

August 26, 2010

To Whom It May Concern

Real Estate Investment Trust
2-5-1 Atago, Minato-ku, Tokyo
Crescendo Investment Corporation
Masaaki Higashihara, Executive Director
(Securities Code: 8966)

Asset Management Company
HEIWA REAL ESTATE Asset Management CO.,
LTD.
Takaya Ichikawa, Representative Director
Inquiries: Shinya Ito, Director and General
Manager, Administration Department
TEL. +81-3-5402-8731

Real Estate Investment Trust
Japan Single-residence REIT Inc.
Kamiya-cho Sankei Bldg 9F
1-7-2 Azabudai, Minato-ku, Tokyo
Akihiko Soga, Executive Director
(Securities Code: 8970)

Asset Management Company
Japan Single-residence Asset Management Corp.
Akihiko Soga, President and CEO
Inquiries: Hirohisa Toda, General Manager,
Financial Planning
TEL. +81-3-4412-1040

Merger Agreement Executed between HEIWA REAL ESTATE Asset Management CO., LTD. and
Japan Single-residence Asset Management Corp.

Today, the board of directors of HEIWA REAL ESTATE Asset Management CO., LTD. ("HEIWA") and the board of directors of Japan Single-residence Asset Management Corp. ("JSAM") resolved to merge the two asset management companies ("Merger"), effective October 1, 2010. The merger agreement ("Agreement") was executed today. HEIWA REAL ESTATE Asset Management CO., LTD. is the asset management company of Crescendo Investment Corporation ("CIC"). Japan Single-residence Asset Management Corp. is the asset management company of Japan Single-residence REIT, Inc. ("JSR").

Details

1. Objective of the Merger

As discussed in "Notice Regarding Execution of Merger Agreement between Crescendo Investment

Corporation and Japan Single-residence REIT Inc.,” announced on June 21, 2010, CIC and JSR executed a merger agreement dated June 21, 2010 (“Investment Corporation Merger Agreement”). Under the terms of the Investment Corporation Merger Agreement, CIC will be the surviving entity of the absorption-type merger (“Investment Corporation Merger”). As discussed in “Notice Concerning Acquisition of Shares (Making Subsidiary) by the Asset Management Company” announced by CIC on June 21, 2010 and in “Notice Concerning Share Transfer of the Asset Management Company (Change in Parent Company)” announced by JSR, HEIWA will purchase all outstanding shares of JSAM stock on September 2, converting JSAM into a wholly owned subsidiary. The objective of this transaction is to facilitate the smooth progress of the Investment Corporation Merger. The objective of the Merger is the smooth execution of the transfer of asset management operations in connection with the Investment Corporation Merger, as well as the utilization of the knowledge and expertise of JSAM personnel with respect to the management of JSR properties and the JSR property management system. The efficient management of CIC assets subsequent to the Investment Corporation Merger will lead to improved value for CIC investors.

2. Merger Agreement Overview

The Agreement is conditioned on the ownership of all JSAM outstanding stock by HEIWA, and will become effective as of October 1, 2010. HEIWA will be the surviving entity of the absorption-type merger, while JSAM will be the absorbed entity.

See “Notice Concerning Acquisition of Shares (Making Subsidiary) by the Asset Management Company” announced by CIC and “Notice Concerning Share Transfer of the Asset Management Company (Change in Parent Company)” announced by JSR as indicated in 1. above for more regarding preconditions for the transfer of all JSAM outstanding shares (“Stock Transfer”) owned by Apamanshop Sublease Co., Ltd. (“ASSL”), Lehman Brothers Investments Japan, Inc. (“Lehman Brothers”) and K.K. daVinci Holdings (“daVinci”) to HEIWA. Also, see “Notice Regarding Execution of Merger Agreement between Crescendo Investment Corporation and Japan Single-residence REIT Inc.” as indicated in 1. above for more about Investment Corporation Merger preconditions.

3. Conflicts of Interest

As discussed in “Notice Concerning Acquisition of Shares (Making Subsidiary) by the Asset Management Company” announced by CIC as indicated in 1. above, HEIWA shall, on September 2, 2010, purchase all JSAM shares owned by ASSL, Lehman Brothers and DaVinci, conditioned upon the approval of the Investment Corporation Merger Agreement at the JSR general investors’ meeting. At such time, JSAM will become a subsidiary of HEIWA.

Subsequent to the completion of the Stock Transfer, and until the effective date of the Investment Corporation Merger, HEIWA and JSAM will engage in their respective asset management operations in a parent-subsidiary relationship. However, HEIWA and JSAM shall implement policies to prevent conflicts of interest in asset management after the Stock Transfer, including confirmation memoranda to prevent the interruption of information or conflicts of interest between the two entities.

4. Merger Overview

(1) Merger Schedule

Merger Agreement Approval Board Meeting (Note)	August 26, 2010
Merger Agreement Execution Date	August 26, 2010
Stock Transfer Date	September 2, 2010 (planned)
Effective Date of Merger	October 1, 2010 (planned)
Merger Registration Date	Early October, 2010 (planned)

(Note)

For HEIWA, the Merger will be a simplified merger under Article 796.3 of the Companies Act. For JSAM, the Merger will be a short form merger under Article 784.1 of the Companies Act. Accordingly, there is no plan for a general shareholders' resolution at either asset management company.

(2) Merger Method

An absorption-type merger under which HEIWA is planned to be the surviving company and JSAM is planned to be the absorbed entity subsequent to the merger.

(3) Allocations related to the Merger

As of the point that the Merger takes effect, HEIWA will own all outstanding shares of JSAM. Accordingly, no share allocation will be conducted in connection with the Merger.

5. Profile of Merging Companies

	Surviving Entity	Absorbed Entity
(1) Name	HEIWA REAL ESTATE Asset Management CO., LTD.	Japan Single-residence Asset Management Corp.
(2) Head Office	2-5-1 Atago, Minato-ku, Tokyo	Kamiya-cho Sankei Bldg 9F 1-7-2 Azabudai, Minato-ku, Tokyo
(3) Representative, Title	Takaya Ichikawa, Representative Director	Akihiko Soga, President and CEO
(4) Business Lines	<ol style="list-style-type: none"> 1. Investment management 2. Specified investment management activities 3. Type II financial instrument transactions 4. Investment advice/agency 5. Investment company promoter 6. General contract services for investment corporations 7. Real estate transactions 8. Real estate investment consulting and discretionary transaction agency services 9. Other related services 	<ol style="list-style-type: none"> 1. Investment trust services 2. Investment corporation asset management 3. Real estate investment consulting and discretionary investment agreements 4. Investment company promoter 5. General administrative services under the Act on Investment Trusts and Investment Corporations 6. Real estate transactions 7. Real estate management services 8. Business operations under the Real Estate Specified Joint Enterprise Act 9. Other related services
(5) Capital	¥295 million	¥160 million
(6) Date of Incorporation	March 24, 2000	January 29, 2004
(7) Net Assets	¥808 million	¥417 million
(8) Total Assets	¥841 million	¥464 million
(9) Major Shareholders/Ownership Ratios	HEIWA REAL ESTATE CO., LTD. 100%	Apamanshop Sublease Co., Ltd. 50% Lehman Brothers Investments Japan, Inc. 30% K.K. daVinci Holdings 20%
(10) Relationships between the Investment Corporation/ Asset Management Company and the Other Party in the Transaction		

Equity Relationships	As noted in 3. above, HEIWA is scheduled to purchase all of JSAM outstanding shares on September 2, 2010, becoming the JSAM parent company. There are no other equity relationships between related persons or related companies of CIC/HEIWA and related persons or related companies of JSR/JSAM requiring disclosure.
Personal Relationships	There are no personal relationships requiring disclosure between CIC/HEIWA and JSAM. In addition, there are no personal relationships between related persons or related companies of CIC/HEIWA and related persons or related companies of JSR/JSAM requiring disclosure.
Business Relationships	There are no business relationships requiring disclosure between CIC/HEIWA and JSAM. There are no business relationships between related persons or related companies of CIC/HEIWA and related persons or related companies of JSR/JSAM requiring disclosure.
Related Party Status	As discussed in "Equity Relationships" above, HEIWA is scheduled to purchase all JSAM outstanding shares. Accordingly, JSAM will become a related party to CIC/HEIWA. There are no related party relationships between related persons or related companies of CIC/HEIWA and related persons or related companies of JSR/JSAM requiring disclosure.

(11) Three-Year Operating Results and Financial Status (Units: ¥ millions, except where otherwise noted.)

Fiscal Period	HEIWA REAL ESTATE Asset Management CO., LTD.			Japan Single-residence Asset Management Corp.		
	FYE March 2008	FYE March 2009	FYE March 2010	FYE March 2008	FYE March 2009	FYE March 2010
Net Assets	767	648	808	302	359	417
Total Assets	1,122	766	841	375	372	464
Net Assets Per Share (¥)	154,497	130,517	162,662	50,444	59,885	69,643

6. Conditions Subsequent to the Merger

	Surviving Entity
(1) Name	HEIWA REAL ESTATE Asset Management CO., LTD.
(2) Head Office	2-5-1 Atago, Minato-ku, Tokyo
(3) Representative, Title	Takaya Ichikawa, Representative Director
(4) Business Lines	<ol style="list-style-type: none"> 1. Investment management 2. Specified investment management activities 3. Type II financial instrument transactions 4. Investment advice/agency services 5. Investment company promoter 6. General contract services for investment corporations 7. Real estate transactions 8. Real estate investment consulting and discretionary transaction agency services 9. Other related services
(5) Capital	¥295 million (no capital increase via merger.)
(6) Fiscal Year End	March
(7) Net Assets	¥1,225 million (combined net assets of both companies as of March 31, 2010)
(8) Total Assets	¥1,305 million (combined total assets of both companies as of March 31, 2010)

7. Future Outlook

(1) Changes in Asset Management Agreement with Investment Corporation

The asset management services agreement between JSAM and JSR is scheduled for cancellation conditioned on the successful complete of the Investment Corporation Merger. HEIWA will perform asset management services after the Investment Corporation Merger.

(2) Changes in Asset Management Company Structure

A notification will be issued in the event of a change, as soon as changes are determined.

(3) Changes in Investment Management Decision-Making Structure

A notification will be issued in the event of a change, as soon as changes are determined.

(4) Changes in Rules regarding Compliance or Related Parties

A notification will be issued in the event of a change, as soon as changes are determined.

(5) Changes in Investment Policy

A notification will be issued in the event of a change, as soon as changes are determined.

(6) Changes in Agreement with Sponsors, Etc.

A notification will be issued in the event of a change, as soon as changes are determined.

(7) Likelihood of Investment Corporation Remaining Publicly Listed

The Investment Corporation Merger will be conducted as an absorption-type merger with CIC being the surviving entity. Accordingly, JSR will be dissolved according to Article 143 of the Act on Investment Trusts and Investment Corporations. Investment units issued by JSR are expected to be delisted on September 28, 2010 (three days prior to the effective date of the Merger) under the delisting standards established by the Tokyo Stock Exchange.

(8) Future Policies, Etc.

All filings and other procedures required under the Financial Instruments and Exchange Act, Building Lots and Buildings Transaction Business Act and other applicable laws/regulations will be performed.

End

*Distribution: Kabuto Club, Ministry of Land, Infrastructure, Transport and Tourism Press Club, and Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications

*Corporate Websites:

Crescendo Investment Corporation

<http://www.c-inv.co.jp/>

Japan Single-residence REIT, Inc.

<http://www.jsreit.co.jp/>