



February 6, 2012

For Immediate Release

Advance Residence Investment Corporation  
Securities Code : 3269  
3-26 Kanda Nishiki-cho, Chiyoda-ku, Tokyo  
Kenji Kousaka, Executive Director

Asset Management Company:  
AD Investment Management Co., Ltd.  
Kenji Kousaka, President  
Inquiries:  
Tatsuya Fukuzawa, General Manager  
Corporate Management Department  
TEL. +81-3-3518-0480

### **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 6,300 million yen loan, part of the 8,600 million yen floating rate loan <sup>(Note1)</sup> (hereafter; the LOAN) to be made on February 8, 2012.

<sup>(Note1)</sup>Please refer to the "Notice Concerning Debt Financing" dated January 1, 2012 for details.

#### 2. Details of interest rate swap agreement

Long-term loan (4,300million yen, 4 year 6 month)

- |                             |   |                        |                   |
|-----------------------------|---|------------------------|-------------------|
| (1) Counterparty:           | The Bank of Tokyo-Mitsubishi UFJ, Ltd.  |                        |                   |
| (2) Notional principal:     | 4,300 million yen   |                        |                   |
| (3) Interest rate:          | Pay:  | Fixed rate interest    | 0.45500%          |
|                             | Receive:  | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract period:        | From February 8, 2012 to July 29, 2016.   |                        |                   |
| (5) Interest payment dates: | Interest payment dates are end date of the April, 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 interest rate for the LOAN (principal amount of 4,300 million yen) is to be basically fixed at 1.10500% by entering the interest rate swap agreement.

Long-term loan (2,000million yen, 6 year 6 month)

- |                             |   |                        |                   |
|-----------------------------|---|------------------------|-------------------|
| (1) Counterparty:           | The Bank of Tokyo-Mitsubishi UFJ, Ltd.  |                        |                   |
| (2) Notional principal:     | 2,000 million yen   |                        |                   |
| (3) Interest rate:          | Pay:  | Fixed rate interest    | 0.61400%          |
|                             | Receive:  | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract period:        | From February 8, 2012 to July 31, 2018.   |                        |                   |
| (5) Interest payment dates: | Interest payment dates are end date of the April, 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 interest rate for the LOAN (principal amount of 2,000 million yen) is to be basically fixed at 1.42400% 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]*

*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.*