



August 26, 2011

For Immediate Release

Advance Residence Investment Corporation
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Notice Concerning Acquisition of Investment Assets (Silent Partnership Equity Interests)

Advance Residence Investment Corporation (ADR) announced its decision today to acquire assets in Japan as detailed below.

1. Acquisition Summary

- | | |
|---------------------------------------|--|
| (1) Asset to be acquired | : Silent partnership equity interests for real estate beneficiary interests in trust |
| (2) Name of to-be-acquired asset | : Godo Kaisha RBFA's silent partnership equity interest |
| (3) Real estate in trust | : ASYL Court Nakamurabashi
Pacific Residence Kobe-Isogami
Pacific Residence Nishishin
Pacific Residence Tsurumai
COSMOS GRACIA Kachidoki |
| (4) Amount of Investment | : Total 10 million yen (0.91% of silent partnership equity interest) |
| (5) Scheduled agreement date | : August 26, 2011 |
| (6) Scheduled acquisition date | : August 30, 2011 |
| Equity interest acquisition date | |
| (7) Acquisition financing | : Funds on hand |
| Equity interest acquisition financing | |

2. Reason for the Acquisition

The decision of this acquisition was made in order to construct a portfolio which realizes growth of asset size and ensures stable revenues through diversified investments throughout Japan in all types of residential properties, by investing in silent partnership equity interest, as pursuant to the asset management target and investment policy of the Articles of Incorporation of ADR.

Through this acquisition, ADR will receive dividends from profit coming from rental income from tenants of the real estate in trust, etc. from the operator of the silent partnership. In addition, although ADR will be granted preferential negotiation rights concerning each real estate beneficiary interest in trust with this acquisition (for details,

please refer to “3. Summary of the To-be-Acquired Assets – (1) Overview of silent partnership to be invested – Other”), this does not place an obligation on ADR to acquire the real estate beneficiary interest in trust.

The following points were assessed with regard to the granting of real estate under trust and preferential negotiation rights.

Name of property	Property Characteristics	Concerning the Granting of Preferential Negotiation Rights
ASYL Court Nakamurabashi	The property is about a 5-minute walk from Nakamurabashi Station on the Seibu Ikebukuro Line giving residents good access to major business areas and commercial centers, and it is situated along a shopping street extending from the station with a supermarket and banks. The 7-Eleven on the first floor makes shopping convenient for residents. Demand from singles who value convenience of transportation and living is expected for this rental condominium.	Determined that the assets will contribute to improving the portfolio’s earnings potential through the relatively high NOI cap rate and the relatively young building age.
Pacific Residence Kobe-Isogami	The property is about a 6-minute walk from Boeki Center Station on the Port Island Line and about an 11-minute walk from Sannomiya Station on the JR Tokaido Main Line, which is Kobe City’s main transportation route. In addition to excellent access to major business areas and commercial centers, the property is within walking distance from Sannomiya’s shopping area with large commercial facilities such as Sogo and Daimaru, and places representing Kobe as a former settlement area for foreigners. The location is excellent for urban-type condominiums. On the first floor of the property is a convenience store chain, Family Mart, making shopping convenient for residents. Demand from singles who value convenience of transportation and living is expected for this rental condominium.	
Pacific Residence Nishishin	The property is a 3-minute walk from Nishijin Station on the Fukuoka City Subway Kuko Line. In addition to excellent access to major business areas and commercial centers, it is situated behind the Nishijin Central Shopping Street which has a line-up of many stores with lots of customers. On the first floor of the property is a convenience store chain, Daily Yamazaki, making shopping convenient for residents. Demand from singles who value convenience of transportation and living is expected for this rental condominium.	
Pacific Residence Tsurumai	The property is about a 5-minute walk from Tsurumai Station on the Tsurumai subway line and the JR Chuo Main Line, as well as Kamimaezu Station on the Meijo subway line and Tsurumai Line. Three stations and three routes are available giving residents good access to major business areas and commercial centers. It is situated along a main road in an area with a mid-sized supermarket, blessed in convenience of living. The property has higher competitiveness with its excellent facility specification grade. Demand from singles working at central Nagoya companies and students at nearby universities is expected for this rental condominium.	

COSMOS GRACIA Kachidoki	The property is about a 2-minute walk from Kachidoki Station on the Toei Oedo Line giving residents good access to major business areas and commercial centers, and Harumi Island Triton Square is within walking distance. It is an area blessed with proximity to facilities making living convenient such as Kachidoki Sun Square in front of the station. Demand from singles and DINKS couples who value convenience of transportation and living is expected for this rental condominium.	
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3. Summary of the To-be-Acquired Assets

(1) Overview of silent partnership

Name of operator	GK RBFA							
Validity period of silent partnership agreement	To July 31, 2013							
Total amount of investment, etc. in silent partnership	1,100 million yen							
Overview of silent partnership agreement	<p>The following is an overview of the investment in the silent partnership.</p> <table border="1" data-bbox="496 1137 922 1550"> <tr> <th colspan="2" data-bbox="496 1137 922 1205">Godo Kaisha RBFA</th> </tr> <tr> <td data-bbox="496 1205 710 1406">Real estate beneficiary interests in trusts, etc.</td> <td data-bbox="710 1205 922 1406">Nonrecourse loan 8,580 million yen</td> </tr> <tr> <td data-bbox="496 1406 710 1550">9,680 million yen (Note 1)</td> <td data-bbox="710 1406 922 1550">Silent partnership equity, etc. 1,100 million yen</td> </tr> </table> <p>(Note 1) Formulation costs, reserve money, etc. are included in real estate beneficiary interest in trusts, etc. Also, the total real estate appraised value is 9,650 million yen. (Note 2) ADR is scheduled to invest 10 million yen (0.91%) in the silent partnership equity interest, etc. (Note 3) Japan Asset Trust Corporation is scheduled to become the asset manager of Godo Kaisha RBFA. (Note 4) Mitsubishi UFJ Morgan Stanley Securities Co., Ltd is the financial advisor of formulation of the silent partnership.</p> <p>Calculation period: The three month periods of November 1 to the end of January, February 1 to the end of April, May 1 to the end of July, and August 1 to the end of October. However, the first calculation period is the date of first investment to the end of October, 2011.</p> <p>Distribution of profits and losses: For each calculation period where profits arise, all such profits will be distributed by the operator to the investors according to their equity ratios on the calculation date. Also, for each calculation period where losses arise, investors will receive distributions according to their equity ratios on the calculation date, with the amount</p>		Godo Kaisha RBFA		Real estate beneficiary interests in trusts, etc.	Nonrecourse loan 8,580 million yen	9,680 million yen (Note 1)	Silent partnership equity, etc. 1,100 million yen
Godo Kaisha RBFA								
Real estate beneficiary interests in trusts, etc.	Nonrecourse loan 8,580 million yen							
9,680 million yen (Note 1)	Silent partnership equity, etc. 1,100 million yen							

	<p>of loss of the business as the limit. However, if the total amount of losses distributed to investors exceeds the total investment amount, the total excess amount will be distributed to the operator.</p>	
Other	Concerning preferential negotiation rights to be granted with the acquisition	
	Content of negotiation rights	The preferential negotiation rights before other parties on acquisition of trust beneficiary scheduled to be acquired by the operator on August 31, 2011 (see (2) below) as well as the operator's real estate assets in trust.
	Exercise period of negotiation rights	To October 31, 2012
	Price conditions for preferential negotiations	<p>Acquisition at 9,206 million yen or more. Price breakdown: ASYL Court Nakamurabashi: 1,075 million yen Pacific Residence Kobe-Isogami: 2,740 million yen Pacific Residence Nishijin: 2,380 million yen Pacific Residence Tsurumai: 1,206 million yen COSMOS GRACIA Kachidoki: 1,805 million yen</p>

(2) Details of Properties

(i) ASYL Court Nakamurabashi

Type of specified asset		Beneficiary interests in trust	Scheduled acquisition date	August 31, 2011
Property Outline				
Location	Residence indication	3-14-6, Nakamura, Nerima-ku, Tokyo		
Land	Type of ownership	Proprietary ownership	Use district	Neighborhood commercial zone
	Site area	527.96 m ²	FAR / Building coverage ratio	300%/80%
Building	Type of ownership	Proprietary ownership	Lease Conditions (as of August 31, 2011)	
	Total floor area	1639.30 m ²		
	Structure / Floors	RC with flat roof ; 8F	Total tenants	1
	Use	Apartment, Stores	Leasable units	66
	Construction completion date	February 2008	Leased units	63
	Confirmation inspection agency	CENTER OF INTERNATIONAL ARCHITECTURAL STANDARD	Leasable floor area	1,501.25 m ²
	Building designer	K.K.Kepura Toshikenchikusekai	Leased floor area	1,440.18 m ²
	Structural designer	Yugen Gaisya TN Sekkei 1st Class Qualified Architect Office	Monthly rent (incl. common service charges)	JPY 6,254 thousand
	Construction contractor	TADA CORPORATION	Deposits, guarantees, etc.	JPY 14,814 thousand
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Occupancy rate (based on floor area)	95.90%	
Summary of Real Estate Appraisal Report				
Real estate appraiser	Morii Appraisal & Investment Consulting Inc	Appraised date	April 8, 2011	
Real estate appraised value	JPY 1,090 million	Cap rate	5.40%	
Direct capitalization price	JPY 1,100 million	Discount rate	5.10%	
DCF price	JPY 1,080 million	Terminal cap rate	5.70%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price			Summary of Earthquake PML Assessment Report	
Profit or loss from rental business	JPY 59,839 thousand	PML	10.75%	

Special Notation
N/A

(ii) Pacific Residence Kobe-Isogami

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	August 31, 2011
Property Outline			
Location	Residence indication	3-1-20, Isogamidori, Chuo-ku, Kobe-shi, Hyogo	
Land	Type of ownership	Proprietary ownership	Use district Commercial zone
	Site area	1,196.23 m ²	FAR / Building coverage ratio 600%/80%
Building	Type of ownership	Proprietary ownership	Lease Conditions (as of August 31, 2011)
	Total floor area	7,438.91 m ²	
	Structure / Floors	RC with flat roof ; B1/15F	Total tenants 1
	Use	Apartment, Stores	Leasable units 196
	Construction completion date	March 2008	Leased units 180
	Confirmation inspection agency	Nihon Testing K.K.	Leasable floor area 6,714.74 m ²
	Building designer	K.K. Ishizue 1st Class Qualified Architect Office	Leased floor area 6,172.03 m ²
	Structural designer	K.K. Ishizue 1st Class Qualified Architect Office	Monthly rent (incl. common service charges) JPY 17,711 thousand
	Construction contractor	Aoki Asunaro Kensetsu K.K.	Deposits, guarantees, etc. JPY 24,069 thousand
Trustee	Mitsubishi UFJ Trust and Banking Corporation	Occupancy rate (based on floor area) 91.90%	
Summary of Real Estate Appraisal Report			
Real estate appraiser	Morii Appraisal & Investment Consulting Inc	Appraised date	April 7, 2011
Real estate appraised value	JPY 2,870 million	Cap rate	6.20%
Direct capitalization price	JPY 2,890 million	Discount rate	5.90%
DCF price	JPY 2,840 million	Terminal cap rate	6.50%
Income/Expenditures Assumed in Calculating Direct Capitalization Price		Summary of Earthquake PML Assessment Report	
Profit or loss from rental business	JPY 181,081 thousand	PML	7.56%
Special Notation			
N/A			

(iii) Pacific Residence Nishijin

Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	August 31, 2011
Property Outline			
Location	Residence indication	4-6-12, Nishijin, Sawara-ku, Fukuoka	
Land	Type of ownership	Proprietary ownership	Use district Commercial zone
	Site area	1,944.05 m ²	FAR / Building coverage ratio 400%/80%
Building	Type of ownership	Proprietary ownership	Lease Conditions (as of August 31, 2011)
	Total floor area	9,233.43 m ²	
	Structure / Floors	RC with flat roof ; 14F	Total tenants 1
	Use	Apartment, Stores, Parking space, Garbage collection space	Leasable units 173
	Construction completion date	January 2008	Leased units 155

	Confirmation inspection agency	K.K. Toshi Kyojyu Hyouka Center	Leasable floor area	7,282.77 m ²
	Building designer	TODA CORPORATION Kyusyu Branch 1st Class Qualified Architect Office	Leased floor area	6,482.82 m ²
	Structural designer	TODA CORPORATION Kyusyu Branch	Monthly rent (incl. common service charges)	JPY 15,769 thousand
	Construction contractor	TODA CORPORATION Kyusyu Branch	Deposits, guarantees, etc.	JPY 26,206 thousand
	Trustee	Mitsubishi UFJ Trust and Banking Corporation	Occupancy rate (based on floor area)	89.00%
Summary of Real Estate Appraisal Report				
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	April 6, 2011
Real estate appraised value	JPY 2,560 million		Cap rate	6.20%
Direct capitalization price	JPY 2,570 million		Discount rate	6.00%
DCF price	JPY 2,550 million		Terminal cap rate	6.40%
Income/Expenditures Assumed in Calculating Direct Capitalization Price			Summary of Earthquake PML Assessment Report	
Profit or loss from rental business	JPY 164,368 thousand		PML	4.02%
Special Notation				
N/A				

(iv) Pacific Residence Tsurumai

	Type of specified asset	Beneficiary interests in trust	Scheduled acquisition date	August 31, 2011
Property Outline				
Location	Residence indication	3-3-8, Chiyoda, Naka-ku, Nagoya-shi, Aichi		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone
	Site area	661.98 m ²	FAR / Building coverage ratio	500%/80%
Building	Type of ownership	Proprietary ownership	Lease Conditions (as of August 31, 2011)	
	Total floor area	3,389.13 m ²		
	Structure / Floors	RC with flat roof ; 13F	Total tenants	1
	Use	Apartment, Stores	Leasable units	122
	Construction completion date	February 2008	Leased units	109
	Confirmation inspection agency	Bureau Veritas Japan Co., Ltd.	Leasable floor area	3,116.95 m ²
	Building designer	TAISEI U-LEC corporation 1st Class Qualified Architect Office	Leased floor area	2,802.48 m ²
	Structural designer	TAISEI U-LEC corporation 1st Class Qualified Architect Office	Monthly rent (incl. common service charges)	JPY 8,061 thousand
	Construction contractor	TAISEI U-LEC corporation.	Deposits, guarantees, etc.	JPY 11,917 thousand
	Trustee	Mitsubishi UFJ Trust and Banking Corporation	Occupancy rate (based on floor area)	89.90%
Summary of Real Estate Appraisal Report				
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.		Appraised date	April 7, 2011
Real estate appraised value	JPY 1,240 million		Cap rate	6.20%
Direct capitalization price	JPY 1,250 million		Discount rate	6.00%
DCF price	JPY 1,230 million		Terminal cap rate	6.40%
Income/Expenditures Assumed in Calculating Direct Capitalization Price			Summary of Earthquake PML Assessment Report	

Profit or loss from rental business	JPY 79,405 thousand	PML	12.07%
Special Notation			
N/A			

(v) COSMOS GRACIA Kachidoki

Type of specified asset		Beneficiary interests in trust	Scheduled acquisition date	August 31, 2011
Property Outline				
Location	Residence indication	4-2-11, Kachidoki, Chuo-ku, Tokyo		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone
	Site area	403.46 m ²	FAR / Building coverage ratio	600%/80%
Building	Type of ownership	Proprietary ownership	Lease Conditions (as of August 31, 2011)	
	Total floor area	3,447.18 m ²		
	Structure / Floors	RC with flat roof	Total tenants	1
	Use	Apartment, Stores	Leasable units	55
	Construction completion date	February 2008	Leased units	45
	Confirmation inspection agency	CENTER OF INTERNATIONAL ARCHITECTURAL STANDARD	Leasable floor area	2,750.82 m ²
	Building designer	MIWA ARCHITECT OFFICE CO.,LTD.	Leased floor area	2,259.62 m ²
	Structural designer	MIWA ARCHITECT OFFICE CO.,LTD.	Monthly rent (incl. common service charges)	JPY 9,171 thousand
	Construction contractor	KAWADA INDUSTRIES, INC.	Deposits, guarantees, etc.	JPY 28,721 thousand
	Trustee	The Sumitomo Trust & Banking Co., Ltd.	Occupancy rate (based on floor area)	82.10%
Summary of Real Estate Appraisal Report				
Real estate appraiser	Japan Real Estate Institute	Appraised date	July 1, 2011	
Real estate appraised value	JPY 1,890 million	Cap rate	5.20%	
Direct capitalization price	JPY 1,900 million	Discount rate	5.00%	
DCF price	JPY 1,880 million	Terminal cap rate	5.40%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price			Summary of Earthquake PML Assessment Report	
Profit or loss from rental business	JPY 101,509 thousand	PML	3.19%	
Special Notation				
N/A				

[Explanation of Entries in Foregoing Tables]

(i) Explanation of "Property Outline"

- In principle, the entries are based on that as of August 31, 2011.
- "Residence indication" for the location provides the residence indication. For real estate in trust 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 in trust.
- "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 is the numerical figure determined by city planning in accordance with the use district, etc.
- "Building coverage ratio" for the land 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 in trust.
- "Use" for the building provides the primary use out of the types indicated in the registry for the real estate in trust.
- In the "Trustee" column are listed either the holder of the trust agreement concerning the real estate in trust as of today or

the party scheduled to be the trustee. A hyphen is marked for real estate for which no trust agreements have been concluded as of today.

- (ii) 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 Japan Real Estate Institute or Morii Appraisal & Daiwa Real Estate Appraisal Co., Ltd. & Japan Real Estate Institute & Investment Consulting Inc. for the respective real estates in trust.
 - The monetary amounts are rounded down to the nearest million yen.
- (iii) 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 in trust.
- (iv) 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

(3) Overview of operator of silent partnership to be invested

Trade Name	Godo Kaisha RBFA	
Head Office Location	1-8 Kandanshikicho 2-chome, Chiyoda-ku, Tokyo, inside Japan Asset Trust Corporation	
Principal Business	1. Sales, exchange and rent of real estate and their brokerage and management 2. Sales, exchange, possession and management concerning real estate in trust 3. Acquisition, possession and disposal of company stocks, equity interest, specified assets, etc. for the purpose of 1. and 2. above 4. All business incidental to the above	
Representative	Managing partner	RBFA
	Administrator	Keiichi Omura
Capital	100,000 yen	
Date of establishment	June 1, 2011	
Relationship with ADR or its asset management company		
Capital relations Personal relations Business relations	There are no capital relations, personal relations or business relations to be stated between Godo Kaisha RBFA and ADR or the Asset Management Company. Also, there are no capital relations, personal relations or business relations to be noted between related parties or related companies of Godo Kaisha RBFA and related parties or related companies of ADR or the Asset Management Company.	
Interested party status	Godo Kaisha RBFA does not constitute an interested party of ADR or the Asset Management Company. Also, the related parties and related companies of Godo Kaisha RBFA do not constitute interested parties of ADR or the Asset Management Company.	

4. Settlement Method

As indicated below in “5. Acquisition Schedule.”

5. Acquisition Schedule

August 26, 2011	Acquisition decision made
August 26, 2011	Conclusion of silent partnership agreement (scheduled)
August 30, 2011	Investment in silent partnership (scheduled)
August 31, 2011	Delivery of real estate in trust to operator of silent partnership (scheduled)

6. Future Outlook

The management performance forecasts for the fiscal period ending January 2012 (from August 1, 2012 to January 31, 2012) remain unchanged.

<Attachment>

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

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

(i) ASYL Court Nakamurabashi



(ii) Pacific Residence Kobe-Isogami



(iii) Pacific Residence Nishishin



(iv) Pacific Residence Tsurumai

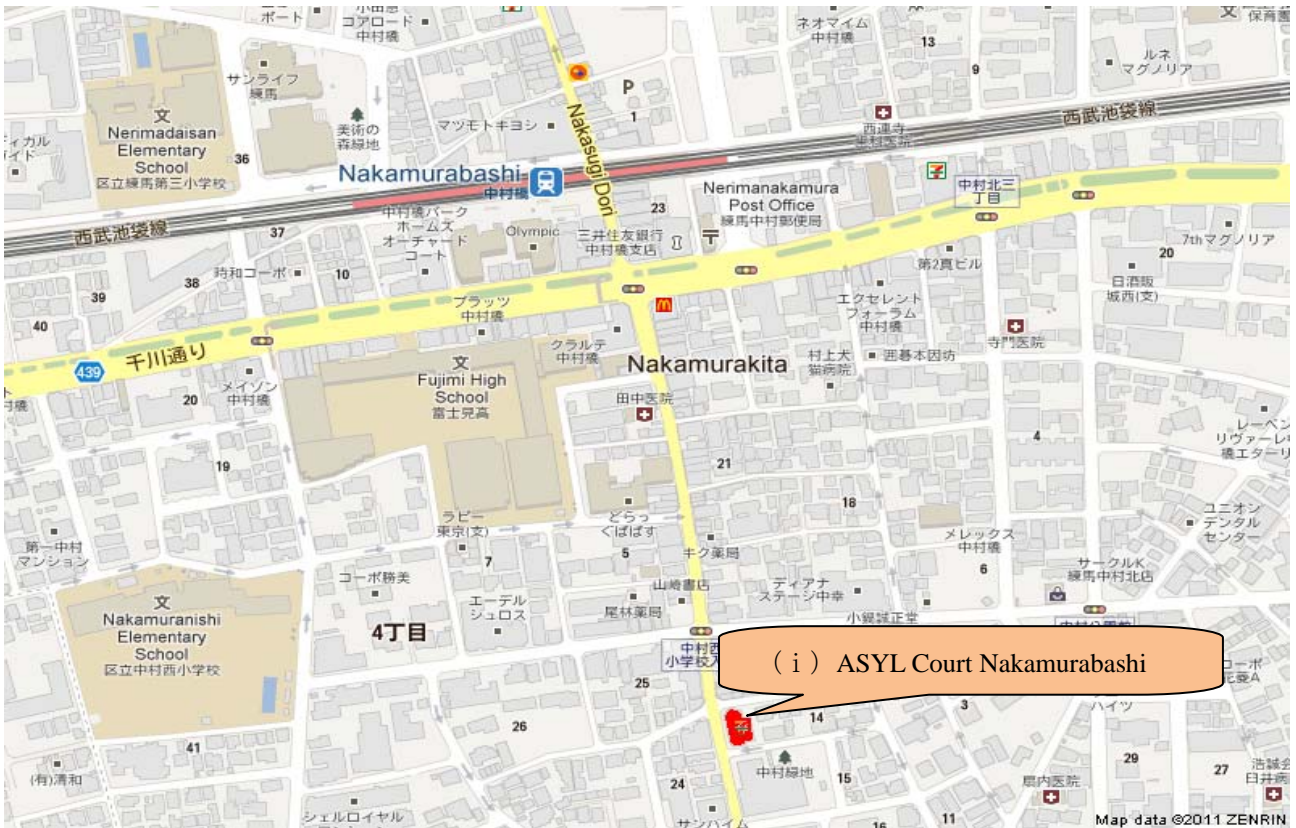


(v) COSMOS GRACIA Kachidoki



ii) maps of To-be-Acquired Assets

(i) ASYL Court Nakamurabashi



(ii) Pacific Residence Kobe-Isogami



(iii) Pacific Residence Nishishin



(iv) Pacific Residence Tsurumai



(v) COSMOS GRACIA Kachidoki

