

For Immediate Release

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Advance Residence Investment Corporation
Securities Code : 8978
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Notice Concerning Acquisition of Investment Assets
【Belle Scene Minamiikuta】

Advance Residence Investment Corporation (ADR) announced today its acquisition of “Belle Scene Minamiikuta” as follows.

1. Acquisition Summary

Name of Property	Belle Scene Minamiikuta
Asset to be acquired	Beneficiary interests in trust for real estate
Proposed acquisition price	¥1,050,000,000*
Seller	Tokyo Tatemono Co., Ltd.
Scheduled execution date	December 11, 2007
Scheduled acquisition date	December 11, 2007
Acquisition financing	Cash on hand and debt financing
Payment method	Pay entire amount upon acquisition
Trustee(Planned)	The Sumitomo Trust & Banking Co., Ltd.
Scheduled Trust agreement date	December 11, 2007
Scheduled Trust expiration date	December 28, 2012

* The acquisition price is exclusive of real property tax, urban planning tax, consumption tax and local consumption tax.

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 Metropolitan Area.

2) Property Characteristics

The property, situated a 12-minute walk from Ikuta Station on the Odakyu Odawara Line, is a family type property, with all the units facing the south and centering on 3LDK units. It boasts a favorable living environment surrounded by a series of condominiums and single family houses. Further, it has excellent accessibility to Shinjuku, Shibuya, Otemachi and other business areas from Ikuta Station, the nearest station from the property. Thus steady demand is expected, centering on family residents commuting to business districts as well as corporate contracts bolstered by company housing demands.

3. Summary of the proposed property

Type of Qualified Asset	Beneficiary interests in trust	Scheduled Acquisition Date	December 11, 2007	Acquisition Amount	¥1,050,000,000
Property Characteristics					
The property, situated a 12-minute walk from Ikuta Station on the Odakyu Odawara Line, is a family type property, with all the units facing the south and centering on 3LDK units. It boasts a favorable living environment surrounded by a series of condominiums and single family houses. Further, it has excellent accessibility to Shinjuku, Shibuya, Otemachi and other business areas from Ikuta Station, the nearest station from the property. Thus steady demand is expected, centering on family residents commuting to business districts as well as corporate contracts bolstered by company housing demands.					
Property Outline					
Location	Residence indication	7-8-1 Minamiikuta, Tama-ku, Kawasaki city, Kanagawa prefecture			
	Lot number	7-5566-3 Minamiikuta, Tama-ku, Kawasaki city, Kanagawa prefecture			
Land	Type of ownership	Proprietary ownership	Zoning	Class 1 Low-rise Residential Zone Class 1 Residential Zone	
	Site area	2,900.77 m ²	FAR/Building coverage ratio	100%·200% / 50%·60%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	Percentage of floor area
	Total floor area	3,859.22 m ²	Single type	—	—
	Structure/ Floors	RC; 12F	Compact type	3	6%
	Use	Apartment	Family type	43	94%
	Construction completion date	October 14, 1998	Large type	—	—
	Confirmation inspection agency (Note 1)	Kawasaki city	Other residential unit portion	—	—
	Building designer	Toyo Giken Co., Ltd.	Other	—	—
	Structural designer	ICHIKAWA Architects Office	Trustee	The Sumitomo Trust & Banking Co., Ltd.	
Construction contractor	Tada Corporation	Property manager	Tokyo Tatemono Real Estate Sales Co.,Ltd.		
Previous titleholder	—		Master lessee	ITOCHU Urban Community	
Current titleholder	Tokyo Tatemono Co., Ltd.		Master lease type	Pass-through	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Japan Real Estate Institute				
Real estate appraised value	¥1,060 million yen	Appraised date	November 1, 2007		
Direct capitalization price	¥1,070million yen	Cap rate	5.1%		
DCF price	¥ 1,050million yen	Discount rate	4.9%		
Cost approach price	¥1,100million yen	Terminal cap rate	5.3%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: thousand yen)			Lease Conditions (as of November 30, 2007)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	87,570	Leasable units	46	
	Rent income	83,645	Leased units	42	
	Other income	3,925	Leasable floor area	3,165.70 m ²	
(B) Total effective profit	Subtotal	81,911	Leased floor area	2,883.59 m ²	
	Losses from vacancies, etc.	5,659	Monthly rent (incl. common service charges) (thousand yen)	¥6,129	
	Bad debts losses	0	Deposits, guarantees, etc. (thousand yen)	¥12,101	
(C) Expenses from rental business	Subtotal	22,770	Occupancy rate (based on floor area)	91.1%	
	Maintenance and management fees	5,670	Summary of Building Conditions Investigation Report		
	Utilities costs	1,313	Investigator	NIKKEN SEKKEI Construction Management, Inc.	
	Management commission fees	3,286	Investigation date	November 30, 2007	
	Taxes and public dues	6,372	Emergency repair costs	—	
	Non-life insurance premiums	362	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	2,534	Long-term repair costs (over 12 years)	¥72,850,000	
	Repair costs (incl. restoration fees)	2,918	Building replacement price	¥862,000,000	
	Other expenses	315	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) – (C)		59,141	PML	13.54% (Sompo Japan Risk Management, Inc.)	
(E) Operating profit from deposits		0	Collateral		
(F) Capital expenditures		4,463	None		

(G) Net profit = (D) + (E) – (F)	54,678
Special Notation	
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 or survey report for the proposed property that was prepared by Japan Real Estate Institute.

(ii) Explanation of “Property Outline”

- “Residence indication” for the location provides the residence indication. For a property 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 proposed property.
- “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 proposed property to be acquired by ADR that is leasable as of November 30, 2007 based on information received from the current titleholder.
- “Leasable units” provides the number of units of the proposed property that is leasable as of November 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 proposed property categorized by the number of units of each type of residential unit that is leasable as of November 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 proposed property as of November 30, 2007 based on information received from the current titleholder and rounded to the nearest whole percentage.
- The name in the “current titleholder” column indicates the titleholder of the proposed property as of the date of this document. “Previous owner” names the party that transferred the proposed property to the current titleholder.
- “Trustee” provides the planned trustee of the trust agreement as of the date of this document in relation to the proposed property.
- “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 proposed property.
- “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 proposed property. 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 Japan Real Estate Institute for the respective proposed

property.

- 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	Tokyo Tatemono Co., Ltd.
Address	1-9-9 Yaesu, Chuo-ku, Tokyo
Representative	Makoto Hatanaka
Capital	JPY 77.1 million
Main shareholder	Japan Trustee Services Bank, Ltd.(trust account) and etc., (as of March 2007)
Description of Business	Developing and operating of buildings Developing and for-sale of condominiums and detached homes Securitizing and making smaller lot of real estate Developing, for-sale and managing of resort facilities Brokerage, appraising, consulting, etc. of real estate
Relationships with ADR or with its asset management company	N/A

5. Current and previous owners

Property Name (Address)	Belle Scene Minamiikuta 7-8-1 Minamiikuta, Tama-ku, Kawasaki-city, Kanagawa prefecture	
	Current owner	Previous owner
Company Name	Tokyo Tatemono Co., Ltd.	—
Relationship with party having particular vested interest	Non related party as defined in the Asset Manager’s bylaws	—
Acquisition background, reason, etc.	Acquired for the purpose of rental housing development.	—
Acquisition price (including other expenses)	—	—
Acquisition	—	—

6. Asset Manager’s Vested Interest in Assets to be Acquired

- (1) The abovementioned seller Tokyo Tatemono Co., Ltd. does not constitute related parties 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”).
- (2) Concerning the abovementioned assets 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. 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 drawings

3) Investigation Results

As of the time of design, there were no particular items in the structural calculation documents and drawings that indicated falsification, etc. or doubts regarding the earthquake resistance performance pursuant to the Building Standard Law.

8. Broker Profile

Upon acquisition of beneficiary interests in trust, brokerage will be entrusted to Tokyo Tatemono Real Estate Sales Co., Ltd. The fees to be paid for the brokerage are 33,138,000 yen (tax inclusive). Tokyo Tatemono Real Estate Sales Co., Ltd. and the asset management company are not related parties.

(Note) Tokyo Tatemono Real Estate Sales Co., Ltd. will be appointed private operator and a private operator agreement is planned to be concluded.

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.

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 (MM Yen (Note 3))	Percentage of Total Acquisition Cost (%) (Note 4)
P-1	Artiscourt Akasakahinokicho	Minato Ward, Tokyo	4,930	6.5
P-2	Artis Shimazuyama	Shinagawa Ward, Tokyo	2,860	3.8
P-3	Artis Nakameguro	Meguro Ward, Tokyo	1,730	2.3
P-4	Apartments Tsurumaki	Setagaya Ward, Tokyo	1,229	1.6
P-5	Crestcourt Azabujuban	Minato Ward, Tokyo	1,987	2.6
P-6	Artis Shibuyadaikanyama	Shibuya Ward, Tokyo	1,690	2.2
P-7	Artis Ikejirihashi	Setagaya Ward, Tokyo	1,230	1.6
P-9	Artis Shimoochiai	Shinjuku Ward, Tokyo	1,450	1.9
P-10	Spacia Kudanshita	Chiyoda Ward, Tokyo	2,270	3.0
P-12	Artis Hatagaya	Shibuya Ward, Tokyo	1,130	1.5
P-13	FELDBERG	Shinagawa Ward, Tokyo	1,563	2.1
P-14	Artis Toritsudaigaku	Meguro Ward, Tokyo	643	0.9
P-15	Artis Sakurajosui	Setagaya Ward, Tokyo	1,120	1.5
P-16	Artis Kitashinagawa	Shinagawa Ward, Tokyo	2,720	3.6
Tokyo Central 7 Wards		Total	26,552	35.1
C-1	Artis Mitsukoshimae	Chuo Ward, Tokyo	1,920	2.5
C-2	Artis Kamata	Ota Ward, Tokyo	2,640	3.5
C-3	Artis Ikebukuro	Toshima Ward, Tokyo	1,520	2.0
C-5	Artis Hongo	Bunkyo Ward, Tokyo	1,680	2.2
C-6	Artis Asakusabashi	Taito Ward, Tokyo	1,060	1.4
C-7	Maison Eclairée Ekoda	Nerima Ward, Tokyo	953	1.3
C-8	Artis Uenookachimachi	Taito Ward, Tokyo	3,160	4.2
C-9	Artis Bunkyoongo	Bunkyo Ward, Tokyo	1,623	2.2
C-10	Artis Ryogoku	Sumida Ward, Tokyo	913	1.2
C-11	Artis Higashiginza	Chuo Ward, Tokyo	5,251	7.0
C-12	Apre parks Ueno	Taito Ward, Tokyo	860	1.1
C-13	Artis Ningyocho	Chuo Ward, Tokyo	3,180	4.2
C-14	Artis Omorihigashi	Ota Ward, Tokyo	1,980	2.6
C-15	Residence Oyama	Itabashi Ward, Tokyo	1,490	2.0
C-16	Artis Kinsicho (Note 5)	Sumida Ward, Tokyo	4,200	5.6
C-17	T&G Negishi Mansion	Taito Ward, Tokyo	856	1.1
Tokyo 23 Wards Exclusive of Central 7 Wards		Total	33,287	44.0
S-1	Hiyoshidai Gakusei Heights	Yokohama City, Kanagawa	3,420	4.5
S-2	Chester House Kawaguchi	Kawaguchi City, Kanagawa	770	1.0
S-3	Storkmansion Kashiwa	Kashiwa City, Chiba	545	0.7
S-4	DUO Station Higashimatsudo No. II	Matsudo City, Chiba	1,100	1.5
S-5	Artis Shin-Yokohama	Yokohama City, Kanagawa	1,920	2.5
S-6	Belle Scene Minamiikuta	Kawasaki City, Kanagawa	1,050	1.4
Tokyo Metropolitan Area		Total	8,806	11.7
R-2	Royal Nishihonmachi	Osaka City Osaka	560	0.8
R-3	Itoya Kyotogakuseikaikan	Kyoto City, Kyoto	1,671	2.2
R-6	HAUT DOMICILE NANGOGAI	Sapporo City, Hokkaido	827	1.1
R-7	Artis Higashisakura	Nagoya City, Aichi	1,290	1.7
R-8	Grand Court Kameyama	Kameyama City, Mie	1,610	2.1
R-9	Zeus Ryokuchi PREMIUM	Toyonaka City, Osaka	979	1.3
Major regional cities		Total	6,937	9.2
Grand Total			75,583	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.