



**4<sup>th</sup>** Fiscal Period  
(Ended July 2012)

Dividend per unit

**4,724** yen

Period-on-period

**+224** yen



**4<sup>th</sup> Fiscal Period Report**

February 1, 2012 ♦ July 31, 2012

**Advance Residence Investment Corporation**

3-26 Kanda-nishikicho, Chiyoda-ku, Tokyo

[www.adr-reit.com](http://www.adr-reit.com)

## Financial Highlights

### 4th Fiscal Period Dividend

Dividend per unit **4,724** yen (+224 yen period-on-period)

The 4th Fiscal Period had 182 days of operation from February 1, 2012 to July 31, 2012.

5th/6th Fiscal Period Dividend Forecast **4,500** yen per unit

The 5th Fiscal Period will have 184 days of operation from August 1, 2012 to January 31, 2013.

The 6th Fiscal Period will have 181 days of operation from February 1, 2013 to July 31, 2013.

### Profit Enhancing Equity Financed Property Acquisitions

**17** properties

Total acquisition price

**26,088** million yen

Average NOI yield **5.9%**

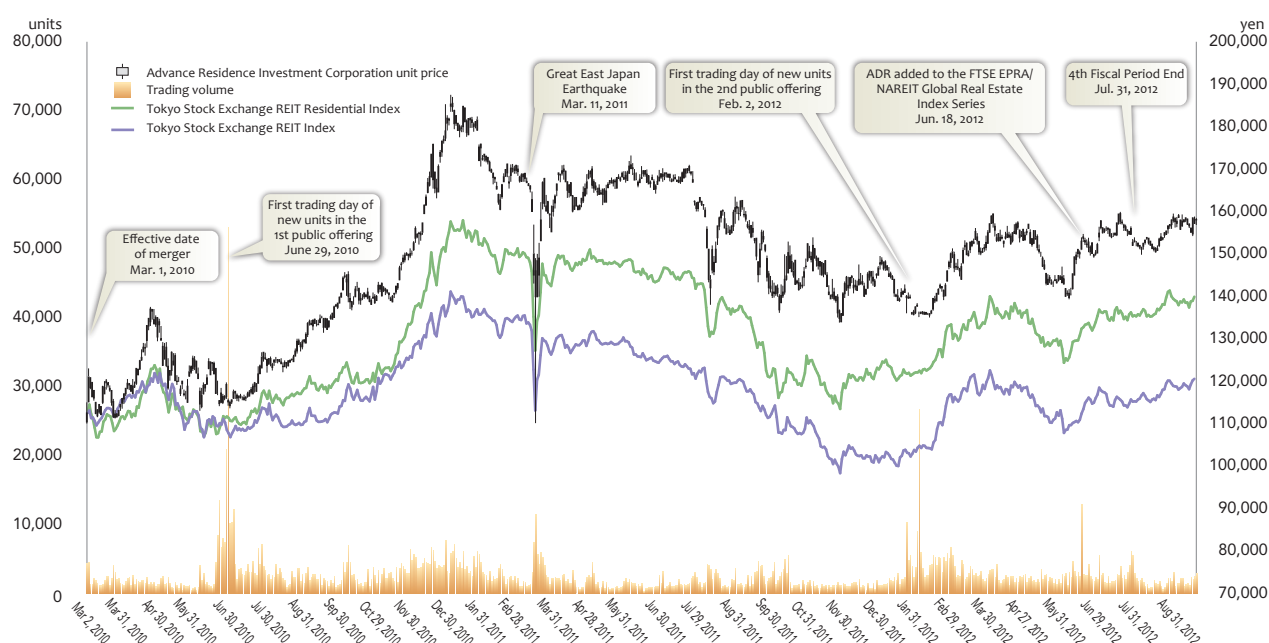
Average building age

**4.5** years

### Stronger Financial Base

Average interest rate **1.46%** (down **0.18** percentage points period-on-period)

Average maturity of interest-bearing debts **2.9** years (up **0.3** years period-on-period)



(Note) The Tokyo Stock Exchange REIT Index and the Tokyo Stock Exchange REIT Residential Index are re-indexed using ADR's March 2, 2010 unit closing price of 112,500 yen as the base.

## To Our Unitholders

We would like to report on the management results and performance of Advance Residence Investment Corporation (ADR) for its 4th Fiscal Period, or the six months ended July 31, 2012.

During the fiscal period, we pursued the strategy for expanding our investment assets with an aim to further enhance the profitability of the portfolio. The strategy was newly employed based on the results ADR achieved in reshaping the portfolio through asset replacements conducted and completed in the previous fiscal period.

Specifically, ADR newly acquired 17 properties with raised funds by issuing additional investment units through public offering, its second such equity financing operation since the merger. We were able to purchase these properties at cap rates higher than that of the existing portfolio. We also reinforced the profitability of assets under management and reduced financing costs. These endeavors enabled ADR to post net income per unit of 4,192 yen for the fiscal period under review, an increase of 113 yen over the 4,079 yen achieved for the 3rd Fiscal Period.

This was also 224 yen more than the 3,968 yen in net income per unit disclosed in the performance forecast made at the beginning of the period.

Accordingly, based on the new dividend payout policy we announced at the end of the previous fiscal period, we decided to increase the dividend per unit for the 4th Fiscal Period to 4,724 yen from the beginning-of-period forecast of 4,500 yen.

As for the performance of ADR's investment units, the price recovered to 152,900 yen per unit as of the end of the 4th Fiscal Period from the 137,500 yen at the end of the previous fiscal period. The increase was partly due to a positive financial market environment during the fiscal period, such as the additional monetary easing announced by the Bank of Japan.



高坂 健司

Kenji Kousaka  
Executive Director, Advance Residence Investment Corporation  
President, AD Investment Management Co., Ltd.

### Basic Management Policy

The basic management policy for ADR is “realization of stable distribution of earnings over the long term.”

For the medium term, we aim to build a revenue structure that allows ADR to secure dividend per unit of 4,500 yen within the net income and without resorting to the reserve for dividends generated from the gain on negative goodwill.

During the fiscal period under review, ADR carried out the following measures to achieve the above aim.

- 1) External growth: Acquired 17 properties and secured preferential negotiation rights concerning acquisitions
- 2) Internal growth: Maintained high occupancy rate and improved rental income of respective properties
- 3) Financial strategy: Increased capital through public offering and strengthened financial base

These measures allowed ADR to achieve the following operating results for the 4th Fiscal Period, which outperformed both the previous period's results and the beginning-of-period forecast in revenue, income and dividend.

Operating revenue:	12,219 million yen
Operating income:	6,559 million yen
Ordinary income:	4,612 million yen
Net income:	4,611 million yen
Net income per unit:	4,192 yen
Dividend per unit:	4,724 yen

# Results of Operations

## 1. External Growth

### Portfolio Profitability Enhanced through New Acquisitions of 17 Properties

ADR newly acquired 17 properties in the 4th Fiscal Period.

We made a positive impact on the profitability of ADR's portfolio by acquiring properties which mainly consist of single-type units that are highly competitive and expected to achieve stable performance at high yields.

Item	Description
Primary area	Mostly in the Tokyo 23 wards and major regional cities
Primary type	Mostly single type
No. of properties acquired	17 properties
Total acquisition price	26,088 million yen
Appraisal NOI <sup>(Note 1)</sup> yield upon acquisition	5.9 %
Average building age upon acquisition	4.5 years

(Note 1) NOI represents the rental income obtained by deducting expenses related to rent business (excluding depreciation) from revenue from property leasing.

### Properties Acquired during the 4th Fiscal Period



P-90 RESIDIA Sasazuka II



C-57 RESIDIA Monzennakacho



C-58 RESIDIA Ochanomizu



C-59 RESIDIA Omori



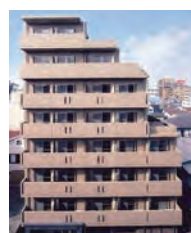
C-60 RESIDIA Nakamurabashi



C-61 RESIDIA Kachidoki



C-62 RESIDIA Bunkyo-Otowa II



C-63 RESIDIA Kinshicho III



C-64 RESIDIA Kamata III



S-25 RESIDIA Minami-Gyotoku



S-26 RESIDIA Urayasu II



S-27 RESIDIA Gyotoku



S-28 RESIDIA Kawasaki



R-41 RESIDIA Esaka



R-42 RESIDIA Nishijin



R-43 RESIDIA Tsurumai



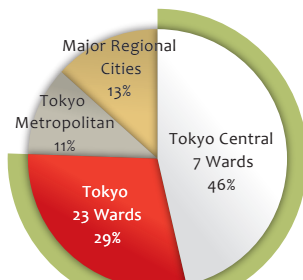
R-44 RESIDIA Kobe-Isogami

## ADR's 4th Fiscal Period Portfolio

(as of July 31, 2012)

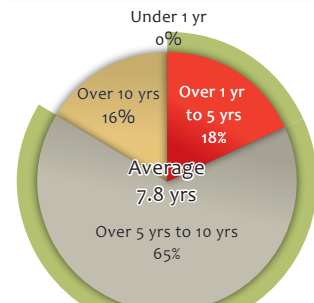
<b>No. of properties</b> 190 properties	<b>Number of leasable units</b> 16,127 units	<b>NOI yield*</b> 5.4%
<b>Total assets (based on acquisition price)</b> 367.9 billion yen	<b>Total leasable floor area</b> 590,672m <sup>2</sup>	<b>Average amount invested per property</b> 1.93 billion yen

### Investment Regions (Based on acquisition price)



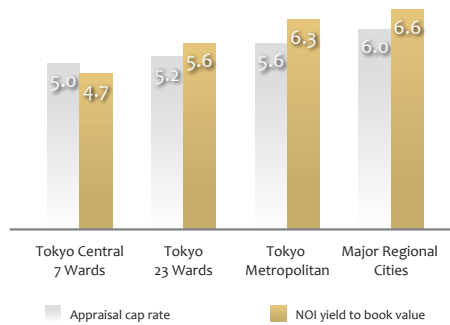
23 Tokyo Wards Total 76%

### Building Age (Based on acquisition price)

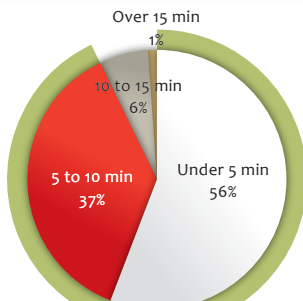


Under 10 yrs 84%

### NOI Yield (%) (By investment region)

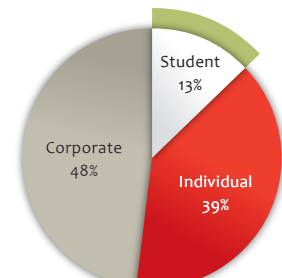


### Walking Minutes to Train Station (Based on acquisition price)



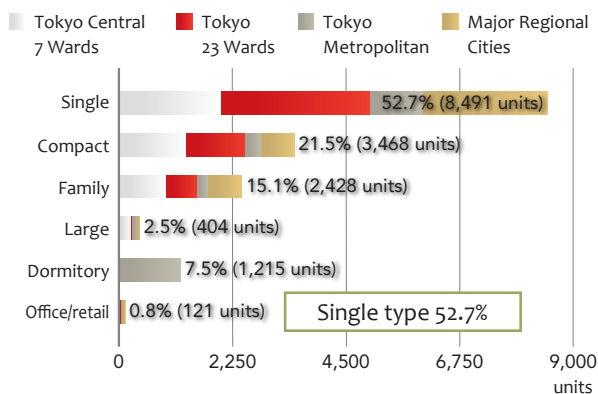
Under 10 minutes 94%

### Tenant Category (Based on no. of units)



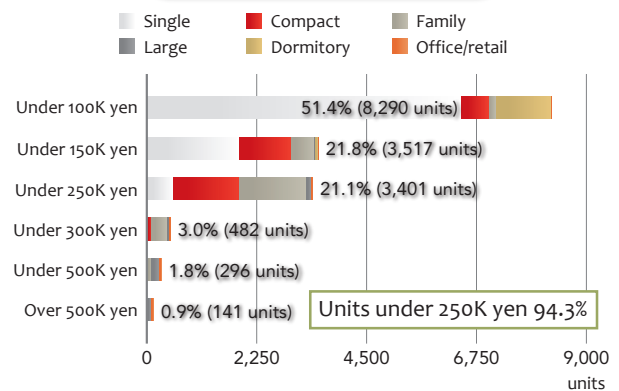
Student 13%

### Unit Type (Based on no. of units)



Single type 52.7%

### Monthly Rent (Based on no. of units)



Units under 250K yen 94.3%

\*NOI yield is calculated as follows: Annualized NOI ÷ book value at end of period. The annualized NOI is the sum of each property's actual NOI annualized in accordance with the number of days of operation.

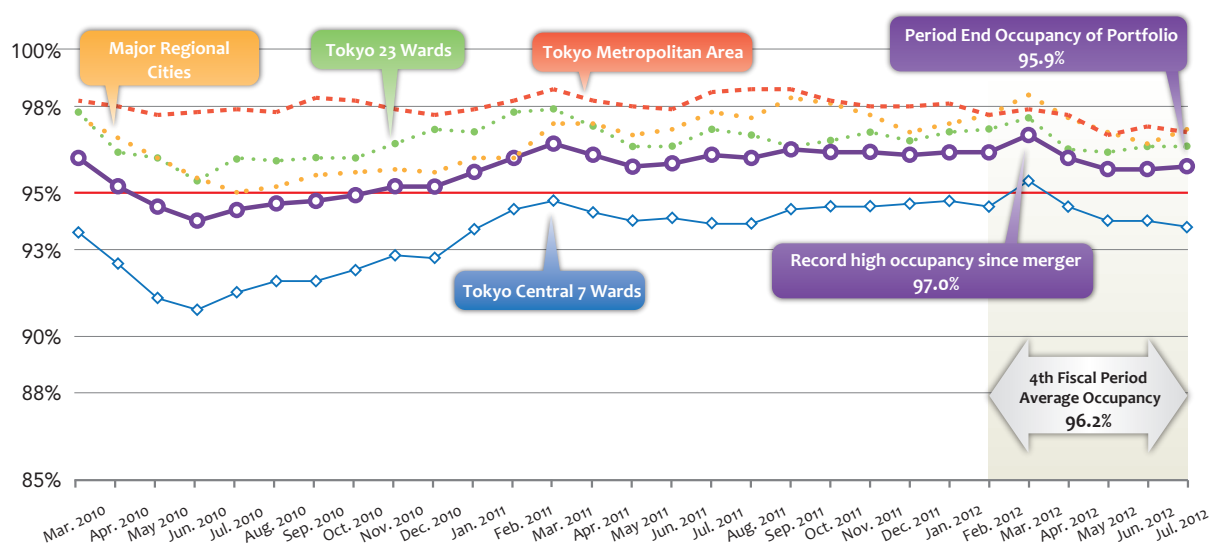


## 2. Internal Growth

### Stable Occupancy Rates

The rental housing market in Japan remained solid throughout the 4th Fiscal Period. ADR achieved a post-merger record high occupancy rate of 97.0% in March 2012. Its period-average occupancy rate also remained at a high 96.2% for the period.

Since the merger, ADR's portfolio has maintained a high occupancy. Going forward, we will continue to place priority in our leasing activities on maintaining the high occupancy rate, so that we may further improve the profitability of our portfolio.

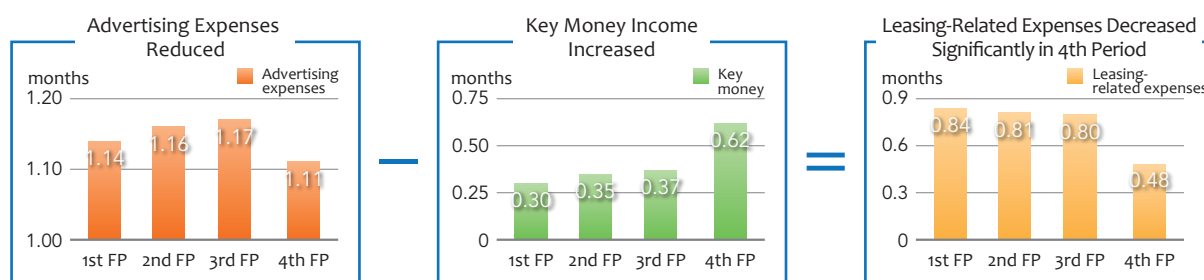


### Rents Bottomed Out

Rents of our properties continued to decrease as a whole but, when excluding the impact of renewals of major rent-guarantee type contracts, the rate of decrease has greatly decelerated.

In particular, rents upon tenant replacement have started to turn upwards for properties located in the Tokyo metropolitan area and major regional cities. This suggests that rents have mostly bottomed out.

### Decrease in Leasing-Related Expenses



Even though rents may have bottomed out, there are no signs that an upward trend has begun. Under such a situation, the high occupancy rate helped ADR further reduce leasing-related expenses (increase the key money income and reduce advertisements and other expenses) of its properties.

In the 4th Fiscal Period, the average number of months of key money income increased 0.3 months period-on-period to 0.6 months, while leasing-related expenses were reduced with the average number of months of advertising expenses decreasing to 1.1 months.

## □ Cost Reductions Achieved by Leveraging Economies of Scale

For other property operating expenses, ADR has been pursuing further cost efficiency since the merger by leveraging the economies of scale with an aim to enhance profitability. During the 4th

Fiscal Period, we achieved annualized cost reductions totaling 38 million yen, bringing the accumulated annualized reductions since the merger to 235 million yen.

(unit: million yen/ year)

	1st FP	2nd FP	3rd FP	4th FP	Total
Cost reductions	- 104	- 35	- 57	- 38	- 235

## □ Upgrades and Renovations

Competitiveness of properties is generally believed to decrease in accordance with the building age. At ADR, however, we work to maintain and enhance competitiveness by systematically conducting upgrades and renovations on top of daily maintenance and management of buildings. The photos below are

examples of such work implemented in the fiscal period.

We will continue our efforts to maintain and expand earnings by conducting such construction work in a systematic way in each fiscal period.

### Value-Enhancement of Individual Units at S-19 RESIDIA Kichijoji

#### Before

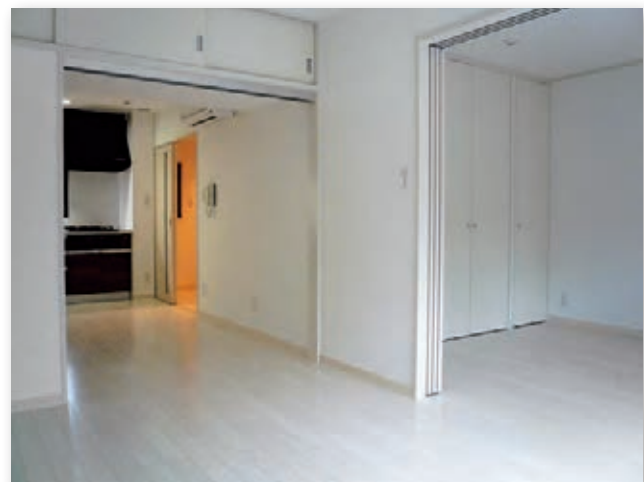
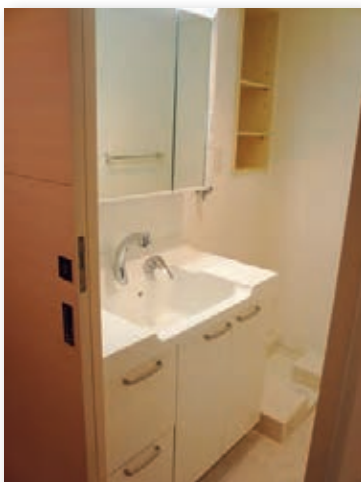


Replacement of washstand facilities



Remodeling of Japanese-style rooms into Western-style rooms

#### After



### 3. Finance

#### Public Offering Carried Out

ADR issued additional investment units through public offering in the 4th Fiscal Period, its second such equity financing since the merger.

The funds raised through the public offering reduced ADR's interest-bearing debt ratio, securing additional capacity for debt financing to acquire properties, and ADR successfully acquired 17 high yielding properties that should help enhance the profitability of the portfolio.

As a result, net income per unit for the 4th Fiscal Period surpassed the previous period's results as well as the beginning-of-period performance forecast.

The table to the right shows the overview of the public offering.

Item	Description
Date of announcement on public offering	January 12, 2012
Number of investment units offered <sup>(Note 2)</sup>	120,000 units in total
Issue price	133,770 yen per unit
Paid-in amount	129,379 yen per unit
Payment deadline	February 2012
Total paid-in amount	15,525 million yen
Use of procured funds	Fund new property acquisitions

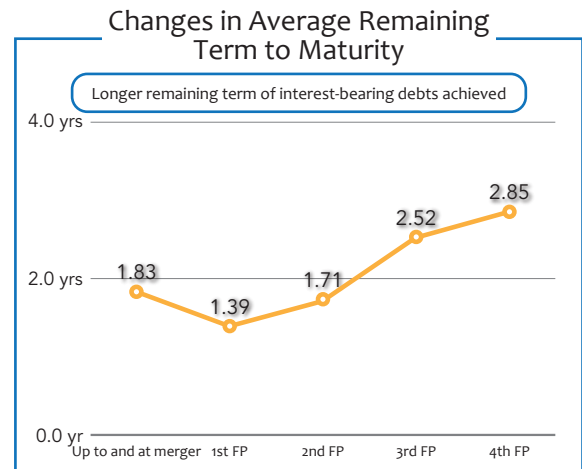
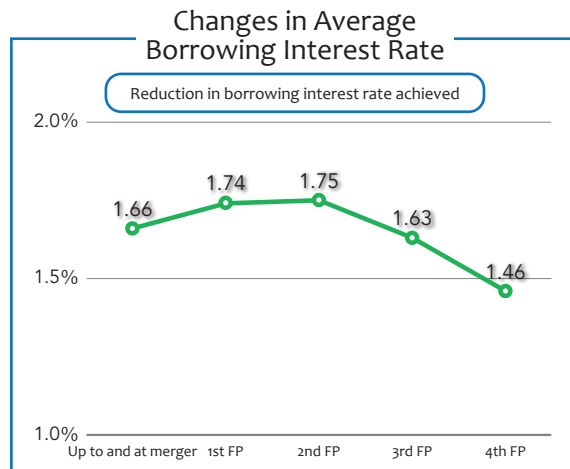
(Note 2) The figure includes the investment units issued by way of third-party allotment. The total number of investment units issued and outstanding after the public offering is 1,100,000 units.



R-44 RESIDIA Kobe-Isogami



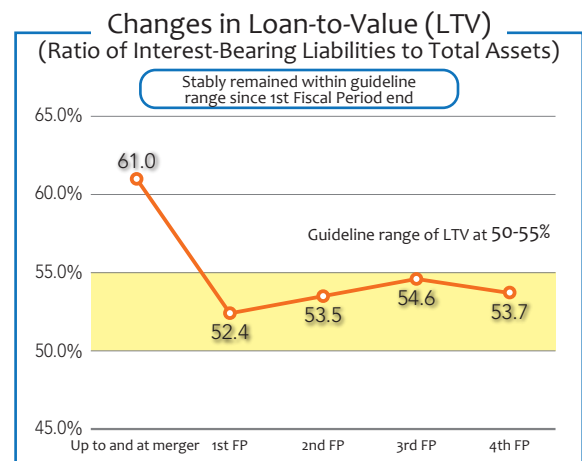
## Financial Costs Reduced and Financial Stability Enhanced



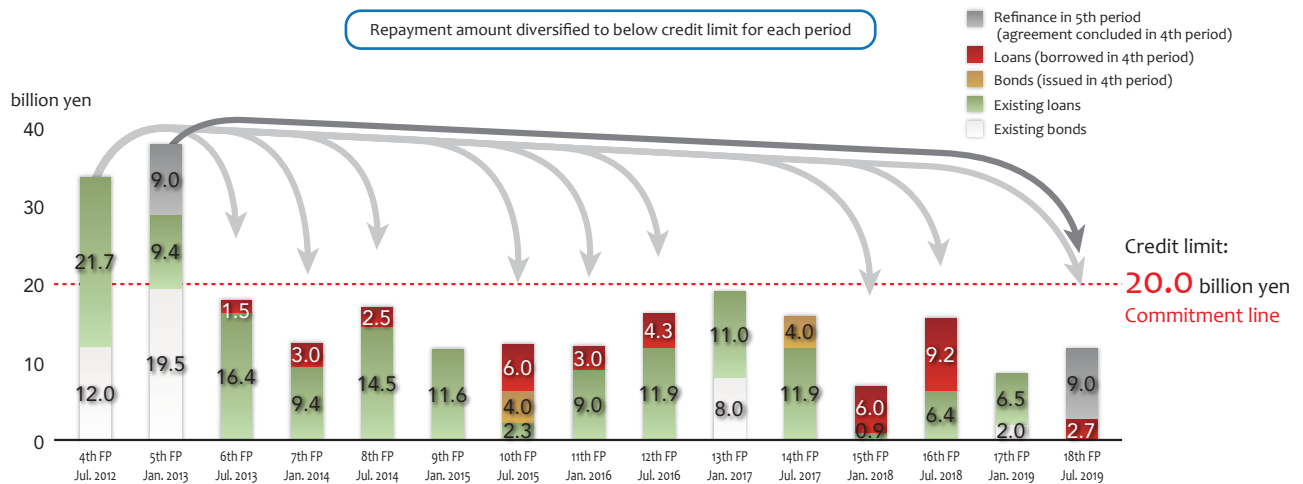
(Note) Calculations are made on the assumption that the entire balance of the borrowings are repaid in lump sums on the final repayment dates, including the amortized loans.

Since the merger, ADR has worked to reduce financial costs and enhance financial stability.

In the 4th Fiscal Period, ADR again achieved a longer remaining term of interest-bearing debts as well as reduced financial costs. Moreover, we worked to establish a stable position for fund procurement through such measures as increasing fixed interest rate debts, establishing commitment lines with consideration given to diversification of debt maturities, continuously issuing investment corporation bonds, and expanding lending financial institutions.



## Diversification of Maturities of Interest-Bearing Liabilities



\*The above table shows diversification of maturity as of July 31, 2012.

\*Calculations are made on the assumption that the entire balance of the borrowings are repaid in lump sums on the final repayment dates, including the amortized loans.

### 1. Management Environment Outlook

#### ☐ Financial Market

The financial market remains unstable due to such factors as the European sovereign debt crisis. But for the Tokyo Stock Exchange REIT Index, it has gone up from the end of the previous fiscal period, partly due to the impact of the purchase

of J-REIT units by the Bank of Japan. Furthermore, the financing environment for J-REITs remains favorable with the continuing low interest rates due to the lax monetary policy and low capital demand from other businesses.

#### ☐ Real Estate Transaction Market

Although there are new residential rental properties being developed, it is not yet strong enough to alleviate the shortage of properties available in the transaction market. Meanwhile, the number of transaction participants is on an upward trend. Therefore, the competition for acquiring blue-chip properties remains tight.

#### ☐ Rental Housing Market

People continue to flow into central Tokyo, the Tokyo Metropolitan Area and some of the major regional cities. With a relatively limited supply of new properties, leasing demand for properties owned by J-REITs remains strong.



S-20 Pacific Royal Court Minato Mirai Ocean Tower

## 2. Management Policies and Challenges

To realize our goal of distributing stable earnings in the long-term, under the aforementioned management environment, we will implement the following measures.

### ☐ External Growth

Although conditions for acquiring properties remain difficult, we aim to achieve external growth without missing opportunities to acquire high yielding properties by utilizing diverse means of sourcing. These include the supply of properties from sponsors, direct sourcing from the open market based on receiving ample transaction information, and arrangement of bridge funds <sup>(Note 3)</sup>.

(Note 3) A bridge fund generally refers to a real estate fund that temporarily invests in properties which ADR hopes to acquire in the future. By obtaining rights of first refusal for the properties, ADR would be able to acquire the properties at a more convenient timing.

### ☐ Internal Growth

We will continue to place priority in our leasing activities on maintaining occupancy rates. For properties with stable rent and high occupancy, we will seek to increase earnings by demanding more key money and reducing advertising and other leasing-related expenses. As for high-rent properties targeting “Expats,” flexible rent terms will be applied to stabilize earnings.

We will also continue to implement upgrades, renovations and other measures at properties in accordance with their building age, in an effort to maintain and enhance their competitiveness.

### ☐ Financial Strategy

Given the current favorable financing environment, we will continue our efforts to reduce financial costs, increase fixed interest rate debts, and lengthen and diversify debt maturities, to achieve our goal of realizing stable distribution of earnings over the long term.

In the 5th Fiscal Period, a relatively large amount of loans and investment corporation bonds with relatively high interest rates will mature. We expect our net non-operating income to further improve and our financial base to be further reinforced through the refinancing of these debts.

### ☐ Payout Policy

Under the new payout policy we announced in January 2012, we will continue to stabilize dividends by using the reserve for dividends, and increase dividends if we judge the performance of the fiscal period exceeded expectations.

Specifically, we will consider the possibility of increasing the dividend when the earnings per unit is better than the initial guideline forecast published in the previous fiscal period’s “kessan tanshin” (a Japanese preliminary financial report), by comprehensively considering such factors as rent trends and the occupancy rate of the entire portfolio, amount of cash reserves, level of LTV, financing costs and outstanding amount of reserve for dividends.

# Management's Discussion and Analysis

## 1. Summary of Selected Financial Data

	Fiscal period			units	1st Fiscal Period	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period
	Operating period				March 1, 2010 to January 31, 2011	February 1, 2011 to July 31, 2011	August 1, 2011 to January 31, 2012	February 1, 2012 to July 31, 2012
Operating results	Total revenues			million yen	20,906	11,345	11,259	12,219
	(Rental revenue)	a		million yen	20,881	11,345	11,252	12,193
	(Gain on real estate sales)	b		million yen	24	-	-	-
	Total operating expenses			million yen	13,491	7,892	5,275	5,660
	(Rental business expenses)	c		million yen	7,641	4,199	4,202	4,551
	(Loss on real estate sales)	d		million yen	2,940	2,000	7	-
	(Impairment loss)	e		million yen	567	739	-	-
	Operating income			million yen	7,414	3,453	5,984	6,559
	Ordinary income	f		million yen	3,414	1,465	3,998	4,612
	Net income	g	(Note 2)	million yen	46,738	1,404	3,997	4,611
Balance sheet figures	Total assets	h		million yen	355,990	349,158	356,891	384,091
	Interest-bearing liabilities	i		million yen	186,390	186,639	195,002	206,359
	Net assets	j		million yen	164,458	157,827	157,428	173,155
	Paid-in Capital	k		million yen	64,561	64,561	64,561	80,087
Per unit figures	Total dividends	l		million yen	8,085	4,410	4,410	5,196
	Payout ratio	l/g		%	17.3	313.9	110.3	112.7
	Total number of units issued and outstanding	m		units	980,000	980,000	980,000	1,100,000
	Net assets per unit	j/m		yen	167,814	161,048	160,640	157,413
	Net income per unit		(Note 2, 3)	yen	52,673	1,433	4,079	4,198
	Dividend per unit	l/m		yen	8,250	4,500	4,500	4,724
	Dividend from earnings per unit			yen	8,250	4,500	4,500	4,724
	Dividend in excess of earnings per unit			yen	-	-	-	-
	Annualized dividend yield		(Note 4)	%	5.2	5.6	6.5	6.2
Financial indicators	Return on investment	(g+q)/(k+i)	(Note 4)	%	21.7	2.6	4.5	4.7
	Return on investment (market capitalization)	(g+q)/(m×r+i)	(Note 4)	%	15.3	1.9	3.5	3.6
	FFO per unit	(g-b+d+e+q)/m	(Note 2)	yen	54,879	6,161	6,025	6,075
	Annualized	n	(Note 2, 4)	yen	59,438	12,425	11,953	12,184
	FFO multiple	r/n		times	2.9	13.1	11.5	12.5
	Ratio of ordinary income to total assets	f/h	(Note 5)	%	1.0	0.4	1.1	1.2
	Annualized		(Note 4)	%	1.0	0.8	2.2	2.5
	Ratio of net assets to total assets	j/h		%	46.2	45.2	44.1	45.1
	Ratio of net income to equity	g/j	(Note 6)	%	36.8	0.9	2.5	2.8
	Annualized		(Note 4)	%	39.8	1.8	5.0	5.6
	Ratio of interest-bearing liabilities to total assets	i/h		%	52.4	53.5	54.6	53.7
	DSCR	o/p		times	17.1	3.0	4.6	5.3
	Net income before interest and depreciation	o		million yen	53,425	4,912	7,525	8,241
	Interest expenses	p		million yen	3,126	1,614	1,627	1,558
	NOI from property leasing	a-c+q	(Note 7)	million yen	16,799	9,038	8,949	9,711
	Annualized NOI yield		(Note 4, 8)	%	5.3	5.3	5.2	5.4
	Depreciation and amortization	q	(Note 9)	million yen	3,559	1,893	1,900	2,071
	Unit price at end of period	r		yen	172,300	162,200	137,500	152,900

Notes 1. Total revenues do not include consumption taxes. Amounts are rounded down to the nearest specified unit. Percentage figures are rounded to the first decimal place. The same applies for the rest of this report unless otherwise specified.

2. The net income for the 1st Fiscal Period operating period includes 43,281 million yen in one-time recording of gain on negative goodwill as extraordinary income.

3. The net income per unit is calculated by dividing net income by the daily weighted average number of units issued and outstanding.

4. In annualizing, the annualized figures are calculated based on 1 year being 365 days, with accounting calculation periods of 337 days for the 1st Fiscal Period, 181 days for the 2nd Fiscal Period, 184 days for the 3rd Fiscal Period and 182 days for the 4th Fiscal Period.

5. Ratio of ordinary income to total assets = Ordinary income ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2} × 100

6. Ratio of net income to equity = Net income ÷ {(Net assets at beginning of period + Net assets at end of period) ÷ 2} × 100

7. In the calculation of NOI from property leasing, the added depreciation and amortization is limited to what is included in rental business expenses.

8. Annualized NOI yield = Annualized NOI ÷ Property acquisition prices.

(The annualized NOI is the sum of per property NOI annualized by taking into account the actual number of days of operation for each property.)

9. Depreciation and amortization includes depreciation and amortization of intangible assets in addition to depreciation of property, plant and equipment.

## 2. Investment Environment and Operating Performance

During the fiscal period under review, ADR carried out the following measures under its basic management policy of “realization of stable distribution of earnings over the long term.”

- 1) External growth: acquired 17 properties and secured preferential negotiation rights for acquisitions
- 2) Internal growth: maintained high occupancy rate and improved rental income at respective properties
- 3) Financial strategy: increased capital through public offering and strengthened financial base

These measures allowed ADR to achieve the following operating results for the 4th Fiscal Period, which outperformed the previous period’s results and the beginning-of-period forecast <sup>(Note 1)</sup> in revenue, income and dividend.

Operating revenue	12,219 million yen
Operating income	6,559 million yen
Ordinary income	4,612 million yen
Net income	4,611 million yen
Net income/unit <sup>(Note 2)</sup>	4,192 yen
Dividend per unit	4,724 yen

As net income per unit surpassed the beginning-of-period forecast of 3,968 yen by 224 yen, ADR decided to increase the dividend per unit for the period to 4,724 yen, up 224 yen from the initial forecast, based on the new dividend payout policy.

Notes 1. The beginning-of-period forecast refers to the earning forecasts for the 4th Fiscal Period disclosed in the “Brief Summary of Kessan Tanshin” for the Third Fiscal Period dated March 16, 2012.

2. Net income per unit is calculated by dividing net income by the number of units issued and outstanding as of the end of the fiscal period.

## 3. Future Management Policies and Challenges

We will continue efforts to realize external growth and internal growth as well as implement our financial strategy in line with the policies described below for “realization of stable distribution of earnings over the long term,” our basic management principle.

### 1) External growth

Although the environment for property acquisitions remains difficult, we aim to achieve external growth without missing any opportunity to acquire high-yielding properties. This will be accomplished through diverse means of sourcing, including direct sourcing from the open market based on garnered trading information and utilizing bridge funds, on top of acquiring properties from sponsors.

### 2) Internal growth

We will continue to place priority in our leasing activities on maintaining occupancy rates. For properties with stable rents and high occupancy, efforts will be made to improve rent levels and key money income as well as reduce advertising and other expenses in recruiting tenants, to maintain and expand property revenues. For high-rent properties mainly targeting “Expats,” our focus is to stabilize revenues through flexible rent setting.

We will also keep working to maintain and enhance the competitiveness\ of our properties through continuous implementation of upgrades and large-scale renovations, etc. in accordance with their age.

### 3) Financial strategy

Given the favorable financing environment, we will continue efforts to reduce financial costs, increase fixed interest rates debts, and extend and diversify debt maturities, as we did during the 4th Fiscal Period, to achieve our goal of realizing stable distribution of earnings over the long term.

In the 5th Fiscal Period, a relatively large amount of loans and investment corporation bonds with relatively high interest rates will mature. We expect our net non-operating income to further improve and our financial base to be further reinforced through the refinancing of these debts.



## 4. Equity Finances

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

Date	Description	Number of units issued and outstanding (units)		Paid-in capital (million yen)		Notes
		Increase	Balance	Increase	Balance	
March 1, 2010	Consolidation-type merger	722,306	722,306	36,262	36,262	(Note 1)
June 28, 2010	Public offering	240,000	962,306	26,355	62,618	(Note 2)
July 30, 2010	Third-party allotment	17,694	980,000	1,943	64,561	(Note 3)
February 1, 2012	Public offering	110,000	1,090,000	14,231	78,793	(Note 4)
February 29, 2012	Third-party allotment	10,000	1,100,000	1,293	80,087	(Note 5)

- Notes 1. ADR was established through the consolidation-type merger between former Advance Residence Investment Corporation (the “former ADR”) and Nippon Residential Investment Corporation (NRI) on March 1, 2010. Upon its establishment, ADR allotted and delivered 3 ADR units per 1 former ADR unit and allotted and delivered 2 ADR units per 1 NRI unit.
2. ADR issued new units through public offering at an issue price of 113,684 yen (issue amount: 109,816 yen) per unit to procure funds for new property acquisitions as well as partly funding repayment of loans and redemption of investment corporation bonds.
3. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at an issue amount of 109,816 yen per unit to procure funds for new property acquisitions as well as partly funding repayment of loans and redemption of investment corporation bonds.
4. ADR issued new units through public offering at an issue price of 133,770 yen (issue amount: 129,379 yen) per unit to procure funds for new property acquisitions and for other purposes.
5. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at an issue amount of 129,379 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’s closing prices on the Tokyo Stock Exchange.

Fiscal period	1st Fiscal Period	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period
Fiscal period end	Fiscal period ended January 2011	Fiscal period ended July 2011	Fiscal period ended January 2012	Fiscal period ended July 2012
High	185,300 yen	173,500 yen	162,500 yen	159,400 yen
Low	111,500 yen	139,900 yen	134,000 yen	135,800 yen

## 5. Distribution to Unitholders

In accordance with the distribution policy provided in Article 32, Item 1 of ADR’s Articles of Incorporation, we shall deliver dividends in excess of an amount equivalent to 90% of the amount of ADR’s earnings available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In addition, ADR may use the reserve for dividends in order to provide stable dividend payouts going forward, and shall investigate an increase in dividends in accordance with the performance when it has achieved good operating results.

Based on the policy above, ADR decided that the unappropriated retained earnings of 4,611,435 thousand yen plus reversal of reserve for dividends of 584,965 thousand yen to arrive at 5,196,400 thousand yen will be distributed as dividends of earnings, and declared a dividend per unit of 4,724 yen.

(thousand yen)

Fiscal period	1st Fiscal Period	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period
Operating period	From: Mar. 1, 2010 To: Jan. 31, 2011	From: Feb. 1, 2011 To: July 31, 2011	From: Aug. 1, 2011 To: Jan. 31, 2012	From: Feb. 1, 2012 To: July 31, 2012
Total amount of unappropriated retained earnings	46,738,646	1,404,952	3,997,454	4,611,435
Accumulated amount of earnings	38,653,653	35,648,605	35,236,060	34,651,095
Total amount of dividends of cash (Dividend per unit)	8,085,000 (8,250 yen)	4,410,000 (4,500 yen)	4,410,000 (4,500 yen)	5,196,400 (4,724 yen)
Of which, total amount of dividends of earnings (Dividend of earnings per unit)	8,085,000 (8,250 yen)	4,410,000 (4,500 yen)	4,410,000 (4,500 yen)	5,196,400 (4,724 yen)
Of which, total amount of capital reimbursement (Capital reimbursement per unit)	- ( - yen)	- ( - yen)	- ( - yen)	- ( - yen)

## 6. Significant Subsequent Events

### Issuance of Investment Corporation Bonds

Based on the “General Resolution on Bond Issuance” resolved by the Board of Directors’ Meeting held on April 26, 2012, ADR issued investment corporation bonds on September 12, 2012 under the following terms and conditions.

1) ADR Unsecured Bond #17 (with Pari Passu clause among specified investment corporation bonds)

Total amount of bonds : 8 billion yen

Issue price : 100 yen par value of 100 yen for each bond

Coupon rate : 0.87%

Collateral/Guarantee : No collateral or guarantee

Redemption date : ADR will redeem the entire amount on September 12, 2017. The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.

Coupon payment dates: March 12 and September 12 every year

Use of proceeds : The proceeds will be used to redeem the Nippon Residential Investment Corporation’s 10th Series Unsecured Investment Corporation Bond that is due on September 13, 2012 (4,800 million yen) and the Nippon Residential Investment Corporation’s 3rd Series Unsecured Investment Corporation Bond that is due on September 24, 2012 (9,700 million yen).

2) ADR Unsecured Bond #18 (with Pari Passu clause among specified investment corporation bonds)

Total amount of bonds : 4 billion yen

Issue price : 100 yen par value of 100 yen for each bond

Coupon rate : 1.23%

Collateral/Guarantee : No collateral or guarantee

Redemption date : ADR will redeem the entire amount on September 12, 2019. The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.

Coupon payment dates: March 12 and September 12 every year

Use of proceeds : The proceeds will be used to redeem the Nippon Residential Investment Corporation’s 10th Series Unsecured Investment Corporation Bond that is due on September 13, 2012 (4,800 million yen) and the Nippon Residential Investment Corporation’s 3rd Series Unsecured Investment Corporation Bond that is due on September 24, 2012 (9,700 million yen).



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# Overview of the Investment Corporation

## 1. Paid-in Capital

The following are the total number of units authorized, total number of units issued and outstanding, paid-in capital and number of unitholders as of July 31, 2012 as well as at the end of preceding fiscal periods.

Fiscal period	1st Fiscal Period	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period
Fiscal period end	Fiscal period ended January 2011	Fiscal period ended July 2011	Fiscal period ended January 2012	Fiscal period ended July 2012
Total number of units authorized	6,000,000 units	6,000,000 units	6,000,000 units	6,000,000 units
Total number of units issued and outstanding	980,000 units	980,000 units	980,000 units	1,100,000 units
Paid-in capital <sup>(Note)</sup>	64,561 million yen	64,561 million yen	64,561 million yen	80,087 million yen
Number of unitholders	22,882 persons	21,293 persons	21,570 persons	23,147 persons

(Note) The paid-in capital on the balance sheets as of July 31, 2012 includes capital surplus of 53,220 million yen.

## 2. Major Unitholders

The following are the major unitholders as of July 31, 2012.

Name	Address	Unitholding (units)	% share of issued and outstanding (%) <sup>(Note)</sup>
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	197,292	17.93
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	69,088	6.28
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo	63,108	5.73
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	49,837	4.53
Nomura Bank (Luxembourg) S.A.	BATIMENT A, 33, RUE DE GASPERICH, L-5826, LUXEMBOURG	39,920	3.62
ITOCHU Corporation	2-5-1 Kita-Aoyama, Minato-ku, Tokyo	34,800	3.16
JPMorgan Chase Bank 385174	125 LONDON WALL, LONDON, EC2Y 5AJ, UNITED KINGDOM	16,356	1.48
Mizuho Trust & Banking Co., Ltd.	1-2-1 Yaesu, Chuo-ku, Tokyo	13,826	1.25
State Street Bank and Trust Company	P.O. BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A.	12,893	1.17
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	Harumi Island Triton Square Office Tower Z, 1-8-12 Harumi, Chuo-ku, Tokyo	12,694	1.15
<b>Total</b>		<b>509,814</b>	<b>46.34</b>

(Note) “% share of issued and outstanding” (number of units held as a percentage of total number of units issued and outstanding) is rounded down to two decimal places.

### 3. Directors and Independent Auditor

(1) The executive director, supervisory directors and independent auditor as of July 31, 2012 are as follows.

Title	Name	Primary concurrent positions	Total amount of compensation for each title during applicable operating period (thousand yen)
Executive director	Kenji Kousaka <sup>(Note 1)</sup>	President, AD Investment Management Co., Ltd.	— <sup>(Note 2)</sup>
Supervisory director	Hidejiro Matsuda	President, Hidejiro Matsuda CPA Office	1,200
		Auditor, TYO Inc.	
Supervisory director	Yoshiki Oshima	President Akasaka, Law Office L.P.C.	1,200
Independent auditor	Deloitte Touche Tohmatsu LLC		21,870 <sup>(Note 3)</sup>

Notes 1. Kenji Kousaka concurrently serves as president of ADR's asset management company, AD Investment Management Co., Ltd. (ADIM), and executive director of ADR. The Commissioner of the Financial Services Agency was notified of the concurrent holding of positions on March 5, 2008 pursuant to the provisions of Article 31-4, Paragraph 4 of the Financial Instruments and Exchange Act (Article 31-4, Paragraph 1 of the said Act as of the date of this document) prior to its revision made by the provisions of Article 1 of the Act for Partial Revision of the Financial Instruments and Exchange Act, Etc. (Act No. 65 of 2008).

2. The executive director does not receive compensation from ADR.

3. The compensation paid to the independent auditor includes compensation for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act (2,870 thousand yen).

(2) Policy for dismissal or refusal of reappointment of independent auditor

The Board of Directors of ADR shall investigate 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 its reappointment by comprehensively taking into account the quality of audit, audit compensation and other factors.

### 4. 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 July 31, 2012.

Delegation		Name
Asset management company		AD Investment Management Co., Ltd.
Asset custodian		Sumitomo Mitsui Trust Bank Limited <sup>(Note 1)</sup>
Administrative agent	(management of register of unitholders, etc.)	Mizuho Trust & Banking Co., Ltd.
Administrative agent	(management of special accounts)	Mizuho Trust & Banking Co., Ltd.
		Mitsubishi UFJ Trust and Banking Corporation
Administrative agent	(accounting, taxation, institutional operations, etc.)	Sumitomo Mitsui Trust Bank, Limited <sup>(Note 1)</sup>
Administrative agent	(administration for investment corporation bonds)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
		Mizuho Corporate Bank, Ltd.
		Mizuho Securities Co., Ltd.
		JPMorgan Securities Japan Co., Ltd.
		Daiwa Securities Co., Ltd. <sup>(Note 2)</sup>
		Sumitomo Mitsui Trust Bank Limited <sup>(Note 1)</sup>

Notes 1. The Sumitomo Trust & Banking Co., Ltd. changed its trade name to Sumitomo Mitsui Trust Bank, Limited upon its merger with The Chuo Mitsui Trust and Banking Company, Limited and Chuo Mitsui Asset Trust and Banking Company, Limited on April 1, 2012.

2. Daiwa Securities Capital Markets Co., Ltd. merged with Daiwa Securities Co., Ltd. on April 1, 2012 with the latter serving as the surviving company.

# Assets Under Management

## 1. Composition of the Investment Corporation's Assets

Type of asset	Investment regions	3rd Fiscal Period (as of January 31, 2012)		4th Fiscal Period (as of July 31, 2012)	
		Total amount held (million yen) (Note 6)	As a percentage of total assets (%) (Note 7)	Total amount held (million yen) (Note 6)	As a percentage of total assets (%) (Note 7)
Real estate in trust (Note 1)	Tokyo Central 7 Wards (Note 2)	91,029	25.5	94,563	24.6
	Tokyo 23 Wards (Note 3)	71,304	20.0	82,354	21.4
	Tokyo Metropolitan Area (Note 4)	19,722	5.5	23,931	6.2
	Major Regional Cities (Note 5)	16,208	4.5	23,736	6.2
Subtotal		198,264	55.6	224,585	58.5
Real estate (Note 1)	Tokyo Central 7 Wards (Note 2)	73,883	20.7	73,551	19.1
	Tokyo 23 Wards (Note 3)	23,945	6.7	23,831	6.2
	Tokyo Metropolitan Area (Note 4)	16,637	4.7	16,470	4.3
	Major Regional Cities (Note 5)	24,985	7.0	24,816	6.5
Subtotal		139,451	39.1	138,669	36.1
Silent partnership equity interests (Note 8)		290	0.1	441	0.1
Deposits and other assets		18,885	5.3	20,394	5.3
Sum total of total amount of assets		356,891	100.0	384,091	100.0

Notes 1. The real estate in trust and real estate are used primarily for apartments.

2. "Tokyo Central 7 Wards" represents the Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa Wards of Tokyo.

3. "Tokyo 23 Wards" represents the Tokyo 23 wards other than the Tokyo Central 7 Wards.

4. "Tokyo Metropolitan Area" represents Tokyo (excluding the 23 wards of Tokyo) and Kanagawa, Saitama and Chiba prefectures.

5. "Major Regional Cities" represents cabinet order designated cities and similar cities excluding those in the Tokyo Metropolitan Area.

6. "Total amount held" is based on the amount recorded on the balance sheet (total amount of book value after depreciation in the case of real estate, etc.) as of the date of closing of accounts, and is rounded down to the nearest million yen.

7. "As a percentage of total assets" is the balance sheet amount of the applicable real estate, etc. expressed as a percentage of the total amount of assets, rounded to one decimal place.

8. "Silent partnership equity interests" owned in the 3rd Fiscal Period is the silent partnership equity interests pertaining to the silent partnership with Godo Kaisha RBFA as the operator and the silent partnership with Godo Kaisha RBFA2 as the operator. "Silent partnership equity interests" owned in the 4th Fiscal Period is the silent partnership equity interests pertaining to the silent partnership with Godo Kaisha RBFA2 as the operator and the silent partnership with Godo Kaisha RBFA3 as the operator.

9. Amounts less than the specified unit are rounded down and percentages are rounded off. Due to this, the sum total of respective figures does not necessarily add up to the sum total indicated in the table above. The same applies below unless otherwise specified.

## 2. Principal Assets Held

The following summarizes the principal assets held by ADR as of July 31, 2012 (the top 10 properties with the highest book value at the end of the fiscal period).

Name of real estate, etc.	Book value (million yen)	Leasable floor area (m <sup>2</sup> )	Leased floor area (m <sup>2</sup> )	Occupancy rate (%)	As a percentage of total revenue from property leasing (Note)	Primary use
RESIDIA TOWER Meguro-Fudomae	16,047	21,019.77	21,019.77	100.0	3.8	Apartment
Pacific Royal Court Minato Mirai Ocean Tower	13,287	26,082.53	25,760.33	98.8	4.7	Apartment
Park Tower Shibaura Bayward Urban Wing	9,371	13,490.67	13,031.87	96.6	2.5	Apartment
Motoazabu Place	8,349	7,382.62	6,010.20	81.4	1.6	Apartment
RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village	7,306	5,977.18	5,418.40	90.7	1.5	Apartment
RESIDIA TOWER Roppongi	6,918	5,978.20	5,513.04	92.2	1.4	Apartment
RESIDIA Nishi-Azabu	6,657	7,078.64	6,691.92	94.5	1.7	Apartment
RESIDIA TOWER Azabujuban	6,121	7,207.18	6,482.57	89.9	1.4	Apartment
RESIDIA Mejiro	6,102	13,069.70	12,737.07	97.5	1.9	Apartment
RESIDIA Nihonbashi-Bakurocho	5,380	8,502.12	8,502.12	100.0	1.3	Apartment
Total	85,543	115,788.61	111,167.29	-	21.8	-

(Note) "As a percentage of total revenue from property leasing" is the percentage arrived at by dividing the revenue from property leasing of respective properties by the total revenue from property leasing of the entire portfolio.



### 3. Real Estate Portfolio

The following are the itemized assets held by ADR as of July 31, 2012.

Property no.	Name of real estate, etc.	Location (indication of residential address)	Type of ownership	Book value at end of period (million yen)	Estimated value at end of period (million yen) (Note 1)	3rd Fiscal Period (Aug. 1, 2011 ~ Jan. 31, 2012)				4th Fiscal Period (Feb. 1, 2012 ~ Jul. 31, 2012)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,563	2,800	1	92.2	86,876	0.8	1	91.5	86,190	0.7
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	Beneficiary interests in trust	1,553	1,730	1	100.0	47,256	0.4	1	100.0	47,256	0.4
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,184	1,158	1	96.4	35,056	0.3	1	91.9	35,040	0.3
P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	Beneficiary interests in trust	1,949	1,804	1	96.9	52,013	0.5	1	93.0	50,698	0.4
P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,177	1,190	1	97.8	35,366	0.3	1	100.0	36,279	0.3
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	Beneficiary interests in trust	2,167	2,217	1	97.7	68,824	0.6	1	93.7	72,591	0.6
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,108	1,040	1	100.0	31,760	0.3	1	92.8	30,866	0.3
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,109	1,080	1	96.3	32,258	0.3	1	96.2	33,944	0.3
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,685	2,570	1	100.0	75,888	0.7	1	100.0	75,888	0.6
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	Beneficiary interests in trust	733	586	1	97.0	20,099	0.2	1	96.9	19,429	0.2
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	Beneficiary interests in trust	762	749	1	100.0	25,778	0.2	1	12.5	17,513	0.1
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	Beneficiary interests in trust	580	613	1	100.0	17,944	0.2	1	100.0	17,944	0.1
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,352	1,450	1	93.9	45,256	0.4	1	90.2	44,762	0.4
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	Beneficiary interests in trust	922	913	1	93.9	30,608	0.3	1	90.2	29,522	0.2
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,482	1,600	1	99.0	54,720	0.5	1	100.0	56,997	0.5
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	Beneficiary interests in trust	857	863	1	95.0	28,049	0.2	1	100.0	28,286	0.2
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	Beneficiary interests in trust	539	554	1	100.0	18,648	0.2	1	97.0	18,876	0.2
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	Beneficiary interests in trust	714	636	1	92.1	20,011	0.2	1	96.6	20,087	0.2
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	Real estate	1,620	1,660	1	91.7	51,946	0.5	1	98.9	53,605	0.4
P-30	Pianetta Shiodome	Minato-ku, Tokyo	Beneficiary interests in trust	1,903	1,860	1	93.4	60,180	0.5	1	92.8	62,145	0.5
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	Beneficiary interests in trust	326	339	1	90.3	10,819	0.1	1	77.1	10,744	0.1
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	Beneficiary interests in trust	321	321	1	100.0	10,839	0.1	1	100.0	10,444	0.1
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	Beneficiary interests in trust	357	356	1	100.0	11,355	0.1	1	90.0	11,573	0.1
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	Beneficiary interests in trust	280	280	1	93.8	10,121	0.1	1	100.0	9,474	0.1
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	Real estate	923	937	1	87.3	33,391	0.3	1	95.7	33,015	0.3
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	Real estate	2,255	2,330	1	95.3	71,629	0.6	1	98.7	70,859	0.6
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	Real estate	1,154	1,200	1	95.1	40,993	0.4	1	100.0	40,498	0.3
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	Real estate	2,003	2,100	1	94.2	68,256	0.6	1	95.9	68,997	0.6
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	Real estate	1,176	1,190	1	92.4	37,054	0.3	1	93.3	36,995	0.3
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	Real estate	1,296	1,310	1	96.8	38,565	0.3	1	92.0	39,414	0.3
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	Real estate	1,143	1,140	1	90.8	37,309	0.3	1	95.4	37,140	0.3
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	Real estate	901	910	1	100.0	30,586	0.3	1	96.3	30,411	0.2
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	Real estate	1,032	1,090	1	90.6	34,627	0.3	1	100.0	33,959	0.3
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	Beneficiary interests in trust	1,027	1,050	1	90.3	34,584	0.3	1	89.4	34,045	0.3
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	Real estate	2,264	2,320	1	98.6	75,729	0.7	1	94.2	75,059	0.6
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	Real estate	3,590	3,230	1	91.1	96,291	0.9	1	95.5	90,944	0.7
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	Real estate	1,158	1,150	1	97.7	38,652	0.3	1	95.5	39,237	0.3
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	Beneficiary interests in trust	6,657	6,510	1	96.1	210,461	1.9	1	94.5	206,030	1.7
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	Beneficiary interests in trust	2,096	1,930	1	90.8	57,949	0.5	1	83.3	58,682	0.5
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,447	2,480	1	98.7	74,713	0.7	1	90.2	75,340	0.6
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	Beneficiary interests in trust	3,512	3,540	1	92.2	107,540	1.0	1	95.8	108,312	0.9
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	Real estate	16,047	16,200	1	100.0	480,800	4.3	1	100.0	466,873	3.8
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	Real estate	2,691	2,720	1	93.6	84,241	0.7	1	92.6	84,317	0.7
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	Real estate	737	498	1	78.5	14,651	0.1	1	88.4	14,742	0.1
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	Real estate	1,584	1,610	1	98.4	54,954	0.5	1	96.4	55,977	0.5
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	Real estate	1,404	1,280	1	88.1	38,195	0.3	1	90.4	39,677	0.3
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	Real estate	2,000	1,880	1	100.0	53,496	0.5	1	98.3	55,067	0.5
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	Real estate	6,121	5,400	1	86.8	171,743	1.5	1	89.9	173,980	1.4

Property no.	Name of real estate, etc.	Location (indication of residential address)	Type of ownership	Book value at end of period (million yen)	Estimated value at end of period (million yen) (Note 1)	3rd Fiscal Period (Aug. 1, 2011 ~ Jan. 31, 2012)				4th Fiscal Period (Feb. 1, 2012 ~ Jul. 31, 2012)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%)
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	Real estate	1,237	1,280	1	98.0	40,511	0.4	1	96.0	39,628	0.3
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,843	1,940	1	96.9	61,165	0.5	1	85.9	60,289	0.5
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	Beneficiary interests in trust	1,589	1,540	1	93.4	43,985	0.4	1	91.3	44,600	0.4
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	Beneficiary interests in trust	1,714	1,600	1	97.9	49,956	0.4	1	95.9	48,784	0.4
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	Real estate	1,125	1,130	1	93.6	37,708	0.3	1	92.2	36,904	0.3
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	Real estate	1,261	1,290	1	100.0	41,276	0.4	1	88.6	39,605	0.3
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	Real estate	1,795	1,870	1	88.9	57,092	0.5	1	94.5	58,300	0.5
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	Real estate	907	895	1	92.5	25,708	0.2	1	96.2	27,480	0.2
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	Beneficiary interests in trust	954	1,010	1	100.0	33,992	0.3	1	89.5	34,263	0.3
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	Beneficiary interests in trust	4,563	4,850	1	93.0	163,398	1.5	1	93.1	165,289	1.4
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	Real estate	915	801	1	86.7	27,029	0.2	1	100.0	26,975	0.2
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	Beneficiary interests in trust	5,192	5,170	1	92.9	150,394	1.3	1	96.8	153,081	1.3
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	Beneficiary interests in trust	9,371	9,470	1	94.8	293,779	2.6	1	96.6	305,261	2.5
P-77	Motoazabu Place	Minato-ku, Tokyo	Beneficiary interests in trust	8,349	7,090	1	84.7	203,101	1.8	1	81.4	189,755	1.6
P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	Real estate	6,918	5,740	1	88.6	163,787	1.5	1	92.2	166,902	1.4
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	Beneficiary interests in trust	863	864	1	92.2	24,775	0.2	1	87.9	26,445	0.2
P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,080	749	1	100.0	22,089	0.2	1	100.0	28,662	0.2
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	Real estate and leasehold rights to real estate	1,715	1,410	1	100.0	53,016	0.5	1	91.5	53,202	0.4
P-83	RESIDIA Daikanyama-Sarugakucho/Daikanyama Parkside Village	Shibuya-ku, Tokyo	Beneficiary interests in trust	7,306	6,100	1	93.7	179,727	1.6	1	90.7	184,315	1.5
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	Real estate	1,437	1,460	1	96.2	39,946	0.4	1	92.3	43,569	0.4
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	Beneficiary interests in trust	886	1,020	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	2,466	2,710	1	95.7	89,190	0.8	1	91.7	93,087	0.8
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,123	2,300	1	100.0	61,234	0.5	1	100.0	61,352	0.5
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	Real estate	1,633	1,620	1	93.7	49,339	0.4	1	91.1	50,250	0.4
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	Real estate	3,493	3,590	1	93.8	90,688	0.8	1	93.6	110,894	0.9
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	Beneficiary interests in trust	3,882	3,830	-	-	-	-	1	91.5	99,368	0.8
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	Beneficiary interests in trust	1,735	2,020	1	92.8	64,557	0.6	1	85.6	63,000	0.5
C-2	RESIDIA Kamata	Ota-ku, Tokyo	Beneficiary interests in trust	2,384	3,040	1	98.1	98,770	0.9	1	97.0	99,161	0.8
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	1,466	1,560	1	100.0	46,833	0.4	1	100.0	46,846	0.4
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,626	1,770	1	100.0	50,271	0.4	1	100.0	50,255	0.4
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	Beneficiary interests in trust	1,005	1,160	1	95.6	39,097	0.3	1	93.3	37,152	0.3
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	Beneficiary interests in trust	955	938	1	96.8	35,670	0.3	1	92.5	35,376	0.3
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	Beneficiary interests in trust	3,039	3,160	1	97.5	97,406	0.9	1	96.0	102,590	0.8
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,620	1,570	1	97.8	49,766	0.4	1	95.6	48,853	0.4
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	Beneficiary interests in trust	895	939	1	100.0	30,272	0.3	1	92.6	32,104	0.3
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	Beneficiary interests in trust	5,213	4,780	1	100.0	136,751	1.2	1	100.0	136,763	1.1
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	3,131	3,180	1	95.6	94,140	0.8	1	95.0	96,397	0.8
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	Beneficiary interests in trust	1,957	1,740	1	96.8	58,412	0.5	1	96.8	57,926	0.5
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	Beneficiary interests in trust	4,191	3,810	1	92.1	117,330	1.0	1	96.3	118,728	1.0
C-16	RESIDIA Negishi	Taito-ku, Tokyo	Beneficiary interests in trust	869	770	1	96.5	24,965	0.2	1	96.3	26,869	0.2
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	Beneficiary interests in trust	1,841	1,880	1	100.0	56,490	0.5	1	100.0	56,287	0.5
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	540	565	1	97.9	21,281	0.2	1	97.9	22,539	0.2
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	Beneficiary interests in trust	342	402	1	96.7	13,566	0.1	1	96.7	15,113	0.1
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	988	1,030	1	100.0	30,080	0.3	1	100.0	30,080	0.2
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	Real estate	1,419	1,530	1	93.3	48,475	0.4	1	87.9	49,852	0.4
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	Beneficiary interests in trust	1,760	1,790	1	95.3	62,152	0.6	1	94.9	64,968	0.5
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	Real estate	1,188	1,240	1	100.0	40,002	0.4	1	100.0	40,002	0.3
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	Beneficiary interests in trust	1,260	1,300	1	100.0	40,381	0.4	1	100.0	40,381	0.3
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	Beneficiary interests in trust	586	618	1	100.0	20,382	0.2	1	100.0	20,459	0.2
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	Beneficiary interests in trust	1,946	1,950	1	100.0	58,389	0.5	1	100.0	58,330	0.5
C-28	RESIDIA Oji	Kita-ku, Tokyo	Beneficiary interests in trust	838	893	1	100.0	34,492	0.3	1	100.0	34,584	0.3

Property no.	Name of real estate, etc.	Location (indication of residential address)	Type of ownership	Book value at end of period (million yen)	Estimated value at end of period (million yen) (Note 1)	3rd Fiscal Period (Aug. 1, 2011 ~ Jan. 31, 2012)				4th Fiscal Period (Feb. 1, 2012 ~ Jul. 31, 2012)			
						Total number of tenants at end of period (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%) (Note 2)	Total number of tenants at end of period (Note 2)	Occupancy rate at end of period (%) (Note 3)	Revenue from property leasing (thousand yen) (Note 4)	As a percentage of total revenue from property leasing (%) (Note 2)
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	Real estate	1,027	1,030	1	95.4	35,538	0.3	1	88.6	33,972	0.3
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	Real estate	1,075	1,120	1	100.0	36,889	0.3	1	90.6	37,530	0.3
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	Real estate	1,334	1,400	1	91.8	46,255	0.4	1	97.7	46,398	0.4
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,395	2,530	1	95.1	80,501	0.7	1	90.7	79,238	0.6
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	Real estate	2,337	2,370	1	89.8	77,089	0.7	1	93.3	73,193	0.6
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	Beneficiary interests in trust	3,268	3,570	1	100.0	109,197	1.0	1	100.0	108,536	0.9
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	Beneficiary interests in trust	684	766	1	97.2	25,705	0.2	1	94.1	26,245	0.2
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,019	1,120	1	94.4	37,166	0.3	1	98.1	37,319	0.3
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	Beneficiary interests in trust	367	377	1	83.8	12,220	0.1	1	93.7	14,721	0.1
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	Beneficiary interests in trust	540	598	1	100.0	17,822	0.2	1	100.0	17,822	0.1
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	Real estate	1,412	1,420	1	98.3	47,664	0.4	1	91.8	46,989	0.4
C-41	RESIDIA Iriya	Taito-ku, Tokyo	Beneficiary interests in trust	955	1,000	1	87.6	35,179	0.3	1	96.0	36,252	0.3
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	Real estate	1,292	1,320	1	95.7	42,582	0.4	1	93.4	40,888	0.3
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	Real estate	1,828	1,840	1	98.7	55,298	0.5	1	95.2	56,445	0.5
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	Real estate	1,266	1,300	1	88.6	45,541	0.4	1	91.6	43,772	0.4
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	Beneficiary interests in trust	1,281	1,360	1	94.3	41,806	0.4	1	87.9	43,659	0.4
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	Beneficiary interests in trust	6,102	6,220	1	96.9	231,560	2.1	1	97.5	228,839	1.9
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	Beneficiary interests in trust	660	721	1	93.8	27,966	0.2	1	100.0	29,167	0.2
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	Real estate	5,380	5,750	1	100.0	159,420	1.4	1	100.0	162,055	1.3
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	Beneficiary interests in trust	3,890	4,570	1	100.0	136,707	1.2	1	100.0	137,081	1.1
C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	Beneficiary interests in trust	906	1,020	1	100.0	29,739	0.3	1	100.0	29,739	0.2
C-51	RESIDIA Kiba	Koto-ku, Tokyo	Beneficiary interests in trust	2,041	2,400	1	98.7	78,631	0.7	1	93.5	75,999	0.6
C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,157	1,260	1	100.0	39,980	0.4	1	96.9	39,431	0.3
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	Real estate	2,434	2,550	1	96.7	82,951	0.7	1	96.7	83,120	0.7
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	Beneficiary interests in trust	2,642	2,920	1	97.4	76,176	0.7	1	88.8	92,712	0.8
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	Beneficiary interests in trust	2,766	3,100	1	97.4	131,538	1.2	1	98.1	173,031	1.4
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	Real estate	1,832	1,860	1	97.0	40,322	0.4	1	98.0	61,628	0.5
C-57	RESIDIA Monzenakacho	Koto-ku, Tokyo	Beneficiary interests in trust	1,036	1,020	-	-	-	-	1	100.0	29,669	0.2
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,165	2,280	-	-	-	-	1	97.2	61,336	0.5
C-59	RESIDIA Omori	Ota-ku, Tokyo	Beneficiary interests in trust	1,191	1,260	-	-	-	-	1	98.7	35,514	0.3
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	Beneficiary interests in trust	1,115	1,140	-	-	-	-	1	94.5	32,762	0.3
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	Beneficiary interests in trust	1,870	1,960	-	-	-	-	1	98.1	54,620	0.4
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,410	2,380	-	-	-	-	1	95.4	67,581	0.6
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	Beneficiary interests in trust	698	686	-	-	-	-	1	100.0	21,475	0.2
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	Beneficiary interests in trust	983	1,000	-	-	-	-	1	96.9	21,815	0.2
S-1	Hiyoshidai Student Heights	Yokohama-shi, Kanagawa	Beneficiary interests in trust	3,146	3,640	1	100.0	174,072	1.5	1	100.0	174,072	1.4
S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	Beneficiary interests in trust	756	680	1	92.3	28,762	0.3	1	97.5	29,152	0.2
S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	Beneficiary interests in trust	1,111	1,030	1	95.7	43,712	0.4	1	97.9	43,583	0.4
S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,889	1,740	1	100.0	62,551	0.6	1	100.0	61,696	0.5
S-7	RESIDIA Chofu	Chofu-shi, Tokyo	Beneficiary interests in trust	1,136	1,080	1	100.0	35,805	0.3	1	91.2	35,131	0.3
S-11	Wako Student Heights	Wako-shi, Saitama	Beneficiary interests in trust	701	622	1	100.0	26,182	0.2	1	100.0	26,186	0.2
S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	Beneficiary interests in trust	501	515	1	97.0	19,334	0.2	1	97.0	19,496	0.2
S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,643	1,720	1	97.2	58,174	0.5	1	95.6	58,268	0.5
S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	764	799	1	100.0	26,744	0.2	1	100.0	27,177	0.2
S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	Real estate	1,552	1,600	1	97.7	54,365	0.5	1	97.8	54,806	0.4
S-17	RESIDIA Funabashi I	Funabashi-shi, Chiba	Beneficiary interests in trust	2,666	2,760	1	100.0	94,558	0.8	1	100.0	94,553	0.8
	RESIDIA Funabashi II												
S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	Beneficiary interests in trust	1,413	1,400	1	93.5	47,136	0.4	1	93.5	46,650	0.4
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama-shi, Kanagawa	Real estate and leasehold rights to real estate	13,287	14,200	1	98.8	596,526	5.3	1	98.8	571,637	4.7
S-21	Maison Yachiyodai	Yachiyo-shi, Chiba	Beneficiary interests in trust	853	862	1	91.6	42,843	0.4	1	91.6	42,552	0.3

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S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	Real estate	1,630	1,630	1	100.0	70,704	0.6	1	100.0	70,704	0.6
S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	Beneficiary interests in trust	826	961	1	100.0	32,760	0.3	1	100.0	32,760	0.3
S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	Beneficiary interests in trust	2,219	2,480	1	95.5	88,588	0.8	1	79.5	93,537	0.8
S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	882	903	-	-	-	-	1	97.6	31,173	0.3
S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	Beneficiary interests in trust	859	881	-	-	-	-	1	91.9	25,981	0.2
S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	816	835	-	-	-	-	1	96.0	29,028	0.2
S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	Beneficiary interests in trust	1,741	1,780	-	-	-	-	1	94.9	39,388	0.3
R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,607	1,570	1	100.0	66,078	0.6	1	100.0	66,078	0.5
R-4	Higashi-Sakura	Nagoya-shi, Aichi	Beneficiary interests in trust	1,183	1,160	1	91.0	45,917	0.4	1	96.9	48,338	0.4
R-5	RESIDIA Kameyama	Kameyama-shi, Mie	Beneficiary interests in trust	1,629	1,150	1	100.0	68,980	0.6	1	100.0	64,159	0.5
R-6	Zeus Ryokuchi PREMIUM <sup>(Note 5)</sup>	Toyonaka-shi, Osaka	Beneficiary interests in trust	957	877	1	100.0	31,250	0.3	1	87.9	30,883	0.3
R-8	RESIDIA Kobe Port Island (South Bldg.; Centre Bldg.)	Kobe-shi, Hyogo	Beneficiary interests in trust	3,709	3,500	1	100.0	125,425	1.1	1	100.0	125,413	1.0
	RESIDIA Kobe Port Island (North Bldg.)												
R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	Real estate	1,198	1,180	1	98.0	51,907	0.5	1	96.3	51,194	0.4
R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	Beneficiary interests in trust	840	895	1	95.0	37,264	0.3	1	97.6	37,063	0.3
R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	Real estate	2,137	2,360	1	97.5	91,115	0.8	1	98.9	89,112	0.7
R-13	KC21 Building	Sendai-shi, Miyagi	Real estate	872	844	1	100.0	39,753	0.4	1	98.7	41,178	0.3
R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	Real estate	1,133	1,230	1	100.0	48,334	0.4	1	97.8	49,277	0.4
R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,910	2,040	1	93.9	76,494	0.7	1	96.1	75,984	0.6
R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	Real estate	2,273	2,610	1	100.0	89,206	0.8	1	100.0	89,692	0.7
R-17	RESIDIA Hibino	Nagoya-shi, Aichi	Beneficiary interests in trust	1,280	1,350	1	94.5	67,070	0.6	1	92.6	67,366	0.6
R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	904	949	1	91.1	39,149	0.3	1	94.6	40,149	0.3
R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	309	336	1	97.4	16,543	0.1	1	94.9	15,999	0.1
R-21	Mare	Nagoya-shi, Aichi	Real estate	660	685	1	100.0	28,357	0.3	1	97.4	27,538	0.2
R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	Real estate	1,584	1,710	1	98.3	73,627	0.7	1	96.5	74,124	0.6
R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	Real estate	1,296	1,270	1	97.7	57,179	0.5	1	98.6	57,904	0.5
R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	Real estate	1,090	1,170	1	99.3	49,561	0.4	1	98.5	49,957	0.4
R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	Real estate	808	806	1	91.9	32,882	0.3	1	85.0	28,160	0.2
R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	Real estate	689	708	1	96.1	35,093	0.3	1	95.6	37,442	0.3
R-30	RESIDIA Izumi	Nagoya-shi, Aichi	Real estate	3,587	3,770	1	96.3	144,892	1.3	1	92.8	148,326	1.2
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	Real estate	1,019	1,060	1	100.0	46,100	0.4	1	98.4	46,156	0.4
R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	Real estate	734	753	1	96.7	29,405	0.3	1	100.0	30,210	0.2
R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	Real estate	1,956	2,170	1	96.2	91,151	0.8	1	97.4	92,574	0.8
R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	Real estate	1,190	1,300	1	97.0	47,281	0.4	1	100.0	48,977	0.4
R-36	RESIDIA Hisaya-Odori	Nagoya-shi, Aichi	Beneficiary interests in trust	677	767	1	94.1	29,827	0.3	1	96.7	30,477	0.2
R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	Beneficiary interests in trust	553	609	1	100.0	26,122	0.2	1	100.0	26,092	0.2
R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	Beneficiary interests in trust	518	557	1	100.0	21,880	0.2	1	100.0	21,839	0.2
R-39	RESIDIA Edobori	Osaka-shi, Osaka	Real estate	1,502	1,660	1	96.9	52,283	0.5	1	98.5	61,946	0.5
R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	Real estate	1,083	1,130	1	97.7	28,954	0.3	1	97.5	43,332	0.4
R-41	RESIDIA Esaka	Suita-shi, Osaka	Beneficiary interests in trust	1,033	1,070	-	-	-	-	1	97.7	34,211	0.3
R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	2,490	2,590	-	-	-	-	1	98.4	92,823	0.8
R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	Beneficiary interests in trust	1,263	1,310	-	-	-	-	1	99.2	47,189	0.4
R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	Beneficiary interests in trust	2,867	3,040	-	-	-	-	1	99.6	103,713	0.9
<b>Total</b>				<b>363,255</b>	<b>366,860</b>	<b>173</b>	<b>96.4</b>	<b>11,242,406</b>	<b>99.9</b>	<b>190</b>	<b>95.9</b>	<b>12,193,737</b>	<b>100.0</b>

Note 1. "Estimated value at end of period" is the appraisal value or survey-based value provided by a real estate appraiser as of July 31, 2012, the valuation date, pursuant to ADR's Articles of Incorporation and the "Regulations Concerning Accounting of Investment Corporations" issued by the Cabinet Office.

2. For "Total number of tenants," tenants that have executed a master lease agreement with a master lessee are counted as 1.

The "Total" column for "Total number of tenants" indicates the sum total number of master lease agreements, concluded with 14 master lessees, as a master lease agreement is executed for all assets held by ADR as of July 31, 2012.

3. "Occupancy rate" is calculated by using the formula: "Leased floor area" ÷ "Leasable floor area" × 100.

4. "Revenue from property leasing" is the rental revenue of respective real estate, etc. for the fiscal period under review.

5. The property name was changed to RESIDIA Ryokuchi Kouen as of August 1, 2012.



## 4. Securities Portfolio

The following are securities held by ADR as of July 31, 2012.

Name	Type of asset	Quantity	Book value (thousand yen)		Assessed value in valuation (thousand yen) (Note 1)		Gain (Loss) on valuation (thousand yen)	Remarks
			Unit price	Amount	Unit price	Amount		
Equity interests in silent partnership with Godo Kaisha RBFA2 as operator (Note 2)	Silent partnership equity interests	-	-	278,087	-	275,000	-3,087	-
Equity interests in silent partnership with Godo Kaisha RBFA3 as operator (Note 3)	Silent partnership equity interests	-	-	162,979	-	161,000	-1,979	-
<b>Total</b>	-	-	-	<b>441,066</b>	-	<b>436,000</b>	<b>-5,066</b>	-

Notes 1. The value found in valuation is the value quoted by the operator of the silent partnership pursuant to regulations provided by The Investment Trusts Association, Japan.

2. The silent partnership owns the real estate beneficiary interests in trust for "Pacific Residence Goshohigashi," "Pacific Residence Rakuohoku," "Current Marunouchi" and "Current Sapporo Estacion."

3. The silent partnership owns the real estate beneficiary interests in trust for "Liet Court Shinsaibashi West," "CR Residence Jiyugaoka" and "Park Homes Sapporo East."

4. Other than the above, ADR holds real estate beneficiary interests in trust that are securities as defined in Article 2, Paragraph 2, Item 1 of the Financial Instruments and Exchange Act. For convenience of reference, however, the underlying real estate in trust of those beneficiary interests in trust are included in "3. Real Estate Portfolio."

## 5. Specified Transactions

The following is the status of ADR's specified transactions as of July 31, 2012.

Account	Type	Contract amount (Note 1)		Fair value (Notes 2 and 3)
			Of which, exceed 1 year	
Transaction other than market transaction	Interest rate swap transaction payable fixed; receivable floating	125,043,174	115,367,488	-713,789
<b>Total</b>		<b>125,043,174</b>	<b>115,367,488</b>	<b>-713,789</b>

Notes 1. The contract amount is based on notional principal.

2. The fair value is based on the calculation conducted by the counterparty to the relevant transaction on the basis of the going rate of interest.

3. Special provisions for interest rate swaps are applied to the amount of fair value based on the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected on the balance sheets.

## 6. Other Assets

Real estate and real estate beneficiary interests in trust are all listed in "3. Real Estate Portfolio". As of July 31, 2012, there are no major specified assets in the portfolio that are key investment targets of ADR other than those listed in that section and earlier in "4. Securities Portfolio".

## 7. Assets Held by Country and Region

There are no applicable matters concerning countries and regions other than Japan.



## Capital Expenditures

### 1. Planned Capital Expenditures

The following table lists the major capital expenditures for renovations currently planned for the real estate and real estate 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 property (Location)	Purpose	Estimated Duration	Estimated amounts		
			Total amounts	Payment for the current period	Cumulative amount paid
RESIDIA Imadegawa (Kyoto-Shi, Kyoto)	Replacement of parts for mechanical parking lot	From: Oct. 2012 To: Jan. 2013	22	-	-
RESIDIA Kamimeguro (Meguro-ku, Tokyo)	Major repair work	From: Oct. 2012 To: Jan. 2013	21	-	-
RESIDIA Shibaura (Minato-ku, Tokyo)	Value-enhancement work on individual units	From: Sep. 2012 To: Jan. 2013	15	-	-
RESIDIA Daikanyama-Sarugakuchō/ Daikanyama Parkside Village (Shibuya-ku, Tokyo)	Value-enhancement work on individual units	From: Sep. 2012 To: Jan. 2013	14	-	-
RESIDIA Kichijoji (Musashino-shi, Tokyo)	Value-enhancement work on individual units	From: Sep. 2012 To: Jan. 2013	13	-	-

### 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 fiscal period were 146 million yen for the entire portfolio and, when combined with repairs and maintenance cost of 356 million yen, it totals 502 million yen.

(million yen)

Name of property (Location)	Purpose	Implementation period	Amount paid
RESIDIA Okurayama (Yokohama-shi, Kanagawa)	Major repair work	From: May 2012 To: July 2012	28
RESIDIA Shibaura (Minato-ku, Tokyo)	Intercom replacement work	June 2012	15
RESIDIA Roppongi-Hinokichokoen (Minato-ku, Tokyo)	Painting and waterproofing work on steel sections	From: May 2012 To: June 2012	4
Other real estate	Renewal work, etc.		97
Total			146

(Note) Amount paid is rounded down to the nearest million yen. Accordingly, the sum total of the entered figures does not necessarily add up to the "Total" amount indicated in the foregoing table.

### 3. Cash Reserves for Upgrades and Renovations

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

(million yen)

Fiscal period	1st Fiscal Period	2nd Fiscal Period	3rd Fiscal Period	4th Fiscal Period
Operating period	From: Mar. 1, 2010 To: Jan. 31, 2011	From: Feb. 1, 2011 To: July 31, 2011	From: Aug. 1, 2011 To: Jan. 31, 2012	From: Feb. 1, 2012 To: July 31, 2012
Balance of reserves at beginning of period	1,899	1,899	1,843	1,748
Amount of reserves during period	-	460	245	261
Reversal of reserves during period	-	516	341	304
Amount carried forward to next period	1,899	1,843	1,748	1,704

# Expenses and Liabilities

## 1. Entrustment Expenses

(thousand yen)

Item	3rd Fiscal Period	4th Fiscal Period
(a) Asset management fee <sup>(Note 1)</sup>	739,700	765,489 <sup>(Note 2)</sup>
(b) Asset custody fee	11,860	12,443
(c) Administrative service fees	66,729	65,507
(d) Directors' compensations	2,400	2,400
(e) Other	244,557	262,594
<b>Total</b>	<b>1,065,248</b>	<b>1,108,436</b>

Notes 1. Asset management fee is the sum total amount of the base fee and incentive fee.

2. Aside from the amounts indicated above, a total 262,396 thousand yen has been paid for asset management of the acquired properties and has been included in their acquisition prices.

## 2. Loans

The following lists the balance of respective loans ADR borrowed from financial institutions as of July 31, 2012.

	Account	Drawdown date	Balance at beginning of 4th Fiscal Period	Balance at beginning of 4th Fiscal Period	Interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks	
	Lenders		(million yen)	(million yen)						
Short-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Nov. 18, 2011	320	-	-	Nov. 19, 2012	Lump-sum repayment at maturity	(Note 6)	Unsecured Unguaranteed	
	Sumitomo Mitsui Trust Bank Limited (Note 7)		320	-						
	Sumitomo Mitsui Banking Corporation		200	-						
	Mizuho Corporate Bank, Ltd.		200	-						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 1, 2012	-	450	1.13%	Feb. 28, 2013		(Note 3)		
	Sumitomo Mitsui Trust Bank Limited (Note 7)		-	450						
	Sumitomo Mitsui Banking Corporation		-	300						
	Mizuho Corporate Bank, Ltd.		-	300						
	Subtotal			1,040	1,500					
Current portion of long-term loans payable	Taiyo Life Insurance Company	Sept. 19, 2007	903	903	1.79%	Sep. 19, 2012	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed	
	Development Bank of Japan Inc.	Nov. 30, 2007	1,806	1,806	1.74%	Nov. 30, 2012		(Note 3)		
	Aozora Bank, Ltd.	Jan. 25, 2008	1,382	1,382	1.71% (Note 2)	Jan. 25, 2013		(Note 4)		
	Sumitomo Mitsui Trust Bank Limited (Note 7)		921	921						
	Development Bank of Japan Inc.		921	921						
	Resona Bank, Limited		921	921						
	Sumitomo Mitsui Trust Bank Limited (Note 7)	June 25, 2008	1,797	-	-	Jun. 25, 2012		(Note 5)		
	The Nishi-Nippon City Bank Ltd.		1,382	-						
	Resona Bank, Limited		921	-						
	Aozora Bank, Ltd.		875	-						
	Mizuho Corporate Bank, Ltd.	June 25, 2008	-	2,765	2.45% (Note 2)	Jun. 25, 2013		(Note 5)		
	Aozora Bank, Ltd.		-	1,382						
	Resona Bank, Limited		-	921						
	Development Bank of Japan Inc.		1,806	1,806						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 30, 2009	2,711	-	-	Jun. 29, 2012		(Note 5)		
	Aozora Bank, Ltd.		535	-						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 31, 2009	-	2,965	2.18%	Apr. 30, 2013		(Note 5)		
	Sumitomo Mitsui Trust Bank Limited (Note 7)		-	3,526						
	Sumitomo Mitsui Banking Corporation		-	2,110						
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Oct. 22, 2009	1,815	-	-	Apr. 27, 2012		(Note 6)		
	Sumitomo Mitsui Trust Bank Limited (Note 7)		1,815	-						
	Sumitomo Mitsui Banking Corporation		1,815	-						
	Development Bank of Japan Inc.	Oct. 22, 2009	250	250	3.10%	(Note 10)		Installment		(Note 6)
	Development Bank of Japan Inc.	Nov. 25, 2009	824	799	1.92%	(Note 11)		Installment		(Note 5)

	Account	Drawdown date	Balance at beginning of 4th Fiscal Period	Balance at beginning of 4th Fiscal Period	Interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks				
	Lenders		(million yen)	(million yen)									
Current portion of long-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 19, 2010	2,714	2,714	1.53%	Jan. 25, 2013		(Note 5)	Unsecured Unguaranteed				
	Mitsubishi UFJ Trust and Banking Corporation		1,806	1,806									
	Sumitomo Mitsui Trust Bank Limited (Note 9)		3,612	3,612									
	Aozora Bank, Ltd.		907	907									
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 31, 2010	-	1,384	1.59%	Mar. 29, 2013	Lump-sum repayment at maturity	(Note 5)					
	Sumitomo Mitsui Trust Bank Limited (Note 7)		-	1,384									
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 31, 2010	1,806	-	-	Apr. 27, 2012		(Note 5)					
	Sumitomo Mitsui Banking Corporation		1,806	-									
	Sumitomo Mitsui Trust Bank Limited (Note 9)		2,800	-									
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,625	-									
	Development Bank of Japan Inc.	Feb. 17, 2011	13	13	1.86%	(Note 12)	Installment	(Note 6)					
	Subtotal			40,505	35,212								
Long-term loans payable	Mizuho Corporate Bank, Ltd.	June 25, 2008	2,765	-	-	Jun. 25, 2013		(Note 5)	Unsecured Unguaranteed				
	Aozora Bank, Ltd.		1,382	-									
	Resona Bank, Limited		921	-									
	Development Bank of Japan Inc.	June 25, 2008	2,304	2,304	2.70%	Jun. 25, 2015	Lump-sum repayment at maturity	(Note 5)					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 31, 2009	2,965	-	-	Apr. 30, 2013		(Note 5)					
	Sumitomo Mitsui Trust Bank Limited (Note 7)		3,526	-									
	Sumitomo Mitsui Banking Corporation		2,110	-			Lump-sum repayment at maturity	(Note 6)					
	Development Bank of Japan Inc.	Oct. 22, 2009	3,804	3,679	3.10%	(Note 10)							
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 31, 2010	1,384	-	-	Mar. 29, 2013				(Note 5)			
	Sumitomo Mitsui Trust Bank Limited (Note 7)		1,384	-									
	Mizuho Corporate Bank, Ltd.	Sept. 22, 2010	1,147	1,147	1.50% (Note 2)	Sep. 21, 2013		(Note 6)					
	Mizuho Trust & Banking Co., Ltd.		573	573									
	Sumitomo Mitsui Trust Bank Limited (Note 7)	Nov. 25, 2010	2,610	2,610	1.38% (Note 2)	Nov. 15, 2013		(Note 5)					
	Sumitomo Mitsui Banking Corporation		1,770	1,770									
	Aozora Bank, Ltd.		1,530	1,530									
	Development Bank of Japan Inc.	Nov. 25, 2010	956	956	1.90%	Nov. 24, 2017	Lump-sum repayment at maturity	(Note 5)					
	Sumitomo Mitsui Banking Corporation	Nov. 30, 2010	1,806	1,806	1.38% (Note 2)	Nov. 15, 2013		(Note 5)					
	Mizuho Corporate Bank, Ltd.	Feb. 17, 2011	8,664	8,664	1.62% (Note 2)	Feb. 17, 2014		(Note 6)					
	Mizuho Trust & Banking Co., Ltd.		4,332	4,332									
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 17, 2011	443	443	1.62% (Note 2)	Feb. 17, 2014		(Note 6)					
	Sumitomo Mitsui Trust Bank Limited (Note 7)		443	443									
	Sumitomo Mitsui Banking Corporation		354	354									
	Mitsubishi UFJ Trust and Banking Corporation		265	265									
	Development Bank of Japan Inc.	Feb. 17, 2011	238	232	1.86%	(Note 12)	Installment	(Note 6)					
	Mizuho Corporate Bank, Ltd.	Mar. 1, 2011	1,083	1,083	1.68% (Note 2)	Feb. 29, 2016		(Note 3)					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 1, 2011	492	492	1.68% (Note 2)	Feb. 29, 2016		(Note 3)					
	Sumitomo Mitsui Trust Bank Limited (Note 7)		492	492									
	Sumitomo Mitsui Banking Corporation		2,264	2,264									
	Shinsei Bank, Limited		295	295			Lump-sum repayment at maturity	(Note 3)					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Mar. 10, 2011	500	500	1.69% (Note 2)	Feb. 29, 2016							
	Sumitomo Mitsui Trust Bank Limited (Note 7)		500	500									
	Shinsei Bank, Limited		700	700									
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 28, 2011	3,500	3,500	1.75% (Note 2)	Apr. 28, 2017		(Note 5)					
	Mitsubishi UFJ Trust and Banking Corporation		3,700	3,700									
	Sumitomo Mitsui Trust Bank Limited (Note 8)		2,000	2,000									
	Mitsubishi UFJ Trust and Banking Corporation	May 31, 2011	2,500	2,500	1.52% (Note 2)	Feb. 29, 2016		(Note 3)					
	Sumitomo Mitsui Banking Corporation	June 30, 2011	2,700	2,700	1.59% (Note 2)	Jun. 30, 2017		(Note 5)					
	Sumitomo Mitsui Trust Bank Limited (Note 7)	June 30, 2011	890	890	1.76% (Note 2)	Jun. 29, 2018		(Note 5)					



Account		Drawdown date	Balance at	Balance at	Interest rate (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lenders		beginning of 4th Fiscal Period (million yen)	beginning of 4th Fiscal Period (million yen)					
Long-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 31, 2011	1,600	1,600	1.01% (Note 2)	Jan. 31, 2015	Lump-sum repayment at maturity	(Note 5)	Unsecured Unguaranteed
	Resona Bank, Limited		2,000	2,000					
	The Bank of Fukuoka, Ltd.		1,000	1,000					
	Aozora Bank, Ltd.		700	700					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Aug. 31, 2011	500	500	1.16% (Note 2)	Dec. 18, 2015		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited (Note 7)		500	500					
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000					
	The Norinchukin Bank		1,000	1,000					
	The Bank of Fukuoka, Ltd.	Aug. 31, 2011	1,000	1,000	1.31% (Note 2)	Jan. 31, 2017		(Note 5)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Sumitomo Mitsui Trust Bank Limited (Note 7)	500	500	1.16% (Note 2)	Dec. 18, 2015	(Note 3)			
	Aozora Bank, Ltd.	2,000	2,000						
	Sumitomo Mitsui Banking Corporation	1,000	1,000	1.31% (Note 2)	Jan. 31, 2017	(Note 3)			
	Resona Bank, Limited	Aug. 31, 2011	2,000					2,000	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sept. 1, 2011	750	750	1.31% (Note 2)	Jan. 31, 2017		(Note 3)	
	Sumitomo Mitsui Trust Bank Limited (Note 7)		750	750					
	Mitsubishi UFJ Trust and Banking Corporation	Sept. 29, 2011	1,000	1,000	1.62% (Note 2)	Sept. 28, 2018		(Note 3)	
	Aozora Bank, Ltd.	Nov. 18, 2011	2,400	2,400	0.73%	Oct. 31, 2014		(Note 6)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Nov. 30, 2011	1,300	1,300	1.57% (Note 2)	Nov. 30, 2018		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited (Note 7)		1,300	1,300					
	Mizuho Corporate Bank, Ltd.		1,000	1,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,900	1,900					
	The Norinchukin Bank	Dec. 26, 2011	2,000	2,000	0.79%	Dec. 18, 2015		(Note 5)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Dec. 26, 2011	300	300	1.17% (Note 2)	Nov. 30, 2016		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited (Note 7)		300	300					
	Sumitomo Mitsui Banking Corporation		450	450					
	Mizuho Corporate Bank, Ltd.		450	450					
	The Norinchukin Bank		2,500	2,500					
	Mitsui Sumitomo Insurance		1,000	1,000					
	Taiyo Life Insurance Company	Dec. 26, 2011	1,500	1,500	1.21%	Nov. 30, 2016		(Note 5)	
	Sumitomo Mitsui Banking Corporation	Jan. 25, 2012	450	450	1.11% (Note 2)	Jul. 29, 2016		(Note 5)	
	Mizuho Corporate Bank, Ltd.		1,550	1,550					
	Resona Bank, Limited		900	900					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Jan. 25, 2012	500	500	1.43% (Note 2)	Jul. 31, 2018		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited (Note 7)		500	500					
	Sumitomo Mitsui Banking Corporation		650	650					
	Mizuho Corporate Bank, Ltd.		500	500					
	Mitsubishi UFJ Trust and Banking Corporation		900	900					
	Development Bank of Japan Inc.		1,000	1,000					
	Shinsei Bank, Limited		1,500	1,500					
Mizuho Trust & Banking Co., Ltd.	Feb. 8, 2012	-	1,000	0.75%	Jul. 31, 2015	(Note 6)			
The Yamaguchi Bank, Ltd.	Feb. 8, 2012	-	500	0.91%	Jul. 31, 2015	(Note 6)			
The Tokyo Tomin Bank, Ltd.		-	500						
The Iyo Bank, Ltd.		-	300						
Resona Bank, Limited	Feb. 8, 2012	-	1,000	1.11% (Note 2)	Jul. 29, 2016	(Note 6)			
The Bank of Fukuoka, Ltd.		-	2,000						
The Yamaguchi Bank, Ltd.		-	500						
The Tokyo Tomin Bank, Ltd.		-	500						
The Iyo Bank, Ltd.		-	300						
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	500						
Sumitomo Mitsui Trust Bank Limited (Note 7)	Feb. 8, 2012	-	500	1.42% (Note 2)	Jul. 31, 2018	(Note 6)			
Shinsei Bank, Limited	-	1,000							

	Account	Drawdown date	Balance at beginning of 4th Fiscal Period	Balance at beginning of 4th Fiscal Period	Interest rate	Repayment date	Repayment method	Use	Remarks
	Lenders		(million yen)	(million yen)	(Note 1)				
Long-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Feb. 28, 2012	-	2,850	1.23%	Feb. 28, 2018	Lump-sum repayment at maturity	(Note 3)	Unsecured Unguaranteed
	Mizuho Corporate Bank, Ltd.	Apr. 3, 2012	-	2,700	0.67%	Mar. 31, 2015		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 27, 2012	-	1,300	0.57%	Jan. 31, 2014		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		-	1,700					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 27, 2012	-	800	1.10% (Note 2)	Aug. 31, 2017		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		-	800					
	Sumitomo Mitsui Banking Corporation		-	2,800					
	Mitsubishi UFJ Trust and Banking Corporation		-	1,600					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Apr. 27, 2012	-	1,500	1.20% (Note 2)	Apr. 27, 2018		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		-	2,100					
	Sumitomo Mitsui Banking Corporation		-	800					
	The Gunma Bank, Ltd.	May 31, 2012	-	1,000	0.84% (Note 2)	May 29, 2015		(Note 5)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 25, 2012	-	657	0.58%	Jun. 30, 2014		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		-	343					
	Aozora Bank, Ltd.		-	800					
	The Nishi-Nippon City Bank Ltd.		-	700					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 25, 2012	-	700	0.85% (Note 2)	Aug. 31, 2015		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		-	500					
	Resona Bank, Limited		-	1,000					
	The Nishi-Nippon City Bank Ltd.		-	800					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 29, 2012	-	1,200	1.25% (Note 2)	Jun. 28, 2019		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		-	800					
	Aozora Bank, Ltd.		-	700					
	Subtotal			111,956	132,132				
Total			153,502	168,844					

Notes 1. "Interest rate" is the borrowing interest rate (weighted average of balance at the end of the fiscal period) for each loan agreement, rounded to the second decimal place.

2. For loans for which an interest rate swap transaction has been made for the purpose of hedging the risk of interest rate fluctuations, the entered interest rate is the fixed one as a result of the interest rate swap.

3. The funds are used for acquiring specified assets.

4. The funds are used for acquiring specified assets and repaying existing loans.

5. The funds are used for repaying existing loans.

6. The funds are used for redeeming existing investment corporation bonds.

7. The Sumitomo Trust & Banking Co., Ltd., The Chuo Mitsui Trust and Banking Company, Limited and Chuo Mitsui Asset Trust and Banking Company, Limited merged on April 1, 2012 to become Sumitomo Mitsui Trust Bank, Limited. The entered figures for the balances at the beginning and the end of the 4th Fiscal Period are those of the former Sumitomo Trust & Banking.

8. The entered figures for the balances at the beginning and the end of the 4th Fiscal Period are those of the former Chuo Mitsui Trust and Banking.

9. The entered figures for the balances at the beginning and the end of the 4th Fiscal Period are those of the former Sumitomo Trust & Banking and the former Chuo Mitsui Trust and Banking combined.

10. The loan contract requires that the first repayment shall be on the last day of February 2010 and subsequent repayments shall be at the end of every February, May, August and November thereafter each in the amount of 62,500 thousand yen of principal, until lump-sum repayment of the remaining principal on September 30, 2014.

11. The loan contract requires that the first repayment shall be on the last day of February 2010 and subsequent repayments shall be at the end of every February, May, August and November thereafter each in the amount of 12,500 thousand yen of principal, until lump-sum repayment of the remaining principal on November 30, 2012.

12. The loan contract requires that the first repayment shall be on the last day of April 2011 and subsequent repayments shall be at the end of every January, April, July and November thereafter each in the amount of 3,375 thousand yen of principal, until lump-sum repayment of the remaining principal on February 17, 2016.



### 3. Investment Corporation Bonds

The following lists the outstanding investment corporation bonds issued by ADR as of July 31, 2012.

Series <sup>(Note 1)</sup>	Issue date	Balance at beginning of 4th Fiscal Period (million yen)	Balance at end of 4th Fiscal Period (million yen)	Coupon rate (%)	Redemption date	Redemption method	Use	Remarks
ADR Bond #2 (Unsecured)	Nov. 21, 2007	5,000	5,000	2.03	Nov. 21, 2012	Lump-sum redemption at maturity	(Note 2)	Unsecured
NRI Bond #3 (Unsecured)	Sep. 26, 2005	9,700	9,700	1.28	Sep. 24, 2012	Lump-sum redemption at maturity	(Note 3)	Unsecured
NRI Bond #7 (Unsecured)	Feb. 9, 2007	12,000	-	1.84	Feb. 9, 2012	Lump-sum redemption at maturity	(Note 2)	Unsecured
NRI Bond #10 (Unsecured) <sup>(Note 6)</sup>	Sep. 13, 2007	4,800	4,800	1.90	Sep. 13, 2012	Lump-sum redemption at maturity	(Note 4)	Unsecured
ADR Bond #13 (Unsecured)	Sep. 12, 2011	8,000	8,000	1.27	Sep. 12, 2016	Lump-sum redemption at maturity	(Note 5)	Unsecured
ADR Bond #14 (Unsecured)	Sep. 12, 2011	2,000	2,000	1.68	Sep. 12, 2018	Lump-sum redemption at maturity	(Note 5)	Unsecured
ADR Bond #15 (Unsecured)	Apr. 26, 2012	-	4,000	0.86	Apr. 24, 2015	Lump-sum redemption at maturity	(Note 2)	Unsecured
ADR Bond #16 (Unsecured)	Apr. 26, 2012	-	4,000	1.08	Apr. 26, 2017	Lump-sum redemption at maturity	(Note 2)	Unsecured
<b>Total</b>		<b>41,500</b>	<b>37,500</b>					

Notes 1. The bonds come with pari passu clause among specified investment corporation bonds.

2. The funds are used for repaying existing loans.

3. The funds are used for acquiring specified assets and repaying existing loans.

4. The funds are used for acquiring specified assets and repaying existing loans as well as for working capital.

5. The funds are used for redeeming existing investment corporation bonds.

6. NRI Bond #10 (Unsecured) was redeemed on September 13, 2012.

### 4. Short-Term Investment Corporation Bonds

Not applicable.



C-63 RESIDIA Kinshicho III

## Acquisitions and Disposals in the 4th Fiscal Period

### 1. Acquisitions and Disposals of Properties and Asset-Backed Securities

Property no.	Property name	Acquisition		Disposition			
		Acquisition date	Acquisition price <sup>(Note)</sup> (million yen)	Disposition date	Disposition price <sup>(Note)</sup> (million yen)	Book value (million yen)	Gain (Loss) on sales (million yen)
P-90	RESIDIA Sasazuka II	Feb. 24, 2012	3,760	-	-	-	-
C-57	RESIDIA Monzennakacho	Feb. 28, 2012	970	-	-	-	-
C-60	RESIDIA Nakamurabashi	Feb. 28, 2012	1,075	-	-	-	-
C-61	RESIDIA Kachidoki	Feb. 28, 2012	1,805	-	-	-	-
C-63	RESIDIA Kinshicho III	Feb. 28, 2012	651	-	-	-	-
S-25	RESIDIA Minami-Gyotoku	Feb. 28, 2012	823	-	-	-	-
S-26	RESIDIA Urayasu II	Feb. 28, 2012	802	-	-	-	-
S-27	RESIDIA Gyotoku	Feb. 28, 2012	761	-	-	-	-
R-42	RESIDIA Nishijin	Feb. 28, 2012	2,380	-	-	-	-
R-43	RESIDIA Tsurumai	Feb. 28, 2012	1,206	-	-	-	-
R-44	RESIDIA Kobe-Isogami	Feb. 28, 2012	2,740	-	-	-	-
C-62	RESIDIA Bunkyo-Otowa II	Feb. 29, 2012	2,268	-	-	-	-
C-58	RESIDIA Ochanomizu	Mar. 1, 2012	2,090	-	-	-	-
C-59	RESIDIA Omori	Mar. 1, 2012	1,150	-	-	-	-
R-41	RESIDIA Esaka	Mar. 1, 2012	989	-	-	-	-
C-64	RESIDIA Kamata III	Apr. 3, 2012	948	-	-	-	-
S-28	RESIDIA Kawasaki	Apr. 3, 2012	1,670	-	-	-	-
-	Equity interests in silent partnership with Godo Kaisha RBFA3 as operator	July 27, 2012	161	-	-	-	-
<b>Total</b>			<b>26,249</b>	-	-	-	-

(Note) "Acquisition price" or "Disposition price" is the purchase or sale price entered in the transaction agreement, etc., and does not include the various expenses, such as broker commission, and taxes and public dues, required in the acquisition or disposition of the concerned real estate, etc.

### 2. Acquisitions and Disposals of Other Assets

Not applicable. Major assets other than the above mentioned properties and asset-backed securities are mostly bank deposits or bank deposits within trust assets.



C-64 RESIDIA Kamata III

### 3. Appraisal Values of Specified Assets

#### 1) Real Estate

Acquisition or disposition	Type of asset	Property no.	Property name	Acquisition date	Acquisition price or disposition price (million yen)	Appraisal value (million yen)	Appraiser	Valuation date
Acquisition	Real estate in trust	P-90	RESIDIA Sasazuka II	Feb. 24, 2012	3,760	3,810	Japan Real Estate Institute	Nov. 1, 2011
		C-57	RESIDIA Monzennakacho	Feb. 28, 2012	970	993	Morii Appraisal & Investment Consulting Inc.	Oct. 17, 2011
		C-60	RESIDIA Nakamurabashi	Feb. 28, 2012	1,075	1,110	Morii Appraisal & Investment Consulting Inc.	Oct. 31, 2011
		C-61	RESIDIA Kachidoki	Feb. 28, 2012	1,805	1,950	Japan Real Estate Institute	Nov. 1, 2011
		C-63	RESIDIA Kinshicho III	Feb. 28, 2012	651	665	Morii Appraisal & Investment Consulting Inc.	Oct. 13, 2011
		S-25	RESIDIA Minami-Gyotoku	Feb. 28, 2012	823	872	Morii Appraisal & Investment Consulting Inc.	Oct. 13, 2011
		S-26	RESIDIA Urayasu II	Feb. 28, 2012	802	850	Morii Appraisal & Investment Consulting Inc.	Oct. 17, 2011
		S-27	RESIDIA Gyotoku	Feb. 28, 2012	761	807	Morii Appraisal & Investment Consulting Inc.	Oct. 13, 2011
		R-42	RESIDIA Nishijin	Feb. 28, 2012	2,380	2,560	Daiwa Real Estate Appraisal Co., Ltd.	Nov. 1, 2011
		R-43	RESIDIA Tsurumai	Feb. 28, 2012	1,206	1,250	Daiwa Real Estate Appraisal Co., Ltd.	Nov. 1, 2011
		R-44	RESIDIA Kobe-Isogami	Feb. 28, 2012	2,740	2,900	Morii Appraisal & Investment Consulting Inc.	Oct. 31, 2011
		C-62	RESIDIA Bunkyo-Otowa II	Feb. 29, 2012	2,268	2,330	Morii Appraisal & Investment Consulting Inc.	Oct. 24, 2011
		C-58	RESIDIA Ochanomizu	Mar. 1, 2012	2,090	2,230	Japan Real Estate Institute	Oct. 1, 2011
		C-59	RESIDIA Omori	Mar. 1, 2012	1,150	1,220	Japan Real Estate Institute	Nov. 1, 2011
		R-41	RESIDIA Esaka	Mar. 1, 2012	989	1,040	Japan Real Estate Institute	Nov. 1, 2011
		C-64	RESIDIA Kamata III	Apr. 3, 2012	948	981	Morii Appraisal & Investment Consulting Inc.	Nov. 14, 2011
		S-28	RESIDIA Kawasaki	Apr. 3, 2012	1,670	1,740	Morii Appraisal & Investment Consulting Inc.	Nov. 18, 2011

Notes 1. "Acquisition price" or "Disposition price" is the purchase or sale price entered in the transaction agreement and does not include the various expenses such as broker commission, and taxes and public dues, required in the acquisition or disposition of the concerned real estate.

2. The revision made to the Act on Investment Trusts and Investment Corporations as of November 24, 2011 eliminated the requirement for reassessing into the value of specified assets (land, buildings, or related rights or assets, as designated by government ordinances) when investment corporations have conducted real estate appraisals for such assets prior to their acquisition or disposal. Accordingly, ADR has not conducted any assessments into the value of specified assets for the properties listed above.

## 2) Silent Partnership Equity Interests

Acquisition or disposition	Name	Acquisition date	Acquisition price (million yen)	Investigated value of specified assets (million yen)
Acquisition	Equity interests in silent partnership with Godo Kaisha RBFA3 as operator	July 27, 2012	161	161

Notes 1. The assessment into the value of specified assets above was conducted at the time of acquisition or disposition of assets by Deloitte Touche Tohmatsu LLC in accordance with The Japanese Institute of Certified Public Accountants' Industry Audit Practice Committee Statement No. 23 "Assessment of the Value of Specified Assets of Investment Trusts and Investment Corporations" and ADR has received the assessment report.

2. "Acquisition price" is the investment amount in the concerned silent partnership, or the amount required in its equity interests, and excludes the various expenses associated with the acquisition.

## 3) Others

For transactions conducted by ADR other than the transactions listed above in "1) Real Estate" and "2) Silent Partnership Equity Interests" which require assessments pursuant to the provisions of Article 201 of the Act on Investment Trusts and Investment Corporations, ADR entrusts Deloitte Touche Tohmatsu LLC with the assessment.

## 4. Transactions with Interested Parties and Major Shareholders

## 1) Transactions

The following are the transactions of specified assets conducted with interested parties and major shareholders in the 4th Fiscal Period.

Account	Transaction amount	
	Purchase amount	Sale amount
Total amount (4th Fiscal Period)	26,088,625 thousand yen	- thousand yen
	Of which, purchase from interested parties and major shareholders	Of which, sale to interested parties and major shareholders
	7,989,625 thousand yen (30.6%)	- thousand yen (-%)
Breakdown of transaction with interested parties and major shareholders		
ITOCHU Corporation	7,989,625 thousand yen (30.6%)	- thousand yen (-%)

## 2) Amount of Commission Fees Paid

The following are the commission fees paid to interested parties and major shareholders in the 4th Fiscal Period.

Account	Total amount of commission fees (A) (thousand yen)	Breakdown of transactions with interested parties and major shareholders		
		Payee	Amount paid (B) (thousand yen)	Share (B) ÷ (A) (%)
Property management fees	1,113,703	ITOCHU Urban Community Ltd.	612,493	55.0
Other rental expenses	114,337	ITOCHU Urban Community Ltd.	61,589	53.9
Advertising expenses	3,340	ITOCHU Urban Community Ltd.	2,140	64.1
Other fees	115,040	ITOCHU Urban Community Ltd.	29,560	25.7
		ITOCHU Human Resources & General Affairs Services Inc.	90	0.1

Notes 1. Transactions are not disclosed for transactions in which the actual counterparty is clearly a third party but via interested parties by form or name.

2. ITOCHU Corporation, ITOCHU Urban Community Ltd. and ITOCHU Human Resources & General Affairs Services Inc. are the 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 and the major shareholders of the asset management company as defined in Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act, with which ADR engaged in transactions in the 4th Fiscal Period.

## 5. Transactions with the Asset Management Company Pertaining to Business Operated by the Asset Management Company as Subsidiary Business

There are no such transactions, as the asset management company conducts no concurrent operations in the area of type I financial instruments business, type II financial instruments business, building lots and buildings transaction business or real estate specified joint enterprise.

## Accounts

### 1. Assets, Liabilities, Principal, Income and Losses

Please refer to the accompanying “II. Balance Sheets,” “III. Statements of Income,” “IV. Statements of Changes in Unitholders’ Equity,” “V. Notes to Financial Statements” and “VI. Statements of Cash Distributions”.

### 2. Change in Depreciation Calculation Method

Not applicable.

### 3. Change in Method of Valuation of Properties

Not applicable.

### 4. Beneficiary Certificates of Self-Managed Investment Trust

Not applicable.

## Other

### 1. Notice

Board of Directors meeting

Major issues related to the execution and modification of major agreements approved at ADR’s board of directors meetings in the fiscal period under review are summarized below.

Approval date	Item	Overview
March 26, 2012	Entrustment of administration associated with issuance of investment corporation bonds	Agent selected concerning entrustment of administration associated with issuance of ADR Bond #15 (Unsecured) and ADR Bond #16 (Unsecured).
July 27, 2012	Entrustment of administration associated with issuance of investment corporation bonds	Agent selected concerning entrustment of administration associated with issuance of ADR Bond #17 (Unsecured) and ADR Bond #18 (Unsecured).

### 2. Other

Unless otherwise stated, monetary amounts are rounded down and percentage figures are rounded off to the nearest specified unit in this document.



S-26 RESIDIA Urayasu II



(thousand yen)

	3rd Fiscal Period (as of January 31, 2012)	4th Fiscal Period (as of July 31, 2012)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	9,165,380	6,701,044
Cash and deposits in trust	5,844,046	7,055,796
Operating accounts receivable	264,025	291,076
Short-term investment securities	2,000,000	4,500,000
Prepaid expenses	308,157	406,093
Consumption taxes receivable	12,767	31,779
Other	12,652	23,797
Allowance for doubtful accounts	- 21,647	- 22,546
<b>Total current assets</b>	<b>17,585,382</b>	<b>18,987,040</b>
<b>Fixed assets</b>		
<b>Property, plant and equipment</b>		
Buildings	72,297,097	72,304,597
Accumulated depreciation	- 2,830,161	- 3,621,718
Buildings, net	69,466,935	68,682,879
Structures	6,340	6,843
Accumulated depreciation	- 523	- 761
Structures, net	5,817	6,082
Machinery and equipment	1,785	3,670
Accumulated depreciation	- 40	- 134
Machinery and equipment, net	1,744	3,535
Tools, furniture and fixtures	68,121	76,216
Accumulated depreciation	- 31,773	- 39,531
Tools, furniture and fixtures, net	36,348	36,684
Land	68,868,819	68,868,819
Buildings in trust	93,934,944	109,635,673
Accumulated depreciation	- 6,614,074	- 7,854,733
Buildings in trust, net	87,320,870	101,780,939
Structures in trust	141,254	143,844
Accumulated depreciation	- 46,116	- 50,920
Structures in trust, net	95,137	92,923
Machinery and equipment in trust	111,616	112,816
Accumulated depreciation	- 37,252	- 40,890
Machinery and equipment in trust, net	74,364	71,926
Tools, furniture and fixtures in trust	444,731	457,855
Accumulated depreciation	- 262,091	- 279,938
Tools, furniture and fixtures in trust, net	182,640	177,917
Land in trust	110,457,838	122,331,287
<b>Total property, plant and equipment</b>	<b>336,510,515</b>	<b>362,052,996</b>
<b>Intangible assets</b>		
Leasehold rights	1,071,902	1,071,902
Leasehold rights in trust	133,788	130,929
Other	2,051	16,264
<b>Total intangible assets</b>	<b>1,207,743</b>	<b>1,219,096</b>
<b>Investments and other assets</b>		
Investment securities	290,042	441,066
Long-term prepaid expenses	581,988	656,647
Guarantee deposits	644,641	628,756
Other	1,654	1,654
<b>Total investments and other assets</b>	<b>1,518,327</b>	<b>1,728,124</b>
<b>Total fixed assets</b>	<b>339,236,586</b>	<b>365,000,218</b>
<b>Deferred assets</b>		
Unit issuance expenses	15,286	21,394
Investment corporation bond issuance costs	54,425	82,953
<b>Total deferred assets</b>	<b>69,711</b>	<b>104,348</b>
<b>Total assets</b>	<b>356,891,681</b>	<b>384,091,606</b>

(thousand yen)

	3rd Fiscal Period (as of January 31, 2012)	4th Fiscal Period (as of July 31, 2012)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	201,449	131,864
Short-term loans payable	1,040,000	1,500,000
Current portion of investment corporation bond	31,500,000	19,500,000
Current portion of long-term loans payable	40,505,729	35,212,200
Accounts payable – other	894,322	958,733
Accrued expenses	390,446	266,931
Advances received	42,433	47,053
Other	55,238	43,275
<b>Total current liabilities</b>	<b>74,629,618</b>	<b>57,660,058</b>
<b>Long-term liabilities</b>		
Investment corporation bond	10,000,000	18,000,000
Long-term loans payable	111,956,450	132,132,311
Tenant leasehold and security deposits	1,242,884	1,234,796
Tenant leasehold and security deposits in trust	1,604,341	1,876,498
Long-term deposits received	29,692	23,344
Other	536	9,525
<b>Total long-term liabilities</b>	<b>124,833,905</b>	<b>153,276,476</b>
<b>Total liabilities</b>	<b>199,463,523</b>	<b>210,936,534</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
Paid-in capital	64,561,818	80,087,298
<b>Surplus</b>		
Capital surplus	53,220,279	53,220,279
Reserve for dividends	35,648,605	35,236,060
Unappropriated retained earnings (undisposed loss)	3,997,454	4,611,435
<b>Total surplus</b>	<b>92,866,339</b>	<b>93,067,774</b>
<b>Total unitholders' equity</b>	<b>157,428,157</b>	<b>173,155,072</b>
<b>Total net assets</b>	<b>*1 157,428,157</b>	<b>*1 173,155,072</b>
<b>Total liabilities and net assets</b>	<b>356,891,681</b>	<b>384,091,606</b>



S-27 RESIDIA Gytoku

(thousand yen)

	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012		4th Fiscal Period From: February 1, 2012 To: July 31, 2012	
Operating revenue				
Rent revenue-real estate	*1	11,252,363	*1	12,193,737
Dividends income		7,559		25,887
Total operating revenue		11,259,923		12,219,625
Total operating revenue				
Expenses related to rent business	*1	4,202,648	*1	4,551,721
Loss on sales of real estate properties	*2	7,480		-
Asset management fee		739,700		765,489
Asset custody fee		11,860		12,443
Administrative service fees		66,729		65,507
Directors' compensations		2,400		2,400
Taxes and dues		66,578		78,446
Provision of allowance for doubtful accounts		-		7,150
Bad debts expenses		213		194
Other operating expenses		177,765		176,803
Total operating expenses		5,275,376		5,660,157
Operating income		5,984,546		6,559,467
Non-operating income				
Interest income		8,619		8,181
Interest on securities		1,229		2,285
Reversal of distribution payable		6,428		11,984
Reversal of allowance for doubtful accounts		1,662		-
Other		2,160		4,757
Total non-operating income		20,100		27,209
Non-operating expenses				
Interest expenses		1,263,473		1,311,406
Interest expenses on investment corporation bonds		364,055		246,749
Amortization of unit issuance expenses		5,732		8,100
Amortization of investment corporation bond issuance costs		8,741		11,439
Other offering costs associated with the issuance of units		27,816		14,711
Borrowing related expenses		323,301		379,076
Other		13,467		3,153
Total non-operating expenses		2,006,587		1,974,636
Ordinary income		3,998,059		4,612,040
Income before income taxes		3,998,059		4,612,040
Income taxes – current		605		605
Income taxes – deferred		605		605
Net income		3,997,454		4,611,435
Unappropriated retained earnings (undisposed loss)		3,997,454		4,611,435

(thousand yen)

	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
Unitholders' equity		
Paid-in capital		
Balance at the beginning of current period	64,561,818	64,561,818
Changes of items during the period		
Issuance of new investment units	-	15,525,480
Total changes of items during the period	-	15,525,480
Balance at the end of current period	64,561,818	80,087,298
Surplus		
Capital surplus		
Balance at the beginning of current period	53,220,279	53,220,279
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	53,220,279	53,220,279
Reserve for dividends		
Balance at the beginning of current period	38,653,653	35,648,605
Changes of items during the period		
Reversal of reserve for dividends	- 3,005,047	- 412,545
Total changes of items during the period	- 3,005,047	- 412,545
Balance at the end of current period	35,648,605	35,236,060
Unappropriated retained earnings (undisposed loss)		
Balance at the beginning of current period	1,404,952	3,997,454
Changes of items during the period		
Reversal of reserve for dividends	3,005,047	412,545
Dividends from surplus	- 4,410,000	- 4,410,000
Net income	3,997,454	4,611,435
Total changes of items during the period	2,592,502	613,980
Balance at the end of current period	3,997,454	4,611,435
Total surplus		
Balance at the beginning of current period	93,278,884	92,866,339
Changes of items during the period		
Reversal of reserve for dividends	-	-
Dividends from surplus	- 4,410,000	- 4,410,000
Net income	3,997,454	4,611,435
Total changes of items during the period	- 412,545	201,435
Balance at the end of current period	92,866,339	93,067,774
Total unitholders' equity		
Balance at the beginning of current period	157,840,703	157,428,157
Changes of items during the period		
Issuance of new investment units	-	15,525,480
Dividends from surplus	- 4,410,000	- 4,410,000
Net income	3,997,454	4,611,435
Total changes of items during the period	- 412,545	15,726,915
Balance at the end of current period	157,428,157	173,155,072
Valuation and translation adjustments		
Deferred gains or losses on hedges		
Balance at the beginning of current period	- 12,722	-
Changes of items during the period		
Net changes of items other than unitholders' equity	12,722	-
Total changes of items during the period	12,722	-
Balance at the end of current period	-	-
Total valuation and translation adjustments		
Balance at the beginning of current period	- 12,722	-
Changes of items during the period		
Net changes of items other than unitholders' equity	12,722	-
Total changes of items during the period	12,722	-
Balance at the end of current period	-	-
Total net assets		
Balance at the beginning of current period	157,827,980	157,428,157
Changes of items during the period		
Issuance of new investment units	-	15,525,480
Dividends from surplus	- 4,410,000	- 4,410,000
Net income	3,997,454	4,611,435
Net changes of items other than unitholders' equity	12,722	-
Total changes of items during the period	- 399,823	15,726,915
Balance at the end of current period	157,428,157	173,155,072

## Notes on Matters Concerning Significant Accounting Policies

	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
1. Standards and method of valuation of securities	<p>(1) Held-to-maturity debentures Carried at amortized cost (straight-line basis).</p> <p>(2) Available-for-sale securities Non-marketable securities Stated at cost determined by the moving average method. For investments in silent partnership, ADR adopts the method of factoring in the net amount of silent partnership income (loss) in proportion to its equity interests.</p>	<p>(1) Held-to-maturity debentures Carried at amortized cost (straight-line basis).</p> <p>(2) Available-for-sale securities Non-marketable securities Stated at cost determined by the moving average method. For investments in silent partnership, ADR adopts the method of factoring in the net amount of silent partnership income (loss) in proportion to its equity interests.</p>
2. Method of depreciation of fixed assets	<p>(1) Property, plant and equipment (including assets in trust) Calculated on a straight-line basis. The useful life of the main items of property, plant and equipment are as follows: Buildings 5~46 years Structures 6~50 years Machinery and equipment 10~15 years Tools, furniture and fixtures 2~15 years</p> <p>(2) Intangible assets Calculated on a straight-line basis. The useful life of the main items of intangible assets are as follows: Leasehold rights in trust 24 years Software 5 years</p> <p>(3) Long-term prepaid expenses Calculated on a straight-line basis.</p>	<p>(1) Property, plant and equipment (including assets in trust) Calculated on a straight-line basis. The useful life of the main items of property, plant and equipment are as follows: Buildings 5~46 years Structures 6~50 years Machinery and equipment 10~15 years Tools, furniture and fixtures 2~15 years</p> <p>(2) Intangible assets Calculated on a straight-line basis. The useful life of the main items of intangible assets are as follows: Leasehold rights in trust 24 years Software 3~5 years</p> <p>(3) Long-term prepaid expenses Calculated on a straight-line basis.</p>
3. Method of accounting for deferred assets	<p>(1) Unit issuance expenses Amortized on a straight-line basis (over 3 years).</p> <p>(2) Investment corporation bond issuance costs Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.</p>	<p>(1) Unit issuance expenses Amortized on a straight-line basis (over 3 years).</p> <p>(2) Investment corporation bond issuance costs Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.</p>
4. Standards of recording allowances	<p>Allowance for doubtful accounts For allowance for doubtful accounts against possible losses arising from default on receivables, uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on a case-by-case examination for doubtful and other specific receivables.</p>	<p>Allowance for doubtful accounts For allowance for doubtful accounts against possible losses arising from default on receivables, uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on a case-by-case examination for doubtful and other specific receivables.</p>
5. Standards of recording revenue and expenses	<p>Method of accounting for property taxes. For property tax, urban planning tax and depreciable asset tax, etc. on real estate properties held, ADR adopts the method of charging the corresponding amounts of assessed taxes, which are broken down into installments, to the fiscal period under review as expenses related to rent business. Furthermore, for the pro rata portion of property taxes ADR paid to the sellers upon acquisition of real estate properties, ADR includes the amount in the acquisition cost instead of recording it as expenses related to rent business. The amount equivalent to such taxes included in the acquisition cost of real estate properties in the fiscal period under review is 14,483 thousand yen.</p>	<p>Method of accounting for property taxes. For property tax, urban planning tax and depreciable asset tax, etc. on real estate properties held, ADR adopts the method of charging the corresponding amounts of assessed taxes, which are broken down into installments, to the fiscal period under review as expenses related to rent business. Furthermore, for the pro rata portion of property taxes ADR paid to the sellers upon acquisition of real estate properties, ADR includes the amount in the acquisition cost instead of recording it as expenses related to rent business. The amount equivalent to such taxes included in the acquisition cost of real estate properties in the fiscal period under review is 82,978 thousand yen.</p>



	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
6. Method of hedge accounting	<p>(1) Method of hedge accounting Special accounting is applied. However, deferred hedge accounting is applied for gains and losses succeeded from Nippon Residential Investment Corporation as a result of the merger.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest rate swap transactions Interest rate cap transactions Hedged items Loans Investment corporation bonds</p> <p>(3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy.</p> <p>(4) Method for assessing the effectiveness of hedging The effectiveness of hedging is assessed by comparing the cumulative changes in the cash flows of the hedged items with the cumulative changes in the cash flows of hedging instruments, and examining the degree of the changes in the former being offset by the changes in the latter. However, assessment of the effectiveness is omitted for interest rate swap transactions and interest rate cap transactions that meet the requirements for special accounting for such transactions, and for those where the material terms and conditions for hedging instruments and hedged items are identical and a sustained effect to limit the impact of interest rate fluctuations within a certain range is clearly expected.</p>	<p>(1) Method of hedge accounting Special accounting is applied.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest rate swap transactions Hedged items Loans</p> <p>(3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy.</p> <p>(4) Method for assessing the effectiveness of hedging Assessment of the effectiveness is omitted as the relevant transactions meet the requirements for special accounting.</p>
7. Other significant matters that serve as basis for preparing financial statements	<p>(1) Method of accounting for beneficiary interests in trust in real estate properties For beneficiary interests in trust in real estate properties, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses incurred from the trust assets are recorded in the relevant account titles on the balance sheets and statements of income. The following material titles of the trust assets recorded in the relevant account titles are separately stated on the balance sheets.</p> <p>(i) Cash and deposits in trust</p> <p>(ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; and leasehold rights in trust</p> <p>(iii) Tenant leasehold and security deposits in trust</p> <p>(2) Method of accounting for consumption taxes. The national and local consumption taxes are excluded from business transaction amounts. However, accounting for fixed assets and deferred assets includes national and local consumption taxes levied on them.</p>	<p>(1) Method of accounting for beneficiary interests in trust in real estate properties For beneficiary interests in trust in real estate properties, all accounts of assets and liabilities within trust assets as well as all accounts of revenue and expenses incurred from the trust assets are recorded in the relevant account titles on the balance sheets and statements of income. The following material titles of the trust assets recorded in the relevant account titles are separately stated on the balance sheets.</p> <p>(i) Cash and deposits in trust</p> <p>(ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; and leasehold rights in trust</p> <p>(iii) Tenant leasehold and security deposits in trust</p> <p>(2) Method of accounting for consumption taxes. The national and local consumption taxes are excluded from business transaction amounts. However, accounting for fixed assets and deferred assets includes national and local consumption taxes levied on them.</p>

## Additional Information

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
<p>(Application of Accounting Standard for Accounting Changes and Error Corrections)</p> <p>Effective from the accounting changes and corrections of past errors to be conducted after the beginning of the 3rd Fiscal Period, ADR applied the “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan Statement No. 24; December 4, 2009) and the “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standards Board of Japan Guidance No. 24; December 4, 2009).</p>	-

## Notes to Balance Sheets

3rd Fiscal Period (as of January 31, 2012)	4th Fiscal Period (as of July 31, 2012)												
<p>*1. Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations</p> <p style="text-align: right;">50,000 thousand yen</p>	<p>*1. Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations</p> <p style="text-align: right;">50,000 thousand yen</p>												
<p>2. ADR has signed term loan commitment agreements with its banks of account.</p> <table> <tr> <td>Revolving line of credit</td><td>13,000,000 thousand yen</td></tr> <tr> <td>Line of credit used</td><td>1,040,000 thousand yen</td></tr> <tr> <td>Line of credit left unused</td><td>11,960,000 thousand yen</td></tr> </table>	Revolving line of credit	13,000,000 thousand yen	Line of credit used	1,040,000 thousand yen	Line of credit left unused	11,960,000 thousand yen	<p>2. ADR has signed term loan commitment agreements with its banks of account.</p> <table> <tr> <td>Revolving line of credit</td><td>20,000,000 thousand yen</td></tr> <tr> <td>Line of credit used</td><td>1,500,000 thousand yen</td></tr> <tr> <td>Line of credit left unused</td><td>18,500,000 thousand yen</td></tr> </table>	Revolving line of credit	20,000,000 thousand yen	Line of credit used	1,500,000 thousand yen	Line of credit left unused	18,500,000 thousand yen
Revolving line of credit	13,000,000 thousand yen												
Line of credit used	1,040,000 thousand yen												
Line of credit left unused	11,960,000 thousand yen												
Revolving line of credit	20,000,000 thousand yen												
Line of credit used	1,500,000 thousand yen												
Line of credit left unused	18,500,000 thousand yen												



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## Notes to Statements of Income

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012		4th Fiscal Period From: February 1, 2012 To: July 31, 2012	
*1. Breakdown of operating income (loss) from property leasing activities		*1. Breakdown of operating income (loss) from property leasing activities	
	(thousand yen)		(thousand yen)
A. Revenue from property leasing		A. Revenue from property leasing	
Rental revenue – real estate		Rental revenue – real estate	
Rent income	10,311,918	Rent income	11,030,977
Facility charge	349,004	Facility charge	410,236
Parking fee	333,596	Parking fee	349,979
Subtotal	10,994,518	Subtotal	11,791,192
Other revenue related to property leasing		Other revenue related to property leasing	
Income from leasing rights	25,126	Income from leasing rights	31,754
Miscellaneous income	232,718	Miscellaneous income	370,789
Subtotal	257,844	Subtotal	402,544
Total revenue from property leasing	11,252,363	Total revenue from property leasing	12,193,737
B. Expenses from property leasing		B. Expenses from property leasing	
Rental expenses		Rental expenses	
Property taxes	545,682	Property taxes	555,528
Property management fees	777,737	Property management fees	875,228
Utilities	180,557	Utilities	190,875
Repairs and maintenance	322,033	Repairs and maintenance	356,027
Insurance	21,038	Insurance	22,275
Trust fee	52,124	Trust fee	57,772
Other rental expenses	403,439	Other rental expenses	424,558
Depreciation and amortization	1,900,033	Depreciation and amortization	2,069,454
Total expenses from property leasing	4,202,648	Total expenses from property leasing	4,551,721
C. Operating income from property leasing (A–B)	7,049,715	C. Operating income from property leasing (A–B)	7,642,016
*2. Breakdown of gain (loss) on sales of real estate properties		-	
	(thousand yen)		
(RESIDIA Shibadaimon)			
Proceeds from sales of real estate properties	1,305,000		
Cost of sales of real estate properties	1,279,600		
Other disposition expenses	27,459		
Loss on sales of real estate properties	2,060		
(RESIDIA Hiroo)			
Proceeds from sales of real estate properties	655,000		
Cost of sales of real estate properties	641,282		
Other disposition expenses	14,807		
Loss on sales of real estate properties	1,090		
(RESIDIA Ookayama)			
Proceeds from sales of real estate properties	961,000		
Cost of sales of real estate properties	942,188		
Other disposition expenses	19,402		
Loss on sales of real estate properties	590		
(RESIDIA Ohi)			
Proceeds from sales of real estate properties	905,000		
Cost of sales of real estate properties	887,581		
Other disposition expenses	20,676		
Loss on sales of real estate properties	3,257		
(RESIDIA Ueno)			
Proceeds from sales of real estate properties	671,400		
Cost of sales of real estate properties	657,848		
Other disposition expenses	14,031		
Loss on sales of real estate properties	479		

## Notes to Statements of Changes in Unitholders' Equity

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
Total number of units authorized and total number of units issued and outstanding	Total number of units authorized and total number of units issued and outstanding
Total number of units authorized 6,000,000 units	Total number of units authorized 6,000,000 units
Total number of units issued and outstanding 980,000 units	Total number of units issued and outstanding 1,100,000 units

## Notes on Tax-Effect Accounting

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
<p>1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities</p> <p>(thousand yen)</p> <p>(Deferred tax assets)</p> <p>Amount in excess of provision of allowance for doubtful accounts 7,394</p> <p>Valuation difference on amount received at merger 13,860,698</p> <p>Deficit brought forward 1,483,134</p> <p>Other 814</p> <p>Subtotal 15,352,041</p> <p>Allowance for valuation - 15,352,041</p> <p>Total deferred tax assets -</p> <p>Net deferred tax assets -</p>	<p>1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities</p> <p>(thousand yen)</p> <p>(Deferred tax assets)</p> <p>Amount in excess of provision of allowance for doubtful accounts 7,701</p> <p>Valuation difference on amount received at merger 13,568,536</p> <p>Deficit brought forward 1,483,134</p> <p>Other 1,790</p> <p>Subtotal 15,061,164</p> <p>Allowance for valuation - 15,061,164</p> <p>Total deferred tax assets -</p> <p>Net deferred tax assets -</p>
<p>2. Breakdown of significant components that caused difference between statutory income tax rate and effective income tax rate after application of tax-effect accounting</p> <p>(%)</p> <p>Statutory income tax rate 39.33</p> <p>(Adjustments)</p> <p>Increase (decrease) in allowance for valuation - 78.65</p> <p>Increase (decrease) from tax rate change 54.32</p> <p>Deductible dividend amount - 15.13</p> <p>Other 0.14</p> <p>Effective income tax rate after application of tax-effect accounting 0.02</p>	<p>2. Breakdown of significant components that caused difference between statutory income tax rate and effective income tax rate after application of tax-effect accounting</p> <p>(%)</p> <p>Statutory income tax rate 39.33</p> <p>(Adjustments)</p> <p>Increase (decrease) in allowance for valuation - 6.31</p> <p>Deductible dividend amount - 33.17</p> <p>Other 0.16</p> <p>Effective income tax rate after application of tax-effect accounting 0.01</p>

## Notes on Fixed Assets Used Under Lease

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012		4th Fiscal Period From: February 1, 2012 To: July 31, 2012																																													
<p>1. Finance lease transactions other than those in which ownership of the leased property is recognized to transfer to the lessee Of the finance lease transactions without ownership transfer to lessee, those with the lease transaction start date falling on a date earlier than July 1, 2008 are subject to accounting in accordance with the method adopted to ordinary rental transactions. The details are as follows:</p> <p>(As lessee)</p> <p>(1) Acquisition value equivalent, accumulated depreciation equivalent and period-end balance equivalent of the leased properties</p> <table><tr><td></td><td>Acquisition value equivalent</td><td>Accumulated depreciation equivalent</td><td>Period-end balance equivalent</td></tr><tr><td>Tools, furniture and fixtures in trust</td><td>6,974</td><td>3,191</td><td>3,782</td></tr><tr><td>Total</td><td>6,974</td><td>3,191</td><td>3,782</td></tr></table> <p>(Note) Acquisition value equivalent is calculated using the inclusive-of-interest method, as the period-end balance of future lease payments payable accounts for only a small proportion of the period-end balance of property, plant and equipment.</p> <p>(2) Period-end balance equivalent of future lease payments payable</p> <table><tr><td>Due within 1 year</td><td>709 thousand yen</td></tr><tr><td>Due after 1 year</td><td>3,075 thousand yen</td></tr><tr><td>Total</td><td>3,784 thousand yen</td></tr></table> <p>(3) Lease payments paid and depreciation equivalent</p> <table><tr><td>Lease payments paid</td><td>354 thousand yen</td></tr><tr><td>Depreciation equivalent</td><td>354 thousand yen</td></tr></table> <p>(4) Calculation method of depreciation equivalent Calculated on a straight-line basis over the lease period as the useful life, without residual value.</p>			Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent	Tools, furniture and fixtures in trust	6,974	3,191	3,782	Total	6,974	3,191	3,782	Due within 1 year	709 thousand yen	Due after 1 year	3,075 thousand yen	Total	3,784 thousand yen	Lease payments paid	354 thousand yen	Depreciation equivalent	354 thousand yen	<p>1. Finance lease transactions (as lessee) Finance lease transactions without ownership transfer to lessee</p> <p>(1) Leased property Intangible fixed asset Software</p> <p>(2) Depreciation method of leased property Calculated on a straight-line basis over the lease period as the useful life, without residual value. Of the finance lease transactions without ownership transfer to lessee, those with the lease transaction start date falling on a date earlier than July 1, 2008 is subject to accounting in accordance with the method adopted for ordinary rental transactions. The details are as follows:</p> <p>(As lessee)</p> <p>(1) Acquisition value equivalent, accumulated depreciation equivalent and period-end balance equivalent of the leased properties</p> <table><tr><td></td><td>Acquisition value equivalent</td><td>Accumulated depreciation equivalent</td><td>Period-end balance equivalent</td></tr><tr><td>Tools, furniture and fixtures in trust</td><td>6,974</td><td>3,546</td><td>3,428</td></tr><tr><td>Total</td><td>6,974</td><td>3,546</td><td>3,428</td></tr></table> <p>(Note) Acquisition value equivalent is calculated using the inclusive-of-interest method, as the period-end balance of future lease payments payable accounts for only a small proportion of the period-end balance of property, plant and equipment.</p> <p>(2) Period-end balance equivalent of future lease payments payable</p> <table><tr><td>Due within 1 year</td><td>709 thousand yen</td></tr><tr><td>Due after 1 year</td><td>2,720 thousand yen</td></tr><tr><td>Total</td><td>3,429 thousand yen</td></tr></table> <p>(3) Lease payments paid and depreciation equivalent</p> <table><tr><td>Lease payments paid</td><td>354 thousand yen</td></tr><tr><td>Depreciation equivalent</td><td>354 thousand yen</td></tr></table> <p>(4) Calculation method of depreciation equivalent Calculated on a straight-line basis over the lease period as the useful life, without residual value.</p>			Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent	Tools, furniture and fixtures in trust	6,974	3,546	3,428	Total	6,974	3,546	3,428	Due within 1 year	709 thousand yen	Due after 1 year	2,720 thousand yen	Total	3,429 thousand yen	Lease payments paid	354 thousand yen	Depreciation equivalent	354 thousand yen
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Lease payments paid	354 thousand yen																																														
Depreciation equivalent	354 thousand yen																																														
<p>2. Operating lease transactions (As lessee)</p> <p>Future lease payments payable</p> <table><tr><td>Due within 1 year</td><td>140,076 thousand yen</td></tr><tr><td>Due after 1 year</td><td>3,069,270 thousand yen</td></tr><tr><td>Total</td><td>3,209,346 thousand yen</td></tr></table> <p>Furthermore, estimated amounts are used for transactions in which the lease amount is not finalized.</p> <p>(As lessee)</p> <p>Future lease payments receivable</p> <table><tr><td>Due within 1 year</td><td>2,797,456 thousand yen</td></tr><tr><td>Due after 1 year</td><td>4,348,437 thousand yen</td></tr><tr><td>Total</td><td>7,145,894 thousand yen</td></tr></table>		Due within 1 year	140,076 thousand yen	Due after 1 year	3,069,270 thousand yen	Total	3,209,346 thousand yen	Due within 1 year	2,797,456 thousand yen	Due after 1 year	4,348,437 thousand yen	Total	7,145,894 thousand yen	<p>2. Operating lease transactions (As lessee)</p> <p>Future lease payments payable</p> <table><tr><td>Due within 1 year</td><td>136,428 thousand yen</td></tr><tr><td>Due after 1 year</td><td>2,921,644 thousand yen</td></tr><tr><td>Total</td><td>3,058,072 thousand yen</td></tr></table> <p>Furthermore, estimated amounts are used for transactions in which the lease amount is not finalized.</p> <p>(As lessee)</p> <p>Future lease payments receivable</p> <table><tr><td>Due within 1 year</td><td>4,116,391 thousand yen</td></tr><tr><td>Due after 1 year</td><td>7,233,632 thousand yen</td></tr><tr><td>Total</td><td>11,350,023 thousand yen</td></tr></table>		Due within 1 year	136,428 thousand yen	Due after 1 year	2,921,644 thousand yen	Total	3,058,072 thousand yen	Due within 1 year	4,116,391 thousand yen	Due after 1 year	7,233,632 thousand yen	Total	11,350,023 thousand yen																				
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Total	11,350,023 thousand yen																																														



## Notes on Financial Instruments

3rd Fiscal Period (from August 1, 2011 to January 31, 2012)

### 1. Matters concerning status of financial instruments

#### (1) Policy for financial instruments usage

In order to secure stable earnings and steady growth of assets under management, ADR procures funds through debt financing, issuance of investment corporation bonds (including short-term investment corporation bonds; same for below), issuance of units and other means of finance upon such occasions as purchasing real estate properties and repaying debts. ADR may use derivatives only for the purpose of hedging the risk of interest rate fluctuations and other risks arising from liabilities.

With regard to surplus funds, ADR will manage them as bank deposits, savings and negotiable deposits as a rule, in consideration of safety and stability.

#### (2) Description of financial instruments and associated risks, and risk management structure

Funds from debt financing and investment corporation bonds are used primarily to fund the acquisition of real estate properties, repay existing debts or redeem existing investment corporation bonds. With regard to such funds, ADR is exposed to liquidity risks where it may not be able to find alternative financing means upon repayment or redemption maturity. ADR manages the risks through monthly review of payment schedules to monitor the cash positions, and limits the risks by securing cash reserves, spreading out the debt repayment and bond redemption dates, diversifying the lending financial institutions, signing term loan commitment agreements, and procuring funds through various means including issuance of units.

In addition, ADR limits the risk of interest rate fluctuations to which debt financing and investment corporation bonds with floating interest rates are exposed, by utilizing derivatives (interest rate swap transactions, etc.). Deposits are exposed to the risk of failure of the financial institutions holding the deposits and other credit risks. ADR limits the risks by setting certain limits to the duration of deposits and a minimum credit rating for the financial institutions holding the deposits, and by diversifying the financial institutions holding the deposits.

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

The fair value of financial instruments, aside from values based on market price, may include values based on reasonable calculations when there is no market price. Certain assumptions are adopted in calculating those values, and there may be cases where the values will vary when different assumptions are adopted. As for the contract value and other conditions of derivatives transactions, the value itself is not an indicator showing the market risks related to such transactions.

### 2. Fair values of financial instruments

The following are the book values recorded on the balance sheets, fair values and their difference as of January 31, 2012.

	Book value (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Cash and deposits	9,165,380	9,165,380	-
(2) Cash and deposits in trust	5,844,046	5,844,046	-
(3) Short-term investment securities	2,000,000	2,000,000	-
(4) Short-term loans payable	(1,040,000)	(1,045,240)	5,240
(5) Current portion of investment corporation bond	(31,500,000)	(31,553,090)	53,090
(6) Current portion of long-term loans payable	(40,505,729)	(40,692,745)	187,016
(7) Investment corporation bond	(10,000,000)	(10,004,400)	4,400
(8) Long-term loans payable	(111,956,450)	(113,114,402)	1,157,952
(9) Derivative transactions (Note 2)	-	- 268,495	- 268,495

Notes 1. Items that are charged to liabilities are shown in parentheses ( ).

2. Special provisions for interest rate swaps are applied to the amount of fair value based on the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected to the balance sheets.

3. Calculation method for fair value of financial instruments

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

As these are settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

(3) Short-term investment securities

As these are negotiable deposits and settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

(4) Short-term loans payable; (6) Current portion of long-term loans payable; (8) Long-term loans payable

The fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

(5) Current portion of investment corporation bond; (7) Investment corporation bond

The fair value of these is calculated based on the reference value quoted by Japan Securities Dealers Association. However, when there is no reference value, the fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

(9) Derivative transactions

(i) Transactions for which hedge accounting is not applied  
Not applicable.

(ii) Transactions for which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract, etc. as of the closing of accounts for each method of hedge accounting.

(thousand yen)

Method of hedge accounting	Type of derivative transactions	Main hedged item	Contract amount <sup>(*)1</sup>		Fair value <sup>(*)2</sup>
				Of which, exceeding 1 year	
Special provisions for interest rate swaps	Interest rate swap transaction Payable fixed; Receivable floating	Long-term loans payable	97,868,061	88,289,090	- 268,495 <sup>(*)3</sup>

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

(\*)2 The fair value is based on the calculation conducted by the counterparty to the relevant transaction on the basis of the going rate of interest.

(\*)3 Special provisions for interest rate swaps are applied to the amount of fair value based on the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected to the balance sheets.

4. Financial instruments for which discerning of fair value is recognized to be extremely difficult

Investment securities

Silent partnership equity interests (carrying amount: 290,042 thousand yen) are not subject to disclosure of fair value because discerning of fair value is recognized to be extremely difficult since there is no market price for them.

5. Amount of redemption of monetary claims and short-term investment securities scheduled to be due after closing of accounts

(thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	9,165,380	-	-	-	-	-
Cash and deposits in trust	5,844,046	-	-	-	-	-
Short-term investment securities	2,000,000	-	-	-	-	-
<b>Total</b>	<b>17,009,427</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6. Amount of repayment of loans and investment corporation bonds scheduled to be due after closing of accounts

(thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	1,040,000	-	-	-	-	-
Current portion of investment corporation bond	31,500,000	-	-	-	-	-
Current portion of long-term loans payable	40,505,729	-	-	-	-	-
Investment corporation bond	-	-	-	-	8,000,000	2,000,000
Long-term loans payable	-	26,144,855	20,471,133	16,618,311	18,425,822	30,296,329
<b>Total</b>	<b>73,045,729</b>	<b>26,144,855</b>	<b>20,471,133</b>	<b>16,618,311</b>	<b>26,425,822</b>	<b>32,296,329</b>



C-58 RESIDIA Ochanomizu

## 4th Fiscal Period (from February 1, 2012 to July 31, 2012)

## 1. Matters concerning status of financial instruments

## (1) Policy for financial instruments usage

In order to secure stable earnings and steady growth of assets under management, ADR procures funds through debt financing, issuance of investment corporation bonds (including short-term investment corporation bonds; same for below), issuance of units and other means of finance upon such occasions as purchasing real estate properties and repaying debts.

ADR may use derivatives only for the purpose of hedging the risk of interest rate fluctuations and other risks arising from liabilities.

With regard to surplus funds, ADR will manage them as bank deposits, savings and negotiable deposits as a rule, in consideration of safety and stability.

## (2) Description of financial instruments and associated risks, and risk management structure

Funds from debt financing and investment corporation bonds are used primarily to fund the acquisition of real estate properties, repay existing debts or redeem existing investment corporation bonds. With regard to such funds, ADR is exposed to liquidity risks where it may not be able to find alternative financing means upon repayment or redemption maturity. ADR manages the risks through monthly review of payment schedules to monitor the cash positions, and limits the risks by securing cash reserves, spreading out the debt repayment and bond redemption dates, diversifying the lending financial institutions, signing term loan commitment agreements, and procuring funds through various means including issuance of units.

In addition, ADR limits the risk of interest rate fluctuations to which debt financing and investment corporation bonds with floating interest rates are exposed, by utilizing derivatives (interest rate swap transactions, etc.).

Deposits are exposed to the risk of failure of the financial institutions holding the deposits and other credit risks. ADR limits the risks by setting certain limits to the duration of deposits and a minimum credit rating for the financial institutions holding the deposits, and by diversifying the financial institutions holding the deposits.

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

The fair value of financial instruments, aside from values based on market price, may include values based on reasonable calculations when there is no market price. Certain assumptions are adopted in calculating those values, and there may be cases where the values will vary when different assumptions are adopted. As for the contract value and other conditions of derivatives transactions, the value itself is not an indicator showing the market risks related to such transactions.

## 2. Fair values of financial instruments

The following are the book values recorded on the balance sheets, fair values and their difference as of July 31, 2012.

	Book value (thousand yen)	Fair value (thousand yen)	Difference (thousand yen)
(1) Cash and deposits	6,701,044	6,701,044	-
(2) Cash and deposits in trust	7,055,796	7,055,796	-
(3) Short-term investment securities	4,500,000	4,500,000	-
(4) Short-term loans payable	(1,500,000)	(1,505,438)	5,438
(5) Current portion of investment corporation bond	(19,500,000)	(19,515,000)	15,000
(6) Current portion of long-term loans payable	(35,212,200)	(35,424,426)	212,226
(7) Investment corporation bond	(18,000,000)	(18,107,200)	107,200
(8) Long-term loans payable	(132,132,311)	(133,477,485)	1,345,174
(9) Derivative transactions (Note 2)	-	- 713,789	- 713,789

Notes 1. Items that are charged to liabilities are shown in parentheses ( ).

2. Special provisions for interest rate swaps are applied to the amount of fair value based on the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected to the balance sheets.

3. Calculation method for fair value of financial instruments

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

As these are settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

(3) Short-term investment securities

As these are negotiable deposits and settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

(4) Short-term loans payable; (6) Current portion of long-term loans payable; (8) Long-term loans payable

The fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

(5) Current portion of investment corporation bond; (7) Investment corporation bond

The fair value of these is calculated based on the reference value quoted by Japan Securities Dealers Association. However, when there is no reference value, the fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

(9) Derivative transactions

(i) Transactions for which hedge accounting is not applied

Not applicable.

(ii) Transactions for which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract, etc. as of the closing of accounts for each method of hedge accounting.

(thousand yen)

Method of hedge accounting	Type of derivative transactions	Main hedged item	Contract amount <sup>(*)1</sup>		Fair value <sup>(*)2</sup>
				Of which, exceeding 1 year	
Special provisions for interest rate swaps	Interest rate swap transaction Payable fixed; Receivable floating	Long-term loans payable	125,043,174	115,367,488	- 713,789 <sup>(*)3</sup>

(\*)1 The contract amount, etc. is based on notional principal.

(\*)2 The fair value is based on the calculation conducted by the counterparty to the relevant transaction on the basis of the going rate of interest.

(\*)3 Special provisions for interest rate swaps are applied to the amount of fair value based on the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected to the balance sheets.

4. Financial instruments for which discerning of fair value is recognized to be extremely difficult

Investment securities

Silent partnership equity interests (carrying amount: 441,066 thousand yen) are not subject to disclosure of fair value because discerning of fair value is recognized to be extremely difficult since there is no market price for them.

5. Amount of redemption of monetary claims and short-term investment securities scheduled to be due after closing of accounts

(thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	6,701,044	-	-	-	-	-
Cash and deposits in trust	7,055,796	-	-	-	-	-
Short-term investment securities	4,500,000	-	-	-	-	-
<b>Total</b>	<b>18,256,841</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

6. Amount of repayment of loans and investment corporation bonds scheduled to be due after closing of accounts

(thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	1,500,000	-	-	-	-	-
Current portion of investment corporation bond	19,500,000	-	-	-	-	-
Current portion of long-term loans payable	35,212,200	-	-	-	-	-
Investment corporation bond	-	-	4,000,000	-	12,000,000	2,000,000
Long-term loans payable	-	29,705,215	19,448,195	28,273,072	22,859,500	31,846,329
<b>Total</b>	<b>56,212,200</b>	<b>29,705,215</b>	<b>23,448,195</b>	<b>28,273,072</b>	<b>34,859,500</b>	<b>33,846,329</b>

## Notes on Value of Rental Properties

3rd Fiscal Period (from August 1, 2011 to January 31, 2012)

ADR owns mainly residential rental properties in Tokyo and other regions. The following are the book value, amount of change during the period and fair value of these properties.

(thousand yen)

Book value <sup>(Note 1)</sup>			Period end fair value <sup>(Note 3)</sup>
Initial balance	Amount of change during the period <sup>(Note 2)</sup>	Period end balance	
330,276,882	7,439,324	337,716,207	338,028,100

Notes 1. The book value is cost of acquisition less accumulated depreciation.

2. The amount of change during the period is mainly attributable to increase from acquisition of 4 real estate (7,988,962 thousand yen) and 2 real estate beneficiary interests in trust (5,499,150 thousand yen), and to decrease from disposition of 1 real estate (942,188 thousand yen) and disposition of 4 real estate beneficiary interests in trust (3,466,314 thousand yen), and posting of depreciation.

3. The period end fair value is the appraisal or investigated value provided by an outside real estate appraiser.

For the 3rd Fiscal Period operating income from property leasing, please refer to aforementioned “Notes to Statements of Income”.

4th Fiscal Period (from February 1, 2012 to July 31, 2012)

ADR mainly owns residential rental properties in Tokyo and other regions. The following are the book value, amount of change during the period and fair value of these properties.

(thousand yen)

Book value <sup>(Note 1)</sup>			Period end fair value <sup>(Note 3)</sup>
Initial balance	Amount of change during the period <sup>(Note 2)</sup>	Period end balance	
337,716,207	25,539,621	363,255,828	366,860,700

Notes 1. The book value is cost of acquisition less accumulated depreciation.

2. The amount of change during the period is mainly attributable to increase from acquisition of 17 real estate beneficiary interests in trust (27,463,051 thousand yen), and to decrease as a result of posting of depreciation.

3. The period end fair value is the appraisal or investigated value provided by an outside real estate appraiser.

For the 4th Fiscal Period operating income from property leasing, please refer to aforementioned “Notes to Statements of Income”.



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## Notes on Transactions with Related Parties

3rd Fiscal Period (from August 1, 2011 to January 31, 2012)

Classification	Name of related party	Business description or occupation	Share of units held in ADR	Nature of transaction	Transaction amount (thousand yen)	Account	Balance at end of period (thousand yen)
Interested parties	ITOCHU Urban Community Ltd.	Real estate business	-	Entrustment of property management (Note 2)	548,740	Operating accounts payable	43,031 (Note 1)
Asset custodian	The Sumitomo Trust & Banking Co., Ltd.	Banking business and trust business	-	Borrowing (repayment) of funds (Note 3)	5,210,000 (3,374,685)	Short-term loans payable	320,000
						Current portion of long-term loans payable	7,967,651
						Long-term loans payable	13,697,230

Transaction terms and conditions, and policy on determining transaction terms and conditions

Notes 1. The transaction amount includes consumption taxes.

2. Transaction terms and conditions are negotiated and decided based on market price.

3. Interest rates on borrowings are reasonably determined based on market interest rates.

4th Fiscal Period (from February 1, 2012 to July 31, 2012)

Classification	Name of related party	Business description or occupation	Share of units held in ADR	Nature of transaction	Transaction amount (thousand yen)	Account	Balance at end of period (thousand yen)
Interested parties	ITOCHU Corporation	General trading company	direct ownership 3.16% indirect ownership 0.45%	Acquisition of beneficiary interests in trust (Note 1)	8,198,862 (Note 2) (Note 3)	-	-
Interested parties	ITOCHU Urban Community Ltd.	Real estate business	-	Entrustment of property management (Note 4)	612,493	Operating accounts payable	49,013 (Note 3)
Asset custodian	Sumitomo Mitsui Trust Bank, Limited	Banking business and trust business	-	Borrowing (repayment) of funds (Note 5)	9,608,000 (9,148,460) (Note 6)	Short-term loans payable	450,000
						Current portion of long-term loans payable	9,445,992
						Long-term loans payable	17,529,124

Transaction terms and conditions, and policy on determining transaction terms and conditions

Notes 1. Purchase price of beneficiary interests in trust is determined through negotiations, with reference to actual transaction results in neighboring areas and appraisal values provided by real estate appraisers.

2. The transaction amount for the purchase of beneficiary interests in trusts includes 24,205 thousand yen ADI paid to the seller as property taxes.

3. The transaction amount includes consumption taxes.

4. Transaction terms and conditions are negotiated and decided based on market price.

5. Interest rates on borrowings are reasonably determined based on market interest rates.

6. Of the transaction amount, the portion generated on and before March 31, 2012 is from transactions with The Sumitomo Trust & Banking Co., Ltd., a former body before merger.

## Notes on Per Unit Information

3rd Fiscal Period (Reference) From: August 1, 2011 To: January 31, 2012		4th Fiscal Period From: February 1, 2012 To: July 31, 2012	
Net assets per unit	160,640 yen	Net assets per unit	157,413 yen
Earnings per unit	4,079 yen	Earnings per unit	4,198 yen
The net income per unit was calculated by dividing net income by the day-weighted average number of units issued and outstanding for the fiscal period. The diluted net income per unit was not stated as there are no diluted units since no warrants and convertible bonds were outstanding.		The net income per unit was calculated by dividing net income by the day-weighted average number of units issued and outstanding for the fiscal period. The diluted net income per unit was not stated as there are no diluted units since no warrants and convertible bonds were outstanding.	

(Note) The following numbers were used to calculate the earnings per unit.

	3rd Fiscal Period (Reference) From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
Net income (thousand yen)	3,997,454	4,611,435
Amount not attributable to common unitholders (thousand yen)	-	-
Net income attributable to common unit (thousand yen)	3,997,454	4,611,435
Average number of units during the period (units)	980,000	1,098,462



R-42 RESIDIA Nishijin

## Significant Subsequent Events

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
<p>1. Acquisition of Assets</p> <p>ADR acquired the following assets in accordance with the basic policy for asset management provided in its Articles of Incorporation.</p> <p>(1) RESIDIA Sasazuka II</p> <p>Type of asset: Real estate beneficiary interests in trust  Acquisition price: 3,760 million yen  Acquisition date: February 24, 2012  Location: 2-25-6 Sasazuka, Shibuya-ku, Tokyo  Area: (Land) 1,217.79m<sup>2</sup>; (Building) 5,504.20m<sup>2</sup>  Structure: RC with flat roof; 15F  Completion date: January 2011</p> <p>(2) RESIDIA Monzennakacho</p> <p>Type of asset: Real estate beneficiary interests in trust  Acquisition price: 970 million yen  Acquisition date: February 28, 2012  Location: 2-36-4 Eitai, Koto-ku, Tokyo  Area: (Land) 367.12m<sup>2</sup>; (Building) 1,680.27m<sup>2</sup>  Structure: SRC with flat roof; 11F  Completion date: February 2005</p> <p>(3) RESIDIA Nakamurabashi</p> <p>Type of asset: Real estate beneficiary interests in trust  Acquisition price: 1,075 million yen  Acquisition date: February 28, 2012  Location: 3-14-6 Nakamura, Nerima-ku, Tokyo  Area: (Land) 527.96m<sup>2</sup>; (Building) 1,639.30m<sup>2</sup>  Structure: RC with flat roof; 8F  Completion date: February 2008</p> <p>(4) RESIDIA Kachidoki</p> <p>Type of asset: Real estate beneficiary interests in trust  Acquisition price: 1,805 million yen  Acquisition date: February 28, 2012  Location: 4-2-11 Kachidoki, Chuo-ku, Tokyo  Area: (Land) 403.46m<sup>2</sup>; (Building) 3,447.18m<sup>2</sup>  Structure: RC with flat roof; B1F/12F  Completion date: February 2008</p> <p>(5) RESIDIA Kinshicho III</p> <p>Type of asset: Real estate beneficiary interests in trust  Acquisition price: 651 million yen  Acquisition date: February 28, 2012  Location: 1-6-14 Mouri, Koto-ku, Tokyo  Area: (Land) 375.75m<sup>2</sup>; (Building) 1,412.90m<sup>2</sup>  Structure: RC with flat roof; 8F  Completion date: February 2005</p> <p>(6) RESIDIA Minami-Gyotoku</p> <p>Type of asset: Real estate beneficiary interests in trust  Acquisition price: 823 million yen  Acquisition date: February 28, 2012  Location: 2-7-18 Ainokawa, Ichikawa-shi, Chiba  Area: (Land) 941.00m<sup>2</sup>; (Building) 2,258.62m<sup>2</sup>  Structure: RC with flat roof; 5F  Completion date: February 2005</p>	<p>Issuance of Investment Corporation Bonds</p> <p>Based on the “General Resolution on Bond Issuance” resolved by the Board of Directors’ Meeting held on April 26, 2012, ADR issued investment corporation bonds on September 12, 2012 under the following terms and conditions.</p> <p>(1) ADR Unsecured Bond #17 (with Pari Passu clause among specified investment corporation bonds)</p> <p>Total amount of bonds: 8,000 million yen  Issue price: 100 yen par value of 100 yen for each bond  Coupon rate: 0.87%  Collateral/Guarantee: No collateral or guarantee  Redemption date: ADR will redeem the entire amount on September 12, 2017. The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.  Coupon payment dates: March 12 and September 12 every year  Use of proceeds: The proceeds will be used to redeem the Nippon Residential Investment Corporation’s 10th Series Unsecured Investment Corporation Bond that is due on September 13, 2012 (4,800 million yen) and the Nippon Residential Investment Corporation’s 3rd Series Unsecured Investment Corporation Bond that is due on September 24, 2012 (9,700 million yen).</p> <p>(2) ADR Unsecured Bond #18 (with Pari Passu clause among specified investment corporation bonds)</p> <p>Total amount of bonds: 4,000 million yen  Issue price: 100 yen par value of 100 yen for each bond  Coupon rate: 1.23%  Collateral/Guarantee: No collateral or guarantee  Redemption date: ADR will redeem the entire amount on September 12, 2019. The bonds may be purchased and cancelled at any time on and after the date following the issue date unless otherwise stipulated by the depository.  Coupon payment dates: March 12 and September 12 every year  Use of proceeds: The proceeds will be used to redeem the Nippon Residential Investment Corporation’s 10th Series Unsecured Investment Corporation Bond that is due on September 13, 2012 (4,800 million yen) and the Nippon Residential Investment Corporation’s 3rd Series Unsecured Investment Corporation Bond that is due on September 24, 2012 (9,700 million yen).</p>

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
<p>(7) RESIDIA Urayasu II</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 802 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 2-22-7 Kitazakae, Urayasu-shi, Chiba</p> <p>Area: (Land) 901.00m<sup>2</sup>; (Building) 1,651.93m<sup>2</sup></p> <p>Structure: RC with flat roof; 6F</p> <p>Completion date: February 2005</p> <p>(8) RESIDIA Gyotoku</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 761 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 4-13-22 Gyotoku-Ekimaie, Ichikawa-shi, Chiba</p> <p>Area: (Land) 810.00m<sup>2</sup>; (Building) 1,756.33m<sup>2</sup></p> <p>Structure: RC with flat roof; 6F</p> <p>Completion date: February 2005</p> <p>(9) RESIDIA Nishijin</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 2,380 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 4-6-12 Nishijin, Sawara-ku, Fukuoka-shi, Fukuoka</p> <p>Area: (Land) 1,944.05m<sup>2</sup>; (Building) 9,233.43m<sup>2</sup></p> <p>Structure: RC with flat roof; 14F</p> <p>Completion date: January 2008</p> <p>(10) RESIDIA Tsurumai</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 1,206 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 3-3-8 Chiyoda, Naka-ku, Nagoya-shi, Aichi</p> <p>Area: (Land) 661.98m<sup>2</sup>; (Building) 3,389.13m<sup>2</sup></p> <p>Structure: RC with flat roof; 13F</p> <p>Completion date: February 2008</p> <p>(11) RESIDIA Kobe-Isogami</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 2,740 million yen</p> <p>Acquisition date: February 28, 2012</p> <p>Location: 3-1-20 Isogamidori, Chuo-ku, Kobe-shi, Hyogo</p> <p>Area: (Land) 1,196.23m<sup>2</sup>; (Building) 7,438.91m<sup>2</sup></p> <p>Structure: RC with flat roof; B1F/15F</p> <p>Completion date: March 2008</p> <p>(12) RESIDIA Bunkyo-Otowa II</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 2,268 million yen</p> <p>Acquisition date: February 29, 2012</p> <p>Location: 2-11-15 Otowa, Bunkyo-ku, Tokyo</p> <p>Area: (Land) 547.29m<sup>2</sup>; (Building) 4,110.90m<sup>2</sup></p> <p>Structure: RC, SRC with flat roof; B1F/11F</p> <p>Completion date: February 2008</p>	

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
<p>(13) RESIDIA Ochanomizu</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 2,090 million yen</p> <p>Acquisition date: March 1, 2012</p> <p>Location: 3-1-4 Yushima, Bunkyo-ku, Tokyo</p> <p>Area: (Land) 553.55m<sup>2</sup>; (Building) 3,674.78m<sup>2</sup></p> <p>Structure: SRC, RC with flat roof; 17F</p> <p>Completion date: September 2005</p> <p>(14) RESIDIA Omori</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 1,150 million yen</p> <p>Acquisition date: March 1, 2012</p> <p>Location: 1-13-10 Omorikita, Ota-ku, Tokyo</p> <p>Area: (Land) 317.47m<sup>2</sup>; (Building) 1,769.98m<sup>2</sup></p> <p>Structure: RC with flat roof; 14F</p> <p>Completion date: March 2006</p> <p>(15) RESIDIA Esaka</p> <p>Type of asset: Real estate beneficiary interests in trust</p> <p>Acquisition price: 989 million yen</p> <p>Acquisition date: March 1, 2012</p> <p>Location: 1-14-25, Esaka-cho, Suita-shi, Osaka</p> <p>Area: (Land) 570.00m<sup>2</sup>; (Building) 2,790.89m<sup>2</sup></p> <p>Structure: RC with flat roof; 13F</p> <p>Completion date: July 2007</p> <p>(Note) The acquisition price is each exclusive of the amount of reimbursement of the pro rata portion of the amount equivalent to property tax, urban planning tax and depreciable asset tax, as well as consumption tax and local consumption tax.</p> <p>2. Debt Financing</p> <p>ADR conducted debt financing listed below to fund the acquisition of the above-mentioned real estate beneficiary interests in trust and redemption of investment corporation bonds.</p> <p>(1) Short-term loan (term: 1 year)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust &amp; Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd.</p> <p>Debt financing amount: 3,400 million yen</p> <p>Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 1.05%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012</p> <p>Repayment date: February 8, 2013</p> <p>(2) Long-term loan (term: 3 years and 6 months)</p> <p>Lender(s): Mizuho Trust &amp; Banking Co., Ltd.</p> <p>Debt financing amount: 1,000 million yen</p> <p>Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 0.57%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012</p> <p>Repayment date: July 31, 2015</p>	



3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
<p>(3) Long-term loan (term: 3 years and 6 months)</p> <p>Lender(s): The Yamaguchi Bank, Ltd. The Tokyo Tomin Bank, Ltd. The Iyo Bank, Ltd.</p> <p>Debt financing amount: 1,300 million yen</p> <p>Interest rate: Base rate (JBA 3-month Japanese Yen TIBOR) + 0.57%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012</p> <p>Repayment date: July 31, 2015</p>	
<p>(4) Long-term loan (term: 4 years and 6 months)</p> <p>Lender(s): Resona Bank, Limited The Bank of Fukuoka, Ltd. The Yamaguchi Bank, Ltd. The Tokyo Tomin Bank, Ltd. The Iyo Bank, Ltd.</p> <p>Debt financing amount: 4,300 million yen</p> <p>Interest rate: 1.1050% (The borrowing interest is practically fixed at this rate by an interest rate swap agreement executed for the purpose of fixing the interest rate.)</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012</p> <p>Repayment date: July 29, 2016</p>	
<p>(5) Long-term loan (term: 6 years and 6 months)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust &amp; Banking Co., Ltd. Shinsei Bank, Limited</p> <p>Debt financing amount: 2,000 million yen</p> <p>Interest rate: 1.4240% (The borrowing interest is practically fixed at this rate by an interest rate swap agreement executed for the purpose of fixing the interest rate.)</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 8, 2012</p> <p>Repayment date: July 31, 2018</p>	
<p>(6) Short-term loan (term: 1 year)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust &amp; Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd.</p> <p>Debt financing amount: 3,100 million yen</p> <p>Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 0.95%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 28, 2012</p> <p>Repayment date: February 28, 2013</p>	
<p>(7) Long-term loan (term: 6 years)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd.</p> <p>Debt financing amount: 2,850 million yen</p> <p>Interest rate: 1.2325%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: February 28, 2012</p> <p>Repayment date: February 28, 2018</p>	

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
<p>(8) Short-term loan (term: 1 year)</p> <p>Lender(s): The Bank of Tokyo-Mitsubishi UFJ, Ltd. The Sumitomo Trust &amp; Banking Co., Ltd. Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd.</p> <p>Debt financing amount: 3,050 million yen</p> <p>Interest rate: Base rate (JBA 1-month Japanese Yen TIBOR) + 0.95%</p> <p>Debt financing method: Unsecured, unguaranteed and lump-sum repayment at maturity</p> <p>Drawdown date: March 1, 2012</p> <p>Repayment date: February 28, 2013</p> <p>3. Issuance of New Units</p> <p>ADR passed a resolution at a meeting of the board of directors of ADR held on January 12, 2012 on issuance of new units to procure funds for the acquisition of real estate (specified assets) and other purposes. Payments for the issuance of new units through public offering were completed on February 1, 2012 and payments for the issuance of new units by way of third-party allotment were completed on February 29, 2012. As a result, paid-in capital totaled 80,087,298,304 yen with the number of units issued and outstanding increasing to 1,100,000 units.</p> <p>(Issuance of New Units through Public Offering (Primary Offering))</p> <p>Number of units issued: 110,000 units</p> <p>Issue price: 133,770 yen per unit</p> <p>Total issue price: 14,714,700,000 yen</p> <p>Paid-in amount: 129,379 yen per unit</p> <p>(Underwriting amount)</p> <p>Total paid-in amount: 14,231,690,000 yen</p> <p>Payment deadline: February 1, 2012</p> <p>(Issuance of New Units by Way of Third-Party Allotment)</p> <p>Number of units issued: 10,000 units</p> <p>Paid-in amount: 129,379 yen per unit</p> <p>Total paid-in amount: 1,293,790,000 yen</p> <p>Application period: February 28, 2012</p> <p>(Application deadline)</p> <p>Payment deadline: February 29, 2012</p> <p>Allottee: Mizuho Securities Co., Ltd.</p>	



R-43 RESIDIA Tsurumai


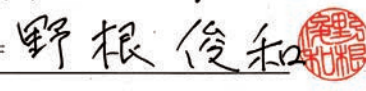
(yen)

	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
I. Unappropriated retained earnings	3,997,454,500	4,611,435,000
II. Reversal of reserve for dividends	412,545,500	584,965,000
III. Amount of dividends	4,410,000,000	5,196,400,000
(Amount of dividends per unit)	(4,500)	(4,724)
IV. Retained earnings carried forward	0	0
Method of calculation of amount of dividends	<p>In accordance with the distribution policy provided in Article 32, Item 1 of its Articles of Incorporation, ADR shall pay dividends in excess of 90% of its distributable income as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In addition, in order to make stable dividend payouts into the future, ADR shall use reserve for dividends and absorb the impact on dividends in the event of loss on sales (impairment) of properties as well.</p> <p>Based on the policy above, ADR decided on dividends of earnings totaling 4,410,000,000 yen for the 3rd Fiscal Period, which was arrived at by adding reversal of reserve for dividends of 412,545,500 yen to the unappropriated retained earnings of 3,997,454,500 yen.</p> <p>Furthermore, ADR does not distribute cash in excess of earnings, as provided in Article 32, Item 2 of its Articles of Incorporation.</p>	<p>In accordance with the distribution policy provided in Article 32, Item 1 of its Articles of Incorporation, ADR shall pay dividends in excess of 90% of its distributable income as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In addition, ADR may use reserve for dividends in order to make stable dividend payouts into the future, and shall investigate an increase in dividends in accordance with the performance when it has achieved good operating results.</p> <p>Based on the policy above, ADR decided on dividends of earnings totaling 5,196,400,000 yen for the 4th Fiscal Period, which was arrived at by adding reversal of reserve for dividends of 584,965,000 yen to the unappropriated retained earnings of 4,611,435,000 yen.</p> <p>Furthermore, ADR does not distribute cash in excess of earnings, as provided in Article 32, Item 2 of its Articles of Incorporation.</p>



R-44 RESIDIA Kobe-Isogami

This is a copy of the independent auditor's report issued originally for the Japanese statutory report, presenting the opinion that it presents fairly, in all material respects, the financial position and the results of operations for the period for which it was prepared.

独立監査人の監査報告書	
2012年9月14日	
アドバンス・レジデンス投資法人	
役員	会 御中
有限責任監査法人 トーマツ	
指定有限責任社員 業務執行社員	公認会計士 
指定有限責任社員 業務執行社員	公認会計士 
<p>当監査法人は、「投資信託及び投資法人に関する法律」第130条の規定に基づき、アドバンス・レジデンス投資法人の2012年2月1日から2012年7月31日までの第4期営業期間の計算書類、すなわち、貸借対照表、損益計算書、投資主資本等変動計算書及び注記表、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書（資産運用報告及びその附属明細書については、会計に関する部分に限る。以下同じ。）について監査を行った。なお、資産運用報告及びその附属明細書について監査の対象とした会計に関する部分は、資産運用報告及びその附属明細書に記載されている事項のうち会計帳簿の記録に基づく記載部分である。</p> <p>計算書類等に対する経営者の責任 経営者の責任は、法令及び規約並びに我が国において一般に公正妥当と認められる企業会計の基準に準拠して計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書を作成し適正に表示することにある。これには、不正又は誤謬による重要な虚偽表示のない計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書を作成し適正に表示するために経営者が必要と判断した内部統制を整備及び運用することが含まれる。</p> <p>監査人の責任 当監査法人の責任は、当監査法人が実施した監査に基づいて、独立の立場から計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に対する意見を表明することにある。当監査法人は、我が国において一般に公正妥当と認められる監査の基準に準拠して監査を行った。監査の基準は、当監査法人に計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に重要な虚偽表示がないかどうかについて合理的な保証を得るために、監査計画を策定し、これに基づき監査を実施することを求めている。</p> <p>監査においては、計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の金額及び開示について監査証拠を入手するための手続が実施される。監査手続は、当監査法人の判断により、不正又は誤謬による計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の重要な虚偽表示のリスクの評価に基づいて選択及び適用される。監査の目的は、内部統制の有効性について意見表明するためのものではないが、当監査法人は、リスク評価の実施に際して、状況に応じた適切な監査手続を立案するために、計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の作成と適正な表示に関連する内部統制を検討する。また、監査には、経営者が採用した会計方針及びその適用方法並びに経営者によって行われた見積りの評価も含め全体としての計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の表示を検討することが含まれる。</p> <p>当監査法人は、意見表明の基礎となる十分かつ適切な監査証拠を入手したと判断している。</p> <p>監査意見 当監査法人は、上記の計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書が、法令及び規約並びに我が国において一般に公正妥当と認められる企業会計の基準に準拠して、当該計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に係る期間の財産及び損益の状況をすべての重要な点において適正に表示しているものと認める。</p> <p>強調事項 重要な後発事象に記載されているとおり、投資法人は営業期間末日後に投資法人債の発行を行っている。当該事項は、当監査法人の意見に影響を及ぼすものではない。</p> <p>利害関係 投資法人と当監査法人又は業務執行社員との間には、公認会計士法の規定により記載すべき利害関係はない。</p> <p>以上</p>	

#### Disclaimer

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This fiscal report contains forward-looking statements. These statements appear in a number of places in this fiscal report and include statements regarding the intent, belief, or current and future expectations of Advance Residence Investment Corporation or AD Investment Management Co., Ltd. with respect to its business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "would," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Accordingly, readers of this document should not interpret the forward-looking statements included herein as predictions or representations of future events or circumstances.

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(thousand yen)

	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
Net cash provided by (used in) operating activities		
Income before income taxes	3,998,059	4,612,040
Depreciation and amortization	1,900,332	2,071,571
Amortization of unit issuance expenses	5,732	8,100
Amortization of investment corporation bond issuance costs	8,741	11,439
Expenses related to issuance of units	-	14,711
Increase (decrease) in allowance for doubtful accounts	- 18,262	899
Interest income	- 9,848	- 10,467
Interest expenses	1,263,473	1,311,406
Interest expenses on investment corporation bonds	364,055	246,749
Decrease (increase) in operating accounts receivable	30,402	- 27,050
Decrease (increase) in consumption taxes refund receivable	- 12,767	- 19,011
Decrease (increase) in prepaid expenses	- 6,352	- 97,935
Increase (decrease) in accrued consumption taxes	- 152,339	-
Increase (decrease) in operating accounts payable	- 17,610	- 2,311
Increase (decrease) in accounts payable – other	36,432	84,910
Increase (decrease) in accrued expenses	13,387	- 10,153
Increase (decrease) in advances received	- 84,198	4,620
Loss on sales of property, plant and equipment	942,188	-
Loss on sales of property, plant and equipment in trust	3,466,314	-
Decrease (increase) in long-term prepaid expenses	- 65,827	- 74,659
Other, net	- 2,074	- 7,341
Subtotal	11,659,838	8,117,517
Payments for loss on disaster	- 30,808	-
Interest income received	4,368	3,856
Interest expenses paid	- 1,731,697	- 1,671,517
Income taxes paid	- 405	- 4,381
Net cash provided by (used in) operating activities	9,901,294	6,445,475
Net cash provided by (used in) investing activities		
Payments into time deposits	- 3,000,000	- 2,000,000
Proceeds from withdrawal of time deposits	2,500,000	3,000,000
Purchase of short-term investment securities	- 2,000,000	- 4,500,000
Proceeds from sales of short-term investment securities	3,000,000	2,000,000
Purchase of property, plant and equipment	- 8,052,134	- 60,878
Purchase of property, plant and equipment in trust	- 5,481,268	- 27,615,375
Purchase of intangible assets in trust	- 136,171	-
Proceeds from tenant leasehold and security deposits, net	40,520	- 8,087
Proceeds from tenant leasehold and security deposits in trust, net	15,389	272,156
Proceeds from collection of paid tenant leasehold and security deposits	-	17,260
Proceeds from collection of paid tenant leasehold and security deposits in trust	-	4,485
Repayments of tenant leasehold and security deposits in trust	- 186,869	-
Purchase of investment securities	- 289,843	- 161,199
Proceeds from reimbursement of investment securities	-	10,000
Repayments of long-term deposits received	- 6,348	- 6,348
Net cash provided by (used in) investing activities	- 13,596,725	- 29,047,988
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	4,420,000	9,550,000
Decrease in short-term loans payable	- 3,380,000	- 9,090,000
Proceeds from long-term loans payable	42,650,000	36,750,000
Repayment of long-term loans payable	- 30,327,033	- 21,867,668
Proceeds from issuance of investment corporation bonds	10,000,000	8,000,000
Redemption of investment corporation bonds	- 15,000,000	- 12,000,000
Payments for investment corporation bond issuance costs	- 54,215	- 39,968
Proceeds from issuance of units	-	15,525,480
Payments of unit issuance expenses	-	- 14,208
Expenses related to issuance of units	-	- 42,528
Repayments of finance lease liabilities	-	- 1,360
Dividends paid	- 4,416,638	- 4,419,819
Net cash provided by (used in) financing activities	3,892,112	22,349,927
Net increase (decrease) in cash and cash equivalents	196,682	- 252,585
Cash and cash equivalents at beginning of period	11,812,744	12,009,427
Cash and cash equivalents at end of period	*1 12,009,427	*1 11,756,841

(Note) The Statements of Cash Flows has been prepared based on the “Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements” (Ministry of Finance Regulation No.59, 1963), and is attached as reference information. The Statements of Cash Flows has not been audited by the independent auditor, as it is not subject to audit by an independent auditor under the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations.

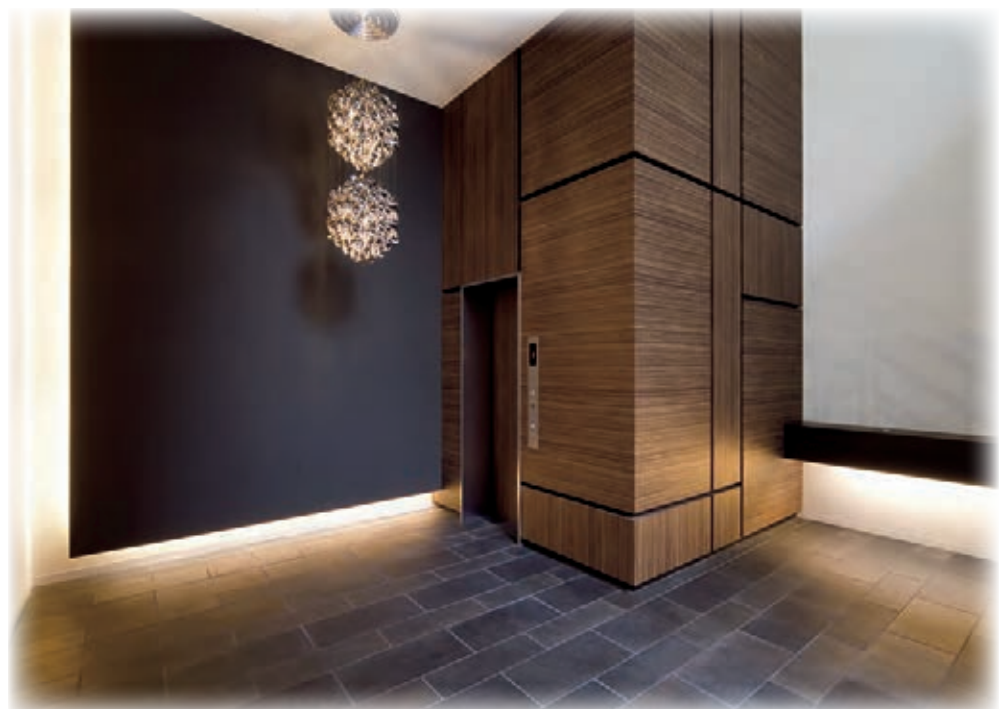


## Notes on Matters Concerning Significant Accounting Policies

	3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012
Scope of funds in Statements of Cash Flows	The funds (cash and cash equivalents) in the Statements of Cash Flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.	The funds (cash and cash equivalents) in the Statements of Cash Flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.

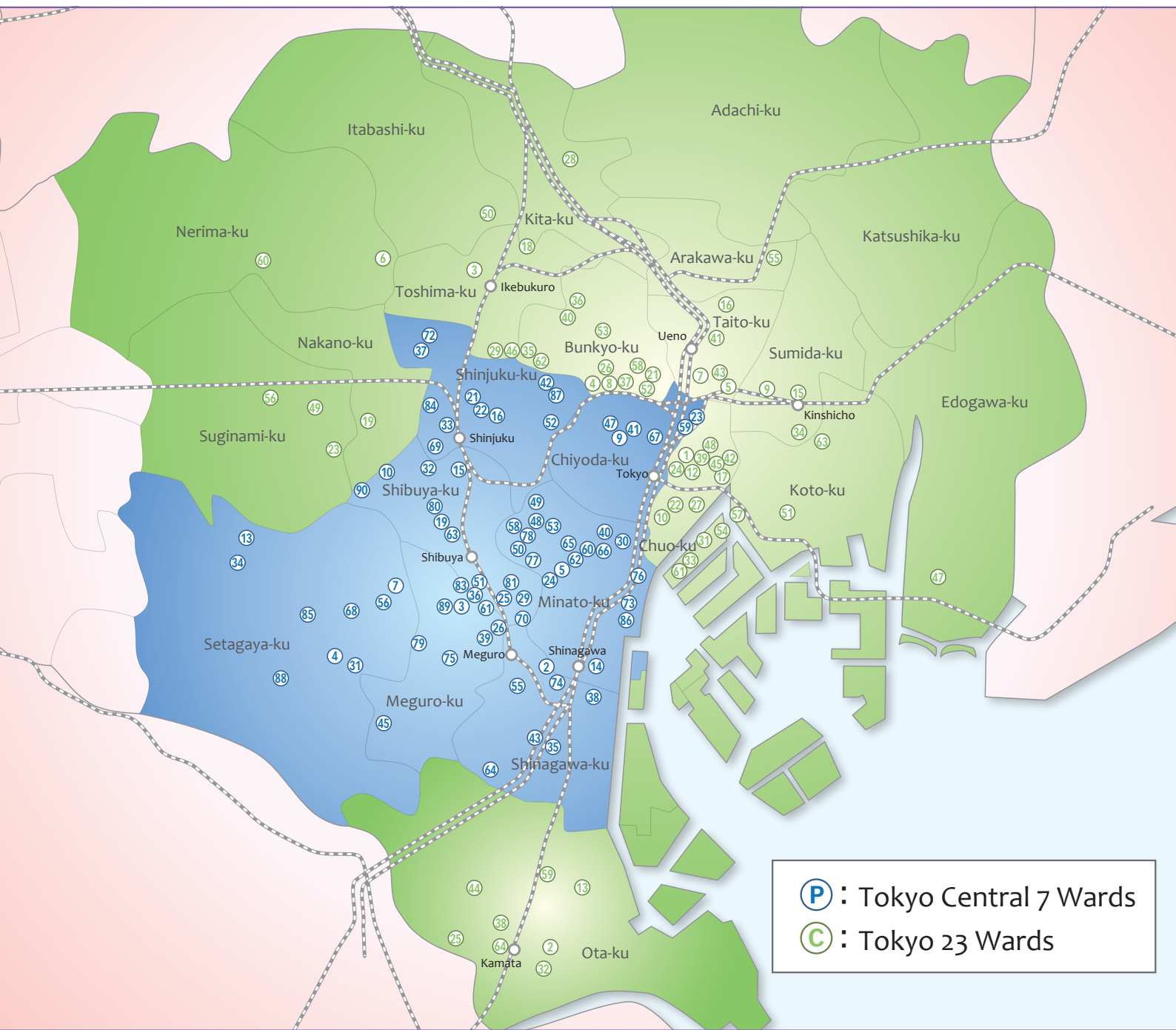
## Notes to Statements of Cash Flows

3rd Fiscal Period From: August 1, 2011 To: January 31, 2012	4th Fiscal Period From: February 1, 2012 To: July 31, 2012																
<p>*1. Relationship between the cash and cash equivalents at end of period in the Statements of Cash Flows and the amounts of the corresponding accounts on the Balance Sheets</p> <p style="text-align: right;">(thousand yen)</p> <table> <tr> <td>Cash and deposits</td><td style="text-align: right;">9,165,380</td></tr> <tr> <td>Cash and deposits in trust</td><td style="text-align: right;">5,844,046</td></tr> <tr> <td>Time deposits with holding period over 3 months</td><td style="text-align: right;">- 3,000,000</td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;"><u>12,009,427</u></td></tr> </table>	Cash and deposits	9,165,380	Cash and deposits in trust	5,844,046	Time deposits with holding period over 3 months	- 3,000,000	Cash and cash equivalents	<u>12,009,427</u>	<p>*1. Relationship between the cash and cash equivalents at end of period in the Statements of Cash Flows and the amounts of the corresponding accounts on the Balance Sheets</p> <p style="text-align: right;">(thousand yen)</p> <table> <tr> <td>Cash and deposits</td><td style="text-align: right;">6,701,044</td></tr> <tr> <td>Cash and deposits in trust</td><td style="text-align: right;">7,055,796</td></tr> <tr> <td>Time deposits with holding period over 3 months</td><td style="text-align: right;">- 2,000,000</td></tr> <tr> <td>Cash and cash equivalents</td><td style="text-align: right;"><u>11,756,841</u></td></tr> </table>	Cash and deposits	6,701,044	Cash and deposits in trust	7,055,796	Time deposits with holding period over 3 months	- 2,000,000	Cash and cash equivalents	<u>11,756,841</u>
Cash and deposits	9,165,380																
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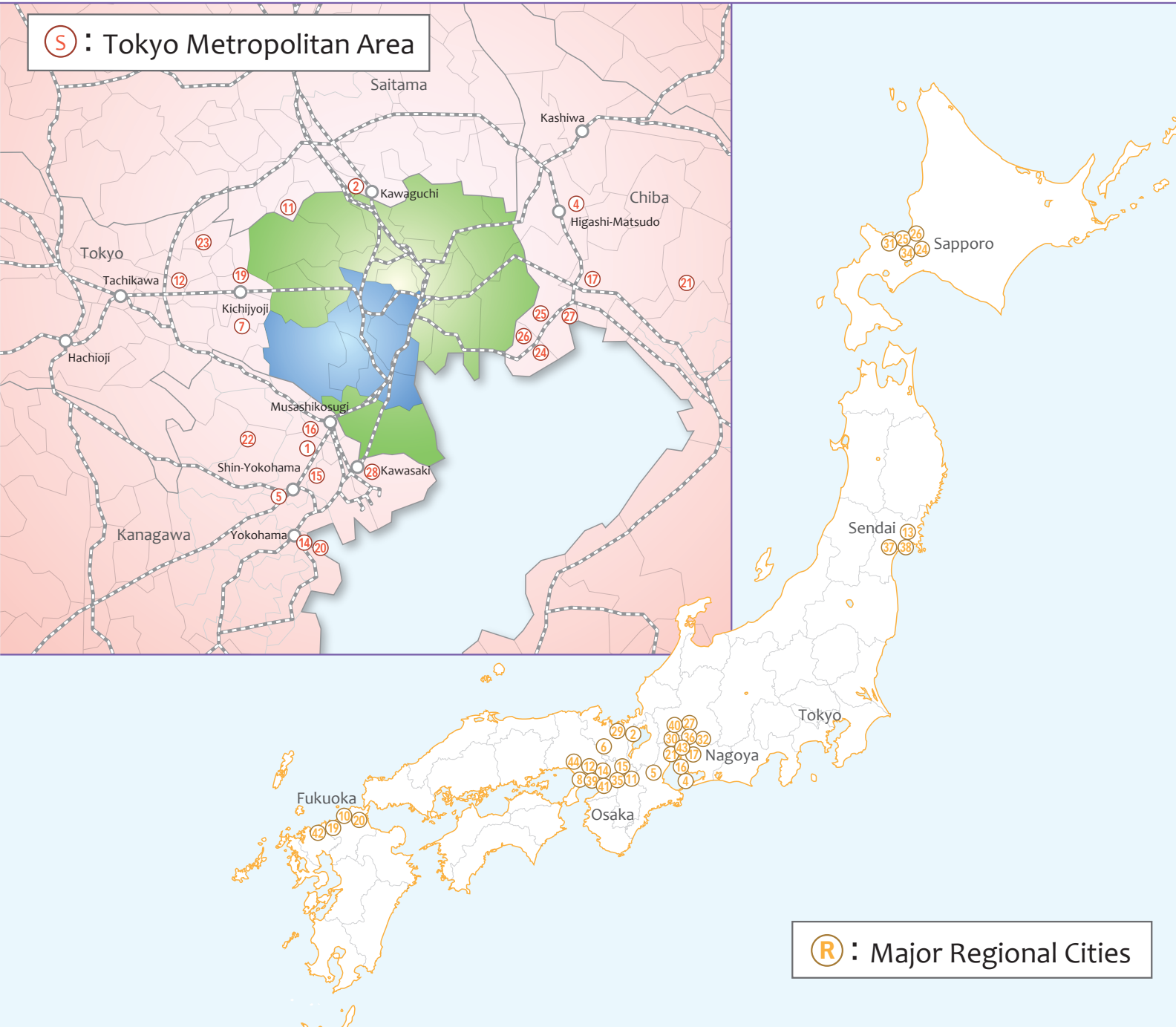
R-44 RESIDIA Kobe-Isogami - Hall

## Portfolio Map



**P** : Tokyo Central 7 Wards  
**C** : Tokyo 23 Wards

P-2	RESIDIA Shimazuyama	P-31	RESIDIA Komazawadaigaku	P-53	RESIDIA Roppongi-Hinokichokoen	P-76	Park Tower Shibaura Bayward	C-5	RESIDIA Asakusabashi
P-3	RESIDIA Nakameguro	P-32	RESIDIA Yoyogi	P-55	RESIDIA TOWER Meguro-Fudomae	P-77	Urban Wing	C-6	Maison Clairee Ekoda
P-4	RESIDIA Setagaya-Tsurumaki	P-33	RESIDIA Nishi-Shinjuku	P-56	RESIDIA Sangenjaya	P-78	Motoazabu Place	C-7	RESIDIA Ueno-Okachimachi
P-5	RESIDIA Azabujuban	P-34	RESIDIA Kyodo	P-58	RESIDIA Minami-Aoyama	P-79	RESIDIA TOWER Roppongi	C-8	RESIDIA Bunkyo-Hongo II
P-7	RESIDIA Ikejirihashi	P-35	RESIDIA Oimachi	P-59	RESIDIA Kanda-Higashi	P-80	RESIDIA Kamimeguro	C-9	RESIDIA Ryogoku
P-9	RESIDIA Kudanshita	P-36	RESIDIA Ebisu II	P-60	RESIDIA Higashi-Azabu	P-81	RESIDIA Yoyogikoen	C-10	RESIDIA Higashi-Ginza
P-10	RESIDIA Hatagaya	P-37	RESIDIA Kamiyochi	P-61	RESIDIA Ebisu-Minami	P-82	Windsor House Hiroo	C-12	RESIDIA Nihonbashi-Ningyocho II
P-13	RESIDIA Sakurajosui	P-38	RESIDIA Higashi-Shinagawa	P-62	RESIDIA TOWER Azabujuban	P-83	RESIDIA Daikanyama-Sarugakucho /	C-13	RESIDIA Omori-Higashi
P-14	RESIDIA Kita-Shinagawa	P-39	RESIDIA Meguro II	P-63	RESIDIA Shibuya		Daikanyama Parkside Village	C-15	RESIDIA Kinshicho
P-15	RESIDIA Yoyoginomori	P-40	RESIDIA Toranomon	P-64	RESIDIA Nakanobu	P-84	RESIDIA Kita-Shinjuku	C-16	RESIDIA Negishi
P-16	RESIDIA Shinjuku-East III	P-41	RESIDIA Shin-Ochanomizu	P-65	RESIDIA Azabudai	P-85	RESIDIA Komazawa	C-17	RESIDIA Shinkawa
P-19	Leopalace Udagawacho Mansion	P-42	RESIDIA Kagurazaka	P-66	RESIDIA Shibadaimon II	P-86	RESIDIA Shibaura KAIGAN	C-18	RESIDIA Kamiikebukuro
P-21	RESIDIA Shinjuku-East II	P-43	RESIDIA Oimachi II	P-67	RESIDIA Kanda	P-87	RESIDIA Ichigaya-Yakuoji	C-19	RESIDIA Shin-nakano
P-22	RESIDIA Shinjuku-East	P-45	RESIDIA Jiyugaoka	P-68	RESIDIA Sangenjaya II	P-88	RESIDIA Yoga	C-21	RESIDIA Bunkyo-Yushima II
P-23	RESIDIA Kanda-Iwamotocho	P-47	RESIDIA Suidobashi	P-69	RESIDIA Nishi-Shinjuku II	P-89	RESIDIA TOWER Nakameguro	C-22	RESIDIA Tsukiji
P-24	RESIDIA Azabujuban II	P-48	RESIDIA TOWER Nogizaka	P-70	RESIDIA Hiroo-Minami	P-90	RESIDIA Sasazuka II	C-23	RESIDIA Sasazuka
P-25	RESIDIA Ebisu	P-49	RESIDIA Akasaka	P-72	RESIDIA Meiji-Otomemaya	C-1	RESIDIA Mitsukoshimae	C-24	RESIDIA Kyobashi
P-26	RESIDIA Meguro	P-50	RESIDIA Nishi-Azabu	P-73	RESIDIA Shibaura	C-2	RESIDIA Kamata	C-25	RESIDIA Tamagawa
P-29	RESIDIA Hiroo II	P-51	RESIDIA Daikanyama	P-74	RESIDIA Gotenyama	C-3	RESIDIA Ikebukuro	C-26	RESIDIA Korakuen
P-30	Pianetta Shiodome	P-52	RESIDIA Ichigaya	P-75	RESIDIA Yutenji	C-4	RESIDIA Bunkyo-Hongo	C-27	RESIDIA Ginza-Higashi



C-28	RESIDIA Oji	C-49	RESIDIA Suginami-Honanchō	S-7	RESIDIA Chofu	R-5	RESIDIA Kameyama	R-30	RESIDIA Izumi
C-29	RESIDIA Mejiro II	C-50	RESIDIA Shin-Itabashi	S-11	Wako Student Heights	R-6	RESIDIA Ryokuchiko-en	R-31	RESIDIA Maruyama Kita-Gojo
C-31	RESIDIA Tsukishima	C-51	RESIDIA Kiba	S-12	RESIDIA Kokubunji	R-8	RESIDIA Kobe	R-32	RESIDIA Tokugawa
C-32	RESIDIA Kamata II	C-52	RESIDIA Bunkyo-Yushima III	S-14	RESIDIA Yokohama-Kannai		Port Island	R-34	RESIDIA Odori-Koen
C-33	RESIDIA Tsukishima II	C-53	RESIDIA Bunkyo-Honkomagome	S-15	RESIDIA Okurayama	R-10	RESIDIA Hakata	R-35	RESIDIA Tanimachi
C-34	RESIDIA Kinshicho II	C-54	RESIDIA Tsukishima III	S-16	RESIDIA Musashikosugi	R-11	RESIDIA Tenjinbashi	R-36	RESIDIA Hisaya-Odori
C-35	RESIDIA Bunkyo-Otowa	C-55	RESIDIA Minamisenjyu	S-17	RESIDIA Funabashi I and II	R-12	RESIDIA Sannomiya-Higashi	R-37	RESIDIA Sendai-Miyamachi
C-36	RESIDIA Bunkyo-Sengoku	C-56	RESIDIA Ogikubo	S-19	RESIDIA Kichijoji	R-13	KC21 Building	R-38	RESIDIA Hirose-dori
C-37	RESIDIA Bunkyo-Yushima	C-57	RESIDIA Monzen-nakacho	S-20	Pacific Royal Court	R-14	RESIDIA Utsubokoen	R-39	RESIDIA Edobori
C-38	RESIDIA Ikegami	C-58	RESIDIA Ochanomizu		Minato Mirai Ocean Tower	R-15	RESIDIA Kyoto-ekimae	R-40	RESIDIA Kyomachibori
C-39	RESIDIA Nihonbashi-Ningyocho	C-59	RESIDIA Omori	S-21	Maison Yachiyodai	R-16	RESIDIA Takaoka	R-41	RESIDIA Esaka
C-40	RESIDIA Bunkyo-Sengoku II	C-60	RESIDIA Nakamurabashi	S-22	Life & Senior House Kohoku II	R-17	RESIDIA Hibino	R-42	RESIDIA Nishijin
C-41	RESIDIA Iriya	C-61	RESIDIA Kachidoki	S-23	College Court Tanashi	R-19	RESIDIA Tenjin-Minami	R-43	RESIDIA Tsurumai
C-42	RESIDIA Nihonbashi-Hamacho	C-62	RESIDIA Bunkyo-Otowa II	S-24	RESIDIA Urayasu	R-20	RESIDIA Hakataeki-Minami	R-44	RESIDIA Kobe-Isogami
C-43	RESIDIA Shin-Okachimachi	C-63	RESIDIA Kinshicho III	S-25	RESIDIA Minami-Gyotoku	R-21	Mare		
C-44	RESIDIA Chidoricho	C-64	RESIDIA Kamata III	S-26	RESIDIA Urayasu II	R-24	RESIDIA Minami-Ichijo		
C-45	RESIDIA Shinkawa II	S-1	Hiyoshidai Student Heights	S-27	RESIDIA Gyotoku	R-25	RESIDIA Odori-Nishi		
C-46	RESIDIA Mejiro	S-2	Chester House Kawaguchi	S-28	RESIDIA Kawasaki	R-26	RESIDIA Kita-Sanjo		
C-47	RESIDIA Kasai	S-4	RESIDIA Higashi-Matsudo	R-2	RESIDIA Imadegawa	R-27	RESIDIA Shirakabe-Higashi		
C-48	RESIDIA Nihonbashi-Bakurocho	S-5	RESIDIA Shin-Yokohama	R-4	RESIDIA Higashi-Sakura	R-29	RESIDIA Uzumasa		

## Portfolio List

Investment region	Property No.	Name of real estate	Location (Indication of residential address)	Acquisition price (million yen)	Leasable floor area (m <sup>2</sup> )	Number of leasable residential units (residential units)	Construction completion date	Probable maximum loss (PML) (%)
Tokyo Central 7 Wards	P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	2,860	3,474.37	115	December 2004	6.28
	P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	1,730	1,694.18	88	February 2005	2.66
	P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	1,229	1,769.67	28	March 2002	8.15
	P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	1,987	1,986.76	44	November 1999	6.34
	P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	1,230	1,423.38	42	August 2005	6.26
	P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	2,270	2,845.89	86	March 2004	6.26
	P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	1,130	1,129.72	35	February 2006	8.13
	P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	1,120	1,201.37	39	July 2006	5.11
	P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2,720	2,897.99	120	February 2007	5.97
	P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	732	723.10	22	March 2007	11.49
	P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	750	818.74	39	February 2009	8.17
	P-19	LeoPalace Udagawacho Mansion	Shibuya-ku, Tokyo	588	623.80	30	August 2001	11.24
	P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	1,380	1,743.06	54	February 2004	7.86
	P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	941	1,219.08	48	August 2000	9.28
	P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	1,520	2,354.20	65	February 2004	7.13
	P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	874	1,018.71	37	February 2001	3.14
	P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	554	653.04	26	January 2001	3.95
	P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	722	701.01	20	October 1999	5.26
	P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	1,660	1,733.63	76	November 2005	2.82
	P-30	Pianetta Shiodome	Minato-ku, Tokyo	1,950	2,274.19	67	February 2005	5.47
	P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	333	488.51	18	October 2004	4.48
	P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	326	464.64	16	February 2005	2.87
	P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	363	478.57	19	February 2005	4.89
	P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	286	509.66	15	February 2005	3.86
	P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	947	1,249.56	48	December 2005	3.09
	P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	2,280	2,194.56	61	January 2006	6.34
	P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	1,180	1,740.50	70	September 2006	7.83
	P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	2,040	2,588.01	122	August 2006	3.46
	P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1,190	1,448.84	34	January 2006	9.52
	P-40	RESIDIA Toranomon	Minato-ku, Tokyo	1,320	1,353.41	63	September 2006	5.64
	P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	1,160	1,422.45	52	March 2006	9.08
	P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	918	1,182.34	52	August 2006	8.11
	P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	1,050	1,321.76	40	July 2007	3.86
	P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	1,050	1,435.93	28	March 2002	5.02
	P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	2,310	3,039.14	65	December 2004	4.39
	P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	3,660	3,485.00	68	August 2004	8.05
	P-49	RESIDIA Akasaka	Minato-ku, Tokyo	1,180	1,352.02	37	May 2004	12.33
	P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	6,780	7,078.64	125	July 2004	5.00
	P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	2,150	2,067.08	42	July 2004	4.98
	P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	2,500	3,003.34	85	August 2004	4.98
	P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	3,570	4,803.29	88	September 1999	12.79
	P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	16,500	21,019.77	358	January 2007	3.29
	P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	2,760	2,847.19	78	January 2005	2.29
	P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	728	782.33	13	March 2005	5.22
	P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	1,620	2,544.25	64	October 2003	5.17
	P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	1,430	1,582.54	31	April 2006	8.45
	P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	2,020	2,023.88	39	March 2007	6.05
	P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	6,190	7,207.18	113	January 2003	1.57
	P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	1,250	1,285.42	40	June 2006	2.74
	P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	1,880	2,855.06	65	November 2005	5.91
	P-65	RESIDIA Azabudai	Minato-ku, Tokyo	1,610	1,732.06	47	February 2006	8.13
	P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	1,740	2,023.20	48	August 2006	4.98
	P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	1,140	1,534.57	43	June 2006	6.11
	P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	1,280	1,933.54	34	March 2006	5.93
	P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	1,830	2,478.31	74	May 2007	4.18
	P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	923	1,035.75	26	August 2007	3.63
	P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	974	1,679.94	19	December 2002	4.61
	P-73	RESIDIA Shibaura	Minato-ku, Tokyo	4,670	8,508.36	154	September 1991	6.28
	P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	930	1,228.15	16	January 2007	10.52
	P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	5,260	5,423.36	118	August 2006	7.56
	P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	9,570	13,490.67	191	May 2005	3.72
	P-77	Motoazabu Place	Minato-ku, Tokyo	8,430	7,382.62	41	February 2001	6.03
	P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	7,040	5,978.20	83	February 2006	3.98
	P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	878	1,473.68	16	January 1993	6.74
	P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	1,100	1,545.36	6	July 1998	7.34
	P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	1,750	2,172.91	12	June 2003	12.25
	P-83	RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village	Shibuya-ku, Tokyo	7,360	5,977.18	77	January 1998	10.27
	P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	1,460	2,173.62	26	February 1997	12.06



Investment region	Property No.	Name of real estate	Location (Indication of residential address)	Acquisition price (million yen)	Leasable floor area (m <sup>2</sup> )	Number of leasable residential units (residential units)	Construction completion date	Probable maximum loss (PML) (%)
	P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	870	1,182.47	59	October 2008	12.30
	P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	2,400	3,898.10	72	January 2010	5.43
	P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	2,070	2,169.57	98	August 2008	6.76
	P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	1,523	1,996.81	66	June 2008	10.45
	P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3,300	3,989.13	70	March 2007	5.70
	P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	3,760	4,548.96	166	January 2011	6.50
Tokyo 23 Wards	C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	1,920	2,552.07	105	February 2005	4.72
	C-2	RESIDIA Kamata	Ota-ku, Tokyo	2,640	4,110.54	166	March 2005	6.36
	C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	1,520	2,207.63	60	March 2005	7.86
	C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	1,680	2,165.35	65	July 2005	5.43
	C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	1,060	1,816.14	47	August 2005	4.27
	C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	953	1,591.71	93	March 1993	3.29
	C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	3,160	4,009.27	127	February 2006	1.84
	C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1,623	1,960.40	70	January 2006	5.37
	C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	913	1,378.84	48	February 2006	6.38
	C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	5,251	4,871.02	169	September 2006	6.19
	C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	3,180	3,541.09	137	January 2007	5.35
	C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	1,980	1,928.71	81	August 2007	9.32
	C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	4,200	4,326.80	157	November 2007	6.24
	C-16	RESIDIA Negishi	Taito-ku, Tokyo	856	1,571.54	28	December 2005	6.01
	C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	1,880	2,764.70	83	February 2003	9.61
	C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	558	979.04	44	December 2001	6.60
	C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	352	615.28	24	June 2002	3.60
	C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	1,010	1,368.01	63	March 2004	5.32
	C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	1,460	2,043.00	54	December 2005	4.21
	C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	1,800	2,855.98	96	March 2000	10.73
	C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1,220	1,440.11	52	January 2005	6.03
	C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	1,300	2,137.41	98	September 2004	12.83
	C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	603	770.11	31	October 2004	7.67
	C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	2,000	2,824.17	94	September 2004	6.28
	C-28	RESIDIA Oji	Kita-ku, Tokyo	867	1,659.09	61	February 2005	7.15
	C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	1,050	1,450.16	63	July 2005	7.75
	C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	1,100	1,694.38	40	February 2006	6.64
	C-32	RESIDIA Kamata II	Ota-ku, Tokyo	1,360	1,929.24	78	September 2006	7.15
	C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	2,440	3,074.47	105	September 2006	10.15
	C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	2,380	3,394.21	99	January 2008	5.15
	C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	3,380	5,970.11	104	August 2003	6.36
	C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	707	1,104.50	33	February 2003	6.58
	C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	1,050	1,623.62	39	February 2003	3.89
	C-38	RESIDIA Ikegami	Ota-ku, Tokyo	378	764.84	19	July 2003	6.80
	C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	557	848.24	25	March 2004	9.52
	C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	1,440	2,117.47	45	April 2005	6.44
	C-41	RESIDIA Iriya	Taito-ku, Tokyo	990	1,826.54	49	December 2004	3.77
	C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	1,310	1,915.92	45	August 2006	7.77
	C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	1,860	2,531.81	69	March 2007	6.64
	C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	1,290	2,105.15	60	September 2006	7.48
	C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	1,320	2,119.34	36	February 2003	6.52
	C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	6,280	13,069.70	162	January 1999	2.69
	C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	683	2,177.89	29	January 2000	9.02
	C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	5,500	8,502.12	132	February 2007	5.45
	C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	3,834	6,953.96	194	February 2009	9.39
	C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	888	1,413.22	67	August 2009	11.28
	C-51	RESIDIA Kiba	Koto-ku, Tokyo	1,950	3,255.00	155	March 2008	6.17
	C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	1,129	1,296.27	52	December 2008	2.29
	C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	2,340	3,488.24	98	March 2008	10.54
	C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2,570	3,152.45	119	March 2008	5.02
	C-55	RESIDIA Minamisenjyu	Arakawa-ku, Tokyo	2,580	10,097.88	175	March 2007	6.95
	C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	1,710	2,830.20	101	March 2003	8.45
	C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	970	1,458.45	68	February 2005	4.21
	C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	2,090	3,164.96	80	September 2005	2.76
	C-59	RESIDIA Omori	Ota-ku, Tokyo	1,150	1,528.00	75	March 2006	6.90
	C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	1,075	1,501.41	66	February 2008	10.75
	C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	1,805	2,750.82	55	February 2008	3.19
	C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2,268	3,063.83	89	February 2008	2.92
	C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	651	1,072.75	51	February 2005	6.17
	C-64	RESIDIA Kamata III	Ota-ku, Tokyo	948	1,404.35	53	March 2007	6.74



## Portfolio List

Investment region	Property No.	Name of real estate	Location (Indication of residential address)	Acquisition price (million yen)	Leasable floor area (m <sup>2</sup> )	Number of leasable residential units (residential units)	Construction completion date	Probable maximum loss (PML) (%)
Tokyo Metropolitan Area	S-1	Hiyoshidai Student Heights	Yokohama-shi, Kanagawa	3,420	8,552.00	920	March 1969	13.82
	S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	770	2,023.11	39	March 1991	5.83
	S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	1,100	3,431.44	44	April 2007	10.04
	S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	1,920	3,277.62	131	January 2007	11.52
	S-7	RESIDIA Chofu	Chofu-shi, Tokyo	1,143	1,750.49	41	March 2007	5.74
	S-11	Wako Student Heights	Wako-shi, Saitama	675	1,684.02	127	April 1990	13.18
	S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	518	879.44	33	February 2003	5.66
	S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	1,700	2,359.60	102	August 2004	13.55
	S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	755	1,334.56	64	March 1998	13.79
	S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	1,580	2,560.40	68	February 2007	11.82
	S-17	RESIDIA Funabashi I	Funabashi-shi, Chiba	2,730	4,567.44	172	March 2007	8.58
		RESIDIA Funabashi II						9.33
	S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	1,380	2,214.73	48	March 1995	4.50
	S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama-shi, Kanagawa	14,000	26,082.53	416	November 2007	4.63
	S-21	Maison Yachiyodai	Yachiyo-shi, Chiba	882	3,506.54	39	August 1989	6.44
	S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	1,670	5,433.40	78	October 2003	8.86
	S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	810	1,136.09	91	February 2010	10.16
	S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	2,115	3,692.76	146	September 2009	8.28
	S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	823	1,785.00	85	February 2005	10.38
	S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	802	1,554.00	74	February 2005	10.22
	S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	761	1,569.74	75	February 2005	10.08
	S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	1,670	2,644.73	104	March 2007	9.44
Major Regional Cities	R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	1,671	3,714.11	154	February 1999	12.61
	R-4	RESIDIA Higashi-Sakura	Nagoya-shi, Aichi	1,290	3,084.03	91	February 2006	13.43
	R-5	RESIDIA Kameyama	Kameyama-shi, Mie	1,610	6,065.11	182	February 2007	15.40
	R-6	RESIDIA Ryokuchikoen	Toyonaka-shi, Osaka	979	2,391.35	44	May 2007	10.47
	R-8	RESIDIA Kobe Port Island (South Bldg.; Centre Bldg.)	Kobe-shi, Hyogo	3,740	9,708.00	404	March 2007	10.89
		RESIDIA Kobe Port Island (North Bldg.)						11.47
	R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	1,220	3,955.24	155	March 2002	1.42
	R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	871	2,113.91	78	February 2000	8.58
	R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	2,220	5,698.03	161	November 2005	5.47
	R-13	KC21 Building	Sendai-shi, Miyagi	900	2,716.11	79	March 1997	1.39
	R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	1,170	2,741.46	94	January 2006	10.27
	R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	1,970	4,010.85	116	February 2006	9.22
	R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	2,330	5,944.56	198	August 2007	13.52
	R-17	RESIDIA Hibino	Nagoya-shi, Aichi	1,340	7,598.40	124	April 1992	11.76
	R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	936	3,179.96	56	January 2004	2.66
	R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	324	1,606.29	39	January 2003	1.39
	R-21	Mare	Nagoya-shi, Aichi	685	1,930.70	38	February 2005	12.59
	R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	1,640	5,928.51	179	December 2006	1.81
	R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	1,320	4,512.24	103	December 2006	2.12
	R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	1,130	3,867.60	100	January 2007	2.63
	R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	831	2,709.97	33	May 2005	13.35
	R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	701	3,201.93	48	January 2000	7.17
	R-30	RESIDIA Izumi	Nagoya-shi, Aichi	3,700	9,715.22	122	November 2005	12.14
	R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	1,050	3,920.00	56	February 2007	1.42
	R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	751	2,282.49	27	December 2006	12.55
	R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	2,010	6,230.49	109	August 2007	1.39
	R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	1,100	2,655.18	108	August 2008	10.08
	R-36	RESIDIA Hisaya-Odori	Nagoya-shi, Aichi	652	1,684.19	57	February 2007	13.97
	R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	529	2,005.48	67	January 2008	3.07
	R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	494	1,564.29	63	February 2010	2.69
	R-39	RESIDIA Edobori	Osaka-shi, Osaka	1,400	3,369.51	127	February 2007	12.38
	R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	1,000	2,398.90	84	March 2007	11.69
	R-41	RESIDIA Esaka	Suita-shi, Osaka	989	2,177.04	68	July 2007	12.83
	R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	2,380	7,282.78	173	January 2008	4.02
	R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	1,206	3,116.98	122	February 2008	12.07
	R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	2,740	6,714.74	196	March 2008	7.56
Total				367,911	590,672.08	16,127		5.02

Notes 1. In the “Investment region” column, “Tokyo Central 7 Wards” indicates the Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards of Tokyo; “Tokyo 23 Wards” indicates the Tokyo 23 wards other than the Tokyo Central 7 Wards; “Tokyo Metropolitan Area” indicates Tokyo (excluding the Tokyo 23 wards) and Kanagawa, Saitama and Chiba prefectures; and “Major Regional Cities” indicates cabinet order designated and similar cities excluding cities in the Tokyo Metropolitan Area.

2. In the “Acquisition price” column, monetary amounts are rounded down to the nearest million yen. Accordingly, the sum total of the itemized figures does not necessarily add up to the “Total” amount entered in the foregoing table.

## Asset Management Company Profile

>>> Profile (as of July 31, 2012)

<b>Name</b>	<b>AD Investment Management Co., Ltd.</b>	
<b>Address</b>	Hitotsubashi SI Building 9F, 3-26 Kanda Nishiki-cho, Chiyoda-ku, Tokyo	
<b>Officers</b>	President	Kenji Kousaka
	Executive Director	Takeshi Takano
	Managing Director	Junichi Shoji
	Director	Hiromasa Yamamoto
	Director	Tomoyuki Kimura
	Director	Hiroshi Kawakami
	Director	Masato Kawanishi
	Director (non-executive)	Norio Matsui
	Director (non-executive)	Yoshinori Komoto
	Director (non-executive)	Nobuo Takahara
	Director (non-executive)	Kouji Fukaki
	Statutory Auditor	Masamitsu Hattori
	Statutory Auditor (non-executive)	Shoichi Suzuki
<b>Paid-in capital</b>	300 million yen	
<b>Description of business</b>	Investment management business	
<b>Company history</b>	Feb. 2, 2005	Established as Japan Residential Management Co., Ltd.
	Apr. 9, 2005	Obtained building lots and buildings transaction business license (Tokyo Governor License (2) No. 84325)
	May 17, 2005	Changed trade name to AD Investment Management Co., Ltd.
	June 23, 2005	Obtained discretionary transaction agent and other approval under Building Lots and Buildings Transaction Business Act (Minister of Land, Infrastructure, Transport and Tourism Approval No. 37)
	Sept. 8, 2005	Obtained investment trust settlor business approval under Act on Investment Trusts and Investment Corporations (Prime Minister Approval No. 49)
	Sept. 30, 2007	Registered as financial instruments business operator (Director-General of Kanto Local Finance Bureau (Kinsho) Registration No. 309)
	Mar. 1, 2010	Merged with Pacific Residential Corporation in absorption-type merger

### Shareholder composition

Name	Shareholding (shares)	% share (%)
ITOCHU Corporation	2,880	46.6
ITOCHU Property Development, Ltd.	1,200	19.4
Nippon Tochi-Tatemono Co., Ltd.	1,200	19.4
Aozora Bank, Ltd.	180	2.9
Sumitomo Mitsui Trust Bank, Limited	180	2.9
Mizuho Trust & Banking Co., Ltd.	180	2.9
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	180	2.9
Sumitomo Mitsui Banking Corporation	180	2.9
<b>Total</b>	<b>6,180</b>	<b>100.0</b>





(Note) “% share” in the table above is the shareholding (number of shares held) as a percentage of total number of shares issued and outstanding.

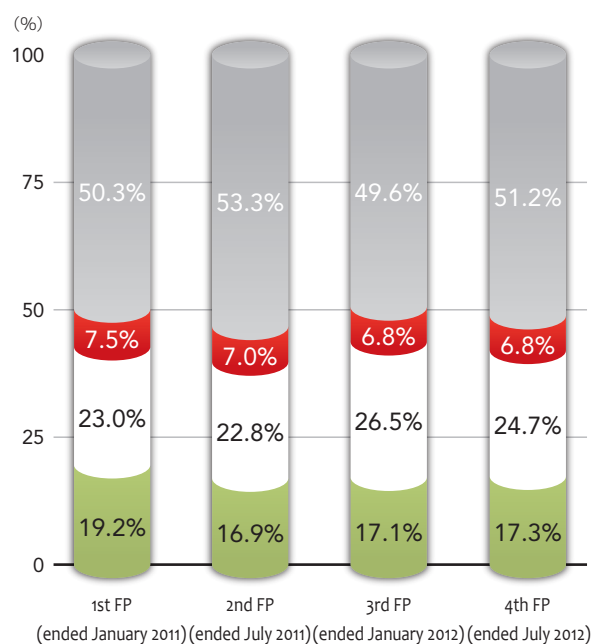
## Investor Information

### >>> Unitholder Memo

Fiscal period end	January 31 and July 31 of every year
General meeting of unitholders	Held at least once every 2 years
Date for determining unitholders exercising voting rights at meeting	The date will be publicly notified in advance
Record date for determining dividend payments	January 31 and July 31 of every year (Dividends will be paid within 3 months of the record date for determining payments.)
Unit listing	Tokyo Stock Exchange (Securities Code: 3269)
Newspaper for public notice	The Nikkei
Transfer agent	Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo
Business office of transfer agent	Stock Transfer Agency Department, Main Office Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo
Contact	Stock Transfer Agency Department
Mailing address	Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507
Phone	TEL: 0120-288-324 (toll free in Japan)

### >>> Unitholder Composition

4th FP	No. of Units		No. of Unitholders	
	No. of Units	Share	No. of Unitholders	Share
 Japanese Financial Institutions (including Securities Companies)	562,683	51.2%	132	0.6%
 Other Japanese Corporations	75,060	6.8%	356	1.5%
 Foreign Corporations and Individuals	271,627	24.7%	221	1.0%
 Domestic Individuals and Others	190,630	17.3%	22,438	96.9%
Total	1,100,000	100.0%	23,147	100.0%



### >>> Inquiries

Please direct any inquiries concerning ADR's units (address, name, dividend transfer account designation, changes, etc.), to your securities company at which you have opened the transfer account for units.

### >>> Dividends

Dividends can be collected by bringing the "unitholder dividend receipt" to your nearest Japan Post Bank main or branch office, sub-branch office or post office (bank agent) in Japan. If the collection period has elapsed, please make your collection by designating the collection method on the back of the "unitholder dividend receipt" and mailing it to Mizuho Trust & Banking's Stock Transfer Agency Department or bringing it to a Mizuho Trust & Banking or Mizuho Investors Securities main or branch office. (Note: Depending on the office, when the payment processing does not take place on the premises, it may take a few days to collect.) If you wish to designate a bank transfer for future dividend payments, please contact your securities company.

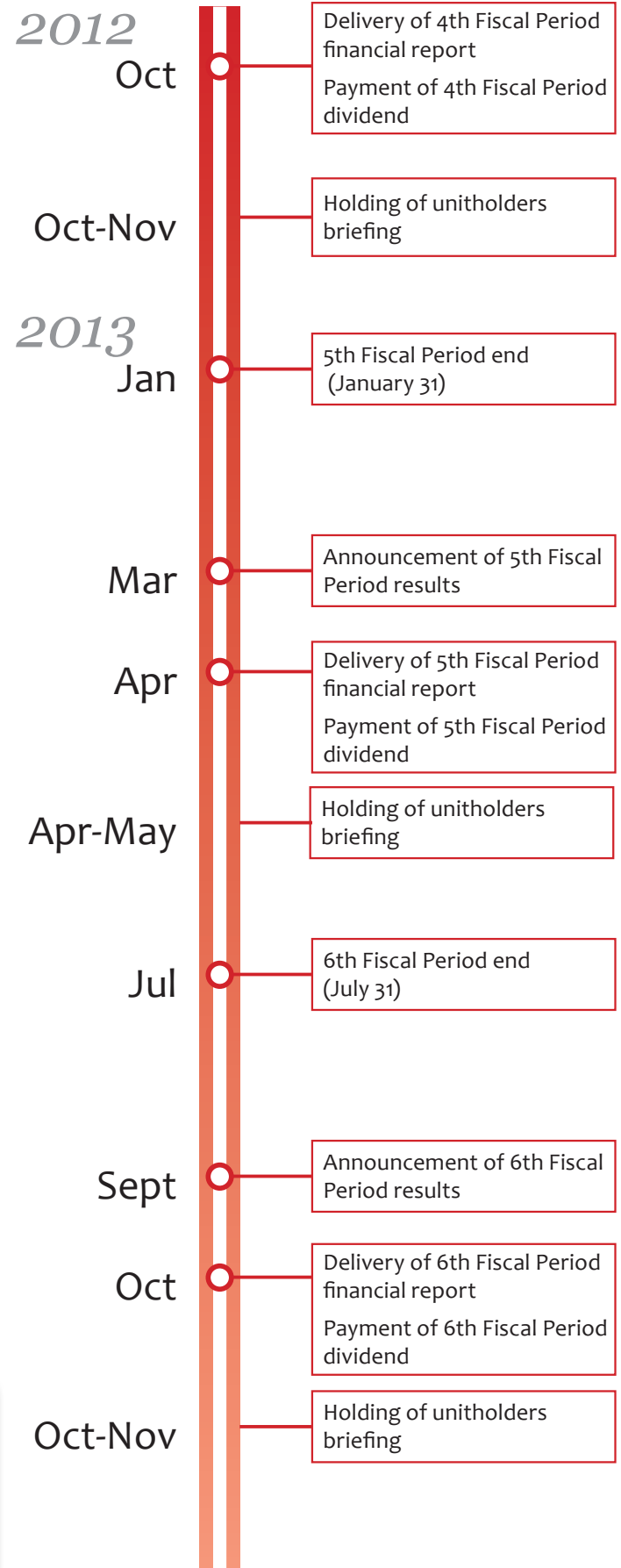
### >>> Disclosures

ADR strives to provide information to unitholders in a transparent and timely manner by uploading an array of information and data on the ADR website, including documents that must be disclosed by law, press releases, information on business performance (kessan tanshin, presentation materials for analyst meetings, etc.) and information on portfolio assets. ADR will remain dedicated to providing easy to understand and timely information by continuing to increasingly enrich the content of the website.



[www.adr-reit.com/en](http://www.adr-reit.com/en)

### >>> Annual Schedule





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