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For Immediate Release

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### **Notice Concerning Debt Financing Interest Rate and Signing of Interest Rate Swap Agreement**

Advance Residence Investment Corporation (ADR) announced the interest rate for 1,000 million yen Long-term loan (planned drawdown date March 24, 2016) <sup>(Note 1)</sup> has been set as follows.

ADR also announced its decision to enter into interest rate swap agreement to hedge the risk of interest rate fluctuations of the 1,000 million yen loan debt financing (planned drawdown date March 24, 2016) <sup>(Note 1)</sup> as detailed below.

<sup>(Note1)</sup> Please refer to the “Notice Concerning Debt Financing and Repayment of Loan” dated March 16, 2016 for details.

#### 1. Debt Financing Interest Rate (Long-term Loan : 1,000 million yen, 10 year)

Lender	Loan Balance (mm yen)	Drawdown Date	Interest Rate	Principal Repayment date	Repayment Period	Principal repayment	Collateral/ Guarantee
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000	March 24, 2016	Fixed rate 0.53720%	March 24, 2026	10.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed

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

- Contract date of interest rate swap agreement: March 22, 2016
- Loan to be hedged: Long-term loans (1,000 million yen, 12 year)

Counterparty	Notional principal (mm yen)	Contract start date	Contract end date	Repayment period	Interest rate	
					Pay (Fixed rate)	Receive (Floating-rate)
Sumitomo Mitsui Trust Bank, Limited	1,000	March 24, 2016	March 24, 2028	12.0 year	0.30375% <sup>(Note2)</sup>	1 month yen TIBOR <sup>(Note2)</sup>

<sup>(Note2)</sup> Interest payment dates are last business day of every month during the contract period, starting April 2016 and ending on the contract period end.

The interest rate for the loan above (principal amount of 1,000 million yen, 12 year, floating rate) is to be basically fixed at 0.76375% by entering the interest rate swap agreement.

\* URL: <http://www.adr-reit.com/en/>

[Provisional Translation Only]

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