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For Immediate Release

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Notice Concerning Acquisition of Investment Assets

Advance Residence Investment Corporation (ADR) announced its decision today to acquire assets 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.

In deciding to acquire the assets, ADR thought highly of the property characteristics listed below.

C-56 RESIDIA Ogikubo

- The property is 5-minute walk from Tokyo Metro Marunouchi Line, JR Chuo Line,. From the station on the train, it is 10 minutes to Shinjuku Station, 27 minutes to Tokyo Station, giving tenants good access to business centers from the property.
- There are daily product stores, post offices, ward office and many other convenient facilities close by.
- Demand can be expected from “Single Person” commuters to central Tokyo due to the fact that the property is located in quiet residential area and has good access and the room plans are all 1K.

R-40 RESIDIA Kyomachibori

- The property is 8-minute walk from Osaka City Subway Yotsuhashi Line “Higobashi Station”. From the station on the train, it is 2 minutes to Honmachi Station, 2 minutes to Umeda Station, giving tenants excellent access to business centers from the property.
- There are daily product stores, post offices, hospitals and many other convenient facilities close by.
- Because room plans are either 1K or 1DK demand can be expected from “singles” commuters to Osaka city center.

2. Acquisition Summary

	Name of to-be-acquired asset ^(Note 1)	Type of to-be-acquired asset	Proposed acquisition price ^(Note 2)
C-56	RESIDIA Ogikubo (Camellia Court Ogikubo)	Real estate	1,710
R-40	RESIDIA Kyomachibori (So-Bee Kyomachibori)	Real estate	1,000

(Note 1) ADR is scheduled to change the property names after acquisition of the to-be-acquired assets listed above. For the to-be-acquired assets that are scheduled to have their name changed, 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).

The amount is rounded down to the nearest million yen. The same hereafter.

C-56) RESIDIA Ogikubo

Name of property	RESIDIA Ogikubo
Asset to be acquired	Real estate
Proposed acquisition price	JPY 1,710 million
Seller	Not Disclosed
Scheduled agreement date	September 29, 2011
Scheduled acquisition date	September 29, 2011
Acquisition financing(planned)	Debt and funds on hand
Payment method	Pay entire upon delivery

R-40) RESIDIA Kyomachibori

Name of property	RESIDIA Kyomachibori
Asset to be acquired	Real estate
Proposed acquisition price	JPY 1,000 million
Seller	Not Disclosed
Scheduled agreement date	September 27, 2011
Scheduled acquisition date	September 30, 2011
Acquisition financing(planned)	Debt and funds on hand.
Payment method	Pay entire upon delivery

3. Summary of the To-be-Acquired Assets

C-56) RESIDIA Ogikubo

Type of specified asset	Real estate	Scheduled acquisition date	September 29, 2011	Proposed acquisition price	JPY 1,710 million
Property Outline					
Location	Residence indication	5-9-7, Ogikubo, Suginami-ku, Tokyo			
Land	Type of ownership	Proprietary ownership	Use district	Category 2 residential district	
	Site area	1,348.22 m ²	FAR / Building coverage ratio	300%/60%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	3,181.96 m ²	Single type	101	
	Structure / Floors	RC with flat roof 6F	Compact type	-	
	Use	Apartment Parking	Family type	-	
	Construction completion date	March 2003	Large type	-	
	Confirmation inspection agency	Nihon ERI K.K.	Dormitory type	-	
	Building designer	Matsui Kensetsu K.K.	Other	-	
	Structural designer	Matsui Kensetsu K.K.	Trustee	-	
Construction contractor	Matsui Kensetsu K.K.	Property manager	NS Corporation Co., Ltd. (Planned)		

Previous titleholder	Not Disclosed	Master lessee	NS Corporation Co., Ltd. (Planned)
Current titleholder	Not Disclosed	Master lease type	Pass though (Planned)
Summary of Real Estate Appraisal Report			
Real estate appraiser	Japan Real Estate Institute	Appraised date	September 1, 2011
Real estate appraised value	JPY 1,790 million	Cap rate	5.1%
Direct capitalization price	JPY 1,810 million	Discount rate	4.9%
DCF price	JPY 1,770 million	Terminal cap rate	5.3%
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: JPY thousand)		Lease Conditions (as of August 31, 2011)	
Appraisal item	Appraised value	Total tenants	100
(A) Total potential profit Subtotal	125,532	Leasable units	101
Rent income	119,547	Leased units	100
Other income	5,985	Leasable floor area	2,830.20 m ²
(B) Total effective profit Subtotal	118,444	Leased floor area	2,799.40 m ²
Losses from vacancies, etc.	7,088	Monthly rent (incl. common service charges)	JPY9,869 thousand
Bad debts losses	0	Deposits, guarantees, etc.	JPY 18,148 thousand
(C) Expenses from rental business Subtotal	23,442	Occupancy rate (based on floor area)	98.9%
Maintenance and management fees	5,774	Summary of Building Conditions Investigation Report	
Utilities costs	1,340	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Management commission fees	4,738	Investigation date	September 9, 2011
Taxes and public dues	6,487	Emergency repair costs	—
Non-life insurance premiums	519	Short-term repair costs (within 1 year)	—
Rental advertising costs	2,176	Long-term repair costs (next 12 years)	JPY45,595 thousand
Repair costs (incl. restoration fees)	2,287	Building replacement price	JPY 662 million
Other expenses	121	Summary of Earthquake PML Assessment Report	
(D) Profit or loss from rental business = (B) - (C)	95,002	PML	8.45%
(E) Operating profit from deposits	349	Collateral	
(F) Capital expenditures	2,940	Not Scheduled	
(G) Net profit = (D) + (E) - (F)	92,411		
Special Notation			
N/A			

R-40) RESIDIA Kyomachibori

Type of specified asset	Real estate	Scheduled acquisition date	September 30, 2011	Proposed acquisition price	JPY 1,000 million
Property Outline					
Location	Residence indication	2-2-6, Kyomachibori, Nishi-ku, Osaka-shi, Osaka			
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone	
	Site area	420.11 m ²	FAR / Building coverage ratio	800%/80%、400%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	
	Total floor area	2,971.89 m ²	Single type	56	
	Structure / Floors	SRC with flat roof/15F	Compact type	28	
	Use	Apartment Parking	Family type	-	
	Construction completion date	March 2007	Large type	-	
	Confirmation inspection agency	General Building Research Corporation of Japan	Dormitory type	-	
	Building designer	K.K. Dobashi Construction Architect office	Other	-	
	Structural designer	K.K. Dobashi Construction Architect office	Trustee	-	
Construction	Okumura Engineering Corporation	Property manager	HASEKO LIVENET, Inc. (planned)		

	contractor			
Previous titleholder	Not Disclosed	Master lessee	HASEKO LIVENET, Inc. (planned)	
Current titleholder	Not Disclosed	Master lease type	Pass though (Planned)	
Summary of Real Estate Appraisal Report				
Real estate appraiser	Japan Real Estate Institute	Appraised date	July 1, 2011	
Real estate appraised value	JPY 1,100 million	Cap rate	5.7%	
Direct capitalization price	JPY 1,100 million	Discount rate	5.5%	
DCF price	JPY 1,090 million	Terminal cap rate	5.9%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: JPY thousand)			Lease Conditions (as of August 31, 2011)	
Appraisal item		Appraised value	Total tenants	1
(A) Total potential profit	Subtotal	89,916	Leasable units	84
Rent income		83,052	Leased units	84
Other income		6,864	Leasable floor area	2,398.90 m ²
(B) Total effective profit	Subtotal	84,155	Leased floor area	2,398.90 m ²
Losses from vacancies, etc.		5,761	Monthly rent (incl. common service charges)	JPY 7,092 thousand
Bad debts losses		0	Deposits, guarantees, etc.	JPY 10,608 thousand
(C) Expenses from rental business	Subtotal	19,185	Occupancy rate (based on floor area)	100%
Maintenance and management fees		2,404	Summary of Building Conditions Investigation Report	
Utilities costs		2,530	Investigator	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Management commission fees		2,424	Investigation date	September 9, 2011
Taxes and public dues		6,070	Emergency repair costs	—
Non-life insurance premiums		150	Short-term repair costs (within 1 year)	—
Rental advertising costs		3,016	Long-term repair costs (next 12 years)	JPY 36,988 thousand
Repair costs (incl. restoration fees)		2,231	Building replacement price	JPY 629 million
Other expenses		360	Summary of Earthquake PML Assessment Report	
(D) Profit or loss from rental business = (B) – (C)		64,970	PML	11.69%
(E) Operating profit from deposits		145	Collateral	
(F) Capital expenditures		2,157	Not Scheduled	
(G) Net profit = (D) + (E) – (F)		62,958		
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 July 1, 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 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 in trust.
- “Use” for the building provides the primary use out of the types indicated in the registry for the real estate in trust.
- “Leasable floor area” provides the floor area of the portion of the real estate in trust 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 in trust 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.”

Layout	Exclusive-use floor area							
	~30m ²	~40m ²	~50m ²	~60m ²	~70m ²	~80m ²	~90m ²	Over 90m ²
Studio	S	S	C	C	L	L	L	L
1 bedroom	S	C	C	C	L	L	L	L
2 bedroom		C	C	F	F	F	F	L
3 bedroom			F	F	F	F	F	L
4 bedroom					F	F	F	L

- 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 beneficiaries that hold the beneficiary interests in trust (assets to be acquired) as of the date of this document or the titleholder of the real estates in trust as of the date of this document. “Previous titleholder” names the party that transferred the beneficiary interests in trust (assets to be acquired) or real estates in trust to the current titleholder.
 - “Trustee” provides the trustee of the trust agreement as of the date of this document in relation to the real estate in trust. “Trustee” indicates “-” for real estate for which there is no trust agreement entered as of the date of this document.
 - “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 in trust.
 - “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 sub-lessee 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 in trust. Where property management services are re-delegated, the property manager re-delegated to conduct property management services is shown.
- (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 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

4. Seller Profile

C-56 RESIDIA Ogikubo

This properties' buyers are domestic corporations and SPCs. 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.

R-40 RESIDIA Kyomachibori

This properties' buyers are domestic corporations and SPCs. 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.

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

There are no contracts concerning Asset Management Company's Vested Interest in the To-be –Acquired Assets.

6. Matters Concerning Earthquake Resistance, etc.

For the to-be-acquired assets, 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.

C-56 RESIDIA Ogikubo、 R-40 RESIDIA Kyomachibori

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

(i) Content of Investigation

Verification of structural calculation documents and structural drawings

(ii) 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

C-56 RESIDIA Ogikubo

Trade name	Mitsubishi UFJ Trust and Banking Corporation
Head office location	1-4-5 Marunouchi, Chiyoda-ku, Tokyo
Representative	President Kinya Okauchi
Capital	324,279 million yen
Commission	Not disclosed as consent for disclosure has not been attained.
Relationship with ADR or its asset management company	-

R-40 RESIDIA Kyomachibori

Trade name	HASEKO LIVENET, Inc.
Head office location	2-31-9 Shiba, Minato-ku, Tokyo
Representative	Representative Director Hiroshi Kinoshita
Capital	1,000 million yen
Commission	Not disclosed as consent for disclosure has not been attained.
Relationship with ADR or its asset management company	-

8. Future Outlook

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

<Attachments>

[Supplementary Materials]

- i) Supplementary Material on the to be acquired asset announced today
- ii) Status of replacement of properties since the merger(as of today)

<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.

[Supplementary Materials]

i) Supplementary Material on the to be acquired asset announced today.

■ To be Acquired Asset announced Today

Property	Years	Actual NOI yield (Note)	Reason for the Disposition
(C-56) RESIDIA Ogikubo	8.6 Years	5.6%	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.
(R-40) RESIDIA Kyomachibori	4.6 Years	6.5%	

(Note) Appraisal NOI yield = Annual NOI as entered on the appraisal of acquisitions ÷ 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	21	36
Total acquisition price	35,264 million	39,388 million
Deal value (a)	35,264 million	33,996 million
Appraisal (b) (Note 1)	38,101 million	36,809 million
Ratio (a) ÷ (b) × 100%	92.6 %	92.4 %
Weighted average NOI yield	6.2 % (Note 2)	4.9 % (Note 3)
Weighted average building age (Note 4)	3.0 yrs.	9.9 yrs.

(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	(87)	(155)	(55)	(66)	0	3	(360)
Tokyo 23 Wards Exclusive of Central 7 Wards	502	117	121	7	0	(2)	745
Tokyo Metropolitan Area	(80)	(35)	(72)	0	91	(6)	(102)
Major Regional Cities	302	(117)	(141)	(21)	0	(15)	(8)
Total	637	(190)	(147)	(80)	91	(20)	291

■ Status of Portfolio After the Disposition

Asset size (based on acquisition price)	341.8 billion yen
No. of properties	173 buildings
No. of leasable units	14,527 units
Total leasable floor area	543,333 m ²

Area Diversification	Acquisition price	Share of Investment
Total	341.8 billion	100.0 %
P(Tokyo Central 7 Wards)	167.0 billion	48.9 %
C(Tokyo 23 Wards Exclusive of Central 7 Wards)	96.0 billion	28.1 %
S(Tokyo Metropolitan Area)	37.1 billion	10.9 %
R(Major Regional Cities)	41.5 billion	12.2 %

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

C-56) RESIDIA Ogikubo



R-40) RESIDIA Kyomachibori



ii) maps of To-be-Acquired Assets

C-56) RESIDIA Ogikubo



R-40) RESIDIA Kyomachibori

