

April 16, 2013

For Immediate Release

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Notice Concerning Acquisition of Investment Asset (Cocofump Hiyoshi)

Advance Residence Investment Corporation (ADR) announced its decision today to acquire asset in Japan as detailed below as part of its growth strategy.

1. Details of Acquisition

ADR decided on the following 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.

| Property number | Name of to-be-acquired asset | Type of to-be-acquired asset ^(Note 1) | Proposed acquisition price ^(Note 2) |
|-----------------|------------------------------|--|--|
| S-29 | Cocofump Hiyoshi | Beneficiary interests in trust (planned) | ¥1,050 million |

^(Note 1) The to-be-acquired asset is not placed in trust as of today, but that is scheduled to be placed in trust upon the acquisition by ADR.

^(Note 2) “Proposed acquisition price” indicates the purchase price for the properties entered in the trust beneficiary interests disposition contracts, and real estate transaction agreements, which are exclusive of the various expenses required in the acquisition of the concerned properties (broker commission, taxes and public dues, etc.)

^(Note 3) The land of this real estate is wholly owned by Urban Renaissance Agency (Incorporated Administrative Agency, hereafter UR). The leasehold right for the building site is based on a general fixed-term leasehold agreement. An approval from UR will be needed to transfer the leasehold right at the time of acquisition.

ADR evaluated the assets' attributes listed below in deciding to acquire the asset.

S-29) Cocofump Hiyoshi

[Advantages of the Property]

- The property is 8 minute walk from Yokohama Municipal Subway Green Line Hiyoshi-honcho Station giving tenants good access and living environment.
- The property is operated by Gakken Cocofump Corporation (hereafter Gakken Cocofump) who is leading operator of registered senior housing with supportive services, having 34 facilities under its management, thus a solid management of the facility can be expected.
- The property is competitive by being able to provide comprehensive services, having several medical and senior care provider within the facility. There is a nursing service office which provides home nursing services, nursing planning and adult day care service, a clinic and a pharmacy.

[Advantages of the Operator]

The operator, Gakken Cocofump is the group company of Gakken Cocofump Holdings Co., Ltd. Gakken Cocofump started its business on May 15, 2008. It plans and develops registered senior housing with supportive services, provides certified nursing services and nursing planning services and franchises the elderly care business. It will do anything relating to senior housing including a real estate leasing business. It has a solid track record as an operator having to operate 34 registered senior housing with supportive services situated mainly in Tokyo metropolitan area.

[Advantages of Operational Asset]

With the advent of fast aging population, there will be increasing demand for operational rental apartments to fill the needs of senior citizen which ordinary rental apartments cannot provide. ADR is able to invest in such operational assets (a property which is leased to an operator who will operate the facility)

The to-be-acquired asset, as stated above in [Advantages of the Operator], will be operated by Gakken Cocofump which is a group company of Gakken Cocofump Holdings Co., Ltd., a Tokyo Stock Exchange first section company. Upon ADR's acquisition of the property, Gakken Cocofump who currently have a track record of operating 34 facilities will lease the whole property on guaranteed rent and operate the facility, whereby ADR can expect a stable revenue for the medium to long-term.

2. Acquisition Summary

(1) S-29) Cocofump Hiyoshi

| | |
|----------------------------|---|
| Name of property | Cocofump Hiyoshi |
| Asset to be acquired | Beneficiary interests in trust(planned) |
| Proposed acquisition price | ¥1,050million |
| Seller | Gakken Cocofump Holdings Co.,Ltd |
| Scheduled agreement date | April 16, 2013 |
| Scheduled acquisition date | April 19, 2013 |
| Acquisition financing | Debt and funds on hand |
| Payment method | Pay entire amount upon delivery |

3. Summary of the To-be-Acquired Asset

(1) S-29) Cocofump Hiyoshi

| Type of specified asset | Beneficiary interests in trust(planned) | Scheduled acquisition date | April 19, 2013 | Proposed acquisition price | ¥1,050 million |
|--|---|---|--|--|----------------|
| Property Outline | | | | | |
| Location | Address | 4-10-50 Hiyoshi-Honcho, Kohoku-ku, Yokohama-shi Kanagawa | | | |
| Land | Type of ownership | Leasehold | Zoning | Class 1 medium-to-high-rise exclusive residential zone Class 2 medium-to-high-rise exclusive residential zone Quasi residential zone | |
| | Site area | 3,370.70 m ² | FAR / Building coverage ratio | 150%/60%, 150%/60%, 200%/60% | |
| Building | Type of ownership | Proprietary ownership | Breakdown of residential unit type | Units | |
| | Total floor area | 5,233.12 m ² | Single type | - | |
| | Structure / Floors | SRC with flat roof /4F | Compact type | - | |
| | Use | Nursing servicer office, Apartment, Clinic, Stores, cramming school | Family type | 178 | |
| | Construction completion date | January 2010 | Large type | - | |
| | Confirmation inspection agency | Bureau Veritas Japan Co., Ltd. | Dormitory type | 81 | |
| | Building designer | Suzurikawa Arcitecture Planning office | Other | 4 | |
| | Structural designer | K.K. Suzuki Kozo Sekkei 1st Class Qualified Architect Office | Trustee | Mitsubishi UFJ Trust and Banking Corporation (planned) | |
| Construction contractor | Matsuo Corporation | Property Manager | Gakken Cocofump Corporation (planned) | | |
| Previous titleholder | | - | Master lessee | Gakken Cocofump Corporation (planned) | |
| Current titleholder | | Gakken Cocofump Holdings Co.,Ltd | Master lease type | Guaranteed payment (planned) | |
| Summary of Real Estate Appraisal Report | | | | | |
| Real estate appraiser | Japan Real Estate Institute | | Appraised date | March 1, 2013 | |
| Real estate appraised value | ¥1,090 million | | Cap rate | 5.9% | |
| Direct capitalization price | ¥1,090 million | | Discount rate | 5.5% | |
| DCF PRICE | ¥1,080 million | | Terminal cap rate | 6.3% | |
| Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: ¥ thousand) | | | Lease Conditions (as of April 30, 2013) | | |
| Appraisal item | | Appraised value | Total tenants | 1 | |
| (A) Total potential profit | Subtotal | 90,000 | Leasable units | 85 | |
| | Rent income | 90,000 | Leased units | 85 | |
| | Other income | 0 | Leasable floor area | 5,247.90 m ² | |
| (B) Total effective profit | Subtotal | 90,000 | Leased floor area | 5,247.90 m ² | |
| | Losses from vacancies, etc. | 0 | Monthly rent (including common service charges) | ¥7,500 thousand | |
| | Bad debts losses | 0 | Deposits, guarantees, etc. | ¥0 | |
| (C) Expenses from rental business | Subtotal | 21,604 | Occupancy rate (based on floor area) | 100.0% | |
| | Maintenance and management fees | 0 | Summary of Building Conditions Investigation Report | | |
| | Utilities costs | 0 | Investigator | Tokio Marine & Nichido Risk Consulting Co., Ltd. | |
| | Management commission fees | 0 | Investigation date | April, 2013 | |
| | Taxes and public dues | 8,410 | Emergency repair costs | - | |
| | Non-life insurance premiums | 258 | Short-term repair costs (within 1 year) | - | |
| | Rental advertising costs | 0 | Long-term repair costs (next 12 years) | ¥34,470 thousand | |

| | | | | |
|---|---|--------|--|--------------|
| | Repair costs (including restoration fees) | 1,224 | Building replacement price | ¥979 million |
| | Other expenses | 11,712 | Summary of Earthquake PML Assessment Report | |
| (D) | Profit or loss from rental business = (B) – (C) | 68,396 | PML | 7.5% |
| (E) | Operating profit from deposits | ▲1,158 | Collateral | |
| (F) | Capital expenditures | 2,856 | Not Scheduled | |
| (G) | Net profit = (D) + (E) – (F) | 64,382 | | |
| Special Notation | | | | |
| The land is completely owned by the Urban Renaissance Agency (hereafter, the “Land Titleholder”). The right to use the site of the building is a leasehold right based on a general fixed-term leasehold establishment agreement. | | | | |
| (1) Contract period: 70 years, from September 18, 2008 to September 17, 2078 | | | | |
| (2) Monthly rent: 976,000yen (from April 1, 2012 ^(Note)) | | | | |

(Note) Monthly rent will change after April 1 of each year according to the changes below.

- Changes in taxes on the land on the revision year of real estate tax.
- Changes in year on year consumer price index compiled by the Ministry of Internal Affairs and Communications, Statistics Bureau on the revision year of real estate tax.
- Changes in taxes on the land other than the revision year of real estate tax.

[Explanation of Entries in Foregoing Tables]

(i) Explanation of “Property Outline”

- In principle, the entries are based on March 31, 2013
- “Type of Ownership” indicates the scheduled type of ownership, whether the property is going to be held as beneficiary interest in trust or as actual real estate.
- “Site area” for the land provides the area of the land as indicated in the registry. However, there are possibilities that the actual site areas of the property are not as indicated in the registry.
- “Zoning” for the land provides the zoning classification given in Article 8-1-1 of the City Planning Law.
- The “FAR / Building coverage ratio” for the land provides the designated FAR or building coverage ratio determined by city planning.
- “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 property. However, “Use” column provides the primary use out of the types indicated in the registry for the real estate in trust. “Total floor area” column provides the floor area of the overall building (excludes floor area of annexed buildings)
- “Breakdown of residential unit type” lists the types of residential units based on the following classification. Store, office and other uses apart 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) |

*Life & Senior House Kohoku II and Cocofump Hiyoshi are categorized as Dormitory type due to their characteristics.

- “Units” provides the leasable units of the property 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 holder as of the date of this document of the asset to be acquired whether in beneficiary interest in trust or the actual real estate. “Previous titleholder” names the party that transferred rights of the asset to be acquired to the current titleholder.
- “Trustee” indicates the trustee or the trustee to be indicated in the trust agreement for the asset to be acquired 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 or the real estate in trust.
- “Master lease type” indicates “Passthrough” 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 passthrough lease in the case that a sublessee 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 estate or the real estate 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 for the respective real estates or the real estate in trust.
- The monetary amounts are rounded down to the nearest million yen.
- ADR is not an interested party to Japan Real Estate Institute.

(iii) Explanation of “Lease Conditions”

- In principle, the entries are based on April 30, 2013.
- If there is or scheduled to be a contract with a master lessee, the number of *Total tenants* will be indicated as “1.”
- “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 current titleholder. If the contract is a guaranteed payment contract, the “Leasable units” indicate the number of units which can be leased.
- “Leasable floor area” provides the leasable floor area of the real estate in trust or real estates (excluding leasable parking area) that ADR will acquire as of the date of this document based on information received from the current titleholder or which is indicated on the contracts or indicated on the plans.
- “Leased floor area” indicate the leased floor space. If the contract type is a path-through contract, the leased floor area indicates the actual total leased area to the end-tenants. If the contract type is a guaranteed payment contract, the leased floor area indicates the total leasable floor area. The entries are based on information received from the current titleholder or which is indicated on the contracts or indicated on the plans.
- “Monthly rent” provides the total sum of monthly rents as indicated in the lease contracts concluded by the end-tenants if the master lease is passthrough type. In case the master lease “guaranteed payment type,” “Monthly rent” provides the total sum of monthly rents as indicated in the lease or sublease contract with guaranteed payment. Either includes fixed common fees, but excludes usage fees of affixed facilities such as monthly parking lots and trunk rooms. Monetary amounts less than thousand yen are rounded down, and consumption tax is excluded as well.
- “Deposits, guarantees, etc.” provides the total balance based on the lease contract with monetary amounts less than thousand yen rounded down. 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.

- Occupancy rate is calculated as follows. “Leased area” ÷ ”Leasable area” × 100

(iv) Explanation of “Summary of Building Conditions Investigation Report”

- The entries are based on the report from Tokio Marine & Nichido Risk Consulting Co., Ltd.

(v) Explanation of “Special Notation”

- “Special Notation” presents matters recognized to be of importance in association with the rights, use 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.
 - Significant agreements, arrangements made with co-owners and sectional owners

4. Seller Profiles

| | |
|---|--|
| Trade name | Gakken Cocofump Holdings Co.,Ltd |
| Head office location | Gakken Building, 2-11-8 Nishi-Gotanda, Shinagawa-ku, Tokyo |
| Representative | Hitoshi Kobayakawa, President and Representative Director |
| Capital | ¥420 million (as of March 31, 2013) |
| Major shareholders | Gakken Holdings Co., Ltd |
| Principal business | Holding or management of businesses that plan and develop nursing homes and registered senior housing with supportive services, provide certified nursing services, nursing planning services, provide business franchises, lease real estate, provide management or management consulting services to child day care and provide HR management service. It also provides shared administrative services to business it holds. |
| Relationship with ADR or its asset management company | None |

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

There is no contract concerning Asset Management Company's Vested Interest in the To-be –Acquired Asset.

6. Matters Concerning Earthquake Resistance

For the to-be-acquired asset have received notice of structural calculation conformity from the designated institution for the determination of structural calculation conformity based on the revisions to the Building Standards Law enforced in June 2007.

7. Broker Profile

No party acted as a broker.

8. Future Outlook

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

[Supplementary Materials]

1. Scheme
2. Supplementary Materials regarding the To-Be-Acquired Asset
3. Replacement of Properties Since the Merger (as of today)
 (“Since the Merger” means since March 1, 2010, hereafter)

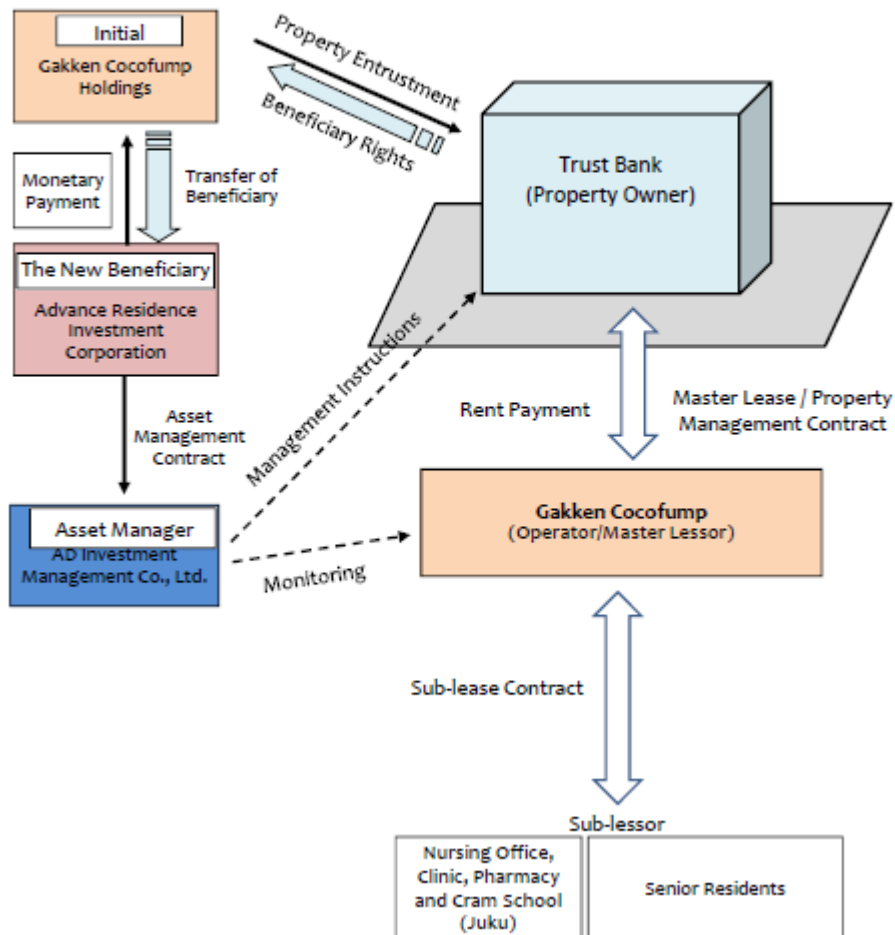
•Reference Materials:

Photo of façade of the To-Be-Acquired asset

[Supplementary Materials]

(1) Scheme

Scheme Chart



(2) Supplementary Materials regarding the To-Be-Acquired Asset

■ To-be-Acquired Asset

| Property | Years (Note1) | NOI Yields (Note2) | Reason for the Acquisition |
|------------------------|------------------|-----------------------|---|
| S-29) Cocofump Hiyoshi | 3.2 Years | 6.5% | Determined that the asset will contribute in improving the portfolio's earnings potential, as the to-be-acquired assets' NOI yield is expected to mostly exceed the actual NOI yield of the entire portfolio. |

(Note1) Building ages are calculated as of today and rounded at the second decimal point.

(Note2) The "NOI Yields" are calculated using the figures in the acquisition appraisal of to-be-acquired assets. The calculations are as follows, "direct capitalization method annualized NOI ÷ acquisition price × 100". The weighted average yield is calculated as follows, "total direct capitalization method annualized NOI ÷ total acquisition price × 100". The calculated yields are rounded at the second decimal point.

(3) Replacement of Properties Since the Merger (as of today)

■ Status of Replacement of Properties Since the Merger (as of today)

| | Acquired assets (including the to-be-acquired assets) | Disposed assets |
|---|---|-----------------------------------|
| Number of properties | 52 | 36 |
| Total acquisition price | ¥87,324 million | ¥39,388 million |
| Total deal value (a) | ¥87,324 million | ¥33,996 million |
| Appraisal (b) | ¥92,750 million | ¥36,790million ^(note1) |
| Ratio (a) ÷ (b) × 100% | 94.2% | 92.4% |
| Weighted average NOI yield | 6.0% ^(note2) | 4.9% ^(note3) |
| Weighted average building age ^(Note 4) | 3.8yrs. | 9.9yrs. |

(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 acquisition and 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 | 196 | -44 | -53 | -62 | 0 | 8 | 45 |
| Tokyo 23 Wards Exclusive of Central 7 Wards | 907 | 458 | 370 | 11 | 0 | 8 | 1,754 |
| Tokyo Metropolitan Area | 241 | -18 | -72 | 0 | 172 | -2 | 321 |
| Major Regional Cities | 895 | 258 | 141 | -6 | 0 | -4 | 1,284 |
| Total | 2,239 | 654 | 386 | -57 | 172 | 10 | 3,404 |

■ Status of Portfolio After the Disposition and the Acquisition

| | |
|---|---------------------------|
| Asset size (based on acquisition price) | 393.8 billion yen |
| No. of properties | 204 buildings |
| No. of leasable units | 17,640 units |
| Total leasable floor area | 669,094.00 m ² |

| Area Diversification | Acquisition Price | Share of Investment |
|---|-------------------|---------------------|
| Total | 393.8billion yen | 100.0% |
| P (Tokyo Central 7 Wards) | 176.8billion yen | 44.9% |
| C (Tokyo 23 Wards Exclusive of Central 7 Wards) | 115.2billion yen | 29.3% |
| S (Tokyo Metropolitan Area) | 42.2billion yen | 10.7% |
| R (Major Regional Cities) | 59.4billion yen | 15.1% |

(Reference Material)

Photo of façade of the to-be-acquired asset
S-29) Cocofump Hiyoshi



(Self-support building : Living room)



(Self-support building : Lounge)



(Care building : room)



(Care building : Care room)

