



English Translation

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August 12, 2008

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
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Notice Concerning Tentative Opinion Regarding Tender Offer
for Investment Units of re-plus residential investment inc. by AppleRingo Holdings B.V.

re-plus residential investment inc. (the “Investment Corporation”) hereby announces that the Board of Directors of the Investment Corporation resolved to announce the tentative affirmative opinion described below on the proposed tender offer (the “Tender Offer”) for the investment units of the Investment Corporation which is planned to be commenced on August 29, 2008 by AppleRingo Holdings B.V. (the “Offeror”) so long as AppleRingo Holdings B.V. commences the Tender Offer as scheduled.

The Tender Offer is planned to be commenced on August 29, 2008, subject to the payment of the third-party allotment (“TPA”) and completion of the Share Transfer (defined below), after the circumstances for structuring of the collaboration between the Investment Corporation and the Master Company Group is developed enough to express a commitment of further collaboration to the operation of the Investment Corporation.

This press release includes forward-looking statements about the Investment Corporation. These forward-looking statements express the current intentions of the Investment Corporation, some of which are based on assumptions and beliefs of the Investment Corporation. Accordingly, they are subject to known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Investment Corporation's actual actions, results, performance or financial position to be materially different from any future actions, results, performance or financial position expressed or implied by these forward-looking statements.

1. Overview of the Offeror (as of August 12, 2008)

| | | |
|---|---|---|
| Name | AppleRingo Holdings B.V. | |
| Principal Office | Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands | |
| Name and Title of the Representative | (Co-representative) Director; Dec, Szymon Stanislaw Director; Braam, Maarten Lodewijk | |
| Establishment Date | July 17, 2008 | |
| Capital Amount | 18,000 Euro | |
| Outstanding Shares | 18,000 shares | |
| Major Shareholder and Ownership Ratio | OCM Netherlands Opportunities Coöperatief U.A. (100%) | |
| Type of Primary Business Operation | Shareholding and financing to the affiliates | |
| Relationship between the Offeror and the Investment Corporation or the Asset Management Company of the Investment Corporation | Capital relationship | — |
| | Personal relationship | — |
| | Business Relationship | — |
| | Relationship with other parties in the Tender Offer | — |

2. Opinion on the Tender Offer; and Grounds of the Opinion

(1) Opinion on the Tender Offer

The Investment Corporation has resolved at the meeting of the Board of Directors held on August 12, 2008, to announce a tentative affirmative opinion regarding the Tender Offer to be initiated by the Offeror. If the Offeror commences the Tender Offer as scheduled, the Investment Corporation plans to announce its affirmative opinion for the Tender Offer.

(2) Reasons for the Opinion on the Tender Offer

The Offeror is an investment vehicle established and wholly owned by OCM Netherlands Opportunities Coöperatief U.A. (“Master Company”) under Netherlands Law. Master Company is advised by Oaktree Capital Management, L.P. (“Oaktree”). Oaktree, which advises the Master Company, is a premier global alternative and non-traditional investment manager with over approximately US\$54 billion in assets under management. Oaktree emphasizes an opportunistic,

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value-oriented and risk-controlled approach to investments in distressed debt, high yield and convertible bonds, specialized private equity (including power infrastructure), real estate, emerging market and Japanese securities, and mezzanine finance. Oaktree was founded in 1995 by a group of principals who have worked together since the mid-1980s. Headquartered in Los Angeles, the firm today has over 480 employees in 13 offices worldwide.

For the purpose of strengthening the financial position by increasing capital, continuing to invest in residential properties nationwide and strengthening the operation base to seek to maintain stable dividends in the long term, the Investment Corporation resolved to issue new investment units by way of third-party allotment (the “TPA”) to the Offeror, Ringo Residential Tokutei Mokuteki Kaisha (“Ringo Residential”, together with the Offeror; the “Offerors”), and Japan Trustee Services Bank, Ltd. (Trust Account). After negotiation with multiple candidates, the Investment Corporation considered the Offerors to be the best partners for the Investment Corporation, and decided to conduct the TPA.

Also, the asset management company of the Investment Corporation, re-plus REIT management inc. (the “Asset Management Company”), and its parent company, re-plus inc. (the “Re-plus”), agreed with the Offerors to collaborate to seek to grow the Investment Corporation by utilizing the Offerors’ resources and expertise regarding real estate operation. For detailed information relating to the collaborative arrangements among the Offerors, the Investment Corporation, and the Asset Management Company (the “Transaction”), please refer to “Notice Concerning Formation of Collaboration Scheme with OCM Netherlands Opportunities Coöperatief U.A.” announced today.

The Investment Corporation has received an explanation from the Master Company Group that the plan is to have the investment units of the Investment Company remain listed since the investment units to be owned by the Master Company’s direct or indirect subsidiaries (together with the Master Company, collectively “Master Company Group”) will not exceed 48.40% even after the TPA is completed and the Offeror acquires the Investment units up to the upper limit set in the Tender Offer. Additionally, the Offerors have agreed to use their best efforts not to increase their aggregate ownership of Investments Units in such a manner that would cause the Investment Corporation to fail to satisfy the qualification of the Investment Corporation to satisfy the Tax Conduit Requirements as long as Investment Units are listed on Tokyo Stock Exchange.

The Investment Corporation executed the definitive agreement (the “Definitive Agreement”) with the Offerors on August 12, 2008 with regard to the Transaction. Under the Definitive Agreement, the Investment Corporation shall take necessary procedures to elect an executive director (shikko yakuin) and supervisory director(s) (kantoku yakuin) nominated by the Offerors in place of the incumbent directors after the completion of the Tender Offer, the Investment Corporation shall not acquire or dispose assets, enter into, amend or terminate any material contracts necessary for the Investment Corporation’s continued operation of its business, or otherwise execute its respective businesses in a manner which would affect materially its business without the prior written consent of the Offerors, until the earlier of the end of the first general meeting of unitholders for the purpose of selecting an executive supervisory directors to be called or June

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30, 2009. The Offeror, a wholly-owned subsidiary of the Master Company agreed with Re-plus to acquire 35% of the outstanding shares of the Asset Management Company from Re-plus (the “Share Transfer”), nominate three candidates for new directors of the Asset Management Company, and to secure veto rights for the directors nominated by the Offeror as to asset management matters (including the purchase and disposition of the assets), financing related to the Investment Corporation, and the execution, renewal, modification or termination of agreements with Re-plus or its affiliates. By the Master Company Group’s deep involvement in the operation of the Investment Corporation through the directors nominated by them, the Investment Corporation believes that the Master Company Group will be able to play an important role toward the Investment Corporation’s further growth in the future.

The Asset Management Company considered the Investment Corporation’s financial status, real estate market and financial market circumstance, and the forecast of the Investment Corporation’s operation and finance comprehensively, and believes the Transaction including the Tender Offer has the possibility to increase the Investment Corporation’s value, and resolved at the Board of Directors’ meeting held today to endorse the Tender Offer and advised the Board of Directors of the Investment Corporation. Related to the Transaction, the Asset Management Company obtained advice from Nakachi Corporate Finance regarding the investment unit price and from Mitsui & Company regarding the legal perspective of the Transaction.

With the recognition that the Transaction including the Tender Offer may be important to the Investment Corporation’s future growth, the Board of Directors considered carefully the proposed Tender Offer with the advice regarding the Tender Offer from the financial advisor, JPMorgan Securities Co., Ltd. (“JPMorgan”), an independent firm, and taking into consideration the condition of the Investment Corporation’s portfolio assets and the downturn trend of the J-REIT market as a whole including the Investment Corporation’s Investment units. Also, the Board of Directors obtained advice from Mori Hamada & Matsumoto regarding the legal perspective of the Transaction. Further, the Investment Corporation obtained advice regarding issues on tax perspective from its tax advisor, PricewaterhouseCoopers.

Given the conditions above, at the meeting of the Board of Directors, the Board of Directors considered carefully, with advice from JPMorgan, the price of the investment units. They came to the conclusion that it is reasonable to endorse the Tender Offer. The Investment Corporation’s conclusion was based on the consideration that there is potential that the Transaction, including the Tender Offer, may increase the Investment Corporation’s value. The Tender Offer is premised on the Investment units being listed, and the Tender Offer provides an option for the unitholders to sell the Investment units at the tender offer price with premium to the recent investment units price (27.2 % premium to three months average (JPY204,486), 38.4 % premium to one month average (JPY187,880), and 40.4% premium to one day before the announcement of the Tender Offer of the investment unit price (JPY185,200), with August 11, 2008 as the reference date). When the Tender Offer begins as scheduled, the Investment Corporation will announce a affirmative opinion for the Tender Offer.

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3. Description of Profit Offerings by the Offeror or Its Specially Related Parties

Not applicable.

4. Policies Concerning the Basic Policy of Control over the Company

Not applicable.

5. Questions Addressed to the Offeror

Not applicable.

6. Request of Extension of the Tender Offer Period

Not applicable.

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

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