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For Immediate Release

Advance Residence Investment Corporation  
Securities Code : 3269  
3-26 Kanda-nishikicho, Chiyoda-ku, Tokyo  
Kenji Kousaka, Executive Director

Asset Management Company:  
AD Investment Management Co., Ltd.  
Kenji Kousaka  
President

Inquiries:  
Tomoyuki Kimura  
Director and General Manager  
Corporate Management Department  
TEL. +81-3-3518-0480

### **Notice Concerning Acquisition of Investment Assets (Silent Partnership Equity Interests)**

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

#### 1. Acquisition Summary

- |                                   |                                                                                                                                                                                                                                    |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Asset to be acquired:         | Equity interest in silent partnership investing in real estates in trust beneficiary rights                                                                                                                                        |
| (2) Name of to-be-acquired asset: | G. K. RISING3 silent partnership equity interest                                                                                                                                                                                   |
| (3) Real estate in trust:         | Grand E`terna Sendai-Ichibancho<br>Grand E`terna Nerima<br>Grand E`terna Sagamihara<br>Grand E`terna Kyoto-Okazaki<br>Grand E`terna Okayama<br>Lifesta Kego<br>Bebless Sapporo-Eki<br>Bebless Souen<br>Lumiere Yokohama-Bashamichi |
| (4) Amount of Investment:         | 203million yen (10% of silent partnership equity interest)                                                                                                                                                                         |
| (5) Scheduled agreement date:     | March 26, 2013                                                                                                                                                                                                                     |
| (6) Scheduled acquisition date:   | March 28, 2013(Planned)                                                                                                                                                                                                            |
| (7) Acquisition financing method: | Funds on hand                                                                                                                                                                                                                      |

#### 2. Reason for the Acquisition

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

What we hope to realize from this acquisition is flexibility in acquiring high quality properties from various sources which we believe will be a huge benefit for ADR in its pursuit of future external growth.

Through this acquisition, ADR will receive from the operator of the silent partnership, dividends from profits coming from rental income from tenants of each real estate in trust. In addition, ADR will be granted rights of first

refusal concerning beneficiary rights for each real estate in trust through this acquisition (for details, please refer to “3. Summary of the To-be-Acquired Assets - (1) Overview of silent partnership to be invested - Other”.) The acquisition of equity interest in the silent partnership however does not place an obligation on ADR to acquire the beneficiary rights for real estates in trust.

The following points were assessed with regards to the real estates under trust on deciding to acquire the equity interest and the rights of first refusal.

(1)The Points Evaluated in Deciding to Acquire the Rights of First Refusal

We determined that the assets will contribute to improving the portfolio’s earnings potential through the high NOI cap rate and the young building age.

(2)The Points Evaluated in Property Characteristics

Property Name	Property Characteristics
Grand E`terna Sendai-Ichibancho	It is an 8-minute walk from the property to Subway Namboku Line Sendai Station and within the walking distance from the JR Sendai Station, giving tenants good access. There are many convenient facilities such as a department store and convenience store in surrounding area. Demand can be expected from students commuting to Tohoku University and young single professionals.
Grand E`terna Nerima	It is a 2-minute walk from the property to Seibu Ikebukuro Line Nerima Station. From the station, it is 7 minutes to Ikebukuro Station by semi-express train and 20 minutes to Shinjuku Station by subway, giving tenants good access to commercial centers. Demand can be expected from students mainly commuting to Waseda University, Rikkyo University and young single professionals commuting to business centers.
Grand E`terna Sagamihara	It is an 8-minute walk from the property to JR Yokohama Line Sagamihara Station. From the station it is 11 minutes to Machida Station by train, giving tenants good access to commercial centers. Demand can be expected from students mainly commuting to Aoyama University, Obirin University and other university in the surrounding area, as well as, young single professionals.
Grand E`terna Kyoto-Okazaki	The property is conveniently located with good access to public transport. It is a 14-minute walk from the property to Keihan Railway Outou Line Jingu-Marutamachi Station. From the station it is 7 minute to Gion Shijo Station which is a commercial center and a business centers. Bus service are very good in Kyoto and the property is 2minute walk away from “Okazaki-michi” bus stop. From the bus stop to “Shijo-Keihan-mae” bus stop is about 12 minutes by bus (During the one hour from 8 am bus comes every 6~8 minutes. The last bus of the day departs “Shijo-Keihan-mae” bus stop at 23:21. ). There are many convenient facilities such as a convenience store within the working distance. Demand can be expected from students commuting to Kyoto University on a bicycle.

Grand E`terna Okayama	<p>It is a 5-minute walk from the property to JR Sanyo Line Okayama Station, giving tenants good access.</p> <p>There are many convenient facilities such as a department store and shopping street within the walking distance.</p> <p>Demand can be expected from students commuting to Okayama University, Notre Dame Seishin University, Okayama University of Science and other universities in the area as well as young single professionals commuting to the business center.</p>
Lifesta Kego	<p>It is a 5-minute walk from the property to Subway Nanakuma Line Yakuin-odori Station, and within the walking distance to Tenjin, giving tenants good access. There are many convenient facilities such as convenience store in surrounding area.</p> <p>Demand can be expected from young single professionals commuting to the business center.</p>
Bebless Sapporo-Eki	<p>The property is conveniently located with good access to major commercial centers and business centers. It is a 5 minute-walk to Sapporo-city subway Namboku Toho Line Sapporo Station. JR Sapporo Station is also in walking distance. The shopping area within walking distance have a department store which is linked to other stores vis underground shopping area. Demand for the property can be expected from young single professionals who commute to the business center, DINKS and family household.</p>
Bebless Souen	<p>It is an 8-minute walk from the property to the JR Hakodate Line Souen Station. From the station, it is 3 minutes to Sapporo Station by train, giving tenants good access to business centers and commercial centers There are many convenient facilities such as Department store within a walking distance, and Aeon Shopping Center is just in front of Souen Station. Demand can be expected from young single professionals commuting to the business center.</p>
Lumiere Yokohama-Bashamichi	<p>It is a 3 minute-walk from the property to the Yokohama Minatomirai Railway MinatoMirai 21 Line “Bashamichi” Station. The property is also located Minato Mirai Area which is one of the landmarks of Yokohama. It takes approximately 5 minutes to Yokohama Station by train from Bashamichi station, giving good access to major commercial area. DINKS who are looking for a place to live in city center which is close to work will find the property to their liking.</p>

### 3. Summary of the To-be-Acquired Assets

#### (1) Overview of the silent partnership

Name of operator	G. K. RISING3							
Silent partnership agreement valid until	June 28, 2015							
Total amount of net asset	2,030 million yen							
Overview of the silent partnership agreement	<p>The following is an overview of the investment in the silent partnership.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">G. K. RISING3</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Beneficial rights of real estates in trust and other assets 6,556.25 million yen (Note 1)</td> <td style="text-align: center;">Non-recourse loan 4,526.25 million yen  Net assets including silent partnership equity interest 2,030 million yen</td> </tr> </tbody> </table> <p>(Note 1) Formulation costs, reserve money, etc. are included in real estate beneficiary interest in trusts and other assets. The total appraised value of the underlining real estate is 6,735 million yen.            (Note 2) ADR is scheduled to invest 203 million yen, 10% of the net assets of G. K. RISING3.            (Note 3) Japan Asset Trust Corporation is scheduled to become the asset manager of G. K. RISING3.            (Note 4) Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. is the vendor for handling the private offerings of G.K. RISING3 equity.</p> <p>Calculation period:            The calculation periods are every quarter. The quarters are January 1 to the end of March, April 1 to the end of June, July 1 to the end of September, and October 1 to the end of December. However, the first calculation period will be from the date of first execution of equity investment to the end of June, 2013.</p> <p>Distribution of profits and losses:            All profits for each of the calculation periods will be distributed by the operator to the investors according to their equity interest on each calculation dates.            All losses for each calculation periods will be distributed to investors according to their equity interest on the calculation date, where the maximum liability is the amount of loss on each of the periods.            However, if the total amount of losses distributed to investors exceeds the total equity interest, the excess loss will be distributed to the operator.</p>		G. K. RISING3		Beneficial rights of real estates in trust and other assets 6,556.25 million yen (Note 1)	Non-recourse loan 4,526.25 million yen  Net assets including silent partnership equity interest 2,030 million yen		
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Other	<p>Concerning the rights of first refusal</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="text-align: center;">Details of the rights of first refusal</td> <td>The first refusal rights for 6,446.45 million yen real estates in trust or its beneficiary rights scheduled to be acquired by the operator on March 28, 2013 (see (2) below).</td> </tr> <tr> <td style="text-align: center;">Exercise period of negotiation rights</td> <td>November 30, 2014</td> </tr> <tr> <td style="text-align: center;">The rights of first refusal price terms</td> <td>Acquisition at 6,446.45 million yen.(Including tax) Price breakdown : Grand E`terna Sendai-Ichibancho: 1,134.80million yen Grand E`terna Nerima: 519.80million yen Grand E`terna Sagamihara : 1,112.40million yen Grand E`terna Kyoto-Okazaki 236.30million yen Grand E`terna Okayama: 818.25 million yen Lifesta Kego : 877.35 million yen Bebless Sapporo-Eki : 572.85 million yen Bebless Souen : 410.95 million yen Lumiere Yokohama-Bashamichi : 763.75 million yen</td> </tr> </tbody> </table> <p>Appraisal NOI yield 6.6%            (Appraisal NOI yield = Annual NOI as entered on the appraisal obtained upon the acquisition of the real estate ÷ the rights of first refusal price terms (excluding tax) × 100)</p>		Details of the rights of first refusal	The first refusal rights for 6,446.45 million yen real estates in trust or its beneficiary rights scheduled to be acquired by the operator on March 28, 2013 (see (2) below).	Exercise period of negotiation rights	November 30, 2014	The rights of first refusal price terms	Acquisition at 6,446.45 million yen.(Including tax) Price breakdown : Grand E`terna Sendai-Ichibancho: 1,134.80million yen Grand E`terna Nerima: 519.80million yen Grand E`terna Sagamihara : 1,112.40million yen Grand E`terna Kyoto-Okazaki 236.30million yen Grand E`terna Okayama: 818.25 million yen Lifesta Kego : 877.35 million yen Bebless Sapporo-Eki : 572.85 million yen Bebless Souen : 410.95 million yen Lumiere Yokohama-Bashamichi : 763.75 million yen
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(2)Details of Properties

(i) Grand E`terna Sendai-Ichibancho

Type of specified asset		Beneficiary rights	Scheduled acquisition date	March 28, 2013
<b>Property Outline</b>				
Location	Residence indication	1-7-6 Ichibancho, Aoba-ku, Sendai-shi Miyagi		
Land	Type of ownership	Proprietary ownership	Use district	Commercial Zone
	Site area	563.85m <sup>2</sup>	FAR / Building coverage ratio	600%/80%
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	Miyagi Prefecture Architecture housing center
	Total floor area	4,032.26m <sup>2</sup>	Building designer	K.K. Kinsaku Sekimoto Architect Office
	Structure / Floors	RC with flat roof, 13F	Structural designer	K.K. ESPACE Architect Office
	Use	Apartment	Construction contractor	KONOIKE CONSTRUCTION CO.,LTD.
	Construction completion date	May 2006	Trustee	Mizuho Trust & Banking Co., Ltd
<b>Lease Conditions (as of March 28, 2013)</b>				
Total tenants	1	Leasable units	103	
Leased units	103	Leasable floor area	3,240.37m <sup>2</sup>	
Leased floor area	3,240.37m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 6,801 thousand	
Deposits, guarantees, etc.	JPY 7,147 thousand	Occupancy rate (based on floor area)	100%	
<b>Summary of Real Estate Appraisal Report</b>				
Real estate appraiser	Morii Appraisal & Investment Consulting Inc	Appraised date	January 1, 2013	
Real estate appraised value	JPY 1,160 million	Cap rate	5.9%	
Direct capitalization price	JPY 1,180 million	Discount rate	5.4%	
DCF price	JPY 1,140 million	Terminal cap rate	6.2%	
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price</b>			<b>Summary of Earthquake PML Assessment Report</b>	
Profit or loss from rental business	JPY 72,941 thousand	PML	2.02%	
<b>Special Notation</b>				
N/A				

(ii) Grand E`terna Nerima

Type of specified asset		Beneficiary rights	Scheduled acquisition date	March 28, 2013
<b>Property Outline</b>				
Location	Residence indication	1-6-2 Nerima, Nerima-ku, Tokyo		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone
	Site area	198.61m <sup>2</sup>	FAR / Building coverage ratio	600%/80%
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	eHomes, Inc.
	Total floor area	1,215.00m <sup>2</sup>	Building designer	K.K. Daiichi Toshi Keikaku
	Structure / Floors	S with flat roof, 12F	Structural designer	K.K. Daiichi Toshi Keikaku
	Use	Apartment, Stores	Construction contractor	KOSHIN KENSETSU CO.,LTD.
	Construction completion date	March 2005	Trustee	Mizuho Trust & Banking Co., Ltd
<b>Lease Conditions (as of March 28, 2013)</b>				
Total tenants	1	Leasable units	34	
Leased units	34	Leasable floor area	1,073.44m <sup>2</sup>	
Leased floor area	1,073.44m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 3,010 thousand	
Deposits, guarantees, etc.	JPY 3,223 thousand	Occupancy rate (based on floor area)	100.0%	
<b>Summary of Real Estate Appraisal Report</b>				
Real estate appraiser	Morii Appraisal & Investment Consulting Inc	Appraised date	January 1, 2013	

Real estate appraised value	JPY 551 million	Cap rate	5.1%
Direct capitalization price	JPY 558 million	Discount rate	4.6%
DCF price	JPY 544 million	Terminal cap rate	5.4%
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price</b>		<b>Summary of Earthquake PML Assessment Report</b>	
Profit or loss from rental business	JPY 29,403 thousand	PML	3.79%
<b>Special Notation</b>			
N/A			

(iii) Grand Eterna Sagamihara

<b>Type of specified asset</b>		Beneficiary rights	Scheduled acquisition date	March 28, 2013
<b>Property Outline</b>				
Location	Residence indication	4-6-4 Sagamihara, Chuo-ku, Sagamihara-shi, Kanagawa		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone
	Site area	845.00m <sup>2</sup>	FAR / Building coverage ratio	400%/80%
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	eHomes, Inc.
	Total floor area	3,885.71m <sup>2</sup>	Building designer	K.K.I am property
	Structure / Floors	RC with flat roof, 11F	Structural designer	Nobi Kozo Sekkei Office, LLC
	Use	Apartment	Construction contractor	Toray Construction Co., Ltd.
	Construction completion date	May 2004	Trustee	Mizuho Trust & Banking Co., Ltd
<b>Lease Conditions (as of March 28, 2013)</b>				
Total tenants	1	Leasable units	111	
Leased units	111	Leasable floor area	2,909.32m <sup>2</sup>	
Leased floor area	2,909.32m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 6,882 thousand	
Deposits, guarantees, etc.	JPY 7,123 thousand	Occupancy rate (based on floor area)	100.0%	
<b>Summary of Real Estate Appraisal Report</b>				
Real estate appraiser	Morii Appraisal & Investment Consulting Inc	Appraised date	January 1, 2013	
Real estate appraised value	JPY 1,130 million	Cap rate	5.8%	
Direct capitalization price	JPY 1,140 million	Discount rate	5.3%	
DCF price	JPY 1,110 million	Terminal cap rate	6.1%	
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price</b>		<b>Summary of Earthquake PML Assessment Report</b>		
Profit or loss from rental business	JPY 69,500 thousand	PML	12.31%	
<b>Special Notation</b>				
N/A				

(iv) Grand Eterna Kyoto-Okazaki

<b>Type of specified asset</b>		Beneficiary rights	Scheduled acquisition date	March 28, 2013
<b>Property Outline</b>				
Location	Residence indication	83 Okazaki-iriesho, Sakyo-ku, Kyoto-shi, Kyoto		
Land	Type of ownership	Proprietary ownership	Use district	Class 2 residential zone
	Site area	325.49m <sup>2</sup>	FAR / Building coverage ratio	300%/60%, 200%/60% (Note)
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	JAPAN ERI CO.,LTD
	Total floor area	660.85m <sup>2</sup>	Building designer	K.K. Daiichi Toshi Keikaku
	Structure / Floors	RC with f alloy-coated steel plate roof, 5F	Structural designer	Nobi Kozo Sekkei Office, LLC
	Use	Apartment	Construction contractor	K.K. Daiichi Toshi Keikaku
	Construction completion date	March 2005	Trustee	Mizuho Trust & Banking Co., Ltd
<b>Lease Conditions (as of March 28, 2013)</b>				
Total tenants	1	Leasable units	23	
Leased units	23	Leasable floor area	621.98m <sup>2</sup>	
Leased floor area	621.98m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 1,565 thousand	
Deposits, guarantees, etc.	JPY 1,565 thousand	Occupancy rate (based on floor area)	100.0%	

Summary of Real Estate Appraisal Report			
Real estate appraiser	Morii Appraisal & Investment Consulting Inc	Appraised date	January 1, 2013
Real estate appraised value	JPY 265 million	Cap rate	5.6%
Direct capitalization price	JPY 271 million	Discount rate	5.1%
DCF price	JPY 259 million	Terminal cap rate	5.9%
Income/Expenditures Assumed in Calculating Direct Capitalization Price		Summary of Earthquake PML Assessment Report	
Profit or loss from rental business	JPY 15,768 thousand	PML	14.04%
Special Notation			
N/A			

(Note ) The area, 20 meters from the north-facing boundry is designated as types 5Land scape preservation area where the building coverage ratios 40% according to Kyoto-city Land scape ordinance.

(v) Grand E`terna Okayama

Type of specified asset		Beneficiary rights	Scheduled acquisition date	March 28, 2013
Property Outline				
Location	Residence indication	6-3 Kotobukicho, Kita-ku, Okayama-shi, Okayama		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone, Neighborhood Commercial zone
	Site area	961.18m <sup>2</sup>	FAR / Building coverage ratio	400%/80%, 200%/80%
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	JAPAN ERI CO.,LTD
	Total floor area	3,452.18m <sup>2</sup>	Building designer	K.K. Daiichi Toshi Keikaku
	Structure / Floors	RC with flat roof, 10F	Structural designer	Nobi Kozo Sekkei Office,LLC
	Use	Apartment	Construction contractor	Toray Construction Co., Ltd.
	Construction completion date	March 2004	Trustee	Mizuho Trust & Banking Co., Ltd)
Lease Conditions (as of March 28, 2013)				
Total tenants	1	Leasable units	108	
Leased units	108	Leasable floor area	3,063.96m <sup>2</sup>	
Leased floor area	3,063.96m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 5,788 thousand	
Deposits, guarantees, etc.	JPY 5,877 thousand	Occupancy rate (based on floor area)	100%	
Summary of Real Estate Appraisal Report				
Real estate appraiser	Morii Appraisal & Investment Consulting Inc	Appraised date	January 1, 2013	
Real estate appraised value	JPY 830 million	Cap rate	6.6%	
Direct capitalization price	JPY 838 million	Discount rate	6.1%	
DCF price	JPY 821 million	Terminal cap rate	6.9%	
Income/Expenditures Assumed in Calculating Direct Capitalization Price		Summary of Earthquake PML Assessment Report		
Profit or loss from rental business	JPY 58,308 thousand	PML	13.18%	
Special Notation				
N/A				

(vi) Lifesta Kego

Type of specified asset		Beneficiary rights	Scheduled acquisition date	March 28, 2013
<b>Property Outline</b>				
Location	Residence indication	1-8-12 Kego, Chuo-ku, Fukuoka-shi, Fukuoka		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone
	Site area	591.93m <sup>2</sup>	FAR / Building coverage ratio	400%/80%
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	Fukuoka City
	Total floor area	2,396.07m <sup>2</sup>	Building designer	Plantec Architects, Inc.
	Structure / Floors	RC with flat roof, 15F	Structural designer	Tanaka Construction Design Co., Ltd
	Use	Stores, Apartment	Construction contractor	K.K. Asahi Koumuten co., Ltd
	Construction completion date	January 2008	Trustee	Sumitomo Mitsui Trust Bank, Limited
<b>Lease Conditions (as of March 28, 2013)</b>				
Total tenants	1	Leasable units	86	
Leased units	83	Leasable floor area	2,293.82m <sup>2</sup>	
Leased floor area	2,220.01m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 5,513 thousand	
Deposits, guarantees, etc.	JPY 7,021 thousand	Occupancy rate (based on floor area)	96.8%	
<b>Summary of Real Estate Appraisal Report</b>				
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.	Appraised date	December 31, 2012	
Real estate appraised value	JPY 938 million	Cap rate	5.6%	
Direct capitalization price	JPY 944 million	Discount rate	5.4%	
DCF price	JPY 935 million	Terminal cap rate	5.8%	
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price</b>			<b>Summary of Earthquake PML Assessment Report</b>	
Profit or loss from rental business	JPY 54,491 thousand	PML	3.46%	
<b>Special Notation</b>				
N/A				

(vii) Bebles Sapporo-Eki

Type of specified asset		Beneficiary rights	Scheduled acquisition date	March 28, 2013
<b>Property Outline</b>				
Location	Residence indication	3-4, 3-5, Kita-nijyo, Chuo-ku, Sapporo-shi, Hokkaido		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone
	Site area	399.66m <sup>2</sup>	FAR / Building coverage ratio	600%/80%
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	JAPAN ERI CO.,LTD
	Total floor area	2,905.26m <sup>2</sup>	Building designer	K.K.Hijiri Kenchiku Sekkei
	Structure / Floors	RC with flat roof, 14F/B1F	Structural designer	Kozo Keikaku Kobo LLC
	Use	Apartment	Construction contractor	ANDO Corporation
	Construction completion date	February 2007	Trustee	Sumitomo Mitsui Trust Bank, Limited
<b>Lease Conditions (as of March 28, 2013)</b>				
Total tenants	1	Leasable units	51	
Leased units	46	Leasable floor area	2,296.58m <sup>2</sup>	
Leased floor area	2,084.23m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 3,892 thousand	
Deposits, guarantees, etc.	JPY 3,484 thousand	Occupancy rate (based on floor area)	90.8%	
<b>Summary of Real Estate Appraisal Report</b>				
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.	Appraised date	December 31, 2012	
Real estate appraised value	JPY 607 million	Cap rate	6.0%	
Direct capitalization price	JPY 610 million	Discount rate	5.8%	
DCF price	JPY 606 million	Terminal cap rate	6.2%	
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price</b>			<b>Summary of Earthquake PML Assessment Report</b>	
Profit or loss from rental business	JPY 37,293 thousand	PML	2.76%	
<b>Special Notation</b>				
N/A				



(viii) Bebless Souen

Type of specified asset		Beneficiary rights	Scheduled acquisition date	March 28, 2013
<b>Property Outline</b>				
Location	Residence indication	15-1-38 Kita-gojo-yo-Nishi, Chuo-ku, Sapporo-shi, Hokkaido		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone
	Site area	508.75m <sup>2</sup>	FAR / Building coverage ratio	400%/80%
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	JAPAN ERI CO.,LTD
	Total floor area	2,485.47m <sup>2</sup>	Building designer	K.K.N.A.D
	Structure / Floors	RC with flat roof, 11F	Structural designer	SD Sekkei
	Use	Apartment	Construction contractor	MARUHIKO WATANABE CONSTRUCTION
	Construction completion date	February 2007	Trustee	Sumitomo Mitsui Trust Bank, Limited
<b>Lease Conditions (as of March 28, 2013)</b>				
Total tenants	1	Leasable units	60	
Leased units	59	Leasable floor area	1,944.80m <sup>2</sup>	
Leased floor area	1,912.62m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 3,415 thousand	
Deposits, guarantees, etc.	JPY 3,135 thousand	Occupancy rate (based on floor area)	98.3%	
<b>Summary of Real Estate Appraisal Report</b>				
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.	Appraised date	December 31, 2012	
Real estate appraised value	JPY 450 million	Cap rate	6.1%	
Direct capitalization price	JPY 453 million	Discount rate	5.9%	
DCF price	JPY 448 million	Terminal cap rate	6.3%	
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price</b>		<b>Summary of Earthquake PML Assessment Report</b>		
Profit or loss from rental business	JPY 28,332 thousand	PML	1.69%	
<b>Special Notation</b>				
N/A				

(ix) Lumiere Yokohama-Bashamichi

Type of specified asset		Beneficiary rights (Planned)	Scheduled acquisition date	March 28, 2013
<b>Property Outline</b>				
Location	Residence indication	4-68, 4-67 Aioicho, Naka-ku, Yokohama-shi, Kanagawa		
Land	Type of ownership	Proprietary ownership	Use district	Commercial zone
	Site area	396.68m <sup>2</sup>	FAR / Building coverage ratio	700%/80%
Building	Type of ownership	Proprietary ownership	Confirmation inspection agency	eHomes, Inc.
	Total floor area	2,383.65m <sup>2</sup>	Building designer	K.K.Takahashi Toshi Design Office
	Structure / Floors	RC with flat roof, 8F/B1F	Structural designer	Takenaka Corporation
	Use	Apartment, Stores, Parking Area	Construction contractor	Takenaka Corporation
	Construction completion date	September 2005	Trustee	Sumitomo Mitsui Trust Bank, Limited (planned)
<b>Lease Conditions (as of March 28, 2013)</b>				
Total tenants	1	Leasable units	27	
Leased units	27	Leasable floor area	1,901.28m <sup>2</sup>	
Leased floor area	1,901.28m <sup>2</sup>	Monthly rent (incl. common service charges)	JPY 5,468 thousand	
Deposits, guarantees, etc.	JPY 10,460 thousand	Occupancy rate (based on floor area)	100%	
<b>Summary of Real Estate Appraisal Report</b>				
Real estate appraiser	Daiwa Real Estate Appraisal Co., Ltd.	Appraised date	January 1, 2013	
Real estate appraised value	JPY 804 million	Cap rate	5.4%	
Direct capitalization price	JPY 802 million	Discount rate	5.4%	
DCF price	JPY 805 million	Terminal cap rate	5.6%	
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price</b>		<b>Summary of Earthquake PML Assessment Report</b>		
Profit or loss from rental business	JPY 45,070 thousand	PML	6.36%	
<b>Special Notation</b>				
N/A				

[Explanation of Entries in Foregoing Tables]

(i) Explanation of “Property Outline”

- In principle, the entries are based on that as of February 28, 2013.
- “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 “Lease Conditions”

- In principle, the entries are based on that as of March 28, 2013.
- “Leasable units” provides the number of leasable units of the real estate in trust or real estate as of the date of this document based on information received from the operator of silent partnership.
- “Leasable floor area” provides the leasable floor area of the real estate in trust or real estates that ADR will acquire as of the date of this document based on information received from the operator of silent partnership.
- “Monthly rent” is based on information received from the operator of silent partnership, and it excludes usage fees of affixed facilities such as monthly parking lots and trunk rooms.
- “Deposits, guarantees, etc.” is based on information received from the operator of silent partnership, and it includes excludes usage fees of affixed facilities such as monthly parking lots and trunk rooms. However, in case in the lease contracts there are special provision that allow nonreturnable deposits, such as cancellation deduction and amortization of security deposit, then the monetary amount is provided after the deduction.

(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 Japan Real Estate Institute 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 in trust.

(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.
- Significant cases where there are architectural structures crossing the boundaries of the concerned real estate in trust and cases where there are issues with boundary confirmation; and related arrangements, etc.
- Significant agreements and arrangements made with co-owners / sectional owners.

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

Trade Name	G. K. RISING3	
Head Office Location	3-1-1 Marunouchi, Chiyoda-ku, Tokyo, c/o Tokyo Kyodo Accounting Office	
Principal Business	1. Acquisition, ownership, disposal, leasing and management of real estate 2. Acquisition, ownership and disposal of beneficiary rights for real estate in trust 3. All business incidental to the above	
Representative	Managing partner	RISING
	Administrator	Hisayoshi Kitagawa
Capital	100,000 yen	
Date of establishment	January 25, 2013	
Relationship with ADR or its asset management company		
Capital relations	There are no capital relations, personal relations or business relations to be stated between G. K. RISING3 and ADR or its asset management company. Also, there are no capital relations, personal relations or business relations to be noted between related parties or related companies of G. K. RISING3 and related parties or related companies of ADR or its asset management company.	
Personal relations		
Business relations		
Interested party status	G. K. RISING3 does not constitute an interested party of ADR or its asset management company. Also, the related parties and related companies of G. K. RISING3 do not constitute interested parties of ADR or its asset management company.	

4. Settlement Method

As indicated below in “5. Acquisition Schedule.”

5. Acquisition Schedule

March 26, 2013	Acquisition decided
March 26, 2013	Signing of silent partnership agreement
March 27, 2013	Investment in silent partnership (Planned)
March 28, 2013	Delivery of beneficiary rights for real estate in trusts to the operator of silent partnership (Planned)

6. Future Outlook

The management performance forecasts for the fiscal period ending July 2013 (from February 1, 2013 to July 31, 2013) and January 2014 (from August 1, 2013 to January 31, 2014) remain unchanged.

<Attachment>

Reference Material: Photo of façade of the real estates in trust

\* 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.

Reference Material: Photo of façade of the real estates in trust  
( i ) Grand E`terna Sendai-Ichibancho



( ii ) Grand E`terna Nerima



(iii) Grand E`terna Sagamihara



(iv) Grand Eterna Kyoto-Okazaki



(V) Grand Eterna Okayama





(vi) Lifesta kego



(vii) Bebles Sapporo-Eki



(viii) Bebles Souen



(ix) Lumiere Yokohama-Bashamichi

