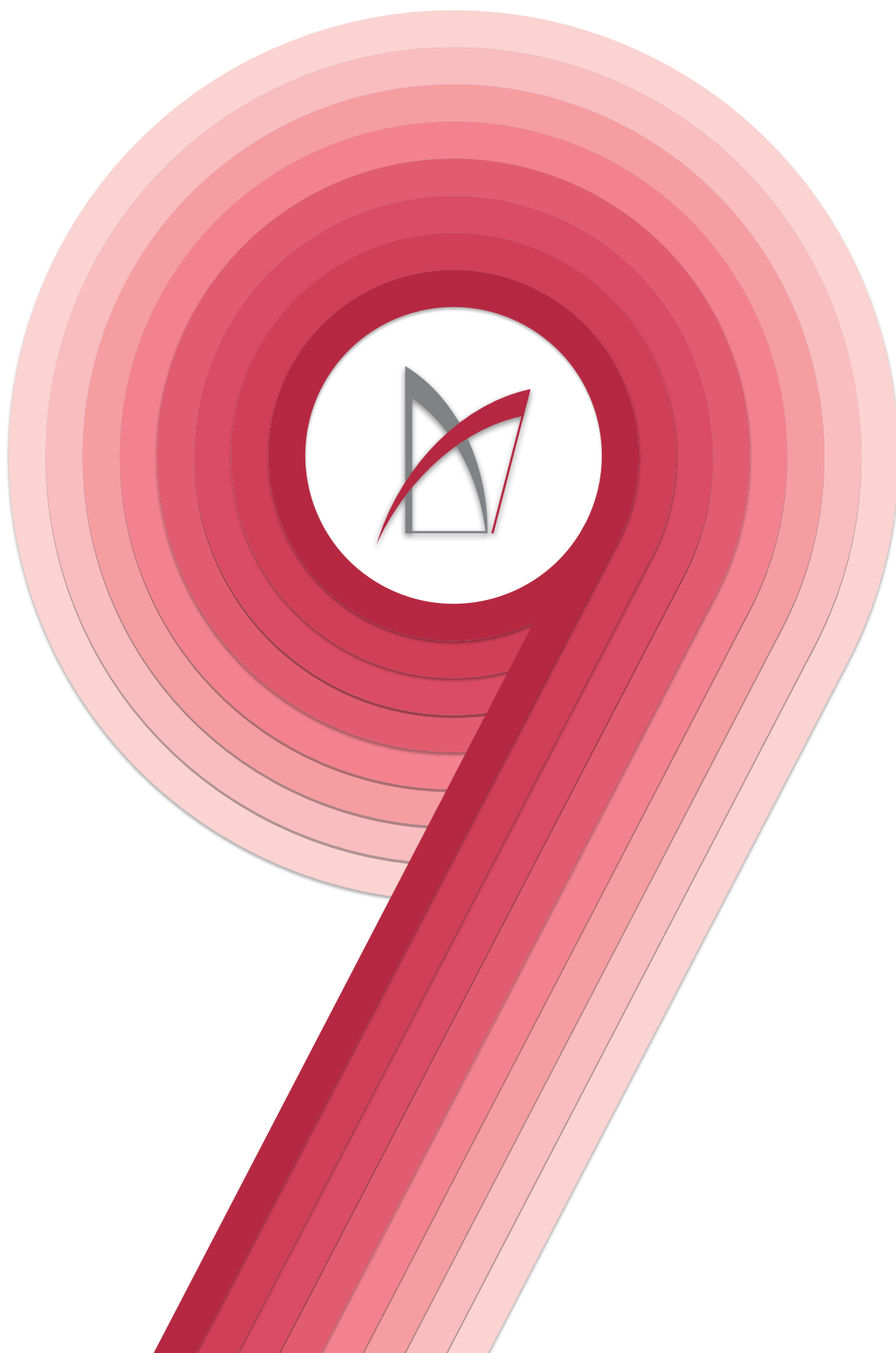


# *Advance Residence Investment Corporation*

## 9th Fiscal Period Report

August 1, 2014 ~ January 31, 2015





IDEA INSTITUTE INC.

Idea Bldg., 3-1-3 Ebisu, Shibuya-ku, Tokyo 150-0013 Japan

---

## Certificate of Translation

June 1, 2015

We, the undersigned, hereby certify that the attached document is an accurate and faithful English translation of the Japanese original performed by a translator proficient in both Japanese and English.

We hereby express our consent to the inclusion of the attached document and this Certificate of Translation in the English edition of the 9<sup>th</sup> Fiscal Period Report of the Advance Residence Investment Corporation.

|                      |  |
|----------------------|--|
| Requested By:        | Advance Residence Investment Corporation       |
| Translated Document: | 9 <sup>th</sup> Fiscal Period Report (English) |

IDEA INSTITUTE INC.

President: Keizo Kiyohara

Idea Bldg., 3-1-3 Ebisu, Shibuya-ku,

Tokyo 150-0013 Japan

TEL: 03-3446-8660

FAX: 03-3446-3134

# Realization of Stable Distribution of Earnings over the Long Term

## Unit-holder Memo

|   |   |
|---|---|
| Fiscal period-end   | January 31 and July 31 of every year  |
| General meeting of unit-holders                                       | Held at least once every 2 years  |
| Date for determining unit-holders 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<br>(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  |
| Office address  | Stock Transfer Agency Department, Main Office Mizuho Trust & Banking Co., Ltd.<br>1-2-1 Yaesu, Chuo-ku, Tokyo                 |
| Contact   | StockTransfer Agency Department   |
| Mailing address   | Mizuho Trust & Banking Co., Ltd.<br>2-8-4 Izumi, Suginami-ku, Tokyo 168-8507  |
| Phone   | 0120-288-324 (toll-free in Japan)   |

## Annual Schedule

|          |  |
|----------|--|
| 2015. 4  | Publication of 9th Fiscal Period financial report  |
|          | Payment of 9th Fiscal Period dividend              |
| 2015. 5  | Investment performance briefing for unit-holders   |
| 2015. 7  | End of 10th Fiscal Period                          |
| 2015. 9  | Announcement of 10th Fiscal Period results         |
| 2015. 10 | Publication of 10th Fiscal Period financial report |
|          | Payment of 10th Fiscal Period dividend             |
|          | General meeting of unit-holders                    |
| 2015. 11 | Investment performance briefing for unit-holders   |
| 2016. 1  | End of 11th Fiscal Period                          |



## To Our Unit-holders



We would like to report on the management results and performance of Advance Residence Investment Corporation (ADR) for its 9th Fiscal Period, or the six months ended January 31, 2015.

In the current fiscal period, ADR's dividend per unit increased by 537 yen compared with the previous fiscal period to 5,130 yen, due to significantly higher-than-expected earnings per unit (EPU)\* generated from gains on sales associated with property replacements.

Despite an intensely competitive property acquisition environment,

drawing on various approaches ADR managed again to acquire 25 high-yielding properties this fiscal period. Meanwhile, we secured gains on sales by taking advantage of the seller's market in real estate. This involved disposition of six properties, including an aged property where the matter of long-term profitability was a concern, and other properties with low yield and unrealized losses. With this property replacement, we feel that we were able to further strengthen ADR's portfolio.

In terms of property management, we were able to increase rents, albeit slightly, for the first time since the merger while continuing to maintain a high occupancy rate.

Lastly, ADR's credit rating was upgraded. This was in acknowledgement of our continued efforts to strengthen our financial base through initiatives that included extending debt duration, increasing the ratio of fixed-interest-rate loans, reducing financing costs and lowering the debt ratio.

As a result, we feel that these improvements have helped enable us to attain an operating structure that will make it possible to continue paying distributions exceeding the minimum dividend per unit of 4,500 yen, a target in place since the merger, without drawing down the reserve for dividends.

Moving forward, we will continue to be committed to increasing the EPU while maintaining a conservative stance to

guard against future reversal in the business environment. We also think that as a residential J-REIT, we will need to place greater importance on renovations, repairs and equipment renewals to maintain and improve the value our properties. To that end, we will take all measures appropriate, while giving proper consideration to cash management.

In the current fiscal period, ADR's unit price rose sharply from 245,500 yen at the end of the previous fiscal period to 301,500 yen at the end of this fiscal period (a +22.8% increase over the end of the previous period) as a result of favorable conditions brought about by heightened expectations for domestic economic recovery.

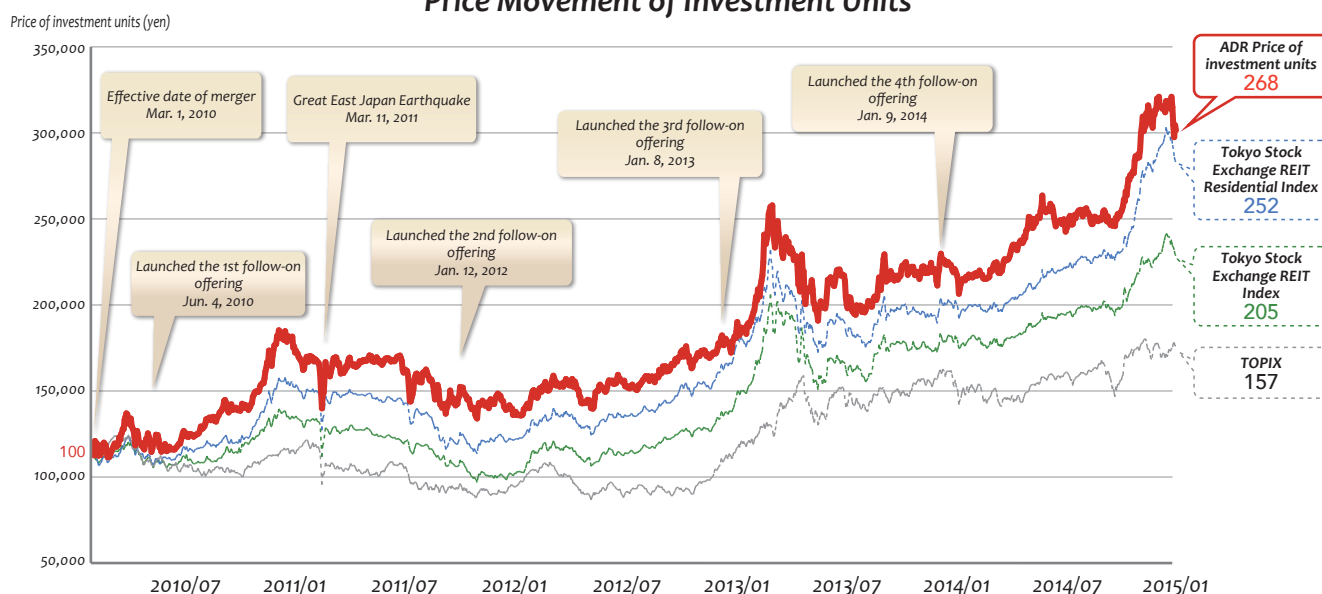
We would like to take this opportunity to sincerely thank all of our shareholders for their support.

### Kenji Kousaka

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

\* Net income / Unit is calculated by dividing net income by the number of units issued and outstanding as of the end of the fiscal period.

### Price Movement of Investment Units



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



# Fiscal Highlights

Significant Increases in Revenues, Profits and Dividends  
through Replacement of Properties

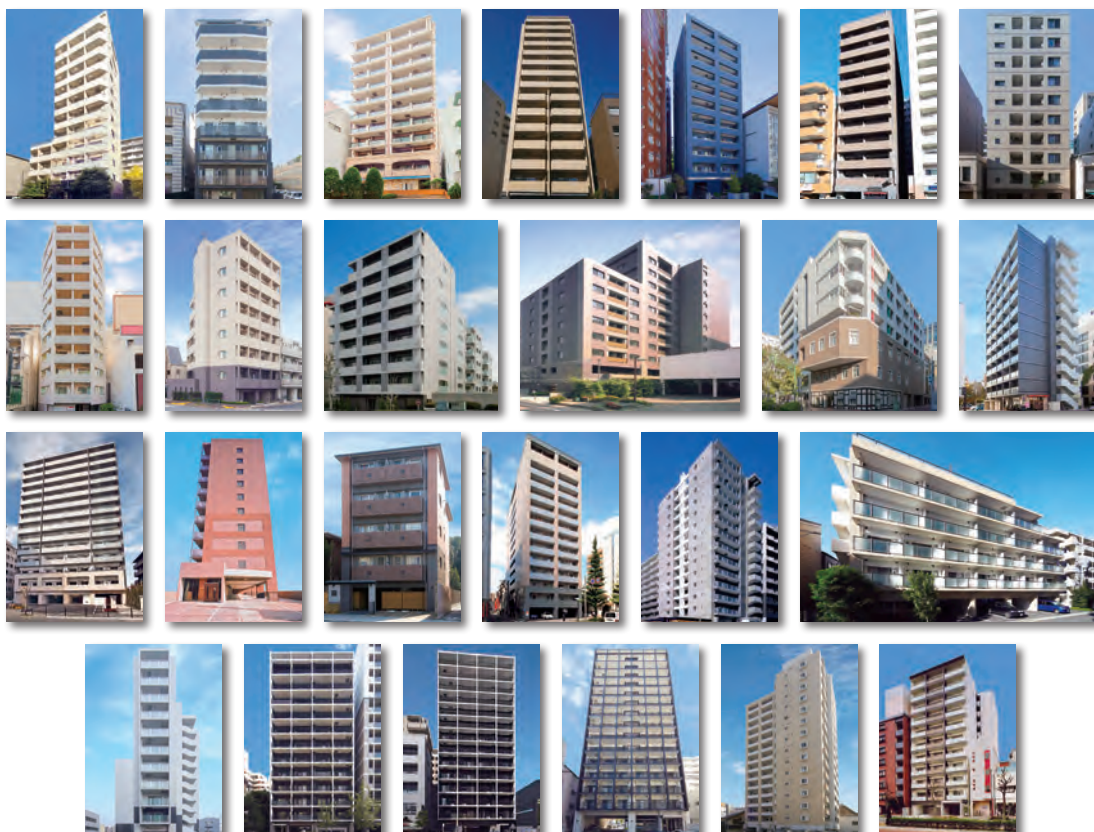
5,130 yen dividend per unit (+537 yen from previous FP)

## Property Replacement

Increase in Portfolio Profitability through Major Property Replacement

### Acquisitions

Acquired **25** recently built properties with high yield  
(@ approx. **22.2** billion yen\*)



### Dispositions

Sold **6** properties that are aged or low yielding  
(@ approx. **29.3** billion yen\*)

\* Total acquisition price

As of January 31, 2015

## The Largest Portfolio Among Residential J-REITs

| No. of properties     | Total assets<br>(based on acquisition price) | Number of leasable units | Leasable floor area           |
|-----------------------|--|--------------------------|-------------------------------|
| <b>240</b> properties | <b>410.5</b> billion yen                     | <b>19,572</b> units      | <b>740,021</b> m <sup>2</sup> |

## High Yield and Substantial Unrealized Gains

NOI yield\*

**5.6%**

Unrealized gain\*\*

**56.0** billion yen

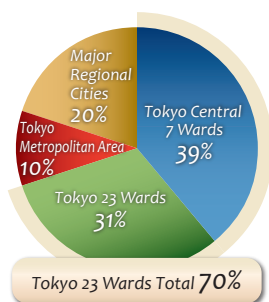
\* NOI: NOI stands for Net Operating Income as a function of revenues and expenses from the real estate business, calculated using the formula: "Revenue from property leasing" – "Expenses from property leasing" + "Depreciation and amortization" + "Loss on retirement of fixed assets"

NOI yield is calculated using the formula: "Annualized NOI" ÷ "Book value at the end of fiscal period" When calculating the annualized NOI, the total actual NOI during the period is calculated according to the number of operating days.

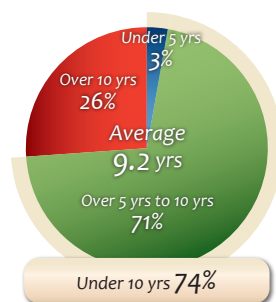
\*\* Unrealized gain is the appraisal value at the end of the fiscal period less the book value at the end of the fiscal period.



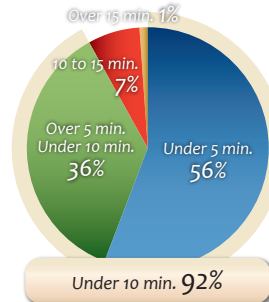
**Investment Region**  
(% based on acquisition price)



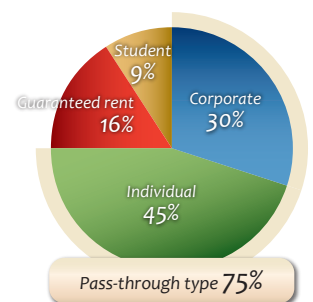
**Building Age**  
(% based on acquisition price)



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

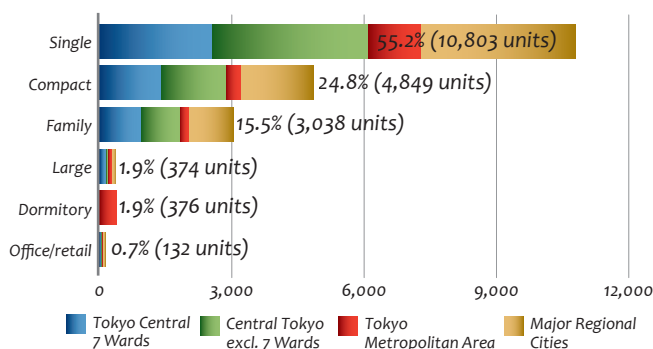


**Tenant Category**  
(% based on no. of units)

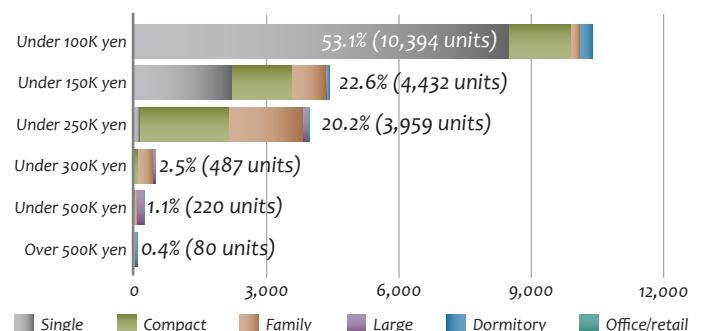


"Student" indicates the proportion of contracts for student dormitories and student apartments.

**Unit Type** (% based on no. of units)



**Rents** (% based on no. of units)







## Steady External Growth

No. of properties

190

190

204

210

221

240

◆ NOI yield

5.4%

5.3%

5.5%

5.5%

5.6%

5.6%

Major Regional Cities  
Tokyo Metropolitan  
Central Tokyo excl. 7 Wards  
Tokyo Central 7 Wards

367.9 bn yen

367.9 bn yen

393.8 bn yen

401.8 bn yen

417.6 bn yen

410.5 bn yen

13.3%

11.2%

29.1%

46.4%

13.3%

11.2%

29.1%

46.4%

15.1%

10.7%

29.3%

44.9%

15.2%

10.5%

29.3%

44.9%

16.7%

10.1%

28.8%

44.4%

19.8%

10.0%

30.8%

39.4%

FP 07-2012

FP 01-2013

FP 07-2013

FP 01-2014

FP 07-2014

FP 01-2015

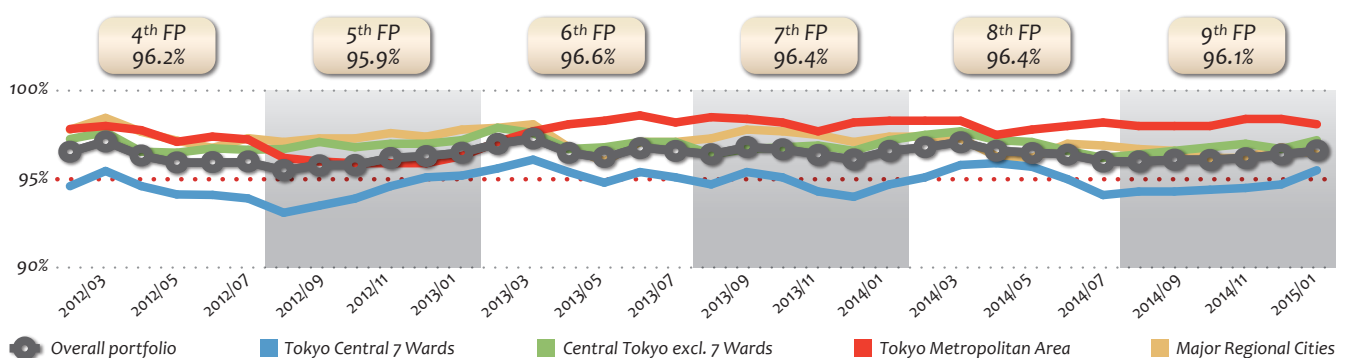


## Increase in Rent Levels

The First Rent Increase Since the Merger - Portfolio Rent Up by **+0.05%\***

\* Increase in rent per tsubo (1 tsubo = 3.3m<sup>2</sup>) from the beginning to the end of the fiscal period for units both occupied at the beginning and the end of the fiscal period.

## High Occupancy Rate

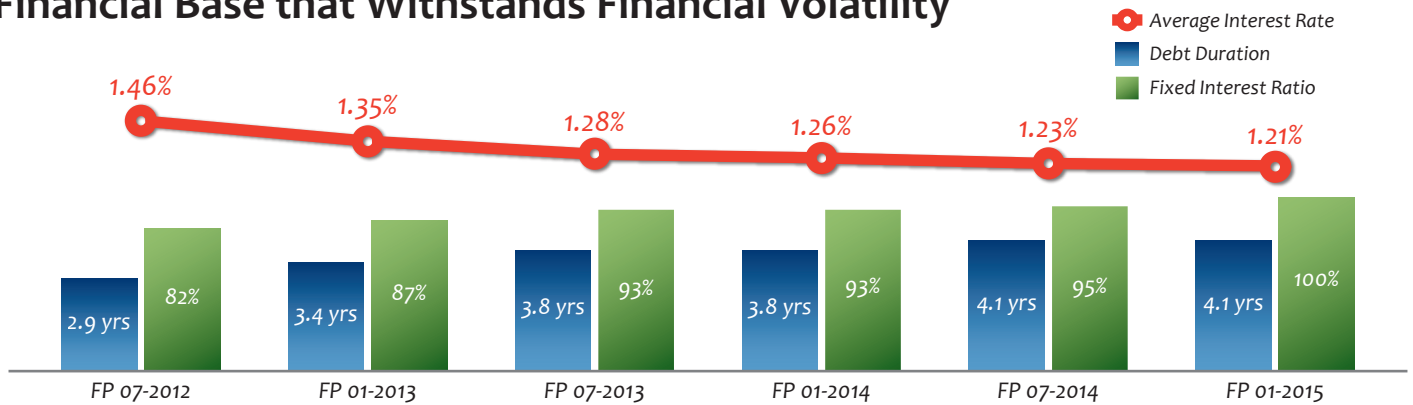


## Credit Rating Upgraded

JCR's\* Credit Rating: from AA- to **AA**

\* Japan Credit Rating Agency, Ltd.

## Financial Base that Withstands Financial Volatility

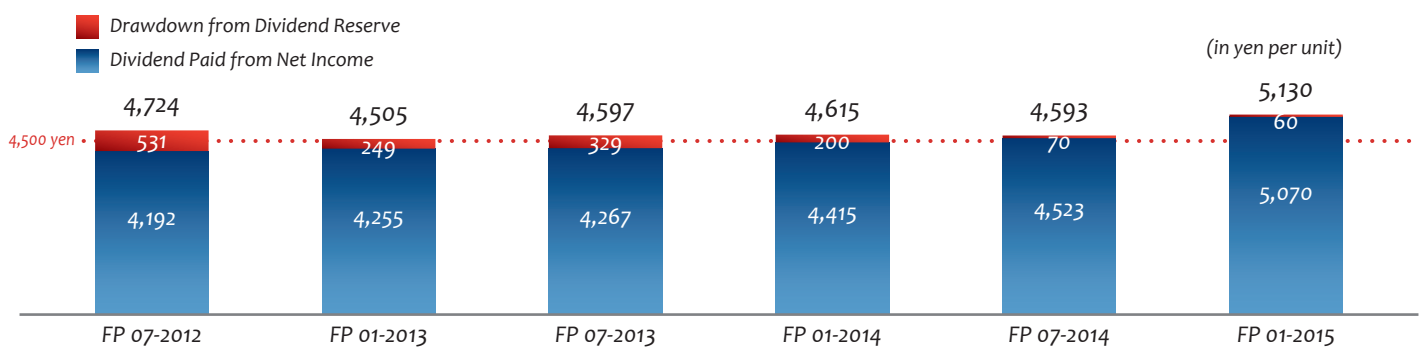


## Operating Structure Enabling Generation of EPU Above 4,500 Yen

New Dividend Policy: EPU=DPU (minimum DPU 4,500 yen\*)

\* There is no guarantee as to actual dividend amounts. The actual dividends will be determined by ADR's Board of Directors, upon full consideration of various factors.

## Stable Dividends





## External Growth

Even though the property acquisition market remains highly competitive, we will continue aiming to acquire accretive properties by avoiding unnecessary competition through the following methods:

- Utilize our sponsor's pipeline to primarily acquire sponsor-developed properties.
- Acquire properties directly from third parties, by using the abundant trading information that we are able to gather.

At the same time, given the booming property market, we will continue to seek opportunities to replace properties to strengthening the portfolio's competitive advantages and enhancing its value.

## Internal Growth

We will work to maintain and improve rent revenues by increasing rents particularly upon tenant replacement for properties with high occupancy, actively seek higher key money income and take steps to lower leasing expenses through efficient utilization.

We will also continue working to maintain and enhance the competitive advantages of our properties by carrying out large-scale renovations and appropriate upgrades.



## Finance Policy

As we closely monitor interest-rate trends, we maintain our policy to further diversify debt maturities while continuing to finance in fixed-rate debts with longer durations. This policy will strengthen the financial base of ADR and enable it to respond more flexibly to future financial market volatilities.

## Dividend Payout Strategy

For the two fiscal periods ending July 2015 and January 2016, we expect to achieve EPU of 4,540 yen and 4,510 yen, respectively, thereby exceeding the 4,500-yen threshold.

Going forward, under the new dividend payout policy the dividend per unit is to generally mirror the EPU when EPU exceeds 4,500 yen.

On the other hand, if the EPU falls below 4,500 yen, the policy\* will be to generally maintain a dividend per unit of 4,500 yen by drawing down the dividend reserve.

\* However, there is no guarantee as to actual dividend amounts, which will ultimately be determined by ADR's Board of Directors, upon full consideration of various factors.

## Building a Sustainable Society and Further Enhancing Unit-holders' Value

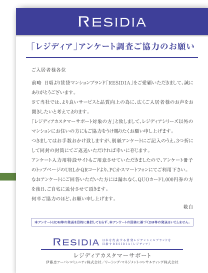
### Environmental Considerations

- ▶ Taking steps to conserve energy and water
- ▶ Extending economic life of buildings and reducing carbon footprint through implementation of large-scale renovations and upgrades



### Enhancing Tenant Satisfaction

- ▶ Carrying out tenant-satisfaction surveys
- ▶ Providing tenant services (RESIDIA customer support hotline, etc.)
- ▶ Posting emergency maps

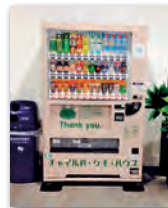


### Contribution to Local Communities

Installing automated external defibrillators (AEDs)



Installing vending machines that accept charitable donations



### DBJ Green Building Certification\*



ADR was awarded DBJ Green Building Certification\* in March 2015, for three properties under its management

### Participation in the GRESB Survey



In 2014, ADR became the first residential J-REIT to participate in the Global Real Estate Sustainability Benchmark (GRESB) survey

### Initiatives of the Asset Management Company

- ▶ Establishing a sustainability policy
- ▶ Implementing more stringent decision-making processes
- ▶ Improving the compliance and risk control framework
- ▶ Enhancing business resilience (awarded Development Bank of Japan's BCM rating\*\*\*)
- ▶ Enhancing employee satisfaction

\* The Development Bank of Japan (DBJ) devised the DBJ Green Building Certification program, under which it awards certification for real estate managed in a manner demonstrating due consideration for environmental performance and various social imperatives. For details, refer to: <http://igb.jp/index.html>

\*\* Launched by a group of European pension funds, the Global Real Estate Sustainability Benchmark (GRESB) assesses sustainability performance of real estate portfolios around the globe.

\*\*\* Under the Development Bank of Japan's (DBJ) Business Continuity Management (BCM) rating program, the DBJ uses its proprietary rating system to assess companies on their disaster prevention and business continuity measures, and identifies those that demonstrate excellence in that regard.

# I. Asset Management Report

## Management's Discussion and Analysis

### 1 Summary of Selected Financial Data

|                       | Fiscal Period   | units       | 5th FP<br>From: Aug. 1, 2012<br>To: Jan. 31, 2013 | 6th FP<br>From: Feb. 1, 2013<br>To: Jul. 31, 2013 | 7th FP<br>From: Aug. 1, 2013<br>To: Jan. 31, 2014 | 8th FP<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014 | 9th FP<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015 |
|-----------------------|---|-------------|---|---|---|---|---|
| Operating results     | Operating revenues  | million yen | 12,194  | 13,493  | 13,794  | 14,668  | 15,633  |
|                       | (Rental revenue) a  | million yen | 12,155  | 13,462  | 13,756  | 14,590  | 14,738  |
|                       | (Gain on real estate sales) b                                       | million yen | —   | —   | —   | —   | 839   |
|                       | Total operating expenses  | million yen | 5,773   | 6,517   | 6,658   | 7,164   | 7,474   |
|                       | (Rental business expenses) c  | million yen | 4,557   | 5,343   | 5,366   | 5,749   | 5,817   |
|                       | (Loss on real estate sales) d                                       | million yen | —   | —   | —   | —   | 185   |
|                       | (Impairment loss) e   | million yen | —   | —   | —   | —   | —   |
|                       | Operating income  | million yen | 6,420   | 6,976   | 7,136   | 7,504   | 8,158   |
|                       | Ordinary income f   | million yen | 4,681   | 5,292   | 5,475   | 5,880   | 6,591   |
|                       | Net income g  | million yen | 4,681   | 5,291   | 5,475   | 5,880   | 6,591   |
| Balance sheet figures | Total assets h  | million yen | 383,476   | 410,989   | 418,785   | 435,215   | 430,509   |
|                       | Interest-bearing liabilities i                                      | million yen | 206,166   | 210,269   | 218,116   | 221,799   | 215,799   |
|                       | Net assets j  | million yen | 172,640   | 195,446   | 195,220   | 207,757   | 208,378   |
|                       | Paid-in Capital k   | million yen | 80,087  | 102,557   | 102,557   | 114,936   | 114,936   |
| Per unit figures      | Total dividends l   | million yen | 4,955   | 5,700   | 5,722   | 5,970   | 6,669   |
|                       | Payout ratio l/g  | %           | 105.9   | 107.7   | 104.5   | 101.6   | 101.2   |
|                       | Total number of units issued and outstanding m                      | units       | 1,100,000   | 1,240,000   | 1,240,000   | 1,300,000   | 1,300,000   |
|                       | Net assets per unit j/m   | yen         | 156,945   | 157,617   | 157,436   | 159,813   | 160,290   |
|                       | Net income per unit (Note 2)  | yen         | 4,255   | 4,270   | 4,415   | 4,526   | 5,070   |
|                       | Dividend per unit l/m   | yen         | 4,505   | 4,597   | 4,615   | 4,593   | 5,130   |
|                       | Dividend from earnings per unit                                     | yen         | 4,505   | 4,597   | 4,615   | 4,593   | 5,130   |
|                       | Dividend in excess of earnings per unit                             | yen         | 0   | 0   | 0   | 0   | 0   |
|                       | Annualized dividend yield (Note 3)                                  | %           | 4.7   | 4.7   | 4.2   | 3.8   | 3.4   |
|                       | Return on investment (Paid-in Capital) (g+q)/(k+i) (Note 3)         | %           | 4.7   | 4.9   | 4.8   | 5.0   | 5.5   |
| Financial indicators  | Return on investment (market capitalization) (g+q)/(m+r+i) (Note 3) | %           | 3.2   | 3.4   | 3.2   | 3.1   | 3.0   |
|                       | FFO per unit (g-b+d+e+q)/m  | yen         | 6,152   | 6,109   | 6,298   | 6,413   | 6,504   |
|                       | Annualized n (Note 3)   | yen         | 12,203  | 12,321  | 12,494  | 12,932  | 12,903  |
|                       | FFO multiple r/n  | times       | 15.6  | 16.1  | 17.4  | 19.0  | 23.4  |
|                       | Ratio of ordinary income to total assets f/h (Note 4)               | %           | 1.2   | 1.3   | 1.3   | 1.4   | 1.5   |
|                       | Annualized (Note 3)   | %           | 2.4   | 2.7   | 2.6   | 2.8   | 3.0   |
|                       | Equity ratio j/h  | %           | 45.0  | 47.6  | 46.6  | 47.7  | 48.4  |
|                       | Return on equity g/i (Note 5)                                       | %           | 2.7   | 2.9   | 2.8   | 2.9   | 3.2   |
|                       | Annualized (Note 3)   | %           | 5.4   | 5.8   | 5.6   | 5.9   | 6.3   |
|                       | Ratio of interest-bearing liabilities to total assets i/h           | %           | 53.8  | 51.2  | 52.1  | 51.0  | 50.1  |
|                       | DSCR o/p  | times       | 5.6   | 6.6   | 6.7   | 7.2   | 7.7   |
|                       | Net income before interest and depreciation o                       | million yen | 8,243   | 8,940   | 9,177   | 9,686   | 10,476  |
|                       | Interest expenses p   | million yen | 1,476   | 1,364   | 1,367   | 1,349   | 1,365   |
|                       | NOI a-c+q (Note 6)  | million yen | 9,681   | 10,401  | 10,722  | 11,295  | 11,438  |
|                       | Annualized NOI yield (Note 3, 7)                                    | %           | 5.2   | 5.4   | 5.3   | 5.5   | 5.3   |
|                       | Depreciation and amortization q (Note 8)                            | million yen | 2,085   | 2,284   | 2,335   | 2,457   | 2,519   |
|                       | Unit price at end of period r                                       | yen         | 190,100   | 198,100   | 217,200   | 245,500   | 301,500   |

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

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

3. The annualized figures are calculated based on 1 year being 365 days, with accounting calculation periods of 184 days for the 5th Fiscal Period, 181 days for the 6th Fiscal Period, 184 days for the 7th Fiscal Period, 181 days for the 8th Fiscal Period, and 184 days for the 9th Fiscal Period.

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

5. Return on equity = Net income ÷ (Net assets at beginning of period + Net assets at end of period) ÷ 2 × 100

6. In the calculation of NOI, the depreciation and amortization is limited to what is included in rental business expenses.

7. Annualized NOI yield = Total annualized NOI ÷ Total property acquisition price

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

8. 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

ADR's medium-term objective since the merger has been to achieve consistent Earnings Per Unit (EPU) of 4,500 yen. The initiatives listed below were undertaken during the current fiscal period, with the aim of achieving that target.

(i) Enhancing portfolio profitability through replacement of assets under management

ADR acquired 25 properties (total acquisition price of 22.2 billion yen) and sold 6 properties (total initial acquisition price of 29.3 billion yen).

(ii) Raising rent levels and improving leasing-related income and expenses

ADR maintained high occupancy rates that averaged 96.1% during the period, while also raising rent levels and improving leasing-related income and expenses.

(iii) Strengthening ADR's financial foundation

ADR took steps toward extending debt duration, achieving a higher ratio of fixed interest rate borrowings, and diversifying debt maturities.

The results of these initiatives in the current fiscal period are outlined below. Moreover, we believe that the initiatives pursued in the current fiscal period have resulted in an earnings structure that will enable ADR to consistently generate an EPU above 4,500 yen, thereby achieving ADR's medium-term objective.

(million yen)

|                    | (Reference)         |                           | 9th FP Results<br>(ended January 31, 2015) | Difference from the<br>previous FP | Difference from the<br>initial earnings forecast |
|--------------------|---------------------|---------------------------|--|------------------------------------|--|
|                    | Previous FP Results | Initial forecast (Note 1) |  |                                    |  |
| Operating revenues | 14,668              | 14,545                    | 15,633                                     | +964                               | +1,087   |
| Operating income   | 7,504               | 7,380                     | 8,158                                      | +653                               | +777   |
| Ordinary income    | 5,880               | 5,811                     | 6,591                                      | +711                               | +779   |
| Net income         | 5,880               | 5,811                     | 6,591                                      | +711                               | +779   |
| Net income / Unit  | 4,523 yen           | 4,470 yen                 | 5,070 yen                                  | +547 yen (Note 2)                  | +600 yen (Note 2)                                |
| Dividend Per Unit  | 4,593 yen           | 4,500 yen                 | 5,130 yen                                  | +537 yen                           | +630 yen   |

Notes 1. The initial forecast refers to the earnings forecasts for the 9th Fiscal Period disclosed in the "Brief Summary of Kessan Tanshin" for the 8th Fiscal Period, dated September 8, 2014. The same holds true hereafter.

2. Net income / Unit is calculated by dividing net income by the number of units issued and outstanding as of the end of the fiscal period. Differences of Net income / Unit and Dividend Per Unit figures from the previous fiscal period and Initial earnings forecast figures do not take into account decimals.

During the current fiscal period, ADR generated a net gain on sales (Note 3) of 654 million yen due to disposition of six properties, while also making new acquisitions of 25 properties. Consequently, we achieved substantial gains in revenue and income compared with both the previous fiscal period and our initial forecasts (Note 4). Moreover, because EPU of 5,070 yen significantly exceeded our initial forecast of 4,470 yen, dividends per unit is accordingly increased by 630 yen over the initial 4,500-yen forecast to 5,130 yen.

3. The net gain on sales is derived by subtracting loss on real estate sales from gain on real estate sales for the current period. The same holds true hereafter.

4. The initial forecasts were calculated based on the assumption that only one property acquisition, and as such purchases of the other 24 properties and the six property dispositions were not factored into those forecasts.

### a) External Growth – Enhancing profitability of the portfolio through replacement of assets under management –

Despite an intensely competitive environment in the property acquisition market, ADR has managed to avoid excessive competition primarily by leveraging its own sourcing network and bridge fund schemes (Note 5), and acquired 25 properties during the current fiscal period (total acquisition price of 22.2 billion yen, and an average assumed NOI yield (Note 6) of 5.9%).

On the other hand, ADR sold a total of six properties by taking advantage of the seller's market for property transactions (initial acquisition price of 29.3 billion yen, and 4.4% average actual book-value NOI yield in fiscal period ended July 2014 (Note 6)). The dispositions included Tokyo Student-House Hiyoshidai (built in 1969), which had posed challenges in terms of maintaining long-term profitability due to the age of the structure, and properties in high-rent zones where any recovery in rent levels would likely involve considerable time (Motoazabu Place and four other properties).

The property replacements, in addition to generating a net gain on sales for the current period of 654 million yen, increased the profitability of the portfolio, improved the quality of the portfolio (by lowering the average building age), increased the unrealized profit and lowered the LTV, thereby enlarging the acquisition capacity. Therefore, we believe that the replacement has enhanced profitability and increased unit-holder value, and contributed in fulfilling ADR's basic management motto of "realization of stable distribution of earnings for the long term." As a result of these actions, ADR continues to maintain the largest portfolio among the residential J-REITs, with holdings of 240 properties valued at 410.5 billion yen as of the end of the current fiscal period.

# I. Asset Management Report

Furthermore, in January 2015, ADR made the decision to acquire nine new properties by drawing on bridge funds <sup>(Note 5)</sup> and the sponsor pipeline (total acquisition price of 13.6 billion yen, and an average assumed NOI yield <sup>(Note 6)</sup> of 5.2%). Slated for acquisition in March and April of 2015, the 9 properties are all recently constructed and located within the 23 wards of Tokyo, and as such we expect that they will generate stable revenues over the long run. Going forward, we aim to continue acquiring properties that will improve the profitability and asset value of our portfolio by taking advantage of our sponsor pipeline consisting mainly of sponsor-developed properties and direct acquisition from the market using our own networks.

5. The bridge funds are property funds involving a tokumei kumiai (TK) operator in which ADR maintains TK equity interests, and whereby ADR maintains right of first refusal with respect to the underlying assets. Right of first refusal with respect to underlining properties is secured through acquisition of the TK equity interest.
6. The average assumed NOI yield for the acquired properties is calculated by dividing the total NOI listed in the appraisal report at the time of acquisition by the total (estimated) acquisition price. The average actual book-value NOI yield is calculated by dividing the total annualized NOI of the fiscal period by the total book value as of the end of that fiscal period.

## b) Internal Growth – Raising rent and improving leasing-related income and expenses –

We were able to get a clear confirmation that the rents have bottomed out during the current fiscal period, with the fiscal end rent change turning positive, marking the first such increase since the merger <sup>(Note 7)</sup> while maintaining the average occupancy rate at a high 96.1% level. In addition, we took steps to improve future property revenues by pursuing greater cost efficiency in leasing expenses for properties with higher occupancy rates.

We also continued to install LED lighting in several properties, while working on eight properties with the aim of maintaining and strengthening their competitive advantages. The work involved large-scale renovation of common areas and exteriors, along with such upgrades on individual apartment units as replacing room fixtures and changing room layouts. As a result, we were able to keep the properties from becoming outdated, and in the majority of the units we were able to attract new tenants at significantly higher rents than previously. Although our property portfolio will age as assets are held longer, ADR is committed to maintaining and enhancing the value of such assets by ensuring that work is adequately performed on our properties.

7. The rent “per tsubo” (1 tsubo = 3.3m<sup>2</sup>) at the beginning and the end of the fiscal periods is compared for units occupied at both the beginning and the end of the fiscal periods.

## c) Finance Policy – Strengthening ADR’s financial base and improving its credit ratings –

To assure a stable distribution of earnings over the long term, we strive for longer maturities, diversified repayment dates and fixed interest rates in our debt financing. We were again able to achieve longer duration and lower interest rates on our debt refinancing and on our new debts for funding property acquisitions this fiscal period. Moreover, we made an early repayment on existing short-term loans of 29.2 billion yen using the proceeds from disposition of the six properties. As a result, ADR’s average remaining duration of loans and bonds <sup>(Note 8)</sup> as of the end of the current fiscal period was 4.1 years, the ratio of fixed interest rate debts <sup>(Note 9)</sup> was 99.8%, and the average interest rate <sup>(Note 10)</sup> was 1.21%. In addition, repayment amounts of loans and bonds for each fiscal period are below the total amount of committed lines of credit (20 billion yen) at the end of this period, thereby maintaining a debt structure with diversified maturity.

With the aforementioned early repayment of loans and bonds, ADR’s total asset LTV <sup>(Note 11)</sup> was 50.1%, and appraisal LTV <sup>(Note 11)</sup> was 47.2% as of the end of the fiscal period. ADR’s current policy is to manage the appraisal LTV within the range of high-40s to 53%. Even after completion of the property acquisitions slated for March and April 2015, appraisal LTV will remain around 48.6%, which is well within the aforementioned range (high-40s to 53%) and maintain a certain amount of acquisition capacity.

On January 13, 2015, in light of the initiatives undertaken by ADR as described above along with ADR’s track record of managing its finances, Japan Credit Rating Agency, Ltd. (JCR) announced that it had upgraded ADR’s credit rating to an ‘AA’ (stable) rating, from the previous ‘AA-’ (positive) rating.

8. Calculations are made on the assumption that the entire balance of the borrowings is repaid in lump sums on the final repayment dates, including the amortized loans.
9. If floating interest-rate loans are hedged using interest-rate swaps, the loans are treated as fixed interest-rate loans for the principal amount of the swap.
10. The fixed interest rate after the application of interest-rate swap is used in calculating the average interest rate.
11. The formulas for calculating total asset LTV and appraisal LTV are provided below.  
Total asset LTV = Outstanding interest-bearing liabilities ÷ Total assets  
Appraisal LTV = Outstanding loans and bonds ÷ Total appraisal value of property holdings

## 3 Management Policies and Challenges Going Forward

ADR aims to achieve steady EPU growth by consistently implementing the strategies outlined below.

### a) External Growth

Given the still highly competitive nature of the property acquisition environment, we will avoid unnecessary competition by acquiring sponsor-developed properties and directly acquiring properties on the open market, drawing on the abundance of trading information that we are able to access, with the aim of acquiring properties that enhance the profitability of our portfolio.

Meanwhile, we will continue to take advantage of any opportunity arising from the buoyant property market by replacing properties to enhance the quality of the portfolio and to strengthen the portfolio’s competitive advantages.

### b) Internal Growth

For properties with high occupancy, we will work to raise rents particularly at the time of tenant replacement. In addition, we will aim to maintain and improve property revenues by achieving greater cost efficiency with respect to leasing expenses and making greater efforts to ensure key money income.

We will also keep working to maintain and enhance the competitive advantages of our properties by implementing timely upgrades and large-scale renovations.

### c) Finance Policy

As we closely monitor interest-rate trends, we maintain our policy to further diversify debt maturities while continuing to finance in fixed-rate debts with longer durations. This policy will strengthen the financial base of ADR and enable it to respond more readily to future financial market volatilities.

### d) Dividend Payout Strategy

ADR has maintained a policy of keeping the dividend per unit above 4,500 yen by drawing down the dividend reserve according to the initially disclosed payout policy for each fiscal period, until it was confident of consistently earning an EPU of 4,500 yen, thereby achieving its medium-term goal.

As disclosed in the “Brief Summary of Kessan Tanshin” for the 9th Fiscal Period, we expect ADR to consistently earn an EPU above the 4,500-yen threshold in both the 10th Fiscal Period (February 1, 2015 to July 31, 2015) and the 11th Fiscal Period (August 1, 2015 to January 31, 2016).

Therefore, going forward, a new dividend payout policy will be initiated, where the dividend per unit will in principle mirror the EPU when EPU exceeds 4,500 yen. On the other hand, if EPU falls below 4,500 yen, dividend per unit will in principle be maintained at 4,500 yen by drawing down the dividend reserve <sup>(Note 12)</sup>.

12. However, this is not a guarantee as to the actual amount of dividend payments. The dividend payments will ultimately be determined by ADR's Board of Directors for each fiscal period.

## 4 Equity Finances

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

| Date              | Remarks                   | 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  | 1     |
| June 28, 2010     | Follow-on offering        | 240,000  | 962,306   | 26,355                        | 62,618  | 2     |
| July 30, 2010     | Third-party allotment     | 17,694   | 980,000   | 1,943                         | 64,561  | 3     |
| February 1, 2012  | Follow-on offering        | 110,000  | 1,090,000 | 14,231                        | 78,793  | 4     |
| February 29, 2012 | Third-party allotment     | 10,000   | 1,100,000 | 1,293                         | 80,087  | 5     |
| February 1, 2013  | Follow-on offering        | 135,000  | 1,235,000 | 21,667                        | 101,754 | 6     |
| February 27, 2013 | Third-party allotment     | 5,000  | 1,240,000 | 802                           | 102,557 | 7     |
| February 3, 2014  | Follow-on offering        | 58,000   | 1,298,000 | 11,967                        | 114,524 | 8     |
| February 26, 2014 | Third-party allotment     | 2,000  | 1,300,000 | 412                           | 114,936 | 9     |

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 offer price of 113,684 yen (paid-in 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 a paid-in 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 offer price of 133,770 yen (paid-in 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 paid-in amount of 129,379 yen per unit to procure funds for new property acquisitions and for other purposes.

6. ADR issued new units through public offering at an offer price of 165,945 yen (paid-in amount: 160,498 yen) per unit to procure funds for new property acquisitions and for other purposes.

7. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 160,498 yen per unit to procure funds for new property acquisitions and for other purposes.

8. ADR issued new units through public offering at an offer price of 213,330 yen (paid-in amount: 206,328 yen) per unit to procure funds for new property acquisitions and for other purposes.

9. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 206,328 yen per unit to procure funds for new property acquisitions and for other purposes.

### Market Price of Units

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

| Fiscal Period<br>Period-end | 5th FP<br>January 2013 | 6th FP<br>July 2013 | 7th FP<br>January 2014 | 8th FP<br>July 2014 | 9th FP<br>January 2015 |
|-----------------------------|------------------------|---------------------|------------------------|---------------------|------------------------|
| High                        | 190,100 yen            | 257,900 yen         | 229,800 yen            | 263,600 yen         | 321,000 yen            |
| Low                         | 150,500 yen            | 182,200 yen         | 194,300 yen            | 206,500 yen         | 245,800 yen            |



## 5 Distribution to Unit-holders

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 decide to increase dividends in accordance with the better-than-expected results.

Based on the policy above, ADR decided that the unappropriated retained earnings of 6,591,081 thousand yen plus 77,918 thousand yen drawdown of reserve for dividends to arrive at 6,669,000 thousand yen will be distributed as dividends of earnings, which is 5,130 yen per unit.

(thousand yen)

| Fiscal Period  | 5th FP<br>From: Aug. 1, 2012<br>To: Jan. 31, 2013 | 6th FP<br>From: Feb. 1, 2013<br>To: Jul. 31, 2013 | 7th FP<br>From: Aug. 1, 2013<br>To: Jan. 31, 2014 | 8th FP<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014 | 9th FP<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015 |
|--|---|---|---|---|---|
| Total amount of unappropriated retained earnings                                     | 4,681,376   | 5,291,809   | 5,475,039   | 5,880,040   | 6,591,081   |
| Accumulated amount of earnings   | 34,376,971  | 33,968,500  | 33,720,940  | 33,630,081  | 33,552,162  |
| Total amount of dividends of cash<br>(Dividend Per Unit)                             | 4,955,500<br>(4,505 yen)                          | 5,700,280<br>(4,597 yen)                          | 5,722,600<br>(4,615 yen)                          | 5,970,900<br>(4,593 yen)                          | 6,669,000<br>(5,130 yen)                          |
| Of which, total amount of dividends of earnings<br>(Dividend from earnings per unit) | 4,955,500<br>(4,505 yen)                          | 5,700,280<br>(4,597 yen)                          | 5,722,600<br>(4,615 yen)                          | 5,970,900<br>(4,593 yen)                          | 6,669,000<br>(5,130 yen)                          |
| Of which, total amount of capital reimbursement<br>(Capital reimbursement per unit)  | —<br>(0 yen)                                      | —<br>(0 yen)                                      | —<br>(0 yen)                                      | —<br>(0 yen)                                      | —<br>(0 yen)                                      |

## 6 Significant Subsequent Events

Not applicable.

## Overview of the Investment Corporation

### 1 Paid-in Capital

The total number of units authorized, total number of units issued and outstanding, paid-in capital and number of unit-holders as of January 31, 2015 are as follows.

| Fiscal Period<br>Period-end                  | 5th FP<br>January 2013 | 6th FP<br>July 2013 | 7th FP<br>January 2014 | 8th FP<br>July 2014 | 9th FP<br>January 2015 |
|--|------------------------|---------------------|------------------------|---------------------|------------------------|
| Total number of units authorized             | 6,000,000 units        | 6,000,000 units     | 6,000,000 units        | 6,000,000 units     | 6,000,000 units        |
| Total number of units issued and outstanding | 1,100,000 units        | 1,240,000 units     | 1,240,000 units        | 1,300,000 units     | 1,300,000 units        |
| Paid-in capital <sup>(Note)</sup>            | 80,087 million yen     | 102,557 million yen | 102,557 million yen    | 114,936 million yen | 114,936 million yen    |
| Number of unit-holders                       | 23,015                 | 23,413              | 21,980                 | 22,118              | 20,440                 |

(Note) The paid-in capital on the balance sheets as of January 31, 2015 includes capital surplus of 53,220 million yen.

### 2 Major Unit-holders

The following are the major unit-holders as of January 31, 2015.

| Name  | Address   | Number of units held (units) | Percentage of issued units (%) |
|---|---|------------------------------|--------------------------------|
| Japan Trustee Services Bank, Ltd. (Trust Account)                         | 1-8-11 Harumi, Chuo-ku, Tokyo   | 359,290                      | 27.63                          |
| The Master Trust Bank of Japan, Ltd. (Trust Account)                      | 2-11-3 Hamamatsucho, Minato-ku, Tokyo                                       | 118,722                      | 9.13                           |
| Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account) | 1-8-12 Harumi, Chuo-ku, Tokyo<br>Harumi Island Triton Square Office Tower Z | 75,014                       | 5.77                           |
| The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)         | 2-2-2 Otemachi, Chiyoda-ku, Tokyo   | 51,350                       | 3.95                           |
| ITOCHU Corporation  | 2-5-1 Kita-Aoyama, Minato-ku, Tokyo   | 34,800                       | 2.67                           |
| Nomura Securities Co., Ltd.   | 1-9-1 Nihonbashi, Chuo-ku, Tokyo  | 22,782                       | 1.75                           |
| Mizuho Trust & Banking Co., Ltd.  | 1-2-1 Yaesu, Chuo-ku, Tokyo   | 18,125                       | 1.39                           |
| Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)             | 1-8-12 Harumi, Chuo-ku, Tokyo<br>Harumi Island Triton Square Office Tower Z | 17,470                       | 1.34                           |
| State Street Bank - West Pension Fund Clients - Exempt                    | 1776 Heritage Drive, North Quincy, MA 02171 U.S.A.                          | 13,820                       | 1.06                           |
| Fuji Fire and Marine Insurance Co., Ltd.                                  | 1-18-11 Minamisenba, Chuo-ku, Osaka-city, Osaka                             | 13,278                       | 1.02                           |
| <b>Total</b>  |   | <b>724,651</b>               | <b>55.74</b>                   |

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

# I. Asset Management Report

## 3 Directors and Independent Auditor

1. The executive director, supervisory directors and independent auditor as of January 31, 2015 are as follows.

| Title                | Name                              | Primary concurrent positions                                | Total amount of compensation for each title during the fiscal 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<br>Auditor, TYO Inc. | 1,200   |
| Supervisory director | Yoshiki Oshima                    | President, Akasaka Law Office L.P.C.                        | 1,200   |
| Independent auditor  | Deloitte Touche Tohmatsu LLC      |   | 16,850 <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 Amendment to the Financial Instruments and Exchange Act. (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 (1,350 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 January 31, 2015.

| Delegation               |   | Name  |
|--------------------------|---|---|
| Asset management company |   | AD Investment Management Co., Ltd.  |
| Asset custodian          |   | Sumitomo Mitsui Trust Bank Limited  |
| Administrative agent     | management of register of unit-holders          | Mizuho Trust & Banking Co., Ltd.  |
| Administrative agent     | management of special accounts                  | Mizuho Trust & Banking Co., Ltd.<br>Mitsubishi UFJ Trust and Banking Corporation                  |
| Administrative agent     | accounting, taxation, institutional operations  | Sumitomo Mitsui Trust Bank Limited  |
| Administrative agent     | administration for investment corporation bonds | The Bank of Tokyo-Mitsubishi UFJ, Ltd.<br>Sumitomo Mitsui Trust Bank Limited<br>Mizuho Bank, Ltd. |



# Assets Under Management

## 1 Composition of the Investment Corporation's Assets

| Type of asset                              | Investment regions               | 8th Fiscal Period (as of July 31, 2014)  |                                 | 9th Fiscal Period (as of January 31, 2015) |                                 |
|--|----------------------------------|--|---------------------------------|--|---------------------------------|
|  |                                  | Total amount held (million yen) (Note 6) | As a % of total assets (Note 7) | Total amount held (million yen) (Note 6)   | As a % of total assets (Note 7) |
| Real estate in trust (Note 1)              | Tokyo Central 7 Wards (Note 2)   | 108,494                                  | 24.9                            | 91,265                                     | 21.2                            |
|  | Tokyo 23 Wards (Note 3)          | 92,919                                   | 21.4                            | 97,919                                     | 22.7                            |
|  | Tokyo Metropolitan Area (Note 4) | 24,420                                   | 5.6                             | 23,210                                     | 5.4                             |
|  | Major Regional Cities (Note 5)   | 41,275                                   | 9.5                             | 53,203                                     | 12.4                            |
| Subtotal                                   |                                  | 267,110                                  | 61.4                            | 265,598                                    | 61.7                            |
| Real estate (Note 1)                       | Tokyo Central 7 Wards (Note 2)   | 72,294                                   | 16.6                            | 65,849                                     | 15.3                            |
|  | Tokyo 23 Wards (Note 3)          | 24,975                                   | 5.7                             | 26,067                                     | 6.1                             |
|  | Tokyo Metropolitan Area (Note 4) | 15,835                                   | 3.6                             | 16,334                                     | 3.8                             |
|  | Major Regional Cities (Note 5)   | 27,589                                   | 6.3                             | 27,447                                     | 6.4                             |
| Subtotal                                   |                                  | 140,695                                  | 32.3                            | 135,698                                    | 31.5                            |
| TK property fund equity interests (Note 8) |                                  | 546                                      | 0.1                             | 236  | 0.1                             |
| Deposits and other assets                  |                                  | 26,863                                   | 6.2                             | 28,974                                     | 6.7                             |
| Sum total of total amount of assets        |                                  | 435,215                                  | 100.0                           | 430,509                                    | 100.0                           |

Notes 1. The real estate in trust and real estate are mainly apartment buildings.

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 major cities designated by government ordinance 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 estates) 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 estates expressed as a percentage of the total amount of assets, rounded to one decimal place.

8. The "TK property fund equity interests" in the 8th Fiscal Period are ADR's tokumei kumiai (TK) equity interests with respect to ADR's TK investment in Godo Kaisha RISING3, the operator, and ADR's TK investment in Godo Kaisha Rising4, the operator.

The "TK property fund equity interests" in the 9th Fiscal Period are ADR's TK equity interests with respect to ADR's TK investment in Godo Kaisha RISING4, 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 for the rest of this report unless otherwise specified.



# I. Asset Management Report

## 2 Principal Assets Held

The following summarizes the principal assets held by ADR as of January 31, 2015 (the top 10 properties with the highest book value at the end of the fiscal period).

| Name of real estate                          | Book value<br>(million yen) | Leasable floor<br>area<br>(m <sup>2</sup> ) | Leased floor<br>area<br>(m <sup>2</sup> ) | Occupancy<br>rate<br>(%) | As a % of total<br>revenue from<br>property<br>leasing (Note) | Primary usage |
|--|-----------------------------|---|---|--------------------------|---|---------------|
| RESIDIA TOWER Meguro-Fudomae                 | 15,573                      | 21,019.77                                   | 21,019.77                                 | 100.0                    | 3.2   | Apartments    |
| Pacific Royal Court Minato Mirai Ocean Tower | 12,559                      | 26,082.53                                   | 25,782.04                                 | 98.8                     | 4.1   | Apartments    |
| Park Tower Shibaura Bayward Urban Wing       | 9,171                       | 13,490.67                                   | 12,856.68                                 | 95.3                     | 2.2   | Apartments    |
| RESIDIA TOWER Kami-Ikebukuro                 | 8,591                       | 31,250.61                                   | 30,216.65                                 | 96.7                     | 5.0   | Apartments    |
| RESIDIA Nishi-Azabu                          | 6,529                       | 7,078.64                                    | 6,603.82                                  | 93.3                     | 1.4   | Apartments    |
| RESIDIA Mejiro                               | 6,194                       | 13,069.70                                   | 12,708.87                                 | 97.2                     | 1.6   | Apartments    |
| RESIDIA TOWER Azabujuban                     | 6,056                       | 7,207.18                                    | 6,619.53                                  | 91.8                     | 1.2   | Apartments    |
| RESIDIA Nihonbashi-Bakurocho                 | 5,247                       | 8,502.12                                    | 8,502.12                                  | 100.0                    | 1.2   | Apartments    |
| RESIDIA Higashi-Ginza                        | 5,129                       | 4,871.02                                    | 4,871.02                                  | 100.0                    | 1.0   | Apartments    |
| RESIDIA Yutenji                              | 5,124                       | 5,423.36                                    | 5,390.70                                  | 99.4                     | 1.1   | Apartments    |
| <b>Total</b>                                 | <b>80,177</b>               | <b>137,995.60</b>                           | <b>134,571.20</b>                         | <b>—</b>                 | <b>22.0</b>   | <b>—</b>      |

(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 January 31, 2015.

| Property no. | Name of real estate<br>(Note 1) | Location            | Type of ownership              | Book value at the end of the fiscal period (million yen) | Appraisal value at end of period (million yen) (Note 2) | 8th Fiscal Period<br>(Feb. 1, 2014 ~ Jul. 31, 2014)            |   |   |                                      | 9th Fiscal Period<br>(Aug. 1, 2014 ~ Jan. 31, 2015)            |   |   |                                      |
|--------------|---------------------------------|---------------------|--------------------------------|--|---|--|---|---|--------------------------------------|--|---|---|--------------------------------------|
|              |                                 |                     |                                |  |   | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) |
| P-2          | RESIDIA Shimazuyama             | Shinagawa-ku, Tokyo | Beneficiary interests in trust | 2,466  | 2,940   | 1  | 88.7  | 86,370                                    | 0.6                                  | 1  | 86.9  | 82,207                                    | 0.6                                  |
| P-3          | RESIDIA Nakameguro              | Meguro-ku, Tokyo    | Beneficiary interests in trust | 1,489  | 1,890   | 1  | 100.0   | 47,256                                    | 0.3                                  | 1  | 100.0   | 47,256                                    | 0.3                                  |
| P-4          | RESIDIA Setagaya-Tsurumaki      | Setagaya-ku, Tokyo  | Beneficiary interests in trust | 1,163  | 1,170   | 1  | 100.0   | 35,842                                    | 0.2                                  | 1  | 100.0   | 36,124                                    | 0.3                                  |
| P-7          | RESIDIA Ikejirihashi            | Setagaya-ku, Tokyo  | Beneficiary interests in trust | 1,196  | 1,290   | 1  | 95.0  | 36,659                                    | 0.3                                  | 1  | 93.5  | 35,956                                    | 0.3                                  |
| P-9          | RESIDIA Kudanshita              | Chiyoda-ku, Tokyo   | Beneficiary interests in trust | 2,103  | 2,360   | 1  | 98.9  | 71,002                                    | 0.5                                  | 1  | 97.5  | 69,616                                    | 0.5                                  |
| P-10         | RESIDIA Hatagaya                | Shibuya-ku, Tokyo   | Beneficiary interests in trust | 1,087  | 1,130   | 1  | 98.1  | 32,007                                    | 0.2                                  | 1  | 97.4  | 31,792                                    | 0.2                                  |
| P-13         | RESIDIA Sakurajosui             | Setagaya-ku, Tokyo  | Beneficiary interests in trust | 1,085  | 1,220   | 1  | 96.0  | 34,476                                    | 0.2                                  | 1  | 98.1  | 33,670                                    | 0.2                                  |
| P-14         | RESIDIA Kita-Shinagawa          | Shinagawa-ku, Tokyo | Beneficiary interests in trust | 2,614  | 2,820   | 1  | 100.0   | 75,888                                    | 0.5                                  | 1  | 100.0   | 75,888                                    | 0.5                                  |
| P-15         | RESIDIA Yoyoginomori            | Shibuya-ku, Tokyo   | Beneficiary interests in trust | 720  | 669   | 1  | 97.0  | 19,062                                    | 0.1                                  | 1  | 100.0   | 19,646                                    | 0.1                                  |
| P-16         | RESIDIA Shinjuku East III       | Shinjuku-ku, Tokyo  | Beneficiary interests in trust | 743  | 787   | 1  | 92.5  | 23,586                                    | 0.2                                  | 1  | 85.0  | 20,873                                    | 0.1                                  |
| P-19         | Leopalace Udagawacho Mansion    | Shibuya-ku, Tokyo   | Beneficiary interests in trust | 572  | 678   | 1  | 100.0   | 17,944                                    | 0.1                                  | 1  | 100.0   | 17,944                                    | 0.1                                  |
| P-21         | RESIDIA Shinjuku East II        | Shinjuku-ku, Tokyo  | Beneficiary interests in trust | 1,331  | 1,560   | 1  | 90.3  | 42,683                                    | 0.3                                  | 1  | 94.0  | 43,330                                    | 0.3                                  |
| P-22         | RESIDIA Shinjuku East           | Shinjuku-ku, Tokyo  | Beneficiary interests in trust | 902  | 985   | 1  | 94.1  | 30,066                                    | 0.2                                  | 1  | 94.1  | 29,962                                    | 0.2                                  |
| P-23         | RESIDIA Kanda-Iwamotocho        | Chiyoda-ku, Tokyo   | Beneficiary interests in trust | 1,446  | 1,860   | 1  | 97.1  | 55,981                                    | 0.4                                  | 1  | 95.7  | 53,743                                    | 0.4                                  |
| P-24         | RESIDIA Azabujuban II           | Minato-ku, Tokyo    | Beneficiary interests in trust | 844  | 930   | 1  | 94.6  | 27,377                                    | 0.2                                  | 1  | 100.0   | 32,345                                    | 0.2                                  |
| P-25         | RESIDIA Ebisu                   | Shibuya-ku, Tokyo   | Beneficiary interests in trust | 561  | 624   | 1  | 93.9  | 18,068                                    | 0.1                                  | 1  | 77.5  | 15,801                                    | 0.1                                  |

| Property no. | Name of real estate<br>(Note 1)        | Location            | Type of ownership              | Book value at the end of the fiscal period (million yen) | Appraisal value at end of period (million yen)<br>(Note 2) | 8th Fiscal Period<br>(Feb. 1, 2014 ~ Jul. 31, 2014)            |   |   |                                      | 9th Fiscal Period<br>(Aug. 1, 2014 ~ Jan. 31, 2015)            |   |   |                                      |
|--------------|--|---------------------|--------------------------------|--|--|--|---|---|--------------------------------------|--|---|---|--------------------------------------|
|              |  |                     |                                |  |  | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) |
| P-26         | RESIDIA Meguro                         | Shinagawa-ku, Tokyo | Beneficiary interests in trust | 732  | 702  | 1  | 92.4  | 19,634                                    | 0.1                                  | 1  | 95.8  | 19,682                                    | 0.1                                  |
| P-29         | RESIDIA Hiroo II                       | Shibuya-ku, Tokyo   | Real estate                    | 1,577  | 1,900  | 1  | 95.1  | 53,669                                    | 0.4                                  | 1  | 96.5  | 51,210                                    | 0.4                                  |
| P-30         | Pianetta Shiodome                      | Minato-ku, Tokyo    | Beneficiary interests in trust | 1,855  | 2,080  | 1  | 97.4  | 63,061                                    | 0.4                                  | 1  | 97.3  | 63,448                                    | 0.5                                  |
| P-31         | RESIDIA Komazawadaigaku                | Setagaya-ku, Tokyo  | Beneficiary interests in trust | 318  | 368  | 1  | 88.3  | 11,751                                    | 0.1                                  | 1  | 90.3  | 11,134                                    | 0.1                                  |
| P-32         | RESIDIA Yoyogi                         | Shibuya-ku, Tokyo   | Beneficiary interests in trust | 315  | 366  | 1  | 100.0   | 10,901                                    | 0.1                                  | 1  | 92.7  | 10,884                                    | 0.1                                  |
| P-33         | RESIDIA Nishi-Shinjuku                 | Shinjuku-ku, Tokyo  | Beneficiary interests in trust | 352  | 399  | 1  | 91.3  | 11,550                                    | 0.1                                  | 1  | 95.7  | 11,846                                    | 0.1                                  |
| P-34         | RESIDIA Kyodo                          | Setagaya-ku, Tokyo  | Beneficiary interests in trust | 274  | 312  | 1  | 93.8  | 9,981                                     | 0.1                                  | 1  | 93.9  | 9,992                                     | 0.1                                  |
| P-35         | RESIDIA Oimachi                        | Shinagawa-ku, Tokyo | Real estate                    | 898  | 1,010  | 1  | 93.8  | 32,925                                    | 0.2                                  | 1  | 100.0   | 32,167                                    | 0.2                                  |
| P-36         | RESIDIA Ebisu II                       | Shibuya-ku, Tokyo   | Real estate                    | 2,228  | 2,620  | 1  | 68.4  | 69,131                                    | 0.5                                  | 1  | 96.3  | 52,642                                    | 0.4                                  |
| P-37         | RESIDIA Kamiochiai                     | Shinjuku-ku, Tokyo  | Real estate                    | 1,127  | 1,330  | 1  | 96.4  | 42,034                                    | 0.3                                  | 1  | 97.5  | 40,807                                    | 0.3                                  |
| P-38         | RESIDIA Higashi-Shinagawa              | Shinagawa-ku, Tokyo | Real estate                    | 1,963  | 2,270  | 1  | 96.6  | 67,930                                    | 0.5                                  | 1  | 97.5  | 66,317                                    | 0.5                                  |
| P-39         | RESIDIA Meguro II                      | Meguro-ku, Tokyo    | Real estate                    | 1,160  | 1,270  | 1  | 89.4  | 35,398                                    | 0.2                                  | 1  | 90.0  | 35,199                                    | 0.3                                  |
| P-40         | RESIDIA Toranomon                      | Minato-ku, Tokyo    | Real estate                    | 1,271  | 1,470  | 1  | 93.7  | 40,368                                    | 0.3                                  | 1  | 98.4  | 41,083                                    | 0.3                                  |
| P-41         | RESIDIA Shin-Ochanomizu                | Chiyoda-ku, Tokyo   | Real estate                    | 1,123  | 1,270  | 1  | 96.9  | 37,895                                    | 0.3                                  | 1  | 98.5  | 37,744                                    | 0.3                                  |
| P-42         | RESIDIA Kagurazaka                     | Shinjuku-ku, Tokyo  | Real estate                    | 887  | 1,000  | 1  | 87.2  | 28,380                                    | 0.2                                  | 1  | 94.6  | 30,019                                    | 0.2                                  |
| P-43         | RESIDIA Oimachi II                     | Shinagawa-ku, Tokyo | Real estate                    | 1,013  | 1,200  | 1  | 94.9  | 34,167                                    | 0.2                                  | 1  | 97.5  | 33,791                                    | 0.2                                  |
| P-45         | RESIDIA Jiyugaoka                      | Meguro-ku, Tokyo    | Beneficiary interests in trust | 1,005  | 1,120  | 1  | 97.1  | 33,282                                    | 0.2                                  | 1  | 97.0  | 32,731                                    | 0.2                                  |
| P-47         | RESIDIA Suidobashi                     | Chiyoda-ku, Tokyo   | Real estate                    | 2,211  | 2,500  | 1  | 89.8  | 73,358                                    | 0.5                                  | 1  | 100.0   | 74,130                                    | 0.5                                  |
| P-48         | RESIDIA TOWER Nogizaka                 | Minato-ku, Tokyo    | Real estate                    | 3,521  | 3,490  | 1  | 91.1  | 95,820                                    | 0.7                                  | 1  | 98.8  | 94,283                                    | 0.7                                  |
| P-49         | RESIDIA Akasaka                        | Minato-ku, Tokyo    | Real estate                    | 1,134  | 1,240  | 1  | 95.5  | 38,050                                    | 0.3                                  | 1  | 90.3  | 37,679                                    | 0.3                                  |
| P-50         | RESIDIA Nishi-Azabu                    | Minato-ku, Tokyo    | Beneficiary interests in trust | 6,529  | 7,030  | 1  | 92.2  | 203,194                                   | 1.4                                  | 1  | 93.3  | 202,286                                   | 1.4                                  |
| P-51         | RESIDIA Daikanyama                     | Shibuya-ku, Tokyo   | Beneficiary interests in trust | 2,043  | 1,970  | 1  | 94.9  | 55,104                                    | 0.4                                  | 1  | 90.7  | 51,135                                    | 0.4                                  |
| P-52         | RESIDIA Ichigaya                       | Shinjuku-ku, Tokyo  | Beneficiary interests in trust | 2,395  | 2,720  | 1  | 90.6  | 75,247                                    | 0.5                                  | 1  | 98.0  | 77,954                                    | 0.6                                  |
| P-53         | RESIDIA Roppongi-Hinokichokoen         | Minato-ku, Tokyo    | Beneficiary interests in trust | 3,535  | 3,840  | 1  | 92.1  | 108,071                                   | 0.7                                  | 1  | 91.7  | 104,718                                   | 0.7                                  |
| P-55         | RESIDIA TOWER Meguro-Fudomae           | Shinagawa-ku, Tokyo | Real estate                    | 15,573   | 17,300   | 1  | 100.0   | 455,394                                   | 3.1                                  | 1  | 100.0   | 454,158                                   | 3.2                                  |
| P-56         | RESIDIA Sangenjaya                     | Setagaya-ku, Tokyo  | Real estate                    | 2,616  | 3,140  | 1  | 95.2  | 87,983                                    | 0.6                                  | 1  | 99.1  | 86,694                                    | 0.6                                  |
| P-58         | RESIDIA Minami-Aoyama                  | Minato-ku, Tokyo    | Real estate                    | 719  | 492  | 1  | 84.1  | 15,170                                    | 0.1                                  | 1  | 93.9  | 15,756                                    | 0.1                                  |
| P-59         | RESIDIA Kanda-Higashi                  | Chiyoda-ku, Tokyo   | Real estate                    | 1,541  | 1,880  | 1  | 98.0  | 57,084                                    | 0.4                                  | 1  | 98.5  | 58,189                                    | 0.4                                  |
| P-60         | RESIDIA Higashi-Azabu                  | Minato-ku, Tokyo    | Real estate                    | 1,375  | 1,390  | 1  | 93.2  | 37,025                                    | 0.3                                  | 1  | 90.0  | 38,630                                    | 0.3                                  |
| P-61         | RESIDIA Ebisu-Minami                   | Shibuya-ku, Tokyo   | Real estate                    | 1,971  | 2,000  | 1  | 90.7  | 53,115                                    | 0.4                                  | 1  | 87.5  | 54,647                                    | 0.4                                  |
| P-62         | RESIDIA TOWER Azabujuban               | Minato-ku, Tokyo    | Real estate                    | 6,056  | 5,740  | 1  | 86.6  | 172,709                                   | 1.2                                  | 1  | 91.8  | 173,515                                   | 1.2                                  |
| P-63         | RESIDIA Shibuya                        | Shibuya-ku, Tokyo   | Real estate                    | 1,222  | 1,400  | 1  | 95.4  | 37,095                                    | 0.3                                  | 1  | 87.9  | 38,982                                    | 0.3                                  |
| P-64         | RESIDIA Nakanobu                       | Shinagawa-ku, Tokyo | Beneficiary interests in trust | 1,805  | 2,160  | 1  | 98.3  | 63,821                                    | 0.4                                  | 1  | 90.7  | 60,533                                    | 0.4                                  |
| P-65         | RESIDIA Azabudai                       | Minato-ku, Tokyo    | Beneficiary interests in trust | 1,568  | 1,680  | 1  | 93.3  | 46,377                                    | 0.3                                  | 1  | 98.4  | 47,469                                    | 0.3                                  |
| P-66         | RESIDIA Shibadaimon II                 | Minato-ku, Tokyo    | Beneficiary interests in trust | 1,688  | 1,740  | 1  | 93.9  | 49,401                                    | 0.3                                  | 1  | 95.9  | 48,701                                    | 0.3                                  |
| P-67         | RESIDIA Kanda                          | Chiyoda-ku, Tokyo   | Real estate                    | 1,108  | 1,300  | 1  | 100.0   | 38,284                                    | 0.3                                  | 1  | 94.9  | 38,839                                    | 0.3                                  |
| P-68         | RESIDIA Sangenjaya II                  | Setagaya-ku, Tokyo  | Real estate                    | 1,241  | 1,400  | 1  | 94.3  | 40,145                                    | 0.3                                  | 1  | 100.0   | 39,879                                    | 0.3                                  |
| P-69         | RESIDIA Nishi-Shinjuku II              | Shinjuku-ku, Tokyo  | Real estate                    | 1,756  | 2,060  | 1  | 93.1  | 57,341                                    | 0.4                                  | 1  | 89.9  | 56,522                                    | 0.4                                  |
| P-70         | RESIDIA Hiroo-Minami                   | Shibuya-ku, Tokyo   | Real estate                    | 890  | 965  | 1  | 100.0   | 26,470                                    | 0.2                                  | 1  | 96.2  | 25,961                                    | 0.2                                  |
| P-72         | RESIDIA Mejiro-Otomeyama               | Shinjuku-ku, Tokyo  | Beneficiary interests in trust | 937  | 1,030  | 1  | 89.1  | 33,220                                    | 0.2                                  | 1  | 79.1  | 28,988                                    | 0.2                                  |
| P-73         | RESIDIA Shibaura                       | Minato-ku, Tokyo    | Beneficiary interests in trust | 4,489  | 5,200  | 1  | 94.1  | 164,233                                   | 1.1                                  | 1  | 94.7  | 161,310                                   | 1.2                                  |
| P-74         | RESIDIA Gotenyama                      | Shinagawa-ku, Tokyo | Real estate                    | 899  | 858  | 1  | 91.7  | 25,556                                    | 0.2                                  | 1  | 100.0   | 26,443                                    | 0.2                                  |
| P-75         | RESIDIA Yutenji                        | Meguro-ku, Tokyo    | Beneficiary interests in trust | 5,124  | 5,580  | 1  | 91.7  | 150,272                                   | 1.0                                  | 1  | 99.4  | 148,323                                   | 1.1                                  |
| P-76         | Park Tower Shibaura Bayward Urban Wing | Minato-ku, Tokyo    | Beneficiary interests in trust | 9,171  | 10,200   | 1  | 93.0  | 295,328                                   | 2.0                                  | 1  | 95.3  | 301,509                                   | 2.2                                  |



# I. Asset Management Report

| Property no. | Name of real estate<br>(Note 1)       | Location            | Type of ownership                               | Book value at the end of the fiscal period (million yen) | Appraisal value at end of period (million yen)<br>(Note 2) | 8th Fiscal Period<br>(Feb. 1, 2014 ~ Jul. 31, 2014)            |   |   |                                      | 9th Fiscal Period<br>(Aug. 1, 2014 ~ Jan. 31, 2015)            |   |   |                                      |
|--------------|---------------------------------------|---------------------|---|--|--|--|---|---|--------------------------------------|--|---|---|--------------------------------------|
|              |                                       |                     |   |  |  | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) |
| P-79         | RESIDIA Kamimeguro                    | Meguro-ku, Tokyo    | Beneficiary interests in trust                  | 870  | 919  | 1  | 92.7  | 29,170                                    | 0.2                                  | 1  | 92.7  | 28,038                                    | 0.2                                  |
| P-81         | Windsor House Hiroo                   | Shibuya-ku, Tokyo   | Real estate and leasehold rights to real estate | 1,679  | 1,390  | 1  | 100.0   | 49,320                                    | 0.3                                  | 1  | 100.0   | 46,652                                    | 0.3                                  |
| P-84         | RESIDIA Kita-Shinjuku                 | Shinjuku-ku, Tokyo  | Real estate                                     | 1,408  | 1,520  | 1  | 92.3  | 40,369                                    | 0.3                                  | 1  | 88.4  | 41,803                                    | 0.3                                  |
| P-85         | RESIDIA Komazawa                      | Setagaya-ku, Tokyo  | Beneficiary interests in trust                  | 860  | 1,120  | 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                  | 2,404  | 2,970  | 1  | 97.7  | 92,738                                    | 0.6                                  | 1  | 92.9  | 89,803                                    | 0.6                                  |
| P-87         | RESIDIA Ichigaya-Yakuoji              | Shinjuku-ku, Tokyo  | Beneficiary interests in trust                  | 2,064  | 2,420  | 1  | 100.0   | 60,950                                    | 0.4                                  | 1  | 100.0   | 59,920                                    | 0.4                                  |
| P-88         | RESIDIA Yoga                          | Setagaya-ku, Tokyo  | Real estate                                     | 1,595  | 1,790  | 1  | 94.5  | 49,939                                    | 0.3                                  | 1  | 90.6  | 48,991                                    | 0.3                                  |
| P-89         | RESIDIA TOWER Nakameguro              | Meguro-ku, Tokyo    | Real estate                                     | 3,419  | 3,960  | 1  | 97.0  | 109,809                                   | 0.8                                  | 1  | 97.1  | 108,915                                   | 0.8                                  |
| P-90         | RESIDIA Sasazuka II                   | Shibuya-ku, Tokyo   | Beneficiary interests in trust                  | 3,805  | 4,210  | 1  | 95.1  | 120,090                                   | 0.8                                  | 1  | 94.7  | 116,058                                   | 0.8                                  |
| P-91         | RESIDIA Meguro III                    | Meguro-ku, Tokyo    | Beneficiary interests in trust                  | 979  | 1,160  | 1  | 85.8  | 32,132                                    | 0.2                                  | 1  | 100.0   | 29,406                                    | 0.2                                  |
| P-92         | RESIDIA Jiyugaoka II                  | Setagaya-ku, Tokyo  | Beneficiary interests in trust                  | 794  | 937  | 1  | 94.9  | 28,616                                    | 0.2                                  | 1  | 95.4  | 27,544                                    | 0.2                                  |
| P-93         | RESIDIA Kudanshita II                 | Chiyoda-ku, Tokyo   | Beneficiary interests in trust                  | 1,266  | 1,510  | 1  | 92.9  | 44,809                                    | 0.3                                  | 1  | 97.8  | 41,679                                    | 0.3                                  |
| P-94         | RESIDIA Omori II                      | Shinagawa-ku, Tokyo | Beneficiary interests in trust                  | 1,655  | 1,950  | 1  | 96.9  | 60,866                                    | 0.4                                  | 1  | 93.8  | 53,555                                    | 0.4                                  |
| P-95         | RESIDIA Shirokane-Takanawa            | Minato-ku, Tokyo    | Beneficiary interests in trust                  | 1,512  | 1,840  | 1  | 82.0  | 52,341                                    | 0.4                                  | 1  | 90.4  | 46,903                                    | 0.3                                  |
| P-96         | RESIDIA Nakaochiai                    | Shinjuku-ku, Tokyo  | Beneficiary interests in trust                  | 3,835  | 4,200  | 1  | 94.6  | 116,463                                   | 0.8                                  | 1  | 97.4  | 117,462                                   | 0.8                                  |
| P-97         | RESIDIA Nakameguro II                 | Meguro-ku, Tokyo    | Beneficiary interests in trust                  | 1,146  | 1,320  | 1  | 91.9  | 35,453                                    | 0.2                                  | 1  | 98.0  | 35,438                                    | 0.3                                  |
| P-98         | Artis Court Minamiaoyama              | Minato-ku, Tokyo    | Beneficiary interests in trust                  | 1,754  | 1,800  | 1  | 95.2  | 40,512                                    | 0.3                                  | 1  | 80.8  | 42,929                                    | 0.3                                  |
| P-99         | RESIDIA Yotsuya Sanhome               | Shinjuku-ku, Tokyo  | Beneficiary interests in trust                  | 2,145  | 2,530  | 1  | 93.0  | 79,622                                    | 0.5                                  | 1  | 93.1  | 79,744                                    | 0.6                                  |
| P-100        | RESIDIA Takanawa Katsurazaka (Note 1) | Minato-ku, Tokyo    | Beneficiary interests in trust                  | 960  | 981  | —  | —   | —   | —                                    | 1  | 84.8  | 6,147                                     | 0.0                                  |
| P-101        | RESIDIA Ebisu III (Note 1)            | Shibuya-ku, Tokyo   | Real estate                                     | 654  | 683  | —  | —   | —   | —                                    | 1  | 100.0   | 4,679                                     | 0.0                                  |
| P-102        | RESIDIA Shinjuku Gyoen (Note 1)       | Shinjuku-ku, Tokyo  | Beneficiary interests in trust                  | 735  | 757  | —  | —   | —   | —                                    | 1  | 92.5  | 5,058                                     | 0.0                                  |
| C-1          | RESIDIA Mitsukoshimae                 | Chuo-ku, Tokyo      | Beneficiary interests in trust                  | 1,657  | 2,260  | 1  | 95.4  | 66,831                                    | 0.5                                  | 1  | 97.6  | 65,578                                    | 0.5                                  |
| C-2          | RESIDIA Kamata                        | Ota-ku, Tokyo       | Beneficiary interests in trust                  | 2,257  | 3,260  | 1  | 96.9  | 99,378                                    | 0.7                                  | 1  | 98.7  | 97,846                                    | 0.7                                  |
| C-3          | RESIDIA Ikebukuro                     | Toshima-ku, Tokyo   | Beneficiary interests in trust                  | 1,434  | 1,660  | 1  | 100.0   | 46,547                                    | 0.3                                  | 1  | 100.0   | 45,936                                    | 0.3                                  |
| C-4          | RESIDIA Bunkyo-Hongo                  | Bunkyo-ku, Tokyo    | Beneficiary interests in trust                  | 1,597  | 1,980  | 1  | 100.0   | 50,527                                    | 0.3                                  | 1  | 100.0   | 51,090                                    | 0.4                                  |
| C-5          | RESIDIA Asakusabashi                  | Taito-ku, Tokyo     | Beneficiary interests in trust                  | 972  | 1,270  | 1  | 100.0   | 39,092                                    | 0.3                                  | 1  | 100.0   | 39,341                                    | 0.3                                  |
| C-6          | Maison Eclairée Ekoda                 | Nerima-ku, Tokyo    | Beneficiary interests in trust                  | 930  | 995  | 1  | 97.8  | 36,134                                    | 0.2                                  | 1  | 94.6  | 35,456                                    | 0.3                                  |
| C-7          | RESIDIA Ueno-Okachimachi              | Taito-ku, Tokyo     | Beneficiary interests in trust                  | 2,957  | 3,490  | 1  | 96.4  | 101,609                                   | 0.7                                  | 1  | 94.2  | 98,550                                    | 0.7                                  |
| C-8          | RESIDIA Bunkyo-Hongo II               | Bunkyo-ku, Tokyo    | Beneficiary interests in trust                  | 1,582  | 1,710  | 1  | 100.0   | 49,081                                    | 0.3                                  | 1  | 97.8  | 47,687                                    | 0.3                                  |
| C-9          | RESIDIA Ryogoku                       | Sumida-ku, Tokyo    | Beneficiary interests in trust                  | 873  | 1,050  | 1  | 100.0   | 32,232                                    | 0.2                                  | 1  | 100.0   | 31,702                                    | 0.2                                  |
| C-10         | RESIDIA Higashi-Ginza                 | Chuo-ku, Tokyo      | Beneficiary interests in trust                  | 5,129  | 5,270  | 1  | 100.0   | 136,764                                   | 0.9                                  | 1  | 100.0   | 136,847                                   | 1.0                                  |
| C-12         | RESIDIA Nihonbashi-Ningyocho II       | Chuo-ku, Tokyo      | Beneficiary interests in trust                  | 3,049  | 3,490  | 1  | 100.0   | 99,030                                    | 0.7                                  | 1  | 98.3  | 97,871                                    | 0.7                                  |
| C-13         | RESIDIA Omori-Higashi                 | Ota-ku, Tokyo       | Beneficiary interests in trust                  | 1,900  | 1,890  | 1  | 98.9  | 56,399                                    | 0.4                                  | 1  | 96.8  | 55,791                                    | 0.4                                  |
| C-15         | RESIDIA Kinshicho                     | Sumida-ku, Tokyo    | Beneficiary interests in trust                  | 4,103  | 4,150  | 1  | 93.0  | 119,942                                   | 0.8                                  | 1  | 98.1  | 114,780                                   | 0.8                                  |
| C-16         | RESIDIA Negishi                       | Taito-ku, Tokyo     | Beneficiary interests in trust                  | 844  | 856  | 1  | 100.0   | 27,659                                    | 0.2                                  | 1  | 100.0   | 25,459                                    | 0.2                                  |
| C-17         | RESIDIA Shinkawa                      | Chuo-ku, Tokyo      | Beneficiary interests in trust                  | 1,804  | 2,050  | 1  | 91.4  | 58,061                                    | 0.4                                  | 1  | 98.4  | 58,260                                    | 0.4                                  |
| C-18         | RESIDIA Kami-Ikebukuro                | Toshima-ku, Tokyo   | Beneficiary interests in trust                  | 524  | 664  | 1  | 93.5  | 22,491                                    | 0.2                                  | 1  | 100.0   | 21,544                                    | 0.2                                  |
| C-19         | RESIDIA Shin-nakano                   | Nakano-ku, Tokyo    | Beneficiary interests in trust                  | 333  | 447  | 1  | 100.0   | 15,178                                    | 0.1                                  | 1  | 86.7  | 15,133                                    | 0.1                                  |
| C-21         | RESIDIA Bunkyo-Yushima II             | Bunkyo-ku, Tokyo    | Beneficiary interests in trust                  | 959  | 1,110  | 1  | 92.0  | 32,977                                    | 0.2                                  | 1  | 94.4  | 31,997                                    | 0.2                                  |
| C-22         | RESIDIA Tsukiji                       | Chuo-ku, Tokyo      | Real estate                                     | 1,375  | 1,690  | 1  | 96.3  | 50,656                                    | 0.3                                  | 1  | 98.2  | 51,030                                    | 0.4                                  |
| C-23         | RESIDIA Sasazuka                      | Suginami-ku, Tokyo  | Beneficiary interests in trust                  | 1,813  | 1,980  | 1  | 86.3  | 60,448                                    | 0.4                                  | 1  | 91.1  | 56,532                                    | 0.4                                  |
| C-24         | RESIDIA Kyobashi                      | Chuo-ku, Tokyo      | Real estate                                     | 1,157  | 1,390  | 1  | 100.0   | 38,001                                    | 0.3                                  | 1  | 100.0   | 38,424                                    | 0.3                                  |

| Property no. | Name of real estate<br>(Note 1) | Location           | Type of ownership              | Book value at the end of the fiscal period (million yen) | Appraisal value at end of period (million yen)<br>(Note 2) | 8th Fiscal Period<br>(Feb. 1, 2014 ~ Jul. 31, 2014)            |   |   |                                      | 9th Fiscal Period<br>(Aug. 1, 2014 ~ Jan. 31, 2015)            |   |   |                                      |
|--------------|---------------------------------|--------------------|--------------------------------|--|--|--|---|---|--------------------------------------|--|---|---|--------------------------------------|
|              |                                 |                    |                                |  |  | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) |
| C-25         | RESIDIA Tamagawa                | Ota-ku, Tokyo      | Beneficiary interests in trust | 1,222  | 1,500  | 1  | 100.0   | 40,911                                    | 0.3                                  | 1  | 100.0   | 41,973                                    | 0.3                                  |
| C-26         | RESIDIA Korakuen                | Bunkyo-ku, Tokyo   | Beneficiary interests in trust | 568  | 681  | 1  | 100.0   | 21,616                                    | 0.1                                  | 1  | 100.0   | 20,930                                    | 0.1                                  |
| C-27         | RESIDIA Ginza-Higashi           | Chuo-ku, Tokyo     | Beneficiary interests in trust | 1,895  | 2,290  | 1  | 100.0   | 59,459                                    | 0.4                                  | 1  | 100.0   | 60,443                                    | 0.4                                  |
| C-28         | RESIDIA Oji                     | Kita-ku, Tokyo     | Beneficiary interests in trust | 811  | 966  | 1  | 100.0   | 34,584                                    | 0.2                                  | 1  | 100.0   | 34,584                                    | 0.2                                  |
| C-29         | RESIDIA Mejiro II               | Toshima-ku, Tokyo  | Real estate                    | 1,002  | 1,120  | 1  | 93.6  | 36,157                                    | 0.2                                  | 1  | 98.6  | 35,722                                    | 0.3                                  |
| C-31         | RESIDIA Tsukishima              | Chuo-ku, Tokyo     | Real estate                    | 1,048  | 1,210  | 1  | 80.7  | 34,139                                    | 0.2                                  | 1  | 94.8  | 35,761                                    | 0.3                                  |
| C-32         | RESIDIA Kamata II               | Ota-ku, Tokyo      | Real estate                    | 1,306  | 1,550  | 1  | 95.0  | 45,922                                    | 0.3                                  | 1  | 93.9  | 45,147                                    | 0.3                                  |
| C-33         | RESIDIA Tsukishima II           | Chuo-ku, Tokyo     | Beneficiary interests in trust | 2,351  | 2,740  | 1  | 93.8  | 80,205                                    | 0.5                                  | 1  | 95.2  | 79,495                                    | 0.6                                  |
| C-34         | RESIDIA Kinshicho II            | Sumida-ku, Tokyo   | Real estate                    | 2,291  | 2,460  | 1  | 91.7  | 75,274                                    | 0.5                                  | 1  | 94.1  | 73,457                                    | 0.5                                  |
| C-35         | RESIDIA Bunkyo-Otowa            | Bunkyo-ku, Tokyo   | Beneficiary interests in trust | 3,157  | 3,590  | 1  | 100.0   | 107,463                                   | 0.7                                  | 1  | 100.0   | 107,517                                   | 0.8                                  |
| C-36         | RESIDIA Bunkyo-Sengoku          | Bunkyo-ku, Tokyo   | Beneficiary interests in trust | 660  | 808  | 1  | 87.8  | 23,990                                    | 0.2                                  | 1  | 100.0   | 24,637                                    | 0.2                                  |
| C-37         | RESIDIA Bunkyo-Yushima          | Bunkyo-ku, Tokyo   | Beneficiary interests in trust | 988  | 1,210  | 1  | 100.0   | 36,987                                    | 0.3                                  | 1  | 92.7  | 37,260                                    | 0.3                                  |
| C-38         | RESIDIA Ikegami                 | Ota-ku, Tokyo      | Beneficiary interests in trust | 358  | 388  | 1  | 86.9  | 14,145                                    | 0.1                                  | 1  | 96.7  | 12,828                                    | 0.1                                  |
| C-39         | RESIDIA Nihonbashi-Ningyocho    | Chuo-ku, Tokyo     | Beneficiary interests in trust | 524  | 691  | 1  | 91.6  | 20,769                                    | 0.1                                  | 1  | 86.7  | 20,850                                    | 0.1                                  |
| C-40         | RESIDIA Bunkyo-Sengoku II       | Bunkyo-ku, Tokyo   | Real estate                    | 1,381  | 1,530  | 1  | 100.0   | 45,378                                    | 0.3                                  | 1  | 95.9  | 45,202                                    | 0.3                                  |
| C-41         | RESIDIA Iriya                   | Taito-ku, Tokyo    | Beneficiary interests in trust | 921  | 1,100  | 1  | 97.7  | 36,472                                    | 0.2                                  | 1  | 88.8  | 35,864                                    | 0.3                                  |
| C-42         | RESIDIA Nihonbashi-Hamacho      | Chuo-ku, Tokyo     | Real estate                    | 1,272  | 1,460  | 1  | 93.3  | 40,327                                    | 0.3                                  | 1  | 93.4  | 43,188                                    | 0.3                                  |
| C-43         | RESIDIA Shin-Okachimachi        | Taito-ku, Tokyo    | Real estate                    | 1,794  | 1,980  | 1  | 92.8  | 56,546                                    | 0.4                                  | 1  | 94.0  | 57,581                                    | 0.4                                  |
| C-44         | RESIDIA Chidoricho              | Ota-ku, Tokyo      | Real estate                    | 1,238  | 1,380  | 1  | 88.3  | 42,730                                    | 0.3                                  | 1  | 95.0  | 42,578                                    | 0.3                                  |
| C-45         | RESIDIA Shinkawa II             | Chuo-ku, Tokyo     | Beneficiary interests in trust | 1,241  | 1,400  | 1  | 92.8  | 41,107                                    | 0.3                                  | 1  | 93.6  | 41,522                                    | 0.3                                  |
| C-46         | RESIDIA Mejiro                  | Toshima-ku, Tokyo  | Beneficiary interests in trust | 6,194  | 6,840  | 1  | 96.5  | 218,529                                   | 1.5                                  | 1  | 97.2  | 224,696                                   | 1.6                                  |
| C-47         | RESIDIA Kasai                   | Edogawa-ku, Tokyo  | Beneficiary interests in trust | 641  | 740  | 1  | 89.4  | 28,156                                    | 0.2                                  | 1  | 93.3  | 25,668                                    | 0.2                                  |
| C-48         | RESIDIA Nihonbashi-Bakurocho    | Chuo-ku, Tokyo     | Real estate                    | 5,247  | 6,440  | 1  | 100.0   | 164,014                                   | 1.1                                  | 1  | 100.0   | 165,016                                   | 1.2                                  |
| C-49         | RESIDIA Suginami-Honancho       | Suginami-ku, Tokyo | Beneficiary interests in trust | 3,765  | 4,930  | 1  | 100.0   | 137,073                                   | 0.9                                  | 1  | 100.0   | 136,480                                   | 1.0                                  |
| C-50         | RESIDIA Shin-Itabashi           | Itabashi-ku, Tokyo | Beneficiary interests in trust | 880  | 1,140  | 1  | 100.0   | 29,739                                    | 0.2                                  | 1  | 100.0   | 29,739                                    | 0.2                                  |
| C-51         | RESIDIA Kiba                    | Koto-ku, Tokyo     | Beneficiary interests in trust | 1,973  | 2,690  | 1  | 94.8  | 82,572                                    | 0.6                                  | 1  | 98.1  | 77,594                                    | 0.6                                  |
| C-52         | RESIDIA Bunkyo-Yushima III      | Bunkyo-ku, Tokyo   | Beneficiary interests in trust | 1,127  | 1,390  | 1  | 87.6  | 36,471                                    | 0.2                                  | 1  | 100.0   | 37,982                                    | 0.3                                  |
| C-53         | RESIDIA Bunkyo-Honkomagome      | Bunkyo-ku, Tokyo   | Real estate                    | 2,365  | 2,770  | 1  | 94.4  | 83,222                                    | 0.6                                  | 1  | 97.9  | 80,814                                    | 0.6                                  |
| C-54         | RESIDIA Tsukishima III          | Chuo-ku, Tokyo     | Beneficiary interests in trust | 2,564  | 3,420  | 1  | 95.4  | 93,722                                    | 0.6                                  | 1  | 99.3  | 92,459                                    | 0.7                                  |
| C-55         | RESIDIA Minamisenjyu            | Arakawa-ku, Tokyo  | Beneficiary interests in trust | 2,608  | 3,450  | 1  | 94.6  | 160,180                                   | 1.1                                  | 1  | 95.1  | 153,642                                   | 1.1                                  |
| C-56         | RESIDIA Ogikubo                 | Suginami-ku, Tokyo | Real estate                    | 1,794  | 2,110  | 1  | 98.0  | 61,956                                    | 0.4                                  | 1  | 97.9  | 61,842                                    | 0.4                                  |
| C-57         | RESIDIA Monzenakacho            | Koto-ku, Tokyo     | Beneficiary interests in trust | 1,004  | 1,130  | 1  | 100.0   | 35,562                                    | 0.2                                  | 1  | 100.0   | 35,526                                    | 0.3                                  |
| C-58         | RESIDIA Ochanomizu              | Bunkyo-ku, Tokyo   | Beneficiary interests in trust | 2,115  | 2,650  | 1  | 85.5  | 73,128                                    | 0.5                                  | 1  | 96.4  | 71,016                                    | 0.5                                  |
| C-59         | RESIDIA Omori                   | Ota-ku, Tokyo      | Beneficiary interests in trust | 1,161  | 1,380  | 1  | 97.4  | 41,513                                    | 0.3                                  | 1  | 100.0   | 41,429                                    | 0.3                                  |
| C-60         | RESIDIA Nakamurabashi           | Nerima-ku, Tokyo   | Beneficiary interests in trust | 1,081  | 1,280  | 1  | 91.8  | 38,487                                    | 0.3                                  | 1  | 97.3  | 36,957                                    | 0.3                                  |
| C-61         | RESIDIA Kachidoki               | Chuo-ku, Tokyo     | Beneficiary interests in trust | 1,818  | 2,240  | 1  | 95.5  | 65,426                                    | 0.4                                  | 1  | 94.6  | 61,132                                    | 0.4                                  |
| C-62         | RESIDIA Bunkyo-Otowa II         | Bunkyo-ku, Tokyo   | Beneficiary interests in trust | 2,352  | 2,720  | 1  | 97.1  | 81,356                                    | 0.6                                  | 1  | 97.1  | 80,330                                    | 0.6                                  |
| C-63         | RESIDIA Kinshicho III           | Koto-ku, Tokyo     | Beneficiary interests in trust | 676  | 789  | 1  | 100.0   | 25,437                                    | 0.2                                  | 1  | 100.0   | 25,414                                    | 0.2                                  |
| C-64         | RESIDIA Kamata III              | Ota-ku, Tokyo      | Beneficiary interests in trust | 959  | 1,150  | 1  | 94.6  | 33,447                                    | 0.2                                  | 1  | 98.4  | 32,850                                    | 0.2                                  |
| C-65         | RESIDIA TOWER Kami-Ikebukuro    | Toshima-ku, Tokyo  | Beneficiary interests in trust | 8,591  | 10,400   | 1  | 96.4  | 704,785                                   | 4.8                                  | 1  | 96.7  | 696,566                                   | 5.0                                  |
| C-66         | RESIDIA Takashima-Daira         | Itabashi-ku, Tokyo | Real estate                    | 536  | 584  | 1  | 100.0   | 16,880                                    | 0.1                                  | 1  | 100.0   | 16,882                                    | 0.1                                  |
| C-67         | RESIDIA Shimura-Sakaue          | Itabashi-ku, Tokyo | Real estate                    | 617  | 657  | 1  | 100.0   | 18,084                                    | 0.1                                  | 1  | 100.0   | 18,084                                    | 0.1                                  |

# I. Asset Management Report

| Property no. | Name of real estate<br>(Note 1)              | Location                 | Type of ownership                               | Book value at the end of the fiscal period (million yen) | Appraisal value at end of period (million yen)<br>(Note 2) | 8th Fiscal Period<br>(Feb. 1, 2014 ~ Jul. 31, 2014)            |   |   |                                      | 9th Fiscal Period<br>(Aug. 1, 2014 ~ Jan. 31, 2015)            |   |   |                                      |
|--------------|--|--------------------------|---|--|--|--|---|---|--------------------------------------|--|---|---|--------------------------------------|
|              |  |                          |   |  |  | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) |
| C-68         | RESIDIA Shimura-Sakaue II                    | Itabashi-ku, Tokyo       | Beneficiary interests in trust                  | 1,150  | 1,280  | 1  | 100.0   | 35,938                                    | 0.2                                  | 1  | 100.0   | 35,942                                    | 0.3                                  |
| C-69         | RESIDIA Shimura-Sakaue III                   | Itabashi-ku, Tokyo       | Real estate                                     | 440  | 472  | 1  | 100.0   | 13,608                                    | 0.1                                  | 1  | 100.0   | 13,620                                    | 0.1                                  |
| C-70         | RESIDIA Ikebukuro West                       | Itabashi-ku, Tokyo       | Beneficiary interests in trust                  | 1,148  | 1,260  | 1  | 93.4  | 43,011                                    | 0.3                                  | 1  | 98.1  | 44,268                                    | 0.3                                  |
| C-71         | RESIDIA Ojima                                | Koto-ku, Tokyo           | Beneficiary interests in trust                  | 1,320  | 1,420  | 1  | 95.6  | 43,088                                    | 0.3                                  | 1  | 100.0   | 43,250                                    | 0.3                                  |
| C-72         | RESIDIA Machiya                              | Arakawa-ku, Tokyo        | Beneficiary interests in trust                  | 1,216  | 1,230  | —  | —   | —   | —                                    | 1  | 97.7  | 25,783                                    | 0.2                                  |
| C-73         | RESIDIA Ueno-Ikenohata                       | Taito-ku, Tokyo          | Beneficiary interests in trust                  | 1,810  | 1,810  | —  | —   | —   | —                                    | 1  | 94.4  | 21,430                                    | 0.2                                  |
| C-74         | RESIDIA Nerima                               | Nerima-ku, Tokyo         | Beneficiary interests in trust                  | 529  | 585  | —  | —   | —   | —                                    | 1  | 100.0   | 5,728                                     | 0.0                                  |
| C-75         | RESIDIA Higashi Nihonbashi (Note 1)          | Chuo-ku, Tokyo           | Beneficiary interests in trust                  | 407  | 430  | —  | —   | —   | —                                    | 1  | 78.0  | 2,866                                     | 0.0                                  |
| C-76         | RESIDIA Nakano (Note 1)                      | Nakano-ku, Tokyo         | Real estate                                     | 698  | 719  | —  | —   | —   | —                                    | 1  | 94.9  | 4,947                                     | 0.0                                  |
| C-77         | RESIDIA Ogikubo II (Note 1)                  | Suginami-ku, Tokyo       | Real estate                                     | 497  | 520  | —  | —   | —   | —                                    | 1  | 100.0   | 3,221                                     | 0.0                                  |
| C-78         | RESIDIA Minami Yukigaya (Note 1)             | Ota-ku, Tokyo            | Beneficiary interests in trust                  | 1,389  | 1,420  | —  | —   | —   | —                                    | 1  | 86.6  | 9,540                                     | 0.1                                  |
| S-2          | Chester House Kawaguchi                      | Kawaguchi-shi, Saitama   | Beneficiary interests in trust                  | 732  | 715  | 1  | 87.2  | 28,026                                    | 0.2                                  | 1  | 100.0   | 29,002                                    | 0.2                                  |
| S-4          | RESIDIA Higashi-Matsudo                      | Matsudo-shi, Chiba       | Beneficiary interests in trust                  | 1,068  | 1,130  | 1  | 97.7  | 43,617                                    | 0.3                                  | 1  | 100.0   | 42,385                                    | 0.3                                  |
| S-5          | RESIDIA Shin-Yokohama                        | Yokohama-shi, Kanagawa   | Beneficiary interests in trust                  | 1,831  | 1,900  | 1  | 100.0   | 61,357                                    | 0.4                                  | 1  | 100.0   | 61,506                                    | 0.4                                  |
| S-7          | RESIDIA Chofu                                | Chofu-shi, Tokyo         | Beneficiary interests in trust                  | 1,104  | 1,140  | 1  | 93.8  | 34,683                                    | 0.2                                  | 1  | 94.6  | 33,689                                    | 0.2                                  |
| S-11         | Tokyo Student-House WAKO                     | Wako-shi, Saitama        | Beneficiary interests in trust                  | 708  | 720  | 1  | 100.0   | 26,182                                    | 0.2                                  | 1  | 100.0   | 26,182                                    | 0.2                                  |
| S-12         | RESIDIA Kokubunji                            | Kokubunji-shi, Tokyo     | Beneficiary interests in trust                  | 494  | 550  | 1  | 94.1  | 19,705                                    | 0.1                                  | 1  | 84.7  | 16,624                                    | 0.1                                  |
| S-14         | RESIDIA Yokohama-Kannai                      | Yokohama-shi, Kanagawa   | Beneficiary interests in trust                  | 1,586  | 1,780  | 1  | 94.0  | 55,780                                    | 0.4                                  | 1  | 98.4  | 56,180                                    | 0.4                                  |
| S-15         | RESIDIA Okurayama                            | Yokohama-shi, Kanagawa   | Beneficiary interests in trust                  | 740  | 864  | 1  | 100.0   | 27,037                                    | 0.2                                  | 1  | 100.0   | 28,139                                    | 0.2                                  |
| S-16         | RESIDIA Musashikosugi                        | Kawasaki-shi, Kanagawa   | Real estate                                     | 1,520  | 1,740  | 1  | 99.0  | 56,516                                    | 0.4                                  | 1  | 96.8  | 55,771                                    | 0.4                                  |
| S-17         | RESIDIA Funabashi I                          | Funabashi-shi, Chiba     | Beneficiary interests in trust                  | 2,601  | 2,890  | 1  | 100.0   | 93,160                                    | 0.6                                  | 1  | 100.0   | 94,603                                    | 0.7                                  |
|              | RESIDIA Funabashi II                         |                          |   |  |  |  |   |   |                                      |  |   |   |                                      |
| S-19         | RESIDIA Kichijoji                            | Musashino-shi, Tokyo     | Beneficiary interests in trust                  | 1,436  | 1,490  | 1  | 89.8  | 45,836                                    | 0.3                                  | 1  | 98.0  | 47,323                                    | 0.3                                  |
| S-20         | Pacific Royal Court Minato Mirai Ocean Tower | Yokohama-shi, Kanagawa   | Real estate and leasehold rights to real estate | 12,559   | 15,400   | 1  | 99.4  | 570,340                                   | 3.9                                  | 1  | 98.8  | 574,862                                   | 4.1                                  |
| S-21         | Maison Yachiyodai                            | Yachiyo-shi, Chiba       | Beneficiary interests in trust                  | 825  | 822  | 1  | 86.0  | 39,989                                    | 0.3                                  | 1  | 85.8  | 39,341                                    | 0.3                                  |
| S-22         | Life & Senior House Kohoku II                | Yokohama-shi, Kanagawa   | Real estate                                     | 1,590  | 2,050  | 1  | 100.0   | 70,704                                    | 0.5                                  | 1  | 100.0   | 70,704                                    | 0.5                                  |
| S-23         | College Court Tanashi                        | Nishi-Tokyo-shi, Tokyo   | Beneficiary interests in trust                  | 798  | 1,050  | 1  | 100.0   | 32,760                                    | 0.2                                  | 1  | 100.0   | 32,760                                    | 0.2                                  |
| S-24         | RESIDIA Urayasu                              | Urayasu-shi, Chiba       | Beneficiary interests in trust                  | 2,154  | 2,600  | 1  | 98.9  | 84,260                                    | 0.6                                  | 1  | 97.7  | 82,130                                    | 0.6                                  |
| S-25         | RESIDIA Minami-Gyotoku                       | Ichikawa-shi, Chiba      | Beneficiary interests in trust                  | 852  | 1,000  | 1  | 98.8  | 35,657                                    | 0.2                                  | 1  | 98.8  | 35,185                                    | 0.3                                  |
| S-26         | RESIDIA Urayasu II                           | Urayasu-shi, Chiba       | Beneficiary interests in trust                  | 832  | 968  | 1  | 97.3  | 31,912                                    | 0.2                                  | 1  | 97.3  | 31,731                                    | 0.2                                  |
| S-27         | RESIDIA Gyotoku                              | Ichikawa-shi, Chiba      | Beneficiary interests in trust                  | 788  | 919  | 1  | 98.7  | 33,319                                    | 0.2                                  | 1  | 96.0  | 32,534                                    | 0.2                                  |
| S-28         | RESIDIA Kawasaki                             | Kawasaki-shi, Kanagawa   | Beneficiary interests in trust                  | 1,686  | 2,050  | 1  | 99.2  | 63,621                                    | 0.4                                  | 1  | 93.1  | 60,934                                    | 0.4                                  |
| S-29         | Cocofump Hiyoshi                             | Yokohama-shi, Kanagawa   | Beneficiary interests in trust                  | 1,066  | 1,160  | 1  | 100.0   | 45,000                                    | 0.3                                  | 1  | 100.0   | 45,000                                    | 0.3                                  |
| S-30         | RESIDIA Sagamihara                           | Sagamihara-shi, Kanagawa | Beneficiary interests in trust                  | 1,124  | 1,170  | —  | —   | —   | —                                    | 1  | 100.0   | 13,572                                    | 0.1                                  |
| S-31         | RESIDIA Yokohama-Bashamichi                  | Yokohama-shi, Kanagawa   | Beneficiary interests in trust                  | 775  | 825  | —  | —   | —   | —                                    | 1  | 100.0   | 10,916                                    | 0.1                                  |
| S-32         | RESIDIA Hon-Atsugi (Note 1)                  | Atsugi-shi, Kanagawa     | Real estate                                     | 663  | 669  | —  | —   | —   | —                                    | 1  | 88.7  | 4,946                                     | 0.0                                  |
| R-2          | RESIDIA Imadegawa                            | Kyoto-shi, Kyoto         | Beneficiary interests in trust                  | 1,551  | 1,630  | 1  | 100.0   | 63,767                                    | 0.4                                  | 1  | 100.0   | 62,762                                    | 0.4                                  |
| R-4          | RESIDIA Higashi-Sakura                       | Nagoya-shi, Aichi        | Beneficiary interests in trust                  | 1,114  | 1,330  | 1  | 94.4  | 47,263                                    | 0.3                                  | 1  | 95.7  | 47,743                                    | 0.3                                  |
| R-5          | RESIDIA Kameyama                             | Kameyama-shi, Mie        | Beneficiary interests in trust                  | 1,576  | 1,180  | 1  | 97.1  | 60,378                                    | 0.4                                  | 1  | 97.1  | 60,492                                    | 0.4                                  |
| R-6          | RESIDIA Ryokuchikoen                         | Toyonaka-shi, Osaka      | Beneficiary interests in trust                  | 926  | 925  | 1  | 98.0  | 32,682                                    | 0.2                                  | 1  | 88.1  | 30,841                                    | 0.2                                  |

| Property no. | Name of real estate<br>(Note 1)                      | Location              | Type of ownership              | Book value at the end of the fiscal period (million yen) | Appraisal value at end of period (million yen)<br>(Note 2) | 8th Fiscal Period<br>(Feb. 1, 2014 ~ Jul. 31, 2014)            |   |   |                                      | 9th Fiscal Period<br>(Aug. 1, 2014 ~ Jan. 31, 2015)            |   |   |                                      |
|--------------|--|-----------------------|--------------------------------|--|--|--|---|---|--------------------------------------|--|---|---|--------------------------------------|
|              |  |                       |                                |  |  | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) |
| R-8          | RESIDIA Kobe Port Island (South Bldg.; Centre Bldg.) | Kobe-shi, Hyogo       | Beneficiary interests in trust | 3,578  | 3,760  | 1  | 100.0   | 125,458                                   | 0.9                                  | 1  | 100.0   | 125,458                                   | 0.9                                  |
|              | RESIDIA Kobe Port Island (North Bldg.)               |                       |                                |  |  |  |   |   |                                      |  |   |   |                                      |
| R-10         | RESIDIA Hakata                                       | Fukuoka-shi, Fukuoka  | Real estate                    | 1,172  | 1,280  | 1  | 100.0   | 51,587                                    | 0.4                                  | 1  | 100.0   | 50,752                                    | 0.4                                  |
| R-11         | RESIDIA Tenjinbashi                                  | Osaka-shi, Osaka      | Beneficiary interests in trust | 814  | 1,010  | 1  | 96.3  | 36,560                                    | 0.3                                  | 1  | 95.6  | 35,284                                    | 0.3                                  |
| R-12         | RESIDIA Sannomiya-Higashi                            | Kobe-shi, Hyogo       | Real estate                    | 2,050  | 2,540  | 1  | 95.5  | 90,736                                    | 0.6                                  | 1  | 91.2  | 87,017                                    | 0.6                                  |
| R-13         | KC21 Building  | Sendai-shi, Miyagi    | Real estate                    | 911  | 1,030  | 1  | 97.1  | 42,289                                    | 0.3                                  | 1  | 89.0  | 39,910                                    | 0.3                                  |
| R-14         | RESIDIA Utsubokoen                                   | Osaka-shi, Osaka      | Real estate                    | 1,093  | 1,370  | 1  | 91.9  | 46,674                                    | 0.3                                  | 1  | 96.0  | 45,841                                    | 0.3                                  |
| R-15         | RESIDIA Kyoto-Ekimae                                 | Kyoto-shi, Kyoto      | Beneficiary interests in trust | 1,849  | 2,260  | 1  | 99.3  | 77,186                                    | 0.5                                  | 1  | 97.5  | 76,132                                    | 0.5                                  |
| R-16         | RESIDIA Takaoka                                      | Nagoya-shi, Aichi     | Real estate                    | 2,210  | 2,840  | 1  | 100.0   | 89,350                                    | 0.6                                  | 1  | 95.7  | 90,393                                    | 0.6                                  |
| R-17         | RESIDIA Hibino                                       | Nagoya-shi, Aichi     | Beneficiary interests in trust | 1,216  | 1,430  | 1  | 96.7  | 67,641                                    | 0.5                                  | 1  | 94.3  | 66,612                                    | 0.5                                  |
| R-19         | RESIDIA Tenjin-Minami                                | Fukuoka-shi, Fukuoka  | Beneficiary interests in trust | 872  | 1,060  | 1  | 100.0   | 39,744                                    | 0.3                                  | 1  | 96.4  | 39,201                                    | 0.3                                  |
| R-20         | RESIDIA Hakataeki-Minami                             | Fukuoka-shi, Fukuoka  | Beneficiary interests in trust | 297  | 362  | 1  | 96.4  | 15,997                                    | 0.1                                  | 1  | 94.8  | 15,489                                    | 0.1                                  |
| R-21         | Mare   | Nagoya-shi, Aichi     | Real estate                    | 633  | 756  | 1  | 88.8  | 25,811                                    | 0.2                                  | 1  | 97.4  | 27,780                                    | 0.2                                  |
| R-24         | RESIDIA Minami-Ichijo                                | Sapporo-shi, Hokkaido | Real estate                    | 1,527  | 1,860  | 1  | 98.6  | 75,269                                    | 0.5                                  | 1  | 98.5  | 76,858                                    | 0.5                                  |
| R-25         | RESIDIA Odori-Nishi                                  | Sapporo-shi, Hokkaido | Real estate                    | 1,252  | 1,320  | 1  | 100.0   | 58,309                                    | 0.4                                  | 1  | 99.3  | 58,163                                    | 0.4                                  |
| R-26         | RESIDIA Kita-Sanjo                                   | Sapporo-shi, Hokkaido | Real estate                    | 1,047  | 1,270  | 1  | 100.0   | 50,463                                    | 0.3                                  | 1  | 97.5  | 49,868                                    | 0.4                                  |
| R-27         | RESIDIA Shirakabe-Higashi                            | Nagoya-shi, Aichi     | Real estate                    | 784  | 858  | 1  | 96.7  | 32,203                                    | 0.2                                  | 1  | 93.8  | 31,812                                    | 0.2                                  |
| R-29         | RESIDIA Uzumasa                                      | Kyoto-shi, Kyoto      | Real estate                    | 670  | 721  | 1  | 91.3  | 36,902                                    | 0.3                                  | 1  | 95.9  | 34,735                                    | 0.2                                  |
| R-30         | RESIDIA Izumi  | Nagoya-shi, Aichi     | Real estate                    | 3,469  | 3,960  | 1  | 96.0  | 140,880                                   | 1.0                                  | 1  | 93.3  | 139,968                                   | 1.0                                  |
| R-31         | RESIDIA Maruyama Kita-Gojo                           | Sapporo-shi, Hokkaido | Real estate                    | 988  | 1,090  | 1  | 98.4  | 44,692                                    | 0.3                                  | 1  | 98.4  | 45,084                                    | 0.3                                  |
| R-32         | RESIDIA Tokugawa                                     | Nagoya-shi, Aichi     | Real estate                    | 713  | 818  | 1  | 95.9  | 28,926                                    | 0.2                                  | 1  | 100.0   | 29,695                                    | 0.2                                  |
| R-34         | RESIDIA Odori-Koen                                   | Sapporo-shi, Hokkaido | Real estate                    | 1,898  | 2,310  | 1  | 99.0  | 95,225                                    | 0.7                                  | 1  | 99.0  | 91,834                                    | 0.7                                  |
| R-35         | RESIDIA Tanimachi                                    | Osaka-shi, Osaka      | Real estate                    | 1,146  | 1,500  | 1  | 86.0  | 47,182                                    | 0.3                                  | 1  | 95.6  | 46,088                                    | 0.3                                  |
| R-36         | RESIDIA Hisaya-Oodori                                | Nagoya-shi, Aichi     | Beneficiary interests in trust | 657  | 863  | 1  | 93.4  | 30,103                                    | 0.2                                  | 1  | 94.1  | 29,027                                    | 0.2                                  |
| R-37         | RESIDIA Sendai-Miyamachi                             | Sendai-shi, Miyagi    | Beneficiary interests in trust | 531  | 708  | 1  | 100.0   | 25,975                                    | 0.2                                  | 1  | 100.0   | 23,914                                    | 0.2                                  |
| R-38         | RESIDIA Hirose-dori                                  | Sendai-shi, Miyagi    | Beneficiary interests in trust | 498  | 621  | 1  | 100.0   | 21,839                                    | 0.1                                  | 1  | 100.0   | 21,842                                    | 0.2                                  |
| R-39         | RESIDIA Edobori                                      | Osaka-shi, Osaka      | Real estate                    | 1,453  | 1,770  | 1  | 97.0  | 58,664                                    | 0.4                                  | 1  | 96.1  | 60,848                                    | 0.4                                  |
| R-40         | RESIDIA Kyomachibori                                 | Osaka-shi, Osaka      | Real estate                    | 1,045  | 1,260  | 1  | 94.8  | 42,142                                    | 0.3                                  | 1  | 93.9  | 42,442                                    | 0.3                                  |
| R-41         | RESIDIA Esaka  | Suita-shi, Osaka      | Beneficiary interests in trust | 1,002  | 1,220  | 1  | 100.0   | 42,731                                    | 0.3                                  | 1  | 97.7  | 40,482                                    | 0.3                                  |
| R-42         | RESIDIA Nishijin                                     | Fukuoka-shi, Fukuoka  | Beneficiary interests in trust | 2,386  | 2,860  | 1  | 95.0  | 105,534                                   | 0.7                                  | 1  | 93.0  | 101,757                                   | 0.7                                  |
| R-43         | RESIDIA Tsurumai                                     | Nagoya-shi, Aichi     | Beneficiary interests in trust | 1,214  | 1,530  | 1  | 96.9  | 56,642                                    | 0.4                                  | 1  | 99.2  | 56,002                                    | 0.4                                  |
| R-44         | RESIDIA Kobe-Isogami                                 | Kobe-shi, Hyogo       | Beneficiary interests in trust | 2,751  | 3,440  | 1  | 93.3  | 122,277                                   | 0.8                                  | 1  | 94.2  | 120,505                                   | 0.9                                  |
| R-45         | RESIDIA Kita-Nijyo East                              | Sapporo-shi, Hokkaido | Beneficiary interests in trust | 913  | 1,050  | 1  | 97.9  | 42,578                                    | 0.3                                  | 1  | 100.0   | 41,262                                    | 0.3                                  |
| R-46         | RESIDIA Shinsaibashi West                            | Osaka-shi, Osaka      | Beneficiary interests in trust | 1,955  | 2,240  | 1  | 94.5  | 75,448                                    | 0.5                                  | 1  | 91.4  | 73,120                                    | 0.5                                  |
| R-47         | RESIDIA Marunouchi                                   | Nagoya-shi, Aichi     | Beneficiary interests in trust | 994  | 1,140  | 1  | 92.1  | 40,863                                    | 0.3                                  | 1  | 93.4  | 40,331                                    | 0.3                                  |
| R-48         | RESIDIA Sapporo-Ekimae                               | Sapporo-shi, Hokkaido | Beneficiary interests in trust | 1,514  | 1,970  | 1  | 100.0   | 77,227                                    | 0.5                                  | 1  | 98.9  | 76,085                                    | 0.5                                  |
| R-49         | RESIDIA Goshō-Higashi                                | Kyoto-shi, Kyoto      | Beneficiary interests in trust | 1,250  | 1,420  | 1  | 93.6  | 47,859                                    | 0.3                                  | 1  | 91.6  | 45,425                                    | 0.3                                  |
| R-50         | RESIDIA Raku-hoku                                    | Kyoto-shi, Kyoto      | Beneficiary interests in trust | 892  | 941  | 1  | 85.1  | 34,735                                    | 0.2                                  | 1  | 84.0  | 30,694                                    | 0.2                                  |
| R-51         | RESIDIA Miyakojima I&II                              | Osaka-shi, Osaka      | Real estate                    | 3,378  | 4,180  | 1  | 96.8  | 152,360                                   | 1.0                                  | 1  | 96.4  | 152,257                                   | 1.1                                  |
| R-52         | RESIDIA TOWER Sendai                                 | Sendai-shi, Miyagi    | Beneficiary interests in trust | 1,804  | 1,850  | 1  | 98.4  | 68,464                                    | 0.5                                  | 1  | 100.0   | 70,149                                    | 0.5                                  |



# I. Asset Management Report

| Property no. | Name of real estate<br>(Note 1) | Location              | Type of ownership              | Book value at the end of the fiscal period (million yen) | Appraisal value at end of period (million yen)<br>(Note 2) | 8th Fiscal Period<br>(Feb. 1, 2014 ~ Jul. 31, 2014)            |   |   |                                      | 9th Fiscal Period<br>(Aug. 1, 2014 ~ Jan. 31, 2015)            |   |   |                                      |
|--------------|---------------------------------|-----------------------|--------------------------------|--|--|--|---|---|--------------------------------------|--|---|---|--------------------------------------|
|              |                                 |                       |                                |  |  | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) | Total number of tenants at end of period (tenants)<br>(Note 3) | Occupancy rate at end of period (%)<br>(Note 4) | Rental revenue (thousand yen)<br>(Note 5) | Percentage of total rent revenue (%) |
| R-53         | RESIDIA Higashi-Sakura II       | Nagoya-shi, Aichi     | Beneficiary interests in trust | 2,955  | 3,470  | 1  | 92.8  | 118,996                                   | 0.8                                  | 1  | 91.8  | 124,724                                   | 0.9                                  |
| R-54         | RESIDIA Tsutsujigaoka           | Sendai-shi, Miyagi    | Beneficiary interests in trust | 1,858  | 2,170  | 1  | 99.0  | 78,727                                    | 0.5                                  | 1  | 98.9  | 81,139                                    | 0.6                                  |
| R-55         | RESIDIA Kobe-Motomachi          | Kobe-shi, Hyogo       | Beneficiary interests in trust | 1,089  | 1,260  | 1  | 97.6  | 45,090                                    | 0.3                                  | 1  | 97.8  | 46,343                                    | 0.3                                  |
| R-56         | RESIDIA Sendai-Honcho           | Sendai-shi, Miyagi    | Beneficiary interests in trust | 1,157  | 1,450  | 1  | 96.2  | 49,678                                    | 0.3                                  | 1  | 99.2  | 51,247                                    | 0.4                                  |
| R-57         | RESIDIA Sendai-Haranomachi      | Sendai-shi, Miyagi    | Beneficiary interests in trust | 619  | 791  | 1  | 100.0   | 29,296                                    | 0.2                                  | 1  | 94.4  | 29,935                                    | 0.2                                  |
| R-58         | RESIDIA Minami-Ichijo East      | Sapporo-shi, Hokkaido | Beneficiary interests in trust | 1,108  | 1,240  | 1  | 100.0   | 46,074                                    | 0.3                                  | 1  | 94.7  | 46,982                                    | 0.3                                  |
| R-59         | RESIDIA Shin-Osaka              | Osaka-shi, Osaka      | Beneficiary interests in trust | 2,859  | 3,130  | –  | –   | –   | –                                    | 1  | 100.0   | 90,352                                    | 0.6                                  |
| R-60         | RESIDIA Okayama-Ekimaie         | Okayama-shi, Okayama  | Beneficiary interests in trust | 829  | 885  | –  | –   | –   | –                                    | 1  | 100.0   | 11,132                                    | 0.1                                  |
| R-61         | RESIDIA Kyoto Okazaki           | Kyoto-shi, Kyoto      | Beneficiary interests in trust | 242  | 284  | –  | –   | –   | –                                    | 1  | 100.0   | 2,979                                     | 0.0                                  |
| R-62         | RESIDIA Sendai-Ichibancho       | Sendai-shi, Miyagi    | Beneficiary interests in trust | 1,148  | 1,220  | –  | –   | –   | –                                    | 1  | 100.0   | 13,514                                    | 0.1                                  |
| R-63         | RESIDIA Kita-Nijyo East II      | Sapporo-shi, Hokkaido | Beneficiary interests in trust | 582  | 664  | –  | –   | –   | –                                    | 1  | 96.1  | 8,514                                     | 0.1                                  |
| R-64         | RESIDIA Takamiya                | Fukuoka-shi, Fukuoka  | Beneficiary interests in trust | 515  | 541  | –  | –   | –   | –                                    | 1  | 100.0   | 5,951                                     | 0.0                                  |
| R-65         | RESIDIA Soen                    | Sapporo-shi, Hokkaido | Beneficiary interests in trust | 418  | 475  | –  | –   | –   | –                                    | 1  | 98.3  | 6,684                                     | 0.0                                  |
| R-66         | RESIDIA Tenjin                  | Fukuoka-shi, Fukuoka  | Beneficiary interests in trust | 1,177  | 1,240  | –  | –   | –   | –                                    | 1  | 94.3  | 12,582                                    | 0.1                                  |
| R-67         | RESIDIA Yakuin-O-dori           | Fukuoka-shi, Fukuoka  | Beneficiary interests in trust | 1,173  | 1,260  | –  | –   | –   | –                                    | 1  | 94.5  | 13,104                                    | 0.1                                  |
| R-68         | RESIDIA Hakata II               | Fukuoka-shi, Fukuoka  | Beneficiary interests in trust | 1,424  | 1,470  | –  | –   | –   | –                                    | 1  | 98.4  | 15,683                                    | 0.1                                  |
| R-69         | RESIDIA Kego                    | Fukuoka-shi, Fukuoka  | Beneficiary interests in trust | 890  | 1,000  | –  | –   | –   | –                                    | 1  | 97.9  | 11,433                                    | 0.1                                  |
| R-70         | RESIDIA Shirakabe (Note 1)      | Nagoya-shi, Aichi     | Beneficiary interests in trust | 987  | 1,010  | –  | –   | –   | –                                    | 1  | 95.3  | 8,291                                     | 0.1                                  |
| Total        |                                 |                       |                                | 401,297  | 457,329  | 221  | 95.9  | 14,590,450                                | 100.0                                | 240  | 96.5  | 13,997,685                                | 100.0                                |

Notes 1. Properties that have been or will be renamed are as listed in the table below. The names of respective properties on the date of account closing are not necessarily the same as the new names of each of the properties shown in the table. Names of properties remain unchanged unless stated otherwise, below.

| Property no. | Former name                     | New name                     | Date of name change<br>(scheduled) |
|--------------|---------------------------------|------------------------------|------------------------------------|
| P-100        | Belle Face Takanawa Katsurazaka | RESIDIA Takanawa Katsurazaka | March 2, 2015                      |
| P-101        | Belle Face Ebisu                | RESIDIA Ebisu III            | March 2, 2015                      |
| P-102        | Belle Face Shinjuku Gyoen       | RESIDIA Shinjuku Gyoen       | March 2, 2015                      |
| C-75         | Belle Face Higashi Nihonbashi   | RESIDIA Higashi Nihonbashi   | March 2, 2015                      |
| C-76         | Belle Face Nakano               | RESIDIA Nakano               | March 2, 2015                      |
| C-77         | Belle Face Takaide              | RESIDIA Ogikubo II           | April 15, 2015                     |
| C-78         | Belle Face Minami Yukigaya      | RESIDIA Minami Yukigaya      | March 2, 2015                      |
| S-32         | Belle Face Hon-Atsugi           | RESIDIA Hon-Atsugi           | March 2, 2015                      |
| R-70         | Belle Face Shirakabe            | RESIDIA Shirakabe            | March 2, 2015                      |

2. "Appraisal value at end of period" is the appraisal value or survey-based value provided by a real estate appraiser as of January 31, 2015, the valuation date, pursuant to ADR's Articles of Incorporation and the "Regulations Concerning Accounting of Investment Corporations" issued by the Cabinet Office.
3. "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 13 master lessees, as a master lease agreement is executed for all assets held by ADR as of January 31, 2015.
4. "Occupancy rate" is calculated by using the formula: "Leased floor area" ÷ "Leasable floor area" × 100.
5. "Rental revenue" is the rental revenue of respective real estate for the fiscal period under review.

## 4 Securities Portfolio

The following are securities held by ADR as of January 31, 2015.

| Name  | Type of asset                     | Quantity | Book value<br>(thousand yen) |                | Assessed value<br>(thousand yen) <sup>(Note 1)</sup> |                | Gain (Loss) on<br>valuation<br>(thousand yen) | Notes |
|---|-----------------------------------|----------|------------------------------|----------------|--|----------------|---|-------|
|   |                                   |          | Unit<br>price                | Amount         | Unit<br>price  | Amount         |   |       |
| TK equity interest with Godo Kaisha RISING4 as operator <sup>(Note 2)</sup> | TK property fund equity interests | –        | –                            | 236,921        | –  | 234,433        | -2,488  | –     |
| <b>Total</b>  | –                                 | –        | –                            | <b>236,921</b> | –  | <b>234,433</b> | <b>-2,488</b>                                 | –     |

Notes 1. The “Assessed value” is the value quoted by the TK operator pursuant to regulations provided by The Investment Trusts Association, Japan.

2. TK property fund owns the real estate beneficiary interests in trust for “Chester Court Ochanomizu,” “Chester House Iwamotocho (RESIDIA Kanda-Iwamotocho II),” “Chester House Shinagawa (RESIDIA Shinagawa),” “Chester Court Asakusabashi (RESIDIA Nihonbashi-Bakurocho III),” “Chester House Akihabara (RESIDIA Akihabara)” and “Chester House Azumabashi (RESIDIA Asakusabashi).” Also, ADR has concluded contracts for acquisition of the aforementioned assets as of January 29, 2015. Following those acquisitions, ADR plans to rename the respective properties to the names shown in parentheses.

3. 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 is included in “3. Real Estate Portfolio.”

## 5 Specified Transactions

The following is the status of ADR’s specified transactions as of January 31, 2015.

(thousand yen)

| Account                                   | Type   | Contract amount <sup>(Note 1)</sup> |                               | Fair value <sup>(Notes 2, 3)</sup> |
|---|--|-------------------------------------|-------------------------------|------------------------------------|
|   |  |                                     | Of which,<br>exceeding 1 year |                                    |
| Transaction other than market transaction | Interest-rate swap transaction<br>Payable fixed; Receivable floating | 154,925,488                         | 143,925,488                   | -2,163,669                         |
| <b>Total</b>                              |  | <b>154,925,488</b>                  | <b>143,925,488</b>            | <b>-2,163,669</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 to 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 January 31, 2015, 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 real estate<br>(Location)                    | Purpose                                    | Estimated Duration               | Estimated amounts |                                |                        |
|--|--|----------------------------------|-------------------|--------------------------------|------------------------|
|  |  |                                  | Total amounts     | Payment for the current period | Cumulative amount paid |
| RESIDIA Kokubunji<br>(Kokubunji-shi, Tokyo)          | Major repair work                          | From: Nov. 2014<br>To: Feb. 2015 | 32                | 7                              | 7                      |
| RESIDIA Shinjuku East<br>(Shinjuku-ku, Tokyo)        | Major repair work                          | From: Feb. 2015<br>To: Jul. 2015 | 28                | —                              | —                      |
| RESIDIA Azabujuban II<br>(Minato-ku, Tokyo)          | Major repair work                          | From: Feb. 2015<br>To: Jul. 2015 | 24                | —                              | —                      |
| RESIDIA Roppongi-Hinokichokoen<br>(Minato-ku, Tokyo) | Value-enhancement work on individual units | From: Feb. 2015<br>To: Jul. 2015 | 20                | —                              | —                      |
| RESIDIA Shibaura<br>(Minato-ku, Tokyo)               | Value-enhancement work on individual units | From: Feb. 2015<br>To: Jul. 2015 | 17                | —                              | —                      |

### 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 488 million yen for the entire portfolio and, when combined with repairs and maintenance cost of 452 million yen, were 941 million yen.

(million yen)

| Name of real estate<br>(Location)             | Purpose                   | Implementation period            | Amount paid |
|---|---------------------------|----------------------------------|-------------|
| RESIDIA Mejiro<br>(Toshima-ku, Tokyo)         | Major repair work         | From: Jun. 2014<br>To: Nov. 2014 | 176         |
| RESIDIA Sasazuka<br>(Suginami-ku, Tokyo)      | Major repair work         | From: Aug. 2014<br>To: Dec. 2014 | 83          |
| RESIDIA Miyakojima I&II<br>(Osaka-shi, Osaka) | Repairs to external walls | From: Sep. 2014<br>To: Jan. 2015 | 47          |
| Other real estate                             | Renovations               |                                  | 181         |
| <b>Total</b>                                  |                           |                                  | <b>488</b>  |

### 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                              | 5th FP<br>From: Aug. 1, 2012<br>To: Jan. 31, 2013 | 6th FP<br>From: Feb. 1, 2013<br>To: Jul. 31, 2013 | 7th FP<br>From: Aug. 1, 2013<br>To: Jan. 31, 2014 | 8th FP<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014 | 9th FP<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015 |
|--|---|---|---|---|---|
| Balance of reserves at beginning of period | 1,704   | 1,671   | 1,625   | 1,684   | 1,618   |
| Amount of reserves during period           | 320   | 357   | 455   | 524   | 565   |
| Reversal of reserves during period         | 353   | 403   | 397   | 590   | 569   |
| Amount carried forward to next period      | 1,671   | 1,625   | 1,684   | 1,618   | 1,614   |





# I. Asset Management Report

## Expenses and Liabilities

### 1 Entrustment Expenses

(thousand yen)

| Item                              | 8th FP           | 9th FP             |
|-----------------------------------|------------------|--------------------|
| (a) Asset management fee (Note 1) | 949,870 (Note 2) | 1,117,526 (Note 3) |
| (b) Asset custody fee             | 9,478            | 9,619              |
| (c) Administrative service fees   | 62,733           | 63,148             |
| (d) Directors' compensations      | 2,400            | 2,400              |
| (e) Other                         | 390,097          | 279,945            |
| <b>Total</b>                      | <b>1,414,581</b> | <b>1,472,640</b>   |

Notes 1. The asset management fee is the sum total of management fee 1, management fee 2, and management fee 3.

2. Aside from the amounts indicated above, a total of 160,954 thousand yen has been paid as acquisition fee and included in the price of properties acquired.

3. Aside from the amounts indicated above, a total of 236,600 thousand yen has been paid as acquisition fee and included in the price of properties acquired, and a total of 146,800 thousand yen has been paid as disposition fee and factored into the gain (loss) on real estate sales.

### 2 Loans

The following lists the outstanding investment corporation bonds issued by ADR as of January 31, 2015.

|   | Classification                               | Drawdown date      | Balance at start<br>of the 9th FP<br>(million yen) | Balance at end<br>of 9th FP<br>(million yen) | Interest rate<br>(Note 1) | Repayment date     | Repayment<br>method                  | Use      | Remarks                   |
|---|--|--------------------|--|--|---------------------------|--------------------|--------------------------------------|----------|---------------------------|
|   | Lenders                                      |                    |  |  |                           |                    |                                      |          |                           |
| Short-term<br>loans payable                         | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | September 29, 2014 | —  | —  | —                         | September 29, 2015 | Lump-sum<br>repayment<br>at maturity | (Note 3) | Unsecured<br>Unguaranteed |
|   | Sumitomo Mitsui Trust Bank Limited           |                    | —  | —  |                           |                    |                                      | (Note 3) |                           |
|   | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | November 12, 2014  | —  | —  | —                         | November 12, 2015  |                                      | (Note 3) |                           |
|   | Sumitomo Mitsui Trust Bank Limited           |                    | —  | —  |                           |                    |                                      | (Note 3) |                           |
|   | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | December 4, 2014   | —  | —  | —                         | December 4, 2015   |                                      | (Note 3) |                           |
|   | Sumitomo Mitsui Trust Bank Limited           |                    | —  | —  |                           |                    |                                      | (Note 3) |                           |
|   | Mizuho Bank, Ltd.                            | December 19, 2014  | —  | —  | —                         | December 18, 2015  |                                      | (Note 3) |                           |
|   | Subtotal                                     |                    | —  | —  |                           |                    |                                      |          |                           |
| Current<br>portion of<br>long-term<br>loans payable | Development Bank of Japan Inc.               | June 25, 2008      | 2,304  | 2,304  | 2.70%                     | June 25, 2015      | Lump-sum<br>repayment<br>at maturity | (Note 5) | Unsecured<br>Unguaranteed |
|   | Development Bank of Japan Inc.               | October 22, 2009   | 3,429  | —  | —                         | (Note 8)           | Installment                          | (Note 6) |                           |
|   | Development Bank of Japan Inc.               | February 17, 2011  | 13   | 13   | 1.86%                     | (Note 9)           |                                      | (Note 6) |                           |
|   | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | August 31, 2011    | 1,600  | —  | —                         | January 31, 2015   | Lump-sum<br>repayment<br>at maturity | (Note 5) |                           |
|   | Resona Bank, Limited                         |                    | 2,000  | —  |                           |                    |                                      |          |                           |
|   | The Bank of Fukuoka, Ltd.                    |                    | 1,000  | —  |                           |                    |                                      |          |                           |
|   | Aozora Bank, Ltd.                            |                    | 700  | —  |                           |                    |                                      |          |                           |
|   | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | August 31, 2011    | —  | 500  | 1.16%<br>(Note 2)         | December 18, 2015  |                                      | (Note 5) |                           |
|   | Sumitomo Mitsui Trust Bank Limited           |                    | —  | 500  |                           |                    |                                      |          |                           |
|   | Mitsubishi UFJ Trust and Banking Corporation |                    | —  | 1,000  |                           |                    |                                      |          |                           |
|   | The Norinchukin Bank                         |                    | —  | 1,000  |                           |                    |                                      |          |                           |
|   | The Bank of Fukuoka, Ltd.                    |                    | —  | 1,000  |                           |                    |                                      |          |                           |
|   | Aozora Bank, Ltd.                            | August 31, 2011    | —  | 2,000  | 1.16%<br>(Note 2)         | December 18, 2015  |                                      | (Note 3) |                           |
|   | Sumitomo Mitsui Banking Corporation          |                    | —  | 1,000  |                           |                    |                                      |          |                           |
|   | Aozora Bank, Ltd.                            | November 18, 2011  | 2,400  | —  | —                         | October 31, 2014   | Lump-sum<br>repayment<br>at maturity | (Note 6) |                           |
|   | The Norinchukin Bank                         | December 26, 2011  | —  | —  | —                         | December 18, 2015  |                                      | (Note 5) |                           |
|   | Mizuho Trust & Banking Co., Ltd.             | February 8, 2012   | 1,000  | —  | —                         | July 31, 2015      |                                      | (Note 6) |                           |
|   | The Yamaguchi Bank, Ltd.                     | February 8, 2012   | 500  | —  | —                         | July 31, 2015      |                                      | (Note 6) |                           |
|   | The Tokyo Tomin Bank, Ltd.                   |                    | 500  | —  |                           |                    |                                      |          |                           |
|   | The Iyo Bank, Ltd.                           |                    | 300  | —  |                           |                    |                                      |          |                           |
|   | Mizuho Trust & Banking Co., Ltd.             |                    | April 3, 2012                                      | 2,700  |                           |                    |                                      |          |                           |
|   | The Gunma Bank, Ltd.                         | May 31, 2012       | 1,000  | 1,000  | 0.84%<br>(Note 2)         | May 29, 2015       |                                      | (Note 5) |                           |
|   | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | June 25, 2012      | —  | 700  | 0.85%<br>(Note 2)         | August 31, 2015    |                                      | (Note 5) |                           |
|   | Sumitomo Mitsui Trust Bank Limited           |                    | —  | 500  |                           |                    |                                      |          |                           |
|   | Resona Bank, Limited                         |                    | —  | 1,000  |                           |                    |                                      |          |                           |
|   | The Nishi-Nippon City Bank Ltd.              |                    | —  | 800  |                           |                    |                                      |          |                           |

|  | Classification                                  | Drawdown date      | Balance at start of the 9th FP (million yen) | Balance at end of 9th FP (million yen) | Interest rate (Note 1) | Repayment date     | Repayment method               | Use      | Remarks                |  |
|--|---|--------------------|--|--|------------------------|--------------------|--------------------------------|----------|------------------------|--|
|  | Lenders   |                    |  |  |                        |                    |                                |          |                        |  |
| Current portion of long-term loans payable   | The Hiroshima Bank, Ltd.                        | November 20, 2012  | —  | 500                                    | 0.48%                  | November 30, 2015  | Lump-sum repayment at maturity | (Note 6) | Unsecured Unguaranteed |  |
|  | Tokio Marine & Nichido Fire Insurance Co., Ltd. | December 28, 2012  | —  | 500                                    | 0.60%                  | December 18, 2015  |                                | (Note 5) |                        |  |
|  | Mizuho Bank, Ltd.                               | September 24, 2013 | —  | —                                      | —                      | November 30, 2015  |                                | (Note 5) |                        |  |
|  | Mizuho Trust & Banking Co., Ltd.                |                    | —  | —                                      |                        |                    |                                |          |                        |  |
|  | Subtotal  |                    |  | 19,448                                 | 14,318                 |                    |                                |          |                        |  |
| Long-term loans payable                      | Development Bank of Japan Inc.                  | November 25, 2010  | 956  | 956                                    | 1.90%                  | November 24, 2017  | Lump-sum repayment at maturity | (Note 5) | Unsecured Unguaranteed |  |
|  | Development Bank of Japan Inc.                  | February 17, 2011  | 205  | 198                                    | 1.86%                  | (Note 9)           | Installment                    | (Note 6) |                        |  |
|  | Mizuho Bank, Ltd.                               | March 1, 2011      | 1,083  | 1,083                                  | 1.68% (Note 2)         | February 29, 2016  | Lump-sum repayment at maturity | (Note 3) |                        |  |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | March 1, 2011      | 492  | 492                                    | 1.68% (Note 2)         | February 29, 2016  |                                | (Note 3) |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 492  | 492                                    |                        |                    |                                |          |                        |  |
|  | Sumitomo Mitsui Banking Corporation             |                    | 2,264  | 2,264                                  |                        |                    |                                |          |                        |  |
|  | Shinsei Bank, Limited                           |                    | 295  | 295                                    |                        |                    |                                |          |                        |  |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | March 10, 2011     | 500  | 500                                    | 1.69% (Note 2)         | February 29, 2016  |                                | (Note 3) |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 500  | 500                                    |                        |                    |                                |          |                        |  |
|  | Shinsei Bank, Limited                           |                    | 700  | 700                                    |                        |                    |                                |          |                        |  |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | April 28, 2011     | 3,500  | 3,500                                  | 1.75% (Note 2)         | April 28, 2017     |                                | (Note 5) |                        |  |
|  | Mitsubishi UFJ Trust and Banking Corporation    |                    | 3,700  | 3,700                                  |                        |                    |                                |          |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 2,000  | 2,000                                  |                        |                    |                                |          |                        |  |
|  | Mitsubishi UFJ Trust and Banking Corporation    | May 31, 2011       | 2,500  | 2,500                                  | 1.52% (Note 2)         | February 29, 2016  |                                | (Note 3) |                        |  |
|  | Sumitomo Mitsui Banking Corporation             | June 30, 2011      | 2,700  | 2,700                                  | 1.59% (Note 2)         | June 30, 2017      |                                | (Note 5) |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              | June 30, 2011      | 890  | 890                                    | 1.76% (Note 2)         | June 29, 2018      |                                | (Note 5) |                        |  |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | August 31, 2011    | 500  | —                                      | —                      | December 18, 2015  |                                | (Note 5) |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 500  | —                                      |                        |                    |                                |          |                        |  |
|  | Mitsubishi UFJ Trust and Banking Corporation    |                    | 1,000  | —                                      |                        |                    |                                |          |                        |  |
|  | The Norinchukin Bank                            |                    | 1,000  | —                                      |                        |                    |                                |          |                        |  |
|  | The Bank of Fukuoka, Ltd.                       |                    | 1,000  | —                                      |                        |                    |                                |          |                        |  |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | August 31, 2011    | 500  | 500                                    | 1.31% (Note 2)         | January 31, 2017   |                                | (Note 5) |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              | August 31, 2011    | 500  | 500                                    | —                      | December 18, 2015  |                                | (Note 3) |                        |  |
|  | Aozora Bank, Ltd.                               |                    | 2,000  | —                                      |                        |                    |                                |          |                        |  |
|  | Sumitomo Mitsui Banking Corporation             | August 31, 2011    | 1,000  | —                                      | 1.31% (Note 2)         | January 31, 2017   | Lump-sum repayment at maturity | (Note 3) |                        |  |
|  | Resona Bank, Limited                            | August 31, 2011    | 2,000  | 2,000                                  |                        |                    |                                | (Note 3) |                        |  |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | September 1, 2011  | 750  | 750                                    |                        |                    |                                | (Note 3) |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 750  | 750                                    |                        |                    |                                |          |                        |  |
|  | Mitsubishi UFJ Trust and Banking Corporation    | September 29, 2011 | 1,000  | 1,000                                  | 1.62% (Note 2)         | September 28, 2018 |                                | (Note 3) |                        |  |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | November 30, 2011  | 1,300  | 1,300                                  | 1.57% (Note 2)         | November 30, 2018  |                                | (Note 5) |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 1,300  | 1,300                                  |                        |                    |                                |          |                        |  |
|  | Mizuho Bank, Ltd.                               |                    | 1,000  | 1,000                                  |                        |                    |                                |          |                        |  |
|  | Mitsubishi UFJ Trust and Banking Corporation    |                    | 1,900  | 1,900                                  |                        |                    |                                |          |                        |  |
|  | The Norinchukin Bank                            | December 26, 2011  | 2,000  | —                                      | 1.17% (Note 2)         | November 30, 2016  |                                | (Note 5) |                        |  |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | December 26, 2011  | 300  | 300                                    |                        |                    |                                |          |                        |  |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 300  | 300                                    |                        |                    |                                |          |                        |  |
|  | Sumitomo Mitsui Banking Corporation             |                    | 450  | 450                                    |                        |                    |                                |          |                        |  |
|  | Mizuho Bank, Ltd.                               |                    | 450  | 450                                    |                        |                    |                                |          |                        |  |
|  | The Norinchukin Bank                            |                    | 2,500  | 2,500                                  |                        |                    |                                |          |                        |  |
|  | Mitsui Sumitomo Insurance Co., Ltd.             |                    | 1,000  | 1,000                                  |                        |                    |                                |          |                        |  |
| Taiyo Life Insurance Company                 | December 26, 2011                               | 1,500              | 1,500  | 1.21%                                  | November 30, 2016      | (Note 5)           |                                |          |                        |  |
| Sumitomo Mitsui Banking Corporation          | January 25, 2012                                | 450                | 450  | 1.11% (Note 2)                         | July 29, 2016          | (Note 5)           |                                |          |                        |  |
| Mizuho Bank, Ltd.                            |   | 1,550              | 1,550  |  |                        |                    |                                |          |                        |  |
| Resona Bank, Limited                         |   | 900                | 900  |  |                        |                    |                                |          |                        |  |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | January 25, 2012                                | 500                | 500  | 1.43% (Note 2)                         | July 31, 2018          | (Note 5)           |                                |          |                        |  |
| Sumitomo Mitsui Trust Bank Limited           |   | 500                | 500  |  |                        |                    |                                |          |                        |  |
| Sumitomo Mitsui Banking Corporation          |   | 650                | 650  |  |                        |                    |                                |          |                        |  |
| Mizuho 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  |  |                        |                    |                                |          |                        |  |

# I. Asset Management Report

|  | Classification                                  | Drawdown date      | Balance at start of the 9th FP (million yen) | Balance at end of 9th FP (million yen) | Interest rate (Note 1) | Repayment date     | Repayment method               | Use      | Remarks                |
|--|---|--------------------|--|--|------------------------|--------------------|--------------------------------|----------|------------------------|
|  | Lenders   |                    |  |  |                        |                    |                                |          |                        |
| Long-term loans payable                      | Resona Bank, Limited                            | February 8, 2012   | 1,000  | 1,000                                  | 1.11% (Note 2)         | July 29, 2016      | Lump-sum repayment at maturity | (Note 6) | Unsecured Unguaranteed |
|  | The Bank of Fukuoka, Ltd.                       |                    | 2,000  | 2,000                                  |                        |                    |                                |          |                        |
|  | The Yamaguchi Bank, Ltd.                        |                    | 500  | 500                                    |                        |                    |                                |          |                        |
|  | The Tokyo Tomin Bank, Ltd.                      |                    | 500  | 500                                    |                        |                    |                                |          |                        |
|  | The Iyo Bank, Ltd.                              |                    | 300  | 300                                    |                        |                    |                                |          |                        |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | February 8, 2012   | 500  | 500                                    | 1.42% (Note 2)         | July 31, 2018      |                                | (Note 6) |                        |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 500  | 500                                    |                        |                    |                                |          |                        |
|  | Shinsei Bank, Limited                           |                    | 1,000  | 1,000                                  |                        |                    |                                |          |                        |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | February 28, 2012  | 2,850  | 2,850                                  | 1.23%                  | February 28, 2018  |                                | (Note 3) |                        |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | April 27, 2012     | 800  | 800                                    | 1.10% (Note 2)         | August 31, 2017    |                                | (Note 5) |                        |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 800  | 800                                    |                        |                    |                                |          |                        |
|  | Sumitomo Mitsui Banking Corporation             |                    | 2,800  | 2,800                                  |                        |                    |                                |          |                        |
|  | Mitsubishi UFJ Trust and Banking Corporation    |                    | 1,600  | 1,600                                  |                        |                    |                                |          |                        |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | April 27, 2012     | 1,500  | 1,500                                  | 1.20% (Note 2)         | April 27, 2018     |                                | (Note 5) |                        |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 2,100  | 2,100                                  |                        |                    |                                |          |                        |
|  | Sumitomo Mitsui Banking Corporation             |                    | 800  | 800                                    |                        |                    |                                |          |                        |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | June 25, 2012      | 700  | –                                      | –                      | August 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  | 1,200                                  | 1.25% (Note 2)         | June 28, 2019      |                                | (Note 5) |                        |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 800  | 800                                    |                        |                    |                                |          |                        |
|  | Aozora Bank, Ltd.                               |                    | 700  | 700                                    |                        |                    |                                |          |                        |
|  | Taiyo Life Insurance Company                    | September 19, 2012 | 1,500  | 1,500                                  | 0.94%                  | September 29, 2017 |                                | (Note 7) |                        |
|  | The Kagawa Bank, Ltd.                           | September 21, 2012 | 500  | 500                                    | 0.77% (Note 2)         | April 28, 2016     |                                | (Note 6) |                        |
|  | The Kagawa Bank, Ltd.                           | September 21, 2012 | 500  | 500                                    | 0.92% (Note 2)         | September 29, 2017 |                                | (Note 6) |                        |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | September 21, 2012 | 450  | 450                                    | 1.16%                  | September 30, 2019 |                                | (Note 6) |                        |
|  | Sumitomo Mitsui Trust Bank Limited              | September 21, 2012 | 450  | 450                                    | 1.16%                  | September 30, 2019 |                                | (Note 6) |                        |
|  | Mitsubishi UFJ Trust and Banking Corporation    | November 20, 2012  | 1,000  | 1,000                                  | 1.03% (Note 2)         | November 29, 2019  |                                | (Note 6) |                        |
|  | The Hiroshima Bank, Ltd.                        | November 20, 2012  | 500  | –                                      | –                      | November 30, 2015  |                                | (Note 6) |                        |
|  | The Hiroshima Bank, Ltd.                        | November 20, 2012  | 500  | 500                                    | 0.79% (Note 2)         | November 30, 2017  |                                | (Note 6) |                        |
|  | Sumitomo Mitsui Banking Corporation             | November 20, 2012  | 1,200  | 1,200                                  | 0.95% (Note 2)         | November 29, 2019  |                                | (Note 6) |                        |
|  | Mizuho Bank, Ltd.                               |                    | 1,200  | 1,200                                  |                        |                    |                                |          |                        |
|  | Development Bank of Japan Inc.                  | November 30, 2012  | 600  | 600                                    | 0.74%                  | May 31, 2017       |                                | (Note 6) |                        |
|  | Development Bank of Japan Inc.                  | November 30, 2012  | 2,200  | 2,200                                  | 1.23%                  | November 29, 2020  |                                | (Note 5) |                        |
|  | Development Bank of Japan Inc.                  | November 30, 2012  | 2,200  | 2,200                                  | 1.40%                  | November 29, 2021  |                                | (Note 5) |                        |
|  | Tokio Marine & Nichido Fire Insurance Co., Ltd. | December 28, 2012  | 500  | –                                      | –                      | December 18, 2015  |                                | (Note 5) |                        |
|  | Tokio Marine & Nichido Fire Insurance Co., Ltd. | December 28, 2012  | 1,000  | 1,000                                  | 0.72%                  | March 31, 2017     |                                | (Note 5) |                        |
|  | The Bank of Tokyo-Mitsubishi UFJ, Ltd.          | January 25, 2013   | 2,703  | 2,703                                  | 1.28% (Note 2)         | July 25, 2019      |                                | (Note 5) |                        |
|  | Sumitomo Mitsui Trust Bank Limited              |                    | 3,595  | 3,595                                  |                        |                    |                                |          |                        |
| Mitsubishi UFJ Trust and Banking Corporation | 1,799   |                    | 1,799  |  |                        |                    |                                |          |                        |
| Aozora Bank, Ltd.                            | 903   |                    | 903  |  |                        |                    |                                |          |                        |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | March 29, 2013                                  | 1,200              | 1,200  | 0.81%                                  | March 24, 2020         | (Note 3)           |                                |          |                        |
| Sumitomo Mitsui Trust Bank Limited           | March 29, 2013                                  | 1,200              | 1,200  | 0.82%                                  | March 24, 2020         | (Note 3)           |                                |          |                        |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | March 29, 2013                                  | 1,300              | 1,300  | 0.81%                                  | March 24, 2020         | (Note 5)           |                                |          |                        |
| Sumitomo Mitsui Trust Bank Limited           | March 29, 2013                                  | 1,300              | 1,300  | 0.82%                                  | March 24, 2020         | (Note 5)           |                                |          |                        |
| Development Bank of Japan Inc.               | March 29, 2013                                  | 1,150              | 1,150  | 1.08%                                  | March 24, 2021         | (Note 4)           |                                |          |                        |
| Sumitomo Mitsui Trust Bank Limited           | March 29, 2013                                  | 920                | 920  | 0.88% (Note 2)                         | March 24, 2020         | (Note 5)           |                                |          |                        |
| Aozora Bank, Ltd.                            |   | 1,830              | 1,830  |  |                        |                    |                                |          |                        |
| Resona Bank, Limited                         |   | 1,370              | 1,370  |  |                        |                    |                                |          |                        |
| The Bank of Fukuoka, Ltd.                    | April 19, 2013                                  | 1,000              | 1,000  | 0.79% (Note 2)                         | February 28, 2018      | (Note 3)           |                                |          |                        |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | April 30, 2013                                  | 2,000              | 2,000  | 1.25% (Note 2)                         | October 29, 2021       | (Note 5)           |                                |          |                        |
| Sumitomo Mitsui Trust Bank Limited           |   | 2,600              | 2,600  |  |                        |                    |                                |          |                        |
| Sumitomo Mitsui Banking Corporation          |   | 1,500              | 1,500  |  |                        |                    |                                |          |                        |

|                         | Classification                               | Drawdown date      | Balance at start of the 9th FP (million yen) | Balance at end of 9th FP (million yen) | Interest rate     | Repayment date     | Repayment method               | Use      | Remarks                |
|-------------------------|--|--------------------|--|--|-------------------|--------------------|--------------------------------|----------|------------------------|
|                         | Lenders                                      |                    |  |  |                   |                    |                                |          |                        |
| Long-term loans payable | Mizuho Bank, Ltd.                            | June 25, 2013      | 2,160  | 2,160                                  | 1.63%<br>(Note 2) | December 22, 2021  | Lump-sum repayment at maturity | (Note 5) | Unsecured Unguaranteed |
|                         | Aozora Bank, Ltd.                            | June 25, 2013      | 1,379  | 1,379                                  | 1.54%<br>(Note 2) | June 25, 2021      |                                | (Note 5) |                        |
|                         | Resona Bank, Limited                         |                    | 919  | 919                                    | (Note 5)          |                    |                                |          |                        |
|                         | Mizuho Trust & Banking Co., Ltd.             | September 13, 2013 | 1,000  | 1,000                                  | 1.07%<br>(Note 2) | September 30, 2020 |                                | (Note 3) |                        |
|                         | The Norinchukin Bank                         |                    | 1,000  | 1,000                                  | (Note 3)          |                    |                                |          |                        |
|                         | The Nishi-Nippon City Bank Ltd.              | September 13, 2013 | 500  | 500                                    | 0.92%<br>(Note 2) | September 30, 2019 |                                | (Note 3) |                        |
|                         | The Nishi-Nippon City Bank Ltd.              | September 13, 2013 | 500  | 500                                    | 0.77%<br>(Note 2) | September 28, 2018 |                                | (Note 3) |                        |
|                         | The 77 Bank, Ltd.                            |                    | 500  | 500                                    | (Note 3)          |                    |                                |          |                        |
|                         | Mizuho Bank, Ltd.                            | September 24, 2013 | 1,140  | —                                      | —                 | November 30, 2015  |                                | (Note 5) |                        |
|                         | Mizuho Trust & Banking Co., Ltd.             |                    | 570  | —                                      |                   |                    |                                | (Note 5) |                        |
|                         | Sumitomo Mitsui Trust Bank Limited           | November 15, 2013  | 2,600  | 2,600                                  | 1.47%<br>(Note 2) | November 15, 2023  |                                | (Note 5) |                        |
|                         | Sumitomo Mitsui Banking Corporation          | November 15, 2013  | 3,550  | 3,550                                  | 1.37%<br>(Note 2) | November 15, 2022  |                                | (Note 5) |                        |
|                         | Aozora Bank, Ltd.                            | November 29, 2013  | 1,800  | 1,800                                  | 1.16%<br>(Note 2) | November 26, 2021  |                                | (Note 3) |                        |
|                         | Shinsei Bank, Limited                        | December 19, 2013  | 1,000  | 1,000                                  | 1.32%<br>(Note 2) | June 17, 2022      |                                | (Note 3) |                        |
|                         | Shinsei Bank, Limited                        | December 19, 2013  | 700  | 700                                    | 1.10%<br>(Note 2) | June 18, 2021      |                                | (Note 3) |                        |
|                         | The Yamaguchi Bank, Ltd.                     | December 19, 2013  | 500  | 500                                    | 0.93%<br>(Note 2) | June 18, 2020      |                                | (Note 3) |                        |
|                         | The Yamaguchi Bank, Ltd.                     | December 19, 2013  | 500  | 500                                    | 0.85%<br>(Note 2) | December 18, 2019  |                                | (Note 3) |                        |
|                         | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | February 17, 2014  | 500  | 500                                    | 1.59%<br>(Note 2) | February 14, 2025  |                                | (Note 5) |                        |
|                         | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | February 17, 2014  | 500  | 500                                    | 1.44%<br>(Note 2) | February 16, 2024  |                                | (Note 5) |                        |
|                         | Sumitomo Mitsui Trust Bank Limited           |                    | 500  | 500                                    | (Note 5)          |                    |                                |          |                        |
|                         | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | February 17, 2014  | 455  | 455                                    | 1.28%<br>(Note 2) | February 16, 2023  |                                | (Note 5) |                        |
|                         | Sumitomo Mitsui Trust Bank Limited           |                    | 455  | 455                                    |                   |                    |                                |          |                        |
|                         | Sumitomo Mitsui Banking Corporation          |                    | 1,120  | 1,120                                  |                   |                    |                                |          |                        |
|                         | Mizuho Bank, Ltd.                            | February 17, 2014  | 1,630  | 1,630                                  | 1.08%<br>(Note 2) | February 16, 2022  |                                | (Note 5) |                        |
|                         | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       |                    | 1,200  | 1,200                                  |                   |                    |                                |          |                        |
|                         | Sumitomo Mitsui Trust Bank Limited           |                    | 2,100  | 2,100                                  |                   |                    |                                |          |                        |
|                         | Mizuho Bank, Ltd.                            |                    | 2,000  | 2,000                                  |                   |                    |                                |          |                        |
|                         | Mizuho Trust & Banking Co., Ltd.             | February 17, 2014  | 500  | 500                                    | 0.89%<br>(Note 2) | February 16, 2021  |                                | (Note 5) |                        |
|                         | Mizuho Bank, Ltd.                            |                    | 2,900  | 2,900                                  |                   |                    |                                |          |                        |
|                         | Mizuho Trust & Banking Co., Ltd.             |                    | 1,500  | 1,500                                  |                   |                    |                                |          |                        |
|                         | Mitsubishi UFJ Trust and Banking Corporation |                    | 270  | 270                                    |                   |                    |                                |          |                        |
|                         | Mizuho Bank, Ltd.                            | February 17, 2014  | 2,900  | 2,900                                  | 0.74%<br>(Note 2) | February 14, 2020  |                                | (Note 5) |                        |
|                         | Mizuho Trust & Banking Co., Ltd.             |                    | 2,350  | 2,350                                  |                   |                    |                                |          |                        |
|                         | Aozora Bank, Ltd.                            | August 1, 2014     | —  | 900                                    | 0.58%<br>(Note 2) | January 29, 2021   |                                | (Note 3) |                        |
|                         | The Nishi-Nippon City Bank Ltd.              |                    | —  | 400                                    |                   |                    |                                |          |                        |
|                         | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | August 1, 2014     | —  | 707                                    | 0.82%<br>(Note 2) | July 29, 2022      |                                | (Note 3) |                        |
|                         | Sumitomo Mitsui Trust Bank Limited           |                    | —  | 393                                    |                   |                    |                                |          |                        |
|                         | The Nishi-Nippon City Bank Ltd.              |                    | —  | 400                                    |                   |                    |                                |          |                        |
|                         | Development Bank of Japan Inc.               | September 30, 2014 | —  | 1,500                                  | 1.02%<br>(Note 2) | September 29, 2023 |                                | (Note 5) |                        |
|                         | Development Bank of Japan Inc.               | September 30, 2014 | —  | 1,850                                  | 1.18%<br>(Note 2) | September 30, 2024 |                                | (Note 5) |                        |
|                         | Aozora Bank, Ltd.                            | October 31, 2014   | —  | 1,000                                  | 0.85%<br>(Note 2) | October 31, 2022   |                                | (Note 5) |                        |
|                         | Aozora Bank, Ltd.                            | October 31, 2014   | —  | 700                                    | 0.76%<br>(Note 2) | April 28, 2022     |                                | (Note 5) |                        |
|                         | Aozora Bank, Ltd.                            | October 31, 2014   | —  | 700                                    | 0.42%<br>(Note 2) | October 31, 2019   |                                | (Note 5) |                        |
|                         | Resona Bank, Limited                         | January 30, 2015   | —  | 500                                    | 0.57%<br>(Note 2) | January 29, 2021   |                                | (Note 5) |                        |
|                         | The Bank of Fukuoka, Ltd.                    |                    | —  | 500                                    |                   |                    |                                |          |                        |
|                         | The Bank of Tokyo-Mitsubishi UFJ, Ltd.       | January 30, 2015   | —  | 600                                    | 0.63%<br>(Note 2) | June 30, 2021      |                                | (Note 5) |                        |
|                         | Resona Bank, Limited                         |                    | —  | 500                                    |                   |                    |                                |          |                        |
|                         | The Bank of Fukuoka, Ltd.                    |                    | —  | 500                                    |                   |                    |                                |          |                        |



# I. Asset Management Report

| Classification          | Lenders                                | Drawdown date    | Balance at start of the 9th FP (million yen) | Balance at end of 9th FP (million yen) | Interest rate (Note 1) | Repayment date   | Repayment method               | Use (Note 5) | Remarks                |
|-------------------------|--|------------------|--|--|------------------------|------------------|--------------------------------|--------------|------------------------|
|                         |  |                  |  |  |                        |                  |                                |              |                        |
| Long-term loans payable | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | January 30, 2015 | —  | 1,000                                  | 0.89% (Note 2)         | January 31, 2023 | Lump-sum repayment at maturity |              | Unsecured Unguaranteed |
|                         | Aozora Bank, Ltd.                      |                  | —  | 700                                    |                        |                  |                                |              |                        |
|                         | Resona Bank, Limited                   |                  | —  | 1,000                                  |                        |                  |                                |              |                        |
|                         | Subtotal                               |                  | 164,846                                      | 163,980                                |                        |                  |                                |              |                        |
| Total                   |  |                  | 184,295                                      | 178,298                                |                        |                  |                                |              |                        |

- 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 where an interest-rate swap transaction has been made for the purpose of hedging the risk of interest-rate fluctuations, the fixed rate resulting from the swap transaction is listed.
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 funds are used to repay existing loans and redeem existing investment corporation bonds.
8. 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.
9. 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 October 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 January 31, 2015.

| Series (Note 1)   | Issue Date   | Balance at start of the 9th FP (million yen) | Balance at end of 9th FP (million yen) | Interest rate (%) | Redemption date | Redemption method              | Use      | Remarks   |
|---|--------------|--|--|-------------------|-----------------|--------------------------------|----------|-----------|
| Advance Residence Investment Corporation ADR Bond #13 (Unsecured) | 2011 Sep. 12 | 8,000  | 8,000                                  | 1.27              | 2016 Sep. 12    | Lump-sum repayment at maturity | (Note 3) | Unsecured |
| Advance Residence Investment Corporation ADR Bond #14 (Unsecured) | 2011 Sep. 12 | 2,000  | 2,000                                  | 1.68              | 2018 Sep. 12    | Lump-sum repayment at maturity | (Note 3) | Unsecured |
| Advance Residence Investment Corporation ADR Bond #15 (Unsecured) | 2012 Apr. 26 | 4,000  | 4,000                                  | 0.86              | 2015 Apr. 24    | Lump-sum repayment at maturity | (Note 2) | Unsecured |
| Advance Residence Investment Corporation ADR Bond #16 (Unsecured) | 2012 Apr. 26 | 4,000  | 4,000                                  | 1.08              | 2017 Apr. 26    | Lump-sum repayment at maturity | (Note 2) | Unsecured |
| Advance Residence Investment Corporation ADR Bond #17 (Unsecured) | 2012 Sep. 12 | 8,000  | 8,000                                  | 0.87              | 2017 Sep. 12    | Lump-sum repayment at maturity | (Note 3) | Unsecured |
| Advance Residence Investment Corporation ADR Bond #18 (Unsecured) | 2012 Sep. 12 | 4,000  | 4,000                                  | 1.23              | 2019 Sep. 12    | Lump-sum repayment at maturity | (Note 3) | Unsecured |
| Advance Residence Investment Corporation ADR Bond #19 (Unsecured) | 2013 Apr. 25 | 3,000  | 3,000                                  | 1.32              | 2023 Apr. 25    | Lump-sum repayment at maturity | (Note 2) | Unsecured |
| Advance Residence Investment Corporation ADR Bond #20 (Unsecured) | 2013 Nov. 14 | 2,000  | 2,000                                  | 1.41              | 2025 Nov. 14    | Lump-sum repayment at maturity | (Note 2) | Unsecured |
| Advance Residence Investment Corporation ADR Bond #21 (Unsecured) | 2014 Apr. 28 | 2,500  | 2,500                                  | 1.04              | 2024 Apr. 26    | Lump-sum repayment at maturity | (Note 2) | Unsecured |
| Total   |              | 37,500                                       | 37,500                                 |                   |                 |                                |          |           |

- 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 redeeming existing investment corporation bonds.

## 4 Short-Term Investment Corporation Bonds

Not applicable.

## 5 Subscription rights for new investment units

Not applicable.

## Acquisitions and Disposals in the 9th Fiscal Period

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

| Property no. | Name of real estate  | Acquisition        |   | Dispositions     |   |                             |  |
|--------------|--|--------------------|---|------------------|---|-----------------------------|--|
|              |  | Acquisition date   | Acquisition Price (Note 1)<br>(million yen) | Disposition date | Disposition price (Note 1)<br>(million yen) | Book value<br>(million yen) | Gain (Loss)<br>on sales<br>(million yen) |
| R-59         | RESIDIA Shin-Osaka   | August 1, 2014     | 2,644                                       | —                | —   | —                           | —  |
| C-72         | RESIDIA Machiya  | September 29, 2014 | 1,168                                       | —                | —   | —                           | —  |
| C-73         | RESIDIA Ueno-Ikenohata   | November 12, 2014  | 1,700                                       | —                | —   | —                           | —  |
| C-74         | RESIDIA Nerima   | December 4, 2014   | 502   | —                | —   | —                           | —  |
| R-60         | RESIDIA Okayama-Ekimae   | December 4, 2014   | 772   | —                | —   | —                           | —  |
| R-61         | RESIDIA Kyoto Okazaki  | December 4, 2014   | 227   | —                | —   | —                           | —  |
| R-62         | RESIDIA Sendai-Ichibancho                                      | December 4, 2014   | 1,083                                       | —                | —   | —                           | —  |
| R-63         | RESIDIA Kita-Nijyo East II                                     | December 4, 2014   | 538   | —                | —   | —                           | —  |
| R-64         | RESIDIA Takamiya   | December 4, 2014   | 488   | —                | —   | —                           | —  |
| R-65         | RESIDIA Soen   | December 4, 2014   | 384   | —                | —   | —                           | —  |
| R-66         | RESIDIA Tenjin   | December 4, 2014   | 1,122                                       | —                | —   | —                           | —  |
| R-67         | RESIDIA Yakuin-O-dori  | December 4, 2014   | 1,123                                       | —                | —   | —                           | —  |
| R-68         | RESIDIA Hakata II  | December 4, 2014   | 1,358                                       | —                | —   | —                           | —  |
| R-69         | RESIDIA Kego   | December 4, 2014   | 834   | —                | —   | —                           | —  |
| S-30         | RESIDIA Sagamihara   | December 4, 2014   | 1,050                                       | —                | —   | —                           | —  |
| S-31         | RESIDIA Yokohama-Bashamichi                                    | December 4, 2014   | 735   | —                | —   | —                           | —  |
| P-100        | RESIDIA Takanawa Katsurazaka                                   | December 19, 2014  | 900   | —                | —   | —                           | —  |
| P-101        | RESIDIA Ebisu III  | December 19, 2014  | 611   | —                | —   | —                           | —  |
| P-102        | RESIDIA Shinjuku Gyoen   | December 19, 2014  | 687   | —                | —   | —                           | —  |
| C-75         | RESIDIA Higashi Nihonbashi                                     | December 19, 2014  | 378   | —                | —   | —                           | —  |
| C-76         | RESIDIA Nakano   | December 19, 2014  | 652   | —                | —   | —                           | —  |
| C-77         | RESIDIA Ogikubo II   | December 19, 2014  | 460   | —                | —   | —                           | —  |
| C-78         | RESIDIA Minami Yukigaya  | December 19, 2014  | 1,299                                       | —                | —   | —                           | —  |
| R-70         | RESIDIA Shirakabe  | December 19, 2014  | 907   | —                | —   | —                           | —  |
| S-32         | RESIDIA Hon-Atsugi   | December 19, 2014  | 606   | —                | —   | —                           | —  |
| P-5          | RESIDIA Azabujuban   | —                  | —   | January 22, 2015 | 25,560<br>(Note 2)                          | 25,310                      | -185                                     |
| P-77         | Motoazabu Place  | —                  | —   | January 22, 2015 |   |                             |  |
| P-78         | RESIDIA TOWER Roppongi   | —                  | —   | January 22, 2015 |   |                             |  |
| P-80         | RESIDIA Yoyogikoen   | —                  | —   | January 22, 2015 |   |                             |  |
| P-83         | RESIDIA Daikanyama Sarugakucho/<br>Daikanyama Parkside Village | —                  | —   | January 22, 2015 |   |                             |  |
| S-1          | Tokyo Student-House HIYOSHIDAI                                 | —                  | —   | January 28, 2015 | 3,800                                       | 2,934                       | 839                                      |
| Total        |  |                    | 22,235                                      | —                | 29,360                                      | 28,244                      | 654                                      |

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

2. Buyer consent has not been granted for disclosure of respective disposition prices for RESIDIA Azabujuban, Motoazabu Place, RESIDIA TOWER Roppongi, RESIDIA Yoyogikoen, and RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village.

### 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.

# I. Asset Management Report

## 3 Appraisal Values of Specified Assets

### 1) Real Estate

| Acquisition or disposition | Type of asset        | Property no. | Name of property             | Acquisition or disposition date | Acquisition or disposition price (million yen) | Appraisal value (million yen) | Appraisal institution                         | Price appraisal date |
|----------------------------|----------------------|--------------|------------------------------|---------------------------------|--|-------------------------------|---|----------------------|
| Acquisition                | Real estate in trust | R-59         | RESIDIA Shin-Osaka           | 2014 Aug. 1                     | 2,644  | 3,060                         | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Mar. 31         |
|                            |                      | C-72         | RESIDIA Machiya              | 2014 Sep. 29                    | 1,168  | 1,230                         | Morii Appraisal & Investment Consulting, Inc. | 2014 Aug. 31         |
|                            |                      | C-73         | RESIDIA Ueno-Ikenohata       | 2014 Nov. 12                    | 1,700  | 1,810                         | Morii Appraisal & Investment Consulting, Inc. | 2014 Sep. 30         |
|                            |                      | C-74         | RESIDIA Nerima               | 2014 Dec. 4                     | 502  | 573                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Oct. 31         |
|                            |                      | R-60         | RESIDIA Okayama-Ekimae       | 2014 Dec. 4                     | 772  | 871                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Oct. 31         |
|                            |                      | R-61         | RESIDIA Kyoto Okazaki        | 2014 Dec. 4                     | 227  | 278                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Oct. 31         |
|                            |                      | R-62         | RESIDIA Sendai-Ichibancho    | 2014 Dec. 4                     | 1,083  | 1,200                         | Morii Appraisal & Investment Consulting, Inc. | 2014 Oct. 31         |
|                            |                      | R-63         | RESIDIA Kita-Nijyo East II   | 2014 Dec. 4                     | 538  | 654                           | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Oct. 31         |
|                            |                      | R-64         | RESIDIA Takamiya             | 2014 Dec. 4                     | 488  | 533                           | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Oct. 31         |
|                            |                      | R-65         | RESIDIA Soen                 | 2014 Dec. 4                     | 384  | 468                           | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Oct. 31         |
|                            |                      | R-66         | RESIDIA Tenjin               | 2014 Dec. 4                     | 1,122  | 1,220                         | Japan Real Estate Institute                   | 2014 Oct. 31         |
|                            |                      | R-67         | RESIDIA Yakuin-O-dori        | 2014 Dec. 4                     | 1,123  | 1,240                         | Japan Real Estate Institute                   | 2014 Oct. 31         |
|                            |                      | R-68         | RESIDIA Hakata II            | 2014 Dec. 4                     | 1,358  | 1,440                         | Japan Real Estate Institute                   | 2014 Oct. 31         |
|                            |                      | R-69         | RESIDIA Kego                 | 2014 Dec. 4                     | 834  | 988                           | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Oct. 31         |
|                            |                      | S-30         | RESIDIA Sagamihara           | 2014 Dec. 4                     | 1,050  | 1,150                         | Morii Appraisal & Investment Consulting, Inc. | 2014 Oct. 31         |
|                            |                      | S-31         | RESIDIA Yokohama-Bashamichi  | 2014 Dec. 4                     | 735  | 813                           | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Oct. 31         |
|                            |                      | P-100        | RESIDIA Takanawa Katsurazaka | 2014 Dec. 19                    | 900  | 959                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |
|                            |                      | P-102        | RESIDIA Shinjuku Gyoen       | 2014 Dec. 19                    | 687  | 740                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |
|                            |                      | C-75         | RESIDIA Higashi Nihonbashi   | 2014 Dec. 19                    | 378  | 421                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |
|                            |                      | C-78         | RESIDIA Minami Yukigaya      | 2014 Dec. 19                    | 1,299  | 1,390                         | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |

| Acquisition or disposition | Type of asset        | Property no. | Name of property   | Acquisition or disposition date | Acquisition or disposition price (million yen) | Appraisal value (million yen) | Appraisal institution                         | Price appraisal date |
|----------------------------|----------------------|--------------|--|---------------------------------|--|-------------------------------|---|----------------------|
| Acquisition                | Real estate in trust | R-70         | RESIDIA Shirakabe  | 2014 Dec. 19                    | 907  | 989                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |
|                            | Real estate          | P-101        | RESIDIA Ebisu III  | 2014 Dec. 19                    | 611  | 667                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |
|                            |                      | C-76         | RESIDIA Nakano   | 2014 Dec. 19                    | 652  | 703                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |
|                            |                      | C-77         | RESIDIA Ogikubo II   | 2014 Dec. 19                    | 460  | 508                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |
|                            |                      | S-32         | RESIDIA Hon-Atsugi   | 2014 Dec. 19                    | 606  | 669                           | Morii Appraisal & Investment Consulting, Inc. | 2014 Nov. 30         |
| Disposition                | Real estate          | P-78         | RESIDIA TOWER Roppongi                                       | 2015 Jan. 22                    | 25,560<br>(Note 3)                             | 5,790                         | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Jul. 31         |
|                            | Real estate in trust | P-5          | RESIDIA Azabujuban   | 2015 Jan. 22                    |  | 1,840                         | Chuo Real Estate Appraisal Co., Ltd.          | 2014 Jul. 31         |
|                            |                      | P-77         | Motoazabu Place  | 2015 Jan. 22                    |  | 6,110                         | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Jul. 31         |
|                            |                      | P-80         | RESIDIA Yoyogikoen   | 2015 Jan. 22                    |  | 752                           | DAIWA REAL ESTATE APPRAISAL Corporation       | 2014 Jul. 31         |
|                            |                      | P-83         | RESIDIA Daikanyama Sarugakucho / Daikanyama Parkside Village | 2015 Jan. 22                    |  | 6,040                         | Morii Appraisal & Investment Consulting, Inc. | 2014 Jul. 31         |
|                            |                      | S-1          | Tokyo Student-House HIYOSHIDAI                               | 2015 Jan. 28                    | 3,800  | 3,800                         | Chuo Real Estate Appraisal Co., Ltd.          | 2014 Oct. 31         |

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

2. With the Act on Investment Trusts and Investment Corporations revised on November 24, 2011, price assessment is no longer necessary in cases where a real estate appraisal is carried out prior to the acquisition or disposition of specific assets (land, buildings, rights to land or buildings, or anything deemed to be an asset by government ordinance). Therefore, the price assessment for the properties listed above is not carried out.

3. Buyer consent has not been granted for disclosure of respective disposition prices for RESIDIA Azabujuban, Motoazabu Place, RESIDIA TOWER Roppongi, RESIDIA Yoyogikoen, and RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village.

## 2) Others

For transactions conducted by ADR other than the transactions listed above in "1) Real Estate" that 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.



# I. Asset Management Report

## 4 Transactions with Interested Parties

### 1) Transactions

Purchases, sales and other transactions of specified assets involving interested parties during the 9th Fiscal Period are listed below.

| Classification                                   | Transaction amount                   |                                       |
|--|--------------------------------------|---------------------------------------|
|  | Purchase amount                      | Sale amount                           |
| Total amount (9th FP)                            | 22,235,460 thousand yen              | 29,360,000 thousand yen               |
| Breakdown of transaction with interested parties |                                      |                                       |
| K.K. Edwin                                       | 1,700,000 thousand yen (7.6%)        | - thousand yen (-%)                   |
| G.K. Hiyoshi Properties                          | - thousand yen (-%)                  | 3,800,000 thousand yen (12.9%)        |
| <b>Total</b>                                     | <b>1,700,000 thousand yen (7.6%)</b> | <b>3,800,000 thousand yen (12.9%)</b> |

### 2) Amount of Commission Fees Paid

The following are the commission fees paid to interested parties in the 9th Fiscal Period.

| Classification                               | Total amount of commission fees (A)<br>(thousand yen) | Breakdown of transaction with interested parties       |                                   | Share (B)/(A)<br>(%) |
|--|---|--|-----------------------------------|----------------------|
|  |   | Payee  | Amount paid (B)<br>(thousand yen) |                      |
| Real estate transaction fees                 | 143,590   | ITOCHU Property Development, Ltd.                      | 73,720                            | 51.3                 |
| Trust beneficiary interests transaction fees | 458,531   | ITOCHU Corporation                                     | 51,000                            | 11.1                 |
|  |   | ITOCHU Property Development, Ltd.                      | 203,081                           | 44.3                 |
| Property management fees                     | 1,225,331   | ITOCHU Urban Community Ltd.                            | 701,716                           | 57.3                 |
| Other rental expenses                        | 138,827   | ITOCHU Urban Community Ltd.                            | 72,831                            | 52.5                 |
| Advertising expenses                         | 5,343   | ITOCHU Urban Community Ltd.                            | 3,210                             | 60.1                 |
| Other fees                                   | 125,644   | ITOCHU Urban Community Ltd.                            | 29,062                            | 23.1                 |
|  |   | ITOCHU Human Resources & General Affairs Services Inc. | 90                                | 0.1                  |

Notes 1. Transactions are not disclosed if by form or name the transactions went through interested parties but where the actual counterparty is clearly a third party.

2. K.K. Edwin, G.K. Hiyoshi Properties, ITOCHU Property Development, Ltd., ITOCHU Corporation, ITOCHU Urban Community Ltd., and ITOCHU Human Resources & General Affairs Services Inc. are interested parties of the asset management company that have signed an asset management agreement with ADR as stipulated in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Enforcement Order thereof, with which ADR engaged in transactions in the 9th 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 Unit-holders’ 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.

### 5 Disclosure Relating to Overseas Real Estate Holding Companies and Real Estate Holdings of Such Companies

Not applicable.

## Other

### 1 Notice

There were no material issues related to the execution or modification of major agreements approved by ADR’s Board of Directors during the current fiscal period.

### 2 Other

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

## II. Balance Sheets

(thousand yen)

|   | 8th Fiscal Period (Reference)<br>July 31, 2014 | 9th Fiscal Period<br>January 31, 2015 |
|---|--|---------------------------------------|
| <b>Assets</b>                                     |  |                                       |
| Current assets                                    |  |                                       |
| Cash and deposits                                 | 7,592,567                                      | 11,661,031                            |
| Cash and deposits in trust                        | 8,134,558                                      | 8,061,799                             |
| Operating accounts receivable                     | 285,946  | 292,801                               |
| Securities  | 8,000,000                                      | 5,850,000                             |
| Prepaid expenses                                  | 449,187  | 365,641                               |
| Other   | 28,567   | 318,543                               |
| Allowance for doubtful accounts                   | -29,547  | -13,636                               |
| Total current assets                              | 24,461,279                                     | 26,536,181                            |
| Noncurrent assets                                 |  |                                       |
| Property, plant and equipment                     |  |                                       |
| Buildings   | 74,963,255                                     | 73,371,622                            |
| Accumulated depreciation                          | -6,869,192                                     | -7,421,375                            |
| Buildings, net                                    | 68,094,062                                     | 65,950,247                            |
| Structures  | 17,665   | 17,825                                |
| Accumulated depreciation                          | -2,259   | -2,810                                |
| Structures, net                                   | 15,406   | 15,015                                |
| Machinery and equipment                           | 27,666   | 26,421                                |
| Accumulated depreciation                          | -2,415   | -3,520                                |
| Machinery and equipment, net                      | 25,250   | 22,901                                |
| Tools, furniture and fixtures                     | 125,748  | 141,479                               |
| Accumulated depreciation                          | -65,935  | -70,644                               |
| Tools, furniture and fixtures, net                | 59,812   | 70,835                                |
| Land  | 71,429,166                                     | 68,567,810                            |
| Buildings in trust                                | 137,491,244                                    | 141,745,114                           |
| Accumulated depreciation                          | -13,507,775                                    | -13,799,597                           |
| Buildings in trust, net                           | 123,983,468                                    | 127,945,517                           |
| Structures in trust                               | 159,233  | 165,844                               |
| Accumulated depreciation                          | -71,119  | -72,588                               |
| Structures in trust, net                          | 88,114   | 93,256                                |
| Machinery and equipment in trust                  | 144,303  | 145,997                               |
| Accumulated depreciation                          | -58,914  | -63,828                               |
| Machinery and equipment in trust, net             | 85,388   | 82,169                                |
| Tools, furniture and fixtures in trust            | 563,615  | 516,310                               |
| Accumulated depreciation                          | -361,207                                       | -328,128                              |
| Tools, furniture and fixtures in trust, net       | 202,407  | 188,181                               |
| Land in trust                                     | 141,013,941                                    | 135,599,491                           |
| Construction in progress including trust accounts | 23,452   | 7,452                                 |
| Total property, plant and equipment               | 405,020,472                                    | 398,542,878                           |
| Intangible fixed assets                           |  |                                       |
| Leasehold rights                                  | 1,071,902                                      | 1,071,902                             |
| Leasehold rights in trust                         | 1,717,340                                      | 1,682,903                             |
| Other   | 4,162  | 1,136                                 |
| Total intangible assets                           | 2,793,405                                      | 2,755,942                             |
| Investments and other assets                      |  |                                       |
| Investment securities                             | 546,342  | 236,921                               |
| Long-term prepaid expenses                        | 783,105  | 844,724                               |
| Guarantee deposits                                | 469,288  | 475,017                               |
| Paid tenant guarantees                            | 995,717  | 995,717                               |
| Other   | 1,602  | 1,654                                 |
| Total investments and other assets                | 2,796,056                                      | 2,554,034                             |
| Total noncurrent assets                           | 410,609,935                                    | 403,852,856                           |
| Deferred assets                                   |  |                                       |
| Investment unit issuance expenses                 | 15,036   | 9,352                                 |
| Investment corporation bond issuance costs        | 129,162  | 110,836                               |
| Total deferred assets                             | 144,198  | 120,188                               |
| <b>Total assets</b>                               | <b>435,215,413</b>                             | <b>430,509,226</b>                    |

(thousand yen)

|  | 8th Fiscal Period (Reference)<br>July 31, 2014 | 9th Fiscal Period<br>January 31, 2015 |
|--|--|---------------------------------------|
| <b>Liabilities</b>                                 |  |                                       |
| Current liabilities                                |  |                                       |
| Operating accounts payable                         | 218,944  | 211,264                               |
| Current portion of investment corporation bonds    | 4,000,000                                      | 4,000,000                             |
| Current portion of long-term loans payable         | 19,448,195                                     | 14,318,311                            |
| Accounts payable – other                           | 1,214,306                                      | 1,535,770                             |
| Accrued expenses                                   | 190,194  | 199,576                               |
| Accrued consumption taxes                          | 11,119   | 406,168                               |
| Advances received                                  | 76,364   | 108,612                               |
| Other  | 35,560   | 35,467                                |
| Total current liabilities                          | 25,194,685                                     | 20,815,170                            |
| Noncurrent liabilities                             |  |                                       |
| Investment corporation bond                        | 33,500,000                                     | 33,500,000                            |
| Long-term loans payable                            | 164,846,901                                    | 163,980,151                           |
| Tenant leasehold and security deposits             | 1,251,239                                      | 1,233,673                             |
| Tenant leasehold and security deposits in trust    | 2,664,629                                      | 2,602,090                             |
| Total noncurrent liabilities                       | 202,262,769                                    | 201,315,915                           |
| Total liabilities                                  | 227,457,454                                    | 222,131,085                           |
| <b>Net assets</b>                                  |  |                                       |
| Unit-holders' equity                               |  |                                       |
| Paid-in Capital                                    | 114,936,698                                    | 114,936,698                           |
| Surplus  |  |                                       |
| Capital surplus                                    | 53,220,279                                     | 53,220,279                            |
| Reserve for dividends                              | 33,720,940                                     | 33,630,081                            |
| Unappropriated retained earnings (undisposed loss) | 5,880,040                                      | 6,591,081                             |
| Total surplus                                      | 92,821,260                                     | 93,441,442                            |
| Total unit-holders' equity                         | 207,757,958                                    | 208,378,140                           |
| Total net assets                                   | *1 207,757,958                                 | *1 208,378,140                        |
| <b>Total liabilities and net assets</b>            | 435,215,413                                    | 430,509,226                           |



### III. Statements of Income

(thousand yen)

|   | 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014 |            | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015 |            |
|---|--|------------|--|------------|
| Operating revenues  |  |            |  |            |
| Rental revenue – real estate  | *1   | 14,590,450 | *1   | 14,738,638 |
| Dividends income  |  | 78,198     |  | 55,284     |
| Gain on real estate sales   |  | –          | *2   | 839,417    |
| Total operating revenue   |  | 14,668,649 |  | 15,633,341 |
| Total operating expenses  |  |            |  |            |
| Expenses related to rent business                                     | *1   | 5,749,489  | *1   | 5,817,162  |
| Loss on real estate sales   |  | –          | *3   | 185,113    |
| Asset management fee  |  | 949,870    |  | 1,117,526  |
| Asset custody fee   |  | 9,478      |  | 9,619      |
| Administrative service fees   |  | 62,733     |  | 63,148     |
| Directors' compensations  |  | 2,400      |  | 2,400      |
| Taxes and dues  |  | 178,510    |  | 103,411    |
| Provision of allowance for doubtful accounts                          |  | 18,158     |  | –          |
| Bad debts expenses  |  | 296        |  | 135        |
| Other operating expenses  |  | 193,132    |  | 176,399    |
| Total operating expenses  |  | 7,164,070  |  | 7,474,916  |
| Operating income  |  | 7,504,578  |  | 8,158,424  |
| Non-operating income  |  |            |  |            |
| Interest income   |  | 10,862     |  | 9,714      |
| Interest on securities  |  | 2,600      |  | 2,346      |
| Claim compensation income   |  | 22,838     |  | –          |
| Reversal of distribution payable                                      |  | 3,281      |  | 2,452      |
| Reversal of allowance for doubtful accounts                           |  | –          |  | 14,065     |
| Other   |  | 3,863      |  | 178        |
| Total non-operating income  |  | 43,446     |  | 28,758     |
| Non-operating expenses  |  |            |  |            |
| Interest expenses   |  | 1,145,316  |  | 1,150,730  |
| Interest expenses on investment corporation bonds                     |  | 204,167    |  | 215,017    |
| Amortization of investment unit issuance expenses                     |  | 5,684      |  | 5,684      |
| Amortization of investment corporation bond issuance costs            |  | 18,047     |  | 18,325     |
| Other offering costs associated with the issuance of investment units |  | 11,587     |  | –          |
| Borrowing-related expenses  |  | 280,430    |  | 204,815    |
| Other   |  | 2,145      |  | 921        |
| Total non-operating expenses  |  | 1,667,379  |  | 1,595,495  |
| Ordinary income   |  | 5,880,645  |  | 6,591,686  |
| Income before income taxes  |  | 5,880,645  |  | 6,591,686  |
| Income taxes – current  |  | 605        |  | 605        |
| Total income taxes  |  | 605        |  | 605        |
| Net income  |  | 5,880,040  |  | 6,591,081  |
| Unappropriated retained earnings (undisposed loss)                    |  | 5,880,040  |  | 6,591,081  |

## IV. Statements of Changes in Unit-holders' Equity



Advance Residence Investment Corporation

8th Fiscal Period (Reference) (from February 1, 2014 to July 31, 2014)

(thousand yen)

|  | Unit-holders' equity |                 |                       |  |               |                            | Total net assets |
|--|----------------------|-----------------|-----------------------|--|---------------|----------------------------|------------------|
|  | Paid-in Capital      | Surplus         |                       |  |               | Total unit-holders' equity |                  |
|  |                      | Capital surplus | Reserve for dividends | Unappropriated retained earnings (undisposed loss) | Total surplus |                            |                  |
| Balance at the beginning of current period | 102,557,018          | 53,220,279      | 33,968,500            | 5,475,039  | 92,663,819    | 195,220,837                | 195,220,837      |
| Changes of items during the period         |                      |                 |                       |  |               |                            |                  |
| Issuance of new investment units           | 12,379,680           |                 |                       |  |               | 12,379,680                 | 12,379,680       |
| Reversal of reserve for dividends          |                      |                 | -247,560              | 247,560  | –             | –                          | –                |
| Dividends from surplus                     |                      |                 |                       | -5,722,600   | -5,722,600    | -5,722,600                 | -5,722,600       |
| Net income                                 |                      |                 |                       | 5,880,040  | 5,880,040     | 5,880,040                  | 5,880,040        |
| Total changes of items during the period   | 12,379,680           | –               | -247,560              | 405,001  | 157,440       | 12,537,120                 | 12,537,120       |
| Balance at the end of current period       | 114,936,698          | 53,220,279      | 33,720,940            | 5,880,040  | 92,821,260    | 207,757,958                | 207,757,958      |

9th Fiscal Period (from August 1, 2014 to January 31, 2015)

(thousand yen)

|  | Unit-holders' equity |                 |                       |  |               |                            | Total net assets |
|--|----------------------|-----------------|-----------------------|--|---------------|----------------------------|------------------|
|  | Paid-in Capital      | Surplus         |                       |  |               | Total unit-holders' equity |                  |
|  |                      | Capital surplus | Reserve for dividends | Unappropriated retained earnings (undisposed loss) | Total surplus |                            |                  |
| Balance at the beginning of current period | 114,936,698          | 53,220,279      | 33,720,940            | 5,880,040  | 92,821,260    | 207,757,958                | 207,757,958      |
| Changes of items during the period         |                      |                 |                       |  |               |                            |                  |
| Reversal of reserve for dividends          |                      |                 | -90,859               | 90,859   | –             | –                          | –                |
| Dividends from surplus                     |                      |                 |                       | -5,970,900   | -5,970,900    | -5,970,900                 | -5,970,900       |
| Net income                                 |                      |                 |                       | 6,591,081  | 6,591,081     | 6,591,081                  | 6,591,081        |
| Total changes of items during the period   | –                    | –               | -90,859               | 711,040  | 620,181       | 620,181                    | 620,181          |
| Balance at the end of current period       | 114,936,698          | 53,220,279      | 33,630,081            | 6,591,081  | 93,441,442    | 208,378,140                | 208,378,140      |

# V. Notes to Financial Statements

## Notes on Matters Concerning Significant Accounting Policies

|  | 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014  | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015   |
|--|---|--|
| 1. Standards and method of valuation of securities | <p>(1) Held-to-maturity debentures<br/>Carried at amortized cost (straight-line basis).</p> <p>(2) Available-for-sale securities<br/>Non-marketable securities<br/>Stated at cost determined by the moving average method.<br/>For investments in TK property fund, ADR adopts the method of factoring in the net amount of TK property fund income (loss) in proportion to its equity interests.</p>   | <p>(1) Held-to-maturity debentures<br/>Carried at amortized cost (straight-line basis).</p> <p>(2) Available-for-sale securities<br/>Non-marketable securities<br/>Stated at cost determined by the moving average method.<br/>For investments in TK property fund, ADR adopts the method of factoring in the net amount of TK property fund income (loss) in proportion to its equity interests.</p>  |
| 2. Method of depreciation of noncurrent assets     | <p>(1) Property, plant and equipment (including assets in trust)<br/>Calculated on a straight-line basis.<br/>The useful life of the main items of property, plant and equipment are as follows:<br/>Buildings 5~46 years<br/>Structures 6~50 years<br/>Machinery and equipment 10~15 years<br/>Tools, furniture and fixtures 2~15 years</p> <p>(2) Intangible assets<br/>Calculated on a straight-line basis.<br/>The useful life of the main items of intangible assets are as follows:<br/>Leasehold rights in trust 23~65 years<br/>Software 3~5 years</p> <p>(3) Long-term prepaid expenses<br/>Calculated on a straight-line basis.</p>   | <p>(1) Property, plant and equipment (including assets in trust)<br/>Calculated on a straight-line basis.<br/>The useful life of the main items of property, plant and equipment are as follows:<br/>Buildings 5~46 years<br/>Structures 6~50 years<br/>Machinery and equipment 10~15 years<br/>Tools, furniture and fixtures 2~15 years</p> <p>(2) Intangible assets<br/>Calculated on a straight-line basis.<br/>The useful life of the main items of intangible assets are as follows:<br/>Leasehold rights in trust 23~65 years<br/>Software 3~5 years</p> <p>(3) Long-term prepaid expenses<br/>Calculated on a straight-line basis.</p>  |
| 3. Method of accounting for deferred assets        | <p>(1) Unit issuance expenses<br/>Amortized on a straight-line basis (over 3 years).</p> <p>(2) Investment corporation bond issuance costs<br/>Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.</p>   | <p>(1) Unit issuance expenses<br/>Amortized on a straight-line basis (over 3 years).</p> <p>(2) Investment corporation bond issuance costs<br/>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<br/>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<br/>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<br/>For property, urban planning and depreciable asset taxes on real estate held, ADR adopts the method of charging the corresponding amounts of assessed taxes in 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 property taxes included in the acquisition cost of real estate properties in the fiscal period under review is 68,716 thousand yen.</p> | <p>(1) Method of accounting for property taxes<br/>For property, urban planning and depreciable asset taxes on real estate held, ADR adopts the method of charging the corresponding amounts of assessed taxes in 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 property taxes included in the acquisition cost of real estate properties in the fiscal period under review is 9,159 thousand yen.</p> |

|   | 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014   | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015   |
|---|--|--|
|   |  | <p>(2) Method of accounting for gain (loss) on real estate sales<br/>For gain (loss) on real estate sales, ADR generally does not offset such losses against such gains by calculating figures on the basis of individual properties. Instead, ADR offsets gains and losses within groups of properties with respect to cases where ADR sells multiple properties to a single party, under a single contract and in a single fiscal period.</p>  |
| 6. Method of hedge accounting   | <p>(1) Method of hedge accounting<br/>Exemption accounting is applied.</p> <p>(2) Hedging instruments and hedged items<br/>Hedging instruments<br/>Interest-rate swap transaction<br/>Hedged items<br/>Loans</p> <p>(3) Hedging policy<br/>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<br/>Assessment of the effectiveness is omitted as the relevant transactions meet the requirements for special accounting.</p>   | <p>(1) Method of hedge accounting<br/>Exemption accounting is applied.</p> <p>(2) Hedging instruments and hedged items<br/>Hedging instruments<br/>Interest-rate swap transaction<br/>Hedged items<br/>Loans</p> <p>(3) Hedging policy<br/>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<br/>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<br/>For beneficiary interests in trust in real estate, 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; construction in progress including trust accounts; and leasehold rights in trust</p> <p>(iii) Paid tenant guarantees</p> <p>(iv) Tenant leasehold and security deposits in trust</p> <p>(2) Method of accounting for consumption taxes.<br/>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<br/>For beneficiary interests in trust in real estate, 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; construction in progress including trust accounts; and leasehold rights in trust</p> <p>(iii) Paid tenant guarantees</p> <p>(iv) Tenant leasehold and security deposits in trust</p> <p>(2) Method of accounting for consumption taxes.<br/>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> |



# V. Notes to Financial Statements

## Notes to Balance Sheets

| 8th Fiscal Period (Reference)<br>July 31, 2014  | 9th Fiscal Period<br>January 31, 2015 |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
|---|---------------------------------------|-------------------------|---------------------|----------------|----------------------------|-------------------------|--|--------------------------|-------------------------|---------------------|----------------|----------------------------|-------------------------|------------------|--------------------|--------------------------|-------------------|---|-------------------|---------------------------------|-------------------|-------|-------------------|
| <p>*1 Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations<br/>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>20,000,000 thousand yen</td></tr> <tr> <td>Line of credit used</td><td>- thousand yen</td></tr> <tr> <td>Line of credit left unused</td><td>20,000,000 thousand yen</td></tr> </table> <p>—</p> | Revolving line of credit              | 20,000,000 thousand yen | Line of credit used | - thousand yen | Line of credit left unused | 20,000,000 thousand yen | <p>*1 Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations<br/>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>20,000,000 thousand yen</td></tr> <tr> <td>Line of credit used</td><td>- thousand yen</td></tr> <tr> <td>Line of credit left unused</td><td>20,000,000 thousand yen</td></tr> </table> <p>3. Contingent liabilities<br/>ADR has concluded transaction agreements for acquisitions of the properties listed below. However, in the event that a transaction agreement for any such property is cancelled for reasons attributable to ADR (as the buyer), then ADR must make payment of a cancellation penalty amounting to 20% of the transaction price.</p> <table> <tr> <th>Name of property</th><th>Transaction amount</th></tr> <tr> <td>RESIDIA Minami Shinagawa</td><td>1,177 million yen</td></tr> <tr> <td>RESIDIA Omori III<br/>(Artis Omori-Kita) <sup>(Note)</sup></td><td>1,395 million yen</td></tr> <tr> <td>RESIDIA Nihonbashi-Bakurocho II</td><td>1,975 million yen</td></tr> <tr> <td>Total</td><td>4,547 million yen</td></tr> </table> <p>(Note) ADR plans to rename this property after acquiring it. Therefore, the property's new name after the name change is listed here, and its current name as of the date of this report is shown in parentheses.</p> | Revolving line of credit | 20,000,000 thousand yen | Line of credit used | - thousand yen | Line of credit left unused | 20,000,000 thousand yen | Name of property | Transaction amount | RESIDIA Minami Shinagawa | 1,177 million yen | RESIDIA Omori III<br>(Artis Omori-Kita) <sup>(Note)</sup> | 1,395 million yen | RESIDIA Nihonbashi-Bakurocho II | 1,975 million yen | Total | 4,547 million yen |
| Revolving line of credit  | 20,000,000 thousand yen               |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| Line of credit used   | - thousand yen                        |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| Line of credit left unused  | 20,000,000 thousand yen               |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| Revolving line of credit  | 20,000,000 thousand yen               |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| Line of credit used   | - thousand yen                        |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| Line of credit left unused  | 20,000,000 thousand yen               |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| Name of property  | Transaction amount                    |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| RESIDIA Minami Shinagawa  | 1,177 million yen                     |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| RESIDIA Omori III<br>(Artis Omori-Kita) <sup>(Note)</sup>   | 1,395 million yen                     |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| RESIDIA Nihonbashi-Bakurocho II   | 1,975 million yen                     |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |
| Total   | 4,547 million yen                     |                         |                     |                |                            |                         |  |                          |                         |                     |                |                            |                         |                  |                    |                          |                   |   |                   |                                 |                   |       |                   |

## Notes to Statements of Income

| 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014   | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015 |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
|--|--|--|-------------|------------|-----------------|---------|-------------|---------|----------|------------|---|--|----------------------------|--------|-------|---------|----------|---------|-------------------------------------|------------|---|--|-----------------------------------|--|----------------|---------|--------------------------|-----------|-----------|---------|-------------------------|---------|-----------|--------|-----------|--------|-----------------------|---------|-------------------------------|-----------|--------------------------------------|-----------|---|-----------|--|------------------------------|--|-------------|------------|-----------------|---------|-------------|---------|----------|------------|---|--|----------------------------|--------|-------|---------|----------|---------|-------------------------------------|------------|---|--|-----------------------------------|--|----------------|---------|--------------------------|---------|-----------|---------|-------------------------|---------|-----------|--------|-----------|--------|-----------------------|---------|-------------------------------|-----------|--------------------------------------|-----------|---|-----------|
| <p>*1 Breakdown of operating income (loss) from property leasing activities<br/>(thousand yen)</p> <p>A. Revenue from property leasing</p> <table> <tr> <td>Rental revenue – real estate</td><td></td></tr> <tr> <td>Rent income</td><td>13,049,054</td></tr> <tr> <td>Facility charge</td><td>574,352</td></tr> <tr> <td>Parking fee</td><td>436,819</td></tr> <tr> <td>Subtotal</td><td>14,060,226</td></tr> <tr> <td>Other revenue related to property leasing</td><td></td></tr> <tr> <td>Income from leasing rights</td><td>50,519</td></tr> <tr> <td>Other</td><td>479,705</td></tr> <tr> <td>Subtotal</td><td>530,224</td></tr> <tr> <td>Total revenue from property leasing</td><td>14,590,450</td></tr> <tr> <td>B. Expenses from property leasing Rental expenses</td><td></td></tr> <tr> <td>Expenses related to rent business</td><td></td></tr> <tr> <td>Property taxes</td><td>705,517</td></tr> <tr> <td>Property management fees</td><td>1,023,492</td></tr> <tr> <td>Utilities</td><td>269,552</td></tr> <tr> <td>Repairs and maintenance</td><td>451,538</td></tr> <tr> <td>Insurance</td><td>26,559</td></tr> <tr> <td>Trust fee</td><td>65,122</td></tr> <tr> <td>Other rental expenses</td><td>753,611</td></tr> <tr> <td>Depreciation and amortization</td><td>2,454,095</td></tr> <tr> <td>Total expenses from property leasing</td><td>5,749,489</td></tr> <tr> <td>C. Operating income from property leasing (A–B)</td><td>8,840,961</td></tr> </table> | Rental revenue – real estate                                 |  | Rent income | 13,049,054 | Facility charge | 574,352 | Parking fee | 436,819 | Subtotal | 14,060,226 | Other revenue related to property leasing |  | Income from leasing rights | 50,519 | Other | 479,705 | Subtotal | 530,224 | Total revenue from property leasing | 14,590,450 | B. Expenses from property leasing Rental expenses |  | Expenses related to rent business |  | Property taxes | 705,517 | Property management fees | 1,023,492 | Utilities | 269,552 | Repairs and maintenance | 451,538 | Insurance | 26,559 | Trust fee | 65,122 | Other rental expenses | 753,611 | Depreciation and amortization | 2,454,095 | Total expenses from property leasing | 5,749,489 | C. Operating income from property leasing (A–B) | 8,840,961 | <p>*1 Breakdown of operating income (loss) from property leasing activities<br/>(thousand yen)</p> <p>A. Revenue from property leasing</p> <table> <tr> <td>Rental revenue – real estate</td><td></td></tr> <tr> <td>Rent income</td><td>13,262,199</td></tr> <tr> <td>Facility charge</td><td>590,961</td></tr> <tr> <td>Parking fee</td><td>444,809</td></tr> <tr> <td>Subtotal</td><td>14,297,970</td></tr> <tr> <td>Other revenue related to property leasing</td><td></td></tr> <tr> <td>Income from leasing rights</td><td>56,695</td></tr> <tr> <td>Other</td><td>383,973</td></tr> <tr> <td>Subtotal</td><td>440,668</td></tr> <tr> <td>Total revenue from property leasing</td><td>14,738,638</td></tr> <tr> <td>B. Expenses from property leasing Rental expenses</td><td></td></tr> <tr> <td>Expenses related to rent business</td><td></td></tr> <tr> <td>Property taxes</td><td>749,299</td></tr> <tr> <td>Property management fees</td><td>989,026</td></tr> <tr> <td>Utilities</td><td>278,926</td></tr> <tr> <td>Repairs and maintenance</td><td>452,387</td></tr> <tr> <td>Insurance</td><td>26,534</td></tr> <tr> <td>Trust fee</td><td>66,732</td></tr> <tr> <td>Other rental expenses</td><td>737,617</td></tr> <tr> <td>Depreciation and amortization</td><td>2,516,637</td></tr> <tr> <td>Total expenses from property leasing</td><td>5,817,162</td></tr> <tr> <td>C. Operating income from property leasing (A–B)</td><td>8,921,476</td></tr> </table> | Rental revenue – real estate |  | Rent income | 13,262,199 | Facility charge | 590,961 | Parking fee | 444,809 | Subtotal | 14,297,970 | Other revenue related to property leasing |  | Income from leasing rights | 56,695 | Other | 383,973 | Subtotal | 440,668 | Total revenue from property leasing | 14,738,638 | B. Expenses from property leasing Rental expenses |  | Expenses related to rent business |  | Property taxes | 749,299 | Property management fees | 989,026 | Utilities | 278,926 | Repairs and maintenance | 452,387 | Insurance | 26,534 | Trust fee | 66,732 | Other rental expenses | 737,617 | Depreciation and amortization | 2,516,637 | Total expenses from property leasing | 5,817,162 | C. Operating income from property leasing (A–B) | 8,921,476 |
| Rental revenue – real estate   |  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Rent income  | 13,049,054   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Facility charge  | 574,352  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Parking fee  | 436,819  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Subtotal   | 14,060,226   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Other revenue related to property leasing  |  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Income from leasing rights   | 50,519   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Other  | 479,705  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Subtotal   | 530,224  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Total revenue from property leasing  | 14,590,450   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| B. Expenses from property leasing Rental expenses  |  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Expenses related to rent business  |  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Property taxes   | 705,517  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Property management fees   | 1,023,492  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Utilities  | 269,552  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Repairs and maintenance  | 451,538  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Insurance  | 26,559   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Trust fee  | 65,122   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Other rental expenses  | 753,611  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Depreciation and amortization  | 2,454,095  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Total expenses from property leasing   | 5,749,489  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| C. Operating income from property leasing (A–B)  | 8,840,961  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Rental revenue – real estate   |  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Rent income  | 13,262,199   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Facility charge  | 590,961  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Parking fee  | 444,809  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Subtotal   | 14,297,970   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Other revenue related to property leasing  |  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Income from leasing rights   | 56,695   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Other  | 383,973  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Subtotal   | 440,668  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Total revenue from property leasing  | 14,738,638   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| B. Expenses from property leasing Rental expenses  |  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Expenses related to rent business  |  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Property taxes   | 749,299  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Property management fees   | 989,026  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Utilities  | 278,926  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Repairs and maintenance  | 452,387  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Insurance  | 26,534   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Trust fee  | 66,732   |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Other rental expenses  | 737,617  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Depreciation and amortization  | 2,516,637  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| Total expenses from property leasing   | 5,817,162  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |
| C. Operating income from property leasing (A–B)  | 8,921,476  |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |           |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |  |                              |  |             |            |                 |         |             |         |          |            |   |  |                            |        |       |         |          |         |                                     |            |   |  |                                   |  |                |         |                          |         |           |         |                         |         |           |        |           |        |                       |         |                               |           |                                      |           |   |           |

| 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014 | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015  |                                    |            |                              |            |                            |         |                           |         |
|--|---|------------------------------------|------------|------------------------------|------------|----------------------------|---------|---------------------------|---------|
| —  | <p>*2 Breakdown of gain on real estate sales (thousand yen)</p> <p>(Tokyo Student-House HIYOSHIDAI)</p> <table> <tr> <td>Proceeds from sales of real estate</td><td>3,800,000</td></tr> <tr> <td>Cost of sales of real estate</td><td>2,934,878</td></tr> <tr> <td>Other disposition expenses</td><td>25,703</td></tr> <tr> <td>Gain on real estate sales</td><td>839,417</td></tr> </table>  | Proceeds from sales of real estate | 3,800,000  | Cost of sales of real estate | 2,934,878  | Other disposition expenses | 25,703  | Gain on real estate sales | 839,417 |
| Proceeds from sales of real estate                                       | 3,800,000   |                                    |            |                              |            |                            |         |                           |         |
| Cost of sales of real estate   | 2,934,878   |                                    |            |                              |            |                            |         |                           |         |
| Other disposition expenses   | 25,703  |                                    |            |                              |            |                            |         |                           |         |
| Gain on real estate sales  | 839,417   |                                    |            |                              |            |                            |         |                           |         |
| —  | <p>*3 Breakdown of loss on real estate sales (thousand yen)</p> <p>(RESIDIA Azabujuban, Motoazabu Place, RESIDIA TOWER Roppongi, RESIDIA Yoyogikoen, RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village)</p> <table> <tr> <td>Proceeds from sales of real estate</td><td>25,560,000</td></tr> <tr> <td>Cost of sales of real estate</td><td>25,310,306</td></tr> <tr> <td>Other disposition expenses</td><td>434,807</td></tr> <tr> <td>Loss on real estate sales</td><td>185,113</td></tr> </table> <p>Buyer consent has not been granted for disclosure of individual disposition prices. The loss on real estate sales of 185,113 thousand yen comprises a loss on real estate sales of 2,440,592 thousand yen, against an offsetting gain on real estate sales of 2,255,478 thousand yen.</p> | Proceeds from sales of real estate | 25,560,000 | Cost of sales of real estate | 25,310,306 | Other disposition expenses | 434,807 | Loss on real estate sales | 185,113 |
| Proceeds from sales of real estate                                       | 25,560,000  |                                    |            |                              |            |                            |         |                           |         |
| Cost of sales of real estate   | 25,310,306  |                                    |            |                              |            |                            |         |                           |         |
| Other disposition expenses   | 434,807   |                                    |            |                              |            |                            |         |                           |         |
| Loss on real estate sales  | 185,113   |                                    |            |                              |            |                            |         |                           |         |

## Notes to Statements of Changes in Unit-holders' Equity

| 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014          | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015                      |
|---|---|
| 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 1,300,000 units                      | Total number of units issued and outstanding 1,300,000 units                      |

## Notes on Tax-Effect Accounting

| 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014  | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015     |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
|---|--|--------|---|------------|--|-----------|--|--------|----------------------------|------------|-------------------------|-------------|--|------|--|---------------------------|--|--|-------|---|------------|----------------------------|-----------|-------|--------|--|------------|-------------------------|-------------|---------------------------|---|-------------------------|---|
| <p>1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities (thousand yen)</p> <p>(Deferred tax assets)</p> <table> <tr> <td>Amount in excess of provision of allowance for doubtful accounts</td><td>10,093</td></tr> <tr> <td>Valuation difference on amount received at merger</td><td>12,977,171</td></tr> <tr> <td>Deficit brought forward</td><td>1,483,134</td></tr> <tr> <td>Other</td><td>37,687</td></tr> <tr> <td>Subtotal</td><td>14,508,086</td></tr> <tr> <td>Allowance for valuation</td><td>-14,508,086</td></tr> <tr> <td>Total deferred tax assets</td><td>—</td></tr> <tr> <td>Net deferred tax assets</td><td>—</td></tr> </table> | Amount in excess of provision of allowance for doubtful accounts | 10,093 | Valuation difference on amount received at merger | 12,977,171 | Deficit brought forward                        | 1,483,134 | Other                                    | 37,687 | Subtotal                   | 14,508,086 | Allowance for valuation | -14,508,086 | Total deferred tax assets  | —    | Net deferred tax assets  | —                         | <p>1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities (thousand yen)</p> <p>(Deferred tax assets)</p> <table> <tr> <td>Amount in excess of provision of allowance for doubtful accounts</td><td>4,658</td></tr> <tr> <td>Valuation difference on amount received at merger</td><td>11,405,326</td></tr> <tr> <td>Deficit brought forward</td><td>1,483,134</td></tr> <tr> <td>Other</td><td>79,255</td></tr> <tr> <td>Subtotal</td><td>12,972,374</td></tr> <tr> <td>Allowance for valuation</td><td>-12,974,374</td></tr> <tr> <td>Total deferred tax assets</td><td>—</td></tr> <tr> <td>Net deferred tax assets</td><td>—</td></tr> </table> | Amount in excess of provision of allowance for doubtful accounts | 4,658 | Valuation difference on amount received at merger | 11,405,326 | Deficit brought forward    | 1,483,134 | Other | 79,255 | Subtotal   | 12,972,374 | Allowance for valuation | -12,974,374 | Total deferred tax assets | — | Net deferred tax assets | — |
| Amount in excess of provision of allowance for doubtful accounts  | 10,093   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Valuation difference on amount received at merger   | 12,977,171   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Deficit brought forward   | 1,483,134  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Other   | 37,687   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Subtotal  | 14,508,086   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Allowance for valuation   | -14,508,086  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Total deferred tax assets   | —  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Net deferred tax assets   | —  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Amount in excess of provision of allowance for doubtful accounts  | 4,658  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Valuation difference on amount received at merger   | 11,405,326   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Deficit brought forward   | 1,483,134  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Other   | 79,255   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Subtotal  | 12,972,374   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Allowance for valuation   | -12,974,374  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Total deferred tax assets   | —  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Net deferred tax assets   | —  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| <p>2. Breakdown of significant components that caused a difference between statutory income tax rate and effective income tax rate after application of tax-effect accounting (%)</p> <table> <tr> <td>Statutory income tax rate</td><td>36.59</td></tr> <tr> <td>(Adjustments)</td><td></td></tr> <tr> <td>Increase (decrease) in allowance for valuation</td><td>-1.74</td></tr> <tr> <td>Increase (decrease) from tax rate change</td><td>0.18</td></tr> <tr> <td>Deductible dividend amount</td><td>-35.06</td></tr> <tr> <td>Other</td><td>0.03</td></tr> <tr> <td>Effective income tax rate after application of tax-effect accounting</td><td>0.01</td></tr> </table>                    | Statutory income tax rate  | 36.59  | (Adjustments)                                     |            | Increase (decrease) in allowance for valuation | -1.74     | Increase (decrease) from tax rate change | 0.18   | Deductible dividend amount | -35.06     | Other                   | 0.03        | Effective income tax rate after application of tax-effect accounting | 0.01 | <p>2. Breakdown of significant components that caused a difference between statutory income tax rate and effective income tax rate after application of tax-effect accounting (%)</p> <table> <tr> <td>Statutory income tax rate</td><td>34.16</td></tr> <tr> <td>(Adjustments)</td><td></td></tr> <tr> <td>Increase (decrease) in allowance for valuation</td><td>-23.30</td></tr> <tr> <td>Deductible dividend amount</td><td>-10.86</td></tr> <tr> <td>Other</td><td>0.01</td></tr> <tr> <td>Effective income tax rate after application of tax-effect accounting</td><td>0.01</td></tr> </table> | Statutory income tax rate | 34.16  | (Adjustments)  |       | Increase (decrease) in allowance for valuation    | -23.30     | Deductible dividend amount | -10.86    | Other | 0.01   | Effective income tax rate after application of tax-effect accounting | 0.01       |                         |             |                           |   |                         |   |
| Statutory income tax rate   | 36.59  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| (Adjustments)   |  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Increase (decrease) in allowance for valuation  | -1.74  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Increase (decrease) from tax rate change  | 0.18   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Deductible dividend amount  | -35.06   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Other   | 0.03   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Effective income tax rate after application of tax-effect accounting  | 0.01   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Statutory income tax rate   | 34.16  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| (Adjustments)   |  |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Increase (decrease) in allowance for valuation  | -23.30   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Deductible dividend amount  | -10.86   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Other   | 0.01   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |
| Effective income tax rate after application of tax-effect accounting  | 0.01   |        |   |            |  |           |  |        |                            |            |                         |             |  |      |  |                           |  |  |       |   |            |                            |           |       |        |  |            |                         |             |                           |   |                         |   |

# V. Notes to Financial Statements

## Notes on Fixed Assets Used Under Lease

### 8th Fiscal Period (Reference)

From: Feb. 1, 2014

To: Jul. 31, 2014

#### 1. Finance lease transactions (as lessee)

Finance lease transactions without ownership transfer to lessee

##### (1) Leased property

Software – intangible fixed asset

##### (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 are subject to accounting in accordance with the method adopted for ordinary rental transactions. The details are as follows:

(As lessee)

#### (1) Acquisition value equivalent, accumulated depreciation equivalent and period-end balance equivalent of the leased properties

|  | (thousand yen)               |                                     |                               |
|--|------------------------------|-------------------------------------|-------------------------------|
|  | Acquisition value equivalent | Accumulated depreciation equivalent | Period-end balance equivalent |
| Tools, furniture and fixtures in trust | 6,974                        | 4,964                               | 2,009                         |
| Subtotal                               | 6,974                        | 4,964                               | 2,009                         |

(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.

#### (2) Period-end balance equivalent of future lease payments Payable

|                   |                    |
|-------------------|--------------------|
| Due within 1 year | 709 thousand yen   |
| Due after 1 year  | 1,300 thousand yen |
| Total             | 2,010 thousand yen |

#### (3) Lease payments paid and depreciation equivalent

|                         |                  |
|-------------------------|------------------|
| Lease payments paid     | 354 thousand yen |
| Depreciation equivalent | 354 thousand yen |

#### (4) Calculation method of depreciation equivalent

Calculated on a straight-line basis over the lease period as the useful life, without residual value.

#### 2. Operating lease transactions

(As lessee)

Future lease payments payable

|                   |                         |
|-------------------|-------------------------|
| Due within 1 year | 706,812 thousand yen    |
| Due after 1 year  | 14,692,017 thousand yen |
| Total             | 15,398,829 thousand yen |

Furthermore, estimated amounts are used for transactions in which the lease amount is not finalized.

(As lessor)

Future lease payments payable

|                   |                         |
|-------------------|-------------------------|
| Due within 1 year | 4,365,492 thousand yen  |
| Due after 1 year  | 8,838,258 thousand yen  |
| Total             | 13,203,751 thousand yen |

### 9th Fiscal Period

From: Aug. 1, 2014

To: Jan. 31, 2015

#### 1. Finance lease transactions (as lessee)

Finance lease transactions without ownership transfer to lessee

##### (1) Leased property

Software – intangible fixed asset

##### (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 are subject to accounting in accordance with the method adopted for ordinary rental transactions. The details are as follows:

(As lessee)

#### (1) Acquisition value equivalent, accumulated depreciation equivalent and period-end balance equivalent of the leased properties

|  | (thousand yen)               |                                     |                               |
|--|------------------------------|-------------------------------------|-------------------------------|
|  | Acquisition value equivalent | Accumulated depreciation equivalent | Period-end balance equivalent |
| Tools, furniture and fixtures in trust | 6,974                        | 5,319                               | 1,654                         |
| Subtotal                               | 6,974                        | 5,319                               | 1,654                         |

(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.

#### (2) Period-end balance equivalent of future lease payments Payable

|                   |                    |
|-------------------|--------------------|
| Due within 1 year | 709 thousand yen   |
| Due after 1 year  | 946 thousand yen   |
| Total             | 1,655 thousand yen |

#### (3) Lease payments paid and depreciation equivalent

|                         |                  |
|-------------------------|------------------|
| Lease payments paid     | 354 thousand yen |
| Depreciation equivalent | 354 thousand yen |

#### (4) Calculation method of depreciation equivalent

Calculated on a straight-line basis over the lease period as the useful life, without residual value.

#### 2. Operating lease transactions

(As lessee)

Future lease payments payable

|                   |                         |
|-------------------|-------------------------|
| Due within 1 year | 707,340 thousand yen    |
| Due after 1 year  | 14,349,325 thousand yen |
| Total             | 15,056,665 thousand yen |

Furthermore, estimated amounts are used for transactions in which the lease amount is not finalized.

(As lessor)

Future lease payments payable

|                   |                         |
|-------------------|-------------------------|
| Due within 1 year | 4,574,849 thousand yen  |
| Due after 1 year  | 9,187,330 thousand yen  |
| Total             | 13,762,179 thousand yen |

## Notes on Financial Instruments

8th Fiscal Period (from February 1, 2014 to July 31, 2014) (Reference)

### 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, negotiable deposits and Japanese Government Bonds 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).

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, 2014.

(thousand yen)

|   | Book value    | Fair value    | Difference |
|---|---------------|---------------|------------|
| (1) Cash and deposits                               | 7,592,567     | 7,592,567     | –          |
| (2) Cash and deposits in trust                      | 8,134,558     | 8,134,558     | –          |
| (3) Securities                                      | 8,000,000     | 8,000,000     | –          |
| (4) Current portion of investment corporation bonds | (4,000,000)   | (4,016,400)   | 16,400     |
| (5) Current portion of long-term loans payable      | (19,448,195)  | (19,574,644)  | 126,449    |
| (6) Investment corporation bond                     | (33,500,000)  | (34,325,650)  | 825,650    |
| (7) Long-term loans payable                         | (164,846,901) | (167,604,802) | 2,757,901  |
| (8) Derivative transactions (Note 2)                | –             | -1,926,145    | -1,926,145 |

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) 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) Current portion of investment corporation bonds, (6) Investment corporation bonds

The fair value of these is calculated based on the reference value quoted by the 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.

##### (5) Current portion of long-term loans payable; (7) 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.

##### (8) Derivative transactions

(i) Transactions for which hedge accounting is not applied

Not applicable.



# V. Notes to Financial Statements

(thousand yen)

(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.

| Method of hedge accounting                 | Type of derivative transaction  | Main hedged item        | Contract amount <sup>(*)</sup> |                            | Fair value <sup>(*)</sup> , <sup>(3)</sup> |
|--|---|-------------------------|--------------------------------|----------------------------|--|
|  |   |                         |                                | Of which, exceeding 1 year |  |
| Special provisions for interest-rate swaps | Interest-rate swap transaction<br>Payable fixed;<br>Receivable floating | Long-term loans payable | 160,225,488                    | 153,925,488                | -1,926,145                                 |

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

(\*) 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.

(\*) 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

TK property fund equity interests (carrying amount: 546,342 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 securities scheduled to be due after closing of accounts

|                            | 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          | 7,592,567         | —                                    | —                                     | —                                     | —                                     | —                 |
| Cash and deposits in trust | 8,134,558         | —                                    | —                                     | —                                     | —                                     | —                 |
| Securities                 | 8,000,000         | —                                    | —                                     | —                                     | —                                     | —                 |
| Total                      | 23,727,125        | —                                    | —                                     | —                                     | —                                     | —                 |

6. Amount of repayment of investment corporation bonds, loans payable, and other interest-bearing loans scheduled to be due after closing of accounts

|   | 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 |
|---|-------------------|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------|
| Current portion of investment corporation bonds | 4,000,000         | —                                    | —                                     | —                                     | —                                     | —                 |
| Current portion of long-term loans payable      | 19,448,195        | —                                    | —                                     | —                                     | —                                     | —                 |
| Investment corporation bond                     | —                 | —                                    | 12,000,000                            | 8,000,000                             | 2,000,000                             | 11,500,000        |
| Long-term loans payable                         | —                 | 31,442,572                           | 24,500,000                            | 26,146,329                            | 19,200,000                            | 63,558,000        |
| Total   | 23,448,195        | 31,442,572                           | 36,500,000                            | 34,146,329                            | 21,200,000                            | 75,058,000        |

9th Fiscal Period (from August 1, 2014 to January 31, 2015)

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, negotiable deposits and Japanese Government Bonds 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).

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, 2015.

(thousand yen)

|   | Book value    | Fair value    | Difference |
|---|---------------|---------------|------------|
| (1) Cash and deposits                               | 11,661,031    | 11,661,031    | –          |
| (2) Cash and deposits in trust                      | 8,061,799     | 8,061,799     | –          |
| (3) Securities                                      | 5,850,000     | 5,850,000     | –          |
| (4) Current portion of investment corporation bonds | (4,000,000)   | (4,005,600)   | 5,600      |
| (5) Current portion of long-term loans payable      | (14,318,311)  | (14,412,837)  | 94,526     |
| (6) Investment corporation bond                     | (33,500,000)  | (34,503,386)  | 1,003,386  |
| (7) Long-term loans payable                         | (163,980,151) | (166,989,956) | 3,009,805  |
| (8) Derivative transactions (Note 2)                | –             | -2,163,669    | -2,163,669 |

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) 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) Current portion of investment corporation bonds, (6) Investment corporation bonds

The fair value of these is calculated based on the reference value quoted by the 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.

(5) Current portion of long-term loans payable; (7) 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.

(8) 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.

| Method of hedge accounting                 | Type of derivative transaction  | Main hedged item        | Contract amount <sup>(*)</sup> |                            | Fair value <sup>(*)</sup> , <sup>(3)</sup> |
|--|---|-------------------------|--------------------------------|----------------------------|--|
|  |   |                         |                                | Of which, exceeding 1 year |  |
| Special provisions for interest-rate swaps | Interest-rate swap transaction<br>Payable fixed;<br>Receivable floating | Long-term loans payable | 154,925,488                    | 143,925,488                | -2,163,669                                 |

(\*)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

TK property fund equity interests (carrying amount: 236,921 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 securities scheduled to be due after closing of accounts

|                            | 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          | 11,661,031        | –                                    | –                                     | –                                     | –                                     | –                 |
| Cash and deposits in trust | 8,061,799         | –                                    | –                                     | –                                     | –                                     | –                 |
| Securities                 | 5,850,000         | –                                    | –                                     | –                                     | –                                     | –                 |
| Total                      | 25,572,831        | –                                    | –                                     | –                                     | –                                     | –                 |

# V. Notes to Financial Statements

(thousand yen)

6. Amount of repayment of investment corporation bonds, loans payable, and other interest-bearing loans scheduled to be due after closing of accounts

|   | 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 |
|---|-------------------|--------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|-------------------|
| Current portion of investment corporation bonds | 4,000,000         | –                                    | –                                     | –                                     | –                                     | –                 |
| Current portion of long-term loans payable      | 14,318,311        | –                                    | –                                     | –                                     | –                                     | –                 |
| Investment corporation bond                     | –                 | 8,000,000                            | 12,000,000                            | 2,000,000                             | 4,000,000                             | 7,500,000         |
| Long-term loans payable                         | –                 | 27,725,822                           | 22,956,329                            | 24,190,000                            | 17,700,000                            | 71,408,000        |
| Total   | 18,318,311        | 35,725,822                           | 34,956,329                            | 26,190,000                            | 21,700,000                            | 78,908,000        |

## Notes on Value of Rental Properties

8th Fiscal Period (from February 1, 2014 to July 31, 2014) (Reference)

ADR mainly owns rental residential 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 (Note 1)            |   |                          | Period-end fair value (Note 3) |
|--------------------------------|---|--------------------------|--------------------------------|
| Balance at start of the 9th FP | Amount of change during the period (Note 2) | Balance at end of 9th FP |                                |
| 393,430,346                    | 14,379,369                                  | 407,809,716              | 443,096,000                    |

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 the acquisition of 11 real estate beneficiary interests in trust (16,499,601 thousand yen); the decrease is mainly a result of posting of depreciation.

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

For the 8th Fiscal Period operating income from property leasing, please refer to the aforementioned “Notes to Statements of Income.”

9th Fiscal Period (from August 1, 2014 to January 31, 2015)

ADR mainly owns rental residential 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 (Note 1)            |   |                          | Period-end fair value (Note 3) |
|--------------------------------|---|--------------------------|--------------------------------|
| Balance at start of the 9th FP | Amount of change during the period (Note 2) | Balance at end of 9th FP |                                |
| 407,809,716                    | -6,512,031                                  | 401,297,684              | 457,329,000                    |

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

2. The amount of change during the period is mainly attributable to increases from the acquisition of four real estate properties (2,517,753 thousand yen) and the acquisition of 21 real estate beneficiary interests in trust (21,248,127 thousand yen); and decreases as a result of disposition of one real estate property (6,791,368 thousand yen), disposition of five real estate beneficiary interests in trust (21,453,817 thousand yen), and posting of depreciation.

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

For the 9th Fiscal Period operating income from property leasing, please refer to the aforementioned “Notes to Statements of Income.”

## Notes on Transactions with Related Parties

8th Fiscal Period (from February 1, 2014 to July 31, 2014) (Reference)

| Classification     | Name of related party              | Business description or occupation  | Share of units held in ADR | Nature of transaction                     | Transaction amount (thousand yen) | Account                    | Period-end balance (thousand yen) |
|--------------------|------------------------------------|-------------------------------------|----------------------------|---|-----------------------------------|----------------------------|-----------------------------------|
| Interested parties | ITOCHU Urban Community Ltd.        | Real estate leasing business        | –                          | Expenses for building management (Note 1) | 738,408                           | Operating accounts payable | 55,221                            |
| Asset custodian    | Sumitomo Mitsui Trust Bank Limited | Banking business and trust business | –                          | Borrowing (repayment) of funds (Note 2)   | 4,980,000<br>(4,191,097)          | Long-term loans payable    | 28,152,286                        |

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

Note 1. Transaction terms and conditions are negotiated and decided based on market price.

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

9th Fiscal Period (from August 1, 2014 to January 31, 2015)

| Classification     | Name of related party              | Business description or occupation  | Share of units held in ADR | Nature of transaction                     | Transaction amount (thousand yen) | Account                                    | Period-end balance (thousand yen) |
|--------------------|------------------------------------|-------------------------------------|----------------------------|---|-----------------------------------|--|-----------------------------------|
| Interested parties | ITOCHU Urban Community Ltd.        | Real estate leasing business        | –                          | Expenses for building management (Note 1) | 701,716                           | Operating accounts payable                 | 60,518                            |
| Asset custodian    | Sumitomo Mitsui Trust Bank Limited | Banking business and trust business | –                          | Borrowing (repayment) of funds (Note 2)   | 7,193,000<br>(6,800,000)          | Current portion of long-term loans payable | 1,000,000                         |
|                    |                                    |                                     |                            |   |                                   | Long-term loans payable                    | 27,545,286                        |

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

Note 1. Transaction terms and conditions are negotiated and decided based on market price.

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

## Notes on Per Unit Information

| 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014  |             | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015  |             |
|---|-------------|---|-------------|
| Net assets per unit   | 159,813 yen | Net assets per unit   | 160,290 yen |
| Net income per unit   | 4,526 yen   | Net income per unit   | 5,070 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 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 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.

|   | 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014 | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015 |
|---|--|--|
| Net income (thousand yen)                                     | 5,880,040  | 6,591,081  |
| Amount not attributable to common unit-holders (thousand yen) | –  | –  |
| Net income attributable to common unit (thousand yen)         | 5,880,040  | 6,591,081  |
| Average number of units during the period (units)             | 1,299,083  | 1,300,000  |

## Significant Subsequent Events

9th Fiscal Period (from August 1, 2014 to January 31, 2015)

Not applicable.



## VI. Statements of Cash Distributions

(yen)

|  | 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014  | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015  |
|--|---|---|
| I. Unappropriated retained earnings          | 5,880,040,999   | 6,591,081,560   |
| II. Reversal of reserve for dividends        | 90,859,001  | 77,918,440  |
| III. Amount of dividends                     | 5,970,900,000   | 6,669,000,000   |
| (Amount of dividends per unit)               | (4,593)   | (5,130)   |
| 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 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 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. Based on the policy above, ADR decided on dividends of earnings totaling 5,970,900,000 yen for the 9th Fiscal Period, which was arrived at by adding reversal of reserve for dividends of 90,859,001 yen to the unappropriated retained earnings of 5,880,040,999 yen. 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 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 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. Based on the policy above, ADR decided on dividends of earnings totaling 6,669,000,000 yen for the 9th Fiscal Period, which was arrived at by adding reversal of reserve for dividends of 77,918,440 yen to the unappropriated retained earnings of 6,591,081,560 yen. Furthermore, ADR does not distribute cash in excess of earnings, as provided in Article 32, Item 2 of its Articles of Incorporation.</p> |

R-53 RESIDIA Higashi-Sakura II



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

2015年3月12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 公認会計士 秋山 卓司

業務執行社員

指定有限責任社員 公認会計士 太田 健司

業務執行社員

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2014年8月1日から2015年1月31日までの第9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。

**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。

**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。

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。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。

**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。

**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。

以上

## Disclaimer

This financial report is an English translation of a Japanese financial report originally made available in Japan in accordance with the Act on Investment Trusts and Investment Corporations of Japan. This English-language financial report has been prepared solely for the convenience of readers outside Japan and is not intended to constitute a document for an offer to sell, or seeking an offer to buy, any securities of Advance Residence Investment Corporation.

English terms for Japanese legal, accounting, tax and business concepts used herein may not be precisely identical to the concept of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English translation contained herein, the original Japanese documents will always govern the meaning and interpretation.

Although every effort is made to provide accurate translation, neither Advance Residence Investment Corporation, AD Investment Management Co., Ltd. nor any of their respective directors, officers, employees, partners, unit-holders, agents, affiliates nor their advisors shall be responsible or liable for the completeness, appropriateness, or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English.

The financial statements of Advance Residence Investment Corporation have been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP), which may materially differ in certain respects from the generally accepted accounting principles of other jurisdictions.

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.

Potential risks and uncertainties also include those identified and discussed in this document. Given these risks and uncertainties, readers of this document are cautioned not to place undue reliance on forward-looking statements, which are only valid as of the date of the information published herein. We disclaim any obligation to update or, except in the limited circumstances required by the Tokyo Stock Exchange, announce publicly any revisions to any of the forward-looking statements contained in these documents.

# VIII. (Reference Information) Statements of Cash Flows

(thousand yen)

|   | 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014 | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015 |
|---|--|--|
| Net cash provided by (used in) operating activities                   |  |  |
| Income before income taxes  | 5,880,645  | 6,591,686  |
| Depreciation and amortization   | 2,457,120  | 2,519,663  |
| Amortization of investment unit issuance expenses                     | 5,684  | 5,684  |
| Amortization of investment corporation bond issuance costs            | 18,047   | 18,325   |
| Other offering costs associated with the issuance of investment units | 11,587   | —  |
| Increase (decrease) in allowance for doubtful accounts                | 13,079   | -15,911  |
| Interest income   | -13,462  | -12,061  |
| Interest expenses   | 1,145,316  | 1,150,730  |
| Interest expenses on investment corporation bonds                     | 204,167  | 215,017  |
| Decrease (increase) in operating accounts receivable                  | 7,994  | -6,855   |
| Decrease (increase) in prepaid expenses                               | -118,460   | 83,545   |
| Increase (decrease) in accrued consumption taxes                      | -22,127  | 395,048  |
| Increase (decrease) in operating accounts payable                     | 4,264  | 1,980  |
| Increase (decrease) in accounts payable—other                         | 98,402   | 304,481  |
| Increase (decrease) in accrued expenses                               | -19,712  | 19,673   |
| Increase (decrease) in advances received                              | 12,229   | 32,247   |
| Loss on sales of property, plant and equipment                        | —  | 6,791,368  |
| Loss on sales of property, plant and equipment in trust               | —  | 21,453,817   |
| Decrease (increase) in long-term prepaid expenses                     | -140,705   | -61,618  |
| Other   | 1,901  | -293,198   |
| Subtotal  | 9,545,973  | 39,193,625   |
| Interest income received  | 6,911  | 7,554  |
| Interest expenses paid  | -1,345,693   | -1,376,038   |
| Income taxes paid   | -9,442   | 3,947  |
| Net cash provided by (used in) operating activities                   | 8,197,748  | 37,829,088   |
| Net cash provided by (used in) investing activities                   |  |  |
| Payments into time deposits   | -4,001,500   | -7,000,000   |
| Proceeds from withdrawal of time deposits                             | 5,000,000  | 4,001,500  |
| Purchase of securities  | -8,000,000   | -3,000,000   |
| Proceeds from sales of securities                                     | —  | 8,000,000  |
| Purchase of property, plant and equipment                             | -62,725  | -2,609,195   |
| Purchase of property, plant and equipment in trust                    | -16,784,737  | -21,631,111  |
| Proceeds from tenant leasehold and security deposits, net             | 3,164  | -17,565  |
| Proceeds from tenant leasehold and security deposits in trust, net    | 166,278  | -62,538  |
| Proceeds from reimbursement of investment securities                  | 478,436  | 305,502  |
| Repayments of long-term deposits received                             | -4,300   | —  |
| Net cash provided by (used in) investing activities                   | -23,205,384  | -22,013,408  |
| Net cash provided by (used in) financing activities                   |  |  |
| Increase in short-term loans payable                                  | 3,850,000  | 20,500,000   |
| Decrease in short-term loans payable                                  | -6,410,000   | -20,500,000  |
| Proceeds from long-term loans payable                                 | 20,880,000   | 13,850,000   |
| Repayment of long-term loans payable                                  | -17,134,499  | -19,846,634  |
| Proceeds from issuance of investment corporation bonds                | 2,500,000  | —  |
| Payments for investment corporation bond issuance costs               | -16,713  | —  |
| Proceeds from issuance of investment units                            | 12,379,680   | —  |
| Payments for investment unit issuance expenses                        | -8,158   | —  |
| Other offering costs associated with the issuance of investment units | -17,679  | —  |
| Repayments of finance lease obligations                               | -2,721   | -2,721   |
| Dividends paid  | -5,723,884   | -5,969,119   |
| Net cash provided by (used in) financing activities                   | 10,296,023   | -11,968,474  |
| Net increase (decrease) in cash and cash equivalents                  | -4,711,612   | 3,847,205  |
| Cash and cash equivalents at beginning of period                      | 16,437,238   | 11,725,625   |
| Cash and cash equivalents at end of period                            | *1 11,725,625  | *1 15,572,831  |

(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

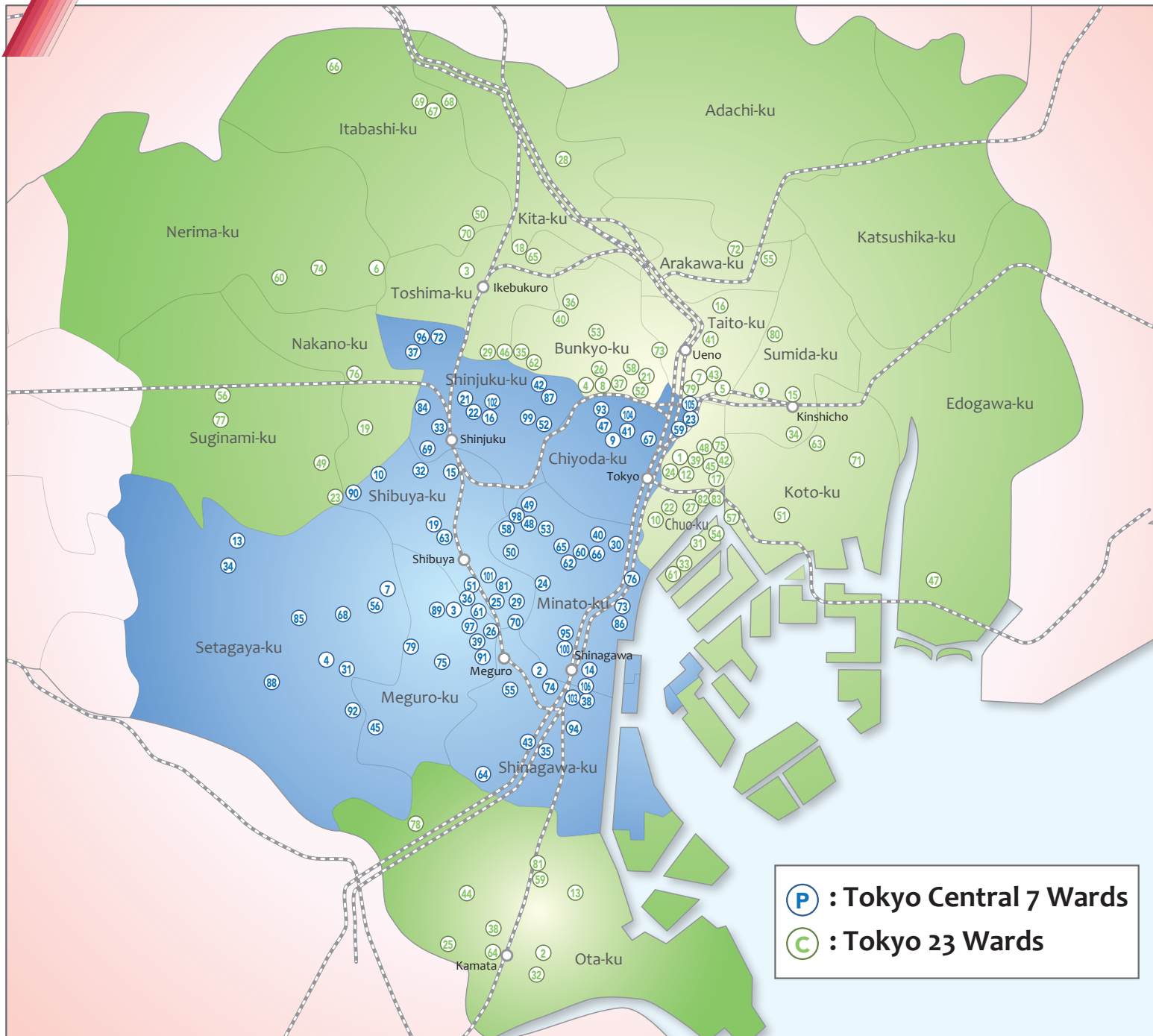
|  | 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014  | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015  |
|--|---|---|
| Scope of funds in Statements of Cash Flows | The funds (cash and cash equivalents) in the Statements of Cash Flows consist of cash on hand and 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

| 8th Fiscal Period (Reference)<br>From: Feb. 1, 2014<br>To: Jul. 31, 2014   | 9th Fiscal Period<br>From: Aug. 1, 2014<br>To: Jan. 31, 2015 |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
|--|--|-----------|----------------------------|-----------|---|------------|---|---|---------------------------|------------|---|-------------------|------------|----------------------------|-----------|---|------------|---|-----------|---------------------------|------------|
| <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>(thousand yen)</p> <table> <tr> <td>Cash and deposits</td><td>7,592,567</td></tr> <tr> <td>Cash and deposits in trust</td><td>8,134,558</td></tr> <tr> <td>Time deposits with holding period over 3 months</td><td>-4,001,500</td></tr> <tr> <td>Securities held no longer than 3 months</td><td>—</td></tr> <tr> <td>Cash and cash equivalents</td><td>11,725,625</td></tr> </table> | Cash and deposits  | 7,592,567 | Cash and deposits in trust | 8,134,558 | Time deposits with holding period over 3 months | -4,001,500 | Securities held no longer than 3 months | — | Cash and cash equivalents | 11,725,625 | <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>(thousand yen)</p> <table> <tr> <td>Cash and deposits</td><td>11,661,031</td></tr> <tr> <td>Cash and deposits in trust</td><td>8,061,799</td></tr> <tr> <td>Time deposits with holding period over 3 months</td><td>-7,000,000</td></tr> <tr> <td>Securities held no longer than 3 months</td><td>2,850,000</td></tr> <tr> <td>Cash and cash equivalents</td><td>15,572,831</td></tr> </table> | Cash and deposits | 11,661,031 | Cash and deposits in trust | 8,061,799 | Time deposits with holding period over 3 months | -7,000,000 | Securities held no longer than 3 months | 2,850,000 | Cash and cash equivalents | 15,572,831 |
| Cash and deposits  | 7,592,567  |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Cash and deposits in trust   | 8,134,558  |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Time deposits with holding period over 3 months  | -4,001,500   |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Securities held no longer than 3 months  | —  |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Cash and cash equivalents  | 11,725,625   |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Cash and deposits  | 11,661,031   |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Cash and deposits in trust   | 8,061,799  |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Time deposits with holding period over 3 months  | -7,000,000   |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Securities held no longer than 3 months  | 2,850,000  |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |
| Cash and cash equivalents  | 15,572,831   |           |                            |           |   |            |   |   |                           |            |   |                   |            |                            |           |   |            |   |           |                           |            |



# Portfolio Map

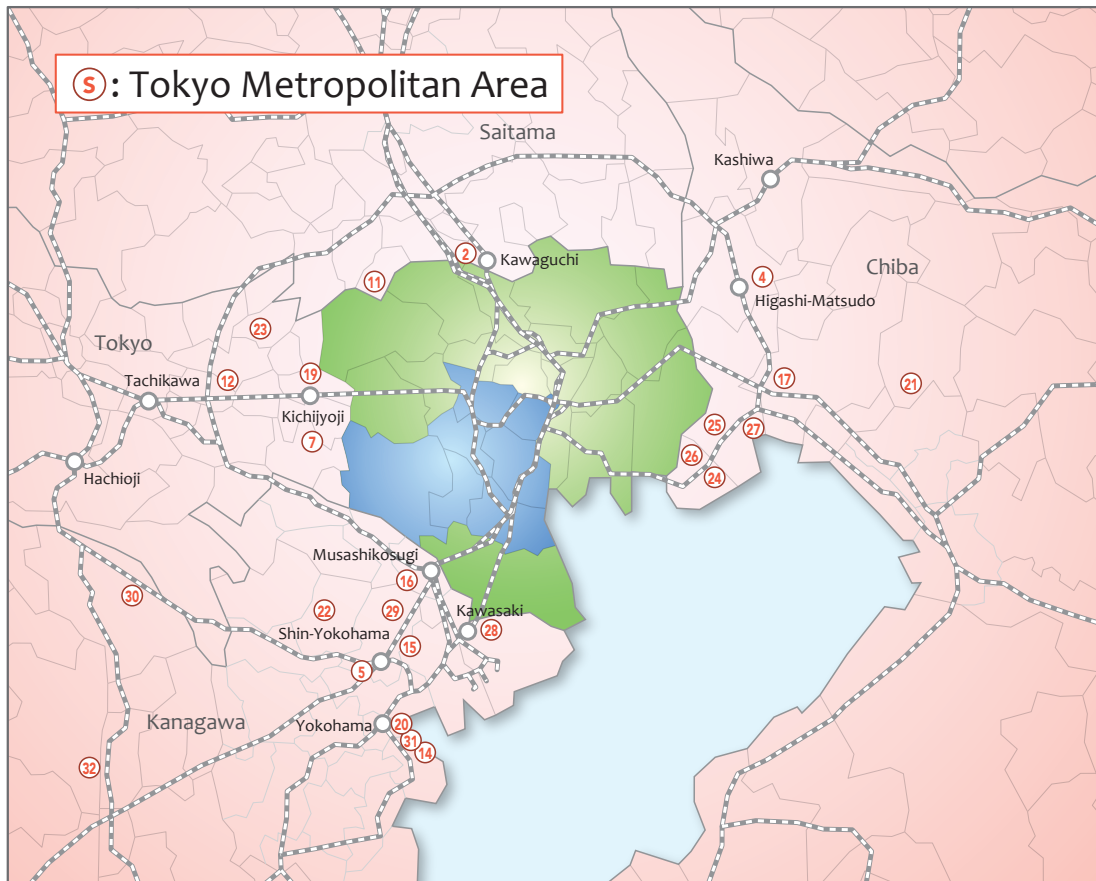


**P : Tokyo Central 7 Wards**

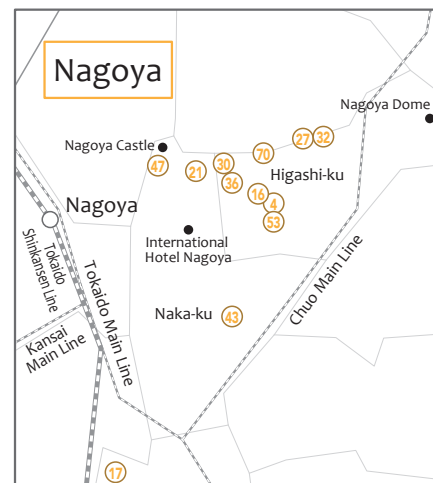
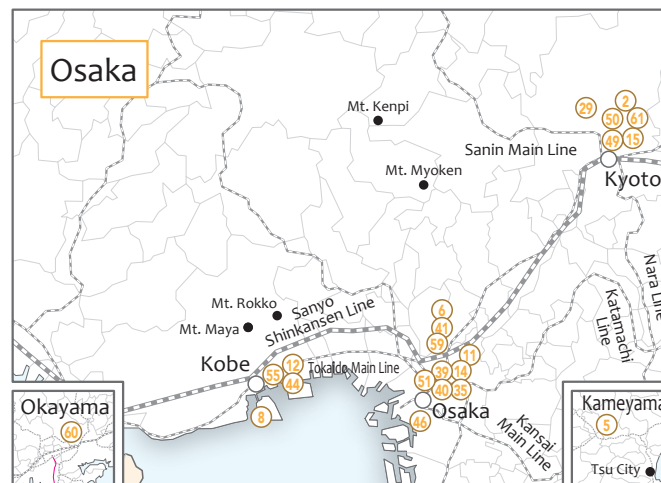
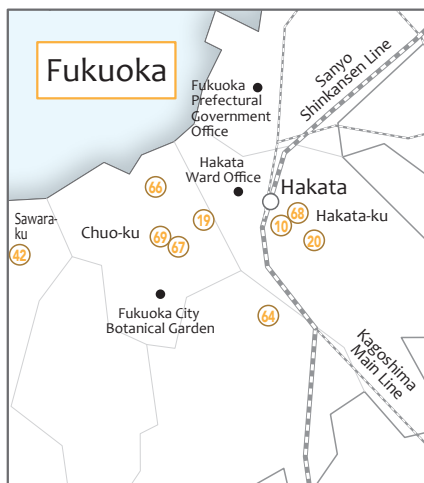
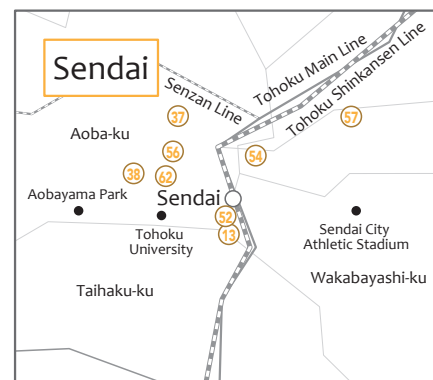
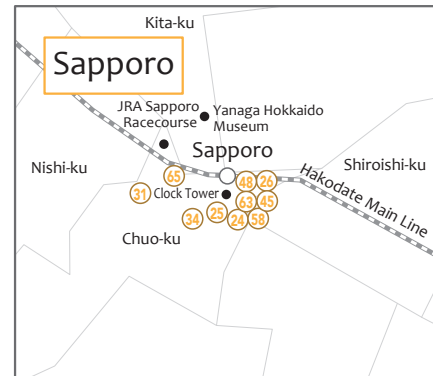
**C : Tokyo 23 Wards**

|      |                              |      |                                |      |                             |       |                                 |      |                              |
|------|------------------------------|------|--------------------------------|------|-----------------------------|-------|---------------------------------|------|------------------------------|
| P-2  | RESIDIA Shimazuyama          | P-38 | RESIDIA Higashi-Shinagawa      | P-68 | RESIDIA Sangenjaya II       | P-99  | RESIDIA Yotsuya Sanchome        | C-22 | RESIDIA Tsukiji              |
| P-3  | RESIDIA Nakameguro           | P-39 | RESIDIA Meguro II              | P-69 | RESIDIA Nishi-Shinjuku II   | P-100 | RESIDIA Takanawa Katsurazaka    | C-23 | RESIDIA Sasazuka             |
| P-4  | RESIDIA Setagaya-Tsurumaki   | P-40 | RESIDIA Toranomon              | P-70 | RESIDIA Hiroo-Minami        | P-101 | RESIDIA Ebisu III               | C-24 | RESIDIA Kyobashi             |
| P-7  | RESIDIA Ikejirihashi         | P-41 | RESIDIA Shin-Ochanomizu        | P-72 | RESIDIA Mejiro-Otomeyama    | P-102 | RESIDIA Shinjuku Gyoen          | C-25 | RESIDIA Tamagawa             |
| P-9  | RESIDIA Kudanshita           | P-42 | RESIDIA Kagurazaka             | P-73 | RESIDIA Shibaura            | P-103 | RESIDIA Minami Shinagawa        | C-26 | RESIDIA Korakuen             |
| P-10 | RESIDIA Hatagaya             | P-43 | RESIDIA Oimachi II             | P-74 | RESIDIA Gotenyama           | P-104 | Chester Court Ochanomizu        | C-27 | RESIDIA Ginza-Higashi        |
| P-13 | RESIDIA Sakurajosui          | P-45 | RESIDIA Jiyugaoka              | P-75 | RESIDIA Yutenji             | P-105 | RESIDIA Kanda-Iwamotocho II     | C-28 | RESIDIA Oji                  |
| P-14 | RESIDIA Kita-Shinagawa       | P-47 | RESIDIA Suidobashi             | P-76 | Park Tower Shibaura Bayward | P-106 | RESIDIA Shinagawa               | C-29 | RESIDIA Mejiro II            |
| P-15 | RESIDIA Yoyoginomori         | P-48 | RESIDIA TOWER Nogizaka         | P-77 | Urban Wing                  | C-1   | RESIDIA Mitsukoshimae           | C-31 | RESIDIA Tsukishima           |
| P-16 | RESIDIA Shinjuku East III    | P-49 | RESIDIA Akasaka                | P-79 | RESIDIA Kamimeguro          | C-2   | RESIDIA Kamata                  | C-32 | RESIDIA Kamata II            |
| P-19 | Leopalace Udagawacho Mansion | P-50 | RESIDIA Nishi-Azabu            | P-81 | Windsor House Hiroo         | C-3   | RESIDIA Ikebukuro               | C-33 | RESIDIA Bunkyo-Sengoku       |
| P-21 | RESIDIA Shinjuku East II     | P-51 | RESIDIA Daikanyama             | P-84 | RESIDIA Kita-Shinjuku       | C-4   | RESIDIA Bunkyo-Hongo            | C-34 | RESIDIA Kinshicho II         |
| P-22 | RESIDIA Shinjuku East        | P-52 | RESIDIA Ichigaya               | P-85 | RESIDIA Komazawa            | C-5   | RESIDIA Asakusabashi            | C-35 | RESIDIA Bunkyo-Otowa         |
| P-23 | RESIDIA Kanda-Iwamotocho     | P-53 | RESIDIA Roppongi-Hinokichokoen | P-86 | RESIDIA Shibaura KAIGAN     | C-6   | Maison Eclairée Ekoda           | C-36 | RESIDIA Bunkyo-Sengoku       |
| P-24 | RESIDIA Azabujuban II        | P-55 | RESIDIA TOWER Meguro-Fudomae   | P-87 | RESIDIA Ichigaya-Yakuoji    | C-7   | RESIDIA Ueno-Okachimachi        | C-37 | RESIDIA Bunkyo-Yushima       |
| P-25 | RESIDIA Ebisu                | P-56 | RESIDIA Sangenjaya             | P-88 | RESIDIA Yoga                | C-8   | RESIDIA Bunkyo-Hongo II         | C-38 | RESIDIA Ikegami              |
| P-26 | RESIDIA Meguro               | P-58 | RESIDIA Minami-Aoyama          | P-89 | RESIDIA TOWER Nakameguro    | C-9   | RESIDIA Ryugoku                 | C-39 | RESIDIA Nihonbashi-Ningyocho |
| P-29 | RESIDIA Hiroo II             | P-59 | RESIDIA Kanda-Higashi          | P-90 | RESIDIA Sasazuka II         | C-10  | RESIDIA Higashi-Ginza           | C-40 | RESIDIA Bunkyo-Sengoku II    |
| P-30 | Pianetta Shiodome            | P-60 | RESIDIA Higashi-Azabu          | P-91 | RESIDIA Meguro III          | C-12  | RESIDIA Nihonbashi-Ningyocho II | C-41 | RESIDIA Iriya                |
| P-31 | RESIDIA Komazawadaigaku      | P-61 | RESIDIA Ebisu-Minami           | P-92 | RESIDIA Jiyugaoka II        | C-13  | RESIDIA Omori-Higashi           | C-42 | RESIDIA Nihonbashi-Hamacho   |
| P-32 | RESIDIA Yoyogi               | P-62 | RESIDIA TOWER Azabujuban       | P-93 | RESIDIA Kudanshita II       | C-15  | RESIDIA Kinshicho               | C-43 | RESIDIA Shin-Okachimachi     |
| P-33 | RESIDIA Nishi-Shinjuku       | P-63 | RESIDIA Shibuya                | P-94 | RESIDIA Omori II            | C-16  | RESIDIA Negishi                 | C-44 | RESIDIA Chidori              |
| P-34 | RESIDIA Kyodo                | P-64 | RESIDIA Nakanobu               | P-95 | RESIDIA Shirokane-Takanawa  | C-17  | RESIDIA Shinkawa                | C-45 | RESIDIA Shinkawa II          |
| P-35 | RESIDIA Oimachi              | P-65 | RESIDIA Azabudai               | P-96 | RESIDIA Nakaochiai          | C-18  | RESIDIA Kami-Ikebukuro          | C-46 | RESIDIA Mejiro               |
| P-36 | RESIDIA Ebisu II             | P-66 | RESIDIA Shibadaimon II         | P-97 | RESIDIA Nakameguro II       | C-19  | RESIDIA Shin-nakano             | C-47 | RESIDIA Kasai                |
| P-37 | RESIDIA Kamiocchiai          | P-67 | RESIDIA Kanda                  | P-98 | Artis Court Minamiaoyama    | C-21  | RESIDIA Bunkyo-Yushima II       | C-48 | RESIDIA Nihonbashi-Bakurocho |







**(R) : Major Regional Cities**



|                                   |                                       |                                  |                                 |                                 |
|-----------------------------------|---------------------------------------|----------------------------------|---------------------------------|---------------------------------|
| C-49 RESIDIA Suginami-Honancho    | C-75 RESIDIA Higashi Nihonbashi       | S-25 RESIDIA Minami-Gyotoku      | R-26 RESIDIA Kita-Sanjo         | R-54 RESIDIA Tsutsujigaoka      |
| C-50 RESIDIA Shin-Itabashi        | C-76 RESIDIA Nakano                   | S-26 RESIDIA Urayasu II          | R-27 RESIDIA Shirakabe-Higashi  | R-55 RESIDIA Kobe-Motomachi     |
| C-51 RESIDIA Kiba                 | C-77 RESIDIA Ogikubo II               | S-27 RESIDIA Gyotoku             | R-29 RESIDIA Uzumasa            | R-56 RESIDIA Sendai-Honcho      |
| C-52 RESIDIA Bunkyo-Yushima III   | C-78 RESIDIA Minami Yukigaya          | S-28 RESIDIA Hon-Atsugi          | R-30 RESIDIA Izumi              | R-57 RESIDIA Sendai-Haranomachi |
| C-53 RESIDIA Bunkyo-Honkomagome   | C-79 RESIDIA Akihabara                | S-29 Cocofump Hiyoshi            | R-31 RESIDIA Maruyama Kita-Gojo | R-58 RESIDIA Minami-Ichijo East |
| C-54 RESIDIA Tsukishima III       | C-80 RESIDIA Asakusa-Azumabashi       | S-30 RESIDIA Sagami-hara         | R-32 RESIDIA Tokugawa           | R-59 RESIDIA Shin-Osaka         |
| C-55 RESIDIA Minamisenjyu         | C-81 RESIDIA Omori III                | S-31 RESIDIA Yokohama-Bashamichi | R-34 RESIDIA Odori-Koen         | R-60 RESIDIA Okayama-Ekimae     |
| C-56 RESIDIA Ogikubo              | C-82 RESIDIA Nihonbashi-Bakurocho II  | S-32 RESIDIA Kameyama            | R-35 RESIDIA Tanimachi          | R-61 RESIDIA Kyoto Okazaki      |
| C-57 RESIDIA Monzen-nakacho       | C-83 RESIDIA Nihonbashi-Bakurocho III | R-2 RESIDIA Imadegawa            | R-36 RESIDIA Hisaya-Oodori      | R-62 RESIDIA Sendai-Ichibancho  |
| C-58 RESIDIA Ochanomizu           | S-2 Chester House Kawaguchi           | R-4 RESIDIA Higashi-Sakura       | R-37 RESIDIA Sendai-Miyamachi   | R-63 RESIDIA Kita-Nijyo East II |
| C-59 RESIDIA Omori                | S-4 RESIDIA Higashi-Matsudo           | R-5 RESIDIA Kameyama             | R-38 RESIDIA Hirose-dori        | R-64 RESIDIA Takamiya           |
| C-60 RESIDIA Nakamurabashi        | S-5 RESIDIA Shin-Yokohama             | R-6 RESIDIA Ryokuchiko-en        | R-39 RESIDIA Edobori            | R-65 RESIDIA Soen               |
| C-61 RESIDIA Kachidoki            | S-7 RESIDIA Chofu                     | R-8 RESIDIA Kobe Port Island     | R-40 RESIDIA Kyomachibori       | R-66 RESIDIA Tenjin             |
| C-62 RESIDIA Bunkyo-Otowa II      | S-11 Tokyo Student-House WAKO         | R-10 RESIDIA Hakata              | R-41 RESIDIA Esaka              | R-67 RESIDIA Yakuin-O-dori      |
| C-63 RESIDIA Kinshicho III        | S-12 RESIDIA Kokubunji                | R-11 RESIDIA Tenjinbashi         | R-42 RESIDIA Nishijin           | R-68 RESIDIA Hakata II          |
| C-64 RESIDIA Kamata III           | S-14 RESIDIA Yokohama-Kannai          | R-12 RESIDIA Sannomiya-Higashi   | R-43 RESIDIA Tsurumai           | R-69 RESIDIA Kego               |
| C-65 RESIDIA TOWER Kami-Ikebukuro | S-15 RESIDIA Okurayama                | R-13 KC21 Building               | R-44 RESIDIA Kobe-Isogami       | R-70 RESIDIA Shirakabe          |
| C-66 RESIDIA Takashima-Daira      | S-16 RESIDIA Musashikosugi            | R-14 RESIDIA Utsuboko-en         | R-45 RESIDIA Kita-Nijyo East    |                                 |
| C-67 RESIDIA Shimura-Sakaue       | S-17 RESIDIA Funabashi I&II           | R-15 RESIDIA Kyoto-Ekimae        | R-46 RESIDIA Shinsaibashi West  |                                 |
| C-68 RESIDIA Shimura-Sakaue II    | S-19 RESIDIA Kichijoji                | R-16 RESIDIA Takaoka             | R-47 RESIDIA Marunouchi         |                                 |
| C-69 RESIDIA Shimura-Sakaue III   | S-20 Pacific Royal Court              | R-17 RESIDIA Hibino              | R-48 RESIDIA Sapporo-Ekimae     |                                 |
| C-70 RESIDIA Ikebukuro West       | S-21 Minato Mirai Ocean Tower         | R-19 RESIDIA Tenjin-Minami       | R-49 RESIDIA Goshio-Higashi     |                                 |
| C-71 RESIDIA Ojima                | S-22 Maison Yachiyodai                | R-20 RESIDIA Hakataeki-Minami    | R-50 RESIDIA Raku-hoku          |                                 |
| C-72 RESIDIA Machiya              | S-23 Life & Senior House Kohoku II    | R-21 Mare                        | R-51 RESIDIA Miyakojima I&II    |                                 |
| C-73 RESIDIA Ueno-Ikenohata       | S-24 College Court Tanashi            | R-24 RESIDIA Minami-Ichijo       | R-52 RESIDIA TOWER Sendai       |                                 |
| C-74 RESIDIA Nerima               | S-24 RESIDIA Urayasu                  | R-25 RESIDIA Odori-Nishi         | R-53 RESIDIA Higashi-Sakura II  |                                 |

  ... Properties slated for acquisition in FP ending July 2015 (10th FP)

# Portfolio List

As of January 31, 2015

| Investment region     | Property no. | Name of property                       | Location            | Construction completion date | Leasable floor area (m <sup>2</sup> ) | Number of leasable units | Acquisition Price (million yen) | Investment ratio | PML   |
|-----------------------|--------------|--|---------------------|------------------------------|---------------------------------------|--------------------------|---------------------------------|------------------|-------|
| Tokyo Central 7 Wards | P-2          | RESIDIA Shimazuyama                    | Shinagawa-ku, Tokyo | December 2004                | 3,474.37                              | 115                      | 2,860                           | 0.70%            | 4.3%  |
|                       | P-3          | RESIDIA Nakameguro                     | Meguro-ku, Tokyo    | February 2005                | 1,694.18                              | 88                       | 1,730                           | 0.42%            | 2.6%  |
|                       | P-4          | RESIDIA Setagaya-Tsurumaki             | Setagaya-ku, Tokyo  | March 2002                   | 1,769.67                              | 28                       | 1,229                           | 0.30%            | 7.3%  |
|                       | P-7          | RESIDIA Ikejirihashi                   | Setagaya-ku, Tokyo  | August 2005                  | 1,423.38                              | 42                       | 1,230                           | 0.30%            | 3.1%  |
|                       | P-9          | RESIDIA Kudanshita                     | Chiyoda-ku, Tokyo   | March 2004                   | 2,845.89                              | 86                       | 2,270                           | 0.55%            | 2.9%  |
|                       | P-10         | RESIDIA Hatagaya                       | Shibuya-ku, Tokyo   | February 2006                | 1,129.72                              | 35                       | 1,130                           | 0.28%            | 7.3%  |
|                       | P-13         | RESIDIA Sakurajosui                    | Setagaya-ku, Tokyo  | July 2006                    | 1,201.37                              | 39                       | 1,120                           | 0.27%            | 7.0%  |
|                       | P-14         | RESIDIA Kita-Shinagawa                 | Shinagawa-ku, Tokyo | February 2007                | 2,897.99                              | 120                      | 2,720                           | 0.66%            | 4.3%  |
|                       | P-15         | RESIDIA Yoyoginomori                   | Shibuya-ku, Tokyo   | March 2007                   | 723.10                                | 22                       | 732                             | 0.18%            | 4.4%  |
|                       | P-16         | RESIDIA Shinjuku East III              | Shinjuku-ku, Tokyo  | February 2009                | 818.74                                | 39                       | 750                             | 0.18%            | 4.3%  |
|                       | P-19         | Leopalace Udagawacho Mansion           | Shibuya-ku, Tokyo   | August 2001                  | 623.80                                | 30                       | 588                             | 0.14%            | 8.2%  |
|                       | P-21         | RESIDIA Shinjuku East II               | Shinjuku-ku, Tokyo  | February 2004                | 1,743.06                              | 54                       | 1,380                           | 0.34%            | 4.8%  |
|                       | P-22         | RESIDIA Shinjuku East                  | Shinjuku-ku, Tokyo  | August 2000                  | 1,219.08                              | 48                       | 941                             | 0.23%            | 5.3%  |
|                       | P-23         | RESIDIA Kanda-Iwamotocho               | Chiyoda-ku, Tokyo   | February 2004                | 2,354.20                              | 65                       | 1,520                           | 0.37%            | 4.1%  |
|                       | P-24         | RESIDIA Azabujuban II                  | Minato-ku, Tokyo    | February 2001                | 1,018.71                              | 37                       | 874                             | 0.21%            | 3.1%  |
|                       | P-25         | RESIDIA Ebisu                          | Shibuya-ku, Tokyo   | January 2001                 | 653.04                                | 26                       | 554                             | 0.13%            | 3.0%  |
|                       | P-26         | RESIDIA Meguro                         | Shinagawa-ku, Tokyo | October 1999                 | 701.01                                | 20                       | 722                             | 0.18%            | 6.2%  |
|                       | P-29         | RESIDIA Hiroo II                       | Shibuya-ku, Tokyo   | November 2005                | 1,733.63                              | 76                       | 1,660                           | 0.40%            | 2.9%  |
|                       | P-30         | Pianetta Shiodome                      | Minato-ku, Tokyo    | February 2005                | 2,274.19                              | 67                       | 1,950                           | 0.47%            | 5.3%  |
|                       | P-31         | RESIDIA Komazawadaigaku                | Setagaya-ku, Tokyo  | October 2004                 | 488.51                                | 18                       | 333                             | 0.08%            | 8.5%  |
|                       | P-32         | RESIDIA Yoyogi                         | Shibuya-ku, Tokyo   | February 2005                | 464.64                                | 16                       | 326                             | 0.08%            | 11.0% |
|                       | P-33         | RESIDIA Nishi-Shinjuku                 | Shinjuku-ku, Tokyo  | February 2005                | 478.57                                | 19                       | 363                             | 0.09%            | 9.9%  |
|                       | P-34         | RESIDIA Kyodo                          | Setagaya-ku, Tokyo  | February 2005                | 509.66                                | 15                       | 286                             | 0.07%            | 10.6% |
|                       | P-35         | RESIDIA Oimachi                        | Shinagawa-ku, Tokyo | December 2005                | 1,249.56                              | 48                       | 947                             | 0.23%            | 4.3%  |
|                       | P-36         | RESIDIA Ebisu II                       | Shibuya-ku, Tokyo   | January 2006                 | 2,194.56                              | 61                       | 2,280                           | 0.56%            | 3.4%  |
|                       | P-37         | RESIDIA Kamiochiai                     | Shinjuku-ku, Tokyo  | September 2006               | 1,740.50                              | 70                       | 1,180                           | 0.29%            | 4.8%  |
|                       | P-38         | RESIDIA Higashi-Shinagawa              | Shinagawa-ku, Tokyo | August 2006                  | 2,588.01                              | 122                      | 2,040                           | 0.50%            | 4.0%  |
|                       | P-39         | RESIDIA Meguro II                      | Meguro-ku, Tokyo    | January 2006                 | 1,448.84                              | 34                       | 1,190                           | 0.29%            | 6.5%  |
|                       | P-40         | RESIDIA Toranomon                      | Minato-ku, Tokyo    | September 2006               | 1,353.41                              | 63                       | 1,320                           | 0.32%            | 3.3%  |
|                       | P-41         | RESIDIA Shin-Ochanomizu                | Chiyoda-ku, Tokyo   | March 2006                   | 1,422.45                              | 52                       | 1,160                           | 0.28%            | 2.8%  |
|                       | P-42         | RESIDIA Kagurazaka                     | Shinjuku-ku, Tokyo  | August 2006                  | 1,182.34                              | 52                       | 918                             | 0.22%            | 2.1%  |
|                       | P-43         | RESIDIA Oimachi II                     | Shinagawa-ku, Tokyo | July 2007                    | 1,321.76                              | 40                       | 1,050                           | 0.26%            | 4.8%  |
|                       | P-45         | RESIDIA Jiyugaoka                      | Meguro-ku, Tokyo    | March 2002                   | 1,435.93                              | 28                       | 1,050                           | 0.26%            | 7.3%  |
|                       | P-47         | RESIDIA Suidobashi                     | Chiyoda-ku, Tokyo   | December 2004                | 3,039.14                              | 65                       | 2,310                           | 0.56%            | 2.3%  |
|                       | P-48         | RESIDIA TOWER Nogizaka                 | Minato-ku, Tokyo    | August 2004                  | 3,485.00                              | 68                       | 3,660                           | 0.89%            | 3.5%  |
|                       | P-49         | RESIDIA Akasaka                        | Minato-ku, Tokyo    | May 2004                     | 1,352.02                              | 37                       | 1,180                           | 0.29%            | 8.3%  |
|                       | P-50         | RESIDIA Nishi-Azabu                    | Minato-ku, Tokyo    | July 2004                    | 7,078.64                              | 125                      | 6,780                           | 1.65%            | 2.8%  |
|                       | P-51         | RESIDIA Daikanyama                     | Shibuya-ku, Tokyo   | July 2004                    | 2,067.08                              | 42                       | 2,150                           | 0.52%            | 4.0%  |
|                       | P-52         | RESIDIA Ichigaya                       | Shinjuku-ku, Tokyo  | August 2004                  | 3,003.34                              | 85                       | 2,500                           | 0.61%            | 3.6%  |
|                       | P-53         | RESIDIA Roppongi-Hinokichokoen         | Minato-ku, Tokyo    | September 1999               | 4,803.29                              | 88                       | 3,570                           | 0.87%            | 6.8%  |
|                       | P-55         | RESIDIA TOWER Meguro-Fudomae           | Shinagawa-ku, Tokyo | January 2007                 | 21,019.77                             | 358                      | 16,500                          | 4.02%            | 1.8%  |
|                       | P-56         | RESIDIA Sangenjaya                     | Setagaya-ku, Tokyo  | January 2005                 | 2,847.19                              | 78                       | 2,760                           | 0.67%            | 2.7%  |
|                       | P-58         | RESIDIA Minami-Aoyama                  | Minato-ku, Tokyo    | March 2005                   | 782.33                                | 13                       | 728                             | 0.18%            | 2.0%  |
|                       | P-59         | RESIDIA Kanda-Higashi                  | Chiyoda-ku, Tokyo   | October 2003                 | 2,544.25                              | 64                       | 1,620                           | 0.39%            | 3.4%  |
|                       | P-60         | RESIDIA Higashi-Azabu                  | Minato-ku, Tokyo    | April 2006                   | 1,582.54                              | 31                       | 1,430                           | 0.35%            | 3.2%  |
|                       | P-61         | RESIDIA Ebisu-Minami                   | Shibuya-ku, Tokyo   | March 2007                   | 2,023.88                              | 39                       | 2,020                           | 0.49%            | 7.1%  |
|                       | P-62         | RESIDIA TOWER Azabujuban               | Minato-ku, Tokyo    | January 2003                 | 7,207.18                              | 113                      | 6,190                           | 1.51%            | 0.7%  |
|                       | P-63         | RESIDIA Shibuya                        | Shibuya-ku, Tokyo   | June 2006                    | 1,285.42                              | 40                       | 1,250                           | 0.30%            | 3.5%  |
|                       | P-64         | RESIDIA Nakanobu                       | Shinagawa-ku, Tokyo | November 2005                | 2,855.06                              | 65                       | 1,880                           | 0.46%            | 3.4%  |
|                       | P-65         | RESIDIA Azabudai                       | Minato-ku, Tokyo    | February 2006                | 1,732.06                              | 47                       | 1,610                           | 0.39%            | 4.6%  |
|                       | P-66         | RESIDIA Shibadaimon II                 | Minato-ku, Tokyo    | August 2006                  | 2,023.20                              | 48                       | 1,740                           | 0.42%            | 3.3%  |
|                       | P-67         | RESIDIA Kanda                          | Chiyoda-ku, Tokyo   | June 2006                    | 1,534.57                              | 43                       | 1,140                           | 0.28%            | 4.9%  |
|                       | P-68         | RESIDIA Sangenjaya II                  | Setagaya-ku, Tokyo  | March 2006                   | 1,933.54                              | 34                       | 1,280                           | 0.31%            | 4.4%  |
|                       | P-69         | RESIDIA Nishi-Shinjuku II              | Shinjuku-ku, Tokyo  | May 2007                     | 2,478.31                              | 74                       | 1,830                           | 0.45%            | 10.9% |
|                       | P-70         | RESIDIA Hiroo-Minami                   | Shibuya-ku, Tokyo   | August 2007                  | 1,035.75                              | 26                       | 923                             | 0.22%            | 2.8%  |
|                       | P-72         | RESIDIA Mejiro-Otomeyama               | Shinjuku-ku, Tokyo  | December 2002                | 1,679.94                              | 19                       | 974                             | 0.24%            | 4.9%  |
|                       | P-73         | RESIDIA Shibaura                       | Minato-ku, Tokyo    | September 1991               | 8,508.36                              | 154                      | 4,670                           | 1.14%            | 2.8%  |
|                       | P-74         | RESIDIA Gotenyama                      | Shinagawa-ku, Tokyo | January 2007                 | 1,228.15                              | 16                       | 930                             | 0.23%            | 7.9%  |
|                       | P-75         | RESIDIA Yutenji                        | Meguro-ku, Tokyo    | August 2006                  | 5,423.36                              | 118                      | 5,260                           | 1.28%            | 7.8%  |
|                       | P-76         | Park Tower Shibaura Bayward Urban Wing | Minato-ku, Tokyo    | May 2005                     | 13,490.67                             | 191                      | 9,570                           | 2.33%            | 3.6%  |
|                       | P-79         | RESIDIA Kamimeguro                     | Meguro-ku, Tokyo    | January 1993                 | 1,473.68                              | 16                       | 878                             | 0.21%            | 7.7%  |
|                       | P-81         | Windsor House Hiroo                    | Shibuya-ku, Tokyo   | June 2003                    | 2,172.91                              | 12                       | 1,750                           | 0.43%            | 4.8%  |
|                       | P-84         | RESIDIA Kita-Shinjuku                  | Shinjuku-ku, Tokyo  | February 1997                | 2,173.62                              | 26                       | 1,460                           | 0.36%            | 8.8%  |
|                       | P-85         | RESIDIA Komazawa                       | Setagaya-ku, Tokyo  | October 2008                 | 1,182.47                              | 59                       | 870                             | 0.21%            | 10.0% |
|                       | P-86         | RESIDIA Shibaura KAIGAN                | Minato-ku, Tokyo    | January 2010                 | 3,898.10                              | 72                       | 2,400                           | 0.58%            | 4.4%  |
|                       | P-87         | RESIDIA Ichigaya-Yakuoji               | Shinjuku-ku, Tokyo  | August 2008                  | 2,169.57                              | 98                       | 2,070                           | 0.50%            | 3.0%  |
|                       | P-88         | RESIDIA Yoga                           | Setagaya-ku, Tokyo  | June 2008                    | 1,996.81                              | 66                       | 1,523                           | 0.37%            | 10.3% |
|                       | P-89         | RESIDIA TOWER Nakameguro               | Meguro-ku, Tokyo    | March 2007                   | 3,989.13                              | 70                       | 3,300                           | 0.80%            | 2.4%  |

As of January 31, 2015

| Investment region     | Property no. | Name of property                | Location            | Construction completion date | Leasable floor area (m <sup>2</sup> ) | Number of leasable units | Acquisition Price (million yen) | Investment ratio | PML   |
|-----------------------|--------------|---------------------------------|---------------------|------------------------------|---------------------------------------|--------------------------|---------------------------------|------------------|---|
| Tokyo Central 7 Wards | P-90         | RESIDIA Sasazuka II             | Shibuya-ku, Tokyo   | January 2011                 | 4,548.96                              | 167                      | 3,760                           | 0.92%            | 4.2%  |
|                       | P-91         | RESIDIA Meguro III              | Meguro-ku, Tokyo    | January 2010                 | 1,206.38                              | 31                       | 950                             | 0.23%            | 2.6%  |
|                       | P-92         | RESIDIA Jiyugaoka II            | Setagaya-ku, Tokyo  | October 2007                 | 1,127.78                              | 17                       | 778                             | 0.19%            | 5.4%  |
|                       | P-93         | RESIDIA Kudanshita II           | Chiyoda-ku, Tokyo   | January 2012                 | 1,612.65                              | 48                       | 1,240                           | 0.30%            | 2.6%  |
|                       | P-94         | RESIDIA Omori II                | Shinagawa-ku, Tokyo | March 2012                   | 2,171.74                              | 90                       | 1,620                           | 0.39%            | 2.2%  |
|                       | P-95         | RESIDIA Shirokane-Takanawa      | Minato-ku, Tokyo    | March 2012                   | 1,888.07                              | 53                       | 1,480                           | 0.36%            | 6.7%  |
|                       | P-96         | RESIDIA Nakaochiai              | Shinjuku-ku, Tokyo  | March 2008                   | 5,529.19                              | 187                      | 3,656                           | 0.89%            | (Building A) 2.9%<br>(Building B) 2.9%<br>(Building C) 3.0% |
|                       | P-97         | RESIDIA Nakameguro II           | Meguro-ku, Tokyo    | August 2006                  | 1,259.45                              | 50                       | 1,119                           | 0.27%            | 2.7%  |
|                       | P-98         | Artis Court Minamiaoyama        | Minato-ku, Tokyo    | July 2008                    | 1,717.68                              | 23                       | 1,720                           | 0.42%            | 3.9%  |
|                       | P-99         | RESIDIA Yotsuya Sanchome        | Shinjuku-ku, Tokyo  | May 2009                     | 2,915.94                              | 90                       | 2,090                           | 0.51%            | 3.8%  |
| Tokyo 23 Wards        | P-100        | RESIDIA Takanawa Katsurazaka    | Minato-ku, Tokyo    | March 2006                   | 1,037.58                              | 45                       | 900                             | 0.22%            | 5.4%  |
|                       | P-101        | RESIDIA Ebisu III               | Shibuya-ku, Tokyo   | March 2006                   | 644.36                                | 26                       | 611                             | 0.15%            | 3.3%  |
|                       | P-102        | RESIDIA Shinjuku Gyoen          | Shinjuku-ku, Tokyo  | October 2006                 | 844.76                                | 38                       | 687                             | 0.17%            | 5.2%  |
|                       | C-1          | RESIDIA Mitsukoshimae           | Chuo-ku, Tokyo      | February 2005                | 2,552.07                              | 105                      | 1,920                           | 0.47%            | 3.3%  |
|                       | C-2          | RESIDIA Kamata                  | Ota-ku, Tokyo       | March 2005                   | 4,110.54                              | 166                      | 2,640                           | 0.64%            | 4.7%  |
|                       | C-3          | RESIDIA Ikebukuro               | Toshima-ku, Tokyo   | March 2005                   | 2,207.63                              | 60                       | 1,520                           | 0.37%            | 7.1%  |
|                       | C-4          | RESIDIA Bunkyo-Hongo            | Bunkyo-ku, Tokyo    | July 2005                    | 2,165.35                              | 65                       | 1,680                           | 0.41%            | 4.6%  |
|                       | C-5          | RESIDIA Asakusabashi            | Taito-ku, Tokyo     | August 2005                  | 1,816.14                              | 47                       | 1,060                           | 0.26%            | 2.9%  |
|                       | C-6          | Maison Eclairée Ekoda           | Nerima-ku, Tokyo    | March 1993                   | 1,591.71                              | 93                       | 953                             | 0.23%            | 9.2%  |
|                       | C-7          | RESIDIA Ueno-Okachimachi        | Taito-ku, Tokyo     | February 2006                | 4,009.27                              | 127                      | 3,160                           | 0.77%            | 2.1%  |
|                       | C-8          | RESIDIA Bunkyo-Hongo II         | Bunkyo-ku, Tokyo    | January 2006                 | 1,960.40                              | 70                       | 1,623                           | 0.40%            | 3.6%  |
|                       | C-9          | RESIDIA Ryogoku                 | Sumida-ku, Tokyo    | February 2006                | 1,378.84                              | 48                       | 913                             | 0.22%            | 9.1%  |
|                       | C-10         | RESIDIA Higashi-Ginza           | Chuo-ku, Tokyo      | September 2006               | 4,871.02                              | 169                      | 5,251                           | 1.28%            | 4.3%  |
|                       | C-12         | RESIDIA Nihonbashi-Ningyocho II | Chuo-ku, Tokyo      | January 2007                 | 3,541.09                              | 137                      | 3,180                           | 0.77%            | 4.6%  |
|                       | C-13         | RESIDIA Omori-Higashi           | Ota-ku, Tokyo       | August 2007                  | 1,928.71                              | 81                       | 1,980                           | 0.48%            | 3.8%  |
|                       | C-15         | RESIDIA Kinshicho               | Sumida-ku, Tokyo    | November 2007                | 4,326.80                              | 157                      | 4,200                           | 1.02%            | 7.2%  |
|                       | C-16         | RESIDIA Negishi                 | Taito-ku, Tokyo     | December 2005                | 1,571.54                              | 28                       | 856                             | 0.21%            | 7.7%  |
|                       | C-17         | RESIDIA Shinkawa                | Chuo-ku, Tokyo      | February 2003                | 2,764.70                              | 83                       | 1,880                           | 0.46%            | 5.3%  |
|                       | C-18         | RESIDIA Kami-Ikebukuro          | Toshima-ku, Tokyo   | December 2001                | 979.04                                | 44                       | 558                             | 0.14%            | 6.4%  |
|                       | C-19         | RESIDIA Shin-nakano             | Nakano-ku, Tokyo    | June 2002                    | 615.28                                | 24                       | 352                             | 0.09%            | 3.8%  |
|                       | C-21         | RESIDIA Bunkyo-Yushima II       | Bunkyo-ku, Tokyo    | March 2004                   | 1,368.01                              | 63                       | 1,010                           | 0.25%            | 5.3%  |
|                       | C-22         | RESIDIA Tsukiji                 | Chuo-ku, Tokyo      | December 2005                | 2,043.00                              | 54                       | 1,460                           | 0.36%            | 3.4%  |
|                       | C-23         | RESIDIA Sasazuka                | Suginami-ku, Tokyo  | March 2000                   | 2,855.98                              | 96                       | 1,800                           | 0.44%            | 6.9%  |
|                       | C-24         | RESIDIA Kyobashi                | Chuo-ku, Tokyo      | January 2005                 | 1,440.11                              | 52                       | 1,220                           | 0.30%            | 3.4%  |
|                       | C-25         | RESIDIA Tamagawa                | Ota-ku, Tokyo       | September 2004               | 2,137.41                              | 98                       | 1,300                           | 0.32%            | 5.9%  |
|                       | C-26         | RESIDIA Korakuen                | Bunkyo-ku, Tokyo    | October 2004                 | 770.11                                | 31                       | 603                             | 0.15%            | 3.5%  |
|                       | C-27         | RESIDIA Ginza-Higashi           | Chuo-ku, Tokyo      | September 2004               | 2,824.17                              | 94                       | 2,000                           | 0.49%            | 4.0%  |
|                       | C-28         | RESIDIA Oji                     | Kita-ku, Tokyo      | February 2005                | 1,659.09                              | 61                       | 867                             | 0.21%            | 3.2%  |
|                       | C-29         | RESIDIA Mejiro II               | Toshima-ku, Tokyo   | July 2005                    | 1,450.16                              | 63                       | 1,050                           | 0.26%            | 2.3%  |
|                       | C-31         | RESIDIA Tsukishima              | Chuo-ku, Tokyo      | February 2006                | 1,694.38                              | 40                       | 1,100                           | 0.27%            | 6.8%  |
|                       | C-32         | RESIDIA Kamata II               | Ota-ku, Tokyo       | September 2006               | 1,929.24                              | 78                       | 1,360                           | 0.33%            | 4.0%  |
|                       | C-33         | RESIDIA Tsukishima II           | Chuo-ku, Tokyo      | September 2006               | 3,074.47                              | 105                      | 2,440                           | 0.59%            | 3.8%  |
|                       | C-34         | RESIDIA Kinshicho II            | Sumida-ku, Tokyo    | January 2008                 | 3,394.21                              | 99                       | 2,380                           | 0.58%            | 4.7%  |
|                       | C-35         | RESIDIA Bunkyo-Otowa            | Bunkyo-ku, Tokyo    | August 2003                  | 5,970.11                              | 104                      | 3,380                           | 0.82%            | 4.7%  |
|                       | C-36         | RESIDIA Bunkyo-Sengoku          | Bunkyo-ku, Tokyo    | February 2003                | 1,104.50                              | 33                       | 707                             | 0.17%            | 5.0%  |
|                       | C-37         | RESIDIA Bunkyo-Yushima          | Bunkyo-ku, Tokyo    | February 2003                | 1,623.62                              | 39                       | 1,050                           | 0.26%            | 6.9%  |
|                       | C-38         | RESIDIA Ikegami                 | Ota-ku, Tokyo       | July 2003                    | 764.84                                | 19                       | 378                             | 0.09%            | 8.5%  |
|                       | C-39         | RESIDIA Nihonbashi-Ningyocho    | Chuo-ku, Tokyo      | March 2004                   | 848.24                                | 25                       | 557                             | 0.14%            | 5.6%  |
|                       | C-40         | RESIDIA Bunkyo-Sengoku II       | Bunkyo-ku, Tokyo    | April 2005                   | 2,117.47                              | 45                       | 1,440                           | 0.35%            | 4.1%  |
|                       | C-41         | RESIDIA Iriya                   | Taito-ku, Tokyo     | December 2004                | 1,826.54                              | 49                       | 990                             | 0.24%            | 5.4%  |
|                       | C-42         | RESIDIA Nihonbashi-Hamacho      | Chuo-ku, Tokyo      | August 2006                  | 1,915.92                              | 45                       | 1,310                           | 0.32%            | 4.5%  |
|                       | C-43         | RESIDIA Shin-Okachimachi        | Taito-ku, Tokyo     | March 2007                   | 2,531.81                              | 69                       | 1,860                           | 0.45%            | 3.0%  |
|                       | C-44         | RESIDIA Chidoricho              | Ota-ku, Tokyo       | September 2006               | 2,105.15                              | 60                       | 1,290                           | 0.31%            | 5.0%  |
|                       | C-45         | RESIDIA Shinkawa II             | Chuo-ku, Tokyo      | February 2003                | 2,119.34                              | 36                       | 1,320                           | 0.32%            | 3.9%  |
|                       | C-46         | RESIDIA Mejiro                  | Toshima-ku, Tokyo   | January 1999                 | 13,069.70                             | 162                      | 6,280                           | 1.53%            | 2.6%  |
|                       | C-47         | RESIDIA Kasai                   | Edogawa-ku, Tokyo   | January 2000                 | 2,177.89                              | 29                       | 683                             | 0.17%            | 7.0%  |
|                       | C-48         | RESIDIA Nihonbashi-Bakurocho    | Chuo-ku, Tokyo      | February 2007                | 8,502.12                              | 132                      | 5,500                           | 1.34%            | 2.4%  |
|                       | C-49         | RESIDIA Suginami-Honanchō       | Suginami-ku, Tokyo  | February 2009                | 6,953.96                              | 194                      | 3,834                           | 0.93%            | 4.3%  |
|                       | C-50         | RESIDIA Shin-Itabashi           | Itabashi-ku, Tokyo  | August 2009                  | 1,413.22                              | 67                       | 888                             | 0.22%            | 8.6%  |
|                       | C-51         | RESIDIA Kiba                    | Koto-ku, Tokyo      | March 2008                   | 3,255.00                              | 155                      | 1,950                           | 0.47%            | 7.2%  |
|                       | C-52         | RESIDIA Bunkyo-Yushima III      | Bunkyo-ku, Tokyo    | December 2008                | 1,296.27                              | 52                       | 1,129                           | 0.28%            | 4.4%  |
|                       | C-53         | RESIDIA Bunkyo-Honkomagome      | Bunkyo-ku, Tokyo    | March 2008                   | 3,488.24                              | 98                       | 2,340                           | 0.57%            | 3.5%  |
|                       | C-54         | RESIDIA Tsukishima III          | Chuo-ku, Tokyo      | February 2008                | 3,152.45                              | 119                      | 2,570                           | 0.63%            | 4.0%  |
|                       | C-55         | RESIDIA Minamisenjyu            | Arakawa-ku, Tokyo   | March 2007                   | 10,097.88                             | 175                      | 2,580                           | 0.63%            | 5.3%  |



# Portfolio List

As of January 31, 2015

| Investment region       | Property no. | Name of property                             | Location                  | Construction completion date | Leasable floor area (m <sup>2</sup> ) | Number of leasable units | Acquisition Price (million yen) | Investment ratio | PML   |
|-------------------------|--------------|--|---------------------------|------------------------------|---------------------------------------|--------------------------|---------------------------------|------------------|---|
| Tokyo 23 Wards          | C-56         | RESIDIA Ogikubo                              | Suginami-ku, Tokyo        | March 2003                   | 2,830.20                              | 101                      | 1,710                           | 0.42%            | 4.5%  |
|                         | C-57         | RESIDIA Monzennakacho                        | Koto-ku, Tokyo            | February 2005                | 1,458.45                              | 68                       | 970                             | 0.24%            | 7.6%  |
|                         | C-58         | RESIDIA Ochanomizu                           | Bunkyo-ku, Tokyo          | September 2005               | 3,164.96                              | 80                       | 2,090                           | 0.51%            | 4.2%  |
|                         | C-59         | RESIDIA Omori                                | Ota-ku, Tokyo             | March 2006                   | 1,528.00                              | 75                       | 1,150                           | 0.28%            | 1.8%  |
|                         | C-60         | RESIDIA Nakamurabashi                        | Nerima-ku, Tokyo          | February 2008                | 1,501.41                              | 66                       | 1,075                           | 0.26%            | 4.5%  |
|                         | C-61         | RESIDIA Kachidoki                            | Chuo-ku, Tokyo            | February 2008                | 2,750.82                              | 55                       | 1,805                           | 0.44%            | 4.9%  |
|                         | C-62         | RESIDIA Bunkyo-Otowa II                      | Bunkyo-ku, Tokyo          | February 2008                | 3,063.83                              | 89                       | 2,268                           | 0.55%            | 4.0%  |
|                         | C-63         | RESIDIA Kinshicho III                        | Koto-ku, Tokyo            | February 2005                | 1,072.75                              | 51                       | 651                             | 0.16%            | 9.6%  |
|                         | C-64         | RESIDIA Kamata III                           | Ota-ku, Tokyo             | March 2007                   | 1,404.35                              | 53                       | 948                             | 0.23%            | 3.5%  |
|                         | C-65         | RESIDIA TOWER Kami-Ikebukuro                 | Toshima-ku, Tokyo         | March 2009                   | 31,250.61                             | 472                      | 8,250                           | 2.01%            | (Tower Bldg.) 2.9%<br>(Park Bldg.) 5.4%<br>(Annex Bldg.) 5.7% |
|                         | C-66         | RESIDIA Takashima-Daira                      | Itabashi-ku, Tokyo        | February 2007                | 977.96                                | 45                       | 502                             | 0.12%            | 4.8%  |
|                         | C-67         | RESIDIA Shimura-Sakaue                       | Itabashi-ku, Tokyo        | February 2007                | 995.37                                | 44                       | 580                             | 0.14%            | 3.4%  |
|                         | C-68         | RESIDIA Shimura-Sakaue II                    | Itabashi-ku, Tokyo        | March 2007                   | 2,066.19                              | 94                       | 1,093                           | 0.27%            | 5.6%  |
|                         | C-69         | RESIDIA Shimura-Sakaue III                   | Itabashi-ku, Tokyo        | March 2007                   | 796.76                                | 36                       | 411                             | 0.10%            | 5.4%  |
|                         | C-70         | RESIDIA Ikebukuro West                       | Toshima-ku, Tokyo         | October 2007                 | 1,996.47                              | 72                       | 1,115                           | 0.27%            | 3.0%  |
|                         | C-71         | RESIDIA Ojima                                | Koto-ku, Tokyo            | November 2007                | 1,824.39                              | 87                       | 1,282                           | 0.31%            | 6.1%  |
|                         | C-72         | RESIDIA Machiya                              | Arakawa-ku, Tokyo         | August 2009                  | 2,640.34                              | 55                       | 1,168                           | 0.28%            | 3.2%  |
|                         | C-73         | RESIDIA Ueno-Ikenohata                       | Taito-ku, Tokyo           | February 2004                | 2,426.47                              | 71                       | 1,700                           | 0.41%            | 3.8%  |
|                         | C-74         | RESIDIA Nerima                               | Nerima-ku, Tokyo          | March 2005                   | 1,073.44                              | 34                       | 502                             | 0.12%            | 3.9%  |
|                         | C-75         | RESIDIA Higashi Nihonbashi                   | Chuo-ku, Tokyo            | April 2006                   | 631.56                                | 22                       | 378                             | 0.09%            | 5.8%  |
|                         | C-76         | RESIDIA Nakano                               | Nakano-ku, Tokyo          | November 2006                | 825.84                                | 30                       | 652                             | 0.16%            | 4.1%  |
|                         | C-77         | RESIDIA Ogikubo II                           | Suginami-ku, Tokyo        | March 2007                   | 735.10                                | 36                       | 460                             | 0.11%            | 5.1%  |
|                         | C-78         | RESIDIA Minami Yukigaya                      | Ota-ku, Tokyo             | March 2008                   | 2,031.36                              | 58                       | 1,299                           | 0.32%            | 4.4%  |
| Tokyo Metropolitan Area | S-2          | Chester House Kawaguchi                      | Kawaguchi-shi, Saitama    | March 1991                   | 2,023.11                              | 39                       | 770                             | 0.19%            | 5.5%  |
|                         | S-4          | RESIDIA Higashi-Matsudo                      | Matsudo-shi, Chiba        | April 2007                   | 3,431.44                              | 44                       | 1,100                           | 0.27%            | 4.6%  |
|                         | S-5          | RESIDIA Shin-Yokohama                        | Yokohama-shi, Kanagawa    | January 2007                 | 3,277.62                              | 131                      | 1,920                           | 0.47%            | 5.6%  |
|                         | S-7          | RESIDIA Chofu                                | Chofu-shi, Tokyo          | March 2007                   | 1,750.49                              | 41                       | 1,143                           | 0.28%            | 5.0%  |
|                         | S-11         | Tokyo Student-House WAKO                     | Wako-shi, Saitama         | April 1990                   | 1,684.02                              | 127                      | 675                             | 0.16%            | 10.2%   |
|                         | S-12         | RESIDIA Kokubunji                            | Kokubunji-shi, Tokyo      | February 2003                | 879.44                                | 33                       | 518                             | 0.13%            | 2.9%  |
|                         | S-14         | RESIDIA Yokohama-Kannai                      | Yokohama-shi, Kanagawa    | August 2004                  | 2,359.60                              | 102                      | 1,700                           | 0.41%            | 8.4%  |
|                         | S-15         | RESIDIA Okurayama                            | Yokohama-shi, Kanagawa    | March 1998                   | 1,334.56                              | 64                       | 755                             | 0.18%            | 5.3%  |
|                         | S-16         | RESIDIA Musashikosugi                        | Kawasaki-shi, Kanagawa    | February 2007                | 2,560.40                              | 68                       | 1,580                           | 0.38%            | 7.2%  |
|                         | S-17         | RESIDIA Funabashi I&II                       | Funabashi-shi, Chiba      | March 2007                   | 4,567.44                              | 172                      | 2,730                           | 0.66%            | (I) 3.6%<br>(II) 3.4%   |
|                         | S-19         | RESIDIA Kichijoji                            | Musashino-shi, Tokyo      | March 1995                   | 2,214.73                              | 48                       | 1,380                           | 0.34%            | 9.1%  |
|                         | S-20         | Pacific Royal Court Minato Mirai Ocean Tower | Yokohama-shi, Kanagawa    | November 2007                | 26,082.53                             | 416                      | 14,000                          | 3.41%            | 4.5%  |
|                         | S-21         | Maison Yachiyodai                            | Yachiyoshi-shi, Chiba     | August 1989                  | 3,506.54                              | 39                       | 882                             | 0.21%            | 5.4%  |
|                         | S-22         | Life & Senior House Kohoku II                | Yokohama-shi, Kanagawa    | October 2003                 | 5,433.40                              | 78                       | 1,670                           | 0.41%            | 6.4%  |
|                         | S-23         | College Court Tanashi                        | Nishi-Tokyo-shi, Tokyo    | February 2010                | 1,136.09                              | 91                       | 810                             | 0.20%            | 7.7%  |
|                         | S-24         | RESIDIA Urayasu                              | Urayasu-shi, Chiba        | September 2009               | 3,692.76                              | 146                      | 2,115                           | 0.52%            | 6.7%  |
|                         | S-25         | RESIDIA Minami-Gyotoku                       | Ichikawa-shi, Chiba       | February 2005                | 1,785.00                              | 85                       | 823                             | 0.20%            | 6.6%  |
|                         | S-26         | RESIDIA Urayasu II                           | Urayasu-shi, Chiba        | February 2005                | 1,554.00                              | 74                       | 802                             | 0.20%            | 7.5%  |
|                         | S-27         | RESIDIA Gyotoku                              | Ichikawa-shi, Chiba       | February 2005                | 1,569.74                              | 75                       | 761                             | 0.19%            | 6.1%  |
|                         | S-28         | RESIDIA Kawasaki                             | Kawasaki-shi, Kanagawa    | March 2007                   | 2,644.73                              | 104                      | 1,670                           | 0.41%            | 4.7%  |
|                         | S-29         | Cocofump Hiyoshi                             | Yokohama-shi, Kanagawa    | January 2010                 | 5,247.90                              | 85                       | 1,050                           | 0.26%            | 7.5%  |
|                         | S-30         | RESIDIA Sagami-hara                          | Sagami-hara-shi, Kanagawa | March 2005                   | 2,913.01                              | 111                      | 1,050                           | 0.26%            | 6.8%  |
|                         | S-31         | RESIDIA Yokohama-Bashamichi                  | Yokohama-shi, Kanagawa    | May 2004                     | 1,884.81                              | 27                       | 735                             | 0.18%            | 11.5%   |
|                         | S-32         | RESIDIA Hon-Atsugi                           | Atsugi-shi, Kanagawa      | January 2008                 | 1,215.90                              | 49                       | 606                             | 0.15%            | 11.0%   |
| Major Regional Cities   | R-2          | RESIDIA Imadegawa                            | Kyoto-shi, Kyoto          | February 1999                | 3,714.11                              | 154                      | 1,671                           | 0.41%            | 10.9%   |
|                         | R-4          | RESIDIA Higashi-Sakura                       | Nagoya-shi, Aichi         | February 2006                | 3,084.03                              | 91                       | 1,290                           | 0.31%            | 3.4%  |
|                         | R-5          | RESIDIA Kameyama                             | Kameyama-shi, Mie         | February 2007                | 6,065.11                              | 182                      | 1,610                           | 0.39%            | 4.2%  |
|                         | R-6          | RESIDIA Ryokuchikoen                         | Toyonaka-shi, Osaka       | May 2007                     | 2,391.35                              | 44                       | 979                             | 0.24%            | 5.7%  |
|                         | R-8          | RESIDIA Kobe Port Island                     | Kobe-shi, Hyogo           | September 2007               | 9,708.00                              | 404                      | 3,740                           | 0.91%            | (South Bldg.; Centre Bldg.) 6.8%<br>(North Bldg.) 6.7%        |
|                         | R-10         | RESIDIA Hakata                               | Fukuoka-shi, Fukuoka      | March 2002                   | 3,955.24                              | 155                      | 1,220                           | 0.30%            | 3.4%  |
|                         | R-11         | RESIDIA Tenjinbashi                          | Osaka-shi, Osaka          | February 2000                | 2,113.91                              | 78                       | 871                             | 0.21%            | 8.3%  |
|                         | R-12         | RESIDIA Sannomiya-Higashi                    | Kobe-shi, Hyogo           | November 2005                | 5,698.03                              | 161                      | 2,220                           | 0.54%            | 3.2%  |
|                         | R-13         | KC21 Building                                | Sendai-shi, Miyagi        | March 1997                   | 2,716.11                              | 79                       | 900                             | 0.22%            | 2.4%  |
|                         | R-14         | RESIDIA Utsubokoen                           | Osaka-shi, Osaka          | January 2006                 | 2,741.46                              | 94                       | 1,170                           | 0.28%            | 6.6%  |
|                         | R-15         | RESIDIA Kyoto-Ekimae                         | Kyoto-shi, Kyoto          | February 2006                | 4,010.85                              | 116                      | 1,970                           | 0.48%            | 9.9%  |
|                         | R-16         | RESIDIA Takaoka                              | Nagoya-shi, Aichi         | August 2007                  | 5,944.56                              | 198                      | 2,330                           | 0.57%            | 3.5%  |
|                         | R-17         | RESIDIA Hibino                               | Nagoya-shi, Aichi         | April 1992                   | 7,598.40                              | 124                      | 1,340                           | 0.33%            | 3.9%  |
|                         | R-19         | RESIDIA Tenjin-Minami                        | Fukuoka-shi, Fukuoka      | January 2004                 | 3,179.96                              | 56                       | 936                             | 0.23%            | 4.9%  |

As of January 31, 2015

| Investment region     | Property no. | Name of property           | Location              | Construction completion date | Leasable floor area (m <sup>2</sup> ) | Number of leasable units | Acquisition Price (million yen) | Investment ratio | PML                        |
|-----------------------|--------------|----------------------------|-----------------------|------------------------------|---------------------------------------|--------------------------|---------------------------------|------------------|----------------------------|
| Major Regional Cities | R-20         | RESIDIA Hakataeki-Minami   | Fukuoka-shi, Fukuoka  | January 2003                 | 1,606.29                              | 39                       | 324                             | 0.08%            | 2.7%                       |
|                       | R-21         | Mare                       | Nagoya-shi, Aichi     | February 2005                | 1,930.70                              | 38                       | 685                             | 0.17%            | 5.0%                       |
|                       | R-24         | RESIDIA Minami-Ichijo      | Sapporo-shi, Hokkaido | December 2006                | 5,928.51                              | 179                      | 1,640                           | 0.40%            | 0.9%                       |
|                       | R-25         | RESIDIA Odori-Nishi        | Sapporo-shi, Hokkaido | December 2006                | 4,512.24                              | 103                      | 1,320                           | 0.32%            | 1.1%                       |
|                       | R-26         | RESIDIA Kita-Sanjo         | Sapporo-shi, Hokkaido | January 2007                 | 3,867.60                              | 100                      | 1,130                           | 0.28%            | 1.4%                       |
|                       | R-27         | RESIDIA Shirakabe-Higashi  | Nagoya-shi, Aichi     | May 2005                     | 2,709.97                              | 33                       | 831                             | 0.20%            | 4.1%                       |
|                       | R-29         | RESIDIA Uzumasa            | Kyoto-shi, Kyoto      | January 2000                 | 3,201.93                              | 48                       | 701                             | 0.17%            | 13.5%                      |
|                       | R-30         | RESIDIA Izumi              | Nagoya-shi, Aichi     | November 2005                | 9,715.22                              | 122                      | 3,700                           | 0.90%            | 3.1%                       |
|                       | R-31         | RESIDIA Maruyama Kita-Gojo | Sapporo-shi, Hokkaido | February 2007                | 3,920.00                              | 56                       | 1,050                           | 0.26%            | 1.2%                       |
|                       | R-32         | RESIDIA Tokugawa           | Nagoya-shi, Aichi     | December 2006                | 2,282.49                              | 27                       | 751                             | 0.18%            | 3.9%                       |
|                       | R-34         | RESIDIA Odori-Koen         | Sapporo-shi, Hokkaido | August 2007                  | 6,230.49                              | 109                      | 2,010                           | 0.49%            | 0.9%                       |
|                       | R-35         | RESIDIA Tanimachi          | Osaka-shi, Osaka      | August 2008                  | 2,655.18                              | 108                      | 1,100                           | 0.27%            | 7.5%                       |
|                       | R-36         | RESIDIA Hisaya-Oodori      | Nagoya-shi, Aichi     | February 2007                | 1,684.19                              | 57                       | 652                             | 0.16%            | 4.8%                       |
|                       | R-37         | RESIDIA Sendai-Miyamachi   | Sendai-shi, Miyagi    | January 2008                 | 2,005.48                              | 67                       | 529                             | 0.13%            | 2.5%                       |
|                       | R-38         | RESIDIA Hirose-dori        | Sendai-shi, Miyagi    | February 2010                | 1,564.29                              | 63                       | 494                             | 0.12%            | 2.8%                       |
|                       | R-39         | RESIDIA Edobori            | Osaka-shi, Osaka      | February 2007                | 3,369.51                              | 127                      | 1,400                           | 0.34%            | 8.7%                       |
|                       | R-40         | RESIDIA Kyomachibori       | Osaka-shi, Osaka      | March 2007                   | 2,398.90                              | 84                       | 1,000                           | 0.24%            | 7.8%                       |
|                       | R-41         | RESIDIA Esaka              | Suita-shi, Osaka      | July 2007                    | 2,177.04                              | 68                       | 989                             | 0.24%            | 4.8%                       |
|                       | R-42         | RESIDIA Nishijin           | Fukuoka-shi, Fukuoka  | January 2008                 | 7,282.78                              | 173                      | 2,380                           | 0.58%            | 2.6%                       |
|                       | R-43         | RESIDIA Tsurumai           | Nagoya-shi, Aichi     | February 2008                | 3,116.98                              | 122                      | 1,206                           | 0.29%            | 3.6%                       |
|                       | R-44         | RESIDIA Kobe-Isogami       | Kobe-shi, Hyogo       | March 2008                   | 6,714.74                              | 196                      | 2,740                           | 0.67%            | 3.6%                       |
|                       | R-45         | RESIDIA Kita-Nijyo East    | Sapporo-shi, Hokkaido | March 2006                   | 3,808.98                              | 56                       | 894                             | 0.22%            | 1.1%                       |
|                       | R-46         | RESIDIA Shinsaibashi West  | Osaka-shi, Osaka      | February 2007                | 4,243.06                              | 97                       | 1,921                           | 0.47%            | 9.1%                       |
|                       | R-47         | RESIDIA Marunouchi         | Nagoya-shi, Aichi     | January 2007                 | 2,349.52                              | 86                       | 972                             | 0.24%            | 2.8%                       |
|                       | R-48         | RESIDIA Sapporo-Ekimae     | Sapporo-shi, Hokkaido | February 2007                | 6,088.03                              | 168                      | 1,483                           | 0.36%            | 0.7%                       |
|                       | R-49         | RESIDIA Goshu-Higashi      | Kyoto-shi, Kyoto      | September 2007               | 2,601.26                              | 57                       | 1,227                           | 0.30%            | 8.9%                       |
|                       | R-50         | RESIDIA Raku-hoku          | Kyoto-shi, Kyoto      | March 2008                   | 2,101.83                              | 75                       | 874                             | 0.21%            | 12.4%                      |
|                       | R-51         | RESIDIA Miyakojima I&II    | Osaka-shi, Osaka      | September 2006               | 12,724.11                             | 178                      | 3,232                           | 0.79%            | 7.1%                       |
|                       | R-52         | RESIDIA TOWER Sendai       | Sendai-shi, Miyagi    | January 2008                 | 5,088.45                              | 67                       | 1,705                           | 0.42%            | 2.3%                       |
|                       | R-53         | RESIDIA Higashi-Sakura II  | Nagoya-shi, Aichi     | February 2006                | 8,467.67                              | 127                      | 2,862                           | 0.70%            | 3.1%                       |
|                       | R-54         | RESIDIA Tsutsujigaoka      | Sendai-shi, Miyagi    | November 2006                | 5,415.90                              | 168                      | 1,796                           | 0.44%            | (EAST) 2.6%<br>(WEST) 2.7% |
|                       | R-55         | RESIDIA Kobe-Motomachi     | Kobe-shi, Hyogo       | January 2007                 | 2,373.77                              | 85                       | 1,052                           | 0.26%            | 5.8%                       |
|                       | R-56         | RESIDIA Sendai-Honcho      | Sendai-shi, Miyagi    | June 2007                    | 3,143.80                              | 105                      | 1,117                           | 0.27%            | 2.3%                       |
|                       | R-57         | RESIDIA Sendai-Haranomachi | Sendai-shi, Miyagi    | September 2007               | 2,111.76                              | 72                       | 593                             | 0.14%            | 2.1%                       |
|                       | R-58         | RESIDIA Minami-Ichijo East | Sapporo-shi, Hokkaido | January 2008                 | 4,063.96                              | 85                       | 1,062                           | 0.26%            | 1.1%                       |
|                       | R-59         | RESIDIA Shin-Osaka         | Osaka-shi, Osaka      | February 2014                | 5,300.36                              | 208                      | 2,644                           | 0.64%            | 6.2%                       |
|                       | R-60         | RESIDIA Okayama-Ekimae     | Okayama-shi, Okayama  | March 2004                   | 3,063.96                              | 108                      | 772                             | 0.19%            | 1.7%                       |
|                       | R-61         | RESIDIA Kyoto Okazaki      | Kyoto-shi, Kyoto      | March 2005                   | 621.98                                | 23                       | 227                             | 0.06%            | 14.1%                      |
|                       | R-62         | RESIDIA Sendai-Ichibancho  | Sendai-shi, Miyagi    | March 2006                   | 3,184.61                              | 103                      | 1,083                           | 0.26%            | 2.4%                       |
|                       | R-63         | RESIDIA Kita-Nijyo East II | Sapporo-shi, Hokkaido | February 2007                | 2,296.58                              | 51                       | 538                             | 0.13%            | 1.2%                       |
|                       | R-64         | RESIDIA Takamiya           | Fukuoka-shi, Fukuoka  | February 2007                | 1,556.02                              | 51                       | 488                             | 0.12%            | 6.1%                       |
|                       | R-65         | RESIDIA Soen               | Sapporo-shi, Hokkaido | February 2007                | 1,944.70                              | 60                       | 384                             | 0.09%            | 1.4%                       |
|                       | R-66         | RESIDIA Tenjin             | Fukuoka-shi, Fukuoka  | May 2007                     | 3,175.04                              | 88                       | 1,122                           | 0.27%            | 3.4%                       |
|                       | R-67         | RESIDIA Yakuin-O-dori      | Fukuoka-shi, Fukuoka  | June 2007                    | 3,221.40                              | 91                       | 1,123                           | 0.27%            | 4.5%                       |
|                       | R-68         | RESIDIA Hakata II          | Fukuoka-shi, Fukuoka  | September 2007               | 3,592.60                              | 124                      | 1,358                           | 0.33%            | 1.8%                       |
|                       | R-69         | RESIDIA Kego               | Fukuoka-shi, Fukuoka  | January 2008                 | 2,293.82                              | 86                       | 834                             | 0.20%            | 2.3%                       |
|                       | R-70         | RESIDIA Shirakabe          | Nagoya-shi, Aichi     | March 2008                   | 2,449.20                              | 70                       | 907                             | 0.22%            | 4.4%                       |
| <b>Total</b>          |              |                            |                       |                              |                                       | <b>19,572</b>            | <b>410,535</b>                  | <b>100.00%</b>   | <b>2.4%</b>                |

Properties slated for acquisition in FP ending July 2015 (10th FP)

| Investment region     | Property no. | Name of property                 | Location            | Construction completion date | Leasable floor area (m <sup>2</sup> ) | Number of leasable units | Acquisition Price (million yen) |
|-----------------------|--------------|----------------------------------|---------------------|------------------------------|---------------------------------------|--------------------------|---------------------------------|
| Tokyo Central 7 Wards | P-103        | RESIDIA Minami Shinagawa         | Shinagawa-ku, Tokyo | October 2013                 | 1,515.01                              | 50                       | 1,177                           |
|                       | P-104        | Chester Court Ochanomizu         | Chiyoda-ku, Tokyo   | March 2007                   | 3,756.36                              | 118                      | 3,117                           |
|                       | P-105        | RESIDIA Kanda-Iwamotocho II      | Chiyoda-ku, Tokyo   | April 2007                   | 1,841.16                              | 48                       | 1,280                           |
|                       | P-106        | RESIDIA Shinagawa                | Shinagawa-ku, Tokyo | June 2007                    | 1,224.18                              | 36                       | 980                             |
| Tokyo 23 Wards        | C-79         | RESIDIA Akihabara                | Taito-ku, Tokyo     | April 2007                   | 1,415.80                              | 40                       | 977                             |
|                       | C-80         | RESIDIA Asakusa-Azumabashi       | Sumida-ku, Tokyo    | September 2007               | 1,323.50                              | 60                       | 876                             |
|                       | C-81         | RESIDIA Omori III                | Ota-ku, Tokyo       | December 2012                | 1,586.48                              | 65                       | 1,395                           |
|                       | C-82         | RESIDIA Nihonbashi-Bakurocho II  | Chuo-ku, Tokyo      | April 2014                   | 2,412.99                              | 77                       | 1,975                           |
|                       | C-83         | RESIDIA Nihonbashi-Bakurocho III | Chuo-ku, Tokyo      | March 2008                   | 2,735.04                              | 55                       | 1,833                           |
| <b>Total</b>          |              |                                  |                     |                              |                                       | <b>549</b>               | <b>13,610</b>                   |

- 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 "Construction completion date" column, if there are multiple buildings in a property where the completion dates differ, the listed completion date is calculated by averaging each building's completion date weighted by the respective building's total floor space.
3. 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

## AD Investment Management Co., Ltd.

Hitotsubashi SI Building 9F, 3-26 Kanda Nishiki-cho, Chiyoda-ku, Tokyo\*

|                           |                                   |                   |
|---------------------------|-----------------------------------|-------------------|
| <b>Executive Director</b> | President                         | Kenji Kousaka     |
|                           | Executive Director                | Takeshi Takano    |
|                           | Managing Director                 | Junichi Shoji     |
|                           | Director                          | Tomoyuki Kimura   |
|                           | Director                          | Hiroshi Kawakami  |
|                           | Director (non-executive)          | Yoshinori Komoto  |
|                           | Director (non-executive)          | Kouji Fukaki      |
|                           | Director (non-executive)          | Masatoshi Maki    |
|                           | Statutory Auditor                 | Hiromasa Yamamoto |
|                           | Statutory Auditor (non-executive) | Kaori Iwasawa     |

\* The company will move to a new location in June 2015. The address following the relocation is as follows.  
Jinbocho Mitsui Building 17F, 1-105 Jinbocho, Chiyoda-ku, Tokyo



### Description of business Company history

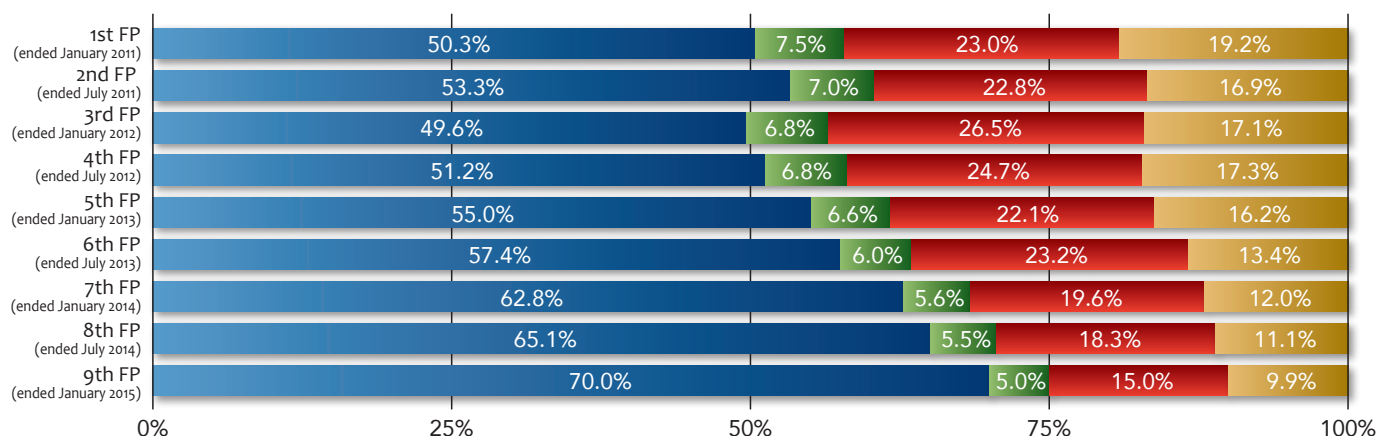
|               |  |
|---------------|--|
|               | Investment management business   |
| Feb. 2, 2005  | Established as Japan Residential Management Co., Ltd.  |
| Apr. 9, 2005  | Obtained building lots and buildings transaction business license (Tokyo Governor License (3) No. 84325)   |
| May 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) |
| Sep. 8, 2005  | Obtained investment trust settlor business approval under Act on Investment Trusts and Investment Corporations (Prime Minister Approval No. 49)  |
| Sep. 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  |
| Aug. 5, 2013  | Registered as first-class authorized architect office (Tokyo Metropolitan Registration No. 58856)  |

| Shareholder composition | Name                                   | No. of Shares | Voting Rights (%) |
|-------------------------|--|---------------|-------------------|
|                         | ITOCHU Corporation                     | 4,080         | 66.0              |
|                         | ITOCHU Property Development, Ltd.      | 1,200         | 19.4              |
|                         | Aozora Bank, Ltd.                      | 180           | 2.9               |
|                         | Mizuho Trust & Banking Co., Ltd.       | 180           | 2.9               |
|                         | Sumitomo Mitsui Banking Corporation    | 180           | 2.9               |
|                         | Sumitomo Mitsui Trust Bank Limited     | 180           | 2.9               |
|                         | The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 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.

## Unit-holder Composition

As of January 31, 2015



|                     | Japanese Financial Institutions<br>(including Securities Companies)<br>(share) |       | Other Japanese<br>Corporations<br>(share) |      | Foreign Corporations<br>and Individuals<br>(share) |       | Domestic Individuals<br>and Others<br>(share) |       | Total<br>(share) |        |
|---------------------|--|-------|---|------|--|-------|---|-------|------------------|--------|
| No. of Units        | 910,577  | 70.0% | 65,621                                    | 5.0% | 195,131  | 15.0% | 128,671                                       | 9.9%  | 1,300,000        | 100.0% |
| No. of unit-holders | 182  | 0.9%  | 290                                       | 1.4% | 240  | 1.2%  | 19,728  | 96.5% | 20,440           | 100.0% |



## Inquiries

For the following inquiries, please contact the securities company where you have your trading account.

- Change in account address, name and other registered details
- Designation or change of dividend transfer account
- Requests for documents required for the aforementioned procedures

## Inquiries regarding ADR

For information on ADR, please visit ADR's website at the address shown below, or directly contact the Asset Management Company.

Website: [www.adr-reit.co.jp](http://www.adr-reit.co.jp)  
 Email: [ir@adr-reit.co.jp](mailto:ir@adr-reit.co.jp)  
 Investor relations (phone): +81-3-3518-0432  
 Fax: +81-3-3518-0481

## Dividends

Dividends can be collected by bringing the “unit-holder dividend receipt” to your nearest Japan Post Bank office or a bank agent post office in Japan. If the collection period has elapsed, please make your collection by designating the collection method on the back of the “unit-holder dividend receipt” and mailing it to Mizuho Trust & Banking’s Stock Transfer Agency Department or bringing it to a Mizuho Trust & Banking, Mizuho Securities main or branch office. (Note: If the payment processing does not take place on the premises of the office you have visited, 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.



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