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For Immediate Release

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Notice Concerning Debt Financing and Early Repayment of Loans

Advance Residence Investment Corporation (ADR) today announced its decisions regarding debt financing and early repayment of loans as detailed below.

1. Reason for debt financing and partial early repayment of loans

ADR has requested its lenders to de-collateralize ADR's assets^{*1}, in the aim to increase its financial flexibility.

The loans, facilitated by lenders who have refused to date to agree to the de-collateralization, are subject to the early repayment (refer to "2. Details of Early Repayment of Loans").

The early repayment will be funded through the debt financing (refer to "3. Details of Debt Financing") and funds on hand.

ADR is aiming to de-collateralize by mid-June 2011 and announcement will be made as soon as the details are fixed.

*1 The assets are 169 properties which were purchased before March 2010, including the property insurance claim rights and specific deposits claims related to the loans.

2.Details of Early Repayment of Loans

Initial Drawdown Date	Principal Repayment Deadline	Lender	Loan outstanding before repayment	Partial Early Repayment Date	Early repayment amount	Loan outstanding after repayment
November 17, 2006	November 17, 2013	Daido Life Insurance Company	1,445,189,000	May 31, 2011	1,445,189,000	0
December 26, 2006	December 26, 2011	National Mutual Insurance Federation of Agricultural Cooperatives	1,806,485,000	May 31, 2011	1,806,485,000	0
September 19, 2007	September 19, 2013	Daido Life Insurance Company	812,914,000	May 31, 2011	812,914,000	0
November 30, 2009	August 31, 2011	The Shizuoka Bank, Limited	388,927,739	May 31, 2011	388,927,739	0
Total			4,453,515,739		4,453,515,739	0

3.Details of Debt Financing

<Short-term loan: 1-year term, floating interest rate>

- 1) Scheduled Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
The Sumitomo Trust & Banking Co., Ltd.
Sumitomo Mitsui Banking Corporation
Mizuho Corporate Bank
- 2) Scheduled Amount : 3,900,000,000 yen
- 3) Interest Rate : Base rate (JBA 1month yen TIBOR) + 1.05% (Note2)
- 4) Planned Drawdown Date : May 31, 2011
- 5) Debt Financing Method : Loan based on the Loan Commitment agreement signed on April 28, 2011.
- 6) Principal Repayment Method : The principal shall be repaid in lump sum on the principal repayment date.
- 7) Principal Repayment Date : May 31, 2012
- 8) Collateral/Guarantee : Secured and non-guaranteed. (Note3)

- *2
- Interest payment dates are, last business day starting from June 30, 2011 of each months and the principal repayment date.
 - JBA 1 month yen TIBOR rate of two business days prior to the latest interest payment date will be used as the base rate to calculate the applicable interest rate for the current calculation period. If the calculation period is less than 1 month, the accrued interest will be calculated using the base rate applicable and according to the method described in the contract.
 - The floating interest rate for the loan will not be announced in the future. Please refer to JBA website (<http://www.zenginkyo.or.jp/tibor/>) for the 3 month yen TIBOR.
 - *Please refer to "Borrowing Information" in our website for future applicable interest rate of the loans.
"Borrowing Information" (<http://www.adr-reit.com/financial/situation.html>)

- *3 It will become unsecured and non-guaranteed after the de-collateralization.



4. Effects on the Future Outlook of the Fund

Although, there will be unwinding fees for the early repayment of loans, the management performance forecasts for the second period ending July 2011 (from February 1, 2011 to July 31,2011) and the third period ending December 2011 (from July 1, 2011 to December 31,2011) remain unchanged.

- * 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

(JPY:thousand)

	Before Refinancing (Note4)	After Refinancing	Increase (Decrease)
Short-term Loans(Note5)	3,086,112	6,986,112	3,900,000
Long-term Loans	145,517,736	141,064,221	(4,453,515)
Total Loans	148,603,848	148,050,333	(553,515)
Corporate Investment Bonds	46,500,000	46,500,000	—
Total interest-bearing debt	195,103,848	194,550,333	(553,515)

※Loan Balances are rounded down.

(Note4) The calculation of the outstandings are based on the assumption that the April 28, 2011 amortization payment and the 2.5 billion yen borrowing announced on May 17, 2011 are executed.

(Note5) Short-term loans are loans with repayment dates within one year and long-term loans are loans with repayment dates over one year away.