

Advance Residence Investment Corporation (Securities Code: 8978)

Overview of the Fifth Fiscal Period (January 1 – June 30, 2008) Performance

◆ ADR Summary of Key Performance Measures

Operating revenues	2,674 mm yen	Total assets	89,734 mm yen
Operating profit	1,480 mm yen	Net assets	37,333 mm yen
Recurring profit	1,071 mm yen	Net assets per unit	491,230 yen
Net profit	1,070 mm yen	Net asset ratio	41.6%
Dividend per unit	14,087 yen	End-of-period LTV	57.9%

◆ Key Information for the Fifth Fiscal Period

- As of the end of the previous period (period ended December 2007), ADR owned 41 properties with a total acquisition value of 71,383 million yen. ADR acquired nine properties this fiscal period - including two "Artis" series properties - for a total of 14,053 million yen. The portfolio has thus grown as of the end of this fiscal period to 50 properties with a total acquisition value of 85,436 million yen.
- 90% of the properties were acquired through sponsor support line companies.
- Increased exposure of student houses that can expect to have stable occupancy and higher return.
- ADR is successfully building a portfolio centered on the "Artis" series (25 of 50 properties), a brand exclusively created for rental condominium planned, developed and released using the comprehensive strength of the ITOCHU Group.
- ADR is pursuing stable returns and steady portfolio growth over the medium to long term by specializing in the management of residential properties, where rents are relatively insensitive to downward pressure.
- The annualized NOI return for the whole portfolio was 5.6%.
- The portfolio occupancy as of the end of the period was 96.9%.
- Short-term credit availability line was doubled to JPY 20 bn.
- Executed 23.4 bn yen refinancing with increased number of lenders. Succeeded in seven year loan refinancing and fixed all interest rate to reduce short-term refinancing risk.
- Our credit rating from R&I was upgraded from A to A+(stable).
- The outstanding loans as of the end of the period totaled 52,000 mm yen.
- Bringing our interest-bearing debt ratio to 57.9%.

◆ Earnings Forecast

	6th Period (period ending December 2008)
Operating revenues	2,840 mm yen
Recurring profit	1,034 mm yen
Net profit	1,033 mm yen
Dividend per unit	13,600 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 14, 2008 and titled "kessan tanshin" for the Period Ending June 2008(January 1 – June 30, 2008). Please check the Financial Report (Japanese) to verify the figures, premises and other details.

A brief session was held on August 18, 2008. The progress of the session can be viewed at ADR's website at <http://www.adr-reit.com/en>.



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