



6th Fiscal Period Results

Jul. 1, 2008 to Dec. 31, 2008

Advance Residence Investment Corporation

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



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6th Fiscal Period Summary

Dividend Increase

5th FP		6th FP
14,087 yen per share		15,515 yen per share

Improved occupancy & maintained high NOI yield

5th FP		6th FP
Occupancy 96.4%		Occupancy 97.0%
NOI Yield 5.6%		NOI Yield 5.6%

Maintained stable financial structure

- Outstanding interest bearing debts of 52 billion yen are all long-term and fixed interest.
- No refinancing is scheduled until Nov. 25, 2009.



Dividend Detail

	Initial Forecasts (a)	Actual Results (b)	Changes (a-b)	Factors		Excluding 122 million yen of tax refund (Note) (c)	Changes (a-c)	5th FP Results (d)	Changes (b-d)
Revenue	2,840	2,845	+5	Increase in occupancy and decrease in "reikin"(gratitude money) and other revenue Initial forecast 96.5% → Actual 97.0%	+5	2,845	+5	2,674	+171
Operating Income	1,580*	1,602	+22	Decrease in costs	+17	1,602	+22	1,480	+121
Ordinary Income	1,034	1,180	+146	Increase in non-operating income Tax refund (Note) +122	+122	1,058	+24	1,071	+108
Net Income	1,033	1,179	+146			1,057	+24	1,070	+108
Dividend (yen per share)	13,600	15,515	+1,915			13,902	+302	14,087	+1,428

(in million yen)

Even excluding the tax refund, we were able to achieve greater than expected dividend.

(Note) 122 million yen consumption tax was refunded due to the recalculation of the consumption tax paid on the first fiscal period. The taxable revenue for the first fiscal period was recalculated using the actual average percentage share of taxable revenue during the last six fiscal period.

* In the initial forecast, operating income was 1,550 million yen, which included 30 million yen expense item that is accounted as non-operating item in the actual result. In the above table, forecast operating income is adjusted for the 30 million yen and displayed as 1,580 million yen.



7th Fiscal Period Profit Forecast

(in million yen)

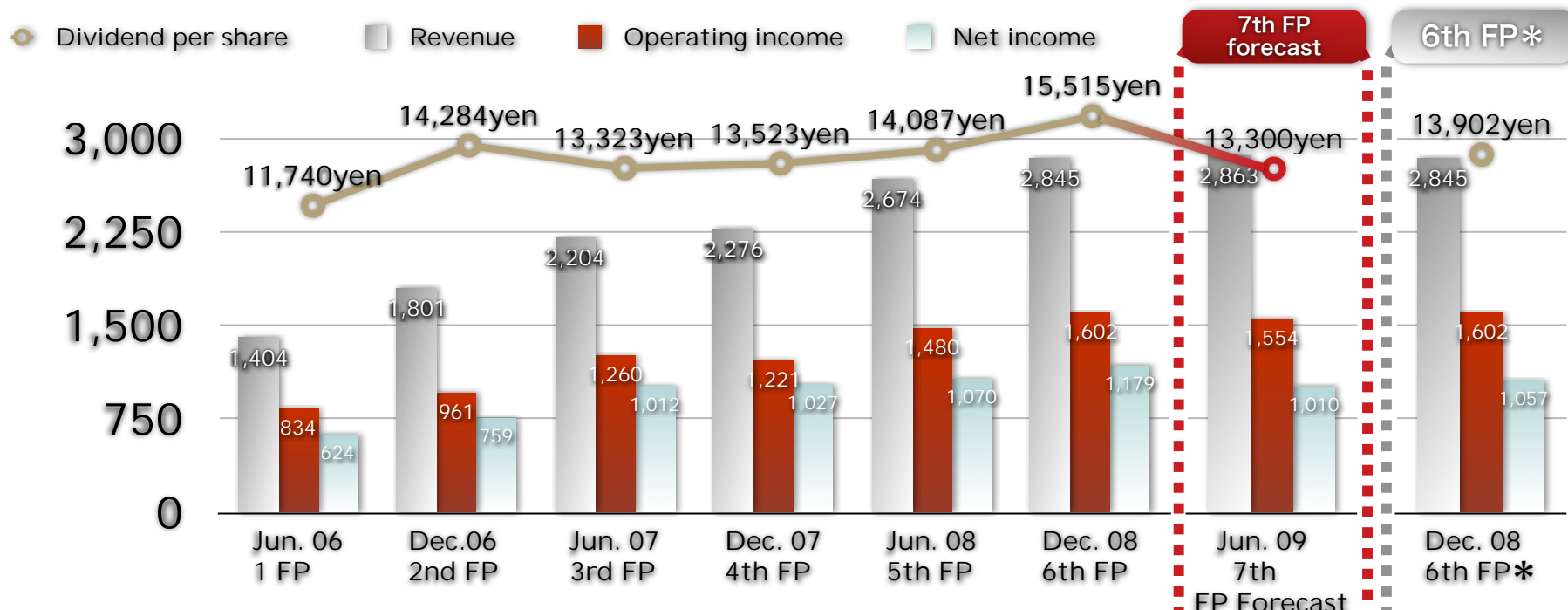
The forecast is based on the following assumptions

- There will be no changes in number of properties held (50 properties as of Dec. 2008).
- Will achieve an average occupancy of 96.0% during the period.
- There will be no changes in the outstanding amount of debt as of Dec. 2008 (52 billion yen).

	6th FP Results	7th FP Forecasts	Difference	Factors	
Revenue	2,845	2,863	+17	Occupancy drop -27 (6 FP result 97%→ forecast 96%) Increase in renewal fees +44	+17
Operating Income	1,602	1,554	-48	Increase in cost due to peak leasing season	-65
Ordinary Income	1,180	1,011	-169	No consumption tax refund in 7th period	-121
Net Income	1,179	1,010	-169		
Dividend (yen per share)	15,515	13,300	-2,215		



Performance History



	181*	184	181	184	182	184	181	184
Days of operation	181*	184	181	184	182	184	181	184
Revenue (mil yen)	1,404	1,801	2,204	2,276	2,674	2,845	2,863	2,845
Operating income (mil yen)	834	961	1,260	1,221	1,480	1,602	1,554	1,602
Net income (mil yen)	624	759	1,012	1,027	1,070	1,179	1,010	1,057
Net asset per share (yen)	477,673	477,622	490,466	490,666	491,230	492,658	-	-
Dividend per share (yen)	11,740	14,284	13,323	13,523	14,087	15,515	13,300	13,902
FFO per share (yen)	36,502	38,642	30,017	34,787	42,256	45,275	41,605	42,076
NOI Yield	5.5%	5.8%	5.8%	5.5%*	5.6%	5.6%	5.6%	5.6%

* There was 221 days of operation in the 1st fiscal period, however we have adjusted the figures to 181 days for comparison.
 * There was two disposed assets in the 4th FP. If the disposed assets were included in the calculation, the NOI yield for that period will be 5.2%.
 * The figures for 6th FP* exclude the consumption tax refund.



Portfolio





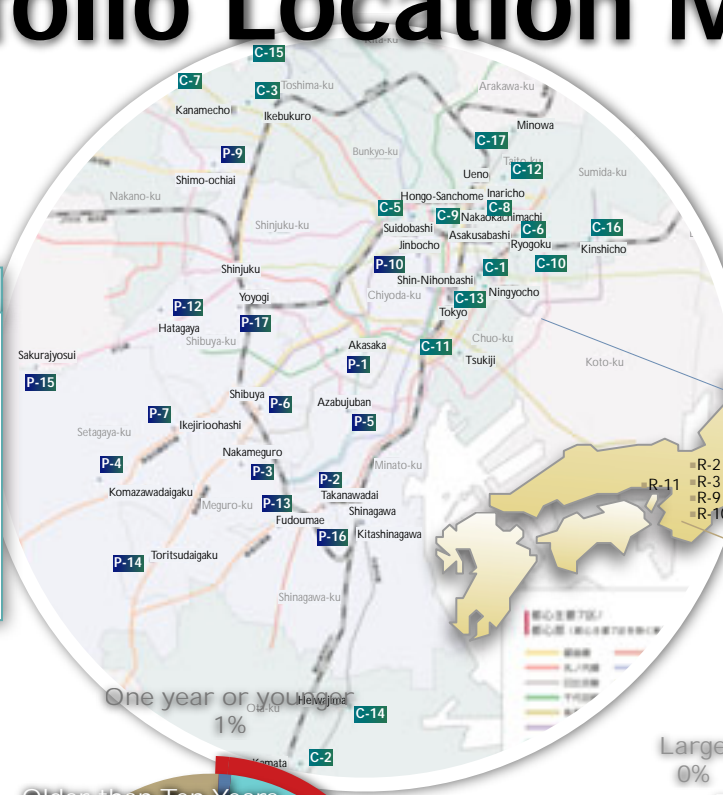
Portfolio Location Map

Please refer to pages 34-35 for details on each property.

- 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 Ikejirihashi
 - 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

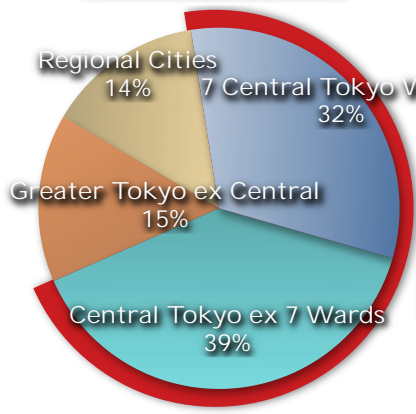


- Regional Cities (Sapporo)**
- R-6 HAUT DOMICILE NANGOGAI

- 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

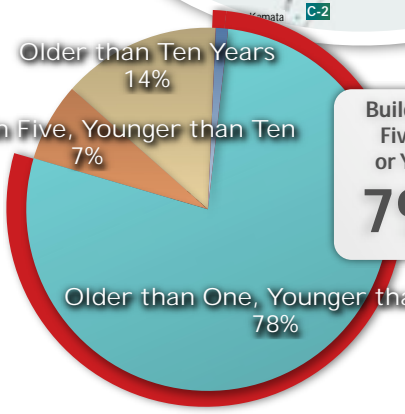
- Regional Cities**
- R-2 Royal Nishi-hommachi
 - R-3 Itopia Kyotogakuseikaikan
 - R-7 Artis Higashisakura
 - R-8 Grand Court Kameyama
 - R-9 Zeus Ryokuchi PREMIUM
 - R-10 GRASS HOPPER
 - R-11 Artis Kobe Port Island

As of Dec. 31, 2008



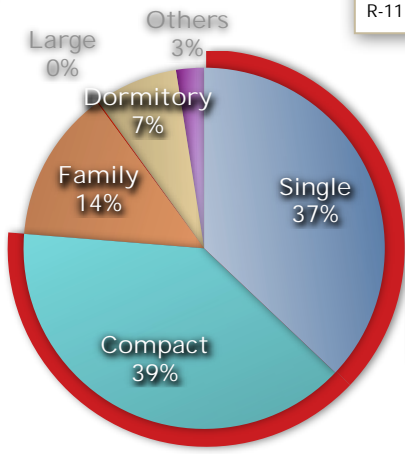
Based on acquisition price

Central Tokyo
71%



Based on acquisition price

Building Age
Five Years or Younger
79%

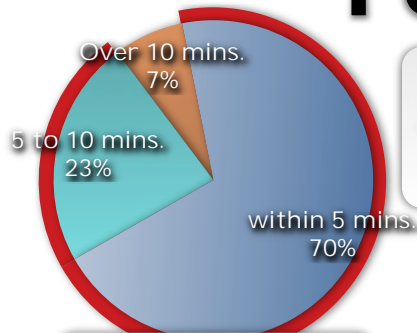


Based on leasable area

Single & Compact
76%



Portfolio Characteristics

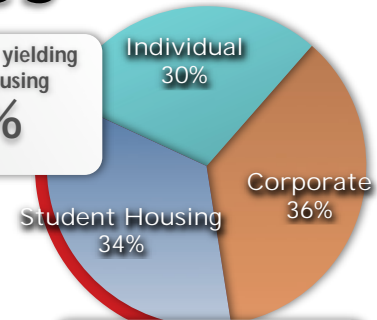


Based on acquisition prices

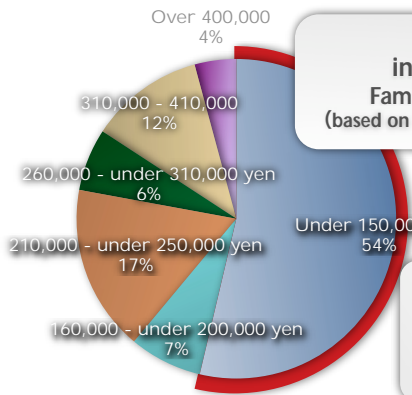
Convenience
Properties within 10 min. walk from Railway Station
93%

Invest in properties with well defined target tenant and affordable rent
↓
High Occupancy and Profitability

Share of high yielding student housing
34%

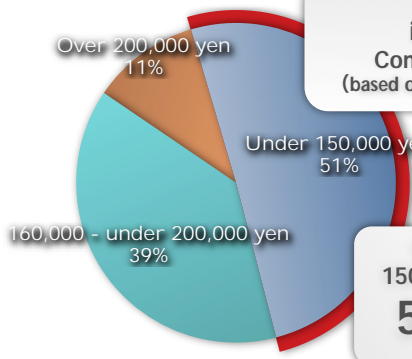


Based on Number of Units



Greater Tokyo incl. Central Tokyo Family Type Units' Rents
(based on Number of Units / 190 units)

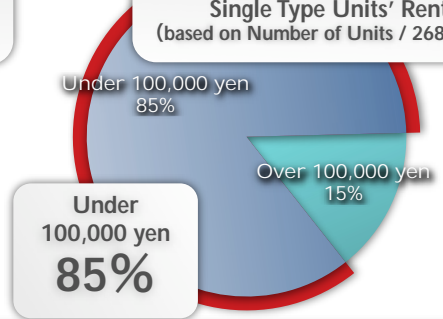
Under 150,000 yen
54%



Greater Tokyo incl. Central Tokyo Compact Type Units' Rents
(based on Number of Units / 986 units)

Under 150,000 yen
51%

Greater Tokyo incl. Central Tokyo Single Type Units' Rents
(based on Number of Units / 2685 units)



Under 100,000 yen
85%

Type of Lease Contracts

Area	Guaranteed occupancy (%)	Pass-through payment (%)
7 Central Tokyo Wards	85%	15%
Central Tokyo	69%	31%
Greater Tokyo	51%	49%
Regional Cities	23%	77%
Total	57%	43%

Well Balanced Portfolio Between Growth and Stability

Growth

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

Stability

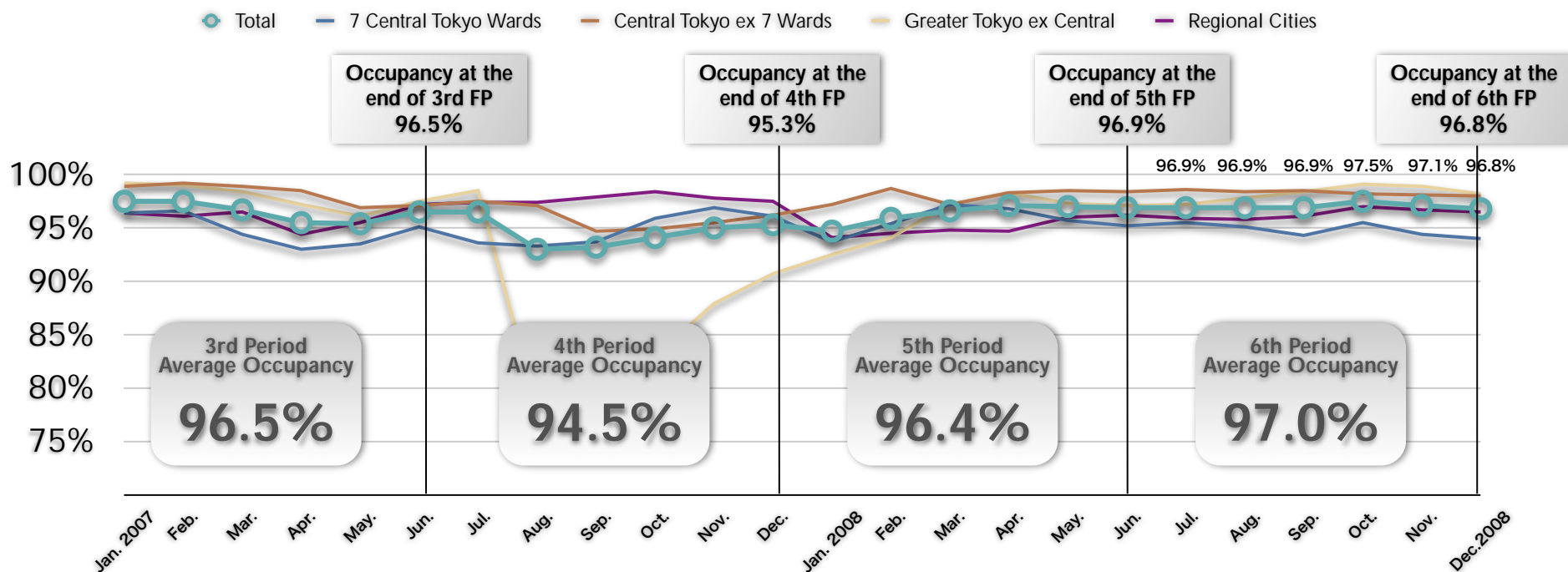
We aim for stability in regional areas where we see over supply and weakness, by overweighting guaranteed occupancy contracts.

Guaranteed occupancy ↔ **Pass-through payment**

• Calculation based on leasable area at the end of December 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".



Improved Occupancy



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

Maintained High Occupancy since Listing

	1st FP Ended Jun. 2006	2nd FP Ended Dec. 2006	3rd FP Ended Jun. 2007	4th FP Ended Dec. 2007	5th FP Ended Jun. 2008	6th FP Ended Dec. 2008
Occupancy at fiscal end	96.5%	97.7%	96.5%	95.3%	96.9%	96.8%



Asset Management Performance





Changes in Rents

Rent Revisions made in 6th period

Replacements & Renewals

No. of Units	Change (thousand yen per month)	% Change
354	-221	-0.5%

Tenant Replacements

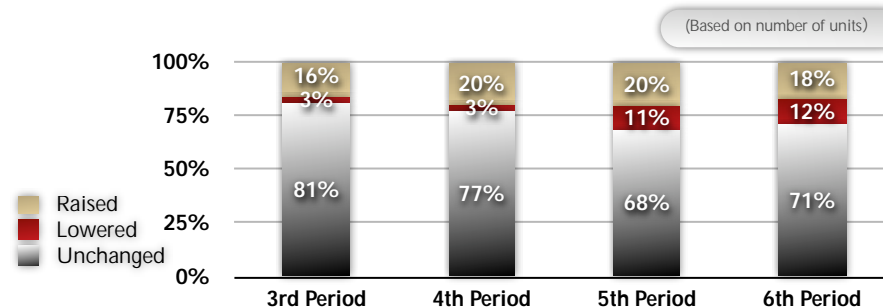
	No. of Units	Previous Rents (thousand yen per month)	New Rents (thousand yen per month)	Change (thousand yen per month)	% Change
Rents Raised	58	8,054	8,280	+226	+2.8%
Rents Lowered	41	5,464	5,013	-451	-8.3%
Rents Unchanged	79	10,329	10,329	—	—
Total	178	23,847	23,622	-225	-0.9%

Renewals (Renewal ratio 90%)

	No. of Units	Previous Rents (thousand yen per month)	New Rents (thousand yen per month)	Change (thousand yen per month)	% Change
Rents Raised	4	620	624	+4	+0.6%
Rents Lowered	0	0	0	—	—
Rents Unchanged	172	24,726	24,726	—	—
Total	176	25,346	25,350	+4	0.0%

Historical Rent Changes for Tenant Replacements & Renewals

	3rd Period	4th Period	5th Period	6th Period
No. of Units	558	338	484	354
Change (thousand yen per month)	+166	+225	+409	-221
% Change	+0.2%	+0.5%	+0.7%	-0.5%



Major changes in Rent

Increases in...

Single/compact types in Central Tokyo

Decreases in...

High-rent-family/Compact types in 7 Central Tokyo Wards

-200,000 yen (5 units)

Compact Type in Regional Cities

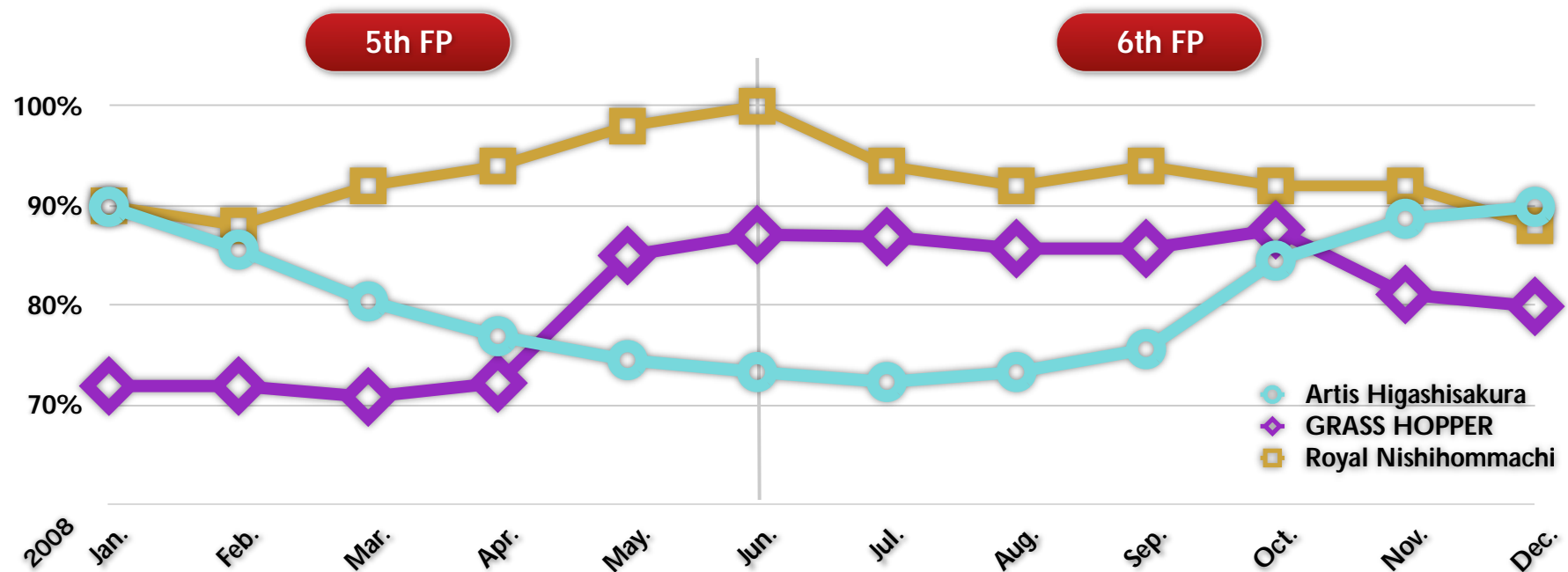
-210,000 yen (27 units)



Progress Report

Management objective for 6FP → To improve occupancy of “pass-through” properties in regional cities

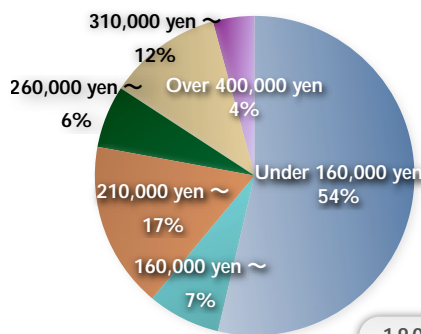
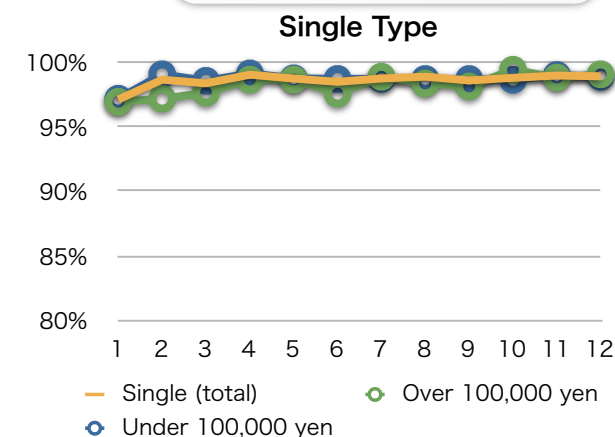
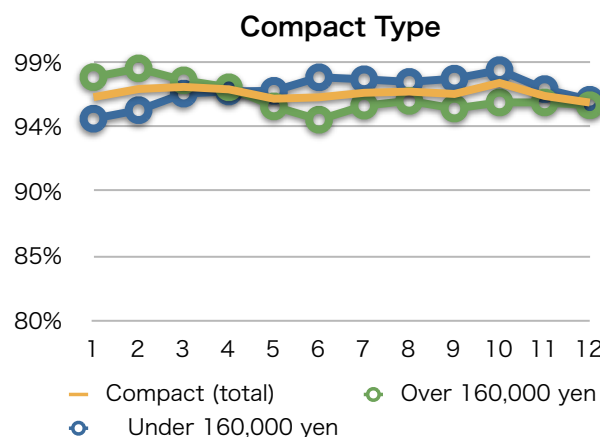
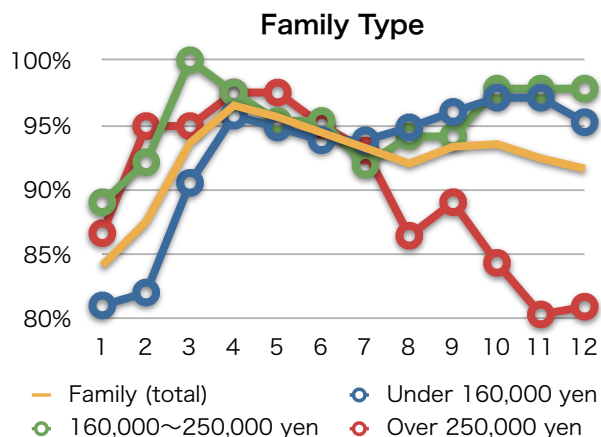
- 1) We were able to improve Artis Higashisakura's (Nagoya) occupancy by taking several measures such as changing the PM.
- 2) Occupancy at GRASS HOPPER (Osaka) showed improvement in latter half of 5th FP but, it has since deteriorated. We still have much to do with this property.
- 3) Occupancy at Royal Nishihonmachi(Osaka) is relatively stable, but we need to be on the lookout, because the area is considered to have a housing surplus.



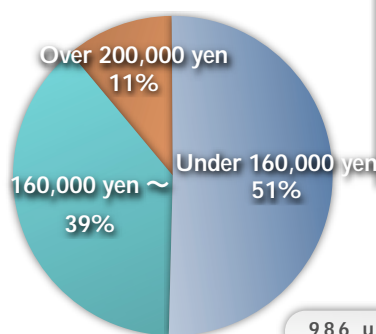


Occupancy by Unit Types/Rent Ranges in Greater Tokyo Area

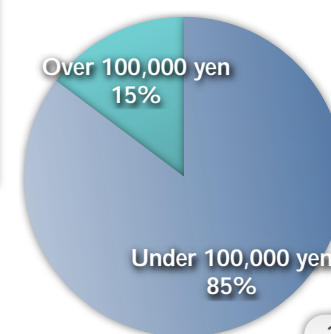
Greater Tokyo Area Total 3,861 units



Rent (yen)	Ave. annual occupancy rates
Under 160,000	95.7%
160,000-249,999	95.6%
Over 250,000	85.6%
Average	93.1%



Rent (yen)	Ave. annual occupancy rates
Under 160,000	97.0%
Over 160,000	96.4%
Average	96.7%



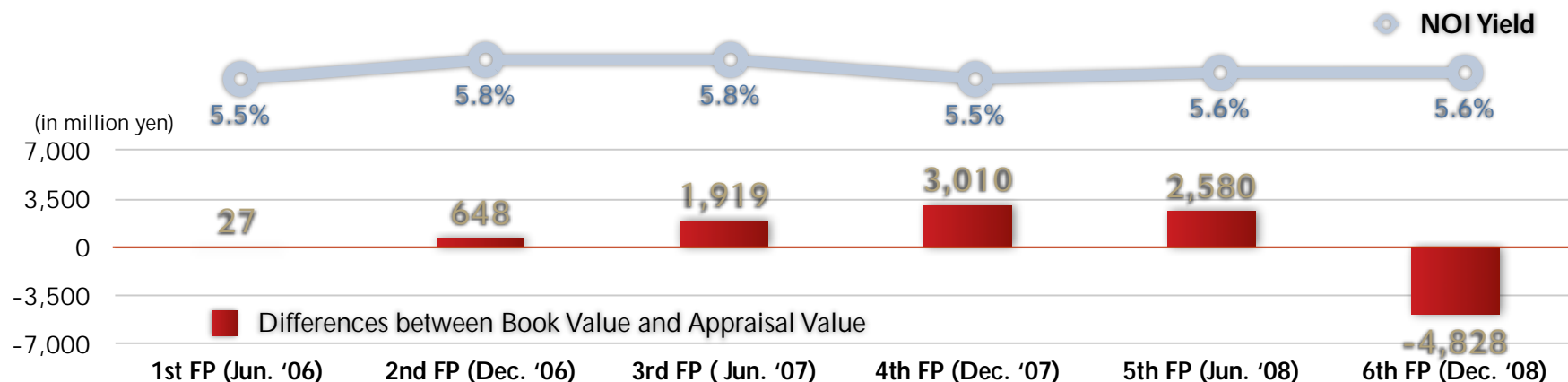
Rent (yen)	Ave. annual occupancy rates
Under 100,000	98.7%
Over 100,000	98.3%
Average	98.6%

Single/Compact Type : Very stable occupancy
 Family Type : Occupancy is stable for units with rent under 160,000 yen
 Family Type with rent of over 250,000 yen : Due to recent economic downturn, we see marked deterioration in occupancy.

Homework for 7th FP : Improve occupancy in high-rent-family type units.



Historical NOI Yields & Appraisals



	5th Period Results					6th Period Results					Differences		
	Book Value (billion yen)	Investigation Value (billion yen)	Differences (billion yen)	NCF (million yen)	Direct CAP rates (%)	Book Value (billion yen)	Investigation Value (billion yen)	Differences (billion yen)	NCF (million yen)	Direct CAP rates (%)	Differences (billion yen)	NCF (million yen)	Direct CAP rates (%)
7 Central Tokyo Wards	27.3	29.1	+1.8	1,388	4.7%	27.1	26.8	-0.2	1,382	5.1%	-2.3	-5.4	0.4%
Central Tokyo (Ex. above 7 wards)	33.9	35.4	+1.5	1,717	4.8%	33.7	32.2	-1.4	1,719	5.3%	-3.1	1.2	0.5%
Central Tokyo	61.2	64.6	+3.4	3,105	4.7%	60.8	59.1	-1.7	3,101	5.2%	-5.5	-4.2	0.5%
Greater Tokyo (Ex. Central Tokyo)	13.3	12.9	-0.4	782	6.0%	13.2	11.9	-1.3	784	6.6%	-0.9	1.3	0.5%
Regional Cities	12.4	12.0	-0.4	684	5.6%	12.4	10.6	-1.7	685	6.4%	-1.3	1.0	0.8%
TOTAL	87.0	89.6	+2.5	4,573	5.0%	86.5	81.7	-4.8	4,571	5.5%	-7.8	-1.8	0.5%

Please refer to pages 36-37 for Appraisal Value as well as pages 38-41 for Property Income Statements, for each property.

Approximate impact;
 from increase in CAP rates : -7,760 million yen
 from decrease in NCF : -120 million yen



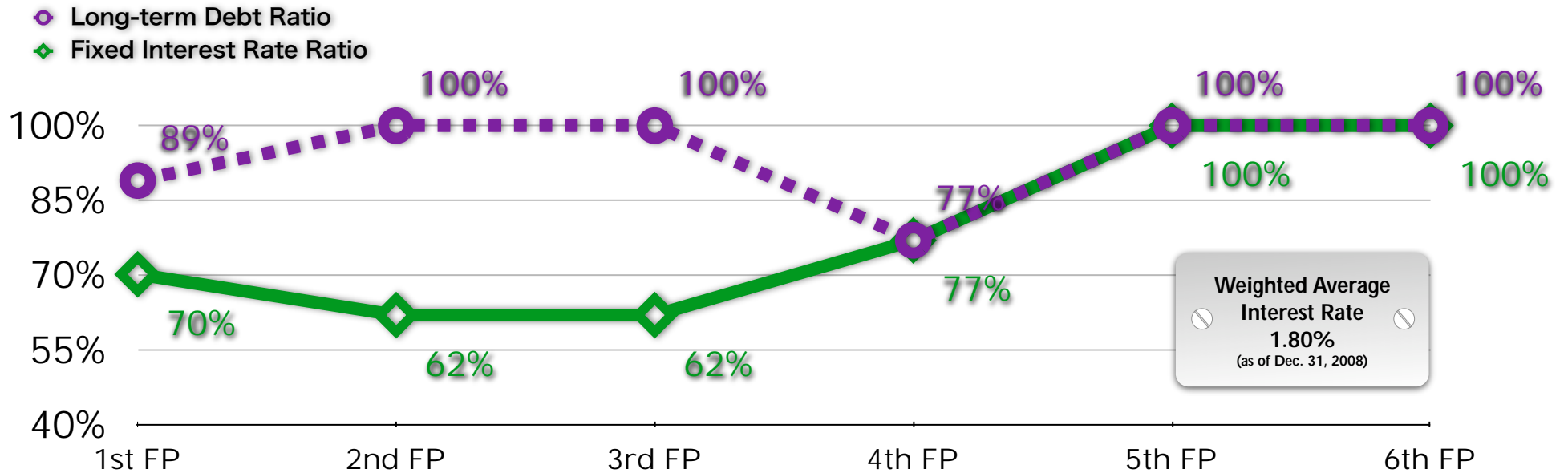
Stable Financial Structure





Stable Financial Structure

100% Long-term, 100% Fixed Rate



Credit Rating

R&I
Rating and Investment Information, Inc.

Issuer Rating Credit **A+**
[Outlook: Stable]



Refinancing Strategies

Lowering Refinancing Risk by Distributing the Maturities

Corporate Bonds
Long-term Loans

Weighted Average Maturity 3 years
(As of Dec. 31, 2008)



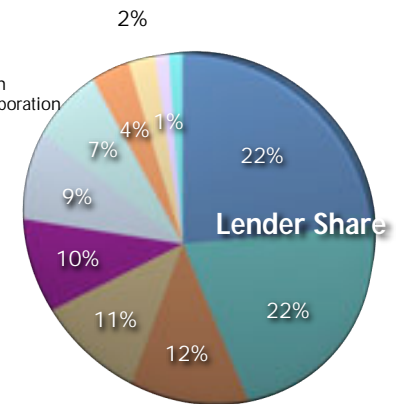
(in million yen)

Lender	Loan Balance
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
Corporate Bonds	10,000
TOTAL Interest Bearing Debts	52,000

Lenders for Debt Maturity Nov. 25, 2009	
The Sumitomo Trust & Banking Co., Ltd.	2,000
Aozora Bank, Ltd.	2,000
Mizuho Corporate Bank, Ltd.	1,000
Mitsubishi UFJ Trust and Banking Corporation	2,000
TOTAL (in million yen)	7,000

Lenders for Debt Maturity Nov. 25, 2010	
The Sumitomo Trust & Banking Co., Ltd.	4,200
Aozora Bank, Ltd.	2,700
Mizuho Corporate Bank, Ltd.	1,000
Sumitomo Mitsui Banking Corporation	3,700
TOTAL (in million yen)	11,600

- 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.





Management Policy Going Forward





Management Policy

Market Environment

Financial Market

Raising capital through either debt or equity market will continue to be difficult.

1. Lenders will be selective to whom they lend and credit spreads will continue to widen.
2. Equity finance will be difficult for the foreseeable future.

Real Estate Market

1. There will be very few of buyers.
2. Expect both appraisal cap rate and market cap rate to rise further.

Rental Market

1. Central Tokyo: Due to continued population inflow and decrease in new housing supply, expect stable occupancy and firm rent.
2. High-rent housing: Due to the economic downturn, expect lower occupancy and lower rent.
3. Regional Cities: More time will be needed to digest the recent over supply. Rental market will continue to be weak.

Basic Policy

Improve the quality of the portfolio and achieve stable payout of dividend in the mid to long-term, through the collaboration with ITOCHU group.





Management Strategy

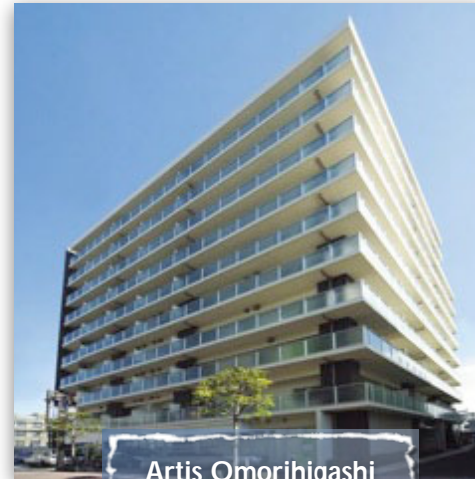
	Challenges and Environment	Policies	Strategies
External Growth	<ol style="list-style-type: none">Limited scope of growth, due to high LTV (57.9% at the end of 6th period.)Number of offers of high yielding asset will increase.	<ol style="list-style-type: none">Increase portfolio weighting for central Tokyo.Increase student dormitories and homes for elderly.Maintain and improve current NOI yield level.	<ol style="list-style-type: none">Make use of ITOCHU group's warehousing facility to avoid missing the buying opportunity.Reshuffle assets if necessary.
Organic Growth	<ol style="list-style-type: none">Occupancy falling in high rent assets in central Tokyo.Regional "pass-through" assets' occupancy needs improvement. (two in Osaka, one in Nagoya)	<ol style="list-style-type: none">Maintain high occupancy.Collaborate with ITOCHU Urban Community Ltd., to further improve efficiency and quality of our operations.	<ol style="list-style-type: none">First priority will be on occupancy.<ol style="list-style-type: none">Take action to improve the occupancy of high-rent property in central Tokyo.Regional properties: Review leasing terms to improve occupancy.Further strengthen the cooperation with property managers and brokers.Execute scheduled maintenance and renovations to maintain the asset value of the properties.
Financial Strategy	<ol style="list-style-type: none">Reducing LTV.Raising capital will be difficult due to the low unit price.Widening credit spreads.	<ol style="list-style-type: none">Maintain the policy to keep debt interest fixed and maturity long-term.Look for opportunity to raise funds and diversify methods.	<ol style="list-style-type: none">Continue to improve credit rating.Widen the range of investors through effective investor relations activities.Take advantage of any change in market environment to reduce LTV to around 50%.



Artis Kobe Port Island



Artis Ningyocho



Artis Omorihigashi



Artis Higashiginza

Artis



Artis Uenokachimachi



Artiscourt Akasahinokicho




Artis Mitsukoshimae



Artis Kitashinagawa



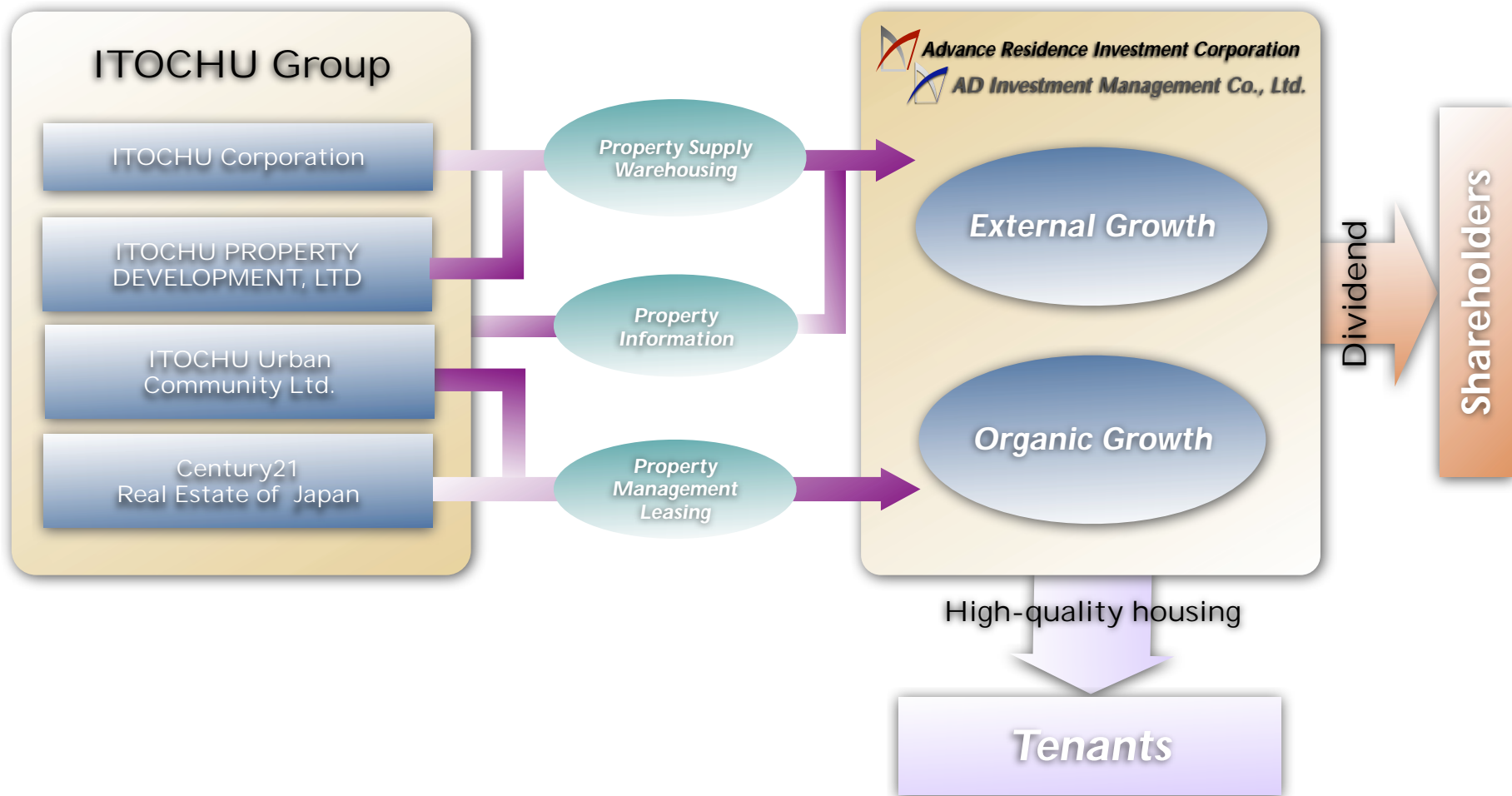
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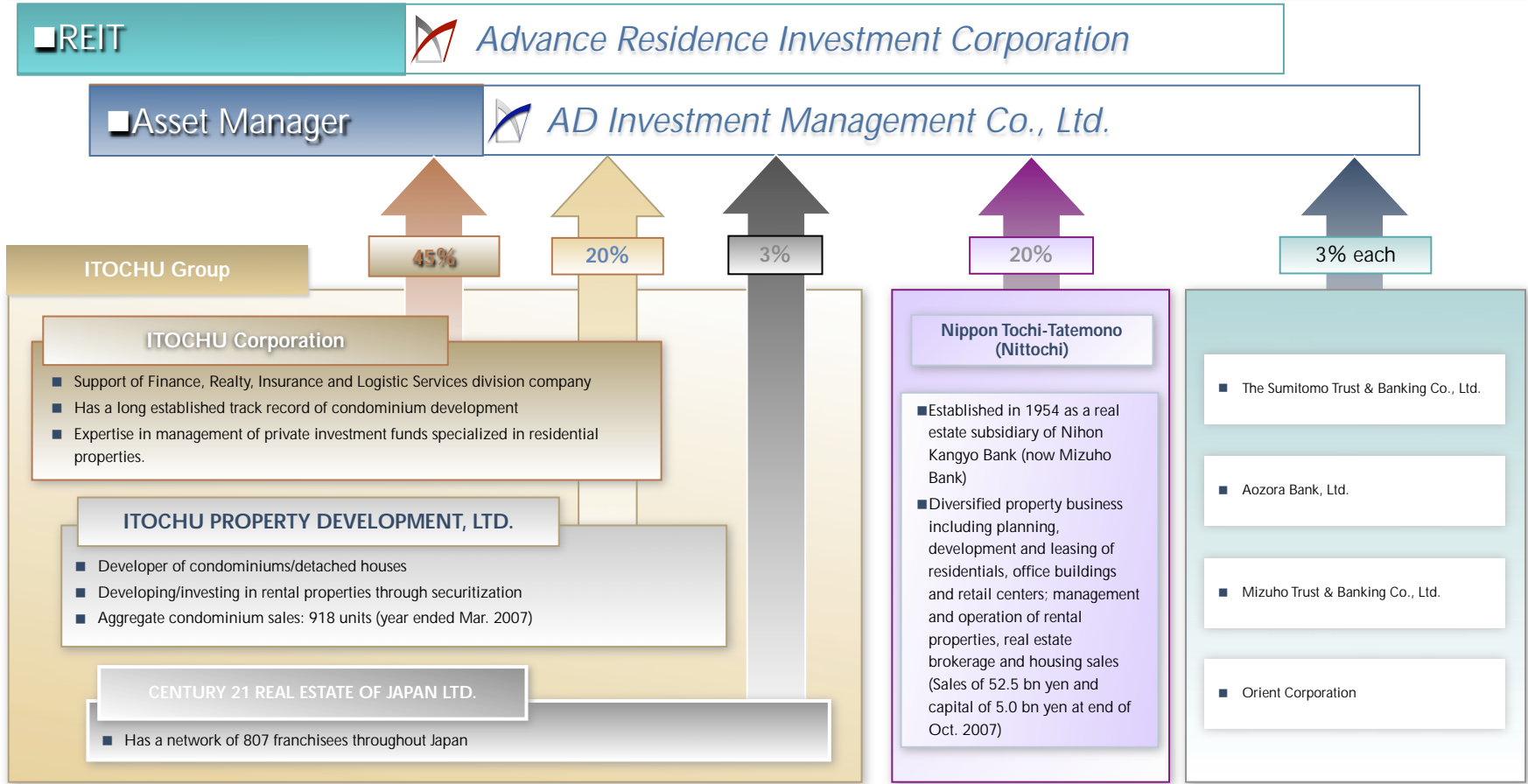
Leveraging ITOCHU Group's Strength





ITOCHU Group Support

Commitment - 68% Investment by ITOCHU Group



as of Dec. 31, 2009



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%

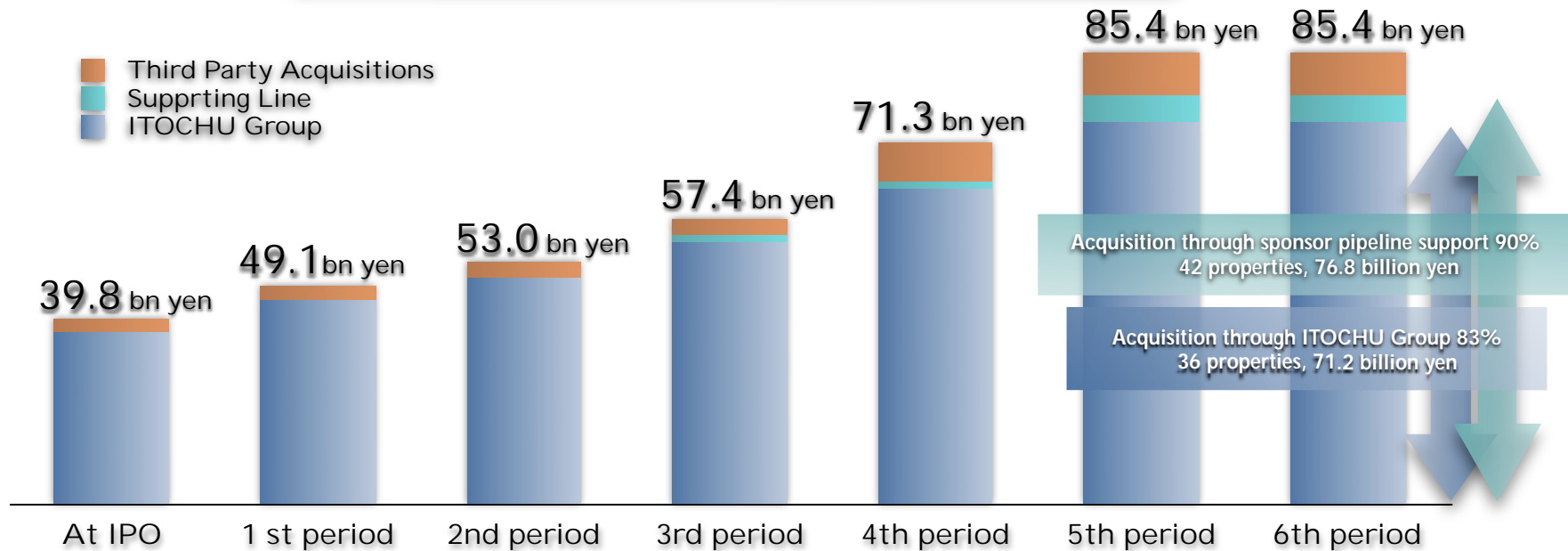
^{*}Investment ratios are calculated based on leasable area.



Growth History

By using the sponsor's warehousing facility we were able to acquire most assets at full occupancy.

Maintaining high profitability since listing



No. of Properties	29	33	34	41	50	50
Leasable Units	2,930	3,116	3,218	3,958	4,924	4,924
NOI Yield	5.5%	5.8%	5.8%	5.2%*	5.6%	5.6%

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



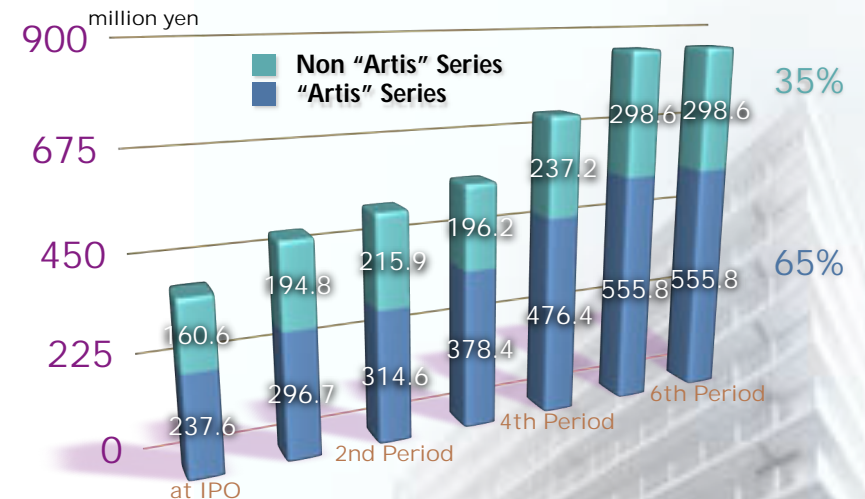
"Artis" Series

"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.



Assets Under Management





Holdings in Student Housing

As part of diversification we hold a certain amount of student housing assets. Although population of eighteen years old are declining, the share of college students are rising (55.3% for 2008). We see very strong and stable demand for student housing with convenient living condition and commuting condition.

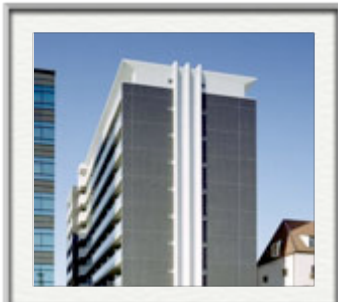
Characteristics of our Student Housing Assets

- ❖ Target tenants' commuting universities are very specific.
- ❖ Lump-sum leased to student housing management specialist. (Guaranteed Occupancy contract)

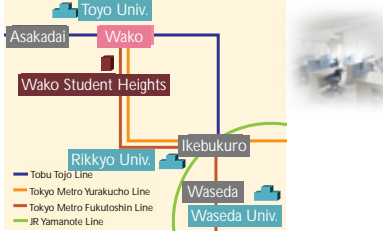
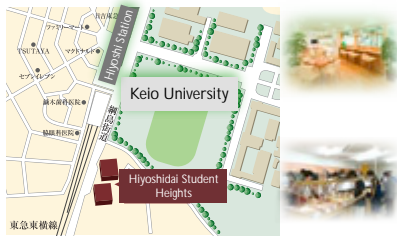
Realized stable profit
Ave. NOI Yield 7.1%
 (5 assets /11.2 bn. yen)
 6th period NOI result (annualized) ÷ Acquisition Price

Dormitory Type Apartment Type

Hiyoshidai Student Heights (boys dormitory) Wako Student Heights (boys dormitory) Artis Nakameguro Itopia Kyotogakuseikaikan Artis Kobe Port Island



Itopia Kobe Port Island (condominium)



[PM] ITOCHU Urban Community Ltd.
 [Property Outline]
 Location: Kohoku-ku, Yokohama city, Kanagawa Pref.
 Completion: Mar. 1969
 Leasable units: 920
 [Major Attending Universities of Tenants]
 Keio Univ., Tokyo Institute of Technology, Toyo Univ.
 [Monthly Rent]
 55,000 yen (Maintenance fee included)
 75,000 yen (if meals are included)

[PM] ITOCHU Urban Community Ltd.
 [Property Outline]
 Location: Wako city, Saitama Pref.
 Completion: Apr. 1990
 Leasable units: 127
 [Major Attending Univ.]
 Waseda Univ., Rikkyo Univ., Toyo Univ.
 [Monthly Rent]
 80,000 yen (with meals, Maintenance fee included)

[PM] J.S.B. Co.
 [Property Outline]
 Location: Nakameguro, Meguro-ku, Tokyo
 Completion: Feb. 2005
 Leasable units: 88
 [Major Attending Univ.]
 Aoyama Gakuin Univ., Keio Univ.

[PM] Coop Sogo Living K.K.
 [Property Outline]
 Location: Shinmachi, Kamigyo Ward, Kyoto city, Kyoto Pref.
 Completion: Feb. 1999
 Leasable Units: 154
 [Major Attending Univ.]
 Doshisha Univ.

[PM] K.K. Sigma Japan (Affiliate of K.K.Gakusei Information Center)
 [Property Outline]
 Location: Minatojima, Chuo Ward, Kobe city, Hyogo Pref.
 Completion: Mar. 2008 (South, Center bldgs) Feb. 2008 (North bldg.)
 Leasable Units: 404
 [Major Attending Univ.]
 Kobe Gakuin Univ., Kobe Women's Univ., Kobe Shukugawa Gakuin Univ., Hyogo Univ. of Health Sciences

It is comforting for both the parents and students that our dormitories are manned twenty four hours, equipped with a cafeteria and have free health consulting services. Also, our dormitories are popular because of its reasonable pricing.

It is located only five minutes away from the popular Tokyu Toyo Line's Nakameguro station. Our student tenants are attending prestige national universities and private universities located in city center.

It is excellently located beside a prestige university and just three minutes away from Imadegawa subway station. It is also a few walks away from convenient stores and bank branches and restaurants.

ITOCHU Group developed the area as a community which includes a lively condominium complex. It is walking distance to all schools and universities located in Kobe Port Island.



Balance Sheet

Assets	5th Fiscal Period (as of 6/30/2008)		6th Fiscal Period (as of 12/31/2008)		Change	
	(in thousand yen)	(%)	(in thousand yen)	(%)	(in thousand yen)	(%)
I Current Assets	2,461,093	2.7	3,135,151	3.5	674,058	27.4
Cash and deposits	223,759		632,581		408,822	
Cash and deposits in Trust	2,026,061		2,195,907		169,846	
Accounts receivable-trade	95,924		107,354		11,429	
Accounts receivable-other	68		—		-68	
Prepaid expenses	89,116		84,693		-4,423	
Deferred tax assets	20		18		-1	
Consumption taxes receivable	22,698		114,522		91,823	
Other current assets	3,443		74		-3,369	
II Fixed Assets	87,214,114	97.2	86,702,302	96.5	-511,812	0.6
1. Property, plant and equipment	87,038,212	97.0	86,562,917	96.3	-475,295	
Buildings in trust	41,684,004		41,215,724		-468,279	
Structures in trust	113,163		109,645		-3,518	
Machinery and Equipment in trust	113,991		109,685		-4,306	
Tools, furniture and fixtures in trust	281,898		282,727		828	
Land in trust	44,845,122		44,845,122		—	
Other property and equipment	31		12		-18	
2. Intangible assets	837	0.0	718	0.0	-119	
3. Investments and other assets	175,064	0.2	138,666		-36,397	
Long-term prepaid expenses	165,064		128,666		-36,397	
Guarantee deposits	10,000		10,000		—	
III Deferred Assets	59,045	0.1	49,266	0.2	-9,778	-16.6
Investment unit issuance expenses	12,007		8,405		-3,602	-30.0
Bond issuance expenses	47,037		40,861		-6,176	-11.6
Total Assets	89,734,252	100.0	89,886,721	100.0	152,468	0.2

Liabilities	5th Fiscal Period (as of 6/30/2008)		6th Fiscal Period (as of 12/31/2008)		Change	
	(in thousand yen)	(%)	(in thousand yen)	(%)	(in thousand yen)	(%)
I Current Liabilities	361,757	0.4	7,407,091	8.2	7,045,333	1,947.5
Accounts payable	37,958		30,891		-7,067	
Current portion of long-term loans payable	—		7,000,000		7,000,000	
Accounts payable-Other	236,472		268,203		31,730	
Accrued expenses	71,748		96,355		24,606	
Income taxes payable	742		777		34	
Other current liabilities	14,834		10,863		-3,970	
II Long-term Liabilities	52,038,955	58.0	45,037,580	50.1	-7,001,375	-13.5
Investment corporation bonds	10,000,000		10,000,000		—	
Long-term debt	42,000,000		35,000,000		-7,000,000	
Long-term accounts payable	205		—		-205	
Deposits received in trust	38,750		37,580		-1,170	
Total Liabilities	52,400,713	58.4	52,444,671	58.3	43,957	0.1

Net Assets	5th Fiscal Period (as of 6/30/2008)		6th Fiscal Period (as of 12/31/2008)		Change	
	(in thousand yen)	(%)	(in thousand yen)	(%)	(in thousand yen)	(%)
Shareholders' capital	36,262,894	40.4	36,262,894	40.3	—	
Unappropriated retained earnings	1,070,645	1.2	1,179,155	1.3	108,510	
Total net assets	37,333,539	41.6	37,442,049	41.7	108,510	0.3
Total liabilities and net assets	89,734,252	100.0	89,886,721	100.0	152,468	0.2



Income Statement

	5th Fiscal Period (as of 6/30/2008)		6th Fiscal Period (as of 12/31/2008)		Change	
	(in thousand yen)	(%)	(in thousand yen)	(%)	(in thousand yen)	(%)
I Operating revenues	2,674,221	100.0	2,845,989	100.0	171,767	6.4
Rent revenue-real estate	2,674,221		2,845,989		—	
II Operating expenses	1,194,017	44.6	1,243,805	43.7	49,788	4.2
Rental expenses	946,046		975,223			
Asset management fees	145,164		172,205			
Custodian fees	8,553		8,965			
General Administration fees	25,365		24,132			
Director's compensation	1,440		1,440			
Other operating expenses	67,446		61,837			
Operating income	1,480,204	55.4	1,602,183	56.3	121,979	8.2
III Non-operating revenues	9,045	0.3	98,468	3.5	89,422	988.6
Interest income	2,760		2,302			
Consumption tax refunds	4,260		95,734			
Other non-operating revenues	2,023		431			
IV Non-operating expenses	417,611	15.6	520,543	18.3	102,931	24.6
Interest expenses	253,527		374,063			
Bond interest expenses	95,514		96,438			
Amortization of unit issuance expenses	14,804		3,602			
Amortization of bond issuance expenses	6,176		6,176			
Financing expenses	46,696		40,262			
Other non-operating expenses	892		—			
Ordinary income	1,071,637	40.1	1,180,108	41.5	108,470	10.1
Income before income taxes	1,071,637	40.1	1,180,108	41.5	108,470	10.1
Current income taxes	1,009		985			
Deferred income taxes	-1	0.1	1	0.0		
Net income	1,070,629	40.0	1,179,122	41.4	108,493	10.1
Retained earnings brought forward	16		33		17	
Unappropriated retained earnings	1,070,645		1,179,155		108,510	

	5th Fiscal Period (as of 6/30/2008)	
	(in thousand yen)	
A. Total Rental Revenue	2,674,221	2,845,989
Rental income	2,599,962	2,791,381
Other income	74,259	54,607
B. Rental Expenses	946,046	975,223
Property management fees	205,561	199,985
Cost of Repairs	43,682	39,847
Cost of Utilities	27,738	30,915
Property taxes, etc.	74,615	90,460
Insurance	7,350	7,908
Custodian fees	22,909	24,868
Depreciation	530,702	555,469
Other rental expenses	33,485	25,768
C. Rental Business Profit (Loss)	1,728,174	1,870,765



Cash Flow Statement

	5th Fiscal Period (as of 6/30/2008)	6th Fiscal Period (as of 12/31/2008)
	(in thousand yen)	(in thousand yen)
I. Cash flows from operating activities		
Income before income taxes	1,071,637	1,180,108
Depreciation and amortization	530,721	555,488
Amortization of investment unit issuance expenses	14,804	3,602
Amortization of bond issuance expenses	6,176	6,176
Interest income	-2,760	-2,302
Interest expense	253,527	374,063
Interest expense on bond	95,514	96,438
Decrease (Increase) in rent receivable	-29,468	-11,429
Decrease (Increase) in prepaid expenses	-33,808	4,423
Decrease (Increase) in consumption taxes receivable	78,487	-91,823
Increase (Decrease) in consumption taxes payable	-6,130	—
Increase (Decrease) in trade payable	5,490	-7,067
Increase (Decrease) in other payable	-47,933	48,546
Increase (Decrease) in advances received	0	—
Decrease (Increase) in long-term prepaid expenses	-117,634	36,397
Other	2,690	1,683
Interest income received	2,760	2,302
Interest expense paid	-331,809	-445,895
Income taxes paid	-70	-942
Net cash provided by operating activities	1,492,194	1,749,770

	5th Fiscal Period (as of 6/30/2008)	6th Fiscal Period (as of 12/31/2008)
	(in thousand yen)	(in thousand yen)
II. Cash flows from investing activities		
Payments for purchase of property and equipment	-14,776,132	-95,980
Proceeds from security deposits in trust	56,197	—
Payments for security deposits in trust	-77,801	-2,705
Net cash used in investing activities	-14,797,737	-98,685
III. Cash flows from financing activities		
Proceeds from short-term debt	13,280,000	—
Repayment of short-term debt	-20,220,000	—
Proceeds from long-term debt	23,400,000	—
Repayment of long-term debt	-1,600,000	—
Dividends paid	-1,026,922	-1,071,181
Other	-1,248	-1,234
Net cash provided by financing activities	13,831,829	-1,072,416
IV. Net increase (decrease) in cash and cash equivalents	526,286	578,668
V. Cash and cash equivalents at beginning of period	1,723,534	2,249,820
VI. Cash and cash equivalents at end of period	2,249,820	2,828,488

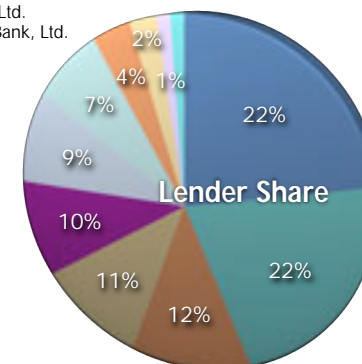


Loans & Bonds

Category	Lender	Drawdown Date	Loan Balance (in million yen)	Interest Rate (%) ^{*1}	Maturity Date	Repayment Method	Remarks
Long-term Debts with repayments dates within a year	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.		400				
	Aozora Bank, Ltd.	03/20/2006	400	1.66%*2	11/25/2009		
	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				
Long-term Debt	Mizuho Corporate Bank, Ltd.		500	1.61%			
	Sumitomo Mitsui Banking Corporation	03/20/2006	1,700	*2	11/25/2010		
	The Sumitomo Trust & Banking Co., Ltd.		2,100	1.61%			
	Aozora Bank, Ltd.	03/20/2006	1,400	*2	11/25/2010		
	Aozora Bank, Ltd.		500				
	Shinsei Bank, Ltd.		1,000				
	Development Bank of Japan		1,000				Full Principal Repayment at Maturity
	Mitsubishi UFJ Trust and Banking Corporation	01/25/2008	500	1.49%*2	01/25/2012		Unsecured Non-Guaranteed
	Resona Bank, Limited		500				
	The Oita Bank, Ltd.		1,000				
	The Hachijuni Bank, Ltd.		1,000				
	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%	06/25/2013			
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.



*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.

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			



Portfolio

7 Central Tokyo Wards • Central Tokyo ex 7 Central Wards

Area	Property No.	Property Name	Location	Walk min. to the nearest rail station	Site Area (m2)	Total Floor Area (m2)	Structure No. of Floors	Building Completion Date	Master Lease Contract Classification	No of Leasable Units	Leasable Area (m2)	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	Conity	Other				
7 Central Tokyo Wwards	P-1	Artiscourt Akasahinokicho	Minato-ku, Tokyo	6	1,194.39	6,151.48	RC 14F/B1	2004/12/21	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	6	993.27	4,221.40	RC 13F/B1	2004/12/24	P-T	115	3,474.37	56.2%	43.8%	—	—	—	—	2,860	3.3%	915	6.28%
	P-3	Artis Nakameguro	Meguro-ku, Tokyo	5	392.96	1,901.70	RC 11F	2005/02/10	G-O	88	1,694.18	100.0%	—	—	—	—	—	1,730	2.0%	495	2.66%
	P-4	Apartments Tsurumaki	Setagaya-ku, Tokyo	13	1,164.10	1,869.77	RC 5F/B1	2002/03/11	P-T	28	1,769.67	—	38.0%	62.0%	—	—	—	1,229	1.4%	441	8.15%
	P-5	Crestcourt Azabujuban	Minato-ku, Tokyo	4	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	7	327.59	1,810.64	RC 9F	2005/05/24	P-T	50	1,654.29	12.3%	80.9%	—	—	—	6.8%	1,690	2.0%	361	3.60%
	P-7	Artis Ikejiriohashi	Setagaya-ku, Tokyo	6	318.16	1,609.47	RC 11F	2005/08/19	P-T	42	1,423.38	—	100.0%	—	—	—	—	1,230	1.4%	380	6.26%
	P-9	Artis Shimoochiai	Shinjuku-ku, Tokyo	3	1,253.12	2,726.15	RC 5F	2005/03/03	P-T	44	2,430.20	—	58.8%	41.2%	—	—	—	1,450	1.7%	594	7.73%
	P-10	Spacia Kudanshita	Chiyoda-ku, Tokyo	1	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	5	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	4	1,099.64	2,834.60	RC 5F/B1	1991/04/06	P-T	47	2,528.10	—	58.9%	32.1%	7.5%	—	1.5%	1,563	1.8%	620	9.99%
	P-14	Artis Toritsudaigaku	Meguro-ku, Tokyo	8	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	1	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	3	777.25	3,891.12	RC 15F	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	4	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%	—	—
	Central Tokyo ex Central 7 Wards	C-1	Artis Mitsukoshimae	Chuo-ku, Tokyo	2	339.10	2,829.06	SRC 15F	2005/02/07	P-T	105	2,552.07	65.8%	34.2%	—	—	—	—	1,920	2.2%	674
C-2		Artis Kamata	Ota-ku, Tokyo	4	748.93	5,637.66	RC 15F	2005/03/09	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	5	1,349.45	2,818.90	RC 5F	2005/03/15	G-O	60	2,207.63	9.3%	90.7%	—	—	—	—	1,520	1.8%	514	7.86%
C-5		Artis Hongo	Bunkyo-ku, Tokyo	3	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	4	274.93	2,193.73	RC 12F	2005/08/27	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	10	1,317.82	1,656.31	RC 4F	1993/03/31	P-T	93	1,591.71	100.0%	—	—	—	—	—	953	1.1%	357	3.29%
C-8		Artis Uenokachimachi	Taito-ku, Tokyo	1	693.31	4,228.79	SRC 15F	2006/02/20	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	3	340.61	2,198.60	RC 14F	2006/01/27	P-T	70	1,960.40	53.7%	46.3%	—	—	—	—	1,623	1.9%	547	5.37%
C-10		Artis Ryogoku	Sumida-ku, Tokyo	1	303.47	1,731.60	RC 9F	2006/02/10	P-T	48	1,378.84	55.5%	44.5%	—	—	—	—	913	1.1%	419	6.38%
C-11		Artis Higashiginza	Chuo-ku, Tokyo	3	762.08	6,607.86	RC 15F/B1	2006/09/01	G-O	169	4,871.02	38.9%	57.2%	3.9%	—	—	—	5,251	6.1%	1,619	6.19%
C-12		Apre Parks Ueno	Taito-ku, Tokyo	7	219.68	1,311.77	RC 11F	2007/02/28	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	1	535.30	4,632.90	RC 14F/B1	2007/01/17	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	3	661.31	2,096.16	RC 10F	2007/08/06	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	7	1,676.03	3,690.91	SRC 11F	1991/09/20	P-T	59	3,383.10	—	100.0%	—	—	—	—	1,490	1.7%	926	3.84%
C-16		Artis Kinshicho	Sumida-ku, Tokyo	5	997.62	5,622.99	RC 13F	2007/11/13	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	5	545.64	1,660.21	RC 9F	2005/12/02	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%	—	—	



Portfolio

Greater Tokyo ex Central Tokyo • Regional Cities

Area	Property No.	Property Name	Location	Walk min. to the nearest rail station	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				
Greater Tokyo ex Central	◆S-1	Hiyoshidai Student Heights	Yokohama City, Kanagawa Prefecture	4	4,706.63	15,245.05	RC 9F/B1	1969/03/31	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	10	1,205.20	2,395.31	SRC 11F	1991/03/07	P-T	39	2,023.11	—	100.0%	—	—	—	—	770	0.9%	520	5.83%
	S-3	Storkmansion Kashiwa	Kashiwa City, Chiba Prefecture	14	946.93	1,884.58	RC 6F	2000/03/09	P-T	26	1,794.44	—	—	100.0%	—	—	—	545	0.6%	434	6.76%
	S-4	DUO Station Higashimatsudo	Matsudo City, Chiba Prefecture	4	1,785.29	3,570.66	RC 7F	2007/04/23	P-T	44	3,431.44	—	—	100.0%	—	—	—	1,100	1.3%	668	10.04%
	S-5	Artis Shin-Yokohama	Yokohama City, Kanagawa Prefecture	5	840.00	4,334.47	RC 11F	2007/01/30	G-O	131	3,277.62	100.0%	—	—	—	—	—	1,920	2.2%	887	11.52%
	S-6	Belle Scene Minamiikuta	Kawasaki City, Kanagawa Prefecture	12	2,900.77	3,859.22	RC 12F	1998/10/14	P-T	46	3,165.70	—	5.6%	94.4%	—	—	—	1,050	1.2%	862	13.54%
	S-7	PLEIADE CHOFU	Chofu City, Tokyo	8	994.98	1,845.46	RC 5F	2007/03/07	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	1	320.00	1,255.16	RC 10F	2007/04/27	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	6	219.16	1,169.41	RC 11F	2007/03/09	P-T	49	1,012.98	100.0%	—	—	—	—	—	668	0.8%	282	6.48%
	S-10	PLEIADE KOKURYO	Chofu City, Tokyo	4	801.61	1,811.86	RC 6F	2008/03/12	P-T	62	1,489.97	100.0%	—	—	—	—	—	930	1.1%	422	7.19%
	◆S-11	Wako Student Heights	Wako City, Saitama Prefecture	11	1,728.40	3,434.07	RC 5F	1990/04/30	G-O	127	1,684.02	—	—	—	—	100.0%	—	675	0.8%	840	13.18%
Subtotal									1,531	29,358.43	—	—	—	—	—	—	12,857	15.1%	—	—	
Regional Cities	R-2	Royal Nishihonmachi	Osaka City, Osaka Prefecture	7	277.15	1,572.18	RC 11F	2002/06/24	P-T	50	1,195.10	100.0%	—	—	—	—	—	560	0.7%	342	10.98%
	R-3	Itopia Kyotogakuseikaikan	Kyoto City, Kyoto Prefecture	3	2,162.00	4,204.76	RC 7F	1999/02/26	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	4	3,033.37	6,010.50	SRC 10F/B1	1986/12/15	G-O	68	4,535.26	—	9.0%	76.0%	—	—	15.0%	827	1.0%	1,015	3.19%
	R-7	Artis Higashisakura	Nagoya City, Aichi Prefecture	1	652.31	3,678.20	RC 10F	2006/02/20	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	12	3,304.68	6,567.93	RC 10F	2007/02/20	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	17	1,255.90	2,644.50	RC 7F/B1	2007/05/07	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	3	1,224.00	4,632.61	SRC 13F	1997/04/28	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	6	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%	—	—	
TOTAL									4,924	137,430.92	37.1%	39.2%	13.6%	0.1%	7.4%	2.5%	85,436	100.0%	37,067	6.19%	



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)	5th Fiscal Period Appraisal							6th Fiscal Period Appraisal							Changes		
				Appraisal Date	Appraisal Value (in million yen)	Capitalization Method					Appraisal Date	Appraisal Value (in million yen)	Capitalization Method					Appraisal Value	NCF (in million yen)	Direct Cap Rate
						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 Akasakahnokicho	JREI	4,801	5,380	5,460	245	4.5%	5,300	4.3%	4.7%	4,820	4,880	239	4.9%	4,750	4.7%	5.1%	-560	-6.3	0.4%
P-2	Artis Shimazuyama	JREI	2,752	3,120	3,160	148	4.7%	3,080	4.5%	4.9%	2,930	2,960	150	5.1%	2,890	4.9%	5.3%	-190	2.4	0.4%
P-3	Artis Nakameguro	JREI	1,668	1,930	1,950	87	4.5%	1,900	4.3%	4.7%	1,740	1,760	87	5.0%	1,720	4.8%	5.2%	-190	0.0	0.5%
P-4	Apartments Tsurumaki	CREA	1,223	1,295	1,375	68	5.0%	1,295	4.7%	5.5%	1,273	1,350	68	5.1%	1,273	4.8%	5.6%	-22	0.0	0.1%
P-5	Crestcourt Azabujuban	CREA	2,007	2,133	2,271	99	4.4%	2,133	4.1%	4.9%	2,099	2,223	100	4.5%	2,099	4.2%	5.0%	-34	0.1	0.1%
P-6	Artis Shibuyadaianyama	JREI	1,688	1,890	1,910	85	4.5%	1,870	4.3%	4.7%	1,710	1,720	86	5.0%	1,690	4.8%	5.2%	-180	0.1	0.5%
P-7	Artis Ikejirihashi	JREI	1,225	1,370	1,380	64	4.7%	1,350	4.5%	4.9%	1,220	1,230	64	5.2%	1,210	5.0%	5.4%	-150	-0.8	0.5%
P-9	Artis Shimochiai	JREI	1,445	1,520	1,530	76	5.0%	1,510	4.8%	5.2%	1,360	1,360	76	5.6%	1,350	5.4%	5.8%	-160	0.1	0.6%
P-10	Spacia Kudanshita	CREA	2,256	2,427	2,558	122	4.8%	2,427	4.5%	5.3%	2,378	2,503	122	4.9%	2,378	4.6%	5.4%	-49	-0.1	0.1%
P-12	Artis Hatagaya	JREI	1,138	1,190	1,200	56	4.7%	1,170	4.5%	4.9%	1,070	1,080	56	5.2%	1,060	5.0%	5.4%	-120	0.0	0.5%
P-13	FELDBERG	JREI	1,588	1,610	1,630	78	4.8%	1,590	4.6%	5.0%	1,460	1,470	78	5.3%	1,440	5.1%	5.5%	-150	0.1	0.5%
P-14	Artis Toritsudaigaku	JREI	655	664	668	31	4.7%	659	4.5%	4.9%	601	605	31	5.2%	597	5.0%	5.4%	-63	0.0	0.5%
P-15	Artis Sakurajosui	JREI	1,142	1,200	1,210	58	4.8%	1,190	4.6%	5.0%	1,080	1,090	57	5.3%	1,070	5.1%	5.5%	-120	-0.2	0.5%
P-16	Artis Kitashinagawa	JREI	2,788	2,730	2,750	129	4.7%	2,700	4.5%	4.9%	2,470	2,490	129	5.2%	2,450	5.0%	5.4%	-260	0.2	0.5%
P-17	PLEIADE YOYOGINOMORI	JREI	752	729	735	34	4.7%	722	4.5%	4.9%	636	641	33	5.2%	631	5.0%	5.4%	-93	-1.2	0.5%
Subtotal			27,136	29,188	29,787	1,388	-	28,896	-	-	26,847	27,362	1,382	-	26,608	-	-	-2,341	-5.4	-
C-1	Artis Mitsukoshimae	JREI	1,860	2,190	2,210	106	4.8%	2,170	4.6%	5.0%	2,030	2,050	106	5.2%	2,010	5.0%	5.4%	-160	0.7	0.4%
C-2	Artis Kamata	JREI	2,567	3,040	3,060	150	4.9%	3,010	4.7%	5.1%	2,770	2,790	150	5.4%	2,740	5.2%	5.6%	-270	0.5	0.5%
C-3	Artis Ikebukuro	JREI	1,517	1,650	1,670	79	4.8%	1,630	4.6%	5.0%	1,500	1,510	80	5.3%	1,480	5.1%	5.5%	-150	0.1	0.5%
C-5	Artis Hongo	JREI	1,677	1,900	1,920	86	4.5%	1,870	4.3%	4.7%	1,710	1,730	86	5.0%	1,690	4.8%	5.2%	-190	0.2	0.5%
C-6	Artis Asakusabashi	JREI	1,055	1,210	1,210	59	4.9%	1,200	4.7%	5.1%	1,110	1,120	60	5.4%	1,100	5.2%	5.6%	-100	1.0	0.5%
C-7	Maison Eclairée Ekoda	CREA	985	962	995	54	5.5%	962	5.2%	6.0%	947	977	54	5.6%	947	5.3%	6.1%	-15	0.0	0.1%
C-8	Artis Uenokachimachi	JREI	3,165	3,500	3,540	169	4.8%	3,460	4.6%	5.0%	3,180	3,210	170	5.3%	3,150	5.1%	5.5%	-320	0.3	0.5%
C-9	Artis Bunkyoongo	JREI	1,679	1,700	1,720	82	4.8%	1,680	4.6%	5.0%	1,580	1,590	82	5.2%	1,560	5.0%	5.4%	-120	0.3	0.4%
C-10	Artis Ryogoku	JREI	929	1,000	1,010	49	4.9%	991	4.7%	5.1%	893	899	49	5.5%	887	5.3%	5.7%	-107	0.1	0.6%
C-11	Artis Higashiginza	JREI	5,336	5,400	5,460	245	4.5%	5,340	4.4%	4.9%	4,880	4,910	245	5.0%	4,850	4.8%	5.4%	-520	0.0	0.5%
C-12	Apre parks Ueno	JREI	884	905	913	44	4.9%	897	4.7%	5.1%	804	811	43	5.4%	796	5.2%	5.6%	-101	-0.9	0.5%
C-13	Artis Ningyocho	JREI	3,249	3,420	3,450	162	4.7%	3,380	4.5%	4.9%	3,090	3,110	161	5.2%	3,060	5.0%	5.4%	-330	-0.3	0.5%
C-14	Artis Omorihigashi	JREI	2,040	1,990	2,010	102	5.1%	1,970	4.9%	5.3%	1,800	1,820	101	5.6%	1,780	5.4%	5.8%	-190	-0.5	0.5%
C-15	Residence Oyama	JREI	1,568	1,540	1,560	79	5.1%	1,520	5.0%	5.4%	1,380	1,400	79	5.7%	1,360	5.6%	6.0%	-160	0.0	0.6%
C-16	Artis Kinshicho	JREI	4,317	4,210	4,240	203	4.8%	4,170	4.6%	5.0%	3,810	3,840	203	5.3%	3,770	5.1%	5.5%	-400	-0.2	0.5%
C-17	T&G Negishi Mansion	MAIC	906	864	877	42	4.8%	851	4.5%	5.1%	815	825	42	5.1%	804	4.8%	5.4%	-49	0.0	0.3%
Subtotal			33,741	35,481	35,845	1,717	-	35,101	-	-	32,299	32,592	1,719	-	31,984	-	-	-3,182	1.2	-



Appraisal Report

Greater Tokyo ex Central Tokyo • Regional Cities

Property No.	Property Name	Appraisal Company	Fiscal End Book Value (in million yen)	5th Fiscal Period Appraisal								6th Fiscal Period Appraisal						Changes			
				Appraisal Date	Appraisal Value (in million yen)	Capitalization Method					Appraisal Date	Appraisal Value (in million yen)	Capitalization Method					Appraisal Value	NCF (in million yen)	Direct Cap Rate	
						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				
Greater Tokyo ex Central	◆S-1	Hiyoshidai Student Heights	CREA	3,434	3,586	3,518	267	7.6%	3,586	7.3%	8.1%	3,504	3,437	268	7.8%	3,504	7.5%	8.3%	-82	0.7	0.2%
	S-2	Chester House Kawaguchi	CREA	762	770	808	46	5.7%	770	5.4%	6.2%	751	785	46	5.9%	751	5.6%	6.4%	-19	0.2	0.2%
	S-3	Storkmansion Kashiwa	JREI	571	499	501	28	5.6%	496	5.4%	5.8%	441	442	28	6.4%	439	6.2%	6.6%	-58	0.2	0.8%
	S-4	DUO Station Higashimatsudo No. II	JREI	1,177	1,070	1,070	58	5.5%	1,070	5.3%	5.7%	933	930	59	6.4%	936	6.2%	6.6%	-137	0.5	0.9%
	S-5	Artis Shin-Yokohama	JREI	1,973	1,920	1,940	104	5.4%	1,900	5.2%	5.6%	1,750	1,760	103	5.9%	1,730	5.7%	6.1%	-170	-0.7	0.5%
	S-6	Belle Scene Minamiikuta	JREI	1,123	1,030	1,030	54	5.3%	1,020	5.1%	5.5%	909	915	54	6.0%	903	5.8%	6.2%	-121	0.2	0.7%
	S-7	PLEIADE CHOFU	JREI	1,181	1,160	1,170	61	5.2%	1,150	5.0%	5.4%	1,050	1,050	61	5.8%	1,040	5.6%	6.0%	-110	0.1	0.6%
	S-8	PLEIADE KUNITACHI	JREI	662	639	645	34	5.4%	633	5.2%	5.6%	569	574	34	6.0%	564	5.8%	6.2%	-70	-0.3	0.6%
	S-9	PLEIADE KAWASAKI MOTOKI	JREI	695	652	657	37	5.7%	646	5.5%	5.9%	601	605	37	6.2%	596	6.0%	6.4%	-51	0.1	0.5%
	S-10	PLEIADE KOKURYO	JREI	967	941	951	48	5.1%	930	4.9%	5.3%	846	853	48	5.7%	838	5.5%	5.9%	-95	0.1	0.6%
	◆S-11	Wako Student Heights	JREI	726	664	667	41	6.2%	661	6.0%	6.4%	589	592	41	7.0%	585	6.8%	7.2%	-75	0.0	0.8%
Subtotal				13,277	12,931	12,957	782	—	12,862	—	—	11,943	11,943	784	—	11,886	—	—	-988	1.3	—
Regional Cities	R-2	Royal Nishihonmachi	JREI	555	614	620	32	5.2%	607	5.0%	5.4%	517	521	30	5.9%	513	5.7%	6.1%	-97	-1.5	0.7%
	R-3	Itopia Kyotogakuseikaikan	CREA	1,658	1,723	1,834	100	5.5%	1,723	5.2%	6.0%	1,640	1,739	100	5.8%	1,640	5.5%	6.3%	-83	0.0	0.3%
	R-6	HAUT DOMICILE NANGOGAI	CREA	910	826	834	53	6.4%	826	6.1%	6.9%	816	818	54	6.7%	816	6.4%	7.2%	-10	1.4	0.3%
	R-7	Artis Higashisakura	JREI	1,285	1,250	1,270	68	5.4%	1,230	5.1%	5.6%	1,070	1,070	66	6.2%	1,060	6.0%	6.4%	-180	-2.0	0.8%
	R-8	Grand Court Kameyama	JREI	1,708	1,460	1,470	93	6.4%	1,440	6.1%	6.8%	1,220	1,220	94	7.7%	1,220	7.6%	7.7%	-240	0.4	1.3%
	R-9	Zeus Ryokuchi PREMIUM	JREI	1,006	994	997	53	5.4%	990	5.1%	5.6%	882	885	53	6.1%	879	5.8%	6.3%	-112	0.1	0.7%
	R-10	GRASS HOPPER	JREI	1,376	1,310	1,330	73	5.5%	1,290	5.3%	5.7%	1,180	1,190	74	6.2%	1,170	6.0%	6.4%	-130	0.9	0.7%
	R-11	Artis Kabe Portland	JREI	3,904	3,840	3,870	208	5.4%	3,810	5.2%	5.6%	3,320	3,340	210	6.3%	3,300	6.1%	6.5%	-520	1.7	0.9%
Subtotal				12,407	12,329	12,225	684	—	11,916	—	—	10,645	10,783	685	—	10,598	—	—	-1,684	1.0	—
合計				86,562	89,618	90,815	4,573	—	88,776	—	—	81,734	82,681	4,571	—	81,076	—	—	-7,884	-1.8	—



Property Income Statement 7 Central Tokyo Wards

(in thousand yen)

	Artiscourt Akasakahinokicho	Artis Shimazuyama	Artis Nakameguro	Apartments Tsurumaki	Crestcourt Azabujuban	Artis Shibuyadalkanyama	Artis Ikejirionashi	Artis Shimoochiai	Spacia Kudanshita	Artis Hatagaya	Feldberg	Artis Toritsudaigaku	Artis Sakurajosui	Artis Kitashinagawa	PLEIADE YOYOGINOMORI	Tokyo 7 Wards Total
Days of Operation	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	—
Total Rental Revenue	143,654	92,726	49,104	39,224	58,544	53,755	38,147	49,198	70,613	32,961	51,381	21,322	37,074	75,888	20,458	834,055
Rent Income	136,490	90,094	49,104	37,337	56,222	50,344	37,055	46,936	70,181	32,240	49,161	19,465	34,074	75,888	19,937	804,534
Other Income	7,163	2,632	0	1,887	2,322	3,410	1,092	2,262	431	721	2,220	1,857	3,000	0	521	29,520
Total Rental Expenses	28,418	16,335	2,951	7,997	10,762	8,111	6,520	9,414	10,443	4,086	12,091	4,307	5,520	6,833	4,672	138,466
Management Fees	13,823	7,685	554	3,704	5,019	4,766	4,601	4,778	4,321	2,347	5,588	2,914	3,564	3,146	2,273	69,091
Rental Advertising Cost	3,075	1,591	0	146	1,156	0	0	930	169	32	1,125	489	33	0	1,026	9,779
Property Tax, etc.	4,979	4,002	1,391	2,151	2,681	1,244	757	553	2,850	824	2,532	180	1,059	2,040	0	27,250
Cost of Utilities	1,463	1,012	0	504	682	422	420	535	912	349	712	207	277	955	267	8,725
Insurance	301	203	108	95	119	86	85	129	158	63	135	47	68	218	50	1,872
Cost of Repair	3,861	596	202	963	645	1,191	230	2,087	1,035	55	1,490	35	53	71	299	12,819
Other Expenses	913	1,242	693	430	457	400	424	400	996	412	506	431	463	400	754	8,926
Net Operating Income	115,235	76,391	46,152	31,227	47,782	45,643	31,626	39,784	60,169	28,875	39,289	17,015	31,554	69,054	15,786	695,588
Capital Expenditures	0	0	0	299	746	152	0	388	1,692	0	1,533	0	0	0	0	4,812
Depreciation	38,443	29,275	17,691	5,663	8,898	6,257	6,823	7,807	12,940	4,288	7,098	3,486	4,751	14,322	2,642	170,392
Rental Business Profit (Loss)	76,792	47,115	28,460	25,563	38,883	39,386	24,803	31,976	47,229	24,586	32,190	13,529	26,802	54,732	13,143	525,196
NOI Yield	4.6%	5.3%	5.3%	5.0%	4.8%	5.4%	5.1%	5.4%	5.3%	5.1%	5.0%	5.2%	5.6%	5.0%	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	4,801	2,752	1,668	1,223	2,007	1,688	1,225	1,445	2,256	1,138	1,588	655	1,142	2,788	752	27,136
Fiscal End Appraisal Value	4,820	2,930	1,740	1,273	2,099	1,710	1,220	1,360	2,378	1,070	1,460	601	1,080	2,470	636	26,847
Fiscal End Occupancy Rate	91.5%	97.0%	100.0%	81.9%	88.0%	98.2%	84.5%	95.0%	92.0%	100.0%	96.4%	100.0%	98.1%	100.0%	85.2%	94.0%
Average Fiscal Period Occupancy Rate	90.9%	97.0%	100.0%	89.6%	93.4%	96.8%	91.4%	93.4%	95.2%	99.0%	92.6%	98.1%	98.1%	100.0%	89.6%	94.8%



Property Income Statement Central Tokyo ex. 7 Wards

(in thousand yen)

	Artis Mitsukoshimae	Artis Kamata	Artis Ikebukuro	Artis Hongo	Artis Asakusabashi	Maison Eclairée Ekoda	Artis Uenokachimachi	Artis Bunkyocho	Artis Ryogoku	Artis Higashiginza	Apre Parks Ueno	Artis Ningyocho	Artis Omorihigashi	Residence Oyama	Artis Kinshicho	T&G Negishi Mansion	Central Tokyo ex. 7 Wards Total
Days of Operation	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	184	—
Total Rental Revenue	66,424	96,639	47,052	50,301	39,314	36,544	98,211	50,822	30,524	140,289	28,537	95,746	60,483	58,074	120,135	27,545	1,046,647
Rent Income	65,383	94,832	46,833	50,255	37,618	35,124	97,426	48,976	30,241	140,252	25,563	95,024	59,620	57,929	118,929	26,226	1,030,237
Other Income	1,041	1,807	218	46	1,695	1,419	784	1,846	283	36	2,974	722	863	145	1,205	1,319	16,409
Total Rental Expenses	9,539	14,854	4,805	3,855	5,945	8,663	8,255	7,888	4,192	9,991	6,106	10,508	7,524	9,973	9,178	4,732	126,016
Management Fees	5,138	8,698	1,559	1,306	3,156	3,948	3,472	4,905	2,426	3,934	2,391	5,831	4,594	4,807	6,921	2,823	65,916
Rental Advertising Cost	714	0	84	0	282	465	0	797	0	0	648	39	0	542	0	39	3,613
Property Tax, etc.	1,446	2,757	1,110	1,038	567	1,380	2,442	833	721	2,271	608	2,465	1,545	2,956	0	281	22,427
Cost of Utilities	752	1,025	487	531	518	412	556	487	366	1,827	333	937	524	561	1,072	350	10,745
Insurance	148	238	113	110	102	78	211	120	89	348	64	241	107	192	165	80	2,414
Cost of Repair	366	690	988	468	781	1,852	1,024	187	139	967	1,561	28	280	464	379	154	10,334
Other Expenses	971	1,443	461	400	537	526	548	556	449	642	499	965	472	448	640	1,001	10,564
Net Operating Income	56,885	81,785	42,246	46,446	33,368	27,880	89,955	42,933	26,331	130,297	22,430	85,237	52,959	48,101	110,957	22,813	920,631
Capital Expenditures	0	0	1,018	417	0	906	0	294	0	0	789	0	0	0	0	0	3,426
Depreciation	18,282	25,474	7,167	7,161	6,802	5,004	17,559	8,134	4,647	17,082	5,563	16,400	11,530	9,125	17,642	5,286	182,868
Rental Business Profit (Loss)	38,602	56,311	35,078	39,284	26,565	22,876	72,396	34,799	21,683	113,214	16,867	68,837	41,428	38,975	93,314	17,526	737,762
NOI Yield	5.9%	6.1%	5.5%	5.5%	6.2%	5.8%	5.6%	5.2%	5.7%	4.9%	5.2%	5.3%	5.3%	6.4%	5.2%	5.3%	5.5%

(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	33,286
Fiscal End Book Value	1,860	2,567	1,517	1,677	1,055	985	3,165	1,679	929	5,336	884	3,249	2,040	1,568	4,317	906	33,741
Fiscal End Appraisal Value	2,030	2,770	1,500	1,710	1,110	947	3,180	1,580	893	4,880	804	3,090	1,800	1,380	3,810	815	32,299
Fiscal End Occupancy Rate	96.9%	95.8%	100.0%	100.0%	96.9%	97.9%	100.0%	97.8%	98.5%	100.0%	92.5%	100.0%	96.8%	96.6%	96.3%	100.0%	98.0%
Average Fiscal Period Occupancy Rate	97.6%	97.8%	100.0%	100.0%	97.9%	95.3%	100.0%	96.7%	98.0%	100.0%	91.9%	99.1%	96.1%	98.6%	98.2%	97.4%	98.3%



Property Income Statement Greater Tokyo ex Central

(in thousand yen)

	Hiyoshidal 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	184	184	184	184	184	184	184	184	184	184	184	—
Total Rental Revenue	174,093	31,388	22,239	42,245	63,485	41,675	36,252	22,786	22,952	30,538	26,188	513,846
Rent Income	174,076	30,335	21,354	41,587	63,466	39,074	35,792	22,752	22,952	29,763	26,188	507,344
Other Income	17	1,053	885	658	19	2,600	460	33	0	775	0	6,502
Total Rental Expenses	20,854	6,959	6,942	8,735	9,142	12,487	4,249	3,979	2,917	4,964	605	81,840
Management Fees	7,496	3,171	3,142	4,462	2,670	6,020	2,433	1,763	1,740	3,295	0	36,197
Rental Advertising Cost	0	0	118	305	0	631	229	0	0	772	0	2,058
Property Tax, etc.	6,101	1,844	1,674	2,420	4,363	3,285	0	0	0	0	0	19,688
Cost of Utilities	0	407	386	676	881	718	214	249	351	297	0	4,182
Insurance	835	108	90	142	209	182	75	59	76	59	105	1,943
Cost of Repair	6,021	627	1,115	328	617	1,104	415	56	0	0	0	10,284
Other Expenses	400	801	416	400	400	545	881	1,851	750	539	500	7,484
Net Operating Income	153,238	24,428	15,296	33,509	54,342	29,187	32,003	18,806	20,035	25,574	25,582	432,006
Capital Expenditures	28,882	430	173	0	0	0	0	0	0	0	0	29,486
Depreciation	41,805	4,811	3,794	9,210	11,725	7,706	6,329	4,575	4,432	5,568	5,310	105,269
Rental Business Profit (Loss)	111,433	19,617	11,502	24,299	42,617	21,481	25,673	14,231	15,602	20,005	20,271	326,737
NOI Yield	8.9%	6.3%	5.6%	6.0%	5.6%	5.5%	5.6%	5.9%	5.9%	5.5%	7.5%	6.7%

(in million yen)

Acquisition Price	3,420	770	545	1,100	1,920	1,050	1,143	635	668	930	675	12,856
Fiscal End Book Value	3,434	762	571	1,177	1,973	1,123	1,181	662	695	967	726	13,277
Fiscal End Appraisal Value	3,504	751	441	933	1,750	909	1,050	569	601	846	589	11,943
Fiscal End Occupancy Rate	100.0%	100.0%	96.2%	100.0%	100.0%	91.1%	92.8%	98.0%	100.0%	98.3%	100.0%	98.2%
Average Fiscal Period Occupancy Rate	100.0%	99.6%	96.8%	98.2%	100.0%	91.6%	97.4%	99.0%	100.0%	95.9%	100.0%	98.3%



Property Income Statement Regional Cities

(in thousand yen)

	Royal Nishinomachi	Itopia Kyotogakusei Kaikan	HAUT DOMICILE NANGOGAI	Artis Higashisakura	Grand Court Kameyama	Zeus Ryokuchi PREMIUM	GRASS HOPPER	Artis Kobe Port Island	Regional Cities Total	Total
Days of Operation	184	184	184	184	184	184	184	184	—	—
Total Rental Revenue	20,582	68,424	36,162	43,166	68,966	31,250	57,641	125,246	451,439	2,845,989
Rent Income	20,582	68,424	36,162	41,116	68,966	31,250	57,517	125,246	449,265	2,791,381
Other Income	0	0	0	2,050	0	0	123	0	2,173	54,607
Total Rental Expenses	4,223	13,680	6,443	14,858	16,650	2,561	12,699	2,312	73,430	419,753
Management Fees	1,497	8,391	541	5,816	5,955	312	4,907	1,356	28,779	199,985
Rental Advertising Cost	121	0	0	3,541	0	0	997	0	4,660	20,111
Property Tax, etc.	1,333	4,294	3,739	2,678	7,310	1,738	0	0	21,093	90,460
Cost of Utilities	300	217	0	452	2,753	0	3,538	0	7,261	30,915
Insurance	72	239	204	176	230	111	154	489	1,678	7,908
Cost of Repair	343	103	1,557	1,734	0	0	2,603	66	6,407	39,847
Other Expenses	554	434	401	458	400	400	499	400	3,548	30,524
Net Operating Income	16,358	54,743	29,718	28,307	52,315	28,688	44,941	122,933	378,008	2,426,235
Capital Expenditures	0	350	41,718	294	0	0	105	0	42,467	80,193
Depreciation	4,874	12,313	9,794	14,262	10,996	6,843	10,859	26,994	96,938	555,469
Rental Business Profit (Loss)	11,484	42,429	19,924	14,045	41,319	21,845	34,081	95,939	281,069	1,870,765
NOI Yield	5.8%	6.5%	7.1%	4.4%	6.4%	5.8%	6.7%	6.5%	6.2%	5.6%

(in thousand yen)

Acquisition Price	560	1,671	827	1,290	1,610	979	1,330	3,740	12,007	85,436
Fiscal End Book Value	555	1,658	910	1,285	1,708	1,006	1,376	3,904	12,407	86,562
Fiscal End Appraisal Value	517	1,640	816	1,070	1,220	882	1,180	3,320	10,645	81,734
Fiscal End Occupancy Rate	88.0%	100.0%	100.0%	89.9%	100.0%	100.0%	79.9%	100.0%	96.5%	96.8%
Average Fiscal Period Occupancy Rate	92.0%	100.0%	100.0%	80.7%	100.0%	100.0%	84.5%	100.0%	96.3%	97.0%



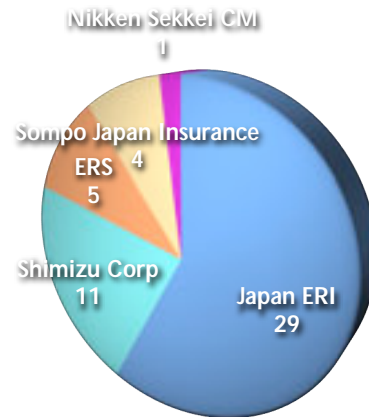
Due Diligence

Specialists carrying out due diligence on our fifty properties

【Probable Maximum Loss (PML)】

Sompo Japan Risk Management, Inc.

Number of Properties Each Specialist Carry Out Their Due Diligence



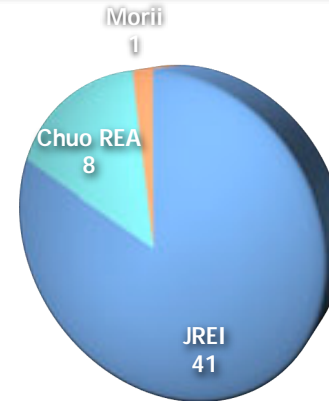
Engineering Reports

【Engineering Reports】

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

【Structural Calculation Checks】

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



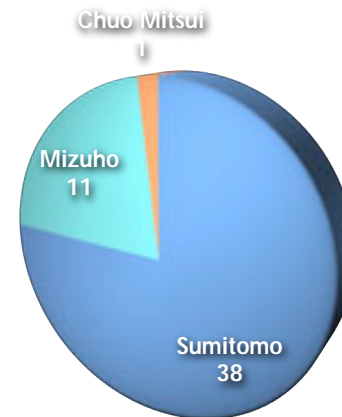
Appraisal

【Legal Checks】

Mori Hamada & Matsumoto

【Appraisal】

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



Trustee Due Diligence

【Trustee Due Diligence】

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

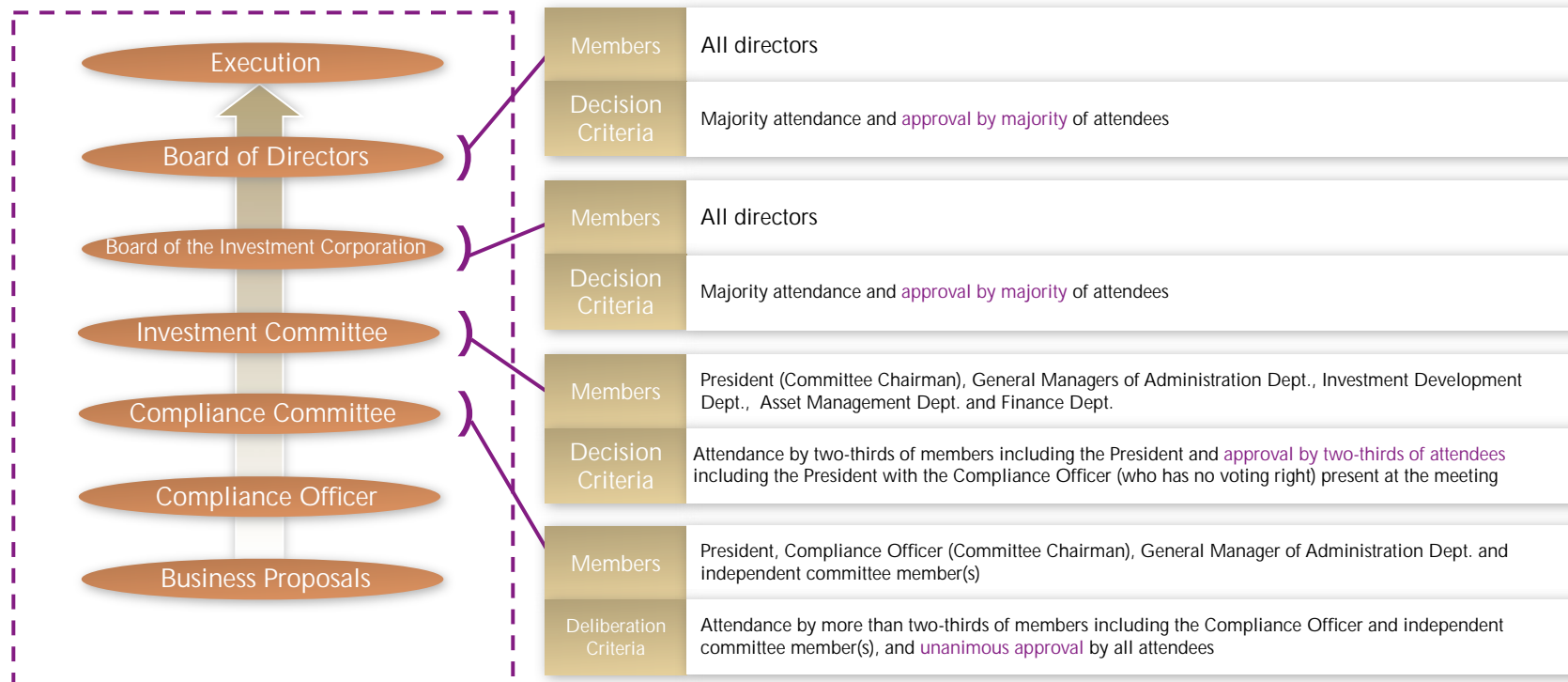


Managing Conflicts of Interests

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

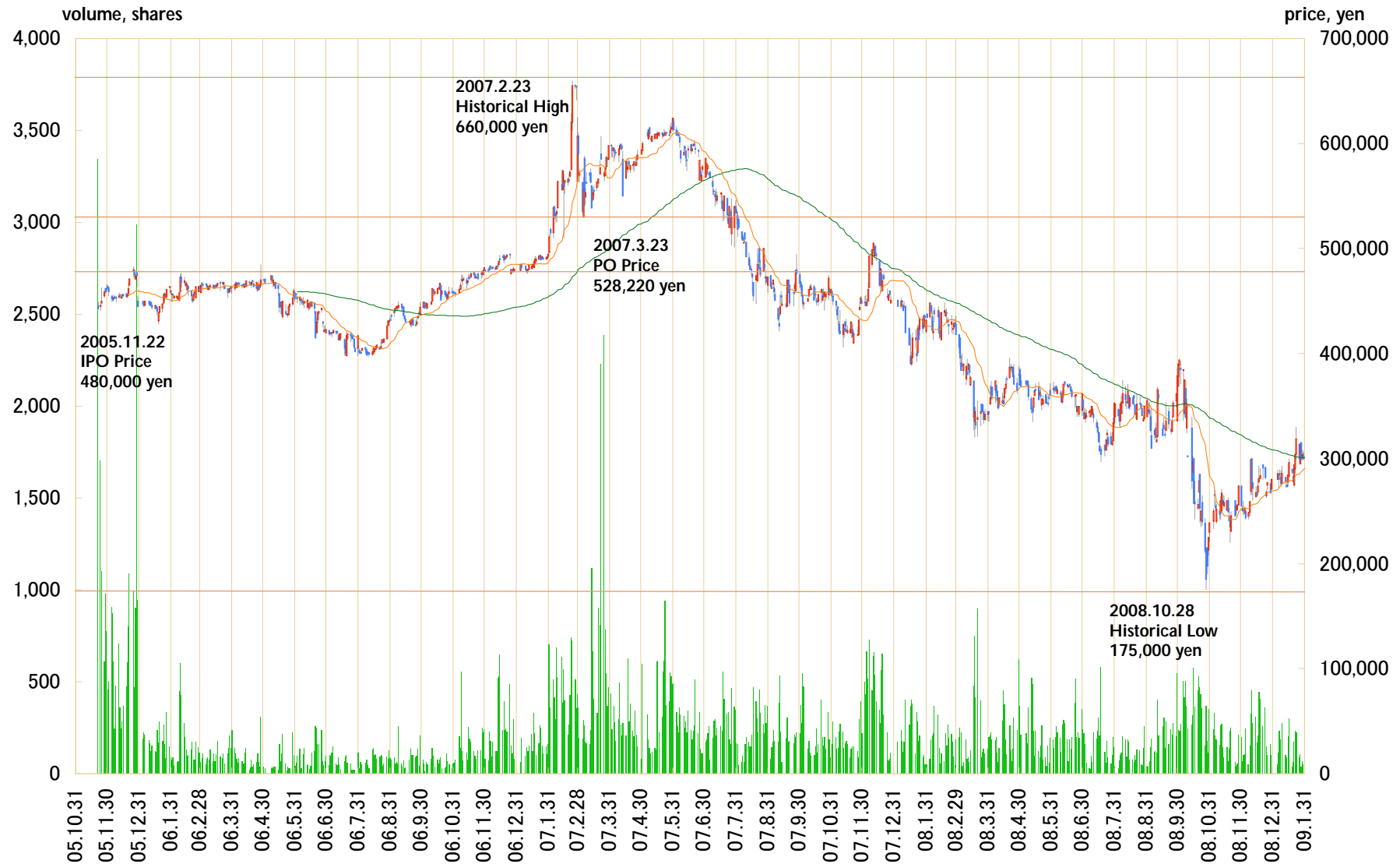
Definition of Related Parties

- (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

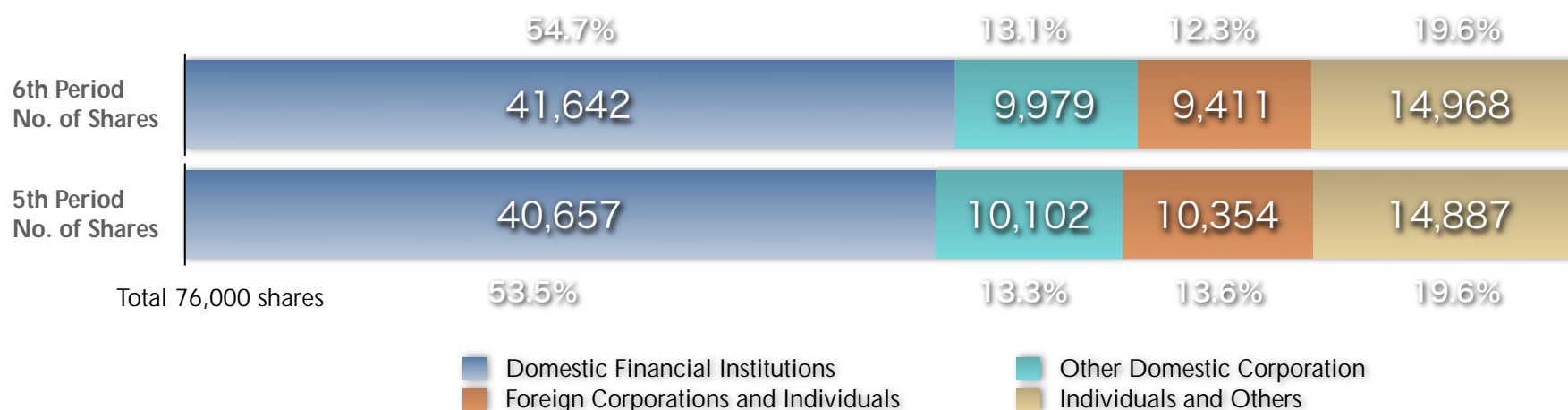




Share Ownership

	Number of Shares		Number of Shareholders	
	No. of Shares	%	No. of Shareholders	%
Domestic Financial Institutions	41,642	54.7	82	1.4
Other Domestic Corporations	9,979	13.1	89	1.6
Foreign Corporations and Individuals	9,411	12.3	86	1.5
Individuals and Others	14,968	19.6	5,428	95.5
Total	76,000	100.0	5,685	100.0

	Number of Shares Held	Ratio of Shares Held Against Total Number of Shares Total (%)
Japan Trustee Services Bank, Ltd. (trust account)	9,687	12.7
NikkoCiti Trust and Banking Corporation (Investment Trust Account)	6,615	8.7
The Master Trust Bank of Japan, Ltd. (trust account)	4,486	5.9
ITOCHU Corporation	3,500	4.6
Trust & Custody Services Bank, Ltd. (investment trust account)	2,891	3.8
Sumitomo Mitsui Banking Corporation	2,326	3.1
AIG Star Life Insurance Co., Ltd. (regular account)	2,300	3.0
Nippon Tochi-Tatemono Co., Ltd.	1,500	2.0
ITOCHU Property Development, Ltd.	1,500	2.0
American Life Insurance Co. (GAL)	1,450	1.9



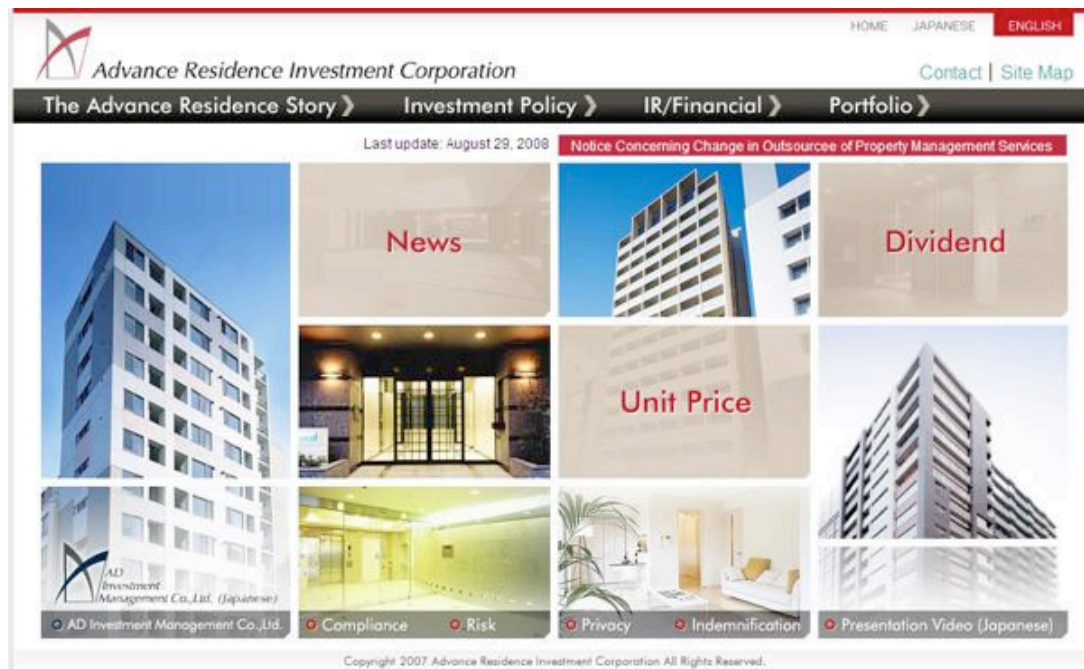


Website Information

We strive to provide information to investors in a transparent and timely manner by uploading an array of information and data on the website. There are various documents on our website, such as documents that must be disclosed by law, press releases, information on business performance and data on the portfolio that are available for download.

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

Portfolio Booklet




Unit Types (by area)	
Single	10%
Compact	40%
Family	50%
Large	
Specialty	
Other	

Location	Akasaka, Minato Ward, Tokyo
Nearest station	5 minutes walk from Akasaka Station on the Tokyo Metro Chiyoda Line
Site area	1,164.84sqm
Floors	14 floors (1 basement floor)
Resident units	100
Floor space	6,100.00sqm
Remaining area	4,600.70sqm

Completed	December 21, 2004
Subscription price	¥ 800,000,000 per unit
Market value per unit	Price through 1/31/09
NAV	¥ 170
Property manager	Willis Tower Watson Housing Limited



Disclaimer

This material contain 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.