 yen (Planned drawdown date January 25, 2013) and “2. Details of Repayment ” of 4,148,629,000 yen (Planned repayment date January 25, 2013) will be repaid using cash on hand.
- (Note2) • Interest payment dates are, last business day of every month and the principal repayment date starting from February 2013.
- 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.

Reference Material : Debt Financing Balance(As of January 25, 2013)

(JPY:thousand yen)

	Before Refinancing	After Refinancing	Increase (Decrease) <sup>(Note3)</sup>
Short-term Loans <sup>(Note 4)</sup>	0	4,148,000	4,148,000
Long-term Loans <sup>(Note 4)</sup>	176,200,056	172,009,825	-4,190,231
Total Loans	176,200,056	176,157,825	-42,231
Investment Corporate Bonds	30,000,000	30,000,000	-
Total interest-bearing debt	206,200,056	206,157,825	-42,231

(Note3) The amount of 9,041,602 000 yen announced on the “Notice Concerning Debt Financing and Repayment of Loans” dated June 27, 2012 (Planned repayment date January 25, 2013) will be repaid using the proceed from debt financing 9,000,000,000 yen (Planned drawdown date January 25, 2013) or cash on hand.

(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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