

For Immediate Release

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Notice Concerning Investment Asset Acquisition Settlement 【PLEIADE KOKURYO】

Advance Residence Investment Corporation (ADR) announced its acquisition of real estate beneficiary interests in trust was settled today for PLEIADE KOKURYO.

1. Overview of Acquisition

Property No.	Name	Acquisition price (Note)
S-10	PLEIADE KOKURYO	JPY 930 million

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

2. Other

Please refer to the press release “Notice Concerning Acquisition of Investment Asset” dated yesterday, March 24, 2008, for the property details and 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

Attachment 1

Type of Qualified Asset	Beneficiary interests in trust	Scheduled Acquisition Date	May 26, 2008	Acquisition Amount	¥930,000,000
Property Characteristics					
The property is situated about a 4-minute walk from Kokuryo Station on the Keio Line and is a newly-built property comprised of 62 residential units in total (1K; 20.81~26.95m ²). Redevelopments and establishment of urban planning roads are underway in the area in front of and surrounding Kokuryo Station and there is a concentration of retail properties within walking distance. These factors mean the property's location is favorable in terms of convenient living. Steady demand can be expected centering on singles commuting to the city center and students attending schools located along the Keio Line since the property boasts excellent access to downtown Tokyo as it is about 30 minutes to Shinjuku Station from the nearest station.					
Property Outline					
Location	Residence indication	4-45-7 Kokuryo-cho, Chofu, Tokyo			
	Lot number	4-45-7 Kokuryo-cho, Chofu, Tokyo			
Land	Type of ownership	Proprietary ownership	Zoning	1) Neighborhood commercial zone, 2) Class 1 med- to high-rise residential zone	
	Site area	801.61 m ²	FAR/Building coverage ratio	1)300%/80%, 2)200%/60%	
Building	Type of ownership	Proprietary ownership	Breakdown of residential unit type	Units	Percentage of floor area
	Total floor area	1,811.86 m ²	Single type	62	100%
	Structure/ Floors	RC; 6F	Compact type	—	—
	Use	Apartment	Family type	—	—
	Construction completion date	March 12, 2008	Large type	—	—
	Confirmation inspection agency	Chofu city	Other residential unit portion	—	—
	Building designer	Uja Architecture Design Group Inc.	Other	—	—
	Structural designer	Estructura Architects & Engineers	Trustee	The Sumitomo Trust and Banking Co., Ltd.	
Construction contractor	Kyoritsu Construction Co., Ltd.	Property manager	ITOCHU Urban Community		
Previous titleholder	—		Master lessee	ITOCHU Urban Community	
Current titleholder	Noel Co., Ltd.		Master lease type	Pass-through	
Summary of Real Estate Appraisal Report					
Real estate appraiser	Japan Real Estate Institute				
Real estate appraised value	¥935 million yen	Appraised date	April 30, 2008		
Direct capitalization price	¥945 million yen	Cap rate	5.1%		
DCF price	¥924 million yen	Discount rate	4.9%		
Cost approach price	¥922 million yen	Terminal cap rate	5.3%		
Income/Expenditures Assumed in Calculating Direct Capitalization Price (Monetary unit: thousand yen)			Lease Conditions (as of April 30, 2008)		
Appraisal item		Appraised value	Total tenants	1	
(A) Total potential profit	Subtotal	<u>66,917</u>	Leasable units	62	
	Rent income	62,652	Leased units	46	
	Other income	<u>4,265</u>	Leasable floor area	1,489.97 m ²	
(B) Total effective profit	Subtotal	<u>63,572</u>	Leased floor area	<u>1,092.74 m²</u>	
	Losses from vacancies, etc.	3,345	Monthly rent (incl. common service charges)	<u>3,824,000 yen</u>	
	Bad debts losses	0	Deposits, guarantees, etc.	<u>7,106,000 yen</u>	
(C) Expenses from rental business	Subtotal	<u>14,218</u>	Occupancy rate (based on floor area)	<u>73.3%</u>	
	Maintenance and management fees	3,269	Summary of Building Conditions Investigation Report (Note)		
	Utilities costs	1,046	Investigator	JAPAN ERI CO.,LTD.	
	Management commission fees	1,875	Investigation date	February 28,2008	
	Taxes and public dues	<u>4,269</u>	Emergency repair costs	—	
	Non-life insurance premiums	136	Short-term repair costs (within 1 year)	—	
	Rental advertising costs	<u>2,118</u>	Long-term repair costs (over 12 years)	¥19,120,000	
	Repair costs (incl. restoration fees)	1,069	Building replacement price	¥422,000,000	
	Other expenses	<u>436</u>	Summary of Earthquake PML Assessment Report (Note)		
(D) Profit or loss from rental business = (B) – (C)		<u>49,354</u>	PML	7.19% (Sompo Japan Risk Management, Inc.)	
(E) Operating profit from deposits		0	Collateral		
(F) Capital expenditures		1,169	None		
(G) Net profit = (D) + (E) – (F)		<u>48,185</u>			
Special Notation					
Not applicable.					

*The underlined indicates updated data.

2. Property photo

