

September 21, 2023

For Immediate Release

Advance Residence Investment Corporation
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Notice Concerning Debt Financing and Repayment of Loan

Advance Residence Investment Corporation (ADR) announced today its decisions to borrow funds to repay loan coming due.

1. Debt Financing (drawdown date: September 29, 2023)

(1) Details of the Debt Financing

(JPY:million)

No.	Lender	Planned Drawdown Date	Scheduled Amount	Interest Rate	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
1	Development Bank of Japan Inc.	September 29, 2023	1,500	Unfixed ^(Note1)	September 30, 2033	10.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed
2 ^(Note3)	MUFG Bank, Ltd. Sumitomo Mitsui Trust Bank, Limited Mizuho Bank, Ltd		3,000	Base rate ^(Note2) +0.30000%	September 27, 2024	1.0 year		
	Total or Weighted Average		4,500			4.0 year		

(Note1) • Interest payment dates are the last business day of January, April, July, October, starting October, 31, 2023 and ending on the principal repayment date.
• The interest rate for the loans will be announced separately.

(Note2) • Interest payment dates are the last business day of every month starting October 31, 2023 and ending on the principal repayment date.
• The 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 for the 1 month yen TIBOR.
(<http://www.jbatibor.or.jp/english/>)

(Note3) • This is a loan based on the loan commitment agreement concluded on May 1, 2015.

(2) Purpose of the Debt Financing

To repay existing Loan due on September 29, 2023 and to partially fund the acquisition of the beneficiary interest in trust (RESIDIA Shinagawa Seaside) and payment of related expenses.

(3) Scheduled Contract Date of the Debt Financing

No. 1 listed in the details of the loan September 27, 2023

(4) Scheduled date of submission of loan application based on the Commitment Line Agreement

No. 2 listed in the details of the loan September 22, 2023

2. Details of the Loan to be Repaid

(JPY:million)

Lender	Planned Drawdown Date	Scheduled Amount	Interest Rate	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
Development Bank of Japan Inc.	September 30, 2014	1,500	1.01750% ^(Note4)	September 29, 2023	9.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed

(Note4) The interest rate is fixed through interest rate swap.

Reference Material: Debt Financing Balance (As of September 29, 2023)

(JPY:million)

	Before Refinancing ^(Note5)	After Refinancing ^(Note6)	Increase (Decrease)
Short-term Loans ^(Note7)	3,000	5,000	2,000
Long-term Loans ^(Note7)	197,209	194,609	(2,600)
Total Loans	200,209	199,609	(600)
Corporate Investment Bonds	31,600	31,600	-
Total interest-bearing debt	231,809	231,209	(600)

(Note5) As of September 28, 2023

- There will be no increase or decrease in loans and investment corporation bonds by September 28, 2023.

(Note6) As of September 29, 2023

- It is assumed that the interest-bearing debts will change as follows by September 29, 2023.
- As announced in the " Notice Concerning Early Repayment of Loans " dated September 12, 2023, 2,600 million yen in long-term debt and 1,000 million yen in short-term debt will be repaid.
- There will be no increase or decrease in loans and investment corporation bonds other than the above.

(Note7) Short-term Loans are Loans with maturity dates within one year from drawdown date and long-term Loans are Loans with maturity dates that are more than one year away.

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/>