



December 16, 2013

For Immediate Release

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Notice Concerning Debt Financing

Advance Residence Investment Corporation (ADR) announced today its decisions regarding debt financing.

1. Debt Financing

(1) Purpose for the debt financing (2,700,000,000 yen)

The fund procured from the debt financing as detailed below, will be used to acquire real Estates (RESIDIA Takashimadaira, RESIDIA Shimurasakaue, RESIDIA ShimurasakaueIII) and the beneficiary interests in trust (RESIDIA Shimurasakaue II) ^(Note1) as detailed below.

(Note1) Please refer to the press release "Notice Concerning Acquisition of Investment Assets (RESIDIA Takashimadaira and 3 other properties)" dated today.

(2) Details of debt financing

< Long-term loan: 8 year 6 month, floating interest rate >

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|-------------------------------|---|--|
| 1) Scheduled Lenders | : | Shinsei Bank, Limited |
| 2) Scheduled Amount | : | 1,000,000,000 yen |
| 3) Interest rate | : | Base rate (JBA 3month yen TIBOR) + 0.51% ^(Note2) |
| 4) Planned drawdown date | : | December 19, 2013 |
| 5) Debt financing method | : | Loan contract shall be concluded on December 17, 2013. |
| 6) Principal repayment method | : | The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : | June 17, 2022 |
| 8) Collateral/guarantee | : | Unsecured and non-guaranteed. |

< Long-term loan: 7 year 6 month, floating interest rate >

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|-------------------------------|---|--|
| 1) Scheduled Lenders | : | Shinsei Bank, Limited |
| 2) Scheduled Amount | : | 700,000,000 yen |
| 3) Interest rate | : | Base rate (JBA 3month yen TIBOR) + 0.41% ^(Note2) |
| 4) Planned drawdown date | : | December 19, 2013 |
| 5) Debt financing method | : | Loan contract shall be concluded on December 17, 2013. |
| 6) Principal repayment method | : | The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : | June 18, 2021 |
| 8) Collateral/guarantee | : | Unsecured and non-guaranteed. |

< Long-term loan: 6 year 6 month, floating interest rate >

- 1) Scheduled Lenders : The Yamaguchi Bank, Ltd.
- 2) Scheduled Amount : 500,000,000 yen
- 3) Interest rate : Base rate (JBA 3month yen TIBOR) + 0.35% (Note2)
- 4) Planned drawdown date : December 19, 2013
- 5) Debt financing method : Loan contract shall be concluded on December 17, 2013.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : June 18, 2020
- 8) Collateral/guarantee : Unsecured and non-guaranteed.

< Long-term loan: 6 year, floating interest rate >

- 1) Scheduled Lenders : The Yamaguchi Bank, Ltd.
- 2) Scheduled Amount : 500,000,000 yen
- 3) Interest rate : Base rate (JBA 3month yen TIBOR) + 0.325% (Note2)
- 4) Planned drawdown date : December 19, 2013
- 5) Debt financing method : Loan contract shall be concluded on December 17, 2013.
- 6) Principal repayment method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal repayment date : December 18, 2019
- 8) Collateral/guarantee : Unsecured and non-guaranteed.

(Note2)

- Interest payment dates are, last business days of January, April, July, October and the principal repayment date starting from January 2014.
- 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.

Reference Material : Debt Financing Balance (As of December 19, 2013)

(JPY:thousand)

	Before Refinancing	After Refinancing	Increase (Decrease)
Short-term Loans (Note 3)	0	0	—
Long-term Loans (Note 3)	180,852,970	183,552,970	2,700,000
Total Loans	180,852,970	183,552,970	2,700,000
Corporate Investment Bonds	35,000,000	35,000,000	—
Total interest-bearing debt	215,852,970	218,552,970	2,700,000

(Note3) Short-term loans are loans with repayment dates within one year from drawdown date and long-term loans are loans with repayment dates that are more than 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]

English translation of the original Japanese document is provided solely for information purposes.

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