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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:
Tatsuya Fukuzawa, Director and General Manager
Corporate Management Department
TEL. +81-3-3518-0480

Notice Concerning Acquisition of Investment Asset

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

1. Reason for the Acquisition

ADR decided on the 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.

2. Acquisition Summary

	Name of to-be-acquired asset (Note 1)	Type of to-be-acquired asset	Proposed acquisition price (Note 2)
P-88	RESIDIA Yoga (Pacific Residence Yoga II)	Real estate	JPY 1,523 million

(Note 1) ADR is scheduled to change the property name after acquisition of the to-be-acquired asset listed above. The name after the change is shown with the name as of today shown in parentheses.

(Note 2) "Proposed acquisition price" indicates the amount exclusive of the various expenses required in the acquisition of the concerned real estate, etc. (broker commission, taxes and public dues, etc.) (the purchase price for real estate, etc. entered in real estate transaction agreement, and the trust beneficiary interests disposition contract). The amount is rounded down to the nearest million yen. The same hereafter.

P-88) RESIDIA Yoga

Name of property	RESIDIA Yoga
Asset to be acquired	Real estate
Proposed acquisition price	JPY 1,523 million
Seller	Not Disclosed (According to the wish of seller)
Scheduled agreement date	June 28, 2011
Scheduled acquisition date	July 5, 2011
Acquisition financing	Debt and funds on hand
Payment method	Pay entire amount upon delivery

3. Summary of the To-be-Acquired Assets

P-88) RESIDIA Yoga

Type of specified asset	Real estate	Scheduled acquisition date	July 5, 2011	Proposed acquisition price	JPY 1,523 million
Property Characteristics					
The property is 3 minutes walk to Tokyu Den-en-toshi Line Yoga Station. The location satisfies office workers and families due to its proximity to the train station and to the neighborhood shopping area and its easy access many parts of Tokyo.					
Property Outline					
Location	Residence indication	2-32-8 Yoga, Setagaya-ku, Tokyo			
Land	Type of ownership	Proprietary ownership (planned)	Use district	Class 1 residential zone	
	Site area	993.43 m ²	FAR / Building coverage ratio	200%/60%	
Building	Type of ownership	Proprietary ownership (planned)	Breakdown of residential unit type	Units	
	Total floor area	2514.42 m ²	Single type	52	
	Structure / Floors	RC with flat roof; B1/6F	Compact type	7	
	Use	Apartment	Family type	7	
	Construction completion date	June 2008	Large type	-	
	Confirmation inspection agency	BUREAU VERITAS JAPAN K.K	Dormitory type	-	
	Building designer	Toray Construction Co., Ltd. Tokyo Office. 1st Class Qualified Architect Office.	Other	-	
	Structural designer	K.K TERA 1st Class Qualified Architect Office.	Trustee	-	
Construction contractor	Toray Construction Co., Ltd.	Property manager	ITOCHU Urban Community Ltd. (planned)		
Previous titleholder	-	Master lessee	ITOCHU Urban Community Ltd. (planned)		
Current titleholder	Not Disclosed	Master lease type	Pass though (Planned)		
Summary of Real Estate Appraisal Report					
Real estate appraiser	Morii Appraisal & Investment Consulting Inc		Appraised date	April 14, 2011	
Real estate appraised value	JPY 1,570 million		Cap rate	5.3%	
Direct capitalization price	JPY 1,580 million		Discount rate	5.0%	
DCF price	JPY 1,550 million		Terminal cap rate	5.6%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: JPY thousand)			Lease Conditions (as of May 31, 2011)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	107,751	Leasable units	66	
	Rent income	105,596	Leased units	55	
	Other income	2,155	Leasable floor area	1,996.81 m ²	
(B) Total effective profit	Subtotal	101,122	Leased floor area	1,640.41 m ²	
	Losses from vacancies, etc.	6,629	Monthly rent (incl. common service charges)	JPY 7,285 thousand	
	Bad debts losses	0	Deposits, guarantees, etc.	JPY 10,142 thousand	
(C) Expenses from rental business	Subtotal	16,758	Occupancy rate (based on floor area)	82.2%	
	Maintenance and management fees	2,908	Summary of Building Conditions Investigation Report		
	Utilities costs	870	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.	
	Management commission fees	2,969	Investigation date	June 2011	
	Taxes and public dues	4,669	Emergency repair costs	-	
	Non-life insurance premiums	142	Short-term repair costs (within 1 year)	-	
	Rental advertising costs	2,778	Long-term repair costs (next 12 years)	JPY 13,040 thousand	
	Repair costs (incl. restoration fees)	1,262	Building replacement price	JPY 529,560 thousand	
	Other expenses	1,160	Summary of Earthquake PML Assessment Report		
	(D) Profit or loss from rental business = (B) - (C)	84,364	PML	10.45%	
(E) Operating profit from deposits	231	Collateral			
(F) Capital expenditures	761	Not Scheduled			
(G) Net profit = (D) + (E) - (F)	83,834				

Special Notation

N/A

[Explanation of Entries in Foregoing Tables]

(i) Explanation of “Property Characteristics”

- “Property Characteristics” provides a description based on the entries in the real estate appraisal reports for the real estates that were prepared by Morii Appraisal & Investment Consulting Inc.

(ii) Explanation of “Property Outline”

- In principle, the entries are based on that as of May 31, 2011.
- “Residence indication” for the location provides the residence indication. For real estate in an area without a residence indication, the location of the land as indicated in the registry is provided.
- “Type of ownership” provides the kind of rights held or to be held by the trustee for the real estate.
- “Site area” for the land provides the area of the land as indicated in the registry.
- “Use district” for the land provides the use district 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 use district, 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 use district, 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.
- “Use” for the building provides the primary use out of the types indicated in the registry for the real estate.
- “Leasable floor area” provides the floor area of the portion of the real estate to be acquired by ADR that is leasable as of the date of this document based on information received from the current titleholder.
- “Leasable units” provides the number of units of the real estate that is leasable as of the date of this document based on information received from the current titleholder.
- “Breakdown of residential unit type” lists the types of residential units based on the following classification. Store, office and other uses aside from residential units are shown under “Other.”

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)

- “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 the date of this document based on information received from the current titleholder.
- “Current titleholder” names the titleholder of the real estates in trust as of the date of this document. “Previous titleholder” names the party that transferred the real estate (assets to be acquired) to the current titleholder.
- “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.
- “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. Where property management services are re-delegated, the property manager re-delegated to conduct property management services is shown.
- (iii) 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 Morii Appraisal & Investment Consulting Inc. 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 for the respective real estates.
- (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 Profile

The seller of the property is domestic corporation whose name and detail is not disclosed according to its wishes. The seller does not constitute a party having particular vested interest in ADR or in its asset management company.

5. Asset Management Company’s Vested Interest in the To-be-Acquired Assets

Of the to-be-acquired asset listed above, ADR is scheduled to sign a master lease agreement and delegate property management services for RESIDIA Yoga to ITOCHU Urban Community Ltd., which constitutes a Related Party of the Asset Management Company. Accordingly, the procedures required in accordance with the bylaws are scheduled to be completed in concluding the building lease and management agreement with ITOCHU Urban Community.

6. Matters Concerning Earthquake Resistance, etc.

For the to-be-acquired asset, the validity of structural calculation documents on each of the assets has been investigated by a third-party agency. ADR has obtained the following investigation results stating that no intentional manipulation, falsification or other corruption of the structural calculation documents, etc. were found and that the structural calculation is deemed to have been performed in accordance with law.

P-88) RESIDIA Yoga

(i) Investigation Agency

Trade name	Hai kokusai consultant K.K
Head office location	2-19-7 Takanawa, Minato-ku, Tokyo
Representative	Kato Nobuki, Representative Director
Capital	JPY 10 million
Large shareholders	Nobuki Kato and others.
Principal business	Covil engineering, Construction contractor, Construction consulting, etc.
Relationship with ADR or its asset management company	N/A

(ii) Content of Investigation

Verification of structural calculation documents and structural drawings

(iii) Investigation Results

No intentional illegal manipulation or other falsification of structural calculation documents by the designer was found. In addition, no particular issues that cast doubt on the earthquake resistance performance pursuant to the Building Standards Law were found at the time of application for confirmation.

7. Broker Profile

The Broker of the property is domestic corporation whose name and detail is not disclosed according to its wishes. The Broker does not constitute a party having particular vested interest in ADR or in its asset management company.

8. Other

ADR plans to disclose the completion of the asset acquisition at a later date upon delivery of the property.

<Attachments>

[Supplementary Materials]

- i) To be acquired Asset
- ii) Status of Replacement of properties since the Merger (as of today)

Reference Material: Photo of façade of the to-be-acquired assets

- * 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.

[Supplementary Materials]

i) To be acquired Asset

Property	Years	Appraisal NOI yield (Note)	Reason for the Acquisition
P-88) RESIDIA Yoga	3.1Years	5.5%	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.

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

ii) 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	15	19
Total acquisition price	22,704 million	23,767 million
Total deal value (a)	22,704 million	20,123 million
Appraisal (b)	24,491 million	21,821 million (Note 1)
Ratio (a) ÷ (b) × 100%	92.7 %	92.2 %
Weighted average NOI yield	6.2 % (Note 2)	4.9 % (Note 3)
Weighted average building age (Note 4)	2.0 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	85	(80)	(59)	(36)	0	6	(84)
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	649	(161)	(167)	(50)	91	(11)	351

■ Status of Portfolio After the Disposition and the Acquisition

Asset size (based on acquisition price)	345.5 billion yen
No. of properties	184 buildings
No. of leasable units	14,587 units
Total leasable floor area	548,036 m ²

Area Diversification	Acquisition Price	Share of Investment
Total	345.5 billion yen	100.0 %
P (Tokyo Central 7 Wards)	174.0 billion yen	50.4 %
C (Tokyo 23 Wards Exclusive of Central 7 Wards)	91.0 billion yen	26.3 %
S (Tokyo Metropolitan Area)	39.9 billion yen	11.6 %
R (Major Regional Cities)	40.5 billion yen	11.7 %

Reference Material: Photo of façade of the to-be-acquired assets
P-88) RESIDIA Yoga

