



## For Immediate Release

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Advance Residence Investment Corporation  
Securities Code : 8978  
3-12 Kioicho, Chiyoda-ku, Tokyo  
Kenzo Sato, Executive Officer

Investment Trust Management Company:  
AD Investment Management Co., Ltd.  
Kenzo Sato, President

Inquiries:  
Toshiyuki Imamura, General Manager  
TEL. +81-3-5216-1871

### Notice Concerning Investment Asset Acquisition Settlement 【Artis Omorihigashi and Zeus Ryokuchi PREMIUM】

Advance Residence Investment Corporation (ADR) announced its acquisitions of real estate beneficiary interests in trust were settled today for Artis Omorihigashi and Zeus Ryokuchi PREMIUM as first disclosed in the “Acquisition of Assets” dated February 27, 2007 and “Acquisition of Assets [Zeus Ryokuchi PREMIUM and Artis Kinshicho]” dated August 20, 2007 respectively.

#### 1. Overview of Acquisition

Property No.	Name	Acquisition price (mm yen) (Note)
C-14	Artis Omorihigashi	1,980
R-9	Zeus Ryokuchi PREMIUM	979

(Note)The prices above are exclusive of acquisition costs, real property taxes, city planning taxes, consumption tax and local consumption taxes. Figures less than that shown have been rounded off.

#### 2. Property Summary

##### (1) “Artis Omorihigashi”

The details of the concerned acquired asset were disclosed under “3. Outline of Assets to be Acquired; (5) Artis Omorihigashi” in the “Acquisition of Assets” dated February 27, 2007 (in Japanese notice only). However, following the issuing of that notice, construction on the building of the concerned property was completed. Thus, ADR takes this occasion to announce the description of the asset as it stands after construction completion as follows.

## Artis Omorihigashi

Type of Qualified Asset	Beneficiary interests in trust	Acquisition Timing	September 3, 2007	Acquisition Amount	¥ 1,980,000,000
<b>Property Characteristics</b>					
Situating a 3-minute walk from Heiwajima Station on the Keihin Electric Express Railway Line in a region that has a mix of low- and medium-rise housing with stores on the same premises, low-rise stores, etc. The area surrounding Heiwajima Station is home to the Keikyu Store and other facilities offering convenience in terms of lifestyle. On the other hand, the JR Shinagawa Station, which is a station where bullet trains make stops and where redevelopment is advancing, is 7 minutes away on Express trains and Haneda Airport is 15 minutes away on Express trains. Based on these factors, corporate demand can be anticipated from people who commute to firms and demand can be anticipated from people who prefer their work and home to be in close proximity and emphasize convenience.					
<b>Property Outline</b>					
<b>Location</b>	Residence indication	1-7-27 Omori-Higashi, Ota-ku, Tokyo			
	Lot number	1-210-1 Omori-Higashi, Ota-ku, Tokyo, and other			
<b>Land</b>	Type of ownership	Proprietary ownership	Zoning	(1) Commercial zone; (2) Neighborhood commercial zone; and (3) Quasi industrial zone	
	Site area	661.31 m <sup>2</sup>	FAR/Building coverage ratio	(1)400%/80%、(2)300%/80%、(3)300%/60%、200%/60%	
<b>Building</b>	Type of ownership	Proprietary ownership	<b>Breakdown of residential unit type</b>	<b>Units</b>	<b>Percentage of floor area</b>
	Total floor area	2,096.16 m <sup>2</sup>	Single type	74	78%
	Structure/ Floors	RC; 10F	Compact type	6	13%
	Use	Apartment	Family type	—	—
	Construction completion date	August 6, 2007	Large type	—	—
	Confirmation inspection agency	Japan Building Equipment and Elevator Center Foundation	Other residential unit portion	—	—
	Building designer	Sato Benec Co., Ltd. Ikkyu Kenchikushi Jimusho	Other	1	9%
	Structural designer	Sato Benec Co., Ltd. Ikkyu Kenchikushi Jimusho	<b>Trustee</b>	The Sumitomo Trust & Banking Co., Ltd.	
Construction contractor	Sato Benec Co., Ltd.	<b>Property manager</b>	Startsamenity Corporation		
<b>Titleholder prior to previous titleholder</b>	The Sawayaka Shinkin Bank		<b>Master lessee</b>	ITOCHU Urban Community	
<b>Previous titleholder</b>	Itochu Property Development, Ltd. and Noel Co., Ltd. (co-ownership)		<b>Master lease type</b>	Pass-through	
<b>Summary of Real Estate Appraisal Report</b>					
Real estate appraiser	Japan Real Estate Institute				
Real estate appraised value	¥ 1,980,000,000	Appraised date	August 1, 2007		
Direct capitalization price	¥ 2,000,000,000	Cap rate	5.1%		
DCF price	¥ 1,950,000,000	Discount rate	4.9%		
Cost approach price	¥ 1,400,000,000	Terminal cap rate	5.3%		
<b>Income/Expenditures Assumed in Calculating Direct Capitalization Price</b> (Monetary unit: thousand yen)			<b>Lease Conditions</b> (as of September 1, 2007)		
Appraisal item		Appraised value	Total tenants	—	
(A) Total potential profit	Subtotal	130,985	Leasable units	81	
	Rent income	119,032	Leased units	—	
	Other income	11,953	Leasable floor area	1,928.71 m <sup>2</sup>	
(B) Total effective profit	Subtotal	125,473	Leased floor area	—	
	Losses from vacancies, etc.	5,512	Monthly rent (incl. common service charges)	—	
	Bad debts losses	0	Deposits, guarantees, etc.	—	
(C) Expenses from rental business	Subtotal	22,237	Occupancy rate (based on floor area)	—	
	Maintenance and management fees	2,860	<b>Summary of Building Conditions Investigation Report</b>		
	Utilities costs	1,292	Investigator	JAPAN ERI CO.,LTD.	
	Management commission fees	4,240	Investigation date	August 28, 2007	
	Taxes and public dues	5,724	Emergency repair costs	—	
	Non-life insurance premiums	328	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	3,489	Long-term repair costs (over 12 years)	¥ 2,440,000	
	Repair costs (incl. restoration fees)	2,310	Building replacement price	¥ 458,000,000	
	Other expenses	1,994	<b>Summary of Earthquake PML Assessment Report</b>		

(D) Profit or loss from rental business = (B) – (C)	103,236	PML	11.75%
(E) Operating profit from deposits	0	<b>Collateral</b>	
(F) Capital expenditures	1,075	None	
(G) Net profit = (D) + (E) – (F)	102,161		
<b>Special Notation</b>			
Not applicable.			

[Explanation of Entries in Foregoing Table]

(i) Explanation of “Property Characteristics”

- “Property Characteristics” provides a description based on an analysis by the asset manager, and pursuant to the entries in the appraisal report for the real estate in trust that was prepared by Japan Real Estate Institute.

(ii) Explanation of “Property Outline”

- “Lot number” for the location provides the lot number as indicated in the registry.
- “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.
- “Zoning” for the land provides the zoning classification given in Article 8-1-1 of the City Planning Law.
- “FAR” for the land provides the ratio of the total floor area of the building to the site area as stipulated in Article 52 of the Building Standards Law and is the numerical figure determined by city planning in accordance with the zoning, etc.
- “Building coverage ratio” for the land provides the ratio of the building area of the building to the site area as stipulated in Article 53 of the Building Standards Law and is the numerical figure determined by city planning in accordance with the zoning, 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.  
“RC” entered for “Structure / Floors” refers to reinforced concrete structures.  
“Use” provides the primary use out of the types indicated in the registry for the real estate in trust.
- “Breakdown of residential unit type” lists the types of residential units based on the following classification. The “dormitory type” is shown under “Other residential unit portion,” and store, office and other uses aside from residential units are shown under “Other.”

Residential Unit Type	Exclusive-Use Floor Area	Percentage of Portfolio
Single type	Less than 30m <sup>2</sup>	30~50%
Compact type	30m <sup>2</sup> or more, but less than 60m <sup>2</sup>	30~50%
Family type	60m <sup>2</sup> or more, but less than 100m <sup>2</sup>	10~30%
Large type	100m <sup>2</sup> or more	0~10%

(iii) Explanation of “Summary of Real Estate Appraisal Report”

- The entries in “Summary of Real Estate Appraisal Report” are pursuant to the entries in the appraisal report prepared by the Japan Real Estate Institute.
- 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.

(2) Zeus Ryokuchi PREMIUM

Please refer to the “Acquisition of Assets [Zeus Ryokuchi PREMIUM and Artis Kinshicho] (in Japanese notice only)” dated August 20, 2007 for details, etc. on the concerned acquired asset.

- \* 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>

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