

# *Advance Residence Investment Corporation*

## **11th Fiscal Period Report**

*August 1, 2015 ♦ January 31, 2016*



# 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	Stock Transfer Agency Department
Mailing address	Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507
Phone	Phone 0120-288-324 (toll-free in Japan)

## Annual Schedule

Apr. 2016	Publication of 11th Fiscal Period financial report Payment of 11th Fiscal Period dividend
May 2016	Investment performance briefing for unit-holders
Jul. 2016	End of 12th Fiscal Period
Sep. 2016	Announcement of 12th Fiscal Period results
Oct. 2016	Publication of 12th Fiscal Period financial report Payment of 12th Fiscal Period dividend
Nov. 2016	Investment performance briefing for unit-holders
Jan. 2017	End of 13th 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 11th Fiscal Period, or the six months ended January 31, 2016.

The price of investment units in this fiscal period dropped to 229,600 yen in early September due to external factors, including overseas economic trends, but the price recovered to 260,500 yen by the end of this fiscal period on the back of the Bank of Japan's subsequent

monetary easing and solid real estate market conditions in Japan.

In this environment, we focused on internal growth by maintaining high occupancy rates (period average of 96.5%) and increasing rents (up 0.13% over the previous period). In addition, we continued to implement large-scale renovations and upgrades to maintain and improve property value.

In terms of external growth, although the property acquisition market remains very competitive, ADR was able to acquire two properties through negotiated transactions. In terms of finances, we achieved lower payable interest-rate levels while generally maintaining debt duration and the ratio of fixed-interest debts.

As a result of these efforts, ADR recorded higher revenue and income compared to both the previous fiscal period and initial forecasts, and dividends per unit were increased by 48 yen over initial forecasts to 4,578 yen.

Going forward, we will continue to further improve earnings per unit (EPU)\* by focusing on internal growth, as we did in this fiscal period, as well as by acquiring sponsor-developed properties, and reducing refinancing

costs. At the same time, because we are likely to see a reversal in market conditions in the not distant future, we will manage our portfolio with discipline to ensure long-term stable distribution of earnings and not be swayed by the current heated market environment.

Following the 2015 tax reform, ADR will start drawing down its dividend reserve (33.5 billion yen outstanding as of this fiscal period end) and payout as dividend for the fiscal period ending on January 31, 2017 (13th Fiscal Period). For details, please refer to "Dividend Payout Strategy" on page 7 of this asset management report.

We will continue to manage ADR's portfolio with the objective of increasing shareholder value.

We therefore ask for your continued support and guidance.

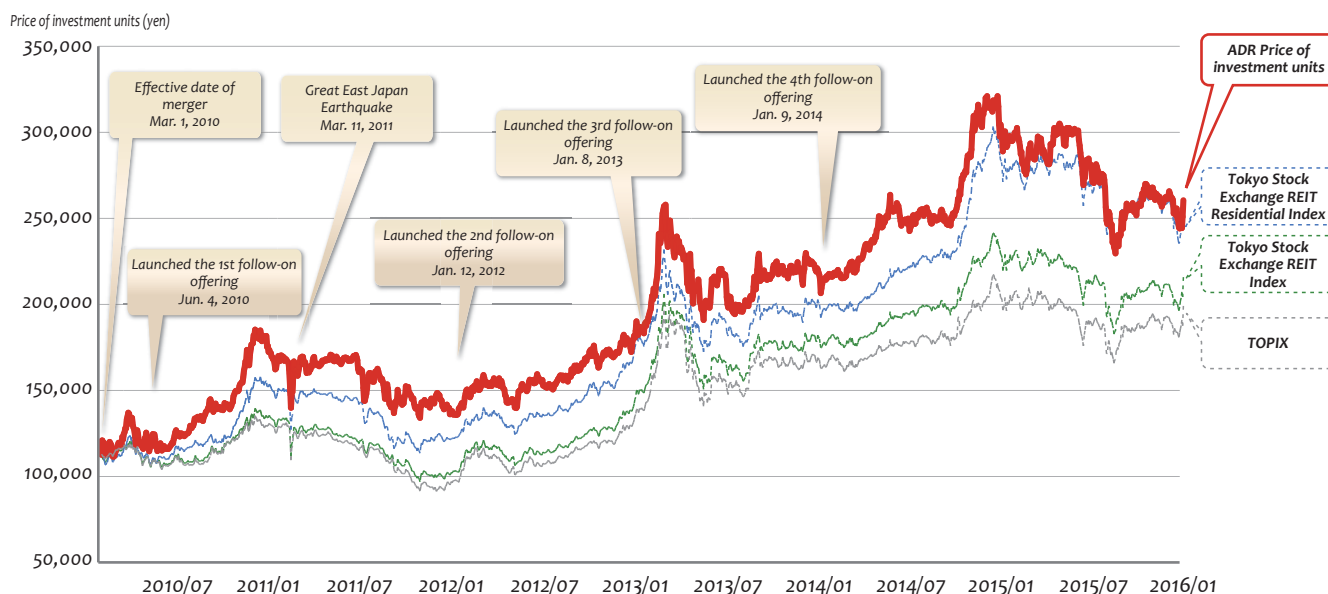
高坂 健司

Kenji Kousaka

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

\* EPU 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

## Higher Revenue, Income, and Dividends than Initial Forecast Due to Internal Growth and Lower Interest Payments

**4,578** yen dividend per unit (+**48** yen from initial forecast)

## Increased Rent Levels while Maintaining Higher Occupancy Rates

High average occupancy rate during the period **96.5%** (+**0.2** pps from initial forecast)

Rent increased for 3 consecutive periods **+0.13%**\* (+**0.01** pps over the previous FP)

## Continued to Acquire Properties that Enhance Profitability, Avoided Unnecessary Competition

Acquisition of **2** properties (total of **1.7** billion yen) through negotiated transactions

## Lowered Payable Interest Rate while Maintaining Financial Foundation

Lowered in average payable interest rate for the 9th consecutive fiscal period to **1.14%** (**-0.02** pps over the end of the previous fiscal period)

## Earnings Forecast for FP July 2016 and FP January 2017

Forecast for FP July 2016

EPU and DPU **4,590** yen

Forecast for FP January 2017

EPU **4,600** yen

DPU **4,859** yen

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



## The Largest Portfolio Among Residential J-REITs

No. of properties	Total assets (based on acquisition price)	Number of leasable units	Leasable floor area
<b>251</b> properties	<b>425.8</b> billion yen	<b>20,231</b> units	<b>760,453.15</b> m <sup>2</sup>

## Portfolio with High Yield and Substantial Unrealized Gains

NOI yield\*

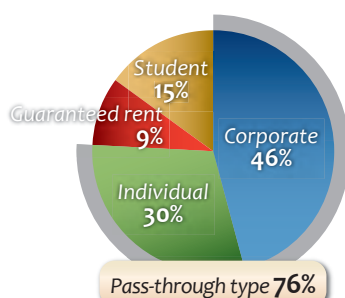
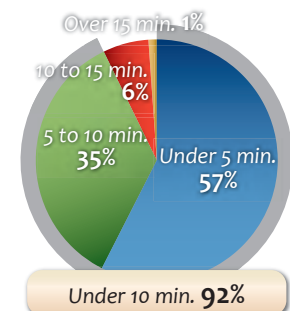
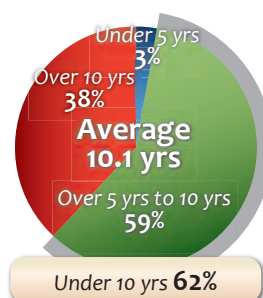
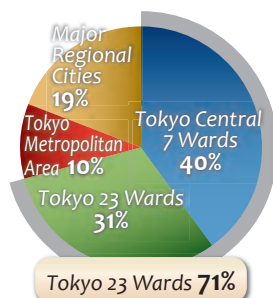
**5.6** %

Unrealized gains\*

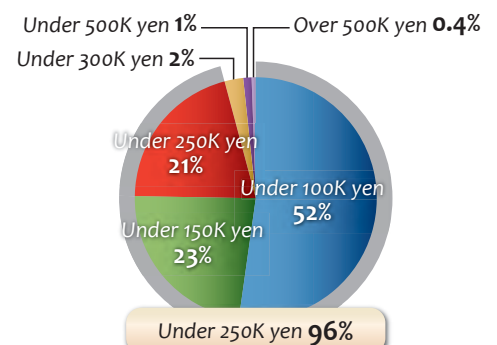
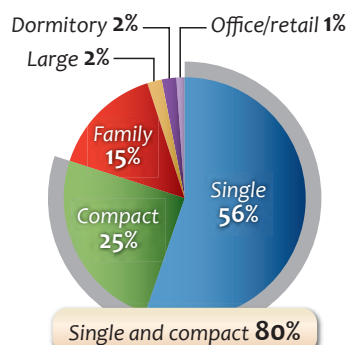
**80.0** billion yen

\* 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 the 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 or loss is the appraisal value at the end of the fiscal period less the book value at the end of the fiscal period.

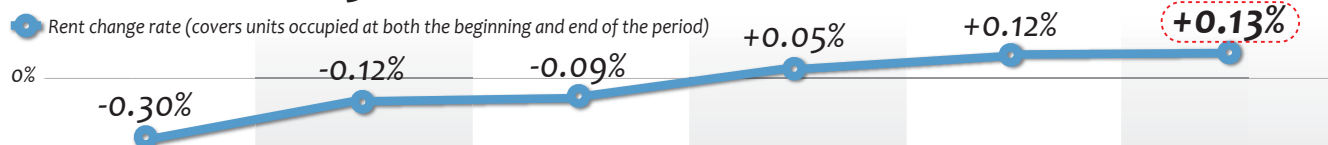


"Student" indicates the proportion of contracts for student dormitories and student apartments.

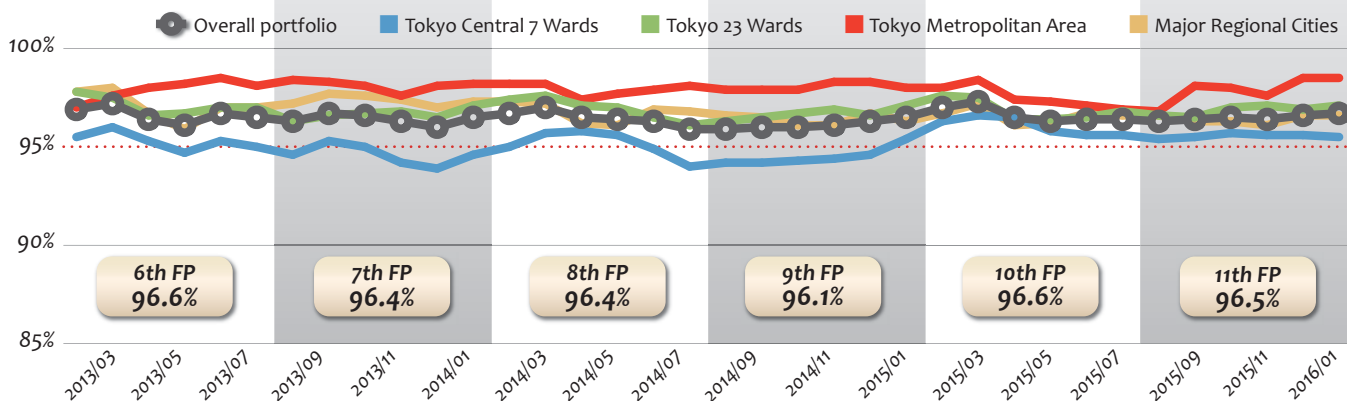




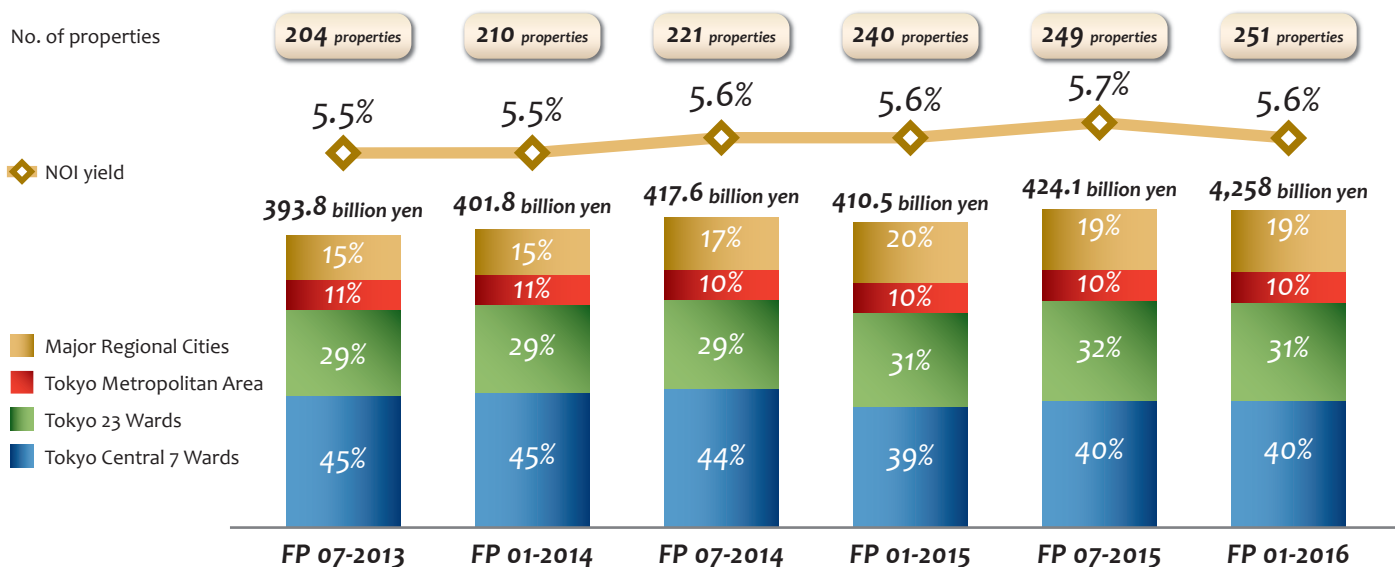
## Rent Increased for 3 Consecutive Periods



## High and Stable Occupancy rate

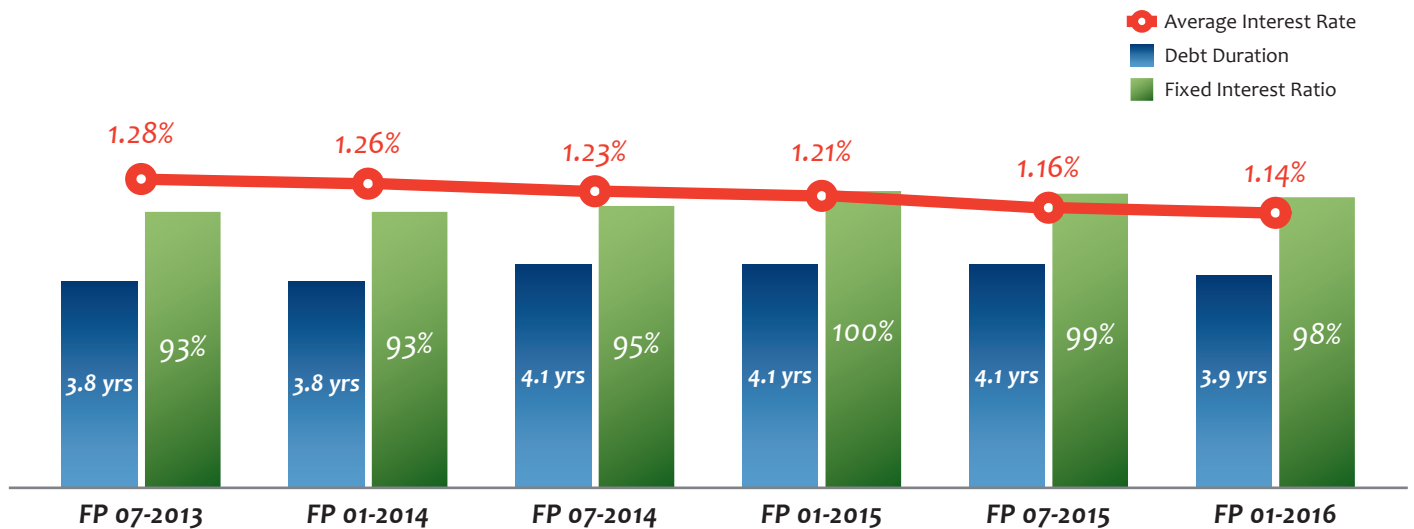


## Steady External Growth and Enhanced Portfolio Profitability

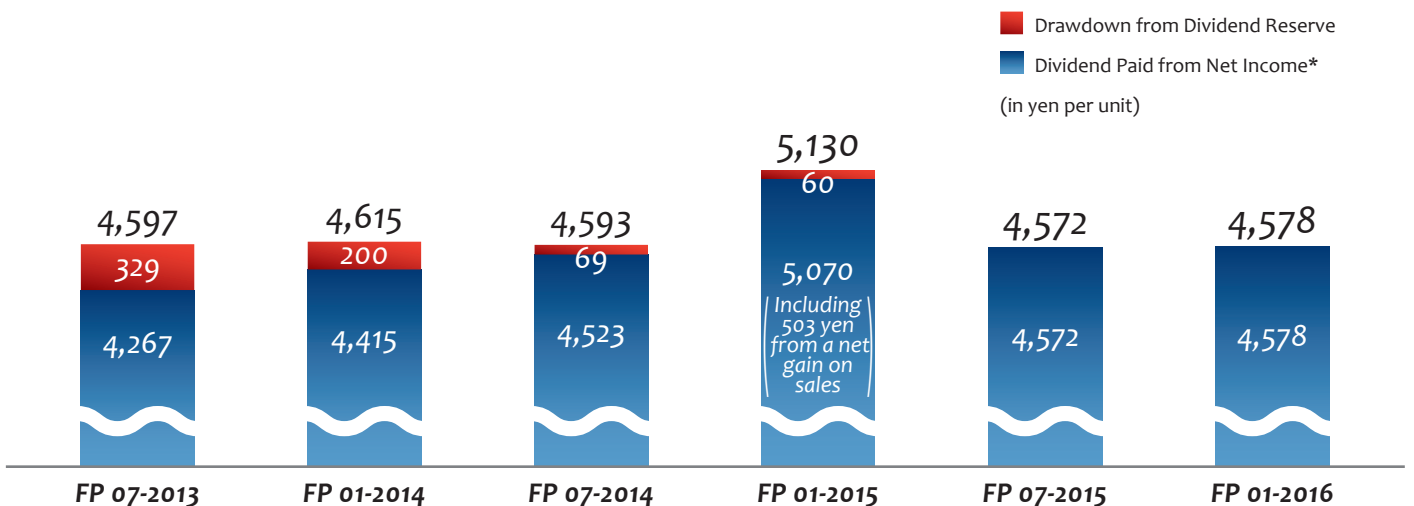




## Continued to Lower payable interest rate while maintaining financial foundation



## Continuous Growth of EPU and Dividends per Unit Sustained Above 4,500 yen



\*Includes distribution amount of retained earnings brought forward.



## *Aiming for Realization of Stable Distribution of Earnings over the Long Term*

### Internal Growth

We will work to maintain and improve rent revenues by increasing rents upon tenant replacement and contract renewal, actively seeking higher key money income, and improving leasing-related income net of expenses. Furthermore, with the aim of maintaining and strengthening the competitive advantage of properties, we will continue to conduct large-scale renovations and upgrade works.

### External Growth

Despite the still highly competitive nature of the property acquisition market, we will try to only acquire properties that enhance the profitability of our portfolio. This will be achieved by avoiding unnecessary competition through acquisition of sponsor-developed properties and open market acquisition of properties through negotiated transactions. Meanwhile, we will continue to seek any opportunity arising from the buoyant property market by replacing properties to raise the quality of the portfolio and to strengthen the portfolio's competitive advantages.

On February 22, 2016, ADR decided to acquire four properties developed by our sponsor Itochu Corporation, which were all recently constructed and located within the 23 wards of Tokyo (@ total scheduled acquisition price of 8.04 billion yen) with an aim to enhance the quality and the competitiveness of our portfolio.



### Finance Policy

To strengthen the financial foundation and enable ADR to respond more flexibly to future financial market volatilities, we maintain our policy to further diversify debt maturities while continuing to finance in fixed-rate debts with longer durations. On the other hand, with the long-term rates extremely low, we will also focus on further lowering the average payable interest rate while maintaining our financial foundation.

### Dividend Payout Policy

**- Starting from the fiscal period ending on January 31, 2017, ADR will supplement dividends using the dividend reserve -**

ADR plans to begin drawing down its dividend reserve and payout as a supplemental dividend from the fiscal period ending on January 31, 2017 (13th Fiscal Period) following the 2015 tax reform that requires ADR to draw down the reserve within 50 years.

Specifically, ADR will transfer the dividend reserve held as of the end of the fiscal period ending on July 31, 2016 (12th Fiscal Period) to the temporary difference adjustment reserve, and draw down and pay out within the remaining reserve amount, an amount per period that is equal or more than 100th\* of the original transferred reserve amount.

In the event that dividend per unit (DPU) of a period is to be less than 4,500 yen even with the minimum supplemental payout described above, ADR will, in principle, increase the payout from the reserve to maintain the DPU at 4,500 yen\*.

\* The tax revision requires that the reserve be drawn down within 50 years at the latest. There are two fiscal periods per annum. Therefore the minimum drawdown per period is calculated as reserve amount divided by 100 (50 years × two fiscal periods = 100 fiscal periods). Assuming that the dividend reserves as of the date of this report (33.5 billion yen) will be transferred to the temporary difference adjustment reserves, the minimum drawdown amount would be 335 million yen per period.

\* However, this dividend payout policy does not guarantee the actual amount of dividends. The dividends should ultimately be approved by ADR's Board of Directors for each fiscal period. And in some circumstances, ADR would draw down more than the amount needed to reach a DPU of 4,500 yen with an aim to stabilize dividends.



## Contribute to Building a Sustainable Society and Increase Unit-holders' Value

### Measures Taken During the Fiscal Period Ended January 2016

#### Environmental Considerations

##### ► Installation of LED lighting

Lighting for common areas of 4 properties was replaced with energy-conserving LED lighting. (LED lighting installed in 27 properties in total at the end of Jan. 2016).

##### ► Large-Scale Repairs and Equipment Renewals and Upgrades

Retain asset value, extend economic life and reduce carbon footprint of properties through repairs, renewals and upgrades.

During the Fiscal Period ended January 2016 large-scale repairs were done on 3 properties and upgrades were done on 30 units of 9 properties.

(Track record since the merger\*: large-scale repairs on 18 properties, upgrades on 137 units of 16 properties.)

\* As of the end of Jan. 2016. Excluding properties that have already been sold.



R-42 RESIDIA Nishijin

#### Contribution to Local Communities

##### ► Installing Automated External Defibrillators (AEDs)

Newly installing AEDs that are open to public use\* in 5 properties.

\* AEDs are available in 31 properties in total as of the end of Jan. 2016.

##### ► Posting Emergency Maps

Newly posted Emergency maps\* showing evacuation routes in common areas of 100 properties.

\* Wide-area evacuation centers to be used in case of a disaster are clearly marked. Maps are available in 250 properties in total as of the end of Jan. 2016.

##### ► Distributing Emergency Kits

Newly distributed 351 emergency kits to tenants.

(the kit consists of emergency rations, helmets, portable toilets, etc.)



#### DBJ Green Building Certification



DBJ Green Building

### No. 1 Highest Number Residential Properties Awarded\*

DBJ Green Building Certification Awarded for 5 properties



P-50 RESIDIA Nishi-Azabu



P-76 Park Tower Shibaura Bayward Urban Wing

\* Based on materials published by Development Bank of Japan as of March 8, 2016 and consolidated by AD Investment Management Co., Ltd. The number of ADR properties includes properties that acquired certification in March 2016.

#### Participated in the GRESB Survey 2015



Continued to participate in the GRESB Survey in 2015 after being the first residential J-REIT to participate in the survey in 2014.

### 2015 GRESB Survey Result

### No. 2 Asia / Residential Sector

GRESB is an industry-driven organization committed to assessing the sustainability performance of real estate portfolios (public, private, and direct) around the globe. The dynamic benchmark is used by institutional investors to engage with their investments with the aim to improve the sustainability portfolio, and the global property sector at large.





# I. Asset Management Report



# Management's Discussion and Analysis

## 1 Summary of Selected Financial Data

	Fiscal Period	units	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	10th FP From: Feb. 1, 2015 To: Jul. 31, 2015	11th FP From: Aug. 1, 2015 To: Jan. 31, 2016
Operating results	Operating revenues	million yen	13,794	14,668	15,633	14,998	15,082
	(Rental revenue) a	million yen	13,756	14,590	14,738	14,964	15,082
	(Gain on real estate sales) b	million yen	—	—	839	—	—
	Total operating expenses	million yen	6,658	7,164	7,474	7,497	7,593
	(Rental business expenses) c	million yen	5,366	5,749	5,817	5,974	6,024
	(Loss on real estate sales) d	million yen	—	—	185	—	—
	(Impairment loss) e	million yen	—	—	—	—	—
	Operating income	million yen	7,136	7,504	8,158	7,501	7,489
	Ordinary income f	million yen	5,475	5,880	6,591	5,945	5,951
	Net income g	million yen	5,475	5,880	6,591	5,944	5,951
Balance sheet figures	Total assets h	million yen	418,785	435,215	430,509	440,991	440,108
	Interest-bearing liabilities i	million yen	218,116	221,799	215,799	227,486	226,280
	Net assets j	million yen	195,220	207,757	208,378	207,653	207,661
	Paid-in Capital k	million yen	102,557	114,936	114,936	114,936	114,936
Per unit figures	Total dividends l	million yen	5,722	5,970	6,669	5,943	5,951
	Payout ratio l/g	%	104.5	101.6	101.2	100.0	100.0
	Total number of units issued and outstanding m	Units	1,240,000	1,300,000	1,300,000	1,300,000	1,300,000
	Net assets per unit j/m	yen	157,436	159,813	160,290	159,733	159,739
	Net income per unit Note 2	yen	4,415	4,526	5,070	4,572	4,577
	Dividend per unit l/m	yen	4,615	4,593	5,130	4,572	4,578
	Dividend from earnings per unit	yen	4,615	4,593	5,130	4,572	4,578
	Dividend in excess of earnings per unit	yen	0	0	0	0	0
	Annualized dividend yield Note 3	%	4.2	3.8	3.4	3.4	3.5
Financial indicators	Return on investment (Paid-in Capital) (g+q)/(k+i) Note 3	%	4.8	5.0	5.5	5.0	4.9
	Return on investment (market capitalization) (g+q)/(m+r+i) Note 3	%	3.2	3.1	3.0	2.9	3.0
	FFO per unit (g-b+d+e+q)/m	yen	6,298	6,413	6,504	6,497	6,524
	Annualized n Note 3	yen	12,494	12,932	12,903	13,103	12,942
	FFO per unit r/n	times	17.4	19.0	23.4	20.6	20.1
	Ratio of ordinary income to total assets f/h Note 4	%	1.3	1.4	1.5	1.4	1.4
	Annualized Note 3	%	2.6	2.8	3.0	2.8	2.7
	Equity ratio j/h	%	46.6	47.7	48.4	47.1	47.2
	Return on equity g/j Note 5	%	2.8	2.9	3.2	2.9	2.9
	Annualized Note 3	%	5.6	5.9	6.3	5.8	5.7
	Ratio of interest-bearing liabilities to total assets i/h	%	52.1	51.0	50.1	51.6	51.4
	DSCR o/p	times	6.7	7.2	7.7	7.5	7.4
	Net income before interest and depreciation o	million yen	9,177	9,686	10,476	9,756	9,803
	Interest expenses p	million yen	1,367	1,349	1,365	1,309	1,321
	NOI a-c+q Note 6	million yen	10,722	11,295	11,438	11,491	11,588
	Annualized NOI yield Note 3, 7	%	5.3	5.5	5.3	5.5	5.4
	Depreciation and amortization q Note 10	million yen	2,335	2,457	2,519	2,502	2,531
Reference information	Number of properties under management	—	210	221	240	249	251
	Number of leasable units at end of period	Units	18,113	19,078	19,572	20,122	20,231
	Leasable floor area at end of period Note 8	m <sup>2</sup>	684,547.92	719,838.71	740,021.39	757,856.84	760,453.15
	Occupancy rate at end of period Note 9	%	96.5	95.9	96.5	96.4	96.7
	Unit price at end of period r	yen	217,200	245,500	301,500	270,500	260,500

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 7th Fiscal Period, 181 days for the 8th Fiscal Period, 184 days for the 9th Fiscal Period, 181 days for the 10th Fiscal Period and 184 days for the 11th 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. "Leasable floor area at end of period" refers to the leasable floor area for each building. The area that does not include the leasable floor area of land (parking lots) that is indicated on the lease agreement or applicable drawings is stated.

9. "Occupancy rate at end of period" is calculated by using the formula: "Leased floor area" ÷ "Leasable floor area" × 100.

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





# I. Asset Management Report

## 2 Investment Environment and Operating Performance

The basic policy governing ADR's investment strategy is the realization of stable distribution of earnings over the long term, with the aim of steadily increasing earnings per unit (EPU). In accordance to that policy, the initiatives listed below were undertaken during the current fiscal period, with the aim of achieving further growth.

(i) Raised rent levels and conducted upgrades

ADR maintained high occupancy rates that averaged 96.5% during the period, while also raising rent levels. In addition, ADR actively conducted upgrades aimed at maintaining and strengthening property competitiveness.

(ii) Acquired properties that raise portfolio's profitability

In the current fiscal period, ADR acquired two new properties (total acquisition price of 1.7 billion yen) through negotiated transactions. We acquired carefully selected properties that will help to raise the portfolio's profitability by avoiding taking part in the overly competitive acquisition market.

(iii) Maintained strong financial foundation and reduced financing costs

ADR lowered payable interest rate while generally maintaining debt duration and the fixed interest debt ratio.

The results of these initiatives in the current fiscal period are outlined below.

(million yen)

Item	Previous FP Results	Initial forecast <sup>Note 1</sup>	11th FP Results (January 2016)	Difference from the previous FP	Difference from the initial forecast
Operating revenues	14,998	15,015	15,082	+83	+66
Operating income	7,501	7,454	7,489	(12)	+34
Ordinary income	5,945	5,889	5,951	+6	+62
Net income	5,944	5,889	5,951	+6	+62
Earnings Per Unit	4,572 yen	4,530 yen	4,577 yen	+5 yen <sup>Note 2</sup>	+47 yen <sup>Note 2</sup>
Dividend Per Unit	4,572 yen	4,530 yen	4,578 yen	+6 yen	+48 yen

Notes 1. The initial forecast refers to the earnings forecasts for the 11th Fiscal Period disclosed in the "Brief Summary of Kessan Tanshin" for the 10th Fiscal Period, dated September 8, 2015. The same holds true hereafter.

2. Decimals are deleted from the EPU figures.

Both revenue and income increased compared to initial earnings forecasts. This can be attributed to management focused on internal growth by maintaining high occupancy rates and raising rent levels, as well as reducing interest payments by lowering the payable interest rate and repaying borrowings with cash in hand. As a result, EPU was 4,577 yen, thereby increasing dividends per unit by 48 yen over the initial 4,530 yen forecast to 4,578 yen.

### a) Internal Growth

#### – High Occupancy Rate and Steady Increase in Rent –

The average occupancy rate was 96.5% during the current fiscal period, a record high for an off-season period in the rental housing market <sup>Note 3</sup>. This high occupancy rate explains the increase in rent levels (+0.13% <sup>Note 4</sup>), which exceeded gains in the two previous periods. The high occupancy rate can be attributed to, in addition to ADR's property holdings being competitive, the ongoing influx of people to Tokyo's 23 wards and major regional cities, while the new supply of rental homes has been limited. In regards to rent levels, ADR succeeded in raising rents in cooperation with property management companies such as Itochu Urban Community Co., Ltd., to which ADR entrusts the management of its property holdings, on new contracts when replacing tenants as well as on contract renewals.

#### – Initiatives to maintain and enhance competitiveness of property holdings –

With the aim of maintaining and strengthening the competitive advantage of properties, we conducted large-scale renovations of common areas at 3 properties and conducted upgrades such as replacing room fixtures and changing room layouts and specifications on 30 individual apartment units in nine properties. As a result of these upgrades, we were able to attract new tenants at rents significantly higher than the former level at a majority of the upgraded units. Properties in ADR's portfolio will age as they are held longer. In order to maintain and enhance the value of the properties, ADR will continue to devise appropriate construction plans, taking into account the return on investments.

#### – Sustainability initiatives –

ADR takes steps to consider the environment and improve tenant satisfaction, and contribute to local communities. In the current fiscal period, we introduced LED lighting to common areas in a number of properties and installed water-conserving

toilets when replacing fixtures in individual units. We also distributed emergency kits to new tenants free of charge. We also installed AED devices that are open to public use as well as vending machines for which a portion of profits are donated to a children's cancer hospital. ADR aims to contribute to the creation of a sustainable society and further enhance unit-holder value through these measures.

Notes 3. In this report, fiscal periods that do not include March, when new rental contracts tend to be concluded, are referred to as a "non-peak period" (in ADR's case, this is the fiscal period ending on January 31).

4. The average 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.

#### b) External Growth – Increasing portfolio profitability by acquiring properties through negotiated transactions –

Despite an intensely competitive property acquisition market, ADR was able to acquire properties that would increase portfolio profitability by avoiding excessive competition through negotiated transactions utilizing the high-quality trading information that we are able to access.

Specifically, we acquired RESIDIA Yoyogi II in September 2015 (acquisition price of 830 million yen) and RESIDIA Sakae in January 2016 (acquisition price of 860 million yen). Both sellers are corporations in Japan, and we succeeded in acquiring the properties in negotiated transactions. As the ages of these two properties are below the portfolio average and their average yield after depreciation <sup>Note 5</sup> exceeds the average of the existing portfolio, we expect these properties to enhance the portfolio's quality and increase profitability. As a result of these acquisitions, ADR continues to maintain the largest portfolio among the residential J-REITs, with holdings of 251 properties valued at 425.8 billion yen as of the end of the current fiscal period.

Note 5. The average yield after depreciation for acquired properties is calculated using the formula: ("Total annual NOI by direct capitalization method in the real estate appraisal report prepared upon the acquisition" – "Total annual depreciation expenses") ÷ "Total acquisition price" × 100. The depreciation expenses are the estimates that ADR calculates based on certain assumptions at the time of acquisition using the straight-line method, just as it does with existing properties. The average yield after depreciation for existing properties is calculated using the formula: ("Total annual NOI in the fiscal period ended on July 31, 2015" – "total annualized depreciation expenses") ÷ Total book value at period-end × 100.

#### c) Finance Policy – Reducing financing costs while maintaining financial foundation –

To assure a stable distribution of earnings over the long term, we strive for longer maturities, diversified repayment dates and fixed interest-rate debts in our debt financing.

During the current fiscal period, ADR conducted debt financing for a total of 9.8 billion yen for the purpose of refinancing debts reaching maturity and funding property acquisitions (average debt period of 7.7 years and average interest rate of 0.63% <sup>Note 6</sup>). As a result, ADR's average remaining duration of debts as of the end of the current fiscal period was 3.9 years, the ratio of fixed interest-rate debts <sup>Note 7</sup> was 98.4%, and the average interest rate <sup>Note 9</sup> was 1.14%. We therefore managed to reduce payable interest-rate levels while generally maintaining debt duration and the fixed interest debt ratio. 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 for three-year term) at the end of this period, thereby maintaining a debt structure with sufficiently diversified maturity.

ADR's current policy is to manage total asset LTV at no more than 53% and appraisal LTV at no more than 50%, but at the end of this period, ADR's total asset LTV <sup>Note 8</sup> was 51.4% and appraisal LTV <sup>Note 8</sup> was 45.9%, indicating that an adequate amount of acquisition capacity has been secured.

Notes 6. The fixed interest rate after the application of interest-rate swap is used in calculating the average interest rate.

7. If floating interest-rate loans are hedged using interest-rate swaps, the loans are treated as fixed interest-rate loans for the amount hedged by the swap.

8. 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 interest-bearing liabilities ÷ 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) Internal Growth

For properties with high occupancy, we will work to raise rents at the time of tenant replacements as well as contract renewals. In addition, we will aim to maintain and improve property revenues by improving leasing-related income and expenses by such measures as making greater efforts to ensure key money income. We will also keep working to maintain and enhance the competitive advantages of our properties by continuing to conduct timely large-scale renovations depending on the aging of the building and appropriate upgrades according to the property characteristics.

#### b) 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 trading information that we are able to access, and strive to only acquire properties that enhance the profitability of our portfolio.



# I. Asset Management Report

Meanwhile, we will continue to seek any opportunity arising from the buoyant property market by replacing properties to raise the quality of the portfolio and to strengthen the portfolio's competitive advantages.

ADR decided to acquire 4 properties developed by Itochu Corporation, our sponsor, effective February 22, 2016, with the aim of improving the portfolio's quality and strengthening competitiveness (the tentative acquisition price is 8.04 billion yen). The 4 properties are all recently constructed and located within the 23 wards of Tokyo, and as such we expect that they will generate stable demand over the long term.

## 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 foundation of ADR and enable it to respond more flexibly to future financial market volatilities. At the same time, since long-term rates are extremely low, ADR strives to further reduce its average payable interest rate while maintaining its solid financial foundation.

## d) Dividend Payout Strategy

ADR plans to begin drawing down its dividend reserve and payout as part of dividend following the partial revision of the Regulations Concerning Accounting of Investment Corporations and Regulations on Real Estate Investment Trusts and Real Estate Investment Corporations stipulated by The Investment Trusts Association, Japan, beginning in the fiscal period ending on January 31, 2017 (13th fiscal period), which requires ADR to drawdown the reserve within 50 years. Specifically, ADR will transfer the dividend reserve held as of the end of the fiscal period ending on July 31, 2016 (12th Fiscal Period) to the temporary difference adjustment reserve, and drawdown and payout within the remaining reserve amount, an amount per period which is equal or more than 100th<sup>Note 9</sup> of the original transferred reserve amount. In the event that dividend per unit (DPU) of a period is to be less than 4,500 yen even with the minimal supplemental payout described above, ADR will, in principle, increase the payout from the reserve to maintain the DPU at 4,500 yen<sup>Note 10</sup>.

Notes 9. The revision requires that the reserve be drawn down within 50 years at the latest. There are two fiscal periods per annum. Therefore the minimum drawdown per period is calculated as reserve amount divided by 100 (50 years × two fiscal periods = 100 fiscal periods). Assuming that the dividend reserves as of the date of this report (33.5 billion yen) will be transferred to the temporary difference adjustment reserves, the minimum drawdown amount would be 335 million yen per period.

10. However, this dividend payout policy does not guarantee the actual amount of dividend payments. The dividend payments should ultimately be approved by ADR's Board of Directors for each fiscal period. And in some circumstances, ADR would drawdown more than the amount needed to reach a DPU of 4,500 yen with an aim to stabilize dividends.

## 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	
February 1, 2012	Follow-on offering	110,000	1,090,000	14,231	78,793	1
February 29, 2012	Third-party allotment	10,000	1,100,000	1,293	80,087	2
February 1, 2013	Follow-on offering	135,000	1,235,000	21,667	101,754	3
February 27, 2013	Third-party allotment	5,000	1,240,000	802	102,557	4
February 3, 2014	Follow-on offering	58,000	1,298,000	11,967	114,524	5
February 26, 2014	Third-party allotment	2,000	1,300,000	412	114,936	6

Notes 1. 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.  
2. 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.  
3. 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.  
4. 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.  
5. 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.  
6. 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	7th FP January 2014	8th FP July 2014	9th FP January 2015	10th FP July 2015	11th FP January 2016
High	229,800 yen	263,600 yen	321,000 yen	305,000 yen	281,400 yen
Low	194,300 yen	206,500 yen	245,800 yen	269,300 yen	229,600 yen



## Overview of the Investment Corporation

### 1 Major Unit-holders

The following are the major unit-holders as of January 31, 2016.

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	375,004	28.84
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	125,511	9.65
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo Harumi Island Triton Square Office Tower Z	74,721	5.74
The Nomura Trust & Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	45,758	3.51
ITOCHU Corporation	2-5-1 Kita-Aoyama, Minato-ku, Tokyo	34,800	2.67
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	1-8-12 Harumi, Chuo-ku, Tokyo Harumi Island Triton Square Office Tower Z	15,812	1.21
Nomura Securities Co., Ltd. (Proprietary Account)	1-9-1 Nihonbashi, Chuo-ku, Tokyo	15,030	1.15
State Street Bank - West Pension Fund Clients - Exempt	1776 Heritage Drive, North Quincy, MA 02171 U.S.A.	14,888	1.14
Fuji Fire and Marine Insurance Co., Ltd.	1-18-11 Minamisenba, Chuo-ku, Osaka-city, Osaka	13,278	1.02
Mizuho Trust & Banking Co., Ltd.	1-2-1 Yaesu, Chuo-ku, Tokyo	11,528	0.88
<b>Total</b>		<b>726,330</b>	<b>55.87</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

## 2 Directors and Independent Auditor

1. The executive director, supervisory directors, and independent auditor as of January 31, 2016 are as follows.

Title	Name	Primary concurrent positions	Total amount of compensation 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	1,800
		Auditor, TYO Inc.	
Supervisory director	Yoshiki Oshima	President, Akasaka Law Office L.P.C.	1,800
Independent auditor	Deloitte Touche Tohmatsu LLC		21,500 <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 (as of the date of this document, Article 31-4, Paragraph 1 of the said Act) 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 (2,500 thousand yen).

2. Policy for dismissal or refusal of reappointment of independent auditor

The Board of Directors of ADR shall consider 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.

## 3 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, 2016.

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.
	management of special accounts	Mizuho Trust & Banking Co., Ltd.
	accounting, taxation, institutional operations	Sumitomo Mitsui Trust Bank Limited
	administration for investment corporation bonds	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
		Sumitomo Mitsui Trust Bank Limited
		Mizuho Bank, Ltd.

# Real Estate Portfolio

## Real Estate Portfolio

The following are the itemized assets held by ADR as of January 31, 2016.

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) Note 1	10th Fiscal Period (Feb. 1, 2015 ~ Jul. 31, 2015)				11th Fiscal Period (Aug. 1, 2015 ~ Jan. 31, 2016)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,432	3,060	1	95.0	85,804	0.6	1	93.8	87,822	0.6
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	Beneficiary interests in trust	1,464	1,990	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	1,152	1,190	1	83.5	35,037	0.2	1	96.8	34,064	0.2
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,182	1,350	1	91.4	35,707	0.2	1	100.0	35,783	0.2
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	Beneficiary interests in trust	2,078	2,490	1	93.4	69,581	0.5	1	100.0	71,374	0.5
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,082	1,190	1	95.4	31,783	0.2	1	91.0	30,741	0.2
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,077	1,250	1	93.7	33,629	0.2	1	97.9	33,986	0.2
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,589	2,920	1	100.0	75,326	0.5	1	100.0	75,463	0.5
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	Beneficiary interests in trust	715	718	1	100.0	19,714	0.1	1	94.1	20,480	0.1
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	Beneficiary interests in trust	735	850	1	100.0	22,895	0.2	1	100.0	23,703	0.2
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	Beneficiary interests in trust	569	695	1	100.0	17,944	0.1	1	100.0	17,958	0.1
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,325	1,600	1	92.8	45,565	0.3	1	95.3	42,877	0.3
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	Beneficiary interests in trust	936	1,080	1	91.1	31,259	0.2	1	98.0	30,653	0.2
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,430	1,930	1	97.7	54,266	0.4	1	100.0	57,402	0.4
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	Beneficiary interests in trust	887	974	1	85.0	26,166	0.2	1	97.1	25,784	0.2
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	Beneficiary interests in trust	567	631	1	84.7	16,592	0.1	1	93.9	18,089	0.1
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	Beneficiary interests in trust	732	713	1	88.6	19,367	0.1	1	83.8	17,432	0.1
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	Real estate	1,560	1,980	1	100.0	53,369	0.4	1	94.1	53,704	0.4
P-30	Pianetta Shiodome	Minato-ku, Tokyo	Beneficiary interests in trust	1,835	2,130	1	97.3	62,513	0.4	1	98.7	63,199	0.4
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	Beneficiary interests in trust	315	377	1	100.0	11,214	0.1	1	83.9	11,029	0.1
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	Beneficiary interests in trust	313	382	1	92.7	11,016	0.1	1	100.0	11,139	0.1
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	Beneficiary interests in trust	349	410	1	100.0	12,717	0.1	1	100.0	12,211	0.1
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	Beneficiary interests in trust	271	327	1	91.5	9,522	0.1	1	100.0	9,564	0.1
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	Real estate	889	1,080	1	89.5	32,329	0.2	1	97.8	32,928	0.2
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	Real estate	2,238	2,680	1	98.8	59,084	0.4	1	97.7	84,694	0.6
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	Real estate	1,117	1,370	1	90.5	42,499	0.3	1	89.1	41,512	0.3
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	Real estate	1,948	2,320	1	96.6	69,103	0.5	1	92.6	66,405	0.4
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	Real estate	1,155	1,300	1	95.6	34,308	0.2	1	95.9	36,193	0.2
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	Real estate	1,262	1,510	1	96.8	40,413	0.3	1	100.0	41,052	0.3
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	Real estate	1,116	1,420	1	98.5	37,736	0.3	1	100.0	40,245	0.3
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	Real estate	881	1,030	1	96.4	31,672	0.2	1	96.3	30,057	0.2
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	Real estate	1,005	1,260	1	97.1	35,473	0.2	1	95.2	35,739	0.2
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	Beneficiary interests in trust	995	1,170	1	100.0	34,932	0.2	1	85.5	34,462	0.2
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	Real estate	2,190	2,580	1	92.8	74,581	0.5	1	92.8	74,008	0.5
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	Real estate	3,493	3,690	1	97.6	101,970	0.7	1	95.4	102,888	0.7
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	Real estate	1,123	1,300	1	89.4	38,073	0.3	1	97.7	37,521	0.2
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	Beneficiary interests in trust	6,484	7,390	1	96.5	204,118	1.4	1	97.7	207,530	1.4
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	Beneficiary interests in trust	2,025	2,050	1	98.3	56,983	0.4	1	93.6	56,853	0.4
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,373	2,850	1	97.0	77,784	0.5	1	100.0	76,365	0.5
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	Beneficiary interests in trust	3,571	3,980	1	91.9	106,480	0.7	1	85.0	103,956	0.7





# I. Asset Management Report

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) Note 1	10th Fiscal Period (Feb. 1, 2015 ~ Jul. 31, 2015)				11th Fiscal Period (Aug. 1, 2015 ~ Jan. 31, 2016)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	Real estate	15,383	17,700	1	100.0	452,753	3.0	1	100.0	454,115	3.0
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	Real estate	2,586	3,310	1	91.7	87,862	0.6	1	98.2	88,141	0.6
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	Real estate	712	491	1	76.6	15,137	0.1	1	100.0	15,017	0.1
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	Real estate	1,526	2,000	1	93.0	56,907	0.4	1	98.5	57,120	0.4
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	Real estate	1,364	1,430	1	97.1	39,167	0.3	1	90.7	39,750	0.3
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	Real estate	1,960	2,080	1	97.3	54,474	0.4	1	97.9	55,822	0.4
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	Real estate	6,027	5,940	1	94.9	179,796	1.2	1	90.4	185,133	1.2
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	Real estate	1,215	1,470	1	96.0	43,723	0.3	1	97.4	41,529	0.3
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,790	2,280	1	92.4	60,830	0.4	1	96.9	62,161	0.4
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	Beneficiary interests in trust	1,559	1,720	1	98.4	49,068	0.3	1	90.9	48,161	0.3
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	Beneficiary interests in trust	1,695	1,800	1	97.9	50,819	0.3	1	97.9	48,285	0.3
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	Real estate	1,100	1,340	1	100.0	38,270	0.3	1	97.9	38,460	0.3
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	Real estate	1,232	1,450	1	96.5	40,777	0.3	1	94.3	39,357	0.3
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	Real estate	1,740	2,130	1	91.3	55,859	0.4	1	97.1	57,818	0.4
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	Real estate	884	987	1	96.2	27,575	0.2	1	100.0	26,695	0.2
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	Beneficiary interests in trust	931	1,060	1	95.0	29,554	0.2	1	89.9	33,207	0.2
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	Beneficiary interests in trust	4,470	5,450	1	89.6	160,248	1.1	1	94.7	160,889	1.1
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	Real estate	892	880	1	93.8	28,517	0.2	1	86.6	29,223	0.2
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	Beneficiary interests in trust	5,097	5,700	1	97.2	153,604	1.0	1	91.2	151,607	1.0
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	Beneficiary interests in trust	9,089	10,800	1	97.3	312,638	2.1	1	95.0	317,872	2.1
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	Beneficiary interests in trust	858	962	1	100.0	30,136	0.2	1	100.0	29,700	0.2
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	Real estate and leasehold rights to real estate	1,664	1,420	1	100.0	51,120	0.3	1	100.0	51,239	0.3
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	Real estate	1,395	1,590	1	100.0	44,131	0.3	1	88.5	44,806	0.3
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	Beneficiary interests in trust	849	1,170	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	2,380	2,920	1	96.0	89,365	0.6	1	95.1	78,806	0.5
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,040	2,480	1	100.0	59,801	0.4	1	100.0	59,834	0.4
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	Real estate	1,579	1,820	1	89.7	48,347	0.3	1	93.1	47,799	0.3
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	Real estate	3,389	4,190	1	95.9	113,134	0.8	1	90.4	111,515	0.7
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	Beneficiary interests in trust	3,771	4,430	1	91.8	120,158	0.8	1	96.4	116,625	0.8
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	Beneficiary interests in trust	972	1,230	1	97.0	31,906	0.2	1	100.0	32,041	0.2
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	Beneficiary interests in trust	789	966	1	100.0	29,061	0.2	1	77.9	25,998	0.2
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,255	1,600	1	100.0	42,128	0.3	1	98.4	43,428	0.3
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,639	2,040	1	88.9	54,824	0.4	1	94.9	52,039	0.3
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	Beneficiary interests in trust	1,499	1,920	1	80.6	48,299	0.3	1	93.0	45,058	0.3
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	Beneficiary interests in trust	3,815	4,240	1	93.9	115,978	0.8	1	94.8	111,581	0.7
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	Beneficiary interests in trust	1,137	1,350	1	100.0	36,581	0.2	1	95.8	35,649	0.2
P-98	Artis Court Minamiaoyama	Minato-ku, Tokyo	Beneficiary interests in trust	1,747	1,850	1	97.4	49,432	0.3	1	97.0	53,227	0.4
P-99	RESIDIA Yotsuya Sanchome	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,127	2,630	1	95.3	81,659	0.5	1	96.1	83,397	0.6
P-100	RESIDIA Takanawa Katsurazaka	Minato-ku, Tokyo	Beneficiary interests in trust	955	1,020	1	95.7	28,214	0.2	1	95.8	28,674	0.2
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	Real estate	655	729	1	96.8	19,232	0.1	1	96.7	18,491	0.1
P-102	RESIDIA Shinjuku-gyoen	Shinjuku-ku, Tokyo	Beneficiary interests in trust	731	807	1	95.0	24,975	0.2	1	97.5	22,878	0.2
P-103	RESIDIA Minami Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,221	1,320	1	100.0	26,313	0.2	1	95.9	39,675	0.3
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	Beneficiary interests in trust	3,191	3,760	1	95.5	59,649	0.4	1	92.8	100,002	0.7
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,321	1,520	1	96.0	24,410	0.2	1	98.3	40,732	0.3



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P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,013	1,140	1	94.8	18,441	0.1	1	87.9	30,473	0.2
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	Real estate	905	924	—	—	—	—	1	93.4	17,664	0.1
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	Beneficiary interests in trust	1,627	2,370	1	92.9	66,926	0.4	1	99.3	67,053	0.4
C-2	RESIDIA Kamata	Ota-ku, Tokyo	Beneficiary interests in trust	2,207	3,420	1	97.8	106,313	0.7	1	97.6	96,472	0.6
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	1,421	1,730	1	100.0	45,949	0.3	1	100.0	45,936	0.3
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,583	2,070	1	100.0	51,072	0.3	1	100.0	51,091	0.3
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	Beneficiary interests in trust	959	1,350	1	100.0	39,081	0.3	1	97.0	40,143	0.3
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	Beneficiary interests in trust	926	1,060	1	96.3	36,995	0.2	1	94.7	36,515	0.2
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	Beneficiary interests in trust	2,922	3,570	1	96.4	98,988	0.7	1	94.1	98,456	0.7
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,569	1,750	1	95.6	47,078	0.3	1	97.8	48,177	0.3
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	Beneficiary interests in trust	866	1,110	1	100.0	32,605	0.2	1	100.0	32,561	0.2
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	Beneficiary interests in trust	5,095	5,430	1	100.0	136,764	0.9	1	100.0	136,751	0.9
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	3,019	3,590	1	98.7	106,255	0.7	1	97.1	98,102	0.7
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	Beneficiary interests in trust	1,877	1,980	1	94.7	56,657	0.4	1	97.9	56,813	0.4
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	Beneficiary interests in trust	4,072	4,430	1	98.6	119,062	0.8	1	94.9	119,360	0.8
C-16	RESIDIA Negishi	Taito-ku, Tokyo	Beneficiary interests in trust	834	899	1	93.0	27,766	0.2	1	96.5	26,717	0.2
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	Beneficiary interests in trust	1,788	2,160	1	95.2	61,559	0.4	1	90.9	61,137	0.4
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	555	683	1	97.4	21,661	0.1	1	92.9	21,087	0.1
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	Beneficiary interests in trust	329	466	1	96.7	14,210	0.1	1	96.7	14,735	0.1
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	947	1,140	1	91.6	33,221	0.2	1	98.4	33,664	0.2
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	Real estate	1,358	1,760	1	100.0	50,447	0.3	1	100.0	51,372	0.3
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	Beneficiary interests in trust	1,813	2,040	1	87.4	57,459	0.4	1	93.7	56,225	0.4
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	Real estate	1,144	1,430	1	100.0	38,847	0.3	1	100.0	38,847	0.3
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	Beneficiary interests in trust	1,206	1,570	1	100.0	41,973	0.3	1	100.0	41,973	0.3
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	Beneficiary interests in trust	561	715	1	90.5	20,577	0.1	1	97.2	20,743	0.1
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	Beneficiary interests in trust	1,879	2,400	1	100.0	60,378	0.4	1	100.0	60,444	0.4
C-28	RESIDIA Oji	Kita-ku, Tokyo	Beneficiary interests in trust	799	1,000	1	100.0	34,584	0.2	1	100.0	34,584	0.2
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	Real estate	994	1,180	1	93.1	35,821	0.2	1	95.3	35,373	0.2
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	Real estate	1,039	1,230	1	94.3	35,452	0.2	1	100.0	35,772	0.2
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	Real estate	1,295	1,590	1	94.1	46,426	0.3	1	96.5	46,217	0.3
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,332	2,790	1	92.5	81,613	0.5	1	95.4	78,532	0.5
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	Real estate	2,272	2,580	1	91.9	70,258	0.5	1	94.0	70,480	0.5
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	Beneficiary interests in trust	3,112	3,780	1	100.0	108,112	0.7	1	94.2	108,668	0.7
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	Beneficiary interests in trust	650	846	1	94.3	25,603	0.2	1	96.6	25,215	0.2
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	Beneficiary interests in trust	975	1,270	1	98.1	38,042	0.3	1	100.0	38,572	0.3
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	Beneficiary interests in trust	353	404	1	100.0	13,730	0.1	1	93.9	12,820	0.1
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	Beneficiary interests in trust	516	720	1	100.0	20,470	0.1	1	100.0	21,444	0.1
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	Real estate	1,370	1,600	1	95.6	45,699	0.3	1	97.5	44,044	0.3
C-41	RESIDIA Iriya	Taito-ku, Tokyo	Beneficiary interests in trust	906	1,100	1	100.0	36,346	0.2	1	96.0	36,714	0.2
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	Real estate	1,264	1,480	1	95.6	41,663	0.3	1	93.4	41,066	0.3
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	Real estate	1,780	2,070	1	91.2	58,216	0.4	1	96.7	56,404	0.4
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	Real estate	1,227	1,380	1	96.6	41,373	0.3	1	96.7	43,982	0.3
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	Beneficiary interests in trust	1,225	1,470	1	93.6	43,363	0.3	1	95.1	42,403	0.3
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	Beneficiary interests in trust	6,171	7,170	1	95.9	225,664	1.5	1	95.4	218,709	1.5



# I. Asset Management Report

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C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	Beneficiary interests in trust	680	789	1	100.0	28,130	0.2	1	93.4	25,957	0.2
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	Real estate	5,193	6,580	1	100.0	165,139	1.1	1	100.0	165,484	1.1
C-49	RESIDIA Suginami-Honacho	Suginami-ku, Tokyo	Beneficiary interests in trust	3,714	5,140	1	100.0	136,768	0.9	1	100.0	136,532	0.9
C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	Beneficiary interests in trust	869	1,190	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	1,946	2,850	1	97.4	78,864	0.5	1	97.4	77,920	0.5
C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,115	1,450	1	96.9	42,774	0.3	1	96.9	37,666	0.2
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	Real estate	2,338	2,840	1	96.3	80,204	0.5	1	100.0	81,055	0.5
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	Beneficiary interests in trust	2,534	3,500	1	95.4	91,564	0.6	1	94.1	90,722	0.6
C-55	RESIDIA Minami-senju	Arakawa-ku, Tokyo	Beneficiary interests in trust	2,544	3,490	1	97.9	159,363	1.1	1	100.0	160,168	1.1
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	Real estate	1,778	2,170	1	99.1	64,480	0.4	1	97.0	60,251	0.4
C-57	RESIDIA Monzenkacho	Koto-ku, Tokyo	Beneficiary interests in trust	994	1,270	1	85.3	27,969	0.2	1	98.5	36,258	0.2
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,089	2,730	1	96.1	77,462	0.5	1	95.4	73,972	0.5
C-59	RESIDIA Omori	Ota-ku, Tokyo	Beneficiary interests in trust	1,148	1,420	1	94.7	41,859	0.3	1	97.4	41,031	0.3
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	Beneficiary interests in trust	1,067	1,340	1	98.7	38,963	0.3	1	90.5	37,008	0.2
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	Beneficiary interests in trust	1,797	2,370	1	96.5	65,559	0.4	1	92.8	64,992	0.4
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,328	2,880	1	95.6	79,259	0.5	1	96.4	79,375	0.5
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	Beneficiary interests in trust	669	823	1	100.0	26,947	0.2	1	100.0	25,414	0.2
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	Beneficiary interests in trust	950	1,210	1	98.4	34,360	0.2	1	95.2	32,870	0.2
C-65	RESIDIA TOWER Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	8,368	10,600	1	95.6	695,473	4.6	1	97.5	704,896	4.7
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	Real estate	532	596	1	100.0	16,882	0.1	1	100.0	16,880	0.1
C-67	RESIDIA Shimura-Sakaue	Itabashi-ku, Tokyo	Real estate	613	671	1	100.0	18,084	0.1	1	100.0	18,084	0.1
C-68	RESIDIA Shimura-Sakaue II	Itabashi-ku, Tokyo	Beneficiary interests in trust	1,142	1,310	1	100.0	35,941	0.2	1	100.0	35,940	0.2
C-69	RESIDIA Shimura-Sakaue III	Itabashi-ku, Tokyo	Real estate	436	481	1	100.0	13,608	0.1	1	100.0	13,608	0.1
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	Beneficiary interests in trust	1,136	1,310	1	91.6	43,941	0.3	1	89.4	40,857	0.3
C-71	RESIDIA Ojima	Koto-ku, Tokyo	Beneficiary interests in trust	1,306	1,500	1	95.4	43,468	0.3	1	98.9	43,681	0.3
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	Beneficiary interests in trust	1,206	1,260	1	96.8	39,346	0.3	1	98.1	40,911	0.3
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	Beneficiary interests in trust	1,800	1,860	1	91.5	51,300	0.3	1	98.3	51,804	0.3
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	Beneficiary interests in trust	523	610	1	100.0	18,060	0.1	1	100.0	18,060	0.1
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	Beneficiary interests in trust	404	456	1	100.0	14,110	0.1	1	100.0	14,388	0.1
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	Real estate	699	743	1	97.5	21,249	0.1	1	100.0	22,007	0.1
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	Real estate	497	542	1	100.0	13,620	0.1	1	100.0	13,620	0.1
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	Beneficiary interests in trust	1,379	1,500	1	97.3	42,581	0.3	1	93.6	42,517	0.3
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	Beneficiary interests in trust	1,014	1,130	1	94.0	18,878	0.1	1	94.8	32,645	0.2
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	Beneficiary interests in trust	913	1,070	1	98.3	18,921	0.1	1	96.7	32,378	0.2
C-81	RESIDIA Omori III	Ota-ku, Tokyo	Beneficiary interests in trust	1,441	1,560	1	100.0	23,087	0.2	1	88.1	39,892	0.3
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,043	2,260	1	96.3	34,860	0.2	1	98.3	58,949	0.4
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	Beneficiary interests in trust	1,902	2,110	1	97.5	35,222	0.2	1	100.0	61,182	0.4
S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	Beneficiary interests in trust	722	734	1	97.5	29,278	0.2	1	92.3	27,681	0.2
S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	Beneficiary interests in trust	1,054	1,180	1	100.0	43,081	0.3	1	97.7	43,760	0.3
S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,808	1,940	1	100.0	61,522	0.4	1	100.0	61,503	0.4
S-7	RESIDIA Chofu	Chofu-shi, Tokyo	Beneficiary interests in trust	1,093	1,170	1	88.1	34,496	0.2	1	97.5	33,232	0.2
S-11	Tokyo Student-House WAKO	Wako-shi, Saitama	Beneficiary interests in trust	695	731	1	100.0	26,186	0.2	1	100.0	26,182	0.2
S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	Beneficiary interests in trust	515	572	1	100.0	19,818	0.1	1	97.0	18,769	0.1
S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,562	1,770	1	94.9	57,157	0.4	1	95.6	55,593	0.4



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S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	730	878	1	100.0	27,167	0.2	1	100.0	27,235	0.2
S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	Real estate	1,511	1,790	1	95.3	56,629	0.4	1	97.8	55,922	0.4
S-17	RESIDIA Funabashi I	Funabashi-shi, Chiba	Beneficiary interests in trust	2,582	2,940	1	100.0	94,184	0.6	1	100.0	94,128	0.6
	RESIDIA Funabashi II												
S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	Beneficiary interests in trust	1,431	1,550	1	91.9	47,164	0.3	1	98.0	46,700	0.3
S-20	Pacific Royal Court Minatomirai Ocean Tower	Yokohama-shi, Kanagawa	Real estate and leasehold rights to real estate	12,301	15,900	1	98.8	568,499	3.8	1	100.0	566,075	3.8
S-21	Maison Yachiyodai	Yachiyo-shi, Chiba	Beneficiary interests in trust	821	822	1	87.7	40,302	0.3	1	100.0	40,989	0.3
S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	Real estate	1,574	2,200	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	786	1,090	1	100.0	32,788	0.2	1	100.0	32,760	0.2
S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	Beneficiary interests in trust	2,126	2,750	1	97.2	86,433	0.6	1	95.5	81,774	0.5
S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	840	1,040	1	97.6	37,000	0.2	1	96.5	35,498	0.2
S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	Beneficiary interests in trust	821	1,010	1	94.6	33,402	0.2	1	93.2	30,702	0.2
S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	776	958	1	98.7	36,492	0.2	1	97.3	33,012	0.2
S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	Beneficiary interests in trust	1,665	2,150	1	94.7	63,392	0.4	1	91.1	58,815	0.4
S-29	Cocofump Hiyoshi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,045	1,190	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	1,104	1,210	1	100.0	42,825	0.3	1	100.0	42,924	0.3
S-31	RESIDIA Yokohama-Bashamichi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	785	1,040	1	59.2	25,929	0.2	1	94.5	24,866	0.2
S-32	RESIDIA Hon-Atsugi	Atsugi-shi, Kanagawa	Real estate	660	683	1	94.3	23,080	0.2	1	96.2	23,999	0.2
R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,523	1,690	1	100.0	62,396	0.4	1	100.0	62,379	0.4
R-4	RESIDIA Higashizakura	Nagoya-shi, Aichi	Beneficiary interests in trust	1,085	1,390	1	100.0	48,833	0.3	1	89.9	45,989	0.3
R-5	RESIDIA Kameyama	Kameyama-shi, Mie	Beneficiary interests in trust	1,559	1,190	1	97.1	60,288	0.4	1	97.1	59,905	0.4
R-6	RESIDIA Ryokuchikoen	Toyonaka-shi, Osaka	Beneficiary interests in trust	913	963	1	89.9	32,362	0.2	1	86.0	29,246	0.2
R-8	RESIDIA Kobe Port Island (South Bldg.; Centre Bldg.)	Kobe-shi, Hyogo	Beneficiary interests in trust	3,523	4,070	1	100.0	125,458	0.8	1	100.0	125,445	0.8
	RESIDIA Kobe Port Island (North Bldg.)												
R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	Real estate	1,159	1,340	1	99.4	50,964	0.3	1	98.8	50,258	0.3
R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	Beneficiary interests in trust	869	1,060	1	97.6	37,174	0.2	1	96.3	35,407	0.2
R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	Real estate	2,018	2,710	1	97.0	91,047	0.6	1	98.4	90,246	0.6
R-13	KC21 Building	Sendai-shi, Miyagi	Real estate	897	1,010	1	88.0	34,897	0.2	1	91.8	35,169	0.2
R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	Real estate	1,078	1,420	1	92.4	46,532	0.3	1	100.0	46,639	0.3
R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,826	2,310	1	97.3	76,171	0.5	1	99.4	75,393	0.5
R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	Real estate	2,185	3,020	1	93.0	99,204	0.7	1	98.0	99,947	0.7
R-17	RESIDIA Hibino	Nagoya-shi, Aichi	Beneficiary interests in trust	1,190	1,470	1	94.2	65,526	0.4	1	98.4	65,997	0.4
R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	859	1,110	1	98.2	40,388	0.3	1	94.6	39,100	0.3
R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	291	375	1	97.5	15,818	0.1	1	92.6	15,590	0.1
R-21	RESIDIA Hisaya-Oodori II	Nagoya-shi, Aichi	Real estate	622	781	1	94.8	27,620	0.2	1	94.8	25,673	0.2
R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	Real estate	1,506	1,890	1	95.9	74,560	0.5	1	98.4	75,414	0.5
R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	Real estate	1,234	1,370	1	97.4	56,959	0.4	1	100.0	57,708	0.4
R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	Real estate	1,033	1,300	1	97.8	50,872	0.3	1	100.0	50,577	0.3
R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	Real estate	775	857	1	97.2	32,271	0.2	1	97.2	33,249	0.2
R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	Real estate	661	722	1	93.8	32,953	0.2	1	94.0	31,545	0.2
R-30	RESIDIA Izumi	Nagoya-shi, Aichi	Real estate	3,424	4,120	1	98.0	145,972	1.0	1	93.4	142,886	0.9
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	Real estate	978	1,160	1	96.9	46,073	0.3	1	91.3	44,124	0.3
R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	Real estate	706	835	1	95.9	30,456	0.2	1	92.6	29,296	0.2



# I. Asset Management Report

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) Note 1	10th Fiscal Period (Feb. 1, 2015 ~ Jul. 31, 2015)				11th Fiscal Period (Aug. 1, 2015 ~ Jan. 31, 2016)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	Real estate	1,874	2,450	1	98.1	93,221	0.6	1	96.9	93,339	0.6
R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	Real estate	1,128	1,520	1	96.0	48,067	0.3	1	90.3	45,815	0.3
R-36	RESIDIA Hisaya-Oodori	Nagoya-shi, Aichi	Beneficiary interests in trust	649	885	1	100.0	30,629	0.2	1	90.9	29,914	0.2
R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	Beneficiary interests in trust	523	715	1	100.0	25,951	0.2	1	100.0	23,914	0.2
R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	Beneficiary interests in trust	490	630	1	100.0	21,839	0.1	1	100.0	21,847	0.1
R-39	RESIDIA Edo-ori	Osaka-shi, Osaka	Real estate	1,434	1,840	1	94.2	58,729	0.4	1	95.4	58,955	0.4
R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	Real estate	1,030	1,340	1	94.1	43,035	0.3	1	97.8	41,840	0.3
R-41	RESIDIA Esaka	Suita-shi, Osaka	Beneficiary interests in trust	990	1,290	1	97.5	40,934	0.3	1	93.0	39,845	0.3
R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	2,349	2,950	1	96.7	106,221	0.7	1	96.3	105,589	0.7
R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	Beneficiary interests in trust	1,194	1,620	1	98.4	55,518	0.4	1	96.9	55,702	0.4
R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	Beneficiary interests in trust	2,704	3,710	1	96.4	121,888	0.8	1	97.7	121,384	0.8
R-45	RESIDIA Kita-Nijyo-East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	897	1,070	1	91.1	41,444	0.3	1	98.3	41,917	0.3
R-46	RESIDIA Shinsaibashi West	Osaka-shi, Osaka	Beneficiary interests in trust	1,931	2,320	1	94.0	72,413	0.5	1	97.0	72,660	0.5
R-47	RESIDIA Marunouchi	Nagoya-shi, Aichi	Beneficiary interests in trust	979	1,170	1	95.6	41,880	0.3	1	93.1	40,276	0.3
R-48	RESIDIA Sapporo-Ekimae	Sapporo-shi, Hokkaido	Beneficiary interests in trust	1,490	2,010	1	96.4	75,843	0.5	1	97.1	74,550	0.5
R-49	RESIDIA Goshō-Higashi	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,235	1,530	1	90.4	46,521	0.3	1	96.1	48,191	0.3
R-50	RESIDIA Raku-hoku	Kyoto-shi, Kyoto	Beneficiary interests in trust	881	1,010	1	94.2	34,254	0.2	1	93.0	33,461	0.2
R-51	RESIDIA Miyakojima I & II	Osaka-shi, Osaka	Real estate	3,333	4,430	1	99.3	156,991	1.0	1	97.7	153,844	1.0
R-52	RESIDIA TOWER Sendai	Sendai-shi, Miyagi	Beneficiary interests in trust	1,780	1,990	1	96.8	71,513	0.5	1	97.0	68,742	0.5
R-53	RESIDIA Higashizakura II	Nagoya-shi, Aichi	Beneficiary interests in trust	2,914	3,550	1	91.0	121,474	0.8	1	93.5	121,224	0.8
R-54	RESIDIA Tsutsujigaoka	Sendai-shi, Miyagi	Beneficiary interests in trust	1,828	2,290	1	98.6	82,556	0.6	1	98.1	82,483	0.5
R-55	RESIDIA Kobe-Motomachi	Kobe-shi, Hyogo	Beneficiary interests in trust	1,073	1,340	1	97.9	45,606	0.3	1	97.8	46,248	0.3
R-56	RESIDIA Sendai-Honcho	Sendai-shi, Miyagi	Beneficiary interests in trust	1,139	1,580	1	98.3	52,484	0.4	1	100.0	53,182	0.4
R-57	RESIDIA Sendai-Haranomachi	Sendai-shi, Miyagi	Beneficiary interests in trust	606	854	1	98.8	30,859	0.2	1	100.0	30,718	0.2
R-58	RESIDIA Minami-Ichijo East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	1,088	1,310	1	95.5	47,725	0.3	1	100.0	48,052	0.3
R-59	RESIDIA Shin-Osaka	Osaka-shi, Osaka	Beneficiary interests in trust	2,829	3,290	1	100.0	90,344	0.6	1	100.0	90,428	0.6
R-60	RESIDIA Okayama-Ekimae	Okayama-shi, Okayama	Beneficiary interests in trust	813	929	1	100.0	35,071	0.2	1	100.0	35,094	0.2
R-61	RESIDIA Kyoto Okazaki	Kyoto-shi, Kyoto	Beneficiary interests in trust	240	295	1	100.0	9,695	0.1	1	100.0	9,760	0.1
R-62	RESIDIA Sendai-Ichibancho	Sendai-shi, Miyagi	Beneficiary interests in trust	1,132	1,310	1	100.0	42,606	0.3	1	100.0	42,606	0.3
R-63	RESIDIA Kita-Nijyo-East II	Sapporo-shi, Hokkaido	Beneficiary interests in trust	572	688	1	90.9	26,658	0.2	1	100.0	26,698	0.2
R-64	RESIDIA Takamiya	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	511	548	1	100.0	19,387	0.1	1	97.7	19,069	0.1
R-65	RESIDIA Soen	Sapporo-shi, Hokkaido	Beneficiary interests in trust	411	506	1	98.4	20,375	0.1	1	100.0	20,851	0.1
R-66	RESIDIA Tenjin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,166	1,290	1	95.5	41,614	0.3	1	93.2	40,902	0.3
R-67	RESIDIA Yakuin-Oodori	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,162	1,310	1	100.0	42,603	0.3	1	97.8	43,083	0.3
R-68	RESIDIA Hakata II	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,408	1,520	1	95.3	49,266	0.3	1	93.8	47,780	0.3
R-69	RESIDIA Kego	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	879	1,030	1	94.5	35,876	0.2	1	90.2	33,794	0.2
R-70	RESIDIA Shirakabe	Nagoya-shi, Aichi	Beneficiary interests in trust	975	1,050	1	93.2	34,313	0.2	1	86.9	33,975	0.2
R-71	RESIDIA Sakae	Nagoya-shi, Aichi	Real estate	948	957	-	-	-	-	-	92.2	1,567	0.0
Total				413,193	493,245	249	96.4	14,963,904	100.0	251	96.7	15,082,413	100.0

- Notes 1. "Appraisal value at end of period" is the appraisal value or survey-based value, pursuant to ADR's Articles of Incorporation and the "Regulations Concerning Accounting of Investment Corporations" issued by the Cabinet Office, provided by a real estate appraiser as of January 31, 2016.
2. "Total number of tenants," is counted as "1" if the property is leased under a master lease agreement to a master lessee. Because all properties held by ADR as of January 31, 2016 are leased under a master lease agreement, the "Total" for the "Total number of tenants" column indicates the total number of master lease agreements, which were concluded with 14 master lessees.
3. "Occupancy rate" is calculated by using the formula: "Leased floor area" ÷ "Leasable floor area" × 100.
4. "Rental revenue" is the rental revenue of respective real estate for the fiscal period under review.



## Capital Expenditures

### 1 Planned Capital Expenditures

The following table lists the major capital expenditures for renovations currently planned for the real estate and the underlying real estate of the 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 Bunkyo-Otowa (Bunkyo-ku, Tokyo)	Major repair work	From: Mar. 2016 To: Jul. 2016	132	–	–
RESIDIA Shin-nakano (Nakano-ku, Tokyo)	Major repair work	From: Mar. 2016 To: Jul. 2016	21	–	–
RESIDIA Mejiro (Toshima-ku, Tokyo)	Renovation work on individual units	From: Feb. 2016 To: Jul. 2016	34	–	–
RESIDIA Shibaura (Minato-ku, Tokyo)	Renovation work on individual units	From: Feb. 2016 To: Jul. 2016	28	–	–
RESIDIA Bunkyo-Otowa (Bunkyo-ku, Tokyo)	Renovation work on individual units	From: Feb. 2016 To: Jul. 2016	18	–	–

### 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 459 million yen for the entire portfolio and, when combined with repairs and maintenance cost of 576 million yen, the cost of construction work totals 1,035 million yen.

(million yen)

Name of real estate (Location)	Purpose	Implementation period	Amount paid
RESIDIA Tenjinbashi (Osaka-shi, Osaka)	Major repair work	From: Oct. 2015 To: Jan. 2016	61
RESIDIA Kasai (Edogawa-ku, Tokyo)	Major repair work	From: Nov. 2015 To: Jan. 2016	46
RESIDIA Kamiikebukuro (Toshima-ku, Tokyo)	Major repair work	From: Oct. 2015 To: Jan. 2016	38
Other real estate	Renovations		313
<b>Total</b>			<b>459</b>



# I. Asset Management Report

## 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 mostly from depreciation and amortization (including earnings that are retained), to fund large-scale repair work and upgrades.

(million yen)

Fiscal Period	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	10th FP From: Feb. 1, 2015 To: Jul. 31, 2015	11th FP From: Aug. 1, 2015 To: Jan. 31, 2016
Balance of reserves at beginning of period	1,625	1,684	1,618	1,614	1,423
Amount of reserves during period	455	524	565	534	584
Reversal of reserves during period	397	590	569	725	349
Amount carried forward to next period	1,684	1,618	1,614	1,423	1,658

P-53 RESIDIA Roppongi-Hinokichokoen







## Acquisitions and Disposals in the 11th Fiscal Period

### 1 Acquisitions and Disposals of Real Estate and Asset-Backed Securities

Property no.	Name of real estate	Acquisition		Disposition			
		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)
P-107	RESIDIA Yoyogi II	Sep. 14, 2015	839	—	—	—	—
R-71	RESIDIA Sakae	Jan. 22, 2016	868	—	—	—	—
<b>Total</b>			<b>1,708</b>	—	—	—	—

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

### 2 Transactions with Interested Parties

#### 1) Transactions

Not applicable.

#### 2) Amount of Commission Fees Paid

The following are the commission fees paid to interested parties in the 11th 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)	
Property management fees	1,268,413	ITOCHU Urban Community Ltd.	738,467	58.2
Other rental expenses	113,689	ITOCHU Urban Community Ltd.	62,117	54.6
Advertising expenses	4,410	ITOCHU Urban Community Ltd.	3,210	72.8
Other fees	141,283	ITOCHU Urban Community Ltd.	32,070	22.7
		ITOCHU Human Resources & General Affairs Services Inc.	90	0.1

Notes 1. Transactions are not disclosed if the nominal counter party is an interested party but the actual counter party is clearly a third party.

2. 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 11th Fiscal Period.



# I. Asset Management Report

P-89 RESIDIA TOWER Nakameguro







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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Advance Residence Investment Corporation:

We have audited the accompanying balance sheet of Advance Residence Investment Corporation (the "Company") as of January 31, 2016, and the related statements of income, changes in net assets, cash distributions and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

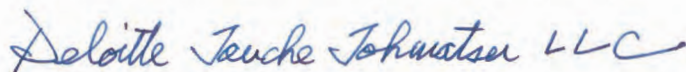
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of January 31, 2016, and results of its operations and its cash flows for the six months then ended in accordance with accounting principles generally accepted in Japan.

### Emphasis of Matter

As discussed in Note 20 to the financial statements, the Company acquired assets and borrowed funds. Our opinion is not modified in respect of this matter.



April 20, 2016

Member of  
Deloitte Touche Tohmatsu Limited



## III. Financial Statements

### Balance Sheets

(Thousands of yen)

	As of July 31, 2015	As of January 31, 2016
<b>Assets</b>		
Current assets		
Cash and deposits (Notes 7 and 9)	9,879,814	11,812,806
Cash and deposits in trust (Notes 7 and 9)	8,598,910	9,080,483
Operating accounts receivable	269,354	245,548
Securities (Notes 7, 9, 10 and 21)	5,850,000	3,000,000
Prepaid expenses	496,998	362,493
Other	21,134	8,847
Allowance for doubtful accounts	(13,409)	(14,118)
Total current assets	25,102,803	24,496,061
Non-current assets		
Property, plant and equipment (Notes 13, 17, 18, 20 and 23)		
Buildings	73,451,310	74,103,220
Accumulated depreciation	(8,230,343)	(9,043,821)
Buildings, net	65,220,966	65,059,399
Structures	19,347	20,853
Accumulated depreciation	(3,390)	(4,041)
Structures, net	15,956	16,812
Machinery and equipment	34,818	44,987
Accumulated depreciation	(4,789)	(6,513)
Machinery and equipment, net	30,029	38,473
Tools, furniture and fixtures	153,480	170,233
Accumulated depreciation	(78,486)	(87,158)
Tools, furniture and fixtures, net	74,993	83,075
Land	68,568,502	69,855,727
Buildings in trust	146,224,831	146,530,944
Accumulated depreciation	(15,418,994)	(17,059,396)
Buildings in trust, net	130,805,837	129,471,548
Structures in trust	174,071	176,255
Accumulated depreciation	(77,058)	(81,155)
Structures in trust, net	97,013	95,100
Machinery and equipment in trust	165,206	175,759
Accumulated depreciation	(69,150)	(75,263)
Machinery and equipment in trust, net	96,056	100,496
Tools, furniture and fixtures in trust	544,944	586,038
Accumulated depreciation	(347,412)	(368,861)
Tools, furniture and fixtures in trust, net	197,532	217,176
Land in trust	145,036,252	145,036,252
Total property, plant and equipment	410,143,139	409,974,062
Intangible assets (Note 23)		
Leasehold rights (Note 18)	1,071,902	1,071,902
Leasehold rights in trust (Note 18)	2,181,577	2,147,139
Other	149	130
Total intangible assets	3,253,629	3,219,173



(Thousands of yen)

	As of July 31, 2015	As of January 31, 2016
Investments and other assets		
Long-term prepaid expenses	844,468	765,499
Guarantee deposits	505,154	511,275
Guarantee deposits in trust	1,026,585	1,026,585
Other	1,684	1,632
Total investments and other assets	2,377,892	2,304,993
Total noncurrent assets	415,774,661	415,498,228
Deferred assets		
Investment unit issuance expenses	6,035	2,719
Investment corporation bond issuance costs	107,926	111,024
Total deferred assets	113,962	113,743
Total assets	440,991,426	440,108,033
Liabilities		
Current liabilities		
Operating accounts payable	355,452	289,552
Current portion of investment corporation bonds (Notes 9 and 25)	–	8,000,000
Current portion of long-term loans payable (Notes 9, 11, 22 and 26)	27,732,572	27,725,822
Accounts payable – other (Note 13)	1,267,455	1,249,304
Accrued expenses	154,553	193,799
Accrued consumption taxes	9,405	40,690
Advances received	61,007	65,843
Other	35,535	27,907
Total current liabilities	29,615,982	37,592,920
Noncurrent liabilities		
Investment corporation bonds (Notes 9 and 25)	35,500,000	30,500,000
Long-term loans payable (Notes 9, 11, 20, 22 and 26)	164,254,329	160,054,329
Tenant leasehold and security deposits	1,223,300	1,220,344
Tenant leasehold and security deposits in trust	2,744,085	3,079,261
Total noncurrent liabilities	203,721,714	194,853,935
Total liabilities	233,337,696	232,446,856
Net assets		
Unit-holders' equity (Note 6)		
Paid-in capital	114,936,698	114,936,698
Surplus		
Capital surplus	53,220,279	53,220,279
Reserve for dividends	33,552,162	33,552,162
Unappropriated retained earnings (undisposed loss)	5,944,589	5,952,037
Total surplus	92,717,032	92,724,479
Total unit-holders' equity	207,653,730	207,661,177
Total net assets (Notes 4 and 19)	207,653,730	207,661,177
Total liabilities and net assets	440,991,426	440,108,033



## Statements of Income

(Thousands of yen)

	For the six months ended July 31, 2015	For the six months ended January 31, 2016
Operating revenue (Note 17)		
Rental revenue – real estate (Notes 5 and 8)	14,964,902	15,082,493
Dividends income	33,969	–
Total operating revenue	14,998,871	15,082,493
Operating expenses		
Expenses related to rent business (Notes 5 and 8)	5,974,846	6,024,756
Asset management fees (Note 13)	1,009,878	1,039,662
Asset custody fees	9,530	9,609
Administrative service fees	61,499	63,032
Directors' compensation	3,600	3,600
Taxes and dues	237,519	260,119
Provision of allowance for doubtful accounts	871	1,205
Bad debt expenses	68	–
Other operating expenses	199,396	191,307
Total operating expenses	7,497,209	7,593,292
Operating income	7,501,661	7,489,201
Non-operating income		
Interest income	12,367	11,066
Interest on securities	1,453	1,552
Reversal of distribution payable	1,462	2,912
Penalty income	–	7,050
Other	13	41
Total non-operating income	15,296	22,623
Non-operating expenses		
Interest expense (Notes 9, 11 and 22)	1,104,397	1,112,068
Interest expense on investment corporation bonds	205,097	209,135
Amortization of investment unit issuance expenses	3,316	3,316
Amortization of investment corporation bond issuance costs	16,741	16,908
Borrowing-related expenses	237,425	218,609
Other	4,785	133
Total non-operating expenses	1,571,763	1,560,172
Ordinary income	5,945,194	5,951,652
Income before income taxes	5,945,194	5,951,652
Income taxes – current (Note 14)	605	605
Total income taxes	605	605
Net income (Note 19)	5,944,589	5,951,047
Retained earnings brought forward	–	989
Unappropriated retained earnings (undisposed loss)	5,944,589	5,952,037

## Statements of Changes in Net Assets

For the six months ended July 31, 2015

(Thousands of 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 period	114,936,698	53,220,279	33,630,081	6,591,081	93,441,442	208,378,140	208,378,140
Changes of items during the period							
Reversal of reserve for dividends			(77,918)	77,918	–	–	–
Dividends from surplus				(6,669,000)	(6,669,000)	(6,669,000)	(6,669,000)
Net income				5,944,589	5,944,589	5,944,589	5,944,589
Total changes of items during the period	–	–	(77,918)	(646,491)	(724,410)	(724,410)	(724,410)
Balance at the end of period	114,936,698	53,220,279	33,552,162	5,944,589	92,717,032	207,653,730	207,653,730

For the six months ended January 31, 2016

(Thousands of 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 period	114,936,698	53,220,279	33,552,162	5,944,589	92,717,032	207,653,730	207,653,730
Changes of items during the period							
Dividends from surplus				(5,943,600)	(5,943,600)	(5,943,600)	(5,943,600)
Net income				5,951,047	5,951,047	5,951,047	5,951,047
Total changes of items during the period	–	–	–	7,447	7,447	7,447	7,447
Balance at the end of period	114,936,698	53,220,279	33,552,162	5,952,037	92,724,479	207,661,177	207,661,177

## Statements of Cash Distributions

	For the six months ended July 31, 2015	For the six months ended January 31, 2016
I. Unappropriated retained earnings	5,944,589,913 yen	5,952,037,047 yen
II. Dividends	5,943,600,000 yen	5,951,400,000 yen
Dividend per investment unit	4,572 yen	4,578 yen
III. Retained earnings carried forward	989,913 yen	637,047 yen
Dividend Policy	<p>In accordance with the distribution policy set forth in Article 32, Item 1 of ADR's Articles of Incorporation, ADR distributes in excess of 90% of the amount of ADR's profit available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In the event of weak performance by investments, dividend reserves will be used in order to maintain stable payouts into the future.</p> <p>Based on this policy, ADR has decided to distribute 5,943,600,000 yen in total, which is the maximum integral multiples of 1,300,000 investment units issued and outstanding, and not exceeding the unappropriated retained earnings of 5,944,589,913 yen, for the 10th fiscal period.</p> <p>ADR does not distribute dividends in excess of the profits defined in Article 32, Item 2 of its Articles of Incorporation.</p>	<p>In accordance with the distribution policy set forth in Article 32, Item 1 of ADR's Articles of Incorporation, ADR distributes in excess of 90% of the amount of ADR's profit available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In the event of weak performance by investments, dividend reserves will be used in order to maintain stable payouts into the future.</p> <p>Based on this policy, ADR has decided to distribute 5,951,400,000 yen in total, which is the maximum integral multiples of 1,300,000 investment units issued and outstanding, and not exceeding the unappropriated retained earnings of 5,952,037,047 yen, for the current fiscal period.</p> <p>ADR does not distribute dividends in excess of the profits defined in Article 32, Item 2 of its Articles of Incorporation.</p>





## Statements of Cash Flows

(Thousands of yen)

	For the six months ended July 31, 2015	For the six months ended January 31, 2016
Net cash provided by (used in) operating activities		
Income before income taxes	5,945,194	5,951,652
Depreciation and amortization	2,502,557	2,531,042
Amortization of investment unit issuance expenses	3,316	3,316
Amortization of investment corporation bond issuance costs	16,741	16,908
Increase (decrease) in allowance for doubtful accounts	(227)	708
Interest income	(13,820)	(12,619)
Interest expense	1,104,397	1,112,068
Interest expense on investment corporation bonds	205,097	209,135
Decrease (increase) in operating accounts receivable	23,447	23,805
Decrease (increase) in prepaid expenses	(131,356)	134,504
Increase (decrease) in accrued consumption taxes	(396,763)	31,284
Increase (decrease) in operating accounts payable	7,191	56
Increase (decrease) in accounts payable – other	(249,581)	(26,892)
Increase (decrease) in accrued expenses	(20,223)	21,013
Increase (decrease) in advances received	(47,604)	4,836
Decrease (increase) in long-term prepaid expenses	256	78,968
Other	292,925	3,043
Subtotal	9,241,548	10,082,833
Interest income received	6,467	6,365
Interest expense paid	(1,334,295)	(1,302,970)
Income taxes paid	3,963	6,355
Net cash provided by (used in) operating activities	7,917,683	8,792,584
Net cash provided by (used in) investing activities		
Payments into time deposits	(6,000,000)	(6,000,000)
Proceeds from withdrawal of time deposits	7,000,000	6,000,000
Purchase of securities	(3,000,000)	(3,000,000)
Proceeds from sales of securities	3,000,000	3,000,000
Purchase of property, plant and equipment	(88,786)	(1,971,743)
Purchase of property, plant and equipment in trust	(13,858,984)	(412,978)
Purchase of intangible assets in trust	(533,111)	-
Proceeds from tenant leasehold and security deposits, net	(10,373)	(2,955)
Proceeds from tenant leasehold and security deposits in trust, net	141,994	335,176
Payments for lease and guarantee deposits	(21,759)	-
Payments for lease and guarantee deposits in trust	(30,868)	-
Proceeds from reimbursement of investment securities	234,433	-
Net cash provided by (used in) investing activities	(13,167,454)	(2,052,501)



(Thousands of yen)

	For the six months ended July 31, 2015	For the six months ended January 31, 2016
Net cash provided by (used in) financing activities		
Proceeds from long-term loans	17,000,000	6,800,000
Repayments of long-term loans	(3,311,561)	(11,006,750)
Proceeds from issuance of investment corporation bonds	2,000,000	3,000,000
Redemption of investment corporation bonds	(4,000,000)	-
Payments for investment corporation bond issuance costs	(13,830)	(20,006)
Repayments of finance lease obligations	(1,360)	-
Dividends paid	(6,667,583)	(5,948,760)
Net cash provided by (used in) financing activities	5,005,664	(7,175,517)
Net increase (decrease) in cash and cash equivalents	(244,106)	(435,435)
Cash and cash equivalents at the beginning of period	15,572,831	15,328,724
Cash and cash equivalents at the end of period (Note 7)	15,328,724	14,893,289





## Notes to Financial Statements

### 1 Organization

ADR (Securities Code: 3269) is a listed Residential Japan Real Estate Investment Trust (J-REIT) that mainly invests in residential properties. It was established through a consolidation-type merger between the former Advance Residence Investment Corporation and Nippon Residential Investment Corporation on March 1, 2010, and was listed on the Real Estate Investment Trust (REIT) Securities Section of the Tokyo Stock Exchange (TSE) on March 2, 2010.

The merger made ADR the largest residential J-REIT in terms of asset size, enabling it to upgrade its portfolio while ensuring its financial stability. The merger also resulted in retained earnings of 43.2 billion yen (33.5 billion yen as of the end of this fiscal period) due to the profit from negative goodwill, and allowed ADR to demonstrate one of its strengths of delivering stable dividends over the long term.

ADR's asset management company, AD Investment Management Co., Ltd. (ADIM), is wholly owned by the Itochu Group and the Group's key entity, Itochu Corporation, a leading Japanese trading house, is its main sponsor.

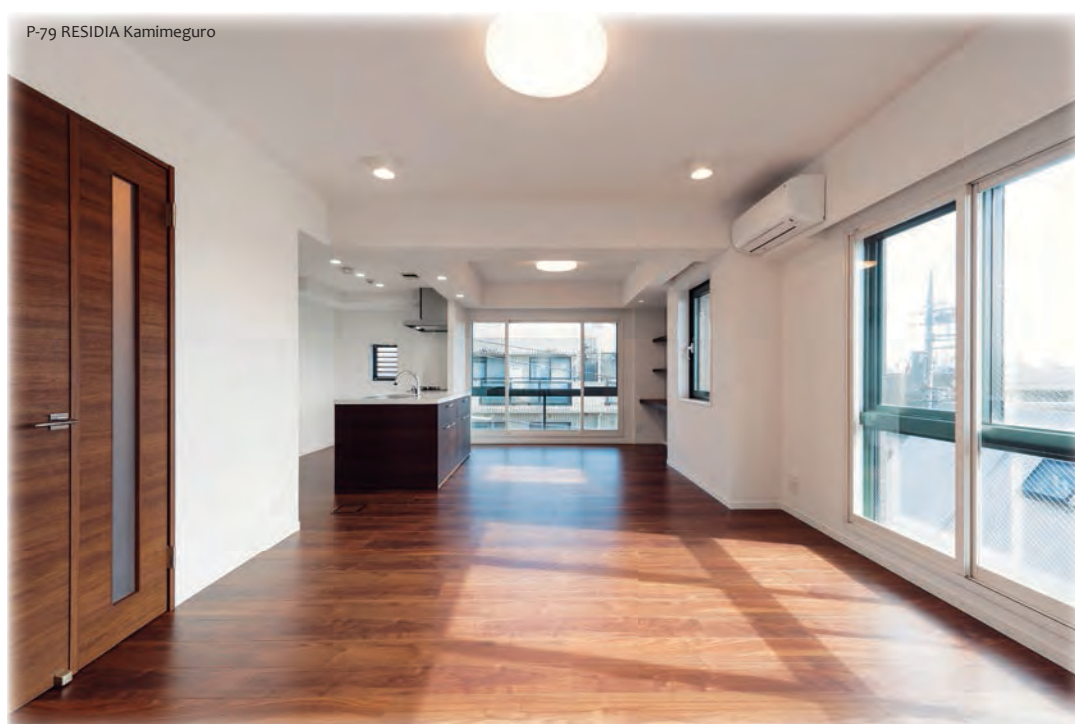
### 2 Basis of Presentation of Financial Statements

The accompanying financial statements are basically an English translation of the audited financial statements of ADR filed with the appropriate local finance bureau of the Ministry of Finance, prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements from the International Financial Reporting Standards.

In preparing these financial statements, certain reclassifications and rearrangements have been made to the financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. Moreover, the notes to the financial statements include certain information which might not be required under Japanese GAAP but is presented herein as supplementary information.

ADR does not prepare consolidated financial statements as it has no subsidiaries. Unless otherwise specified, amounts have been rounded down to the nearest thousand yen. As a result, the totals shown in the financial statements do not necessarily agree with the sum of the individual amounts.

ADR's six-month fiscal periods end at either the end of January or July.







### 3 Significant Accounting Policies

(1) Valuation basis and methods for securities	<p>1) Held-to-maturity debentures Carried at amortized cost (the straight-line method).</p> <p>2) Available-for-sale securities Non-marketable securities Carried at cost using the moving-average method.</p>
(2) Depreciation and amortization methods of noncurrent assets	<p>1) Property, plant and equipment (including assets in trust) Depreciated using the straight-line method. Useful lives of major categories of property, plant and equipment are as follows: Buildings: 3 to 46 years Structures: 6 to 50 years Machinery and equipment: 10 to 15 years Tools, furniture and fixtures: 2 to 15 years</p> <p>2) Intangible assets Amortized using the straight-line method. Useful lives of major categories of intangible assets are as follows: Leasehold rights in trust: 23 to 65 years</p> <p>3) Long-term prepaid expenses Amortized using the straight-line method.</p>
(3) Accounting for deferred assets	<p>1) Investment unit issuance expenses Amortized using the straight-line method (more than three years).</p> <p>2) Investment corporation bond issuance costs Amortized using the straight-line method over the period up to redemption of the investment corporation bonds.</p>
(4) Basis of recording allowances	<p>Allowance for doubtful accounts Estimated uncollectible amounts are recorded for possible losses arising from default on receivables based on the historical performance of general receivables and a case-by-case evaluation of the collectibility of certain receivables, such as receivables with default possibility.</p>
(5) Basis of recording revenue and expenses	<p>Method of accounting for property taxes For property taxes, urban planning taxes, and depreciable assets taxes on real estate properties held, ADR records the amount of taxes imposed corresponding to the current fiscal period as an expense for the property leasing activities. Furthermore, for the pro rata portion of property taxes ADR paid to the transferor (seller) upon acquisition of real estate properties, ADR treats the amount as acquisition costs of real estate properties, instead of recording it as an expense for the property leasing activities. The amount of property taxes treated as acquisition costs of real estate properties in the current fiscal period is 4,904 thousand yen.</p>
(6) Hedge accounting	<p>1) Method of hedge accounting Special accounting treatment is applied.</p> <p>2) Hedging instruments and hedged items Hedging instruments: Interest-rate swap transactions Hedged items: Loans</p> <p>3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy.</p> <p>4) Method for assessing the hedge effectiveness Assessment of the hedge effectiveness has been omitted as the relevant transactions satisfy the requirements for special accounting treatment.</p>
(7) Scope of funds in the statements of cash flows	<p>The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; demand deposit and deposits in trust; and short-term investments that are readily convertible into cash, carry minimal risk of change in value, and are due for redemption in three months or less from the acquisition date.</p>

(8) Other significant matters that serve as a basis for the preparation of the financial statements	<p>1) Accounting for trust beneficiary interests in trust assets such as real estate properties</p> <p>For trust beneficiary interests in real estate properties, all assets and liabilities of the trust assets, as well as revenue and income earned from, and expenses incurred for the trust assets are recorded under the respective account in the balance sheets and statements of income.</p> <p>Of the accounts used to record the above trust assets, the following accounts are significant and disclosed separately on the face of the balance sheets.</p> <p>A. Cash and deposits in trust</p> <p>B. Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and leasehold rights in trust</p> <p>C. Guarantee deposits in trust</p> <p>D. Tenant leasehold and security deposits in trust</p> <p>2) Accounting for consumption taxes</p> <p>Consumption taxes and local consumption taxes are excluded from business transaction amounts. However, accounting for fixed assets and deferred assets is inclusive of consumption taxes and local consumption taxes.</p>
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## 4 Balance Sheets

(1) Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Thousands of yen)

	As of July 31, 2015	As of January 31, 2016
	50,000	50,000

(2) Commitment line agreements

ADR has executed commitment line agreements with its banks.

(Thousands of yen)

	As of July 31, 2015	As of January 31, 2016
Total commitment line of credit	20,000,000	20,000,000
Amount used	-	-
Unused balance	20,000,000	20,000,000



## 5 Statements of Income

(1) Breakdown of operating income (loss) from property leasing activities

(Thousands of yen)

	For the six months ended July 31, 2015		For the six months ended January 31, 2016	
A. Revenue from property leasing activities				
Rental revenue – real estate				
Rent income	13,312,712		13,504,694	
Facility charges	640,283		654,669	
Parking fees	442,756	14,395,753	446,853	14,606,218
Other revenue related to property leasing				
Income from leasing rights	72,058		63,202	
Other	497,090	569,148	413,073	476,275
Total revenue from property leasing activities		14,964,902		15,082,493
B. Expenses from property leasing activities				
Expenses related to the rent business				
Property taxes	760,017		811,888	
Property management fees	1,056,877		1,024,528	
Utilities	280,538		252,971	
Repairs and maintenance	522,674		576,129	
Property-casual insurance	24,220		24,828	
Trust fees	68,629		70,966	
Other rental expenses	760,317		732,420	
Depreciation and amortization	2,501,570	5,974,846	2,531,022	6,024,756
Total expenses from property leasing activities		5,974,846		6,024,756
C. Operating income from property leasing activities (A–B)		8,990,055		9,057,737

## 6 Statements of Changes in Net Assets

(1) Total number of units authorized and total number of units issued and outstanding

(Unit)

	For the six months ended July 31, 2015	For the six months ended January 31, 2016
Total number of units authorized	6,000,000	6,000,000
Total number of units issued and outstanding	1,300,000	1,300,000





## 7 Statements of Cash Flows

- (1) Relationship between the cash and cash equivalents at the end of period in the statements of cash flows and the accounts reported in the balance sheets

(Thousands of yen)

	For the six months ended July 31, 2015	For the six months ended January 31, 2016
Cash and deposits	9,879,814	11,812,806
Cash and deposits in trust	8,598,910	9,080,483
Time deposits held over three months	(6,000,000)	(6,000,000)
Securities held for three months or less	2,850,000	-
Cash and cash equivalents	15,328,724	14,893,289

## 8 Leases

- (1) Finance leases (as a lessee)

Finance leases that do not transfer ownership of the leased property to the lessee

Finance leases that do not transfer ownership of the leased property to the lessee with a commencement date of July 1, 2008 or before are accounted for as operating leases. The details are as follows:

- A. Acquisition value equivalent, accumulated depreciation equivalent, and the period-end balance of the leased properties

(Thousands of yen)

	As of July 31, 2015			As of January 31, 2016		
	Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent	Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent
Tools, furniture and fixtures in trust	6,974	5,673	1,300	6,974	6,028	945
Subtotal	6,974	5,673	1,300	6,974	6,028	945

\*1. Acquisition value equivalent is determined inclusive of interest expenses as the period-end balance of unexpired leases is insignificant compared with that of property, plant and equipment.

- B. Period-end balance equivalent of unexpired leases

(Thousands of yen)

	As of July 31, 2015	As of January 31, 2016
Due within one year	709	709
Due after one year	591	236
Total	1,300	946



### C. Lease payments and depreciation expense equivalent

(Thousands of yen)

	For the six months ended July 31, 2015	For the six months ended January 31, 2016
Lease payments	354	354
Depreciation expense equivalent	354	354

### D. Calculation method of depreciation equivalent

Depreciated using the straight-line method over the lease term, assuming a zero residual value.

### (2) Operating leases (as a lessee)

Future lease payments are as follows:

(Thousands of yen)

	As of July 31, 2015	As of January 31, 2016
Due within one year	729,540	729,540
Due after one year	14,434,709	14,069,939
Total	15,164,249	14,799,479

Note that the above information includes estimated amounts for lease payments not finalized as of the end of the reporting period.

### (3) Operating leases (as a lessor)

Future lease receivables are as follows:

(Thousands of yen)

	As of July 31, 2015	As of January 31, 2016
Due within one year	4,121,186	4,463,420
Due after one year	8,234,233	10,482,622
Total	12,355,420	14,946,042

## 9 Financial Instruments

### (1) General information on financial instruments

#### 1) Policy on financial instruments

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

ADR conducts derivative transactions solely to hedge against the risk of interest rate fluctuations and other risks arising from liabilities.

In addition, ADR, in general, manages surplus funds by investing only in bank deposits, savings, negotiable certificates of deposit, and government bonds for emphasizing sound and stable portfolio management.

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

Funds through loans and investment corporation bonds are used primarily to finance the acquisition of real estate properties, repay existing loans, or redeem existing investment corporation bonds. ADR is exposed to liquidity risk in that it may not be able to raise funds through alternative financing sources by the repayment date or at the redemption. ADR controls the risk exposures through the preparation of a funding plan on a monthly basis, and seeking and procuring funds through various sources, such as securing the level of funds in hand, spreading out the loan repayment and bond redemption dates, diversifying borrowing financial institutions, entering into commitment line agreements, and issuing investment units.

In addition, ADR is exposed to the risk arising from fluctuations in interest rates on its loans and investment corporation

bonds with floating interest rates. ADR controls and limits such risk by utilizing derivative transactions (interest-rate swap transactions).

ADR is also exposed to the credit risk that the financial institutions with which it has bank deposits may default. However, ADR limits the effects of such risk by setting certain limits on the term of deposits and the minimum credit rating for the financial institutions in which deposits are placed, and by placing deposits with various financial institutions.

3) Supplementary explanation on fair value of financial instruments

The fair value of financial instruments is based on quoted market prices. If a quoted market price is not available, a reasonable estimate of fair value is used. Certain assumptions are applied in the fair value measurements and therefore could result in a different fair value if different assumptions are applied. Furthermore, the contractual amounts of derivative transactions presented in “Derivative Transactions” below do not represent the market risk exposure of those derivative transactions.

(2) Fair values of financial instruments

The book values in the balance sheets, fair values of financial instruments, and unrealized gain (loss) are presented below.

As of July 31, 2015

(Thousands of yen)

	Book value	Fair value	Unrealized gain (loss)
1) Cash and deposits	9,879,814	9,879,814	–
2) Cash and deposits in trust	8,598,910	8,598,910	–
3) Securities	5,850,000	5,850,000	–
4) Current portion of investment corporation bonds	–	–	–
5) Current portion of long-term loans payable	27,732,572	27,854,423	(121,851)
6) Investment corporation bonds	35,500,000	36,322,389	(822,389)
7) Long-term loans payable	164,254,329	166,760,001	(2,505,672)
8) Derivative transactions	–	(1,948,522)	(1,948,522)

As of January 31, 2016

(Thousands of yen)

	Book value	Fair value	Unrealized gain (loss)
1) Cash and deposits	11,812,806	11,812,806	–
2) Cash and deposits in trust	9,080,483	9,080,483	–
3) Securities	3,000,000	3,000,000	–
4) Current portion of investment corporation bonds	8,000,000	8,060,314	(60,314)
5) Current portion of long-term loans payable	27,725,822	27,826,502	(100,680)
6) Investment corporation bonds	30,500,000	31,439,033	(939,033)
7) Long-term loans payable	160,054,329	162,393,599	(2,339,270)
8) Derivative transactions	–	(3,016,877)	(3,016,877)

\*1. Methods of determining the fair value of financial instruments

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

These instruments are stated at their book values because the book values approximate fair value due to their short maturities.



3) Securities

These instruments are stated at their book values because they are negotiable certificates of deposit and the book values approximate fair value due to their short maturities.

Please refer to the “Securities” below for details on securities by their holding purposes.

4) Current portion of investment corporation bonds and 6) Investment corporation bonds

The fair values of these instruments are determined using the reference value announced by the Japan Securities Dealers Association. However, if a reference value is not available, the fair value is deemed to be the present value of future cash flows of principal and interests, discounted at the assumed interest rate for similar borrowings.

5) Current portion of long-term loans payable and 7) Long-term loans payable

The fair value of these financial instruments is determined as the present value of future cash flows of principal and interests, discounted at the assumed interest rate for similar borrowings.

8) Derivative transactions

Please refer to “Derivative Transactions” below for details.

(3) Redemption schedules of monetary claims and securities after July 31, 2015 and January 31, 2016

As of July 31, 2015

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and deposits	9,879,814	—	—	—	—	—
Cash and deposits in trust	8,598,910	—	—	—	—	—
Securities	5,850,000	—	—	—	—	—
Total	24,328,724	—	—	—	—	—

As of January 31, 2016

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and deposits	11,812,806	—	—	—	—	—
Cash and deposits in trust	9,080,483	—	—	—	—	—
Securities	3,000,000	—	—	—	—	—
Total	23,893,289	—	—	—	—	—



(4) Repayment schedules of investment corporation bonds, loans payable, and other interest-bearing loans after July 31, 2015 and January 31, 2016  
As of July 31, 2015

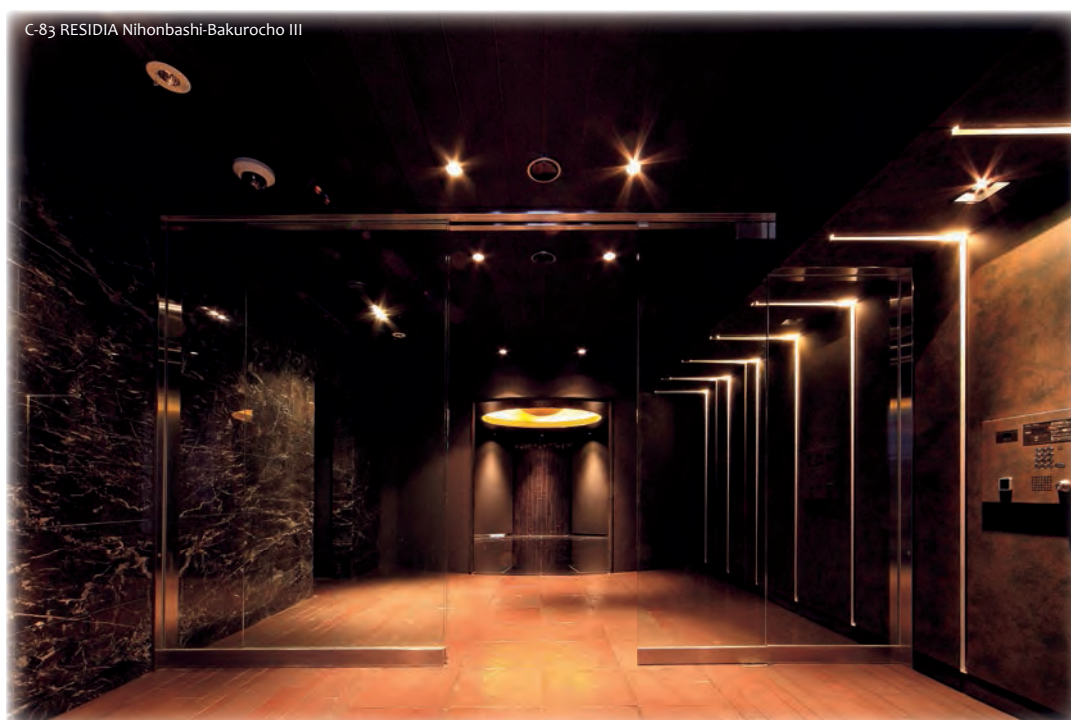
(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Current portion of long-term loans payable	27,732,572	–	–	–	–	–
Investment corporation bonds	–	12,000,000	8,000,000	2,000,000	4,000,000	9,500,000
Long-term loans payable	–	24,500,000	28,646,329	19,200,000	20,870,000	71,038,000
Total	27,732,572	36,500,000	36,646,329	21,200,000	24,870,000	80,538,000

As of January 31, 2016

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Current portion of investment corporation bonds	8,000,000	–	–	–	–	–
Current portion of long-term loans payable	27,725,822	–	–	–	–	–
Investment corporation bonds	–	12,000,000	2,000,000	4,000,000	1,500,000	11,000,000
Long-term loans payable	–	22,956,329	26,690,000	18,900,000	21,370,000	70,138,000
Total	35,725,822	34,956,329	28,690,000	22,900,000	22,870,000	81,138,000





## 10 Securities

(1) Held-to-maturity debentures  
As of July 31, 2015

(Thousands of yen)

Classification	Type	Book value	Fair value	Difference
Fair value exceeds the book value	1) Government bonds and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	—	—	—
	Subtotal	—	—	—
Fair value does not exceed the book value	1) Government bonds and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	5,850,000	5,850,000	—
	Subtotal	5,850,000	5,850,000	—
Total		5,850,000	5,850,000	—

As of January 31, 2016

(Thousands of yen)

Classification	Type	Book value	Fair value	Difference
Fair value exceeds the book value	1) Government bonds and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	—	—	—
	Subtotal	—	—	—
Fair value does not exceed the book value	1) Government bonds and local government bonds	—	—	—
	2) Corporate bonds	—	—	—
	3) Other	3,000,000	3,000,000	—
	Subtotal	3,000,000	3,000,000	—
Total		3,000,000	3,000,000	—

(2) Available-for-sale securities

As of July 31, 2015

Not applicable.

As of January 31, 2016

Not applicable.

## 11 Derivative Transactions

(1) Derivative transactions to which hedge accounting is not applied

As of July 31, 2015

Not applicable.

As of January 31, 2016

Not applicable.

(2) Derivative transactions to which hedge accounting is applied

The contract amounts or equivalent notional principal amounts defined in the contract by the method of hedge accounting as of July 31, 2015 and January 31, 2016 are as follows:

As of July 31, 2015

(Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount (*1)		Fair value (*2)
				Contract amount due after one year	
Special accounting treatment for interest-rate swaps	Interest-rate swaps (Fixed rate payment, floating rate receipt)	Long-term loans payable	168,425,488	141,898,000	(1,948,522) (*3)

As of January 31, 2016

(Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount (*1)		Fair value (*2)
				Contract amount due after one year	
Special accounting treatment for interest-rate swaps	Interest-rate swaps (Fixed rate payment, floating rate receipt)	Long-term loans payable	163,625,488	142,098,000	(3,016,877) (*3)

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

\*2. The fair value is based on the estimation made by the interest-rate swap counterparty using the prevailing interest rate.

\*3. Special accounting treatment is applied to the interest-rate swaps in accordance with the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10) and therefore interest-rate swaps are not stated at fair value in the balance sheets.



## 12 Profits or Losses from Investments Accounted for Using the Equity Method

For the six months ended July 31, 2015

Not applicable as ADR does not have any affiliated companies.

For the six months ended January 31, 2016

Not applicable as ADR does not have any affiliated companies.

## 13 Transactions with Related Parties

(1) Parent company and major corporate unit-holders

For the six months ended July 31, 2015

Not applicable.

For the six months ended January 31, 2016

Not applicable.

(2) Affiliated companies

For the six months ended July 31, 2015

Not applicable.

For the six months ended January 31, 2016

Not applicable.

(3) Fellow subsidiaries

For the six months ended July 31, 2015

Not applicable.

For the six months ended January 31, 2016

Not applicable.

(4) Directors and major individual unit-holders

For the six months ended July 31, 2015

Type of related party	Name of related party	Location	Capital stock or amount invested in capital (Thousands of yen)	Business description or occupation	Percentage of voting rights held	Relationships with related parties	Nature of transactions	Transaction amount (Thousands of yen)	Account name	Period-end balance (Thousands of yen)
Directors and their immediate family members	Kenji Kousaka	-	-	Executive Director of ADR and the President of ADIM	-	Asset management company	Management fee 1	426,970 (*2)	Accounts payable - other	461,128 (*3)
							Management fee 2	345,767 (*2)	Accounts payable - other	373,429 (*3)
							Management fee 3	237,139 (*2)	Accounts payable - other	256,110 (*3)
							Acquisition fee	144,248 (*3) (*4)	-	-





For the six months ended January 31, 2016

Type of related party	Name of related party	Location	Capital stock or amount invested in capital (Thousands of yen)	Business description or occupation	Percentage of voting rights held	Relationships with related parties	Nature of transactions	Transaction amount (Thousands of yen)	Account name	Period-end balance (Thousands of yen)
Directors and their immediate family members	Kenji Kousaka	-	-	Executive Director of ADR and the President of ADIM	-	Asset management company	Management fee 1	444,616 (*2)	Accounts payable - other	480,185 (*3)
							Management fee 2	347,662 (*2)	Accounts payable - other	375,475 (*3)
							Management fee 3	247,383 (*2)	Accounts payable - other	267,174 (*3)
							Acquisition fee	18,450 (*3) (*4)	Accounts payable - other	9,383 (*3)

Terms and conditions of transactions, and policy on determining the terms and conditions

\*1. ADR Executive Director Kenji Kousaka executed the transactions acting as a representative of a third party (ADIM) and respective amounts of remuneration in the form of asset management fees are determined in accordance with the terms set forth in ADR's Articles of Incorporation.

\*2. The transaction amount does not include consumption taxes.

\*3. The transaction amount includes consumption taxes.

\*4. The transaction amount is included in the acquisition cost of the relevant real estate properties.

## 14 Tax Effect Accounting

(1) The breakdown of deferred tax assets and liabilities by major item are as follows:

(Thousands of yen)

	As of July 31, 2015	As of January 31, 2016
Deferred tax assets		
Excess provision of allowance for doubtful accounts	4,575	4,561
Valuation difference on assets acquired through merger	10,729,901	10,676,489
Tax loss carryforwards	1,402,812	1,402,812
Other	57,922	67,506
Subtotal	12,195,211	12,151,369
Less valuation allowance	(12,195,211)	(12,151,369)
Total deferred tax assets	-	-
Net deferred tax asset	-	-



(2) Reconciliation between the statutory tax rates and the effective tax rates after the application of tax effect accounting

(Unit: %)

	As of July 31, 2015	As of January 31, 2016
Statutory tax rate	34.15	32.31
(Adjustments)		
Increase (decrease) in valuation allowance	(13.07)	(0.74)
Increase (decrease) due to tax rate changes	10.39	—
Deductible dividends	(32.79)	(31.81)
Other	1.33	0.24
Effective tax rate after the application of tax effect accounting	0.01	0.01

## 15 Retirement Benefits

For the six months ended July 31, 2015

Not applicable because ADR does not have retirement benefit plans.

For the six months ended January 31, 2016

Not applicable because ADR does not have retirement benefit plans.

## 16 Asset Retirement Obligations

For the six months ended July 31, 2015

Not applicable.

For the six months ended January 31, 2016

Not applicable.

## 17 Segment Information

(1) Segment information

Disclosure is omitted because ADR's business comprises a single reportable segment engaged in the property leasing business.

(2) Related information

For the six months ended July 31, 2015

1) Information about products and services

Disclosure is omitted because operating revenues attributable to external customers for products and services of the single segment exceed 90% of the total operating revenue reported in the statements of income.

2) Information about geographic areas

A. Operating revenues

Disclosure is omitted because operating revenues attributable to external customers in Japan exceed 90% of the total operating revenue reported in the statements of income.

B. Property, plant and equipment

Disclosure is omitted because property, plant and equipment located in Japan exceed 90% of the total property, plant and equipment reported in the balance sheets.

3) Information about major customers

Disclosure is omitted because operating revenues attributable to a single external customer account for less than 10% of the total operating revenue reported in the statements of income.



For the six months ended January 31, 2016

- 1) Information about products and services  
Disclosure is omitted because operating revenues attributable to external customers for products and services of the single segment exceed 90% of the total operating revenue reported in the statements of income.
- 2) Information about geographic areas
  - A. Operating revenues  
Disclosure is omitted because operating revenues attributable to external customers in Japan exceed 90% the total of operating revenue reported in the statements of income.
  - B. Property, plant and equipment  
Disclosure is omitted because property, plant and equipment located in Japan exceed 90% of total property, plant and equipment reported in the balance sheets.
- 3) Information about major customers  
Disclosure is omitted because operating revenues attributable to a single external customer account for less than 10% of the total operating revenue reported in the statements of income.

## 18 Value of Rental Properties

ADR owns rental residential properties in Tokyo and other prefectures. The following are the book value, changes during the period, and fair value of these properties.

(Thousands of yen)

		For the six months ended July 31, 2015	For the six months ended January 31, 2016
Book value			
(*1)	Balance at the beginning of period	401,297,684	413,396,619
	Changes during the period (*2)	12,098,935	(203,514)
	Balance at the end of period	413,396,619	413,193,105
Fair value at the end of period (*3)		481,152,000	493,245,000

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

\*2. Of the changes in the value of rental properties during the six months ended July 31, 2015, the increase is mainly attributable to the acquisition of 9 real estate beneficiary interests in trust (14,137,818 thousand yen), and the decrease is mainly a result of posting depreciation. For the six months ended January 31, 2016, the increase is mainly attributable to acquisition of 2 real estate properties (1,847,267 thousand yen), and the decrease is mainly a result of posting of depreciation.

\*3. The fair value at the end of period is the appraisal or assessment value provided by an external real estate appraiser.

Please refer to the Note 5 above for the details of the operating income from property leasing.

## 19 Per Unit Information

(Yen)

	For the six months ended July 31, 2015	For the six months ended January 31, 2016
Net assets per unit	159,733	159,739
Net income per unit	4,572	4,577

\*1. Net income per unit is computed by dividing net income by the day-weighted average number of units issued and outstanding for the period. Diluted net income per unit is not disclosed as there are no diluted investment units.

\*2. The basis for the computation of net income per unit is as follows:



	For the six months ended July 31, 2015	For the six months ended January 31, 2016
Net income (Thousands of yen)	5,944,589	5,951,047
Amount not attributable to common unit-holders (Thousands of yen)	—	—
Net income attributable to common unit (Thousands of yen)	5,944,589	5,951,047
Average number of units during the period (Units)	1,300,000	1,300,000

## 20 Significant Subsequent Events

### For the six months ended January 31, 2016

1. Acquisition of Assets  
ADR acquired the following assets, based on the basic guidelines for asset investments stipulated in the Articles of Incorporation of ADR
  - (1) RESIDIA Bunkyo-Hongo III  
Type of asset: Real estate beneficiary interests in trust  
Acquisition price: 1,655 million yen  
Acquisition date: March 24, 2016  
Location: 3-5-8 Hongo, Bunkyo-ku, Tokyo  
Area: 294.64m<sup>2</sup> in land and 2,025.09m<sup>2</sup> in buildings  
Structure: Reinforced concrete structure with flat roof and 13 floors  
Construction completion date: July 2014
  - (2) RESIDIA Shin-Okachimachi II  
Type of asset: Real estate beneficiary interests in trust  
Acquisition price: 4,650 million yen  
Acquisition date: March 24, 2016  
Location: 2-8-7 Kojima, Taito-ku, Tokyo  
Area: 1,104.15m<sup>2</sup> in land and 6,843.89m<sup>2</sup> in buildings  
Structure: Reinforced concrete structure with flat roof and 12 floors and 1 basement level  
Construction completion date: March 2015
  - (3) RESIDIA Funabashi III  
Type of asset: Real estate  
Acquisition price: 620 million yen  
Acquisition date: March 30, 2016  
Location: 1-1-21 Minatomachi, Funabashi-shi, Chiba  
Area: 253.11m<sup>2</sup> in land and 1,037.10m<sup>2</sup> in buildings  
Structure: Reinforced concrete structure with flat roof and 8 floors  
Construction completion date: October 2006
  - (4) RESIDIA Nakanobu II  
Type of asset: Real estate beneficiary interests in trust  
Acquisition price: 917 million yen  
Acquisition date: April 14, 2016  
Location: 2-9-6 Higashi-Nakanobu, Shinagawa-ku, Tokyo  
Area: 305.47m<sup>2</sup> in land and 1,190.48m<sup>2</sup> in buildings  
Structure: Reinforced concrete structure with flat roof and 13 floors  
Construction completion date: April 2014



(5) RESIDIA Ochanomizu II

Type of asset: Real estate beneficiary interests in trust

Acquisition price: 821 million yen

Acquisition date: April 14, 2016

Location: 2-9-5 Soto-kanda, Chiyoda-ku, Tokyo

Area: 178.57m<sup>2</sup> in land and 1,046.14m<sup>2</sup> in buildings

Structure: Reinforced concrete structure with flat roof and 10 floors

Construction completion date: March 2015

\*The acquisition price does not include the amount required to settle property taxes, urban planning taxes and depreciable asset taxes or consumption taxes and local consumption taxes.

2. Borrowing of funds

ADR concluded loan agreements for the following loans, with the funds to be used to cover the costs of the acquisition of real estate trust beneficiary rights and to repay existing borrowings. The loans from (1) to (9) have been disbursed as of the date of this report.

(1) Long-term borrowings (term of 12.0 years)

Lender: Sumitomo Mitsui Trust Bank Limited

Loan amount: 1,000 million yen

Interest rate: 0.76375%

(the effective fixed debt rate is noted here based on interest rate swap contracts used to convert to fixed rate debt)

Borrowing method: Unsecured, unguaranteed lump-sum repayment

Drawdown date: March 24, 2016

Repayment date: March 24, 2028

(2) Long-term borrowings (term of 10.0 years)

Lender: The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Loan amount: 1,000 million yen

Interest rate: 0.5372%

Borrowing method: Unsecured, unguaranteed lump-sum repayment

Drawdown date: March 24, 2016

Repayment date: March 24, 2026

(3) Long-term borrowings (term of 10.0 years)

Lender: Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd.

Loan amount: 1,650 million yen

Interest rate: Base interest rate (one-month Japanese Yen TIBOR released by Japanese Bankers Association) + 0.33%

Borrowing method: Unsecured, unguaranteed lump-sum repayment

Drawdown date: March 24, 2016

Repayment date: March 24, 2026

(4) Long-term borrowings (term of 9.0 years)

Lender: Resona Bank, Limited

Loan amount: 1,150 million yen

Interest rate: Base interest rate (one-month Japanese Yen TIBOR released by Japanese Bankers Association) + +0.26%

Borrowing method: Unsecured, unguaranteed lump-sum repayment

Drawdown date: March 24, 2016

Repayment date: March 24, 2025

(5) Long-term borrowings (term of 8.0 years)

Lender: Mitsubishi UFJ Trust and Banking Corporation, Shinsei Bank, Limited

Loan amount: 1,650 million yen

Interest rate: Base interest rate (one-month Japanese Yen TIBOR released by Japanese Bankers Association) + +0.22%

Borrowing method: Unsecured, unguaranteed lump-sum repayment

Drawdown date: March 24, 2016

Repayment date: March 24, 2024



- (6) Long-term borrowings (term of 12.0 years)  
 Lender: Sumitomo Mitsui Trust Bank Limited  
 Loan amount: 500 million yen  
 Interest rate: 0.74525%  
 (the effective fixed debt rate is noted here based on interest rate swap contracts used to convert to fixed rate debt)  
 Borrowing method: Unsecured, unguaranteed lump-sum repayment  
 Drawdown date: April 14, 2016  
 Repayment date: March 24, 2028
- (7) Long-term borrowings (term of 10.0 years)  
 Lender: The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
 Loan amount: 500 million yen  
 Interest rate: 0.51000%  
 Borrowing method: Unsecured, unguaranteed lump-sum repayment  
 Drawdown date: April 14, 2016  
 Repayment date: March 24, 2026
- (8) Long-term borrowings (term of 10.0 years)  
 Lender: Mizuho Bank, Ltd.  
 Loan amount: 400 million yen  
 Interest rate: Base interest rate (one-month Japanese Yen TIBOR released by Japanese Bankers Association) + 0.33%  
 Borrowing method: Unsecured, unguaranteed lump-sum repayment  
 Drawdown date: April 14, 2016  
 Repayment date: March 24, 2026
- (9) Long-term borrowings (term of 8.0 years)  
 Lender: Shinsei Bank, Limited  
 Loan amount: 350 million yen  
 Interest rate: Base interest rate (one-month Japanese Yen TIBOR released by Japanese Bankers Association) + 0.22%  
 Borrowing method: Unsecured, unguaranteed lump-sum repayment  
 Drawdown date: April 14, 2016  
 Repayment date: March 24, 2024
- (10) Long-term borrowings (term of 8.0 years)  
 Lender: The Kagawa Bank, Ltd.  
 Loan amount: 500 million yen  
 Interest rate: Base interest rate (one-month Japanese Yen TIBOR released by Japanese Bankers Association) + 0.22%  
 Borrowing method: Unsecured, unguaranteed lump-sum repayment  
 Drawdown date: April 28, 2016 (tentative)  
 Repayment date: April 28, 2024

## 21 Schedule of securities

(Thousands of yen)

Type	Series	Total face value	Book value	Accrued interest	Prepaid accrued interest	Assessed value	Gain (loss) on valuation	Notes
Negotiable certificates of deposit	—	3,000,000	3,000,000	555	—	3,000,000	—	—
Total		3,000,000	3,000,000	555	—	3,000,000	—	—



## 22 Table of the summary of contract amounts and fair values of derivative transactions and forward foreign exchange contracts

(Thousands of yen)

Category	Type	Contract amount (*1)		Fair value (*2 and *3)
			Contract amount due after one year	
Transactions other than market transactions	Interest-rate swaps (Fixed rate payment, floating rate receipt)	163,625,488	142,098,000	(3,016,877)
Total		163,625,488	142,098,000	(3,016,877)

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

\*2. The fair value is based on the estimation made by the interest rate swap counterparty using the prevailing interest rate.

\*3. Special accounting treatment is applied to the interest-rate swaps in accordance with the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10) and therefore interest rate swaps are not stated at fair value in the balance sheets.

## 23 Summary of real estate

For the six months ended January 31, 2016

(Thousands of yen)

		Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Accumulated depreciation or accumulated amortization	Depreciation for the period	Book value at the end of period	Notes
Property, plant and equipment	Buildings	73,451,310	651,910	-	74,103,220	9,043,821	813,477	65,059,399	*1
	Structures	19,347	1,506	-	20,853	4,041	651	16,812	-
	Machinery and equipment	34,818	10,169	-	44,987	6,513	1,724	38,473	-
	Tools, furniture and fixtures	153,480	16,753	-	170,233	87,158	8,672	83,075	-
	Land	68,568,502	1,287,225	-	69,855,727	-	-	69,855,727	*1
	Buildings in trust	146,224,831	306,113	-	146,530,944	17,059,396	1,640,402	129,471,548	-
	Structures in trust	174,071	2,183	-	176,255	81,155	4,096	95,100	-
	Machinery and equipment in trust	165,206	10,552	-	175,759	75,263	6,113	100,496	-
	Tools, furniture and fixtures in trust	544,944	41,093	-	586,038	368,861	21,448	217,176	-
	Land in trust	145,036,252	-	-	145,036,252	-	-	145,036,252	-
Subtotal		434,372,766	2,327,508	-	436,700,274	26,726,212	2,496,585	409,974,062	-
Intangible assets	Leasehold rights	1,071,902	-	-	1,071,902	-	-	1,071,902	-
	Leasehold rights in trust	2,356,072	-	-	2,356,072	208,932	34,437	2,147,139	-
	Other	19,506	-	-	19,506	19,376	19	130	-
Subtotal		3,447,482	-	-	3,447,482	228,308	34,456	3,219,173	-
Total		437,820,248	2,327,508	-	440,147,756	26,954,520	2,531,042	413,193,235	-

\*1. The increase in property, plant and equipment for the six months ended January 31, 2016, primarily represents the acquisitions of the properties listed below.

RESIDIA Yoyogi II

RESIDIA Sakae



## 24 Schedule of other specified assets

Not applicable.

## 25 Schedule of investment corporation bonds

For the six months ended January 31, 2016

(Thousands of yen)

Series (*1)	Issue date	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate (%)	Redemption date	Use	Collateral
ADR Bond #13 (Unsecured)	September 12, 2011	8,000,000	-	8,000,000	1.27	September 12, 2016	(*3)	Unsecured
ADR Bond #14 (Unsecured)	September 12, 2011	2,000,000	-	2,000,000	1.68	September 12, 2018	(*3)	Unsecured
ADR Bond #16 (Unsecured)	April 26, 2012	4,000,000	-	4,000,000	1.08	April 26, 2017	(*2)	Unsecured
ADR Bond #17 (Unsecured)	September 12, 2012	8,000,000	-	8,000,000	0.87	September 12, 2017	(*3)	Unsecured
ADR Bond #18 (Unsecured)	September 12, 2012	4,000,000	-	4,000,000	1.23	September 12, 2019	(*3)	Unsecured
ADR Bond #19 (Unsecured)	April 25, 2013	3,000,000	-	3,000,000	1.32	April 25, 2023	(*2)	Unsecured
ADR Bond #20 (Unsecured)	November 14, 2013	2,000,000	-	2,000,000	1.41	November 14, 2025	(*2)	Unsecured
ADR Bond #21 (Unsecured)	April 28, 2014	2,500,000	-	2,500,000	1.04	April 26, 2024	(*2)	Unsecured
ADR Bond #22 (Unsecured)	April 23, 2015	2,000,000	-	2,000,000	0.726	April 23, 2025	(*3)	Unsecured
ADR Bond #23 (Unsecured)	October 21, 2015	-	-	1,500,000	0.326	October 21, 2020	(*2)	Unsecured
ADR Bond #24 (Unsecured)	October 21, 2015	-	-	1,500,000	0.846	October 21, 2025	(*2)	Unsecured
Total	-	35,500,000	-	38,500,000	-	-	-	-

\*1. The bonds have a pari passu clause among specified investment corporation bonds.

\*2. The funds are used for the repayments of existing loans.

\*3. The funds are used for the redemption of existing investment corporation bonds.

\*4. Redemption schedules of investment corporation bonds after the balance sheet date for the next five years are as follows:

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Investment corporation bond	8,000,000	12,000,000	2,000,000	4,000,000	1,500,000



## 26 Schedule of loans

For the six months ended January 31, 2016

(Thousands of yen)

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
Development Bank of Japan Inc.	205,084	-	6,750	198,334	1.86%	(*8)	(*6)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	1,083,029	-	-	1,083,029	1.68% (*2)	Feb. 29, 2016	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	492,286	-	-	492,286	1.68% (*2)	Feb. 29, 2016	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	492,286	-	-	492,286				
Sumitomo Mitsui Banking Corporation	2,264,516	-	-	2,264,516				
Shinsei Bank, Limited	295,371	-	-	295,371	1.69% (*2)	Feb. 29, 2016	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000				
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				
Shinsei Bank, Limited	700,000	-	-	700,000	1.52% (*2)	Feb. 29, 2016	(*3)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	2,500,000	-	-	2,500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	500,000	-	-	Dec. 18, 2015	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	500,000	-				
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	-	1,000,000	-				
The Norinchukin Bank	1,000,000	-	1,000,000	-				
The Bank of Fukuoka, Ltd.	1,000,000	-	1,000,000	-				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	500,000	-	500,000	1.31% (*2)	Jan. 31, 2017	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	-	500,000	-	500,000				
Aozora Bank, Ltd.	2,000,000	-	2,000,000	-	-	Dec. 18, 2015	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	1,000,000	-	1,000,000	-				
Resona Bank, Limited	-	2,000,000	-	2,000,000	1.31% (*2)	Jan. 31, 2017	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	750,000	-	750,000				
Sumitomo Mitsui Trust Bank Limited	-	750,000	-	750,000	1.31% (*2)	Jan. 31, 2017	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	300,000	-	300,000				
Sumitomo Mitsui Trust Bank Limited	-	300,000	-	300,000	1.17% (*2)	Nov. 30, 2016	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	-	450,000	-	450,000				
Mizuho Bank, Ltd.	-	450,000	-	450,000				
The Norinchukin Bank	-	2,500,000	-	2,500,000				
Mitsui Sumitomo Insurance Company, Limited.	-	1,000,000	-	1,000,000				
Taiyo Life Insurance Company	-	1,500,000	-	1,500,000	1.21%	Nov. 30, 2016	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	450,000	-	-	450,000	1.11% (*2)	Jul. 29, 2016	(*5)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	1,550,000	-	-	1,550,000				
Resona Bank, Limited	900,000	-	-	900,000				
Resona Bank, Limited	1,000,000	-	-	1,000,000	1.11% (*2)	Jul. 29, 2016	(*6)	Unsecured Unguaranteed
The Bank of Fukuoka, Ltd.	2,000,000	-	-	2,000,000				
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000				
The Tokyo Tomin Bank, Ltd.	500,000	-	-	500,000				
The Iyo Bank, Ltd.	300,000	-	-	300,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	700,000	-	700,000	-	-	Aug. 31, 2015	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	500,000	-				
Resona Bank, Limited	1,000,000	-	1,000,000	-				
The Nishi-Nippon City Bank Ltd.	800,000	-	800,000	-	0.77% (*2)	Apr. 28, 2016	(*6)	Unsecured Unguaranteed
The Kagawa Bank, Ltd.	500,000	-	-	500,000				
The Hiroshima Bank, Ltd.	500,000	-	500,000	-				
Tokio Marine & Nichido Fire Insurance Co., Ltd.	500,000	-	500,000	-	-	Dec. 18, 2015	(*5)	Unsecured Unguaranteed
Total	27,732,572	11,000,000	11,006,750	27,725,822				

Current portion of long-term loans payable



Long-term loans payable

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
Development Bank of Japan Inc.	956,329	-	-	956,329	1.90%	Nov. 24, 2017	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,500,000	-	-	3,500,000	1.75% (*2)	Apr. 28, 2017	(*5)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	3,700,000	-	-	3,700,000				
Sumitomo Mitsui Trust Bank Limited	2,000,000	-	-	2,000,000				
Sumitomo Mitsui Banking Corporation	2,700,000	-	-	2,700,000	1.59% (*2)	Jun. 30, 2017	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	890,000	-	-	890,000	1.76% (*2)	Jun. 29, 2018	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	500,000	-	-	Jan. 31, 2017	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	500,000	-				
Resona Bank, Limited	2,000,000	-	2,000,000	-	-	Jan. 31, 2017	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	750,000	-	750,000	-	-	Jan. 31, 2017	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	750,000	-	750,000	-				
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	-	-	1,000,000	1.62% (*2)	Sep. 28, 2018	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,300,000	-	-	1,300,000	1.57% (*2)	Nov. 30, 2018	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	1,300,000	-	-	1,300,000				
Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000				
Mitsubishi UFJ Trust and Banking Corporation	1,900,000	-	-	1,900,000	-	Nov. 30, 2016	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	300,000	-	300,000	-				
Sumitomo Mitsui Trust Bank Limited	300,000	-	300,000	-				
Sumitomo Mitsui Banking Corporation	450,000	-	450,000	-				
Mizuho Bank, Ltd.	450,000	-	450,000	-				
The Norinchukin Bank	2,500,000	-	2,500,000	-				
Mitsui Sumitomo Insurance Company, Limited.	1,000,000	-	1,000,000	-				
Taiyo Life Insurance Company	1,500,000	-	1,500,000	-	-	Nov. 30, 2016	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	1.43% (*2)	Jul. 31, 2018	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				
Sumitomo Mitsui Banking Corporation	650,000	-	-	650,000				
Mizuho Bank, Ltd.	500,000	-	-	500,000				
Mitsubishi UFJ Trust and Banking Corporation	900,000	-	-	900,000				
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000	1.42% (*2)	Jul. 31, 2018	(*6)	Unsecured Unguaranteed
Shinsei Bank, Limited	1,500,000	-	-	1,500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000				
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000	1.23%	Feb. 28, 2018	(*3)	Unsecured Unguaranteed
Shinsei Bank, Limited	1,000,000	-	-	1,000,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,850,000	-	-	2,850,000	1.10% (*2)	Aug. 31, 2017	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	800,000	-	-	800,000				
Sumitomo Mitsui Trust Bank Limited	800,000	-	-	800,000				
Sumitomo Mitsui Banking Corporation	2,800,000	-	-	2,800,000				
Mitsubishi UFJ Trust and Banking Corporation	1,600,000	-	-	1,600,000	1.20% (*2)	Apr. 27, 2018	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500,000	-	-	1,500,000				
Sumitomo Mitsui Trust Bank Limited	2,100,000	-	-	2,100,000				
Sumitomo Mitsui Banking Corporation	800,000	-	-	800,000	1.25% (*2)	Jun. 28, 2019	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,200,000	-	-	1,200,000				
Sumitomo Mitsui Trust Bank Limited	800,000	-	-	800,000				
Aozora Bank, Ltd.	700,000	-	-	700,000	0.94%	Sep. 29, 2017	(*7)	Unsecured Unguaranteed
Taiyo Life Insurance Company	1,500,000	-	-	1,500,000				
The Kagawa Bank, Ltd.	500,000	-	-	500,000	0.92% (*2)	Sep. 29, 2017	(*6)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	450,000	-	-	450,000	1.16%	Sep. 30, 2019	(*6)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	450,000	-	-	450,000	1.16%	Sep. 30, 2019	(*6)	Unsecured Unguaranteed

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	-	-	1,000,000	1.03% (*2)	Nov. 29, 2019	(*6)	Unsecured Unguaranteed
The Hiroshima Bank, Ltd.	500,000	-	-	500,000	0.79% (*2)	Nov. 30, 2017	(*6)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.95% (*2)	Nov. 29, 2019	(*6)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	1,200,000	-	-	1,200,000				
Development Bank of Japan Inc.	600,000	-	-	600,000	0.74%	May 31, 2017	(*6)	Unsecured Unguaranteed
Development Bank of Japan Inc.	2,200,000	-	-	2,200,000	1.23%	Nov. 29, 2020	(*5)	Unsecured Unguaranteed
Development Bank of Japan Inc.	2,200,000	-	-	2,200,000	1.40%	Nov. 29, 2021	(*5)	Unsecured Unguaranteed
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	-	-	1,000,000	0.72%	Mar. 31, 2017	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,703,000	-	-	2,703,000	1.28% (*2)	Jul. 25, 2019	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	3,595,000	-	-	3,595,000				
Mitsubishi UFJ Trust and Banking Corporation	1,799,000	-	-	1,799,000				
Aozora Bank, Ltd.	903,000	-	-	903,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,200,000	-	-	1,200,000	0.81%	Mar. 24, 2020	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	1,200,000	-	-	1,200,000	0.82%	Mar. 24, 2020	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,300,000	-	-	1,300,000	0.81%	Mar. 24, 2020	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	1,300,000	-	-	1,300,000	0.82%	Mar. 24, 2020	(*5)	Unsecured Unguaranteed
Development Bank of Japan Inc.	1,150,000	-	-	1,150,000	1.08%	Mar. 24, 2021	(*4)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	920,000	-	-	920,000	0.88% (*2)	Mar. 24, 2020	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	1,830,000	-	-	1,830,000				
Resona Bank, Limited	1,370,000	-	-	1,370,000				
The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000	0.79% (*2)	Feb. 28, 2018	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	-	2,000,000	1.25% (*2)	Oct. 29, 2021	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	2,600,000	-	-	2,600,000				
Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000				
Mizuho Bank, Ltd.	2,160,000	-	-	2,160,000	1.63% (*2)	Dec. 22, 2021	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	1,379,000	-	-	1,379,000	1.54% (*2)	Jun. 25, 2021	(*5)	Unsecured Unguaranteed
Resona Bank, Limited	919,000	-	-	919,000				
Mizuho Trust & Banking Co., Ltd.	1,000,000	-	-	1,000,000	1.07% (*2)	Sep. 30, 2020	(*3)	Unsecured Unguaranteed
The Norinchukin Bank	1,000,000	-	-	1,000,000	0.92% (*2)	Sep. 30, 2019	(*3)	Unsecured Unguaranteed
The Nishi-Nippon City Bank Ltd.	500,000	-	-	500,000				
The Nishi-Nippon City Bank Ltd.	500,000	-	-	500,000				
The 77 Bank, Ltd.	500,000	-	-	500,000	0.77% (*2)	Sep. 28, 2018	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	2,600,000	-	-	2,600,000	1.47% (*2)	Nov. 15, 2023	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	3,550,000	-	-	3,550,000	1.37% (*2)	Nov. 15, 2022	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	1,800,000	-	-	1,800,000	1.16% (*2)	Nov. 26, 2021	(*3)	Unsecured Unguaranteed
Shinsei Bank, Limited	1,000,000	-	-	1,000,000	1.32% (*2)	Jun. 17, 2022	(*3)	Unsecured Unguaranteed
Shinsei Bank, Limited	700,000	-	-	700,000	1.10% (*2)	Jun. 18, 2021	(*3)	Unsecured Unguaranteed
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.93% (*2)	Jun. 18, 2020	(*3)	Unsecured Unguaranteed
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.85% (*2)	Dec. 18, 2019	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	1.59% (*2)	Feb. 14, 2025	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	1.44% (*2)	Feb. 16, 2024	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				

Long-term loans payable



Long-term loans payable

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	455,000	-	-	455,000	1.28% (*2)	Feb. 16, 2023	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	455,000	-	-	455,000				
Sumitomo Mitsui Banking Corporation	1,120,000	-	-	1,120,000				
Mizuho Bank, Ltd.	1,630,000	-	-	1,630,000	1.08% (*2)	Feb. 16, 2022	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,200,000	-	-	1,200,000				
Sumitomo Mitsui Trust Bank Limited	2,100,000	-	-	2,100,000				
Mizuho Bank, Ltd.	2,000,000	-	-	2,000,000				
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.89% (*2)	Feb. 16, 2021	(*5)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	2,900,000	-	-	2,900,000				
Mizuho Trust & Banking Co., Ltd.	1,500,000	-	-	1,500,000				
Mitsubishi UFJ Trust and Banking Corporation	270,000	-	-	270,000	0.74% (*2)	Feb. 14, 2020	(*5)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	2,900,000	-	-	2,900,000				
Mizuho Trust & Banking Co., Ltd.	2,350,000	-	-	2,350,000				
Aozora Bank, Ltd.	900,000	-	-	900,000	0.58% (*2)	Jan. 29, 2021	(*3)	Unsecured Unguaranteed
The Nishi-Nippon City Bank Ltd.	400,000	-	-	400,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	707,000	-	-	707,000	0.82% (*2)	Jul. 29, 2022	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	393,000	-	-	393,000				
The Nishi-Nippon City Bank Ltd.	400,000	-	-	400,000				
Development Bank of Japan Inc.	1,500,000	-	-	1,500,000	1.02% (*2)	Sep. 29, 2023	(*5)	Unsecured Unguaranteed
Development Bank of Japan Inc.	1,850,000	-	-	1,850,000	1.18% (*2)	Sep. 30, 2024	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.85% (*2)	Oct. 31, 2022	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	700,000	-	-	700,000	0.76% (*2)	Apr. 28, 2022	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	700,000	-	-	700,000	0.42% (*2)	Oct. 31, 2019	(*5)	Unsecured Unguaranteed
Resona Bank, Limited	500,000	-	-	500,000	0.57% (*2)	Jan. 29, 2021	(*5)	Unsecured Unguaranteed
The Bank of Fukuoka, Ltd.	500,000	-	-	500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	600,000	-	-	600,000	0.63% (*2)	Jun. 30, 2021	(*5)	Unsecured Unguaranteed
Resona Bank, Limited	500,000	-	-	500,000				
The Bank of Fukuoka, Ltd.	500,000	-	-	500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	0.89% (*2)	Jan. 31, 2023	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	700,000	-	-	700,000				
Resona Bank, Limited	1,000,000	-	-	1,000,000				
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	1.05% (*2)	Mar. 19, 2025	(*3)	Unsecured Unguaranteed
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	1.00% (*2)	Apr. 14, 2025	(*3)	Unsecured Unguaranteed
Nippon Life Insurance Company	1,000,000	-	-	1,000,000	1.00% (*2)	Apr. 14, 2025	(*3)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	1,400,000	-	-	1,400,000	0.88% (*2)	Apr. 12, 2024	(*3)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	0.75% (*2)	Apr. 14, 2023	(*3)	Unsecured Unguaranteed
The Norinchukin Bank	1,500,000	-	-	1,500,000				
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.73% (*2)	Apr. 14, 2023	(*3)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	0.69% (*2)	Oct. 14, 2022	(*3)	Unsecured Unguaranteed
The Tokyo Tomin Bank, Ltd.	500,000	-	-	500,000	0.62% (*2)	Apr. 14, 2022	(*3)	Unsecured Unguaranteed
The Iyo Bank, Ltd.	700,000	-	-	700,000				
The 77 Bank, Ltd.	500,000	-	-	500,000				
The Norinchukin Bank	1,000,000	-	-	1,000,000	0.50% (*2)	Apr. 14, 2021	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	0.30%	Apr. 13, 2018	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				
Mizuho Bank, Ltd.	1,500,000	-	-	1,500,000				
The Gunma Bank, Ltd.	1,000,000	-	-	1,000,000	0.63% (*2)	May 27, 2022	(*5)	Unsecured Unguaranteed



Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
Development Bank of Japan Inc.	2,300,000	-	-	2,300,000	1.04% (*2)	Jun. 25, 2025	(*5)	Unsecured Unguaranteed
Resona Bank, Limited	-	1,000,000	-	1,000,000	0.73% (*2)	Aug. 31, 2023	(*5)	Unsecured Unguaranteed
The Nishi-Nippon City Bank Ltd.	-	800,000	-	800,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	700,000	-	700,000	0.30%	Feb. 28, 2019	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	-	500,000	-	500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	400,000	-	400,000	0.92%	Aug. 29, 2025	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	-	400,000	-	400,000	0.85% (*2)	Aug. 29, 2025	(*3)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	-	1,000,000	-	1,000,000	0.84% (*2)	Dec. 18, 2025	(*5)	Unsecured Unguaranteed
The Norinchukin Bank	-	1,000,000	-	1,000,000	0.61% (*2)	Dec. 18, 2023	(*5)	Unsecured Unguaranteed
The Bank of Fukuoka, Ltd.	-	1,000,000	-	1,000,000				
Total	164,254,329	6,800,000	11,000,000	160,054,329				

- \*1. "Interest rate" represents the borrowing interest rate (the weighted average of the 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 is used to manage exposures to fluctuations in interest rate, the interest rate presented in the above table is fixed, reflecting the effects of interest rate swap transactions.
- \*3. The funds are used for the acquisition of specified assets.
- \*4. The funds are used for the acquisition of specified assets and repayment of the existing loans.
- \*5. The funds are used for the repayment of the existing loans.
- \*6. The funds are used for the redemption of the existing investment corporation bonds.
- \*7. The funds are used for the repayment of the existing loans and redemption of the existing investment corporation bonds.
- \*8. The loan agreement requires that the first repayment is on the last day of April 2011; subsequent repayments are at the end of every January, April, July and October thereafter, each in the amount of 3,375 thousand yen of principal and lump-sum repayment of the remaining principal is on February 17, 2016.
- \*9. The balances are rounded down to the nearest one thousand yen. Accordingly, the "Total" amounts are not necessarily equal to the sum of individual amounts.
- \*10. Total amount of scheduled yearly repayments for the long-term loans for five years after the balance sheet date is as follows:

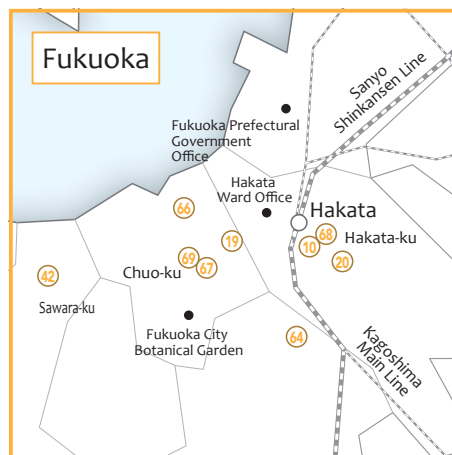
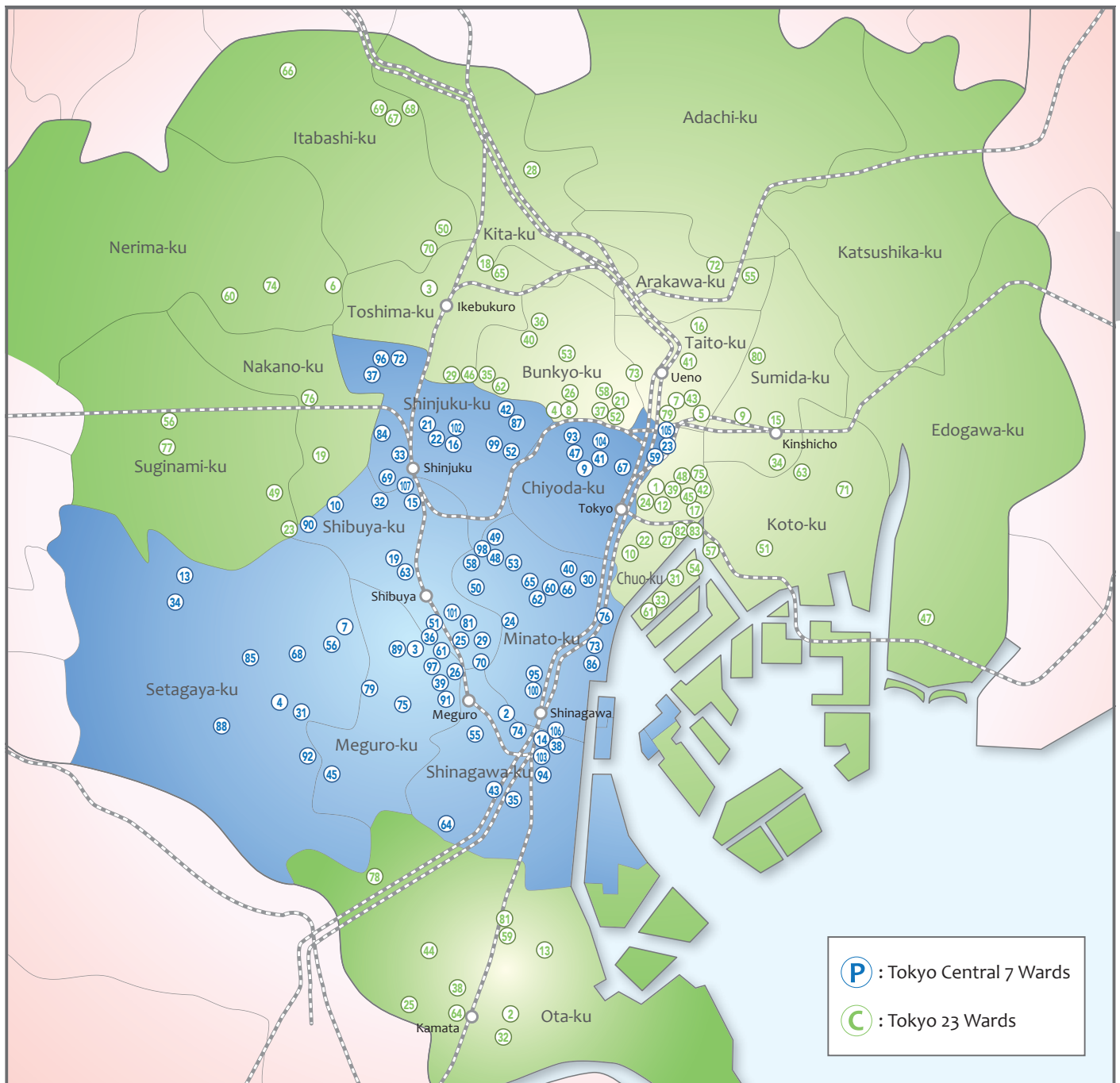
(Thousands of yen)

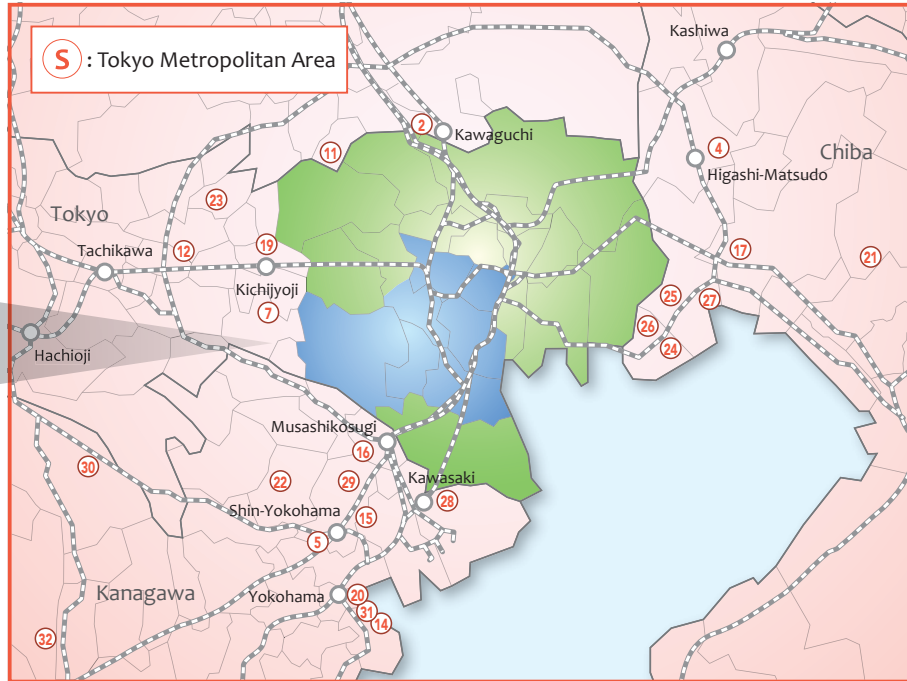
	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term loans payable	27,725,822	22,956,329	26,690,000	18,900,000	21,370,000



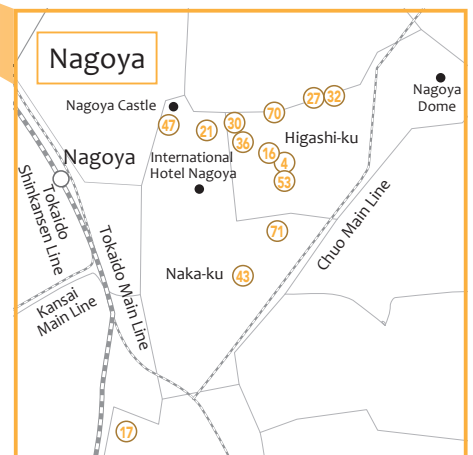
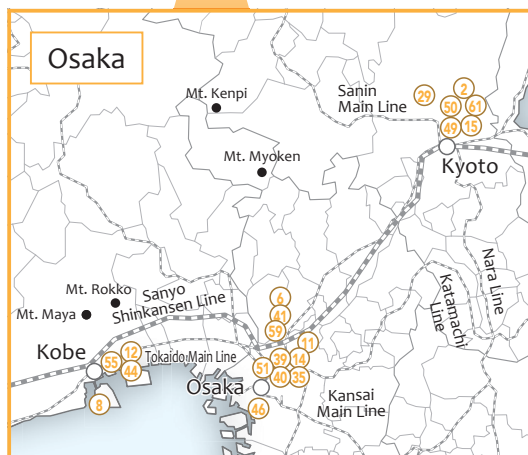
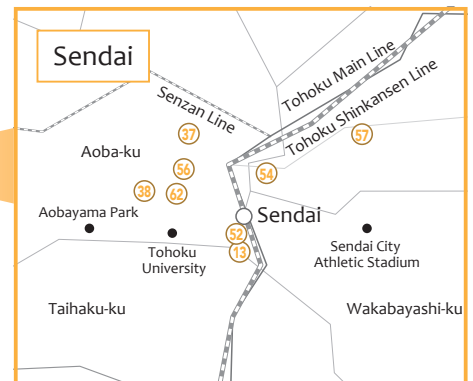
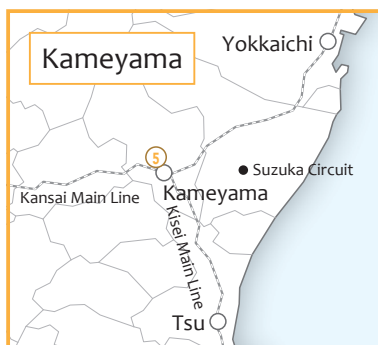
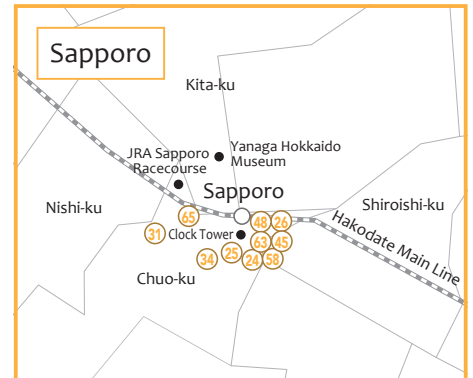


# Portfolio Map





**R : Major Regional Cities**







# Portfolio List

As of January 31, 2016

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	12/24/2004	3,474.37	115	2,860	0.7%	4.3%
	P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2/10/2005	1,694.18	88	1,730	0.4%	2.6%
	P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	3/11/2002	1,769.67	28	1,229	0.3%	7.3%
	P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	8/19/2005	1,423.38	42	1,230	0.3%	3.1%
	P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	3/9/2004	2,845.89	86	2,270	0.5%	2.9%
	P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2/9/2006	1,129.72	35	1,130	0.3%	7.3%
	P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	7/7/2006	1,201.37	39	1,120	0.3%	7.0%
	P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2/23/2007	2,897.99	120	2,720	0.6%	4.3%
	P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	3/8/2007	723.10	22	732	0.2%	4.4%
	P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2/23/2009	818.74	39	750	0.2%	4.3%
	P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	8/7/2001	623.80	30	588	0.1%	8.2%
	P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2/6/2004	1,743.06	54	1,380	0.3%	4.8%
	P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	8/1/2000	1,219.08	48	941	0.2%	5.3%
	P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2/12/2004	2,354.20	65	1,520	0.4%	4.1%
	P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2/14/2001	1,018.71	37	874	0.2%	3.1%
	P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	1/31/2001	653.04	26	554	0.1%	3.0%
	P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	10/13/1999	701.01	20	722	0.2%	6.2%
	P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	11/1/2005	1,733.63	76	1,660	0.4%	2.9%
	P-30	Pianetta Shiodome	Minato-ku, Tokyo	2/18/2005	2,274.19	67	1,950	0.5%	5.3%
	P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	10/22/2004	488.51	18	333	0.1%	8.5%
	P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2/24/2005	464.64	16	326	0.1%	11.0%
	P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2/18/2005	478.57	19	363	0.1%	9.9%
	P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2/23/2005	509.66	15	286	0.1%	10.6%
	P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	12/16/2005	1,249.56	48	947	0.2%	4.3%
	P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	1/31/2006	2,194.56	61	2,280	0.5%	3.4%
	P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	9/5/2006	1,740.50	70	1,180	0.3%	4.8%
	P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	8/1/2006	2,588.01	122	2,040	0.5%	4.0%
	P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1/31/2006	1,448.84	34	1,190	0.3%	6.5%
	P-40	RESIDIA Toranomon	Minato-ku, Tokyo	9/22/2006	1,353.41	63	1,320	0.3%	3.3%
	P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	3/17/2006	1,422.45	52	1,160	0.3%	2.8%
	P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	8/4/2006	1,182.34	52	918	0.2%	2.1%
	P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	7/2/2007	1,321.76	40	1,050	0.2%	4.8%
	P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	3/19/2002	1,435.93	28	1,050	0.2%	7.3%
	P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	12/22/2004	3,039.14	65	2,310	0.5%	2.3%
	P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	8/31/2004	3,485.00	68	3,660	0.9%	3.5%
	P-49	RESIDIA Akasaka	Minato-ku, Tokyo	5/21/2004	1,352.02	37	1,180	0.3%	8.3%
	P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	7/15/2004	7,078.64	125	6,780	1.6%	2.8%
	P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	7/23/2004	2,067.08	42	2,150	0.5%	4.0%
	P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	8/20/2004	3,003.34	85	2,500	0.6%	3.6%
	P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	9/16/1999	4,863.22	89	3,570	0.8%	6.8%
	P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	1/7/2007	21,019.77	358	16,500	3.9%	1.8%
	P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	1/11/2005	2,847.19	78	2,760	0.6%	2.7%
	P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	3/14/2005	782.33	13	728	0.2%	2.0%
	P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	10/29/2003	2,544.25	64	1,620	0.4%	3.4%
	P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	4/17/2006	1,582.54	31	1,430	0.3%	3.2%
	P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	3/6/2007	2,023.88	39	2,020	0.5%	7.1%
	P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	1/9/2003	7,207.18	113	6,190	1.5%	0.7%
	P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	6/22/2006	1,285.42	40	1,250	0.3%	3.5%
	P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	11/16/2005	2,855.06	65	1,880	0.4%	3.4%
	P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2/28/2006	1,732.06	47	1,610	0.4%	4.6%
	P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	8/24/2006	2,023.20	48	1,740	0.4%	3.3%
	P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	6/1/2006	1,534.57	43	1,140	0.3%	4.9%
	P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	3/13/2006	1,933.54	34	1,280	0.3%	4.4%
	P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	5/16/2007	2,478.31	74	1,830	0.4%	10.9%
	P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	8/30/2007	1,035.75	26	923	0.2%	2.8%
	P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	12/10/2002	1,679.94	19	974	0.2%	4.9%
	P-73	RESIDIA Shibaura	Minato-ku, Tokyo	9/30/1991	8,455.30	153	4,670	1.1%	2.8%
	P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	1/29/2007	1,228.15	16	930	0.2%	7.9%
	P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	8/24/2006	5,423.36	118	5,260	1.2%	7.8%
	P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	5/24/2005	13,490.67	191	9,570	2.2%	3.6%
	P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1/27/1993	1,473.68	16	878	0.2%	7.7%
	P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	6/13/2003	2,172.91	12	1,750	0.4%	4.8%
	P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	2/26/1997	2,173.62	26	1,460	0.3%	8.8%
	P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	10/17/2008	1,182.47	59	870	0.2%	10.0%
	P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	1/6/2010	3,898.10	72	2,400	0.6%	4.4%
	P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	8/19/2008	2,169.57	98	2,070	0.5%	3.0%
	P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	6/3/2008	1,996.81	66	1,523	0.4%	10.3%
	P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3/30/2007	3,989.13	70	3,300	0.8%	2.4%



As of January 31, 2016									
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	1/21/2011	4,548.96	167	3,760	0.9%	4.2%
	P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	1/29/2010	1,206.38	31	950	0.2%	2.6%
	P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	10/31/2007	1,127.78	17	778	0.2%	5.4%
	P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	1/6/2012	1,612.65	48	1,240	0.3%	2.6%
	P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	3/2/2012	2,171.74	90	1,620	0.4%	2.2%
	P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	3/15/2012	1,888.07	53	1,480	0.3%	6.7%
	P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	3/3/2008	5,529.19	187	3,656	0.9%	(Building A) 2.9%
									(Building B) 2.9%
									(Building C) 3.0%
	P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	8/10/2006	1,259.45	50	1,119	0.3%	2.7%
	P-98	Artis Court Minamiaoyama	Minato-ku, Tokyo	7/30/2008	1,717.68	23	1,720	0.4%	3.9%
	P-99	RESIDIA Yotsuya Sanchome	Shinjuku-ku, Tokyo	5/8/2009	2,915.94	90	2,090	0.5%	3.8%
	P-100	RESIDIA Takanawa Katsurazaka	Minato-ku, Tokyo	3/7/2006	1,037.58	45	900	0.2%	5.4%
	P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	3/9/2006	644.36	26	611	0.1%	3.3%
	P-102	RESIDIA Shinjuku-gyoen	Shinjuku-ku, Tokyo	10/31/2006	844.76	38	687	0.2%	5.2%
	P-103	RESIDIA Minami Shinagawa	Shinagawa-ku, Tokyo	10/9/2013	1,515.01	50	1,177	0.3%	8.7%
	P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	3/15/2007	3,756.36	118	3,117	0.7%	2.4%
	P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	4/24/2007	1,841.16	48	1,280	0.3%	2.8%
	P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	6/22/2007	1,224.18	36	980	0.2%	4.0%
	P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	1/1/2008	875.22	31	839	0.2%	8.4%
Tokyo 23 Wards	C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2/7/2005	2,552.07	105	1,920	0.5%	3.3%
	C-2	RESIDIA Kamata	Ota-ku, Tokyo	3/9/2005	4,110.54	166	2,640	0.6%	4.7%
	C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	3/15/2005	2,207.63	60	1,520	0.4%	7.1%
	C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	7/23/2005	2,165.35	65	1,680	0.4%	4.6%
	C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	8/27/2005	1,816.14	47	1,060	0.2%	2.9%
	C-6	Maison Clairee Ekoda	Nerima-ku, Tokyo	3/31/1993	1,616.64	94	953	0.2%	9.2%
	C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2/20/2006	4,009.27	127	3,160	0.7%	2.1%
	C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1/27/2006	1,960.40	70	1,623	0.4%	3.6%
	C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2/10/2006	1,378.84	48	913	0.2%	9.1%
	C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	9/1/2006	4,871.02	169	5,251	1.2%	4.3%
	C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	1/17/2007	3,541.09	137	3,180	0.7%	4.6%
	C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	8/6/2007	1,928.71	81	1,980	0.5%	3.8%
	C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	11/13/2007	4,326.80	157	4,200	1.0%	7.2%
	C-16	RESIDIA Negishi	Taito-ku, Tokyo	12/2/2005	1,571.54	28	856	0.2%	7.7%
	C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2/10/2003	2,764.70	83	1,880	0.4%	5.3%
	C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	12/21/2001	979.04	44	558	0.1%	6.4%
	C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	6/7/2002	615.28	24	352	0.1%	3.8%
	C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	3/1/2004	1,368.01	63	1,010	0.2%	5.3%
	C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	12/6/2005	2,043.00	54	1,460	0.3%	3.4%
	C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	3/15/2000	2,855.98	96	1,800	0.4%	6.9%
	C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1/18/2005	1,440.11	52	1,220	0.3%	3.4%
	C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	9/29/2004	2,137.41	98	1,300	0.3%	5.9%
	C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	10/18/2004	770.11	31	603	0.1%	3.5%
	C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	9/7/2004	2,824.17	94	2,000	0.5%	4.0%
	C-28	RESIDIA Oji	Kita-ku, Tokyo	2/15/2005	1,659.09	61	867	0.2%	3.2%
	C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	7/13/2005	1,450.16	63	1,050	0.2%	2.3%
	C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2/27/2006	1,694.38	40	1,100	0.3%	6.8%
	C-32	RESIDIA Kamata II	Ota-ku, Tokyo	9/3/2006	1,929.24	78	1,360	0.3%	4.0%
	C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	9/22/2006	3,074.47	105	2,440	0.6%	3.8%
	C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	1/29/2008	3,394.21	99	2,380	0.6%	4.7%
	C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	8/4/2003	5,970.11	104	3,380	0.8%	4.7%
	C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2/19/2003	1,104.50	33	707	0.2%	5.0%
	C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2/20/2003	1,623.62	39	1,050	0.2%	6.9%
	C-38	RESIDIA Ikegami	Ota-ku, Tokyo	7/2/2003	764.84	19	378	0.1%	8.5%
	C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	3/3/2004	848.24	25	557	0.1%	5.6%
	C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	4/15/2005	2,117.47	45	1,440	0.3%	4.1%
	C-41	RESIDIA Iriya	Taito-ku, Tokyo	12/8/2004	1,826.54	49	990	0.2%	5.4%
	C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	8/31/2006	1,915.92	45	1,310	0.3%	4.5%
	C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	3/16/2007	2,531.81	69	1,860	0.4%	3.0%
	C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	9/5/2006	2,105.15	60	1,290	0.3%	5.0%
	C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2/26/2003	2,119.34	36	1,320	0.3%	3.9%
	C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1/12/1999	13,069.70	162	6,280	1.5%	2.6%
	C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	1/18/2000	2,177.89	29	683	0.2%	7.0%
	C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2/15/2007	8,502.12	132	5,500	1.3%	2.4%
	C-49	RESIDIA Suginami-Honacho	Suginami-ku, Tokyo	2/26/2009	6,953.96	194	3,834	0.9%	4.3%
	C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	8/4/2009	1,413.22	67	888	0.2%	8.6%
	C-51	RESIDIA Kiba	Koto-ku, Tokyo	3/13/2008	3,255.00	155	1,950	0.5%	7.2%



# Portfolio List

									As of January 31, 2016	
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-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	12/18/2008	1,296.27	52	1,129	0.3%	4.4%	
	C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	3/6/2008	3,488.24	98	2,340	0.5%	3.5%	
	C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2/25/2008	3,152.45	119	2,570	0.6%	4.0%	
	C-55	RESIDIA Minami-senju	Arakawa-ku, Tokyo	3/3/2007	10,097.88	175	2,580	0.6%	5.3%	
	C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	3/7/2003	2,830.20	101	1,710	0.4%	4.5%	
	C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2/24/2005	1,458.45	68	970	0.2%	7.6%	
	C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	9/7/2005	3,164.96	80	2,090	0.5%	4.2%	
	C-59	RESIDIA Omori	Ota-ku, Tokyo	3/15/2006	1,528.00	75	1,150	0.3%	1.8%	
	C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2/21/2008	1,501.41	66	1,075	0.3%	4.5%	
	C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2/25/2008	2,750.82	55	1,805	0.4%	4.9%	
	C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2/26/2008	3,063.83	89	2,268	0.5%	4.0%	
	C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2/21/2005	1,072.75	51	651	0.2%	9.6%	
	C-64	RESIDIA Kamata III	Ota-ku, Tokyo	3/2/2007	1,404.35	53	948	0.2%	3.5%	
	C-65	RESIDIA TOWER Kamiiebukuro	Toshima-ku, Tokyo	3/26/2009	31,250.61	472	8,250	1.9%	(Annex Bldg.) 5.7% (Park Bldg.) 5.4% (Tower Bldg.) 2.9%	
	C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2/22/2007	977.96	45	502	0.1%	4.8%	
	C-67	RESIDIA Shimura-Sakaue	Itabashi-ku, Tokyo	2/28/2007	995.37	44	580	0.1%	3.4%	
	C-68	RESIDIA Shimura-Sakaue II	Itabashi-shi, Tokyo	3/6/2007	2,066.19	94	1,093	0.3%	5.6%	
	C-69	RESIDIA Shimura-Sakaue III	Itabashi-ku, Tokyo	3/6/2007	796.76	36	411	0.1%	5.4%	
	C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	10/31/2007	1,996.47	72	1,115	0.3%	3.0%	
	C-71	RESIDIA Ojima	Koto-ku, Tokyo	11/20/2007	1,824.39	87	1,282	0.3%	6.1%	
	C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	8/11/2009	2,640.34	55	1,168	0.3%	3.2%	
	C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	2/29/2004	2,426.47	71	1,700	0.4%	3.8%	
	C-74	RESIDIA Nerima	Nerima-ku, Tokyo	3/16/2005	1,073.44	34	502	0.1%	3.9%	
	C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	4/28/2006	631.56	22	378	0.1%	5.8%	
	C-76	RESIDIA Nakano	Nakano-ku, Tokyo	11/15/2006	825.84	30	652	0.2%	4.1%	
	C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	3/5/2007	735.10	36	460	0.1%	5.1%	
	C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	3/3/2008	2,031.36	58	1,299	0.3%	4.4%	
	C-79	RESIDIA Akihabara	Taito-ku, Tokyo	4/18/2007	1,415.80	40	977	0.2%	5.1%	
	C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	9/20/2007	1,323.50	60	876	0.2%	3.5%	
	C-81	RESIDIA Omori III	Ota-ku, Tokyo	12/14/2012	1,586.48	65	1,395	0.3%	3.1%	
	C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	4/15/2014	2,412.99	77	1,975	0.5%	3.8%	
	C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	3/17/2008	2,735.04	55	1,833	0.4%	3.7%	
	Tokyo Metropolitan Area	S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	3/7/1991	2,023.11	39	770	0.2%	5.5%
		S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	4/23/2007	3,431.44	44	1,100	0.3%	4.6%
		S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	1/30/2007	3,277.62	131	1,920	0.5%	5.6%
		S-7	RESIDIA Chofu	Chofu-shi, Tokyo	3/7/2007	1,750.49	41	1,143	0.3%	5.0%
S-11		Tokyo Student-House WAKO	Wako-shi, Saitama	4/30/1990	1,684.02	127	675	0.2%	10.2%	
S-12		RESIDIA Kokubunji	Kokubunji-shi, Tokyo	2/10/2003	879.44	33	518	0.1%	2.9%	
S-14		RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	8/17/2004	2,359.60	102	1,700	0.4%	8.4%	
S-15		RESIDIA Okurayama	Yokohama-shi, Kanagawa	3/2/1998	1,334.56	64	755	0.2%	5.3%	
S-16		RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	2/26/2007	2,560.40	68	1,580	0.4%	7.2%	
S-17		RESIDIA Funabashi I & II	Funabashi-shi, Chiba	3/1/2007	4,567.44	172	2,730	0.6%	(I) 3.6% (II) 3.4%	
S-19		RESIDIA Kichijoji	Musashino-shi, Tokyo	3/20/1995	2,214.73	48	1,380	0.3%	9.1%	
S-20		Pacific Royal Court Minato Mirai Ocean Tower	Yokohama-shi, Kanagawa	11/6/2007	26,082.53	416	14,000	3.3%	4.5%	
S-21		Maison Yachiyodai	Yachiyo-shi, Chiba	8/7/1989	3,506.54	39	882	0.2%	5.4%	
S-22		Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	10/31/2003	5,433.40	78	1,670	0.4%	6.4%	
S-23		College Court Tanashi	Nishi-Tokyo-shi, Tokyo	2/18/2010	1,136.09	91	810	0.2%	7.7%	
S-24		RESIDIA Urayasu	Urayasu-shi, Chiba	9/18/2009	3,692.76	146	2,115	0.5%	6.7%	
S-25		RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	2/16/2005	1,785.00	85	823	0.2%	6.6%	
S-26		RESIDIA Urayasu II	Urayasu-shi, Chiba	2/25/2005	1,554.00	74	802	0.2%	7.5%	
S-27		RESIDIA Gyotoku	Ichikawa-shi, Chiba	2/25/2005	1,569.74	75	761	0.2%	6.1%	
S-28		RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	3/6/2007	2,644.73	104	1,670	0.4%	4.7%	
S-29		Cocofump Hiyoshi	Yokohama-shi, Kanagawa	1/29/2010	5,247.90	85	1,050	0.2%	7.5%	
S-30		RESIDIA Sagamihara	Sagamihara-shi, Kanagawa	5/27/2004	2,913.01	111	1,050	0.2%	6.8%	
S-31		RESIDIA Yokohama-Bashamichi	Yokohama-shi, Kanagawa	9/26/2005	1,793.05	28	735	0.2%	11.5%	
S-32		RESIDIA Hon-Atsugi	Atsugi-shi, Kanagawa	1/16/2008	1,215.90	49	606	0.1%	11.0%	
Major Regional Cities		R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	2/26/1999	3,714.11	154	1,671	0.4%	10.9%
		R-4	RESIDIA Higashizakura	Nagoya-shi, Aichi	2/20/2006	3,084.03	91	1,290	0.3%	3.4%
		R-5	RESIDIA Kameyama	Kameyama-shi, Mie	2/20/2007	6,065.11	182	1,610	0.4%	4.2%
		R-6	RESIDIA Ryokuchikoen	Toyonaka-shi, Osaka	5/7/2007	2,391.35	44	979	0.2%	5.7%
		R-8	RESIDIA Kobe Port Island	Kobe-shi, Hyogo	9/1/2007	9,708.00	404	3,740	0.9%	(South Bldg./Centre Bldg.) 6.8% (North Bldg.) 6.7%

As of January 31, 2016									
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-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	3/12/2002	3,955.24	155	1,220	0.3%	3.4%
	R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	2/15/2000	2,113.91	78	871	0.2%	8.3%
	R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	11/7/2005	5,698.03	161	2,220	0.5%	3.2%
	R-13	KC21 Building	Sendai-shi, Miyagi	3/12/1997	2,716.11	79	900	0.2%	2.4%
	R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	1/11/2006	2,741.46	94	1,170	0.3%	6.6%
	R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	2/28/2006	4,010.85	116	1,970	0.5%	9.9%
	R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	8/20/2007	5,944.56	198	2,330	0.5%	3.5%
	R-17	RESIDIA Hibino	Nagoya-shi, Aichi	4/10/1992	7,598.40	124	1,340	0.3%	3.9%
	R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	1/15/2004	3,179.96	56	936	0.2%	4.9%
	R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	1/14/2003	1,606.29	39	324	0.1%	2.7%
	R-21	RESIDIA Hisaya-Oodori II	Nagoya-shi, Aichi	2/2/2005	1,930.70	38	685	0.2%	5.0%
	R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	12/19/2006	5,928.51	179	1,640	0.4%	0.9%
	R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	12/5/2006	4,512.24	103	1,320	0.3%	1.1%
	R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	1/25/2007	3,867.60	100	1,130	0.3%	1.4%
	R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	5/25/2005	2,709.97	33	831	0.2%	4.1%
	R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	1/17/2000	3,201.93	48	701	0.2%	13.5%
	R-30	RESIDIA Izumi	Nagoya-shi, Aichi	11/17/2005	9,715.22	122	3,700	0.9%	3.1%
	R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	2/2/2007	3,920.00	56	1,050	0.2%	1.2%
	R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	12/19/2006	2,282.49	27	751	0.2%	3.9%
	R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	8/2/2007	6,230.49	109	2,010	0.5%	0.9%
	R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	8/22/2008	2,655.18	108	1,100	0.3%	7.5%
	R-36	RESIDIA Hisaya-Oodori	Nagoya-shi, Aichi	2/1/2007	1,684.19	57	652	0.2%	4.8%
	R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	1/30/2008	2,005.48	67	529	0.1%	2.5%
	R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	2/22/2010	1,564.29	63	494	0.1%	2.8%
	R-39	RESIDIA Edobori	Osaka-shi, Osaka	2/11/2007	3,369.51	127	1,400	0.3%	8.7%
	R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	3/6/2007	2,398.90	84	1,000	0.2%	7.8%
	R-41	RESIDIA Esaka	Suita-shi, Osaka	7/31/2007	2,177.04	68	989	0.2%	4.8%
	R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	1/22/2008	7,282.78	173	2,380	0.6%	2.6%
	R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	2/7/2008	3,116.98	122	1,206	0.3%	3.6%
	R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	3/17/2008	6,714.74	196	2,740	0.6%	3.6%
	R-45	RESIDIA Kita-Nijyo-East	Sapporo-shi, Hokkaido	3/1/2006	3,808.98	56	894	0.2%	1.1%
	R-46	RESIDIA Shinsaibashi West	Osaka-shi, Osaka	2/21/2007	4,243.06	97	1,921	0.5%	9.1%
	R-47	RESIDIA Marunouchi	Nagoya-shi, Aichi	1/16/2007	2,349.52	86	972	0.2%	2.8%
	R-48	RESIDIA Sapporo-Ekimae	Sapporo-shi, Hokkaido	2/8/2007	6,088.03	168	1,483	0.3%	0.7%
	R-49	RESIDIA Goshō-Higashi	Kyoto-shi, Kyoto	9/4/2007	2,601.26	57	1,227	0.3%	8.9%
	R-50	RESIDIA Raku-hoku	Kyoto-shi, Kyoto	3/19/2008	2,101.83	75	874	0.2%	12.4%
	R-51	RESIDIA Miyakojima I & II	Osaka-shi, Osaka	9/3/2006	12,724.11	178	3,232	0.8%	7.1%
	R-52	RESIDIA TOWER Sendai	Sendai-shi, Miyagi	1/25/2008	5,088.45	67	1,705	0.4%	2.3%
	R-53	RESIDIA Higashizakura II	Nagoya-shi, Aichi	2/27/2006	8,467.67	127	2,862	0.7%	3.1%
	R-54	RESIDIA Tsutsujigaoka	Sendai-shi, Miyagi	11/11/2006	5,415.90	168	1,796	0.4%	(EAST) 2.6% (WEST) 2.7%
	R-55	RESIDIA Kobe-Motomachi	Kobe-shi, Hyogo	1/31/2007	2,373.77	85	1,052	0.2%	5.8%
	R-56	RESIDIA Sendai-Honcho	Sendai-shi, Miyagi	6/20/2007	3,143.80	105	1,117	0.3%	2.3%
	R-57	RESIDIA Sendai-Haranomachi	Sendai-shi, Miyagi	9/12/2007	2,111.76	72	593	0.1%	2.1%
	R-58	RESIDIA Minami-Ichijo East	Sapporo-shi, Hokkaido	1/22/2008	4,063.96	85	1,062	0.2%	1.1%
	R-59	RESIDIA Shin-Osaka	Osaka-shi, Osaka	2/16/2014	5,300.36	208	2,644	0.6%	6.2%
	R-60	RESIDIA Okayama-Ekimae	Okayama-shi, Okayama	3/21/2004	3,063.96	108	772	0.2%	1.7%
	R-61	RESIDIA Kyoto Okazaki	Kyoto-shi, Kyoto	3/19/2005	621.98	23	227	0.1%	14.1%
	R-62	RESIDIA Sendai-Ichibancho	Sendai-shi, Miyagi	3/1/2006	3,184.61	103	1,083	0.3%	2.4%
	R-63	RESIDIA Kita-Nijyo-East II	Sapporo-shi, Hokkaido	2/16/2007	2,296.58	51	538	0.1%	1.2%
	R-64	RESIDIA Takamiya	Fukuoka-shi, Fukuoka	2/11/2007	1,556.02	51	488	0.1%	6.1%
	R-65	RESIDIA Soen	Sapporo-shi, Hokkaido	2/14/2007	1,944.70	60	384	0.1%	1.4%
	R-66	RESIDIA Tenjin	Fukuoka-shi, Fukuoka	5/16/2007	3,175.04	88	1,122	0.3%	3.4%
	R-67	RESIDIA Yakuin-Oodori	Fukuoka-shi, Fukuoka	6/15/2007	3,221.40	91	1,123	0.3%	4.5%
	R-68	RESIDIA Hakata II	Fukuoka-shi, Fukuoka	9/10/2007	3,592.60	124	1,358	0.3%	1.8%
	R-69	RESIDIA Kego	Fukuoka-shi, Fukuoka	1/10/2008	2,293.82	86	834	0.2%	2.3%
	R-70	RESIDIA Shirakabe	Nagoya-shi, Aichi	3/3/2008	2,449.20	70	907	0.2%	4.4%
	R-71	RESIDIA Sakae	Nagoya-shi, Aichi	12/7/2007	1,805.98	77	868	0.2%	4.2%
<b>Total</b>					<b>760,453.15</b>	<b>20,231</b>	<b>425,854</b>	<b>100.0%</b>	<b>2.4%</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 designated and similar major 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

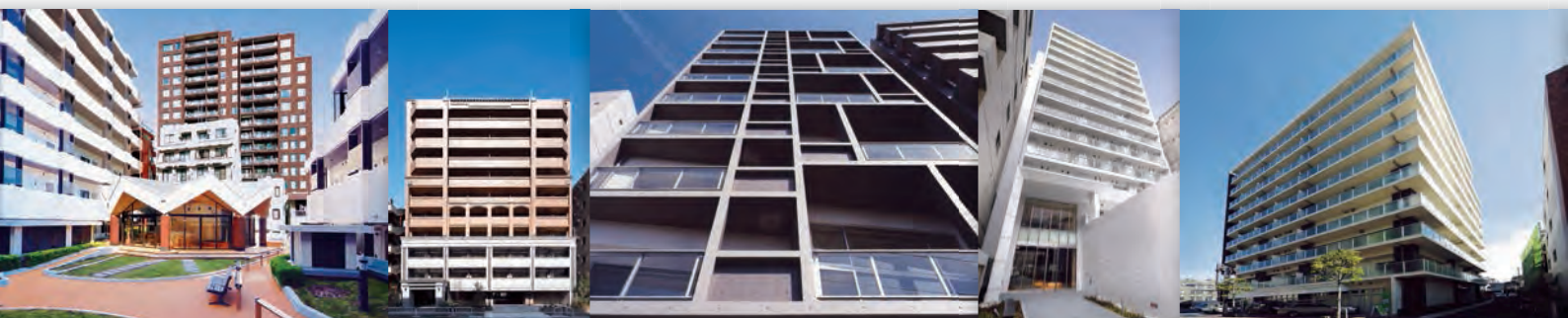
## AD Investment Management Co., Ltd.

As of January 31, 2016

Jinbocho Mitsui Building 17F, 1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo

### Executive Director

President	Kenji Kousaka
Executive Director	Takeshi Takano
Managing Director	Junichi Shoji
Director	Tomoyuki Kimura
Director	Hiroshi Kawakami
Director (non-executive)	Koji Fukaki
Director (non-executive)	Takashi Fujita
Director (non-executive)	Masatoshi Maki
Statutory Auditor	Hiromasa Yamamoto
Statutory Auditor (non-executive)	Kaori Iwasawa



### Description of business

Investment management business

### Company history

Feb. 2, 2005	Established as Japan Residential Management Co., Ltd.
Apr. 9, 2005	Obtained real estate agent 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 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
Aug. 5, 2013	Registered as First-Class Architect Office (Tokyo Metropolitan Registration No. 58856)

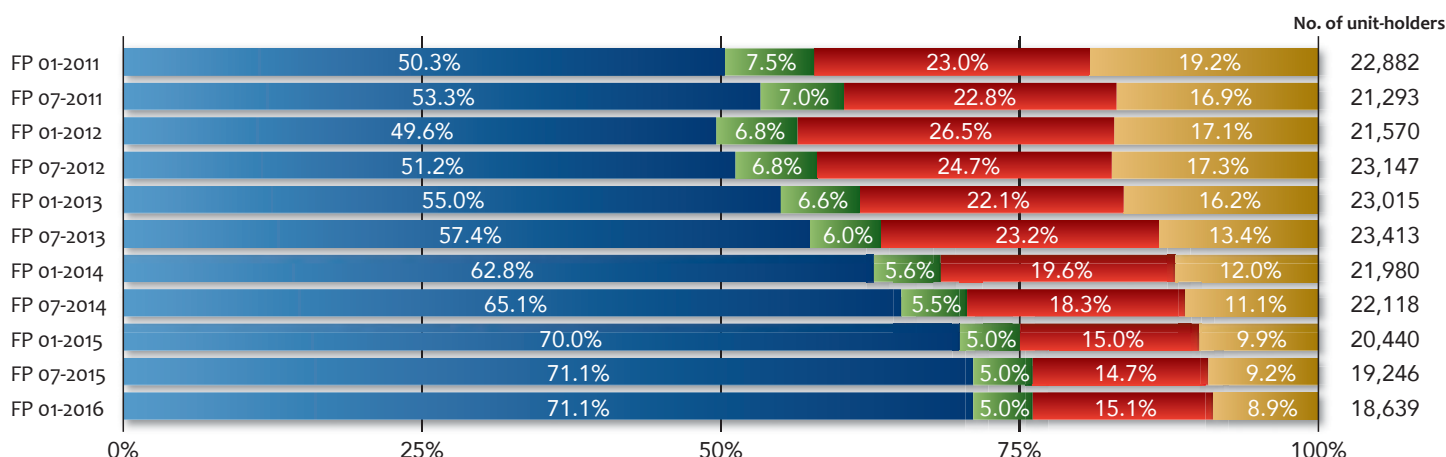
Shareholder composition	Name	No. of Shares	Voting Rights (%)
	ITOCHU Corporation	4,980	80.6
	ITOCHU Property Development, Ltd.	1,200	19.4
	<b>Total</b>	<b>6,180</b>	<b>100.0</b>

(Note) "Voting Rights (%)" 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, 2016



	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	924,015	71.1%	65,031	5.0%	195,850	15.1%	115,104	8.9%	1,300,000	100.0%
No. of unit-holders	181	1.0%	276	1.5%	264	1.4%	17,918	96.1%	18,639	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, AD Investment Management Co., Ltd

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)