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**For Immediate Release**

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Notice Concerning Debt Financing Interest Rate

Advance Residence Investment Corporation (ADR) today announced that the interest rates for long-term loans (Notes 1) have been set as follows.

**I. Details of Interest Rates**

Category	Drawdown Date	Loan Balance	Interest Rate	Repayment Deadline
4-year fixed	June 25, 2008	5,400 mm yen	2.1585% (Notes 2)	June 25, 2012
5-year fixed		5,500 mm yen	2.3825% (Notes 3)	June 25, 2013
7-year fixed		2,500 mm yen	2.7000%	June 25, 2015

**II. Other**

With this debt financing, ADR's short-term loans (Note 4) have now been fully repaid and the percentage of interest-bearing debt that are long-term loans and the percentage of interest-bearing debt that are long-term fixed interest loans have both increased to 100%, meaning all interest-bearing debt are now long-term loans with fixed interest rates. ADR will continue to strive to execute a financial strategy that maintains stable financial standing while minimizing financing costs and diversifying financing methods.

Notes 1) Please refer to press release "Notice Concerning Debt Financing and Repayment of Loans" dated June 17, 2008 for the debt financing details.

Notes 2) The loan interest rate shown is the fixed real interest rate based on the interest rate swap agreement entered into for the purpose of fixing the interest rate. The floating interest rate based on the loan agreement for the period from June 25, 2008 to August 24, 2008 is 1.43333%.

Notes 3) The loan interest rate shown is the fixed real interest rate based on the interest rate swap agreement entered into for the purpose of fixing the interest rate. The floating interest rate based on the loan agreement for the period from June 25, 2008 to August 24, 2008 is 1.53333%.

Notes 4) Short-term loans are loans with repayment dates within one year

<Attachment>

- Reference Material 1: Debt Financing Balance with LTV.
- Reference Material 2: Balance of Loans

- \* 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.

Reference Material 2: Balance of Loans

As of June 25<sup>th</sup>, 2008

Category	Lender	Loan Balance (mm yen) (Note 1)	Interest Rate (%) (Note 2)	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	1.49 (Note 3)	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 (Note 3)	Nov. 25, 2005	Nov. 25, 2009		
	Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation	800	1.66 (Note 3)	Mar. 20, 2006			
The Sumitomo Trust & Banking Co., Ltd. Aozora Bank, Ltd. The Nishi-Nippon City Bank, Ltd. Resona Bank, Limited	5,400	2.16 (Note 3)	Jun. 25, 2008	Jun. 25, 2012			
5-year fixed	The Sumitomo Trust & Banking Co., Ltd. Aozora Bank Ltd. Development Bank of Japan Resona Bank, Limited	4,500	1.68 (Note 3)	Jan. 25, 2008	Jan. 25, 2013		
	The Sumitomo Trust & Banking Co., Ltd. Aozora Bank, Ltd.	5,900	1.48 (Note 3)	Nov. 25, 2005	Nov. 25, 2010		
	Mizuho Corporate Bank, Ltd. Sumitomo Mitsui Banking Corporation	5,700	1.61 (Note 3)	Mar. 20, 2006 Mar. 30, 2006			
Mizuho Corporate Bank, Ltd. Aozora Bank Ltd. Resona Bank, Limited	5,500	2.38 (Note 3)	Jun. 25, 2008	Jun. 25, 2013			
7-year fixed	Development Bank of Japan	2,500	2.70	Jun. 25, 2008	Jun. 25, 2015		
<b>Subtotal of long-term loans</b>		<b>42,000</b>					
<b>Total</b>		<b>42,000</b>					

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.