

JCR Assigned AA- Rating to Bonds of Advance Residence Investment Corp.

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Rationale

Advance Residence Investment Corporation (the "Corporation") is a rental residential specialized Japanese real estate investment corporation (J-REIT). Its asset value is the largest among the rental residential specialized J-REITs. Given that there are improvements in the ratio of annual net operating income to purchase price, etc. through property replacement on an ongoing basis and its occupancy rate has been moving stably for the portfolio, JCR assumes that a steady leasing management is maintained. As for the financial aspect of the Corporation, while JCR assumes that the Corporation can maintain financial flexibility over the medium term in consideration of leverage control, JCR thinks that further reductions in the LTV will be of importance in order to ensure further stability. The funds to be raised by the issuance of investment corporation bonds are to be appropriated for funds for repayments of the existing borrowings. Therefore, the issue will not have any specific impact on the financial structure of the Corporation.

Rating

Issuer: Advance Residence Investment Corporation (security code: 3269)

<Assignment>

Issue	Amount (bn)	Issue Date	Due Date	Coupon	Rating
bonds no.15	Y4	Apr. 26, 2012	Apr. 24, 2015	0.86%	AA-
bonds no.16	Y4	Apr. 26, 2012	Apr. 26, 2017	1.08%	AA-

Negative Pledge: Covers other unsecured domestic bonds the Corporation issued or may issue in the future, except those with change of security status clause.

Other Covenants: Not Attached

Bond Administrator: Not Appointed

Shelf Registration:

Maximum: Y100 billion

Valid: two years effective from July 29, 2011

<Reference>

Senior debts: AA- Outlook: Stable

Outline of methodology for determination of the credit rating is shown as "J-REIT" (April 1, 2004) in Structured Finance, Rating Methodology on JCR's home page (<http://www.jcr.co.jp>). Rating methodologies for other ancillary points such as eligible deposit accounts and bankruptcy remoteness are also shown within the same page.

Japan Credit Rating Agency, Ltd.

Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

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