

For Immediate Release

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Advance Residence Investment Corporation
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Notice Concerning Acquisition of Investment Assets [Wako Student Heights]

Advance Residence Investment Corporation (ADR) announced today its acquisition of “Wako Student Heights” as detailed below.

1. Acquisition Summary

Name of Property	Wako Student Heights
Asset to be acquired	Beneficiary interests in trust for real estate
Proposed acquisition price*	¥675,000,000
Seller*	Crescendo Investment Corporation
Scheduled execution date	April 24, 2008
Scheduled acquisition date	April 25, 2008
Acquisition financing	Cash on hand and debt finance
Payment method	Pay entire amount upon acquisition
Trustee	Mizuho Trust & Banking Co., Ltd.
Scheduled Trust agreement date	April 25, 2008
Scheduled Trust expiration date	April 30, 2013

* The acquisition prices are exclusive of real property tax, urban planning tax, consumption tax and local consumption tax.

* ADR concluded a status transfer agreement with ITOCHU Corporation today and will take over the status of Buyer on April 25, 2008 as stipulated in the beneficiary interests transfer agreement between ITOCHU Corporation and the Seller dated January 22, 2008. Further, ITOCHU Corporation falls under the category of an interested party of the asset manager. Please refer to “6.2) Asset Manager’s Vested Interest in Assets to be Acquired” mentioned below concerning the overview of transactions with interested parties.

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

This property is situated an 11-minute walk from Wakoshi Station on the Tokyo Metro Yurakucho Line and

the Tobu Tojo Line and is a dormitory apartment exclusively for students with a total of 127 units managed and maintained by ITOCHU Urban Community Ltd. Due to the superior convenience of transportation from its nearest station, Wakoshi, it is easily accessible to urban centers including Ikebukuro, Ichigaya and Yurakucho. It also enjoys high demand from many students of Rikkyo University, Waseda University, Toyo University and other universities located along the railroad lines, and solid demand can be expected to continue in the future. Moreover, further improvement in convenience is expected since the Tokyo Metro Fukutoshin-Line is scheduled to open in June 2008, and will provide access to the three major sub-city centers of Ikebukuro, Shinjuku and Shibuya.

3. Summary of the proposed property (Note 1)

Type of Qualified Asset	Beneficiary interests in trust	Scheduled Acquisition Date	April 25, 2008	Acquisition Amount	¥675,000,000
Property Outline					
Location	Residence indication	1-2-9 Chuo, Wako city, Saitama Prefecture			
	Lot number	1-1811-4 and other, Chuo, Wako city, Saitama Prefecture			
Land	Type of ownership	Proprietary ownership	Zoning	Quasi industrial zone	
	Site area	1,728.40 m ²	FAR/Building coverage ratio	200%/60%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	Percentage of floor area
	Total floor area	3,434.07 m ²	Single type	—	—
	Structure/ Floors	RC; 5F	Compact type	—	—
	Use	Dormitory	Family type	—	—
	Construction completion date	April 30, 1990	Large type	—	—
	Confirmation inspection agency	Wako City	Other residential unit portion	—	—
	Building designer	Takenaka Corporation	Other	127	100%
	Structural designer	Takenaka Corporation	Trustee	The Sumitomo Trust & Banking Co., Ltd.	
Construction contractor	Takenaka Corporation	Property manager	ITOCHU Urban Community		
Previous titleholder	Yu)Bikon		Master lessee	ITOCHU Urban Community	
Current titleholder	Crescendo Investment Corporation		Master lease type	Guaranteed Payment	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Japan Real Estate Institute				
Real estate appraised value	¥684million yen	Appraised date	February 1, 2008		
Direct capitalization price	¥689 million yen	Cap rate	6.0%		
DCF price	¥679 million yen	Discount rate	5.8%		
Cost approach price	¥710 million yen	Terminal cap rate	6.2%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: thousand yen)			Lease Conditions (as of March 31, 2008)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	52,366	Leasable units	127	
	Rent income	52,364	Leased units	127	
	Other income	2	Leasable floor area	1,684.02 m ²	
(B) Total effective profit	Subtotal	52,366	Leased floor area	1,684.02 m ²	
	Losses from vacancies, etc.	0	Monthly rent (incl. common service charges)	¥4,203,000 (Note 2)	
	Bad debts losses	0	Deposits, guarantees, etc.	¥8,890,000	
(C) Expenses from rental business	Subtotal	6,130	Occupancy rate (based on floor area)	100%	
	Maintenance and management fees	0	Summary of Building Conditions Investigation Report		
	Utilities costs	0	Investigator	JAPAN ERI CO.,LTD.	
	Management commission fees	0	Investigation date	April 16, 2008	
	Taxes and public dues	3,771	Emergency repair costs	—	
	Non-life insurance premiums	252	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	0	Long-term repair costs (over 12 years)	¥80,319,000	
	Repair costs (incl. restoration fees)	2,107	Building replacement price	¥8,400,000,000	
	Other expenses	0	Summary of Earthquake PML Assessment Report		
(D) Profit or loss from rental business = (B) – (C)		46,236	PML	13.18% (Sompo Japan Risk Management, Inc.)	
(E) Operating profit from deposits		0	Collateral		
(F) Capital expenditures		4,917	None		
(G) Net profit = (D) + (E) – (F)		41,319			
Special Notation					
Not applicable.					

(Note1) With regard to the asset to be acquired, ADR will acquire the asset by taking over the status as Buyer stipulated in the purchase and sales agreement from ITOCHU Corporation, which concluded a purchase and sales contract with Crescendo Investment Corporation.

(Note 2) Monthly rent will be revised to 4,363,700 yen starting from May 1, 2008.

[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 reports or survey reports for the real estates in trust that were prepared by Japan Real Estate Institute.

(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” and “SRC” entered for “Structure / Floors” refers to reinforced concrete structures and steel reinforced concrete structures respectively.
“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 March 31, 2008 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 March 31, 2008 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 March 31, 2008 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 estates in trust as of March 31, 2008 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 (assets to be acquired) as of the date of this document or the titleholder of the real estates in trust as of the date of this document. “Previous titleholder” names the party that transferred the beneficiary interests in trust (assets to be acquired) or real estates 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 estates 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 Japan Real Estate Institute for the respective real estates 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 estates 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 assets 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 assets 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	Crescendo Investment Corporation
Address	2-5-1 Atago, Minato-ku, Tokyo
Representative	Executive Officer Mitsuhiro Utata
Capital	JPY 56.4 billion
Main shareholder	MSREF VI River Five, Limited and other (as of November 30,2007)
Description of Business	Asset management of investment corporations, primarily investment in real estate, etc. and specified assets including Asset Backed Securities that mainly invest in real estate, etc. (assets described in Article 2-1 of the Investment Trusts and Investment Corporations Law (ITL))
Relationships with ADR or with its asset management company	N/A

5. Current and previous owners

Property Name	Wako Student Heights	
	Current owner	Previous owner
Company Name	Crescendo Investment Corporation	N/A
Relationship with party having particular vested interest	Non related party as defined in the Asset Manager's bylaws	—
Acquisition background, reason, etc.	—	—
Acquisition price (including other expenses)	—	—
Acquisition	—	—

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

- 1) 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. Accordingly, the procedures required in accordance with the bylaws have been completed in concluding the building lease and management agreement with ITOCHU Urban Community.
- 2) Although ADR had announced its intentions to buy beneficiary interests in this property, it requested ITOCHU Corporation for warehousing in January 2008 due to the time required to perform due diligence. ITOCHU Corporation owns 39.0% of the total number of shares outstanding of ADR's asset manager and falls under an interested party as defined in the Investment Trusts and Investment Corporations Law Article 201-1, and thus, with regard to this transaction, the procedures required in accordance with the bylaws have been completed. Further, warehousing consideration is 5,000,000 yen (exclusive of tax) and the total amount when added to the acquisition price falls below the appraised value.

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	JAPAN ERI CO.,LTD.
Address	8-5-26, Akasaka Minato-ku, Tokyo
Representative	Takahide Suzuki
Capital	JPY 837,100 thousand
Description of business	<ul style="list-style-type: none"> • Evaluation and rating regarding housing pursuant to the Law Concerning Promotion of Quality Assurance for Houses (Housing Quality Assurance Law) • Verification and inspection of architectural structures pursuant to the Building Standards Law • Evaluation and rating regarding housing • Surveying, engineering and appraisal regarding architectural structures ...etc.
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

At that time, no intentional illegal manipulation or other falsification of structural calculation documents by the designer were found.

8. Broker Profile

With regard to the acquisition of the concerned property, ADR will appoint Mizuho Trust Realty Co., Ltd. as an agent. Further, Mizuho Trust Realty does not fall under a being an interested party as defined in the Asset Manager's guidelines. Agent charges are not disclosed due to an agreement on disclosure of this information has not been attained.

9. Future outlook

Please refer to the press release "Notice Concerning Revision of Dividend Forecast for Fifth Fiscal Period and Dividend Forecast for Sixth Fiscal Period" dated today, as for the ADR's management performance for the fiscal period ending June 2008 (from January 1, 2008 to June 30, 2008.)

10. Other

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

<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

Wako Student Heights



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	5.8
P-2	Artis Shimazuyama	Shinagawa Ward, Tokyo	2,860	3.3
P-3	Artis Nakameguro	Meguro Ward, Tokyo	1,730	2.0
P-4	Apartments Tsurumaki	Setagaya Ward, Tokyo	1,229	1.4
P-5	Crestcourt Azabujuban	Minato Ward, Tokyo	1,987	2.3
P-6	Artis Shibuyadaikanyama	Shibuya Ward, Tokyo	1,690	2.0
P-7	Artis Ikejiriohashi	Setagaya Ward, Tokyo	1,230	1.4
P-9	Artis Shimoochiai	Shinjuku Ward, Tokyo	1,450	1.7
P-10	Spacia Kudanshita	Chiyoda Ward, Tokyo	2,270	2.7
P-12	Artis Hatagaya	Shibuya Ward, Tokyo	1,130	1.3
P-13	FELDBERG	Shinagawa Ward, Tokyo	1,563	1.8
P-14	Artis Toritsudaigaku	Meguro Ward, Tokyo	643	0.8
P-15	Artis Sakurajosui	Setagaya Ward, Tokyo	1,120	1.3
P-16	Artis Kitashinagawa	Shinagawa Ward, Tokyo	2,720	3.2
P-17	PLEIADE YOYOGINOMORI	Shibuya Ward, Tokyo	732	0.9
Tokyo Central 7 Wards		Total	27,284	31.9
C-1	Artis Mitsukoshimae	Chuo Ward, Tokyo	1,920	2.2
C-2	Artis Kamata	Ota Ward, Tokyo	2,640	3.1
C-3	Artis Ikebukuro	Toshima Ward, Tokyo	1,520	1.8
C-5	Artis Hongo	Bunkyo Ward, Tokyo	1,680	2.0
C-6	Artis Asakusabashi	Taito Ward, Tokyo	1,060	1.2
C-7	Maison Eclairée Ekoda	Nerima Ward, Tokyo	953	1.1
C-8	Artis Uenookachimachi	Taito Ward, Tokyo	3,160	3.7
C-9	Artis Bunkyoongo	Bunkyo Ward, Tokyo	1,623	1.9
C-10	Artis Ryogoku	Sumida Ward, Tokyo	913	1.1
C-11	Artis Higashiginza	Chuo Ward, Tokyo	5,251	6.1
C-12	Apre parks Ueno	Taito Ward, Tokyo	860	1.0
C-13	Artis Ningyocho	Chuo Ward, Tokyo	3,180	3.7
C-14	Artis Omorihigashi	Ota Ward, Tokyo	1,980	2.3
C-15	Residence Oyama	Itabashi Ward, Tokyo	1,490	1.7
C-16	Artis Kinsicho	Sumida Ward, Tokyo	4,200	4.9
C-17	T&G Negishi Mansion	Sumida Ward, Tokyo	856	1.0
Tokyo 23 Wards Exclusive of Central 7 Wards		Total	33,287	39.0
S-1	Hiyoshidai Gakusei Heights	Yokohama City, Kanagawa	3,420	4.0
S-2	Chester House Kawaguchi	Kawaguchi City, Kanagawa	770	0.9
S-3	Storkmansion Kashiwa	Kashiwa City, Chiba	545	0.6
S-4	DUO Station Higashimatsudo No. II	Matsudo City, Chiba	1,100	1.3
S-5	Artis Shin-Yokohama	Yokohama City, Kanagawa	1,920	2.2
S-6	Belle Scene Minamiikuta	Kawasaki City, Kanagawa	1,050	1.2
S-7	PLEIADE CHOFU	Chofu City, Tokyo	1,143	1.3
S-8	PLEIADE KUNITACHI	Kunitachi City, Tokyo	635	0.7
S-9	PLEIADE KAWASAKI MOTOKI	Kawasaki City, Kanagawa	668	0.8
S-10	PLEIADE KOKURYO (Note 5)	Chofu City, Tokyo	930	1.1
S-11	Wako Student Heights	Wako City, Saitama	675	0.8
Tokyo Metropolitan Area		Total	12,857	15.1
R-2	Royal Nishihonmachi	Osaka City Osaka	560	0.7
R-3	Itopia Kyotogakuseikaikan	Kyoto City, Kyoto	1,671	2.0
R-6	HAUT DOMICILE NANGOGAI	Sapporo City, Hokkaido	827	1.0
R-7	Artis Higashisakura	Nagoya City, Aichi	1,290	1.5
R-8	Grand Court Kameyama	Kameyama City, Mie	1,610	1.9
R-9	Zeus Ryokuchi PREMIUM	Toyonaka City, Osaka	979	1.1
R-10	GRASS HOPPER	Osaka City Osaka	1,330	1.6
R-11	Artis Kobe Port Island	Kobe City, Hyogo	3,740	4.4
Major regional cities		Total	12,007	14.1
Grand Total			85,436	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 "Notice Concerning Acquisition of Investment Assets", dated March 24th, 2008, for an overview of the property.