



November 21, 2018

For Immediate Release

Advance Residence Investment Corporation
 Securities Code : 3269
 1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo
 Kenji Kousaka, Executive Director

Asset Management Company:
 AD Investment Management Co., Ltd.
 Kenji Kousaka, President

Inquiries:
 Tomoyuki Kimura, Director and Deputy CFO
 Corporate Management Department
 TEL. +81-3-3518-0480

Notice Concerning Debt Financing and Repayment of Loans (Including ESG Loan for J-REIT)

and

ADR's Top Rating in the "MUFG ESG Rating Certificate for J-REIT supported by JCR"

Advance Residence Investment Corporation (ADR) announced today its decisions to borrow funds to repay loans coming due.

And ADR was awarded the highest "S Rank" in the "MUFG ESG Rating Certificate for J-REIT supported by Japan Credit Rating Agency (JCR)" by Mitsubishi UFJ Research and Consulting Co., Ltd. (MURC)

1. Debt Financing (Drawdown Date; November 30, 2018)

(1) Details of the Debt Financing

(JPY:million)

No.	Lender	Planned Drawdown Date	Scheduled Amount	Interest Rate (fixed rate)	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
1	MUFG Bank, Ltd. (ESG Loan for J-REIT ^(Note1))	November 30, 2018	1,300	Unfixed ^(Note2)	November 30, 2028	10.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed
2	Mizuho Bank, Ltd. Mizuho Trust & Banking		2,000		November 30, 2028	10.0 year		
3	Sumitomo Mitsui Banking Corporation		700		May 31, 2024	5.5 year		
4	Sumitomo Mitsui Banking Corporation		1,560		May 31, 2022	3.5 year		
	Total or Weighted Average		5,560			7.6 year		

(Note1) Please refer to the "2. About the Certificate and "ESG Loan for J-REIT" for details.

(Note2) Interest payment dates are the last business day of every January, April, July, October, starting January 2019 and ending on the principal repayment date. The interest rate for the loan will be announced separately.

(2) Purpose of the Debt Financing

To repay the existing loans due on November 30, 2018.



(3) Scheduled Contract Date of Debt Financing

November 28, 2018

(4) Details of Coming Due Loans to be Repaid

(JPY:million)								
No.	Lender	Drawdown Date	Scheduled Amount	Interest Rate (fixed rate)	Principal Repayment Date	Repayment Period	Principal Repayment	Collateral/ Guarantee
1	MUFG Bank, Ltd. Mizuho Bank, Ltd.	November 30, 2011	3,300	1.57075% ^(Note3) (Fixed Rate)	November 30, 2018	7.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed
2	Sumitomo Mitsui Banking Corporation	February 29 2016	2,260	Base Rate ^(Note4) +0.15% (Unfixed Rate)		2.8 year		
			5,560	-		5.3 year		

(Note3) The interest rate is fixed through interest rate swap.

(Note4) JBA 1 month TIBOR rate.

2. About the Certificate and “ESG Loan for J-REIT”

(1) About the Certificate

- The certificate evaluates J-REITs effort on ESG (Environmental, Society, Governance) based on scale of five (S/A/B+/B/C) by MURC’s own criteria.
- ADR was awarded the highest “S Rank”.
- The certificate with the support from JCR providing a third-party view, aims to be highly objective.
- ADR will be able to undertake “ESG Loan for J-REIT” from MUFG Bank, Ltd.(MUFG)

Please refer to MURC’s website for detail the certificate.

<http://www.murc.jp/sp/1810/j-reit/index.html> (Japanese only)

(2) About “ESG Loan for J-REIT”

- The loan will be provided by MUFG, taking into consideration of this ESG evaluation, in addition to the usual credit evaluation.
- The loan is allocated on priority basis from the net proceed from sale of the Mitsubishi Financial Group’s Green Bond^(Note5) which was issued on October 2018.
- With the listing of ADR’s name on the report about the status of the fund allocation of MUFG’s Green Bond, ADR can expect higher name exposure.
- The priority allocation of the fund requires the receiving party to own “Eligible Green Properties^(Note6)” and meeting MUFG’s requirements on the certificate’s rating.
- ADR will be provided 1,300 million yen long-term loan^(Note7) as an “ESG Loan for J-REIT” on November 30, 2018.

(Note5) Please refer to MUFG’s website.

<https://www.mufg.jp/english/csr/environment/greenbond/>



(Note6) “Eligible Green Properties” are properties which can measure its CO2 emission and schedule to receive or received one of the following ratings with the two years before the annual reporting of fund allocation.

- Gold or Platinum rating under LEED
- Excellent or Outstanding rating under BREEAM
- A or S rating under CASBEE
- 4 or 5 stars under DBJ Green Building Certificate

Reference Material: Debt Financing Balance (As of November 30, 2018)

(JPY:million)

	Before Refinancing	After Refinancing	Increase (Decrease)
Short-term Loans ^(Note7)	1,000	1,000	-
Long-term Loans ^(Note7)	195,918	195,918	-
Total Loans	196,918	196,918	-
Corporate Investment Bonds	29,000	29,000	-
Total interest-bearing debt	225,918	225,918	-

(Note7) Short-term loans are loans with repayment dates within one year from the drawdown date and long-term loans are loans with repayment dates that are more than one year away.

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest residential J-REIT, investing in over 260 rental apartments located mostly in central Tokyo and others in major cities throughout Japan (AUM over 400 billion yen). On the back of stable income from residential assets and with the largest dividend reserve among J-REITs, ADR can be expected have a stable dividend in the long-term and can be considered as a defensive J-REIT.

ADR’s website: <https://www.adr-reit.com/en/>

[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.