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For Immediate Release

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Notice Concerning Disposition of Investment Assets

Advance Residence Investment Corporation (ADR) announced its decision today to dispose assets (hereafter, the “Disposition”) as follows as part of its growth strategy. Additionally, ADR has released a notice on a decision of acquiring 7 properties. (Please refer to today’s press release titled, “Notice Concerning Acquisition of Investment Assets”.) Part of the sales proceeds from the Disposition will be used for early repayment of loans as announced in the “Notice Concerning Early Repayment of Loans” dated today.

1. Reason for the Disposition

For the purpose of enhancing the revenue-generating potential of the portfolio in an aim to “achieve stable earnings over the medium and long term”, ADR intends to replace assets on an ongoing basis.

As part of such efforts, ADR decided on the Disposition after comprehensive consideration of the real estate market trends, earnings forecasts, changes in asset value and its projections, portfolio composition and other factors.

2. Summary of the Disposition

(i) Summary of the Disposition

P-1 RESIDIA Akasaka-Hinokicho

(1)	Asset to be disposed	Beneficiary interests in trust(please refer to (12) below for the disposition method)
(2)	Name of asset	RESIDIA Akasaka-Hinokicho
(3)	Date of acquisition of asset	November 22, 2005 (date on which the asset was acquired by ADR)
(4)	Titleholder before the Merger	Former Advance Residence Investment Corporation
(5)	Proposed Disposition price	4,180,000,000 yen (exclusive of the amount of reimbursement of the pro rata portion of the amount equivalent to real property tax and urban planning tax, as well as consumption tax and local consumption tax)
(6)	Appraisal value or estimated value	4,090,000,000 yen (as at August 31, 2010)
(7)	Book value	4,675,795,344 yen (as at August 31, 2010)
(8)	Difference between proposed disposition price and book value	-495,795,344 yen(difference between (5) and (7) above)

(9)	Agreement date	February 24, 2011
(10)	Scheduled delivery date	March 9, 2011
(11)	Buyer	Please refer to “3. Buyer Profile” below
(12)	Disposition method	Disposition of the concerned beneficiary interests in trust to the buyer indicated in (11) above at the same time that the proceeds are paid on the Disposition Execution Date

(ii) Summary of the Assets to be Disposed

P-1 RESIDIA Akasaka-Hinokicho

Name of asset	P-1 RESIDIA Akasaka-Hinokicho	
Type of qualified	Beneficiary interests in trust	
Location	7-11-12 Akasaka, Minato-ku, Tokyo	
Land	Type of ownership	Proprietary ownership
	Zoning	Neighborhood commercial zone
	Site area	1,194.39m ² (Note)
	FAR / Building coverage ratio	400%/80%
Building	Type of ownership	Proprietary ownership
	Use	Apartment/Garage
	Total floor area	6,151.48m ²
	Construction completion date	December 2004
	Structure	RC with flat roof; B1/14F
	No. of leasable units	111 units
Estimated value	4,090 million yen	(time of reference for the survey: August 31, 2010)
Appraiser	Japan Real Estate Institute	
Tenant details	Total no. of tenants (Note 1)	1
	Monthly rent (Note 2)	19,654 thousand yen
	Deposits, etc. (Note 3)	39,394 thousand yen
	Total leasable floor area (Note 4)	4,602.70m ²
	Total leased floor area (Note 4)	4,151.34m ²
	Occupancy rate(based on floor area) (Note 4)	90.2%(Note 5)

(Note) Includes the private road portion (27.92 m²).

(Note 1) “Total no. of tenants” indicates the number of tenants as 1 if there is a master lease agreement executed with the master lessee.

(Note 2) “Monthly rent” indicates, in principle, the total amount of monthly rent (inclusive of common service charges (except for properties with guaranteed amount of rent where common service charges are not fixed), but exclusive of the monthly usage fees for parking space, trunk room and other ancillary facilities) entered in lease contracts, executed as of January 31, 2011. The amount is rounded down to the nearest thousand yen. In addition, the amount is exclusive of consumption taxes.

(Note 3) When the master lease type is “pass –through”, “Deposits, etc.” in principle, is the sum of the January 31, 2011 balance of deposits, and guarantees of each end tenants based on lease contracts executed between master lessees or titleholders of the respective real estate and real estate in trust and end tenants as of January 31, 2011. The amount is rounded down to the nearest thousand yen. However, when there is a portion that need not be returned as a result of covenants on deductions from deposits, and non-refundable deposits, in the respective lease contracts, the portion is deducted from the amount.

(Note 4) “Total leasable floor area” and “Total leased floor area” and “Occupancy rate” indicate the figures as at January 31, 2011.

(Note 5) “Occupancy rate” is based on the formula: “Total leased floor area” ÷ “Total leasable floor area”. The percentage is rounded to one decimal place.

3. Buyer Profile

The buyer of the asset is domestic corporation. According to the wishes of the buyers, their details are not disclosed. The buyers do not constitute a party having particular vested interest in ADR or in its asset management company.

4. Broker Profile

Trade name	ITOCHU PROPERTY DEVELOPMENT,LTD.
Head office location	2-9-11 Akasaka, Minato-ku, Tokyo
Representative	Shigeru Tsujimura, President and Chief Executive Officer
Commission	91,800,000 yen (exclusive of consumption tax and local consumption tax)
Relationship with ADR or its asset management company	ITOCHU PROPERTY DEVELOPMENT, LTD. is a shareholder of ADR's asset management company AD Investment Management Co., Ltd. and thus constitutes an interested party, etc. of the asset management company as defined in the Investment Trusts and Investment Corporations Law.

5. Related-Party Transactions

The procedures required in accordance with the provisions of the asset management company's bylaws "Related-Party Transaction Rules" have been performed for the related-party transaction outlined in "4. Broker Profile" above.

6. Future Outlook

The management performance forecasts for the fiscal period ending January 2011 (from March 1, 2010 to January 31, 2011) and July 2011 (from February 1, 2011 to July 31, 2011) remain unchanged from August 31, 2010.

<Attachments>

[Supplementary Materials]

- ①Supplementary Material on the to be disposed asset detailed on this notice and the seven to be acquired asset announced today.
- ②Status of replacement of properties since the merger(as of today)
- * 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]

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.

[Supplementary Materials]

- ① Supplementary Material on the to be disposed asset detailed on this notice and the seven to be acquired asset announced today.

■ To be Disposed Asset

Property	Years	Actual NOI yield (Note)	Reason for the Disposition
P-1 RESIDIA Akasaka-Hinokicho	6.2 Years	3.8%	The actual NOI cap rate is low compared to the entire portfolio's actual NOI cap rate, and the assumption drawn from earnings forecasts is that improvements in earnings would be difficult.

(Note) Actual NOI yield = Annualized actual NOI ÷ Acquisition price × 100

■ To be Acquired Asset announced Today

Property	Years	Appraisal NOI yield (Note)	Reason for the Acquisition
(P-86) RESIDIA Shibaura-KAIGAN	1.1 Years	5.8%	Determined that the assets will contribute in improving the portfolio's earnings potential though the relatively high NOI cap rate and the relatively young building age.
(C-52) RESIDIA Bunkyo-YushimaIII	2.2 Years	6.0%	
(C-53) RESIDIA Bunkyo-Honkomagome	3.1 Years	5.6%	
(R-35) RESIDIA Tanimachi	2.5 Years	6.8%	
(R-36) RESIDIA Hisaya-Oodori	4.1 Years	7.0%	
(R-37) RESIDIA Sendai-Miyamachi	3.1 Years	7.2%	
(R-38) RESIDIA Hirose-dori	1.0 Years	7.1%	

(Note) Appraisal NOI yield = Annual NOI as entered on the appraisal of acquisitions ÷ Acquisition price × 100

- ② Status of Replacement of Properties Since the Merger (as of Today)

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

	Acquired assets (scheduled)	Disposed assets (scheduled)
Number of properties	13	19
Total acquisition price	JPY 19,111 million	JPY 23,767 million
Total deal value (a)	JPY 19,111 million	JPY 20,123 million
Appraisal (b) (Note 1)	JPY 20,691 million	JPY 21,821 million
Ratio (a) ÷ (b) × 100%	92.4 %	92.2 %
Weighted average NOI yield	6.3 % (Note 2)	4.9 % (Note 3)
Weighted average building age (Note 4)	1.8 yrs.	9.1 yrs.
Regions and unit types	Properties in Tokyo 23 wards and major regional cities.. Properties that have mostly single type units.	Properties are compact type or family type units or Aging in Tokyo Central 7 Wards or major regional cities.

(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 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	(57)	(94)	(66)	(36)	0	5	(248)
Tokyo 23 Wards Exclusive of Central 7 Wards	428	65	(17)	7	0	(1)	482
Tokyo Metropolitan Area	(35)	(1)	0	0	91	1	56
Major Regional Cities	171	(145)	(91)	(21)	0	(17)	(103)
Total	507	(175)	(174)	(50)	91	(12)	187

■ Status of Portfolio After the Disposition and the Acquisition

Asset size (based on acquisition price)	3,419 billion yen
No. of properties	182 buildings
No. of leasable units	14,423 units
Total leasable floor area	543,870 m ²

Area Diversification	Acquisition price	Share of Investment
Total	3,419 billion yen	100.0 %
P (Tokyo Central 7 Wards)	1,704 billion yen	49.8 %
C (Tokyo 23 Wards Exclusive of Central 7 Wards)	910 billion yen	26.6 %
S (Tokyo Metropolitan Area)	399 billion yen	11.7 %
R (Major Regional Cities)	405 billion yen	11.9 %