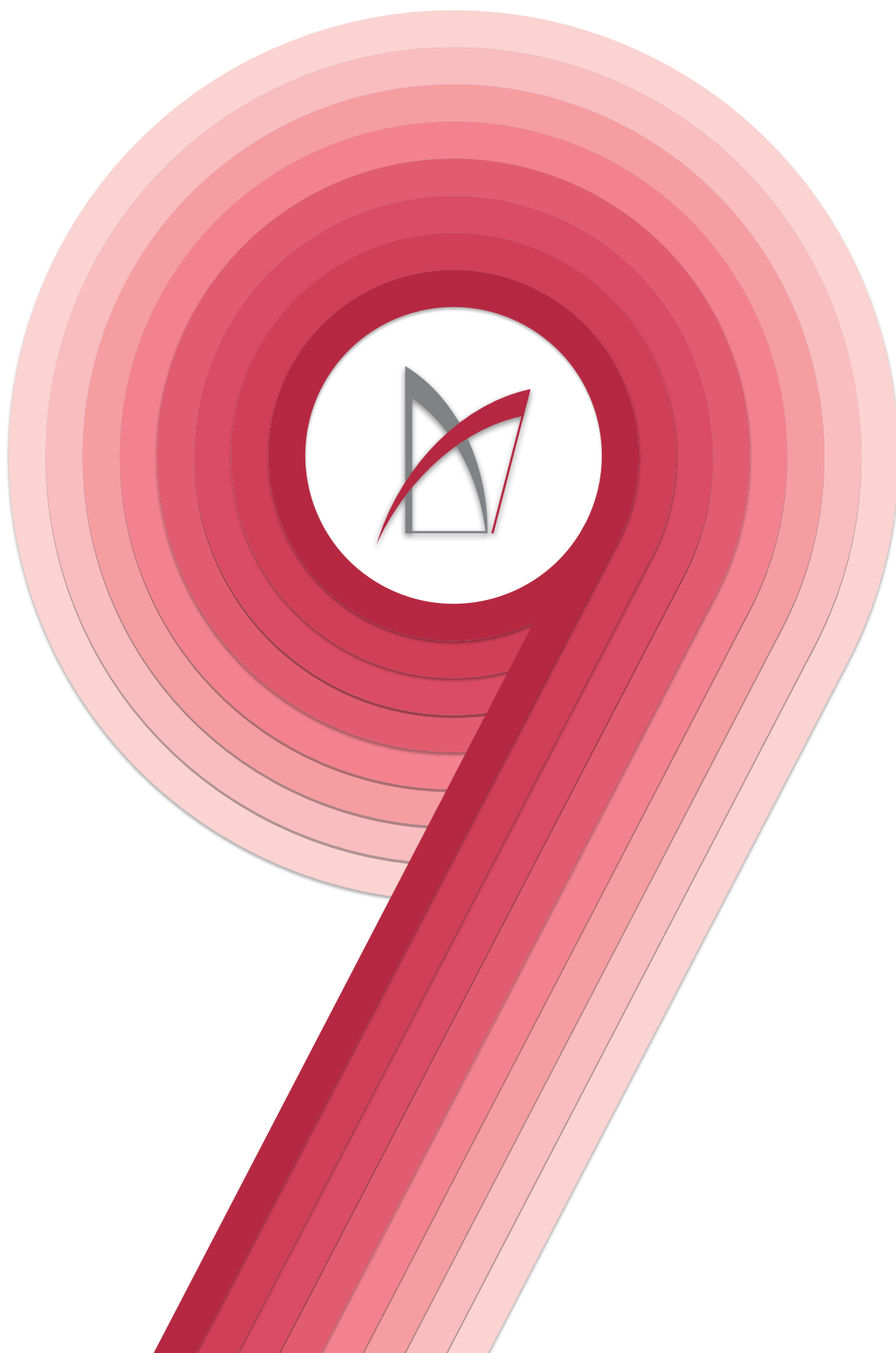


# *Advance Residence Investment Corporation*

## 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

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## 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.

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# 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 (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. 1-2-1 Yaesu, Chuo-ku, Tokyo
Contact	StockTransfer Agency Department
Mailing address	Mizuho Trust & Banking Co., Ltd. 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.

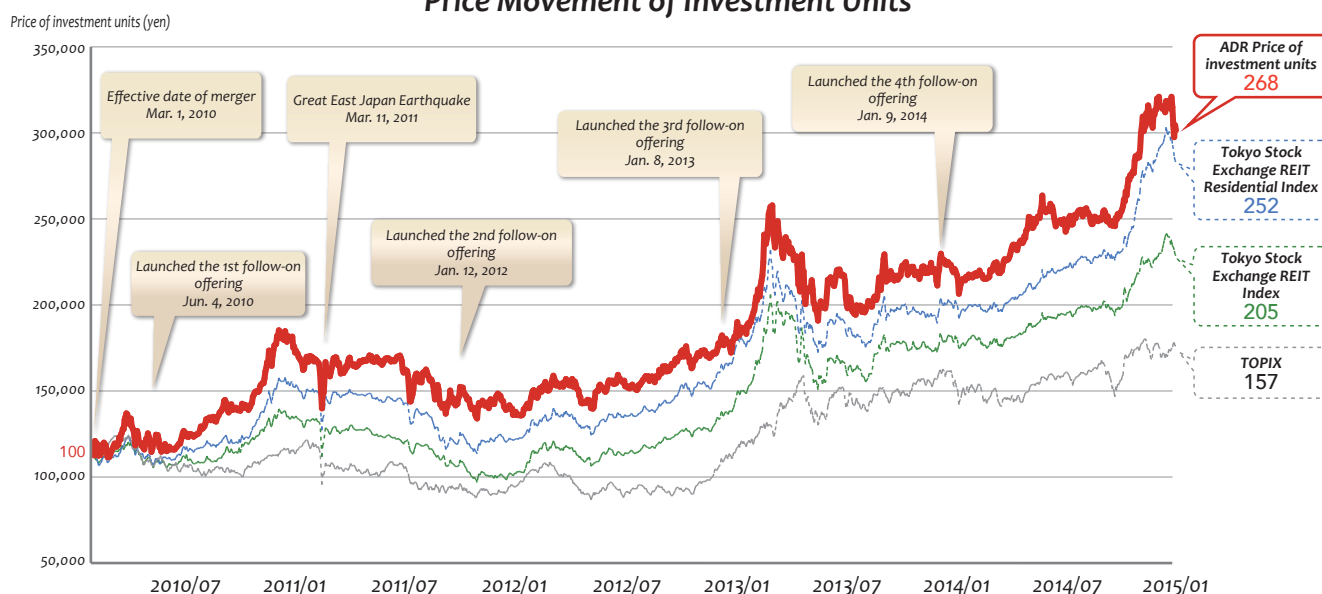
We would like to take this opportunity to sincerely thank all of our shareholders for their support.

### 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

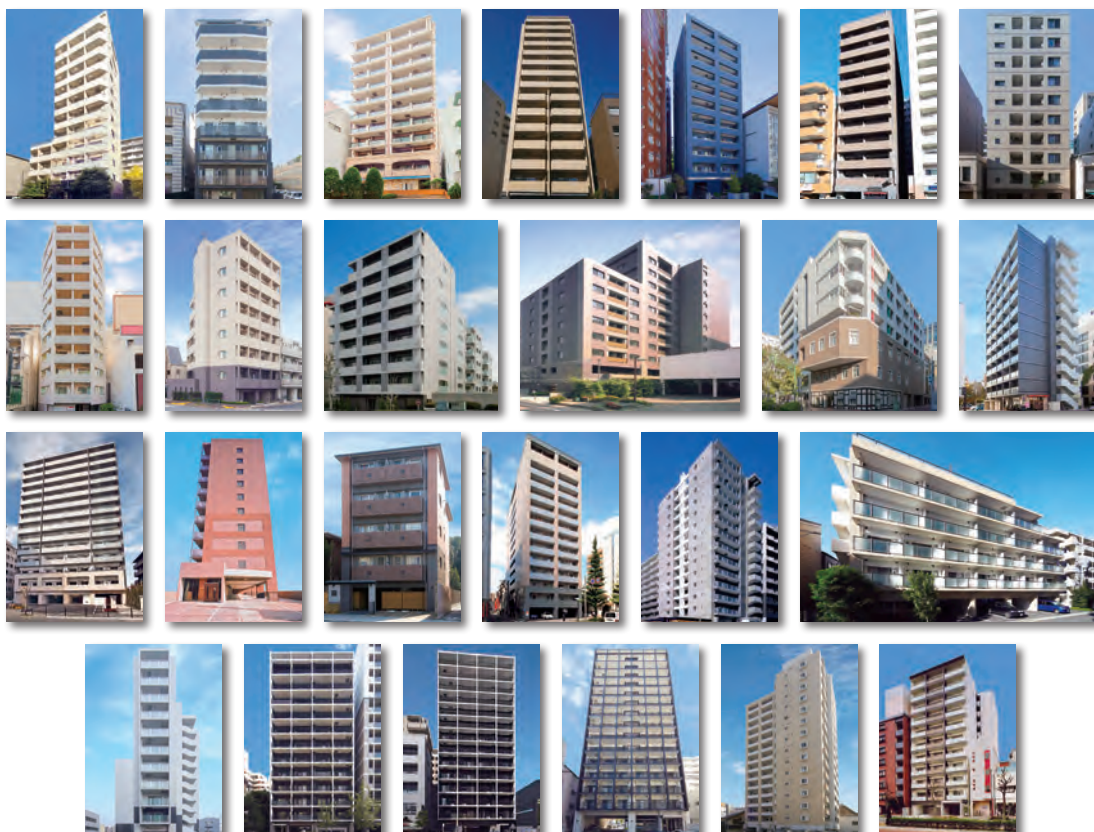
5,130 yen dividend per unit (+537 yen from previous FP)

## 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 (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

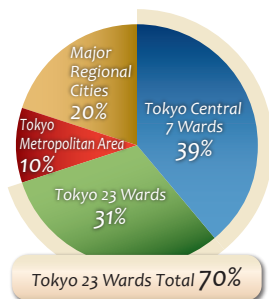
\* NOI: NOI stands for Net Operating Income as a function of revenues and expenses from the real estate business, calculated using the formula: "Revenue from property leasing" – "Expenses from property leasing" + "Depreciation and amortization" + "Loss on retirement of fixed assets"

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.

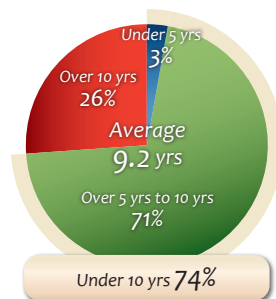
\*\* Unrealized gain is the appraisal value at the end of the fiscal period less the book value at the end of the fiscal period.



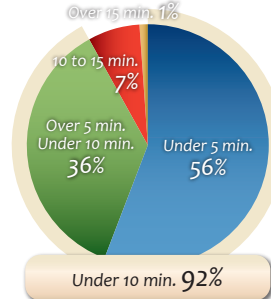
**Investment Region**  
(% based on acquisition price)



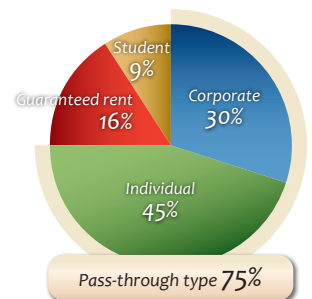
**Building Age**  
(% based on acquisition price)



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

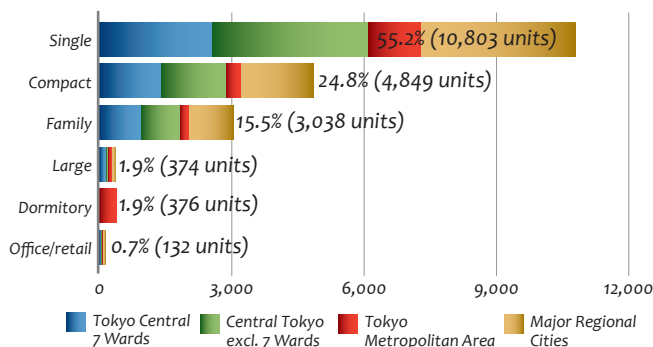


**Tenant Category**  
(% based on no. of units)

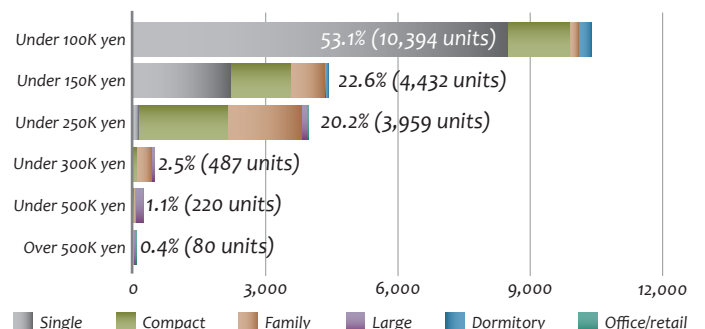


"Student" indicates the proportion of contracts for student dormitories and student apartments.

**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

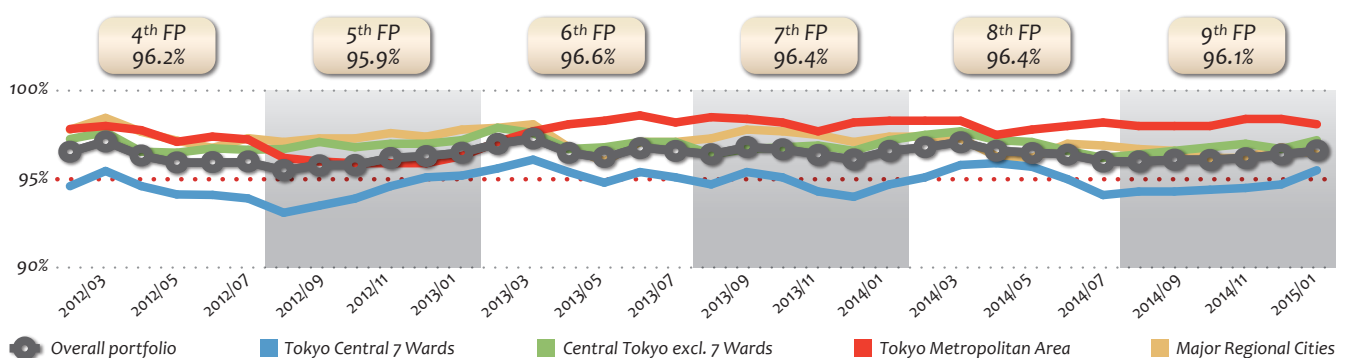


## Increase in Rent Levels

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

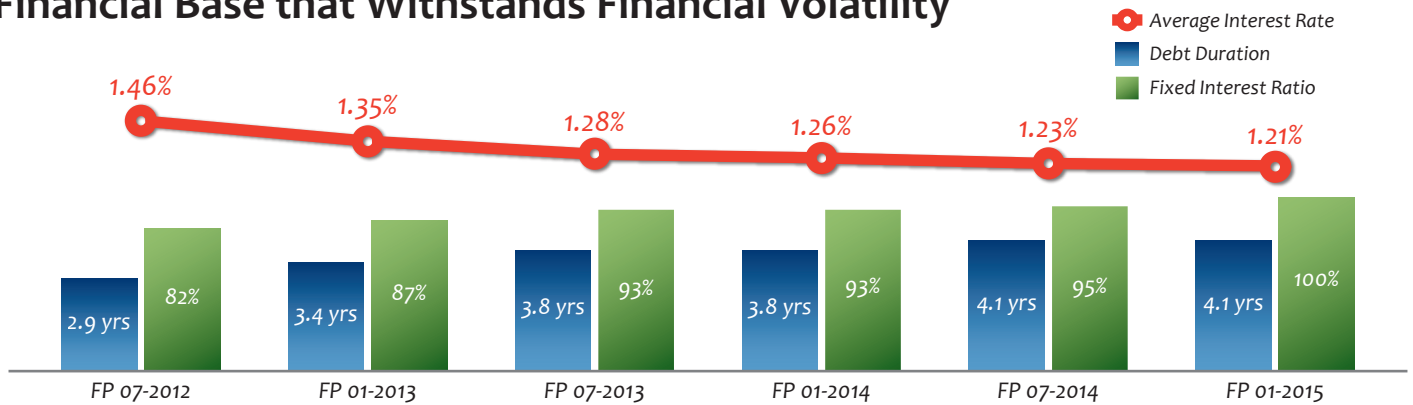


## Credit Rating Upgraded

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

\* Japan Credit Rating Agency, Ltd.

## Financial Base that Withstands Financial Volatility

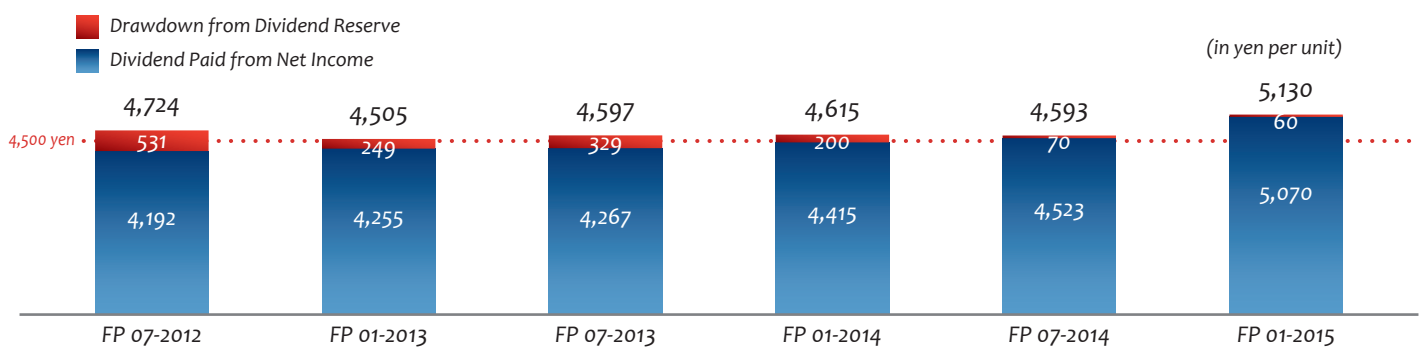


## Operating Structure Enabling Generation of EPU Above 4,500 Yen

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

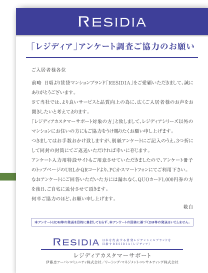
### Environmental Considerations

- ▶ 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

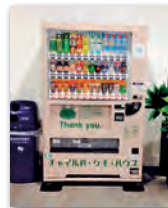


### Contribution to Local Communities

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 From: Aug. 1, 2012 To: Jan. 31, 2013	6th FP From: Feb. 1, 2013 To: Jul. 31, 2013	7th FP From: Aug. 1, 2013 To: Jan. 31, 2014	8th FP From: Feb. 1, 2014 To: Jul. 31, 2014	9th FP From: Aug. 1, 2014 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 (ended January 31, 2015)	Difference from the previous FP	Difference from the 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 (Motozabu 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 Period-end	5th FP January 2013	6th FP July 2013	7th FP January 2014	8th FP July 2014	9th FP 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 From: Aug. 1, 2012 To: Jan. 31, 2013	6th FP From: Feb. 1, 2013 To: Jul. 31, 2013	7th FP From: Aug. 1, 2013 To: Jan. 31, 2014	8th FP From: Feb. 1, 2014 To: Jul. 31, 2014	9th FP From: Aug. 1, 2014 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 (Dividend Per Unit)	4,955,500 (4,505 yen)	5,700,280 (4,597 yen)	5,722,600 (4,615 yen)	5,970,900 (4,593 yen)	6,669,000 (5,130 yen)
Of which, total amount of dividends of earnings (Dividend from earnings per unit)	4,955,500 (4,505 yen)	5,700,280 (4,597 yen)	5,722,600 (4,615 yen)	5,970,900 (4,593 yen)	6,669,000 (5,130 yen)
Of which, total amount of capital reimbursement (Capital reimbursement per unit)	— (0 yen)	— (0 yen)	— (0 yen)	— (0 yen)	— (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 Period-end	5th FP January 2013	6th FP July 2013	7th FP January 2014	8th FP July 2014	9th FP 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 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 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 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. 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. Sumitomo Mitsui Trust Bank Limited 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 (million yen)	Leasable floor area (m <sup>2</sup> )	Leased floor area (m <sup>2</sup> )	Occupancy rate (%)	As a % of total revenue from property 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 (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 (Feb. 1, 2014 ~ Jul. 31, 2014)				9th Fiscal Period (Aug. 1, 2014 ~ Jan. 31, 2015)			
						Total number of tenants at end of period (tenants) (Note 3)	Occupancy rate at end of period (%) (Note 4)	Rental revenue (thousand yen) (Note 5)	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) (Note 3)	Occupancy rate at end of period (%) (Note 4)	Rental revenue (thousand yen) (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 (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 (Feb. 1, 2014 ~ Jul. 31, 2014)				9th Fiscal Period (Aug. 1, 2014 ~ Jan. 31, 2015)			
						Total number of tenants at end of period (tenants) (Note 3)	Occupancy rate at end of period (%) (Note 4)	Rental revenue (thousand yen) (Note 5)	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) (Note 3)	Occupancy rate at end of period (%) (Note 4)	Rental revenue (thousand yen) (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

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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

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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

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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 (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 (Feb. 1, 2014 ~ Jul. 31, 2014)				9th Fiscal Period (Aug. 1, 2014 ~ Jan. 31, 2015)			
						Total number of tenants at end of period (tenants) (Note 3)	Occupancy rate at end of period (%) (Note 4)	Rental revenue (thousand yen) (Note 5)	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) (Note 3)	Occupancy rate at end of period (%) (Note 4)	Rental revenue (thousand yen) (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 (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 (Feb. 1, 2014 ~ Jul. 31, 2014)				9th Fiscal Period (Aug. 1, 2014 ~ Jan. 31, 2015)			
						Total number of tenants at end of period (tenants) (Note 3)	Occupancy rate at end of period (%) (Note 4)	Rental revenue (thousand yen) (Note 5)	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) (Note 3)	Occupancy rate at end of period (%) (Note 4)	Rental revenue (thousand yen) (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-Ekimae	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 (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 (thousand yen)		Assessed value (thousand yen) <sup>(Note 1)</sup>		Gain (Loss) on valuation (thousand yen)	Notes
			Unit price	Amount	Unit 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, exceeding 1 year	
Transaction other than market transaction	Interest-rate swap transaction 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 (Location)	Purpose	Estimated Duration	Estimated amounts		
			Total amounts	Payment for the current period	Cumulative amount paid
RESIDIA Kokubunji (Kokubunji-shi, Tokyo)	Major repair work	From: Nov. 2014 To: Feb. 2015	32	7	7
RESIDIA Shinjuku East (Shinjuku-ku, Tokyo)	Major repair work	From: Feb. 2015 To: Jul. 2015	28	—	—
RESIDIA Azabujuban II (Minato-ku, Tokyo)	Major repair work	From: Feb. 2015 To: Jul. 2015	24	—	—
RESIDIA Roppongi-Hinokichokoen (Minato-ku, Tokyo)	Value-enhancement work on individual units	From: Feb. 2015 To: Jul. 2015	20	—	—
RESIDIA Shibaura (Minato-ku, Tokyo)	Value-enhancement work on individual units	From: Feb. 2015 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 (Location)	Purpose	Implementation period	Amount paid
RESIDIA Mejiro (Toshima-ku, Tokyo)	Major repair work	From: Jun. 2014 To: Nov. 2014	176
RESIDIA Sasazuka (Suginami-ku, Tokyo)	Major repair work	From: Aug. 2014 To: Dec. 2014	83
RESIDIA Miyakojima I&II (Osaka-shi, Osaka)	Repairs to external walls	From: Sep. 2014 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 From: Aug. 1, 2012 To: Jan. 31, 2013	6th FP From: Feb. 1, 2013 To: Jul. 31, 2013	7th FP From: Aug. 1, 2013 To: Jan. 31, 2014	8th FP From: Feb. 1, 2014 To: Jul. 31, 2014	9th FP From: Aug. 1, 2014 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 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								
Short-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 29, 2014	—	—	—	September 29, 2015	Lump-sum repayment at maturity	(Note 3)	Unsecured 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 portion of long-term loans payable	Development Bank of Japan Inc.	June 25, 2008	2,304	2,304	2.70%	June 25, 2015	Lump-sum repayment at maturity	(Note 5)	Unsecured 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 repayment 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% (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.	August 31, 2011	—	1,000	1.16% (Note 2)	December 18, 2015		(Note 3)	
	Aozora Bank, Ltd.		—	2,000					
	Sumitomo Mitsui Banking Corporation		—	1,000					
	Aozora Bank, Ltd.	November 18, 2011	2,400	—	—	October 31, 2014	Lump-sum repayment 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	—	—	March 31, 2015	(Note 3)		
	The Gunma Bank, Ltd.	May 31, 2012	1,000	1,000	0.84% (Note 2)	May 29, 2015	(Note 5)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 25, 2012	—	700	0.85% (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.		—	—				(Note 5)	
	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				(Note 3)	
	Sumitomo Mitsui Banking Corporation		2,264	2,264				(Note 3)	
	Shinsei Bank, Limited		295	295				(Note 3)	
	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				(Note 3)	
	Shinsei Bank, Limited		700	700				(Note 3)	
	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				(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		2,000	2,000				(Note 3)	
	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	—				(Note 5)	
	Mitsubishi UFJ Trust and Banking Corporation		1,000	—				(Note 5)	
	The Norinchukin Bank		1,000	—				(Note 5)	
	The Bank of Fukuoka, Ltd.		1,000	—				(Note 5)	
	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		500	500				(Note 5)	
	Aozora Bank, Ltd.	August 31, 2011	2,000	—	—	December 18, 2015		(Note 3)	
	Sumitomo Mitsui Banking Corporation		1,000	—				(Note 3)	
	Resona Bank, Limited	August 31, 2011	2,000	2,000	1.31% (Note 2)	January 31, 2017	Lump-sum repayment at maturity	(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2011	750	750	1.31% (Note 2)	January 31, 2017		(Note 3)	
	Sumitomo Mitsui Trust Bank Limited		750	750				(Note 3)	
	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				(Note 5)	
	Mizuho Bank, Ltd.		1,000	1,000				(Note 5)	
	Mitsubishi UFJ Trust and Banking Corporation		1,900	1,900				(Note 5)	
	The Norinchukin Bank	December 26, 2011	2,000	—	—	December 18, 2015		(Note 5)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	December 26, 2011	300	300	1.17% (Note 2)	November 30, 2016		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		300	300				(Note 5)	
	Sumitomo Mitsui Banking Corporation		450	450				(Note 5)	
	Mizuho Bank, Ltd.		450	450				(Note 5)	
	The Norinchukin Bank		2,500	2,500				(Note 5)	
	Mitsui Sumitomo Insurance Co., Ltd.		1,000	1,000				(Note 5)	
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			(Note 5)			
Resona Bank, Limited		900	900			(Note 5)			
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			(Note 5)			
Sumitomo Mitsui Banking Corporation		650	650			(Note 5)			
Mizuho Bank, Ltd.		500	500			(Note 5)			
Mitsubishi UFJ Trust and Banking Corporation		900	900			(Note 5)			
Development Bank of Japan Inc.		1,000	1,000			(Note 5)			
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 (Note 1)	Repayment date	Repayment method	Use	Remarks
	Lenders								
Long-term loans payable	Mizuho Bank, Ltd.	June 25, 2013	2,160	2,160	1.63% (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% (Note 2)	June 25, 2021		(Note 5)	
	Resona Bank, Limited		919	919					
	Mizuho Trust & Banking Co., Ltd.	September 13, 2013	1,000	1,000	1.07% (Note 2)	September 30, 2020		(Note 3)	
	The Norinchukin Bank		1,000	1,000					
	The Nishi-Nippon City Bank Ltd.	September 13, 2013	500	500	0.92% (Note 2)	September 30, 2019		(Note 3)	
	The Nishi-Nippon City Bank Ltd.	September 13, 2013	500	500	0.77% (Note 2)	September 28, 2018		(Note 3)	
	The 77 Bank, Ltd.		500	500					
	Mizuho Bank, Ltd.	September 24, 2013	1,140	—	—	November 30, 2015		(Note 5)	
	Mizuho Trust & Banking Co., Ltd.		570	—					
	Sumitomo Mitsui Trust Bank Limited	November 15, 2013	2,600	2,600	1.47% (Note 2)	November 15, 2023		(Note 5)	
	Sumitomo Mitsui Banking Corporation	November 15, 2013	3,550	3,550	1.37% (Note 2)	November 15, 2022		(Note 5)	
	Aozora Bank, Ltd.	November 29, 2013	1,800	1,800	1.16% (Note 2)	November 26, 2021		(Note 3)	
	Shinsei Bank, Limited	December 19, 2013	1,000	1,000	1.32% (Note 2)	June 17, 2022		(Note 3)	
	Shinsei Bank, Limited	December 19, 2013	700	700	1.10% (Note 2)	June 18, 2021		(Note 3)	
	The Yamaguchi Bank, Ltd.	December 19, 2013	500	500	0.93% (Note 2)	June 18, 2020		(Note 3)	
	The Yamaguchi Bank, Ltd.	December 19, 2013	500	500	0.85% (Note 2)	December 18, 2019		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 17, 2014	500	500	1.59% (Note 2)	February 14, 2025		(Note 5)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 17, 2014	500	500	1.44% (Note 2)	February 16, 2024		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		500	500					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 17, 2014	455	455	1.28% (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% (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.		500	500					
	Mizuho Bank, Ltd.	February 17, 2014	2,900	2,900	0.89% (Note 2)	February 16, 2021		(Note 5)	
	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% (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% (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% (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% (Note 2)	September 29, 2023		(Note 5)	
	Development Bank of Japan Inc.	September 30, 2014	—	1,850	1.18% (Note 2)	September 30, 2024		(Note 5)	
	Aozora Bank, Ltd.	October 31, 2014	—	1,000	0.85% (Note 2)	October 31, 2022		(Note 5)	
	Aozora Bank, Ltd.	October 31, 2014	—	700	0.76% (Note 2)	April 28, 2022		(Note 5)	
	Aozora Bank, Ltd.	October 31, 2014	—	700	0.42% (Note 2)	October 31, 2019		(Note 5)	
	Resona Bank, Limited	January 30, 2015	—	500	0.57% (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% (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) (million yen)	Disposition date	Disposition price (Note 1) (million yen)	Book value (million yen)	Gain (Loss) on sales (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 (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/ 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 (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.



## 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) (thousand yen)	Breakdown of transaction with interested parties		Share (B)/(A) (%)
		Payee	Amount paid (B) (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) July 31, 2014	9th Fiscal Period 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) July 31, 2014	9th Fiscal Period January 31, 2015
Liabilities		
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
Net assets		
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
Total liabilities and net assets	435,215,413	430,509,226



### III. Statements of Income

(thousand yen)

	8th Fiscal Period (Reference) From: Feb. 1, 2014 To: Jul. 31, 2014		9th Fiscal Period From: Aug. 1, 2014 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) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 To: Jan. 31, 2015
1. Standards and method of valuation of securities	<p>(1) Held-to-maturity debentures Carried at amortized cost (straight-line basis).</p> <p>(2) Available-for-sale securities Non-marketable securities Stated at cost determined by the moving average method. For investments in 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 Carried at amortized cost (straight-line basis).</p> <p>(2) Available-for-sale securities Non-marketable securities Stated at cost determined by the moving average method. For investments in 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) Calculated on a straight-line basis. The useful life of the main items of property, plant and equipment are as follows: Buildings 5~46 years Structures 6~50 years Machinery and equipment 10~15 years Tools, furniture and fixtures 2~15 years</p> <p>(2) Intangible assets Calculated on a straight-line basis. The useful life of the main items of intangible assets are as follows: Leasehold rights in trust 23~65 years Software 3~5 years</p> <p>(3) Long-term prepaid expenses Calculated on a straight-line basis.</p>	<p>(1) Property, plant and equipment (including assets in trust) Calculated on a straight-line basis. The useful life of the main items of property, plant and equipment are as follows: Buildings 5~46 years Structures 6~50 years Machinery and equipment 10~15 years Tools, furniture and fixtures 2~15 years</p> <p>(2) Intangible assets Calculated on a straight-line basis. The useful life of the main items of intangible assets are as follows: Leasehold rights in trust 23~65 years Software 3~5 years</p> <p>(3) Long-term prepaid expenses Calculated on a straight-line basis.</p>
3. Method of accounting for deferred assets	<p>(1) Unit issuance expenses Amortized on a straight-line basis (over 3 years).</p> <p>(2) Investment corporation bond issuance costs Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.</p>	<p>(1) Unit issuance expenses Amortized on a straight-line basis (over 3 years).</p> <p>(2) Investment corporation bond issuance costs Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.</p>
4. Standards of recording allowances	<p>Allowance for doubtful accounts For allowance for doubtful accounts against possible losses arising from default on receivables, uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on a case-by-case examination for doubtful and other specific receivables.</p>	<p>Allowance for doubtful accounts For allowance for doubtful accounts against possible losses arising from default on receivables, uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on a case-by-case examination for doubtful and other specific receivables.</p>
5. Standards of recording revenue and expenses	<p>Method of accounting for property taxes For property, 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 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) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 To: Jan. 31, 2015
		<p>(2) Method of accounting for gain (loss) on real estate sales 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 Exemption accounting is applied.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest-rate swap transaction Hedged items Loans</p> <p>(3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy.</p> <p>(4) Method for assessing the effectiveness of hedging Assessment of the effectiveness is omitted as the relevant transactions meet the requirements for special accounting.</p>	<p>(1) Method of hedge accounting Exemption accounting is applied.</p> <p>(2) Hedging instruments and hedged items Hedging instruments Interest-rate swap transaction Hedged items Loans</p> <p>(3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy.</p> <p>(4) Method for assessing the effectiveness of hedging Assessment of the effectiveness is omitted as the relevant transactions meet the requirements for special accounting.</p>
7. Other significant matters that serve as basis for preparing financial statements	<p>(1) Method of accounting for beneficiary interests in trust in real estate properties For beneficiary interests in trust in real estate, 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. National and local consumption taxes are excluded from business transaction amounts. However, accounting for fixed assets and deferred assets includes national and local consumption taxes levied on them.</p>	<p>(1) Method of accounting for beneficiary interests in trust in real estate properties For beneficiary interests in trust in real estate, 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. 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) July 31, 2014	9th Fiscal Period January 31, 2015																						
<p>*1 Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations 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 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 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 (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 (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																						
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Total	4,547 million yen																						

## Notes to Statements of Income

8th Fiscal Period (Reference) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 To: Jan. 31, 2015																																																																																								
<p>*1 Breakdown of operating income (loss) from property leasing activities (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 (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
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8th Fiscal Period (Reference) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 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								
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—	<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
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Cost of sales of real estate	25,310,306								
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## Notes to Statements of Changes in Unit-holders' Equity

8th Fiscal Period (Reference) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 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) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 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																																
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Total deferred tax assets	—																																
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<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																																
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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 Payable fixed; 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 (*1)		Fair value (*2, 3)
				Of which, exceeding 1 year	
Special provisions for interest-rate swaps	Interest-rate swap transaction Payable fixed; 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 (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 (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) From: Feb. 1, 2014 To: Jul. 31, 2014		9th Fiscal Period From: Aug. 1, 2014 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 diluted net income per unit was not stated as there are no diluted units since no warrants and convertible bonds were outstanding.		The net income per unit was calculated by dividing net income by the day-weighted average number of units issued and outstanding for the fiscal period. The diluted net income per unit was not stated as there are no diluted units since no warrants and convertible bonds were outstanding.	

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

	8th Fiscal Period (Reference) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 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) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 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

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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) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 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

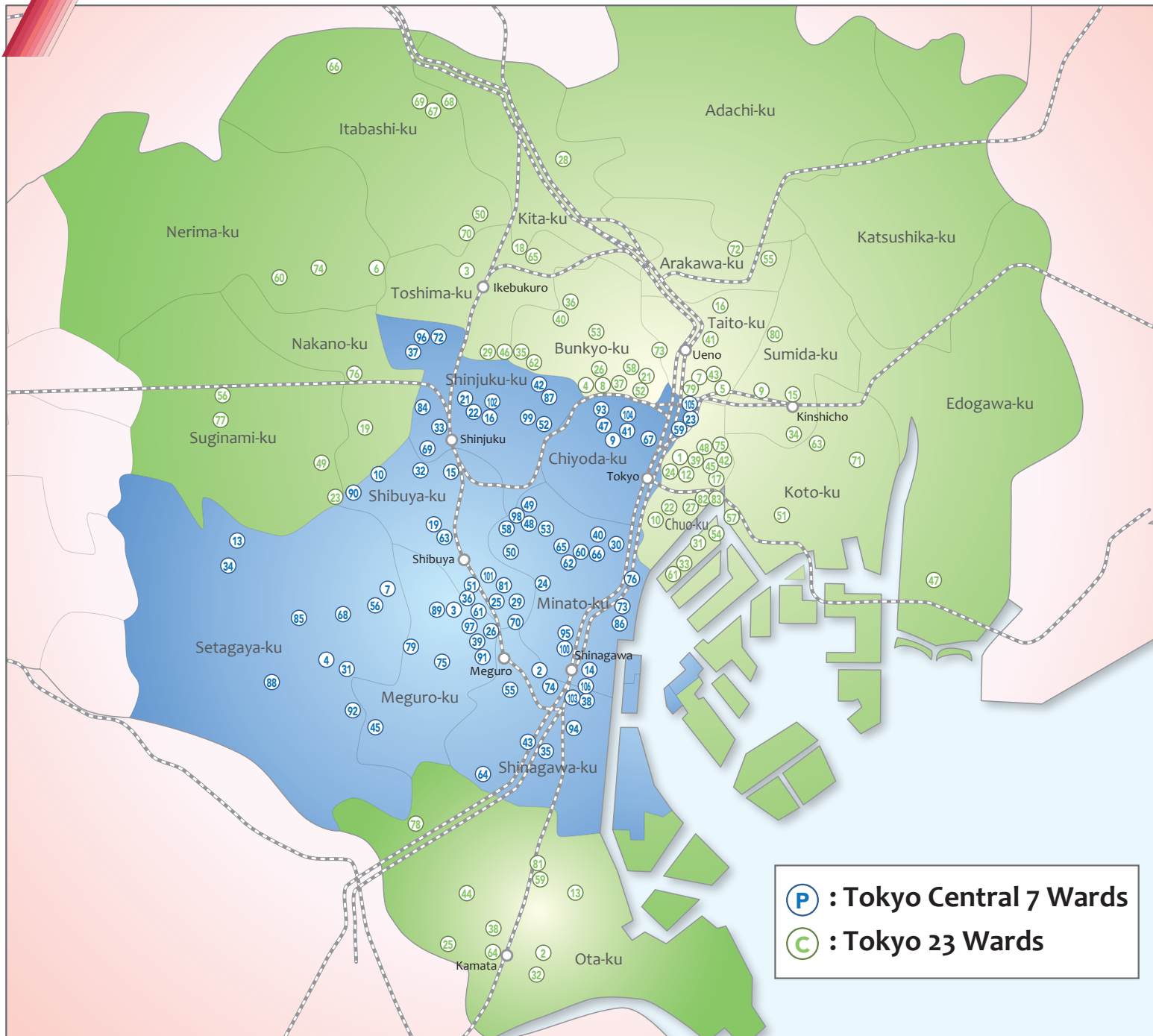
	8th Fiscal Period (Reference) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 To: Jan. 31, 2015
Scope of funds in Statements of Cash Flows	The funds (cash and cash equivalents) in the Statements of Cash Flows consist of cash on hand and cash in trust; deposits that can be withdrawn 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) From: Feb. 1, 2014 To: Jul. 31, 2014	9th Fiscal Period From: Aug. 1, 2014 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
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Cash and cash equivalents	15,572,831																				



# Portfolio Map

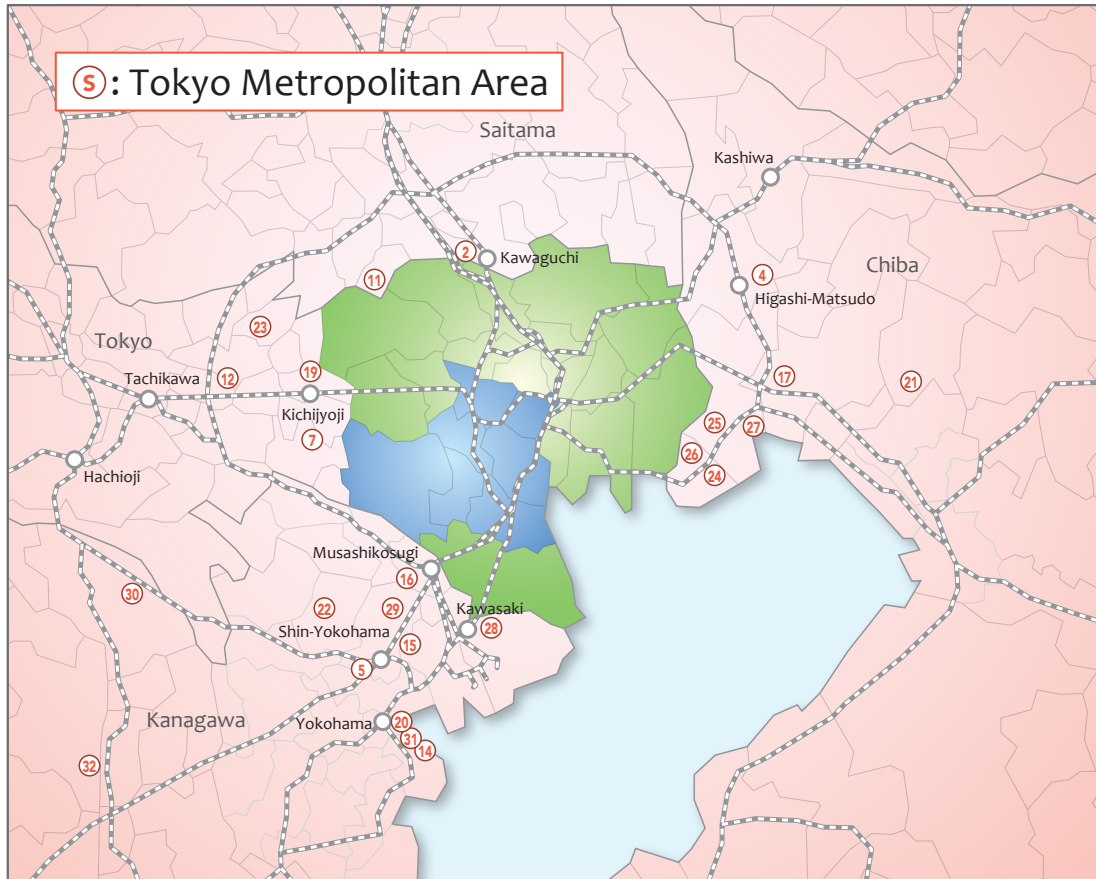


**P : Tokyo Central 7 Wards**

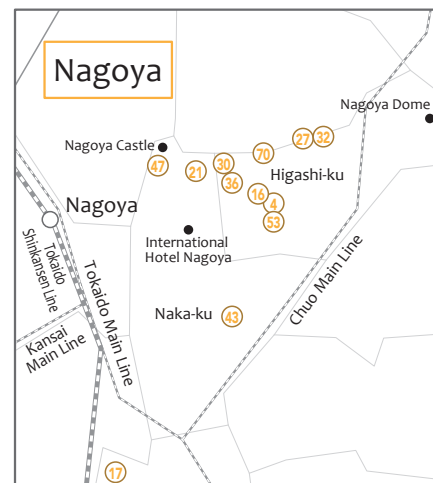
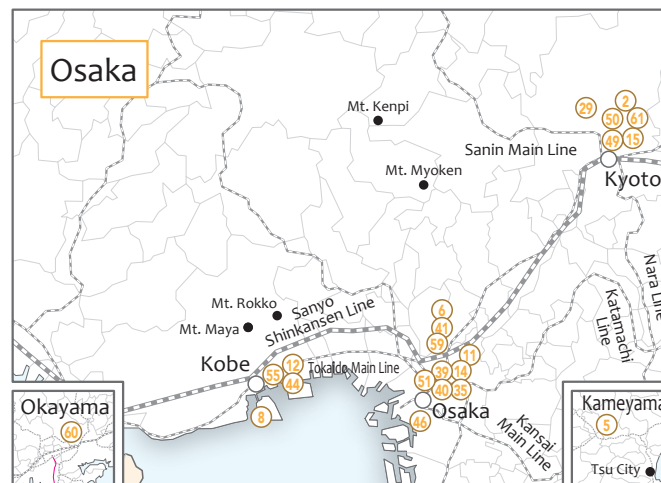
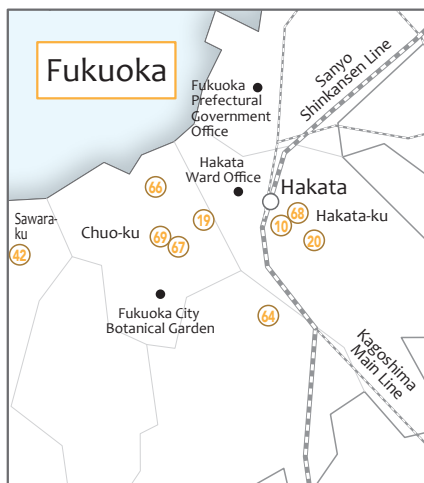
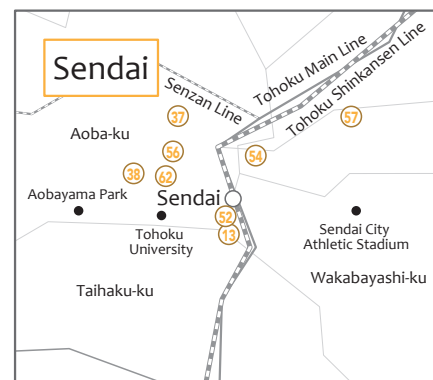
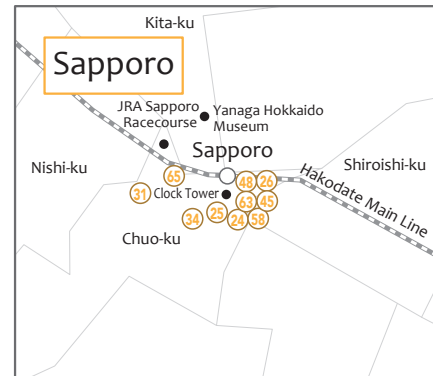
**C : Tokyo 23 Wards**

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 Ryogoku	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 Minamisenju	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 Ryokuchiko-en	R-38 RESIDIA Hirose-dori	R-64 RESIDIA Takamiya
C-60 RESIDIA Nakamurabashi	S-5 RESIDIA Shin-Yokohama	R-6 RESIDIA Kobe Port Island	R-39 RESIDIA Edobori	R-65 RESIDIA Soen
C-61 RESIDIA Kachidoki	S-7 RESIDIA Chofu	R-8 RESIDIA Hakata	R-40 RESIDIA Kyomachibori	R-66 RESIDIA Tenjin
C-62 RESIDIA Bunkyo-Otowa II	S-11 Tokyo Student-House WAKO	R-10 RESIDIA Kameyama	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 Gosho-Higashi	
C-71 RESIDIA Ojima	S-22 Maison Yachiyodai	R-20 RESIDIA Hakataeki-Minami	R-50 RESIDIA Rakuohoku	
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% (Building B) 2.9% (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-Honanchou	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% (Park Bldg.) 5.4% (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% (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	Yachiyo-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% (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 Rakuohku	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% (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

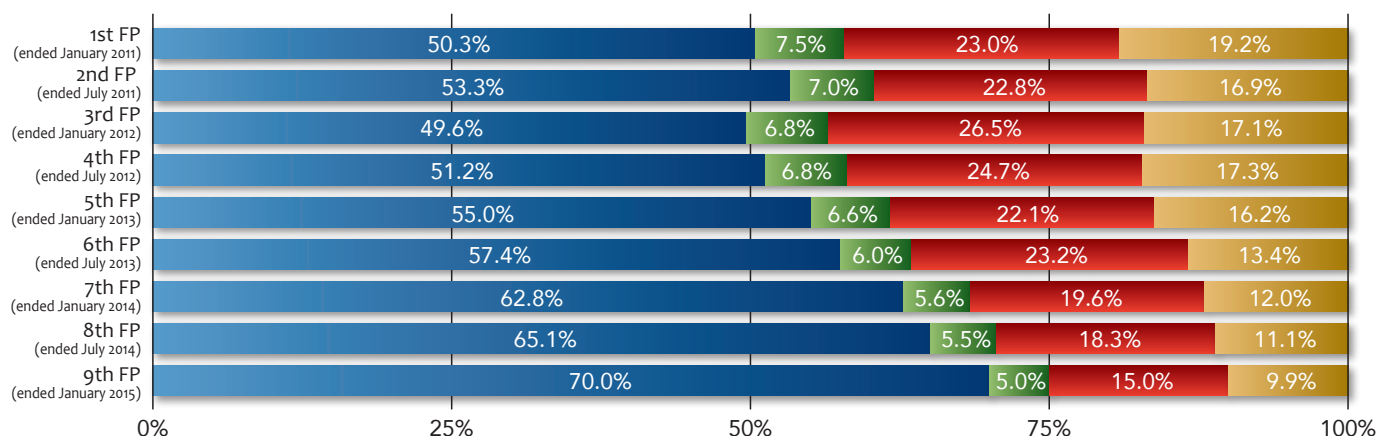
	Investment management business
Feb. 2, 2005	Established as Japan Residential Management Co., Ltd.
Apr. 9, 2005	Obtained building lots and buildings transaction business license (Tokyo Governor License (3) No. 84325)
May 17, 2005	Changed trade name to AD Investment Management Co., Ltd.
June 23, 2005	Obtained 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 (including Securities Companies) (share)		Other Japanese Corporations (share)		Foreign Corporations and Individuals (share)		Domestic Individuals and Others (share)		Total (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)