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For Immediate Release

Advance Residence Investment Corporation
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Notice Concerning the Performance for the Fiscal Period Ended February 2010 and the Payment on Merger of the Former Advance Residence Investment Corporation and Nippon Residential Investment Corporation

Former Advance Residence Investment Corporation (hereafter, the “Former ADR”) and Nippon Residential Investment Corporation (NRI) hereby announced their performance for the fiscal period ended February 2010 and the amount of payment on merger (hereafter, the “Payment on Merger”).

Unitholders eligible for receiving the Payment on Merger are unitholders recorded or registered in the final unitholders’ register of either former ADR or NRI on the record date of February 28, 2010 (Sunday) (However, since that day is a holiday for the administrators of the unitholders' register, the de facto record date is February 26, 2010 (Friday)). Furthermore, the amount of Payment on Merger paid to each unitholder recorded or registered in the abovementioned unitholders’ register will be in proportion to the number of investment units of either former ADR or NRI held by that unitholder.

1. Amount of Payment on Merger

The planned start date of payment is May 21, 2010.

<Former ADR>

Ninth Fiscal Period (January 1, 2010 – February 28, 2010)

Net Income	205,791,982 yen
Retained Earnings Brought Forward	23,196 yen
Unappropriated Retained Earnings	205,815,178 yen
Payment on Merger	205,808,000 yen

Payment on merger per 1 Former ADR investment unit: 2,708 yen

<NRI>

Thirteenth Fiscal Period (December 1, 2009 – February 28, 2010)

Net Income	600,823,875 yen
Retained Earnings Brought Forward	10,857,410 yen
Unappropriated Retained Earnings	611,681,285 yen
Payment on Merger	611,456,522 yen

Payment on merger per 1 NRI investment unit: 2,474 yen

2. Reference Information on the Calculation as Basis for the Payment on Merger

<Former ADR>

(1) Balance Sheet (Fiscal Period Ended February 2010)

		(thousand yen)
		9 th Fiscal Period
		(as of February 28, 2010)
Assets		
Current Assets		
Cash and Deposits		1,978,701
Cash and Deposits in Trust		782,625
Accounts Receivable -Trade		105,402
Prepaid Expenses		158,392
Other Current Assets		86,809
Allowance for Doubtful Debt		- 5,701
Total Current Assets		3,106,230
Fixed Assets		
Property, Plant and Equipment		
Buildings in Trust		44,042,674
Accumulated Depreciation		- 3,522,143
Buildings in Trust (net value)		40,520,531
Structures in Trust		141,952
Accumulated Depreciation		- 44,229
Structures in Trust (net value)		97,722
Machinery and Equipment in Trust		151,416
Accumulated Depreciation		- 34,323
Machinery and Equipment in Trust (net value)		117,092
Tools, Furniture and Fixtures in Trust		472,939
Accumulated Depreciation		- 249,820
Tools, Furniture and Fixtures in Trust (net value)		223,118
Land in Trust		45,244,163
Other Property and Equipment		126
Accumulated Depreciation		- 119
Other Property and Equipment (net value)		6
Total Property, Plant and Equipment		86,202,634
Intangible Assets		
Trademark Rights		357
Software		438
Total Intangible Assets		796
Investments and Other Assets		
Long-Term Prepaid Expenses		279,756
Guarantee Deposits		10,000
Total Investments and Other Assets		289,756
Total Fixed Assets		86,493,187
Deferred Assets		
Bond Issuance Expenses		26,450
Total Deferred Assets		26,450
Total Assets		89,625,868



<Former ADR>

(thousand yen)

9th Fiscal Period

(as of February 28, 2010)

Liabilities	
Current Liabilities	
Accounts Payable	52,653
Current Portion of Long-Term Loans Payable	11,638,948
Accounts Payable - Other	117,198
Accrued Expenses	60,587
Income Taxes Payable	83
Consumption Taxes Payable	2,199
Dividend Payable	930,849
Other Current Liabilities	12,465
Total Current Liabilities	12,814,986
Long-Term Liabilities	
Investment Corporation Bonds	10,000,000
Long-Term Debt	30,308,534
Deposits Received in Trust	33,639
Total Long-Term Liabilities	40,342,173
Total Liabilities	53,157,159
Net Assets	
Unitholders' Capital	
Shareholders' Capital	36,262,894
Retained Earnings	
Unappropriated Retained Earnings	205,815
Total Retained Earnings	205,815
Total Unitholders' Capital	36,468,709
Total Net Assets	36,468,709
Total Liabilities and Net Assets	89,625,868

<Former ADR>

(2) Profit and Loss Statement (Fiscal Period Ended February 2010)

	(thousand yen)
	9 th Fiscal Period
	(January 1, 2010 - February 28, 2010)
Operating Revenues	
Rent Revenue - Real Estate	926,753
Total Operating Revenues	926,753
Operating Expenses	
Rental Expenses	408,877
Asset Management Fees	49,829
Custodian Fees	2,992
General Administration Fees	8,494
Directors' Compensation	480
Provision for Doubtful Accounts	687
Other Operating Expenses	68,630
Total Operating Expenses	539,991
Operating Income	386,761
Non-Operating Revenues	
Interest Income	441
Total Non-Operating Revenues	441
Non-Operating Expenses	
Interest Expenses	127,074
Bond Interest Expenses	31,087
Amortization of Unit Issuance Expenses	1,200
Amortization of Bond Issuance Expenses	2,058
Financing Expenses	19,787
Total Non-Operating Expenses	181,209
Ordinary Income	205,993
Income Before Income Taxes	205,993
Current Income Taxes	201
Total Income Taxes	201
Net Income	205,791
Retained Earnings Brought Forward	23
Unappropriated Retained Earnings	205,815

<Former ADR>

(3) Statements of Changes in Unitholders' Capital (Fiscal Period Ended February 2010)

(thousand yen)

	9 th Fiscal Period (January 1, 2010 - February 28, 2010)
Unitholders' Capital	
Shareholders' Capital	
Balance as of December 31, 2009	36,262,894
Changes During the Fiscal Period	
Total Changes During the Fiscal Period	—
Balance as of February 28, 2010	36,262,894
Retained Earnings	
Unappropriated Retained Earnings	
Balance as of December 31, 2009	923,803
Changes During the Fiscal Period	
Cash Distributions Paid	- 923,780
Net Income	205,791
Total Changes During the Fiscal Period	- 717,988
Balance as of February 28, 2010	205,815
Total Unitholders' Capital	
Balance as of December 31, 2009	37,186,697
Changes During the Fiscal Period	
Cash Distributions Paid	- 923,780
Net Income	205,791
Total Changes During the Fiscal Period	- 717,988
Balance as of February 28, 2010	36,468,709
Total Net Assets	
Balance as of December 31, 2009	37,186,697
Changes During the Fiscal Period	
Cash Distributions Paid	- 923,780
Net Income	205,791
Total Changes During the Fiscal Period	- 717,988
Balance as of February 28, 2010	36,468,709

<Former ADR>

(4) Statement of Cash Distribution (Fiscal Period Ended February 2010)

Fiscal Period Category	9th Fiscal Period (January 1, 2010 - February 28, 2010)
I Unappropriated Retained Earnings	205,815,178 yen
II Distributions (Distribution per Unit)	205,808,000 yen (2,708 yen)
III Retained Earnings Carried Forward	7,178 yen
Calculation Method of Distributions	Pursuant to Article 10 of the Merger Agreement, which was signed by the Investment Corporation and Nippon Residential Investment Corporation on September 25, 2009, the amount of distributable earnings shall be distributed as payment on merger one day before the date of establishment of the New Investment Corporation. Pursuant to said policy, we have decided to distribute as payment on merger 205,808,000 yen, which is the maximum integral multiple value of the number of investment units issued and outstanding, or 76,000 units not exceeding unappropriated retained earnings.

<NRI >

(1) Balance Sheet (Fiscal Period Ended February 2010)

	(thousand yen)
	13 th Fiscal Period
	(as of February 28, 2010)
Assets	
Current Assets	
Cash and Deposits	4,174,300
Cash in Trust and Deposit in Trust	3,919,208
Accounts Receivable	319,359
Advances Paid	498,880
Prepaid Expenses	10,015
Deferred Tax Assets	26,398
Others	45,128
Allowance for Bad Debt	-70,974
Total Current Assets	8,922,316
Fixed Assets	
Tangible Fixed Assets	
Buildings	86,613,199
Accumulated Depreciation	-6,163,800
Buildings (net value)	80,449,398
Structures	561,784
Accumulated Depreciation	-83,287
Structures (net value)	478,496
Tools, Furniture & Fixtures	181,512
Accumulated Depreciation	-117,260
Tools, Furniture & Fixtures (net value)	64,251
Lands	80,646,359
Buildings in Trust	64,544,107
Accumulated Depreciation	-6,740,142
Buildings in Trust (net value)	57,803,965
Structures in Trust	449,364
Accumulated Depreciation	-118,449
Structures in Trust (net value)	330,915
Tools, Furniture & Fixtures in Trust	157,975
Accumulated Depreciation	-76,144
Tools, Furniture & Fixtures in Trust (net value)	81,831
Lands in Trust	87,802,718
Total Tangible Fixed Assets	307,657,938
Intangible Fixed Assets	
Leaseholds	1,214,497
Total Intangible Fixed Assets	1,214,497
Investment and Other Assets	
Long-Term Prepaid Expenses	2,124,969
Deferred Tax Assets	73,075
Derivatives Assets	294
Security Deposits	1,288
Security Deposits in Trust	316
Guarantee Deposits Paid	729,149
Total Investment and Other Assets	2,929,093
Total Fixed Assets	311,801,528
Deferred Assets	
Corporate Bonds Issuance Cost	51,801
Total of Deferred Assets	51,801
Total Assets	320,775,646

13 th Fiscal Period	
(as of February 28, 2010)	
Liabilities	
Current Liabilities	
Accounts Payable	243,540
Short-Term Borrowings	5,902,660
Corporate Bonds due within 1 Year	35,000,000
Long-Term Borrowings due within 1 Year	10,668,977
Accrued Liabilities	450,254
Accrued Expenses	653,847
Income Taxes Payable	189
Consumption Taxes Payable	8,835
Receipt in Advance	113,140
Others	929
Total of Current Liabilities	53,042,375
Fixed Liabilities	
Corporate Bonds	36,500,000
Long-Term Borrowings	79,187,261
Security Deposits and Guarantee Money	1,337,354
Security Deposits and Guarantee Money in Trust	1,555,104
Long-Term Deposits Received	54,026
Derivative Liabilities	182,460
Total of Fixed Liabilities	118,816,208
Total Liabilities	171,858,583
Unitholders' Equity	
Unitholders' Capital	
Unitholders' Capital	148,417,850
Retained Earnings	
Unappropriated Retained Earnings for the Period	611,681
Total Retained Earnings	611,681
Total Unitholders' Capital	149,029,532
Evaluation, Currency Translation and Etc.	
Deferred Hedge Profit and Loss	-112,469
Total of Evaluation, Currency Translation and Etc.	-112,469
Total Unitholders' Equity	148,917,062
Total Liabilities and Unitholders' Equity	320,775,646

<NRI>

(2) Income Statement (Fiscal Period Ended February 2010)

	(thousand yen)
	13 th Fiscal Period (December 1, 2009 - February 28, 2010)
Operating Revenues	
Rental Income	4,309,856
Total Operating Revenues	4,309,856
Operating Expenses	
Property Operating Expenses	1,861,931
Asset Management Fees	317,434
Asset Custodian Fees	14,378
Outsourcing Fees for Administrative Works	48,093
Directors' Remuneration	2,700
Attorneys' Fees	29,528
Audit Fees	7,250
Tax and Public Charge	72,573
Doubtful Debt Account	17,737
Bad Debt Loss	794
Other Operating Expenses	437,040
Total Operating Expenses	2,809,462
Operating Profit	1,500,393
Non-Operating Revenue	
Interest Received	2,257
Miscellaneous Revenue	2,179
Total Non-Operating Revenue	4,437
Non-Operating Expenses	
Interest Paid	437,676
Loan-Related Expenses	232,897
Corporate Bond Interest	226,836
Amortization for Corporate Bond Issue Expenses	6,976
Other Non-Operating Expenses	2,424
Total Non-Operating Expenses	906,811
Ordinary Profit	598,019
Net Income Before Tax	598,019
Corporate Tax, Local Inhabitant's Tax and Enterprise Tax	302
Adjustment of Income Taxes	-3,107
Total Income Taxes	-2,804
Net Income	600,823
Profit Brought Forward	10,857
Unappropriated Retained Earnings for the Period	611,681

<NRI>

(3) Statements of Changes in Unitholders' Capital (Fiscal Period Ended February 2010)

(thousand yen)

	13 th Fiscal Period (December 1, 2009 - February 28, 2010)
Unitholders' Capital	
Unitholders' Capital	
Balance as of November 30, 2009	148,417,850
Changes During the Fiscal Period	
Total Changes During the Fiscal Period	—
Balance as of February 28, 2010	148,417,850
Retained Earnings	
Unappropriated Retained Earnings for the Period	
Balance as of November 30, 2009	2,307,650
Changes During the Fiscal Period	
Cash Distributions Paid	-2,296,792
Net Income	600,823
Total Changes During the Fiscal Period	-1,695,968
Balance as of February 28, 2010	611,681
Total Unitholders' Capital	
Balance as of November 30, 2009	150,725,501
Changes During the Fiscal Period	
Cash Distributions Paid	-2,296,792
Net Income	600,823
Total Changes During the Fiscal Period	-1,695,968
Balance as of February 28, 2010	149,029,532
Evaluation, Currency Translation and Etc.	
Deferred Hedge Profit and Loss	
Balance as of November 30, 2009	-124,668
Changes During the Fiscal Period	
Changes During the Fiscal Period (net value) of Items Other than Unitholders' Capital	12,199
Total Changes During the Fiscal Period	12,199
Balance as of February 28, 2010	-112,469
Total Unitholders' Equity	
Balance as of November 30, 2009	150,600,832
Changes During the Fiscal Period	
Cash Distributions Paid	-2,296,792
Net Income	600,823
Changes During the Fiscal Period (net value) of Items Other than Unitholders' Capital	12,199
Total Changes During the Fiscal Period	-1,683,769
Balance as of February 28, 2010	148,917,062

(4) Statement of Cash Distribution (Fiscal Period Ended February 2010)

Fiscal Period	13 th Fiscal Period (December 1, 2009 - February 28, 2010)
Category	
I Unappropriated Retained Earnings for the Period	611,681,285 yen
II Distributions (Distribution per Unit)	611,456,522 yen (2,474 yen)
III Retained Earnings Carried Forward	224,763 yen
Calculation Method of Distributions	Pursuant to Article 10 of the Merger Agreement, which was signed by the Investment Corporation and Advance Residence Investment Corporation on September 25, 2009, the amount of distributable earnings shall be distributed as payment on merger one day before the date of establishment of the New Investment Corporation. Pursuant to said policy, we have decided to distribute as payment on merger 611,456,522 yen, which is the maximum integral multiple value of the number of investment units issued and outstanding, or 247,153 units not exceeding unappropriated retained earnings.

* 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, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.

* URL: <http://www.adr-reit.com>

[Provisional Translation Only]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.