

Assigned AA-/Stable to sr.debts of Advance Residence Inv. Corp.

July 26, 2011

<Rationale>

Advance Residence Investment Corporation is a real estate investment corporation (J-REIT), which invests its funds specifically in residential rental property. It was created through consolidation type merger between the former Advance Residence Investment Corporation and Nippon Residential Investment Corporation. ITOCHU Corporation, a general trading firm, is the main sponsor of the asset management company of the Investment Corporation.

Its portfolio comprised 184 properties with the total acquisition price of 345.5 billion yen as of July 14, 2011. This asset value is the 6th largest among J-REITs and the largest among J-REITs specializing in residential rental property. It is considered that the Investment Corporation can collect information and reduce cost, leveraging economies of scale. It replaced properties to strengthen earnings power of portfolio. JCR will pay attention to the future progress.

It carried out public offering in June 2010 and reduced its LTV, which increased at the time of merger, earlier than expected. JCR assumes that it can ensure financial flexibility to a certain degree by carrying out replacement of properties while controlling its LTV at normal level (50-55% of the book value of the total assets).

Issuer: Advance Residence Investment Corporation (3269)

<Assignment>

Senior debts: AA-/Stable