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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 agreement

To hedge the risk of interest rate fluctuations of 16,800 million yen floating rate loan ^(Note1) (hereafter; the LOAN) to be made on August 31, 2011, and September 1, 2011.

(Note1) Please refer to the "Notice Concerning Debt Financing and Repayment of Loans" dated August 26, 2011 for details on the LOAN.

2. Details of interest rate swap agreement

1) Long-term loan (5,300million yen, 3 year 5 month)

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|-----------------------------|--|------------------------|-------------------|
| (1) Counterparty: | The Sumitomo Trust & Banking Co., Ltd. | | |
| (2) Notional principal: | 5,300 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.36425% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract Period: | From August 31, 2011 to January 30, 2015. | | |
| (5) Interest payment dates: | End date of the months of January, April, July and October of every year during the contract period, starting from October 31, 2011. | | |

2) Long-term loan (7,000million yen, 4 year 4 month)

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|-----------------------------|--|------------------------|-------------------|
| (1) Counterparty: | Mitsubishi UFJ Trust and Banking Corporation | | |
| (2) Notional principal: | 7,000 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.41% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract Period: | From September 1, 2011 to December 18, 2015. | | |
| (5) Interest payment dates: | End date of the months of January, April, July and October of every year during the contract period, starting from October 31, 2011. | | |



3) Long-term loan (4,500million yen, 5 year 5 month)

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|-----------------------------|--|------------------------|-------------------|
| (1) Counterparty: | The Sumitomo Trust & Banking Co., Ltd. | | |
| (2) Notional principal: | 4,500 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.50750% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract Period: | From September 1, 2011 to January 31, 2017. | | |
| (5) Interest payment dates: | End date of the months of January, April, July and October of every year during the contract period, starting from October 31, 2011. | | |

The interest rate for the LOAN of 1) is to be basically fixed at 1.01425%, 2) is to be basically fixed at 1.16000% , and 3) is to be basically fixed at 1.30750% 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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