

**21<sup>st</sup>**

# **Fiscal Period Report**

August 1, 2020 - January 31, 2021

*Advance Residence Investment Corporation*

# I. Fiscal Period Report

## Management's Discussion and Analysis

### 1 Summary of Selected Financial Data

	Fiscal Period	units	17th FP From: Aug. 1, 2018 To: Jan. 31, 2019	18th FP From: Feb. 1, 2019 To: Jul. 31, 2019	19th FP From: Aug. 1, 2019 To: Jan. 31, 2020	20th FP From: Feb. 1, 2020 To: Jul. 31, 2020	21st FP From: Aug. 1, 2020 To: Jan. 31, 2021
Operating results	Operating revenues	million yen	16,196	16,465	17,175	17,357	17,014
	(Rental revenue) a	million yen	16,196	16,465	16,533	16,851	16,718
	(Gain on real estate sales) b	million yen	—	—	642	506	295
	Total operating expenses	million yen	8,078	8,263	8,211	9,062	8,500
	(Rental business expenses) c	million yen	6,333	6,519	6,439	6,707	6,630
	(Loss on real estate sales) d	million yen	—	—	—	511	—
	(Impairment loss) e	million yen	—	—	—	—	—
	Operating income	million yen	8,117	8,202	8,964	8,294	8,513
	Ordinary income f	million yen	6,984	7,094	7,945	7,321	7,549
	Net income g	million yen	6,983	7,094	7,945	7,320	7,548
Balance sheet figures	Total assets h	million yen	452,487	451,589	457,863	457,568	458,579
	Interest-bearing liabilities i	million yen	225,918	225,318	219,418	219,588	220,788
	Net assets j	million yen	220,069	219,837	231,698	231,225	230,966
	Paid-in Capital k	million yen	127,690	127,690	139,034	139,034	139,034
Per unit figures	Total dividends l	million yen	7,319	7,430	7,783	7,804	7,756
	Payout ratio l/g	%	104.8	104.7	98.0	106.6	102.7
	Total number of units issued and outstanding m	Units	1,350,000	1,350,000	1,385,000	1,385,000	1,385,000
	Net assets per unit j/m	yen	163,014	162,842	167,291	166,950	166,763
	Net income per unit Note 2	yen	5,173	5,254	5,782	5,285	5,450
	Dividend per unit l/m	yen	5,422	5,504	5,620	5,635	5,600
	Dividend from earnings per unit	yen	5,422	5,504	5,620	5,635	5,600
	Dividend in excess of earnings per unit	yen	0	0	0	0	0
	Annualized dividend yield Note 3	%	3.3	3.3	3.3	3.3	3.6
	Return on investment (Paid-in Capital) (g+q)/(k+i) Note 3	%	5.4	5.6	5.9	5.7	5.7
Financial indicators	Return on investment (market capitalization) (g+q)/(m+r+i) Note 3	%	2.9	2.9	3.1	2.9	3.2
	FFO per unit (g-b+d+e+q)/m	yen	7,177	7,277	7,267	7,310	7,261
	Annualized n Note 3	yen	14,237	14,676	14,417	14,700	14,403
	FFO per unit r/n	times	22.6	23.0	23.7	23.2	21.5
	Ratio of ordinary income to total assets f/h Note 4	%	1.5	1.6	1.7	1.6	1.6
	Annualized Note 3	%	3.1	3.2	3.5	3.2	3.3
	Equity ratio j/h	%	48.6	48.7	50.6	50.5	50.4
	Return on equity g/j Note 5	%	3.2	3.2	3.5	3.2	3.3
	Annualized Note 3	%	6.3	6.5	7.0	6.4	6.5
	Ratio of interest-bearing liabilities to total assets i/h	%	49.9	49.9	47.9	48.0	48.1
	DSCR o/p	times	11.4	12.0	13.9	14.0	14.4
	Net income before interest and depreciation o	million yen	10,624	10,721	11,536	10,897	11,125
	Interest expenses p	million yen	935	896	827	779	773
	NOI a-c+q Note 6	million yen	12,568	12,676	12,856	12,941	12,891
	Annualized NOI yield Note 3, 7	%	5.6	5.7	5.7	5.7	5.6
	Depreciation and amortization q Note 8	million yen	2,705	2,730	2,763	2,798	2,802
	Reference information	—	264	265	269	271	271
Reference information	Number of properties under management	—	264	265	269	271	271
	Number of leasable units	Units	21,286	21,322	21,399	21,402	21,552
	Leasable floor area at end of period Note 9	m <sup>2</sup>	790,646.47	791,672.97	798,959.22	797,152.25	800,789.34
	Occupancy rate at end of period Note 10	%	97.0	97.0	97.0	96.3	96.0
	Unit price at end of period r	yen	322,000	337,500	341,500	341,000	310,000

- Notes 1. Figures for Operating results do not include consumption tax. Amounts are rounded down to the nearest specified unit. Percentage figures are rounded to the first decimal place. The same applies hereafter.
2. The net income per unit is calculated by dividing net income by the daily weighted average number of units issued and outstanding.
3. The annualized figures are calculated using periods of 184 days for the 17th FP, 181 days for the 18th FP, 184 days for the 19th FP, 182 days for the 20th, 184 days for the 21st FP.
4. Ratio of ordinary income to total assets = Ordinary income ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2} × 100
5. Return on equity = Net income ÷ {(Net assets at beginning of period + Net assets at end of period) ÷ 2} × 100
6. In the calculation of NOI, the depreciation and amortization is limited to what is included in rental business expenses.
7. Annualized NOI yield = Total annualized NOI ÷ Total property acquisition price  
(The annualized NOI yield is calculated by taking into account the actual number of days of operation for each property.)
8. Depreciation and amortization include amortization of intangible assets in addition to depreciation of property, plant and equipment.
9. "Leasable floor area at end of period" refers to the leasable floor area for each building as stated on the lease agreement or indicated on its official floor plan. The leasable floor area of land such as parking lots is not included.
10. "Occupancy rate at end of period" is calculated by using the formula: "Leased floor area" ÷ "Leasable floor area" × 100.

## 2 Investment Environment and Operating Performance

With the aim of realizing a stable distribution of earnings over the long term, we carried out the following initiatives during the 21st Fiscal Period (FP).

### 1. Internal Growth

Given that the COVID-19 pandemic prompted an increase in move-outs particularly when it comes to small residential units located in urban centers, ADR took steps to curb the decline in occupancy rates by easing leasing terms such as those involving rents particularly with respect to such residential units.

### 2. External Growth

ADR conducted property replacements that involved acquiring two higher yielding properties from third parties (total acquisition price of 2.9 billion yen) and disposed of two compact lower yielding properties (total acquisition price of 1.0 billion yen). Furthermore, ADR achieved gain on sales amounting to around 0.29 billion yen due to such disposals.

### 3. Finance

ADR simultaneously extended its average remaining duration of interest-bearing liabilities while reducing its average interest rate amid the low interest rate environment. Furthermore, ADR endeavored to strengthen its financial foundation by increasing its fixed interest ratio.

### 4. Sustainability

ADR has been selected by the GRESB Real Estate Assessment as a Sector Leader in recognition of it having received top rankings in the Asian residential sector category. ADR was accordingly rated highly for factors that include improvement it has achieved regarding its percentage of electricity consumption data coverage encompassing tenant-occupied areas, as well as progress it has achieved in concluding lease agreements containing green lease clause<sup>(Note 1)</sup>.

Note 1. Green lease clauses are provisions established in lease agreements concluded with tenants regarding matters such as reducing environmental loads through energy-saving real estate, etc.

By executing these initiatives, we were able to attain the following FP results.

(million yen)

Item	Previous FP Results	Initial Forecast <sup>Note 2</sup>	21st FP Results (January 2021)	Difference from the Previous FP / Difference from the Initial Forecast	
Operating revenues	17,357	16,702	17,014	-343	+311
Operating income	8,294	8,152	8,513	+218	+360
Ordinary income	7,321	7,175	7,549	+228	+374
Net income	7,320	7,174	7,548	+228	+374
Earnings Per Unit	5,285 yen	5,180 yen	5,450 yen	+165 yen <sup>Note 3</sup>	+270 yen <sup>Note 3</sup>
Dividend Per Unit	5,635 yen	5,540 yen	5,600 yen	-35 yen	+60 yen

Notes 2. The initial forecast refers to the earnings forecasts for the 21st FP disclosed in the "Brief Summary of Kessan Tanshin" for the 20th Fiscal Period, dated September 16, 2020. The same applies hereafter.

3. Decimals are omitted from the EPU figures.

Earnings per unit (EPU) amounted to 5,450 yen, which was 165 yen higher than in the previous FP. The increase was due to a situation where ADR incurred both a decrease in rental income due to lower occupancy rates and a decrease in gain on sales, yet achieved lower loss on sales exceeding those decreases. Compared with the initial forecast, revenues and income were higher largely due to gain on sales, along with decreases in tenant solicitation costs and funding costs.

Dividend per unit (DPU) amounted to 5,600 yen, which was 35 yen lower than in the previous FP and 60 yen higher than the initial forecast, with ADR having retained 210 yen per unit from some gains on sales generated during the FP, in addition to drawdown in reserve for temporary difference adjustment (RTA) of 242 yen per unit and distribution from retained earnings of 117 yen per unit.

# I. Fiscal Period Report

## 1. Internal Growth

### – Curbing Downturn in Occupancy Rates by Easing up on Leasing Terms –

During the FP, ADR encountered an increase in move-outs particularly with respect to small residential units located in urban centers due to the COVID-19 pandemic. As such, it accordingly took steps to curb the decline in occupancy rates by easing leasing terms such as those involving rents particularly with respect to such residential units. As a result, ADR managed to hold the average fiscal period occupancy rate to 95.9% (0.8 of a percentage point lower than in the previous FP), albeit slightly below the initial forecast of 96.0%.

The rate of change in rents upon tenant replacement dropped sharply to a 1.2% rate of increase this FP, from a record-high 5.5% rate of increase in the previous FP. As previously noted, this is largely attributable to ADR having reduced rents of such residential units in order to stimulate demand for small properties located in urban centers. Likewise, the rate of change in rents upon contract renewal decreased to a 0.4% rate of increase from a 1.2% rate of increase in the previous FP, which was due to ADR having stopped seeking rent hikes for the four-month period from August through November amid the COVID-19 pandemic.

However, despite that environment ADR has been able to increase rents given that it has continued to encounter strong demand with respect to sufficiently large residential units, including residential units in Tokyo excluding the seven wards of central Tokyo.

### – Strengthening Competitiveness of Our Properties by Carrying out Value Enhancement Works –

ADR conducts large-scale repairs of its properties on a scheduled basis in order to maintain functionality and to freshen up their appearance. In addition, for individual units in properties that have recently had large-scale repairs, ADR carries out value enhancement work to maintain and enhance competitiveness in the leasing market. These entail equipment upgrades and floor plan changes and are implemented at the time when tenants are being replaced.

We conducted large-scale repairs on 10 properties during the FP at a cost of 899 million yen, excluding tax. Moreover, we performed value enhancement work on 21 properties at a cost of 76 million yen, excluding tax, upon having resolved delays in purchases of housing equipment and fixtures from China during the previous FP.

Of the residential units subject to value enhancement works, new rental contracts had been signed for 9 units as of January 31, 2021. Those units saw increases in rent of approximately 26.6% on average in comparison with rents under previous contracts. As such, despite the COVID-19 pandemic our value enhancement works effectively contributed to internal growth as has been the case during previous fiscal periods. Going forward, ADR will endeavor to further enhance the competitive advantages of its properties through such measures.

## 2. External Growth

### – Improving Profitability through Property Replacement and Achieving More Stable Distributions –

During this FP, we carried out property replacement which involved selling the two properties RESIDIA Yoyoginomori and RESIDIA Kyodo (total acquisition price of 1.0 billion yen), and acquiring from third parties the two properties RESIDIA Nakano-Fujimidai and RESIDIA Shirokitakoen-dori at a total acquisition price of 2.9 billion yen.

As a result, we realized gain on sales of around 0.29 billion yen and anticipates a 97 million yen increase in NOI<sup>(Note 4)</sup>. We have allocated most of the gain on sales to retained earnings with the aim of achieving more stable distributions going forward.

Note 4. This amount has been calculated as the 44 million yen total amount of average actual NOI of assets disposed from FP 2018/1 through FP 2020/7, subtracted from the 141 million yen total amount annualized NOI under the direct capitalization method and as listed in the acquisition appraisal report for assets acquired during the current FP.

## 3. Finance

### – Lowering the Average Interest Rate, Extending Initial Duration, and Increasing the Fixed Interest Ratio –

ADR's principal finance policy is to lower the interest rates of interest-bearing liabilities, to extend remaining durations, to fix interest rates and to diversify maturities. Given that the COVID-19 pandemic had no effect on the lending attitude of financial institutions to ADR during the FP, ADR accordingly managed to execute debt financing (including investment corporation bonds) amounting to 14.9 billion yen in total (average interest rate of 0.36%<sup>(Note 5)</sup> and average initial duration of 8.7 years). As a result, ADR lowered the average interest rate to 0.69% as of the end of the FP, from 0.70% in the previous FP. It also extended the remaining duration to 4.81 years from 4.75 years previously and increased its fixed interest ratio<sup>(Note 6)</sup> to 98.4% from 97.4% previously. These initiatives in conjunction with achieving a lower average interest rate have enabled ADR to further strengthen its financial foundation.

In addition, ADR has been continuing its efforts to strengthen its financial foundations, which has involved inviting The Chiba Bank, Ltd. to become one of its lenders during the FP with the aim of achieving a lower average interest rate.

ADR's credit ratings as of the end of the fiscal period (January 31, 2021) are as follows.

Credit rating agency	Coverage	Rating
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	AA (Outlook: Stable)
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA- (Outlook: Stable)

Notes 5. The "average interest rate" is the weighted-average interest rate on loans and bonds as of their respective borrowing or issuance date, as of the end of the FP (July 31, 2020). If the interest rates on the debts have been converted to fixed interest rates using swap agreements in order to hedge the risk of interest rate volatility, the fixed rates are used in calculating the average.

6. The "fixed interest ratio" is the value obtained by calculating the balance of interest-bearing liabilities borrowed at fixed rates of interest (including interest-bearing liabilities whose rate has been fixed by means of interest rate swap), and dividing it by the total balance of interest-bearing liabilities.

## 4. Sustainability

### – Sustainability Measures –

ADR works together with the asset management company to realize a sustainable society and to increase its unit-holder value. To that end, we engage in the following ESG (environmental, social and governance) initiatives.

- Environmental initiatives

Water-related disasters have been striking frequently and with increasing intensity due to climate change caused by global warming. As such, ADR has identified risk of flooding and other such threats with respect to its properties, and has furthermore set policies for taking action tailored to properties exposed to substantial risk of flooding in partnership with specialists.

Under its energy efficiency measures, ADR has been converting common areas of its properties to LED lighting, and during this FP, it has newly converted 7 properties to LED. As a result, ADR has completed LED conversion of 95 properties (constituting 35.1% of its portfolio) so far as of the end of the FP. In addition, ADR has been striving to include green lease clauses in its lease agreements, and as of the end of the FP has accordingly placed such clauses in lease agreements pertaining to 56.8% of its residential units out of the total number of rental units.

ADR has also acquired DBJ Green Building Certification with respect to 23 properties, constituting 30.1% of its portfolio on the basis of total floor area, as of the end of the FP.

- Social initiatives

In response to the COVID-19 pandemic, we have been striving to ensure the health and safety of employees associated with the asset management company, and have accordingly been adopting work-from-home and staggered work hour arrangements since the previous FP. In addition, ADR held a walking event during the FP with the goal of maintaining employee health and addressing their lack of physical exercise given that they have been increasingly working from home.

ADR has also launched a women's empowerment project aiming to ensure that its workplace environments strike a balance between career and family life.

- Governance initiatives

ADR's governance initiatives during the FP have involved drawing up its "Basic Policy on Political Contributions and Election Campaigns" in October 2020, with the aim of ensuring that its legal and regulatory compliance has a bearing on fair and transparent government.

Since 2014, ADR has been consistently awarded the "Green Star" rating under the GRESB Real Estate Assessment, which was developed mainly by European pension funds to evaluate the ESG performance of real estate companies and funds. As mentioned previously, ADR was also selected as a Sector Leader this FP in recognition of it having received top rankings in the Asian residential sector category, having been rated highly for factors that include improvement in its percentage of data coverage with respect to electricity consumption and its efforts to embrace green lease clauses.

## 3 Management Policies and Challenges Going Forward

By diligently implementing the strategies outlined below, ADR aims to achieve solid EPU growth.

### 1. Internal Growth

In the rental housing market, we have been operating in a manner that places priority on maintaining occupancy rates by easing leasing terms, given that we have been encountering an increasing number of move-outs relative to the same months of the previous year as a result of an excessive number of transfers out of Tokyo due to COVID-19. Meanwhile, we will keep raising rents associated with residential units that hold promise in that regard.

And for value-enhancement works, we strive to maintain and improve the competitive strengths of our properties by identifying changing needs through tenant satisfaction surveys and other such means, and reflecting those results in such work.

### 2. External Growth

ADR aims to acquire properties that will contribute to improving the quality and profitability of its portfolio. This will involve acquiring sponsor properties and utilizing information gained through sourcing initiatives of the asset management company. In addition, ADR will keep tenant and geographic diversification in mind in undertaking investment, and accordingly will not be susceptible to temporary market trends.

Since we are seeing many redevelopments actively taking place in central Tokyo, ADR is likely to receive proposals from developers for property replacements involving ADR's properties located in proximity of those redevelopment site. Amid the booming property market, we will positively consider selling such properties if the terms are favorable.

### 3. Finance Policy

With respect to its finance policy, ADR will continue procuring funds mainly through long-term and fixed-rate debts while keeping a close eye on interest rate trends and striving for lower funding costs and diversified maturities. In so doing, we will endeavor to establish financial foundations that can weather future market volatility.

### 4. Sustainability

When it comes to sustainability, ADR will continue to adopt measures to ensure energy efficiency of its properties and measures to reduce greenhouse gas emissions. In addition, ADR has expressed its support for the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) on March 11, 2020, and will accordingly take steps to achieve those recommended objectives.

### 5. Dividend Payout Policy

In accordance with its basic policy of realizing a stable distribution of earnings over the long term, ADR will fundamentally pay out distributions of nearly the entire amount of earnings for the current FP. Meanwhile, ADR will continue to draw down the reserves for temporary difference adjustments (RTA), which is based on retained earnings derived from profit from negative goodwill. It will draw down the RTA in equal amounts or more every FP within 50 years<sup>(Note 7)</sup>, in accordance with partial amendments of the “Regulations Concerning Accounting of Investment Corporations” and the Investment Trusts Association of Japan’s “Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations.”

Moreover, in principle, ADR is to maintain a DPU of at least 5,000 yen. To such ends, ADR is to additionally draw down the reserve if the total amount of DPU and the fixed drawdown amount of the RTA for the given FP do not reach 5,000 yen<sup>(Note 8)</sup>.

Furthermore, when temporary gains or losses arise due to gains or losses on sales of properties, ADR will stabilize distributions by additionally drawing down the RTA while also retaining or drawing down gain on sales.

Notes 7. The RTA drawdown amount per FP is calculated by dividing by 100, the outstanding amount of the RTA that has been transferred from the reserve for dividends as of the end of the FP ended January 31, 2017 (50 year × 2 FPs = 100 periods). As of the date of this document, the RTA drawdown amount per FP is approximately 335 million yen. However, ADR may increase the amount of the drawdown indicated above in order to stabilize dividend levels.

8. This does not constitute a guarantee of actual amount of dividend payment. The actual amount of dividend payment will need to be decided ultimately by ADR's Board of Directors.

## 4 Equity Finances

The following are changes in paid-in capital and total number of units issued and outstanding over the last 5 years.

Date	Remarks	Total number of units issued and outstanding		Paid-in Capital (million yen)		Notes
		Increase	Balance	Increase	Balance	
September 23, 2016	Follow-on offering	47,500	1,347,500	12,115	127,052	1
October 19, 2016	Third-party allotment	2,500	1,350,000	637	127,690	2
September 26, 2019	Follow-on offering	33,000	1,383,000	10,696	138,386	3
October 21, 2019	Third-party allotment	2,000	1,385,000	648	139,034	4

Notes 1. ADR issued new units through public offering at an offer price of 263,445 yen (paid-in amount: 255,068 yen) per unit to procure funds for new property acquisitions and for other purposes.  
 2. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 255,068 yen per unit to procure funds for new property acquisitions and for other purposes.  
 3. ADR issued new units through public offering at an offer price of 334,425 yen (paid-in amount: 324,135 yen) per unit to procure funds for new property acquisitions and for other purposes.  
 4. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 324,135 yen per unit to procure funds for new property acquisitions and for other purposes.

### Market Price of Units

The following are the highs and lows of ADR's unit closing prices on the Tokyo Stock Exchange.

FP	17th FP	18th FP	19th FP	20th FP	21st FP
Period-end	January 2019	July 2019	January 2020	July 2020	January 2021
High	327,500 yen	349,500 yen	367,000 yen	350,500 yen	342,000 yen
Low	281,100 yen	304,000 yen	331,000 yen	209,000 yen	290,000 yen



# I. Fiscal Period Report

## Overview of the Investment Corporation

### 1 Major Unit-holders

The following are the major unit-holders as of January 31, 2021.

Name	Address	Number of units held (units)	Percentage of issued units (%)
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	330,372	23.85
The Master Trust Bank of Japan, Ltd (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	206,322	14.89
The Nomura Trust & Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	62,385	4.50
Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	42,256	3.05
ITOCHU Corporation	2-5-1 Kita-Aoyama, Minato-ku, Tokyo	34,800	2.51
STICHTING PGGM DEPOSITARY PGGM LISTED REAL ESTATE PF FUND	NOORDWEG NOORD 150,3704 JG ZEIST; NETHERLANDS	29,889	2.15
Mizuho Securities Co., Ltd.	1-5-1, Otemachi, Chiyoda-ku, Tokyo	20,544	1.48
STATE STREET BANK WEST CLIENT-TREATY	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171, U.S.A.	17,772	1.28
Custody Bank of Japan, Ltd. (Money Trust Taxation Account)	1-8-12 Harumi, Chuo-ku, Tokyo	14,500	1.04
JAPAN SECURITIES FINANCE CO., LTD	1-2-10 Nihonbashi-Kayabacho, Chuo-ku, Tokyo	13,627	0.98
Total		772,467	55.77

Note "Percentage of issued units" (number of units held as a percentage of total number of units issued and outstanding) is rounded down to two decimal places.

### 2 Directors and Independent Auditor

1. The executive director, supervisory directors, and independent auditor as of January 31, 2021, are as follows.

Title	Name	Primary concurrent positions	Total amount of compensation during the FP (thousand yen)
Executive Director	Wataru Higuchi	Senior partner, Ootemon Law and Accounting	2,700
Supervisory Director	Yoshitsugu Oba	–	1,800
Supervisory Director	Satoru Kobayashi	President, Esperanza Law Office	1,800
Independent Auditor	Deloitte Touche Tohmatsu LLC		19,000 <sup>(Note)</sup>

Note: The compensation paid to the independent auditor includes compensation (2,500 thousand yen) for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act.

2. Policy for dismissal or refusal of reappointment of independent auditor

The board of directors of ADR shall consider the dismissal of independent auditors pursuant to the provisions of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; as amended), and consider refusal of reappointment by comprehensively taking into account the quality of the audit, audit compensation, and other factors.



### 3 Asset Management Company, Asset Custodian, and Administrative Agents

The following is the list of the asset management company, asset custodian, and administrative agents as of January 31, 2021.

Delegation		Name
Asset management company		AD Investment Management Co., Ltd.
Asset custodian		Sumitomo Mitsui Trust Bank Limited
Administrative agent	Management of register of unit-holders	Mizuho Trust & Banking Co., Ltd.
	Management of special accounts	Mizuho Trust & Banking Co., Ltd.
	Accounting, taxation	Sumitomo Mitsui Trust Bank Limited
		AD Investment Management Co., Ltd.
	Institutional operations	AD Investment Management Co., Ltd.
	Administration of investment corporation bonds	MUFG Bank, Ltd.
		Sumitomo Mitsui Trust Bank Limited
		Mizuho Bank, Ltd.
		DBJ Securities Co., Ltd.

# I. Fiscal Period Report

## Real Estate Portfolio

The following lists real estates held by ADR as of January 31, 2021.

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) Note 1	20th (Feb. 1, 2020 ~ Jul. 31, 2020)				21st (Aug. 1, 2020 ~ Jan. 31, 2021)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,409	3,870	1	93.9	91,778	0.5	1	93.6	92,264	0.6
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	Beneficiary interests in trust	1,391	2,440	1	100.0	47,256	0.3	1	100.0	47,256	0.3
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,140	1,360	1	95.7	37,446	0.2	1	96.8	37,469	0.2
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,119	1,570	1	90.7	37,333	0.2	1	87.8	37,923	0.2
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	Beneficiary interests in trust	2,026	2,860	1	100.0	76,582	0.5	1	95.4	77,328	0.5
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,039	1,370	1	95.4	32,443	0.2	1	98.1	32,810	0.2
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,032	1,440	1	100.0	34,336	0.2	1	94.1	34,394	0.2
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,449	3,090	1	100.0	76,077	0.5	1	100.0	76,079	0.5
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	Beneficiary interests in trust	699	1,040	1	87.5	25,498	0.2	1	100.0	25,638	0.2
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	Beneficiary interests in trust	557	801	1	100.0	17,944	0.1	1	100.0	17,944	0.1
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,363	2,030	1	95.2	48,693	0.3	1	92.1	46,388	0.3
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	Beneficiary interests in trust	917	1,300	1	90.2	32,683	0.2	1	92.1	32,011	0.2
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,354	2,270	1	99.0	60,553	0.4	1	95.9	61,156	0.4
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	Beneficiary interests in trust	878	1,180	1	92.1	29,034	0.2	1	92.1	29,940	0.2
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	Beneficiary interests in trust	552	778	1	89.7	21,305	0.1	1	92.0	20,958	0.1
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	Beneficiary interests in trust	721	785	1	96.6	20,684	0.1	1	100.0	20,751	0.1
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	Real estate	1,472	2,320	1	96.5	56,687	0.3	1	91.7	55,881	0.3
P-30	Pianetta Shiodome	Minato-ku, Tokyo	Beneficiary interests in trust	1,745	2,420	1	93.3	62,866	0.4	1	94.7	62,467	0.4
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	Beneficiary interests in trust	320	413	1	95.1	11,211	0.1	1	95.1	11,119	0.1
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	Beneficiary interests in trust	304	401	1	100.0	11,076	0.1	1	92.7	10,872	0.1
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	Beneficiary interests in trust	337	446	1	100.0	12,605	0.1	1	100.0	12,570	0.1
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	Real estate	841	1,220	1	85.7	33,249	0.2	1	94.0	33,073	0.2
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	Real estate	2,191	3,040	1	92.8	71,033	0.4	1	96.2	71,735	0.4
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	Real estate	1,062	1,600	1	92.7	43,284	0.3	1	91.4	41,601	0.2
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	Real estate	1,867	2,580	1	97.6	69,615	0.4	1	95.9	68,104	0.4
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	Real estate	1,125	1,470	1	95.6	39,218	0.2	1	92.6	36,957	0.2
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	Real estate	1,212	1,910	1	100.0	44,727	0.3	1	100.0	43,608	0.3
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	Real estate	1,074	1,710	1	98.5	41,916	0.2	1	95.4	40,820	0.2
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	Real estate	844	1,230	1	96.3	31,931	0.2	1	92.7	30,773	0.2
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	Real estate	967	1,440	1	89.8	36,020	0.2	1	97.1	35,444	0.2
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	Beneficiary interests in trust	1,002	1,430	1	100.0	36,052	0.2	1	97.1	36,059	0.2
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	Real estate	2,195	3,170	1	91.7	77,273	0.5	1	98.6	79,636	0.5
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	Real estate	3,498	4,830	1	90.4	106,951	0.6	1	96.1	104,975	0.6
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	Real estate	1,120	1,650	1	93.8	42,448	0.3	1	86.5	40,444	0.2

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P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	Beneficiary interests in trust	6,425	9,460	1	94.4	217,809	1.3	1	95.8	221,082	1.3
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	Beneficiary interests in trust	2,000	2,510	1	88.6	59,479	0.4	1	97.2	59,582	0.4
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,368	3,560	1	99.3	80,643	0.5	1	93.3	79,469	0.5
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	Beneficiary interests in trust	3,537	5,350	1	91.7	135,059	0.8	1	93.3	131,705	0.8
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	Real estate	14,477	20,500	1	98.5	529,861	3.2	1	97.0	537,355	3.2
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	Real estate	2,516	3,660	1	94.5	91,015	0.5	1	88.5	87,257	0.5
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	Real estate	1,510	2,390	1	93.1	60,092	0.4	1	97.1	61,128	0.4
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	Real estate	1,332	1,730	1	97.1	43,217	0.3	1	93.6	43,410	0.3
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	Real estate	1,909	2,430	1	92.3	61,064	0.4	1	95.5	57,887	0.3
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	Real estate	6,060	8,830	1	92.2	204,464	1.2	1	93.0	206,293	1.2
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	Real estate	1,197	1,790	1	93.5	43,172	0.3	1	97.4	40,795	0.2
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,718	2,690	1	93.7	64,562	0.4	1	93.9	66,004	0.4
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	Beneficiary interests in trust	1,524	2,050	1	95.0	51,690	0.3	1	93.6	49,566	0.3
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	Beneficiary interests in trust	1,649	2,220	1	98.0	53,075	0.3	1	93.7	52,097	0.3
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	Real estate	1,069	1,630	1	94.1	42,297	0.3	1	95.9	40,664	0.2
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	Real estate	1,195	1,660	1	97.1	41,012	0.2	1	96.9	42,362	0.3
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	Real estate	1,669	2,410	1	97.0	58,746	0.4	1	85.1	57,204	0.3
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	Real estate	854	1,220	1	92.5	28,172	0.2	1	92.5	27,486	0.2
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	Beneficiary interests in trust	955	1,290	1	95.0	32,696	0.2	1	90.0	32,855	0.2
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	Beneficiary interests in trust	4,285	6,880	1	96.9	180,605	1.1	1	98.1	184,095	1.1
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	Real estate	868	1,100	1	100.0	30,479	0.2	1	95.0	30,579	0.2
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	Beneficiary interests in trust	4,972	6,640	1	97.5	158,080	0.9	1	95.0	157,322	0.9
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	Beneficiary interests in trust	9,044	13,400	1	97.3	325,726	1.9	1	96.2	329,810	2.0
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	Beneficiary interests in trust	825	1,250	1	94.6	32,852	0.2	1	79.5	31,572	0.2
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	Real estate	1,338	1,850	1	92.3	46,139	0.3	1	92.3	45,735	0.3
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	Beneficiary interests in trust	799	1,330	1	100.0	28,095	0.2	1	100.0	28,095	0.2
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	Beneficiary interests in trust	2,258	3,300	1	97.4	89,243	0.5	1	98.6	88,356	0.5
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,925	2,840	1	97.4	68,155	0.4	1	96.4	64,895	0.4
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	Real estate	1,506	2,020	1	96.1	51,185	0.3	1	97.5	51,476	0.3
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	Real estate	3,452	5,270	1	93.0	126,726	0.8	1	90.5	114,341	0.7
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	Beneficiary interests in trust	3,604	5,110	1	98.6	123,574	0.7	1	97.1	123,792	0.7
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	Beneficiary interests in trust	936	1,560	1	100.0	35,453	0.2	1	96.7	34,726	0.2
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	Beneficiary interests in trust	767	1,060	1	97.9	26,445	0.2	1	100.0	26,924	0.2
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,199	2,010	1	91.9	45,685	0.3	1	98.4	44,994	0.3
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,559	2,490	1	95.9	58,540	0.3	1	99.0	56,557	0.3
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	Beneficiary interests in trust	1,436	2,290	1	100.0	52,701	0.3	1	82.2	51,440	0.3
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	Beneficiary interests in trust	3,730	4,880	1	95.0	117,878	0.7	1	94.1	117,022	0.7

# I. Fiscal Period Report

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P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	Beneficiary interests in trust	1,095	1,670	1	96.0	36,348	0.2	1	91.9	35,634	0.2
P-98	Artis Court Minamiaoyama	Minato-ku, Tokyo	Beneficiary interests in trust	1,712	2,080	1	100.0	56,855	0.3	1	91.7	56,683	0.3
P-99	RESIDIA Yotsuya Sanchome	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,037	2,960	1	95.4	82,878	0.5	1	99.2	83,220	0.5
P-100	RESIDIA Takanawa Katsurazaka	Minato-ku, Tokyo	Beneficiary interests in trust	931	1,260	1	100.0	30,307	0.2	1	95.8	30,717	0.2
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	Real estate	647	857	1	91.9	20,801	0.1	1	100.0	20,375	0.1
P-102	RESIDIA Shinjukugyoen	Shinjuku-ku, Tokyo	Beneficiary interests in trust	710	1,060	1	97.5	26,246	0.2	1	92.5	25,360	0.2
P-103	RESIDIA Minami Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,177	1,660	1	100.0	39,146	0.2	1	95.7	38,379	0.2
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	Beneficiary interests in trust	3,153	4,250	1	91.2	106,585	0.6	1	92.3	104,965	0.6
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,284	1,850	1	94.0	43,205	0.3	1	94.0	42,903	0.3
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	981	1,410	1	93.0	34,265	0.2	1	91.5	32,966	0.2
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	Real estate	889	1,050	1	93.1	25,094	0.1	1	85.9	23,045	0.1
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	Beneficiary interests in trust	925	1,210	1	98.0	29,536	0.2	1	97.8	27,334	0.2
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	830	1,110	1	97.3	25,701	0.2	1	96.8	25,608	0.2
P-110	RESIDIA Mishuku	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,170	1,470	1	91.5	32,699	0.2	1	100.0	34,038	0.2
P-111	RESIDIA Ichigaya II	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,990	2,290	1	87.8	57,076	0.3	1	90.9	54,418	0.3
P-112	RESIDIA Ichigaya-Sadohara	Shinjuku-ku, Tokyo	Beneficiary interests in trust	4,247	5,060	1	89.8	137,834	0.8	1	96.3	134,540	0.8
P-113	RESIDIA Nishi-Koyama	Meguro-ku, Tokyo	Beneficiary interests in trust	1,724	2,180	1	97.0	50,987	0.3	1	97.3	49,499	0.3
P-114	RESIDIA Minami-Shinagawa II	Shinagawa-ku, Tokyo	Real estate	2,219	2,650	1	100.0	33,854	0.2	1	97.1	59,537	0.4
P-115	RESIDIA Kagurazaka II	Shinjuku-ku, Tokyo	Real estate	1,156	1,450	1	100.0	21,261	0.1	1	97.1	30,972	0.2
P-116	RESIDIA Otemachi-Kita	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,571	1,900	1	93.6	13,936	0.1	1	81.5	38,976	0.2
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	Beneficiary interests in trust	1,492	2,960	1	94.4	69,210	0.4	1	92.9	67,618	0.4
C-2	RESIDIA Kamata	Ota-ku, Tokyo	Beneficiary interests in trust	2,074	4,020	1	93.2	102,912	0.6	1	98.9	99,836	0.6
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	1,413	2,020	1	94.0	52,165	0.3	1	98.6	52,802	0.3
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,514	2,520	1	94.0	60,072	0.4	1	98.8	58,660	0.4
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	Beneficiary interests in trust	898	1,620	1	95.3	40,247	0.2	1	95.8	40,947	0.2
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	Beneficiary interests in trust	881	1,140	1	94.7	35,274	0.2	1	95.8	34,977	0.2
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	Beneficiary interests in trust	2,749	4,250	1	95.3	107,350	0.6	1	99.3	102,866	0.6
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,488	2,210	1	95.6	54,189	0.3	1	96.7	50,508	0.3
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	Beneficiary interests in trust	820	1,380	1	96.9	33,143	0.2	1	93.3	34,555	0.2
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,866	4,460	1	96.4	103,174	0.6	1	97.6	101,901	0.6
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	Beneficiary interests in trust	1,765	2,290	1	95.8	58,857	0.4	1	91.6	57,159	0.3
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	Beneficiary interests in trust	3,902	5,200	1	93.0	123,767	0.7	1	98.1	122,001	0.7
C-16	RESIDIA Negishi	Taito-ku, Tokyo	Beneficiary interests in trust	781	1,050	1	96.6	29,320	0.2	1	96.3	28,323	0.2
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	Beneficiary interests in trust	1,775	2,790	1	95.4	65,207	0.4	1	94.0	67,590	0.4
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	518	774	1	90.3	22,355	0.1	1	100.0	22,025	0.1
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	Beneficiary interests in trust	339	562	1	100.0	16,618	0.1	1	96.7	16,036	0.1
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	933	1,350	1	98.5	36,205	0.2	1	100.0	37,362	0.2

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C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	Real estate	1,333	2,180	1	90.1	51,179	0.3	1	95.8	50,640	0.3
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	Beneficiary interests in trust	1,756	2,240	1	97.6	64,676	0.4	1	95.4	63,703	0.4
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	Beneficiary interests in trust	1,125	1,830	1	98.0	48,457	0.3	1	100.0	48,553	0.3
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	Beneficiary interests in trust	527	823	1	93.3	21,916	0.1	1	97.2	21,324	0.1
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	Beneficiary interests in trust	1,856	2,980	1	92.6	69,109	0.4	1	88.4	69,531	0.4
C-28	RESIDIA Oji	Kita-ku, Tokyo	Beneficiary interests in trust	755	1,090	1	100.0	33,706	0.2	1	100.0	33,726	0.2
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	Real estate	951	1,320	1	94.3	36,975	0.2	1	94.7	35,663	0.2
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	Real estate	985	1,410	1	92.6	37,235	0.2	1	100.0	38,039	0.2
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	Real estate	1,245	1,890	1	97.7	48,239	0.3	1	95.0	46,922	0.3
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,272	3,220	1	96.5	84,637	0.5	1	93.1	84,594	0.5
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	Real estate	2,182	2,960	1	96.2	77,585	0.5	1	96.3	76,733	0.5
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,999	4,550	1	94.9	121,712	0.7	1	98.7	120,837	0.7
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	Beneficiary interests in trust	641	1,030	1	100.0	28,147	0.2	1	97.1	27,329	0.2
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	Beneficiary interests in trust	971	1,520	1	95.0	39,939	0.2	1	98.1	38,984	0.2
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	Beneficiary interests in trust	356	479	1	100.0	14,416	0.1	1	96.7	13,750	0.1
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	Beneficiary interests in trust	512	919	1	81.6	22,298	0.1	1	85.6	17,788	0.1
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	Real estate	1,317	1,950	1	90.0	46,175	0.3	1	93.4	47,757	0.3
C-41	RESIDIA Iriya	Taito-ku, Tokyo	Beneficiary interests in trust	837	1,230	1	100.0	38,656	0.2	1	92.5	38,993	0.2
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	Real estate	1,229	1,750	1	88.9	43,529	0.3	1	100.0	44,918	0.3
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	Real estate	1,731	2,340	1	98.7	61,270	0.4	1	93.6	60,586	0.4
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	Real estate	1,172	1,570	1	96.6	45,275	0.3	1	96.7	44,155	0.3
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	Beneficiary interests in trust	1,249	1,900	1	97.2	44,396	0.3	1	92.1	48,013	0.3
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	Beneficiary interests in trust	5,920	8,780	1	96.2	238,266	1.4	1	96.3	240,646	1.4
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	Beneficiary interests in trust	629	830	1	100.0	27,741	0.2	1	100.0	27,183	0.2
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	Real estate	4,947	7,960	1	97.2	202,787	1.2	1	94.7	200,731	1.2
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	Beneficiary interests in trust	3,471	6,050	1	96.8	151,733	0.9	1	92.4	150,618	0.9
C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	Beneficiary interests in trust	819	1,310	1	100.0	29,739	0.2	1	100.0	29,739	0.2
C-51	RESIDIA Kiba	Koto-ku, Tokyo	Beneficiary interests in trust	1,812	3,380	1	99.4	85,671	0.5	1	96.1	81,594	0.5
C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,057	1,710	1	96.9	38,529	0.2	1	100.0	39,902	0.2
C-53	RESIDIA Bunkyo- Honkomagome	Bunkyo-ku, Tokyo	Real estate	2,204	3,320	1	98.6	85,928	0.5	1	96.8	84,120	0.5
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	Beneficiary interests in trust	2,383	4,120	1	93.3	94,636	0.6	1	90.7	91,417	0.5
C-55	RESIDIA Minami-senju	Arakawa-ku, Tokyo	Beneficiary interests in trust	2,244	4,050	1	97.0	168,682	1.0	1	96.2	171,246	1.0
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	Real estate	1,757	2,600	1	99.0	64,141	0.4	1	94.4	62,926	0.4
C-57	RESIDIA Monzenakacho	Koto-ku, Tokyo	Beneficiary interests in trust	1,004	1,540	1	89.7	36,779	0.2	1	91.1	35,918	0.2
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,966	3,300	1	96.7	78,733	0.5	1	95.4	79,427	0.5
C-59	RESIDIA Omori	Ota-ku, Tokyo	Beneficiary interests in trust	1,086	1,670	1	97.4	42,888	0.3	1	98.7	42,656	0.3
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	Beneficiary interests in trust	1,000	1,530	1	98.7	40,069	0.2	1	94.6	39,585	0.2

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C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	Beneficiary interests in trust	1,702	2,820	1	96.7	67,879	0.4	1	95.2	65,451	0.4
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,228	3,480	1	96.3	85,105	0.5	1	96.3	83,509	0.5
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	Beneficiary interests in trust	624	938	1	100.0	27,389	0.2	1	100.0	25,414	0.2
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	Beneficiary interests in trust	906	1,400	1	95.7	35,316	0.2	1	95.0	34,207	0.2
C-65	RESIDIA TOWER Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	7,705	13,100	1	98.4	751,264	4.5	1	96.9	750,894	4.5
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	Real estate	509	656	1	100.0	16,191	0.1	1	100.0	16,193	0.1
C-67	RESIDIA Shimura-Sakaue	Itabashi-ku, Tokyo	Real estate	596	755	1	100.0	18,084	0.1	1	100.0	18,084	0.1
C-68	RESIDIA Shimura-Sakaue II	Itabashi-ku, Tokyo	Beneficiary interests in trust	1,107	1,500	1	100.0	36,296	0.2	1	100.0	36,298	0.2
C-69	RESIDIA Shimura-Sakaue III	Itabashi-ku, Tokyo	Real estate	476	551	1	100.0	13,617	0.1	1	100.0	13,608	0.1
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	Beneficiary interests in trust	1,079	1,480	1	98.8	45,260	0.3	1	96.8	43,790	0.3
C-71	RESIDIA Ojima	Koto-ku, Tokyo	Beneficiary interests in trust	1,237	1,770	1	90.9	44,757	0.3	1	93.2	41,446	0.2
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	Beneficiary interests in trust	1,159	1,540	1	94.0	45,460	0.3	1	97.1	46,373	0.3
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	Beneficiary interests in trust	1,802	2,340	1	100.0	58,803	0.4	1	92.2	57,059	0.3
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	Beneficiary interests in trust	500	714	1	100.0	18,225	0.1	1	100.0	18,060	0.1
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	Beneficiary interests in trust	389	562	1	100.0	14,926	0.1	1	92.7	15,500	0.1
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	Real estate	685	918	1	95.3	22,142	0.1	1	92.4	23,712	0.1
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	Real estate	478	607	1	100.0	13,620	0.1	1	100.0	13,620	0.1
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	Beneficiary interests in trust	1,333	1,670	1	94.2	42,735	0.3	1	96.5	44,897	0.3
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	Beneficiary interests in trust	973	1,420	1	100.0	36,676	0.2	1	97.0	35,730	0.2
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	Beneficiary interests in trust	869	1,280	1	100.0	33,502	0.2	1	98.4	32,750	0.2
C-81	RESIDIA Omori III	Ota-ku, Tokyo	Beneficiary interests in trust	1,393	1,910	1	91.0	43,402	0.3	1	98.6	42,513	0.3
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	1,982	2,750	1	94.6	59,404	0.4	1	95.2	59,396	0.4
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	Beneficiary interests in trust	1,832	2,610	1	95.8	64,904	0.4	1	93.6	62,968	0.4
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,666	2,170	1	89.5	48,737	0.3	1	97.5	50,457	0.3
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	Beneficiary interests in trust	4,677	6,020	1	97.2	141,730	0.8	1	95.4	139,038	0.8
C-86	RESIDIA Kameido	Koto-ku, Tokyo	Beneficiary interests in trust	3,027	3,800	1	95.5	88,409	0.5	1	94.9	85,702	0.5
C-87	RESIDIA Koenji	Suginami-ku, Tokyo	Beneficiary interests in trust	1,399	1,780	1	97.6	40,648	0.2	1	98.5	41,576	0.2
C-88	RESIDIA Kamata V	Ota-ku, Tokyo	Real estate	2,342	2,800	1	92.4	66,761	0.4	1	90.1	65,344	0.4
C-89	RESIDIA Kamata IV	Ota-ku, Tokyo	Real estate	3,354	4,030	1	99.4	102,166	0.6	1	89.4	87,550	0.5
C-90	RESIDIA Ikegami II	Ota-ku, Tokyo	Beneficiary interests in trust	1,111	1,330	1	100.0	32,019	0.2	1	100.0	34,834	0.2
C-91	RESIDIA Sasazuka III	Suginami-ku, Tokyo	Real estate	1,426	1,670	1	91.4	26,911	0.2	1	88.9	37,605	0.2
C-92	RESIDIA Nakano-Fujimidai	Nakano-ku, Tokyo	Beneficiary interests in trust	1,795	1,840	-	-	-	-	1	80.9	12,691	0.1
S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	Beneficiary interests in trust	676	756	1	100.0	28,730	0.2	1	94.9	29,455	0.2
S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	Beneficiary interests in trust	969	1,320	1	100.0	43,568	0.3	1	100.0	43,461	0.3
S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,704	2,240	1	99.2	68,660	0.4	1	96.9	66,550	0.4
S-7	RESIDIA Chofu	Chofu-shi, Tokyo	Beneficiary interests in trust	1,033	1,320	1	96.6	35,060	0.2	1	95.1	35,003	0.2
S-11	Tokyo Student-House WAKO	Wako-shi, Saitama	Beneficiary interests in trust	636	770	1	100.0	26,182	0.2	1	100.0	26,182	0.2



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S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	Beneficiary interests in trust	477	694	1	100.0	20,468	0.1	1	100.0	19,764	0.1
S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,512	1,960	1	98.2	54,267	0.3	1	91.6	52,382	0.3
S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	687	930	1	100.0	26,593	0.2	1	100.0	27,669	0.2
S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	Real estate	1,449	2,100	1	98.0	59,106	0.4	1	97.0	58,326	0.3
S-17	RESIDIA Funabashi I RESIDIA Funabashi II	Funabashi-shi, Chiba	Beneficiary interests in trust	2,456	3,510	1	100.0	102,217	0.6	1	98.9	100,999	0.6
S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	Beneficiary interests in trust	1,407	1,900	1	95.9	51,104	0.3	1	98.0	51,110	0.3
S-20	Pacific Royal Court Minatomirai Ocean Tower	Yokohama-shi, Kanagawa	Real estate and leasehold rights to real estate	10,806	16,500	1	100.0	575,050	3.4	1	100.0	566,209	3.4
S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	Real estate	1,627	2,330	1	100.0	70,812	0.4	1	100.0	71,047	0.4
S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	Beneficiary interests in trust	730	1,200	1	100.0	32,760	0.2	1	100.0	32,760	0.2
S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	Beneficiary interests in trust	1,989	3,160	1	100.0	89,735	0.5	1	92.0	81,160	0.5
S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	849	1,190	1	98.8	35,473	0.2	1	95.3	35,448	0.2
S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	Beneficiary interests in trust	765	1,160	1	98.6	33,018	0.2	1	97.3	33,417	0.2
S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	773	1,120	1	100.0	34,363	0.2	1	98.7	33,644	0.2
S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	Beneficiary interests in trust	1,553	2,460	1	99.0	65,374	0.4	1	92.7	63,368	0.4
S-29	Cocofump Hiyoshi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	937	1,170	1	100.0	45,000	0.3	1	100.0	45,000	0.3
S-30	RESIDIA Sagami-hara	Sagami-hara-shi, Kanagawa	Beneficiary interests in trust	1,103	1,410	1	100.0	43,112	0.3	1	100.0	43,112	0.3
S-31	RESIDIA Yokohama-Bashamichi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	751	1,020	1	100.0	34,750	0.2	1	100.0	34,948	0.2
S-32	RESIDIA Hon-Atsugi	Atsugi-shi, Kanagawa	Real estate	618	774	1	98.1	25,395	0.2	1	92.5	23,592	0.1
S-33	RESIDIA Funabashi III	Funabashi-shi, Chiba	Real estate	657	742	1	100.0	20,127	0.1	1	100.0	23,277	0.1
S-34	RESIDIA Funabashi IV	Funabashi-shi, Chiba	Beneficiary interests in trust	600	626	1	97.7	18,455	0.1	1	95.3	18,230	0.1
R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,462	1,760	1	100.0	60,749	0.4	1	100.0	60,761	0.4
R-4	RESIDIA Higashizakura	Nagoya-shi, Aichi	Beneficiary interests in trust	945	1,450	1	91.5	46,053	0.3	1	95.7	43,575	0.3
R-8	RESIDIA Kobe Port Island	Kobe-shi, Hyogo	Beneficiary interests in trust	3,267	4,640	1	100.0	125,615	0.7	1	100.0	125,679	0.8
R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	Real estate	1,206	1,600	1	98.8	53,562	0.3	1	95.7	52,595	0.3
R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	Beneficiary interests in trust	799	1,220	1	97.2	36,387	0.2	1	93.2	35,144	0.2
R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	Real estate	1,946	3,210	1	96.4	88,005	0.5	1	96.0	89,717	0.5
R-13	KC21 Building	Sendai-shi, Miyagi	Real estate	829	1,020	1	95.2	37,478	0.2	1	94.2	35,555	0.2
R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	Real estate	999	1,700	1	99.1	48,945	0.3	1	91.7	46,351	0.3
R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,823	2,750	1	97.7	82,150	0.5	1	96.9	79,214	0.5
R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	Real estate	2,068	3,480	1	93.3	95,091	0.6	1	94.8	93,352	0.6
R-17	RESIDIA Hibino	Nagoya-shi, Aichi	Beneficiary interests in trust	1,067	1,540	1	98.4	66,189	0.4	1	97.5	66,660	0.4
R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	880	1,210	1	87.5	39,018	0.2	1	96.4	39,192	0.2
R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	299	432	1	92.3	15,783	0.1	1	97.4	16,044	0.1
R-21	RESIDIA Hisaya-Oodori II	Nagoya-shi, Aichi	Real estate	576	840	1	95.6	26,622	0.2	1	97.4	27,803	0.2
R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	Real estate	1,396	2,130	1	98.2	77,567	0.5	1	94.3	74,452	0.4



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R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	Real estate	1,150	1,520	1	96.0	59,129	0.4	1	92.8	57,789	0.3
R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	Real estate	1,074	1,480	1	94.6	48,069	0.3	1	95.2	47,036	0.3
R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	Real estate	723	917	1	94.3	31,613	0.2	1	100.0	32,907	0.2
R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	Real estate	704	808	1	95.9	32,975	0.2	1	100.0	33,964	0.2
R-30	RESIDIA Izumi	Nagoya-shi, Aichi	Real estate	3,180	4,520	1	88.4	142,034	0.8	1	97.0	145,605	0.9
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	Real estate	914	1,300	1	90.4	43,552	0.3	1	92.9	43,346	0.3
R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	Real estate	697	939	1	100.0	30,019	0.2	1	100.0	29,477	0.2
R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	Real estate	1,780	2,710	1	89.7	91,100	0.5	1	95.1	89,613	0.5
R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	Real estate	1,046	1,700	1	96.0	46,922	0.3	1	94.7	45,559	0.3
R-36	RESIDIA Hisaya-Oodori	Nagoya-shi, Aichi	Beneficiary interests in trust	612	954	1	100.0	28,719	0.2	1	95.2	28,309	0.2
R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	Beneficiary interests in trust	482	778	1	100.0	25,703	0.2	1	100.0	23,152	0.1
R-38	RESIDIA Hirosedori	Sendai-shi, Miyagi	Beneficiary interests in trust	452	696	1	100.0	21,909	0.1	1	100.0	21,947	0.1
R-39	RESIDIA Edobori	Osaka-shi, Osaka	Real estate	1,337	2,000	1	96.2	59,426	0.4	1	98.4	58,069	0.3
R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	Real estate	962	1,490	1	95.2	42,782	0.3	1	93.3	43,261	0.3
R-41	RESIDIA Esaka	Suita-shi, Osaka	Beneficiary interests in trust	979	1,330	1	95.3	38,212	0.2	1	97.5	37,861	0.2
R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	2,146	3,290	1	94.3	106,344	0.6	1	93.4	103,777	0.6
R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	Beneficiary interests in trust	1,103	1,720	1	98.4	54,089	0.3	1	93.8	54,571	0.3
R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	Beneficiary interests in trust	2,477	3,850	1	96.9	112,413	0.7	1	96.4	111,618	0.7
R-45	RESIDIA Kita-Nijyo-East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	965	1,200	1	93.0	41,645	0.2	1	90.0	40,913	0.2
R-46	RESIDIA Shinsaibashi West	Osaka-shi, Osaka	Beneficiary interests in trust	1,821	2,630	1	98.4	73,920	0.4	1	99.0	72,857	0.4
R-47	RESIDIA Marunouchi	Nagoya-shi, Aichi	Beneficiary interests in trust	908	1,260	1	91.1	39,804	0.2	1	97.8	39,321	0.2
R-48	RESIDIA Sapporo-Ekimae	Sapporo-shi, Hokkaido	Beneficiary interests in trust	1,353	2,270	1	96.3	75,765	0.5	1	95.1	73,290	0.4
R-49	RESIDIA Goshu-Higashi	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,160	1,740	1	93.5	47,034	0.3	1	93.1	46,267	0.3
R-50	RESIDIA Rakuoku	Kyoto-shi, Kyoto	Beneficiary interests in trust	833	1,140	1	100.0	36,194	0.2	1	98.7	34,910	0.2
R-51	RESIDIA Miyakojima I & II	Osaka-shi, Osaka	Real estate	3,121	5,490	1	96.7	158,158	0.9	1	97.1	158,135	0.9
R-52	RESIDIA TOWER Sendai	Sendai-shi, Miyagi	Beneficiary interests in trust	1,671	2,110	1	85.8	70,212	0.4	1	92.1	65,053	0.4
R-53	RESIDIA Higashizakura II	Nagoya-shi, Aichi	Beneficiary interests in trust	2,854	3,700	1	93.2	120,276	0.7	1	93.4	115,882	0.7
R-54	RESIDIA Tsutsujigaoka	Sendai-shi, Miyagi	Beneficiary interests in trust	1,676	2,550	1	95.7	83,897	0.5	1	98.5	82,757	0.5
R-55	RESIDIA Kobe-Motomachi	Kobe-shi, Hyogo	Beneficiary interests in trust	1,008	1,410	1	96.9	41,898	0.2	1	96.6	43,070	0.3
R-56	RESIDIA Sendai-Honcho	Sendai-shi, Miyagi	Beneficiary interests in trust	1,051	1,690	1	91.2	52,997	0.3	1	98.3	52,416	0.3
R-57	RESIDIA Sendai-Haranomachi	Sendai-shi, Miyagi	Beneficiary interests in trust	542	900	1	95.2	30,114	0.2	1	94.4	29,061	0.2
R-58	RESIDIA Minami-Ichijo East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	996	1,430	1	98.8	49,084	0.3	1	94.7	48,755	0.3
R-59	RESIDIA Shin-Osaka	Osaka-shi, Osaka	Beneficiary interests in trust	2,681	3,930	1	95.5	109,000	0.7	1	96.7	105,674	0.6
R-60	RESIDIA Okayama-Ekimae	Okayama-shi, Okayama	Beneficiary interests in trust	797	1,090	1	100.0	35,032	0.2	1	100.0	35,093	0.2
R-61	RESIDIA Kyoto Okazaki	Kyoto-shi, Kyoto	Beneficiary interests in trust	230	334	1	100.0	9,622	0.1	1	100.0	9,616	0.1
R-62	RESIDIA Sendai-Ichibancho	Sendai-shi, Miyagi	Beneficiary interests in trust	1,053	1,390	1	100.0	42,738	0.3	1	100.0	43,095	0.3

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) Note 1	20th (Feb. 1, 2020 ~ Jul. 31, 2020)				21st (Aug. 1, 2020 ~ Jan. 31, 2021)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
R-63	RESIDIA Kita-Nijyo-East II	Sapporo-shi, Hokkaido	Beneficiary interests in trust	525	750	1	94.5	26,476	0.2	1	90.7	25,194	0.2
R-64	RESIDIA Takamiya	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	483	608	1	100.0	19,962	0.1	1	100.0	19,633	0.1
R-65	RESIDIA Soen	Sapporo-shi, Hokkaido	Beneficiary interests in trust	372	545	1	91.7	20,253	0.1	1	94.9	20,541	0.1
R-66	RESIDIA Tenjin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,103	1,380	1	97.7	42,145	0.3	1	96.6	41,837	0.3
R-67	RESIDIA Yakuin-Oodori	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,111	1,410	1	98.9	42,793	0.3	1	98.9	42,680	0.3
R-68	RESIDIA Hakata II	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,335	1,740	1	99.1	52,782	0.3	1	97.7	51,208	0.3
R-69	RESIDIA Kego	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	810	1,220	1	100.0	37,795	0.2	1	95.2	35,638	0.2
R-70	RESIDIA Shirakabe	Nagoya-shi, Aichi	Beneficiary interests in trust	915	1,160	1	91.7	34,180	0.2	1	96.3	33,325	0.2
R-71	RESIDIA Sakae	Nagoya-shi, Aichi	Real estate	912	949	1	89.6	27,942	0.2	1	92.2	27,382	0.2
R-72	RESIDIA Senri-Fujishirodai	Suita-shi, Osaka	Beneficiary interests in trust	1,512	1,750	1	100.0	45,927	0.3	1	100.0	45,939	0.3
R-73	RESIDIA Senri-Banpakukoen	Suita-shi, Osaka	Beneficiary interests in trust	2,198	2,370	1	100.0	63,803	0.4	1	100.0	62,054	0.4
R-74	RESIDIA Sapporo-eki North	Sapporo, Hokkaido	Real estate	798	708	1	90.9	22,863	0.1	1	88.5	22,860	0.1
R-75	RESIDIA Hijiyama-Koen	Hiroshima-shi, Hiroshima	Beneficiary interests in trust	683	778	1	98.8	26,754	0.2	1	95.4	25,962	0.2
R-76	RESIDIA Kita-Nijyo-East III	Sapporo, Hokkaido	Beneficiary interests in trust	438	441	1	97.5	15,151	0.1	1	90.1	13,910	0.1
R-77	RESIDIA Shin-Osaka II	Osaka-shi, Osaka	Real estate	694	719	1	97.5	21,628	0.1	1	92.6	19,939	0.1
R-78	RESIDIA Tsutsujigaoka-Koen	Sendai-shi, Miyagi	Beneficiary interests in trust	775	775	1	100.0	26,618	0.2	1	100.0	27,102	0.2
R-79	RESIDIA Sendai-Kamisugi	Sendai-shi, Miyagi	Real estate	1,510	1,590	1	99.0	33,162	0.2	1	95.0	44,731	0.3
R-80	RESIDIA Shirokitakoen-dori	Osaka-shi, Osaka	Beneficiary interests in trust	1,319	1,350	-	-	-	-	1	98.6	13,104	0.1
Total				431,092	619,542	269	96.3	16,767,710	100.0	271	96.0	16,692,630	100.0

- Notes 1 "Appraisal value at end of period" is the appraisal value or survey-based value, pursuant to ADR's Articles of Incorporation and the "Regulations Concerning Accounting of Investment Corporations" issued by the Cabinet Office, provided by a real estate appraiser as of January 31, 2021.
2. "Total number of tenants," is counted as "1" if the property is leased under a master lease agreement to a master lessee. Because all properties held by ADR as of January 31, 2021 are leased under a master lease agreement, the "Total" for the "Total number of tenants" column indicates the total number of master lease agreements, which were concluded with 10 master lessees.
3. "Occupancy rate" is calculated using the formula: "Leased floor area" ÷ "Leasable floor area" × 100.
4. "Rental revenue" is the rental revenue of respective real estate for the FP under review.
5. Disposition of RESIDIA Yoyoginomori and RESIDIA Kyodo take effect as of January 28, 2021, and December 25, 2020, respectively.

# I. Fiscal Period Report

## Capital Expenditures

### 1 Planned Capital Expenditures

The following table lists the major capital expenditures for renovations currently planned for the real estate and the underlying real estate of the beneficiary interests in trust ADR owns. The estimated amount includes portions that are to be recorded as expenses for accounting purposes.

(million yen)

Name of real estate (Location)	Purpose	Estimated duration	Estimated amounts		
			Total amounts	Payment for the current period	Cumulative amount paid
RESIDIA Sangenjaya (Setagaya-ku, Tokyo)	Major repair work	From: Nov. 2019 To: Feb. 2021	99	65	68
Leopalace Udagawacho Mansion (Shibuya-ku, Tokyo)	Major repair work	From: Nov. 2020 To: Jul. 2021	35	—	—
RESIDIA Korakuen (Bunkyo-ku, Tokyo)	Major repair work	From: Nov. 2020 To: Jul. 2021	28	—	—
RESIDIA Ebisu II (Shibuya-ku, Tokyo)	Major repair work	From: Dec. 2020 To: Sep. 2021	74	—	—
RESIDIA Kamiochiai (Shinjuku-ku, Tokyo)	Major repair work	From: Dec. 2020 To: Oct. 2021	50	—	—
RESIDIA Toranomom (Minato-ku, Tokyo)	Major repair work	From: Jan. 2021 To: Oct. 2021	44	—	—
RESIDIA Nakameguro (Meguro-ku, Tokyo)	Major repair work	From: Jan. 2021 To: Oct. 2021	38	—	—
RESIDIA Mitsukoshimae (Chuo-ku, Tokyo)	Major repair work	From: Jan. 2021 To: Oct. 2021	59	—	—
RESIDIA Bunkyo-Hongo II (Bunkyo-ku, Tokyo)	Major repair work	From: Dec. 2020 To: Sep. 2021	62	—	—
RESIDIA Bunkyo-Sengoku II (Bunkyo-ku, Tokyo)	Major repair work	From: Dec. 2020 To: Sep. 2021	63	—	—
RESIDIA Omori (Ota-ku, Tokyo)	Major repair work	From: Dec. 2020 To: Sep. 2021	48	—	—
RESIDIA Urayasu (Urayasu-shi, Chiba)	Major repair work	From: Dec. 2020 To: Sep. 2021	49	—	—
RESIDIA Minami-Ichijo (Sapporo-shi, Hokkaido)	Major repair work	From: Dec. 2020 To: Nov. 2021	137	—	—
RESIDIA Odori-Nishi (Sapporo-shi, Hokkaido)	Major repair work	From: Dec. 2020 To: Nov. 2021	119	—	—

## 2 Capital Expenditures for the Current Period

The following table lists the major capital expenditures for renovations ADR conducted in the current period. The total capital expenditures during this FP were 1,508 million yen for the entire portfolio and, when combined with repairs and maintenance cost of 716 million yen, the cost of construction work totals 2,224 million yen.

(million yen)

Name of real estate (Location)	Purpose	Implementation period	Amount paid
RESIDIA TOWER Nakameguro (Meguro-ku, Tokyo)	Major repair work	From: Jul. 2020 To: Jan. 2021	201
RESIDIA Kita-Nijyo-East (Sapporo-shi, Hokkaido)	Major repair work	From: Aug. 2020 To: Nov. 2020	130
RESIDIA Kita-Sanjo (Sapporo-shi, Hokkaido)	Major repair work	From: Jul. 2020 To: Nov. 2020	120
Other real estate	Major repair work		548
Other real estate	Renovations		507
<b>Total</b>			<b>1,508</b>

Note Figures have been rounded down to the nearest million yen. Accordingly, the sum totals of the figures presented do not necessarily add up to the "Total" amount indicated in the previous table.

## 3 Cash Reserves for Value Enhancement Works and Renovations

Based on medium- to long-term renovation plans for each property, ADR sets aside the following cash reserves, derived mostly from cash flows of depreciation and amortization (including earnings that are retained), to fund large-scale repair work and value enhancement works.

(million yen)

FP	17th FP	18th FP	19th FP	20th FP	21st FP
	From: Aug. 1, 2018 To: Jan. 31, 2019	From: Feb. 1, 2019 To: Jul. 31, 2019	From: Aug. 1, 2019 To: Jan. 31, 2020	From: Feb. 1, 2020 To: Jul. 31, 2020	From: Aug. 1, 2020 To: Jan. 31, 2021
Balance of reserves at beginning of period	1,990	1,705	1,822	1,972	2,130
Amount of reserves during period	906	939	976	1,035	1,369
Reversal of reserves during period	1,192	821	826	876	1,267
Amount carried forward to next period	1,705	1,822	1,972	2,130	2,233

# I. Fiscal Period Report

## Acquisitions and Disposals in the 21st FP

### 1 Acquisitions and Disposals of Real Estate and Asset-Backed Securities

Property no.	Name of real estate	Acquisition		Disposition			
		Acquisition date	Acquisition Price <sup>Note</sup> (million yen)	Disposition date	Disposition Price (million yen)	Book value (million yen)	Gain (Loss) on sales (million yen)
P-116	RESIDIA Nakano-Fujimidai	Dec. 1, 2020	1,684	–	–	–	–
R-79	RESIDIA Shirokitakoen-dori	Nov. 26, 2020	1,220	–	–	–	–
C-24	RESIDIA Yoyoginomori	–	–	Jan. 28, 2021	919	716	202
R-5	RESIDIA Kyodo	–	–	Dec. 25, 2020	357	264	92
<b>Total</b>			<b>2,904</b>	–	<b>1,276</b>	<b>980</b>	<b>295</b>

Note “Acquisition price” or “disposition price” is the purchase or sale price entered in the transaction agreements, and does not include various expenses, such as broker commission, and taxes and duties, required in the acquisition or in the disposition of the concerned real estate.

### 2 Transactions with Interested Parties

#### 1) Transactions

The following table details the status of transactions with interested parties in the 21st FP.

Not applicable.

#### 2) Amount of Commission Fees Paid

The following are the commission fees paid to interested parties in the 21st FP.

Classification	Total amount of commission fees (A) (thousand yen)	Breakdown of transaction with interested parties		Share (B)/(A)(%)
		Payee	Amount paid (B) (thousand yen)	
Property management fees	1,415,295	ITOCHU Urban Community Ltd.	922,947	65.2
Other rental expenses	115,826	ITOCHU Urban Community Ltd.	78,848	68.1
Advertising expenses	7,396	ITOCHU Urban Community Ltd.	1,167	15.8
Other fees	154,466	ITOCHU Urban Community Ltd.	24,985	16.2
		ITOCHU Human Resources & General Affairs Services Inc.	95	0.1

Notes 1. Transactions are not listed here if the nominal counter party is an interested party but the actual counter party is clearly a third party.

2. ITOCHU Urban Community Ltd. and ITOCHU Human Resources & General Affairs Services Inc. are interested parties of the asset management company that have signed an asset management agreement with ADR as stipulated in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Enforcement Order thereof, with which ADR engaged in transactions in the 21st FP.



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Advance Residence Investment Corporation:

### Opinion

We have audited the financial statements of Advance Residence Investment Corporation (the "Investment Corporation"), which comprise the balance sheet as of January 31, 2021, and the statement of income, statement of changes in net assets, statement of cash distributions and statement of cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Investment Corporation as of January 31, 2021, and its financial performance and cash flows for the six months then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Investment Corporation in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Supervisory Director for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Investment Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Investment Corporation or to cease operations, or has no realistic alternative but to do so.

The Supervisory Director is responsible for overseeing the Executive Director's execution of duties relating to the design and operating effectiveness of the controls over the Investment Corporation's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Investment Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Investment Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Investment Corporation to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Investment Corporation which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

April 21, 2021

## II. Financial Statements

### Balance Sheets

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits (Notes 8 and 10)	14,178,864	14,385,801
Cash and deposits in trust (Notes 8 and 10)	9,891,267	9,948,242
Operating accounts receivable	223,134	191,555
Prepaid expenses	462,739	337,740
Consumption taxes receivable	–	8,572
Other	6,764	6,254
Allowance for doubtful accounts	(8,405)	(8,310)
Total current assets	24,754,366	24,869,856
Non-current assets		
Property, plant and equipment (Notes 14, 18, 19, 21, and 24)		
Buildings	78,541,149	79,223,736
Accumulated depreciation	(16,276,112)	(17,158,108)
Buildings, net	62,265,037	62,065,628
Structures	27,169	27,169
Accumulated depreciation	(10,392)	(11,284)
Structures, net	16,777	15,884
Machinery and equipment	125,248	139,536
Accumulated depreciation	(37,795)	(43,615)
Machinery and equipment, net	87,453	95,921
Tools, furniture and fixtures	454,973	504,661
Accumulated depreciation	(225,885)	(253,480)
Tools, furniture and fixtures, net	229,088	251,180
Land	78,556,387	78,569,071
Construction in progress	16,604	68,420
Buildings in trust	156,767,610	157,875,729
Accumulated depreciation	(31,714,517)	(33,410,141)
Buildings in trust, net	125,053,092	124,465,587
Structures in trust	201,840	207,045
Accumulated depreciation	(121,213)	(124,603)
Structures in trust, net	80,626	82,442
Machinery and equipment in trust	232,537	247,752
Accumulated depreciation	(135,532)	(143,727)
Machinery and equipment in trust, net	97,004	104,024
Tools, furniture and fixtures in trust	1,054,565	1,142,124
Accumulated depreciation	(678,338)	(722,450)
Tools, furniture and fixtures in trust, net	376,227	419,674
Land in trust	161,506,474	163,145,192
Construction in progress in trust	68,269	7,007
Total property, plant and equipment	428,353,043	429,290,034
Intangible assets (Note 24)		
Leasehold rights in trust (Note 19)	1,837,204	1,802,767
Other	4,425	3,907
Total intangible assets	1,841,630	1,806,674

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
Investments and other assets		
Long-term prepaid expenses	868,832	849,608
Guarantee deposits	575,017	581,138
Guarantee deposits in trust	1,038,903	1,038,903
Other	1,090	1,090
Total investments and other assets	2,483,843	2,470,740
Total non-current assets	432,678,517	433,567,449
Deferred assets		
Investment unit issuance expenses	4,604	3,499
Investment corporation bond issuance costs	131,267	138,540
Total deferred assets	135,871	142,040
Total assets	457,568,755	458,579,346
Liabilities		
Current liabilities		
Operating accounts payable	325,991	475,585
Short-term loans payable (Notes 10 and 27)	2,000,000	500,000
Current portion of investment corporation bonds (Notes 10 and 26)	1,500,000	–
Current portion of long-term loans payable (Notes 10, 12, 23 and 27)	25,218,000	28,978,000
Accounts payable – other (Note 14)	1,519,594	1,475,825
Accrued expenses	58,741	95,276
Accrued consumption taxes	61,381	–
Advances received	54,106	73,103
Other	18,911	18,815
Total current liabilities	30,756,727	31,616,607
Non-current liabilities		
Investment corporation bonds (Notes 10 and 26)	31,500,000	34,000,000
Long-term loans payable (Notes 10, 12, 23 and 27)	159,370,000	157,310,000
Tenant leasehold and security deposits	1,310,759	1,308,502
Tenant leasehold and security deposits in trust	3,372,464	3,340,940
Derivatives liabilities (Notes 10, 12 and 23)	32,855	36,457
Total non-current liabilities	195,586,078	195,995,900
Total liabilities	226,342,806	227,612,507
Net assets		
Unitholders' equity (Notes 6 and 21)		
Paid-in capital	139,034,823	139,034,823
Surplus		
Capital surplus	53,220,279	53,220,279
Voluntary retained earnings		
Reserve for temporary difference adjustment	31,185,832	30,850,311
Total voluntary retained earnings	31,185,832	30,850,311
Unappropriated retained earnings (undisposed loss)	7,817,868	7,897,882
Total surplus	92,223,980	91,968,473
Total unitholders' equity	231,258,804	231,003,296
Valuation and translation adjustments		
Deferred gains or losses on hedges	(32,855)	(36,457)
Total valuation and translation adjustments	(32,855)	(36,457)
Total net assets (Notes 4 and 20)	231,225,948	230,966,838
Total liabilities and net assets	457,568,755	458,579,346

## II. Financial Statements

### Statements of Income

(Thousands of yen)

	For the six months ended July 31, 2020	For the six months ended January 31, 2021
Operating revenue (Note 18)		
Rental revenue – real estate (Notes 5 and 9)	16,851,176	16,718,837
Gain on sales of real estate properties	506,184	295,187
Total operating revenue	17,357,361	17,014,025
Operating expenses		
Expenses related to rent business (Notes 5 and 9)	6,707,351	6,630,053
Loss on sales of real estate properties	511,921	–
Asset management fees (Note 14)	1,248,184	1,241,028
Asset custody fees	9,855	9,854
Administrative service fees	54,109	53,263
Directors' compensation	6,300	6,300
Taxes and dues	301,808	365,115
Provision of allowance for doubtful accounts	1,362	–
Other operating expenses	221,849	195,102
Total operating expenses	9,062,743	8,500,718
Operating income	8,294,617	8,513,307
Non-operating income		
Interest income	7,207	5,996
Compensation income	3,506	–
Reversal of distribution payable	1,351	1,202
Reversal of allowance for doubtful accounts	–	94
Penalty income	55	–
Other	200	–
Total non-operating income	12,321	7,294
Non-operating expenses		
Interest expense (Notes 10, 12 and 23)	667,993	660,501
Interest expense on investment corporation bonds	111,026	112,724
Amortization of investment unit issuance expenses	1,105	1,105
Amortization of investment corporation bond issuance costs	12,593	12,224
Borrowing -related expenses	192,593	181,859
Other	196	2,613
Total non-operating expenses	985,508	971,029
Ordinary income	7,321,429	7,549,572
Income before income taxes	7,321,429	7,549,572
Income taxes – current (Note 15)	605	605
Total income taxes	605	605
Net income (Note 20)	7,320,824	7,548,967
Retained earnings brought forward	497,044	348,915
Unappropriated retained earnings (undisposed loss)	7,817,868	7,897,882

## Statements of Changes in Net Assets

For the six months ended July 31, 2020

(Thousands of yen)

	Unitholders' equity							Valuation and translation adjustments		Total net assets
	Paid-in capital	Surplus				Total unitholders' equity	Deferred gain or loss on hedging instruments	Total valuation and translation adjustments		
		Capital surplus	Voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total surplus					
			Reserve for temporary difference adjustments	Total voluntary retained earnings						
Balance at the beginning of period	139,034,823	53,220,279	31,521,354	31,521,354	7,945,222	92,686,856	231,721,679	(23,019)	(23,019)	231,698,659
Changes in items during the period										
Reversal of reserve for temporary difference adjustments			(335,521)	(335,521)	335,521	—	—			—
Dividends from surplus					(7,783,700)	(7,783,700)	(7,783,700)			(7,783,700)
Net income					7,320,824	7,320,824	7,320,824			7,320,824
Net changes in items other than unitholders' equity in the fiscal year								(9,835)	(9,835)	(9,835)
Total changes in items during the period	—	—	(335,521)	(335,521)	(127,353)	(462,875)	(462,875)	(9,835)	(9,835)	(472,710)
Balance at the end of period	139,034,823	53,220,279	31,185,832	31,185,832	7,817,868	92,223,980	231,258,804	(32,855)	(32,855)	231,225,948

For the six months ended January 31, 2021

(Thousands of yen)

	Unitholders' equity							Valuation and translation adjustments		Total net assets
	Paid-in capital	Surplus				Total unitholders' equity	Deferred gain or loss on hedging instruments	Total valuation and translation adjustments		
		Capital surplus	Voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total surplus					
			Reserve for temporary difference adjustments	Total voluntary retained earnings						
Balance at the beginning of period	139,034,823	53,220,279	31,185,832	31,185,832	7,817,868	92,223,980	231,258,804	(32,855)	(32,855)	231,225,948
Changes in items during the period										
Reversal of reserve for temporary difference adjustments			(335,521)	(335,521)	335,521	—	—			—
Dividends from surplus					(7,804,475)	(7,804,475)	(7,804,475)			(7,804,475)
Net income					7,548,967	7,548,967	7,548,967			7,548,967
Net changes in items other than unitholders' equity in the fiscal year								(3,602)	(3,602)	(3,602)
Total changes in items during the period	—	—	(335,521)	(335,521)	80,013	(255,507)	(255,507)	(3,602)	(3,602)	(259,109)
Balance at the end of period	139,034,823	53,220,279	30,850,311	30,850,311	7,897,882	91,968,473	231,003,296	(36,457)	(36,457)	230,966,838

## II. Financial Statements

### Statements of Cash Distributions

	For the six months ended July 31, 2020	For the six months ended January 31, 2021
I. Unappropriated retained earnings	7,817,868,851 yen	7,897,882,834 yen
II. Reversal of voluntary retained earnings Reversal of reserve for temporary difference adjustments	335,521,628 yen	335,521,628 yen
III. Dividends (Dividend per investment unit)	7,804,475,000 yen (5,635 yen)	7,756,000,000 yen (5,600 yen)
IV. Retained earnings carried forward	348,915,479 yen	477,404,462 yen
Dividend Policy	<p>In accordance with the distribution policy set forth in Article 32, Item 1 of ADR's Articles of Incorporation, ADR distributes in excess of 90% of the amount of ADR's profit available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In the event of weak performance by investments, reserve for dividends will be used in order to maintain stable payouts into the future.</p> <p>Based on this policy, ADR has decided to distribute dividends of 7,804,475,000 yen. The figure was derived by retaining 348,915,479 yen from the unappropriated retained earnings of 7,817,868,851 yen for the fiscal period, plus the drawdown of reserve for temporary difference adjustments (RTA) of 335,521,628 yen. 348,915,479 yen was retained in an aim to achieve a more consistent dividend distribution, and is in contrast to 497,044,119 retained in the previous fiscal period. ADR does not distribute dividends in excess of the profits as defined in Article 32, Item 2 of its Articles of Incorporation.</p>	<p>In accordance with the distribution policy set forth in Article 32, Item 1 of ADR's Articles of Incorporation, ADR distributes in excess of 90% of the amount of ADR's profit available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In the event of weak performance by investments, reserve for dividends will be used in order to maintain stable payouts into the future.</p> <p>Based on this policy, ADR has decided to distribute dividends of 7,756,000,000 yen. The figure was derived by retaining 477,404,462 yen from the unappropriated retained earnings of 7,897,882,834 yen for the fiscal period, plus the drawdown of reserve for temporary difference adjustments (RTA) of 335,521,628 yen. 477,404,462 yen was retained in an aim to achieve a more consistent dividend distribution. ADR does not distribute dividends in excess of the profits as defined in Article 32, Item 2 of its Articles of Incorporation.</p>

## Statements of Cash Flows

(Thousands of yen)

	For the six months ended July 31, 2020	For the six months ended January 31, 2021
<b>Cash flows from operating activities</b>		
Income before income taxes	7,321,429	7,549,572
Depreciation and amortization	2,798,046	2,802,867
Amortization of investment unit issuance expenses	1,105	1,105
Amortization of investment corporation bond issuance costs	12,593	12,224
Increase (decrease) in allowance for doubtful accounts	1,362	(94)
Interest income	(7,207)	(5,996)
Interest expense	667,993	660,501
Interest expense on investment corporation bonds	111,026	112,724
Decrease (increase) in operating accounts receivable	857	31,578
Decrease (increase) in consumption taxes refund receivable	–	(8,572)
Decrease (increase) in prepaid expenses	(126,685)	124,999
Increase (decrease) in accrued consumption taxes	(89,391)	(61,381)
Increase (decrease) in operating accounts payable	67,025	159,997
Increase (decrease) in accounts payable – other	74,370	(43,662)
Increase (decrease) in accrued expenses	(28,328)	28,288
Increase (decrease) in advances received	(11,422)	18,997
Decrease in property, plant and equipment due to sale	1,117,601	–
Decrease in property, plant and equipment in trust by sales	2,334,920	953,840
Decrease (increase) in long-term prepaid expenses	(24,404)	19,224
Other	(546)	(1,188)
Subtotal	14,220,346	12,355,026
Interest income received	816	499
Interest expense paid	(779,517)	(764,979)
Income taxes paid	(643)	(556)
Net cash provided by (used in) operating activities	13,441,002	11,589,989
<b>Cash flows from investing activities</b>		
Payments into time deposits	(6,000,000)	–
Proceeds from withdrawal of time deposits	11,000,000	5,000,000
Purchase of property, plant and equipment	(6,561,494)	(831,693)
Purchase of property, plant and equipment in trust	(2,500,805)	(3,837,674)
Proceeds from tenant leasehold and security deposits, net	29,879	(2,257)
Proceeds from tenant leasehold and security deposits in trust, net	(21,925)	(31,523)
Net cash provided by (used in) investing activities	(4,054,346)	296,851
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	1,000,000	500,000
Decrease in short-term loans payable	–	(2,000,000)
Proceeds from long-term loans	14,040,000	11,900,000
Repayments of long-term loans	(14,870,000)	(10,200,000)
Proceeds from issuance of investment corporation bonds	–	2,500,000
Redemption of investment corporation bonds	–	(1,500,000)
Payments of investment corporation bond issuance costs	–	(19,497)
Dividends paid	(7,781,924)	(7,803,431)
Net cash provided by (used in) financing activities	(7,611,924)	(6,622,929)
Net increase (decrease) in cash and cash equivalents	1,774,731	5,263,911
Cash and cash equivalents at the beginning of period	16,295,400	18,070,132
Cash and cash equivalents at the end of period (Note 8)	18,070,132	23,334,043



# III. Notes to Financial Statements

## Notes to Financial Statements

### 1 Organization

Advance Residence Investment Corporation (ADR. Securities Code: 3269) is a listed Residential Japan Real Estate Investment Trust (J-REIT) that mainly invests in residential properties. It was established through a consolidation-type merger between the former Advance Residence Investment Corporation and Nippon Residential Investment Corporation on March 1, 2010, and was listed on the Real Estate Investment Trust (REIT) Securities Section of the Tokyo Stock Exchange (TSE) on March 2, 2010.

The merger made ADR the largest residential J-REIT in terms of asset size, enabling it to upgrade its portfolio while ensuring its financial stability. The merger also resulted in retained earnings of 43.2 billion yen (30.8 billion yen as of the end of this fiscal period) due to the profit from negative goodwill, and allowed ADR to demonstrate one of its strengths of delivering stable dividends over the long term.

ADR's asset management company, AD Investment Management Co., Ltd. (ADIM), is wholly owned by the Itochu Group and the group's key entity, Itochu Corporation, a leading Japanese trading house, is its main sponsor.

### 2 Basis of Presentation of Financial Statements

The accompanying financial statements are an English translation of the audited financial statements of ADR filed with the appropriate local finance bureau of the Ministry of Finance, prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from International Financial Reporting Standards.

In preparing these financial statements, certain reclassifications and rearrangements have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside of Japan. Moreover, the notes to the financial statements include certain information which might not be required under Japanese GAAP but is presented herein as supplementary information.

ADR does not prepare consolidated financial statements as it has no subsidiaries. Unless otherwise specified, amounts have been rounded down to the nearest thousand yen. As a result, the totals shown in the financial statements do not necessarily agree with the sum of the individual amounts.

ADR's six-month fiscal periods end at either the end of January or July.

### 3 Significant Accounting Policies

(1) Depreciation and amortization methods of non-current assets	<ol style="list-style-type: none"> <li>1) Property, plant and equipment (including assets in trust) Depreciated using the straight-line method. Useful lives of major categories of property, plant and equipment are as follows: Buildings: 3 to 46 years Structures: 6 to 50 years Machinery and equipment: 10 to 15 years Tools, furniture and fixtures: 2 to 20 years</li> <li>2) Intangible assets Amortized using the straight-line method. Useful lives of major categories of intangible assets are as follows: Leasehold rights in trust: 23 to 65 years</li> <li>3) Long-term prepaid expenses Amortized using the straight-line method.</li> </ol>
(2) Accounting for deferred assets	<ol style="list-style-type: none"> <li>1) Investment unit issuance expenses Amortized using the straight-line method (three years).</li> <li>2) Investment corporation bond issuance costs Amortized using the straight-line method over the period up to redemption of the investment corporation bonds.</li> </ol>
(3) Basis of recording allowances	<p>Allowance for doubtful accounts Estimated uncollectible amounts are recorded for possible losses arising from default on receivables based on the historical performance of general receivables and a case-by-case evaluation of the collectability of certain receivables, such as receivables with default possibility.</p>
(4) Basis of recording revenue and expenses	<p>Method of accounting for property taxes For property taxes, urban planning taxes, and depreciable asset taxes on real estate properties held, ADR records the amount of taxes imposed corresponding to the current fiscal period as an expense for the property leasing activities. Furthermore, for the pro rata portion of property taxes ADR paid to the transferor (seller) upon acquisition of real estate properties, ADR treats the amount as acquisition costs of real estate properties, instead of recording it as an expense for the property leasing activities. The amount of property taxes treated as acquisition costs of real estate properties was 978 thousand yen in the previous period and 17,228 thousand yen in the current fiscal period.</p>
(5) Hedge accounting	<ol style="list-style-type: none"> <li>1) Method of hedge accounting In principal, deferred hedge accounting is applied. Note that special treatment is applied for interest rate swaps that fulfill certain requirements.</li> <li>2) Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Loans</li> <li>3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy.</li> <li>4) Method for assessing the hedge effectiveness The effectiveness of hedges is assessed by comparing the cumulative change in cash flows of both hedging instruments and corresponding hedged items, and then verifying the ratio of change for both. However, evaluation of effectiveness is omitted for interest rate swaps that satisfy the requirements for special accounting treatment.</li> </ol>
(6) Scope of funds in the statements of cash flows	<p>The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; demand deposits and deposits in trust; and short-term investments that are readily convertible into cash, carry minimal risk of change in value, and are due for redemption in three months or less from the acquisition date.</p>
(7) Other significant matters that serve as a basis for the preparation of the financial statements	<ol style="list-style-type: none"> <li>1) Accounting for trust beneficiary interests in trust assets such as real estate properties For trust beneficiary interests in real estate properties, all assets and liabilities of the trust assets, as well as revenue and income earned from, and expenses incurred for the trust assets are recorded under the respective account in the balance sheets and statements of income. Of the accounts used to record the above trust assets, the following accounts are significant and disclosed separately on the face of the balance sheets. A. Cash and deposits in trust B. Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and leasehold rights in trust C. Guarantee deposits in trust D. Tenant leasehold and security deposits in trust</li> <li>2) Accounting for consumption taxes Consumption taxes and local consumption taxes are excluded from business transaction amounts. However, accounting for non-current assets and deferred assets is inclusive of consumption taxes and local consumption taxes.</li> </ol>

# III. Notes to Financial Statements

## 4 Balance Sheets

- (1) Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
	50,000	50,000

- (2) Commitment line agreements

ADR has executed commitment line agreements with banks.

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
Total commitment line of credit	20,000,000	20,000,000
Amount used	—	—
Unused balance	20,000,000	20,000,000

- (3) Provision and reversal of the reserve for temporary difference adjustments

For the six months ended July 31, 2020

(Thousands of yen)

	Initial amount	Balance as of July 31, 2020	Funds drawn down during 20th FP	Balance as of July 31, 2020	Reasons for setting aside and drawing down funds
Reserve for dividends (Note)	33,552,162	31,521,354	335,521	31,185,832	For dividends

Note that the reserve for dividends is the remaining amounts of gains on negative goodwill which were recorded in past fiscal periods. The outstanding amount is scheduled to be fully drawn down in equal amounts or more every fiscal period within 50 years, starting from the end of the fiscal period ended January 31, 2017 (13th FP).

For the six months ended January 31, 2021

(Thousands of yen)

	Initial amount	Balance as of January 31, 2021	Funds drawn down during 21st FP	Balance as of January 31, 2021	Reasons for setting aside and drawing down funds
Reserve for dividends (Note)	33,552,162	31,185,832	335,521	30,850,311	For dividends

Note that the reserve for dividends is the remaining amounts of gains on negative goodwill which were recorded in past fiscal periods. The outstanding amount is scheduled to be fully drawn down in equal amounts or more every fiscal period within 50 years, starting from the end of the fiscal period ended January 31, 2017 (13th FP).

(4) Contingent liabilities

For the six months ended July 31, 2020

Not applicable.

For the six months ended January 31, 2021

Not applicable.

## 5 Statements of Income

(1) Breakdown of operating income (loss) from property leasing activities

(Thousands of yen)

	For the six months ended July 31, 2020		For the six months ended January 31, 2021	
A. Revenue from property leasing activities				
Rental revenue – real estate				
Rent income	14,838,488		14,806,016	
Facility charges	848,122		851,683	
Parking fees	438,368	16,124,979	428,689	16,086,390
Other revenue related to property leasing				
Income from leasing rights	95,634		86,803	
Other	630,563	726,197	545,643	632,447
Total revenue from property leasing activities		16,851,176		16,718,837
B. Expenses from property leasing activities				
Expenses related to the rent business				
Property taxes	888,437		894,870	
Property management fees	1,219,113		1,181,136	
Utilities	227,110		205,986	
Repairs and maintenance	727,740		716,149	
Property-casual insurance	24,943		25,266	
Trust fees	77,285		77,115	
Other rental expenses	745,192		727,179	
Depreciation and amortization	2,797,528	6,707,351	2,802,349	6,630,053
Total expenses from property leasing activities		6,707,351		6,630,053
C. Operating income (loss) from property leasing activities (A–B)		10,143,824		10,088,784

## III. Notes to Financial Statements

### (2) Breakdown of gain on sales of real estate property

For the six months ended July 31, 2020

(RESIDIA Ryokuchikoen)

(Thousands of yen)

Revenue from sales of real estate property	957,000
Cost of sales of real estate property	857,423
Other sales expenses	25,906
Gain on sales of real estate property	73,670

(RESIDIA Kyobashi)

(Thousands of yen)

Revenue from sales of real estate property	1,560,000
Cost of sales of real estate property	1,117,601
Other sales expenses	9,883
Gain on sales of real estate property	432,514

For the six months ended January 31, 2021

(RESIDIA Yoyoginomori)

(Thousands of yen)

Revenue from sales of real estate property	919,000
Cost of sales of real estate property	691,590
Other sales expenses	24,871
Gain on sales of real estate property	202,538

(RESIDIA Kyodo)

(Thousands of yen)

Revenue from sales of real estate property	357,000
Cost of sales of real estate property	262,249
Other sales expenses	2,100
Gain on sales of real estate property	92,649

### (3) Breakdown of loss on sales of real estate properties

For the six months ended July 31, 2020

(RESIDIA Kameyama)

(Thousands of yen)

Revenue from sales of real estate property	1,000,000
Cost of sales of real estate property	1,477,171
Other sales expenses	34,750
Loss on sales of real estate property	511,921

For the six months ended January 31, 2021

Not applicable.

## 6 Statements of Changes in Net Assets

(1) Total number of units authorized and total number of units issued and outstanding

(Units)

	As of July 31, 2020	As of January 31, 2021
Total number of units authorized	6,000,000	6,000,000
Total number of units issued and outstanding	1,385,000	1,385,000

## 7 Statements of Cash Distributions

(1) Reserve for temporary difference adjustments

For the six months ended July 31, 2020

The interim measures of Article 3 of the Supplementary Provisions to the Regulations Concerning Accounting of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015) have been applied and in the statements of cash distributions, the reserve for dividends of 33,552,162,785 yen, which is the remaining portion of the amount subdivided into gains on negative goodwill in previous fiscal periods, has been transferred to the reserve for temporary difference adjustments. It has become necessary to draw down the reserve in equal amounts or more every fiscal period within 50 years, starting from the end of the fiscal period ended January 31, 2017 (13th FP), which was the period following the period in which the transfer to the reserve was made. As such, ADR has drawn down 335,521,628 yen of the reserve during the fiscal period ended July 31, 2020 (20th FP).

For the six months ended January 31, 2021

The interim measures of Article 3 of the Supplementary Provisions to the Regulations Concerning Accounting of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015) have been applied and in the statements of cash distributions, the reserve for dividends of 33,552,162,785 yen, which is the remaining portion of the amount subdivided into gains on negative goodwill in previous fiscal periods, has been transferred to the reserve for temporary difference adjustments. It has become necessary to draw down the reserve in equal amounts or more every fiscal period within 50 years, starting from the end of the fiscal period ended January 31, 2017 (13th FP), which was the period following the period in which the transfer to the reserve was made. As such, ADR has drawn down 335,521,628 yen of the reserve during the fiscal period ended January 31, 2021 (21st FP).

## 8 Statements of Cash Flows

Relationship between the cash and cash equivalents at the end of period in the statements of cash flows and the accounts reported in the balance sheets

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
Cash and deposits	14,178,864	14,385,801
Cash and deposits in trust	9,891,267	9,948,242
Time deposits held over three months	(6,000,000)	(1,000,000)
Cash and cash equivalents	18,070,132	23,334,043

# III. Notes to Financial Statements

## 9 Leases

### (1) Operating leases (as a lessee)

Future lease payments are as follows:

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
Due within one year	740,664	740,664
Due after one year	10,949,059	10,578,727
Total	11,689,723	11,319,391

Note that the above information includes estimated amounts for lease payments not finalized as of the end of the reporting period.

### (2) Operating leases (as a lessor)

Future lease receivables are as follows:

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
Due within one year	3,054,604	2,984,242
Due after one year	5,262,480	4,511,358
Total	8,317,084	7,495,601

## 10 Financial Instruments

### (1) General information on financial instruments

#### 1) Policy on financial instruments

In order to secure stable earnings and steady growth of assets under management, ADR procures funds through loans, issuance of investment corporation bonds (including short-term investment corporation bonds; the same applies below), issuance of units, and other means of financing for the purpose of purchasing real estate properties and repaying its debts.

ADR conducts derivative transactions solely for the purpose of hedging against the risk of interest rate fluctuations and other risks arising from liabilities.

In addition, ADR, in general, manages surplus funds by investing only in bank deposits, savings, negotiable certificates of deposit, and government bonds for emphasizing sound and stable portfolio management.

#### 2) Description and risks of financial instruments and risk management

Funds obtained through loans and investment corporation bonds are used primarily to finance the acquisition of real estate properties, repay existing loans, or redeem existing investment corporation bonds. ADR is exposed to liquidity risk in that it may not be able to raise funds through alternative financing sources by the repayment date or at the redemption. ADR controls the risk exposures through the preparation of a funding plan on a monthly basis and seeking and procuring funds through various sources, such as securing the level of funds in hand, spreading out the loan repayment and bond redemption dates, diversifying borrowing financial institutions, entering into commitment line agreements, and issuing investment units.

In addition, ADR is exposed to the risk arising from fluctuations in interest rates on its loans and investment corporation bonds with floating interest rates. ADR controls and limits such risk by utilizing derivative transactions (interest rate swap transactions).

ADR is also exposed to the credit risk that the financial institutions with which it has bank deposits, may default. However, ADR limits the effects of such risk by setting certain limits on the term of deposits and the minimum credit rating for the financial institutions in which deposits are placed, and by placing deposits with various financial institutions.



### 3) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is based on quoted market prices. If a quoted market price is not available, a reasonable estimate of fair value is used. Certain assumptions are applied in the fair value measurements and therefore, could result in a different fair value if different assumptions are applied. Furthermore, the contractual amounts of derivative transactions presented in “Derivative Transactions” below do not represent the market risk exposure of those derivative transactions.

### (2) Fair values of financial instruments

The book values in the balance sheets, fair values of financial instruments, and unrealized gain (loss) are presented below.

As of July 31, 2020

(Thousands of yen)

	Book value	Fair value	Unrealized gain (loss)
1) Cash and deposits	14,178,864	14,178,864	–
2) Cash and deposits in trust	9,891,267	9,891,267	–
3) Short-term loans payable	2,000,000	2,000,069	(69)
4) Current portion of investment corporation bonds	1,500,000	1,501,100	(1,100)
5) Current portion of long-term loans payable	25,218,000	25,269,916	(51,916)
6) Investment corporation bonds	31,500,000	31,805,027	(305,027)
7) Long-term loans payable	159,370,000	162,129,885	(2,759,885)
8) Derivative transactions (Special treatment for interest rate swaps)	–	(947,395)	(947,395)
9) Derivative transactions (Basic treatment for interest rate swaps)	32,855	32,855	–

As of January 31, 2021

(Thousands of yen)

	Book value	Fair value	Unrealized gain (loss)
1) Cash and deposits	14,385,801	14,385,801	–
2) Cash and deposits in trust	9,948,242	9,948,242	–
3) Short-term loans payable	500,000	500,046	(46)
4) Current portion of investment corporation bonds	–	–	–
5) Current portion of long-term loans payable	28,978,000	29,053,549	(75,549)
6) Investment corporation bonds	34,000,000	34,317,758	(317,758)
7) Long-term loans payable	157,310,000	159,839,914	(2,529,914)
8) Derivative transactions (Special treatment for interest rate swaps)	–	(776,081)	(776,081)
9) Derivative transactions (Basic treatment for interest rate swaps)	36,457	36,457	–

\*1. Methods of determining the fair value of financial instruments

1) Cash and deposits and 2) Cash and deposits in trust

These instruments are stated at book values because their book values approximate fair values due to their short maturities.

4) Current portion of investment corporation bonds and 6) Investment corporation bonds

The fair values of these instruments are determined using the reference value announced by the Japan Securities Dealers Association. However, if a reference value is not available, the fair value is deemed to be the present value of future cash flows of principal and interest, discounted at the assumed interest rate for similar borrowings.

3) Short-term loans payable, 5) Current portion of long-term loans payable and 7) Long-term loans payable

The fair values of these financial instruments were determined as the present value of future cash flows of principal and interest, discounted at the assumed interest rate for similar borrowings.

8) Derivative transactions (Special treatment for interest rate swaps) and 9) Derivative transactions (Basic treatment for interest rate swaps)

Please refer to “Derivative Transactions” below for details.

### III. Notes to Financial Statements

\*2. Redemption schedules of monetary claims and securities after balance sheet date.

As of July 31, 2020

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and deposits	14,178,864	–	–	–	–	–
Cash and deposits in trust	9,891,267	–	–	–	–	–
Total	24,070,132	–	–	–	–	–

As of January 31, 2021

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and deposits	14,385,801	–	–	–	–	–
Cash and deposits in trust	9,948,242	–	–	–	–	–
Total	24,334,043	–	–	–	–	–

\*3 Repayment schedules of investment corporation bonds, loans payable, and other interest-bearing loans after balance sheet date.

As of July 31, 2020

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term loans payable	2,000,000	–	–	–	–	–
Current portion of investment corporation bonds	1,500,000	–	–	–	–	–
Current portion of long-term loans payable	25,218,000	–	–	–	–	–
Investment corporation bonds	–	–	5,000,000	7,500,000	2,000,000	17,000,000
Long-term loans payable	–	27,220,000	16,230,000	13,300,000	16,250,000	86,370,000
Total	28,718,000	27,220,000	21,230,000	20,800,000	18,250,000	103,370,000

As of January 31, 2021

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term loans payable	500,000	–	–	–	–	–
Current portion of investment corporation bonds	–	–	–	–	–	–
Current portion of long-term loans payable	28,978,000	–	–	–	–	–
Investment corporation bonds	–	2,000,000	3,000,000	7,500,000	5,500,000	16,000,000
Long-term loans payable	–	21,710,000	19,880,000	11,550,000	18,300,000	85,870,000
Total	29,478,000	23,710,000	22,880,000	19,050,000	23,800,000	101,870,000

## 11 Securities

As of July 31, 2020  
Not applicable.

As of January 31, 2021  
Not applicable.

## 12 Derivative Transactions

(1) Derivative transactions to which hedge accounting is not applied

As of July 31, 2020  
Not applicable.

As of January 31, 2021  
Not applicable.

(2) Derivative transactions to which hedge accounting is applied

The contract amounts or equivalent notional principal amounts defined in the contract by the method of hedge accounting as of July 31, 2020 and January 31, 2021 are as follows:

As of July 31, 2020

(Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount (*1)		Fair value (*2)
				Contract amount due after one year	
Special accounting treatment for interest rate swaps	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	72,188,000	57,620,000	(947,395) (*3)
Basic accounting method	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	3,370,000	3,370,000	(32,855)

As of January 31, 2021

(Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount (*1)		Fair value (*2)
				Contract amount due after one year	
Special accounting treatment for interest rate swaps	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	67,888,000	47,560,000	(776,081) (*3)
Basic accounting method	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	3,870,000	3,870,000	(36,457)

\*1. The contract amount is based on the notional principal.

\*2. Fair value is based on the estimation made by the interest rate swap counterparty using the prevailing interest rate.

\*3. Special accounting treatment is applied to the interest rate swaps in accordance with the "Accounting Standard for Financial Instruments" and therefore, interest rate swaps are not stated at fair value in the balance sheets.

# III. Notes to Financial Statements

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## 13 Profits or Losses from Investments Accounted for Using the Equity Method

For the six months ended July 31, 2020

Not applicable as ADR does not have any affiliated companies.

For the six months ended January 31, 2021

Not applicable as ADR does not have any affiliated companies.

## 14 Transactions with Related Parties

- (1) Parent company and major corporate unitholders

As of and for the six months ended July 31, 2020

Not applicable.

As of and for the six months ended January 31, 2021

Not applicable.

- (2) Affiliated companies

As of and for the six months ended July 31, 2020

Not applicable.

As of and for the six months ended January 31, 2021

Not applicable.

- (3) Fellow subsidiaries

As of and for the six months ended July 31, 2020

Not applicable.

As of and for the six months ended January 31, 2021

Not applicable.

- (4) Directors and major individual unitholders

As of and for the six months ended July 31, 2020

Not applicable.

As of and for the six months ended January 31, 2021

Not applicable.

## 15 Tax Effect Accounting

(1) The breakdown of deferred tax assets and liabilities by major item are as follows:

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
Deferred tax assets		
Excess provision of allowance for doubtful accounts	2,644	2,614
Valuation difference on assets acquired through merger	9,413,929	9,313,462
Other	163,245	174,073
Deferred tax assets, subtotal	9,579,820	9,490,150
Less valuation allowance associated with total of deductible temporary differences, etc.	(9,579,820)	(9,490,150)
Less valuation allowance, subtotal	(9,579,820)	(9,490,150)
Total deferred tax assets	—	—
Net deferred tax assets	—	—

(2) Reconciliation between the statutory tax rates and the effective tax rates after the application of tax effect accounting

(Unit: %)

	As of July 31, 2020	As of January 31, 2021
Statutory tax rate	31.46	31.46
(Adjustments)		
Increase (decrease) in valuation allowance	(1.64)	(1.19)
Deductible dividends	(29.82)	(30.27)
Other	0.01	0.01
Effective tax rate after the application of tax effect accounting	0.01	0.01

## 16 Retirement Benefits

As of and for the six months ended July 31, 2020

Not applicable because ADR does not have retirement benefit plans.

As of and for the six months ended January 31, 2021

Not applicable because ADR does not have retirement benefit plans.

## 17 Asset Retirement Obligations

As of and for the six months ended July 31, 2020

Not applicable because ADR does not have retirement benefit plans.

As of and for the six months ended January 31, 2021

Not applicable.

# III. Notes to Financial Statements

## 18 Segment Information

(1) Segment information

Disclosure is omitted because ADR's business comprises a single reportable segment engaged in the property leasing business.

(2) Related information

As of and for the six months ended July 31, 2020

1) Information about products and services

Disclosure is omitted because operating revenues attributable to external customers for products and services of the single segment exceed 90% of the total operating revenue reported in the statements of income.

2) Information about geographic areas

A. Operating revenues

Disclosure is omitted because operating revenues attributable to external customers in Japan exceed 90% of the total operating revenue reported in the statements of income.

B. Property, plant and equipment

Disclosure is omitted because property, plant and equipment located in Japan exceeds 90% of the total property, plant and equipment reported in the balance sheets.

3) Information about major customers

Disclosure is omitted because operating revenues attributable to a single external customer account for less than 10% of the total operating revenue reported in the statements of income.

As of and for the six months ended January 31, 2021

1) Information about products and services

Disclosure is omitted because operating revenues attributable to external customers for products and services of the single segment exceed 90% of the total operating revenue reported in the statements of income.

2) Information about geographic areas

A. Operating revenues

Disclosure is omitted because operating revenues attributable to external customers in Japan exceed 90% of the total operating revenue reported in the statements of income.

B. Property, plant and equipment

Disclosure is omitted because property, plant and equipment located in Japan exceeds 90% of the total property, plant and equipment reported in the balance sheets.

3) Information about major customers

Disclosure is omitted because operating revenues attributable to a single external customer account for less than 10% of the total operating revenue reported in the statements of income.



## 19 Value of Rental Properties

ADR owns rental residential properties in Tokyo and other prefectures. The following are the book value, changes during the period, and fair value of these properties:

(Thousands of yen)

		As of July 31, 2020	As of January 31, 2021
Book value			
(*1)	Balance at the beginning of period	427,399,620	430,190,248
	Changes during the period (*2)	2,790,627	902,553
	Balance at the end of period	430,190,248	431,092,802
Fair value at the end of period (*3)		607,022,000	619,542,000

\*1. The book value is the cost of acquisition less accumulated depreciation.

\*2. Of the changes in the value of rental properties during the fiscal period, the main element of increase in the previous fiscal period was acquisitions of four real estate properties (6,311,323 thousand yen) along with real estate beneficiary interests in trust for one property (1,576,097 thousand yen), and the decrease is mainly attributable to sales of one real estate property (1,117,601 thousand yen) along with two real estate beneficiary interests in trust for two properties (2,334,594 thousand yen). The main element of increase in the current fiscal period was the acquisition of real estate beneficiary interests in trust for two properties (3,119,684 thousand yen), and the decrease is mainly attributable to sale of real estate beneficiary interests in trust for two properties (953,840 thousand yen).

\*3. The fair value at the end of the current fiscal period is the appraisal or assessment value provided by an external real estate appraiser.

Please refer to the Note 5 “Statements of Income” for details on operating income from rental property.

## 20 Per Unit Information

(Yen)

	As of and for the six months ended July 31, 2020	As of and for the six months ended January 31, 2021
Net assets per unit	166,950	166,763
Net income per unit	5,285	5,450

\*1. Net income per unit is computed by dividing net income by the day-weighted average number of units issued and outstanding for the period. Diluted net income per unit is not disclosed as there are no diluted investment units.

\*2. The basis for the computation of net income per unit is as follows:

	For the six months ended July 31, 2020	For the six months ended January 31, 2021
Net income (thousands of yen)	7,320,824	7,548,967
Amount not attributable to common unitholders (thousands of yen)	—	—
Net income attributable to common unit (thousands of yen)	7,320,824	7,548,967
Average number of units during the period (units)	1,385,000	1,385,000

## III. Notes to Financial Statements

### 21 Significant Subsequent Event

For the six months ended January 31, 2021

Not applicable.

### 22 Schedule of Securities

Not applicable.

### 23 Table of Summary of Contract Amounts and Fair Values of Derivative Transactions and Forward Foreign Exchange Contracts

(Thousands of yen)

Category	Type	Contract amount (*1)		Fair value (*2 and *3)
			Contract amount due after one year	
Transactions other than market transactions	Interest rate swaps (fixed rate payment, floating rate receipt)	71,758,000	51,430,000	(812,539)
Total		71,758,000	51,430,000	(812,539)

\*1. The contract amount is based on the notional principal.

\*2. The fair value is based on the estimation made by the interest rate swap counterparty using the prevailing interest rate.

\*3. For the fair value amount of negative 776,081 thousand yen, special accounting treatment is applied to the interest rate swaps in accordance with the "Accounting Standard for Financial Instruments" and therefore, interest rate swaps are not stated at fair value in the balance sheets.

## 24 Summary of Real Estate

As of and for the six months ended January 31, 2021

(Thousands of yen)

		Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Accumulated depreciation or accumulated amortization	Depreciation for the period	Book value at the end of period	Notes
Property, plant and equipment	Buildings	78,541,149	682,586	-	79,223,736	17,158,108	881,996	62,065,628	-
	Structures	27,169	-	-	27,169	11,284	892	15,884	-
	Machinery and equipment	125,248	14,288	-	139,536	43,615	5,820	95,921	-
	Tools, furniture and fixtures	454,973	49,688	-	504,661	253,480	27,595	251,180	-
	Land	78,556,387	12,684	-	78,569,071	-	-	78,569,071	-
	Construction in progress	16,604	68,420	16,604	68,420	-	-	68,420	-
	Buildings in trust	156,767,610	1,502,474	394,355	157,875,729	33,410,141	1,793,638	124,465,587	*1*2
	Structures in trust	201,840	5,205	-	207,045	124,603	3,390	82,442	-
	Machinery and equipment in trust	232,537	15,215	-	247,752	143,727	8,195	104,024	-
	Tools, furniture and fixtures in trust	1,054,565	92,066	4,506	1,142,124	722,450	46,382	419,674	-
	Land in trust	161,506,474	2,294,095	655,377	163,145,192	-	-	163,145,192	*1*2
	Construction in progress in trust	68,269	7,007	68,269	7,007	-	-	7,007	-
Subtotal		477,552,829	4,743,731	1,139,113	481,157,447	51,867,412	2,767,912	429,290,034	
Intangible assets	Leasehold rights in trust	2,356,072	-	-	2,356,072	553,304	34,437	1,802,767	-
	Other	25,230	-	-	25,230	21,323	518	3,907	-
Subtotal		2,381,303	-	-	2,381,303	574,628	34,955	1,806,674	
Total		479,934,132	4,743,731	1,139,113	483,538,750	52,442,040	2,802,867	431,096,709	

\*1. The increase in property, plant and equipment for the six months ended January 31, 2021, primarily represents the acquisition of the property listed below.

RESIDIA Nakano-Fujimidai  
RESIDIA Shirokitakoen-dori

\*2. The decrease in property, plant and equipment for the six months ended January 31, 2021, primarily represents the sale of the property listed below.

RESIDIA Yoyoginomori  
RESIDIA Kyodo

## 25 Schedule of Other Specified Assets

Not applicable.

## III. Notes to Financial Statements

### 26 Schedule of Investment Corporation Bonds

As of and for the six months ended January 31, 2021

(Thousands of yen)

Series (*1)	Issue date	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate (%)	Redemption date	Use	Collateral
ADR Bond #19 (Unsecured)	Apr. 25, 2013	3,000,000	—	3,000,000	1.320	Apr. 25, 2023	(*2)	Unsecured
ADR Bond #20 (Unsecured)	Nov. 14, 2013	2,000,000	—	2,000,000	1.410	Nov. 14, 2025	(*2)	Unsecured
ADR Bond #21 (Unsecured)	Apr. 28, 2014	2,500,000	—	2,500,000	1.040	Apr. 26, 2024	(*2)	Unsecured
ADR Bond #22 (Unsecured)	Apr. 23, 2015	2,000,000	—	2,000,000	0.726	Apr. 23, 2025	(*3)	Unsecured
ADR Bond #23 (Unsecured)	Oct. 21, 2015	1,500,000	1,500,000	—	—	Oct. 21, 2020	(*2)	Unsecured
ADR Bond #24 (Unsecured)	Oct. 21, 2015	1,500,000	—	1,500,000	0.846	Oct. 21, 2025	(*2)	Unsecured
ADR Bond #25 (Unsecured)	Jun. 21, 2016	3,000,000	—	3,000,000	0.900	Jun. 20, 2031	(*2)	Unsecured
ADR Bond #26 (Unsecured)	Feb. 17, 2017	2,000,000	—	2,000,000	0.180	Aug. 17, 2022	(*2)	Unsecured
ADR Bond #27 (Unsecured)	Jul. 18, 2017	3,000,000	—	3,000,000	0.500	Jul. 16, 2027	(*2)	Unsecured
ADR Bond #28 (Unsecured)	Nov. 24, 2017	1,000,000	—	1,000,000	0.5663	Nov. 24, 2027	(*2)	Unsecured
ADR Bond #29 (Unsecured)	Apr. 24, 2018	1,500,000	—	1,500,000	0.690	Apr. 24, 2030	(*2)	Unsecured
ADR Bond #30 (Unsecured)	Oct. 19, 2018	2,000,000	—	2,000,000	0.704	Oct. 19, 2028	(*2)	Unsecured
ADR Bond #31 (Unsecured)	Jul. 24, 2019	5,000,000	—	5,000,000	0.220	Jul. 24, 2024	(*2)	Unsecured
ADR Bond #32 (Unsecured)	Jul. 25, 2019	3,000,000	—	3,000,000	0.3485	Jul. 25, 2029	(*2)	Unsecured
ADR Bond #33 (Unsecured)	Dec. 24, 2020	—	—	2,500,000	0.730	Dec. 24, 2035	(*2)	Unsecured
Total	—	33,000,000	1,500,000	34,000,000	—	—	—	—

\*1. The bonds have a pari passu clause among specified investment corporation bonds.

\*2. The funds are used for repayments of existing loans.

\*3. The funds are used for redemption of existing investment corporation bonds.

\*4. Redemption schedules of investment corporation bonds after the balance sheet date for the next five years are as follows:

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Investment corporation bond	—	2,000,000	3,000,000	7,500,000	5,500,000

## 27 Schedule of Loans

As of and for the six months ended January 31, 2021

(Thousands of yen)

	Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
	Lenders								
Short-term loans payable	Sumitomo Mitsui Trust Bank Limited	1,000,000	—	1,000,000	—	—	Sep. 11, 2020	(*6)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	500,000	—	500,000	—	—	Jan. 22, 2021	(*5)	
	Sumitomo Mitsui Trust Bank Limited	500,000	—	500,000	—				
	Sumitomo Mitsui Trust Bank Limited	-	500,000	-	500,000	0.18%	Sep. 10, 2021	(*5)	
Total		2,000,000	500,000	2,000,000	500,000				
Current portion of long-term loans payable	Development Bank of Japan Inc.	2,200,000	-	2,200,000	-	-	Nov. 29, 2020	(*5)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	1,150,000	-	-	1,150,000	1.08%	Mar. 24, 2021	(*4)	
	Mizuho Trust & Banking Co., Ltd.	1,000,000	-	1,000,000	-	-	Sep. 30, 2020	(*3)	
	The Norinchukin Bank	1,000,000	-	1,000,000	-				
	Mizuho Bank, Ltd.	2,900,000	-	-	2,900,000	0.89% (*2)	Feb. 16, 2021	(*5)	
	Mizuho Trust & Banking Co., Ltd.	1,500,000	-	-	1,500,000				
	MUFG Bank, Ltd.	270,000	-	-	270,000				
	Aozora Bank, Ltd.	900,000	-	900,000	-	-	Jan. 29, 2021	(*3)	
	The Nishi-Nippon City Bank, Ltd.	400,000	-	400,000	-				
	Resona Bank, Limited	500,000	-	500,000	-	-	Jan. 29, 2021	(*5)	
	The Bank of Fukuoka, Ltd.	500,000	-	500,000	-				
	Sumitomo Mitsui Banking Corporation	2,700,000	-	2,700,000	-	-	Dec. 25, 2020	(*5)	
	Sumitomo Mitsui Banking Corporation	2,800,000	-	-	2,800,000	0.25%	Feb. 26, 2021	(*5)	
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	-	1,000,000	-	-	Nov. 30, 2020	(*5)	
	The Norinchukin Bank	1,000,000	-	-	1,000,000	0.50% (*2)	Apr. 14, 2021	(*3)	
	Sumitomo Mitsui Banking Corporation	800,000	-	-	800,000	0.27%	Apr. 30, 2021	(*5)	
	Aozora Bank, Ltd.	1,379,000	-	-	1,379,000	1.54% (*2)	Jun. 25, 2021	(*5)	
	Resona Bank, Limited	919,000	-	-	919,000				
	Shinsei Bank, Limited	700,000	-	-	700,000	1.10% (*2)	Jun. 18, 2021	(*3)	
	MUFG Bank, Ltd.	600,000	-	-	600,000	0.63% (*2)	Jun. 30, 2021	(*5)	
	Resona Bank, Limited	500,000	-	-	500,000				
	The Bank of Fukuoka, Ltd.	500,000	-	-	500,000				
	Sumitomo Mitsui Banking Corporation	-	1,200,000	-	1,200,000	0.22%	Aug. 31, 2021	(*5)	

### III. Notes to Financial Statements

	Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
	Lenders								
Current portion of long-term loans payable	MUFG Bank, Ltd.	-	2,000,000	-	2,000,000	1.25% (*2)	Oct. 29, 2021	(*5)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank Limited	-	2,600,000	-	2,600,000				
	Sumitomo Mitsui Banking Corporation	-	1,500,000	-	1,500,000				
	Development Bank of Japan Inc.	-	2,200,000	-	2,200,000	1.40%	Nov. 29, 2021	(*5)	
	Aozora Bank, Ltd.	-	1,800,000	-	1,800,000	1.16% (*2)	Nov. 26, 2021	(*3)	
	Mizuho Bank, Ltd.	-	2,160,000	-	2,160,000	1.63% (*2)	Dec. 22, 2021	(*5)	
	Shinsei Bank, Limited	-	500,000	-	500,000	0.22%	Jan. 31, 2022	(*5)	
Total		25,218,000	13,960,000	10,200,000	28,978,000				
Long-term loans payable	Development Bank of Japan Inc.	2,200,000	-	2,200,000	-	-	Nov. 29, 2021	(*5)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	2,000,000	-	2,000,000	-	-	Oct. 29, 2021	(*5)	
	Sumitomo Mitsui Trust Bank Limited	2,600,000	-	2,600,000	-				
	Sumitomo Mitsui Banking Corporation	1,500,000	-	1,500,000	-				
	Mizuho Bank, Ltd.	2,160,000	-	2,160,000	-	-	Dec. 22, 2021	(*5)	
	Sumitomo Mitsui Trust Bank Limited	2,600,000	-	-	2,600,000	1.47% (*2)	Nov. 15, 2023	(*5)	
	Sumitomo Mitsui Banking Corporation	3,550,000	-	-	3,550,000	1.37% (*2)	Nov. 15, 2022	(*5)	
	Aozora Bank, Ltd.	1,800,000	-	1,800,000	-	-	Nov. 26, 2021	(*3)	
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	1.32% (*2)	Jun. 17, 2022	(*3)	
	MUFG Bank, Ltd.	500,000	-	-	500,000	1.59% (*2)	Feb. 14, 2025	(*5)	
	MUFG Bank, Ltd.	500,000	-	-	500,000	1.44% (*2)	Feb. 16, 2024	(*5)	
	Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				
	MUFG Bank, Ltd.	455,000	-	-	455,000	1.28% (*2)	Feb. 16, 2023	(*5)	
	Sumitomo Mitsui Trust Bank Limited	455,000	-	-	455,000				
	Sumitomo Mitsui Banking Corporation	1,120,000	-	-	1,120,000				
	Mizuho Bank, Ltd.	1,630,000	-	-	1,630,000				
	MUFG Bank, Ltd.	1,200,000	-	-	1,200,000	1.08% (*2)	Feb. 16, 2022	(*5)	
	Sumitomo Mitsui Trust Bank Limited	2,100,000	-	-	2,100,000				
	Mizuho Bank, Ltd.	2,000,000	-	-	2,000,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
	MUFG Bank, Ltd.	707,000	-	-	707,000	0.82% (*2)	Jul. 29, 2022	(*3)	
	Sumitomo Mitsui Trust Bank Limited	393,000	-	-	393,000				
	The Nishi-Nippon City Bank, Ltd.	400,000	-	-	400,000				
	Development Bank of Japan Inc.	1,500,000	-	-	1,500,000	1.02% (*2)	Sep. 29, 2023	(*5)	
	Development Bank of Japan Inc.	1,850,000	-	-	1,850,000	1.18% (*2)	Sep. 30, 2024	(*5)	
	Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.85% (*2)	Oct. 31, 2022	(*5)	
	Aozora Bank, Ltd.	700,000	-	-	700,000	0.76% (*2)	Apr. 28, 2022	(*5)	



Long-term loans payable

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.89% (*2)	Jan. 31, 2023	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	700,000	-	-	700,000				
Resona Bank, Limited	1,000,000	-	-	1,000,000				
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	1.05% (*2)	Mar. 19, 2025	(*3)	
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	1.00% (*2)	Apr. 14, 2025	(*3)	
Nippon Life Insurance Company	1,000,000	-	-	1,000,000	1.00% (*2)	Apr. 14, 2025	(*3)	
Mizuho Trust & Banking Co., Ltd.	1,400,000	-	-	1,400,000	0.88% (*2)	Apr. 12, 2024	(*3)	
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	0.75% (*2)	Apr. 14, 2023	(*3)	
The Norinchukin Bank	1,500,000	-	-	1,500,000				
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.73% (*2)	Apr. 14, 2023	(*3)	
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	0.69% (*2)	Oct. 14, 2022	(*3)	
Kiraboshi Bank, Ltd.	500,000	-	-	500,000	0.62% (*2)	Apr. 14, 2022	(*3)	
The Iyo Bank, Ltd.	700,000	-	-	700,000				
The 77 Bank, Ltd.	500,000	-	-	500,000				
The Gunma Bank, Ltd.	1,000,000	-	-	1,000,000	0.63% (*2)	May 27, 2022	(*5)	
Development Bank of Japan Inc.	2,300,000	-	-	2,300,000	1.04% (*2)	Jun. 25, 2025	(*5)	
Resona Bank, Limited	1,000,000	-	-	1,000,000	0.73% (*2)	Aug. 31, 2023	(*5)	
The Nishi-Nippon City Bank, Ltd.	800,000	-	-	800,000				
MUFG Bank, Ltd.	400,000	-	-	400,000	0.92%	Aug. 29, 2025	(*3)	
Sumitomo Mitsui Trust Bank Limited	400,000	-	-	400,000	0.85% (*2)	Aug. 29, 2025	(*3)	
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.84% (*2)	Dec. 18, 2025	(*5)	
The Norinchukin Bank	1,000,000	-	-	1,000,000	0.61% (*2)	Dec. 18, 2023	(*5)	
The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000				
MUFG Bank, Ltd.	990,000	-	-	990,000	0.55%	Feb. 28, 2026	(*5)	
Sumitomo Mitsui Trust Bank Limited	990,000	-	-	990,000	0.66%	Jan. 31, 2027	(*5)	
Mizuho Bank, Ltd.	1,080,000	-	-	1,080,000				
MUFG Bank, Ltd.	2,500,000	-	-	2,500,000	0.57%	Jan. 31, 2026	(*5)	
Sumitomo Mitsui Trust Bank Limited	1,000,000	-	-	1,000,000	0.77% (*2)	Mar. 24, 2028	(*3)	
MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.54%	Mar. 24, 2026	(*3)	
Mizuho Bank, Ltd.	900,000	-	-	900,000	0.63%	Jan. 31, 2027	(*3)	
Mizuho Trust & Banking Co., Ltd.	750,000	-	-	750,000				
Resona Bank, Limited	900,000	-	-	900,000	0.52%	Jan. 31, 2026	(*3)	
MUFG Bank, Ltd.	1,150,000	-	-	1,150,000	0.45%	Jan. 31, 2025	(*3)	
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000	0.75% (*2)	Mar. 24, 2028	(*3)	
MUFG Bank, Ltd.	500,000	-	-	500,000	0.51%	Mar. 24, 2026	(*3)	
Mizuho Bank, Ltd.	400,000	-	-	400,000	0.63%	Jan. 31, 2027	(*3)	

### III. Notes to Financial Statements

	Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
	Lenders								
Long-term loans payable	The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.36%	Jul. 29, 2026	(*5)	Unsecured Unguaranteed
	The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000	0.36%	Jul. 29, 2026	(*5)	
	The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000	0.26%	Jul. 29, 2025	(*5)	
	The Iyo Bank, Ltd.	300,000	-	-	300,000	0.20%	Jul. 29, 2024	(*5)	
	The Chugoku Bank, Ltd.	500,000	-	-	500,000	0.20%	Jul. 29, 2024	(*5)	
	Bank of Kyoto, Ltd.	500,000	-	-	500,000	0.20%	Jul. 29, 2024	(*5)	
	The Norinchukin Bank	1,500,000	-	-	1,500,000	0.45%	Nov. 28, 2025	(*5)	
	The Norinchukin Bank	1,000,000	-	-	1,000,000	0.38%	Nov. 29, 2024	(*5)	
	Taiyo Life Insurance Company	1,500,000	-	-	1,500,000	0.24%	Nov. 29, 2024	(*5)	
	Mitsui Sumitomo Insurance Co., Ltd.	1,000,000	-	-	1,000,000	0.32%	Nov. 30, 2023	(*5)	
	MUFG Bank, Ltd.	1,250,000	-	-	1,250,000	0.41%	Jan. 29, 2027	(*5)	
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.58%	Jan. 29, 2027	(*5)	
	Sumitomo Mitsui Trust Bank Limited	1,000,000	-	-	1,000,000	0.63%	Jan. 29, 2027	(*5)	
	Sumitomo Mitsui Trust Bank Limited	1,250,000	-	-	1,250,000	0.61%	Jan. 29, 2027	(*5)	
	Resona Bank, Limited	1,000,000	-	-	1,000,000				
	Resona Bank, Limited	1,000,000	-	-	1,000,000	0.50%	Jan. 30, 2026	(*5)	
	MUFG Bank, Ltd.	1,200,000	-	-	1,200,000	0.43%	Feb. 25, 2026	(*6)	
	Sumitomo Mitsui Trust Bank Limited	1,000,000	-	-	1,000,000	0.67%	Apr. 25, 2028	(*6)	
	Development Bank of Japan Inc.	1,400,000	-	-	1,400,000	0.56%	Apr. 23, 2027	(*6)	
	MUFG Bank, Ltd.	2,500,000	-	-	2,500,000	0.52%	Feb. 26, 2027	(*5)	
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.47%	Aug. 31, 2026	(*5)	
	Sumitomo Mitsui Trust Bank Limited	2,000,000	-	-	2,000,000	0.60%	Apr. 30, 2027	(*5)	
	MUFG Bank, Ltd.	2,000,000	-	-	2,000,000				
	MUFG Bank, Ltd.	1,700,000	-	-	1,700,000	0.54%	Oct. 30, 2026	(*5)	
	Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.57%	May 31, 2027	(*7)	
	The Nishi-Nippon City Bank, Ltd.	500,000	-	-	500,000	0.55%	Aug. 31, 2027	(*6)	
	The Bank of Fukuoka, Ltd.	500,000	-	-	500,000				
	The Iyo Bank, Ltd.	500,000	-	-	500,000				
	Bank of Kyoto, Ltd.	500,000	-	-	500,000				
	Shinkin Central Bank	500,000	-	-	500,000				
	The Nishi-Nippon City Bank, Ltd.	500,000	-	-	500,000	0.42%	Feb. 27, 2026	(*6)	
	The Bank of Fukuoka, Ltd.	500,000	-	-	500,000				
	The Iyo Bank, Ltd.	500,000	-	-	500,000				
	The Chugoku Bank, Ltd.	500,000	-	-	500,000				
	Shinkin Central Bank	500,000	-	-	500,000				
	MUFG Bank, Ltd.	500,000	-	-	500,000	0.51%	Aug. 31, 2027	(*6)	
	Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000	0.55%	Aug. 31, 2027	(*6)	
	Japan Post Insurance Co., Ltd.	1,000,000	-	-	1,000,000				

	Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
	Lenders								
Long-term loans payable	Taiyo Life Insurance Company	1,500,000	-	-	1,500,000	0.42%	Sep. 30, 2025	(*5)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	2,850,000	-	-	2,850,000	0.54%	Sep. 30, 2027	(*5)	
	The Bank of Fukuoka, Ltd.	500,000	-	-	500,000	0.38%	Feb. 28, 2025	(*5)	
	The Bank of Fukuoka, Ltd.	500,000	-	-	500,000	0.63%	Feb. 29, 2028	(*5)	
	MUFG Bank, Ltd.	500,000	-	-	500,000	0.56%	Mar. 17, 2028	(*3)	
	Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000	0.61%	Mar. 17, 2028	(*3)	
	Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000				
	The Yamaguchi Bank, Ltd.	500,000	-	-	500,000				
	Shinkin Central Bank	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	1,500,000	-	-	1,500,000	0.60%	Apr. 13, 2028	(*5)	
	MUFG Bank, Ltd.	1,500,000	-	-	1,500,000	0.50%	Mar. 31, 2028	(*5)	
	Sumitomo Mitsui Trust Bank Limited	2,100,000	-	-	2,100,000	0.38%	Apr. 30, 2025	(*5)	
	Sumitomo Mitsui Trust Bank Limited	890,000	-	-	890,000	0.70%	Jun. 29, 2029	(*5)	
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.49%	Mar. 31, 2028	(*5)	
	Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	0.66%	Jul. 31, 2028	(*5)	
	The Nishi-Nippon City Bank, Ltd.	900,000	-	-	900,000				
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.47%	Jul. 31, 2026	(*5)	
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.47% (*2)	Jul. 31, 2026	(*5)	
	Sumitomo Mitsui Banking Corporation	650,000	-	-	650,000	0.37%	Jan. 31, 2025	(*5)	
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.36% (*2)	Jan. 31, 2025	(*5)	
	Shinsei Bank, Limited	500,000	-	500,000	-	-	Jan. 31, 2022	(*5)	
	Nippon Life Insurance Company	1,000,000	-	-	1,000,000	0.67%	Sep. 11, 2028	(*6)	
	The Nishi-Nippon City Bank, Ltd.	500,000	-	-	500,000	0.70%	Sep. 29, 2028	(*5)	
	The 77 Bank, Ltd.	500,000	-	-	500,000	0.70%	Sep. 29, 2028	(*5)	
	Sumitomo Mitsui Trust Bank Limited	2,200,000	-	-	2,200,000	0.64%	Nov. 30, 2028	(*5)	
	MUFG Bank, Ltd.	1,300,000	-	-	1,300,000	0.60%	Nov. 30, 2028	(*5)	
	Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000	0.62%	Nov. 30, 2028	(*5)	
	Mizuho Trust & Banking Co., Ltd.	1,000,000	-	-	1,000,000				
	Sumitomo Mitsui Banking Corporation	700,000	-	-	700,000	0.30%	May 31, 2024	(*5)	
	Sumitomo Mitsui Banking Corporation	1,560,000	-	-	1,560,000	0.25%	May 31, 2022	(*5)	
	MUFG Bank, Ltd.	1,300,000	-	-	1,300,000	0.36%	Jun. 29, 2029	(*5)	
	Sumitomo Mitsui Trust Bank Limited	800,000	-	-	800,000	0.39%	Jun. 29, 2029	(*5)	
	The Nishi-Nippon City Bank, Ltd.	500,000	-	-	500,000	0.31%	Sep. 28, 2029	(*5)	
	Sumitomo Life Insurance Company	700,000	-	-	700,000	0.55%	Oct. 29, 2032	(*5)	
	Mizuho Bank, Ltd.	1,200,000	-	-	1,200,000	0.39%	Nov. 30, 2029	(*5)	
	Shinsei Bank, Limited	1,000,000	-	-	1,000,000	0.44%	Nov. 30, 2029	(*5)	

### III. Notes to Financial Statements

	Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
	Lenders								
Long-term loans payable	Sumitomo Mitsui Banking Corporation	1,200,000	-	1,200,000	-	-	Aug. 31, 2021	(*5)	Unsecured Unguaranteed
	The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.32%	Dec. 18, 2029	(*5)	
	Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000	0.46%	Feb. 14, 2031	(*5)	
	Mizuho Bank, Ltd.	1,900,000	-	-	1,900,000	0.39%	Feb. 14, 2030	(*5)	
	Mizuho Trust & Banking Co., Ltd.	2,350,000	-	-	2,350,000	0.39%	Feb. 14, 2030	(*5)	
	MUFG Bank, Ltd.	2,000,000	-	-	2,000,000	0.41%	Mar. 22, 2030	(*5)	
	Sumitomo Mitsui Trust Bank Limited	2,000,000	-	-	2,000,000	0.44%	Mar. 22, 2030	(*5)	
	Shinkin Central Bank	1,000,000	-	-	1,000,000				
	Resona Bank, Limited	1,370,000	-	-	1,370,000	0.40% (*2)	Mar. 22, 2030	(*5)	
	Sumitomo Mitsui Trust Bank Limited	920,000	-	-	920,000	0.22%	Mar. 24, 2023	(*5)	
	The 77 Bank, Ltd.	1,000,000	-	-	1,000,000	0.40%	Mar. 27, 2030	(*3)	
	The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.39%	Jun. 18, 2030	(*5)	
	Sumitomo Mitsui Trust Bank Limited	-	500,000	-	500,000	0.22%	Sep. 11, 2023	(*5)	
	Mizuho Trust & Banking Co., Ltd.	-	1,000,000	-	1,000,000	0.38%	Sep. 30, 2030	(*5)	
	The Norinchukin Bank	-	1,000,000	-	1,000,000	0.23%	Sep. 29, 2028	(*5)	
	Mizuho Bank, Ltd.	-	1,500,000	-	1,500,000	0.39%	Oct. 18, 2030	(*6)	
	Development Bank of Japan Inc.	-	2,200,000	-	2,200,000	0.39%	Nov. 29, 2030	(*5)	
	The Chiba Bank, Ltd.	-	1,000,000	-	1,000,000	0.18%	Nov. 30, 2027	(*5)	
	Sumitomo Mitsui Banking Corporation	-	1,500,000	-	1,500,000	0.14%	Dec. 1, 2023	(*3)	
	Sumitomo Mitsui Banking Corporation	-	1,200,000	-	1,200,000	0.14%	Dec. 25, 2023	(*5)	
	MUFG Bank, Ltd.	-	600,000	-	600,000	0.32%	Jan. 31, 2031	(*5)	
	The Bank of Fukuoka, Ltd.	-	500,000	-	500,000	0.40%	Jan. 31, 2031	(*5)	
	The Nishi-Nippon City Bank, Ltd.	-	400,000	-	400,000				
	Resona Bank, Limited	-	500,000	-	500,000	0.36% (*2)	Jan. 31, 2031	(*5)	
Total		159,370,000	11,900,000	13,960,000	157,310,000				

- \*1. "Interest rate" represents the borrowing interest rate (the weighted average of the balance at the end of the fiscal period) for each loan agreement, rounded to the second decimal place.
- \*2. For loans where an interest rate swap transaction is used to manage exposures to fluctuations in interest rate, the interest rate presented in the above table is fixed, reflecting the effects of interest rate swap transactions.
- \*3. The funds are used for acquisition of specified assets.
- \*4. The funds are used for acquisition of specified assets and repayment of the existing loans.
- \*5. The funds are used for repayment of the existing loans.
- \*6. The funds are used for redemption of the existing investment corporation bonds.
- \*7. The funds are used for repayment of the existing loans and redemption of the existing investment corporation bonds.
- \*8. The balances are rounded down to the nearest one thousand yen. Accordingly, the "Total" amounts are not necessarily equal to the sum of individual amounts.
- \*9. Total amount of scheduled yearly repayments for the long-term loans for five years after the balance sheet date is as follows:

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term loans payable	28,978,000	21,710,000	19,880,000	11,550,000	18,300,000

