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For Immediate Release

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**Notice Concerning Issuance of New Investment Units Through Public Offering and
Secondary Distribution of Investment Units**

Advance Residence Investment Corporation (ADR) announced the following resolution concerning the issuance of new investment units and secondary distribution of investment units passed at a meeting of its board of directors held today.

1. Issuance of New Investment Units Through Public Offering (Primary Offering)

- (1) Number of investment units to be offered
240,000 units

- (2) Issue price (offering price)
TBD

The issue price (offering price) in the primary offering shall be determined by taking the price arrived at when the closing price of the investment units of ADR (hereafter, the “ADR investment units”) on the Tokyo Stock Exchange, Inc. (TSE) on one day between June 21, 2010 (Monday) and June 23, 2010 (Wednesday) (hereafter, the “Issue Price, etc. Finalization Day”) (when there is no closing price on that day, the closing price on the most recent day preceding that day) is multiplied by a factor between 0.90 and 1.00 (price shall be rounded down to the nearest JPY 1) as the provisional condition, then taking the demand conditions and other factors into account.

- (3) Paid-in amount (issue amount)
TBD

(The paid-in amount (issue amount) shall be determined at a meeting of the board of directors to be held on the Issue Price, etc. Finalization Day. The paid-in amount (issue amount) is the amount per ADR investment unit that ADR is to receive from the underwriters indicated in (5) below as the payment for new investment units.)

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- (4) Total paid-in amount (issue amount)

TBD

- (5) Offering method

The offering shall be a primary offering in which all ADR investment units subject to the primary offering shall be purchased and underwritten by Mizuho Securities Co., Ltd. and Deutsche Securities Inc. (hereafter, collectively referred to as the “Joint Lead Managers”), along with Nikko Cordial Securities Inc., Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Okasan Securities Co., Ltd. and Tokai Tokyo Securities Co., Ltd. (hereafter, collectively referred to with the Joint Lead Managers as the “Underwriters”).

- (6) Underwriting agreement details

The Underwriters shall pay in the total issue amount on the payment date, and the difference between the total issue price and total issue amount shall be the proceeds of the Underwriters. ADR shall not pay an underwriting fee to the Underwriters.

- (7) Period for grasping demand conditions, etc. (book building period)

From June 16, 2010 (Wednesday) to the Issue Price, etc. Finalization Day

- (8) Application unit

1 unit or more in multiples of 1 unit

- (9) Application period

From June 24, 2010 (Thursday) to June 25, 2010 (Friday)

The above application period may be moved up in consideration of the demand conditions and other factors. In that case, the earliest that the application period may be moved up shall be June 22, 2010 (Tuesday) to June 23, 2010 (Wednesday).

- (10) Payment deadline

June 30, 2010 (Wednesday)

The above payment deadline may be moved up in consideration of the demand conditions and other factors. In that case, the earliest that the payment deadline may be moved up shall be June 28, 2010 (Monday).

- (11) The issue price (offering price), paid-in amount (issue amount) and other matters necessary for this issuance of new investment units shall be finalized at a future meeting of the board of directors of ADR. However, changes prior to official decisions, etc. shall be left to the discretion of the executive director.

- (12) Each of the items above shall be subject to the condition that the notification filed in accordance with the Financial Instruments and Exchange Law takes effect.

2. Secondary Distribution of Investment Units (Secondary Distribution Via Over-Allotment)

- (1) Distributor

Mizuho Securities Co., Ltd.

- (2) Number of investment units to be distributed

17,694 units

The secondary distribution via over-allotment shall be a secondary distribution by Mizuho Securities Co., Ltd. upon the primary offering that shall be implemented separate from the primary offering having taken into consideration the demand conditions and other factors of the primary offering. The above number of investment units to be distributed indicates the maximum number of investment units that can be distributed through the secondary distribution via over-allotment. This number may be reduced or the secondary distribution via over-allotment itself may not take place at all as a result of demand conditions and other factors.

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(3) Distribution price

TBD

(The distribution price shall be determined on the Issue Price, etc. Finalization Day. The distribution price shall be the same price as the issue price (offering price) of the primary offering.)

(4) Total distribution amount

TBD

(5) Distribution method

Taking the demand conditions and other factors of the primary offering into consideration, Mizuho Securities Co., Ltd. shall implement a secondary distribution of ADR investment units that it is to borrow from ADR unitholders with 17,694 units set as the maximum number.

(6) Application unit

1 unit or more in multiples of 1 unit

(7) Application period

The application period shall be the same as the application period of the primary offering.

(8) Delivery deadline

The delivery deadline shall be the next business day after the payment deadline of the primary offering.

(9) The distribution price and other matters necessary for this secondary distribution of investment units shall be finalized at a future meeting of the board of directors of ADR. However, changes prior to official decisions, etc. shall be left to the discretion of the executive director.

(10) Each of the items above shall be subject to the condition that the notification filed in accordance with the Financial Instruments and Exchange Law takes effect.

3. Issuance of Investment Units to be Offered by Way of Third-Party Allotment

(1) Number of investment units to be offered

17,694 units

(2) Allottee and number of units to be allotted

Mizuho Securities Co., Ltd.

17,694 units

(3) Paid-in amount (issue amount)

TBD

(The paid-in amount (issue amount) shall be the same as the paid-in amount (issue amount) of the primary offering.)

(4) Total paid-in amount (issue amount)

TBD

(5) Application unit

1 unit or more in multiples of 1 unit

(6) Application period (application deadline)

July 29, 2010 (Thursday)

(7) Payment deadline

July 30, 2010 (Friday)

(8) Investment units with no applications in the application period (by the application deadline) shall have their issuance terminated.

(9) The paid-in amount (issue amount) and other matters necessary for this third-party allotment shall be finalized at a future meeting of the board of directors of ADR.

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- (10) When the primary offering is suspended, this third-party allotment shall also be suspended
- (11) Each of the items above shall be subject to the condition that the notification filed in accordance with the Financial Instruments and Exchange Law takes effect.

<Reference>

1. About Secondary Distribution Via Over-Allotment, etc.

- (1) Upon the primary offering, Mizuho Securities Co., Ltd. may implement a secondary distribution of ADR investment units that it shall borrow from ADR unitholders (hereafter, the “secondary distribution via over-allotment”). The number of investment units to be distributed through the secondary distribution via over-allotment indicates the maximum number of investment units that can be distributed. This number may be reduced or the secondary distribution via over-allotment itself may not take place at all as a result of demand conditions and other factors.

Upon the secondary distribution via over-allotment, ADR’s board of directors passed a resolution at a meeting held on June 4, 2010 (Friday) to issue ADR investment units totaling 17,694 units through a third-party allotment with Mizuho Securities Co., Ltd. as the allottee (hereafter, the “third-party allotment”) and July 30, 2010 (Friday) as the payment deadline for the purpose of Mizuho Securities Co., Ltd. acquiring the ADR investment units it requires to return the abovementioned ADR investment units it has borrowed from ADR unitholders.

The third-party allotment is an option ADR grants to Mizuho Securities Co., Ltd. (hereafter, the “green shoe option”) with July 23, 2010 (Friday) set as the deadline for exercising the green shoe option.

- (2) During the period from the day after the end date of the application period for the primary offering and secondary distribution via over-allotment to July 23, 2010 (Friday) (hereafter, the “syndicate covering transaction period”), there are instances where Mizuho Securities Co., Ltd. may acquire ADR investment units on the Tokyo Stock Exchange up to the number of investment units distributed through the secondary distribution via over-allotment (hereafter, the “syndicate covering transaction”) for the purpose of returning the borrowed investment units. The ADR investment units that Mizuho Securities Co., Ltd. acquires in the syndicate covering transaction will all be allocated to returning the borrowed investment units. There may be cases during the syndicate covering transaction period where, at the discretion of Mizuho Securities Co., Ltd., no syndicate covering transaction is performed whatsoever or the syndicate covering transaction is ended even if the number of investment units acquired is less than the number of investment units of the secondary distribution via over-allotment.
- (3) Mizuho Securities Co., Ltd. may conduct stabilizing transactions in correlation with the primary offering and secondary distribution via over-allotment. All or some of the ADR investment units acquired through said stabilizing transactions may be allocated to returning the borrowed investment units.
- (4) Mizuho Securities Co., Ltd. plans to agree to the third-party allotment by exercising the green shoe option to acquire ADR investment units for the number of investment units arrived at when the number of

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investment units from the syndicate covering transaction and stabilizing transactions to be allocated to returning borrowed investment units is subtracted from the number of investment units distributed in the secondary distribution via over-allotment. Accordingly, there are instances where an application will not be filed for all or part of the number of investment units issued in the third-party allotment, which would cause the number of investment units ultimately issued through the third-party allotment to decrease depending on the number of units for which there are applications or the issue itself to not take place at all as a result of the forfeiture.

Whether or not the secondary distribution via over-allotment will take place and the number of investment units to be distributed in the case that the secondary distribution via over-allotment takes place are determined on the Issue Price, etc. Finalization Day. If no secondary distribution via over-allotment is to take place, the abovementioned borrowing of ADR investment units from ADR unitholders by Mizuho Securities Co., Ltd. will not take place. Accordingly, no green shoe option will be granted to Mizuho Securities Co., Ltd., it will not agree to the third-party allotment and there will be no applications, which will mean there will be no issuance of new investment units by way of the third-party allotment at all as a result of the forfeiture. No syndicate covering transaction will be performed on the TSE either.

- (5) In regards to the transactions described above, Mizuho Securities Co., Ltd. shall conduct such after negotiations with Deutsche Securities Inc.

2. Changes in Total Number of Investment Units Issued and Outstanding Due to This Issuance of New Investment Units

Total number of investment units issued and outstanding at present	722,306 units
Increase in number of investment units due to primary offering	240,000 units
Total number of investment units issued and outstanding after primary offering	962,306 units
Increase in number of investment units due to third-party allotment	17,694 units (Note)
Total number of investment units issued and outstanding after third-party allotment	980,000 units (Note)

(Note) When all new investment units by way of the third-party allotment are issued.

3. Purpose and Reason for Issuance

Considerations made, while also paying heed to market trends, dividend levels and other factors, led to the decision to issue new investment units for the purpose of achieving external growth through new acquisition of specified assets (refers to the assets listed in Article 2, Paragraph 1 of the Investment Trusts and Investment Corporations Law; the same hereafter), along with lowering the ratio of interest-bearing liabilities by allocating funds to the repayment of loans payable and part of the redemption of investment corporation bonds, as well as enhancing both the revenue-generating capacity of the portfolio and financial base.

4. Amount, Use and Schedule of Expenditure of Procured Funds

- (1) Amount of Procured Funds (Estimated Net Proceeds)

JPY 28,830,031,638 (at maximum)

(Note 1) The sum total amount of JPY 26,850,480,000 in estimated proceeds from the primary offering and JPY 1,979,551,638 in

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estimated maximum proceeds from the issuance of new investment units by way of the third-party allotment is shown.

(Note 2) The above amount is the estimated amount calculated based on the closing price on the TSE as of May 24, 2010 (Monday).

(2) Specific Use and Schedule of Expenditure of Procured Funds

The procured funds will be used to fund the acquisition of the specified assets that ADR is scheduled to acquire (details are outlined in the “Notice Concerning Acquisition of Investment Assets” dated today), repayment of loans payable and part of the redemption of investment corporation bonds.

5. Designation of Distribution Recipients

Of the ADR investment units subject to the primary offering, the Underwriters are scheduled to sell 24,300 units to ITOCHU Corporation, a shareholder of AD Investment Management Co., Ltd. (the asset management company to which ADR entrusts the management of its assets) (ADIM).

6. Future Prospects

Future prospects are as presented in the “Notice Concerning Revision of Management Performance Forecasts for First Fiscal Period and Management Performance Forecasts for Second Fiscal Period” dated today.

7. Management Performance and Equity Financing Over Past Three Fiscal Periods

(1) Management Performance Over Past Three Fiscal Periods

Not applicable.

(2) Recent Investment Unit Prices

(i) Over Past Three Fiscal Periods

Not applicable.

(ii) Over Past Six Months

	March 2010	April 2010	May 2010	June 2010
Starting price	JPY 110,400	JPY 115,800	JPY 130,000	JPY 123,000
Highest price	JPY 123,000	JPY 137,500	JPY 133,000	JPY 126,000
Lowest price	JPY 110,000	JPY 114,600	JPY 115,000	JPY 121,900
Closing price	JPY 115,900	JPY 134,000	JPY 122,100	JPY 121,900

(Note) ADR listed on the TSE on March 2, 2010. Consequently, only the investment unit prices after the listing are shown.

The investment unit prices for June 2010 show the prices as of June 3, 2010.

(iii) Investment Unit Prices on Business Day Preceding Issuance Resolution Date

	June 3, 2010
Starting price	JPY 124,700
Highest price	JPY 124,800
Lowest price	JPY 121,900
Closing price	JPY 121,900

(3) Equity Financing Over Past Three Fiscal Periods

Not applicable.

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8. Other

(1) Stabilizing Transactions

Mizuho Securities Co., Ltd. may conduct stabilizing transactions in correlation with the primary offering and secondary distribution via over-allotment.

(2) Restrictions on Additional Issuance

ADR has reached an agreement with the Joint Lead Managers concerning the primary offering that ADR will not engage in an issuance of new investment units (provided, however, that such restriction shall not apply to the issuance of new investment units through the primary offering, the third-party allotment or splits of investment units) for the period up to the date that marks three months from the payment deadline for the primary offering without prior written approval of the Joint Lead Managers.

(3) Restrictions on Sale

ITOCHU Corporation is an ADR unitholder holding 10,500 units of ADR investment units as of today and is scheduled to acquire an additional 24,300 units of the ADR investment units that are subject to the primary offering. ITOCHU Corporation has reached an agreement with the Joint Lead Managers concerning the primary offering that it will not sell, grant collateral, lend, etc. the ADR investment units that it holds from prior to the primary offering or ADR investment units it will acquire through the primary offering (provided, however, that such restriction shall not apply to the lending of ADR investment units to Mizuho Securities Co., Ltd. for the secondary distribution via over-allotment) for the period up to the date that marks six months from the payment deadline for the primary offering without prior written approval of the Joint Lead Managers.

ITOCHU Corporation, Nippon Tochi-Tatemono Co., Ltd., Century21 Real Estate of Japan Ltd. and ADIM are unitholders of ADR holding 4,500 units, 4,500 units, 2,700 units and 400 units, respectively, of ADR investment units as of today. ITOCHU Corporation, Nippon Tochi-Tatemono Co., Ltd., Century21 Real Estate of Japan Ltd. and ADIM have reached an agreement with the Joint Lead Managers concerning the primary offering to not sell, grant collateral, lend, etc. the ADR investment units held from prior to the primary offering for the period up to the date that marks six months from the payment deadline for the primary offering without prior written approval of the Joint Lead Managers.

In either of the cases (2) or (3) above, the Joint Lead Managers possess the discretion to cancel or relax all or part of the concerned restrictions.

- * 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.

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