

July 11, 2014

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 Agreements**

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

#### 1. Reason for entering into the interest rate swap agreements

To hedge the risk of interest rate fluctuations of loans totaling 13,850 million yen<sup>(Note)</sup>, to be made on August 1, 2014, September 30, 2014, October 31, 2014 and January 30, 2015.

<sup>(Note)</sup>Please refer to the “Notice Concerning Debt Financing and Repayment of Loans” dated July 7, 2014 for details.

#### 2. Details of the interest rate swap agreement

Long-term loan (1,300 million yen, 6 year 6 month)

- |                             |   |                        |                   |
|-----------------------------|---|------------------------|-------------------|
| (1) Counterparty:           | Mizuho Bank, Ltd.   |                        |                   |
| (2) Notional principal:     | 1,300 million yen   |                        |                   |
| (3) Interest rate:          | Pay:  | Fixed rate interest    | 0.32600%          |
|                             | Receive:  | Floating-rate interest | 1 month yen TIBOR |
| (4) Contract period:        | From August 1, 2014 to January 29, 2021   |                        |                   |
| (5) Interest payment dates: | Interest payment dates are last business day of every month during the contract period, starting August 2014 and ending on the contract period. |                        |                   |

The interest rate for the loan above (principal amount of 1,300 million yen, 6 year 6 month) is to be basically fixed at 0.58100% by entering the interest rate swap agreement.

Long-term loan (1,500 million yen, 8 year)

- |                             |   |                        |                   |
|-----------------------------|---|------------------------|-------------------|
| (1) Counterparty:           | Mizuho Bank, Ltd.   |                        |                   |
| (2) Notional principal:     | 1,500 million yen   |                        |                   |
| (3) Interest rate:          | Pay:  | Fixed rate interest    | 0.46550%          |
|                             | Receive:  | Floating-rate interest | 1 month yen TIBOR |
| (4) Contract period:        | From August 1, 2014 to July 29, 2022  |                        |                   |
| (5) Interest payment dates: | Interest payment dates are last business day of every month during the contract period, starting August 2014 and ending on the contract period. |                        |                   |

The interest rate for the loan above (principal amount of 1,500 million yen, 8 year) is to be basically fixed at 0.81550% by entering the interest rate swap agreement.



Long-term loan (1,500 million yen, 9 year)

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 1,500 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.58750%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From September 30, 2014 to September 29, 2023
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting October 2014 and ending on the contract period.

The interest rate for the loan above (principal amount of 1,500 million yen, 9 year) is to be basically fixed at 1.01750% by entering the interest rate swap agreement.

Long-term loan (1,850 million yen, 10 year)

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 1,850 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.68800%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From September 30, 2014 to September 30, 2024
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting October 2014 and ending on the contract period.

The interest rate for the loan above (principal amount of 1,850 million yen, 10 year) is to be basically fixed at 1.17800% by entering the interest rate swap agreement.

Long-term loan (700 million yen, 5 year)

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 700 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.23000%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From October 31, 2014 to October 31, 2019
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting November 2014 and ending on the contract period.

The interest rate for the loan above (principal amount of 700 million yen, 5 year) is to be basically fixed at 0.42000% 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 0.44850%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From October 31, 2014 to April 28, 2022
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting November 2014 and ending on the contract period.

The interest rate for the loan above (principal amount of 700 million yen, 7 year 6 month) is to be basically fixed at 0.76350% by entering the interest rate swap agreement.



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

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 1,000 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.49950%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From October 31, 2014 to October 31, 2022
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting November 2014 and ending on the contract period.

The interest rate for the loan above (principal amount of 1,000 million yen, 8 year) is to be basically fixed at 0.84950% by entering the interest rate swap agreement.

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

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 1,000 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.33650%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From January 30, 2015 to January 29, 2021
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting February 2015 and ending on the contract period.

The interest rate for the loan above (principal amount of 1,000 million yen, 6 year) is to be basically fixed at 0.56650% by entering the interest rate swap agreement.

Long-term loan (1,600 million yen, 6 year 5 month)

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 1,600 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.37550%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From January 30, 2015 to June 30, 2021
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting February 2015 and ending on the contract period.

The interest rate for the loan above (principal amount of 1,600 million yen, 6 year 5 month) is to be basically fixed at 0.62550% by entering the interest rate swap agreement.

Long-term loan (2,700 million yen, 8 year)

- (1) Counterparty: Mizuho Bank, Ltd.
- (2) Notional principal: 2,700 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.53500%  
Receive: Floating-rate interest 1 month yen TIBOR
- (4) Contract period: From January 30, 2015 to January 31, 2023
- (5) Interest payment dates: Interest payment dates are last business day of every month during the contract period, starting February 2015 and ending on the contract period.

The interest rate for the loan above (principal amount of 2,700 million yen, 8 year) is to be basically fixed at 0.88500% 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>