



5th Fiscal Period Results

Jan. 1, 2008 to Jun. 30, 2008

Advance Residence Investment Corporation

<http://www.adr-reit.com>



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Disclaimer

This material contains forward-looking statements on future operating results, plans, business objectives and strategies of the company.

Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements.

This material is based on Japanese GAAP unless otherwise stated.

This material was not created for the purpose of soliciting investment in the company. Investments should be based on your own judgment and responsibility.



Company Profile

Advance Residence Investment Corporation (ADR)

Tokyo Stock Exchange listed Real Estate Investment Trust (J-REIT)

- ◆ Ticker Code 8978
- ◆ Listed on November 21, 2005

Specialized in residential properties

- ◆ Owns 50 residential properties, containing 4,924 apartment units (as of June 2008).
- ◆ Current portfolio size of JPY 85.4 billion.

ADR is strongly supported by ITOCHU Group

- ◆ ITOCHU Group is the main supporter of ADR
- ◆ ITOCHU Group has a strong commitment to ADR's growth



Company Advantages

Three Important Aspects of the Company

ITOCHU Group's Total Support

- ◆ ITOCHU Group is committed to ADR through 62% stake in AD Investment Management.
- ◆ ADR leverages ITOCHU Group's support, in both external and organic growth.

Portfolio Guideline

- ◆ Specialized in residential properties.
- ◆ Current focus is on single/compact type properties in central Tokyo.

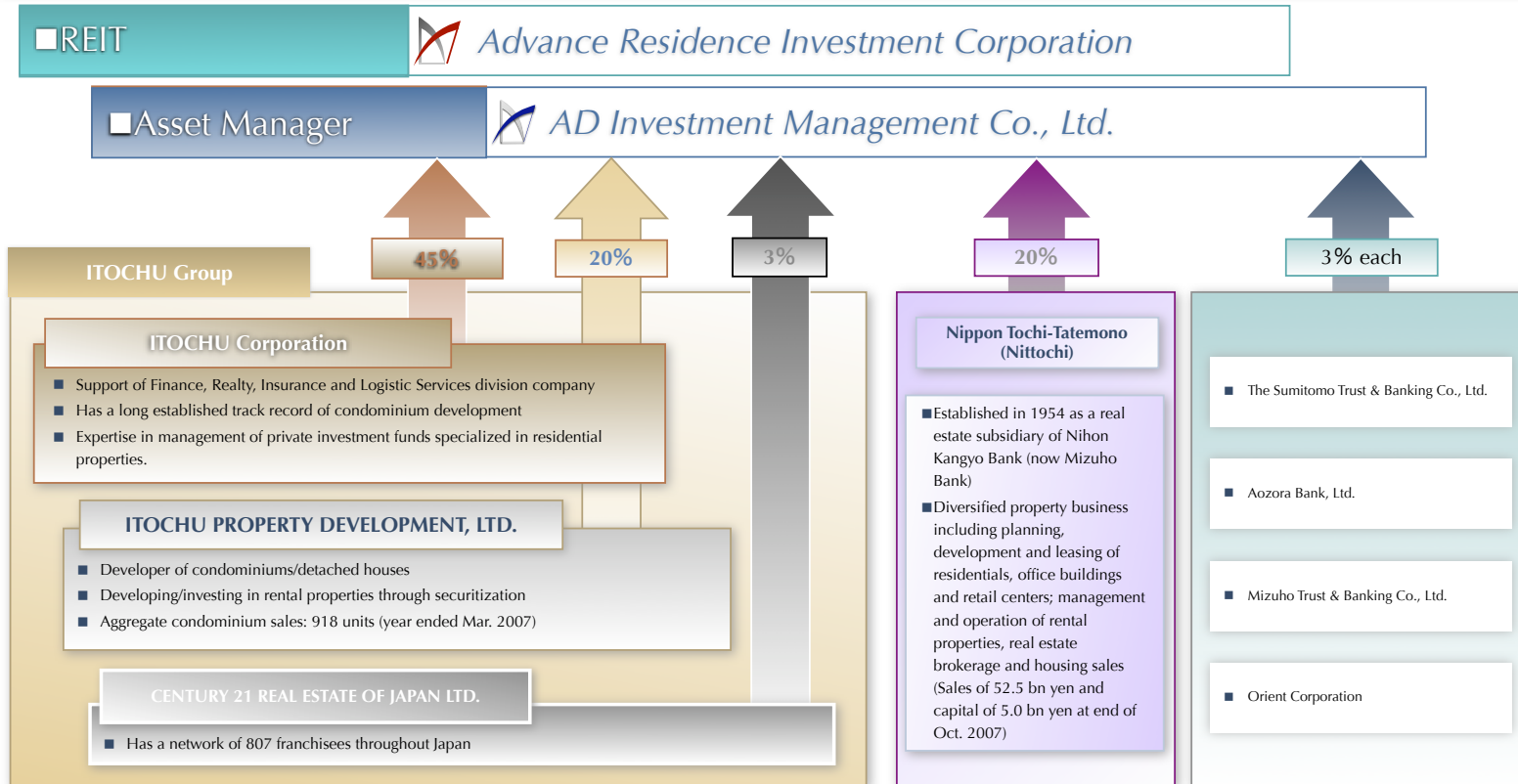
Financial Strength

- ◆ All loans are unsecured and non-guaranteed.
- ◆ Credit rating from R&I was upgraded to A+ from A on April 2008.



ITOCHU Group Support

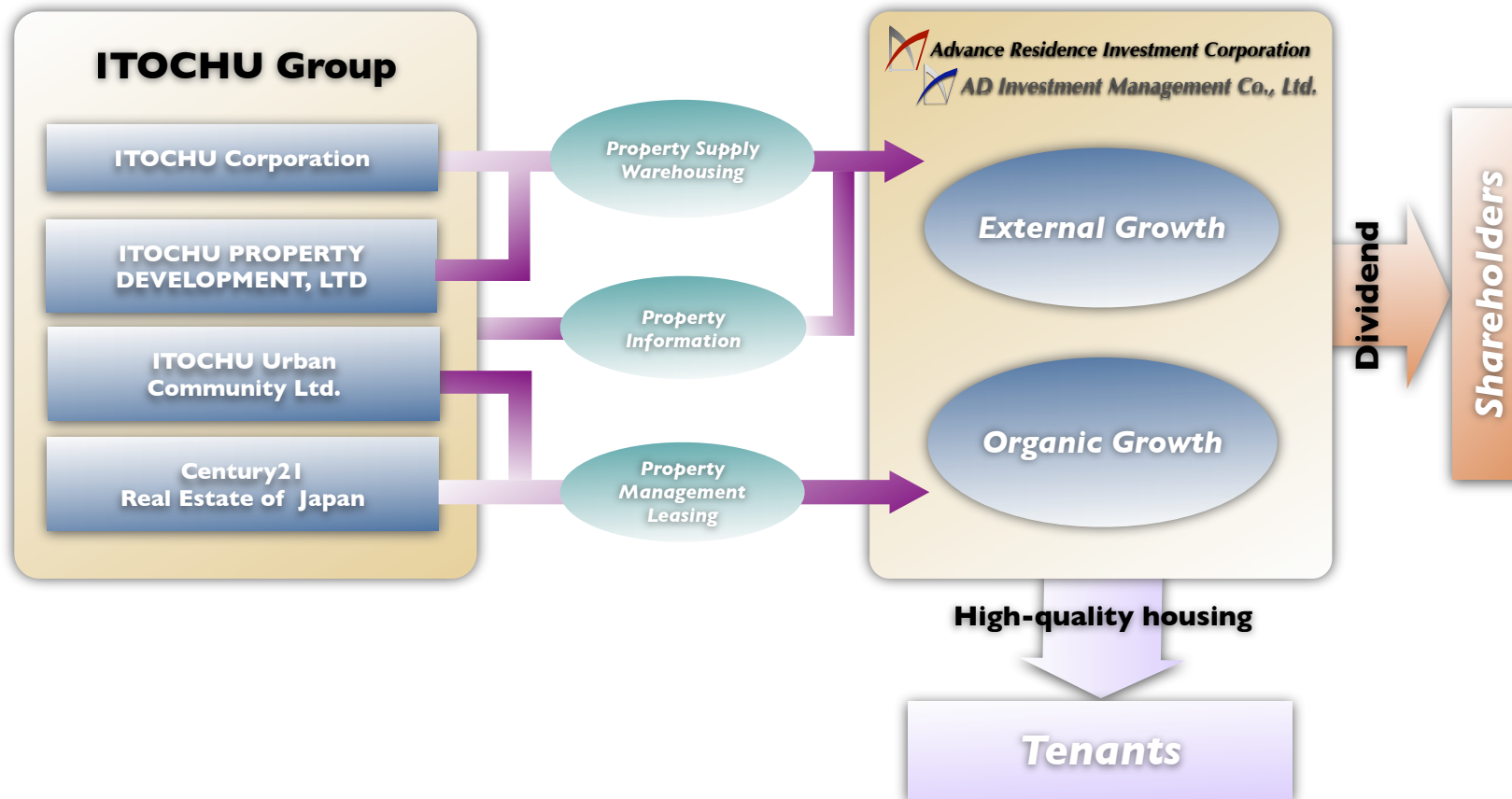
Commitment - 68% Investment by **ITOCHU** Group



as of Sept. 19, 2008



Leveraging ITOCHU Group's Strength





Portfolio Guideline

• Investment regions

Investment regions	Investment ratio ^{*4}
7 Central Tokyo Wards ^{*1}	40~60%
Central Tokyo ex 7 Wards	20~40%
Greater Tokyo ex Central ^{*2}	10~30%
Regional cities ^{*3}	10~30%

^{*1} 7 Central Tokyo Wards are Minato-ku, Chiyoda-ku, Shibuya-ku, Shinjuku-ku, Meguro-ku, Setagaya-ku, and Shinagawa-ku.

^{*2} Greater Tokyo ex Central refers to the metropolis of Tokyo and the surrounding prefectures of Kanagawa, Saitama, and Chiba.

^{*3} Major regional cities excluding cities located within Greater Tokyo.

^{*4} Investment ratios are calculated based on acquisition price.

• Unit types

Unit types	Footprint	Investment ratio [*]
Single	Studio apartment Less than 30m ²	30~50%
Compact	30m ² or more, less than 60m ²	30~50%
Family	60m ² or more, less than 100m ²	10~30%
Large	100m ² or more	0~10%

^{*}In addition to the above, we invest in the following Dormitory type.

Unit type	Definition	Investment ratio [*]
Dormitory type	Residential property where each units share common bathrooms and laundry spaces.	up to 20%

^{*}Investment ratios are calculated based on leasable area.



5th Fiscal Period Results & 6th Fiscal Period Forecast



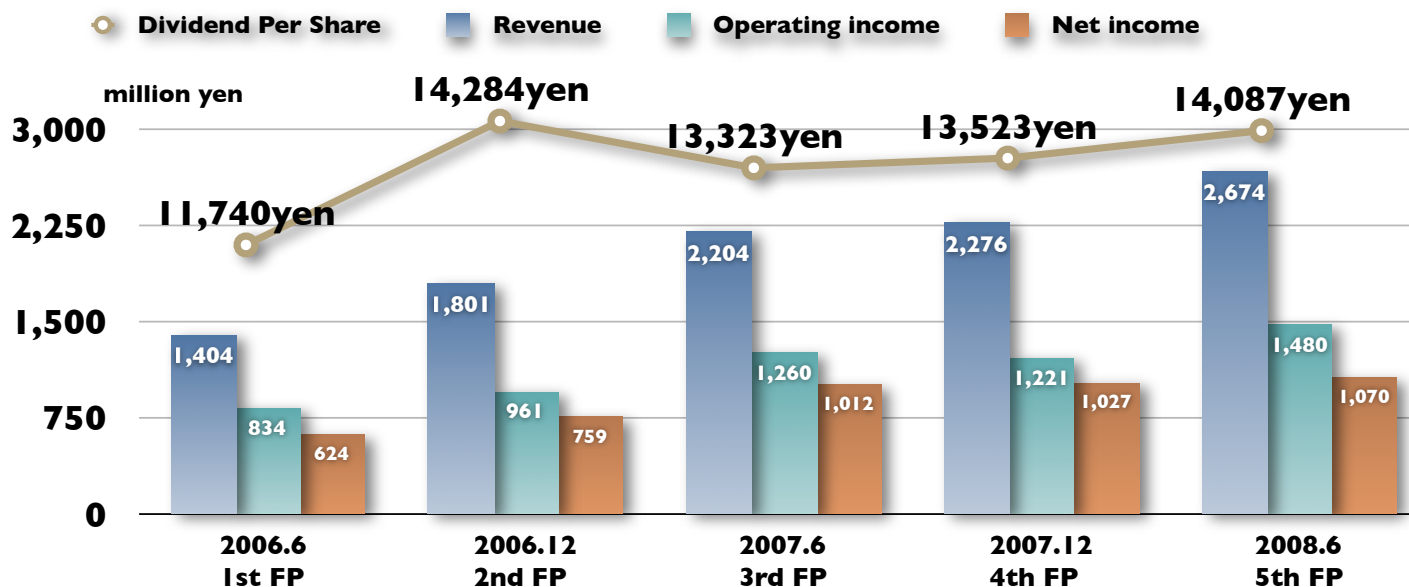


Performance Highlights

- 1 Raised dividend to **14,087** yen per share from **13,523** yen per share
- 2 Refinanced **23.4** bn yen in advance of the rapidly deteriorating market
- 3 External and organic growth
 - Acquisitions **9** properties **14** bn yen
 - Occupancy **94.5%** ^{4th FP} → **96.4%** ^{5th FP}



Financial Highlights



Days of operation	181*	184	181	184	182
Revenue (mil yen)	1,404	1,801	2,204	2,276	2,674
Operating income (mil yen)	834	961	1,260	1,221	1,480
Net income (mil yen)	624	759	1,012	1,027	1,070
Net asset per share (yen)	477,673	477,622	490,466	490,666	491,230
Dividend per share (yen)	11,740	14,284	13,323	13,523	14,087
FFO per share (yen)	36,502	38,642	30,017	34,787	42,256

* There was actually 221 days of operation in the 1st fiscal period, however we have adjusted the figures for 181 days for comparison.



5th Fiscal Period Results

	Initial Forecast	Actual Results	Revisions	Factors of Revisions	4th Period Results	Changes
Revenue (million yen)	2,596	2,674	+78	1.Additional acquisitions +45 Artis Kobe Port Island North、 Wako Student Heights、 Pleiade Kokuryo 2.Occupancy improvement +27 Initially 95.0% → Actual 96.4% 3.Increase in renewal fee +6	2,276	+398
Operating Income (million yen)	1,401	1,480	+79	Decrease in costs +1 Increase in depreciation -24、 Decrease in costs +25	1,221	+259
Ordinary Income (million yen)	951	1,071	+120	Less interest payment +41 Timing of refinancing was later than forecast	1,028	+43
Net Income (million yen)	950	1,070	+120		1,027	+43
Dividend (yen per share)	12,500	14,087	+1,587		13,523	+564

We revised our dividend forecast on April 24th, 2008 to 13,500 yen per share.



6th Fiscal Period Forecast

< The forecast is based on the following assumptions >

- There will be no changes in number of properties (50 properties as of June 2008).
- Will achieve an average occupancy of 96.5% during the period.
- There will be no changes in the outstanding amount of debt as of June 2008.

	5th FP Results	6th FP Forecast	Variation	Factors of Variation	
Revenue (million yen)	2,674	2,840	+166	Increase in revenues from full-term operation of newly acquired properties.	+166
Operating Income (million yen)	1,480	1,550	+70	Depreciation Operational expenses Sales Tax return	-22 -42 -32
Ordinary Income (million yen)	1,071	1,034	-37	Increase in interest payment Full-term payment of refinanced long-term debt interest.	-107
Net Income (million yen)	1,070	1,033	-37		
Dividend (yen per share)	14,087	13,600	-487		



Financial Activities





Strengthening Our Balance Sheet

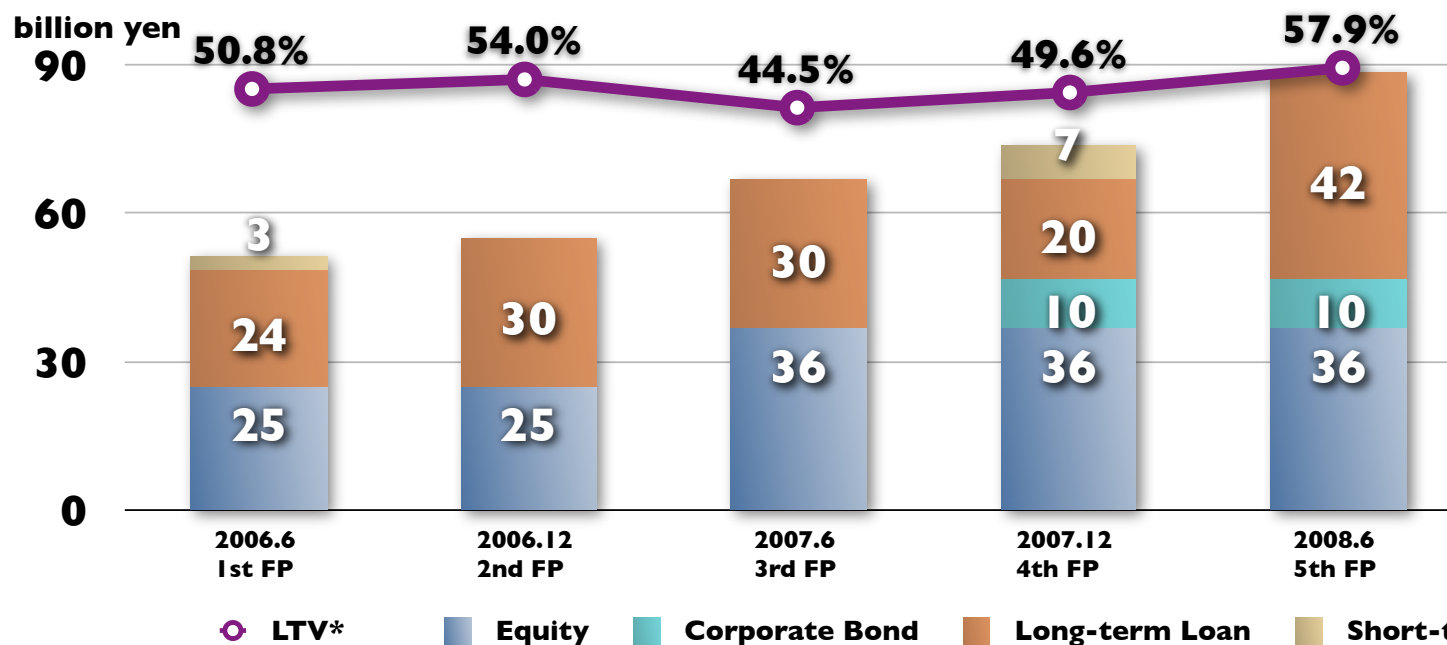
Anticipating further deterioration in the capital market, we put our efforts into lowering our refinancing risk and into strengthening our balance sheet.

- Increased the number of syndicate banks.
- Refinanced all short-term debt to long-term debt and fixed all interest payment.
- Doubled the short-term loan facility.



Refinanced 23.4 Billion Yen

- 1) We increased our number of syndicate banks to eleven from eight and refinanced 23.4 billion yen.
- 2) We added Mizuho Corporate Bank as our “main bank”.
- 3) We doubled our credit facility to 20 billion yen from 10 billion yen.

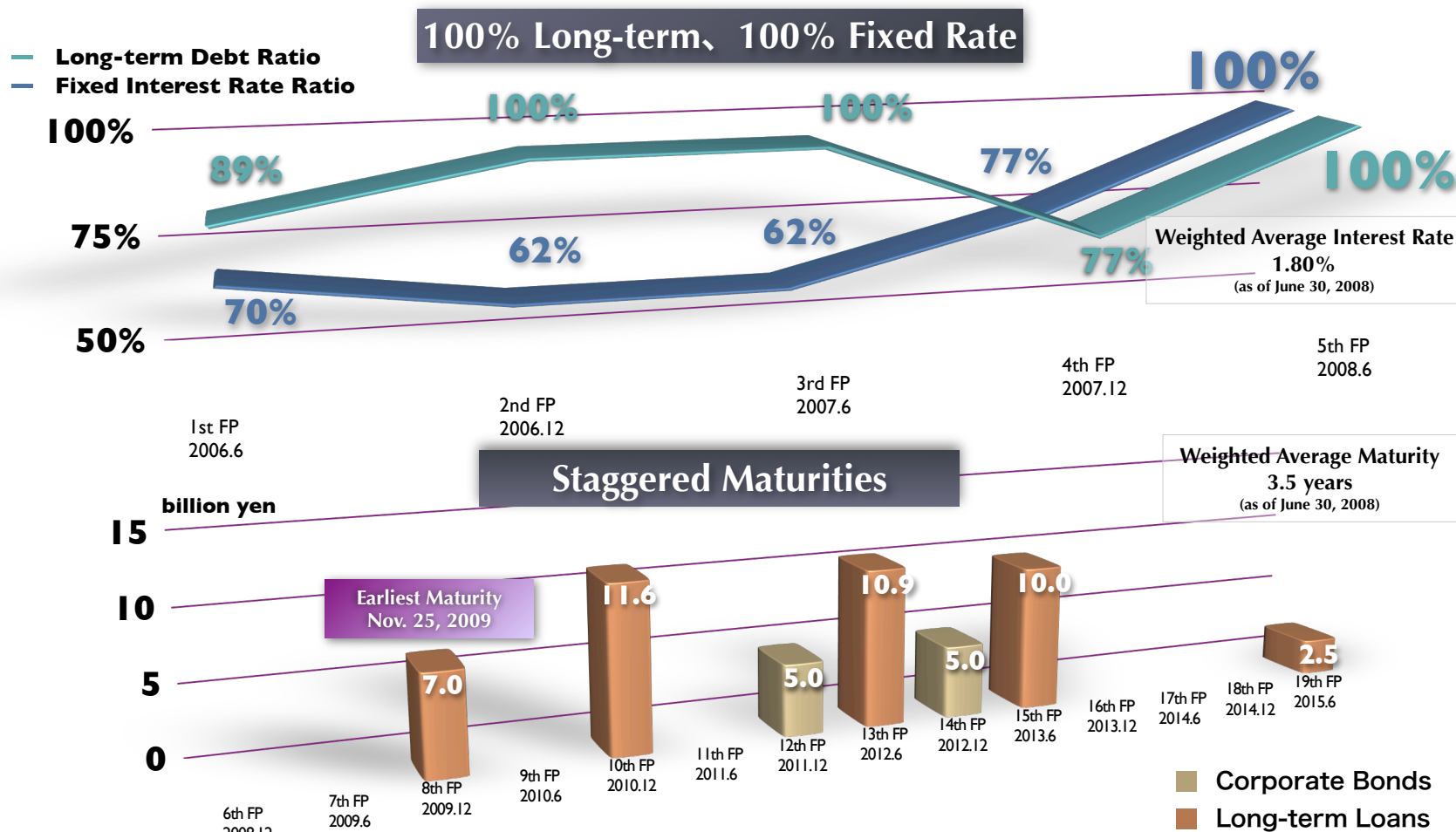


* LTV (Loan to Value) = Interest bearing debts / Total assets

Details on our borrowings are listed in the appendix, page 41.



Lowering the Refinancing Risk





Credit Rating Upgrade

R&I
Rating and Investment Information, Inc.

Issuer Rating Upgrade
April 22, 2008

A → **A⁺**
[Outlook: Stable]

Upgrade Factors

- The company has achieved steady growth through acquisitions of sponsor pipeline assets and continues to have further growth potential.
- The company has strengthened finance capability through building stronger and deeper relations with domestic financial institutions.
- The company has diversified funding methods.

(from R&I press release)



Acquisitions





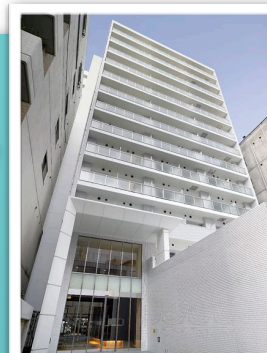
14 Billion Yen Acquisitions of 9 Properties

1. External growth achieved through ITOCHU group and other sponsor pipeline support.
2. Increased exposure to student housing asset to diversify the portfolio.

Sponsor Pipeline Acquisitions



PLEIADE CHOFU 1.1 bn yen



Artis Kinshicho 4.2 bn yen



PLEIADE KUNITACHI
0.6 bn yen



PLEIADE KOKURYO 0.9 bn yen



GRASS HOPPER 1.3 bn yen



PLEIADE YOYOGINOMORI
0.7 bn yen



PLEIADE KAWASAKI MOTOKI
0.7 bn yen

Artis Kobe Port Island 3.7 bn yen



Student Housing Assets

Wako Student Heights 0.7 bn yen

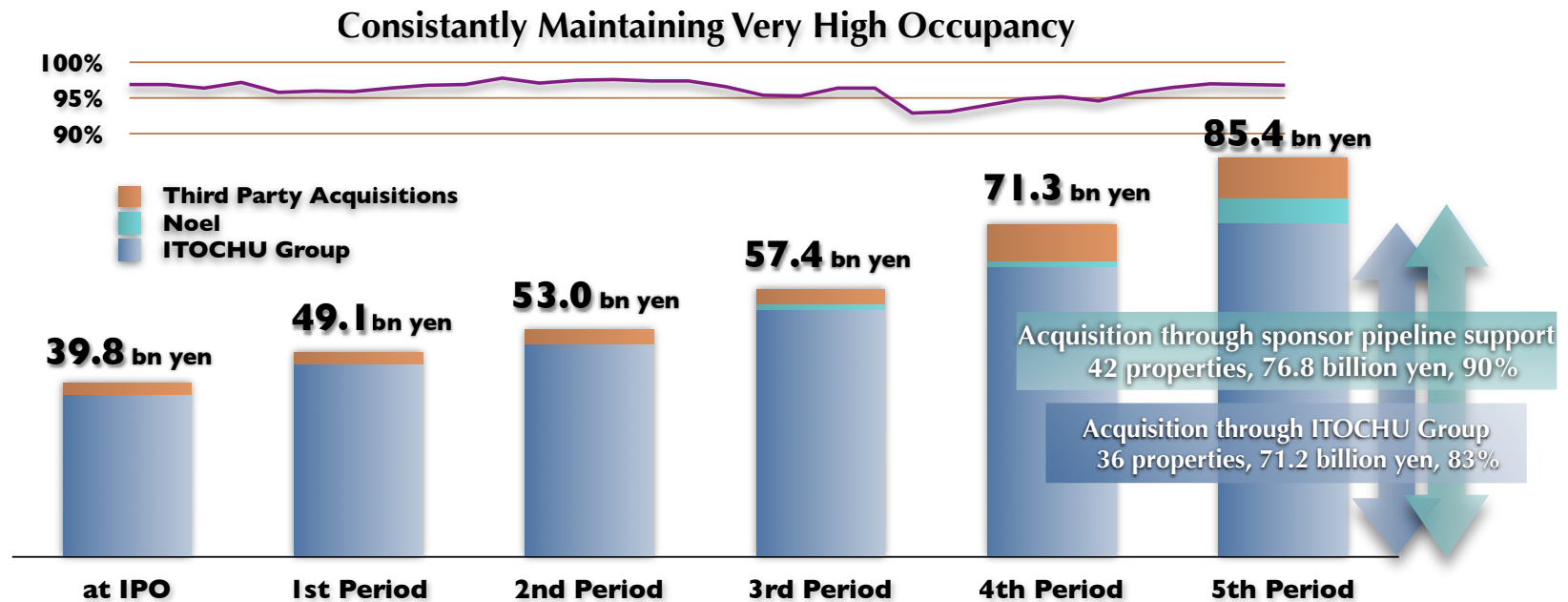


Details on individual properties can be viewed on pages 33 to 37.



Acquisitions Through Sponsor Pipeline Support

By using the sponsor warehousing facility we were able to acquire assets operating at high occupancy.



	at IPO	1st Period	2nd Period	3rd Period	4th Period	5th Period
No. of Properties		29	33	34	41	50
Leasable Units		2,930	3,116	3,218	3,958	4,924
NOI Yield		5.5%	5.8%	5.8%	5.2%*	5.6%

*Excluding the effect of two disposals during the period, NOI yield for the 4th period is 5.5%



Investment in Student Housing

Characteristics of Our Student Housing Assets

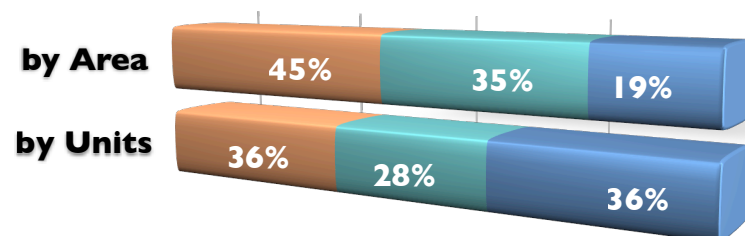
- ◆ Target tenants' commuting universities are very specific.
- ◆ Lump-sum leased to student housing management specialist.

Stable Profit

Average NOI Yield for the five student housing assets **6.9%***

Share of Student Housing Within the Portfolio

■ Corporate ■ Individual ■ Student Housing



	Units	Occupancy	Actual* Occupancy	Major Universities in the Commutable Area	Property Manager
Artis Nakameguro	88	100%	100.0%	Aoyama Gakuin University, Keio University, etc.	J. S. B. Co.
Hiyoshidai Student Heights (Dormitory)	920	100%	99.4%	Keio University, University of Tokyo, etc.	ITOCHU Urban Community Ltd.
New! Wako Student Heights (Dormitory)	127	100%	100.0%	Waseda University, Rikkyo University, Toyo University, etc.	
Itopia Kyotogakuseikaikan	154	100%	100.0%	Doshisha University, etc.	Co-op Sogo Living Co.
New! Artis Kobe Port Island	404	100%	99.8%	Kobe Gakuin University, Hyogo Medical University, Kobe Shukugawa Gakuin University, etc.	Sigma Japan Corporation (Subsidiary of National Students Information Center)
Total	1,693	100%	99.7%	-	-

* NOI yield is calculated using annualized 5th period NOI for the existing three holdings, and appraisal NOI for the newly acquired two properties.

* "Actual Occupancy" is the actual end tenant (student's) occupancy.



Lease Contract Management

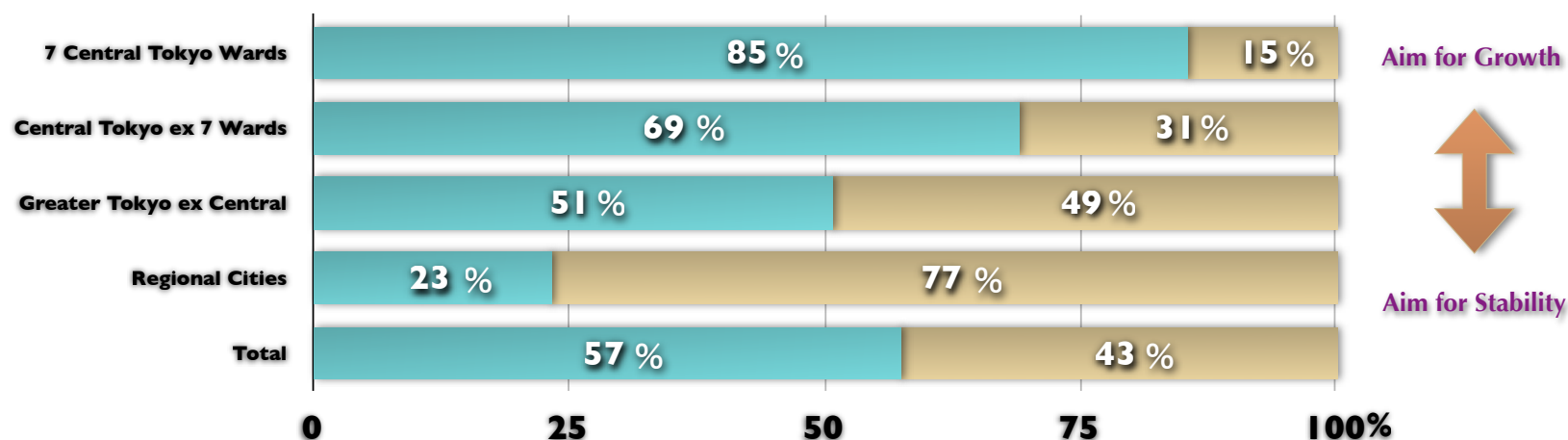
Well Balanced Portfolio Between Growth and Stability

Pass-through Payment Contract

We aim for upside potential in central Tokyo where there are strong rental demand, by overweighting pass-through payment contracts.

Guaranteed Occupancy Contract

We aim for stability in regional areas where we see over supply and weakness, by overweighting guaranteed occupancy contracts.



- Calculation based on leasable area at the end of June 2008.
- If a property is lump-sum leased to one tenant, the contract type is categorized as "guaranteed occupancy contract" even if the master lease contract is a "pass-through payment contract".

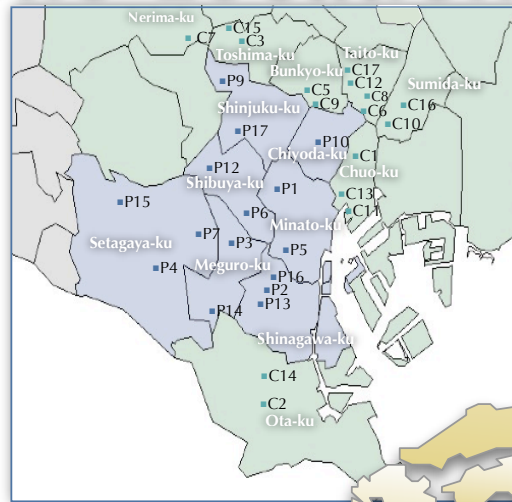


Portfolio Location Map

- 7 Central Tokyo Wards(*)**
- P-1 Artiscourt Akasakahinokicho
 - P-2 Artis Shimazuyama
 - P-3 Artis Nakameguro
 - P-4 Apartments Tsurumaki
 - P-5 Crestcourt Azabujuban
 - P-6 Artis Shibuyadaikanyama
 - P-7 Artis Ikejiriohashi
 - P-9 Artis Shimoochiai
 - P-10 Spacia Kudanshita
 - P-12 Artis Hatagaya
 - P-13 FELDBERG
 - P-14 Artis Toritsudaigaku
 - P-15 Artis Sakurajosui
 - P-16 Artis Kitashinagawa
 - P-17 PLEIADE YOYOGINOMORI

(*) The seven central wards are, Minato-ku, Chiyoda-ku, Shibuya-ku, Shinjyuku-ku, Meguro-ku, Setagaya-ku, Shinagawa-ku

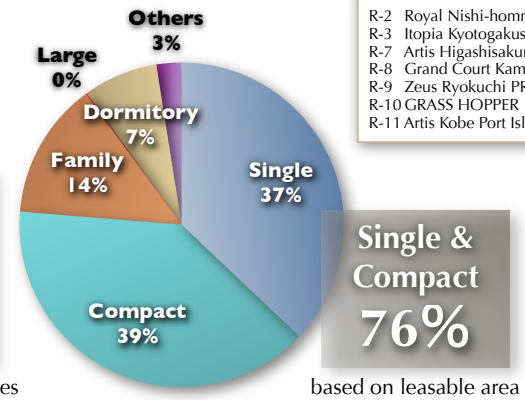
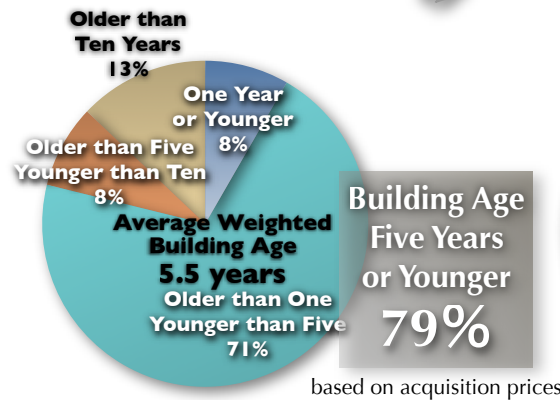
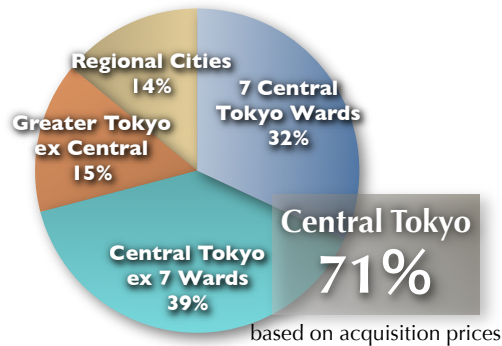
- Central Tokyo ex 7 Wards**
- C-1 Artis Mitsukoshimae
 - C-2 Artis Kamata
 - C-3 Artis Ikebukuro
 - C-5 Artis Hongo
 - C-6 Artis Asakusabashi
 - C-7 Maison Eclairée Ekoda
 - C-8 Artis Uenookachimachi
 - C-9 Artis Bunkyoongo
 - C-10 Artis Ryogoku
 - C-11 Artis Higashiginza
 - C-12 Apre Parks Ueno
 - C-13 Artis Ningyocho
 - C-14 Artis Omorihigashi
 - C-15 Residence Oyama
 - C-16 Artis Kinshicho
 - C-17 T&G Negishi Mansion



- Regional Cities (Sapporo)**
- R-6 HAUT DOMICILE NANGOGAI

- Greater Tokyo ex Central**
- S-1 Hiyoshidai Student Heights
 - S-2 Chester House Kawaguchi
 - S-3 Storkmansion Kashiwa
 - S-4 DUO Station Higashimatsudo No.2
 - S-5 Artis Shinyokohama
 - S-6 Belle Scene Minamiikuta
 - S-7 PLEIADE CHOFU
 - S-8 PLEIADE KUNITACHI
 - S-9 PLEIADE KAWASAKI MOTOKI
 - S-10 PLEIADE KOKURYO
 - S-11 Wako Student Heights

- Regional Cities**
- R-2 Royal Nishi-hommachi
 - R-3 Itopia Kyotogakuseikaikan
 - R-7 Artis Higashisakura
 - R-8 Grand Court Kameyama
 - R-9 Zeus Ryokuchi PREMIUM
 - R-10 GRASS HOPPER
 - R-11 Artis Kobe Port Island



* Please view pages 42 to 43 for details on each properties.



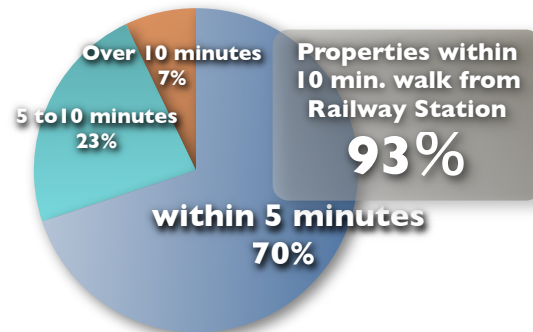
Portfolio Characteristics

Targeting middle income tenants where demands are larger.

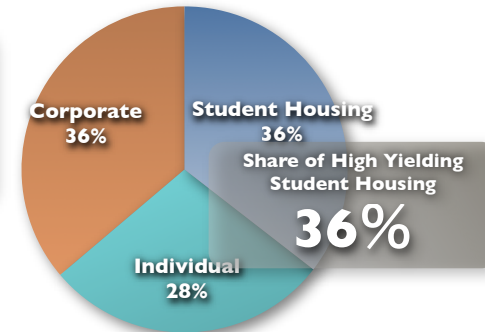
Invest in properties where tenant characteristics are focused.



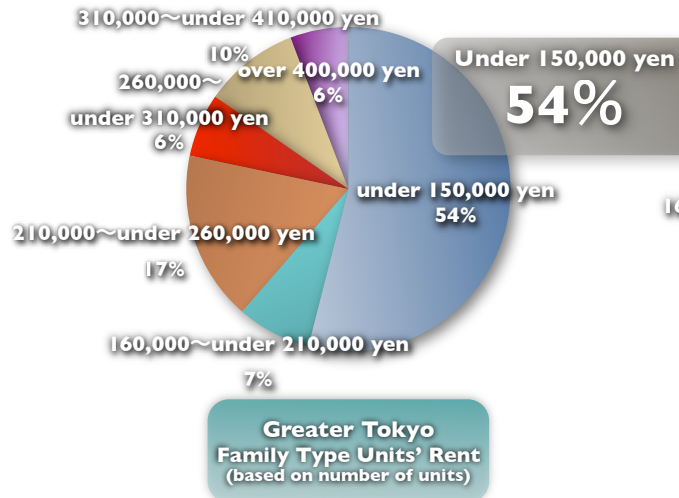
Achieve High Occupancy and Profitability



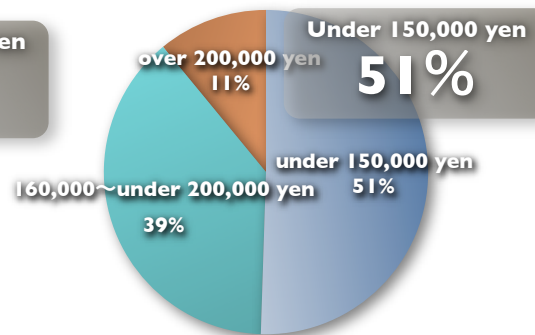
Walk Time to Railway Station (based on acquisition price)



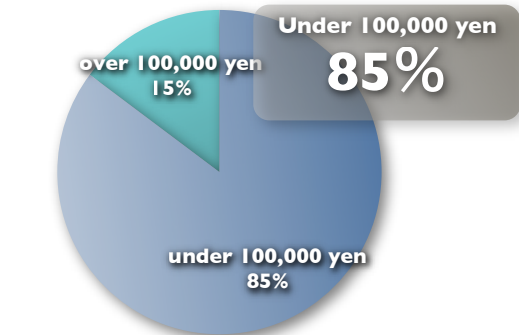
Tenant Type (based on number of units)



Greater Tokyo Family Type Units' Rent (based on number of units)



Greater Tokyo Family Type Units' Rent (based on number of units)



Greater Tokyo Family Type Units' Rent (based on number of units)

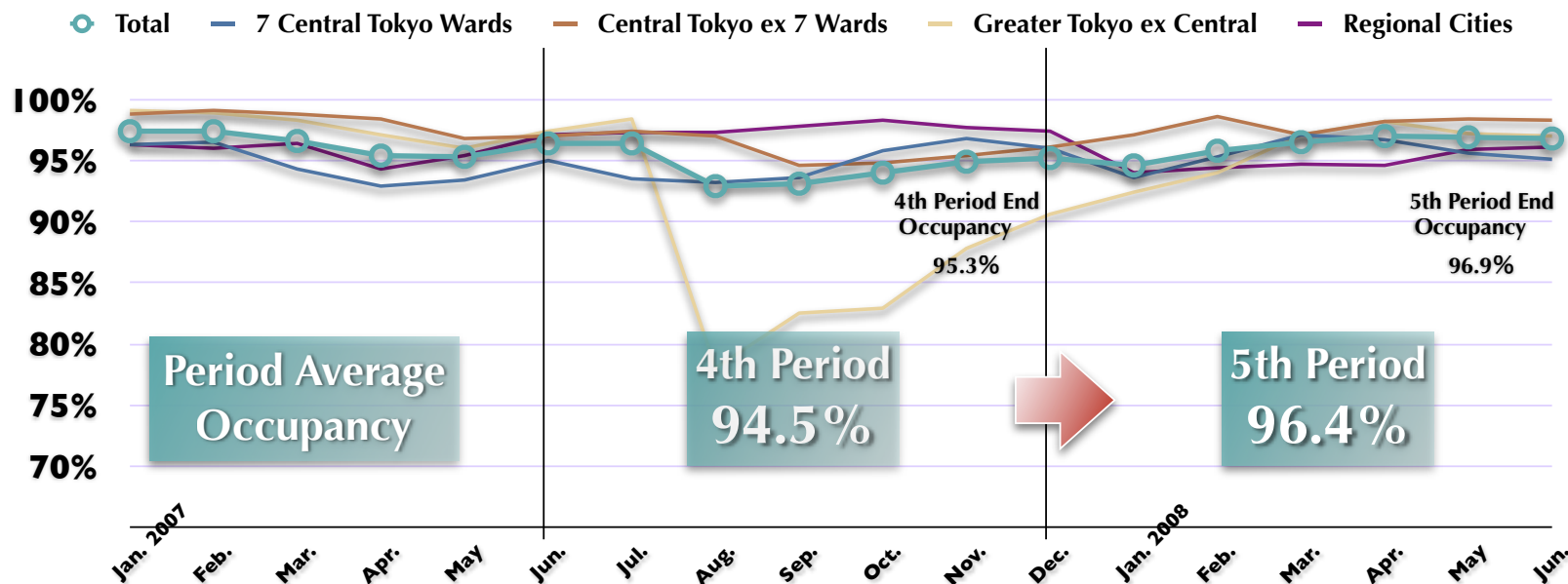


Asset Management Performance





Improved Occupancy



Period Average Occupancy = Period Total of Month End Leased Area / Period Total of Month End Leasable Area

Reasons of Improvement

1. Leasing completed for the two properties bought empty in the previous period. (DUO Station Higashimatsudo No. II and Artis Omorihigashi)
2. Executed detailed, by unit leasing strategy, and by property type leasing strategy during the March peak leasing period.



Changes in Rents

Replacements & Renewals

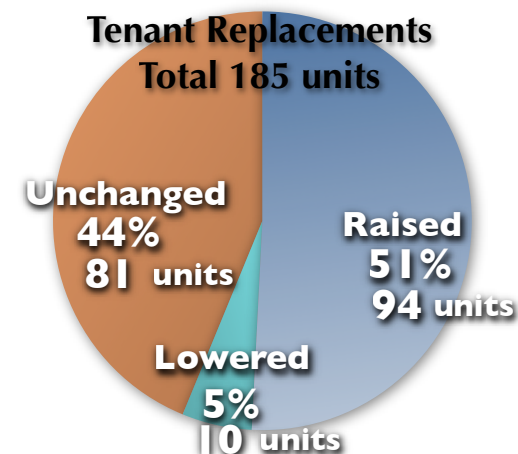
No. of Units	Change (thousand yen per month)	% Change
484	+409	+0.7%

Tenant Replacements

	No. of Units	Previous Rents (thousand yen per month)	New Rents (thousand yen per month)	Change (thousand yen per month)	% Change
Rents Raised	94	12,184	12,712	+528	+4.3%
Rents Lowered	10	897	857	-40	-4.5%
Rents Unchanged	81	11,465	11,465	—	—
Total	185	24,546	25,034	+488	+2.0%

Renewals (renewal ratio 86%)

	No. of Units	Previous Rents (thousand yen per month)	New Rents (thousand yen per month)	Change (thousand yen per month)	% Change
Rents Raised	5	719	730	11	+1.5%
Rents Lowered	45	5,866	5,776	-90	-1.5%
Rents Unchanged	249	29,253	29,253	—	—
Total	299	35,838	35,759	-79	-0.2%

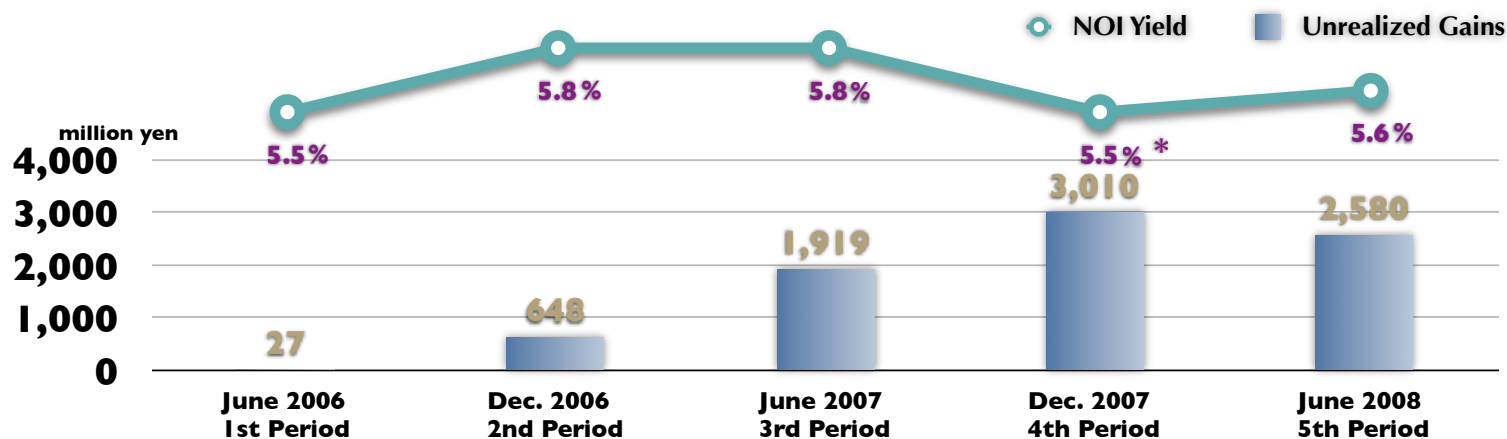


Historical Rent Changes for Tenant Replacements

	3rd Period	4th Period	5th Period
No. of Units	193	169	185
Change (thousand yen per month)	+208	+225	+488
% Change	+0.8%	+0.9%	+2.0%



Historical NOI Yields & Appraisals



	5th Fiscal Period Portfolio Performance							4th Fiscal Period Performance		
	Acquisition Price (billion yen)	Period average occupancy (share)	NOI yield (annualized)	Book Value (a) (billion yen)	Appraisals (b) (billion yen)	Difference(a)-(b) (billion yen)	Period average occupancy	NOI yield (annualized)	Difference(a)-(b) (billion yen)	
7 Central Tokyo Wards	27.28	31.9%	95.7%	5.1%	27.30	29.18	+1.88	95.0%	5.2%	+1.69
Central Tokyo (ex 7 wards)	33.28	39.0%	98.1%	5.6%	33.92	35.48	+1.56	96.0%	5.4%	+1.48
Central Tokyo	60.56	70.9%	97.0%	5.4%	61.22	64.66	+3.44	95.5%	5.3%	+3.17
Greater Tokyo (ex Central Tokyo)	12.85	15.0%	96.3%	6.5%	13.35	12.93	-0.42	86.7%	6.3%	-0.13
Regional Cities	12.00	14.1%	95.1%	6.0%	12.46	12.01	-0.44	97.8%	6.5%	-0.03
Total	85.43	100.0%	96.4%	5.6%	87.03	89.61	+2.58	94.5%	* 5.5%	+3.01

Please view pages 44 to 49, for NOI yield and appraisals for each property.

* For comparison, calculation of NOI yield for 4th Period exclude the two divested properties. If the disposals were included the yield is 5.2%.



Management Policy Going Forward





Management Policy Going Forward



Market Environment

Financial Market

1. Expect continued tightening of credit due to the subprime crisis.
2. Expect widening of spread and selective lending by lenders.

Real Estate Acquisition Market

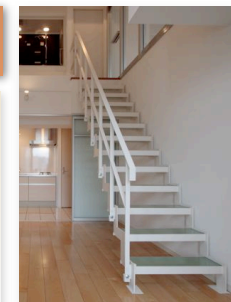
1. Expect buyer's market with increased supply of assets and disappearing buyers.
2. Expect cap rate to rise.

Rental Market

1. Central Tokyo: Expect stable and firm rental market, due to continued population inflow, strong corporate dormitory and housing demand, and decrease in new supply.
2. Regional Cities: Expect weak market with more time needed to digest the recent over supply.

Fundamental Policy

Continued collaboration with ITOCHU group to further improve the quality of our portfolio.





Management Strategy

	Challenges and Environment	Policies	Strategy
External Growth	<ol style="list-style-type: none">1. Debt funding is limited due to already high LTV (57.9% at end of 5th Period)2. Continued difficulty in equity funding due to low share price.	<ol style="list-style-type: none">1. Increase portfolio weighting for central Tokyo assets.2. Increase exposure to dormitory type assets.	<ol style="list-style-type: none">1. Make full use of ITOCHU group's warehousing facility to avoid missing the buying opportunity.2. Reshuffle assets if necessary.
Organic Growth	<ol style="list-style-type: none">1. Organic growth potential inherently limited.2. Need of improvement in pass-through holdings in regional cities. (two assets in Osaka, one asset in Nagoya)	<ol style="list-style-type: none">1. To retain the high level occupancy and continue increasing profit.2. Collaborate with ITOCHU Urban Community Ltd. to further improve the efficiency and quality of property management.	<ol style="list-style-type: none">1. Strengthen relationship with property managers and brokers.2. Central and Greater Tokyo: execute per unit leasing strategy.3. Regional Cities: review leasing terms to improve occupancy.4. Execute scheduled maintenance and renovations to maintain the properties competitiveness and improve asset value.
Financial Strategy	<ol style="list-style-type: none">1. Reducing LTV.2. No refinancing due till Nov 2009.3. Interest fixed for all outstanding debt.	<ol style="list-style-type: none">1. Further diversify funding methods.2. Maintain the policy to keep debts long-term and debt interest fixed.	<ol style="list-style-type: none">1. Take advantage of any good opportunity to reduce LTV.2. Continue to improve credit rating.3. Increase shareholders through actively building relations with new investors.



Appendix Index

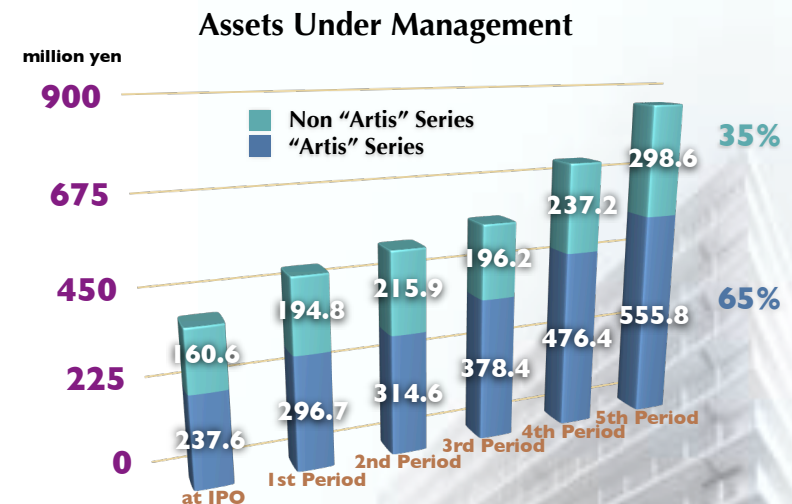
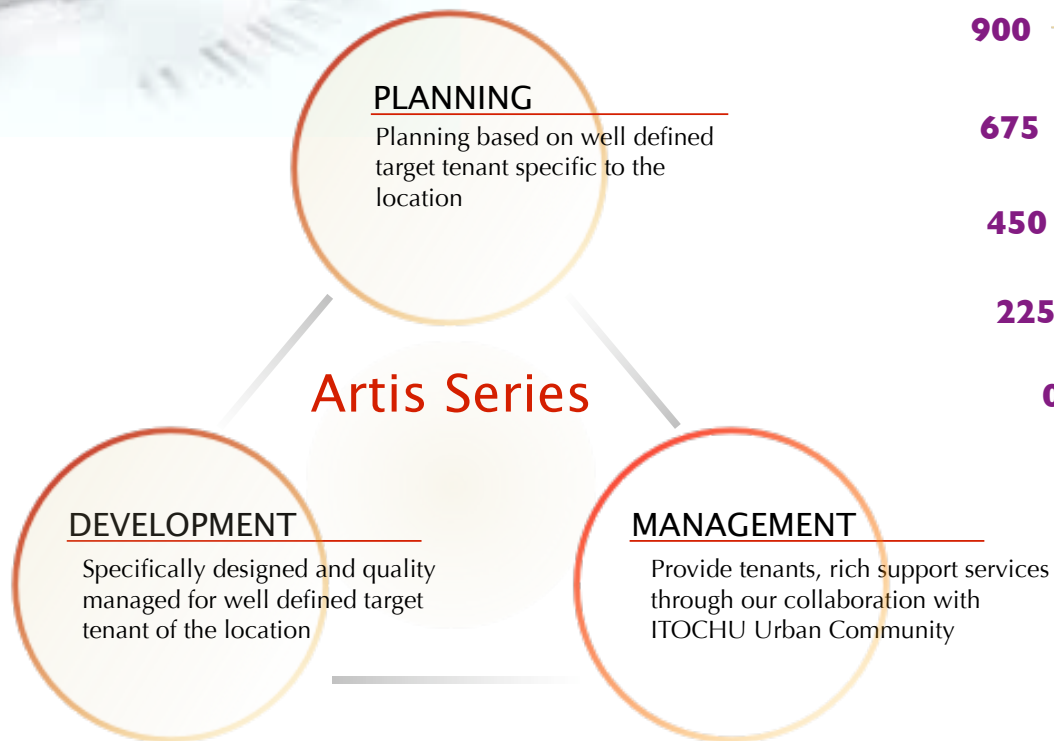
		
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"Artis" Series

"Artis" series concept

To sustain medium- to long-term competitiveness of our Artis series assets, the ITOCHU support line companies leverages the ITOCHU Group's collective strength in planning, development and management of on the following three concepts.





5th Period Acquisitions

P-17 PLEIADE YOYOGINOMORI



Acquisition Price	732 million yen
Property Source	Developed by Noel, a pipeline support company.
Location	Yoyogi, Shibuya-ku
Completion Date	March 2007
Leasable Units	22 units
Leasable Area	723.10m ²
Lease Contract Type	Pass through payment
Cap Rate *1	4.9%
Type of Units	Single: 31% Compact: 69%

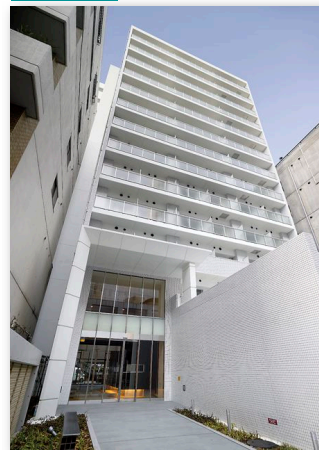
Occupancy Rate Since Acquisition

Feb. 2008	Mar. 2008	Apr. 2008	May 2008	Jun. 2008
88.9%	88.9%	94.6%	94.6%	91.7%

Property Profile

- ◆ The property is four minutes walking distance from Yoyogi railway station. You are able to take the JR Yamanote Line, JR Sobu Line, Ohedo subway from the station.
- ◆ Very convenient access to business and shopping districts of Shinjuku, Shibuya and Roppongi.
- ◆ The main target tenants are people who prefer to live close to work.

C-16 ARTIS KINSHICHO



Acquisition Price	4,200 million yen
Property Source	Developed by ITOCHU group
Location	Kinshi, Sumida-ku
Completion Date	November 2007
Leasable Units	157 units
Leasable Area	4,326.80m ²
Lease Contract Type	Pass through payment
Cap Rate *1	5%
Type of Units	Single: 51% Compact: 44% Others: 5%

Occupancy Rate Since Acquisition

Mar. 2008	Apr. 2008	May 2008	Jun. 2008
89.3%	97.7%	99.1%	99.5%

Property Profile

- ◆ The property is five minutes walking distance from Kinshicho railway station. You are able to take the JR Sobu Rapid Line, Tokyo Metro Hanzomon subway from the station.
- ◆ Good access to major business district.
- ◆ HASEKO LIVENET Inc. who are strong on corporate sales manages the property as the property manager.

*1 Cap Rate = Appraisal NOI ÷ Acquisition price



5th Period Acquisitions

S-7 PLEIADE CHOFU



Acquisition Price	1,143 million yen
Property Source	Developed by Noel, a pipeline support company.
Location	Yagumodai, Chofu-City
Completion Date	March 2007
Leasable Units	41 units
Leasable Area	1,750.49m ²
Lease Contract Type	Pass-through
Cap Rate *1	5.4%
Type of Units	Single: 9% Compact: 81% Others: 10%

Occupancy Rate Since Acquisition

Feb. 2008	Mar. 2008	Apr. 2008	May 2008	Jun. 2008
97.5%	97.5%	93.4%	95.8%	98.3%

Property Profile

- ◆ The property is three minutes walking distance from Keio Line Fuda railway station.
- ◆ There are many retail shops around the station due to redevelopment.
- ◆ The main target tenants are single people working in city center.

S-8 PLEIADE KUNITACHI



Acquisition Price	635 million yen
Property Source	Developed by Noel, a pipeline support company.
Location	Fujimidai, Kunitachi-City
Completion Date	April 2007
Leasable Units	46 units
Leasable Area	1,176.66m ²
Lease Contract Type	Pass-through
Cap Rate *1	5.7%
Type of Units	Single: 90% Others: 10%

Occupancy Rate Since Acquisition

Feb. 2008	Mar. 2008	Apr. 2008	May 2008	Jun. 2008
100.0%	100.0%	100.0%	100.0%	100.0%

Property Profile

- ◆ The property is one minute walking distance from JR Nanbu Line Yagawa railway station.
- ◆ A quiet location even though it is located just in front of the station.
- ◆ There are strong demand as a corporate housing from companies located along the railway line. Also the proximity to the station is popular among students.

*1 Cap Rate = Appraisal NOI ÷ Acquisition price



5th Period Acquisitions

S-9 PLEIADE KAWASAKIMOTOKI



Acquisition Price	668 million yen
Property Source	Developed by Noel, a pipeline support company.
Location	Kawasaki-ku, Kawasaki-City
Completion Date	March 2007
Leasable Units	49 units
Leasable Area	1,012.98m ²
Lease Contract Type	Pass-through
Cap Rate *1	5.8%
Type of Units	Single: 100%

Occupancy Rate Since Acquisition

Feb. 2008	Mar. 2008	Apr. 2008	May 2008	Jun. 2008
100.0%	100.0%	100.0%	100.0%	100.0%

Property Profile

- ◆ The property is six minutes walking distance from Keihinkyuko Line Haccho-nawate railway station.
- ◆ Good access to Shinagawa, Tokyo, Yokohama's major business center and to Haneda Airport.
- ◆ Lump-sum leased to an airline company based in Haneda.

S-10 PLEIADE KOKURYO



Acquisition Price	930 million yen
Property Source	Developed by Noel, a pipeline support company.
Location	Kokuryo-cho, Chofu-City
Completion Date	March 2008
Leasable Units	62 units
Leasable Area	1,489.97m ²
Lease Contract Type	Pass-through
Cap Rate *1	5.3%
Type of Units	Single: 100%

Occupancy Rate Since Acquisition

May 2008	Jun. 2008
79.9%	86.7%

Property Profile

- ◆ The property is four minutes walking distance from Keio Line Kokuryo railway station.
- ◆ The building has just been completed on March 2008.
- ◆ Because it is only thirty minutes railway ride to Shinjyuku, students and single people commuting to city center are our target tenant.

*1 Cap Rate = Appraisal NOI ÷ Acquisition price



5th Period Acquisitions

S-11 Wako Student Heights



Acquisition Price	675 million yen
Property Source	Asset acquired outside of the pipeline support companies.
Location	Wako-City, Saitama Prefecture
Completion Date	April, 1990
Leasable Units	127 units
Leasable Area	1,684.02㎡
Lease Contract Type	Guaranteed occupancy
Cap Rate *1	6.9%
Type of Units	Dormitory: 100%

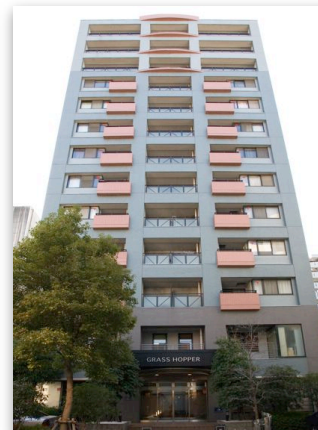
Occupancy Rate Since Acquisition

Apr. 2008	May 2008	Jun. 2008
100.0%	100.0%	100.0%

Property Profile

- ◆ This property is our second dormitory asset.
- ◆ Strong demand can be expected from students of Rikkyo University, Waseda University, Toyo University and many others where the campuses are located along the railway line.
- ◆ Access to city center is even better with the start of service of Tokyo Metro Fukutoshin Line.
- ◆ Monthly rent is eighty five thousand yen with breakfast and dinner included.

R-11 GRASS HOPPER



Acquisition Price	1,330 million yen
Property Source	Acquired from ITOCHU group company.
Location	Naniwa-ku, Osaka-City
Completion Date	平成9年4月
Leasable Units	58 units
Leasable Area	3,681.25㎡
Lease Contract Type	Pass-through rent
Cap Rate *1	6.1%
Type of Units	Compact: 42% Family: 45% Others: 13%

Occupancy Rate Since Acquisition

Jan. 2008	Feb. 2008	Mar. 2008	Apr. 2008	May 2008	Jun. 2008
71.9%	71.9%	70.8%	72.2%	85.0%	87.1%

Property Profile

- ◆ The property is three minutes walking distance from Osaka-City Subway Sennichimae Line Sakuragawa railway station.
- ◆ The property is very convenient with shopping and business centers of Namba, Shinsaibashi, and Umeda being all within twenty minutes traveling distance.

*1 Cap Rate = Appraisal NOI ÷ Acquisition price



5th Period Acquisitions

R-11 Artis Kobe Port Island



Acquisition Price	3,740 million yen
Property Source	Developed by ITOCHU group
Location	Chuo-ku, Kobe-City
Completion Date	South Wing, Center Unit March 2007 North Wing February 2008
Leasable Units	404 units
Leasable Area	9,708.00 m ²
Lease Contract Type	Rent guarantee
Cap Rate **	5.8%
Type of Units	Single: 100%

Occupancy Rate Since Acquisition

Feb. 2008	Mar. 2008	Apr. 2008	May 2008	Jun. 2008
100.0%	100.0%	100.0%	100.0%	100.0%

Property Profile

- ◆ The property is located within the lively housing complex developed by ITOCHU group.
- ◆ It is located within walking distance to all the schools and universities located in Kobe Port Island.
- ◆ The property is lump-sum leased to National Student Information Center (Nasic), known for its expertise in operating student apartments.



** Cap Rate = Appraisal NOI ÷ Acquisition price



Balance Sheet

Assets	4th Fiscal Period (as of 12/31/2007)		5th Fiscal Period (as of 06/30/2008)		Change	
	(in thousand yen)	(%)	(in thousand yen)	(%)	(in thousand yen)	(%)
I. Current assets	1,954,610	2.6	2,461,093	2.7	506,482	25.9
Deposits	92,244		223,759		131,515	
Deposits in trust	1,631,290		2,026,061		394,771	
Accounts receivables - trade	66,456		95,924		29,469	
Accounts receivables - other	2,191		68		△2,122	
Prepaid expenses	55,308		89,116		33,808	
Deferred tax assets	19		20		1	
Consumption taxes receivable	101,185		22,698		△78,487	
Other current assets	5,915		3,443		△2,471	
II. Fixed assets	72,851,109	97.3	87,214,114	97.2	14,363,005	19.7
1. Property and equipment	72,792,722	97.2	87,038,212	97.0	14,245,490	19.6
Buildings in trust	34,026,368		41,684,004		7,657,635	
Structures in trust	115,671		113,163		△2,508	
Equipment in trust	118,298		113,991		△4,306	
Tools, furniture and fixtures in trust	303,092		281,898		△21,194	
Land in trust	38,229,240		44,845,122		6,615,882	
Other property and equipment	50		31		△18	
2. Intangible assets	957	0.0	837	0.0	△119	
3. Investments and other assets	57,429	0.1	175,064	0.2	117,634	204.8
Long-term prepaid expenses	47,429		165,064		117,634	
Guarantee deposits	10,000		10,000		—	
III. Deferred assets	80,026	0.1	59,045	0.1	△20,980	△26.2
Investment unit issuance expenses	26,811		12,007		△14,804	
Bond issuance expenses	53,214		47,037		△6,176	
Total assets	74,885,746	100.0	89,734,252	100.0	14,848,506	19.8

Liabilities	4th Fiscal Period (as of 12/31/2007)		5th Fiscal Period (as of 06/30/2008)		Change	
	(in thousand yen)	(%)	(in thousand yen)	(%)	(in thousand yen)	(%)
I. Current liabilities	8,956,763	12.0	361,757	0.4	△8,595,005	△96.0
Accounts payable - trade	32,468		37,958		5,490	
Short-term debt	6,940,000		—		△6,940,000	
Current portion of long-term debt	1,600,000		—		△1,600,000	
Accounts payable - other	284,340		236,472		△47,867	
Accrued expenses	54,516		71,748		17,231	
Income taxes payable	412		742		330	
Consumption taxes payable	6,130		—		△6,130	
Rent received in advance	0		—		△0	
Other current liabilities	38,894		14,834		△24,059	
II. Long-term liabilities	28,638,324	38.2	52,038,955	58.0	23,400,631	81.7
Investment corporation bonds	10,000,000		10,000,000		—	
Long-term debt	18,600,000		42,000,000		23,400,000	
Long-term accounts payable	1,440		205		△1,234	
Deposits received in trust	36,884		38,750		1,866	
Total liabilities	37,595,087	50.2	52,400,713	58.4	14,805,625	39.4

Net assets	4th Fiscal Period (as of 12/31/2007)		5th Fiscal Period (as of 06/30/2008)		Change	
	(in thousand yen)	(%)	(in thousand yen)	(%)	(in thousand yen)	(%)
Shareholders' capital	36,262,894	48.4	36,262,894	40.4	—	
Unappropriated retained earnings	1,027,764	1.4	1,070,645	1.2	42,881	
Total net assets	37,290,658	49.8	37,333,539	41.6	42,881	0.1
Total liabilities and net assets	74,885,746	100.0	89,734,252	100.0	14,848,506	19.8



Income Statement

	4th Fiscal Period (07/01/2007-12/31/2007)		5th Fiscal Period (01/01/2008-06/30/2008)		Change (in thousand yen) (%)	
	(in thousand yen)	(%)	(in thousand yen)	(%)		
I. Operating revenues	2,276,711	100.0	2,674,221	100.0	397,510	17.5
Rental income	2,146,856		2,674,221			
Gain on sale of properties	129,854		—			
II. Operating expenses	1,055,003	46.3	1,194,017	44.6	139,013	13.2
Rental expenses	769,747		946,046			
Asset management fees	203,024		145,164			
Custodian fees	7,025		8,553			
General Administration fees	19,465		25,365			
Director's compensation	1,440		1,440			
Other operating expenses	54,301		67,446			
Operating income	1,221,707	53.7	1,480,204	55.4	258,497	21.2
III. Non-operating revenues	92,425	4.1	9,045	0.3	△83,380	△90.2
Interest income	7,047		2,760			
Consumption tax refunds	85,357		4,260			
Other non-operating revenues	20		2,073			
IV. Non-operating expenses	285,410	12.6	417,611	15.6	132,201	46.3
Interest expenses	200,155		253,527			
Bond interest expenses	21,198		95,514			
Amortization of unit issuance expenses	14,804		14,804			
Amortization of bond issuance expenses	2,058		6,176			
Financing expenses	40,119		46,696			
Other non-operating expenses	7,074		892			
Ordinary income	1,028,721	45.2	1,071,637	40.1	42,915	4.2
Income before income taxes	1,028,721	45.2	1,071,637	40.1	42,915	4.2
Current income taxes	987		1,009			
Deferred income taxes	1	0.1	△1	0.1		
Net income	1,027,733	45.1	1,070,629	40.0	42,895	4.2
Retained earnings brought forward	30		16			
Unappropriated retained earnings	1,027,764		1,070,645		42,881	4.2

	4th Fiscal Period (07/01/2007-12/31/2007)	5th Fiscal Period (01/01/2008-06/30/2008)
	(in thousand yen)	(in thousand yen)
A. Total Rental Revenue	2,146,856	2,674,221
Rental income	2,070,743	2,599,962
Other income	76,112	74,259
B. Rental Expenses	769,747	946,046
Property management fees	177,196	205,561
Cost of Repairs	31,590	43,682
Cost of Utilities	19,209	27,738
Property taxes, etc.	50,469	74,615
Insurance	6,791	7,350
Custodian fees	18,019	22,909
Depreciation	434,910	530,702
Other rental expenses	31,560	33,485
C. Rental Business Profit (Loss)	1,377,108	1,728,174



Cash Flow Statement

	4th Fiscal Period (07/01/2007-12/31/2007)	5th Fiscal Period (01/01/2008-06/30/2008)
I. Cash flows from operating activities		
Income before income taxes	1,028,721	1,071,637
Depreciation and amortization	434,929	530,721
Amortization of investment unit issuance expenses	14,804	14,804
Amortization of bond issuance expenses	2,058	6,176
Interest income	△7,047	△2,760
Interest expense	200,155	253,527
Interest expense on bond	21,198	95,514
Decrease (Increase) in rent receivable	△5,498	△29,468
Decrease (Increase) in prepaid expenses	△6,121	△33,808
Decrease (Increase) in consumption taxes receivable	△101,185	78,487
Increase (Decrease) in consumption taxes payable	△30,652	△6,130
Increase (Decrease) in trade payable	402	5,490
Increase (Decrease) in other payable	12,441	△47,933
Increase (Decrease) in advances received	△0	△0
Decrease from sale of property and equipment	1,493,945	—
Decrease (Increase) in long-term prepaid expenses	6,441	△117,634
Other	△3,390	2,690
Interest income received	7,047	2,760
Interest expense paid	△206,649	△331,809
Income taxes paid	△2,041	△70
Net cash provided by operating activities	2,859,559	1,492,194

	4th Fiscal Period (07/01/2007-12/31/2007)	5th Fiscal Period (01/01/2008-06/30/2008)
II. Cash flows from investing activities		
Payments for purchase of property and equipment	△16,302,840	△14,776,132
Proceeds from security deposits in trust	49,484	56,197
Payments for security deposits in trust	△22,288	△77,801
Net cash used in investing activities	△16,275,644	△14,797,737
III. Cash flows from financing activities		
Proceeds from short-term debt	6,940,000	13,280,000
Repayment of short-term debt	—	△20,220,000
Proceeds from long-term debt	—	23,400,000
Repayment of long-term debt	△10,000,000	△1,600,000
Proceeds from bond issuance	10,000,000	—
Payments for bond issuance expenses	△55,272	—
Dividends paid	△1,008,559	△1,026,922
Other	△1,234	△1,248
Net cash provided by financing activities	5,874,933	13,831,829
IV. Net increase (decrease) in cash and cash equivalents	△7,541,152	526,286
V. Cash and cash equivalents at beginning of period	9,264,686	1,723,534
VI. Cash and cash equivalents at end of period	1,723,534	2,249,820

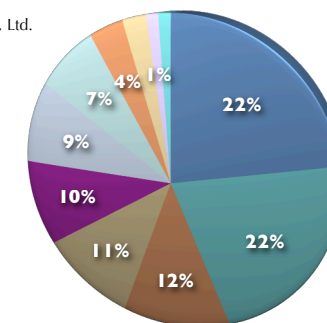


Loans & Bonds

Category	Lender	Drawdown Date	Loan Balance (in million yen)	Interest Rate (%) ^{*1}	Maturity Date	Repayment Method	Remarks
Long-term Debt	The Sumitomo Trust & Banking Co., Ltd.		1,600				
	Aozora Bank, Ltd.		1,600				
	Mizuho Corporate Bank, Ltd.	11/25/2005	1,000	1.25%*2	11/25/2009		
	Mitsubishi UFJ Trust and Banking Corporation		2,000				
	The Sumitomo Trust & Banking Co., Ltd.		2,100				
	Aozora Bank, Ltd.		1,300				
	Mizuho Corporate Bank, Ltd.	11/25/2005	500	1.48%*2	11/25/2010		
	Sumitomo Mitsui Banking Corporation		2,000				
	The Sumitomo Trust & Banking Co., Ltd.		400				
	Aozora Bank, Ltd.	03/20/2006	400	1.66%*2	11/25/2009		
	Mizuho Corporate Bank, Ltd.		500				
	Sumitomo Mitsui Banking Corporation	03/20/2006	1,700	1.61%*2	11/25/2010		
	The Sumitomo Trust & Banking Co., Ltd.		2,100				
	Aozora Bank, Ltd.	03/30/2006	1,400	1.61%*2	11/25/2010		
	Aozora Bank, Ltd.		500				
	Shinsei Bank, Ltd.		1,000				
	Development Bank of Japan		1,000				
	Mitsubishi UFJ Trust and Banking Corporation	01/25/2008	1,000	1.49%*2	01/25/2012		
	Resona Bank, Limited		1,000				
	The Oita Bank, Ltd.		500				
	The Hachijuni Bank, Ltd.		500				
	The Sumitomo Trust & Banking Co., Ltd.		1,000				
	Aozora Bank, Ltd.		1,500				
	Resona Bank, Limited	01/25/2008	1,000	1.68%*2	01/25/2013		
	Development Bank of Japan		1,000				
	The Sumitomo Trust & Banking Co., Ltd.		1,950				
	Aozora Bank, Ltd.		950				
	Resona Bank, Limited	06/25/2008	1,000	2.16%*2	06/25/2012		
	The Nishi-Nippon City Bank, Ltd.		1,500				
	Mizuho Corporate Bank, Ltd.		3,000				
Aozora Bank, Ltd.	06/25/2008	1,500	2.38%*2	06/25/2013			
Resona Bank, Limited		1,000					
Development Bank of Japan	06/25/2008	2,500	2.70%	06/25/2015			
Total			42,000				

Lender	Loan Balance (in million yen)
The Sumitomo Trust & Banking Co., Ltd.	9,150
Aozora Bank, Ltd.	9,150
Mizuho Corporate Bank, Ltd.	5,000
Development Bank of Japan	4,500
Resona Bank, Limited	4,000
Sumitomo Mitsui Banking Corporation	3,700
Mitsubishi UFJ Trust and Banking Corporation	3,000
The Nishi-Nippon City Bank, Ltd.	1,500
Shinsei Bank, Ltd.	1,000
The Oita Bank, Ltd.	500
The Hachijuni Bank, Ltd.	500
Total	42,000

- The Sumitomo Trust & Banking Co., Ltd.
- Aozora Bank, Ltd.
- Mizuho Corporate Bank, Ltd.
- Development Bank of Japan
- Resona Bank, Limited
- Sumitomo Mitsui Banking Corporation
- Mitsubishi UFJ Trust and Banking Corporation
- The Nishi-Nippon City Bank, Ltd.
- Shinsei Bank, Ltd.
- The Oita Bank, Ltd.
- The Hachijuni Bank, Ltd.



Issue	Issue Date	Outstanding (in million yen)	Interest Rate (%) ^{*1}	Date of Maturity	Repayment Method
1st Series Investment Corporation Bond	11/21/2007	5,000	1.80*2	11/21/2011	Full Principal Repayment at Maturity
2nd Series Investment Corporation Bond	11/21/2007	5,000	2.03	11/21/2012	Full Principal Repayment at Maturity
Total		10,000			

*1 Interest rates shown are rounded to two decimal places.

*2 Interest rates shown are the fixed real interest rates based on the interest rate swap agreements entered into for the purpose of fixing the interest rates.



Portfolio

7 Central Tokyo Wards • Central Tokyo ex 7 Central Wards

Property No.	Property Name	Location	Site Area (m ²)	Total Floor Area (m ²)	Structure No. of Floors	Building Completion Date	Master Lease Contract Classification	No of Leasable Units	Leasable Area (m ²)	Type of Unit (area percentage)						Acquisition Price (in million yen)	Percentage of Total Acquisition Cost	Repurchase Cost (in million yen)	Probable Maximum Loss
										Single	Compact	Family	Large	Dormitory	Other				
P-1	Artiscourt Akasakahinokicho	Minato-ku, Tokyo	1,194.39	6,151.48	RC 14F/B1	12/21/2004	P-T	111	4,602.70	13.2%	49.2%	37.6%	—	—	—	4,930	5.8%	1,340	5.39%
P-2	Artis Shimazuyama	Shinagawa-ku, Tokyo	993.27	4,221.40	RC 13F/B1	12/24/2004	P-T	115	3,474.37	56.2%	43.8%	—	—	—	2,860	3.3%	915	6.28%	
P-3	Artis Nakameguro	Meguro-ku, Tokyo	392.96	1,901.70	RC 11F	02/10/2005	G-O	88	1,694.18	100.0%	—	—	—	—	1,730	2.0%	495	2.66%	
P-4	Apartments Tsurumaki	Setagaya-ku, Tokyo	1,164.10	1,869.77	RC 5F/B1	03/11/2002	P-T	28	1,769.67	—	38.0%	62.0%	—	—	1,229	1.4%	441	8.15%	
P-5	Crestcourt Azabujuban	Minato-ku, Tokyo	417.67	2,564.94	SRC 12F/B1	1999/11/29	P-T	44	1,986.76	—	85.0%	15.0%	—	—	1,987	2.3%	592	6.34%	
P-6	Artis Shibuyadaikanyama	Shibuya-ku, Tokyo	327.59	1,810.64	RC 9F	05/24/2005	P-T	50	1,654.29	12.3%	80.9%	—	—	6.8%	1,690	2.0%	361	3.60%	
P-7	Artis Ikejirihashi	Setagaya-ku, Tokyo	318.16	1,609.47	RC 5F	08/19/2005	P-T	42	1,423.38	—	100.0%	—	—	—	1,230	1.4%	380	6.26%	
P-9	Artis Shimoochiai	Shinjuku-ku, Tokyo	1,253.12	2,726.15	RC 5F	03/03/2005	P-T	44	2,430.20	—	58.8%	41.2%	—	—	1,450	1.7%	594	7.73%	
P-10	Spacia Kudanshita	Chiyoda-ku, Tokyo	464.79	3,262.68	SRC 13F/B1	2004/03/09	P-T	86	2,845.89	18.3%	75.2%	6.5%	—	—	2,270	2.7%	712	6.26%	
P-12	Artis Hatagaya	Shibuya-ku, Tokyo	394.30	1,207.68	RC 8F	2006/02/09	P-T	35	1,129.72	73.2%	11.1%	—	—	15.7%	1,130	1.3%	273	8.13%	
P-13	FELDBERG	Shinagawa-ku, Tokyo	1,099.64	2,834.60	RC 5F/B1	1991/04/06	P-T	47	2,528.10	—	58.9%	32.1%	7.5%	—	1,563	1.8%	620	9.99%	
P-14	Artis Toritsudaigaku	Meguro-ku, Tokyo	268.65	909.70	RC 10F	2006/08/04	P-T	18	737.91	—	100.0%	—	—	—	643	0.8%	211	3.74%	
P-15	Artis Sakurajosui	Setagaya-ku, Tokyo	558.96	1,436.02	RC 8F	2006/07/07	P-T	39	1,201.37	66.0%	14.6%	—	—	19.4%	1,120	1.3%	295	5.11%	
P-16	Artis Kitashinagawa	Shinagawa-ku, Tokyo	777.25	3,891.12	RC 5F	2007/02/23	P-T	120	2,897.99	81.4%	18.6%	—	—	—	2,720	3.2%	938	5.97%	
P-17	PLEIADE YOYOGINOMORI	Shibuya-ku, Tokyo	253.87	886.85	RC 7F/B1	2007/03/08	P-T	22	723.10	31.5%	68.5%	—	—	—	732	0.9%	233	11.49%	
Subtotal								889	31,099.63	—	—	—	—	—	27,284	31.9%	—	—	
C-1	Artis Mitsukoshimae	Chuo-ku, Tokyo	339.10	2,829.06	SRC 15F	02/07/2005	P-T	105	2,552.07	65.8%	34.2%	—	—	—	1,920	2.2%	674	4.72%	
C-2	Artis Kamata	Ota-ku, Tokyo	748.93	5,637.66	RC 15F	03/09/2005	P-T	166	4,110.54	77.7%	22.3%	—	—	—	2,640	3.1%	1,100	6.36%	
C-3	Artis Ikebukuro	Toshima-ku, Tokyo	1,349.45	2,818.90	RC 5F	03/15/2005	G-O	60	2,207.63	9.3%	90.7%	—	—	—	1,520	1.8%	514	7.86%	
C-5	Artis Hongo	Bunkyo-ku, Tokyo	462.90	2,444.42	RC 12F	2005/07/23	G-O	65	2,165.35	23.6%	76.4%	—	—	—	1,680	2.0%	494	5.43%	
C-6	Artis Asakusabashi	Taito-ku, Tokyo	274.93	2,193.73	RC 12F	08/27/2005	P-T	47	1,816.14	11.2%	88.8%	—	—	—	1,060	1.2%	475	4.27%	
C-7	Maison Eclairée Ekoda	Nerima-ku, Tokyo	1,317.82	1,656.31	RC 4F	03/31/1993	P-T	93	1,591.71	100.0%	—	—	—	—	953	1.1%	357	3.29%	
C-8	Artis Uenokachimachi	Taito-ku, Tokyo	693.31	4,228.79	SRC 15F	02/20/2006	G-O	127	4,009.27	59.7%	36.1%	—	—	4.2%	3,160	3.7%	970	1.84%	
C-9	Artis Bunkyoongo	Bunkyo-ku, Tokyo	340.61	2,198.60	RC 14F	01/27/2006	P-T	70	1,960.40	53.7%	46.3%	—	—	—	1,623	1.9%	547	5.37%	
C-10	Artis Ryogoku	Sumida-ku, Tokyo	303.47	1,731.60	RC 9F	02/10/2006	P-T	48	1,378.84	55.5%	44.5%	—	—	—	913	1.1%	419	6.38%	
C-11	Artis Higashiginza	Chuo-ku, Tokyo	762.08	6,607.86	RC 15F/B1	09/01/2006	G-O	169	4,871.02	38.9%	57.2%	3.9%	—	—	5,251	6.1%	1,619	6.19%	
C-12	Apres Parks Ueno	Taito-ku, Tokyo	219.68	1,311.77	RC 11F	02/15/2007	P-T	41	1,184.44	63.5%	33.0%	—	—	3.6%	860	1.0%	283	7.60%	
C-13	Artis Ningyocho	Chuo-ku, Tokyo	535.30	4,632.90	RC 14F/B1	01/17/2007	P-T	137	3,541.09	62.6%	34.0%	—	—	3.4%	3,180	3.7%	1,112	5.35%	
C-14	Artis Omorihigashi	Ota-ku, Tokyo	661.31	2,096.16	RC 10F	08/06/2007	P-T	81	1,928.71	77.8%	12.7%	—	—	9.4%	1,980	2.3%	458	9.32%	
C-15	Residence Oyama	Itabashi-ku, Tokyo	1,676.03	3,690.91	SRC 11F	09/20/1991	P-T	59	3,383.10	—	100.0%	—	—	—	1,490	1.7%	926	3.84%	
C-16	Artis Kinshicho	Sumida-ku, Tokyo	997.62	5,622.99	RC 13F	11/13/2007	P-T	157	4,326.80	50.7%	44.4%	—	—	4.9%	4,200	4.9%	1,146	6.24%	
C-17	T&G Negishi Mansion	Taito-ku, Tokyo	545.64	1,660.21	RC 9F	12/02/2005	P-T	28	1,571.54	—	96.2%	3.8%	—	—	856	1.0%	379	6.01%	
Subtotal								1,453	42,598.65	—	—	—	—	—	33,287	39.0%	—	—	

Master Lease Contract Classification P-T: Pass through payment contract G-O: Guaranteed occupancy contract



Portfolio

Greater Tokyo ex Central Tokyo • Regional Cities

Property No.	Property Name	Location	Site Area (m ²)	Total Floor Area (m ²)	Structure No. of Floors	Building Completion Date	Master Lease Contract Classification	No of Leasable Units	Leasable Area (m ²)	Type of Unit (area percentage)						Acquisition Price (in million yen)	Percentage of Total Acquisition Cost	Repurchase Cost (in million yen)	Probable Maximum Loss	
										Single	Compact	Family	Large	Dormitory	Other					
◆S-1	Hiyoshidai Student Heights	Yokohama City, Kanagawa Prefecture	4,706.63	15,245.05	RC 9F/B1	03/31/1969	G-O	920	8,552.00	—	—	—	—	100.0%	—	3,420	4.0%	3,238	13.82%	
S-2	Chester House Kawaguchi	Kawaguchi City, Saitama Prefecture	1,205.20	2,395.31	SRC 11F	03/07/1991	P-T	39	2,023.11	—	100.0%	—	—	—	—	770	0.9%	520	5.83%	
S-3	Storkmansion Kashiwa	Kashiwa City, Chiba Prefecture	946.93	1,884.58	RC 6F	03/09/2000	P-T	26	1,794.44	—	—	100.0%	—	—	—	545	0.6%	434	6.76%	
S-4	DUO Station Higashimatsudo No. II	Matsudo City, Chiba Prefecture	1,785.29	3,570.66	RC 7F	04/23/2007	P-T	44	3,431.44	—	—	100.0%	—	—	—	1,100	1.3%	668	10.04%	
S-5	Artis Shin-Yokohama	Yokohama City, Kanagawa Prefecture	840.00	4,334.47	RC 11F	01/30/2007	G-O	131	3,277.62	100.0%	—	—	—	—	—	1,920	2.2%	887	11.52%	
S-6	Belle Scene Minamiikuta	Kawasaki City, Kanagawa Prefecture	2,900.77	3,859.22	RC 10F	10/14/1998	P-T	46	3,165.70	—	5.6%	94.4%	—	—	—	1,050	1.2%	862	13.54%	
S-7	PLEIADE CHOFU	Chofu City, Tokyo	994.98	1,845.46	RC 5F	03/07/2007	P-T	41	1,750.49	8.9%	80.7%	—	—	—	10.4%	1,143	1.3%	383	5.74%	
S-8	PLEIADE KUNITACHI	Kunitachi City, Tokyo	320.00	1,255.16	RC 10F	04/27/2007	P-T	46	1,176.66	90.3%	—	—	—	—	9.7%	635	0.7%	337	4.79%	
S-9	PLEIADE KAWASAKI MOTOKI	Kawasaki City, Kanagawa Prefecture	219.16	1,169.41	RC 11F	03/09/2007	P-T	49	1,012.98	100.0%	—	—	—	—	—	668	0.8%	282	6.48%	
S-10	PLEIADE KOKURYO	Chofu City, Tokyo	801.61	1,811.86	RC 6F	03/12/2008	P-T	62	1,489.97	100.0%	—	—	—	—	—	930	1.1%	422	7.19%	
◆S-11	Wako Student Heights	Wako City, Saitama Prefecture	1,728.40	3,434.07	RC 5F	04/30/1990	G-O	127	1,684.02	—	—	—	—	100.0%	—	675	0.8%	840	13.18%	
Subtotal								1,531	29,358.43	—	—	—	—	—	—	12,857	15.0%	—	—	
Regional Cities	R-2	Royal Nishihonmachi	Osaka City Osaka Prefecture	277.15	1,572.18	RC 11F	06/24/2002	P-T	50	1,195.10	100.0%	—	—	—	—	—	560	0.7%	342	10.98%
	R-3	Itopia Kyotogakuseikaikan	Kyoto City, Kyoto Prefecture	2,162.00	4,204.76	RC 7F	02/26/1999	G-O	154	3,714.11	100.0%	—	—	—	—	—	1,671	2.0%	1,155	12.61%
	R-6	HAUT DOMICILE NANGOGAI	Sapporo City, Hokkaido Prefecture	3,033.37	6,010.50	SRC 10F/B1	12/15/1986	G-O	68	4,535.26	—	9.0%	76.0%	—	—	15.0%	827	1.0%	1,004	3.19%
	R-7	Artis Higashisakura	Nagoya City, Aichi Prefecture	652.31	3,678.20	RC 10F	02/20/2006	P-T	91	3,084.03	—	97.3%	—	—	—	2.7%	1,290	1.5%	845	13.43%
	R-8	Grand Court Kameyama	Kameyama City, Mie Prefecture	3,304.68	6,567.93	RC 10F	02/20/2007	P-T	182	6,065.11	—	95.5%	—	—	—	4.5%	1,610	1.9%	1,041	15.40%
	R-9	Zeus Ryokuchi PREMIUM	Toyonaka City, Osaka Prefecture	1,255.90	2,644.50	RC 7F/B1	05/07/2007	G-O	44	2,391.35	—	79.3%	6.9%	—	—	13.8%	979	1.1%	525	10.47%
	R-10	GRASS HOPPER	Osaka City, Osaka Prefecture	1,224.00	4,632.61	SRC 13F	04/28/1997	P-T	58	3,681.25	—	44.7%	41.9%	—	—	13.5%	1,330	1.6%	929	11.50%
	R-11	Artis Kobe Port Island	Kobe City, Hyogo Prefecture	5,229.45	11,688.12	RC South 10F Center 2F North 10F	South, Center 03/20/2007 North 02/22/2008	G-O	404	9,708.00	100.0%	—	—	—	—	—	3,740	4.4%	2,466	10.89% 11.47%
	Subtotal								1,051	34,374.21	—	—	—	—	—	—	12,007	14.1%	—	—
	Grand Total								4,924	137,430.92	37.1%	39.2%	13.6%	0.1%	7.4%	2.5%	85,436	100.0%	37,056	6.19%

Master Lease Contract Classification P-T: Pass through payment contract G-O: Guaranteed occupancy contract



Appraisal Report

7 Central Tokyo Wards • Central Tokyo ex 7 Central Wards

Property No.	Property Name	Appraisal Company	Fiscal End Book Value (in million yen)	4th Fiscal Period Appraisal									4th Fiscal Period Appraisal								
				Appraisal Date	Appraisal Value (in million yen)	Capitalization Method					Cost Approach (in million yen)	Appraisal Date	Appraisal Value (in million yen)	Capitalization Method					Cost Approach (in million yen)		
						Direct Capitalization Price (in million yen)	Cap Rate	DCF (in million yen)	Discount Rate	Terminal Cap Rate				Direct Capitalization Price (in million yen)	Cap Rate	DCF (in million yen)	Discount Rate	Terminal Cap Rate			
P-1	Artiscourt Akasakahinokicho	JREI	4,839	12/31/2007	5,340	5,420	4.5%	5,260	4.3%	4.7%	5,320	06/30/2008	5,380	5,460	4.5%	5,300	4.3%	4.7%	5,470		
P-2	Artis Shimazuyama	JREI	2,781	12/31/2007	3,110	3,140	4.7%	3,070	4.5%	4.9%	3,060	06/30/2008	3,120	3,160	4.7%	3,080	4.5%	4.9%	3,120		
P-3	Artis Nakameguro	JREI	1,685	12/31/2007	1,930	1,950	4.5%	1,900	4.3%	4.7%	1,480	06/30/2008	1,930	1,950	4.5%	1,900	4.3%	4.7%	1,480		
P-4	Apartments Tsurumaki	CREA	1,229	12/31/2007	1,298	1,374	5.0%	1,298	4.7%	5.5%	1,084	06/30/2008	1,295	1,375	5.0%	1,295	4.7%	5.5%	1,089		
P-5	Crestcourt Azabujuban	CREA	2,015	12/31/2007	2,133	2,268	4.4%	2,133	4.1%	4.9%	1,559	06/30/2008	2,133	2,271	4.4%	2,133	4.1%	4.9%	1,647		
P-6	Artis Shibuyadaikanyama	JREI	1,694	12/31/2007	1,890	1,910	4.5%	1,870	4.3%	4.7%	1,830	06/30/2008	1,890	1,910	4.5%	1,870	4.3%	4.7%	1,850		
P-7	Artis Ikejirihashi	JREI	1,232	12/31/2007	1,370	1,380	4.7%	1,350	4.5%	4.9%	1,140	06/30/2008	1,370	1,380	4.7%	1,350	4.5%	4.9%	1,140		
P-9	Artis Shimoochiai	JREI	1,452	12/31/2007	1,510	1,520	5.0%	1,500	4.8%	5.2%	1,480	06/30/2008	1,520	1,530	5.0%	1,510	4.8%	5.2%	1,500		
P-10	Spacia Kudanshita	CREA	2,267	12/31/2007	2,444	2,587	4.8%	2,444	4.5%	5.3%	1,506	06/30/2008	2,427	2,558	4.8%	2,427	4.5%	5.3%	1,500		
P-12	Artis Hatagaya	JREI	1,142	12/31/2007	1,190	1,200	4.7%	1,170	4.5%	4.9%	1,090	06/30/2008	1,190	1,200	4.7%	1,170	4.5%	4.9%	1,120		
P-13	FELDBERG	JREI	1,594	12/31/2007	1,600	1,620	4.8%	1,580	4.6%	5.0%	1,590	06/30/2008	1,610	1,630	4.8%	1,590	4.6%	5.0%	1,590		
P-14	Artis Toritsudaigaku	JREI	659	12/31/2007	663	668	4.7%	657	4.5%	4.9%	650	06/30/2008	664	668	4.7%	659	4.5%	4.9%	654		
P-15	Artis Sakurajosui	JREI	1,147	12/31/2007	1,200	1,210	4.8%	1,190	4.6%	5.0%	972	06/30/2008	1,200	1,210	4.8%	1,190	4.6%	5.0%	1,010		
P-16	Artis Kitashinagawa	JREI	2,803	12/31/2007	2,720	2,740	4.7%	2,700	4.5%	4.9%	2,600	06/30/2008	2,730	2,750	4.7%	2,700	4.5%	4.9%	2,600		
P-17	PLEIADEYOYOGINOMORI	JREI	754	12/31/2007	732	738	4.7%	725	4.5%	4.9%	733	06/30/2008	729	735	4.7%	722	4.5%	4.9%	733		
Subtotal			27,301		29,130	29,725	-	28,847	-	-	26,094		29,188	29,787	-	28,896	-	-	26,503		
C-1	Artis Mitsukoshimae	JREI	1,879	12/31/2007	2,170	2,190	4.8%	2,150	4.6%	5.0%	1,900	06/30/2008	2,190	2,210	4.8%	2,170	4.6%	5.0%	1,900		
C-2	Artis Kamata	JREI	2,592	12/31/2007	3,040	3,070	4.9%	3,010	4.7%	5.1%	2,760	06/30/2008	3,040	3,060	4.9%	3,010	4.7%	5.1%	2,990		
C-3	Artis Ikebukuro	JREI	1,524	12/31/2007	1,660	1,670	4.8%	1,640	4.6%	5.0%	1,600	06/30/2008	1,650	1,670	4.8%	1,630	4.6%	5.0%	1,580		
C-5	Artis Hongo	JREI	1,684	12/31/2007	1,900	1,920	4.5%	1,870	4.3%	4.7%	1,850	06/30/2008	1,900	1,920	4.5%	1,870	4.3%	4.7%	1,920		
C-6	Artis Asakusabashi	JREI	1,061	12/31/2007	1,200	1,210	4.9%	1,190	4.7%	5.1%	1,060	06/30/2008	1,210	1,210	4.9%	1,200	4.7%	5.1%	1,080		
C-7	Maison Eclairée Ekoda	CREA	989	12/31/2007	960	997	5.5%	960	5.2%	6.0%	660	06/30/2008	962	995	5.5%	962	5.2%	6.0%	692		
C-8	Artis Uenookachimachi	JREI	3,182	12/31/2007	3,500	3,540	4.8%	3,460	4.6%	5.0%	2,900	06/30/2008	3,500	3,540	4.8%	3,460	4.6%	5.0%	2,900		
C-9	Artis Bunkyoongo	JREI	1,687	12/31/2007	1,700	1,710	4.8%	1,680	4.6%	5.0%	1,620	06/30/2008	1,700	1,720	4.8%	1,680	4.6%	5.0%	1,620		
C-10	Artis Ryogoku	JREI	933	12/31/2007	1,000	1,010	4.9%	991	4.7%	5.1%	988	06/30/2008	1,000	1,010	4.9%	991	4.7%	5.1%	1,010		
C-11	Artis Higashiginza	JREI	5,353	12/31/2007	5,380	5,460	4.5%	5,300	4.3%	4.9%	5,320	06/30/2008	5,400	5,460	4.5%	5,340	4.4%	4.9%	5,380		
C-12	Apres parks Ueno	JREI	889	12/31/2007	907	914	4.9%	899	4.7%	5.1%	624	06/30/2008	905	913	4.9%	897	4.7%	5.1%	638		
C-13	Artis Ningocho	JREI	3,265	12/31/2007	3,420	3,450	4.7%	3,380	4.5%	4.9%	3,240	06/30/2008	3,420	3,450	4.7%	3,380	4.5%	4.9%	3,260		
C-14	Artis Omorihigashi	JREI	2,052	12/31/2007	1,990	2,010	5.1%	1,960	4.9%	5.3%	1,410	06/30/2008	1,990	2,010	5.1%	1,970	4.9%	5.3%	1,400		
C-15	Residence Oyama	JREI	1,578	12/31/2007	1,540	1,560	5.1%	1,520	5.0%	5.4%	1,510	06/30/2008	1,540	1,560	5.1%	1,520	5.0%	5.4%	1,500		
C-16	Artis Kinshicho	JREI	4,335	12/31/2007	4,270	4,310	4.8%	4,220	4.6%	5.0%	3,840	06/30/2008	4,210	4,240	4.8%	4,170	4.6%	5.0%	3,960		
C-17	T&G Negishi Mansion	MAIC	911	12/31/2007	864	880	4.8%	847	4.5%	5.1%	723	06/30/2008	864	877	4.8%	851	4.5%	5.1%	715		
Subtotal			33,921		35,501	35,901	-	35,077	-	-	32,005		35,481	35,845	-	35,101	-	-	32,545		

Appraisal Companies JREI: Japan Real Estate Institute CREA: Chuo Real Estate Appraisal Co., Ltd. MAIC: Morii Appraisal & Investment Consulting Inc.



Appraisal Report

Greater Tokyo ex Central Tokyo • Regional Cities

Property No.	Property Name	Appraisal Company	Fiscal End Book Value (in million yen)	4th Fiscal Period Appraisal										4th Fiscal Period Appraisal						
				Appraisal Date	Appraisal Value (in million yen)	Capitalization Method					Cost Approach (in million yen)	Appraisal Date	Appraisal Value (in million yen)	Capitalization Method					Cost Approach (in million yen)	
						Direct Capitalization Price (in million yen)	Cap Rate	DCF (in million yen)	Discount Rate	Terminal Cap Rate				Direct Capitalization Price (in million yen)	Cap Rate	DCF (in million yen)	Discount Rate	Terminal Cap Rate		
◆S-1	Hiyoshidai Student Heights	CREA	3,446	12/31/2007	3,585	3,517	7.6%	3,585	7.3%	8.1%	2,721	06/30/2008	3,586	3,518	7.6%	3,586	7.3%	8.1%	2,761	
S-2	Chester House Kawaguchi	CREA	767	12/31/2007	784	822	5.6%	784	5.3%	6.1%	605	06/30/2008	770	808	5.7%	770	5.4%	6.2%	601	
S-3	Storkmansion Kashiwa	JREI	575	12/31/2007	514	517	5.4%	511	5.2%	5.6%	542	06/30/2008	499	501	5.6%	496	5.4%	5.8%	538	
S-4	DUO Station Higashimatsudo No. II	JREI	1,187	12/31/2007	1,130	1,150	5.3%	1,100	5.1%	5.5%	1,000	06/30/2008	1,070	1,070	5.5%	1,070	5.3%	5.7%	1,090	
S-5	Artis Shin-Yokohama	JREI	1,985	12/31/2007	1,940	1,960	5.3%	1,920	5.1%	5.5%	1,850	06/30/2008	1,920	1,940	5.4%	1,900	5.2%	5.6%	1,840	
S-6	Belle Scene Minamiikuta	JREI	1,130	12/31/2007	1,060	1,070	5.1%	1,050	4.9%	5.3%	1,100	06/30/2008	1,030	1,030	5.3%	1,020	5.1%	5.5%	1,100	
S-7	PLEIADE CHOFU	JREI	1,188	12/31/2007	1,150	1,160	5.2%	1,140	5.0%	5.4%	944	06/30/2008	1,160	1,170	5.2%	1,150	5.0%	5.4%	966	
S-8	PLEIADE KUNITACHI	JREI	667	12/31/2007	640	646	5.3%	634	5.1%	5.5%	565	06/30/2008	639	645	5.4%	633	5.2%	5.6%	565	
S-9	PLEIADE KAWASAKI MOTOKI	JREI	699	12/31/2007	668	673	5.6%	662	5.4%	5.8%	598	06/30/2008	652	657	5.7%	646	5.5%	5.9%	598	
S-10	PLEIADE KOKURYO	JREI	973	04/30/2008	935	945	5.1%	924	4.9%	5.3%	922	06/30/2008	941	951	5.1%	930	4.9%	5.3%	917	
◆S-11	Wako Student Heights	JREI	731	02/01/2008	684	689	6.0%	679	5.8%	6.2%	710	06/30/2008	664	667	6.2%	661	6.0%	6.4%	710	
Subtotal			13,353		13,090	13,149	—	12,989	—	—	11,557		12,931	12,957	—	12,862	—	—	11,686	
Regional Cities	R-2	Royal Nishihonmachi	JREI	560	12/31/2007	635	641	5.2%	628	5.0%	5.4%	564	06/30/2008	614	620	5.2%	607	5.0%	5.4%	558
	R-3	Itopia Kyotogakuseikaikan	CREA	1,670	12/31/2007	1,739	1,847	5.4%	1,739	5.1%	5.9%	1,524	06/30/2008	1,723	1,834	5.5%	1,723	5.2%	6.0%	1,523
	R-6	HAUT DOMICILE NANGOGAI	CREA	878	12/31/2007	830	839	6.3%	830	6.0%	6.8%	854	06/30/2008	826	834	6.4%	826	6.1%	6.9%	829
	R-7	Artis Higashisakura	JREI	1,299	12/31/2007	1,360	1,360	5.3%	1,350	5.0%	5.5%	1,420	06/30/2008	1,250	1,270	5.4%	1,230	5.1%	5.6%	1,240
	R-8	Grand Court Kameyama	JREI	1,719	12/31/2007	1,610	1,620	6.2%	1,600	5.6%	6.7%	1,570	06/30/2008	1,460	1,470	6.4%	1,440	6.1%	6.8%	1,420
	R-9	Zeus Ryokuchi PREMIUM	JREI	1,013	12/31/2007	985	986	5.4%	984	5.1%	5.6%	966	06/30/2008	994	997	5.4%	990	5.1%	5.6%	995
	R-10	GRASS HOPPER	JREI	1,386	12/31/2007	1,360	1,370	5.5%	1,340	5.3%	5.7%	1,250	06/30/2008	1,310	1,330	5.5%	1,290	5.3%	5.7%	1,320
R-11	Artis Kobe Port Island	JREI	3,931	12/31/2007 03/07/2008	3,810	3,830	5.4%	3,770	5.2%	5.6%	3,800	06/30/2008	3,840	3,870	5.4%	3,810	5.2%	5.6%	3,940	
Subtotal			12,461		12,329	12,493	—	12,241	—	—	11,948		12,017	12,225	—	11,916	—	—	11,825	
Grand Total			87,038		90,051	91,269	—	89,155	—	—	81,605		89,618	90,815	—	88,776	—	—	82,560	

Appraisal Companies JREI: Japan Real Estate Institute CREA: Chuo Real Estate Appraisal Co., Ltd. MAIC: Morii Appraisal & Investment Consulting Inc.



Property Income Statement 7 Central Tokyo Wards

(in thousand yen)

	Artiscourt Akasakahinokicho	Artis Shimazuyama	Artis Nakameguro	Apartments Tsurumaki	Crestcourt Azabujuban	Artis Shibuyadaikanyama	Artis Ikejiriohashi	Artis Shimoochiai	Spacia Kudanshita	Artis Hatagaya	Feldberg	Artis Toritsudaigaku	Artis Sakurajosui	Artis Kitashinagawa	PLEIADE YOYOGINOMORI	Tokyo 7 Wards Total
Days of Operation	182	182	182	182	182	182	182	182	182	182	182	182	182	182	123	—
Total Rental Revenue	147,256	92,483	49,242	42,291	59,499	53,271	38,408	48,637	67,560	35,276	52,107	19,108	35,031	75,888	13,383	829,447
Rent Income	142,050	89,676	49,104	40,769	56,289	50,142	38,408	46,991	65,988	31,758	51,115	19,108	34,083	75,888	13,383	804,759
Other Income	5,205	2,806	138	1,522	3,209	3,128	0	1,646	1,572	3,518	992	0	948	0	0	24,687
Total Rental Expenses	24,869	16,782	3,023	6,628	11,268	7,067	7,529	8,596	16,700	6,234	12,932	2,811	3,835	5,758	2,833	136,873
Management Fees	13,100	7,402	491	3,511	4,727	4,427	5,066	4,435	7,151	3,904	7,673	1,797	2,232	3,174	1,360	70,457
Rental Advertising Cost	3,360	1,441	0	72	1,218	239	72	677	3,092	582	1,063	121	322	0	438	12,701
Property Tax, etc.	3,389	3,014	1,396	1,852	2,683	1,245	760	565	2,024	820	2,520	182	529	1,020	0	22,004
Cost of Utilities	1,434	923	0	529	667	406	412	504	860	335	687	211	273	932	141	8,320
Insurance	298	201	107	94	117	85	84	127	157	63	134	47	67	216	33	1,835
Cost of Repair	2,845	2,569	336	150	1,394	174	637	1,835	2,461	49	355	38	1	0	0	12,851
Other Expenses	440	1,230	692	418	459	488	495	450	953	478	498	414	409	414	859	8,701
Net Operating Income	122,387	75,700	46,219	35,663	48,231	46,204	30,879	40,041	50,859	29,041	39,174	16,296	31,196	70,129	10,549	692,574
Capital Expenditures	0	0	0	0	1,949	0	0	0	0	0	0	0	0	407	0	2,356
Depreciation	38,443	29,275	17,691	5,652	8,825	6,255	6,823	7,802	12,834	4,288	7,048	3,486	4,751	14,307	2,202	169,689
Rental Business Profit (Loss)	83,944	46,424	28,527	30,010	39,405	39,948	24,056	32,238	38,025	24,752	32,126	12,810	26,444	55,822	8,346	522,885
NOI Yield	5.0%	5.3%	5.4%	5.8%	4.9%	5.5%	5.0%	5.5%	4.5%	5.2%	5.0%	5.1%	5.6%	5.2%	4.3%	5.1%

(in million yen)

Acquisition Price	4,930	2,860	1,730	1,229	1,987	1,690	1,230	1,450	2,270	1,130	1,563	643	1,120	2,720	732	27,284
Fiscal End Book Value	4,839	2,781	1,685	1,229	2,015	1,694	1,232	1,452	2,267	1,142	1,594	659	1,147	2,803	754	27,301
Fiscal End Appraisal Value	5,380	3,120	1,930	1,295	2,133	1,890	1,370	1,520	2,427	1,190	1,610	664	1,200	2,730	729	29,188
Fiscal End Occupancy Rate	91.4%	96.6%	100.0%	96.5%	89.1%	94.5%	88.8%	93.1%	97.7%	96.1%	97.8%	94.4%	100.0%	100.0%	91.7%	95.2%
Average Fiscal Period Occupancy Rate	94.3%	97.5%	100.0%	98.8%	92.1%	96.4%	92.9%	93.5%	90.2%	96.4%	97.0%	96.3%	99.1%	100.0%	91.8%	95.7%



Property Income Statement Central Tokyo ex. 7 Wards

(in thousand yen)

	Artis Mitsukoshimae	Artis Kamata	Artis Ikebukuro	Artis Hongo	Artis Asakusabashi	Maison Eclairce Ekoda	Artis Uenokachimachi	Artis Bunkyoongo	Artis Ryogoku	Artis Higashiginza	Apré Parks Ueno	Artis Ningyocho	Artis Omonigashi	Residence Oyama	Artis Kinshicho	T&G Negishi Mansion	Central Tokyo ex. 7 Wards Total
Days of Operation	182	182	182	182	182	182	182	182	182	182	182	182	182	182	102	182	—
Total Rental Revenue	66,363	97,723	46,833	50,255	39,944	37,926	99,225	51,135	35,294	140,263	26,092	96,556	59,239	57,941	68,632	30,156	1,003,584
Rent Income	64,055	95,240	46,833	50,255	37,860	35,354	97,459	49,786	30,322	140,263	25,454	95,706	56,521	57,660	64,412	25,933	973,120
Other Income	2,307	2,482	0	0	2,083	2,572	1,765	1,349	4,972	0	638	850	2,718	281	4,220	4,223	30,463
Total Rental Expenses	10,699	15,212	4,051	3,859	6,424	11,306	9,037	6,238	6,976	8,387	4,237	8,813	12,801	10,247	6,934	5,971	131,199
Management Fees	5,559	8,863	1,377	1,302	3,537	5,111	3,442	4,111	4,795	3,989	2,402	5,762	10,823	4,929	6,001	4,292	76,302
Rental Advertising Cost	1,437	72	115	72	762	1,215	0	230	72	0	595	0	170	758	0	8	5,509
Property Tax, etc.	1,451	2,775	1,117	1,041	570	1,381	2,448	833	734	1,135	304	1,232	773	1,479	0	141	17,421
Cost of Utilities	717	1,002	463	494	493	446	533	466	365	1,503	339	925	507	547	407	342	9,556
Insurance	146	236	112	109	101	77	208	118	88	344	63	238	106	190	91	80	2,316
Cost of Repair	562	1,184	288	234	557	2,583	1,852	78	366	673	27	177	20	1,786	0	94	10,485
Other Expenses	823	1,078	575	605	402	490	551	400	554	741	504	476	400	557	433	1,012	9,607
Net Operating Income	55,663	82,510	42,782	46,395	33,519	26,620	90,188	44,896	28,318	131,876	21,855	87,743	46,437	47,693	61,698	24,185	872,385
Capital Expenditures	143	0	525	472	0	735	0	0	0	493	2,797	0	0	289	0	0	5,456
Depreciation	18,277	25,474	7,128	7,125	6,802	4,954	17,559	8,121	4,647	17,051	5,516	16,400	11,530	9,108	11,761	5,286	176,747
Rental Business Profit (Loss)	37,386	57,035	35,653	39,269	26,716	21,665	72,628	36,775	23,671	114,824	16,339	71,342	34,907	38,585	49,936	18,898	695,637
NOI Yield	5.8%	6.3%	5.6%	5.5%	6.3%	5.6%	5.7%	5.6%	6.2%	5.0%	5.1%	5.5%	4.7%	6.4%	5.3%	5.7%	5.6%

(in million yen)

Acquisition Price	1,920	2,640	1,520	1,680	1,060	953	3,160	1,623	913	5,251	860	3,180	1,980	1,490	4,200	856	33,287
Fiscal End Book Value	1,879	2,592	1,524	1,684	1,061	989	3,182	1,687	933	5,353	889	3,265	2,052	1,587	4,335	911	33,921
Fiscal End Appraisal Value	2,190	3,040	1,650	1,900	1,210	962	3,500	1,700	1,000	5,400	905	3,420	1,990	1,540	4,210	864	35,481
Fiscal End Occupancy Rate	94.4%	98.8%	100.0%	100.0%	100.0%	95.7%	100.0%	95.6%	100.0%	100.0%	92.5%	98.7%	96.8%	98.3%	99.5%	96.3%	98.4%
Average Fiscal Period Occupancy Rate	95.3%	98.8%	100.0%	100.0%	98.9%	96.4%	100.0%	97.8%	98.4%	100.0%	92.0%	99.2%	93.9%	98.0%	96.4%	95.4%	98.1%



Property Income Statement Greater Tokyo ex Central

(in thousand yen)

	Hiyoshidai Student Heights	Chester House Kawaguchi	Storkmansion Kashiwa	DUO Station Higashimatsudo No. II	Artis Shin-Yokohama	Belle Scene Minamikuta	PLEIADE CHOFU	PLEIADE KUNITACHI	PLEIADE KAWASAKI MOTOKI	PLEIADE KOKURYO	Wako Student Heights	Greater Tokyo ex Central Total
Days of Operation	182	182	182	182	182	182	123	123	123	36	67	
Total Rental Revenue	174,233	31,173	22,347	40,923	64,096	40,017	23,922	15,410	15,399	5,674	9,569	433,199
Rent Income	174,072	29,588	21,298	35,452	63,885	39,042	23,522	15,410	15,399	5,191	9,569	422,863
Other Income	161	1,584	1,049	5,471	211	974	400	0	0	483	0	10,335
Total Rental Expenses	21,365	7,835	6,244	12,241	6,802	9,979	2,957	2,587	1,901	1,930	1,470	73,847
Management Fees	5,471	3,336	2,725	6,799	2,800	5,184	1,609	1,214	1,168	1,007	0	31,318
Rental Advertising Cost	0	72	118	3,003	0	669	214	0	0	383	0	4,460
Property Tax, etc.	9,589	1,847	1,681	1,212	2,182	1,646	0	0	0	0	0	18,159
Cost of Utilities	0	397	356	658	869	685	108	136	173	41	0	3,427
Insurance	826	107	89	141	206	180	50	39	50	11	38	1,703
Cost of Repair	5,079	1,448	796	12	343	989	354	0	0	0	1,248	9,021
Other Expenses	400	626	478	414	400	625	620	1,196	507	486	183	5,756
Net Operating Income	152,867	23,337	16,103	28,682	57,293	30,037	20,965	12,822	13,498	3,744	8,099	359,351
Capital Expenditures	22,954	0	0	0	0	3,838	0	0	0	0	0	26,793
Depreciation	40,134	4,810	3,783	9,210	11,725	7,503	5,274	3,812	3,693	1,856	2,655	91,804
Rental Business Profit (Loss)	112,733	18,527	12,320	19,472	45,568	22,533	15,691	9,009	9,804	1,887	5,443	267,547
NOI Yield	9.0%	6.1%	5.9%	5.2%	6.0%	5.7%	5.4%	6.0%	6.0%	4.1%	6.5%	6.5%

(in million yen)

Acquisition Price	3,420	770	545	1,100	1,920	1,050	1,143	635	668	930	675	12,857
Fiscal End Book Value	3,446	767	575	1,187	1,985	1,130	1,188	667	699	973	731	13,353
Fiscal End Appraisal Value	3,586	770	499	1,070	1,920	1,030	1,160	639	652	941	664	12,931
Fiscal End Occupancy Rate	100.0%	94.9%	96.3%	97.9%	100.0%	88.3%	98.3%	100.0%	100.0%	86.7%	100.0%	97.1%
Average Fiscal Period Occupancy Rate	100.0%	96.6%	97.5%	86.6%	100.0%	90.5%	96.5%	100.0%	100.0%	83.3%	100.0%	96.3%



Property Income Statement Regional Cities

(in thousand yen)

	Royal Nishihonmachi	Itoya Kyotogakuseikaikan	HAUT DOMICILE NANGOGAI	Artis Higashisakura	Grand Court Kameyama	Zeus Ryokuchi PREMIUM	GRASS HOPPER	Artis Kobe Port Island	Regional Cities Total	Total
Days of Operation	182	182	182	182	182	182	158	130(*)		
Total Rental Revenue	20,446	68,424	37,304	44,707	68,909	31,250	51,699	75,679	407,990	2,674,221
Rent Income	20,406	68,424	37,304	42,679	68,909	31,250	44,994	75,679	399,217	2,599,962
Other Income	40	0	0	2,027	0	0	6,704	0	8,772	74,259
Total Rental Expenses	5,250	14,700	10,085	11,186	13,367	1,691	14,286	1,385	73,424	415,343
Management Fees	1,859	8,540	541	5,062	5,967	312	4,428	769	27,482	205,561
Rental Advertising Cost	988	0	0	880	0	0	3,833	0	5,702	28,375
Property Tax, etc.	1,259	4,371	3,720	2,738	4,071	869	0	0	17,030	74,615
Cost of Utilities	277	208	0	334	2,700	0	2,913	0	6,434	27,738
Insurance	71	236	201	174	228	109	132	301	1,495	7,350
Cost of Repair	383	919	5,222	967	0	0	2,573	8	11,323	43,682
Other Expenses	409	423	400	1,028	400	400	404	305	3,954	28,019
Net Operating Income	15,195	53,723	27,218	33,521	55,542	29,558	37,412	74,294	334,566	2,258,877
Capital Expenditures	0	0	10,540	0	0	0	519	0	11,060	45,666
Depreciation	4,874	12,303	9,439	14,255	10,996	6,843	10,823	20,271	92,461	530,702
Rental Business Profit (Loss)	10,321	41,420	17,779	19,266	44,545	22,715	26,589	54,023	242,104	1,728,174
NOI Yield	5.4%	6.5%	6.6%	5.2%	6.9%	6.1%	6.5%	5.9%	6.0%	5.6%

(in million yen)

Acquisition Price	560	1,671	827	1,290	1,610	979	1,330	3,740	12,007	85,436
Fiscal End Book Value	560	1,670	878	1,299	1,719	1,013	1,386	3,931	12,461	87,038
Fiscal End Appraisal Value	614	1,723	826	1,250	1,460	994	1,310	3,840	12,017	89,618
Fiscal End Occupancy Rate	100.0%	100.0%	100.0%	73.3%	100.0%	100.0%	87.1%	100.0%	96.2%	96.9%
Average Fiscal Period Occupancy Rate	93.7%	100.0%	100.0%	80.1%	100.0%	100.0%	76.5%	100.0%	95.1%	96.4%

*Calculation for "days of operation" for Artis Kobe Port Island is based on the acquisition date of South and Center Building.



Due Diligence

Specialists carry out economic, physical and legal checks

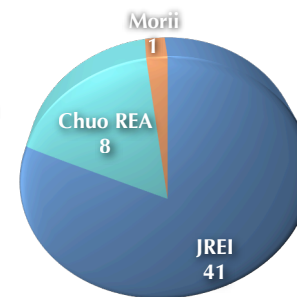
【Probable Maximum Loss (PML)】

Sompo Japan Risk Management, Inc.

【Legal Checks】

Mori Hamada & Matsumoto

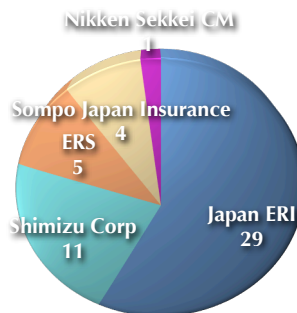
Number of Properties Each Specialist Carry Out Their Due Diligence



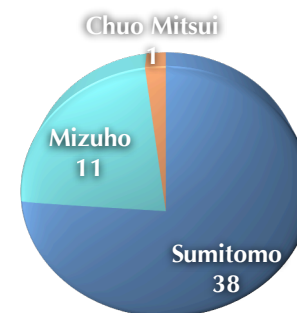
【Appraisal】
 Japan Real Estate Institute
 Chuo Real Estate Appraisal Co., Ltd.
 Morii Appraisal & Investment Consulting Inc.

【Engineering Reports】

Shimizu Corporation
Japan ERI Co., Ltd.
Engineering & Risk Services



Engineering Reports



Trustee Due Diligence

【Trustee Due Diligence】

The Sumitomo Trust & Banking Co., Ltd.
Mizuho Trust & Banking Co., Ltd.
The Chuo Mitsui Trust & Banking Co., Ltd.

【Structural Calculation Checks】

Kozo Keikaku Engineering Inc.
Sompo Japan Risk Management, Inc.
Japan ERI Co., Ltd.

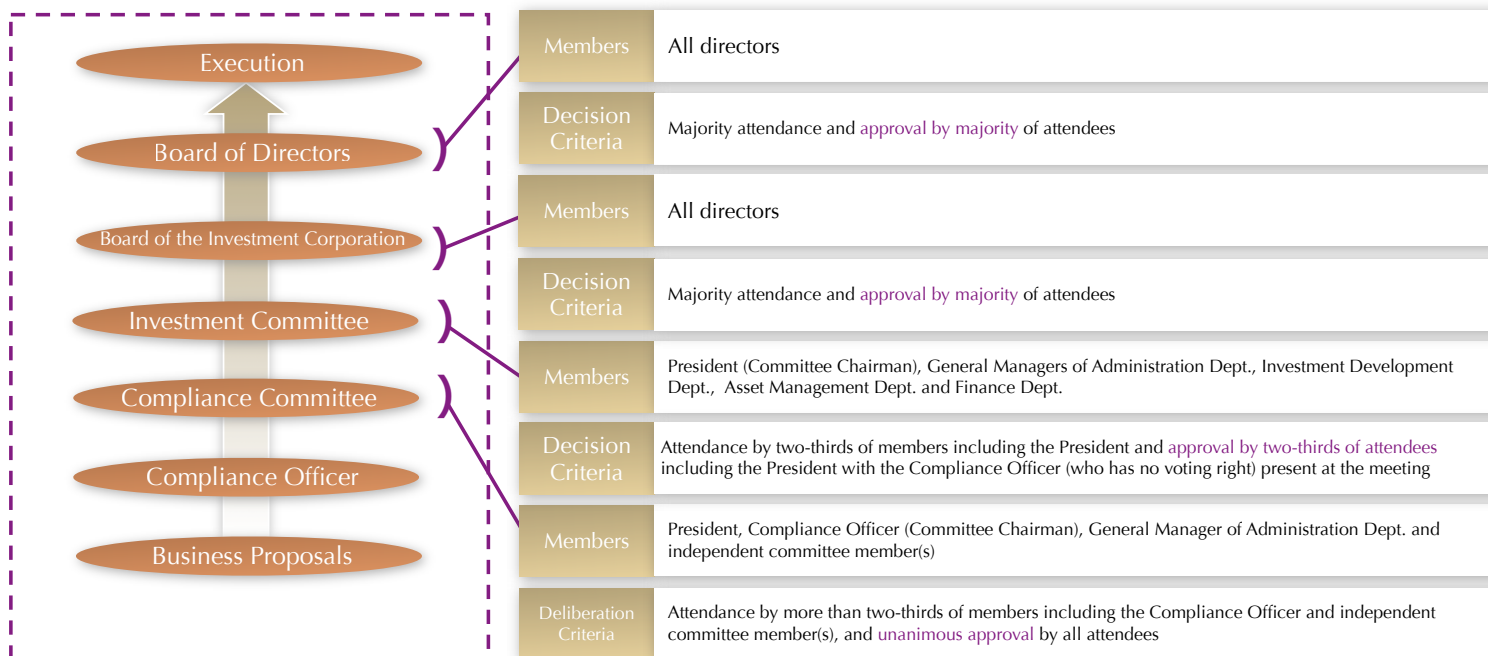


Managing Conflicts of Interests

Rigorous check system in place for related-party transactions and investment guideline approved transactions

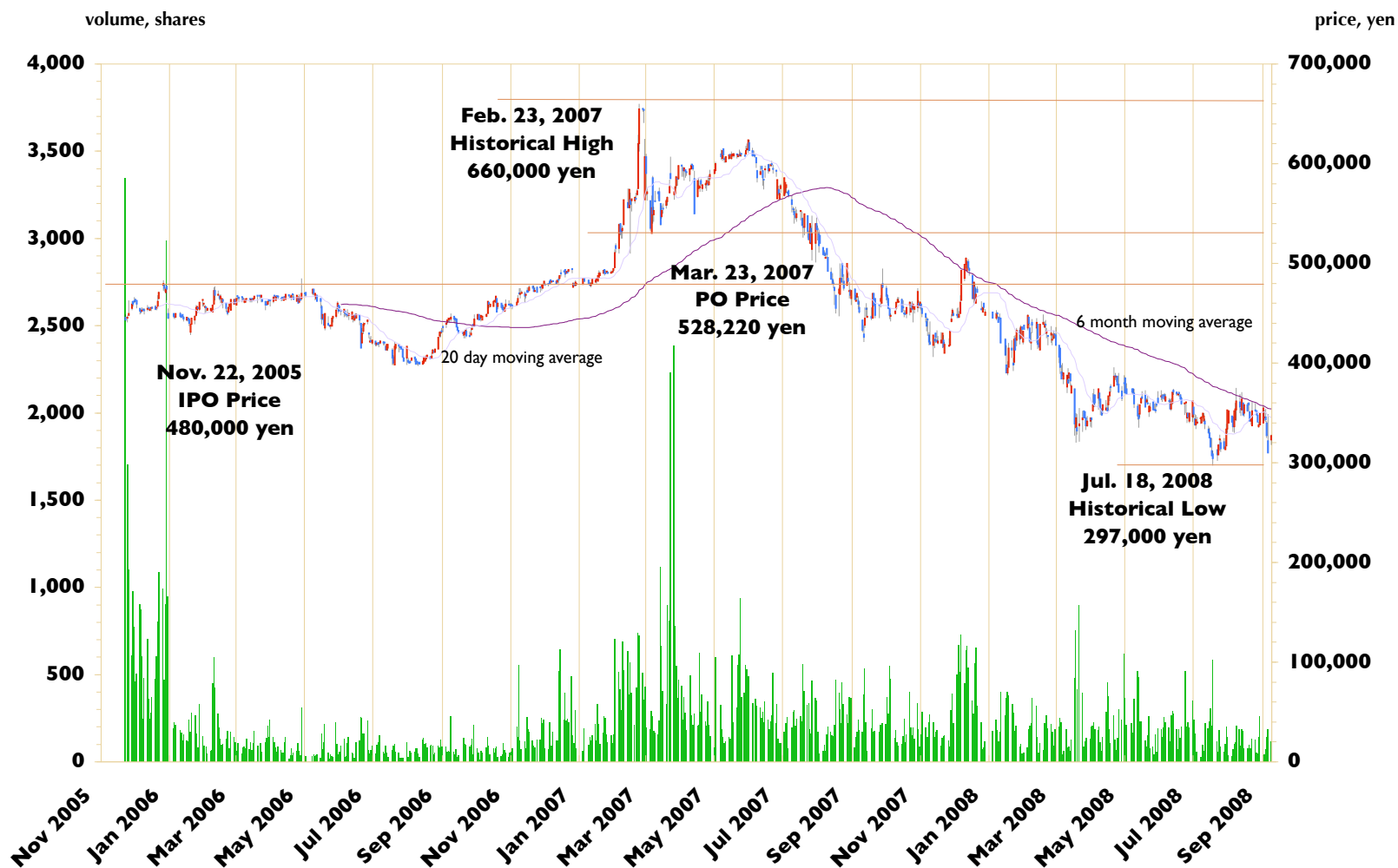
Definition of Related Parties

- (1) Related parties defined under Article 15-(2)-1 of the Investment Trust Law
- (2) Directors/officers of the asset managing company and all its shareholders with voting rights.
- (3) SPCs that are majority held by persons stated under (1) and (2) and thus may have significant influence on the company





Share Price Performance

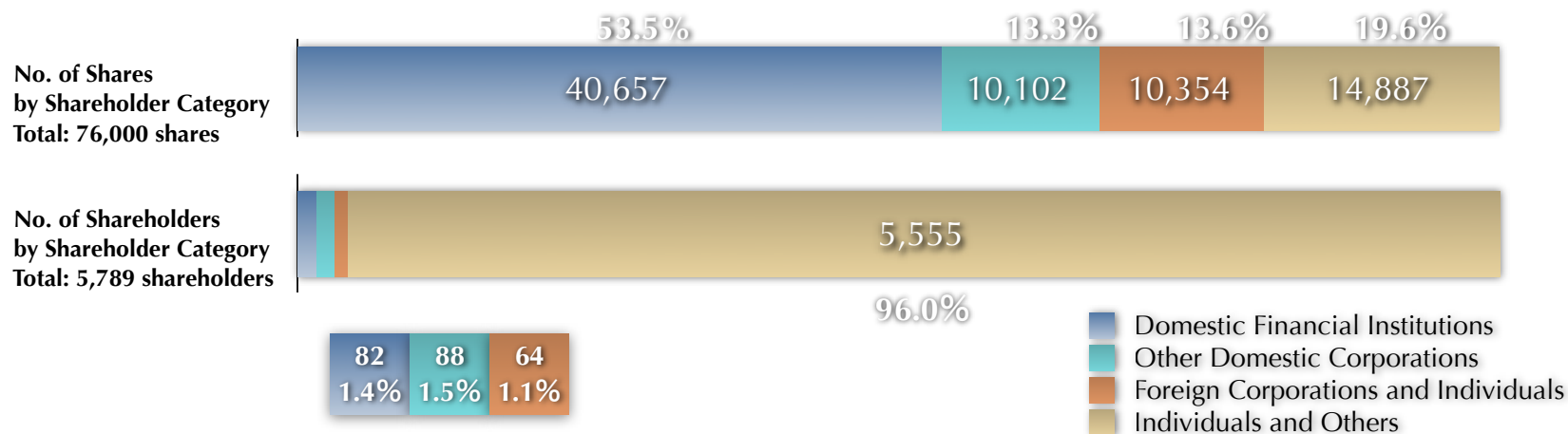




Share Ownership

	Number of Shares		Number of Shareholders	
	No. of Shares	%	No. of Shareholders	%
Domestic Financial Institutions	40,657	53.5	82	1.4
Other Domestic Corporations	10,102	13.3	88	1.5
Foreign Corporations and Individuals	10,354	13.6	64	1.1
Individuals and Others	14,887	19.6	5,555	96.0
Total	76,000	100.0	5,789	100.0

Major Shareholders	No. of Shares	% of Total
Japan Trustee Services Bank, Ltd.	8,688	11.4
NikkoCiti Trust and Banking Corporation	5,935	7.8
The Master Trust Bank of Japan, Ltd.	4,912	6.5
ITOCHU Corporation	3,500	4.6
Sumitomo Mitsui Banking Corporation	2,326	3.1
AIG Star Life Insurance Co., Ltd.	2,300	3.0
Mellon Bank, N.A. Treaty Clients Omnibus	1,529	2.0
Nippon Toshi-Tatemono Co., Ltd.	1,500	2.0
Itochu Property Development, Ltd.	1,500	2.0
Nomura Trust and Banking Co., Ltd.	1,396	1.8

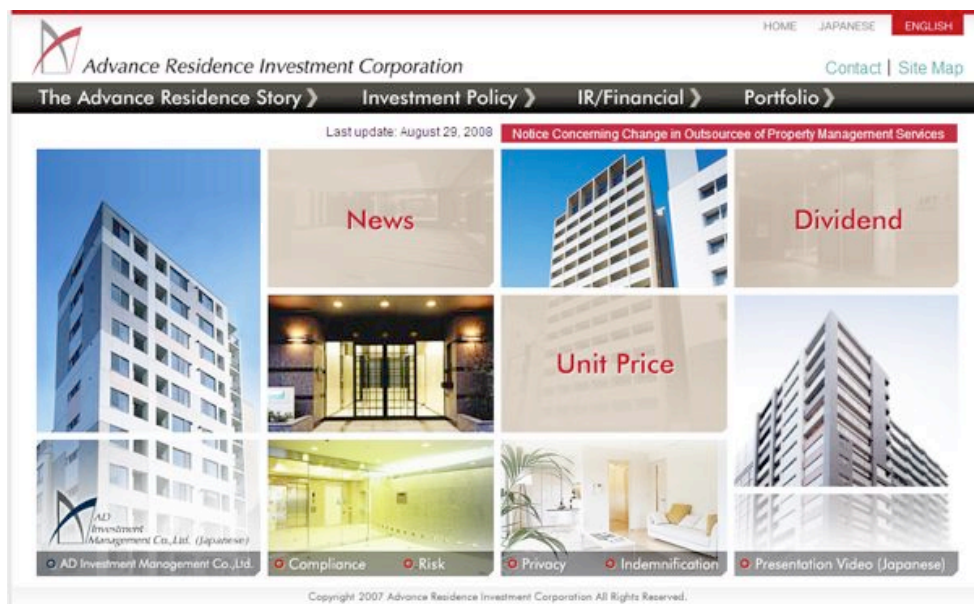




Website Information

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URL <http://www.adr-reit.com/>



Portfolio Booklet

Advance Residence Investment Corporation

1 Artis Court Akasaka Hinokishi

- Located near the urbane, upscale area of Akasaka and entertainment city Roppongi.
- A location where residents can enjoy the lush, peaceful green of Nogizaka.
- A rich lifestyle with maximum convenience is offered by this residence.

Unit Types (by area)	
Single	13%
Compact	49%
Family	38%
Large	-
Dormitory	-
Other	-

Location	Akasaka, Minato Ward, Tokyo
Nearest station	A 6-minute walk from Akasaka Station on the Tokyo Metro Chiyoda Line.
Site area	1,194.35m ²
Floors	14 floors/1 basement floor
Rentable units	111
Floor space	6,151.48m ²
Rentable area	4,802.70m ²

Completed	December 21, 2004
Acquisition price	4,930,000,000 yen
Master lease type	Pass through
P.M.L.	6.79%
Property manager	Mitsui Fudosan Housing Lease