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For Immediate Release

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Notice Concerning on Signing of Interest Rate Swap Agreement

Advance Residence Investment Corporation (ADR) today announced its decision to enter into interest rate swap agreement as detailed below.

1. Reason for entering into the Interest Rate Swap Agreements

Out of the 15 billion yen loan acquired on 17 February, 2011, the swap agreements were entered to hedge the risk of interest rate fluctuation of the floating rate loan (hereafter; the LOAN (Note1)) of 14.7 billion yen.

(Note1) Please refer to the "Notice Concerning Debt Financing and Repayment of Loans" dated February 2, 2011 for details on the LOAN.

2. Details of Interest Rate Swap Agreements

1) Long-term loan (Total Amount 13.2 billion yen)

- (1) Counterparty: Mizuho Corporate Bank
- (2) Notional principal: 13.2 billion yen
- (3) Interest rate: Pay: Fixed rate interest 0.521%
Receive: Floating-rate interest 3 month yen TIBOR
- (4) Contract Period: From February 17, 2011 to February 17, 2014.
- (5) Interest payment dates: End date of the months of January, April, July and October of every year during the contract period, starting from April 28, 2011, and the last payment on the contract end date.

2) Long-term loan (Total Amount 1.53 billion yen)

- (1) Counterparty: The Sumitomo Trust & Banking Co., Ltd.
- (2) Notional principal: 1.53 billion yen
- (3) Interest rate: Pay: Fixed rate interest 0.52125%
Receive: Floating-rate interest 3 month yen TIBOR
- (4) Contract Period: From February 17, 2011 to February 17, 2014.
- (5) Interest payment dates: End date of the months of January, April, July and October of every year during the contract period, starting from April 28, 2011, and the last payment on the contract end date.



The interest rate for the LOAN of 1) is to be basically fixed at 1.621%, and 2) is to be basically fixed at 1.62125% by entering the interest rate swap agreement.

- * 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>

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