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For Immediate Release

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Notice Concerning Signing of Interest Rate Swap Agreement

Advance Residence Investment Corporation 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 1,000 million yen loan^(Note), to be made on September 21, 2012.

^(Note)Please refer to the "Notice Concerning Debt Financing and Repayment of Loans." dated September 6, 2012 for details.

2. Details of interest rate swap agreement

Long-term loan (500 million yen, 3 year 7 month)

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|-----------------------------|---|------------------------|-------------------|
| (1) Counterparty: | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | | |
| (2) Notional principal: | 500 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.33125% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract period: | From September 21, 2012 to April 28, 2016. | | |
| (5) Interest payment dates: | Interest payment dates are last business day of January, April, July and October of every year during the contract period, starting October 2012 and the end of the contract which is April 28, 2016. | | |

The interest rate for the loan above (principal amount of 500 million yen, 3year 7 month) is to be basically fixed at 0.77125% by entering the interest rate swap agreement.

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

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|-----------------------------|---|------------------------|-------------------|
| (1) Counterparty: | Sumitomo Mitsui Trust Bank, Limited | | |
| (2) Notional principal: | 500 million yen | | |
| (3) Interest rate: | Pay: | Fixed rate interest | 0.38750% |
| | Receive: | Floating-rate interest | 3 month yen TIBOR |
| (4) Contract period: | From September 21, 2012 to September 29, 2017. | | |
| (5) Interest payment dates: | Interest payment dates are last business day of January, April, July and October of every year during the contract period, starting October 2012 and the end of the contract which is September 29, 2017. | | |

The interest rate for the loan above (principal amount of 500 million yen, 5year) is to be basically fixed at 0.91750% 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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