

Advance Residence Investment Corporation (ADR, securities code: 8978)

Second Fiscal Period (July 1, 2006 – December 31, 2006) Executive Summary

◆ ADR Summary of Key Performance Measures

Operating revenues	1,801 mm yen	Total assets	55,946 mm yen
Operating profit	961 mm yen	Net assets	25,409 mm yen
Recurring profit	760 mm yen	Net assets per unit	477,622 yen
Net profit	759 mm yen	Net asset ratio	45.4%
Dividend per unit	14,284 yen	End-of-period LTV	54.0%

◆ Key Information for Second Fiscal Period

- ADR had a portfolio of 29 properties as of the end of June 2006. ADR acquired five properties this fiscal period (acquisition price of 4,954 mm yen), including three Artis series residences, and sold Artis Kyobashi to give ADR a portfolio of 33 properties (acquisition price 55,946 mm yen) as of the end of this fiscal period.
- Adherence to the Itochu Support Line external growth strategy has resulted in the Artis comprising 17 of 33 properties.
- The three Artis properties acquired this period were acquired utilizing the warehousing function of Itochu.
- The geographical diversification of the ADR portfolio based on asset price is 50.3% in the Central 7 Wards, 29.2% in Tokyo 23 wards exclusive of central 7 wards, 8.9% in Tokyo Metropolitan Area and 11.6% in Major Regional Cities*.
- The portfolio occupancy is 97.7% as of the end of the second fiscal period.
- ADR refinanced debt this fiscal period and as of the end of this fiscal period our outstanding loans total 30,200 mm yen, LTV is 54%, long-term interest bearing debt comprises 100% of interest-bearing debt and 62% of all interest-bearing debt is fixed interest.
- ADR acquired an issuer rating of A (stable) from R&I.

*Tokyo central 7 wards indicates the Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards of Tokyo; Tokyo 23 wards exclusive of central 7 wards indicates the 23 wards of Tokyo other than the central 7 wards; Tokyo Metropolitan Area indicates Tokyo (excluding the Tokyo 23 wards) and Kanagawa, Saitama and Chiba prefectures; Major regional cities exclude cities in the Tokyo Metropolitan Area; and Other Key Cities stands for ordinance designated cities and similar cities.

◆ Performance Forecast for Third and Fourth Fiscal Periods

	Third Fiscal Period (ending June 30, 2007)	Fourth Fiscal Period (ending December 31, 2007)
Operating revenues	2,186 mm yen	2,077 mm yen
Recurring profit	951 mm yen	836 mm yen
Net profit	950 mm yen	836 mm yen
Dividend per unit	12,500 yen	11,000 yen

*The above forecasts were calculated based on certain premises as of the end of the second fiscal period, these may change depending on a change in the premises and these forecasts are not a guarantee of distributions or other figures.

This Executive Summary is an overview of the kessan tanshin for the Fiscal Period Ended December 31, 2006 (July 1 – December 31, 2006) dated February 27, 2007 and details on the figures, premises, etc. are available in the kessan tanshin (Japanese).

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