

Advance Residence Investment Corporation (Securities Code: 8978)

Overview of Third Period (January 1 – June 30, 2007) Performance

◆ ADR Summary of Key Performance Measures

Operating revenues	2,204 mm yen	Total assets	67,925 mm yen
Operating profit	1,260 mm yen	Net assets	37,275 mm yen
Recurring profit	1,013 mm yen	Net assets per unit	490,466 yen
Net profit	1,012 mm yen	Net asset ratio	54.9%
Dividend per unit	13,323 yen	End-of-period LTV	44.5%

◆ Key Information for Third Fiscal Period

- As of the end of the previous period (period ended December 2006), ADR owned 33 properties with a total acquisition value of 53,066 mm yen. ADR acquired four properties this fiscal period – including two “Artis” series properties - for a total of 8,721 mm yen, and sold three properties. The portfolio has thus grown as of the end of this fiscal period to 34 properties with a total acquisition value of 57,463 mm yen.
- ADR is successfully building a portfolio centered on the “Artis” series (19 of 34 properties), an exclusive rental condominium brand planned, developed and released using the comprehensive strength of the ITOCHU Group.
- ADR conducted its first public offering since its IPO during this fiscal period, successfully raising 11.6 billion yen. ADR now has total unitholders’ capital of 36,262 mm yen and a total of 76,000 outstanding investment units.
- ADR is pursuing stable returns and stable portfolio growth over the medium to long term by specializing in the management of residential properties, which are inherently resistant to the impact of the economic and social climate due to being a necessary cost of living.
- The annualized NOI return for the 34 properties was 5.8%.
- The portfolio occupancy as of the end of the period was 96.5%.
- The outstanding loans as of the end of the period totaled 30,200 mm yen (100% long-term loans and 62% fixed interest loans) and the raising of capital lowered the LTV of total assets to 44.5%.

Performance Forecast

	4 th Period (period ending December 2007)
Operating revenues	2,196 mm yen
Recurring profit	951 mm yen
Net profit	950 mm yen
Dividend per unit	12,500 yen

*The above forecast employs current figures that have been calculated based on certain premises, and actual net profit and dividend can vary due to changes in conditions. These forecasts in no way guarantee the dividend amount.

This document is an overview of the kessan tanshin dated August 20, 2007 and titled “kessan tanshin for the Period Ending June 2007 (January 1 – June 30, 2007). Please check the Financial Report (Japanese) to verify the figures, premises and other details.

A brief session was held on August 21, 2007. The progress of the session can be viewed at ADR’s website at <http://www.adr-reit.com/en>.

Please contact the following with any inquiries you may have about the above content.

AD Investment Management Co., Ltd.

TEL: +81-3-5216-1871 FAX: +81-3-5216-1850

