



For Immediate Release

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Advance Residence Investment Corporation
Securities Code : 8978
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Notice Concerning Acquisition of Investment Asset 【T&G Negishi Mansion】

Advance Residence Investment Corporation (ADR) announced today its acquisition of “T&G Negishi Mansion” as follows.

1. Acquisition Summary

- | | |
|-------------------------------|---|
| 1) Name of Property | : T&G Negishi Mansion |
| 2) Asset to be acquired | : Beneficiary interests in trust for real estate |
| 3) Proposed acquisition price | : ¥856,000,000* |
| | * The acquisition price is exclusive of real property tax, urban planning tax, consumption tax and local consumption tax. |
| 4) Seller | : Arutairu Investment Y.K. |
| 5) Scheduled execution date | : September 21, 2007 |
| 6) Scheduled acquisition date | : September 21, 2007 |
| 7) Acquisition financing | : Cash on hand |
| 8) Payment method | : Pay entire amount upon acquisition |
| 9) Trustee | : Mizuho Trust & Banking Co., Ltd. |
| 10) Trust agreement date | : September 21, 2007(planned) |
| 11) Trust expiration date | : November 30, 2015(planned) |

2. Purpose of the acquisition

- 1) Reason
ADR will acquire the Property pursuant to the target and policy of asset management as stipulated in its Articles of Incorporation, under the objective of securing stable earnings over the medium and long term as well as enhancing its portfolio in the Tokyo 23 Wards Exclusive of Central 7 Wards.
- 2) Property Characteristics
 - (i) Location
The Property is situated a 5-minute walk from Minowa Station on the Tokyo Metro Hibiya Line in a residential area that has many condominiums and general detached homes. Within a 10-minute walking

distance are the Olympic Minowa Store and Ito-Yokado Minowa Store, as well as a full range of facilities offering convenience in terms of lifestyle such as hospitals and schools. The degree of maturity as a residential district is expected to continue to increase.

(ii) Building

The Property is a medium-rise condominium exhibiting a subdued exterior based on earth colors with nine floors above ground and ample facilities. The 28 residential units are arranged in a total of three types of floor plans: 2LDK (most of the units are of this type), 2DK and 3LDK.

(iii) Tenants

Akihabara, Ginza and Roppongi are accessible via the Tokyo Metro Hibiya Line from the Property's nearest station Minowa Station in about 30 minutes. Backed by this convenience, demand can be anticipated from primarily DINKs and small family households demanding the workplace and home to be in close proximity.

3. Summary of the proposed property

Type of Qualified Asset	Beneficiary interests in trust	Scheduled Acquisition Date	September 21, 2007	Acquisition Amount	¥ 856,000,000
Property Characteristics					
Situated a 5-minute walk from Minowa Station on the Tokyo Metro Hibiya Line in a residential area that has many condominiums and detached homes. In addition to large supermarkets as well as a full range of facilities offering convenience in terms of lifestyle being within walking distance, access to central business districts is outstanding via the Tokyo Metro Hibiya Line. A condominium comprised mainly of 2LDK units, demand can be anticipated from primarily DINKs and small family households demanding the workplace and home to be in close proximity.					
Property Outline					
Location	Residence indication	5-10-10 Negishi, Taito-ku, Tokyo			
	Lot number	5-102-2 Negishi, Taito-ku, Tokyo			
Land	Type of ownership	Proprietary ownership	Zoning	Class 1 residential zone	
	Site area	545.64 m ²	FAR/Building coverage ratio	300% / 70%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	Percentage of floor area
	Total floor area	1,660.21 m ²	Single type	—	
	Structure/ Floors	RC; 9F	Compact type	27	96%
	Use	Apartment	Family type	1	4%
	Construction completion date	December 2, 2005	Large type	—	
	Confirmation inspection agency	Zaidanhojin Jutaku Kinyu Fukyu Kyokai	Other residential unit portion	—	
	Building designer	SHIN.NAKAYAMA ARCHITECT & ASSOCIATES	Other	—	
	Structural designer	Yugengaisha Tsukasa Kozo Sekkei Jimusho	Trustee	Mizuho Trust & Banking Co., Ltd.	
Construction contractor	Ka) FUJIKO	Property manager	ITOCHU Urban Community (Note)		
Previous titleholder	Ka) César Japan	Master lessee	ITOCHU Urban Community (Note)		
Current titleholder	Arutairu Investment Y.K.	Master lease type	Pass-through		
Summary of Real Estate Appraisal Report					
Real estate appraiser	Morii Appraisal & Investment Consulting, Inc.				
Real estate appraised value	¥864,000,000	Appraised date	June 30, 2007		
Direct capitalization price	¥880,000,000	Cap rate	4.8%		
DCF price	¥848,000,000	Discount rate	4.5%		
Cost approach price	¥654,000,000	Terminal cap rate	5.1%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: thousand yen)			Lease Conditions (as of June 30, 2007)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	56,477	Leasable units	28	
	Rent income	51,802	Leased units	27	
	Other income	4,675	Leasable floor area	1,571.54 m ²	
(B) Total effective profit	Subtotal	53,720	Leased floor area	1,513.37 m ²	
	Losses from vacancies, etc.	2,757	Monthly rent (incl. common service charges)	4,171	
	Bad debts losses	0	Deposits, guarantees, etc.	7,860	
(C) Expenses from rental business	Subtotal	10,525	Occupancy rate (based on floor area)	96%	
	Maintenance and management fees	2,279	Summary of Building Conditions Investigation Report		
	Utilities costs	622	Investigator	Shimizu Corporation	
	Management commission fees	1,520	Investigation date	July 10, 2007	
	Taxes and public dues	3,076	Emergency repair costs	—	
	Non-life insurance premiums	191	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	1,354	Long-term repair costs (over 12 years)	¥16,049,000	
	Repair costs (incl. restoration fees)	1,136	Building replacement price	¥379,500,000	
	Other expenses	347	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) – (C)		43,195	PML	13.71% (Sompo Japan Risk Management, Inc.)	
(E) Operating profit from deposits		0	Collateral		

(F) Capital expenditures	936	None
(G) Net profit = (D) + (E) – (F)	42,259	

Special Notation

Of the land in trust, the southern end provided as a private road (lot number: 102-18; hereafter, the “Private Road Portion”) is co-owned with third parties (trustee’s co-ownership: 25%). However, the boundary between the land in trust (lot number: 102-25) and the Private Road Portion is yet to be determined.

(Note 1) Tokyu Community Corp. is the master lessee and property manager until November 30, 2007. The master lessee and property manager is scheduled to change on December 1, 2007.

[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 or survey report for the real estate in trust that was prepared by Morii Appraisal & Investment Consulting, Inc.

(ii) Explanation of “Property Outline”

- “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.
- “Lot number” for the location provides the lot number as indicated in the registry.
- “Ownership form” 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.
- “Leasable floor area” provides the floor area of the portion of the real estate in trust to be acquired by ADR that is leasable as of June 30, 2007 based on information received from the current titleholder.
- “Leasable units” provides the number of units of the real estate in trust that is leasable as of June 30, 2007 based on information received from the current titleholder.
- “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 ²	30~50%
Compact type	30m ² or more, but less than 60m ²	30~50%
Family type	60m ² or more, but less than 100m ²	10~30%
Large type	100m ² or more	0~10%

- “Units” provides the leasable units of the real estate in trust categorized by the number of units of each type of residential unit that is leasable as of June 30, 2007 based on information received from the current titleholder.
- “Percentage of floor area” provides the leasable floor area of each type of residential unit expressed as a percentage of the leasable floor area of the real estate in trust as of June 30, 2007 based on information received from the current titleholder and rounded to the nearest whole percentage.
- Names in the “current titleholder” column indicate the beneficiaries that hold the beneficiary interests in trust (asset to be acquired) as of the date of this document or the titleholder of the real estate in trust as of the date of this document. “Previous titleholder” names the party that transferred the beneficiary interests in trust (asset to be acquired) or real estate in trust to the current titleholder.
- “Trustee” provides the trustee of the trust agreement as of the date of this document in relation to the real estate in trust.
- “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 in trust.
- “Master lease type” indicates “Pass-through” 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 pass-through 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 in trust. Where property management services are redelegated, the property manager redelegated to conduct property management services is shown.
- (iii) Explanation of “Summary of Real Estate Appraisal Report” and “Summary of Survey Report”
- The entries in each field of “Summary of Real Estate Appraisal Report” and “Summary of Survey Report” are pursuant to the entries in the appraisal report or survey report prepared by Morii Appraisal & Investment Consulting, Inc. for the respective real estate 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 or survey report for the respective real estate 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 asset 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 asset 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, etc.
 - Significant cases where there are architectural structures crossing the boundaries of the concerned real estate in trust, etc. and cases where there are issues with boundary confirmation, etc.; and related arrangements, etc.
 - Significant agreements, arrangements, etc. made with co-owners / sectional owners

4. Seller

Company Name	Arutairu Investment Y.K.
Address	1-4-2 Otemachi, Chiyoda-ward, Tokyo
Representative	Ryutaro Uchiyama
Capital	3 million yen
Main shareholder	Symphonia Three
Description of Business	Selling, buying, holding and managing beneficiary interests in trust; and selling, buying, leasing, brokering, owning and managing real estate
Relationships with ADR or with its asset management company	The Arutairu Investment Y.K. is a <i>tokutei mokuteki kaisha</i> (special purpose company regulated by the Law on Securitization of Assets) established at the initiative of Mizuho Trust & Banking Co., Ltd. Mizuho Trust and Banking Co., Ltd. holds 3.0% of the total number of shares outstanding at AD Investment Management Co., Ltd., which is ADR’s investment trust management company (hereafter, the “Asset Manager”). Thus, the seller constitutes a related party as defined in the Asset Manager’s bylaws.

5. Current and previous owners

Property Name (Address)	T & G Negishi Mansion 5-10-10 Negishi, Taito-ku, Tokyo	
	Current owner	Previous owner
Company Name	Arutairu Investment Y.K.	K.K. César Japan
Relationship with party having particular vested interest	A related party as defined in the Asset Manager’s bylaws	A party other than a party having particular vested interest
Acquisition background, reason, etc.	Acquired chiefly for the purpose of investment management	
Acquisition price (including other expenses)	Disclosure unauthorized by the duty of confidentiality set forth in the sale and purchase agreement with the	

	previous titleholder	
Acquisition	December 2005	

6. Asset Manager's Vested Interest in Asset to be Acquired

- (1) The abovementioned seller Arutairu Investment Y.K. constitutes a related party as defined in the Asset Manager's bylaws (encompasses an interested party as defined in the Investment Trusts and Investment Corporations Law; hereafter, "Related Party"). Accordingly, the procedures required in accordance with the bylaws have been completed in concluding the trust beneficiary interests transfer agreement.
- (2) Concerning the abovementioned asset to be acquired, ADR is scheduled to delegate master lease and property management services in bulk to ITOCHU Urban Community, which is a Related Party of the Asset Manager, after December 1, 2007. Accordingly, the procedures required in accordance with the bylaws have been completed in concluding the building lease and management agreement with ITOCHU Urban Community.

7. Matters concerning Earthquake Resistance

The validity of the structural calculation documents on the asset that is to be acquired have been investigated by a third-party agency. ADR has obtained investigation results stating that the documents are "valid" as follows.

1) Investigation Agency

Company Name	Sompo Japan Risk Management, Inc.
Address	24-1, Nishishinjuku 1chome, Shinjuku-ku, Tokyo
Representative	Takashi Seo
Capital	JPY 30 million
Description of business	<ul style="list-style-type: none"> • Quantitative evaluation of various risks • Consulting on the environment and ISO • Consulting on medical safety management • Audit services for power generating facilities
Relationships with ADR or with its asset management company	N/A

2) Investigation Content

Verification and inspection of structural calculation documents and related drawings and specifications

3) Investigation Results

The content of the structural calculation is valid and the strength required pursuant to the Building Standards Law has been secured.

8. Broker Profile

Upon acquisition of the Property, plans are to enter into a broker agreement with Mizuho Trust & Banking Co., Ltd. and Marubeni Corporation for them to act as joint brokers. While Marubeni Corporation does not, Mizuho Trust & Banking Co., Ltd. constitutes a Related Party as defined in the Asset Manager's bylaws. Accordingly, the procedures required in accordance with the bylaws have been completed in concluding the broker agreement. Under the broker agreement, the commission to be paid to Mizuho Trust & Banking Co., Ltd. is 13,482,000 yen (including consumption tax, etc.).

9. Future outlook

The impact on ADR's management performance for the fiscal period ending December 2007 (from July 1, 2007 to December 31, 2007) is expected to be minimal. Thus, no changes have been made to management performance forecasts. Please refer to the *kessan tanshin* (an abridgment of business performance) for the third fiscal period ended June 2007 that was released on August 20, 2007 for the earnings guidance for the fiscal period ending December 2007.

10. Other

ADR plans to disclose information on the asset acquisition again at a later date when it acquires the Property.

<Attachments>

- Attachment 1 Property photo
- Attachment 2 Portfolio summary after acquisition of the property

* 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.

1. Property photo



2. Portfolio summary after acquisition of the property

Attachment 2

No.	Name of Property	Address (Note 2)	Acquisition Price (Million Yen (Note 3))	Percentage of Total Acquisition Cost (% (Note 4))
P-1	Artiscourt Akasakahinokicho	Minato Ward, Tokyo	4,930	7.1
P-2	Artis Shimazuyama	Shinagawa Ward, Tokyo	2,860	4.1
P-3	Artis Nakameguro	Meguro Ward, Tokyo	1,730	2.5
P-4	Apartments Tsurumaki	Setagaya Ward, Tokyo	1,229	1.8
P-5	Crestcourt Azabujuban	Minato Ward, Tokyo	1,987	2.8
P-6	Artis Shibuyadaikanyama	Shibuya Ward, Tokyo	1,690	2.4
P-7	Artis Ikejiriohashi	Setagaya Ward, Tokyo	1,230	1.8
P-9	Artis Shimoochiai	Shinjuku Ward, Tokyo	1,450	2.1
P-10	Spacia Kudanshita	Chiyoda Ward, Tokyo	2,270	3.3
P-12	Artis Hatagaya	Shibuya Ward, Tokyo	1,130	1.6
P-13	FELDBERG	Shinagawa Ward, Tokyo	1,563	2.2
P-14	Artis Toritsudaigaku	Meguro Ward, Tokyo	643	0.9
P-15	Artis Sakurajosui	Setagaya Ward, Tokyo	1,120	1.6
Tokyo Central 7 Wards		Total	23,832	34.2
C-1	Artis Mitsukoshimae	Chuo Ward, Tokyo	1,920	2.7
C-2	Artis Kamata	Ota Ward, Tokyo	2,640	3.8
C-3	Artis Ikebukuro	Toshima Ward, Tokyo	1,520	2.2
C-5	Artis Hongo	Bunkyo Ward, Tokyo	1,680	2.4
C-6	Artis Asakusabashi	Taito Ward, Tokyo	1,060	1.5
C-7	Maison Eclairée Ekoda	Nerima Ward, Tokyo	953	1.4
C-8	Artis Uenokachimachi	Taito Ward, Tokyo	3,160	4.5
C-9	Artis Bunkyoongo	Bunkyo Ward, Tokyo	1,623	2.3
C-10	Artis Ryogoku	Sumida Ward, Tokyo	913	1.3
C-11	Artis Higashiginza	Chuo Ward, Tokyo	5,251	7.5
C-12	Apre parks Ueno	Taito Ward, Tokyo	860	1.2
C-13	Artis Ningyocho	Chuo Ward, Tokyo	3,180	4.5
C-14	Artis Omorihigashi	Ota Ward, Tokyo	1,980	2.8
C-15	Residence Oyama	Itabashi Ward, Tokyo	1,490	2.1
C-16	Artis Kinsicho (Note 5)	Sumida Ward, Tokyo	4,200	6.0
C-17	T&G Negishi Mansion	Sumida Ward, Tokyo	856	1.2
Tokyo 23 Wards Exclusive of Central 7 Wards		Total	33,287	47.5
S-1	Hiyoshidai Gakusei Heights	Yokohama City, Kanagawa	3,420	4.9
S-2	Chester House Kawaguchi	Kawaguchi City, Kanagawa	770	1.1
S-3	Storkmansion Kashiwa	Kashiwa City, Chiba	545	0.8
S-4	DUO Station Higashimatsudo No. II	Matsudo City, Chiba	1,100	1.6
Tokyo Metropolitan Area		Total	5,836	8.4
R-2	Royal Nishihonmachi	Osaka City Osaka	560	0.8
R-3	Itopia Kyotogakuseikaikan	Kyoto City, Kyoto	1,671	2.4
R-6	HAUT DOMICILE NANGOGAI	Sapporo City, Hokkaido	827	1.2
R-7	Artis Higashisakura	Nagoya City, Aichi	1,290	1.8
R-8	Grand Court Kameyama	Kameyama City, Mie	1,610	2.3
R-9	Zeus Ryokuchi PREMIUM	Toyonaka City, Osaka	979	1.4
Major regional cities		Total	6,937	9.9
Grand Total			69,893	100.0

(Note 1) Tokyo Central 7 Wards indicates the Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards of Tokyo.

Tokyo 23 Wards Exclusive of Central 7 Wards indicates the 23 wards of Tokyo other than the central 7 wards.

Tokyo Metropolitan Area indicates Tokyo (excluding the Tokyo 23 wards) and Kanagawa, Saitama and Chiba prefectures.

Major Regional Cities exclude cities in the Tokyo Metropolitan Area.

(Note 2) The address is as per register

(Note 3) The acquisition price indicates the purchase price for the respective beneficiary interests in trust entered in the beneficiary interests transfer agreement, exclusive of taxes and public dues and acquisition costs. The amount is rounded down to the nearest million yen. Accordingly, the sum total of the itemized figures does not necessarily add up to the total value entered in the foregoing table.

(Note 4) The portfolio share expresses the acquisition price of the respective real estate in trust, etc. as a percentage of the sum total of the acquisition prices for all real estate in trust, etc. The percentage is rounded to one decimal place. Accordingly, the sum total of the itemized figures does not necessarily add up to the total value entered in the foregoing table.

(Note 5) When the Property is acquired, please refer to "Acquisition of Assets [Zeus Ryokuchi PREMIUM and Artis Kinshicho" dated August 20, 2007 for an overview of the property that ADR plans to acquire.