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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) announced today its decisions regarding debt financing and early repayment of loans as detailed below.

1. Debt Financing

(1) Reason for debt financing (Total:1,000,000,000yen)

The funds will be used to repay of loans. (Total:1,050,000,000yen)

(2) Details of debt financing

< Long-term loan: 3 year, floating interest rate >

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| 1) Scheduled Lenders | : The Gunma Bank,Ltd. |
| 2) Scheduled Amount | : 1,000,000,000 yen |
| 3) Interest rate | : Base rate (JBA 3 month yen TIBOR) + 0.47% (Note1) |
| 4) Planned drawdown date | : May 31, 2012 |
| 5) Debt financing method | : Loan contract shall be signed on May 29, 2012. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : May 29, 2015 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed. |

- (Note1)
- Interest payment dates are, the last business day of January, April, July, October and the principal repayment date.
 - JBA 3 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 3 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.

2. Details of Early Repayment of Loans

Loan based on the commitment line agreement dated April 28, 2011(Note2)
Principal Repayment date : May 31, 2012

(JPY:thousand)

Initial Drawdown Date	Principal Repayment Deadline	Lender	Loan outstanding before repayment [A]	Early repayment amount as of May 31, 2012 [B] (Note3)	Loan outstanding after repayment [A]- [B]
March 18, 2012	February 28, 2013	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank	2,550,000	1,050,000	1,500,000

(Note2) • The drawdown period has lapsed on April 27, 2012 for the commitment line agreement of April 28, 2011 and a new commitment line agreement has been made on May 1, 2012. Please refer to the press release “Notice Concerning of Loan Commitments” dated April 26, 2012, for details.

(Note3) • The balance of 50,000,000 yen between the amount listed on the “1. Debt Financing ” of 1,000,000,000 yen (Planned drawdown date May 31, 2012) and the repayment amount of 1,050,000,000 yen (Planned repayment date May 31, 2012) will be repaid using cash on hand.

3. Effects on the Future Outlook of the Fund

Effects of the early repayment of loan on the future outlook of the fund are minimal. The management performance forecasts for the fourth period ending July 2012 (from February 1, 2012 to July 31, 2012) remain unchanged.

Reference Material : Debt Financing Balance(As of May 31, 2012)

(JPY:thousand)

	Before Refinancing	After Refinancing (Note4)	Increase (Decrease)
Short-term Loans(Note 5)	2,550,000	1,500,000	-1,050,000
Long-term Loans(Note 5)	166,447,964	167,372,964	925,000
Total Loans	168,997,964	168,872,964	-125,000
Corporate Investment Bonds	37,500,000	37,500,000	—
Total interest-bearing debt	206,497,964	206,372,964	-125,000

(Note4) • The calculation of the outstandings are based on the assumption that the May 31, 2012 amortization repayment(75 million) is 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.

* 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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