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For Immediate Release

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Notice Concerning Debt Financing and Repayment of Loans

Advance Residence Investment Corporation (ADR) today announced its decisions regarding debt financing, early repayment of loans and agreement to partially change the Basic Availability Line Agreement as detailed below.

1. Debt Financing

1) Reason for debt financing

The funds will be applied to the acquisition of real estate beneficiary interests in trust and its related costs as well as to partial repayment of current loans.

2) Details of debt financing

a. Long-term loan <4-year floating >

- 1) Lenders and Agents : Aozora Bank Ltd. (serves as facility agent), Shinsei Bank, Limited, Development Bank of Japan, Mitsubishi UFJ Trust and Banking Corporation, Resona Bank, Limited, Oita Bank Limited, The Hachijuni Bank Ltd.
- 2) Amount : JPY 5.5 billion
- 3) Interest rate : TBD (Note 1)
- 4) Planned drawdown date : January 25, 2008
- 5) Debt financing method : A Term Loan Contract shall be concluded on January 23, 2008.
- 6) Interest payment dates : The first payment shall be made on February 25, 2008, and the ensuing payments on the 25th day of every month thereafter (the preceding business day when the concerned date is not a business day). The last payment will be made on February 25, 2012.
- 7) Principal repayment method : The principal will be repaid in lump sum on the principal repayment date.
- 8) Principal repayment date : January 25, 2012

9) Collateral/guarantee : No collateral or guarantee

Note 1) The interest rate will be disclosed separately when it is finalized.

Note 2) ADR will enter the interest rate swap agreement in order to fix the interest rate.

b. Long-term loan <5-year floating >

- 1) Lenders and Agents : The Sumitomo Trust & Banking Co., Ltd. (Serves as facility agent as well as security agent), Aozora Bank Ltd., Development Bank of Japan, Resona Bank, Limited
- 2) Amount : : JPY 4.5 billion
- 3) Interest rate : : TBD (Note 1)
- 4) Planned drawdown date : : January 25, 2008
- 5) Debt financing method : : A Term Loan Contract shall be concluded on January 23, 2008.
- 6) Interest payment dates : The first payment shall be made on February 25, 2008, and the ensuing payments on the 25th day of every month thereafter (the preceding business day when the concerned date is not a business day). The last payment will be made on February 25, 2013.
- 7) Principal repayment method : The principal will be repaid in lump sum on the principal repayment date.
- 8) Principal repayment date : January 25, 2013
- 9) Collateral/guarantee : No collateral or guarantee

Note 1) The interest rate will be disclosed separately when it is finalized.

Note 2) ADR will enter the interest rate swap agreement in order to fix the interest rate.

2. Details of Repayment

(1) Availability line <Floating Interest>

Based on the Basic Availability Line Agreement, additional agreements made after are inclusive, dated January 12, 2006.

- (i) Lenders: The Sumitomo Trust & Banking Co., Ltd., Aozora Bank Ltd.
- (ii) Loan Amount : 6,940 million yen
- (iii) Amount of Early Repayment : 6,940 million yen
- (iv) Principal Repayment Deadline: July 25, 2008
- (v) Date of Early Repayment : January 25, 2008

(2) Term Loan <maturity period of 2 years; floating interest rate>

Based on the Term Loan Agreement dated November 17, 2006.

- (i) Lenders: Aozora Bank Ltd., The Sumitomo Trust & Banking Co., Ltd., Mizuho Corporate Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Hachijuni Bank Ltd.
- (ii) Loan Amount : 1,600 million yen
- (iii) Amount of Early Repayment : 1,600 million yen
- (iv) Principal Repayment Deadline: November 25, 2008
- (v) Date of Early Repayment : January 25, 2008

3. Partial Change in Basic Availability Line Agreement

ADR plans to conclude an agreement to change the Basic Availability Line Agreement, which will provide an increased limit of availability loans and add Mizuho Corporate Bank, Ltd. to the Basic Availability Line Agreement concluded on January 12, 2006 with Sumitomo Trust & Banking Co., Ltd. and Aozora Bank Ltd.

<Attachments>

- Reference Material 1: Debt Financing Balance with LTV.
- Reference Material 2: Debt Financing Balance after additional debt financing.

* 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.

Reference Material 1: Debt Financing Balance with LTV

	Before Refinancing (mn yen)	After Refinancing (mn yen)	Increase (Decrease)
Short-term loans	8,540	0	(8,540)
Long-term Loans	18,600	28,600	10,000
Total loans	27,140	28,600	1,460
Corporate Investment Bonds	10,000	10,000	—
Total interest-bearing debt	37,140	38,600	1,460
Interest-bearing debt ratio	50.6%	51.6%	1.0%

Note 1) Interest-bearing debt ratio = Total interest-bearing debt ÷ (Total interest-bearing debt + Unitholders' capital) × 100%
The interest-bearing debt ratio is rounded to one decimal place.

Note 2) Short-term loans are loans with repayment dates within one year and long-term loans are loans with repayment dates over one year away.

Note 3) The Unitholders' Capital of 36,262 mm yen, as of today, is used.

Reference Material 2: Debt Financing Balance after additional debt financing.

Category	Lender	Loan Balance (mm yen) (Note 1)	Interest Rate (%) (Note 2) (Note 3)	Drawdown Date	Repayment Deadline	Repayment Method	Remarks
4-year fixed	Aozora Bank Ltd. Shinsei Bank, Limited Development Bank of Japan Mitsubishi UFJ Trust and Banking Corporation Resona Bank, Limited Oita Bank Limited The Hachijuni Bank Ltd.	5,500	TBD	Jan. 25, 2008	Jan. 25, 2012	Lump sum repayment at maturity	No collateral or guarantee
	The Sumitomo Trust & Banking Co., Ltd. Aozora Bank, Ltd.	6,200	1.25	Nov. 25, 2005	Nov. 25, 2009		
	Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	800	1.66	Mar. 20, 2006			
5-year fixed	The Sumitomo Trust & Banking Co., Ltd. Aozora Bank Ltd. Development Bank of Japan Resona Bank, Limited	4,500	TBD	Jan. 25, 2008	Jan. 25, 2013	Lump sum repayment at maturity	No collateral or guarantee
	The Sumitomo Trust & Banking Co., Ltd. Aozora Bank, Ltd.	5,900	1.48	Nov. 25, 2005	Nov. 25, 2010		
	Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation	5,700	1.61	Mar. 20, 2006 Mar. 30, 2006			
Subtotal of long-term loans		28,600					
Total		28,600					

Note 1. All funds were applied to the acquisition of real estate beneficiary interests in trust and to the payment of related costs.

2. The interest rates shown are the interest rates per annum rounded to two decimal places.

3. The loan interest rates shown are the fixed real interest rates based on the interest rate swap agreements entered into for the purpose of fixing the interest rates.