

residential investment

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August 12, 2008

To All Concerned Parties

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Notice Concerning Revision of Business Performance Forecasts
for the Fifth Fiscal Period Ending September 30, 2008

re-plus residential investment inc. (the "Investment Corporation") announced the revision of business performance forecasts for the fifth fiscal period ending September 30, 2008 (from April 1, 2008 to September 30, 2008). Details are provided as follows.

1. Revised forecasts for the fifth fiscal period ending September 30, 2008 (from April 1, 2008 to September 30, 2008)

	Operating Revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net Profit (million yen)	Distribution per Unit (yen)	Distribution in Excess of Earnings per Unit (yen)
Last announced forecast (A)	3,658	1,575	1,007	1,006	10,321	—
Revised forecast (B)	3,697	1,638	966	965	5,766	—
Amount of change (B - A)	39	62	-40	-40	-4,555	—
Percentage change (B - A) / (A)	1.1%	3.9%	-4.0%	-4.0%	-44.1%	—

(note 1) Anticipated number of total investment units issued as of the end of the fifth fiscal period: 167,477 units

(note 2) Above figures are forecasts as of today. Actual operating revenues, operating income, ordinary income, net profit, and distribution per unit may change. The Investment Corporation does not guarantee payment of projected distribution per unit.

(note 3) Figures are rounded down to the nearest million yen. Ratio is rounded to the first decimal place.

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.

2. Reason for Revision

The reason for revision is that distribution per unit in the fifth fiscal period leads to a large decrease. Details are provided as follows.

The Investment Corporation resolved today issuing of new investment units through third-party allotment to plan to execute the followings.

- To make partial prepayment of short term borrowings, total amount 15.6 billion whose due dates come from November to December this year
- To acquire properties
- To make capital expenditure to increase value of existing properties.
- To refinance remaining balance of above short term borrowings after partial prepayment to long term loan.

For this reason, in the fifth fiscal period we have to calculate on extra burden of expenses of above third-party allotment and finance-related costs of above partial prepayment and refinancing. On top of those expenses and costs, due to 71.8% additional issuing of present number of investment units issued, distribution per unit has to lead to a large decrease.

But those expenses and costs which are caused by abovementioned third-party allotment, or partial prepayment and refinancing are taken as transitory ones based on medium- to long- term business strategy. And the Investment Corporation focuses its activities on continuous and stable management of existing properties as heretofore, so that there is no change and no influence on high and steady occupancy rate of the portfolio now and in the future.

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

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Attachment

Preconditions and Assumptions for Forecasts for the Fifth Fiscal Period Ending September 30, 2008

Item	Assumptions
Fiscal Period	the fifth fiscal period from April 1,2008 to September 30, 2008(183days)
Property Portfolio	<ul style="list-style-type: none"> Operating forecasts are calculated based on 131 properties of 130 properties as of May 28, 2008 and 1 properties acquired on June 27, 2008. Forecasts may change due to actual sale and or acquisition of properties.
Investment Unit	<ul style="list-style-type: none"> The forecasts are based on the number of total investment units, 167,477 of 97,477 units as of April 1, 2008 and 70,000 units resolved today at the board of directors meeting . It is assumed that there would not be additional issuing during the fifth fiscal period..
Operating Expenses	<ul style="list-style-type: none"> Property expenses other than depreciation are calculated in view of variable factors ,based on historical expenses or information provided from the previous owners. Account booking of property tax and city planning tax(“those taxes”) are provided as follows. <ol style="list-style-type: none"> ①The existing properties Only actual payment amount during the fifth fiscal period in taxable amount of those taxes is booked as property expenses. ②The properties acquired in the fifth fiscal period In case of being allocated between sellers and buyers on a pro-rate basis at the time of acquisition settlement, an amount of those taxes equivalent to the portion to the buyer is not booked as property expenses but is included in the acquisition price of the properties. Repair, maintenance and renovation expenses are calculated based on the Asset Management Company’s estimates as necessary. Please note that actual repairs, maintenance and renovation expenses may change significantly from estimates, however, due to unforeseen circumstances and emergencies. Depreciation is calculated based on the straight-line method including associated costs related to the property acquisition and expected additional capital expenditures. Approximately JPY 764 million is estimated for the fifth fiscal period.
Non-operating Expenses	<ul style="list-style-type: none"> Approximately JPY 682 million as non-operating expenses is estimated for fifth fiscal period.
Interest-bearing debt	<ul style="list-style-type: none"> Partial prepayment,2 billion is planned to be made on September 10,2008. (outstanding balance after prepayment:59,441million) After the above prepayment, it is assumed that there would be no change in outstanding balance of borrowings and investment corporation bonds during the fifth fiscal period .
Distribution per Unit	<ul style="list-style-type: none"> Distribution per unit is calculated based on Monetary distribution policy stipulated in the Articles of Incorporation.
Distribution in Excess of Earnings per Unit	<ul style="list-style-type: none"> Distribution in excess of earnings per unit is not planned as of today.
Others	<ul style="list-style-type: none"> It is assumed that there would be no revision to laws, tax regulations, accounting principles, stock exchange regulations or the rules of the Investment Trusts Association, Japan that would affect the above forecasts. It is also assumed that there would not be any irregular, material change in general economic trend or real estate market conditions.

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