

July 11, 2024

For Immediate Release

Real Estate Investment Trust Securities Issuer:
Advance Residence Investment Corporation
(Securities Code : 3269)
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Asset Management Company:
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**Notice Concerning Debt Financing (Including Green Loan) and
Redemption of Bond, Repayment of Loan and Early Repayment of Loan**

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

A portion of this loan is a green loan to be executed in accordance with the Green Finance Framework (hereinafter referred to as the "Framework") developed by ADR. Going forward, ADR will continue to promote ESG considerations in its asset management and enhance our financing base by procuring funds through green finance.

1. Debt Financing (drawdown date: July 23, 2024)

(1) Details of the Debt Financing

(JPY:million)

No.	Lender	Planned Drawdown Date	Loan Amount	Interest Rate	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
1	Mizuho Bank, Ltd. (Green Loan ^(Note1))	July 23, 2024	1,000	Base rate ^(Note2) +0.17500%	January 24, 2033	8.5year	Pay in full on the maturity date	Unsecured Non-guaranteed
2	SBI Shinsei Bank, Limited (Green Loan ^(Note1))		1,500	Unfixed ^(Note3)				
3	The Yamaguchi Bank, Ltd. (Green Loan ^(Note1))		1,500					
4	The Keiyo Bank, Ltd. (Green Loan ^(Note1))		1,000	Base rate ^(Note2) +0.17500%				
	Total or Weighted Average		5,000			8.5year		

(Note1) • For more information on the Green Finance Framework, please refer to the "Green Finance" page of ADR's website (<https://www.adr-reit.com/en/sustain/07>).

(Note2) • Interest payment dates are the last business day of January, April, July, October, starting October 31, 2024 and ending on the principal repayment date.

• The 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 for the 3 month yen TIBOR. (<http://www.jbatibor.or.jp/english/>)

- (Note3)
- Interest payment dates are the last business day of January, April, July, October, starting October 31, 2024 and ending on the principal repayment date.
 - The interest rate for the loans will be announced separately.

(2) Purpose of the Debt Financing

The fund procured from the debt financing will be used to repay existing Loan as described in "3. Details of the Loan to be Repaid". The existing borrowings were procured to repay a loan originally used in the acquisition of Residia Tower Meguro-Fudomae. As of March 3, 2022, the property has acquired S-rank in the CASBEE certification for real estate as Eligible Green Asset that meet the eligibility criteria under the Framework.

(3) Details of the Existing Bond to be Redeemed

(JPY:million)

Name of Investment Corporation Bond	Drawdown Date	Loan Amount	Interest Rate (fixed rate)	Principal Repayment Date	Repayment Period	Principal Repayment	Collateral/ Guarantee
ADR Unsecured Bond #31 (with <i>Pari Passu</i> clause among specified investment corporation bonds)	July 24, 2019	5,000	0.22000%	July 24, 2024	5.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed

(4) Scheduled contract date of Green Loan

July 19, 2024

2. Debt Financing (drawdown date: July 29, 2024)

(1) Details of the debt financing

(JPY:million)

Lender	Planned Drawdown Date	Loan Amount	Interest Rate	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
The Iyo Bank, Ltd. The Chugoku Bank, Ltd. The Bank of Kyoto, Ltd.	July 29, 2024	1,300	Base rate ^(Note2) +0.15750%	July 31, 2030	6.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed

(2) Purpose of the Debt Financing

To repay existing Loan due on July 29, 2024.

(3) Details of the Loan to be Repaid

(JPY:million)

Lender	Planned Drawdown Date	Loan Amount	Interest Rate	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
The Iyo Bank, Ltd. The Chugoku Bank, Ltd. The Bank of Kyoto, Ltd.	July 29, 2016	1,300	0.20000%	July 29, 2030	8.0 year	Pay in full on the maturity date	Unsecured Non-guaranteed

(4) Scheduled Contract Date of the Debt Financing

July 25, 2024

3. Debt Financing (drawdown date: July 31, 2024)

(1) Details of the Debt Financing

(JPY:million)

No.	Lender	Planned Drawdown Date	Loan Amount	Interest Rate	Principal Repayment date	Repayment Period	Principal Repayment	Collateral/ Guarantee
1	MUFG Bank, Ltd. (Green Loan ^(Note1))	July 31, 2024	1,000	Unfixed ^(Note3)	July 29, 2033	9.0year	Pay in full on the maturity date	Unsecured Non-guaranteed
2	MUFG Bank, Ltd. (Green Loan ^(Note1))		1,000		January 31, 2030	5.5year		
3	The Chiba Bank, Ltd. The Norinchukin Bank (Green Loan ^(Note1))		2,500					
4	Resona Bank, Limited. (Green Loan ^(Note1))		1,600	Base rate ^(Note4) +0.21000%	July 31, 2034	10.0year		
	Total or Weighted Average		6,100			7.3year		

(Note4) The loan to Resona Bank, Ltd. has been determined by Resona Bank, Ltd. to meet the requirements for the subject investment and loan as disclosed in the "Use of the Bank of Japan's Climate Change Operations" (hereinafter referred to as "Climate Change Operations"), and will be funded by the Bank of Japan through the Climate Change Operations. The Company plans to receive funds from the Bank of Japan through the Climate Change Operations. Therefore, the interest rate for the loan is based on the interest rate stipulated in the basic guidelines for climate change operations. In the event that some or all of the applicable requirements are not met during the loan period, or in the event that the BOJ discontinues the climate change operations and no longer quotes rates, the interest rate for subsequent loan periods will be based on the 1 month Japanese yen TIBOR published by the JBA TIBOR management organization as of two business days before the interest payment date for the immediately preceding interest calculation period. The base interest rate will be the 1 month Japanese yen TIBOR published by the Japanese Bankers Association (JBA) as of two business days prior to the interest payment date.

- Interest payment dates are the last business day of every month starting August 30, 2024 and ending on the principal repayment date.
- The interest rate on the floating-rate borrowings will not be announced in the future. Please refer to the Bank of Japan's website "Funds Supply Operations to Support Response to Climate Change (https://www.boj.or.jp/mopo/measures/mkt_ope/ope_x/index.htm)" for information on changes in the Bank of Japan's base rate.

(2) Purpose of the Debt Financing

The funds will be used for the early repayment of existing borrowings as described in "4. The said existing borrowings are the funds procured as borrowings at the time of acquisition of Residia Sendagi and Tokyo Student-House Musashi-Kosugi. Residia Sendagi is scheduled to acquire CASBEE certification for real estate on July 26, 2024, and Tokyo Student House Musashi Kosugi is scheduled to acquire DBJ Green Building certification on July 26, 2024, as Eligible Green Assets that meet the eligibility criteria under the framework.

(3) Scheduled contract date of Green Loan

July 29, 2024

4. Details of the early repayment of loan

No. 1 and 2 are Loan based on the loan commitment agreement concluded on May 1, 2015

No.3 is Loan based on the monetary loan agreement concluded on July 16, 2024

Early Repayment Date : July 31, 2024

(JPY:million)

No.	Drawdown Date	Maturity Date	Lender	Loan Outstanding before Early Repayment [A]	Early Repayment Amount [B]	Loan Outstanding after Early Repayment [A]-[B]
1	April 18, 2024	January 31, 2025	MUFG Bank, Ltd.	3,000	3,000	0
2			Sumitomo Mitsui Trust Bank, Limited	1,600	1,600	0
3			Mizuho Bank, Ltd.	1,500	1,500	0
			The Norinchukin Bank			

Reference Material: Debt Financing Balance (As of July 31, 2024)

(JPY:million)

	Before Refinancing ^(Note5)	After Refinancing ^(Note6)	Increase (Decrease)
Short-term Loans	8,100	2,000	▲6,100
Long-term Loans	200,709	211,809	11,100
Total Loans	208,809	213,809	5,000
Corporate Investment Bonds	29,100	24,100	▲5,000
Total interest-bearing debt	237,909	237,909	—

(Note5) As of July 22, 2024

• There will be no increase or decrease in loans and investment corporation bonds other than the above.

(Note6) As of July 31, 2024

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest J-REIT specializing in residential properties and is managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group, investing in over 280 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 490 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.

"Advance" is the common brand name of the real estate investment corporation managed by ITOCHU REIT Management Co., Ltd.

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

IRM's website: <https://www.itc-rm.co.jp/en/>