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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 and early repayment of loans as detailed below.

1. Debt Financing

1) Reason for debt financing

The funds will be applied to partial repayment of current loans and to its related costs.

2) Details of debt financing

a. Long-term loan <4-year floating (Note 1)>

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|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) Scheduled Lenders | : The Sumitomo Trust & Banking Co., Ltd., Aozora Bank Ltd., Resona Bank, Ltd., The Nishi-Nippon City Bank, Ltd. |
| 2) Scheduled Amount | : JPY 5.4 billion |
| 3) Interest rate | : TBD (Note 2) |
| 4) Planned drawdown date | : June 25, 2008 |
| 5) Debt financing method | : A Term Loan Contract shall be concluded on June 23, 2008. |
| 6) Interest payment dates | : The first payment shall be made on August 25, 2008, and the ensuing payments on the 25 th 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 June 25, 2012. |
| 7) Principal repayment method | : The principal will be repaid in lump sum on the principal repayment date. |
| 8) Principal repayment date | : June 25, 2012 |
| 9) Collateral/guarantee | : No collateral or guarantee |

Note1) ADR plans to enter the interest rate swap agreement in order to fix the interest rate.

Note 2) The interest rate will be disclosed separately when it is finalized.

b. Long-term loan <5-year floating (Note 1)>

- 1) Scheduled Lenders and Agents : Mizuho Corporate Bank, Ltd. (Serves as facility agent), Aozora Bank Ltd.,
Resona Bank, Limited
- 2) Scheduled Amount : JPY 5.5 billion
- 3) Interest rate : TBD (Note 2)
- 4) Planned drawdown date : June 25, 2008
- 5) Debt financing method : A Term Loan Contract shall be concluded on June 23, 2008.
- 6) Interest payment dates : The first payment shall be made on August 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 June 25, 2013.
- 7) Principal repayment method : The principal will be repaid in lump sum on the principal repayment date.
- 8) Principal repayment date : June 25, 2013
- 9) Collateral/guarantee : No collateral or guarantee

Note 1) ADR plans to enter the interest rate swap agreement in order to fix the interest rate.

Note 2) The interest rate will be disclosed separately when it is finalized.

c. Long-term loan <7-year fixed>

- 1) Scheduled Lenders : Development Bank of Japan
- 2) Scheduled Amount : JPY 2.5 billion
- 3) Interest rate : TBD (Note 1)
- 4) Planned drawdown date : June 25, 2008
- 5) Debt financing method : A Term Loan Contract shall be concluded on June 23, 2008.
- 6) Interest payment dates : The first payment shall be made on August 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 June 25, 2015.
- 7) Principal repayment method : The principal will be repaid in lump sum on the principal repayment date.
- 8) Principal repayment date : June 25, 2013
- 9) Collateral/guarantee : No collateral or guarantee

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

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 : 1,980 million yen
- (iii) Amount of Early Repayment : 1,980 million yen

- (iv) Principal Repayment Deadline: November 21st, 2008
(v) Date of Early Repayment : June 25, 2008

(2) 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.,
Mizuho Corporate Bank, Ltd.,
(ii) Loan Amount : 11,300 million yen
(iii) Amount of Early Repayment : 11,300 million yen
(iv) Principal Repayment Deadline: November 21, 2008
(v) Date of Early Repayment : June 25, 2008

<Attachments>

- Reference Material 1: Debt Financing Balance with LTV.

- * 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	13,280	0	(13,280)
Long-term Loans	28,600	42,000	13,400
Total loans	41,800	42,000	120
Corporate Investment Bonds	10,000	10,000	—
Total interest-bearing debt	51,800	52,000	120
Interest-bearing debt ratio	58.9%	58.9%	0.1%

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.