

For Immediate Release

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Advance Residence Investment Corporation
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Notice Concerning Investment Asset Acquisition Settlement 【Artis Kinshicho】

Advance Residence Investment Corporation (ADR) announced its acquisition of real estate beneficiary interests in trust was settled today for Artis Kobe Port Island.

1. Overview of Acquisition

Property No.	Name	Acquisition price (Note)
C-16	Artis Kinshicho	JPY 4,200 million

(Note)The prices above are exclusive of acquisition costs, real property taxes, city planning taxes, consumption tax and local consumption taxes.

2. Other

Please refer to the following attachment for the latest property summary on the concerned acquired asset.

<Attachments>

- Attachment 1 Portfolio summary of the acquired property
- Attachment 2 Property photo

* 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. Summary of the acquired property

Type of Qualified Asset	Beneficiary interests in trust	Scheduled Acquisition Date	March 21, 2008	Acquisition Amount	¥4,200,000,000
Property Outline					
Location	Residence indication	1-5-16 Kinshi, Sumida-ku, Tokyo			
	Lot number	1-5-1 and other, Kinshi, Sumida-ku, Tokyo			
Land	Type of ownership	Proprietary ownership	Zoning	1)Commercial zone, 2)Neighborhood commercial zone	
	Site area	997.62 m ²	FAR/Building coverage ratio	1)500%/80%, 2)400%/80%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	Percentage of floor area
	Total floor area	5,622.991 m ²	Single type	108	51%
	Structure/ Floors	RC; 13F	Compact type	48	44%
	Use	Apartment	Family type	—	—
	Construction completion date	November 13, 2007	Large type	—	—
	Confirmation inspection agency	Houseplus Corporation, Inc.	Other residential unit portion	—	—
	Building designer	ANDO Corporation	Other	1	5%
	Structural designer	ANDO Corporation	Trustee	The Sumitomo Trust & Banking Co., Ltd.	
Construction contractor	ANDO Corporation	Property manager	.Haseko Livenet, Inc.		
Previous titleholder	Yabane Sports		Master lessee	ITOCHU Urban Community	
Current titleholder	ITOCHU Property Development, Ltd. CENTURY LEASING SYSTEM, INC.		Master lease type	Pass-through	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Japan Real Estate Institute				
Real estate appraised value	¥4,270 million yen	Appraised date	March 1, 2008		
Direct capitalization price	¥4,310million yen	Cap rate	4.8%		
DCF price	¥4,220million yen	Discount rate	4.6%		
Cost approach price	¥3,840 million yen	Terminal cap rate	5.0%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: thousand yen)			Lease Conditions (as of January 31st, 2008)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	262,945	Leasable units	157	
	Rent income	245,266	Leased units	84	
	Other income	17,679	Leasable floor area	4,326.80 m ²	
(B) Total effective profit	Subtotal	250,661	Leased floor area	2,213.86 m ²	
	Losses from vacancies, etc.	12,284	Monthly rent (incl. common service charges) (thousand yen)	¥10,886,000	
	Bad debts losses	0	Deposits, guarantees, etc. (thousand yen)	¥31,127,000	
(C) Expenses from rental business	Subtotal	39,547	Occupancy rate (based on floor area)	51.2%	
	Maintenance and management fees	5,021	Summary of Building Conditions Investigation Report (Note)		
	Utilities costs	1,838	Investigator	JAPAN ERI CO.,LTD.	
	Management commission fees	9,196	Investigation date	March 10, 2008	
	Taxes and public dues	12,030	Emergency repair costs	—	
	Non-life insurance premiums	379	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	7,369	Long-term repair costs (over 12 years)	¥72,640,000	
	Repair costs (incl. restoration fees)	3,474	Building replacement price	¥1,146,000	
	Other expenses	240	Summary of Earthquake PML Assessment Report (Note)		
(D) Profit or loss from rental business = (B) – (C)		211,114	PML	11.32% (Sompo Japan Risk Management, Inc.)	
(E) Operating profit from deposits		0	Collateral		
(F) Capital expenditures		4,447	None		
(G) Net profit = (D) + (E) – (F)		206,667			
Special Notation					
Not applicable.					

2. Property photo

