

Brief Summary of Kessan Tanshin

Advance Residence Investment Corporation (Securities Code: 3269)  
Fourth Fiscal Period (February 1, 2012 – July 31, 2012) Performance

1. Summary of Key Financial Data

Operating revenues	12,219 million yen	Total assets	384,091 million yen
Operating profit	6,559 million yen	Net assets	173,155 million yen
Recurring profit	4,612 million yen	Net assets per unit	157,413 yen
Net profit	4,611 million yen	Net asset ratio	45.1 %
Earnings per share*	4,198 yen	End-of-period LTV	53.7 %
ROE	2.8 %		
FFO per share	6,075 yen		
Dividend per unit	4,724 yen		

\* The earnings per share is calculated by dividing the net profit by the average number of outstanding issued units during the fiscal period.

2. Highlights for the Fourth Fiscal Period

- Earnings per unit\* (epu) increased by 113 yen to 4,192 against the 4,079 yen of last fiscal period. The increase in epu was achieved even though profits were diluted due to the equity finance carried out during the period. The 15.5 billion yen public offering was undertaken to procure funds for property acquisition and to lower the loan to value (LTV.)
- The dividend for the fiscal period is 4,724 yen, an increase of 224 yen compared to the previous fiscal period. The dividend was increased by amount equal to the amount at which the epu had beaten the initial earnings guideline.
- The three key factors that drove the profit growth are as follows. The first factor was the successful acquisition of properties. The second factor was the increase in key money revenue and decrease in leasing expenses. The third factor was the decrease in debt financing costs.
- The 17 properties acquired during the period have a weighted average appraisal cap yield of 5.9% and a total deal value of 26 billion yen.
- The average portfolio occupancy for the period was 96.2%.
- The fund continued to strengthen its financial position by reducing interest expense, lengthening and diversifying debt maturities, and increasing the ratio of fixed rate interest debts.

\* The earnings per unit is calculated by dividing the net profit by the outstanding issued units at the end of the fiscal period.

3. Earning Forecasts

Fifth Fiscal Period Forecast  
(August 1, 2012 to January 31, 2013)

Operating revenues	12,201 million yen
Operating profit	6,431 million yen
Recurring profit	4,676 million yen
Net profit	4,675 million yen
Earnings per share	4,250 yen
Dividend per unit	4,500 yen
Outstanding no. of issued units	1.1 million units

Fifth Fiscal Period Forecast  
(February 1, 2013 to July 31, 2013)

Operating revenues	12,276 million yen
Operating profit	6,391 million yen
Recurring profit	4,676 million yen
Net profit	4,675 million yen
Earnings per share	4,250 yen
Dividend per unit	4,500 yen
Outstanding no. of issued units	1.1 million units



Number of properties	190
Average period occupancy	96.0 %

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\* The above forecasts employ figures that have been calculated based on certain premises. The actual net profit and the dividend may vary due to changes in those premises or in other conditions. Therefore, these forecasts do not in no way guarantee the dividend amounts for the respective periods.

This document is an English-language summary of the Japanese financial report “Kessan Tanshin” published in Japanese on September 14, 2012. The report is titled “Kessan Tanshin” for the Financial Period Ending July 2012 (February 1, 2012 – July 31, 2012).

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