

## For Immediate Release

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### **Notice Concerning Probable Maximum Loss (PML) Revision in Seismic Risk Analysis**

Advance Residence Investment Corporation (ADR) asks Sompo Japan Risk Management, Inc. (SJRM) to conduct seismic risk analysis assessments for ADR's portfolio assets.

In the concerned analysis, the value of probable maximum loss (PML) (Note 1) of a building resulting from an earthquake is calculated based on the results of a comprehensive assessment that includes the building's earthquake resistance, seismic hazard and ground conditions.

ADR announces the following report received in regards to probable maximum loss (PML) values that were revised in conjunction with a recent change in the seismic risk analysis assessment method at SJRM.

#### **1. Revised PML Values**

Property #	Name of Property	PML (%) Note 1		
		Previous PML	Revised PML	Differences
P-1	Artiscourt Akasakahinokicho	6.79	5.39	(1.40)
P-2	Artis Shimazuyama	8.64	6.28	(2.36)
P-3	Artis Nakameguro	6.69	2.66	(4.03)
P-4	Apartments Tsurumaki	8.09	8.15	0.06
P-5	Crestcourt Azabujuban	9.79	6.34	(3.45)
P-6	Artis Shibuyadaikanyama	7.65	3.60	(4.05)
P-7	Artis Ikejiriohashi	14.67	6.26	(8.41)
P-9	Artis Shimoochiai	5.09	7.73	2.64
P-10	Spacia Kudanshita	10.16	6.26	(3.90)
P-12	Artis Hatagaya	7.17	8.13	0.96
P-13	FELDBERG	7.38	9.99	2.61
P-14	Artis Toritsudaigaku	8.79	3.74	(5.05)
P-15	Artis Sakurajosui	10.28	5.11	(5.17)
C-1	Artis Mitsukoshimae	8.85	4.72	(4.13)
C-2	Artis Kamata	19.91	6.36	(13.55)
C-3	Artis Ikebukuro	6.16	7.86	1.70

C-5	Artis Hongo	4.50	5.43	0.93
C-6	Artis Asakusabashi	11.41	4.27	(7.14)
C-7	Maison Eclairée Ekoda	2.16	3.29	1.13
C-8	Artis Uenokachimachi	5.00	1.84	(3.16)
C-9	Artis Bunkyoongo	5.94	5.37	(0.57)
C-10	Artis Ryogoku	13.34	6.38	(6.96)
C-11	Artis Higashiginza	14.72	6.19	(8.53)
C-12	Apre Parks Ueno	14.25	7.60	(6.65)
C-13	Artis Ningyocho	14.03	5.35	(8.68)
C-14	Artis Omorihigashi	11.75	9.32	(2.43)
C-15	Residence Oyama	9.51	3.84	(5.67)
C-16	Artis Kinshicho (Note 2)	11.32	6.24	(5.08)
C-17	T&G Negishi Mansion	13.71	6.01	(7.70)
S-1	Hiyoshidai Gakusei Heights	19.60	13.82	(5.78)
S-2	Chester House Kawaguchi	13.03	5.83	(7.20)
S-3	Storkmansion Kashiwa	4.20	6.76	2.56
S-4	DUO Station Higashimatsudo No. II	9.66	10.04	0.38
R-2	Royal Nishihommachi	12.25	10.98	(1.27)
R-3	Itopia Kyotogakuseikaikan	18.57	12.61	(5.96)
R-6	HAUT DOMICILE NANGOGAI	6.21	3.19	(3.02)
R-7	Artis Higashisakura	12.33	13.43	1.10
R-8	Grand Court Kameyama	11.94	15.40	3.46
R-9	Zeus Ryokuchi PREMIUM	9.08	10.47	1.39
Portfolio PML (Note 3)		9.28	6.24	(3.04)

(Note 1) Earthquake Probable Maximum Loss (PML): The amount of physical damage at the 90% confidence level on the amount of damage estimated to result from an earthquake corresponding to a 475-year return period expressed as a percentage of the replacement cost

(Note 2) Property scheduled to be acquired

(Note 3) Portfolio PML Value: Probable maximum loss from an earthquake for the entire portfolio

## 2. Revised Seismic Risk Analysis Assessment Method

The PML values before revision are the values assessed based on the system developed by SJRM in year 2000.

The recent revision incorporates the model seismic source data developed based on the National Seismic Hazard Maps for Japan that was released as the year 2006 version by the Headquarters for Earthquake Research Promotion (Ministry of Education, Culture, Sports, Science and Technology), along with the latest academic findings of earthquake research and other information. Consequently, seismic risk can now be assessed to reflect the latest results of seismic hazard assessment and ground conditions in Japan in greater detail. Moreover, by considering damage characteristics according to the use of the building, a more accurate earthquake PML assessment is now possible.

Please refer to the SJRM's news release dated September 14, 2007 in relation to the revised Earthquake PML Assessment System, for the main revised sections of the assessment method and other details.

SJRM website: <http://www.sjrm.co.jp/>

### 3. Management Performance Outlook

No impact is expected on the management performance for the fiscal period ending December 2007. Thus, no changes have been made to management performance forecasts.

- \* 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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