

December 17, 2013

For Immediate Release

Advance Residence Investment Corporation
Securities Code : 3269
3-26 Kanda Nishiki-cho, Chiyoda-ku, Tokyo
Kenji Kousaka, Executive Director

Asset Management Company:
AD Investment Management Co., Ltd.
Kenji Kousaka, President
Inquiries:
Tomoyuki Kimura, Director and General Manager
Corporate Management Department
TEL. +81-3-3518-0480

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 the interest rate swap agreements

To hedge the risk of interest rate fluctuations of 2,700 million yen loan^(Note), to be made on December 19, 2013.

^(Note)Please refer to the "Notice Concerning Debt Financing" dated December 16, 2013 for details.

2. Details of the interest rate swap agreement

Long-term loan (1,000 million yen, 8 year 6 month)

- | | | | |
|-----------------------------|--|-------------------|--|
| (1) Counterparty: | Mizuho Bank, Ltd. | | |
| (2) Notional principal: | 1,000 million yen | | |
| (3) Interest rate: | Pay: Fixed rate interest | 0.80500% | |
| | Receive: Floating-rate interest | 3 month yen TIBOR | |
| (4) Contract period: | From December 19, 2013 to June 17, 2022 | | |
| (5) Interest payment dates: | Interest payment dates are last business day of January, April, July and October of every year during the contract period, starting January 2014 and ending on the contract period end of June 17, 2022. | | |

The interest rate for the loan above (principal amount of 1,000 million yen, 8 year 6 month) is to be basically fixed at 1.31500% by entering the interest rate swap agreement.

Long-term loan (700 million yen, 7 year 6 month)

- | | | | |
|-----------------------------|--|-------------------|--|
| (1) Counterparty: | Mizuho Bank, Ltd. | | |
| (2) Notional principal: | 700 million yen | | |
| (3) Interest rate: | Pay: Fixed rate interest | 0.69400% | |
| | Receive: Floating-rate interest | 3 month yen TIBOR | |
| (4) Contract period: | From December 19, 2013 to June 18, 2021 | | |
| (5) Interest payment dates: | Interest payment dates are last business day of January, April, July and October of every year during the contract period, starting January 2014 and ending on the contract period end of June 18, 2021. | | |

The interest rate for the loan above (principal amount of 700 million yen, 7 year 6 month) is to be basically fixed at 1.10400% by entering the interest rate swap agreement.



Long-term loan (500 million yen, 6 year 6 month)

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 500 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.57800%
Receive: Floating-rate interest 3 month yen TIBOR
- (4) Contract period: From December 19, 2013 to June 18, 2020
- (5) Interest payment dates: Interest payment dates are last business day of January, April, July and October of every year during the contract period, starting January 2014 and ending on the contract period end of June 18, 2020.

The interest rate for the loan above (principal amount of 500 million yen, 6 year 6 month) is to be basically fixed at 0.92800% by entering the interest rate swap agreement.

Long-term loan (500 million yen, 6 year)

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 500 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.52000%
Receive: Floating-rate interest 3 month yen TIBOR
- (4) Contract period: From December 19, 2013 to December 18, 2019
- (5) Interest payment dates: Interest payment dates are last business day of January, April, July and October of every year during the contract period, starting January 2014 and ending on the contract period end of December 18, 2019.

The interest rate for the loan above (principal amount of 500 million yen, 6 year) is to be basically fixed at 0.84500% by entering the interest rate swap agreement.

* 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.