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For Immediate Release

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Notice Concerning Debt Financing and Repayment of Loan

Advance Residence Investment Corporation (ADR) announced today its decisions regarding debt financing and repayment of loan as detailed below.

1. Debt Financing

(1) Reason for debt financing (Total:5,210,000,000 yen)

The fund will be used to acquire the asset (RESIDIA Nakaochiai)^(Note1) and repay a existing loan (1,721,389,000 yen) as detailed below.

(Note1) Please refer to the press release "Notice Concerning Acquisition of Investment Assets (RESIDIA Nakaochiai)" dated today.

(2) Details of debt financing

<Long-term loan: 7 year, floating interest rate>

- | | |
|-------------------------------|---|
| 1) Scheduled Lender | : Mizuho Trust & Banking
The Norinchukin Bank |
| 2) Scheduled Amount | : 2,000,000,000 yen ^(Note2) |
| 3) Interest rate | : Base rate (JBA 3month yen TIBOR) +0.40% ^(Note3) |
| 4) Planned drawdown date | : September 13, 2013 |
| 5) Debt financing method | : Loan based on the loan contract that shall be signed on September 10, 2013. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : September 30, 2020 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed |

<Long-term loan: 6 year, floating interest rate>

- | | |
|-------------------------------|---|
| 1) Scheduled Lender | : The Nishi-Nippon City Bank, Ltd. |
| 2) Scheduled Amount | : 500,000,000 yen ^(Note2) |
| 3) Interest rate | : Base rate (JBA 3month yen TIBOR) +0.35% ^(Note3) |
| 4) Planned drawdown date | : September 13, 2013 |
| 5) Debt financing method | : Loan based on the loan contract that shall be signed on September 10, 2013. |
| 6) Principal repayment method | : The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : September 30, 2019 |
| 8) Collateral/guarantee | : Unsecured and non-guaranteed |

<Long-term loan: 5 year, floating interest rate>

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|-------------------------------|---|---|
| 1) Scheduled Lender | : | The Nishi-Nippon City Bank, Ltd.
The 77 Bank, Ltd. |
| 2) Scheduled Amount | : | 1,000,000,000 yen ^(Note2) |
| 3) Interest rate | : | Base rate (JBA 3month yen TIBOR) +0.30% ^(Note3) |
| 4) Planned drawdown date | : | September 13, 2013 |
| 5) Debt financing method | : | Loan based on the loan contract that shall be signed on September 10, 2013. |
| 6) Principal repayment method | : | The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : | September 28, 2018 |
| 8) Collateral/guarantee | : | Unsecured and non-guaranteed |

<Long-term loan: 2 year 2 month, floating interest rate>

- | | | |
|-------------------------------|---|---|
| 1) Scheduled Lender | : | Mizuho Bank, Ltd.
Mizuho Trust & Banking |
| 2) Scheduled Amount | : | 1,710,000,000 yen ^(Note2) |
| 3) Interest rate | : | Base rate (JBA 1month yen TIBOR) +0.15% ^(Note4) |
| 4) Planned drawdown date | : | September 24, 2013 |
| 5) Debt financing method | : | Loan based on the loan contract that shall be signed on September 10, 2013. |
| 6) Principal repayment method | : | The principal shall be repaid in lump sum on the principal repayment date. |
| 7) Principal repayment date | : | November 30, 2015 |
| 8) Collateral/guarantee | : | Unsecured and non-guaranteed |

2. Details of Repayment

Loan based on the loan application of Term Loan Commitment Agreement dated September 7, 2010.

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|------------------------------|---|---|
| 1) Lender | : | Mizuho Bank, Ltd.
Mizuho Trust & Banking |
| 2) Loan Amount | : | 1,721,389,000 yen |
| 3) Amount of Repayment | : | 1,721,389,000 yen ^(Note2) |
| 4) Principal Repayment date | : | September 24, 2013 |
| 5) Planned Date of Repayment | : | September 24, 2013 |

(Note2) • 3,500,000,000 yen (Planned drawdown date September 13, 2013) of the amount listed on the “1. Debt Financing ” will be used to acquire the asset (RESIDIA Nakaochiai). The balance of 1,710,000,000 yen (Planned drawdown date September 24, 2013) will be used to repay 1,721,389,000 yen of loan listed on “2. Details of Repayment ”. The remaining amount of 11,389,000 yen will be repaid using cash on hand.

(Note3) • Interest payment dates are, last business day of January, April, July, October, and the principal repayment date starting from October, 2013.
• 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.

(Note4) • Interest payment dates are, last business day of every month and the principal repayment date. The interest payment will start from September 2013.
• JBA 1 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 1 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 1 month yen TIBOR.

Reference Material : Debt Financing Balance(As of September 24, 2013)

(JPY:thousand yen)

	Before Refinancing	After Refinancing	Increase (Decrease)
Short-term Loans ^(Note 5)	0	0	-
Long-term Loans ^(Note 5)	177,197,811	180,686,422	3,488,611
Total Loans	177,197,811	180,686,422	3,488,611
Investment Corporate Bonds	33,000,000	33,000,000	-
Total interest-bearing debt	210,197,811	213,686,422	3,488,611

(Note5) Short-term loans are loans with original repayment dates within one year and long-term loans are loans with original 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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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.