



November 16, 2017

For Immediate Release

Advance Residence Investment Corporation
Securities Code : 3269
1-105 Kanda-Jinbocho, 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 Issuance of Investment Corporation Bond

Advance Residence Investment Corporation (ADR) announced today its decision to issue investment corporation bond based on the general resolution on ADR bond issuance adopted at the Board of Directors' Meeting held on October 27, 2017, as follows.

1. Terms of Investment Corporation Bonds

(1) Name of Investment Corporation Bond

ADR Unsecured Bond #28 (Bond #28)
(private offering to qualified institutional investors)

(2) Total Amount of Bond

Bond #28 1,000 million yen

(3) Form of Investment Corporation Bond Certificates

No bond certificates for Bond#28 will be issued. *"The Act of Book-Entry Transfer of Company Bonds, Shares, etc."* is not applicable to Bond #28.

(4) Issue Price

100 yen per par value of 100 yen

(5) Redemption Price

100 yen per par value of 100 yen

(6) Coupon Rate

Fixed ^(Note1)

(7) Denomination

100 million yen

(8) Offering Method

private offering to qualified institutional investors

(9) Offering Period

November 17, 2017 (Friday)

(10) Issue Date

November 24, 2017 (Friday)

(11) Collateral / Guarantee

No collateral or guarantee is on the bond and no assets are reserved as security specifically for the bond.

(12) Redemption Method and Redemption Date

Bond #28 The entire principal shall be redeemed on November 24, 2027.

The bonds may be repurchased at any time upon notifying the investors by document prior to the repurchase. In Case ADR repurchases, ADR will pay accrued interests as well as break funding cost(if any)to the investors on the date of repurchase.

(13) Coupon Payment Dates

November 24 and May 24 every year (first payment date is May 24 2018)

(14) Financial Covenants

Contains a negative pledge.

(1) Acquired Ratings

Not applicable.

(2) Fiscal, Issuing and Paying Agent

Not applicable.

(3) Underwriters

DBJ Securities Co., Ltd

(Note1) The interest rate for the bond will be announced separately.

2. Purpose of the Issuance

The funds will be used in the repayment of loans.

3. Amount, Use and Scheduled Expenditure Date of Proceeds

(1) Amount of estimated net proceeds

990 million yen

(2) Specific usage and Scheduled Expenditure Date of Proceeds

The proceeds will be used for the repayment of loans on November 24 and November 31, 2017.

4. Details of the Existing Loans to be Repaid

(JPY:million)

No.	Lender	Drawdown Date	Scheduled Amount	Interest Rate (fixed rate)	Principal Repayment Date	Repayment Period	Principal Repayment	Collateral/ Guarantee
1	Development Bank of Japan Inc.	November 25, 2010	956	1.90%	November 24, 2017	7.0year	Pay in full on the maturity date	Unsecured Non-guaranteed
2	Hiroshima Bank, Ltd.	November 20, 2012	500	0.79% ^(Note2)	November 30, 2017	5.0year	Pay in full on the maturity date	Unsecured Non-guaranteed
	Total or Weighted Average		1,456	1.52%		6.3year		

(Note2) The interest rates are fixed through interest rate swap.

5. Other

There are no significant changes in the “Investment Risk” stated in the Securities Report filed on October 25, 2017 regarding the risk concerning redemption of investment corporation bonds.

Reference

Status of Interest-Bearing Debts after the Issuance of the Investment Corporation Bond

(As of November 30, 2017)^(Note3)

(in million yen)

	Before Issuance	After Issuance	Difference
Short-term loans ^(Note4)	0	0	-
Long-term loans ^(Note4)	195,374,329	193,918,000	-1,456,329
Total loans	195,374,329	193,918,000	-1,456,329
Investment Corporation Bonds	26,500,000	27,500,000	1,000,000
Total interest-bearing debt	221,874,329	221,418,000	-456,329

(Note3) For the difference 456,329 thousand yen between the total amount of bond and repayment of existing loan will be covered using cash on hand.

(Note4) Short-term loans are loans with original maturity periods of one year or less and long-term loans are loans with original maturity periods of over one year.

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

[Provisional Translation Only]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.