

October 25, 2007

To All Concerned Parties

REIT Issuer:
re-plus residential investment inc.
Toranomom Towers Office
4-1-28 Toranomom
Minato-ku, Tokyo 105-0001
Takao Sakuma, Executive Director
(Securities Code : 8986)
Asset Management Company:
re-plus REIT management inc.
Ichiro Okamura: President and Chief Executive Officer
Inquiries: Masato Emura (Director)
Tel: +81-3-5425-5600

Notice of the Business Partnership Agreement with Mainichi Comnet Co., Ltd.

re-plus residential investment inc.(the “Investment Corporation”) announced today that it concluded the business partnership agreement (the “Agreement”) among Mainichi Comnet Co., Ltd.(the “Mainichi Comnet”) with its main business of the development and the management of rental apartments for university students, re-plus inc.(the “re-plus”) as being a sponsor support company of the Investment Corporation and re-plus REIT management inc.(the “Asset Management Company”). Details are provided as follows.

Details

1. Purpose of the Agreement

The Mainichi Comnet focuses on the development and the management of rental studio type apartments for university students located in metropolitan areas and develops its business solution to approach a lease of real estate to landlords by way of the original and strong points in the market of the rental studio type apartments for university students. The above market is expanding steadily in the low birthrate. The Mainichi Comnet is promoting the business which serves the needs of security and comfort for increasing number of the single-life of students, and approaches to landlords a long-range stable income from leasing. It is expected by the conclusion of the Agreement that not only the developments of rental apartments for university students by the Mainichi Comnet is accelerated, but also possibility for new property developments by the Mainichi Comnet using it’s development skills expands.

Due to the Agreement, the re-plus, the Investment Corporation and the Asset Management Company can receive valuable information of selling properties from the Mainichi Comnet and aim to increase asset value and to stabilize revenue for the purpose to enhance internal and external growth in the rental residential property market.

2. Summary of the Agreement

The Mainichi Comnet provides information to the re-plus, the Investment Corporation and the Asset Management Company related to its own selling properties and the market of rental apartments for university students. The Investment Corporation is granted preferential right by the Mainichi Comnet for provision of information and negotiation regarding the properties which meet the investment policy of the Investment Corporation.

Regarding the properties acquired from the Mainichi Comnet, the Investment Corporation entrusts master tenant lease and property management of the properties with the Mainichi Comnet.

The re-plus supports financial activities of the Mainichi Comnet for acquisitions of lands and construction.

3. Portfolio Growth Strategy after the Agreement

Under the Agreement, the re-plus increases the number of renovations and conversions, and acquires properties constantly to stabilize the property acquisitions by the real estate funds. The Investment

Corporation and the Asset Management Company can continuously acquire better properties by use of the pipeline with the re-plus.

The Investment Corporation intends to acquire rental studio type apartments for university students as being a new type of assets, which belongs to the studio type in the three types (Studio, Family and Premium Type) under the investment policy of the Investment Corporation, and aims to increase value of unitholders continuously.

4. Summary of Companies under the Agreement

(As of September 30, 2007)

| Name of Company | Mainichi Comnet Co.,Ltd. | re-plus inc. | re-plus residential investment inc. | re-plus REIT management inc. |
|--|--|---|-------------------------------------|--------------------------------|
| Main Business | Solution Business of Real Estate (Development and Property Management Operations of Rental Studio Type Apartments for University Students) and Business of University Students' Life Support | Business of Late Rent Guarantee System and Business of Asset Management for Real Estate | Real Estate Investment Trust | Asset Management Operations |
| Date of Foundation | April 21, 1979 | September 3, 2002 | October 7, 2005 | February 25, 2005 |
| Location of Headquarter | Chiyoda-ku, Tokyo | Minato-ku, Tokyo | Minato-ku, Tokyo | Minato-ku, Tokyo |
| Representative | President & CEO Mamoru Ito | President & CEO Hirofumi Kang | Executive Director Takao Sakuma | President & CEO Ichiro Okamura |
| Amount of Capital | JPY671.23million | JPY3,269.14million | JPY27,748.00million | JPY300.00million |
| Number of Personnel | 140 (Consolidated Basis) | 861 (Consolidated Basis) | - | 25 |
| Fiscal Closing | End of November | End of December | End of March and End of September | End of March |
| Transaction among the abovementioned companies | <p>Capital Ties : The re-plus holds 3.6% of issued and outstanding units of the Investment Corporation. The Asset Management Company is a subsidiary of the re-plus.</p> <p>Personnel Relation : The corporate auditor of the re-plus also holds the concurrent position of the Asset Management Company.</p> <p>Business Relation : Under the sponsor support agreement, the re-plus provides information of potential properties and properties to meet the investment policy of the Investment Corporation. The Investment Corporation acquires and acquired properties from the SPC, which was established by the re-plus.</p> | | | |

5. Forecast

The Agreement causes little effect on the forecast for the fourth fiscal period ending March 31, 2008 (from October 1, 2007 to March 31, 2008) and the Investment Corporation is planning to include the effect of the Agreement in the forecast to be posted on the disclosure of the fiscal settlement.

- URL : <http://www.re-plus-ri.co.jp/>