

July 23, 2017

For Immediate Release

Advance Residence Investment Corporation
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Notice Concerning Issuance of Investment Corporation Bond
Based on Green Financing

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 July 26, 2018, as follows.

1. Terms of the Investment Corporation Bond

(1) Name of the Investment Corporation Bond

ADR Unsecured Bond #32

(with *Pari Passu* clause among specified investment corporation bonds, private placement to qualified institutional investors)

(2) Total Amount of Bond

3,000 million yen

(3) Form of the Investment Corporation Bond Certificates

Under the *Act of Book-Entry Transfer of Company Bonds, Shares, etc.*, there will be no certificate for the bond.

(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

0.3485%

(7) Denomination

100 million yen

(8) Offering Method

Privately placed to qualified institutional investors.

(9) Offering Period

July 23, 2019

(10) Issue Date

July 25, 2019

(11) Collateral / Guarantee

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

(12) Redemption Method and Redemption Date

The entire principal shall be redeemed on July 25, 2029.

The bonds may be repurchased at any time upon notifying the investors by document prior to the repurchase.

(13) Coupon Payment Dates

Coupon will be paid on last day of January and July, and on the redemption date. (the first coupon payment date will be on January 31, 2020)

(14) Financial Covenants

Contains a negative pledge.

(15) Acquired Ratings

No rating acquired.

(16) Fiscal, Issuing and Paying Agent

Sumitomo Mitsui Trust Bank, Limited

(17) Underwriters

Daiwa Securities Co., Ltd

2. Purpose of the Issuance

ADR believes that the issuing of green bonds will further promote ESG considerations in its asset management and enhance its financing base.

3. Amount, Use and Scheduled Expenditure Date of Proceeds

(1) Amount of Estimated Net Proceeds

2,977 million yen

(2) Specific Usage and Scheduled Expenditure Date of Proceeds

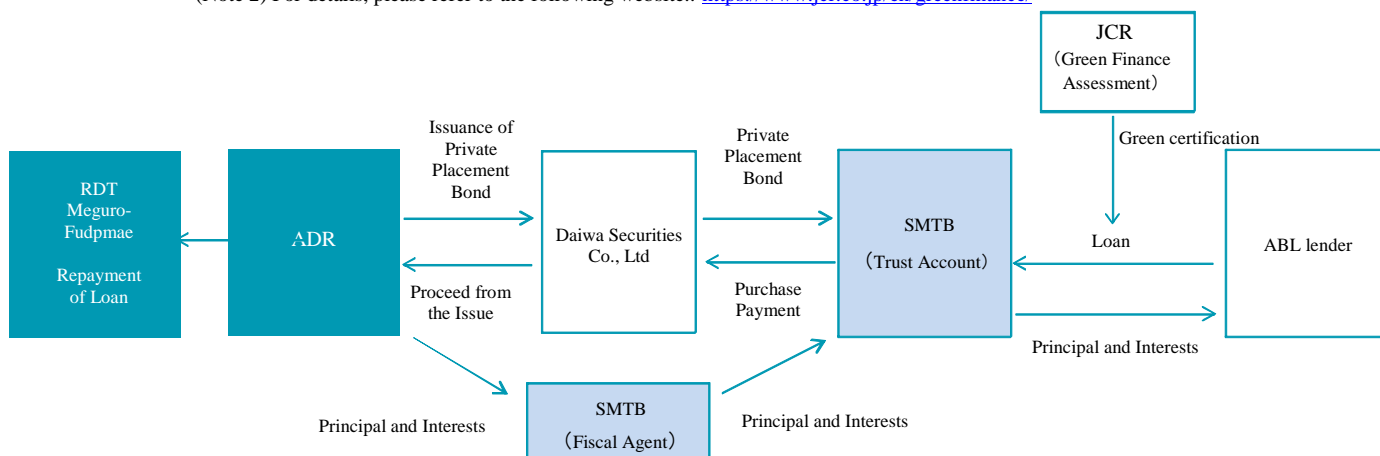
The proceeds will be used to partially repay ^(Note 1) a loan coming due on July 25, 2019. The loan was originally used in the acquisition of RESIDIA TOWER Meguro-Fudomae. As of March 4, 2019, RESIDIA Tower Meguro Fudomae is awarded with 4 stars under DBJ Green Building Certification.

(Note 1) For details, please refer to the "Notice Concerning Debt Financing and Repayment of Loan" and "Notice Concerning Issuance of Investment Corporation Bond (Green Bond)" dated July 17, 2019.

4. The Investment Corporation Bond Issuance Scheme

The investment corporation bond will be issued under a new green financing method realized in collaboration with Sumitomo Mitsui Trust Bank, Limited (SMTB), and will be the first case among J-REITs to use the scheme. In the scheme, SMTB trust account will acquire the entire issue using the funds raised by Asset Backed Loan (ABL) where the backing asset will be the principal and interest of the investment corporation bond which is proceed that was used to repay a borrowing that was used to acquire RESIDIA TOWER Meguro-Fudomae which is awarded with an environmental rating, as a source of funds. The ABL has been awarded a “Green 1” rating, the highest rating, in the JCR Green Loan Evaluation ^(Note 2) by the Japan Credit Rating Agency, Ltd., an institution which assesses green financing.

(Note 2) For details, please refer to the following website.: <https://www.jcr.co.jp/en/greenfinance/>



5. Other

There are no significant changes in the “Investment Risk” stated in the Securities Report filed on April 25, 2019 regarding the risk concerning redemption of investment corporation bonds.

Reference Material: Debt Financing Balance (As of July 25, 2019)

(in million yen)

	Before Refinancing	After Refinancing ^(Note3)	Increase (Decrease)
Short-term Loans ^(Note4)	1,000	2,000	1,000
Long-term Loans ^(Note4)	195,318	186,318	(9,000)
Total Loans	196,318	188,318	(8,000)
Corporate Investment Bonds	29,000	37,000	8,000
Total interest-bearing debt	225,318	225,318	-

(Note3) The balance assumes that the following actions will be made.

* Refinancing of the existing loan 1,000 million yen on July 25, 2019 which was announced in the press release “Notice Concerning Debt Financing and Repayment of Loan” on July 17, 2019.

* Issuing another investment corporation bonds 5,000 million yen on July 25, 2019.

(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.



About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest residential J-REIT, investing in over 260 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 400 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. ADR's website: <https://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.