



November 8, 2013

For Immediate Release

Advance Residence Investment Corporation  
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Notice Concerning Issuance of Investment Corporation Bond

Advance Residence Investment Corporation (ADR) announced its decision today to issue investment corporation bond as follows, based on the general resolution on ADR bond issuance adopted at the Board of Directors' Meeting held on July 25, 2013.

1. Terms of Investment Corporation Bond

(1) Name of Investment Corporation Bond

ADR Unsecured Bond #20 (Bond #20)

(with Pari Passu clause among specified investment corporation bonds)

(2) Total Amount of Bond

2 billion yen

(3) Form of Investment Corporation Bond Certificates

Under the Act of Book-Entry Transfer of Company Bonds, Shares, etc., there will be no bond certificate for Bond #20

(4) Issue Price

100 yen per par value of 100 yen

(5) Redemption Price

100 yen per par value of 100 yen

(6) Coupon Rate

1.41%

(7) Denomination

100 million yen

(8) Offering Method

Public offering

(9) Offering Period



November 8, 2013 (Friday)

(10) Issue Date

November 14, 2013 (Thursday)

(11) Collateral / Guarantee

No collateral or guarantee is on the bonds and no assets are reserved as security specifically for the bonds.

(12) Redemption Method and Redemption Date

The entire principal shall be redeemed on November 14, 2025.

The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.

(13) Coupon Payment Dates

May 14 and November 14 every year

(14) Financial Covenants

Contains a negative pledge.

(15) Acquired Ratings

AA- (JCR)

(16) Fiscal, Issuing and Paying Agent

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

(17) Underwriters

Mizuho Securities Co., Ltd., SMBC Nikko Securities, Ltd.

2. Purpose of the Issuance

The net proceeds from the bond shall be used to repay existing loans <sup>(Note1)</sup> as detailed below.

(Note1) Please refer to the press release "Notice Concerning Debt Financing and Repayment of Loan" dated today.



### 3. Amount, Use and Scheduled Expenditure Date of Proceeds

(1) Amount of estimated net proceeds

1,985 million yen

(2) Specific usage and Scheduled Expenditure Date of Proceeds

The net proceeds shall be used to part repay existing loans on November 15, 2013 and January 31, 2014.

#### Status of Interest-Bearing Debts after the Issuance of the Investment Corporation Bonds

(As of November 15, 2013)

(thousand yen)

|                                 | Before Issuance | After Issuance<br>(Note2) | Difference |
|---------------------------------|-----------------|---------------------------|------------|
| Short-term loans<br>(Note 3)    | 0               | 0                         | -          |
| Long-term loans<br>(Note 3)     | 180,683,047     | 179,115,470               | -1,567,577 |
| Total loans                     | 180,683,047     | 179,115,470               | -1,567,577 |
| Investment Corporation<br>Bonds | 33,000,000      | 35,000,000                | 2,000,000  |
| Total interest-bearing debt     | 213,683,047     | 214,115,470               | 432,423    |

(Note 2) The balance of 432,423,000 yen between the amount listed on the Total Amount of Bonds of 2,000,000,000 yen and the Long-term loan of 6,150,000,000 yen and the repayment amount of 7,717,577,000 yen (Please refer to the "Notice Concerning Debt Financing and Repayment of Loan" for details.) will be repaid using debt financing on January 31, 2014.

(Note 3) Short-term loans are loans with original maturity periods of one year or less and long-term loans are loans with original maturity periods of over one year.

\* 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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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.