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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 agreements as detailed below.

1. Reason for entering into the Interest Rate Swap Agreements

The swap agreements were entered to hedge the risk of interest rate fluctuation of the floating rate loan (hereafter; the LOAN) of 4,627,488 thousand yen (outstanding after March 9, 2011, partial early repayment^(Note1) of 72,512 thousand yen), out of the 4,700 million yen loan^(Note2) acquired on March 1, 2011.

(Note1)Please refer to the "Notice Concerning Early Repayment of Loans" dated February 24, 2011 for details on the partial early repayment.

(Note2)Please refer to the "Notice Concerning Debt Financing" dated February 24, 2011 for details on the loan.

2. Details of Interest Rate Swap Agreements

1) Long-term loan (Total Amount 1,083.029 million yen)

- (1) Counterparty: Mizuho Corporate Bank
- (2) Notional principal: 1,083.029 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.675%
Receive: Floating-rate interest 3 month yen TIBOR
- (4) Contract Period: From March 1, 2011 to February 29, 2016.
- (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.

2) Long-term loan (Total Amount 3,544.459 million yen)

- (1) Counterparty: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (2) Notional principal: 3,544.459 million yen
- (3) Interest rate: Pay: Fixed rate interest 0.675%
Receive: Floating-rate interest 3 month yen TIBOR
- (4) Contract Period: From March 1, 2011 to February 29, 2016.
- (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.



The interest rate for the LOAN of 1) and 2) are to be basically fixed at 1.67500% by entering the interest rate swap agreement from March 10, 2011.

- * 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, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.
- * URL: <http://www.adr-reit.com>

[Provisional Translation Only]

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