



**5<sup>th</sup> Fiscal Period**  
August 1, 2012 to January 31, 2013

# INDEX



*Executive Summary* 3

*Solid Track Record, Solid Growth* 4-5

*Largest Residential Portfolio J-REIT* 6

*5<sup>th</sup> Fiscal Period Results*  
*6<sup>th</sup> & 7<sup>th</sup> Fiscal Period Earnings Guideline* 7-9

*External Growth* 10-14

*Finance* 15-17

*Internal Growth* 18-20

*Management Policy and Outlook* 21~22

*Appendix* 23~54

# Executive Summary

Committed in Delivering Strong and Stable Dividend

## Continuing 4,500 yen per unit Topping Dividend

**Initial Guidance**  
(announced September 14, 2012)

Net Income per Unit

**4,250** yen

+5 yen

**Actual Result for 5<sup>th</sup> FP**  
(period ending January 31, 2013)

**4,255** yen

**Outstanding Dividend Reserve**  
(after 5FP distribution)

**34.3** billion yen

Dividend per Unit

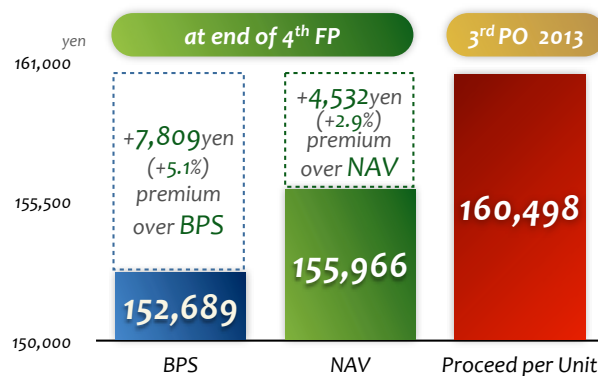
**4,500** yen

+5 yen

**4,505** yen

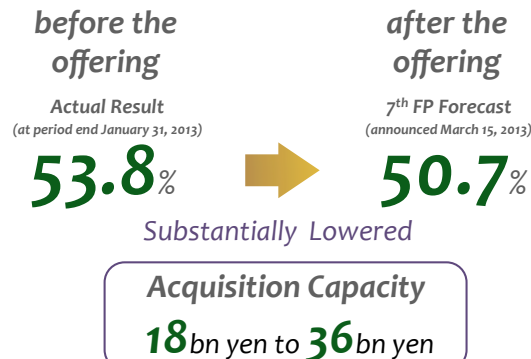
## Premium Priced Secondary Offering → Market Cap Tops 200 billion yen

### Raising Unitholders' Value



\* 4th FP dividend is subtracted from the BPS and NAV.

### Substantially Lowering LTV Expanding Acquisition Capacity



\* LTV (loan to value) is INTEREST BEARING DEBTS divided by TOTAL ASSETS.

### EPU Maintained

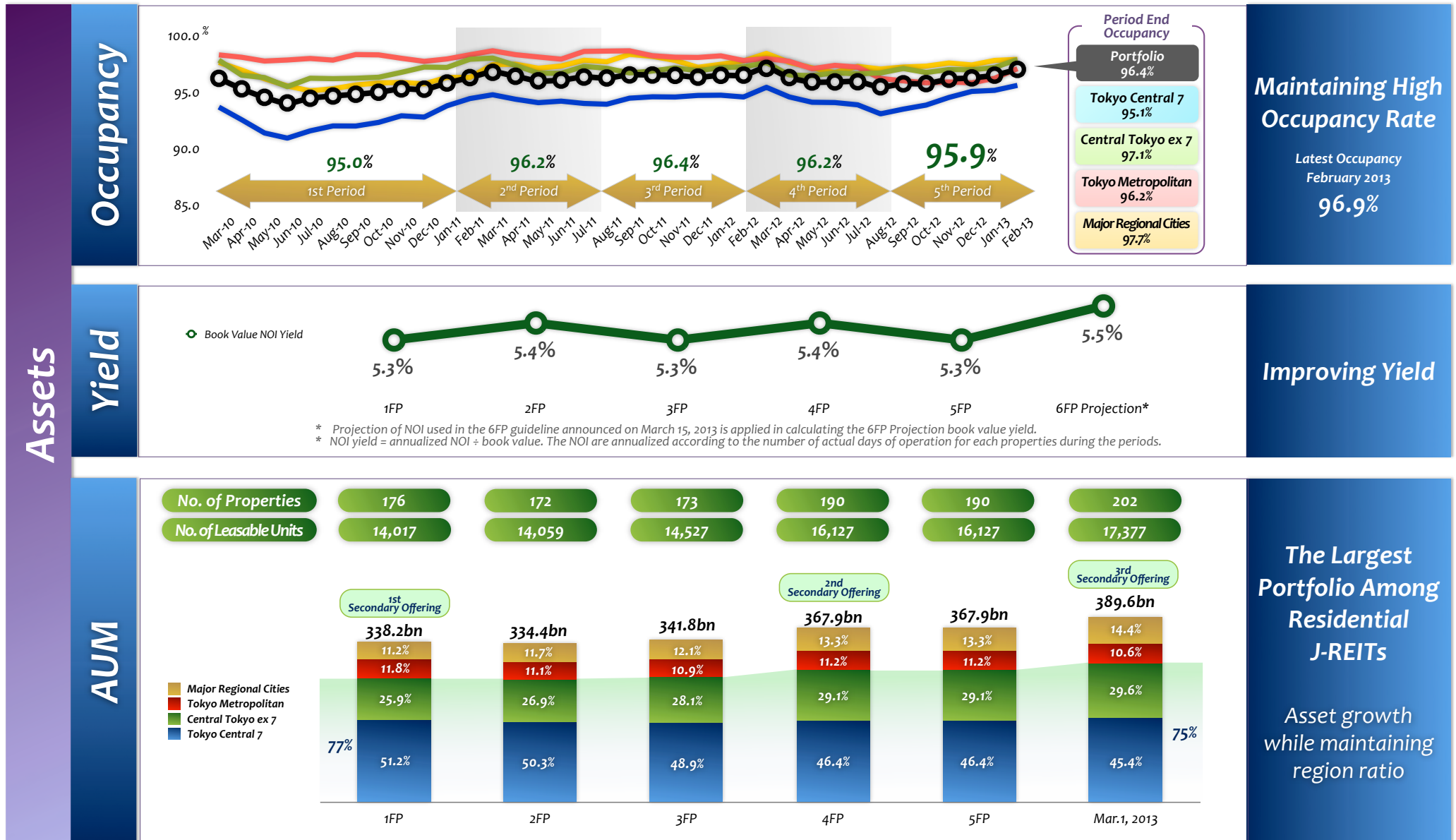
**7<sup>th</sup> FP Guidance**  
(announced March 15, 2013)

**Net Income per Unit** **4,250** yen

**Dividend per Unit** **4,500** yen

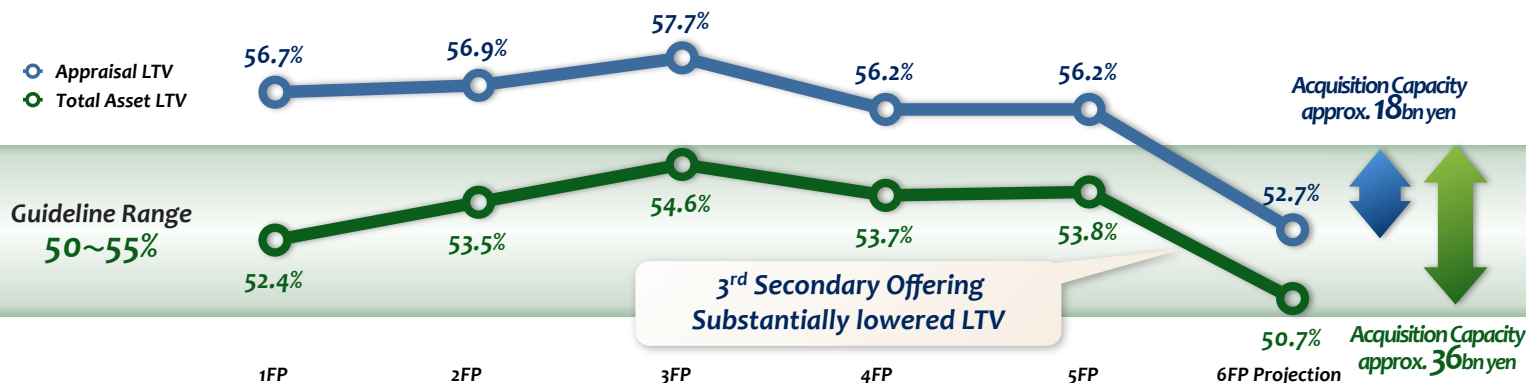
# Solid Track Record, Solid Growth

## Steadily Increasing EPS by Implementing Various Measures



# Liabilities

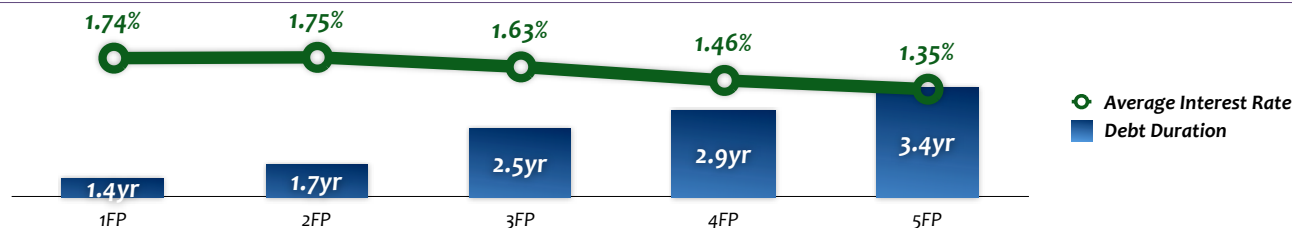
## LTV



Controlling LTV Level within the Guideline Range

Acquisition Capacity of approx. 18bn yen to 36bn yen

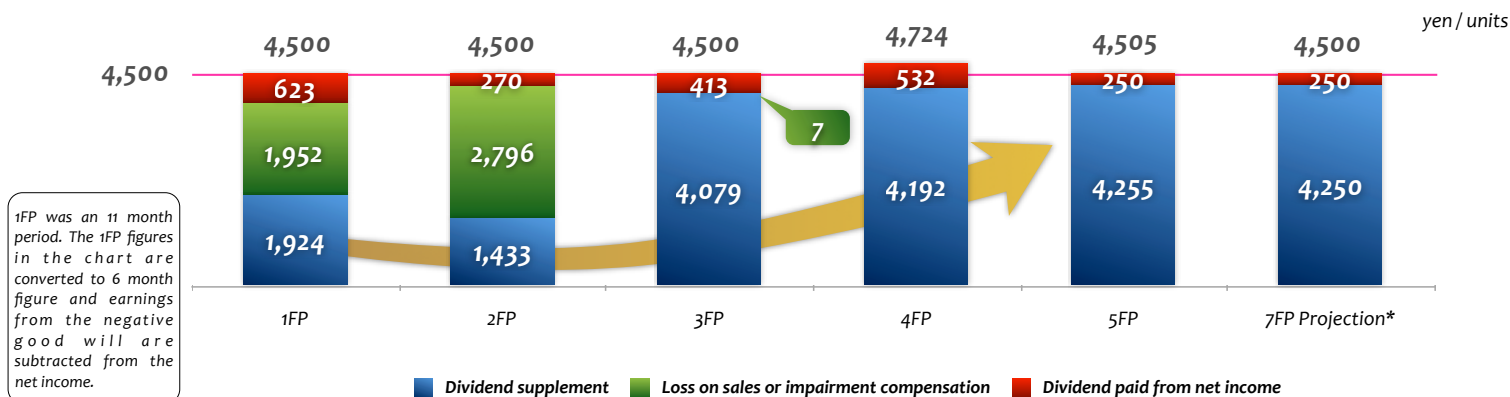
## Debts



Lengthening Duration, Fixing Interest Rates while Lowering Financing Cost

# Equities

## Dividends

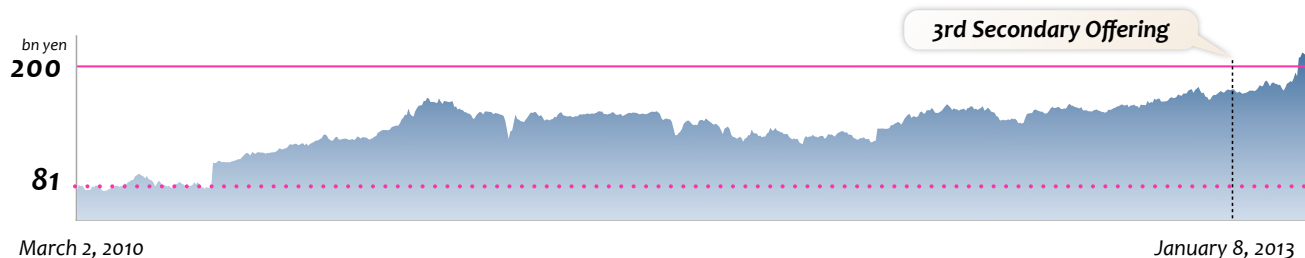


Stabilizing Dividend by Utilizing the Dividend Reserve

Dividend Reserve Outstanding 34.3bn yen (after 5FP dividend payout)

Improving EPU

## Liquidity



Market Cap Topping 200bn yen

Improving Liquidity



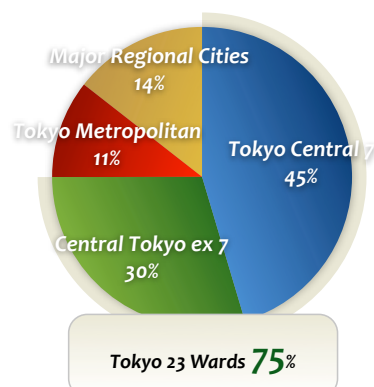
# The Largest Portfolio Among Residential J-REITs

as of March 1, 2013

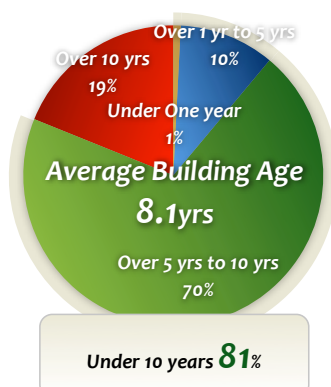
Number of Properties	Assets Under Management (Acquisition Price)	Average Property Price	Leasable units	Total Leasable Area	Book Value NOI Yield
<b>202</b> properties	<b>389.6</b> billion yen	<b>1.92</b> billion yen	<b>17,377</b> units	<b>651,121</b> m <sup>2</sup>	<b>5.5%</b>

\* Projection of NOI for 6FP the guideline announced on March 15, 2013 is used to calculate the **Book Value NOI Yield**.

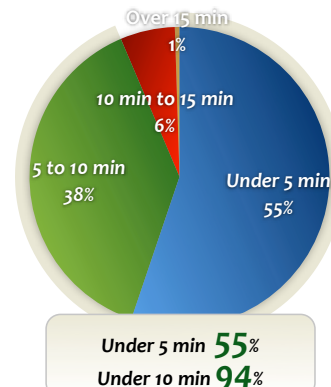
**Investment Location**  
(based on acquisition price)



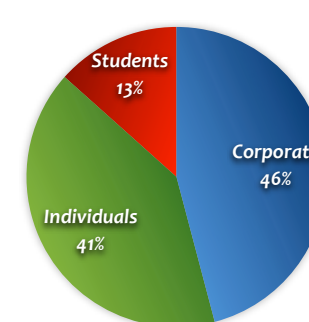
**Building Age**  
(based on acquisition price)



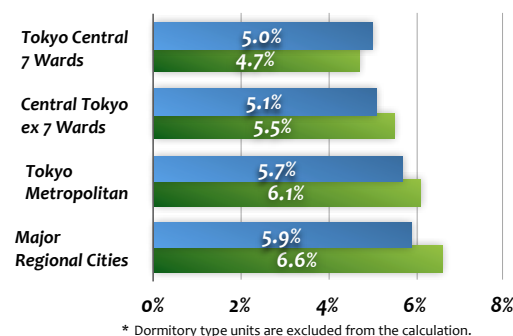
**Walking Minutes to Train Station**  
(based on acquisition price)



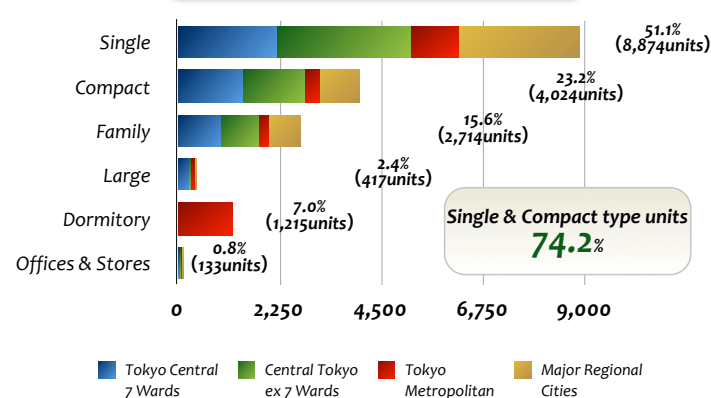
**Tenant Category**  
(Based on no. of unit)



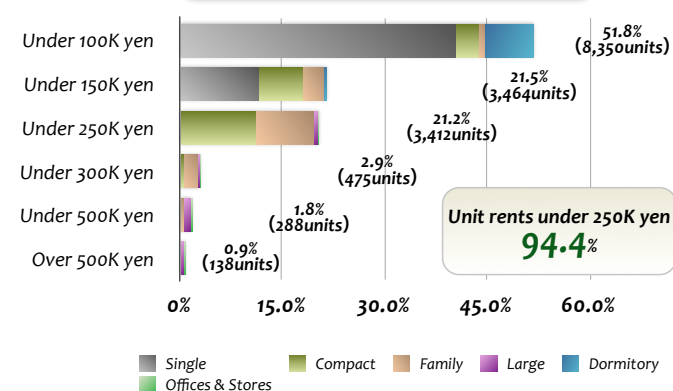
**NOI Yields (%) by location**  
(as of end of Jan. 2013)



**Unit type**  
(Based on no. of unit)



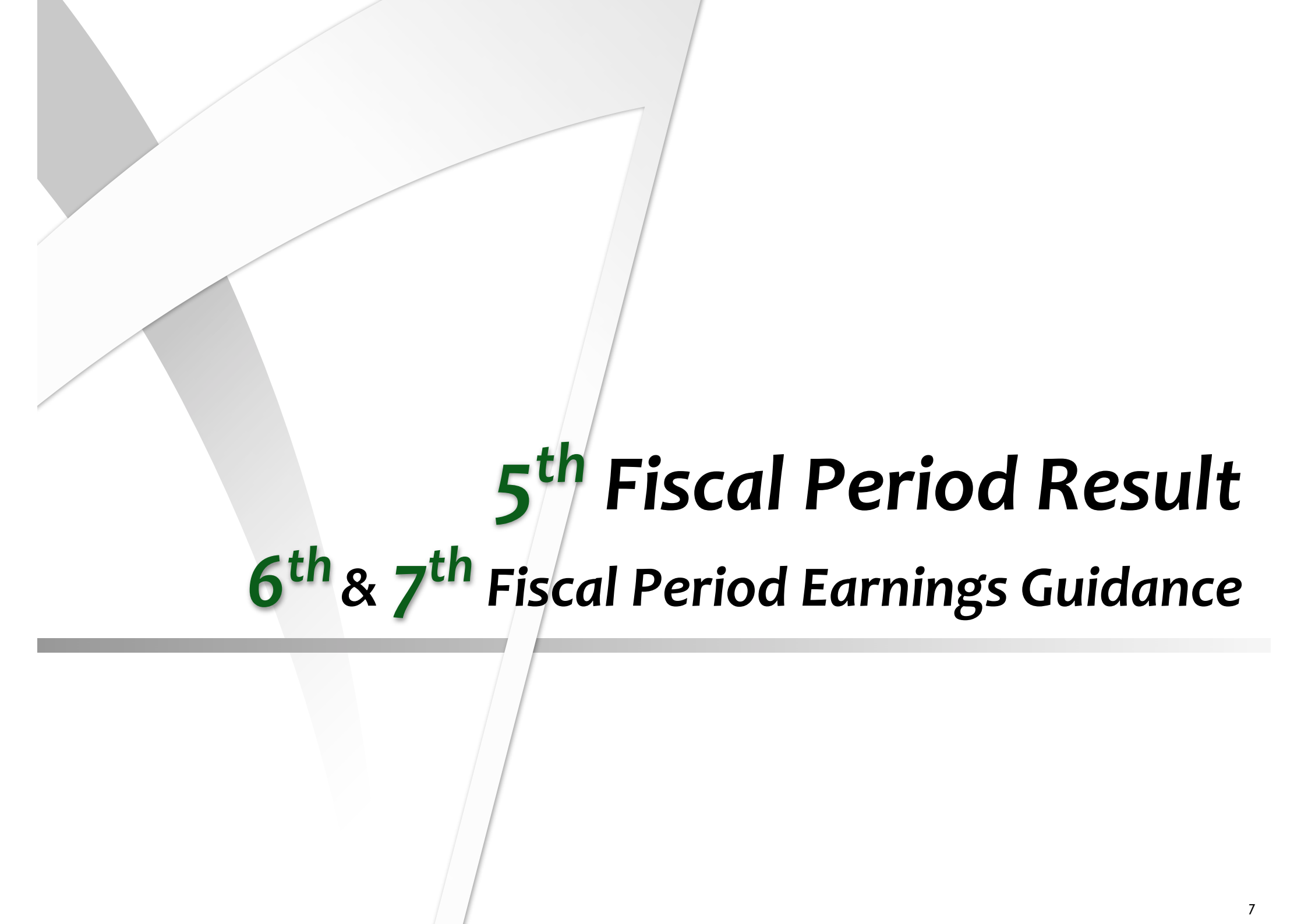
**Rents**  
(Based on no. of unit)



■ Appraisal Cap rate  
■ Book value NOI yield

■ Tokyo Central 7 Wards ■ Central Tokyo ex 7 Wards ■ Tokyo Metropolitan ■ Major Regional Cities

■ Single ■ Compact ■ Family ■ Large ■ Dormitory  
■ Offices & Stores



# **5<sup>th</sup> Fiscal Period Result**

## **6<sup>th</sup> & 7<sup>th</sup> Fiscal Period Earnings Guidance**

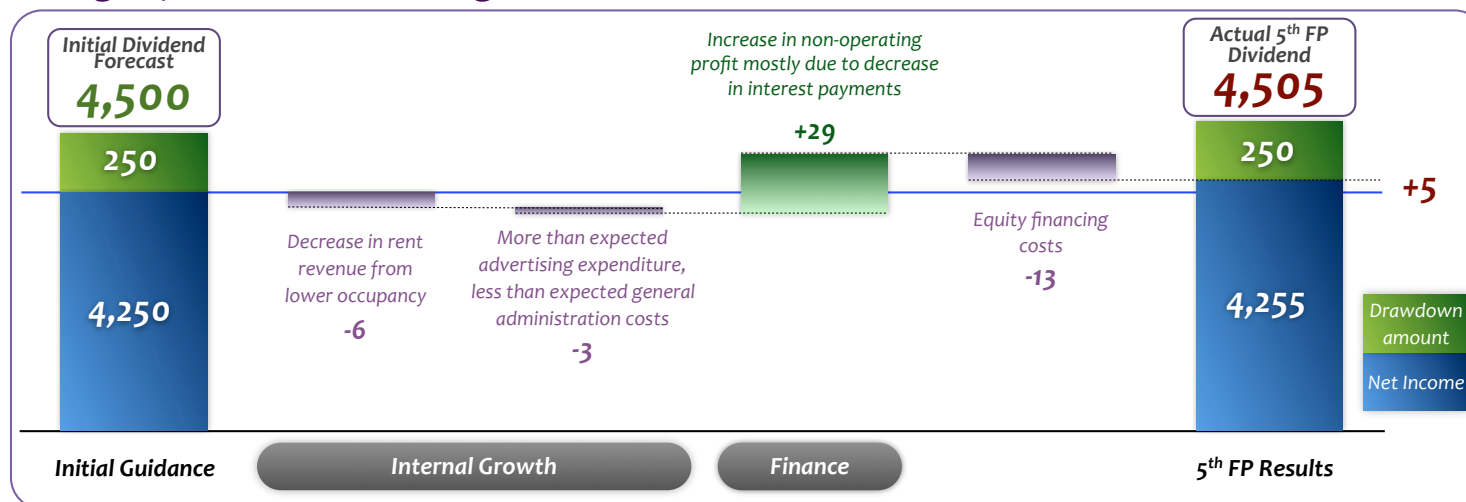
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# 5<sup>th</sup> Fiscal Period Results

Please refer to page 27 for 5<sup>th</sup> period earnings analysis.

## Dividend Increase due to Decrease in Interest Payment Offsetting Offering Cost

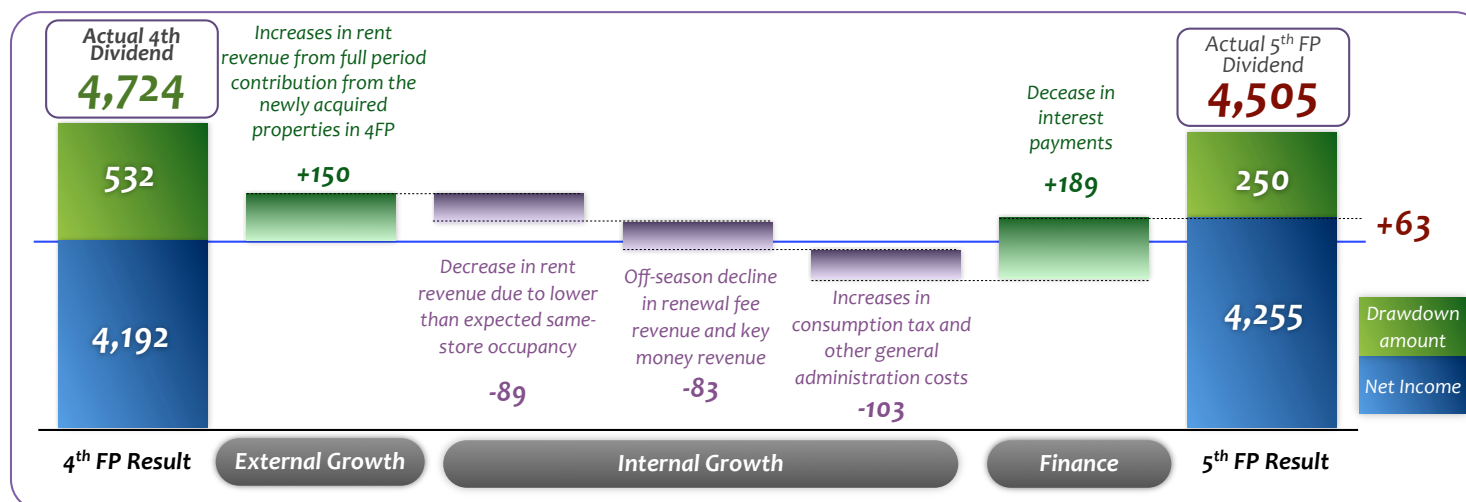
### Changes from Initial Earnings Guidance (per unit yen)



in million yen

	Initial Guidance	5 <sup>th</sup> FP	diff
Revenue	12,201	12,194	-6
Operating income	6,431	6,420	-11
Current income	4,676	4,681	+5
Net income	4,675	4,681	+5
Earnings per unit (yen)	4,250	4,255	+5
Dividend per unit (yen)	4,500	4,505	+5

### Changes from 4<sup>th</sup> Fiscal Period Earnings (per unit yen)



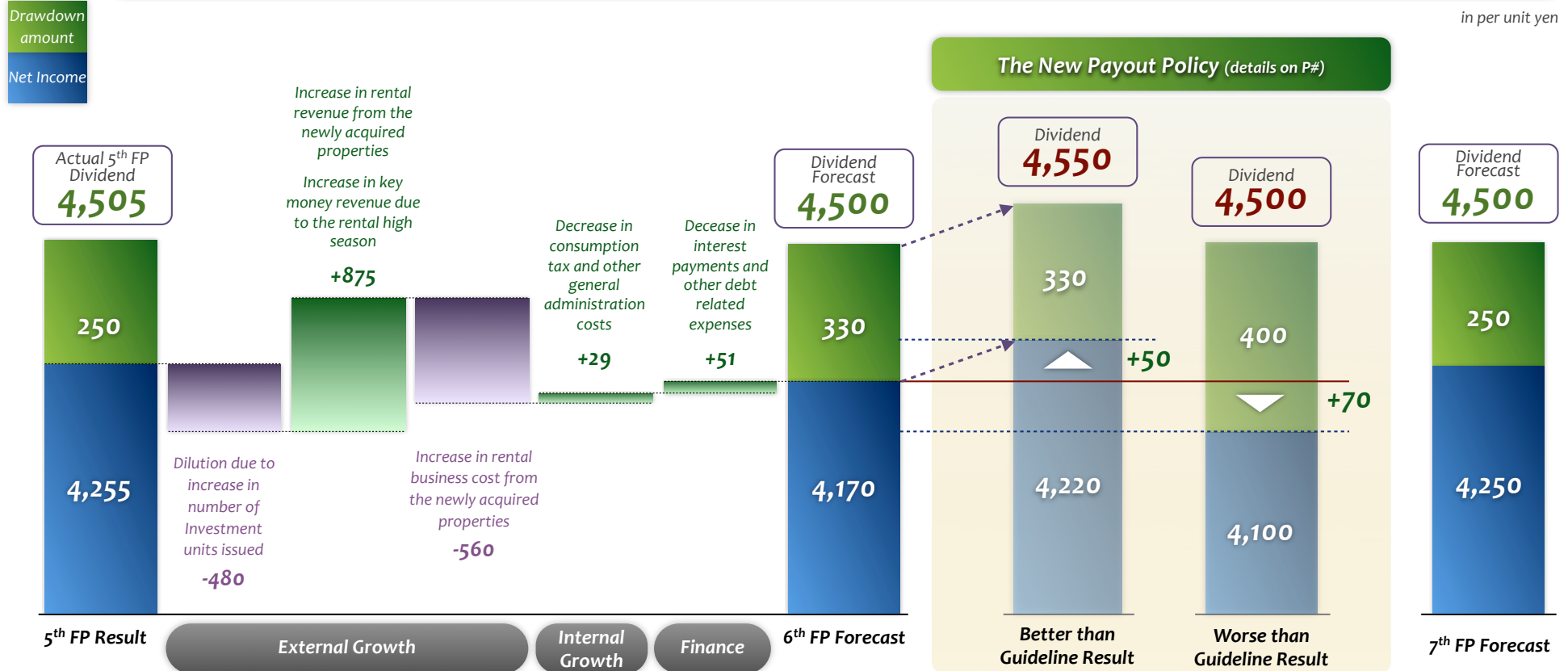
in million yen

	4 <sup>th</sup> FP	5 <sup>th</sup> FP	diff
Revenue	12,219	12,194	-25
Operating income	6,559	6,420	-138
Current income	4,612	4,681	+69
Net income	4,611	4,681	+69
Earnings per unit (yen)	4,192	4,255	+63
Dividend per unit (yen)	4,724	4,505	-219



# 6<sup>th</sup> & 7<sup>th</sup> Period Earnings Guidance

## Maintaining EPU while Substantially Lowering LTV







in million yen

	5th FP (a)	6th FP (b)	diff (b-a)
Revenue	12,194	13,279	+1,085
Operating income	6,420	6,847	+426
Current income	4,681	5,172	+490
Net income	4,681	5,171	+490
Earnings per unit (yen)	4,255	4,170	-85
Dividend per unit (yen)	4,505	4,500	-5

	7th Guideline (c)	diff (c-b)
Revenue	13,354	+74
Operating income	6,834	-13
Current income	5,271	+98
Net income	5,270	+98
Earnings per unit (yen)	4,250	+80
Dividend per unit (yen)	4,500	+0

# ***External Growth***

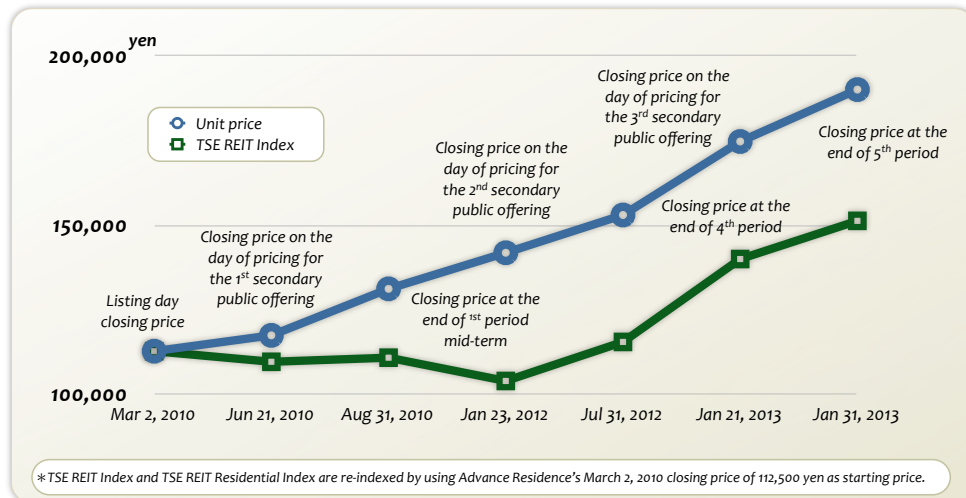
-  ***External Growth through Equity Financing***
-  ***Building a High Quality Portfolio***
-  ***Maintaining Earnings Potential and Increasing Unrealized Gains***
-  ***Preparing for Future External Growth***

# External Growth through Equity Financing

## Equity Finance History

	The 3 <sup>rd</sup> Secondary Public Offering	The 2 <sup>nd</sup> Secondary Public Offering	The 1 <sup>st</sup> Secondary Public Offering
Launch Date	Jan. 8, 2013	Jan. 12, 2012	Jun. 4, 2010
Offering Price	165,945 yen	133,770 yen	113,684 yen
No. of New Units (incl. 3rd party allotment)	140,000 units	120,000 units	257,694 units
Amount Raised	22.4bn yen	15.5bn yen	28.2bn yen
Assets Acquired (Implied Cap Rate as of Launch Date)	12 properties 21.6bn yen NOI Yield 5.9% Implied Cap 4.8%	15 properties 23.4bn yen NOI Yield 6.0% Implied Cap 5.5%	6 properties 10.4bn yen NOI Yield 6.4% Implied Cap - %

## Unit Price Moving Higher After Equity Financing



## The Effects of the 2<sup>nd</sup> & 3<sup>rd</sup> Secondary Offering

Increased net income per unit

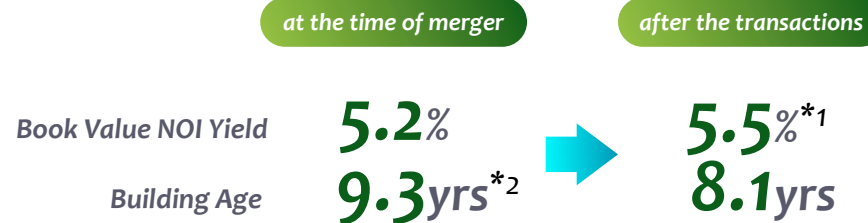
Lowered loan-to-value

Significant Figures	End of 3 <sup>rd</sup> FP (before the 2 <sup>nd</sup> offering)	End of 5 <sup>th</sup> FP (before the 3 <sup>rd</sup> offering)	7th FP End Forecast (after the 3 <sup>rd</sup> offering)
No. of outstanding issued Units	980,000	1,100,000	1,240,000
Total no. of properties	173	190	202
AUM (in bn yen, based on acquisition price)	3,418	3,679	3,896
Loan-to-value	54.6%	53.8%	50.7%
NAV per unit yen	156,459	158,313	161,439
NAV per unit yen (excl. negative goodwill)	120,504	127,061	134,294
Net income per unit yen	4,079	4,255	4,250
FFO per unit yen	6,025	6,152	6,094
Dividend per unit yen	4,500	4,505	4,500

\* NAVs are ex-dividend figures.

# Building a High Quality Portfolio

## Improving Yield and Reducing Average Age through



## Acquisition Focused on Single-type Units in Central Tokyo and Regional Cities

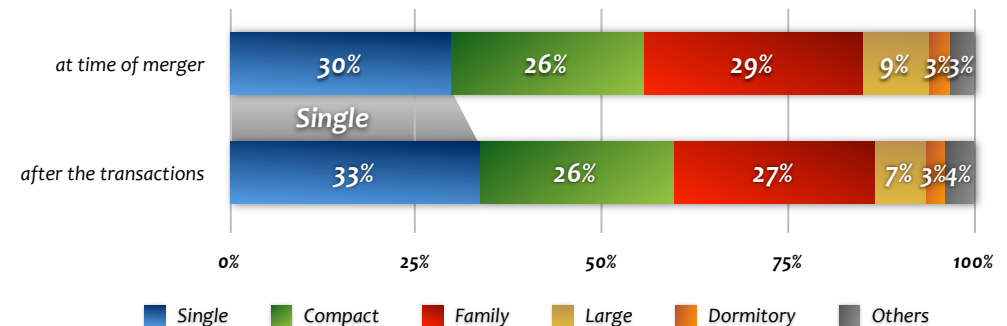
in number of residential units

	Single	Compact	Family	Large	Dormitory	Others	Total
Tokyo Central 7 Wards	+196	-44	-53	-66	0	+8	+45
Central Tokyo ex 7	+907	+458	+370	+11	0	+8	+1,754
Tokyo Metropolitan	+241	-18	-72	0	+91	-6	+236
Major Regional Cities	+895	+258	-37	-66	0	-4	+1,106
Total	+2,239	+654	208	-57	+91	+6	+3,141

## Balanced and Diversified Acquisition Sources

Transactions since the Merger	The Sponsor Group* <sup>3,4</sup>	Bridge Funds* <sup>5</sup>	Third party and Others	Total
No. of Properties	14	12	24	50
Total Acquisition Value (bn yen)	23.6	17.3	42.0	83.0
Share of Sources	28.4%	20.9%	50.7%	100.0%

## Unit-type Ratio (based on rentable space)



## Acquisitions and Dispositions Since the Merger

	Acquisitions	Dispositions
No. of Properties	50	36
Total Value (Acquisition Price)	83.0bn yen	39.3bn yen
Weighted Average NOI Yield	6.0%* <sup>6</sup>	4.9%* <sup>7</sup>
Weighted Average Building Age* <sup>8</sup>	3.7 yrs	9.9 yrs

\* The figures in this slide are all based on data as of March 1, 2013.

\*<sup>1</sup> Projection of NOI for 6FP the guideline announced on March 15, 2013 is used to calculate this **Book Value NOI Yield**.

\*<sup>2</sup> Weighted Average age of buildings held at the time of merger as of March 1, 2013

\*<sup>3</sup> The **Sponsor Group** applies to Itochu Corporation, who is the parent company of ADR's asset management company, and its subsidiaries.

\*<sup>4</sup> The assets acquired from the **Sponsor Group** includes 9 properties developed by the **Sponsor Group** and 5 properties which were not developed but warehoused according to Advance Residence's request. The 9 properties' acquisition price total is 16.1 billion yen. The share of the total of this acquisitions is 16.2%. The 5 properties' acquisition price total is 7.4 billion yen. The share of the total of this acquisitions is 9.0%.

\*<sup>5</sup> Bridge Funds are property funds which are often TK and where ADR has a right of first refusal on the assets under management.

\*<sup>6</sup> Weighted average NOI yield of acquisitions  
= Total annual NOI as entered on the appraisal of acquisitions ÷ Total of the acquisition prices × 100%

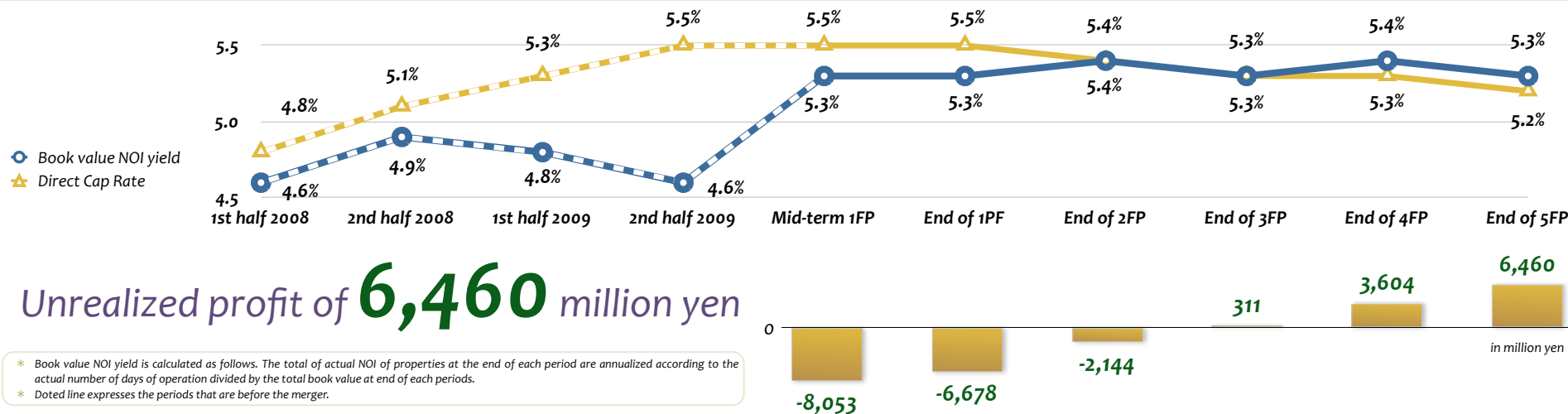
\*<sup>7</sup> Weighted average NOI yield of dispositions = Total actual annual NOI ÷ Total of the historical acquisition prices × 100

\*<sup>8</sup> Weighted average building age is acquisition price weighted average as of the time of acquisition or disposition.

# Appraisal Value

Please refer to pages 46 to 48 for individual appraisal value.

## Direct Cap Rate • Unrealized Profit and Loss



## Summary of End of 5<sup>th</sup> Period Appraisal

	Appraisal (in million yen)		Appraisal NCF (in million yen)		Direct Cap Rate (%)		Movements in Appraisal			Unrealized Profit and Loss (million yen)		
	End of 5 <sup>th</sup> FP	diff vs last FP	End of 5 <sup>th</sup> FP	diff vs last FP	End of 5 <sup>th</sup> FP	diff vs last FP	Improvement	Unchanged	Deterioration	Book Value (a)	Difference from the appraisal (b)	(b)/(a)
Tokyo Central 7 Wards	163,216	-487	8,197	-101	4.95	-0.05	33	26	15	167,453	-4,237	-2.53%
Central Tokyo ex. 7 Wards	110,515	662	5,767	-4	5.11	-0.04	31	18	11	105,604	5,911	5.60%
Tokyo 23 Wards Total	274,731	175	13,964	-106	5.02	-0.04	64	44	26	273,057	1,673	0.61%
Tokyo Metropolitan	42,172	53	2,505	-14	5.89	-0.04	11	4	6	40,091	2,080	5.19%
Major Regional Cities	50,929	743	3,019	14	5.91	-0.07	30	4	1	48,223	2,705	5.61%
<b>Portfolio Total</b>	<b>367,832</b>	<b>972</b>	<b>19,596</b>	<b>-106</b>	<b>5.24</b>	<b>-0.04</b>	<b>105</b>	<b>52</b>	<b>33</b>	<b>361,372</b>	<b>6,460</b>	<b>1.79%</b>

Breakdown of Decrease in NCF	Changes from Last FP	Appraisal Impact
Income	-117million yen	-2.2billion yen
Expense	+11million yen	+0.2billion yen
Increase in CapEx assumption due to re-acquiring engineering report	-9million yen	-0.1billion yen

Breakdown of Improvement in Cap Rate	Appraisal Impact
Cap rate deterioration due to aging	none
Revaluation of spread increase of aging	+0.6billion yen
Improvement in cap rate reflecting the market	+2.3billion yen



# Preparing for Future External Growth

## Itochu Group Development Properties

### Properties under development in Tokyo 23 wards

Tokyo Central 7 Wards **2** properties **93** units

Central Tokyo ex 7 Wards **7** properties **616** units

	Development Location	Planned Units
Central 7	① Minami-Shinagawa, Shinagawa-ku	49units
	② Higashi-Nakanobu, Shinagawa-ku	44units
	③ Omori-kita, Ota-ku* <sup>2</sup>	65units
Central Tokyo ex.7	④ Minami-kamata, Ota-ku* <sup>2</sup>	110units
	⑤ Hongo, Bunkyo-ku	47units
	⑥ Kameido, Koto-ku	128units
	⑦ Nihonbashi-Bakurocho, Chuo-ku	76units
	⑧ Kamata, Ota-ku	148units
	⑨ Midori, Sumida-ku	42units

+

Tokyo Central 7 **2** properties  
Central Tokyo ex7 **1** property

Total **3** pre-building permit properties

\*1 "Itochu Group development properties" are examples of rental apartment property developments by Itochu Corporation and Itochu Property Development Ltd, and listed above as a reference. As such, ADR is under no obligation to acquire the properties.

\*2 The properties listed in red letters indicate completed developments.

## Acquired right of first refusal for properties through equity interest in TK property funds (bridge funds)

### G.K. RISING

May 31, 2014

**6** properties **8.6** bn yen

**6.1%**



Forecity Ojima (Tokyo)



Artis Court Minamiaoyama (Tokyo)



Pleiade Nakameguro (Tokyo)



N.S ZEAL Higashizakura (Nagoya)



Human Heim Honcho (Sendai)



Sun Vario Haranomachi-ekimae (Sendai)

### Fund Name

Expiration Date

Right of First Refusal Price

Weighted Avg. NOI Yield

Assets Under Management

### G.K. RISING2

August 31, 2014

**5** properties **7.1** bn yen

**6.3%**



City Village Yotsuya Sanhome II



Ikebukuro Duplex R's



Belle Face Sakaecho

Agilia Sapporo Oodori-higashi



Belle Face Tsutujigaoka West /East



	Total	Tokyo Central 7	Central Tokyo ex7	Regional Cities
No. of Properties	11properties	3properties	2properties	6properties
Acquisition Price Total	15.8bn yen	4.9bn yen	2.3bn yen	8.4bn yen
Weighted Avg. NOI Yield	6.2%	5.5%	5.7%	6.7%

The following three funds have been acquired through execution of rights of first refusal since the merger

Funds	G.K. RBFA	G.K. RBFA2	G.K. RBFA3
Right of First Refusal Price	5properties 9.2bn yen	4properties 4.5bn yen	3properties 3.5bn yen
Weighted Avg. NOI Yield	6.4%	6.5%	6.3%
Financing	Equity finance Jan. 2012	Equity finance Jan. 2013	





# ***Finance***

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*Key Finance Figures*

*Strengthening Financial Foundation Taking  
Advantage of the Positive Funding Environment*

# Key Finance Figures

## Credit Ratings

**JCR: AA-**      **R&I: A+**

## Interest Bearing Debt Outstanding

	end of 4th Period	Loan/Bond Ratio	end of 5th Period	Loan/Bond Ratio
Loans	168.8bn yen	(81.8%)	176.1bn yen	(85.4%)
Bonds	37.5bn yen	(18.2%)	30.0bn yen	(14.6%)
Debt Outstanding	206.3bn yen	(100.0%)	206.1bn yen	(100.0%)

## Favorable Bond Issuing Environment

Maturity	Issue Date	Sept. 2011	Apr. 2012	Sept. 2012
3 yrs			4bn yen 0.86%	
5 yrs	8bn yen 1.27%	4bn yen 1.08%		8bn yen 0.87%
7 yrs	2bn yen 1.68%			4bn yen 1.23%

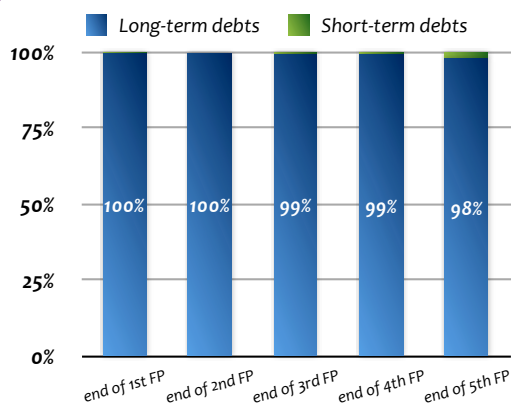
## Balanced Lender Line-up

The lineup of **22 lenders** including  
**3 mega banks, 3 major trust banks**

Recent addition: Tokio Marine & Nichido Fire Insurance.  
The Kagawa Bank, The Hiroshima Bank

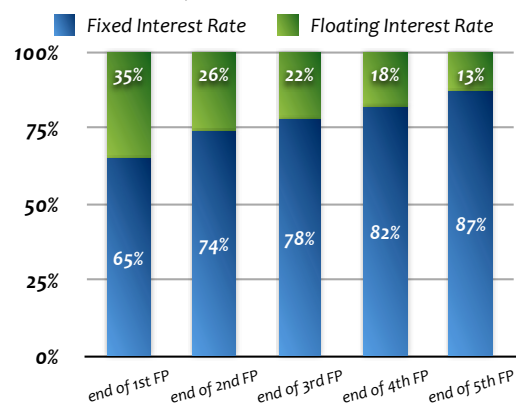
## Lengthening Maturities & Increasing Fixed Rate Debts

Long-term Short-term Ratio History



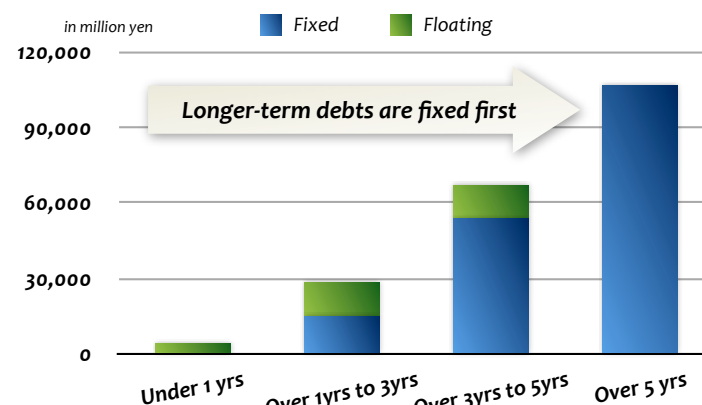
\* Long-term loans and bonds due within one year are counted as Long-term debts.

Ratio of Fixed Interest Rate Debts



\* Short-term debts are excluded

Ratio of Fixed Interest according to Duration of Debts



\* as of end of 5th FP

\* Lease liabilities are excluded from the debts in this slide.

# Strengthening Financial Foundation Taking Advantage of the Positive Funding Environment

## Achieving Longer Duration and Lower Financing Cost

### 5th FP Refinancing

Total Refinancing in 5th FP

30.0 bn yen

Interest Rate **before**  
Re-financing

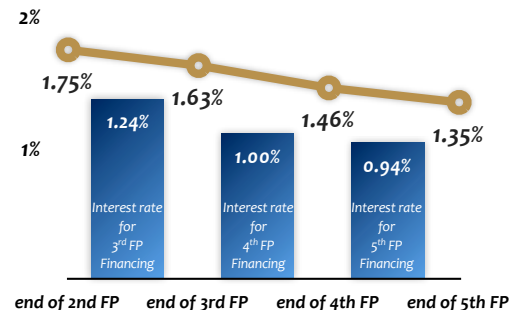
1.58%



Interest Rate **after**  
Re-financing

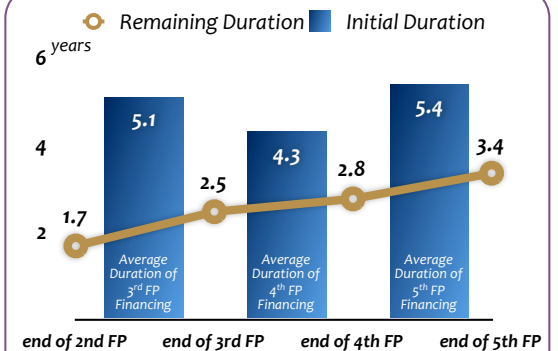
0.94%

### Average Interest Rate



\* In Calculating the average interest rate for financing during the periods, amount outstanding and interest rate applicable at the end of 5th period is used.

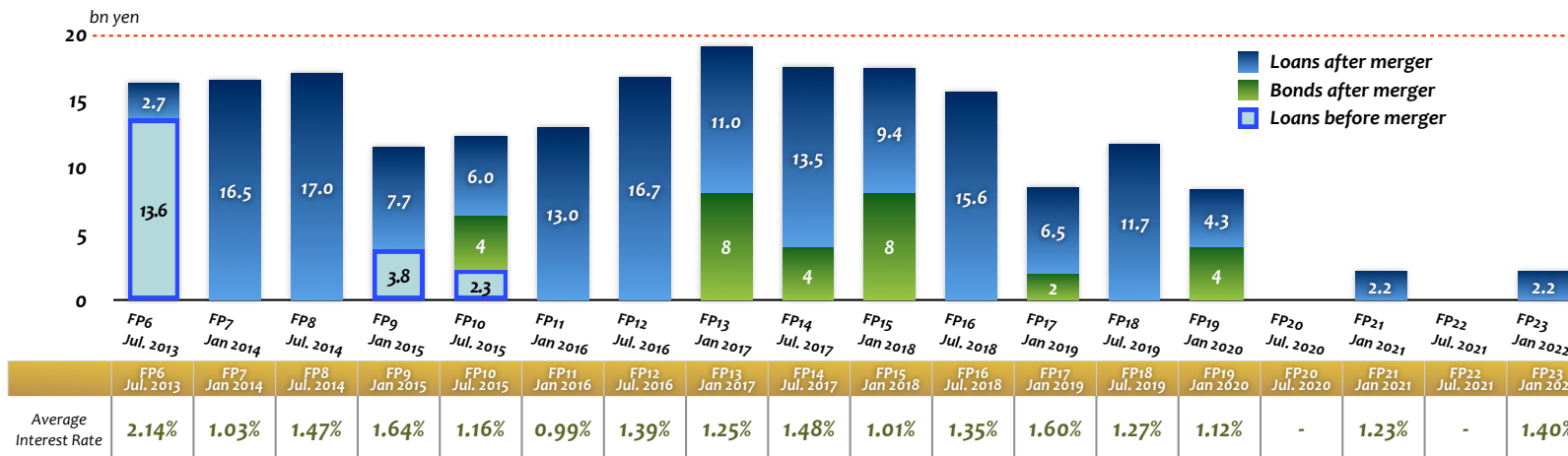
### Debt Duration



\* In Calculating the average debt duration for financing during the periods, amount outstanding at the end of 5th period is used to calculate the weighted average.  
\* In calculating the years to maturity, amortization is not counted.

## Maturity Ladder Flattened Below the Procured a Long-term Commitment Line

Rounded down to the nearest 100million yen



### Commitment Line

20bn yen

1year loan: 10bn yen

3year loan: 10bn yen

### Fund Usage

- Property acquisitions
- Debt repayments

### Benefit

- make it possible for timely property acquisitions
- lowering refinancing risk

\* Amortization is not consider on this graph. (It presumes that the outstanding amount at the end of 5th period will be repaid on maturity)

\* In Calculating the average interest rate, amount outstanding and interest rate applicable at the end of 5th period is used.

\* Lease liabilities are excluded from the debts in this slide.

# ***Internal Growth***

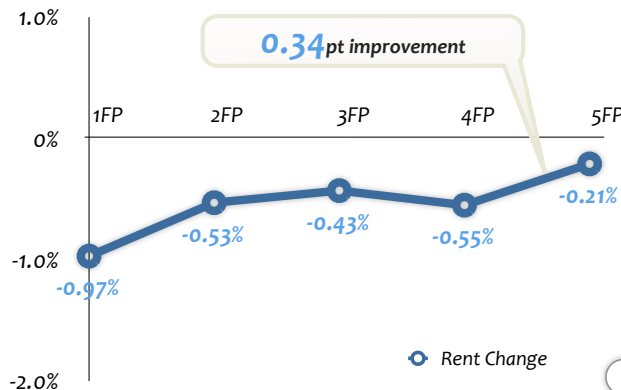
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-  ***Internal Growth***
-  ***Renovations***

# Internal Growth

## Rent Decline Bottoming-out, Turnover / Renewal Rate in Upward Trend

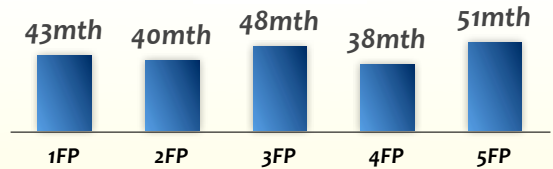
### Portfolio Rent Change\*



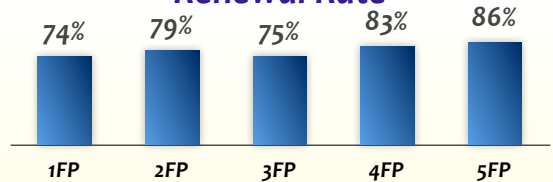
	No. of Units (units)	Previous Rents	New Rents	Change	% Change
Replacements	1,031	143	140	-3	-2.13%
Renewals	1,649	191	190	-0	-0.28%
Others	12,436	1,525	1,525	-0	-0.01%
Total	15,116	1,860	1,856	-3	-0.21%

\* Units that are both occupied at the beginning and the end of the period are counted in.

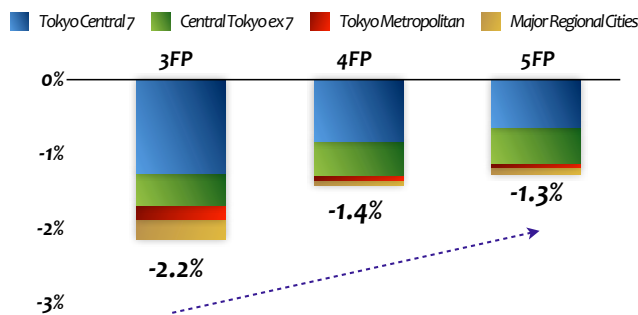
### Turnover



### Renewal Rate

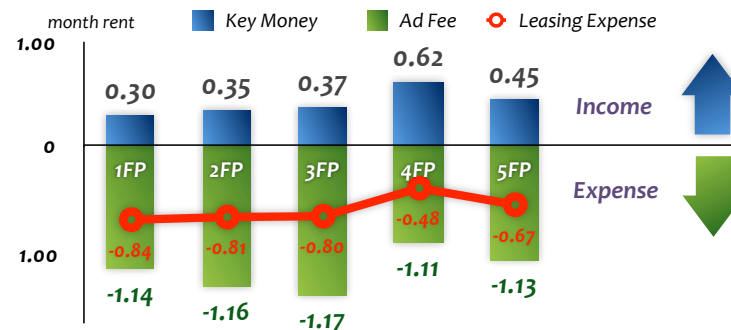


### Rent Gap Continues to Narrow



Please refer to page 31 for details on rent gap.

### Reduction in Year on Year Leasing Cost



The month rents are calculated by dividing the monthly key money income or the leasing and ad expenses by the monthly rent.

### Cost Reductions through Economy of Scale

Total Cost Control Achieved since the Merger

**248** million yen per annum

5<sup>th</sup> Period Cost Control

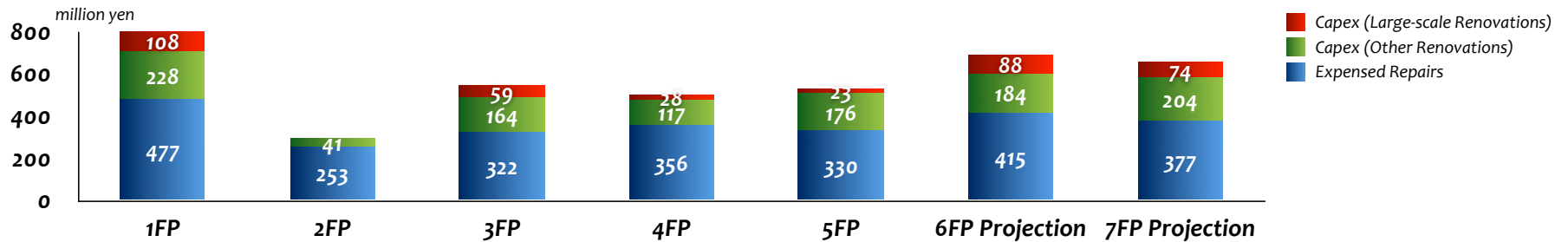
**12** million yen per annum

Please refer to page 35 for details on Cost Control.



# Renovations

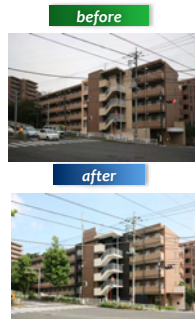
By Taking Proper Measures Portfolio Competitiveness Can Be Maintained



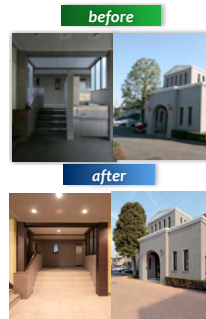
## Renovations Since the Merger

Large-scale Renovations

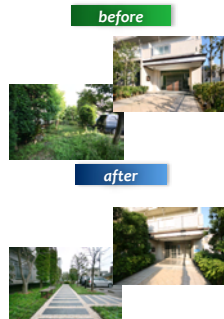
RESIDIA Okurayama



RESIDIA Kichijoji



Chester House Kawaguchi



## 5<sup>th</sup> FP Renovations

RESIDIA Setagaya-Tsurumaki



RESIDIA Kamimeguro



Renovations & Value Adding Expenditures

RESIDIA Tsukishima



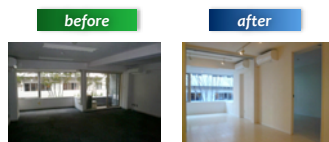
RESIDIA Minamiaoyama



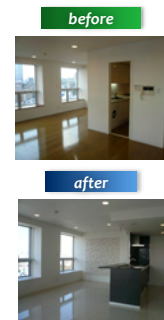
RESIDIA Kichijoji



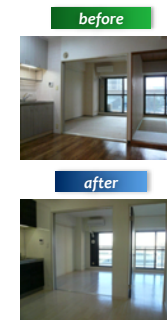
RESIDIA Daikanyama Sarugakucho / PV



RESIDIA TOWER Azabujuban



RESIDIA Shibaura



RESIDIA Kichijoji







# ***Management Policies Going Forward***

# Management Policies Going Forward

Reaching **4,500**yen EPS  
in short period

Growth strategy for **4,500**yen+α EPS

## External Growth

## Improving the Profitability & Quality of the Portfolio

 Utilizing the Acquisition Capacity →  
(approx. 18bn to 36bn yen)

### Sponsor Pipeline

Under development: **9**properties

Pre-construction: **3**properties

### Bridge Funds

**11**properties **15.8**bn yen NOI yield **6.2%**

 Acquisition Guideline →

Maintaining and improving portfolio profitability

Maintaining location ratio & reduce average building age

If property market is heated, take advantage by selling properties

## Internal Growth


## Maintaining & Improving NOI

 Maintain the high occupancy →

Detailed market monitoring, timely utilization of flexible leasing terms

 Leasing & operational cost control →

Utilize economy of scale

 Maintaining →

Periodic and scheduled maintenances & up-grading constructions

## Finance Strategy

## Building Stable Financial Base While Lowering Funding Cost

 LTV Management →

Upper limit of LTV is **55%** on total asset bases

 Debt Maturity Management →

Keeping maturity ladder flattened below the commitment line

 Lengthening Debt Duration  
& Fixing Interest Rate →

Lengthen debt duration and fix interest rate further in preparation for future interest rate rise against a backdrop of stable rental revenue

# Appendix

Financial Statements	24-26
5th Period Result	27
6 <sup>th</sup> & 7 <sup>th</sup> Period Dividend Forecast	28
The New Payout Policy	29
Portfolio Analysis	30
Changes in Rents	31
New Acquisitions After End of 5 <sup>th</sup> Fiscal Period	32-33
Bridge Fund	34
Lowering Costs through Economy of Scale	35
Measures to Reduce Rent Declines Caused by Aging	36
Examples in ADR's Properties	37
Brand Strategy	38
Dormitories and Student Apartments	39
Lender Line-up	40
Cash Management	41
Market Statistics	42
Regulation Reform	43
Unit Price Chart	44
Unit Holdings	45
Portfolio Diversification Policy	46
Portfolio Map	47
Portfolio	48-50
Japanese Real Estate Leasing Contract Practices	51
Sponsor Support	52
Asset Management Company Profile	53
Profile of Kenji Kousaka	54

# Balance Sheet

	5 <sup>th</sup> Fiscal Period (January 31, 2013)	in thousand yen
<b>Assets</b>		
Current assets		
Cash and deposits		7,864,275
Cash and deposits in trust		6,319,609
Operating accounts receivables		269,842
Short-term investment securities		5,000,000
Prepaid expenses		325,915
Consumption tax receivables		—
Other		30,747
Allowance for doubtful accounts		△ 29,650
Current assets		19,780,740
Fixed assets		
Property, plant and equipment		
Buildings		67,921,712
Structures		6,817
Machinery and equipment		8,654
Tools, furniture and fixtures		40,248
Land		68,868,819
Buildings in trust		100,635,099
Structures in trust		91,293
Machinery and equipment in trust		86,319
Tools, furniture and fixtures in trust		182,294
Land in trust		122,331,287
Property, plant and equipment		360,172,547
Intangible assets		
Leasehold right		1,071,902
Leasehold right in trust		128,069
Other		13,239
Intangible assets		1,213,211
Investments and other assets		
Securities investments		927,092
Long-term prepaid expenses		593,968
Guarantee deposits		634,485
Other		1,654
Investments and other assets		2,157,201
Fixed assets		363,542,960
Deferred assets		
Investment unit issuance expenses		23,773
Investment corporation bond issuance costs		129,105
Deferred assets		152,878
<b>Total Assets</b>		<b>383,476,579</b>

	5 <sup>th</sup> Fiscal Period (January 31, 2013)	in thousand yen
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable		176,888
Short-term loans payable		4,148,000
Current portion of investment corporation bond payable		—
Current portion of long-term loans payable		29,144,855
Accounts payable-other		1,011,380
Accrued expenses		217,987
Accrued consumption taxes		35,901
Advances received		53,984
Interest received in advance		—
Derivatives liabilities		—
Other		36,180
Current liabilities		34,825,179
Long-term liabilities		
Investment corporation bond		30,000,000
Long-term loans payable		142,861,595
Tenant leasehold and security deposits		1,232,672
Tenant leasehold and security deposits in trust		1,893,284
Long-term deposits received		16,996
Other		6,804
Long-term liabilities		176,011,351
<b>Liabilities</b>		<b>210,836,530</b>
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital, gross		80,087,298
Surplus		
Capital surplus		53,220,279
Reserve for dividend		34,651,095
Unappropriated retained earnings (undisposed loss)		4,681,376
Surplus		92,552,750
Unitholders' equity		172,640,048
Valuation and translation adjustments		
Deferred gains or losses on hedges		—
Valuation and translation adjustments		—
<b>Net assets</b>		<b>172,640,048</b>
<b>Liabilities and net assets</b>		<b>383,476,579</b>

# Profit and Loss Statement

5 <sup>th</sup> Fiscal Period (from Aug. 1, 2012 to Jan. 31, 2013)		in thousand yen
<b>Operating revenue</b>		
Rent revenue-real estate		12,155,922
Dividend income		38,589
Operating revenue		12,194,512
<b>Operating expenses</b>		
Expenses related to rent business		4,557,030
Loss on sales of real estate properties		—
Impairment loss		—
Asset management fee		822,488
Asset custody fee		10,628
Administrative service fees		60,073
Directors' compensations		2,400
Taxes and dues		138,303
Provision of allowance for doubtful accounts		11,345
Bad debts expenses		—
Other operating expenses		171,720
Operating expenses		5,773,989
Operating income		6,420,522
<b>Non-operating income</b>		
Interest income		9,018
Interest on securities		2,989
Reversal of distributions payable		3,408
Reversal of bad debt reserve		—
Other		3,184
Non-operating income		18,600
<b>Non-operating expenses</b>		
Interest expenses		1,261,904
Interest expenses on investment corporation bonds		214,384
Amortization of investment unit issuance expenses		8,100
Amortization of investment corporation bond issuance costs		16,385
Investment unit issuance expenses		15,317
Borrowing related expenses		228,815
Other		12,233
Non-operating expenses		1,757,141
Ordinary income		4,681,981
<b>Extraordinary loss</b>		
Loss on Disaster		—
Extraordinary loss		—
Income before income taxes		4,681,981
Income taxes-current		605
Income taxes		605
Net income		4,681,376
Unappropriated retained earnings (undisposed loss)		4,681,376

5 <sup>th</sup> Fiscal Period (from Aug. 1, 2012 to Jan. 31, 2013)		in thousand yen
<b>A. Revenue from Property Leasing</b>		
Rental		
Rent income		11,044,017
Facility charge		432,368
Parking fee		370,576
Subtotal		11,846,942
Other revenues related to property leasing		
Income from leasing rights, etc.		29,574
Miscellaneous income		279,405
Subtotal		308,980
Total revenues from property leasing		12,155,922
<b>B. Rental Expenses</b>		
Taxes and Duties		566,806
Property management fees		844,116
Utilities		209,084
Repairs and maintenance		333,385
Insurance		22,780
Trust fee		56,010
Other rental expenses		444,375
Depreciation and amortization		2,082,900
Total rental expenses		4,557,030
<b>C. Operating Income from Property Leasing Activities (A-B)</b>		<b>7,598,892</b>

# Cash Flow Statement

5 <sup>th</sup> Fiscal Period (from Aug. 1, 2012 to Jan. 31, 2013)	in thousand yen
<b>Net cash provided by (used in) operating activities</b>	
Income before income taxes	4,681,981
Depreciation and amortization	2,085,926
Amortization of investment unit issuance expenses	8,100
Amortization of investment corporation bond issuance costs	16,385
Other offering costs associated with the issuance of investment units	15,317
Increase (decrease) in allowance for doubtful accounts	7,104
Interest income	△ 12,007
Interest expenses	1,261,904
Interest expenses on investment corporation bonds	214,384
Decrease (increase) in operating accounts receivables	21,233
Decrease (increase) in consumption tax receivables	31,779
Decrease (increase) in prepaid expenses	80,177
Increase (decrease) in accrued consumption taxes	35,901
Increase (decrease) in operating accounts payable	△ 1,616
Increase (decrease) in accounts payable-other	31,602
Increase (decrease) in accrued expenses	24,389
Increase (decrease) in advances received	6,930
Decrease due to sale of property, plant and equipment	-
Decrease due to sale of property, plant and equipment in trust	-
Decrease (increase) in long-term prepaid expenses	62,678
Other	△ 2,617
<b>Subtotal</b>	<b>8,569,556</b>
Interest income received	5,075
Interest expenses paid	△ 1,549,621
Income taxes paid	△ 4,590
<b>Net cash provided by (used in) operating activities</b>	<b>7,020,420</b>

5 <sup>th</sup> Fiscal Period (from Aug. 1, 2012 to Jan. 31, 2013)	in thousand yen
<b>Net cash provided by (used in) investing activities</b>	
Payments into time deposits	△ 3,000,000
Proceeds from withdrawal of time deposits	2,000,000
Purchase of short-term investment securities	△ 5,000,000
Proceeds from sales of short-term investment securities	4,500,000
Purchase of property, plant and equipment	△ 41,717
Purchase of property, plant and equipment in trust	△ 111,327
Purchase of intangible fixed assets in trust	
Proceeds from tenant leasehold and security deposits	△ 2,124
Proceeds from tenant leasehold and security deposits in	16,785
Proceeds from collection of lease and guarantee deposits	-
Proceeds from collection of lease and guarantee deposits in trust	-
Payments of leasehold and security deposits in trust	
Purchase of Securities Investment	△ 487,770
Proceeds from withdrawal of investment securities	-
Repayments of long-term deposits received	△ 6,348
<b>Net cash provided by (used in) investing activities</b>	<b>△ 2,132,502</b>
<b>Net cash provided by (used in) financing activities</b>	
Increase in short-term loans payable	4,148,000
Decrease in short-term loans payable	△ 1,500,000
Proceeds from long-term loans payable	23,300,000
Repayment of long-term loans payable	△ 18,638,061
Proceeds from investment corporation bond issuance	12,000,000
Redemption of investment corporation bonds	△ 19,500,000
Payments for investment corporation bond issuance costs	△ 62,537
Proceeds from issuance of investment units	-
Payments for investment unit issuance expenses	-
Other offering costs associated with the issuance of investment units	△ 2,913
Repayments of finance lease obligations	△ 2,721
Dividends paid	△ 5,202,639
<b>Net cash provided by (used in) financing activities</b>	<b>△ 5,460,873</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>△ 572,955</b>
Cash and cash equivalents	11,756,841
<b>Cash and cash equivalents</b>	<b>11,183,885</b>



# 5<sup>th</sup> Fiscal Period Result

in million yen

from August 1, 2012 to January 31, 2013

	(1) Forecast as of Sept. 14, 2012	(2) 5 <sup>th</sup> FP Result January 31, 2013	Changes (2)-(1)	Notes		(3) 4 <sup>th</sup> FP Result July 31, 2012	Changes (2)-(3)	Notes	
Revenue	12,201 (190 properties) Period avg. occupancy 96.0%	12,194 (190 properties) Period avg. occupancy 95.9%	-6	Lower occupancy & Decline in key money income Increase in renewal fee income Increase in dividends from T.K. fund	-25 +9 +10	12,219 (190 properties) Period avg. occupancy 96.2%	-25	Full period contribution from 17 properties acquired in 4 <sup>th</sup> FP Lower occupancy & lower rent Increase in dividend and other revenue Off-season decrease in key money Off-season decrease in renewal fees	+165 -130 +31 -50 -41
Operating Income	6,431 (Depreciation: 2,081) (Property taxes: 565)	6,420 (Depreciation: 2,082) (Property taxes: 566)	-11	Increase in Ad expense to regain occupancy Decrease in repairs & other maintenance fees Decrease in general administration fees	-46 +12 +29	6,559 (Depreciation: 2,069) (Property taxes: 555)	-138	Increase in depreciation due to property acquisitions Decrease in rent business expense Increase in consumption tax settlement & other general administration costs	-13 +9 -109
Current Income	4,676 (Funding cost: 1,734)	4,681 (Funding cost: 1,705)	+5	Decrease in funding cost Equity offering cost	+32 -15	4,612 (Funding cost: 1,937)	+69	Decrease in non-operating profit Decrease in interest payment due to refinancing Decrease in funding cost	-9 +82 +134
Net Income	4,675	4,681	+5			4,611	+69		
EPS (yen)	4,250	4,255	+5			4,192	+63		
FFO per Unit (yen)	6,145	6,152	+7			6,075	+77		
Net Income	4,675	4,681	+5			4,611	+69		
Drawdown of Retained Earnings	+) 274	+) 274	-	Retained earnings after dividend: 34.3bn yen		+) 584	-310		
Dividend Amount	= ) 4,950	= ) 4,955	+5	Units issued and outstanding 1,100,000units		= ) 5,196	-240	Units issued and outstanding 1,100,000units	
Dividend per unit (yen)	4,500	4,505	+5	Please refer to page 29 for details on the new payout policy.		4,724	-219	Please refer to page 29 for details on the new payout policy.	

Funding costs include interest payments for loans and bonds as well as other finance fees.

# 6<sup>th</sup> & 7<sup>th</sup> Period Dividend Forecast

in million yen

from February 1, 2013 to July 31, 2013

from August 1, 2013 to January 31, 2014

	(1) 5 <sup>th</sup> FP Result Jan. 31, 2013	(2) 6 <sup>th</sup> FP Forecast as of Mar 15, 2013	Changes (2)-(1)	Notes
Revenue	12,194 (190 properties) Period avg. occupancy 95.9%	13,279 (202 properties) Period avg. occupancy 96.1%	+1,085	Revenue increase from 12 new properties +1,001 :of which are increases in rents +946 :of which are increases in key money and renewals +55 Same-store revenue increase +84 :of which are increases in rent +12 :of which are peak season increases in key money and renewal fees +87 :of which are decrease in dividend from bridge funds due to acquisition -15
Operating Income	6,420 (Depreciation: 2,082) (Property taxes: 566)	6,847 (Depreciation: 2,262) (Property taxes: 599)	+426	Rent business expense increases -696 :of which are increases due to new acquisitions -380 :of which are depreciation increase due to new acquisitions -180 :of which are peak season increases in leasing expenses -136 Increases in consumption taxes & other general administration expenses +37
Current Income	4,681 (Funding cost: 1,705)	5,172 (Funding cost: 1,734)	+490	Decrease in non-operating profit -8 Decreases in interest payments +129 Increase in commitment line renewal fee -57
Net Income	4,681	5,171	+490	
EPS (yen)	4,255	4,170	-85	
FFO per Unit (yen)	6,152	5,997	-155	

	(3) 7 <sup>th</sup> FP Forecast as of Mar 15, 2013	Changes (2)-(3)	Notes
	13,354 (202 properties) Period avg. occupancy 95.7%	+74	Increase in rent revenue from full period contribution from the 12 new properties +169 Decrease in rent due to lower occupancy -30 Off-season decrease in key money and renewal fee revenue -65
	6,834 (Depreciation: 2,283) (Property taxes: 632)	-13	Property tax increase from 4 <sup>th</sup> FP acquisition expensing -33 Off-season decreases in leasing expenses +50 Increases in consumption taxes & other general administration expenses -21 -83
	5,271 (Funding cost: 1,541)	+98	Decreases in interest payments +42 Decreases in funding costs +48 No equity financing expenses +21
	5,270	+98	
	4,250	0	
	6,094	+97	

Net Income	4,681	5,171	+490	
Drawdown of Retained Earnings	+) 274	+) 408	+134	Retained earnings after dividend: 33.9bn yen
Dividend Amount	= ) 4,955	= ) 5,580	+625	Units issued and outstanding 1,240,000 units
Dividend per unit (yen)	4,505	4,500	-5	Please refer to page 29 for details on the new payout policy.

	5,270	+98	
	+) 309	-99	Retained earnings after dividend: 33.6bn yen
	= ) 5,580	0	Units issued and outstanding 1,240,000 units
	4,500	0	Please refer to page 29 for details on the new payout policy.

Funding costs include interest payments for loans and bonds as well as other finance fees.

# The New Payout Policy

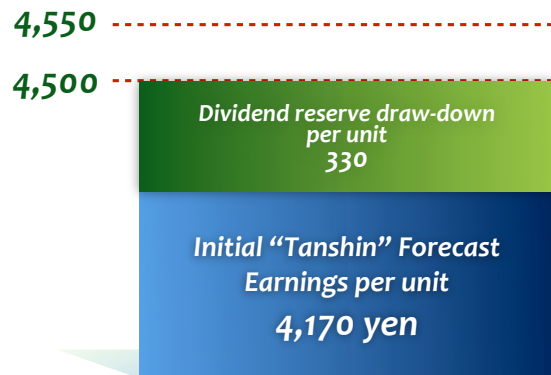
## Stable Payout with an Upside Potential

Under the new new payout policy, ADR will continue to stabilize dividends by using reserve for dividends as before, but when the management performance is solid, dividends will be increased by how much the result beats the “Tanshin” forecast.

### Forecast

#### “Tanshin” Forecast

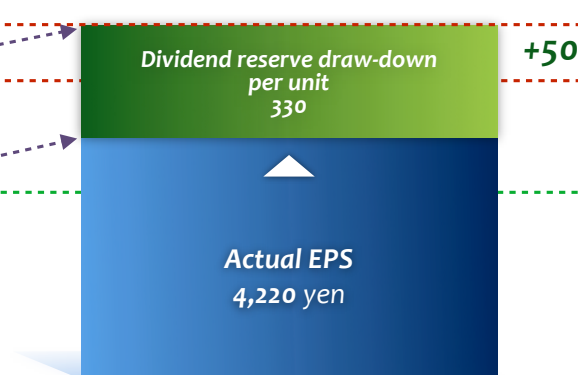
Earnings per share **4,170** yen  
Reserve draw-down per share **330** yen  
Dividend per share **4,500** yen



### Result

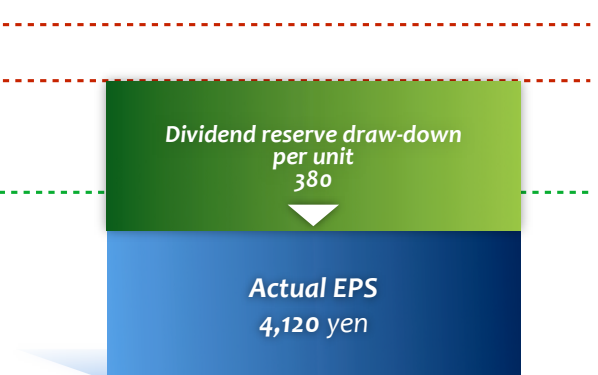
#### IF the result beats the forecast

Assuming the actual EPS result is **4,220** yen  
beating the forecast by **50** yen  
dividend will increase by **50** yen  
to **4,550** yen



#### IF the result is lower than the forecast

Assuming the actual EPS result is **4,120** yen  
lower than the forecast by **50** yen  
reserve draw-down will be increased by **50** yen  
and the dividend will remain at **4,500** yen



The actual dividends will be decided by the ADR's board based on a comprehensive consideration of such factors as the amount exceeding the forecast net income per investment unit announced in the previous fiscal period's “tanshin” (an abridgment of business performance), increase/decrease in rent and status of occupancy of portfolio, status of cash reserves, level of LTV, debt costs and balance of reserve for dividends.

# Occupancy by Rent Level / Rent Level by Region

## Greater Tokyo Area

### Single Type Units

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

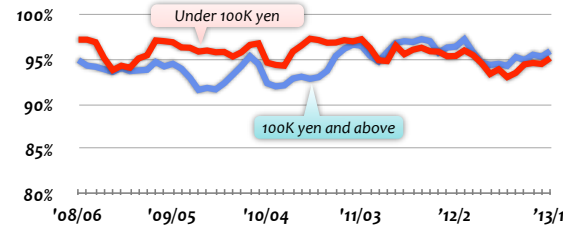
#### % share by area

Under 100K yen 10.2%

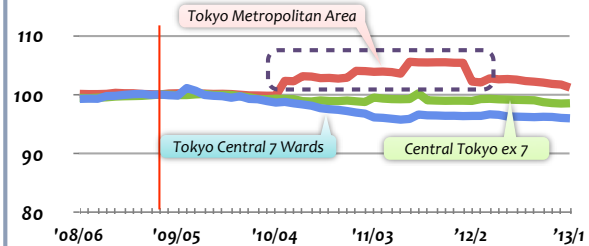
100K yen and above 8.6%

**18.8%**

### Occupancy by Monthly Rent Level



### Monthly Rent Level by Region



### Compact Type Units

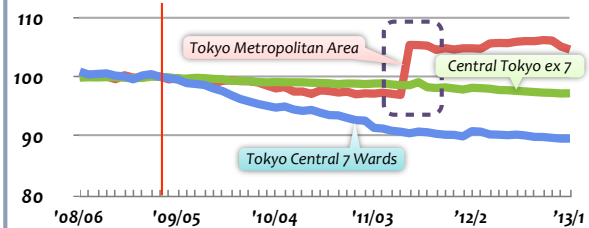
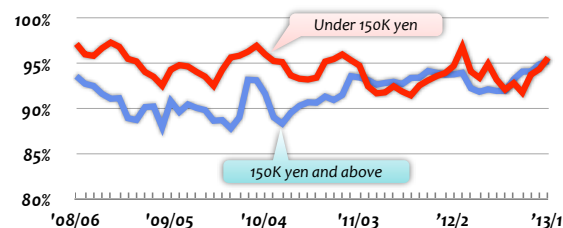
Volatilities in occupancies and monthly rents are high in the Tokyo Central 7 Wards.

#### % share by area

Under 150K yen 4.0%

150K yen and above 11.5%

**15.5%**



### Family & Large Type Units

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

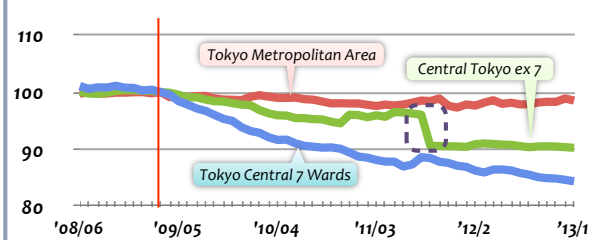
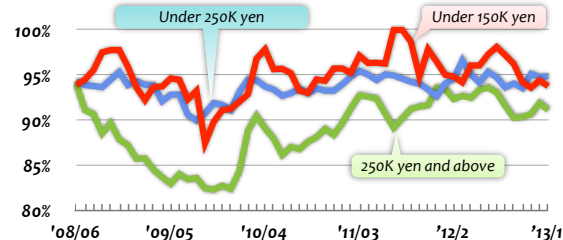
#### % share by area

Under 150K yen 1.5%

Under 250K yen 9.7%

250K yen and above 7.9%

**19.1%**



## Regional Areas

### Major Regional Cities

Volatilities in occupancies are relatively stable in rent levels under 150K yen. Monthly rents are stable compared to other areas

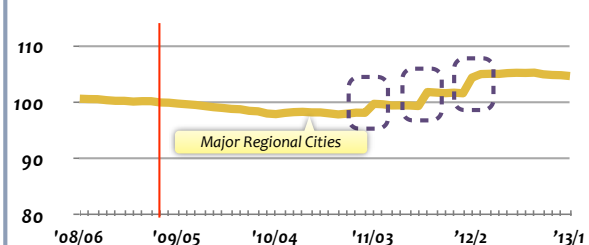
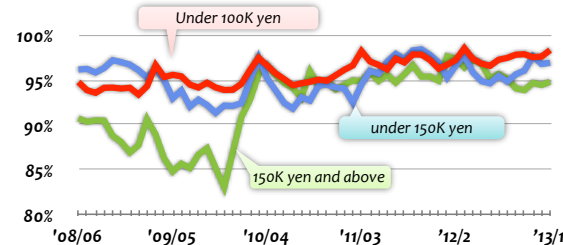
#### % share by area

Under 100K yen 10.9%

Under 150K yen 4.8%

150K yen and above 3.4%

**19.1%**



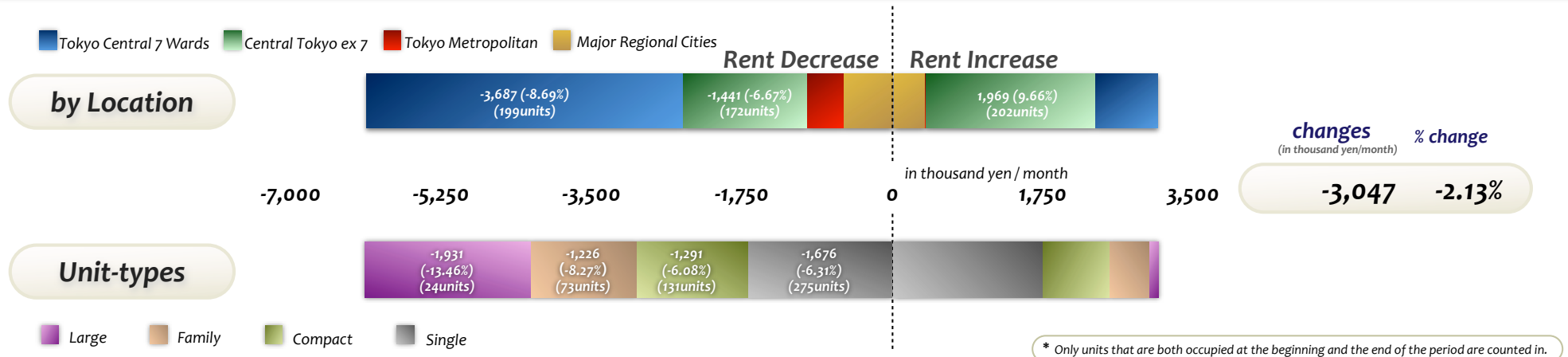
- Sharp rise in rent
  - Rise caused by disposition of low rent properties
  - Rise caused by acquisition of high rent properties
- Sharp fall in rent
  - fall caused by acquisition of low rent properties

\* Chart of Changes in Monthly Rent indicates the price movement by indexing the monthly rent as of March 2009 as 100. The date range of the charts are from June 2008 to January 2013.

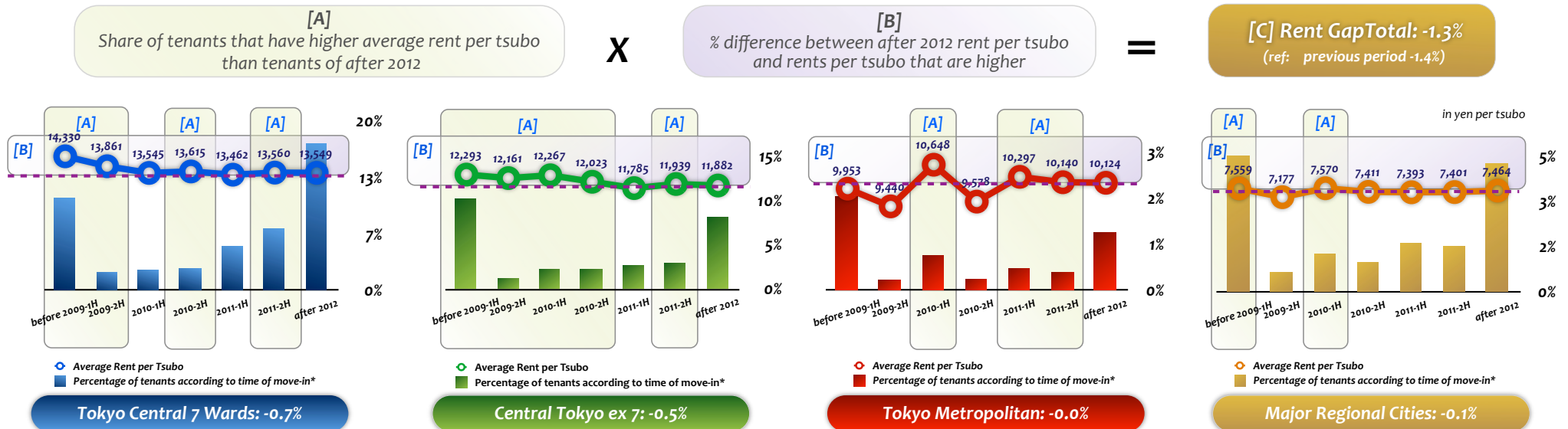
\* Guarantee contract units, office, stores and other non-residential units are exclude from the data which leaves with 72.4% of the total leasable area to be represented in these charts. "% share by area" are percentage share of the total leasable area.

# Changes in Rents

## Rent Changes in Replacement Units\*1



## Rents have mostly adjusted to market level



\* The calculations are only for pass-through rent contracts. Block leased property units are excluded.  
\* 1H: January to June, 2H: July to December

\* Share of tenants according to time of move-in (bar chart) shows the percentage of tenants that are present as of end of January 2013 in proportion to the time of move-in.  
\* Average Rent per tsubo" (line chart) shows the average rent per tsubo actually paid by the tenants as of end of July 2012 and plotted according to the time of move-in. Therefore the per tsubo rents are not the average of initial rents paid by tenants at the time of move-in.



# New Acquisitions After End of 5<sup>th</sup> Fiscal Period

	Total	Tokyo Central 7 Wards	Central Tokyo ex 7	Major Regional Cities
Properties	12	5	1	6
Acquisition price (million yen)	21,689	6,068	8,250	7,371
Share	100.0%	28.0%	38.0%	34%
Weighted average NOI yield	5.9%	5.4%	5.7%	6.5%
Weighted average building age (as of acquired date)	3.9yrs	1.9yrs	3.9yrs	5.9yrs
No. of rentable units	1,250	239	472	539

## C-65 RESIDIA TOWER Kami-Ikebukuro



Tower Building Completed May 2009

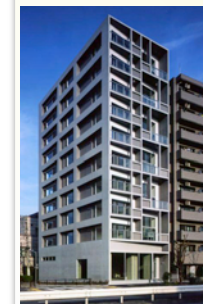


A high-rise building with various residential unit-type from single to family and commercial units housing pharmacies and clinics.

Source: Market

Area	Central Tokyo ex 7
Location	Toshima-ku, Tokyo
Acquisition price	8,250million yen
Appraisal price	8,340million yen
NOI yield	5.7%
No. of rentable units	472units

## P-91 RESIDIA Meguro III



Source: Market

Area	Tokyo Central 7 Wards
Location	Meguro-ku, Tokyo
Acquisition price	950million yen
Appraisal price	1,000million yen
NOI yield	5.3%
No. of rentable units	31units
Completion date	January 2010

Annex Building Completed Sept. 2008



Building with two commercial units

**Fitness Club**  
Central Sports  
Supermarket  
Peacock Store

Park Building Completed February 2009



A Low-rise building housing mostly family type residential units

## P-92 RESIDIA Jiyugaoka II



Source: Bridge Fund

Area	Tokyo Central 7 Wards
Location	Setagaya-ku, Tokyo
Acquisition price	778million yen
Appraisal price	885million yen
NOI yield	5.9%
No. of rentable units	17units
Completion date	October 2007

- \* Names of properties will be changed to the listed names.
- \* Acquisition prices are rounded down to the nearest million.
- \* NOI yields = appraisal NOI ÷ acquisition price × 100%



# New Acquisitions of during and after 5 Fiscal Period

## P-93 RESIDIA Kudanshita II

Source: Sponsor



Area	Tokyo Central 7 Wards
Location	Chiyoda-ku, Tokyo
Acquisition price	1,240million yen
Appraisal price	1,290million yen
NOI yield	5.3%
No. of rentable units	48units
Completion date	January 2012

## P-94 RESIDIA Oomori II

Source: Sponsor



Area	Tokyo Central 7 Wards
Location	Shinagawa-ku, Tokyo
Acquisition price	1,620million yen
Appraisal price	1,740million yen
NOI yield	5.6%
No. of rentable units	90units
Completion date	March 2012

## P-95 RESIDIA Shirokane-Takanawa

Source: Sponsor



Area	Tokyo Central 7 Wards
Location	Minato-ku, Tokyo
Acquisition price	1,480million yen
Appraisal price	1,570million yen
NOI yield	5.2%
No. of rentable units	53units
Completion date	March 2012

## R-45 RESIDIA Kita-Nijyo East

Source: Bridge Fund



Area	Major Regional Cities
Location	Sapporo, Hokkaido
Acquisition price	894million yen
Appraisal price	968million yen
NOI yield	6.8%
No. of rentable units	56units
Completion date	March 2006

## R-46 RESIDIA Shinsaibashi West

Source: Bridge Fund



Area	Major Regional Cities
Location	Osaka, Osaka
Acquisition price	1,921million yen
Appraisal price	2,050million yen
NOI yield	6.2%
No. of rentable units	97units
Completion date	February 2007

## R-47 RESIDIA Marunouchi

Source: Bridge Fund



Area	Major Regional Cities
Location	Nagoya, Aichi
Acquisition price	972million yen
Appraisal price	1,010million yen
NOI yield	6.1%
No. of rentable units	86units
Completion date	January 2007

## R-48 RESIDIA Sapporo-ekimae

Source: Bridge Fund



Area	Major Regional Cities
Location	Sapporo, Hokkaido
Acquisition price	1,483million yen
Appraisal price	1,710million yen
NOI yield	7.1%
No. of rentable units	168units
Completion date	February 2007

## R-49 RESIDIA Goshohigashi

Source: Bridge Fund



Area	Major Regional Cities
Location	Kyoto, Kyoto
Acquisition price	1,227million yen
Appraisal price	1,280million yen
NOI yield	6.2%
No. of rentable units	57units
Completion date	September 2007

## R-50 RESIDIA Rakuhoku

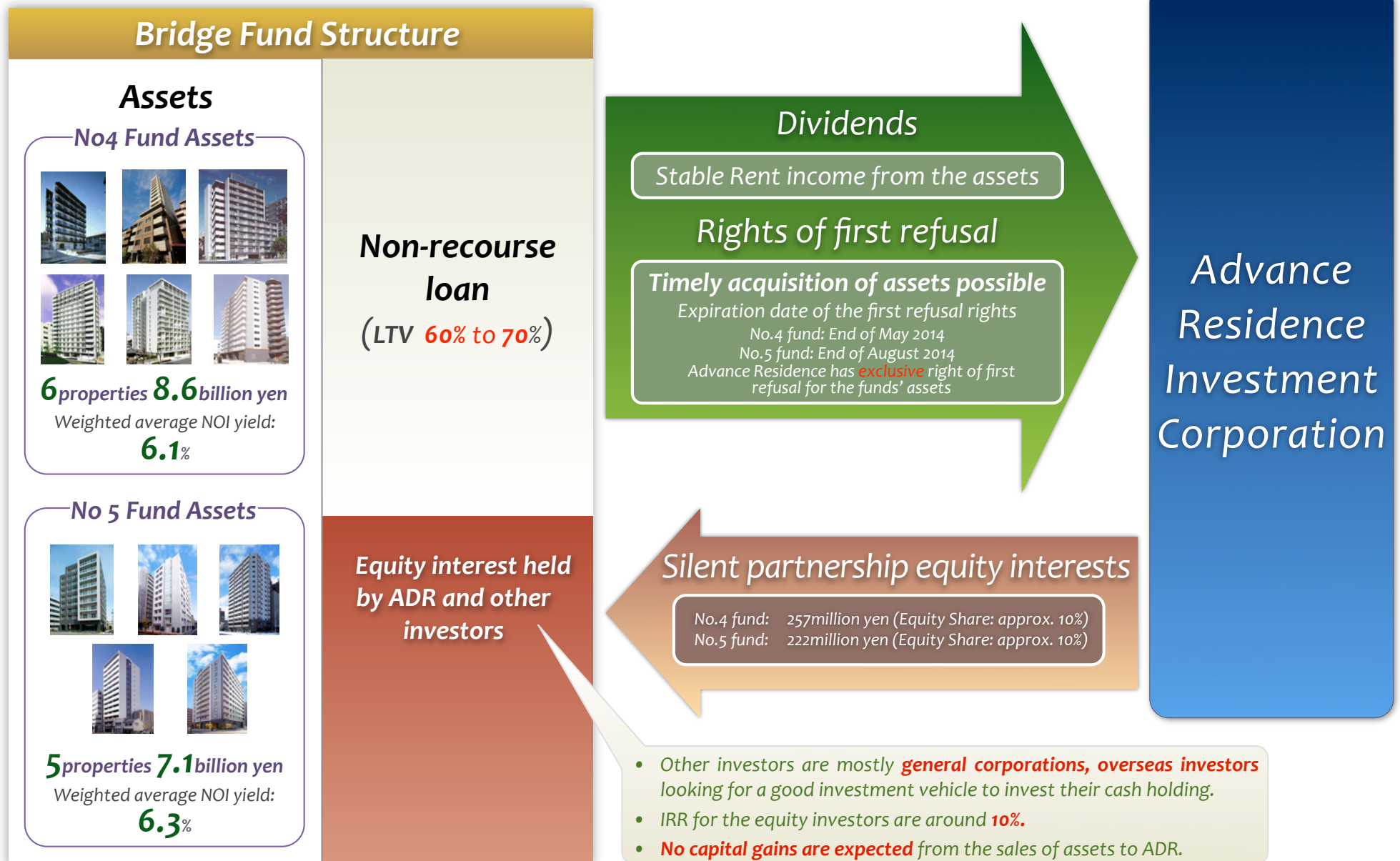
Source: Bridge Fund



Area	Major Regional Cities
Location	Kyoto, Kyoto
Acquisition price	874million yen
Appraisal price	898million yen
NOI yield	6.3%
No. of rentable units	75units
Completion date	March 2008

- \* Names of properties will be changed to the listed names.
- \* Acquisition prices are rounded down to the nearest million.
- \*  $\text{NOI yields} = \text{appraisal NOI} \div \text{acquisition price} \times 100\%$

# Bridge Funds (Warehousing Vehicles)



\* Weighted average NOI yield = total appraisal NOI at the time of equity interest investment ÷ right of first refusal acquisition price total × 100%

# Lowering Costs through Economy of Scale

Total cost reduction since the merger **248** million yen / annum  
 5<sup>th</sup> fiscal period cost reduction **12** million yen / annum

in million yen / annum

## ■ Property Management Fees

total	<b>69</b>
5 <sup>th</sup> Fiscal Period	<b>1</b>
1-4 <sup>th</sup> Fiscal Period	<b>67</b>

## ■ Appraisal Fees

total	<b>39</b>
5 <sup>th</sup> Fiscal Period	-
1-4 <sup>th</sup> Fiscal Period	<b>39</b>

## ■ Building Management Fees

total	<b>60</b>
5 <sup>th</sup> Fiscal Period	-
1-4 <sup>th</sup> Fiscal Period	<b>60</b>

## ■ Custodial Fees

total	<b>36</b>
5 <sup>th</sup> Fiscal Period	<b>0.3</b>
1-4 <sup>th</sup> Fiscal Period	<b>36</b>

## ■ Electricity Bill for Shared Spaces

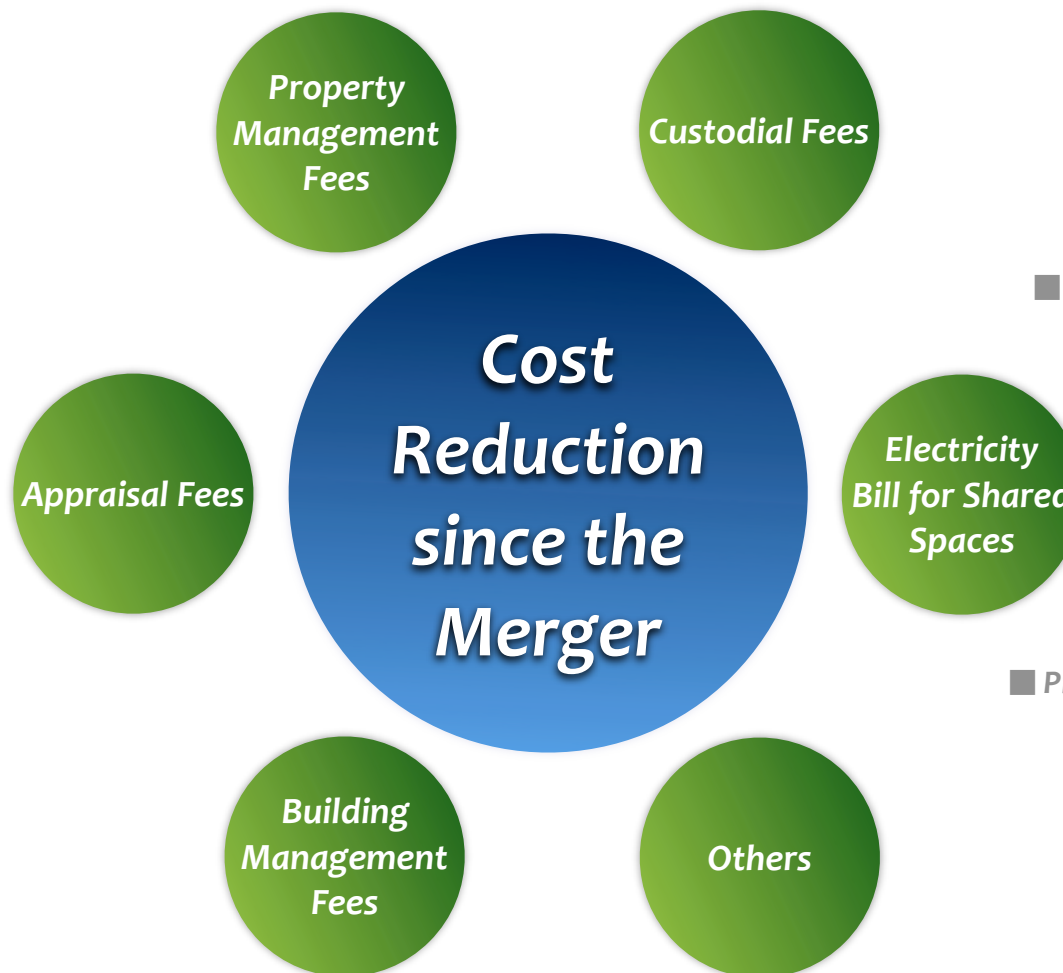
### ■ LED Lighting

total	<b>31</b>
5 <sup>th</sup> Fiscal Period	<b>6</b>
1-4 <sup>th</sup> Fiscal Period	<b>24</b>

## ■ Property Insurance Fees

### ■ Internet Provider

total	<b>10</b>
5 <sup>th</sup> Fiscal Period	<b>4</b>
1-4 <sup>th</sup> Fiscal Period	<b>6</b>



# Measures to Reduce Rent Declines Caused by Aging

## Rent Decline due to Aging

Supply of new properties

Equipments become obsolete

Quality decline due to wearing

Change in tenants' needs



**Gradual decline in Competitiveness**

## Measures taken to prevent or reduce rent declines

### Building Maintenance

Daily Cleaning

Equipment Maintenance

Daily Repairs

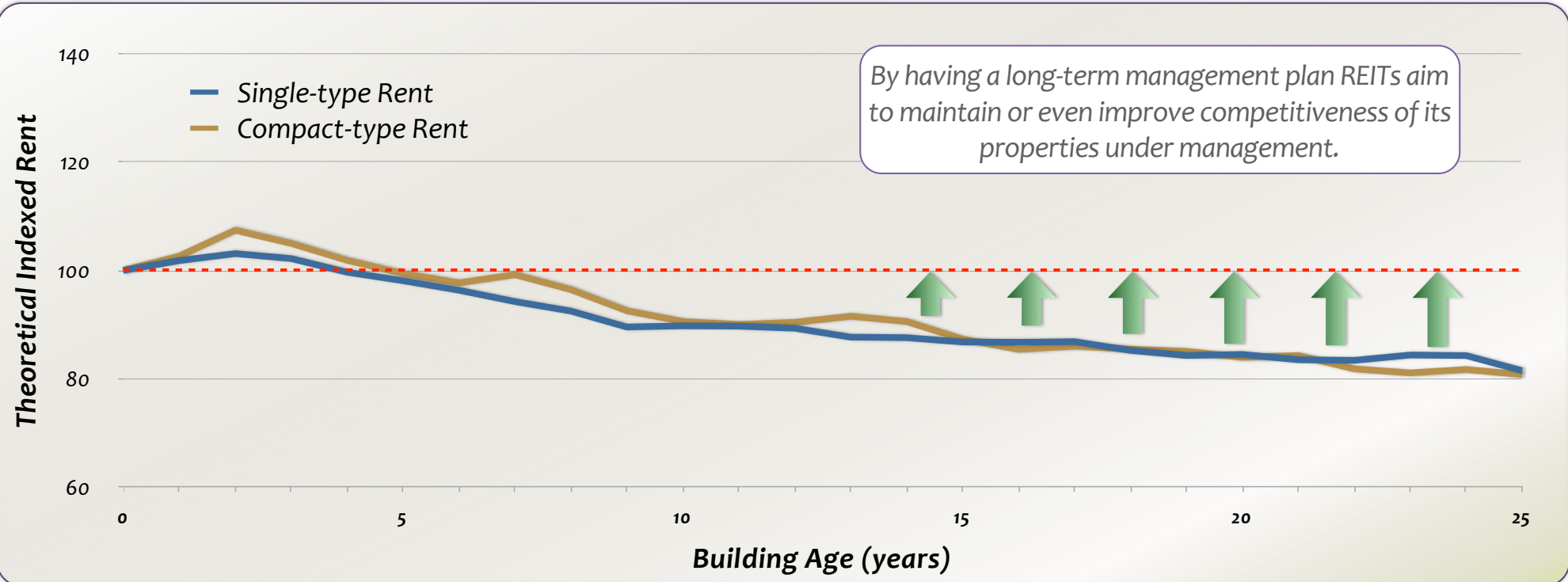
### Timely Capital Expenditures

Large-scale renovations of common areas and exteriors

Renovations of individual apartment units



**Providing living environment matching the tenants' needs**



\* Figures are indexed theoretical rent categorized by year and building age using actual rents provided by At Home Co., Ltd., of which Sumitomo Mitsui Research Institute Co., Ltd. statistically processed using hedonic method.

\* Analysis was conducted separately between rent data from single-type units (18m<sup>2</sup> to 30m<sup>2</sup>) and compact-type units (30m<sup>2</sup> to 60m<sup>2</sup>) of apartment in 23 wards of Tokyo.



# Examples in ADR's Properties

By taking proper measures competitiveness can be maintained

## Examples of Measures Taken

### P-73 RESIDIA Shibaura

Building age 21 years

Common area renovation  
(Cost: 128 million yen)

before



after

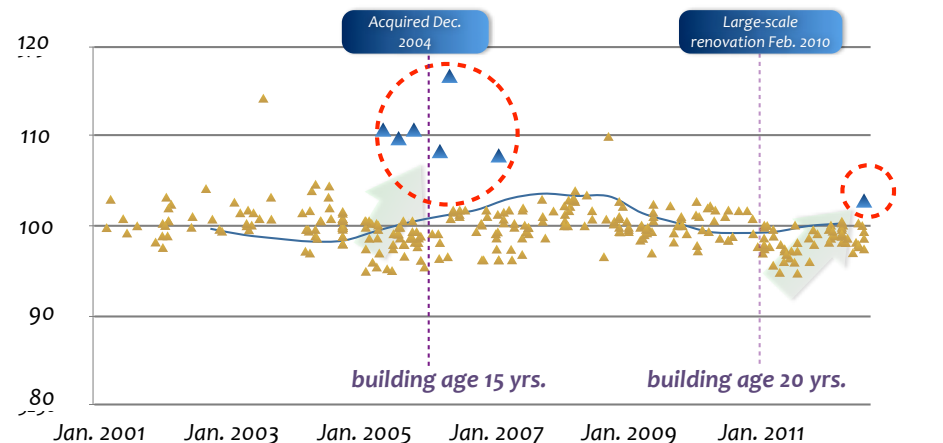
Individual apartment unit  
upgrading renovations  
(Cost: 4,500 thousand yen/unit)

before



after

## Impact of the measures taken



\* Rents for RESIDIA Shibaura are indexed by basing the average per m<sup>2</sup> rent during 2001 as 100.

\* Figures are indexed theoretical rent categorized by year and building age using actual rents provided by At Home Co., Ltd., of which Sumitomo Mitsui Research Institute Co., Ltd. statistically processed using hedonic method. Building age is fixed at 10 years for the theoretical rent.

▲ Indexed rent for upgraded units  
▲ Indexed rent for non-upgraded units  
— Indexed theoretical Rent for Compact-type units in Shiba / Hamamatsucho Area

### S-19 RESIDIA Kichijoji

Building age 18 years

Common area renovation  
(Cost: 32 million yen)

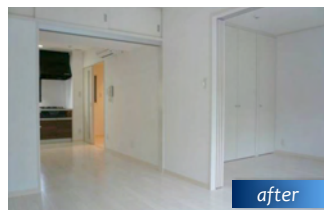
before



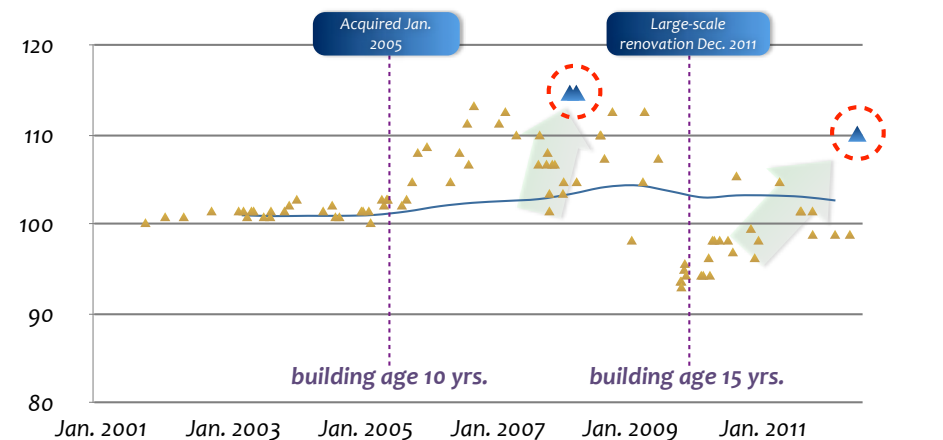
after

Individual apartment unit  
upgrading renovations  
(Cost: 4,390 thousand yen/unit)

before



after



\* Rents for RESIDIA Kichijoji are indexed by basing the average per m<sup>2</sup> rent during 2001 as 100.

\* Figures are indexed theoretical rent categorized by year and building age using actual rents provided by At Home Co., Ltd., of which Sumitomo Mitsui Research Institute Co., Ltd. statistically processed using hedonic method. Building age is fixed at 10 years for the theoretical rent.

▲ Indexed rent for upgraded units  
▲ Indexed rent for non-upgraded units  
— Indexed theoretical Rent for Compact-type units in Nakano / Kichijoji Area

# Brand Strategy

## The Brand

RESIDENCE

×

ARCADIA

RESIDIA



175 properties

as of January 31, 2013

## Tenant Service

### RESIDIA Customer Service

24hours, 7days a week, RESIDIA customer support for tenants. Providing housekeeping services (ex. cleaning) and emergency responses (ex. water leak, key lost), etc.

### Moving Support from RESIDIA to RESIDIA

If RESIDIA tenants move to other RESIDIA apartments, tenants do not have to pay key money nor broker fee. Therefore tenants can save moving cost and ADR can keep high occupancy.

### KAJITAKU ~Tenant Service~

“KAJITAKU” provides housekeeping services.



×



## Leasing Channel



RESIDIA Shibuya Building Sign

RESIDIA Leasing Website <http://www.residia.jp/>



# Dormitories and Student Apartments

No. of properties

**11** properties

Actual NOI yield

**7.1%**

Occupancy  
(Residential portion)

**100%**

No of rentable units

**2,098** units

Total of acquisition price

**15,920** million yen

Investment ratio of  
portfolio

**4.1%**

## Dormitories\*1

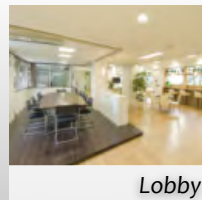
\*1 Dormitories are apartments either have common bathrooms or laundry spaces within in the property and offer meals

### S-1 Hiyoshidai Student Heights

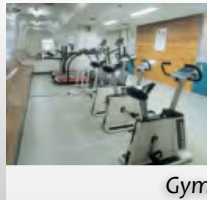
Actual NOI yield 10.5%



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



Lobby



Gym

\* Quake-proofing renovation in 2002

### S-11 Wako Student Heights

Actual NOI yield 6.8%  
Study room



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



### S-23 College Court Tanashi

Actual NOI yield 7.3%  
Cafeteria



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



## Student apartments\*2

\*2 Student apartments are normal apartments where the tenants are exclusively students.

### P-3 RESIDIA Nakameguro

Actual NOI yield 5.7%



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

### P-85 RESIDIA Komazawa

Actual NOI yield 5.9%



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

### C-28 RESIDIA Oji

Actual NOI yield 6.2%



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

### C-50 RESIDIA Shin Itabashi

Actual NOI yield 6.1%



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

### S-15 RESIDIA Okurayama

Actual NOI yield 6.4%



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

### R-2 RESIDIA Imadegawa

Actual NOI yield 6.1%



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

### R-8 RESIDIA Kobe Port Island

Actual NOI yield 6.1%



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

### R-38 RESIDIA Hirose-dori

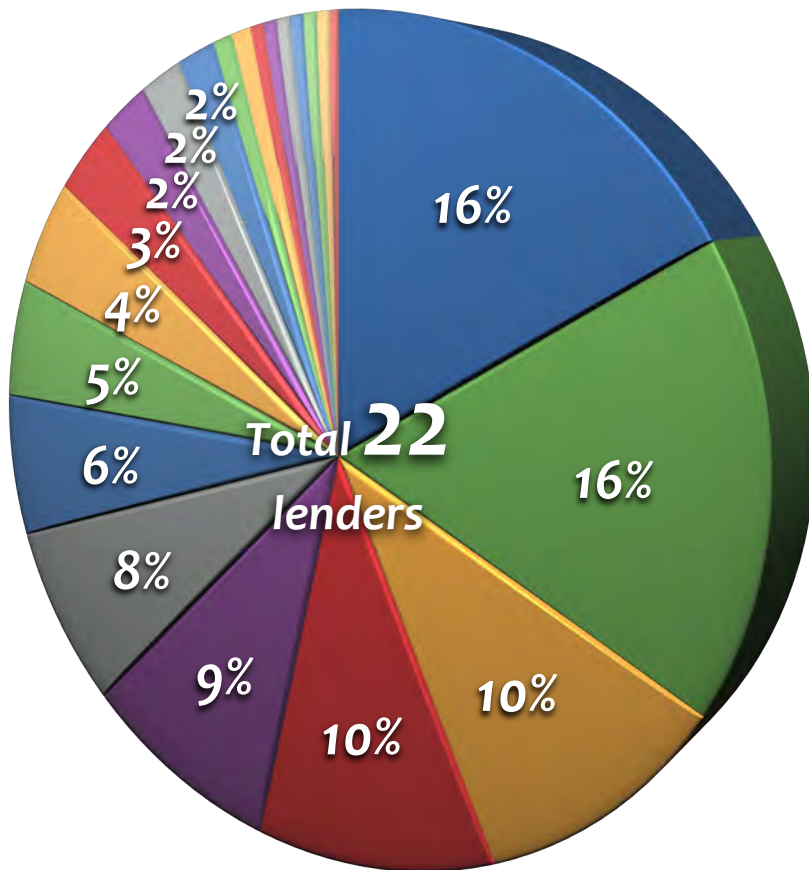
Actual NOI yield 7.5%



Location	Sendai, Miyagi
No of units	63units
Completion Date	February 2010
Main Univ.	Tohoku University

\* Actual NOI yield = 5<sup>th</sup> FP actual NOI ÷ book value × 100%.

# Lender Line-up

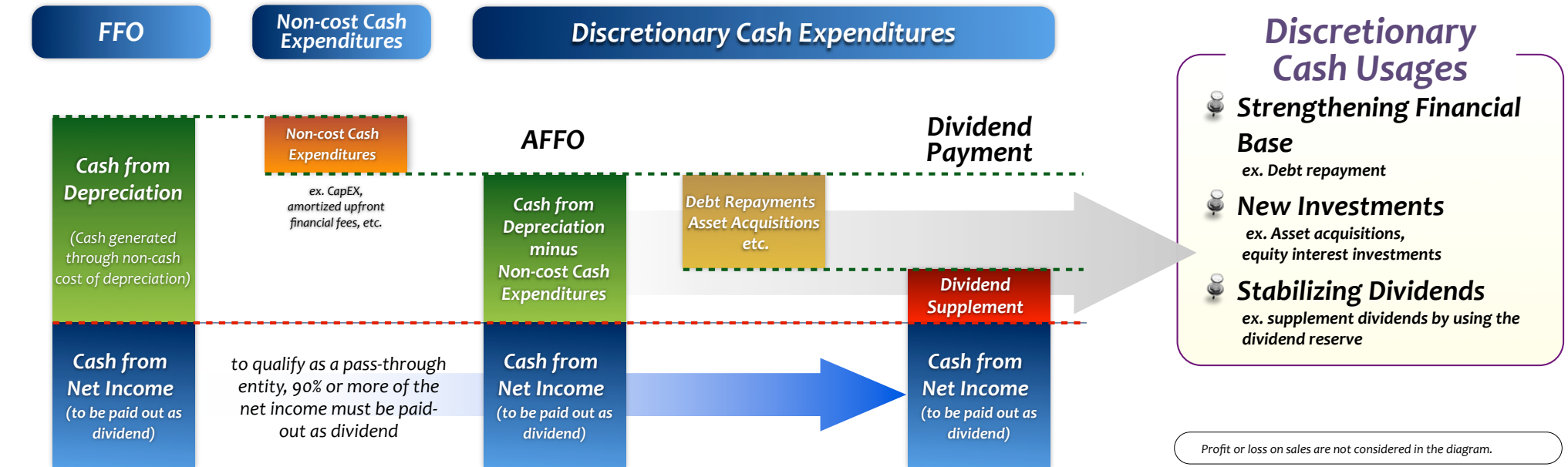


The 22 lineup of lenders includes  
3 mega banks, 3 major trust banks

as of January 2013

Lenders	Loan Outstanding (bn yen)	% share
Sumitomo Mitsui Trust Bank	29.0	16.5
The Bank of Tokyo-Mitsubishi UFJ	29.0	16.5
Mizuho Corporate Bank	18.3	10.4
Sumitomo Mitsui Banking	18.3	10.4
Mitsubishi UFJ Trust & Banking	15.6	8.9
Development Bank of Japan Inc.	13.3	7.6
Aozora Bank	10.4	5.9
Mizuho Trust & Banking	8.6	4.9
Risona Bank	7.8	4.4
The Norinchukin Bank	5.5	3.1
The Bank of Fukuoka	4.0	2.3
Shinsei Bank	3.4	2.0
Taiyo Life Insurance	3.0	1.7
The Nishi-Nippon City Bank	1.5	0.9
Tokio Marine & Nichido Fire Insurance	1.5	0.9
Mitsui Sumitomo Insurance	1.0	0.6
The Yamaguchi Bank	1.0	0.6
The Tokyo Tomin Bank	1.0	0.6
The Gunma Bank	1.0	0.6
The Kagawa Bank	1.0	0.6
The Hiroshima Bank	1.0	0.6
The Iyo Bank	0.6	0.3
Total	176.1	100.0

# Cash Management



## Stable Dividend Of 4,500yen Or More Has Been Paid Through Optimal Cash Management





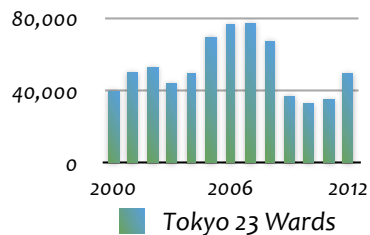
# Market Statistics

## Population Inflow to Central Tokyo and Major Regional Cities Continues

### Migration Statistics of Major Cities in Japan

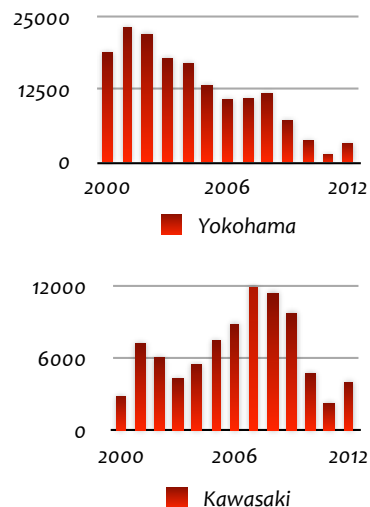
#### Tokyo 23 Wards

Portfolio Investment Ratio 75%



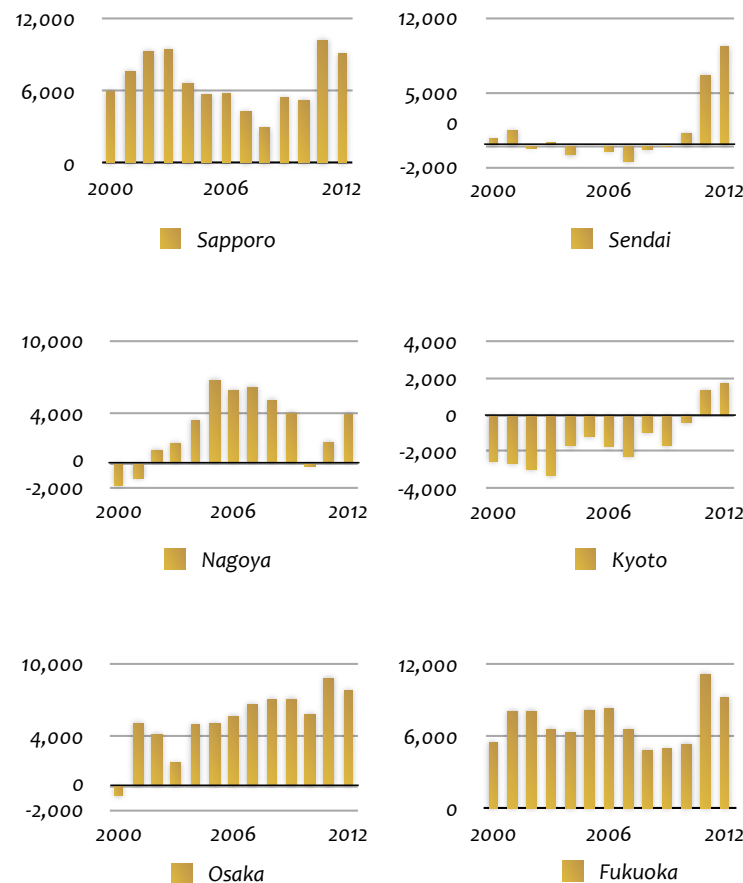
#### Cities in Greater Tokyo Area

Portfolio Investment Ratio 11%



#### Major Regional Cities

Portfolio Investment Ratio 14%



## Net Inflow is Pre-dominantly Younger Generation

### Tokyo's Population Inflow by Age Group

#### Tokyo Prefecture

Portfolio Investment Ratio\* 46%

\* The ratio is for number of single and compact type units in Tokyo 23 wards.

Residential Needs of Younger Generation



Single & Compact Type Units



Source: "Report on Internal Migration in Japan" Statistics Bureau, Ministry of General Affairs; "Report on Internal Migration" Statistics Division, Bureau of General Affairs, Tokyo Metropolitan

# Regulation Reform

## Rights Offering

- ▶ Financing risk will lessen with more choice in financing method.
- ▶ Equity financing will become possible without diluting unitholders' equity where share price is discount to BPS or NAV.

## Our Stance

- ▶ We will positively consider as an alternative financing method which does not impair shareholders value.

## Stock Buyback

- ▶ Announcement and arbitrage effect will create a price floor.
- ▶ Enhance shareholder value and improve investment return if units are bought back at discount to net asset.

- ▶ If there are accretive effect on shareholder value and investment opportunity, and if our financial condition permits us, we will actively consider stock buyback.

## Capital Write-down

- ▶ It will enable issuer to payout dividends according to cashflow.

- ▶ Limited benefits due to our large retained earnings.

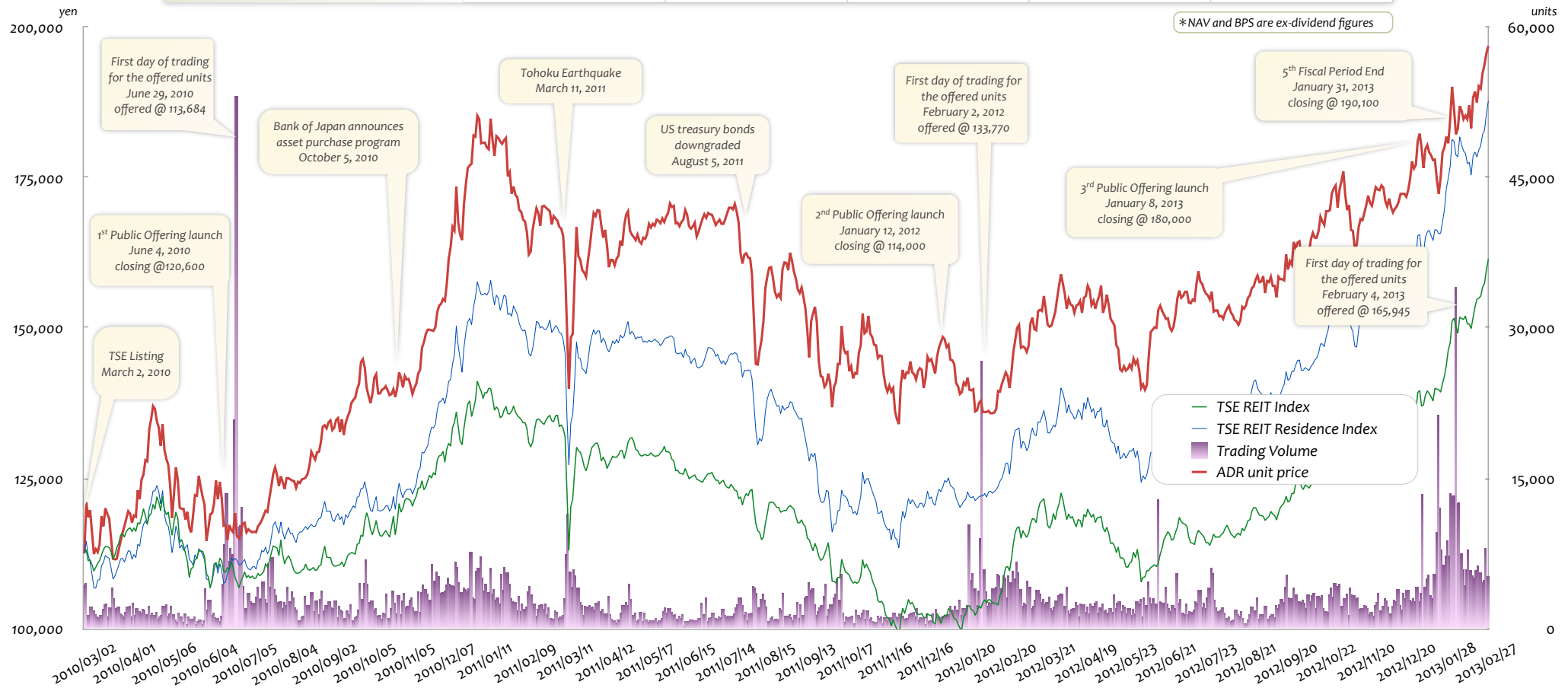
## Majority Investment in Overseas SPC

- ▶ By enabling the use of overseas SPC, legal, tax and other risk associated in direct overseas real estate investment can be reduced.

- ▶ We will consider investing abroad depending on investor feedback.

# Unit Price Chart

Key Figures	End of 1 <sup>st</sup> FP	End of 2 <sup>nd</sup> FP	End of 3 <sup>rd</sup> FP	End of 4 <sup>th</sup> FP	End of 5 <sup>th</sup> FP
Market capitalization	168.8 bn yen Jan. 31, 2011 closing @172,300	158.9 bn yen July 31, 2011 closing @162,200	134.7 bn yen Jan. 31, 2012 closing @137,500	168.1 bn yen July 31, 2012 closing @152,900	209.1 bn yen Jan. 31, 2013 closing @190,100
Average Trading volume	0.44 bn yen / day 3,247units	0.31 bn yen / day 1,920units	0.27 bn yen / day 1,908units	0.47 bn yen / day 3,160units	0.54 bn yen / day 3,208units
LTV (Total assets base)	52.4%	53.5%	54.6%	53.7%	53.8%
NAV per Unit (yen)	152,749	154,360	156,459	155,966	158,313
ex Dividend Payment Reserve (yen)	113,307	117,984	120,504	124,465	127,061
BPS (yen)	159,564	156,548	156,141	152,689	152,440
ex Dividend Payment Reserve (yen)	120,122	120,172	120,185	121,188	121,188
Implied CAP rate	5.1%	5.2%	5.3%	5.2%	4.6%



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

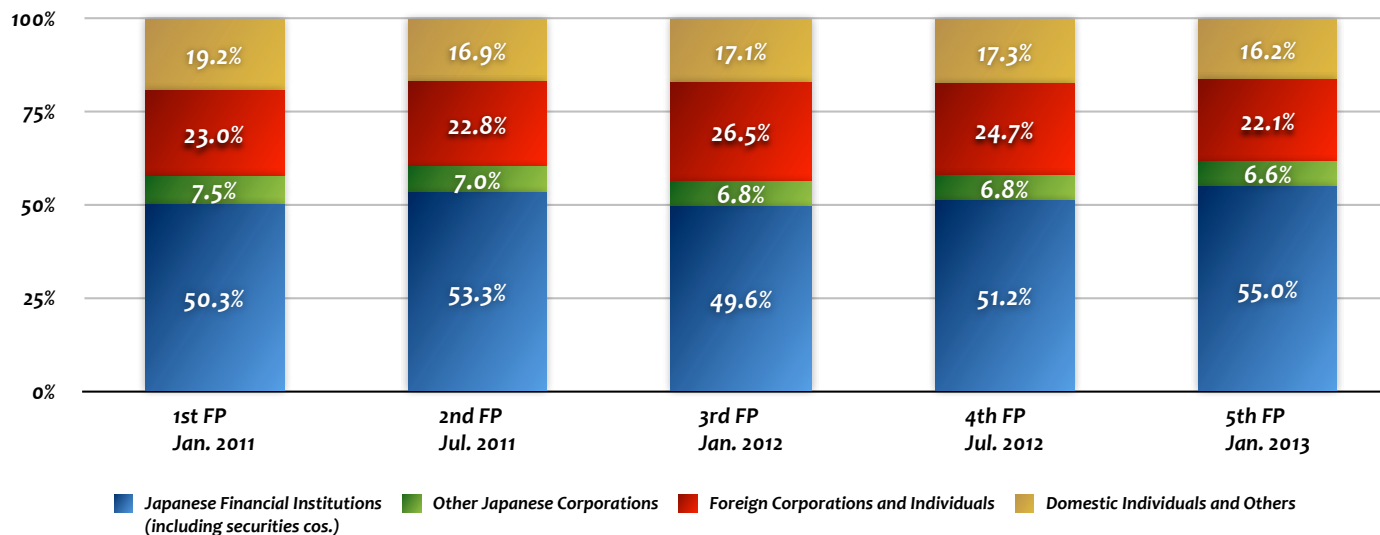


# Major Unitholders

## Increase in Japanese Financial Institutions Holdings

	Number of Units		Number of Unitholders	
	Units	(%)	Unit-holders	(%)
Japanese Financial Institutions (including securities cos.)	605,302	55.0%	133	0.6%
Other Japanese Corporations	72,634	6.6%	335	1.5%
Foreign Corporations and Individuals	243,376	22.1%	228	1.0%
Domestic Individuals and Others	178,688	16.2%	22,319	97.0%
Total	1,100,000	100.0%	23,015	100.0%

Name of Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	226,869	20.6%
The Master Trust Bank of Japan ,Ltd (Tr. Acc.)	69,646	6.3%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	61,629	5.6%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	55,540	5.0%
NOMURA BANK (LUXEMBOURG) S.A.	43,573	4.0%
ITOCHU Corporation	34,800	3.2%
Mizuho Trust & Banking Co., Ltd.	14,468	1.3%
Trust & Custody Services Bank, Ltd. (Cash in Tr. Taxable Acc.)	14,113	1.3%
The Senshu Ikeda Bank, Ltd.	12,495	1.1%
The Gibraltar Life Insurance Co., Ltd.	11,458	1.0%



# Portfolio Diversification Policy

Investment Regions*3	Investment ratio*1
Tokyo Central 7 Wards	40 ~ 60%
Central Tokyo ex 7 Wards	20 ~ 40%
Tokyo Metropolitan (ex. the 23 Wards)	5 ~ 20%
Major Regional Cities	5 ~ 20%

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

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

Unit types	Investment ratio*2
Dormitories	up to 20%

## \*Note

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

## Unit-type Definition

Number of Bedrooms	~30m <sup>2</sup>	~40m <sup>2</sup>	~50m <sup>2</sup>	~60m <sup>2</sup>	~70m <sup>2</sup>	~80m <sup>2</sup>	~90m <sup>2</sup>	over 90m <sup>2</sup>
Studio	S	S	C	C	L	L	L	L
1 Bedroom	S	C	C	C	L	L	L	L
2 Bedroom	-	C	C	F	F	F	F	L
3 Bedroom	-	-	F	F	F	F	F	L
4 Bedroom ~	-	-	-	-	F	F	F	L

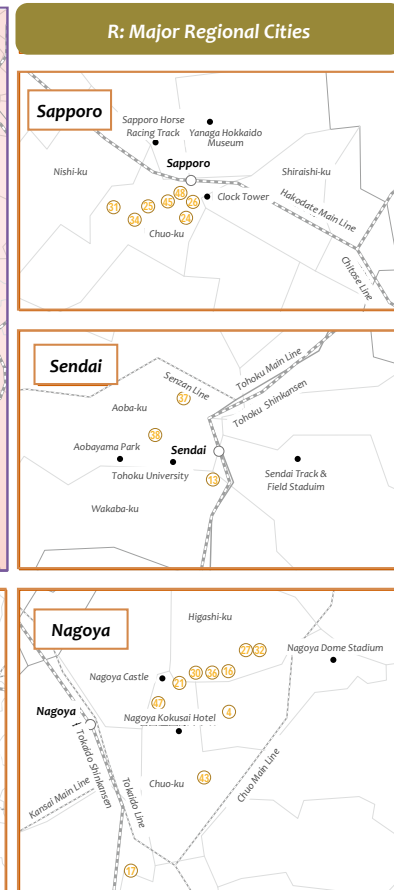
## Floor plan

<b>Studio</b>	1R, 1K, STUDIO
<b>1Bedroom</b>	1DK, 1LDK
<b>2Bedroom</b>	2DK, 2LDK, 1LDK+S
<b>3Bedroom</b>	3DK, 3LDK, 2LDK+S
<b>4Bedroom ~</b>	4DK, 4LDK, 3LDK+S, or units with more rooms
<b>Dormitory Type Units</b>	The units share common bathrooms and laundry spaces within in the property

## Unit types

<b>S</b>	= <b>Single Type Units</b>
<b>C</b>	= <b>Compact Type Units</b>
<b>F</b>	= <b>Family Type Units</b>
<b>L</b>	= <b>Large Type Units</b>

mostly for singles  
mostly for singles, couples or small families  
mostly for families  
mostly for foreign executives



- ☐ are properties bought after  
the 5<sup>th</sup> FP end.

# Portfolio

(as of July 31, 2013)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	2004/12/24	115	2,860	0.7%	2,800	2,541	10.2%	6.28
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2005/02/10	88	1,730	0.4%	1,730	1,539	12.4%	2.66
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	2002/03/11	28	1,229	0.3%	1,138	1,184	-3.9%	8.15
P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	1999/11/29	44	1,987	0.5%	1,801	1,941	-7.2%	6.34
P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	2005/08/19	42	1,230	0.3%	1,190	1,171	1.6%	6.26
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	2004/03/09	86	2,270	0.6%	2,207	2,154	2.5%	6.26
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2006/02/09	35	1,130	0.3%	1,030	1,103	-6.7%	8.13
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	2006/07/07	39	1,120	0.3%	1,090	1,104	-1.3%	5.11
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2007/02/23	120	2,720	0.7%	2,570	2,671	-3.8%	5.97
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	2007/03/08	22	732	0.2%	588	731	-19.6%	11.49
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2009/02/23	39	750	0.2%	703	758	-7.3%	8.17
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	2001/08/07	30	588	0.2%	613	579	5.7%	11.24
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2004/02/06	54	1,380	0.4%	1,450	1,347	7.6%	7.86
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	2000/08/01	48	941	0.2%	924	918	0.6%	9.28
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2004/02/12	65	1,520	0.4%	1,620	1,474	9.8%	7.13
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2001/02/14	37	874	0.2%	866	854	1.3%	3.14
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	2001/01/31	26	554	0.1%	557	538	3.4%	3.95
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	1999/10/13	20	722	0.2%	639	711	-10.2%	5.26
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	2005/11/01	76	1,660	0.4%	1,670	1,612	3.6%	2.82
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2005/02/18	67	1,950	0.5%	1,890	1,893	-0.2%	5.47
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	2004/10/22	18	333	0.1%	350	325	7.6%	4.48
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2005/02/24	16	326	0.1%	326	320	1.8%	2.87
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2005/02/18	19	363	0.1%	367	356	3.0%	4.89
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2005/02/23	15	286	0.1%	290	279	3.9%	3.86
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	2005/12/16	48	947	0.2%	953	918	3.7%	3.09
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	2006/01/31	61	2,280	0.6%	2,340	2,250	4.0%	6.34
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	2006/09/05	70	1,180	0.3%	1,230	1,149	7.0%	7.83
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	2006/08/01	122	2,040	0.5%	2,130	1,995	6.7%	3.46
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	2006/01/31	34	1,190	0.3%	1,190	1,173	1.4%	9.52
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	2006/09/22	63	1,320	0.3%	1,310	1,291	1.5%	5.64
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	2006/03/17	52	1,160	0.3%	1,160	1,139	1.8%	9.08
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	2006/08/04	52	918	0.2%	915	897	1.9%	8.11
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	2007/07/02	40	1,050	0.3%	1,090	1,028	6.0%	3.86
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	2002/03/19	28	1,050	0.3%	1,050	1,023	2.6%	5.02
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	2004/12/22	65	2,310	0.6%	2,320	2,253	2.9%	4.39
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	2004/08/31	68	3,660	0.9%	3,260	3,575	-8.8%	8.05
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	2004/05/21	37	1,180	0.3%	1,150	1,153	-0.3%	12.33

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	2004/07/15	125	6,780	1.7%	6,650	6,631	0.3%	5.00
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	2004/07/23	42	2,150	0.6%	1,930	2,086	-7.5%	4.98
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	2004/08/20	85	2,500	0.6%	2,540	2,437	4.2%	4.98
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	1999/09/16	88	3,570	0.9%	3,490	3,499	-0.3%	12.79
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	2007/01/07	358	16,500	4.2%	16,200	15,951	1.6%	3.29
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	2005/01/11	78	2,760	0.7%	2,790	2,676	4.2%	2.29
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	2005/03/14	13	728	0.2%	489	733	-33.3%	5.22
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	2003/10/29	64	1,620	0.4%	1,640	1,576	4.0%	5.17
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	2006/04/17	31	1,430	0.4%	1,280	1,398	-8.5%	8.45
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	2007/03/06	39	2,020	0.5%	1,900	1,994	-4.7%	6.05
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	2003/01/09	113	6,190	1.6%	5,350	6,108	-12.4%	1.57
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	2006/06/22	40	1,250	0.3%	1,290	1,234	4.5%	2.74
P-64	RESIDIA Nakamobu	Shinagawa-ku, Tokyo	2005/11/16	65	1,880	0.5%	1,960	1,835	6.8%	5.91
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2006/02/28	47	1,610	0.4%	1,550	1,585	-2.2%	7.13
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	2006/08/24	48	1,740	0.4%	1,600	1,709	-6.4%	4.98
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	2006/06/01	43	1,140	0.3%	1,130	1,122	0.7%	5.11
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	2006/03/13	34	1,280	0.3%	1,290	1,257	2.6%	5.93
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	2007/05/16	74	1,830	0.5%	1,870	1,787	4.6%	4.18
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	2007/08/30	26	923	0.2%	895	904	-1.1%	3.63
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	2002/12/10	19	974	0.2%	990	952	3.9%	4.61
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	1991/09/30	154	4,670	1.2%	4,890	4,548	7.5%	6.28
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	2007/01/29	16	930	0.2%	801	912	-12.2%	10.52
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	2006/08/24	118	5,260	1.4%	5,200	5,179	0.4%	7.56
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	2005/05/24	191	9,570	2.5%	9,470	9,330	1.5%	3.72
P-77	Motoazabu Place	Minato-ku, Tokyo	2001/02/05	41	8,430	2.2%	6,370	8,338	-23.6%	6.03
P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	2006/02/28	83	7,040	1.8%	5,610	6,892	-18.6%	3.98
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1993/01/27	16	878	0.2%	858	881	-2.7%	6.74
P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	1998/07/15	6	1,100	0.3%	736	1,076	-31.6%	7.34
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	2003/06/13	12	1,750	0.4%	1,280	1,709	-25.1%	12.25
P-83	RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village	Shibuya-ku, Tokyo	1998/01/14	77	7,360	1.9%	6,040	7,288	-17.1%	10.27
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	1997/02/26	26	1,460	0.4%	1,460	1,431	2.0%	12.06
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	2008/10/17	59	870	0.2%	1,020	880	15.8%	12.30
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	2010/01/06	72	2,400	0.6%	2,770	2,453	12.9%	5.43
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	2008/08/19	98	2,070	0.5%	2,300	2,111	8.9%	6.76
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	2008/06/03	66	1,523	0.4%	1,640	1,625	0.9%	10.45
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	2007/03/30	70	3,300	0.8%	3,600	3,477	3.5%	5.70
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	2011/01/21	166	3,760	1.0%	3,830	3,865	-0.9%	6.50



# Portfolio

(as of July 31, 2013)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2005/02/07	105	1,920	0.5%	2,020	1,718	17.6%	4.72
C-2	RESIDIA Kamata	Ota-ku, Tokyo	2005/03/09	166	2,640	0.7%	3,040	2,359	28.9%	6.36
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	2005/03/15	60	1,520	0.4%	1,560	1,459	6.9%	7.86
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	2005/07/23	65	1,680	0.4%	1,770	1,619	9.3%	5.43
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	2005/08/27	47	1,060	0.3%	1,180	999	18.1%	4.27
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	1993/03/31	93	953	0.2%	938	950	-1.3%	3.29
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2006/02/20	127	3,160	0.8%	3,180	3,021	5.2%	1.84
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	2006/01/27	70	1,623	0.4%	1,570	1,612	-2.7%	5.37
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2006/02/10	48	913	0.2%	935	891	4.9%	6.38
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	2006/09/01	169	5,251	1.3%	4,740	5,196	-8.8%	6.19
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	2007/01/17	137	3,180	0.8%	3,150	3,115	1.1%	5.35
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	2007/08/06	81	1,980	0.5%	1,730	1,946	-11.1%	9.32
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	2007/11/13	157	4,200	1.1%	3,790	4,173	-9.2%	6.24
C-16	RESIDIA Negishi	Taito-ku, Tokyo	2005/12/02	28	856	0.2%	778	865	-10.1%	6.01
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2003/02/10	83	1,880	0.5%	1,830	1,835	-0.3%	9.61
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	2001/12/21	44	558	0.1%	580	539	7.5%	6.60
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	2002/06/07	24	352	0.1%	402	342	17.2%	3.60
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	2004/03/01	63	1,010	0.3%	1,030	983	4.7%	5.32
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	2005/12/06	54	1,460	0.4%	1,530	1,410	8.5%	4.21
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	2000/03/15	96	1,800	0.5%	1,830	1,752	4.4%	10.73
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	2005/01/18	52	1,220	0.3%	1,230	1,181	4.1%	6.03
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	2004/09/29	98	1,300	0.3%	1,350	1,252	7.7%	12.83
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	2004/10/18	31	603	0.2%	622	582	6.7%	7.67
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	2004/09/07	94	2,000	0.5%	2,030	1,935	4.9%	6.28
C-28	RESIDIA Oji	Kita-ku, Tokyo	2005/02/15	61	867	0.2%	915	833	9.8%	7.15
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	2005/07/13	63	1,050	0.3%	1,030	1,022	0.7%	7.75
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2006/02/27	40	1,100	0.3%	1,110	1,069	3.8%	6.64
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	2006/09/03	78	1,360	0.3%	1,400	1,329	5.3%	7.15
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	2006/09/22	105	2,440	0.6%	2,530	2,386	6.0%	10.15
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	2008/01/29	99	2,380	0.6%	2,370	2,328	1.8%	5.15
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	2003/08/04	104	3,380	0.9%	3,570	3,245	10.0%	6.36
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2003/02/19	33	707	0.2%	773	679	13.8%	6.58
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2003/02/20	39	1,050	0.3%	1,130	1,013	11.5%	3.89
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	2003/07/02	19	378	0.1%	380	365	4.1%	6.80
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	2004/03/03	25	557	0.1%	610	537	13.5%	9.52
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	2005/04/15	45	1,440	0.4%	1,440	1,406	2.4%	6.44
C-41	RESIDIA Iriya	Taito-ku, Tokyo	2004/12/08	49	990	0.3%	1,010	947	6.5%	3.77

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	2006/08/31	45	1,310	0.3%	1,340	1,288	4.0%	7.77
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	2007/03/16	69	1,860	0.5%	1,840	1,821	1.0%	6.64
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	2006/09/05	60	1,290	0.3%	1,280	1,260	1.5%	7.48
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2003/02/26	36	1,320	0.3%	1,350	1,273	6.0%	6.52
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1999/01/12	162	6,280	1.6%	6,220	6,069	2.5%	2.69
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	2000/01/18	29	683	0.2%	720	657	9.5%	9.02
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2007/02/15	132	5,500	1.4%	5,780	5,354	8.0%	5.45
C-49	RESIDIA Suginami-Honanchō	Suginami-ku, Tokyo	2009/02/26	194	3,834	1.0%	4,570	3,866	18.2%	9.39
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	2009/08/04	67	888	0.2%	1,020	901	13.2%	11.28
C-51	RESIDIA Kiba	Koto-ku, Tokyo	2008/03/13	155	1,950	0.5%	2,450	2,028	20.8%	6.17
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2008/12/18	52	1,129	0.3%	1,270	1,151	10.3%	2.29
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	2008/03/06	98	2,340	0.6%	2,570	2,421	6.1%	10.54
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2008/02/25	119	2,570	0.7%	2,980	2,627	13.4%	5.02
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	2007/03/03	175	2,580	0.7%	3,200	2,735	17.0%	6.95
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	2003/03/07	101	1,710	0.4%	1,880	1,825	3.0%	8.45
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2005/02/24	68	970	0.2%	1,040	1,030	1.0%	4.21
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	2005/09/07	80	2,090	0.5%	2,350	2,153	9.1%	2.76
C-59	RESIDIA Omori	Ota-ku, Tokyo	2006/03/15	75	1,150	0.3%	1,260	1,185	6.3%	6.90
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2008/02/21	66	1,075	0.3%	1,160	1,108	4.6%	10.75
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2008/02/25	55	1,805	0.5%	1,990	1,859	7.0%	3.19
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2008/02/26	89	2,268	0.6%	2,430	2,399	1.3%	2.92
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2005/02/21	51	651	0.2%	712	693	2.6%	6.17
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	2007/03/02	53	948	0.2%	1,020	978	4.2%	6.74
S-1	Hiyoshidai Student Heights	Yokohama, Kanagawa	1969/03/31	920	3,420	0.9%	3,711	3,103	19.6%	13.82
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	1991/03/07	39	770	0.2%	692	753	-8.1%	5.83
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	2007/04/23	44	1,100	0.3%	1,030	1,102	-6.6%	10.04
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	2007/01/30	131	1,920	0.5%	1,760	1,878	-6.3%	11.52
S-7	RESIDIA Chofu	Chofu, Tokyo	2007/03/07	41	1,143	0.3%	1,070	1,130	-5.3%	5.74
S-11	Wako Student Heights	Wako, Saitama	1990/04/30	127	675	0.2%	620	696	-10.9%	13.18
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2003/02/10	33	518	0.1%	513	498	3.0%	5.66
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	2004/08/17	102	1,700	0.4%	1,720	1,632	5.3%	13.55
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	1998/03/02	64	755	0.2%	805	760	5.9%	13.79
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2007/02/26	68	1,580	0.4%	1,590	1,545	2.9%	11.82
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	2007/03/01	172	2,730	0.7%	2,780	2,653	4.8%	8.58/9.33
S-19	RESIDIA Kichijoji	Musashino, Tokyo	1995/03/20	48	1,380	0.4%	1,390	1,424	-2.4%	4.50
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	2007/11/06	416	14,000	3.6%	14,200	13,136	8.1%	4.63
S-21	Maison Yachiyodai	Yachiyo, Chiba	1989/08/07	39	882	0.2%	862	853	1.1%	6.44

# Portfolio

(as of July 31, 2013)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	2003/10/31	78	1,670	0.4%	1,640	1,623	1.0%	8.86
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2010/02/18	91	810	0.2%	962	821	17.1%	10.16
S-24	RESIDIA Urayasu	Urayasu, Chiba	2009/09/18	146	2,115	0.5%	2,340	2,206	6.0%	8.28
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2005/02/16	85	823	0.2%	924	876	5.4%	10.38
S-26	RESIDIA Urayasu II	Urayasu, Chiba	2005/02/25	74	802	0.2%	901	853	5.5%	10.22
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2005/02/25	75	761	0.2%	852	810	5.1%	12.00
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	2007/03/06	104	1,670	0.4%	1,810	1,731	4.5%	9.44
R-2	RESIDIA Imadegawa	Kyoto, Kyoto	1999/02/26	154	1,671	0.4%	1,574	1,605	-2.0%	12.61
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2006/02/20	91	1,290	0.3%	1,180	1,169	0.9%	13.43
R-5	RESIDIA Kameyama	Kameyama, Mie	2007/02/20	182	1,610	0.4%	1,150	1,618	-29.0%	15.40
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	2007/05/07	44	979	0.3%	870	951	-8.5%	10.47
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	2007/09/01	404	3,740	1.0%	3,500	3,683	-5.0%	10.89/ 11.47
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	2002/03/12	155	1,220	0.3%	1,190	1,191	-0.1%	1.42
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2000/02/15	78	871	0.2%	910	833	9.1%	8.58
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	2005/11/07	161	2,220	0.6%	2,400	2,118	13.3%	5.47
R-13	KC21 Building	Sendai, Miyagi	1997/03/12	79	900	0.2%	883	869	1.5%	1.39
R-14	RESIDIA Utubokoen	Osaka, Osaka	2006/01/11	94	1,170	0.3%	1,270	1,125	12.8%	10.27
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2006/02/28	116	1,970	0.5%	2,080	1,898	9.6%	9.22
R-16	RESIDIA Takaoka	Nagoya, Aichi	2007/08/20	198	2,330	0.6%	2,640	2,260	16.8%	13.52
R-17	RESIDIA Hibino	Nagoya, Aichi	1992/04/10	124	1,340	0.3%	1,360	1,268	7.2%	11.78
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	2004/01/15	56	936	0.2%	965	897	7.5%	2.66
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	2003/01/14	39	324	0.1%	338	307	10.1%	1.39
R-21	Mare	Nagoya, Aichi	2005/02/02	38	685	0.2%	693	654	5.8%	12.59
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	2006/12/19	179	1,640	0.4%	1,720	1,576	9.1%	1.81
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	2006/12/05	103	1,320	0.3%	1,270	1,287	-1.4%	2.12
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	2007/01/25	100	1,130	0.3%	1,180	1,082	9.0%	2.63
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	2005/05/25	33	831	0.2%	814	802	1.4%	13.35
R-29	RESIDIA Uzumasa	Kyoto, Kyoto	2000/01/17	48	701	0.2%	709	686	3.3%	7.17
R-30	RESIDIA Izumi	Nagoya, Aichi	2005/11/17	122	3,700	0.9%	3,770	3,564	5.8%	12.14
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2007/02/02	56	1,050	0.3%	1,070	1,012	5.7%	1.42
R-32	RESIDIA Tokugawa	Nagoya, Aichi	2006/12/19	27	751	0.2%	759	729	4.0%	12.55
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	2007/08/02	109	2,010	0.5%	2,190	1,944	12.6%	1.39
R-35	RESIDIA Tanimachi	Osaka, Osaka	2008/08/22	108	1,100	0.3%	1,370	1,181	16.0%	10.08
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2007/02/01	57	652	0.2%	782	673	16.2%	13.97
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	2008/01/30	67	529	0.1%	642	549	16.9%	3.07
R-38	RESIDIA Hirose-dori	Sendai, Miyagi	2010/02/22	63	494	0.1%	570	514	10.7%	2.69

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
R-39	RESIDIA Edobori	Osaka, Osaka	2月 11, 2007	127	1,400	0.4%	1,690	1,492	13.2%	12.38
R-40	RESIDIA Kyomachibori	Osaka, Osaka	3月 06, 2007	84	1,000	0.3%	1,150	1,075	6.9%	11.69
R-41	RESIDIA Esaka	Suita, Osaka	7月 31, 2007	68	989	0.3%	1,080	1,027	5.2%	12.83
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	1月 22, 2008	173	2,380	0.6%	2,650	2,469	7.3%	4.02
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2月 07, 2008	122	1,206	0.3%	1,360	1,253	8.5%	12.07
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	3月 17, 2008	196	2,740	0.7%	3,150	2,843	10.8%	7.56
Total				16,127	367,911	100%	367,832	361,372	1.8%	5.02

Area	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)
P Tokyo Central 7 Wards	4,592	170,786	46.4%	163,216	167,453	-2.5%
C Central Tokyo ex 7 wards	4,783	107,020	29.1%	111,515	105,604	5.6%
S Tokyo Metropolitan	2,897	41,224	11.2%	42,172	40,091	5.2%
R Major Regional Cities	3,855	48,880	13.3%	50,929	48,223	5.6%
Total	16,127	367,911	100%	367,832	361,372	1.8%

## Properties Acquired After the 5<sup>th</sup> FP End & the Portfolio Including the Acquisitions (as of March 1, 2013)

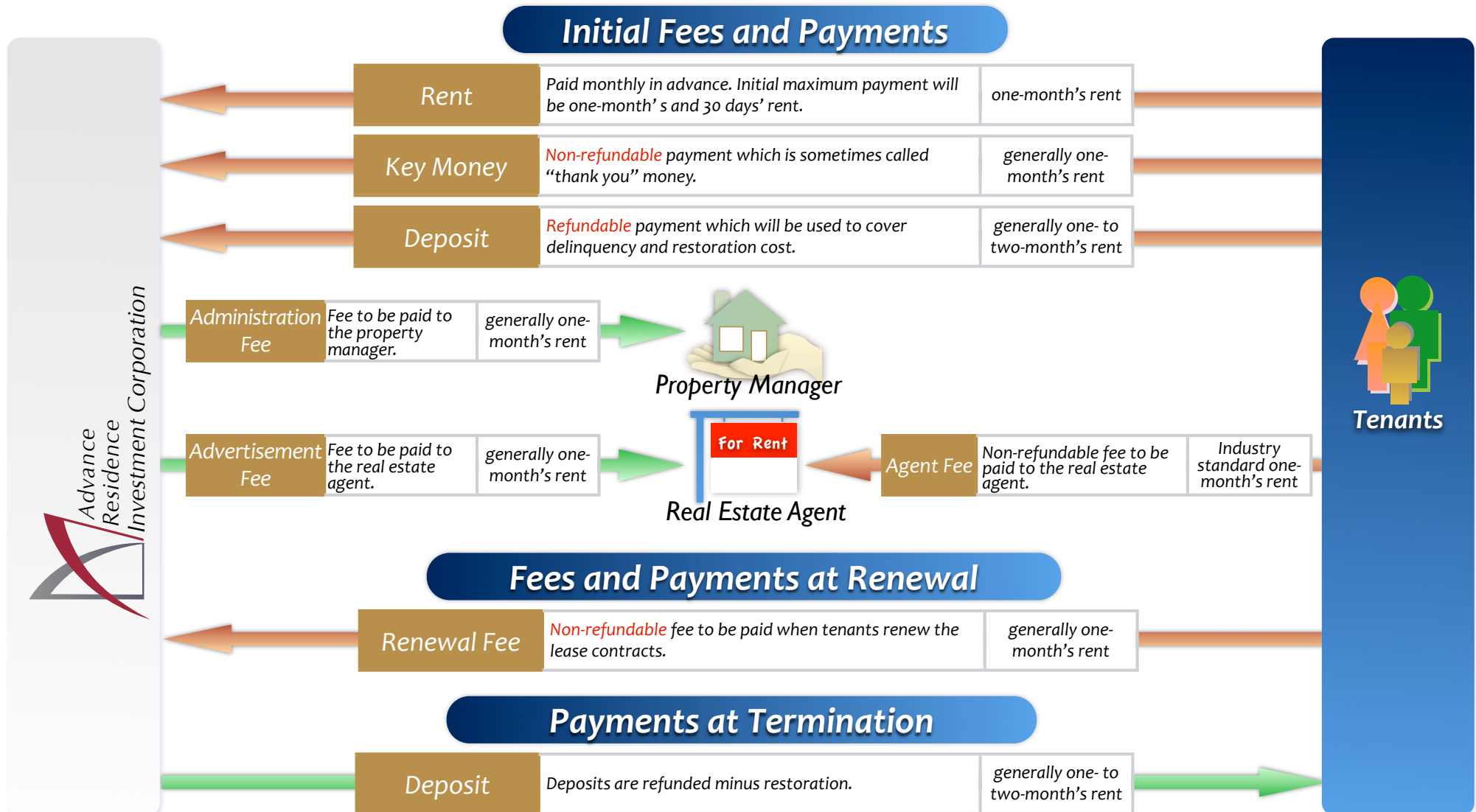
No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Appraisal Price (mil yen)
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	2010/01/29	31	950	1,000
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	2007/10/31	17	778	885
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	2012/01/06	48	1,240	1,290
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	2012/03/02	90	1,620	1,740
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	2012/03/15	53	1,480	1,570
C-65	RESIDIA TOWER Kami-Ikebukuro	Toshima-ku, Tokyo	2009/03/26	472	8,250	8,340
R-45	RESIDIA Kita-Niijo-East	Sapporo, Hokkaido	2006/03/01	56	894	968
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2007/02/21	97	1,921	2,050
R-47	RESIDIA Marunouchi	Nagoya, Aichi	2007/01/16	86	972	1,010
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2007/02/08	168	1,483	1,710
R-49	RESIDIA Goshu-Higashi	Kyoto, Kyoto	2007/09/04	57	1,227	1,280
R-50	RESIDIA Rakuohoku	Kyoto, Kyoto	2008/03/19	75	874	898
Total				1,250	21,689	22,741

Area	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)
P Tokyo Central 7 Wards	4,831	176,854	45.4%	169,701
C Central Tokyo ex 7 wards	5,255	115,270	29.6%	119,855
S Tokyo Metropolitan	2,897	41,224	10.6%	42,172
R Major Regional Cities	4,394	56,251	14.4%	58,845
Total	17,377	389,600	100%	390,573



# Japanese Real Estate Leasing Contract Practices

- Standard lease terms in Japan are mostly two years.
- Tenants are able to leave the leased space before contract expiration without paying for the remaining contract period.
- Japan's Lease Land and House Law makes raising rents of existing contracts almost impossible.



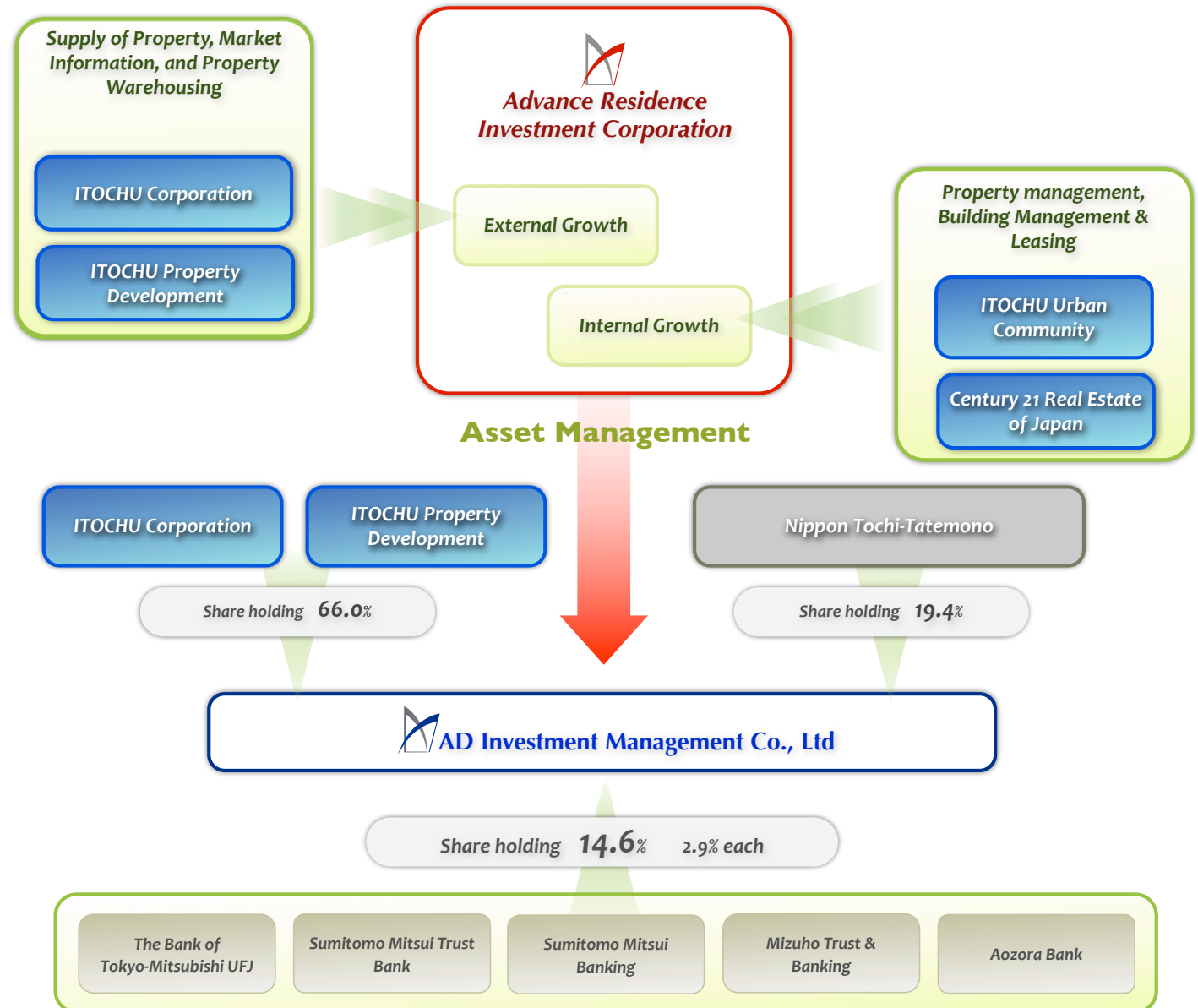
# Sponsor Support

## Support from ITOCHU Group

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

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

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



# Asset Management Company Profile

## Company Profile

AD Investment Management Co., Ltd.

<http://www.adim.co.jp/>

Advance Residence Investment Corporation

<http://www.adr-reit.com/>

**Name:** AD Investment Management Co., Ltd.

**Address:** 9F Hitotsubashi SI Bldg., 3-26 Kanda-Nishikicho, Chiyoda-ku, Tokyo, Japan

**Company Representative:** Kenji Kousaka, Representative Director and President

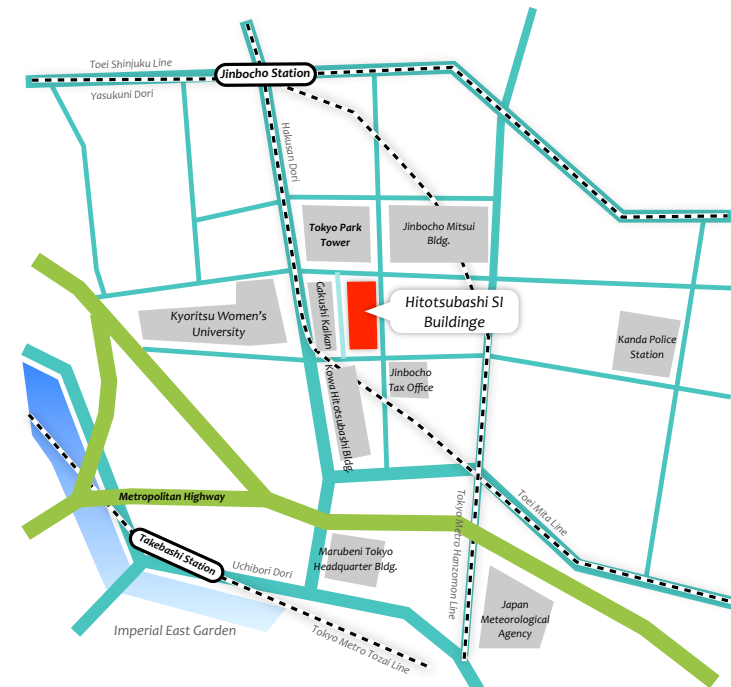
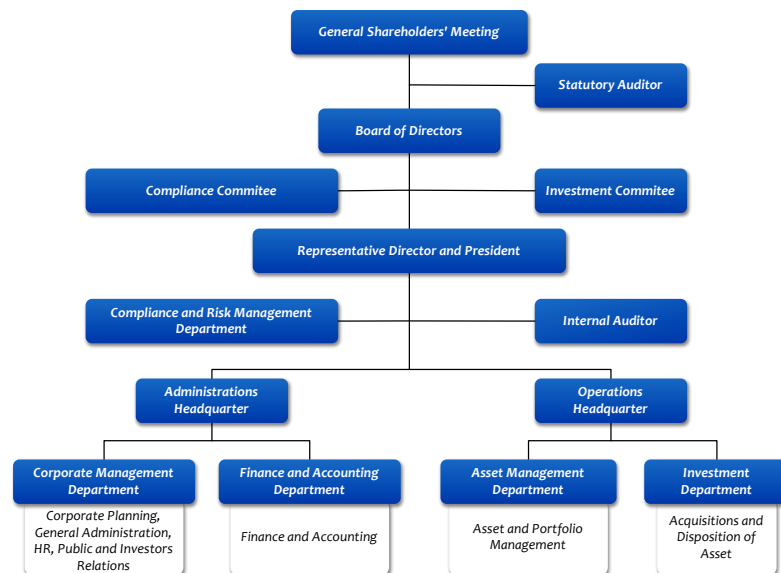
**Amount of Capital:** 300 million yen

**Type of Business:** Asset Management

**History:** March 1, 2010 Merges with Pacific Residential Corporation  
May 17, 2005 Company name is changed to AD Investment Management Co., Ltd.  
February 2, 2005 Established as Japan Residential Management Co., Ltd.

**Registrations and Licenses:** Real estate agent's license (The Governor of Tokyo (2) No.84325)  
Approval for a discretionary transaction agent (Minister of Land, Infrastructure, Transport and Tourism Approval, No. 37)  
Certification to conduct businesses related to investment trust management (Prime Minister, License No. 49)  
Registered for a financial instruments business (Kanto Local Finance Bureau registration No.309)

## Organizational Chart



# Kenji Kousaka

Executive Director, **Advance Residence Investment Corporation**  
President and Representative Director, **AD Investment Management Co., Ltd.**

## Background

March 2010	Resigned ITOCHU Corporation and Joined AD Investment Management Corporation as President and Representative Director of AD Investment Management Co., Ltd. (currently serving)
April 2008	Appointed President and Representative Director of AD Investment Management Co., Ltd.
March 2008	Appointed Executive Director of Advance Residence Investment Corporation (currently serving)
February 2008	Appointed President and General Manager of Acquisition Department
June 2005	Seconded to AD Investment Management Co., Ltd. Appointed Managing Director and General Manager of Acquisition Department
April 2004	Appointed Manager of Construction Section No. 2, Construction & Realty Department and General Manager of Investment Advisory Office, Construction and Real Estate
October 2002	Appointed Deputy Manager of Construction Section No. 3
July 2001	Appointed Deputy Manager of Osaka Construction Section No. 4, Osaka Construction & Realty Department
April 1999	Assigned to Real Estate Business Development Department
April 1994	Assigned to Osaka Construction & Realty Department
April 1988	Joined ITOCHU Corporation, assigned to Osaka Construction & Realty Department No. 2

# Disclaimer



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

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

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

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





*Advance Residence Investment Corporation*

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