



***Advance Residence  
Investment Corporation***

---

***2nd Period Result  
February 1, 2011 to July 31, 2011***

***3269***

# Index

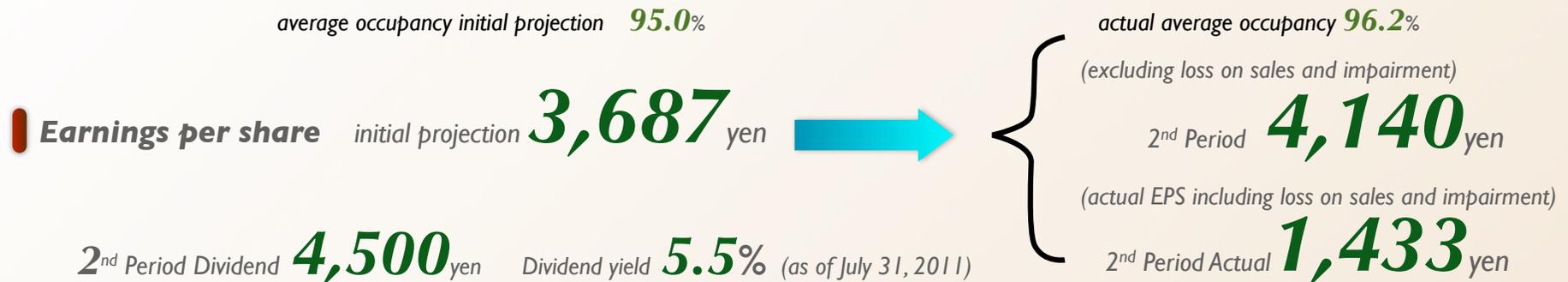


<i>Executive Summary</i>	<b>3</b>
<i>2nd Period Results</i> <i>Dividend Forecast (3rd / 4th Period)</i>	<b>4~7</b>
<i>Internal Growth</i>	<b>8~11</b>
<i>External Growth</i>	<b>12~15</b>
<i>Portfolio</i>	<b>16~19</b>
<i>Finance</i>	<b>20~22</b>
<i>Management Strategy</i>	<b>23~24</b>
<i>Appendix</i>	<b>25~43</b>

# Executive Summary

Aiming to Realize a Stable Long-term Dividend Flow

## Fundamental Earnings Improves Significantly due to Higher Occupancy



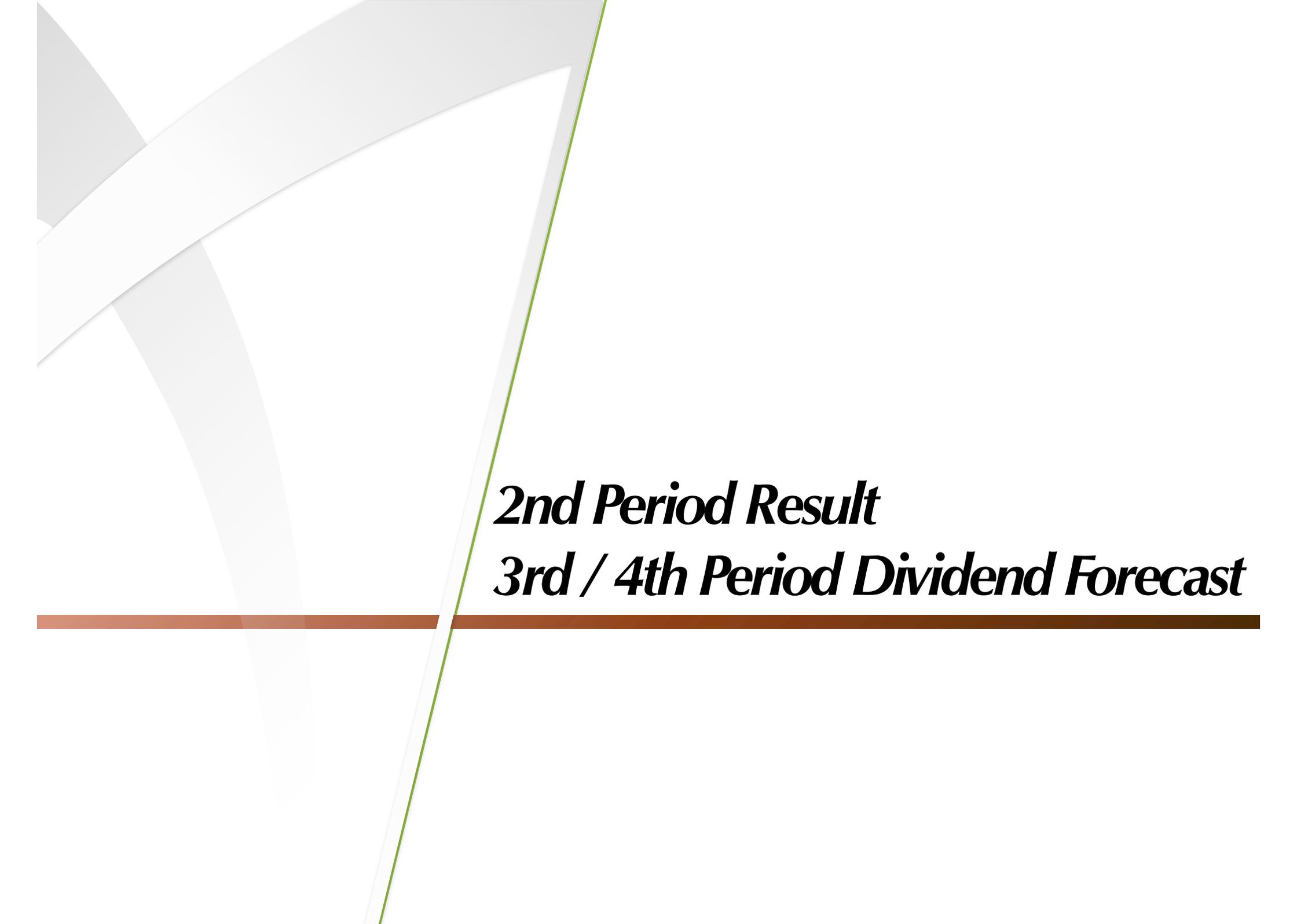
## Increasing Earning Potential through Asset Replacement

 Acquisition	<b>22.0</b> billion yen	<b>13</b> properties	NOI yield <b>6.1%</b>	* Includes asset replacements concluded by Sept. 1, 2011 * Based on ADR's acquisition price
 Disposition	<b>21.2</b> billion yen	<b>18</b> properties	NOI yield <b>4.6%</b>	

## Achieving Financial Objectives

-  De-collateralization (June 15, 2011) • 10 billion yen bond issue (Sept. 12, 2011)
-  Acquired **AA-** credit rating from **JCR** • **Moody's** upgraded ADR's credit rating **Baa3** → **Baa1**
-  Lowering financing cost & extending remaining term to maturity of debts





***2nd Period Result***  
***3rd / 4th Period Dividend Forecast***

---

# 2<sup>nd</sup> Period Result

Please refer to pages **26** to **28** in the appendix for detailed financial statement.

## Underlying Earnings Improved due to Higher Occupancy

- ▶ Net Income **excluding** loss on sales and impairment **4,057** million yen (change from initial forecast +444 million yen)
- ▶ Net Income **including** loss on sales and impairment **1,404** million yen (change from initial forecast -2,208 million yen)

<b>Income Statement</b> (February 1, 2011 to July 31, 2011)	① Forecast as of Mar. 16, 2011	② 2 <sup>nd</sup> Fiscal Period Result July. 31, 2011	Changes (②-①)	Notes		③ 2 <sup>nd</sup> Fiscal Period Pro forma Result (ex. Loss on Sales and Impairment loss)	Changes (③-①)
<b>Revenue</b>	<b>11,235</b>	<b>11,345</b>	<b>+109</b>	No. of operating properties Average occupancy 【Rental revenue】  Higher occupancy Revenue increase from replacement assets Increase in key money and renewal fees Other revenue increase	<b>172</b> <b>96.2%</b>  <b>+60</b> <b>+1</b> <b>+50</b> <b>-2</b>	<b>11,345</b>	<b>+109</b>
<b>Operating Income</b>	<b>5,632</b>	<b>3,453</b>	<b>-2,179</b>	Decrease in management fees and other rental fees Repair cost from the earthquake damages moved to ex. loss item Loss on Sales and Impairment Loss Depreciation Others	<b>+56</b> <b>+50</b> <b>-2,740</b> <b>+16</b> <b>+328</b>	<b>6,106</b>	<b>+473</b>
<b>Current Income</b>	<b>3,614</b>	<b>1,465</b>	<b>-2,148</b>	Decrease in finance cost	<b>+30</b>	<b>4,118</b>	<b>+504</b>
<b>Net Income</b>	<b>3,613</b>	<b>1,404</b>	<b>-2,208</b>	Repair cost from the earthquake damages	<b>-60</b>	<b>4,057</b>	<b>+444</b>
EPS (yen)	<b>3,687</b>	<b>1,433</b>	<b>-2,254</b>		<b>-</b>	<b>4,140</b>	<b>+453</b>
FFO per Unit (yen)	<b>5,635</b>	<b>6,161</b>	<b>+525</b>		<b>-</b>	<b>-</b>	<b>-</b>

### Dividend Payment (July 31, 2011)

Net Income	<b>3,613</b>	<b>1,404</b>	<b>-2,208</b>	
Drawdown of Retained Earnings	<b>+) 796</b>	<b>+) 3,005</b>	<b>+2,208</b>	Retained earnings after dividend JPY <b>35.6</b> bn
Dividend Amount	<b>=) 4,410</b>	<b>=) 4,410</b>	<b>0</b>	
Dividend per unit (yen)	<b>4,500</b>	<b>4,500</b>	<b>0</b>	Units issued and outstanding <b>980,000</b> units

# 3<sup>rd</sup> Period Dividend Forecast

August 1, 2011 ~ January 31, 2012

in million yen

	2 <sup>nd</sup> Period Result July 31, 2011	3 <sup>rd</sup> Period Forecast as of Sept. 14, 2011	Changes	Notes	Assumptions
Revenue	11,345	11,186	-159	<b>[Rental revenue]</b> Lower rent and occupancy -55 Decrease in number of operating days for replacement properties -53 Lower key money and renewal fee revenue -63 Other revenue increase +14	No. of operating properties 171 Average occupancy 95.8%
Operating Income	3,453	5,896	+2,442	Decrease in various rental costs +18 No loss on sales +2,735 Depreciation +5 Increase in consumption tax -56 Increase in administration cost -99	Depreciation 1,887 Property Taxes 544
Current Income	1,465	3,925	+2,459	Decrease in finance cost	Total financing cost 1,964
Net Income	1,404	3,924	+2,519	No earthquake damage repair cost	+60
EPS (yen)	1,433	4,004	+2,571		
FFO per Unit (yen)	6,161	5,935	-225		

## Dividend Payment

Net Income	1,404	3,924	+2,519	
Drawdown of Retained Earnings	+ ) 3,005	+ ) 485	-2,519	Retained earnings after dividend JPY 35.1 bn
Dividend Amount	= ) 4,410	= ) 4,410	0	
Dividend per unit (yen)	4,500	4,500	0	Units issued and outstanding 980,000 units

# 4<sup>th</sup> Period Dividend Forecast

February 1, 2012 ~ July 31, 2012

in million yen

	3 <sup>rd</sup> Period Forecast as of Sept. 14, 2011	4 <sup>rd</sup> Period Forecast as of Sept. 14, 2011	Changes	Notes	Assumptions
Revenue	11,186	11,250	+64	<b>[Rental revenue]</b> Higher occupancy but lower rent Full period operation for 3 <sup>rd</sup> period acquisitions Higher key money and renewal fee revenue Other revenue increase	No. of operating properties Average occupancy <b>171</b> <b>96.0%</b>
Operating Income	5,896	5,862	-33	Increase in property tax Increase in consumption tax Depreciation	Depreciation Property Taxes <b>1,884</b> <b>579</b>
Current Income	3,925	3,939	+13	Decrease in finance cost	Total financing cost <b>1,910</b>
Net Income	3,924	3,938	+13		
EPS (yen)	4,004	4,018	+14		
FFO per Unit (yen)	5,935	5,941	+5		

## Dividend Payment

Net Income	3,924	3,938	+13	
Drawdown of Retained Earnings	+) 485	+) 471	-13	Retained earnings after dividend JPY <b>34.6</b> bn
Dividend Amount	=) 4,410	=) 4,410	0	
Dividend per unit (yen)	4,500	4,500	0	Units issued and outstanding <b>980,000</b> units



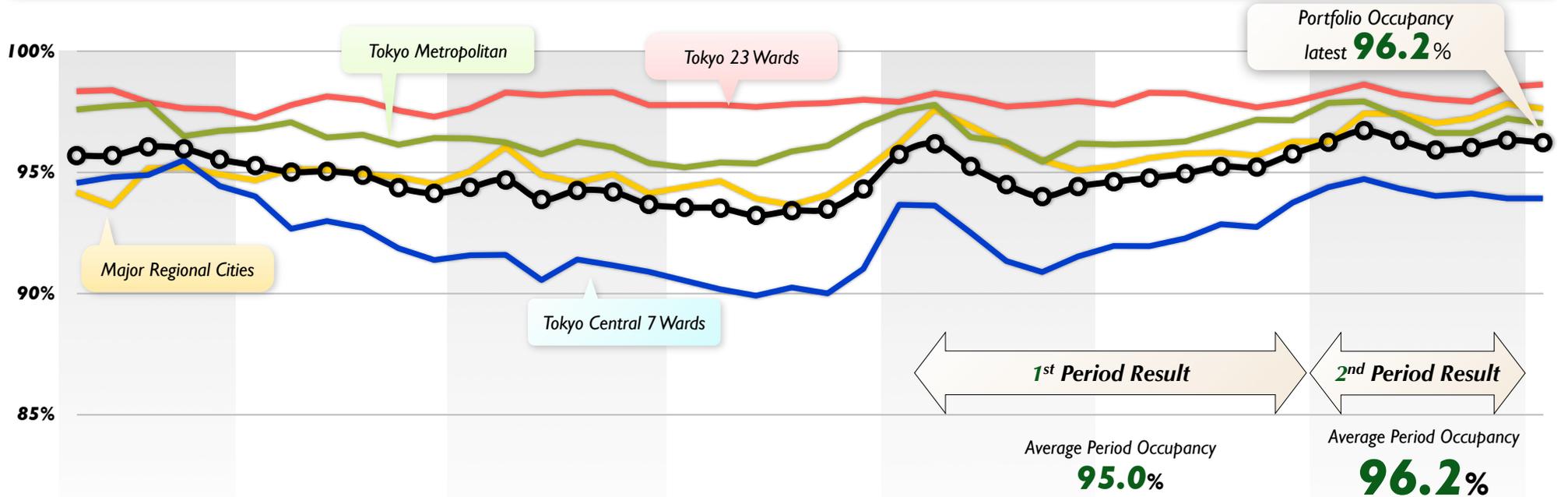
---

## ***Internal Growth***

- Improved Occupancy***
- Cost Control***
- Rent Changes***

# Improved Occupancy

Average Period Occupancy **96.2%**



	08/3	08/4	08/5	08/6	08/7	08/8	08/9	08/10	08/11	08/12	09/1	09/2	09/3	09/4	09/5	09/6	09/7	09/8	09/9	09/10	09/11	09/12	10/1	10/2	10/3	10/4	10/5	10/6	10/7	10/8	10/9	10/10	10/11	10/12	11/1	11/2	11/3	11/4	11/5	11/6	11/7	11/8
Portfolio	95.7	95.7	96.0	95.9	95.5	95.3	95.0	95.0	94.9	94.3	94.1	94.4	94.7	93.9	94.2	94.2	93.7	93.5	93.5	93.2	93.4	93.5	94.3	95.7	96.2	95.2	94.5	94.0	94.4	94.6	94.7	94.9	95.2	95.2	95.7	96.2	96.7	96.3	95.9	96.0	96.3	96.2
Tokyo Central 7 Wards	94.5	94.8	94.9	95.5	94.4	94.0	92.6	93.0	92.7	91.8	91.4	91.6	91.6	90.5	91.4	91.1	90.9	90.5	90.1	89.9	90.2	90.0	91.0	93.6	93.6	92.5	91.3	90.9	91.5	91.9	91.9	92.3	92.8	92.7	93.7	94.4	94.7	94.3	94.0	94.1	93.9	93.9
Tokyo 23 Wards	97.6	97.7	97.8	96.5	96.7	96.8	97.0	96.4	96.5	96.1	96.4	96.4	96.2	95.7	96.2	96.0	95.4	95.2	95.4	95.3	95.8	96.1	96.9	97.5	97.8	96.4	96.2	95.4	96.2	96.1	96.2	96.2	96.7	97.1	97.8	97.9	97.3	96.6	96.6	97.2	97.0	
Tokyo Metropolitan	98.3	98.4	97.9	97.6	97.6	97.2	97.8	98.1	98.0	97.5	97.3	97.6	98.3	98.2	98.3	98.3	97.8	97.8	97.8	97.7	97.8	97.8	98.0	97.9	98.2	98.0	97.7	97.8	97.9	97.8	98.3	98.2	97.9	97.7	97.9	98.2	98.6	98.2	98.0	97.9	98.5	98.6
Major Regional Cities	94.2	93.6	95.1	95.2	94.9	94.6	95.1	95.1	94.9	94.8	94.5	95.0	96.0	94.9	94.6	94.9	94.1	94.4	94.6	93.9	93.6	94.0	95.0	96.2	97.6	96.9	96.1	95.5	95.0	95.2	95.6	95.7	95.8	95.7	96.2	96.2	97.4	97.4	97.0	97.2	97.8	97.6

\* Occupancies before Feb. 2010 are calculated by adding the occupied area at the end of each month of former Advance Residence and Nippon Residential and dividing it by the total rentable area of the two investment corporation. The percentage is rounded out at the second decimal point.

# Cost Control

▶ **2<sup>nd</sup>** Period cost reduction

**35** million yen / annum

▶ Total cost reduction since merger

**139** million yen / annum

## (1) Property Management Fees

- Consolidating property management operations to Itochu Urban Community, and reviewing fee structure

Total **-48** million yen / yr

1<sup>st</sup> Period  
**-34** million yen / yr

2<sup>nd</sup> Period  
**-14** million yen / yr

## (2) Custodian Fees

- Revising custodian fees due to increase in number entrusted properties

Total **-23** million yen / yr

1<sup>st</sup> Period  
**-11** million yen / yr

2<sup>nd</sup> Period  
**-11** million yen / yr

## (3) Appraisal Fees

- Revising appraisal fee structure due to increase in number of appraised properties

Total **-39** million yen / yr

1<sup>st</sup> Period  
**-39** million yen / yr

2<sup>nd</sup> Period  
— million yen / yr

## (5) Building Management Fees

- Consolidating building managers, and reviewing fee structure

Total **-16** million yen / yr

1<sup>st</sup> Period  
**-6** million yen / yr

2<sup>nd</sup> Period  
**-9** million yen / yr

## (4) Property Insurance Fees

- Changed insurance contract to blanket policy covering all property holdings

Total **-5** million yen / yr

1<sup>st</sup> Period  
**-5** million yen / yr

2<sup>nd</sup> Period  
— million yen / yr

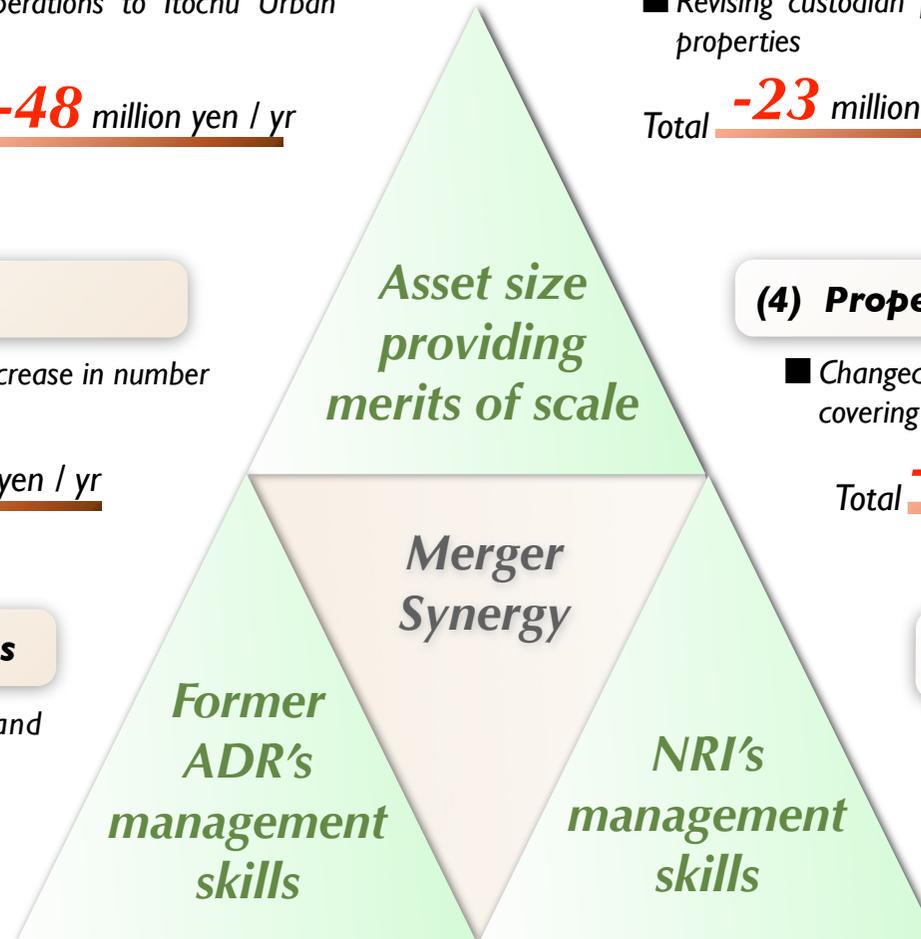
## (6) Electricity Bill for Shared Spaces

- Revising the electricity contract for shared spaces (37 properties)

Total **-5** million yen / yr

1<sup>st</sup> Period  
**-5** million yen / yr

2<sup>nd</sup> Period  
— million yen / yr



# Changes in Rents

Rent Decrease Slowing down **-0.53%**

## Rent Changes in Replacements & Renewals Units

### Total Portfolio Rent Change

	No. of Units	Previous Rents	New Rents	Change	% Change
Replacements	832units	119	113	-6	-5.29%
Renewals	2,474units	229	228	-1	-0.44%
Unchanged	9,314units	1,269	1,267	-1	-0.09%
<b>Total</b>	<b>12,620units*</b>	<b>1,618</b>	<b>1,609</b>	<b>-8</b>	<b>-0.53%</b>

Total Rent Change **0.44pt. improvement**  
(from 1st Period Rent Change of **-0.97%**)

\*No. of units that was both occupied at the beginning and the end of the period

### Rent change in Tenant Replacements

(2<sup>nd</sup> Period average turnover\* : 40 months)

	No. of Units	Previous Rents	New Rents	Change	% Change
Rent increase	206units	23	24	0	4.21%
Rent decrease	500units	77	69	-7	-9.43%
Rent unchanged	126units	18	18	-	-
<b>Total</b>	<b>832units</b>	<b>119</b>	<b>113</b>	<b>-6</b>	<b>-5.29%</b>

Rent Change in Tenant Replacement **1.83pt. improvement**  
(from 1st Period Rent Change of **-7.13%**)

### Rent Change in Renewals (renewal rate\* 79.5%)

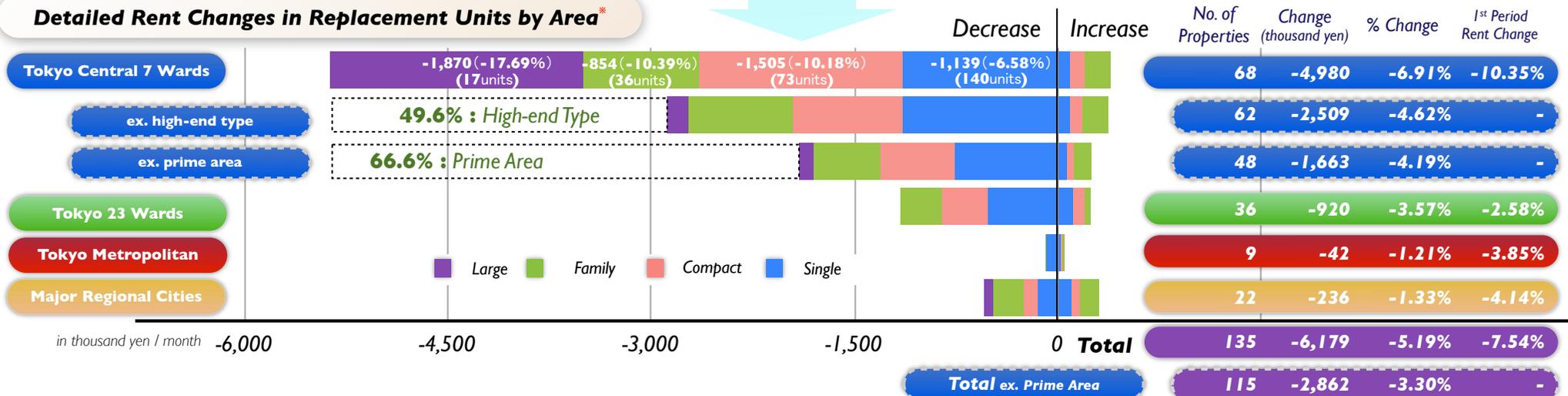
in million yen per month

	No. of Units	Previous Rents	New Rents	Change	% Change
Rent increase	1units	0	0	0	3.77%
Rent decrease	165units	26	25	-1	-3.77%
Rent unchanged	2,308units	202	202	-	-
<b>Total</b>	<b>2,474units</b>	<b>229</b>	<b>228</b>	<b>-1</b>	<b>-0.44%</b>

Rent Change in Renewals **0.52pt. improvement**  
(excluding special factor which increased the rent, 1st Period rent change was **-0.9%**)

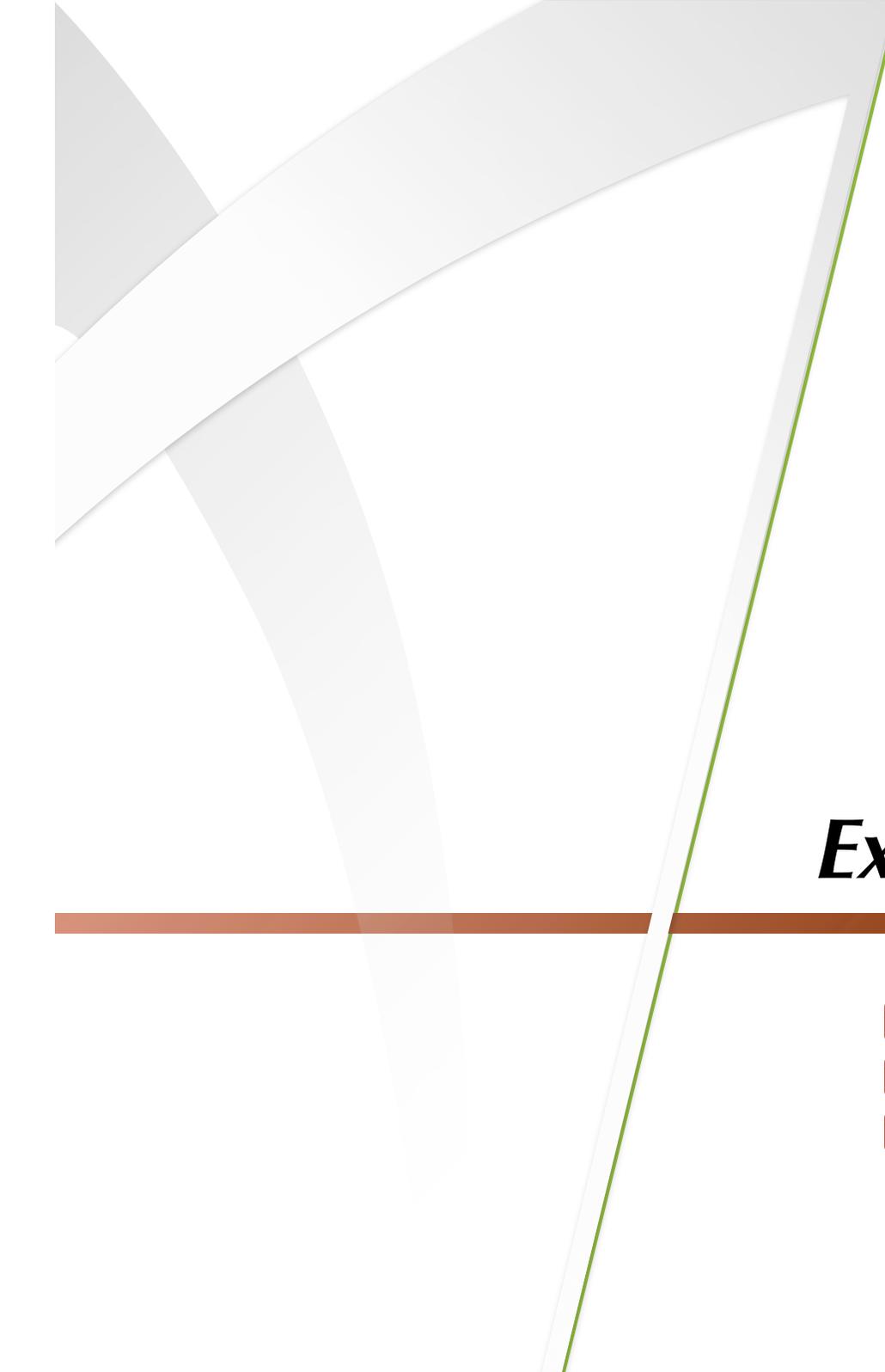
## Rent Decline Concentrated in Limited Unit-type and Area

### Detailed Rent Changes in Replacement Units by Area\*



\* Detailed rent changes for path-through units only (units of block leased properties are excluded)

High-end Types are RESIDIA Tower Azabu-Juban, Motoazabu Place, RESIDIA Tower Roppongi, RESIDIA Yoyogikoen, Windsor House Hiroo, RESIDIA Daikanyama-sarugakucho / Daikanyama Parkside Village (total 6 properties).  
Prime Area are properties located in Roppongi, Azabu, Akasaka, Ebisu, Hiroo, Daikanyama areas plus RESIDIA Yoyogikoen (total 20 properties).



---

# *External Growth*

- Portfolio Analysis*
- Asset Replacement*
- Expanding Property Acquisition Opportunities*

# Portfolio Analysis

Greater Tokyo Area

## Single Type Units

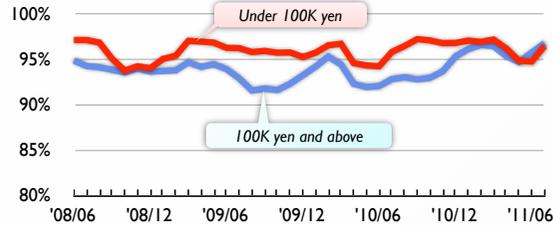
Occupancies and monthly rents are stable in all rent levels and regions.

% share by area

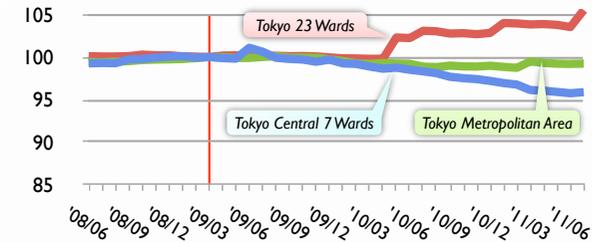
Under 100K yen 7.7%  
100K yen and above 9.0%

**16.7%**

## Rent Level Occupancy



## Change in Monthly Rent\* by Region



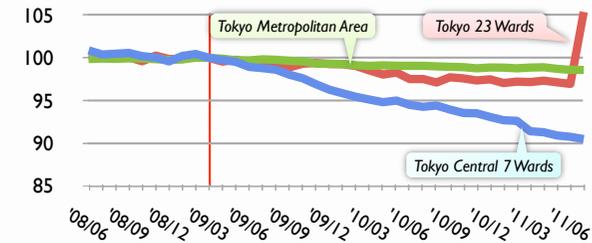
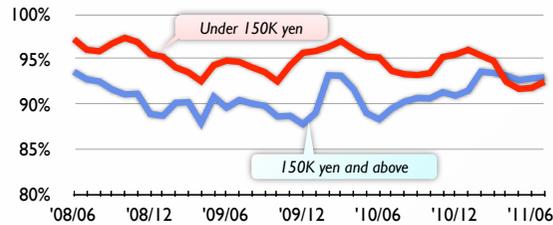
## Compact Type Units

Volatilities in occupancies and monthly rents are high in the Tokyo Central 7 Wards.

% share by area

Under 150K yen 3.7%  
150K yen and above 11.0%

**14.7%**



## Family & Large Type Units

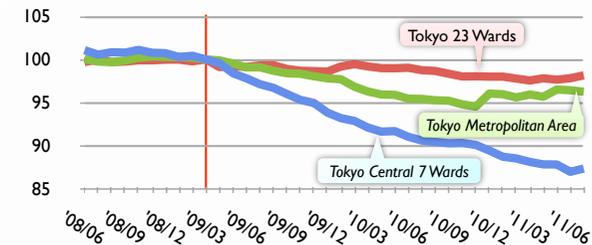
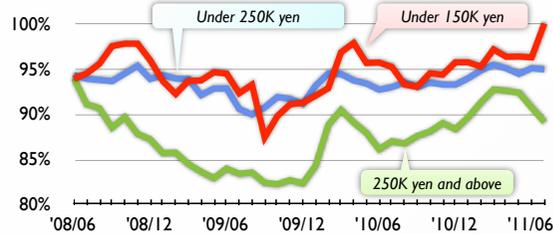
Occupancies are extremely high and monthly rents stable for monthly rents less than 150 thousand yen.

Volatilities in occupancies are highest in rents above 250K yen and volatilities in monthly rents are highest in the Tokyo Central 7 Wards.

% share by area

Under 150K yen 1.2%  
Under 250K yen 9.3%  
250K yen and above 9.1%

**19.6%**



Regional Areas

## Major Regional Cities

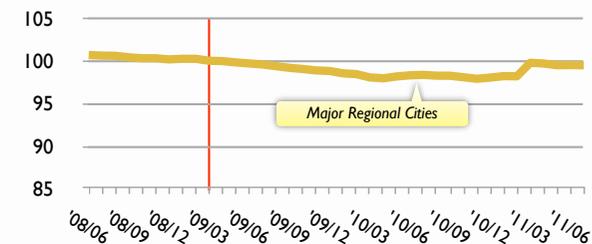
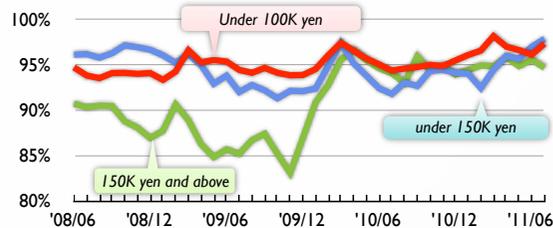
Volatilities in occupancies are relatively stable in rent levels under 150K yen.

Monthly rents are stable compared to other areas

% share by area

Under 100K yen 8.6%  
Under 150K yen 4.2%  
150K yen and above 3.4%

**16.2%**



\* Chart of Changes in Monthly Rent indicates the price movement by indexing the monthly rent as of March 2009 as 100. The range of the charts are from June 2008 to July 2011.

\* Guarantee contract units, office, stores and other non-residential units are excluded from the data which leaves with 67.3% of the total leasable area to be represented in these charts. % share by area are percentage share of the total leasable area.

# Asset Replacement

Please refer to pages 32 to 33 for details on newly acquired assets

## Increasing Earning Potential through Asset Replacement

### Increasing Revenue, Reducing Average Age

2<sup>nd</sup> Period Asset Replacement (Including transaction concluded by Sept. 1, 2011)

	Acquisition	Disposition
No. of properties	<b>13</b>	<b>18</b>
Weighted average NOI yield	<b>6.1%*1</b>	<b>4.6%*2</b>
Weighted average building age*3	<b>3.3 years</b>	<b>9.7 years</b>

Total Asset Replacement Since Merger  
(Including transaction concluded by Sept. 1, 2011)

	Acquisition	Disposition
No. of properties	<b>19</b>	<b>36</b>
Acquisition Price (a)	<b>32,554 million yen</b>	<b>39,388 million yen</b>
Deal value (b)	<b>32,554 million yen</b>	<b>33,996 million yen</b>
Appraisal Price (c)	<b>35,221 million yen</b>	<b>36,809 million yen</b>
Ratio (b) ÷ (c) × 100%	<b>92.5%</b>	<b>92.4%</b>
Weighted average NOI yield (d)/(a) × 100%	<b>6.2%*1</b>	<b>4.9%*2</b>
NOI(d)	<b>2,010 million yen</b>	<b>1,944 million yen</b>
Weighted average building age*3	<b>2.7 years</b>	<b>9.9 years</b>

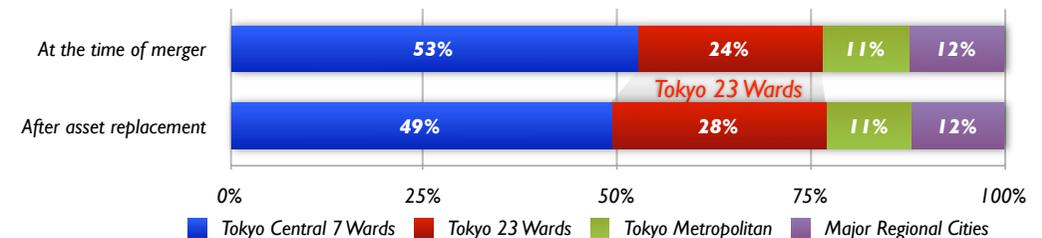
### Reduction of Average Age

Portfolio	At the time of merger (A)*4	After asset replacement (B)	(B) - (A)
Weighted average building age	7.9 years	7.1 years	<b>-0.7 years</b>

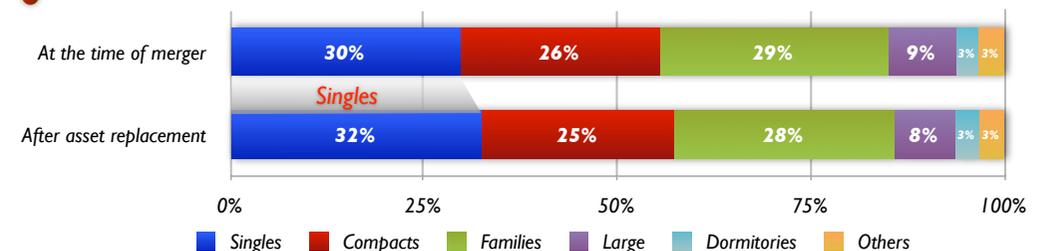
### Focusing on Tokyo 23 wards and Single type units

No. of Units	Singles	Compacts	Families	Large	Dormitories	Others	Total
Tokyo Central 7 Wards	-87	-155	-55	-66	0	+3	<b>-360</b>
Tokyo 23 Wards	+401	+117	+121	+7	0	-2	<b>+644</b>
Tokyo Metropolitan	-80	-35	-72	0	+91	-6	<b>-102</b>
Major Regional Cities	+246	-145	-141	-21	0	-15	<b>-76</b>
Total	<b>+480</b>	<b>-218</b>	<b>-147</b>	<b>-80</b>	<b>+91</b>	<b>-20</b>	<b>+106</b>

Investment Regions (based on acquisition price)



Unit type ratio (based on rentable space)



\* Includes announced to-be-acquired assets as of Sept. 1, 2011

\*1 Weighted average NOI yield of acquisitions = Total annual NOI as entered on the appraisal of acquisitions ÷ Total of the acquisition prices × 100%

\*2 Weighted average NOI yield of dispositions = Total actual annual NOI ÷ Total of the historical acquisition prices × 100%

\*3 Weighted average building age is acquisition price weighted average as of the time of disposition.

\*4 Average age of buildings held at the time of merger as of Sept. 1, 2011

# Expanding Property Acquisition Opportunities

Made limited investment in silent partnership “Tokumei kumiai” which invests in properties in trust

Aug. 26, 2011  
Signing of partnership contract

Aug. 30, 2011  
Partnership capital paid-in

Aug. 31, 2011  
Acquisition of property in trust by the manager

timely property acquisitions made possible by the long exercising period

Oct. 31, 2012  
Expiration date of the first right of refusal

exercising period of first right of refusal

## Partnership Structure

Properties in trust  
9.68 billion yen

Non-recourse loans  
8.58 billion yen

Tokumei kumiai capital  
1.1 billion yen

Obtained **first right of refusal** to purchase the **5** properties in trust

+

Earnings from the properties in trust will be distributed according to the share on the capital

ADR's share on capital 10 million yen (0.91%)

### ASYL COURT Nakamurabashi



Location	Nerima-ku, Tokyo
No. of rentable units	66 units
Completion Date	Feb. 2008
Appraisal price	1.09 billion yen
First refusal price floor	1.07 billion yen
Appraisal NOI yield*	5.6%

### Outline of the Properties in Trust

No. of Properties in trust	5
first right of refusal property purchase price floor total	9.20 billion yen
weighted average NOI yield	6.4%*

\* appraisal NOI yield = appraisal NOI ÷ first refusal price floor

### PACIFIC RESIDENCE Kobe-isogami



Location	Kobe, Hyogo
No. of rentable units	196 units
Completion Date	Mar. 2008
Appraisal price	2.87 billion yen
First refusal price floor	2.74 billion yen
Appraisal NOI yield*	6.6%

### PACIFIC RESIDENCE Nishijin



Location	Fukuoka, Fukuoka
No. of rentable units	173 units
Completion Date	Jan. 2008
Appraisal price	2.56 billion yen
First refusal price floor	2.38 billion yen
Appraisal NOI yield*	6.9%

### COSMOS GRACIA Kachidoki



Location	Chuo-ku, Tokyo
No. of rentable units	55 units
Completion Date	Feb. 2008
Appraisal price	1.89 billion yen
First refusal price floor	1.80 billion yen
Appraisal NOI yield*	5.6%

### PACIFIC RESIDENCE Tsurumai



Location	Nagoya, Aichi
No. of rentable units	122 units
Completion Date	Feb. 2008
Appraisal price	1.24 billion yen
First refusal price floor	1.20 billion yen
Appraisal NOI yield*	6.6%



---

# ***Portfolio***

- ┃ Largest Portfolio among Residential J-REITs***
- ┃ Estimating Rent Change***
- ┃ Appraisal Value***

# Largest Portfolio among Residential J-REITs

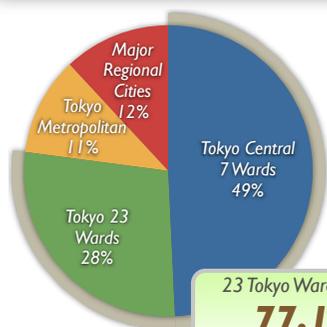
as of September 1, 2011

Total Assets	Average Acquisition Size	Leasable Units	No. of Properties	Total Leasable Area	Actual NOI Yield*
<b>339.1</b> billion yen	<b>1.98</b> billion yen	<b>14,342</b> units	<b>171</b> properties	<b>538,104</b> sqm	<b>5.4%</b>

\*Actual NOI yield = Total actual NOI ÷ Total acquisition price proportional to length of operation during the 2<sup>nd</sup> period × 100%. The NOI yield including NOI from properties sold during the 2<sup>nd</sup> period is 5.3%.

## Investment Regions

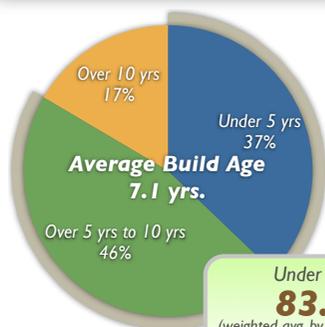
Based on acquisition price



23 Tokyo Wards Total  
**77.1%**

## Building Age

Based on acquisition price

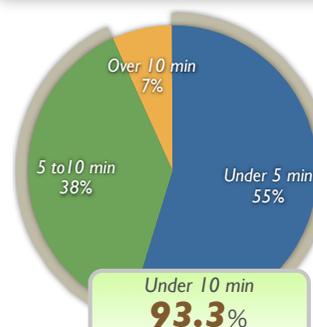


**Average Build Age**  
7.1 yrs.

Under 10 yrs  
**83.4%**  
(weighted avg. by acquisition price)

## Walking Minutes to Train Station

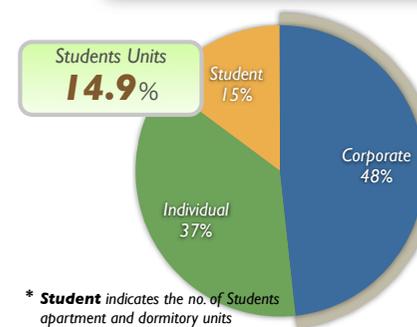
Based on acquisition price



Under 10 min  
**93.3%**

## Tenant Category

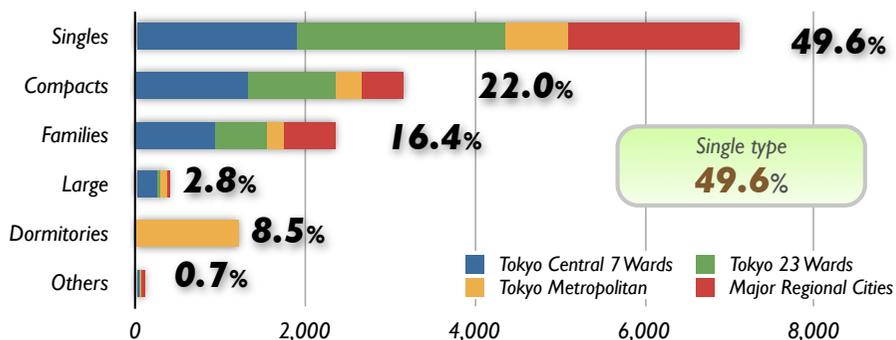
Based on no. of units



\* Student indicates the no. of Students apartment and dormitory units

## Unit Type

Based on no. of units

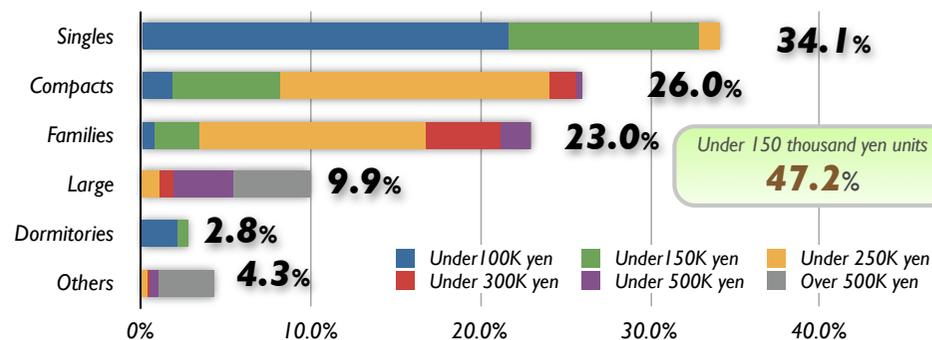


Single type  
**49.6%**

## Monthly Rent

Based on rent price

as of July 31, 2011

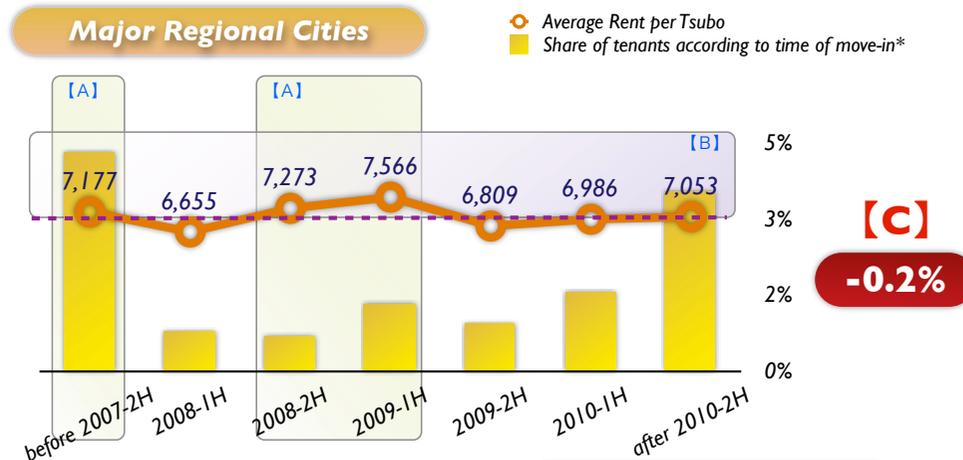
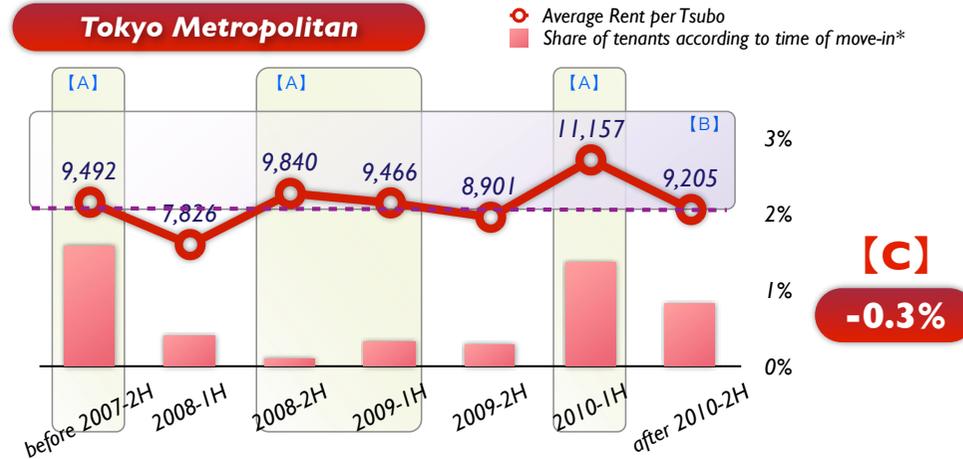


Under 150 thousand yen units  
**47.2%**

# Estimating Rent Change

Going forward **-2 to -3%** of rent adjustment is expected

\* **Share of tenants according to time of move-in** (bar chart) shows share of tenants that are present as of end of July 2011 in proportion to the time of move-in.  
 \* **Average Rent per tsubo** (line chart) shows the average rent per tsubo as of end of July 2011 actually paid by the tenants corresponding to the move-in period. Therefore the per tsubo rents are not the average of initial rents paid by tenants at the time of move-in.



**[A]** Share of tenants that have higher average rent per tsubo than tenants after 2H 2010 **X** **[B]** % difference between 2H 2010 rent per tsubo and rents per tsubo that are higher **=** **[C] Total -2.6%**

\* Share of tenants according to time of move-in =  $\frac{\text{Each periods tenants rents as end of July 2011}}{\text{Total Monthly rent at end of July 2011}}$   
 \* Only pass-through rent contracts are calculated. Block leased property unit are also excluded.  
 \* 1H: January to June, 2H: July to December

# Appraisal Value

Please refer to pages 36 to 38 in the appendix for detailed appraisal price.

## Cap Rate Improves • Appraisal Value in Rising Trend

Appraisal Value Up **96** properties > Down **47** properties (Unchanged 29 properties)

Changes in appraisal value from the last appraisal / Changes in Cap Rate (inverted)



	Book Value (in million yen)			Appraisal (in million yen)			Appraisal NCF (in million yen)			Direct Cap Rate (%)			Movements in Direct Cap Rate		
	The end of 2 <sup>nd</sup> Period (a)	Difference from the appraisal (b)	(b)/(a)	The end of 1 <sup>st</sup> Period	The end of 2 <sup>nd</sup> Period	Difference	The end of 1 <sup>st</sup> Period	The end of 2 <sup>nd</sup> Period	Difference	The end of 1 <sup>st</sup> Period	The end of 2 <sup>nd</sup> Period	Difference	Deterioration	Unchanged	Improvement
Tokyo Central 7 Wards	165,765	-3,596	-2.17%	163,556	162,169	-1,387	8,564	8,399	-164	5.16	5.10	-0.05%	2	26	48
Tokyo 23 Wards	89,065	1,089	1.22%	89,163	90,155	+992	4,857	4,825	-31	5.39	5.29	-0.09%	0	6	44
<b>Tokyo 23 Wards Total</b>	<b>254,830</b>	<b>-2,506</b>	<b>-0.98%</b>	<b>252,719</b>	<b>252,324</b>	<b>-395</b>	<b>13,421</b>	<b>13,225</b>	<b>-196</b>	<b>5.24</b>	<b>5.17</b>	<b>-0.07%</b>	<b>2</b>	<b>32</b>	<b>92</b>
Tokyo Metropolitan	36,604	988	2.70%	36,724	37,593	+868	2,281	2,286	+5	6.23	6.11	-0.12%	1	6	10
Major Regional Cities	38,841	-626	-1.61%	37,831	38,215	+384	2,408	2,391	-16	6.31	6.22	-0.09%	0	13	16
<b>Portfolio</b>	<b>330,276</b>	<b>-2,144</b>	<b>-0.65%</b>	<b>327,274</b>	<b>328,132</b>	<b>+868</b>	<b>18,111</b>	<b>17,904</b>	<b>-207</b>	<b>5.47</b>	<b>5.40</b>	<b>-0.07%</b>	<b>3</b>	<b>51</b>	<b>118</b>

### Factors of change in appraisal value

- Decrease in Appraisal NCF : **-3.8** billion yen
- Improvement in Appraisal Cap Rate : **+4.7** billion yen

### Improvement in direct cap rate for around **70%** of the properties (**118** out of **172** properties)

- Rents generally regaining stability except for rents for high-end assets
- Activity resumes in property transaction market

Disposed properties during the period are not included. Acquired properties during the period use acquisition appraisal value as the last appraisal.



---

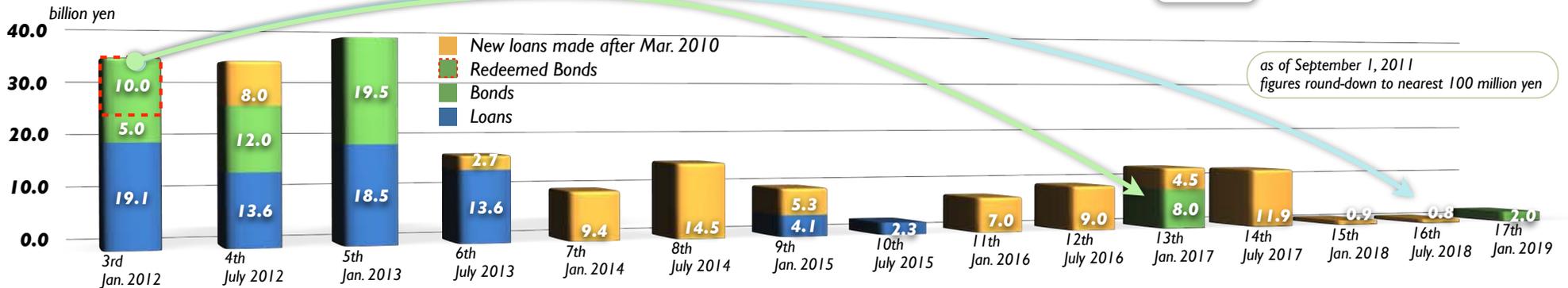
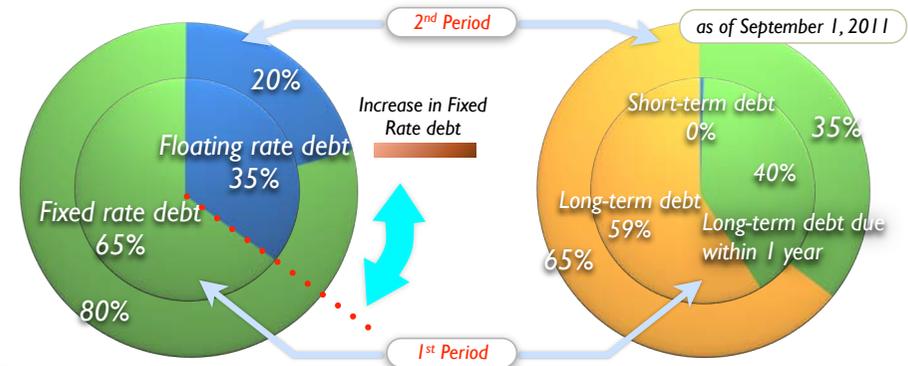
# ***Finance***

- ▮ Achieving Financial Objectives***
- ▮ Financial Activity and Structure***

# Achieving Financial Objectives

## (1) Flattening Debt Maturity Ladder • Lengthening Maturity • Increasing Fixed Rate Debt

### Average Remaining Term to Maturity Lengthened

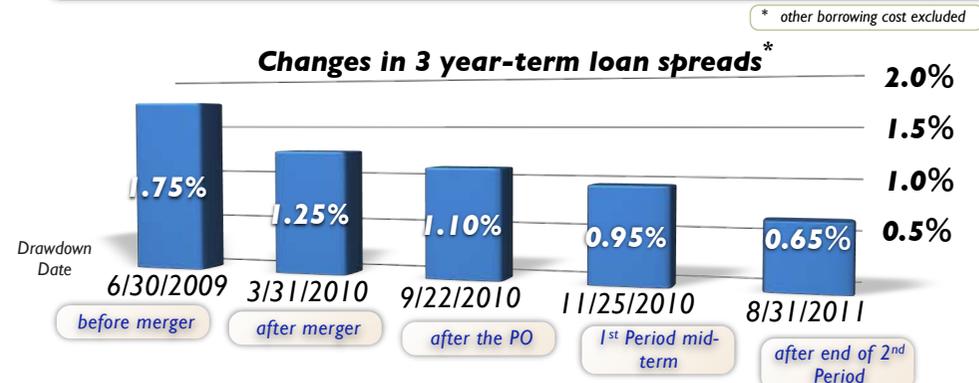


## (2) Early Release of Collateral • Credit Rating Upgrade

All Collateral Released on June 15, 2011

Credit rating upgrade: **Baa3** → **Baa1** (Moody's)  
 Newly acquired rating: **AA-** Senior Debts (JCR)  
 Existing rating: **A** (R&I) / **Baa1** (Moody's)

## (3) Lowering Financing Cost Continuously lowered

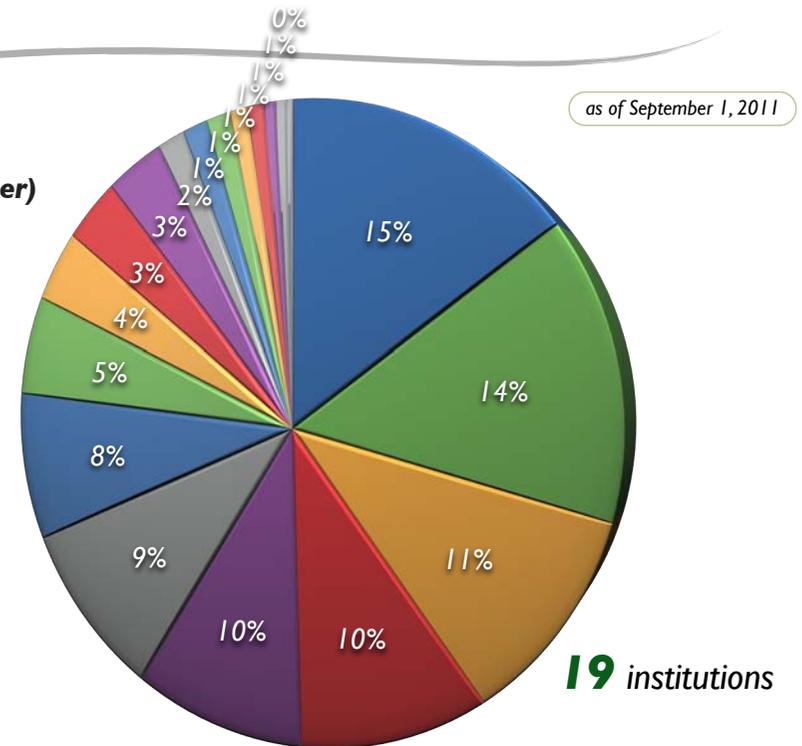


# Financial Activity and Structure

## First Investment Corporation Bond Issue for ADR since the Merger (the first J-REIT bond issue since the earthquake disaster)

Funds used for bond redemption (NRI Bond #9)

	Maturing Bond		Issued Bonds	
Total Amount	10 billion yen		8 billion yen	2 billion yen
Maturity	4 yrs.	→ Lengthened →	5 yrs.	7 yrs.
Interest Rate	1.83483%	→ Lowered →	1.27%	1.68%



## Balanced Lender Lineup

The lineup of lenders centers on Japanese banks, including 3 mega banks, 4 major trust banks → The Bank of Fukuoka joins lineup on August 2011

## Decrease in Loan to Value

at time of merger 61% → 1<sup>st</sup> Period End 52% → 2<sup>nd</sup> Period End 53%  
(Long-term LTV\* target 50~55%)

\* LTV=Total Interest bearing Liabilities ÷ Total Asset × 100%

## Interest Bearing Debt Outstanding

	at End of 1 <sup>st</sup> Period		at End of 2 <sup>nd</sup> Period		Sept. 1, 2011	
Loans	124.8 billion yen	67.00%	140.1 billion yen	75.09%	145.8 billion yen	75.83%
Bonds	61.5 billion yen	33.00%	46.5 billion yen	24.91%	46.5 billion yen	24.17%
Debt Outstanding	186.3 billion yen	100.00%	186.6 billion yen	100.00%	192.3 billion yen	100.00%

in billion yen

● The Bank of Tokyo-Mitsubishi UFJ	21.6
● Sumitomo Trust & Banking	20.4
● Sumitomo Mitsui Banking	15.6
● Mizuho Corporate Bank	14.5
● Development Bank of Japan Inc.	13.9
● Mitsubishi UFJ Trust & Banking	13.6
● Aozora Bank	11.6
● Risona Bank	7.6
● The Norinchukin Bank	5.5
● The Chuo Mitsui Trust & Banking	4.9
● Mizuho Trust & Banking	4.9
● Taiyo Life Insurance	2.2
● The Bank of Fukuoka	2.0
● Shinsei Bank	1.9
● The Nishi-Nippon City Bank	1.3
● The Hachijuni Bank	1.3
● The Dai-ichi Life Insurance	0.9
● Mitsui Sumitomo Insurance	0.9
● Oita Bank	0.4
<b>Total</b>	<b>145.8</b>



***Basic Policy and  
Asset Management Strategy***

---

# Strategy to Achieve 4,500 yen Earnings per Share

## Aiming to Realize a Stable Long-term Dividend Flow

### To Dos

#### External Growth Strategy

- Improving portfolio earning potential
- Acquiring high yielding assets in a very competitive property transaction market

#### Internal Growth Strategy

- Maintaining high occupancy
- Improving the occupancy of high-end properties located in the prime area
- Offsetting the rise in cost caused by the ending of property tax discount

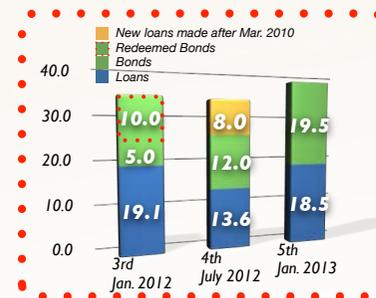
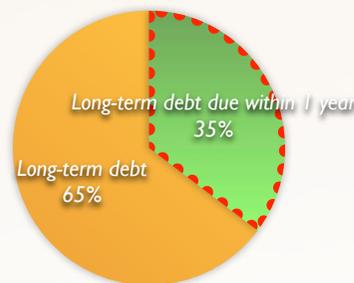
#### Finance Operation Strategy

- Further strengthening the financial base
- Bringing down financing cost

### Methods

- Acquiring property assets with stable earnings at yields above current ADR's portfolio NOI yield of 5.4% or the implied cap rate of 5.3%
- Disposing aging properties or properties with lower earnings outlook
- Expanding property acquisition opportunities through the use of bridge funds.
- Putting priority in achieving higher occupancy by keeping a flexible stance on leasing conditions
- Achieving higher earnings by bringing down leasing and advertising cost and taking in more key money for properties that have high occupancy
- Continue to consolidate the property managers and building managers to achieve greater merit of scale.

With 35% of debts maturing within a year and refinancing of 95.9 billion expected during 3<sup>rd</sup> to 5<sup>th</sup> fiscal period,



- financing cost reduction
- flattening of the debt maturity ladder
- lengthening the debt maturities
- increasing fixed rate debts



are expected to accelerate

as of Sept. 1, 2011

# Appendix

<i>Financial Statements</i>	26~28
<i>The Effects of the Tohoku and Pacific Region Earthquake and the Tsunami</i>	29
<i>Unit Price Chart</i>	30
<i>Unit-holder Information</i>	31
<i>Acquired New Assets</i>	32~33
<i>Dormitories and Student Apartments</i>	34
<i>Portfolio Map</i>	35
<i>Portfolio</i>	36~38
<i>Portfolio Diversification Policy</i>	39
<i>Sponsor from the Support</i>	40
<i>Asset Management Company Profile</i>	41

# Balance Sheet

in thousand yen

2nd Period ending July 31, 2011		2nd Period ending July 31, 2011	
<b>Assets</b>		<b>Liabilities</b>	
<b>Current assets</b>		<b>Current liabilities</b>	
Cash and deposits	8,573,398	Operating accounts payable	158,823
Cash and deposits in trust	5,739,346	Short-term loans payable	—
Operating accounts receivable	294,428	Current portion of investment corporation bond payable	27,000,000
Short-term investment securities	3,000,000	Current portion of long-term loans payable	51,594,701
Prepaid expenses	301,870	Accounts payable-other	870,448
Other	10,609	Accrued expenses	470,023
Allowance for doubtful accounts	-39,909	Accrued consumption taxes	152,339
Current assets	17,879,743	Advances received	126,631
<b>Fixed assets</b>		Interest received in advance	11,269
Property, plant and equipment		Derivatives liabilities	12,723
Buildings	66,794,588	Other	59,335
Structures	4,791	Current liabilities	80,456,297
Tools, furniture and fixtures	38,334	<b>Long-term liabilities</b>	
Land	65,184,714	Investment corporation bond	19,500,000
Buildings in trust	85,582,738	Long-term loans payable	88,544,511
Structures in trust	86,196	Tenant leasehold and security deposits	1,202,363
Machinery and equipment in trust	77,980	Tenant leasehold and security deposits in trust	1,588,952
Tools, furniture and fixtures in trust	189,016	Long-term deposits received	36,040
Land in trust	111,246,617	Derivatives liabilities	2,318
Property, plant and equipment	329,204,979	Long-term liabilities	110,874,186
<b>Intangible assets</b>		<b>Liabilities</b>	<b>191,330,483</b>
Leasehold right	1,071,902	<b>Net assets</b>	
Other	2,350	<b>Unitholders' equity</b>	
Intangible assets	1,074,253	Unitholders' capital, gross	64,561,818
<b>Investments and other assets</b>		Surplus	
Long-term prepaid expenses	516,160	Capital surplus	53,220,279
Guarantee deposits	451,651	Reserve for dividend	38,653,653
Other	1,704	Unappropriated retained earnings (undisposed loss)	1,404,952
Investments and other assets	969,516	Surplus	93,278,884
Fixed assets	331,248,750	Unitholders' equity	157,840,703
<b>Deferred assets</b>		<b>Valuation and translation adjustments</b>	
Investment unit issuance expenses	21,019	Deferred gains or losses on hedges	-12,722
Investment corporation bond issuance costs	8,951	Valuation and translation adjustments	-12,722
Deferred assets	29,970	<b>Net assets</b>	<b>157,827,980</b>
<b>Assets</b>	<b>349,158,463</b>	<b>Liabilities and net assets</b>	<b>349,158,463</b>

# Profit and Loss Statement

in thousand yen

2 <sup>nd</sup> Period From February 1, 2011 to July 31, 2011	
<b>Operating revenue</b>	
Rent revenue-real estate	11,345,660
Operating revenue	<u>11,345,660</u>
<b>Operating expenses</b>	
Expenses related to rent business	4,199,596
Loss on sales of real estate properties	2,000,813
Impairment loss	739,529
Asset management fee	661,333
Asset custody fee	11,928
Administrative service fees	65,637
Directors' compensations	2,400
Taxes and dues	24,333
Provision of allowance for doubtful accounts	3,927
Bad debts expenses	93
Other operating expenses	182,797
Operating expenses	<u>7,892,390</u>
<b>Operating income</b>	<u>3,453,269</u>
<b>Non-operating income</b>	
Interest income	8,659
Interest on securities	1,335
Reversal of distributions payable	5,232
Other	5,405
Non-operating income	<u>20,632</u>
<b>Non-operating expenses</b>	
Interest expenses	1,247,293
Interest expenses on investment corporation bonds	367,517
Amortization of investment unit issuance expenses	5,732
Amortization of investment corporation bond issuance costs	6,176
Borrowing related expenses	375,797
Other	5,819
Non-operating expenses	<u>2,008,336</u>
<b>Ordinary income</b>	<u>1,465,565</u>
<b>Extraordinary loss</b>	
Loss on Disaster	60,008
Extraordinary loss	<u>60,008</u>
<b>Income before income taxes</b>	<u>1,405,557</u>
Income taxes-current	605
Income taxes	605
<b>Net income</b>	<u>1,404,952</u>
Unappropriated retained earnings (undisposed loss)	<u>1,404,952</u>

2 <sup>nd</sup> Period From February 1, 2011 to July 31, 2011	
<b>A. Revenue from Property Leasing</b>	
<b>Rental</b>	
Rent income	10,371,723
Facility charge	333,625
Parking fee	328,868
Subtotal	<u>11,034,218</u>
<b>Other revenues related to property leasing</b>	
Income from leasing rights, etc.	23,851
Miscellaneous income	287,590
Subtotal	<u>311,442</u>
Total revenues from property leasing	<u>11,345,660</u>
<b>B. Rental Expenses</b>	
Property taxes	541,645
Property management fees	849,951
Utilities	168,677
Repairs and maintenance	253,642
Insurance	20,859
Trust fee	67,066
Other rental expenses	404,893
Depreciation and amortization	1,892,859
Total rental expenses	<u>4,199,596</u>
<b>C. Operating Income from Property Leasing Activities</b>	
	<u>7,146,064</u>

# Cash Flow Statement

in thousand yen

2 <sup>nd</sup> Period From February 1, 2011 to July 31, 2011	
<b>Net cash provided by (used in) operating activities</b>	
Income before income taxes	1,405,557
Depreciation and amortization	1,893,158
Impairment loss	739,529
Loss on disaster	60,008
Amortization of investment unit issuance expenses	5,732
Amortization of investment corporation bond issuance costs	6,176
Increase (decrease) in allowance for doubtful accounts	-9,031
Interest income	-9,995
Interest expenses	1,247,293
Interest expenses on investment corporation bonds	367,517
Decrease (increase) in operating accounts receivable	52,432
Decrease (increase) in prepaid expenses	-73,335
Increase (decrease) in accrued consumption taxes	-37,379
Increase (decrease) in operating accounts payable	10,153
Increase (decrease) in accounts payable-other	-196,890
Increase (decrease) in accrued expenses	-26,966
Increase (decrease) in advances received	-14,161
Decrease due to sale of property, plant and equipment	2,108,263
Decrease due to sale of property, plant and equipment in trust	13,090,695
Decrease (increase) in long-term prepaid expenses	-248,590
Other	2,526
Subtotal	20,372,691
Payments for loss on disaster	-29,199
Interest income received	5,847
Interest expenses paid	-1,771,513
Income taxes paid	-1,561
Net cash provided by (used in) operating activities	18,576,263

2 <sup>nd</sup> Period From February 1, 2011 to July 31, 2011	
<b>Net cash provided by (used in) investing activities</b>	
Payments into time deposits	-2,500,000
Proceeds from withdrawal of time deposits	4,100,000
Purchase of short-term investment securities	-3,000,000
Proceeds from sales of short-term investment securities	3,000,000
Purchase of property, plant and equipment	-5,305,641
Purchase of property, plant and equipment in trust	-7,675,915
Proceeds from tenant leasehold and security deposits	1,411
Proceeds from tenant leasehold and security deposits in trust	5,762
Repayments of long-term deposits received	-6,348
Net cash provided by (used in) investing activities	-11,380,730
<b>Net cash provided by (used in) financing activities</b>	
Increase in short-term loans payable	7,660,000
Decrease in short-term loans payable	-8,560,000
Proceeds from long-term loans payable	36,690,000
Repayment of long-term loans payable	-20,540,991
Redemption of investment corporation bonds	-15,000,000
Dividends paid	-8,073,770
Net cash provided by (used in) financing activities	-7,824,762
Net increase (decrease) in cash and cash equivalents	-629,228
Cash and cash equivalents	12,441,973
Cash and cash equivalents	11,812,744

# The Effects of the Tohoku and Pacific Region Earthquake and the Tsunami

## All Losses from the Disaster Booked in 2<sup>nd</sup> Period

### Loss from Disaster (also refer to p.5 2<sup>nd</sup> Period Result)

Booked 60 million yen loss as 2nd period extraordinary item (56 million yen as repair cost, 3 million yen as investigation fee).

\* none of the properties' operations were critically effected by the disaster

### Conditions of the 3 properties (0.6%\* of the portfolio based on acquisition price) in Tohoku Region

\* portfolio investment share calculated based on properties held as of July 31, 2011



Property No.	Property Name	Location	Details of the Damage
R-13	KC21 Building	Wakabayashi-ku, Sendai, Miyagi Prefecture	Some cracks found in exterior wall
R-37	RESIDIA Sendai-Miyamachi	Aoba-ku, Sendai, Miyagi Prefecture	Some cracks found in inner common area wall and exterior wall
R-38	RESIDIA Hirose-dori	Aoba-ku, Sendai, Miyagi Prefecture	Some cracks found in inner common area wall

### Repairs

#### R-13 KC21 Building



damages in mortar wall

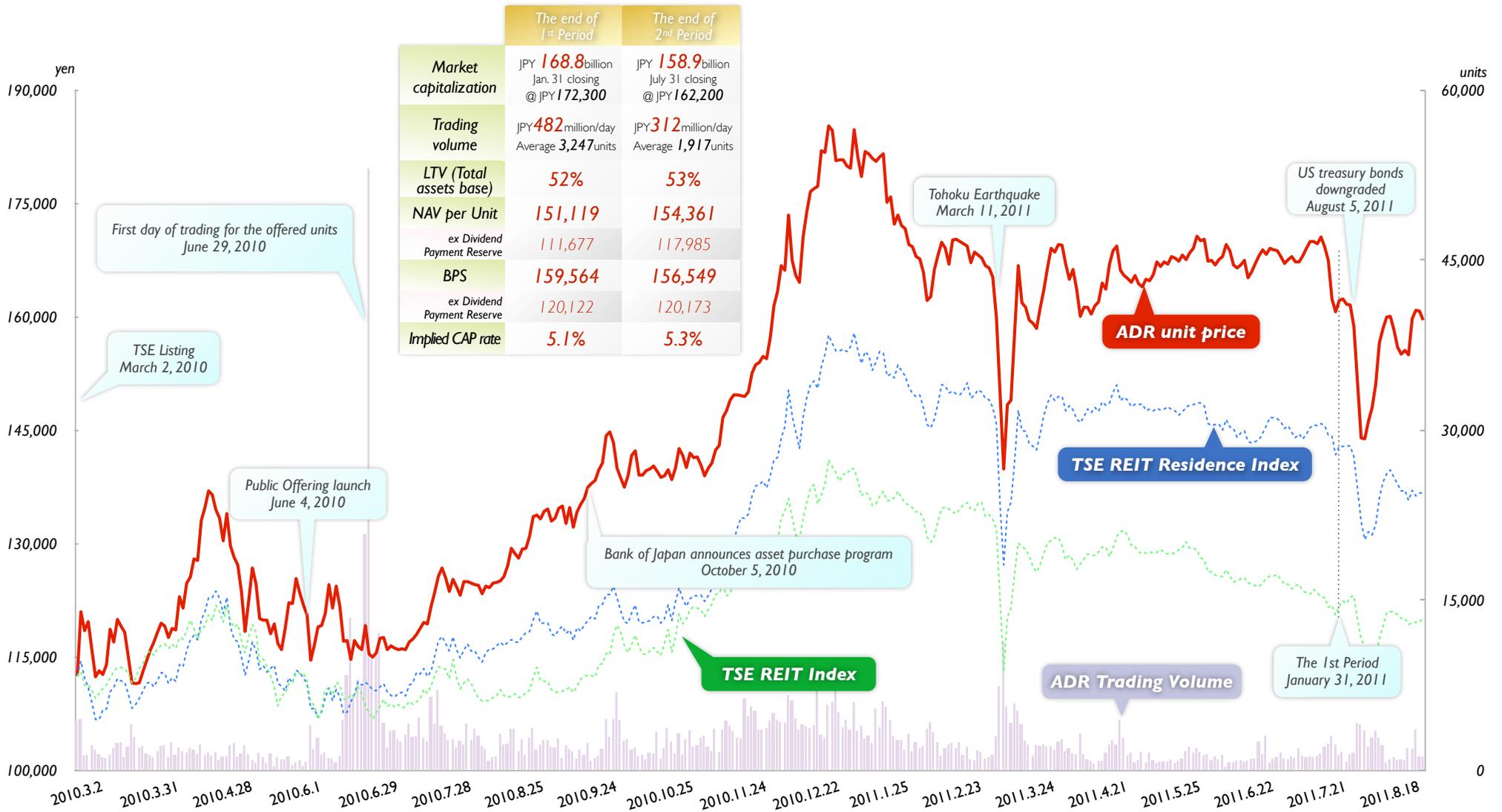


damages in wall tiles



# Unit Price Chart

Effect of the earthquake was limited. Unit Price recovers to 160,000 yen by end of July.



	The end of 1 <sup>st</sup> Period	The end of 2 <sup>nd</sup> Period
<b>Market capitalization</b>	JPY 168.8 billion Jan. 31 closing @ JPY 172,300	JPY 158.9 billion July 31 closing @ JPY 162,200
<b>Trading volume</b>	JPY 482 million/day Average 3,247 units	JPY 312 million/day Average 1,917 units
<b>LTV (Total assets base)</b>	52%	53%
<b>NAV per Unit</b>	151,119	154,361
ex Dividend Payment Reserve	111,677	117,985
<b>BPS</b>	159,564	156,549
ex Dividend Payment Reserve	120,122	120,173
<b>Implied CAP rate</b>	5.1%	5.3%

\*TSE REIT Index and TSE REIT Residential Index are re-indexed by using Advance Residence's March 2, 2010 closing price of 112,500 yen as starting price.

# Information on Unit-holders

(right after the merger) (end of 1st period) (end of 2nd period)

For two consecutive periods unit holdings by domestic financial institutions increases **46%** → **50%** → **53%**

	Number of Units		Number Unit-holders	
	units	(%)	Unit-holders	(%)
<b>Japanese Financial Institutions (including securities co.s)</b>	522,442	53.3%	111	0.5%
<b>Other Japanese Corporations</b>	68,561	7.0%	321	1.5%
<b>Foreign Corporations and Individuals</b>	223,684	22.8%	203	1.0%
<b>Domestic Individuals and Others</b>	165,313	16.9%	20,658	97.0%
<b>Total</b>	<b>980,000</b>	<b>100.0%</b>	<b>21,293</b>	<b>100.0%</b>

Name of Unitholders	Holdings (units)	% share of issued and outstanding
<b>Japan Trustee Services Bank, Ltd. (Inv. Tr. Acc.)</b>	178,824	18.2%
<b>The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)</b>	82,357	8.4%
<b>Trust &amp; Custody Services Bank, Ltd.(Inv. Tr. Acc.)</b>	78,696	8.0%
<b>The Master Trust Bank of Japan ,Ltd (Tr. Acc.)</b>	47,308	4.8%
<b>ITOCHU Corporation</b>	34,800	3.6%
<b>NOMURA BANK (LUXEMBOURG) S.A.</b>	25,399	2.6%
<b>JP Morgan Chase Bank 385174</b>	17,630	1.8%
<b>Mizuho Trust &amp; Banking Co., Ltd.</b>	14,511	1.5%
<b>State Street Bank and Trust Co.</b>	11,862	1.2%
<b>The Bank of New York, Treaty JASDEC Account</b>	10,187	1.0%

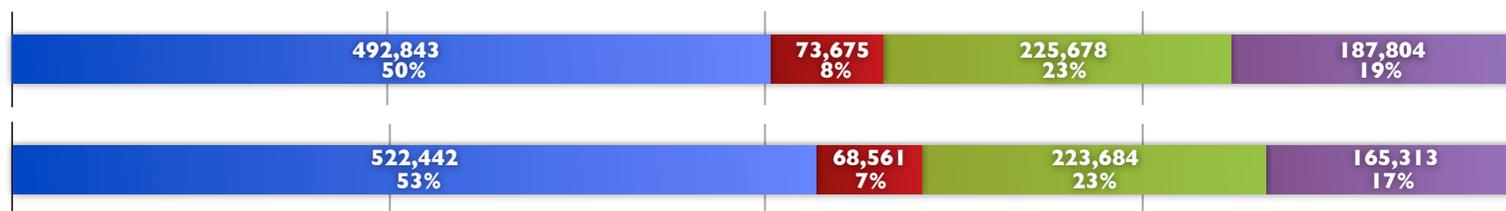
## Number of Units

the end of 1<sup>st</sup> period  
January 31, 2010

**980,000** units

the end of 2<sup>nd</sup> period  
July 31, 2011

**980,000** units



■ Japanese Financial Institutions (including securities companies) ■ Other Japanese Corporations ■ Foreign corporations and individuals ■ Domestic individuals and others

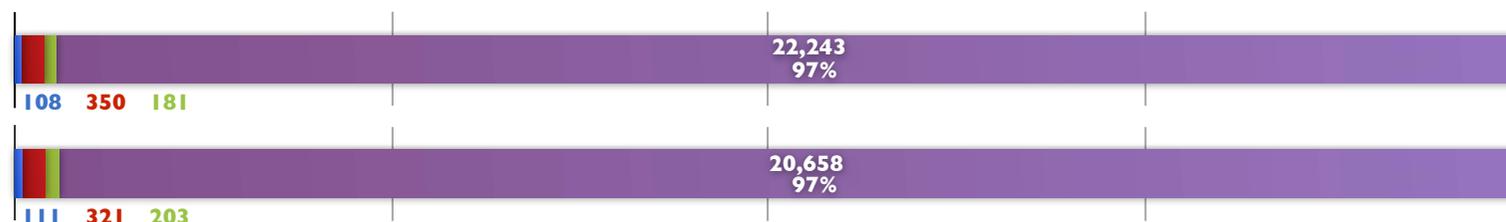
## Number of Unitholders

the end of 1<sup>st</sup> period  
January 31, 2010

**22,882**

the end of 2<sup>nd</sup> period  
July 31, 2011

**21,293**



# Newly Acquired Assets

(February 1, 2011 ~ Sept. 1, 2011 includes to-be-acquired)

	Tokyo Central 7 Wards	Tokyo 23 Wards	Tokyo Metropolitan	Major Regional Cities	Total
No. of properties	4	4	0	5	13
Acquisition price (in million yen)	9,293	8,619	0	4,175	22,087
% share of portfolio	42.1%	39.0%	0%	18.9%	100.0%
Weighted average NOI yield	5.7%	6.1%	-	6.9%	6.1%
Weighted average building age	3.0 years	3.6 years	-	3.4 years	3.3 years
No. of rentable units	306	444	0	422	1,172

## P-86 RESIDIA Shibaura KAIGAN

2nd Period



Area	Tokyo Central 7 Wards
Location	Minato-ku, Tokyo
Acquisition price	2,400million yen
Appraisal price	2,470million yen
NOI yield	5.8%
No. of rentable units	72units
Completion date	Jan. 2010
Lease contract type	Pass-through

## Newly Acquired Assets

(include announced acquisitions by Sept. 1, 2011)

# 13 properties

## C-52 RESIDIA Bunkyo-Yushima

2nd Period



Area	Tokyo 23 Wards
Location	Bunkyo-ku, Tokyo
Acquisition price	1,129million yen
Appraisal price	1,260million yen
NOI yield	6.0%
No. of rentable units	52units
Completion date	Dec. 2008
Lease contract type	Pass-through

## P-87 RESIDIA Ichigaya-Yakuoji

2nd Period



Area	Tokyo Central 7 Wards
Location	Shinjuku, Tokyo
Acquisition price	2,070million yen
Appraisal price	2,230million yen
NOI yield	5.8%
No. of rentable units	98units
Completion date	Aug. 2008
Lease contract type	Rent Guarantee

## P-88 RESIDIA Yoga

2nd Period



Area	Tokyo Central 7 Wards
Location	Setagaya-ku, Tokyo
Acquisition price	1,523million yen
Appraisal price	1,570million yen
NOI yield	5.5%
No. of rentable units	66units
Completion date	Jun. 2008
Lease contract type	Pass-through

## C-53 RESIDIA Bunkyo-Honkomagome

2nd Period



Area	Tokyo 23 Wards
Location	Bunkyo-ku, Tokyo
Acquisition price	2,340million yen
Appraisal price	2,420million yen
NOI yield	5.6%
No. of rentable units	98units
Completion date	Mar. 2008
Lease contract type	Pass-through

※1 Names of properties will be changed to the listed names. ※2 : Acquisition prices are rounded down to the nearest million. ※3 : NOI yields = appraisal NOI ÷ acquisition price × 100%

# Newly Acquired Assets

(February 1, 2011 ~ Sept. 1, 2011 includes to-be-acquired)

## R-35 RESIDIA Tanimachi

2nd Period



Area	Major Regional Cities
Location	Osaka, Osaka
Acquisition price	1,100million yen
Appraisal price	1,190million yen
NOI yield	6.8%
No. of rentable units	108units
Completion date	Aug. 2008
Lease contract type	Pass-through

## R-38 RESIDIA Hirose-dori

2nd Period



Area	Major Regional Cities
Location	Sendai, Miyagi
Acquisition price	494million yen
Appraisal price	549million yen
NOI yield	7.1%
No. of rentable units	63units
Completion date	Feb. 2010
Lease contract type	Rent Guarantee

## C-54 RESIDIA Tsukishima III

3rd Period



Area	Tokyo 23 Wards
Location	Chuo-ku, Tokyo
Acquisition price	2,570million yen
Appraisal price	2,700million yen
NOI yield	5.7%
No. of rentable units	119units
Completion date	Feb. 2008
Lease contract type	Pass-through

## R-36 RESIDIA Hisaya-Odori

2nd Period



Area	Major Regional Cities
Location	Nagoya, Aichi
Acquisition price	652million yen
Appraisal price	740million yen
NOI yield	7.0%
No. of rentable units	57units
Completion date	Feb. 2007
Lease contract type	Pass-through

## Newly Acquired Assets

(include announced acquisitions by Sept. 1, 2011)

# 13 properties

## C-55 RESIDIA Minamisenju

3rd Period



Area	Tokyo 23 Wards
Location	Arakawa-ku, Tokyo
Acquisition price	2,580million yen
Appraisal price	2,970million yen
NOI yield	7.1%
No. of rentable units	175units
Completion date	Mar. 2007
Lease contract type	Pass-through

## R-37 RESIDIA Sendai-Miyamachi

2nd Period



Area	Major Regional Cities
Location	Sendai, Miyagi
Acquisition price	529million yen
Appraisal price	587million yen
NOI yield	7.2%
No. of rentable units	67units
Completion date	Jan. 2008
Lease contract type	Rent Guarantee

## P-89 RESIDIA TOWER Nakameguro

3rd Period



Area	Tokyo Central 7 Wards
Location	Meguro-ku, Tokyo
Acquisition price	3,300million yen
Appraisal price	3,510million yen
NOI yield	5.7%
No. of rentable units	70units
Completion date	Mar. 2007
Lease contract type	Pass-through

## R-39 RESIDIA Edobori

3rd Period



Area	Major Regional Cities
Location	Osaka, Osaka
Acquisition price	1,400million yen
Appraisal price	1,540million yen
NOI yield	6.6%
No. of rentable units	127units
Completion date	Feb. 2007
Lease contract type	Pass-through

※1 Names of properties will be changed to the listed names. ※2 : Acquisition prices are rounded down to the nearest million. ※3 : NOI yields = appraisal NOI ÷ acquisition price × 100%

# Dormitories and Student Apartments

No. of properties

**10** properties

Actual NOI yield

**6.9%**

Occupancy  
(Residential portion)

**100%**  
(Due to sub-lease contract)

No of rentable units

**2,035** units

Total of acquisition price

**15,426** million yen

Investment ratio of  
portfolio

**4.61%**

## Dormitories<sup>※1</sup>

<sup>※1</sup> Dormitories are apartments either have common bathrooms or laundry spaces within in the property and offer meals

### S-1 Hiyoshidai Student Heights

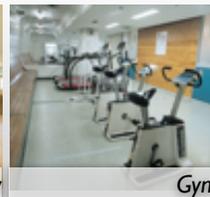
Actual NOI yield 9.6%



Location	Yokohama-shi, Kanagawa
No of units	920units
Completion Date	Mar. 1969
Main Univ.	Keio University



Lobby



Gym

<sup>※</sup> Quake-proofing renovation in 2002

### S-11 Wako Student Heights

Actual NOI yield 6.1%



Location	Wako-shi, Saitama
No of units	127units
Completion Date	Apr. 1990
Main Univ.	Waseda university



Study room

### S-23 College Court Tanashi

Actual NOI yield 7.8%



Location	Nishitokyo-shi, Tokyo
No of units	91units
Completion Date	Feb. 2010
Main Univ.	Waseda university



Cafeteria

## Student apartments<sup>※2</sup>

<sup>※2</sup> Student apartments are normal apartments where the tenants are exclusively students.

### P-3 RESIDIA Nakameguro

Actual NOI yield 5.1%



Location	Meguro-ku, Tokyo
No of units	88units
Completion Date	Feb. 2005
Main Univ.	The University of the Sacred Heart Keio University

### C-50 RESIDIA Shin Itabashi

Actual NOI yield 6.4%



Location	Itabashi-ku, Tokyo
No of units	67units
Completion Date	Aug. 2009
Main Univ.	Teikyo University Toyo university

### P-85 RESIDIA Komazawa

Actual NOI yield 6.3%



Location	Setagaya-ku, Tokyo
No of units	59units
Completion Date	Oct. 2008
Main Univ.	Komazawa University Aoyama Gakuin University

### S-15 RESIDIA Okurayama

Actual NOI yield 5.7%



Location	Yokohama-shi, Kanagawa
No of units	64units
Completion Date	Mar. 1998
Main Univ.	Kanagawa University Teikyo University

### C-28 RESIDIA Oji

Actual NOI yield 6.1%



Location	Kita-ku, Tokyo
No of units	61units
Completion Date	Jul. 2005
Main Univ.	Tokyo University

### R-2 RESIDIA Imadegawa

Actual NOI yield 6.5%



Location	Kyoto-shi, Kyoto
No of units	154units
Completion Date	Feb. 1999
Main Univ.	Doshisha University

### R-8 RESIDIA Kobe Port Island

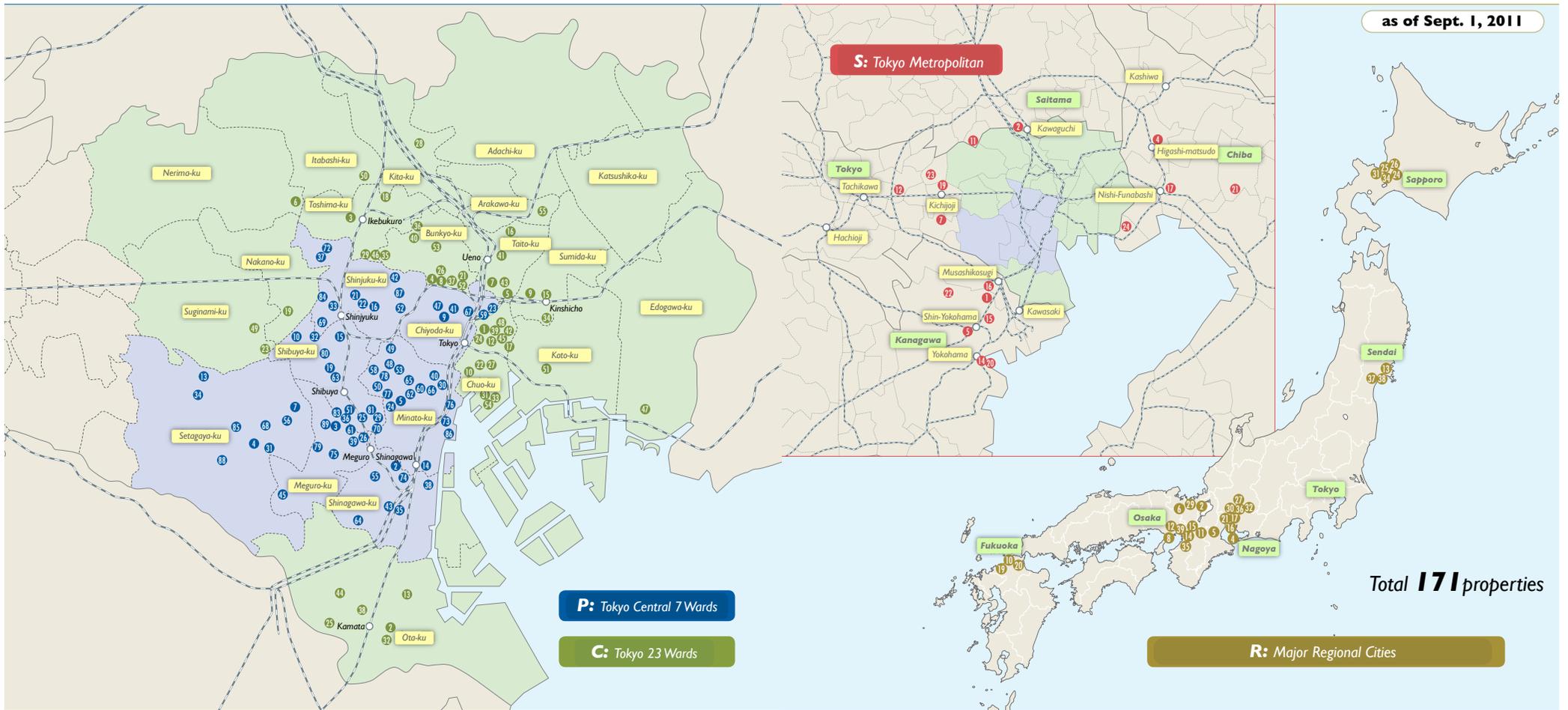
Actual NOI yield 6.0%



Location	Kobe-shi, Hyogo
No of units	404units
Completion Date	Mar. 2007
Main Univ.	Kobe Gakuin University Kobe Women's University Hyogo University of Health Sciences

<sup>※</sup> Actual NOI yield = 2<sup>nd</sup> period actual NOI ÷ acquisition price × 100%.

# Portfolio Map



as of Sept. 1, 2011

S: Tokyo Metropolitan

P: Tokyo Central 7 Wards

C: Tokyo 23 Wards

R: Major Regional Cities

Total 171 properties

P-2 RESIDIA Shimazuyama	P-27 RESIDIA Hiroo	P-48 RESIDIA TOWER Nogizaka	P-68 RESIDIA Sanganjaya II	P-85 RESIDIA Komazawa	C-15 RESIDIA Kinshicho	C-33 RESIDIA Tsukishima II	C-51 RESIDIA Kiba	S-17 RESIDIA Funabashi I and II	R-15 RESIDIA Kyoto-ekimae	R-34 RESIDIA Odori-Koen
P-3 RESIDIA Nakameguro	P-29 RESIDIA Hiroo II	P-49 RESIDIA Akasaka	P-69 RESIDIA Nishi-Shinjuku II	P-86 RESIDIA Shibaura KAIGAN	C-16 RESIDIA Negishi	C-34 RESIDIA Kinshicho I	C-52 RESIDIA Bunkyo-Yushima	S-19 RESIDIA Kichijoji	R-16 RESIDIA Takaoka	R-35 RESIDIA Tanimachi
P-4 RESIDIA Setagaya-Tsurumaki	P-30 Planetta Shiodome	P-50 RESIDIA Nishi-Azabu	P-70 RESIDIA Hiroo-Minami	P-87 RESIDIA Ichigaya-Yakuoji	C-17 RESIDIA Shinkawa	C-35 RESIDIA Bunkyo-Otowa	C-53 RESIDIA Bunkyo-Honkomagome	S-20 Pacific Royal Court Minato Mirai Ocean Tower	R-17 RESIDIA Hibino	R-36 RESIDIA Hisaya-Odori
P-5 RESIDIA Azabujuban	P-31 RESIDIA Komazawadai	P-51 RESIDIA Daikanyama	P-71 RESIDIA Shibuya-Sakuragaoka	P-88 RESIDIA Yoga	C-18 RESIDIA Kamilkebukuro	C-36 RESIDIA Bunkyo-Sengoku	C-54 RESIDIA Tsukishima III	S-21 Maison Yachiyodai	R-19 RESIDIA Tenjin-Minami	R-37 RESIDIA Sendai-Miyamachi
P-7 RESIDIA Ikejirohashi	P-32 RESIDIA Yoyogi	P-52 RESIDIA Ichigaya	P-72 RESIDIA Mejiro-Okumeyama	P-89 RESIDIA TOWER Nakameguro	C-19 RESIDIA Shin-nakano	C-37 RESIDIA Bunkyo-Yushima	C-55 RESIDIA Minamisenju	S-22 Life & Senior House Kohoku II	R-20 RESIDIA Hakataeki-Minami	R-38 RESIDIA Hirose-dori
P-9 RESIDIA Kudanshita	P-33 RESIDIA Nishi-Shinjuku	P-53 RESIDIA Roppongi-Hinokicho-koen	P-73 RESIDIA Shibaura	C-1 RESIDIA Mitsukoshimae	C-21 RESIDIA Bunkyo-Yushima II	C-38 RESIDIA Ikegami	S-1 Hyoshidai Student Heights	S-23 College Court Tanashi	R-21 Mare	R-39 RESIDIA Edobori
P-10 RESIDIA Hatagaya	P-34 RESIDIA Kyodo	P-55 RESIDIA TOWER Meguro-Fudomae	P-74 RESIDIA Gotenyama	C-2 RESIDIA Kamata	C-22 RESIDIA Tsujiji	C-39 RESIDIA Nihonbashi-Ningyocho	S-2 Chester House Kawaguchi	S-24 RESIDIA Urayasu	R-22 Melody Heim Shin-Osaka	
P-13 RESIDIA Sakurajossul	P-35 RESIDIA Olmachi	P-56 RESIDIA Sanganjaya	P-75 RESIDIA Yutenji	C-3 RESIDIA Ikebukuro	C-23 RESIDIA Sasazuka	C-40 RESIDIA Bunkyo-Sengoku II	S-2 RESIDIA Higashi-Matsudo	R-2 RESIDIA Imadegawa	R-23 RESIDIA Minami-Ichijo	
P-14 RESIDIA Kita-Shinagawa	P-36 RESIDIA Ebisu II	P-58 RESIDIA Minami-Aoyama	P-76 Park Tower Shibaura Bayward Urban Wing	C-4 RESIDIA Kamata	C-24 RESIDIA Bunkyo-Hongo	C-41 RESIDIA Iriya	S-5 RESIDIA Shin-Yokohama	R-3 HAUT DOMICILE NANGOGAI	R-24 RESIDIA Nishi-Ichijo	
P-15 RESIDIA Yoyoginomori	P-37 RESIDIA Kamiochiai	P-59 RESIDIA Kanda-Higashi	P-77 Motoazabu Place	C-5 RESIDIA Asakusabashi	C-25 RESIDIA Tamagawa	C-42 RESIDIA Nihonbashi-Hamacho	S-7 RESIDIA Chofu	R-5 ZEUS RYOKUCHI PREMIUM	R-25 RESIDIA Odori-Nishi	
P-16 RESIDIA Shinjuku-East III	P-38 RESIDIA Higashi-Shinagawa	P-60 RESIDIA Higashi-Azabu	P-78 RESIDIA TOWER Roppongi	C-6 Maison Eclairée Ekoda	C-26 RESIDIA Korakuen	C-43 RESIDIA Shin-Okachimachi	S-9 RESIDIA Kawasaki-Motoki	R-6 Zeus Ryokuchi PREMIUM	R-26 RESIDIA Kita-Sanjo	
P-19 Leoplace Udagawacho Mansion	P-39 RESIDIA Meguro II	P-61 RESIDIA Ebisu-Minami	P-79 RESIDIA Kamimeguro	C-7 RESIDIA Ueno-Okachimachi	C-27 RESIDIA Ginza-Higashi	C-44 RESIDIA Chidori-cho	S-10 RESIDIA Kokuryu	R-8 RESIDIA Kobe Port Island	R-27 RESIDIA Shirakabe-Higashi	
P-21 RESIDIA Shinjuku-East II	P-40 RESIDIA Toranomon	P-62 RESIDIA TOWER Azabujuban	P-80 RESIDIA Yoyogikoen	C-8 RESIDIA Bunkyo-Hongo II	C-28 RESIDIA Oji	C-45 RESIDIA Shinkawa II	S-11 Wako Student Heights	R-10 RESIDIA Hakata	R-28 RESIDIA Sakai-Higashi	
P-22 RESIDIA Shinjuku-East	P-41 RESIDIA Shin-Ochanomizu	P-63 RESIDIA Shibuya	P-81 Windsor House Hiroo	C-9 RESIDIA Ryogoku	C-29 RESIDIA Mejiro II	C-46 RESIDIA Mejiro	S-12 RESIDIA Kokubunji	R-11 RESIDIA Tenjinbashi	R-29 RESIDIA Uzumasa	
P-23 RESIDIA Kanda-Iwamotocho	P-42 RESIDIA Kagurazaka	P-64 RESIDIA Nakanobu	P-83 RESIDIA Daikanyama-Sarugakuchicho/Daikanyama Parkside Village	C-10 RESIDIA Higashi-Ginza	C-30 K2	C-47 RESIDIA Kasai	S-14 RESIDIA Yokohama-Kannai	R-12 RESIDIA Sannomiya-Higashi	R-30 RESIDIA Izumi	
P-24 RESIDIA Azabujuban II	P-43 RESIDIA Olmachi II	P-65 RESIDIA Azabudai	C-12 RESIDIA Nihonbashi-Ningyocho II	C-12 RESIDIA Nihonbashi-Ningyocho II	C-31 RESIDIA Tsukishima	C-48 RESIDIA Nihonbashi-Bakurocho	S-15 RESIDIA Okurayama	R-13 KC21 Building	R-31 RESIDIA Maruyama Kita-Gojo	
P-25 RESIDIA Ebisu	P-45 RESIDIA Jiyugaoka	P-66 RESIDIA Shiba-daimon II	C-13 RESIDIA Omori-Higashi	C-13 RESIDIA Omori-Higashi	C-32 RESIDIA Kamata II	C-49 RESIDIA Suginami-Honancho	S-16 RESIDIA Musashikosugi	R-14 RESIDIA Utsubokoen	R-32 RESIDIA Tokugawa	
P-26 RESIDIA Meguro	P-47 RESIDIA Suidobashi	P-67 RESIDIA Kanda	P-84 RESIDIA Kita-Shinjuku	C-14 Residence Oyama	C-33 RESIDIA Tsukishima II	C-50 RESIDIA Shintabashi				

# Portfolio

as of September 1, 2011

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	2004/11/24	115	2,860	0.85	2,650	2,630	P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	2006/03/17	52	1,160	0.34	1,130	1,154
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2005/02/10	88	1,730	0.51	1,640	1,594	P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	2006/08/04	52	918	0.27	922	912
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	2002/03/11	28	1,229	0.36	1,202	1,200	P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	2007/07/02	40	1,050	0.31	1,060	1,044
P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	1999/11/29	44	1,987	0.59	1,810	1,972	P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	2002/03/19	28	1,050	0.31	1,050	1,041
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	2005/08/19	42	1,230	0.36	1,110	1,197	P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	2004/11/22	65	2,310	0.68	2,230	2,294
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	2004/03/09	86	2,270	0.67	2,220	2,202	P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	2004/08/31	68	3,660	1.08	3,560	3,636
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2006/02/09	35	1,130	0.33	1,030	1,120	P-49	RESIDIA Akasaka	Minato-ku, Tokyo	2004/05/21	37	1,180	0.35	1,170	1,174
P-13	RESIDIA Sakurajousai	Setagaya-ku, Tokyo	2006/07/07	39	1,120	0.33	1,080	1,123	P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	2004/07/15	125	6,780	2.00	6,760	6,733
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2007/02/23	120	2,720	0.80	2,480	2,728	P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	2004/07/23	42	2,150	0.64	1,990	2,129
P-15	RESIDIA Yoyoginomari	Shibuya-ku, Tokyo	2007/03/08	22	732	0.22	546	741	P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	2004/08/20	85	2,500	0.74	2,470	2,480
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2009/02/23	39	750	0.22	769	773	P-53	RESIDIA Roppongi-Hinakichokoen	Minato-ku, Tokyo	1999/09/16	88	3,570	1.06	3,540	3,546
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	2001/08/07	30	588	0.17	601	585	P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	2007/01/07	358	16,500	4.88	16,500	16,337
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2004/02/06	54	1,380	0.41	1,390	1,369	P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	2005/01/11	78	2,760	0.82	2,760	2,735
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	2000/08/01	48	941	0.28	879	933	P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	2005/03/14	13	728	0.22	653	746
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2004/02/12	65	1,520	0.45	1,510	1,505	P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	2003/10/29	64	1,620	0.48	1,600	1,608
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2001/02/14	37	874	0.26	855	868	P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	2006/04/17	31	1,430	0.42	1,420	1,422
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	2001/01/31	26	554	0.16	542	548	P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	2007/03/06	39	2,020	0.60	1,930	2,013
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	1999/10/13	20	722	0.21	705	718	P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	2003/01/09	113	6,190	1.83	5,750	6,162
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	2005/11/01	76	1,660	0.49	1,680	1,647	P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	2006/06/22	40	1,250	0.37	1,250	1,246
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2005/02/18	67	1,950	0.58	1,920	1,932	P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	2005/11/16	65	1,880	0.56	1,890	1,866
P-31	RESIDIA Kamazawadaigaku	Setagaya-ku, Tokyo	2004/10/22	18	333	0.10	341	330	P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2006/02/28	47	1,610	0.48	1,570	1,602
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2005/02/24	16	326	0.10	317	324	P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	2006/08/24	48	1,740	0.51	1,690	1,730
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2005/02/18	19	363	0.11	369	360	P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	2006/06/01	43	1,140	0.34	1,120	1,135
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2005/02/23	15	286	0.08	287	283	P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	2006/03/13	34	1,280	0.38	1,220	1,274
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	2005/11/16	48	947	0.28	930	939	P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	2007/05/16	74	1,830	0.54	1,830	1,819
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	2006/01/31	61	2,280	0.67	2,250	2,273	P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	2007/08/30	26	923	0.27	915	917
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	2006/09/05	70	1,180	0.35	1,190	1,171	P-72	RESIDIA Mejiro-Otoemeyama	Shinjuku-ku, Tokyo	2002/12/10	19	974	0.29	970	966
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	2006/08/01	122	2,040	0.60	2,030	2,028	P-73	RESIDIA Shibaura	Minato-ku, Tokyo	1991/09/30	154	4,670	1.38	4,710	4,616
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	2006/01/31	34	1,190	0.35	1,160	1,186	P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	2007/01/29	16	930	0.27	863	926
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	2006/09/22	63	1,320	0.39	1,320	1,312	P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	2006/08/24	118	5,260	1.55	5,140	5,234

\* Appraisal Prices are as of July 31, 2011

\* Appraisal prices for properties acquired after the end of the 2<sup>nd</sup> period use the appraisal at the time of acquisition

# Portfolio

as of September 1, 2011

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	2005/05/24	191	9,570	2.83	9,320	9,494	C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	2004/03/01	63	1,010	0.30	986	999
P-77	Motoazabu Place	Minato-ku, Tokyo	2001/02/05	41	8,430	2.49	8,210	8,398	C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	2005/12/06	54	1,460	0.43	1,440	1,446
P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	2006/02/28	83	7,040	2.08	6,370	7,001	C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	2000/03/15	96	1,800	0.53	1,760	1,784
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1993/01/27	16	878	0.26	862	869	C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	2005/01/18	52	1,220	0.36	1,210	1,210
P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	1998/07/15	6	1,100	0.33	984	1,094	C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	2004/09/29	98	1,300	0.38	1,260	1,285
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	2003/06/13	12	1,750	0.52	1,590	1,738	C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	2004/10/18	31	603	0.18	609	596
P-83	RESIDIA Daikanyama-Sarugakuchō / Daikanyama Parkside Village	Shibuya-ku, Tokyo	1998/01/14	77	7,360	2.18	6,920	7,347	C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	2004/09/07	94	2,000	0.59	1,940	1,980
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	1997/02/26	26	1,460	0.43	1,460	1,451	C-28	RESIDIA Oji	Kita-ku, Tokyo	2005/02/15	61	867	0.26	876	856
P-85	RESIDIA Kamazawa	Setagaya-ku, Tokyo	2008/10/17	59	870	0.26	974	901	C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	2005/07/13	63	1,050	0.31	1,050	1,042
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	2010/01/06	72	2,400	0.71	2,550	2,491	C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2006/02/27	40	1,100	0.33	1,100	1,092
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	2008/08/19	98	2,070	0.61	2,270	2,146	C-32	RESIDIA Kamata II	Ota-ku, Tokyo	2006/09/03	78	1,360	0.40	1,370	1,351
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	2008/06/03	66	1,523	0.45	1,600	1,634	C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	2006/09/22	105	2,440	0.72	2,440	2,423
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	2007/03/30	70	3,300	0.97	3,510	-	C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	2008/01/29	99	2,380	0.70	2,360	2,365
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2005/02/07	105	1,920	0.57	1,930	1,784	C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	2003/08/04	104	3,380	1.00	3,440	3,338
C-2	RESIDIA Kamata	Ota-ku, Tokyo	2005/03/09	166	2,640	0.78	2,790	2,460	C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2003/02/19	33	707	0.21	723	698
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	2005/03/15	60	1,520	0.45	1,460	1,487	C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2003/02/20	39	1,050	0.31	1,070	1,039
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	2005/07/23	65	1,680	0.50	1,690	1,648	C-38	RESIDIA Ikegami	Ota-ku, Tokyo	2003/07/02	19	378	0.11	372	374
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	2005/08/27	47	1,060	0.31	1,070	1,026	C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	2004/03/03	25	557	0.16	564	550
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	1993/03/31	93	953	0.28	901	970	C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	2005/04/15	45	1,440	0.43	1,390	1,431
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2006/02/20	127	3,160	0.93	3,140	3,091	C-41	RESIDIA Iniya	Taito-ku, Tokyo	2004/12/08	49	990	0.29	1,000	976
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	2006/01/27	70	1,623	0.48	1,560	1,645	C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	2006/08/31	45	1,310	0.39	1,290	1,304
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2006/02/10	48	913	0.27	908	909	C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	2007/03/16	69	1,860	0.55	1,800	1,849
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	2006/09/01	169	5,251	1.55	4,670	5,264	C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	2006/09/05	60	1,290	0.38	1,290	1,282
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	2007/01/17	137	3,180	0.94	3,080	3,180	C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2003/02/26	36	1,320	0.39	1,280	1,305
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	2007/08/06	81	1,980	0.59	1,680	1,992	C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1999/01/12	162	6,280	1.86	6,170	6,212
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	2007/11/13	157	4,200	1.24	3,700	4,243	C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	2000/01/18	29	683	0.20	699	674
C-16	RESIDIA Negishi	Taito-ku, Tokyo	2005/12/02	28	856	0.25	759	884	C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2007/02/15	132	5,500	1.63	5,560	5,461
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2003/02/10	83	1,880	0.56	1,800	1,865	C-49	RESIDIA Suginami-Honacho	Suginami-ku, Tokyo	2009/02/26	194	3,834	1.13	4,450	3,966
C-18	RESIDIA Kamikebukuro	Toshima-ku, Tokyo	2001/12/21	44	558	0.16	545	551	C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	2009/08/04	67	888	0.26	945	922
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	2002/06/07	24	352	0.10	370	348	C-51	RESIDIA Kiba	Koto-ku, Tokyo	2008/03/13	155	1,950	0.58	2,240	2,082

\* Appraisal Prices are as of July 31, 2011

\* Appraisal prices for properties acquired after the end of the 2<sup>nd</sup> period use the appraisal at the time of acquisition

# Portfolio

as of September 1, 2011

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2008/12/18	52	1,129	0.33	1,280	1,169
C-53	RESIDIA Bunkyo-Honkamagome	Bunkyo-ku, Tokyo	2008/03/06	98	2,340	0.69	2,450	2,441
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2008/02/25	119	2,570	0.76	2,700	-
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	2007/03/03	175	2,580	0.76	2,970	-
S-1	Hiyoshidai Student Heights	Yokohama City, Kanagawa	1969/03/31	920	3,420	1.01	3,503	3,270
S-2	Chester House Kawaguchi	Kawaguchi City, Saitama	1991/03/07	39	770	0.23	631	743
S-4	RESIDIA Higashi-Matsudo	Matsudo City, Chiba	2007/04/23	44	1,100	0.33	932	1,139
S-5	RESIDIA Shin-Yokohama	Yokohama City, Kanagawa	2007/01/30	131	1,920	0.57	1,710	1,924
S-7	RESIDIA Chofu	Chofu City, Tokyo	2007/03/07	41	1,143	0.34	1,020	1,155
S-11	Wako Student Heights	Wako City, Saitama	1990/04/30	127	675	0.20	569	709
S-12	RESIDIA Kokubunji	Kokubunji City, Tokyo	2003/02/10	33	518	0.15	518	512
S-14	RESIDIA Yokohama-Kannai	Yokohama City, Kanagawa	2004/08/17	102	1,700	0.50	1,720	1,678
S-15	RESIDIA Okurayama	Yokohama City, Kanagawa	1998/03/02	64	755	0.22	764	748
S-16	RESIDIA Musashikosugi	Kawasaki City, Kanagawa	2007/02/26	68	1,580	0.47	1,580	1,571
S-17	RESIDIA Funabashi I and II	Funabashi City, Chiba	2007/03/01	172	2,730	0.81	2,700	2,706
S-19	RESIDIA Kichioji	Musashino City, Tokyo	1995/03/20	48	1,380	0.41	1,340	1,374
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama City, Kanagawa	2007/11/06	416	14,000	4.14	13,900	13,739
S-21	Maison Yachiyodai	Yachiyo City, Chiba	1989/08/07	39	882	0.26	852	869
S-22	Life & Senior House Kohoku II	Yokohama City, Kanagawa	2003/10/31	78	1,670	0.49	1,670	1,658
S-23	College Court Tanashi	Nishi-Tokyo City, Tokyo	2010/02/18	91	810	0.24	905	844
S-24	RESIDIA Urayasu	Urayasu City, Chiba	2009/09/18	146	2,115	0.63	2,410	2,261
R-2	RESIDIA Imadegawa	Kyoto City, Kyoto	1999/02/26	154	1,671	0.49	1,512	1,623
R-4	RESIDIA Higashi-Sakura	Nagoya City, Aichi	2006/02/20	91	1,290	0.38	1,050	1,226
R-5	RESIDIA Kameyama	Kameyama City, Mie	2007/02/20	182	1,610	0.48	1,180	1,662
R-6	Zeus Ryokuchi PREMIUM	Toyonaka City, Osaka	2007/05/07	44	979	0.29	855	977
R-8	RESIDIA Kobe Port Island	Kobe City, Hyogo	S+C 2007/03 N 2008/02	404	3,740	1.11	3,290	3,790
R-10	RESIDIA Hakata	Fukuoka City, Fukuoka	2002/03/12	155	1,220	0.36	1,190	1,217
R-11	RESIDIA Tenjinbashi	Osaka City, Osaka	2000/02/15	78	871	0.26	871	859
R-12	RESIDIA Sannomiya-Higashi	Kobe City, Hyogo	2005/11/07	161	2,220	0.66	2,210	2,190
R-13	KC21 Building	Sendai City, Miyagi	1997/03/12	79	900	0.27	856	890
R-14	RESIDIA Utubokoan	Osaka City, Osaka	2006/01/11	94	1,170	0.35	1,160	1,157

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)
R-15	RESIDIA Kyoto-ekimae	Kyoto City, Kyoto	2006/02/28	116	1,970	0.58	1,970	1,947
R-16	RESIDIA Takaoka	Nagoya City, Aichi	2007/08/20	198	2,330	0.69	2,320	2,311
R-17	RESIDIA Hibino	Nagoya City, Aichi	1992/04/10	124	1,340	0.40	1,290	1,318
R-19	RESIDIA Tenjin-Minami	Fukuoka City, Fukuoka	2004/01/15	56	936	0.28	908	925
R-20	RESIDIA Hakataeki-Minami	Fukuoka City, Fukuoka	2003/01/14	39	324	0.10	326	318
R-21	Mare	Nagoya City, Aichi	2005/02/02	38	685	0.20	676	676
R-24	RESIDIA Minami-Ichijo	Sapporo City, Hokkaido	2006/12/19	179	1,640	0.48	1,650	1,622
R-25	RESIDIA Odori-Nishi	Sapporo City, Hokkaido	2006/12/05	103	1,320	0.39	1,280	1,322
R-26	RESIDIA Kita-Sarjo	Sapporo City, Hokkaido	2007/01/25	100	1,130	0.33	1,150	1,116
R-27	RESIDIA Shirakabe-Higashi	Nagoya City, Aichi	2005/05/25	33	831	0.25	824	823
R-29	RESIDIA Uzumasa	Kyoto City, Kyoto	2000/01/17	48	701	0.21	695	697
R-30	RESIDIA Izumi	Nagoya City, Aichi	2005/11/17	122	3,700	1.09	3,700	3,661
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo City, Hokkaido	2007/02/02	56	1,050	0.31	1,060	1,040
R-32	RESIDIA Tokugawa	Nagoya City, Aichi	2006/12/19	27	751	0.22	742	745
R-34	RESIDIA Odori-Koen	Sapporo City, Hokkaido	2007/08/02	109	2,010	0.59	2,000	1,992
R-35	RESIDIA Tanimachi	Osaka City, Osaka	2008/08/22	108	1,100	0.32	1,190	1,207
R-36	RESIDIA Hisaya-Odori	Nagoya City, Aichi	2007/02/01	57	652	0.19	742	685
R-37	RESIDIA Sendai-Miyamachi	Sendai City, Miyagi	2008/01/30	67	529	0.16	571	561
R-38	RESIDIA Hirose-dori	Sendai City, Miyagi	2010/02/22	63	494	0.15	541	526
R-39	RESIDIA Edobori	Osaka City, Osaka	2007/02/11	127	1,400	0.41	1,540	-
Total				14,342	339,112	100%	334,005	325,864

Area	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	
P	Tokyo Central 7 Wards	4,426	167.026	0.5	161,587	162,011
C	Tokyo 23 Wards	4,145	94.353	0.3	95,070	88,407
S	Tokyo Metropolitan	2,559	37,168	0.1	37,593	36,604
R	Major Regional Cities	3,212	40,564	0.1	39,755	38,841
Total		14,342	339,112	1.0	334,005	325,864

\* Appraisal Prices are as of July 31, 2011

\* Appraisal prices for properties acquired after the end of the 2<sup>nd</sup> period use the appraisal at the time of acquisition

# Portfolio Diversification Policy

Investment Regions	Investment ratio <sup>*1</sup>
Tokyo Central 7 Wards	40 ~ 60%
Tokyo 23 Wards (ex. the 7 Wards)	20 ~ 40%
Tokyo Metropolitan (ex. the 23 Wards)	5 ~ 20%
Major Regional Cities	5 ~ 20%

Unit types	Investment ratio <sup>*2</sup>
Singles	~ 50%
Compacts	20 ~ 40%
Families	20 ~ 40%
Large	~ 10%

■ In addition to the above, we invest in the following unit type.

Unit types	Investment ratio <sup>*2</sup>
Dormitories	up to 20%

\*Note

- Investment ratios are calculated based on acquisition price.
- Investment ratios are calculated based on leasable area.
- Tokyo Central 7 Wards include Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa. Tokyo Metropolitan (ex. the 23 Wards) include Tokyo (ex. the 23 Wards), Kanagawa, Saitama and Chiba.

## Unit-type Definition

No. of Bedrooms	~30㎡	~40㎡	~50㎡	~60㎡	~70㎡	~80㎡	~90㎡	over 90㎡
Studio	S	S	C	C	L	L	L	L
1 Bedroom	S	C	C	C	L	L	L	L
2 Bedroom	-	C	C	F	F	F	F	L
3 Bedroom	-	-	F	F	F	F	F	L
4 Bedroom ~	-	-	-	-	F	F	F	L

**Studio** 1R, 1K, STUDIO  
**1Bedroom** 1DK, 1LDK  
**2Bedroom** 2DK, 2LDK, 1LDK+S  
**3Bedroom** 3DK, 3LDK, 2LDK+S  
**4Bedroom ~** 4DK, 4LDK, 3LDK+S, or units with more rooms

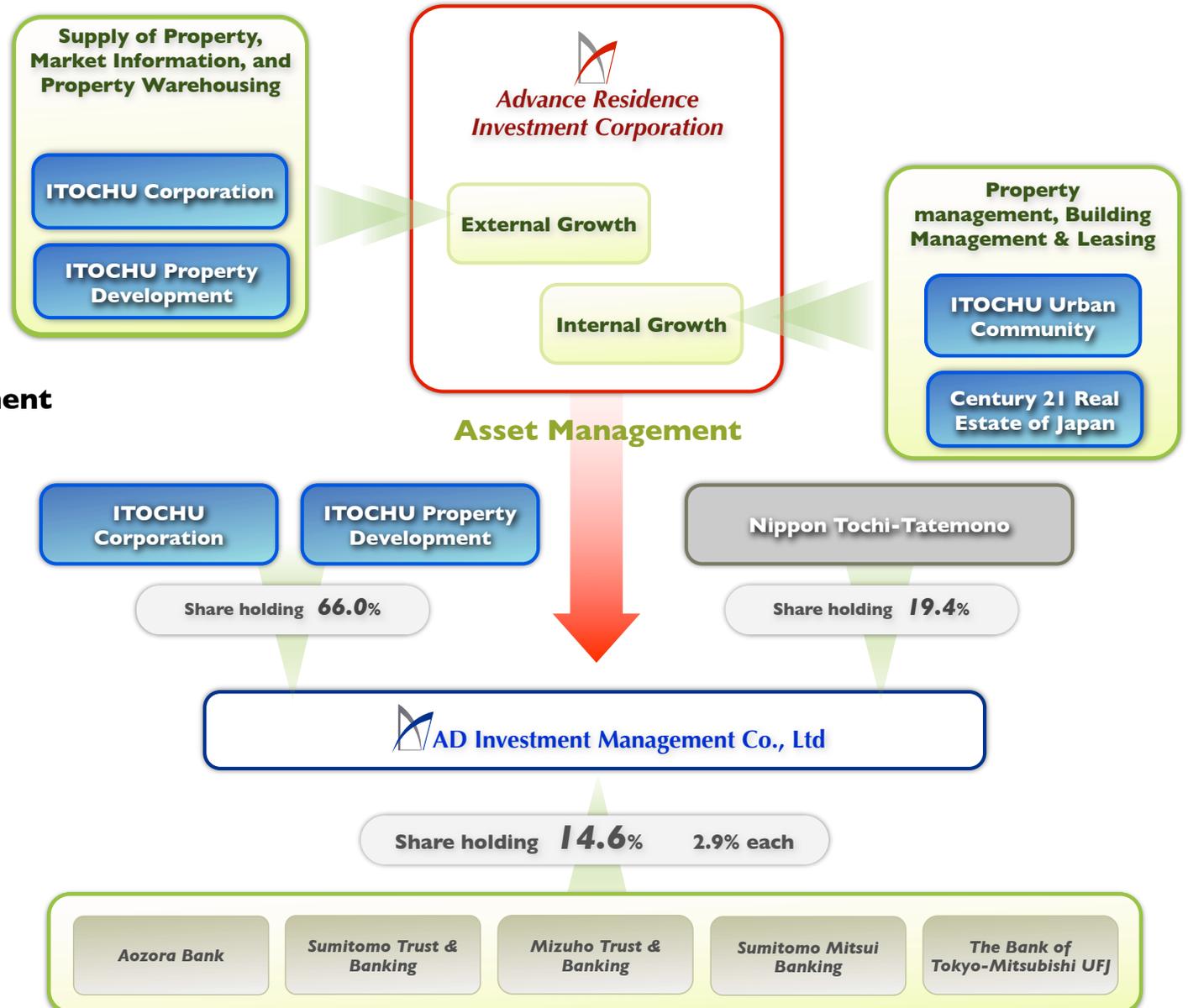
**S = Single Type Units** mostly for singles  
**C = Compact Type Units** mostly for singles, couples or small families  
**F = Family Type Units** mostly for families  
**L = Large Type Units** mostly for foreign executives

**Dormitory Type Units** The units share common bathrooms and laundry spaces within in the property

# Sponsor Support

## Support from ITOCHU Group

Being a member of a major conglomerate trading house, the ITOCHU Group, AD Investment Management Co., Ltd., the asset management company, utilizes the support of ITOCHU Group to maximize the asset of Advance Residence through external and internal growth.



## Shareholders of the AD Investment Management Co., Ltd.

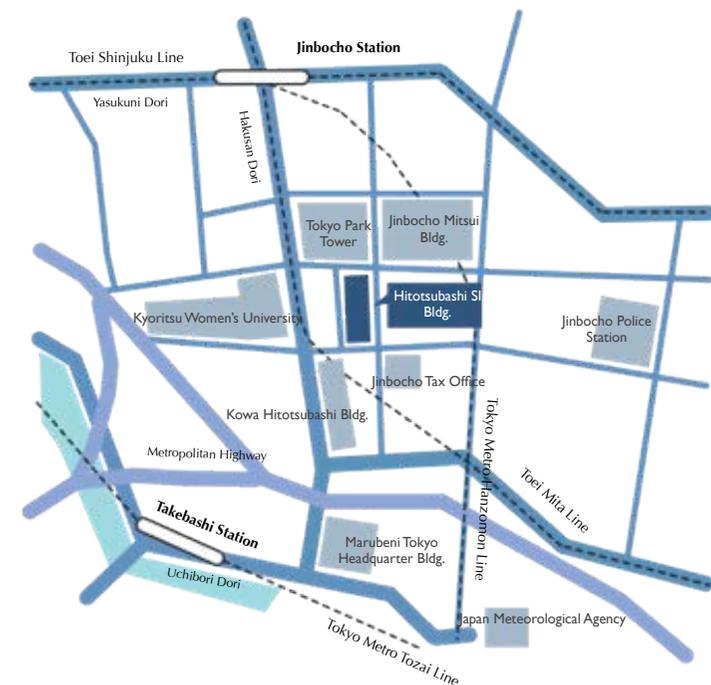
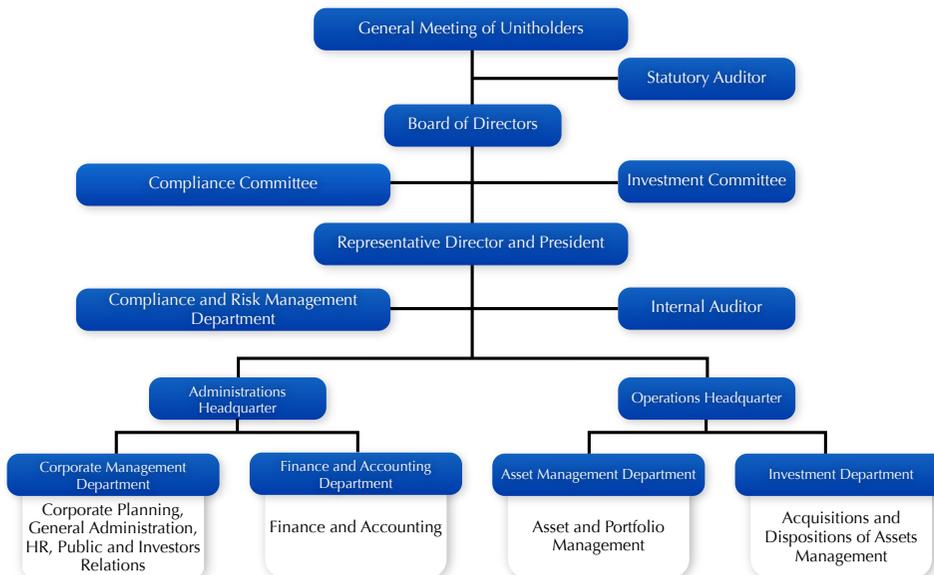
The shareholders of AD Investment Management Co., Ltd. not only include the companies of ITOCHU Group but also include five major Japanese financial institutions.

# Asset Management Company Profile

## Company Profile

<p><b>Name:</b> <i>AD Investment Management Co., Ltd.</i></p> <p><b>Address:</b> 9F Hitotsubashi SI Bldg., 3-26 Kanda-Nishikicho, Chiyoda-ku, Tokyo, Japan</p> <p><b>Company Representative:</b> Kenji Kousaka, Representative Director and President</p> <p><b>Amount of Capital:</b> 300 million yen</p> <p><b>Type of Business:</b> Asset Management</p> <p><b>History:</b> March 1, 2010 Merges with Pacific Residential Corporation          May 17, 2005 Company name is changed to AD Investment Management Co., Ltd.          February 2, 2005 Established as Japan Residential Management Co., Ltd.</p> <p><b>Registrations and Licenses:</b> Real estate agent's license (The Governor of Tokyo (2) No.84325)          Approval for a discretionary transaction agent (Minister of Land, Infrastructure, Transport and Tourism Approval, No.37)          Certification to conduct businesses related to investment trust management (Prime Minister; License No. 49)          Registered for a financial instruments business (Kanto Local Finance Bureau registration No.309)</p>	<p><i>AD Investment Management Co., Ltd.</i></p> <p><i>Advance Residence Investment Corporation</i></p> <p><a href="http://www.adim.co.jp/">http://www.adim.co.jp/</a></p> <p><a href="http://www.adr-reit.com/">http://www.adr-reit.com/</a></p>
--	---

## Corporate Structure





# Note

---

---

---

---

---

---

---

---

---

---

# Disclaimer

*This material contain forward-looking statements on future operating results, plans, business objectives and strategies of the company.*

*Forward-looking statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to any historical or current fact. Forward-looking statements are not guarantees of future performance and the Company's actual results may differ significantly from the results discussed in the forward-looking statements.*

*This material is based on Japanese GAAP unless otherwise stated.*

*This material was not created for the purpose of soliciting investment in the company. Investments should be based on your own judgment and responsibility.*



*Advance Residence Investment Corporation*

v20111013