

For Immediate Release

Advance Residence Investment Corporation (Securities Code: 3269)
3-26 Kanda Nishiki-cho, Chiyoda-ku, Tokyo
Kenji Kousaka, Executive Director

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

Inquiries:
Tomoyuki Kimura, Director, General Manager
Corporate Management Department
TEL. +81-3-3518-0480

Notice Concerning Acquisition of Investment Assets (RESIDIA Takashimadaira and 3 other properties)

Advance Residence Investment Corporation (ADR) announced its decision today to acquire assets in Japan as detailed below as part of its growth strategy.

1. Details of Acquisition

ADR decided on the following acquisition pursuant to the target and policy of asset management as stipulated in its Articles of Incorporation, under the objective of increasing the asset under management of the portfolio that earns a stable income through diversified investment in all regions and in all apartment unit types.

No.	Property number	Name of to-be-acquired asset (Note 1)	Type of to-be-acquired asset	Proposed acquisition price (Note 2)	Note
(1)	C-66	RESIDIA Takashimadaira (SOLATIO Takashimadaira)	Real Estate	¥502 million	To-be-acquired assets are residential for students commuting to Tokyo and environs.
(2)	C-67	RESIDIA Shimurasakaue (Prestrain)	Real Estate	¥580 million	
(3)	C-68	RESIDIA Shimurasakaue II (Casa Verde Shimura Sakaue)	Beneficiary interests in trust (Planned)	¥1,093 million	
(4)	C-69	RESIDIA Shimurasakaue III (Casa Tres)	Real Estate	¥411 million	
Total of 4 properties				¥2,586 million	

(Note 1) ADR is scheduled to change the property names after the acquisitions of the to-be-acquired assets listed above. For the to-be-acquired assets that are scheduled to have their names changed, the names after the change are shown with the names as of today shown in parentheses.

(Note 2) "Proposed acquisition price" indicates the purchase price for the properties entered in the trust beneficiary interests disposition contracts, and real estate transaction agreements, which are exclusive of the various expenses required in the acquisition of the concerned properties (broker commission, taxes and public dues, etc.)

(Note 3) The to-be acquired asset C-68) RESIDIA Shimurasakaue II is not placed in trust as of today, but it is scheduled to be placed in trust upon the acquisition by ADR.

ADR evaluated the assets' attributes listed below in deciding to acquire the assets.

C-66) RESIDIA Takashimadaira

- The property is 5 minute walk from Toei Mita Line Takashimadaira Station. From the station by train, it is 27-minute to Suidobashi Station, and 32 minute to Otemachi Station, giving tenants good access to the city center in Tokyo.
- There are many convenient facilities in front of Takashimadaira Station for living such as convenience stores and restaurants. There is also a shopping center in the surrounding area providing convenient living environment. .
- The housing unit plan for the property is 1K. The property can expect demands from students who commute to universities that are located along Toei Mita line due to its accessibility and convenience of living.

C-67) RESIDIA Shimurasakaue

- The property is 2 minute walk from Toei Mita Line Shimurasakaue Station. From the station by train, it is 19-minute to Suidobashi Station and 24 minutes to Otemachi Station, giving tenants good access to the city center in Tokyo.
- There are many convenient facilities for living such as convenience stores, banks and shopping streets in the surrounding area providing convenient living environment.
- The housing unit plan for the property is 1K. The property can expect demands from students who commute to universities that are located along Toei Mita line due to its accessibility and convenience of living.

C-68) RESIDIA Shimurasakaue II

- The property is 10 minute walk from Toei Mita Line Shimurasakaue Station. From the station by train, it is 19-minute to Suidobashi Station and 24 minutes to Otemachi Station, giving tenants good access to the city center in Tokyo.
- There are many convenient and comfortable facilities for living. There is a supermarkets nearby and a park which is equipped with tennis courts and a gymnasium, providing convenient and comfortable living environment.
- The housing unit plan for the property is 1K. The property can expect demands from students who commute to universities that are located along Toei Mita line due to its accessibility and convenience of living.

C-69) RESIDIA Shimurasakaue III

- The property is 9 minute walk from Toei Mita Line Shimurasakaue Station. From the station by train, it is 19-minute to Suidobashi Station and 24 minutes to Otemachi Station, giving tenants good access to the city center in Tokyo.
- There are many convenient facilities for living such as convenience stores and restaurants in the surrounding area providing convenient living environment.
- The housing unit plan for the property is 1K. The property can expect demands from students commute to universities that are located along Toei Mita line due to its accessibility and convenience of living.

2. Acquisition Summary

Name of property	RESIDIA Takashimadaira
Asset to be acquired	Real Estate
Proposed acquisition price	¥502 million
Seller	K.K. Daiichikigyo
Scheduled agreement date	December 16, 2013
Scheduled acquisition date	December 19, 2013
Acquisition financing	Debt and funds on hand
Payment method	Pay entire amount upon delivery

Name of property	RESIDIA Shimurasakaue
Asset to be acquired	Real Estate
Proposed acquisition price	¥580 million
Seller	K.K. Daiichikigyo
Scheduled agreement date	December 16, 2013
Scheduled acquisition date	December 19, 2013
Acquisition financing	Debt and funds on hand
Payment method	Pay entire amount upon delivery

Name of property	RESIDIA Shimurasakaue II
Asset to be acquired	Beneficiary interests in trust (planned)
Proposed acquisition price	¥1,093 million
Seller	K.K. Daiichikigyo
Scheduled agreement date	December 16, 2013
Scheduled acquisition date	December 19, 2013
Acquisition financing	Debt and funds on hand
Payment method	Pay entire amount upon delivery

Name of property	RESIDIA Shimurasakaue III
Asset to be acquired	Real Estate
Proposed acquisition price	¥411 million
Seller	K.K. Daiichikigyo
Scheduled agreement date	December 16, 2013
Scheduled acquisition date	December 19, 2013
Acquisition financing	Debt and funds on hand
Payment method	Pay entire amount upon delivery

3. Summary of the To-be-Acquired Asset

(1) C-66) RESIDIA Takashimadaira

Type of specified asset	Real Estate	Scheduled acquisition date	December 19, 2013	Proposed acquisition price	¥502 million
Property Outline					
Location	Address	9-18-12 Takashimadaira, Itabashi-ku, Tokyo			
Land	Type of ownership	Proprietary ownership	Zoning	Quasi Industrial zone	
	Site area	377.00 m ²	FAR / Building coverage ratio	300%/60%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	1,040.37 m ²	Single type	45	
	Structure / Floors	RC with flat roof 7F	Compact type	-	
	Use	Apartment	Family type	-	
	Construction completion date	February 2007	Large type	-	
	Confirmation inspection agency	Jyutaku kinyu fukyu kyokai general incorporated foundation	Dormitory type	-	
	Building designer	K.K. All-Creation 1st Class Qualified Architect Office	Other	-	
	Structural designer	K.K. Tera Sekkeikobo	Trustee	-	
Construction contractor	DAIHO Corporation Tokyo Branch	Property Manager	J.S.B.Co. (planned)		
Previous titleholder	Not Disclosed	Master lessee	J.S.B.Co. (planned)		
Current titleholder	K.K. Daiichikigyo	Master lease type	Guaranteed payment (planned)		
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	October 31, 2013	
Real estate appraised value	¥555 million		Cap rate	5.3%	
Direct capitalization price	¥561 million		Discount rate	5.1%	
DCF PRICE	¥552 million		Terminal cap rate	5.5%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2013)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	38,992	Leasable units	45	
	Rent income	37,984	Leased units	45	
	Other income	1,007	Leasable floor area	977.96 m ²	
(B) Total effective profit	Subtotal	37,472	Leased floor area	977.96 m ²	
	Losses from vacancies, etc.	1,519	Monthly rent (including common service charges)	¥2,812 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥2,812 thousand	
(C) Expenses from rental business	Subtotal	7,259	Occupancy rate (based on floor area)	100.0%	
Maintenance and management fees		1,561	Summary of Building Conditions Investigation Report		
Utilities costs		709	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Management commission fees		1,094	Investigation date	December, 2013	
Taxes and public dues		1,843	Emergency repair costs	-	
Non-life insurance premiums		55	Short-term repair costs (within 1 year)	-	
Rental advertising costs		990	Long-term repair costs (next 12 years)	¥12,468 thousand	
Repair costs (including restoration fees)		790	Building replacement price	¥197,000 thousand	
Other expenses		213	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		30,213	PML	4.8%	
(E) Operating profit from deposits		105	Collateral		
(F) Capital expenditures		603	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		29,715			
Special Notation					
N/A					

(2) C-67) RESIDIA Shimurasakaue

Type of specified asset	Real Estate	Scheduled acquisition date	December 19, 2013	Proposed acquisition price	¥580 million
Property Outline					
Location	Address 2-3-8 Shimura, Itabashi-ku, Tokyo				
Land	Type of ownership	Proprietary ownership	Zoning	Neighborhood commercial zone	
	Site area	363.58 m ²	FAR / Building coverage ratio	300%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	1,096.24 m ²	Single type	44	
	Structure / Floors	RC with flat roof 8F	Compact type	-	
	Use	Apartment	Family type	-	
	Construction completion date	February 2007	Large type	-	
	Confirmation inspection agency	Jyutaku kinyu fukyu kyokai general incorporated foundation	Dormitory type	-	
	Building designer	K.K. All-Creation 1st Class Qualified Architect Office	Other	-	
	Structural designer	Beams Design Consultant Co.,Ltd.	Trustee	-	
Construction contractor	DAIHO Corporation Tokyo Branch	Property Manager	J.S.B.Co. (planned)		
Previous titleholder	Not Disclosed		Master lessee	J.S.B.Co. (planned)	
Current titleholder	K.K. Daiichikigyo		Master lease type	Guaranteed payment (planned)	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	October 31, 2013	
Real estate appraised value	¥633 million		Cap rate	5.1%	
Direct capitalization price	¥646 million		Discount rate	4.9%	
DCF PRICE	¥628 million		Terminal cap rate	5.3%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2013)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	43,007	Leasable units	44	
	Rent income	41,913	Leased units	44	
	Other income	1,094	Leasable floor area	995.37 m ²	
(B) Total effective profit	Subtotal	40,911	Leased floor area	995.37 m ²	
	Losses from vacancies, etc.	2,095	Monthly rent (including common service charges)	¥3,014 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥3,014 thousand	
(C) Expenses from rental business	Subtotal	7,405	Occupancy rate (based on floor area)	100.0%	
Maintenance and management fees		1,517	Summary of Building Conditions Investigation Report		
Utilities costs		722	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
Management commission fees		1,194	Investigation date	December, 2013	
Taxes and public dues		1,920	Emergency repair costs	-	
Non-life insurance premiums		59	Short-term repair costs (within 1 year)	-	
Rental advertising costs		1,094	Long-term repair costs (next 12 years)	¥13,128 thousand	
Repair costs (including restoration fees)		788	Building replacement price	¥212,000 thousand	
Other expenses		108	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		33,506	PML	3.4%	
(E) Operating profit from deposits		116	Collateral		
(F) Capital expenditures		663	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		32,959			
Special Notation					
Part of the land (approx. 3.6m ²) is within the boundaries of city planning zone for future road (Radial Route 9, planned width 40m). The development is not yet decided and there are no details of when the development will start or how much of the property will be expropriated.					

(3) C-68) RESIDIA Shimurasakaue II

Type of specified asset	Beneficiary interests in trust (planned)	Scheduled acquisition date	December 19, 2013	Proposed acquisition price	¥1,093 million
Property Outline					
Location	Address	4-1-7 Azusawa, Itabashi-ku, Tokyo			
Land	Type of ownership	Proprietary ownership	Zoning	Quasi Industrial zone	
	Site area	1,051.90 m ²	FAR / Building coverage ratio	200%/60%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	2,380.57 m ²	Single type	94	
	Structure / Floors	RC with flat roof 8F	Compact type	-	
	Use	Apartment	Family type	-	
	Construction completion date	March 2007	Large type	-	
	Confirmation inspection agency	Japan Constructive Inspect Association	Dormitory type	-	
	Building designer	K.K. All-Creation 1st Class Qualified Architect Office	Other	-	
	Structural designer	Beams Design Consultant Co.,Ltd.	Trustee	Mitsubishi UFJ Trust and Banking Corporation (Planned)	
Construction contractor	Fukushi Koumuten LTD.,	Property Manager	J.S.B.Co. (planned)		
Previous titleholder	Not Disclosed		Master lessee	J.S.B.Co. (planned)	
Current titleholder	K.K. Daiichikigyo		Master lease type	Guaranteed payment (planned)	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	October 31, 2013	
Real estate appraised value	¥1,250 million		Cap rate	5.2%	
Direct capitalization price	¥1,270 million		Discount rate	5.0%	
DCF PRICE	¥1,240 million		Terminal cap rate	5.4%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)			Lease Conditions (as of October 31, 2013)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	84,673	Leasable units	94	
	Rent income	82,502	Leased units	94	
	Other income	2,170	Leasable floor area	2,066.19 m ²	
(B) Total effective profit	Subtotal	80,548	Leased floor area	2,066.19 m ²	
	Losses from vacancies, etc.	4,125	Monthly rent (including common service charges)	¥5,987 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	¥5,987 thousand	
(C) Expenses from rental business	Subtotal	13,222	Occupancy rate (based on floor area)	100.0%	
	Maintenance and management fees	1,950	Summary of Building Conditions Investigation Report		
	Utilities costs	900	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	2,352	Investigation date	December, 2013	
	Taxes and public dues	4,007	Emergency repair costs	-	
	Non-life insurance premiums	111	Short-term repair costs (within 1 year)	-	
	Rental advertising costs	2,137	Long-term repair costs (next 12 years)	¥26,190 thousand	
	Repair costs (including restoration fees)	1,613	Building replacement price	¥411,000 thousand	
	Other expenses	150	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) - (C)		67,325	PML	5.6%	
(E) Operating profit from deposits		228	Collateral		
(F) Capital expenditures		1,311	Not Scheduled		
(G) Net profit = (D) + (E) - (F)		66,241			
Special Notation					
N/A					

(4) C-69) RESIDIA Shimurasakaue III

Type of specified asset	Real Estate	Scheduled acquisition date	December 19, 2013	Proposed acquisition price	¥411 million
Property Outline					
Location	Address	1-25-19 Sakashita, Itabashi-ku, Tokyo			
Land	Type of ownership	Proprietary ownership	Zoning	Neighborhood commercial zone	
	Site area	330.56 m ²	FAR / Building coverage ratio	300%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	873.42 m ²	Single type	36	
	Structure / Floors	RC with flat roof 7F	Compact type	-	
	Use	Apartment	Family type	-	
	Construction completion date	March 2007	Large type	-	
	Confirmation inspection agency	Japan Constructive Inspect Association	Dormitory type	-	
	Building designer	K.K. All-Creation 1st Class Qualified Architect Office	Other	-	
	Structural designer	Beams Design Consultant Co.,Ltd.	Trustee	-	
Construction contractor	Magara Construction Co., Ltd. Tokyo Branch	Property Manager	J.S.B.Co. (planned)		
Previous titleholder	Not Disclosed	Master lessee	J.S.B.Co. (planned)		
Current titleholder	K.K. Daiichikigyo	Master lease type	Guaranteed payment (planned)		
Summary of Real Estate Appraisal Report					
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.	Appraised date	October 31, 2013		
Real estate appraised value	¥456 million	Cap rate	5.2%		
Direct capitalization price	¥464 million	Discount rate	5.0%		
DCF PRICE	¥453 million	Terminal cap rate	5.4%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand)		Lease Conditions (as of October 31, 2013)			
Appraisal item	Appraised value	Total tenants	1		
(A) Total potential profit Subtotal	32,344	Leasable units	36		
Rent income	31,525	Leased units	36		
Other income	818	Leasable floor area	796.76 m ²		
(B) Total effective profit Subtotal	30,767	Leased floor area	796.76 m ²		
Losses from vacancies, etc.	1,576	Monthly rent (including common service charges)	¥2,268 thousand		
Bad debts losses	0	Deposits, guarantees, etc.	¥2,268 thousand		
(C) Expenses from rental business Subtotal	6,203	Occupancy rate (based on floor area)	100.0%		
Maintenance and management fees	1,503	Summary of Building Conditions Investigation Report			
Utilities costs	636	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.		
Management commission fees	898	Investigation date	December, 2013		
Taxes and public dues	1,571	Emergency repair costs	-		
Non-life insurance premiums	52	Short-term repair costs (within 1 year)	-		
Rental advertising costs	815	Long-term repair costs (next 12 years)	¥10,464 thousand		
Repair costs (including restoration fees)	638	Building replacement price	¥187,000 thousand		
Other expenses	87	Summary of Earthquake PML Assessment Report			
(D) Profit or loss from rental business = (B) - (C)	24,563	PML	5.4%		
(E) Operating profit from deposits	87	Collateral			
(F) Capital expenditures	519	Not Scheduled			
(G) Net profit = (D) + (E) - (F)	24,131				
Special Notation					
Part of the land (approx.24.8m ²) is within the boundaries of city planning zone for future road (Radial Route 9, planned width 30m). The development is not yet decided and there are no details of when the development will start or how much of the property will be expropriated.					

[Explanation of Entries in Foregoing Tables]

(i) Explanation of “Property Outline”

- In principle, the entries are based on October 31, 2013
- “Type of Ownership” indicates the scheduled type of ownership, whether the property is going to be held as beneficiary interest in trust or as actual real estate.
- “Site area” for the land provides the area of the land as indicated in the registry. However, there are possibilities that the actual site areas of the property are not as indicated in the registry.
- “Zoning” for the land provides the zoning classification given in Article 8-1-1 of the City Planning Law.
- The “FAR / Building coverage ratio” for the land provides the designated FAR or building coverage ratio determined by city planning.
- “Total floor area,” “Structure / Floors,” “Use” and “Construction completion date” for the building are each pursuant to the entries indicated in the registry for the property. However, “Use” column provides the primary use out of the types indicated in the registry for the real estate in trust. “Total floor area” column provides the floor area of the overall building (excludes floor area of annexed buildings)
- “Breakdown of residential unit type” lists the types of residential units based on the following classification. Store, office and other uses apart from residential units are shown under “Other.”

Layout	Exclusive-use floor area							
	~30m ²	~40m ²	~50m ²	~60m ²	~70m ²	~80m ²	~90m ²	Over 90m ²
Studio	S	S	C	C	L	L	L	L
1 bedroom	S	C	C	C	L	L	L	L
2 bedroom		C	C	F	F	F	F	L
3 bedroom			F	F	F	F	F	L
4 bedroom					F	F	F	L

- S: Single type Primarily residential units designed for single-person households
 C: Compact type Primarily residential units designed for single-person households and small-family households (2 to 3 people)
 F: Family type Primarily residential units designed for family households
 L: Large type Primarily residential units designed for foreigners

- Studio 1R, 1K or studio
 1 bedroom 1DK or 1LDK
 2 bedroom 2DK, 2LDK, 1LDK+S, etc.
 3 bedroom 3DK, 3LDK, 2LDK+S, etc.
 4 bedroom 4DK, 4LDK, 3LDK+S, etc., or those with 5 or more rooms that are in ongoing use for living, working, gathering, leisure or other similar purposes

- Dormitory type Residential units without bathrooms or facilities for installing washing machines within the units, but are covered for by making them available for use as shared facilities within the property (communal bathing, laundry, etc., spaces)

*Life & Senior House Kohoku II, Cocofump Hiyoshi and College Court Tanashi are categorized as Dormitory type due to their characteristics.

- “Units” provides the leasable units of the property categorized by the number of units of each type of residential unit that is leasable as of the date of this document based on information received from the current titleholder.
- “Current titleholder” names the holder as of the date of this document of the asset to be acquired whether in beneficiary interest in trust or the actual real estate. “Previous titleholder” names the party that transferred rights of the asset to be acquired to the current titleholder.
- “Trustee” indicates the trustee or the trustee to be indicated in the trust agreement for the asset to be acquired as of the date of this document.
- “Master lessee” names the lessee that, as of the date of this document, is scheduled to enter into a master lease agreement with the titleholder of the real estate or the real estate in trust.

- “Master lease type” indicates “Passthrough” when the master lease agreement states that the master lessee is to pay the same amount of rent as the rent due to be paid to the master lessee by end-tenants and “Guaranteed payment” when the master lease agreement states that the master lessee is to pay a guaranteed amount of rent, as of the date of this document. However, “Master lease type” indicates “Guaranteed payment” even if a master lease agreement is a passthrough lease in the case that a sublessee to which the master lessee subleases all units is to pay a guaranteed amount of rent to the master lessee.
 - “Property manager” names the property manager that, as of the date of this document, is scheduled to be delegated to conduct property management services for the respective real estate or the real estate in trust. Where property management services are re-delegated, the property manager re-delegated to conduct property management services is shown.
- (ii) Explanation of “Summary of Real Estate Appraisal Report”
- The entries in each field of “Summary of Real Estate Appraisal Report” are pursuant to the entries in the appraisal report prepared by Daiwa Real Estate Appraisal Co., Ltd for the respective real estates or the real estate in trust.
 - The monetary amounts are rounded down to the nearest million yen.
 - ADR is not an interested party to Daiwa Real Estate Appraisal Co.,
- (iii) Explanation of “Lease Conditions”
- In principle, the entries are based on October 31, 2013.
 - If there is or scheduled to be a contract with a master lessee, the number of *Total tenants* will be indicated as “1.”
 - “Leasable units” provides the number of leasable units of the real estate in trust or real estate as of the date of this document based on information received from the current titleholder. If the contract is a guaranteed payment contract, the “Leasable units” indicate the number of units which can be leased.
 - “Leasable floor area” provides the leasable floor area of the real estate in trust or real estates (excluding leasable parking area) that ADR will acquire as of the date of this document based on information received from the current titleholder or which is indicated on the contracts or indicated on the plans.
 - “Leased floor area” indicate the leased floor space. If the contract type is a path-through contract, the leased floor area indicates the actual total leased area to the end-tenants. If the contract type is a guaranteed payment contract, the leased floor area indicates the total leasable floor area. The entries are based on information received from the current titleholder or which is indicated on the contracts or indicated on the plans.
 - “Monthly rent” provides the total sum of monthly rents as indicated in the lease contracts concluded by the end-tenants if the master lease is passthrough type. In case the master lease “guaranteed payment type,” “Monthly rent” provides the total sum of monthly rents as indicated in the lease or sublease contract with guaranteed payment. Either includes fixed common fees, but excludes usage fees of affixed facilities such as monthly parking lots and trunk rooms. Monetary amounts less than thousand yen are rounded down, and consumption tax is excluded as well.
 - “Deposits, guarantees, etc.” provides the total balance based on the lease contract with monetary amounts less than thousand yen rounded down. However, in case in the lease contracts there are special provision that allow nonreturnable deposits, such as cancellation deduction and amortization of security deposit, then the monetary amount is provided after the deduction.
 - Occupancy rate is calculated as follows. “Leased area” ÷ “Leasable area” × 100
- (iv) Explanation of “Summary of Building Conditions Investigation Report”
- The entries are based on the report from Tokio Marine & Nichido Risk Consulting Co., Ltd.
- (v) Explanation of “Special Notation”
- “Special Notation” presents matters recognized to be of importance in association with the rights, use of the assets to be acquired, as well as matters recognized to be of importance in the consideration of the degree of impact on the appraised value, profitability and appropriation of the assets to be acquired, including the following matters...
 - Significant limitations or restrictions by laws, ordinances, rules and regulations
 - Significant burdens or limitations with regard to rights.
 - Significant cases where there are architectural structures crossing the boundaries of the concerned real estate in trust and cases where there are issues with boundary confirmation and related arrangements.
 - Significant agreements, arrangements made with co-owners and sectional owners

4. Seller Profile

C-66) RESIDIA Takashimadaira, C-67) RESIDIA Shimurasakaue, C-68) RESIDIA Shimurasakaue II, C-69) RESIDIA Shimurasakaue III

Trade name	K.K. Daiichikigyo
Head office location	4-10-22 Shirogane, Minato-ku, Tokyo
Representative	Kenichi Sekiya, President and Representative Director
Capital	¥16 million
Principal business	<ul style="list-style-type: none"> • Acquisitions, dispositions and holdings of real estate in trusts. • Acquisitions, dispositions, holdings, leasing and management of real estate. • Acquisitions, dispositions and holdings of liabilities. • All business relocated to operations listed above.
Relationship with ADR or its asset management company	None

5. Disclosures on Asset Management Company's Vested Interest in the To-be-Acquired Assets

There is no contract concerning Asset Management Company's Vested Interest in the To-be –Acquired Assets.

6. Matters Concerning Earthquake Resistance

For the to-be-acquired assets, the validity of structural calculation documents on the asset has been examined by a third-party agency. Examination result state that no intentional manipulation, falsification or other corruption in the structural calculation documents were found and that the structural calculation is deemed to have been performed in accordance with law.

Trade name	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Head office location	1-2-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Ken Kamikouchi, President and Representative Director
Capital	¥100 million
Commission	Tokio Marine Holdings, Inc.
Principal business	Researching, providing information, diagnosing, consulting, holding seminars, publishing, and providing training on security, disaster prevention, health, product safety and information management.
Relationship with ADR or its asset management company	None

7. Broker Profile

C-66) RESIDIA Takashimadaira, C-67) RESIDIA Shimurasakaue, C-68) RESIDIA Shimurasakaue II^(Note), C-69) RESIDIA Shimurasakaue III

Trade name	Ken Corporation Ltd.
Head office location	1-2-7 Nishiazabu, Minato-ku, Tokyo
Representative	Shigeru Sato, President and Representative Director
Commission	The broker wishes not to disclose the commission
Relationship with ADR or its asset management company	None

8. Future Outlook

The management performance forecasts for the fiscal period ending January 2014 (from August 1, 2013 to January 31, 2014) and ending July 2014 (from February 1, 2014 to July 31, 2014) remain unchanged.

[Supplementary Materials]

1. Dormitories and Student Apartments
2. Supplementary Materials regarding the To-Be-Acquired Asset
3. Replacement of Properties Since the Merger (as of today)

(“Since the Merger” means since March 1, 2010, hereafter)

•Reference Materials:

Photo of façade of the To-Be-Acquired asset

[Supplementary Materials]

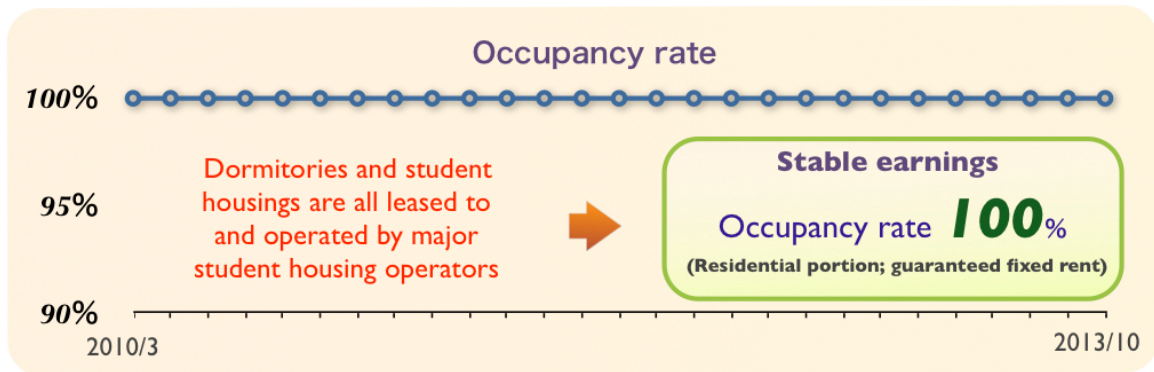
1. Dormitories and Student Apartments

Dormitories and Student Apartments

(before the acquisition)

(after the acquisition)

11 properties **15.9** bn yen **➔** **15** properties **18.5** bn yen
 (Acquisition Price) (Acquisition Price)

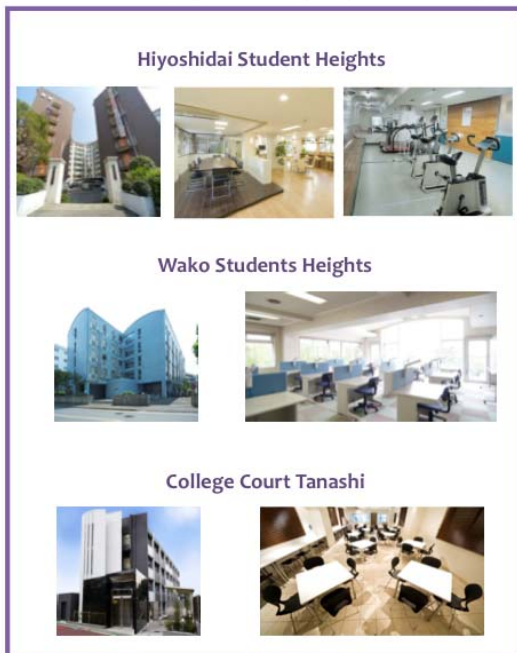


Dormitories

**Student apartments
(before the acquisition)**

3 properties **4.9** bn yen **9.4%**
 (Acquisition Price) (6FP Actual NOI yield)

8 properties **11.0** bn yen **6.2%**
 (Acquisition Price) (6FP Actual NOI yield)



2. Supplementary Materials regarding the To-Be-Acquired Assets

■ To-be-Acquired Assets

Property Name	Building Age (Note1)	NOI Yields (Note2)	Reason for the Acquisition
C-66) RESIDIA Takashimadaira	6.8 Years	6.0%	Determined that the assets will contribute in improving the portfolio's earnings potential by their relatively young building age, and their NOI yields which are expected to exceed the actual NOI yield of existing portfolio.
C-67) RESIDIA Shimurasakaue	6.8 Years	5.8%	
C-68) RESIDIA Shimurasakaue II	6.8 Years	6.2%	
C-69) RESIDIA Shimurasakaue III	6.8 Years	6.0%	
Total	6.8 Years	6.0%	

(Note1) The building age is calculated as of today and rounded at the second decimal point.

(Note2) The "NOI Yield" is calculated using the figures in the acquisition appraisal of the to-be-acquired asset. The calculation is as follows, "direct capitalization method annualized NOI ÷ acquisition price × 100". The calculated yield is rounded at the second decimal point. The weighted average yield is calculated as follows, "total direct capitalization method annualized NOI ÷ total acquisition price × 100". The calculated yields are rounded at the second decimal point.

3. Replacement of Properties Since the Merger (as of today)

■ Status of Replacement of Properties Since the Merger (as of today)

	Acquired assets (including the to-be-acquired asset)	Disposed assets
Number of properties	58	36
Total acquisition price	¥95,271 million	¥39,388 million
Total deal value (a)	¥95,271 million	¥33,996 million
Appraisal (b)	¥101,264 million	¥36,790million (note1)
Ratio (a) ÷ (b) × 100%	94.1%	92.4%
Weighted average NOI yield	6.0%(note2)	4.9%(note3)
Weighted average building age (Note 4)	4.0yrs.	9.9yrs.

(Note 1) "Appraisal" is the sum of the last appraisal value of each properties at the time of sale.

(Note 2) Weighted average NOI yield of acquisitions = Total annual NOI as entered on the appraisal of acquisitions ÷ Total of the acquisition prices × 100%

(Note 3) Weighted average NOI yield of dispositions = Total actual annual NOI ÷ Total of the historical acquisition prices × 100

(Note 4) Weighted average building age is acquisition price weighted average as of the time of acquisition and disposition.

■ Increase/Decrease in No. of Units as the Result of Replacement of Trades

	Singles	Compacts	Families	Large	Dormitories	Others	Total
Tokyo Central 7 Wards	361	-33	-42	-62	0	8	232
Tokyo 23 Wards Exclusive of Central 7 Wards	1,081	458	370	11	0	8	1,928
Tokyo Metropolitan Area	241	-18	-72	0	172	-2	321
Major Regional Cities	895	258	205	-3	0	-4	1,351
Total	2,578	665	461	-54	172	10	3,832

■ Status of Portfolio After the Disposition and the Acquisition

Asset size (based on acquisition price)	401.8 billion yen
No. of properties	210 buildings
No. of leasable units	18,113 units
Total leasable floor area	684,547.92 m ²

Area Diversification	Acquisition Price	Share of Investment
Total	401.8billion yen	100.0%
P (Tokyo Central 7 Wards)	180.5billion yen	44.9%
C (Tokyo 23 Wards Exclusive of Central 7 Wards)	117.8billion yen	29.3%
S (Tokyo Metropolitan Area)	42.2billion yen	10.5%
R (Major Regional Cities)	61.1billion yen	15.2%

(Reference Material)

Photo of façade of the to-be-acquired asset
C-66) RESIDIA Takashimadaira



C-67) RESIDIA Shimurasakaue



C-68) RESIDIA Shimurasakaue II



C-69) RESIDIA Shimurasakaue III

