

March 20, 2023

For Immediate Release

Advance Residence Investment Corporation
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Notice Concerning Signing of Interest Rate Swap Agreement

Advance Residence Investment Corporation announced today its decision to enter into interest rate swap agreement as detailed below.

1. Purpose for entering into interest rate swap agreements

To hedge the risk of interest rate fluctuations of 2,000 million yen Long-term loans^{Note1} borrowed on February 1, 2023 and Long-term loan^{Note2} totaling 1,630 million yen borrowed on February 16, 2023.

Note1 Please refer to the “Notice Concerning Debt Financing and Repayment of Loan” dated January 24, 2023 for details.

Note2 Please refer to the “Notice Concerning Debt Financing and Repayment of Loan” dated February 8, 2023 for details.

2. Details of interest rate swap agreements

Loans to be hedged: Long-term loans (3,630 million yen)

No.	Counterparty	Notional principal (million yen)	Contract start date	Contract end date	Repayment period	Interest rate	
						Pay (Fixed rate)	Receive (Floating-rate)
1	Mizuho Bank, Ltd.	1,500	March 23, 2023	January 31, 2033	9.9 year	0.7710% ^{Note3}	3 month yen TIBOR ^{Note3}
2	Mizuho Bank, Ltd.	500		January 31, 2031	7.9 year	0.6590% ^{Note3}	
3	Nomura Securities Co., Ltd.	1,630		August 16, 2030	7.4 year	0.6160% ^{Note3}	
	Total or Weighted Average	3,630			8.5 year	0.6860%	

Note3 Interest payment dates are last business day of January, April, July, October starting April 28, 2023 and ending on the principal repayment date.

The interest rate for the loan above is to be basically fixed at 0.9810% for long-term loan (9.9 year 1,500 million yen), 0.8290% for long-term loan (7.9 year 500 million yen) , 0.7810% for long-term loan (7.4 year 1,630 million yen) by entering the interest rate swap agreement.

[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.

3.Contract date of interest rate swap agreements

March 20, 2023

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest J-REIT specializing in residential properties and is managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group, investing in over 270 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 470 billion yen). ADR can be expected have a stable dividend in the long-term and can be considered as a defensive J-REIT, on back of the stable income from residential assets and with the largest dividend reserve among J-REITs.

"Advance" is the common brand name of the real estate investment corporation managed by ITOCHU REIT Management Co., Ltd.

ADR's website: <https://www.adr-reit.com/en/>

IRM's website : <https://www.itc-rm.co.jp/en/>