



January 23, 2012

For Immediate Release

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Notice Concerning on Signing of Interest Rate Swap Agreement

Advance Residence Investment Corporation (ADR) announced today 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 8,450 million yen floating rate loans ^(Note1) (hereafter; the LOAN) to be made on January 25, 2012.

^(Note1)Please refer to the "Notice Concerning Debt Financing and Repayment of Loans" dated December 20, 2011 for details on the LOAN.

2. Details of interest rate swap agreement

Long-term loan (2,900million yen, 4 year 6 month)

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|-----------------------------|--|------------------------|-------------------|
| (1) Counterparty: | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | | |
| (2) Notional principal: | 2,900 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.46250% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract period: | From January 25, 2012 to July 29, 2016. | | |
| (5) Interest payment dates: | Interest payment dates are April 30, 2012, end date of the months of January, April, July and October of every year during the contract period and the end of the contract which is July 29, 2016. | | |

The amount of 2,900 million yen of the interest rate for the LOAN is to be basically fixed at 1.11250% by entering the interest rate swap agreement.

Long-term loan (5,550million yen, 6 year 6 month)

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|-----------------------------|--|------------------------|-------------------|
| (1) Counterparty: | Mitsubishi UFJ Trust and Banking Corporation | | |
| (2) Notional principal: | 5,550 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.61750% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract period: | From January 25, 2012 to July 31, 2018. | | |
| (5) Interest payment dates: | Interest payment dates are April 30, 2012, end date of the months of January, April, July and October of every year during the contract period and the end of the contract which is July 31, 2018. | | |

The amount of 5,550 million yen of the interest rate for the LOAN is to be basically fixed at 1.42750% 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>

[Provisional Translation Only]

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