



August 6th, 2009

**For Immediate Release**

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

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

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

Notice Concerning Acquisition of Shares (Conversion into Subsidiary)

Advance Residence Investment Corporation (ADR) announced AD Investment Management Co., Ltd. (ADIM), the asset management company to which ADR entrusts the management of its assets, decided at a meeting of its board of directors held on August 6, 2009 to sign into an agreement on a share transfer with Pacific Holdings, Inc. (PHI), which has received a district court order of commencement of corporate reorganization proceedings, for the purpose of acquiring some of the shares of Pacific Residential Corporation (PRS) from PHI and thereby turn PRS into a subsidiary of ADIM.

1. Reason for Acquisition of Shares

ADIM will sign into a merger agreement with PRS (hereafter, the “Merger of Asset Management Companies”) at the same time that ADR, from which ADIM is entrusted with the management of assets, and Nippon Residential Investment Corporation (NRI), from which PRS is entrusted with the management of assets, will sign into an agreement on a merger that will take place based on the letter of intent for a merger that was signed into today. Making PRS into a Group company of ITOCHU Corporation (ITOCHU) at an early date is believed to enable efficient asset management to be conducted based on maintaining governance by promptly complementing NRI’s credit and thereby contribute to the protection of NRI’s unitholders. Therefore, ADIM has decided to acquire PRS’ shares prior to the merger between ADR and NRI (hereafter, the “Merger of Investment Corporations”) and the Merger of Asset Management Companies.

This will result in ADIM and PRS, the relationship of which will be a parent company and its subsidiary, each managing the assets of different investment corporations during the period until the Merger of Investment Corporations becomes effective, but measures will be taken to prevent conflicts of interest between ADIM and PRS such as building a firewall of information between the companies.

## 2. Profile of Subsidiary-to-Be (Pacific Residential Corporation)

(1) Name	Pacific Residential Corporation		
(2) Location	1-14-1 Kanda Jimbo-cho, Chiyoda-ku, Tokyo		
(3) Title and Name of Representative	Takeshi Takano, President and Chairman of the Board		
(4) Description of Business	i. Investment management business ii. Work on management of assets of investment corporations other than the preceding item iii. Entrustment with administration associated with operating investment corporations' organization and other general administration based on the Investment Trust and Investment Corporations Law iv. Certified real estate transaction business v. Real estate management vi. All work incidental or related to any preceding item		
(5) Paid-in Capital	320 million yen		
(6) Date Established	June 21, 2001		
(7) End of Fiscal Year	March		
(8) Number of Employees	34 employees		
(9) Total Number of Shares Issued and Outstanding	6,400 shares		
(10) Shareholders and their Shareholdings (number of shares held as a percentage of total number of shares issued and outstanding)	Pacific Holdings, Inc.	6,000 shares	(93.8%)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	200 shares	(3.1%)
	Odakyu Real Estate Co., Ltd.	200 shares	(3.1%)

## 3. Profile of Counterparty to Acquisition of Shares

(1) Name	Pacific Holdings, Inc.		
(2) Location	2-11-1 Nagata-cho, Chiyoda-ku, Tokyo		
(3) Title and Name of Representative	Toshifusa Maeda, Trustee		
(4) Date Established	April 19, 1995		
(5) Description of Main Business	i. Real estate fund business ii. Real estate investment consulting service business iii. Real estate investment business		
(6) Relationship with ADR	Not applicable		

## 4. Number of Shares to be Acquired and Status of Shareholdings Before and After Acquisition

(1) Shareholdings Before Change	Pacific Holdings, Inc.	6,000 shares	(93.8%)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	200 shares	(3.1%)
	Odakyu Real Estate Co., Ltd.	200 shares	(3.1%)
(2) Number of Shares to be Acquired	Pacific Holdings, Inc.	6,000 shares	
(3) Shareholdings After Change	AD Investment Management Co., Ltd.	6,000 shares	(93.8%)
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	200 shares	(3.1%)
	Odakyu Real Estate Co., Ltd.	200 shares	(3.1%)

## 5. Schedule

Signing of share transfer agreement	August 6, 2009
Date of acquisition of shares	September 2009 (scheduled to be on the same date as the signing of the merger agreement based on the letter of intent for the merger signed into today by ADR and NRI)

Moreover, in compliance with the Financial Instruments and Exchange Law, Building Lots and Buildings Transaction Business Law and other applicable laws, ordinances and regulations, the required filing and other procedures will be



performed in relation to this matter. Further notice will be made on the filing content and timing once they are determined.

- \* The original Japanese version of this material is released on August 6, 2009 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]*

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