July 17, 2019

For Immediate Release

Advance Residence Investment Corporation
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Notice Concerning Issuance of Investment Corporation Bond (Green Bond)

Advance Residence Investment Corporation (ADR) announced today its decision to issue an investment corporation bond as follows, based on the general resolution on ADR bond issuance adopted at the Board of Directors' Meeting held on July 26, 2018.

1. Terms of Investment Corporation Bonds

(1) Name of Investment Corporation Bond

ADR Unsecured Bond #31, Green Bond
(with *Pari Passu* clause among specified investment corporation bonds)

(2) Total Amount of Bond Issuance

5,000 million yen

(3) Form of Investment Corporation Bond Certificates

Under the *Act of Book-Entry Transfer of Company Bonds, Shares, etc.*, there will be no certificate for the Bond.

(4) Issue Price

100 yen per par value of 100 yen

(5) Redemption Price

100 yen per par value of 100 yen

(6) Coupon Rate

0.22%

(7) Denomination

100 million yen

(8) Offering Method

Public offering

(9) Offering Period

July 17, 2019 (Wednesday)

(10) Issue Date

July 24, 2019 (Wednesday)

(11) Collateral / Guarantee

No collateral or guarantee is on the bond and no assets are reserved as security for the bond.

(12) Redemption Method and Redemption Date

The entire principal shall be redeemed on July 24, 2024.

The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.

(13) Coupon Payment Dates

January 24 and July 24 every year (first payment date is January 24 2020)

(14) Financial Covenants

Contains a negative pledge.

(15) Acquired Ratings

AA rating from JCR

(16) Fiscal, Issuing and Paying Agent

MUFG Bank, Ltd.

(17) Underwriters

Mizuho Securities Co., Ltd.

SMBC Nikko Securities Inc.

Daiwa Securities Co., Ltd.

2. Purpose of the Issuance

ADR believes that the issuing of green bonds will further promote ESG considerations in its asset management and enhance our financing base by broadening our investor universe, especially for investors interested in ESG investment. It is with this belief that ADR today decided to issue the first green bond among residential J-RIETs. The Investment Corporation bonds will be issued as green bonds in accordance with the green finance framework (Note1) formulated by the Investment Corporation. Regarding the eligibility of the green finance framework, ADR has received a "Green 1 (F)" rating, the highest rating, in the JCR Green Finance Framework Evaluation by the Japan Credit Rating Agency, Ltd., an institution which assesses green financing.

(Note 1) For details, please refer to the "Notice Concerning Submission of Revised Shelf Registration Statement for Issuance of Green Bonds" dated June 26, 2019.

3. Amount, Use and Scheduled Expenditure Date of Proceeds

(1) Amount of eEstimated Net Proceeds

4,975 million yen

(2) Specific Usage and Scheduled Expenditure Date of Proceeds

The proceeds will be used to partially repay a loan coming due on July 25, 2019.The existing loan was used to repay a loan originally used in the acquisition of RESIDIA TOWER Meguro-Fudomae. As of March 4, 2019, RESIDIA Tower Meguro Fudomae is awarded with 4 stars under DBJ Green Building Certification, and meet the eligible criteria as Eligible Green Assets.
(Note 2) For details, please refer to the "Notice Concerning Debt Financing and Repayment of Loan" dated July17, 2019.

(3) Investors Who Declared Intention to Invest in the Investment Corporation Bonds

Listed below in alphabetical order are investors to date who declared their intention of investment in the Investment Corporation Bond and agreed to the disclosure of their names.

- IZAWA METAL CO., LTD.
- THE OITA BANK, LTD.
- Shigaken Shinyokumiai
- Sugamo Shinkin Bank
- Daitokyo Shinyokumiai
- Hanno Shinkin Bank
- Fujinomiya Shinkin Bank
- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- Mitsubishi UFJ Trust and Banking Corporation
- Ryoubi Shinyokumiai

4. Other

There are no significant changes in the "Investment Risk" stated in the Securities Report filed on April 25, 2019 regarding the risk concerning redemption of investment corporation bonds.

Reference Material: Debt Financing Balance (As of July 25, 2018)

(in million yen)

	Before Refinancing (Note3)	After Refinancing (Note4)	Increase (Decrease)
Short-term Loans (Note5)	2,000	0	(2,000)
Long-term Loans (Note5)	196,918	196,918	-
Total Loans	198,918	196,918	(2,000)
Corporate Investment Bonds	27,500	29,000	1,500
Total interest-bearing debt	226,418	225,918	(500)

(Note3) As of July 17, 2019.
(Note4) The balance assumes that the following actions will be made.
* Refinancing of the existing loan 1,000 million yen on July 25, 2019 which was announced inth press release "Notice Concerning Debt Financing and Repayment of Loan" today.
* Issuing another investment corporation bonds 3,000 million yen on July 25, 2019.
(Note5) 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 in other major cities throughout Japan (AUM over 400 billion yen). ADR can be expected have a stable dividend in the long-term and can be considered as a defensive J-REIT, on back of the stable income from residential assets and with the largest dividend reserve among J-REITs. ADR's website: https://www.adr-reit.com/en/

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