



## For Immediate Release

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Advance Residence Investment Corporation  
 Securities Code : 8978  
 3-12 Kioicho, Chiyoda-ku, Tokyo  
 Kenji Kousaka, Executive Officer

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

Inquiries:  
 Kazuhito Akamatsu, Director  
 TEL. +81-3-5216-1871

### Notice Concerning Acquisition of Investment Assets [Shinjuku Residence]

Advance Residence Investment Corporation (ADR) announced today its acquisition of “Shinjuku Residence” as detailed below.

#### 1. Acquisition Summary

Name of Property	Shinjuku Residence
Asset to be acquired	Beneficiary interests in trust for real estate
Proposed acquisition price*	¥750,000,000
Seller	Nomura Real Estate Development Co., Ltd.
Scheduled execution date	March 19, 2009
Scheduled acquisition date	March 19, 2009
Acquisition financing	Cash on hand
Payment method	Pay entire amount upon acquisition
Trustee	The Sumitomo Trust and Banking Co., Ltd.
Scheduled Trust agreement date	March 19, 2009
Scheduled Trust expiration date	March 31, 2014

\* The acquisition prices are exclusive of real property tax, urban planning tax, consumption tax and local consumption tax.

#### 2. Purpose of the acquisition

##### 1) Reason

ADR will acquire the property pursuant to the target and policy of asset management as stipulated in its Articles of Incorporation, under the objective of securing stable earnings over the medium and long term as well as enhancing its portfolio in the Tokyo Central 7 Wards.

##### 2) Property Characteristics

This property is a new property completed in February 2009, comprising a total of 39 1K and 1LDK-type units (20.43m<sup>2</sup> – 40.97m<sup>2</sup>) and located a five-minute walk from Shinjuku-sanchoe Station on the Toei Shinjuku Line and the Tokyo Metro Marunouchi and Fukutoshin Lines. Robust demand can be expected, including demand for company housing, centered on singles that desire proximity between their workplace and residence and wish to live in the city center, as the property is located within walking distance from the Shinjuku Higashi-guchi area with its concentration of commercial facilities, and Shinjuku-sanchoe Station,



which is accessible by three train lines, is two stations away from the Shinjuku CBD and three stations away from the Shibuya area, providing excellent accessibility. All (39) units of this property are scheduled to be leased to a major financial institution as company housing.

### 3. Summary of the proposed property

<b>Type of Qualified Asset</b>	Beneficiary interests in trust	<b>Scheduled Acquisition Date</b>	March 19, 2009	<b>Acquisition Amount</b>	¥750,000,000
<b>Property Outline</b>					
<b>Location</b>	Residence indication	5-7-10 Shinjuku, Shinjuku-ku, Tokyo			
	Lot number	5-36-225 and other, Shinjuku, Shinjuku-ku, Tokyo			
<b>Land</b>	Type of ownership	Proprietary ownership	Zoning	Commercial zone	
	Site area	275.92 m <sup>2</sup>	FAR/Building coverage ratio	400%/80%	
<b>Building</b>	Type of ownership	Proprietary ownership	<b>Breakdown of residential unit type</b>	<b>Units</b>	<b>Percentage of floor area</b>
	Total floor area	970.38 m <sup>2</sup>	Single type	38	95%
	Structure/ Floors	RC; 11F	Compact type	1	5%
	Use	Apartment	Family type	—	—
	Construction completion date	Feb. 23, 2009	Large type	—	—
	Confirmation inspection agency	Ka) Toshi Kyoju Hyoka Center	Other residential unit portion	—	—
	Building designer	Ka) S&D Kenchiku Sekkei	Other	—	—
	Structural designer	Yu) Sho Sekkei	<b>Trustee</b>	The Sumitomo Trust & Banking Co., Ltd.	
Construction contractor	KOSHIN KENSETSU CO.,LTD.	<b>Property manager</b>	ITOCHU Urban Community		
<b>Previous titleholder</b>	—		<b>Master lessee</b>	ITOCHU Urban Community	
<b>Current titleholder</b>	Nomura Real Estate Development Co., Ltd.		<b>Master lease type</b>	Pass through	
<b>Summary of Real Estate Appraisal Report</b>					
Real estate appraiser	Japan Real Estate Institute				
Real estate appraised value	¥750 million yen	Appraised date	March 2, 2009		
Direct capitalization price	¥757 million yen	Cap rate	5.5%		
DCF price	¥743 million yen	Discount rate	5.3%		
Cost approach price	¥742 million yen	Terminal cap rate	5.7%		
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: thousand yen)</b>			<b>Lease Conditions (as of March 19, 2009)</b>		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	54,214	Leasable units	39	
	Rent income	50,856	Leased units	39	
	Other income	3,358	Leasable floor area	818.74 m <sup>2</sup>	
(B) Total effective profit	Subtotal	54,142	Leased floor area	818.74 m <sup>2</sup>	
	Losses from vacancies, etc.	72	Monthly rent (incl. common service charges)	¥4,238,000	
	Bad debts losses	0	Deposits, guarantees, etc.	¥8,476,000	
(C) Expenses from rental business	Subtotal	11,663	Occupancy rate (based on floor area)	100%	
	Maintenance and management fees	3,835	<b>Summary of Building Conditions Investigation Report</b>		
	Utilities costs	998	Investigator	JAPAN ERI CO.,LTD.	
	Management commission fees	1,645	Investigation date	March 5, 2009	
	Taxes and public dues	3,351	Emergency repair costs	—	
	Non-life insurance premiums	113	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	1,001	Long-term repair costs (over 12 years)	¥13,740,000	
	Repair costs (incl. restoration fees)	621	Building replacement price	¥294,000,000	
	Other expenses	99	<b>Summary of Earthquake PML Assessment Report</b>		
(D) Profit or loss from rental business = (B) – (C)		42,479	PML	8.17% (Sompo Japan Risk Management, Inc.)	
(E) Operating profit from deposits		0	<b>Collateral</b>		
(F) Capital expenditures		842	None		
(G) Net profit = (D) + (E) – (F)		41,637			
<b>Special Notation</b>					
Not applicable.					

[Explanation of Entries in Foregoing Table]

(i) Explanation of “Property Characteristics”

- “Property Characteristics” provides a description based on an analysis by the asset manager, and pursuant to the entries in the appraisal reports or survey reports for the real estates in trust that were prepared by Japan Real Estate Institute.

(ii) Explanation of “Property Outline”

- “Residence indication” for the location provides the residence indication. For real estate in trust in an area without a residence indication, the location of the land as indicated in the registry is provided.
- “Lot number” for the location provides the lot number as indicated in the registry.
- “Ownership form” provides the kind of rights held or to be held by the trustee for the real estate in trust.
- “Site area” for the land provides the area of the land as indicated in the registry.
- “Zoning” for the land provides the zoning classification given in Article 8-1-1 of the City Planning Law.
- “FAR” for the land provides the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Law and is the numerical figure determined by city planning in accordance with the zoning, etc.
- “Building coverage ratio” for the land provides the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Law and is the numerical figure determined by city planning in accordance with the zoning, etc.
- “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 real estate in trust.  
“RC” and “SRC” entered for “Structure / Floors” refers to reinforced concrete structures and steel reinforced concrete structures respectively.

“Use” provides the primary use out of the types indicated in the registry for the real estate in trust.

- “Leasable floor area” provides the floor area of the portion of the real estate in trust to be acquired by ADR that is leasable as of March 19, 2009 based on information received from the current titleholder.
- “Leasable units” provides the number of units of the real estate in trust that is leasable as of March 19, 2009 based on information received from the current titleholder.
- “Breakdown of residential unit type” lists the types of residential units based on the following classification. The “dormitory type” is shown under “Other residential unit portion,” and store, office and other uses aside from residential units are shown under “Other.”

Residential Unit Type	Exclusive-Use Floor Area	Percentage of Portfolio
Single type	Less than 30m <sup>2</sup>	30~50%
Compact type	30m <sup>2</sup> or more, but less than 60m <sup>2</sup>	30~50%
Family type	60m <sup>2</sup> or more, but less than 100m <sup>2</sup>	10~30%
Large type	100m <sup>2</sup> or more	0~10%

- “Units” provides the leasable units of the real estate in trust categorized by the number of units of each type of residential unit that is leasable as of March 19, 2009 based on information received from the current titleholder.
- “Percentage of floor area” provides the leasable floor area of each type of residential unit expressed as a percentage of the leasable floor area of the real estates in trust as of March 19, 2009 based on information received from the current titleholder and rounded to the nearest whole percentage.
- Names in the “current titleholder” column indicate the beneficiaries that hold the beneficiary interests in trust (assets to be acquired) as of the date of this document or the titleholder of the real estates in trust as of the date of this document. “Previous titleholder” names the party that transferred the beneficiary interests in trust (assets to be acquired) or real estates in trust to the current titleholder.
- “Trustee” provides the trustee of the trust agreement as of the date of this document in relation to the real estate in trust.
- “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 in trust.
- “Master lease type” indicates “Pass-through” 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 pass-through 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 estates in trust. Where property management services are redelegated, the property manager redelegated to conduct property management services is shown.

(iii) Explanation of “Summary of Real Estate Appraisal Report” and “Summary of Survey Report”

- The entries in each field of “Summary of Real Estate Appraisal Report” and “Summary of Survey Report” are pursuant to the entries in the appraisal report or survey report prepared by Japan Real Estate Institute for the respective real estates in trust.
- The monetary amounts are rounded down to the nearest million yen.

(iv) Explanation of “Income/Expenditures Assumed in Calculating Direct Capitalization Price”

“Income/Expenditures Assumed in Calculating Direct Capitalization Price” provides monetary amounts according to the real estate appraisal report or survey report for the respective real estates in trust.

(v) Explanation of “Special Notation”

“Special Notation” presents matters recognized to be of importance in association with the rights, use, etc. 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, etc.
- Significant cases where there are architectural structures crossing the boundaries of the concerned real estate in trust, etc. and cases where there are issues with boundary confirmation, etc.; and related arrangements, etc.
- Significant agreements, arrangements, etc. made with co-owners / sectional owners

#### 4. Seller

Company Name	Nomura Real Estate Development Co., Ltd.
Address	1-26-2 Nishi-shinjuku, Shinjuku-ku, Tokyo
Representative	Hirohisa Suzuki, President
Capital	JPY 2 billion
Main shareholder	Nomura Real Estate Holdings, Inc.
Description of Business	Residential development, corporate real estate brokerage, commercial property development, building leasing, architectural design and investment management
Relationships with ADR or with its asset management company	N/A

#### 5. Current and previous owners

Property Name	Shinjuku Residence	
	Current owner	Previous owner
Company Name	Nomura Real Estate Development Co., Ltd.	N/A
Relationship with party having particular vested interest	Non related party as defined in the Asset Manager's bylaws	—
Acquisition background, reason, etc.	For the purpose of rental housing development	—
Acquisition price (including other expenses)	—	—
Acquisition	—	—

#### 6. Asset Manager's Vested Interest in Asset to be acquired

- 1) The abovementioned seller does not constitute related parties as defined in the Asset Manager's bylaws (encompasses an interested party as defined in the Investment Trusts and Investment Corporations Law; hereafter, "Related Party").
- 2) Concerning the abovementioned asset to be acquired, ADR is scheduled to delegate master lease and property management services in bulk to ITOCHU Urban Community, which is a Related Party of the Asset Manager. Accordingly, the procedures required in accordance with the bylaws have been completed in concluding the building lease and management agreement with ITOCHU Urban Community.

#### 7. Matters concerning Earthquake Resistance

Based on the revisions to the Building Standards Law enforced in June 2007, this property has received notice of structural calculation conformity from the Housing Loan Progress Association, the designated institution for the determination of structural calculation conformity.

#### 8. Broker Profile

No party will act as broker upon acquisition of the abovementioned asset to be acquired.

## 9. Future outlook

The impact on ADR's management performance for the fiscal period ending June 2009 (from January 1, 2009 to June 30, 2009) is expected to be minimal. Thus, no changes have been made to management performance forecasts.

## 10. Other

ADR plans to disclose information on the asset acquisition again at a later date when we acquire the property.

### <Attachments>

- Attachment 1           Property photo
- Attachment 2           Portfolio summary after acquisition of the property

\* 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]*

*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.*

1. Property photo

**Shinjuku Residence**



## 2. Portfolio summary after acquisition of the property

Attachment 2

No.	Name of Property	Address (Note 2)	Acquisition Price (MM Yen) (Note 3)	Percentage of Total Acquisition Cost (%) (Note 4)
P-1	Artiscourt Akasakahinokicho	Minato Ward, Tokyo	4,930	5.7
P-2	Artis Shimazuyama	Shinagawa Ward, Tokyo	2,860	3.3
P-3	Artis Nakameguro	Meguro Ward, Tokyo	1,730	2.0
P-4	Apartments Tsurumaki	Setagaya Ward, Tokyo	1,229	1.4
P-5	Crestcourt Azabujuban	Minato Ward, Tokyo	1,987	2.3
P-6	Artis Shibuyadaikanyama	Shibuya Ward, Tokyo	1,690	2.0
P-7	Artis Ikejiriohashi	Setagaya Ward, Tokyo	1,230	1.4
P-9	Artis Shimoochiai	Shinjuku Ward, Tokyo	1,450	1.7
P-10	Spacia Kudanshita	Chiyoda Ward, Tokyo	2,270	2.6
P-12	Artis Hatagaya	Shibuya Ward, Tokyo	1,130	1.3
P-13	FELDBERG	Shinagawa Ward, Tokyo	1,563	1.8
P-14	Artis Toritsudaigaku	Meguro Ward, Tokyo	643	0.7
P-15	Artis Sakurajosui	Setagaya Ward, Tokyo	1,120	1.3
P-16	Artis Kitashinagawa	Shinagawa Ward, Tokyo	2,720	3.2
P-17	PLEIADE YOYOGINOMORI	Shibuya Ward, Tokyo	732	0.8
P-18	Shinjuku Residence	Shinjuku Ward, Tokyo	750	0.9
<b>Tokyo Central 7 Wards</b>		<b>Total</b>	<b>28,034</b>	<b>32.5</b>
C-1	Artis Mitsukoshimae	Chuo Ward, Tokyo	1,920	2.2
C-2	Artis Kamata	Ota Ward, Tokyo	2,640	3.1
C-3	Artis Ikebukuro	Toshima Ward, Tokyo	1,520	1.8
C-5	Artis Hongo	Bunkyo Ward, Tokyo	1,680	1.9
C-6	Artis Asakusabashi	Taito Ward, Tokyo	1,060	1.2
C-7	Maison Eclairée Ekoda	Nerima Ward, Tokyo	953	1.1
C-8	Artis Uenookachimachi	Taito Ward, Tokyo	3,160	3.7
C-9	Artis Bunkyoongo	Bunkyo Ward, Tokyo	1,623	1.9
C-10	Artis Ryogoku	Sumida Ward, Tokyo	913	1.1
C-11	Artis Higashiginza	Chuo Ward, Tokyo	5,251	6.1
C-12	Apre parks Ueno	Taito Ward, Tokyo	860	1.0
C-13	Artis Ningyocho	Chuo Ward, Tokyo	3,180	3.7
C-14	Artis Omorihigashi	Ota Ward, Tokyo	1,980	2.3
C-15	Residence Oyama	Itabashi Ward, Tokyo	1,490	1.7
C-16	Artis Kinsicho	Sumida Ward, Tokyo	4,200	4.9
C-17	T&G Negishi Mansion	Sumida Ward, Tokyo	856	1.0
<b>Tokyo 23 Wards Exclusive of Central 7 Wards</b>		<b>Total</b>	<b>33,287</b>	<b>38.6</b>
S-1	Hiyoshidai Gakusei Heights	Yokohama City, Kanagawa	3,420	4.0
S-2	Chester House Kawaguchi	Kawaguchi City, Kanagawa	770	0.9
S-3	Storkmansion Kashiwa	Kashiwa City, Chiba	545	0.6
S-4	DUO Station Higashimatsudo No. II	Matsudo City, Chiba	1,100	1.3
S-5	Artis Shin-Yokohama	Yokohama City, Kanagawa	1,920	2.2
S-6	Belle Scene Minamiikuta	Kawasaki City, Kanagawa	1,050	1.2
S-7	PLEIADE CHOFU	Chofu City, Tokyo	1,143	1.3
S-8	PLEIADE KUNITACHI	Kunitachi City, Tokyo	635	0.7
S-9	PLEIADE KAWASAKI MOTOKI	Kawasaki City, Kanagawa	668	0.8
S-10	PLEIADE KOKURYO (Note 5)	Chofu City, Tokyo	930	1.1
S-11	Wako Student Heights	Wako City, Saitama	675	0.8
<b>Tokyo Metropolitan Area</b>		<b>Total</b>	<b>12,857</b>	<b>14.9</b>
R-2	Royal Nishihonmachi	Osaka City Osaka	560	0.6
R-3	Itopia Kyotogakuseikaikan	Kyoto City, Kyoto	1,671	1.9
R-6	HAUT DOMICILE NANGOGAI	Sapporo City, Hokkaido	827	1.0
R-7	Artis Higashisakura	Nagoya City, Aichi	1,290	1.5
R-8	Grand Court Kameyama	Kameyama City, Mie	1,610	1.9
R-9	Zeus Ryokuchi PREMIUM	Toyonaka City, Osaka	979	1.1
R-10	GRASS HOPPER	Osaka City Osaka	1,330	1.5
R-11	Artis Kobe Port Island	Kobe City, Hyogo	3,740	4.3
<b>Major regional cities</b>		<b>Total</b>	<b>12,007</b>	<b>13.9</b>
<b>Grand Total</b>			<b>86,186</b>	<b>100.0</b>

(Note 1) Tokyo Central 7 Wards indicates the Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards of Tokyo. Tokyo 23 Wards Exclusive of Central 7 Wards indicates the 23 wards of Tokyo other than the central 7 wards. Tokyo Metropolitan Area indicates Tokyo (excluding the Tokyo 23



wards) and Kanagawa, Saitama and Chiba prefectures. Major Regional Cities exclude cities in the Tokyo Metropolitan Area.

(Note 2) The address is as per register.

(Note 3) The acquisition price indicates the purchase price for the respective beneficiary interests in trust entered in the beneficiary interests transfer agreement, exclusive of taxes and public dues and acquisition costs. The amount is rounded down to the nearest million yen. Accordingly, the sum total of the itemized figures does not necessarily add up to the total value entered in the foregoing table.

(Note 4) The portfolio share expresses the acquisition price of the respective real estate in trust, etc. as a percentage of the sum total of the acquisition prices for all real estate in trust, etc. The percentage is rounded to one decimal place. Accordingly, the sum total of the itemized figures does not necessarily add up to the total value entered in the foregoing table.