



Advance Residence Investment Corporation

Earnings Presentation

11th Fiscal Period ended January 31, 2016

August 1, 2015 to January 31, 2016



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TSE Ticker Code	: 3269
Abbreviation	: ADR
Fiscal Period End	: End of January & July
Main Sponsor	: Itochu Corporation
Asset Type	: Residential

The purpose of this material is to present you with an update on the financial performance of Advance Residence Investment Corporation (the “Corporation”). We do not intend to conduct any advertising or solicitation with respect to any units of the Corporation in connection with this material. Nothing in this material should be regarded as an offer to sell or a solicitation of an offer to buy, a recommendation to sell or buy, or a direct or indirect offer or placement of, any units of the Corporation, except for the purpose of meeting certain requirements under the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU)(the “AIFMD”) as described below.

Disclaimer for Dutch Investors : The prospectus containing the information required under Article 23(1) and (2) of the AIFMD as implemented in the Netherlands is available at [<http://www.adr-reit.com/en/financial/en/financial/sonota/>].

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The Largest* Portfolio Among Residential J-REITs

* According to data collected by ADIM from the latest disclosures made by each residential J-REITs as of Jan. 31, 2016.

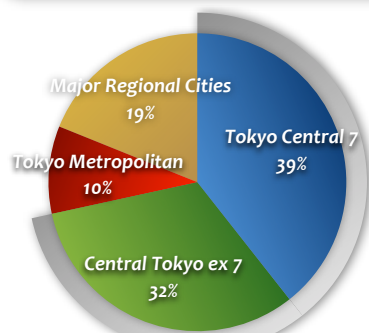


	Number of Properties	Total Leasable Area	Leasable units	Assets Under Management (Acquisition Price)
as of Jan. 31, 2016	251 properties	760,453 m ²	20,231 units	425.8 billion yen
as of Apr. 14, 2016**	255 properties	769,415 m ²	20,451 units	433.8 billion yen

** Four assets-to-be-acquired as of March 11, 2016 are included.

Investment Location

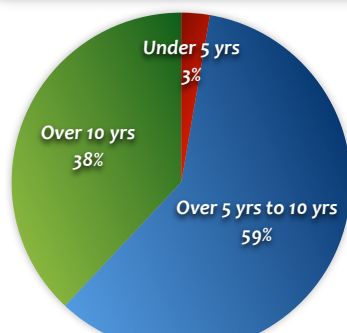
(by acquisition price as of April 14, 2016)



Tokyo 23 Wards **72%**

Building Age

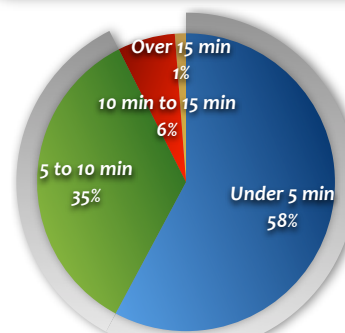
(by acquisition price as of Jan. 31, 2016)



Weighted Average Age
10.1 yrs

Walking Minutes to Train Station

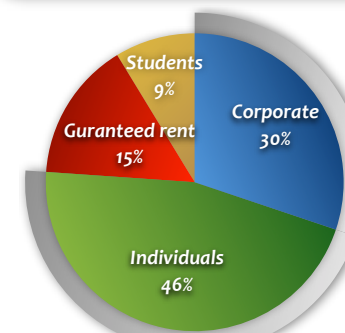
(by acquisition price as of April 14, 2016)



Under 10 min **93%**

Tenant Category

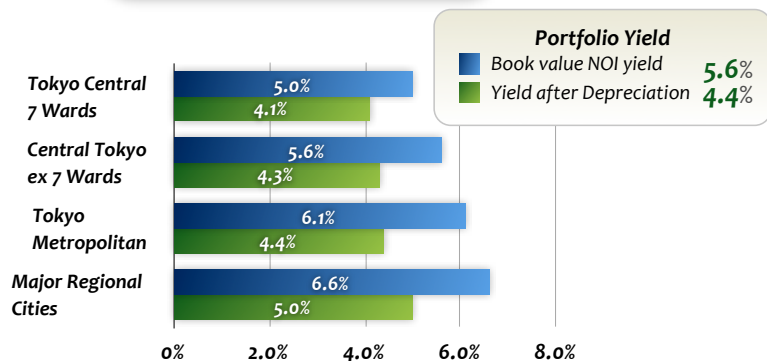
(by no. of units as of Jan. 31, 2016)



Pass-through contract tenants **76%**

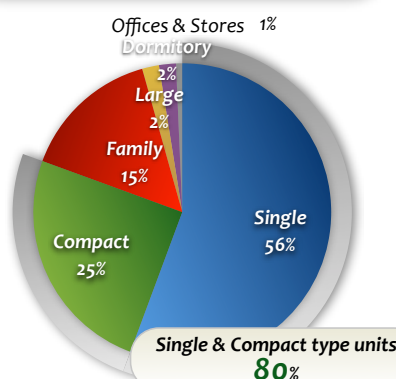
NOI Yields (%)*** by location

(as of Jan. 31, 2016)



Unit type

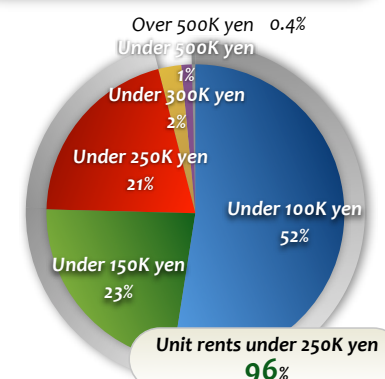
(by no. of units as of Jan. 31, 2016)



Single & Compact type units
80%

Rents

(by no. of units as of Jan. 31, 2016)

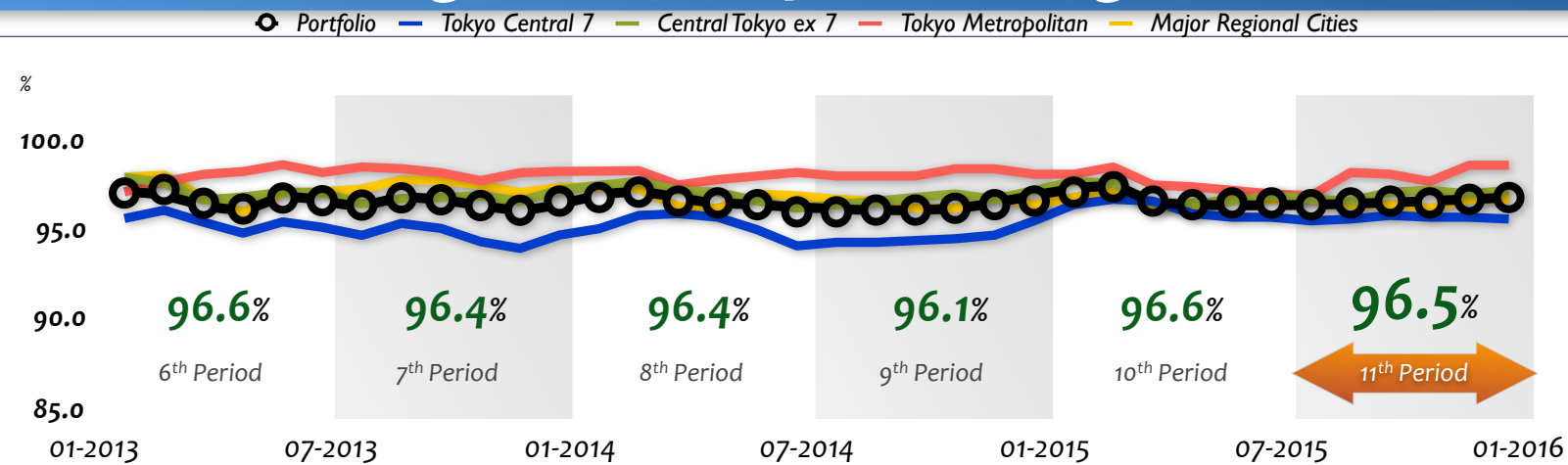


Unit rents under 250K yen
96%

*** Book value NOI is calculated as "annualized NOI" ÷ "book value at the end of FP2016/1". NOI is annualized according to actual number of days of operation for each property during FP2016/1. Yield after Depreciation is calculated as (annualized NOI - depreciation) ÷ book value as of end of FP2016/1.

Solid Track Record, Solid Growth

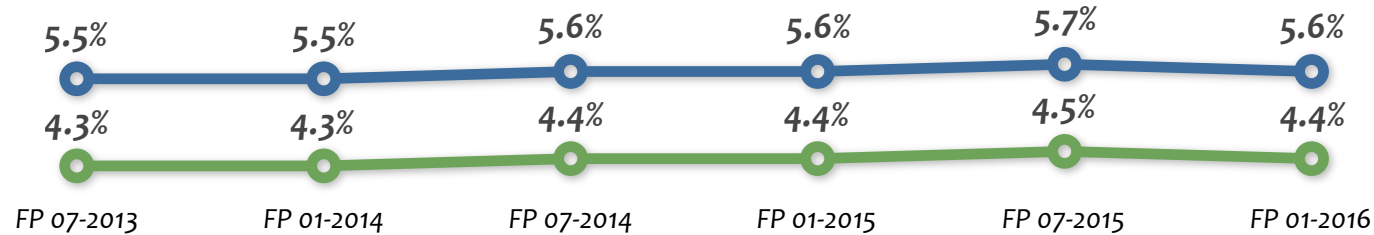
Increasing EPS by Implementing Various Measures



Period End Occupancy

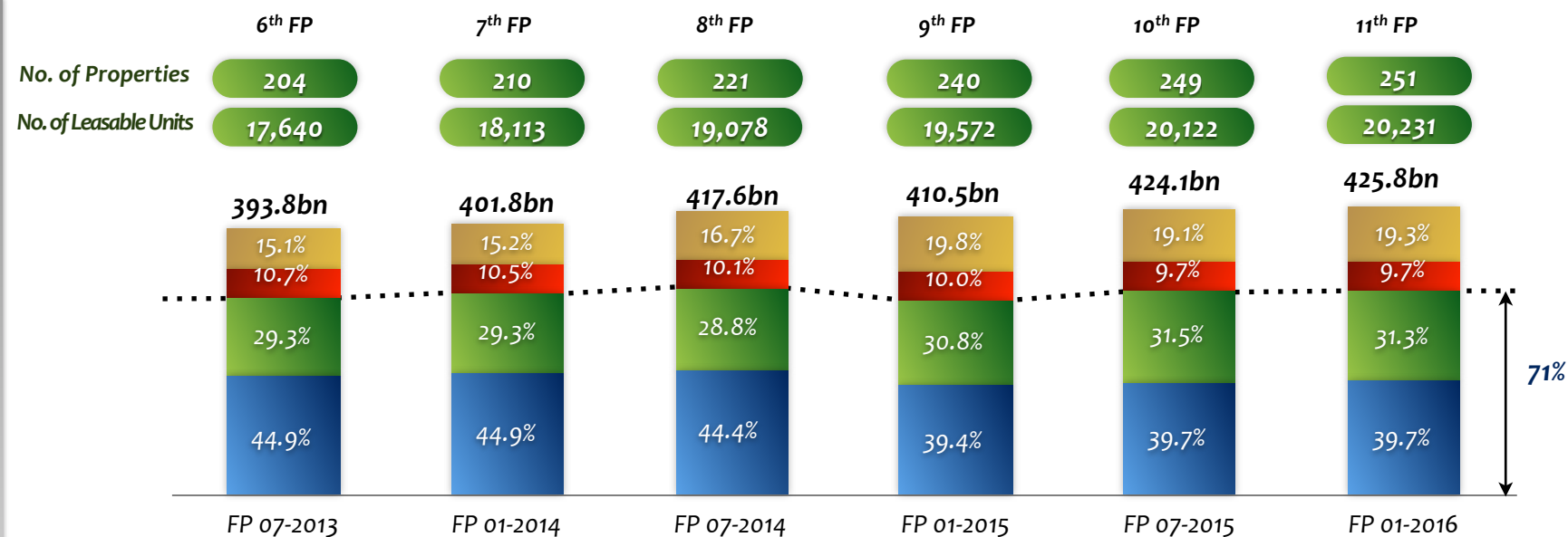
Portfolio	96.7%
Tokyo Central 7	95.5%
Central Tokyo ex 7	97.1%
Tokyo Metropolitan	98.9%
Major Regional Cities	96.6%

Maintaining High Occupancy Rate



● Book-value NOI Yield
● Yield after Depreciation

Stable Yield Levels

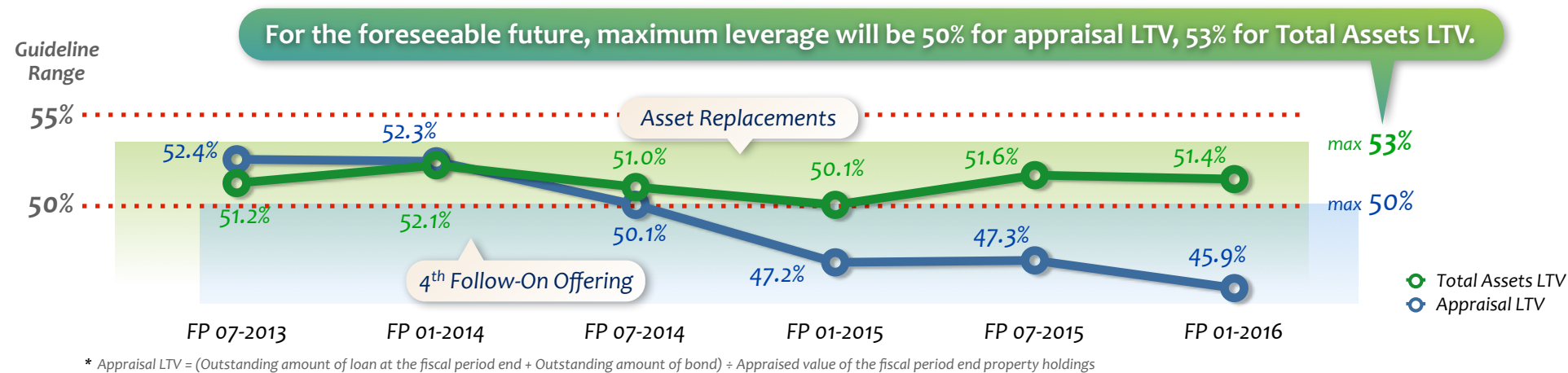


The Largest Portfolio Among Residential J-REITs

Topping 425 bn yen

Liabilities

LTV

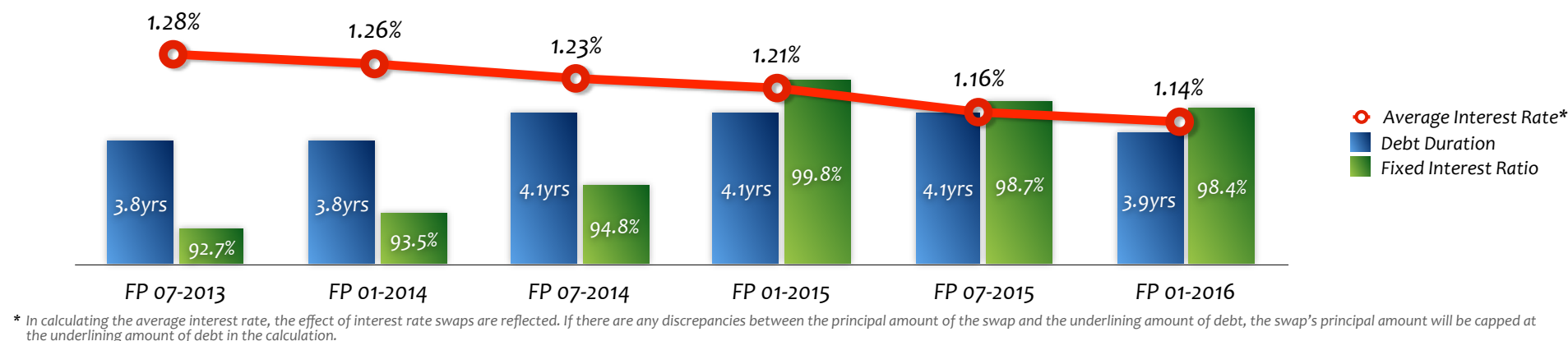


Lowered LTV Range to Maintain Flexibility in Preparation for Future Financial Volatility

Acquisition Capacity
(@ Total Assets LTV of 53%)
approx.

7.0 bn yen
(estimate for FP ending July 2016)

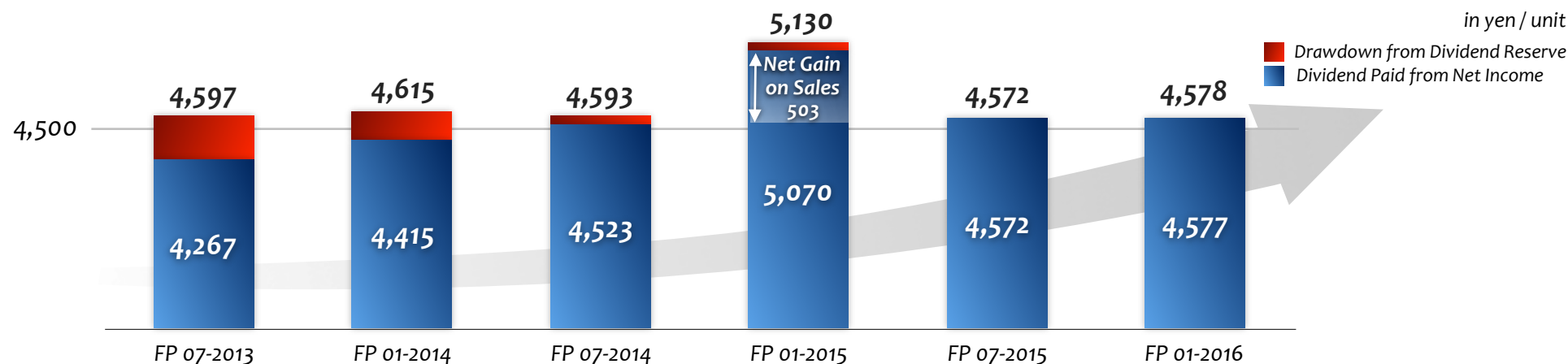
Debts



Lowered Interest Rate
While Maintaining
Duration and Fixed
Interest Rate Debt
Ratio

Equities

Dividends

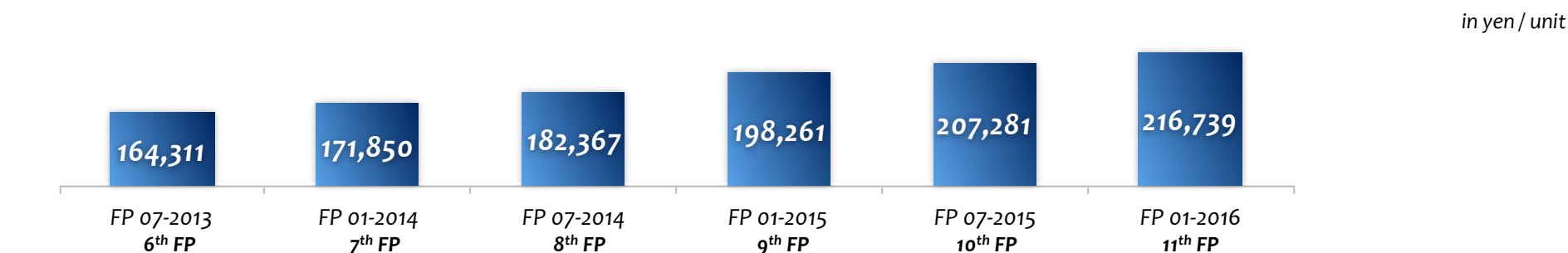


Steadily Growing EPU

Outstanding Dividend
Reserve

33.5 bn yen
(after FP Jan. 2016)

Net Asset Value



Increasing
NAV per Unit

* NAV / Unit is calculated as follows. (FP end net asset + FP end unrealized gain or loss - dividend amount for the FP) ÷ FP end number of issued and outstanding units.

Executive Summary

Committed in Delivering Strong and Stable Dividend



Results for Fiscal Period ended Jan. 31, 2016

Increase in Revenue, Profits and Dividend

Due to Rise in Occupancy and Lower Funding Cost

Dividend per Unit* **4,578**yen chg. from initial forecast **+48**yen chg. from last period **+6**yen

* Dividend per Unit might be abbreviated as DPU hereafter.

Negative Goodwill Drawdown Policy

Drawdown of at least **335**million yen per FP starting **FP Jan. 2017**

Equivalent to completely drawing down 33.5 billion yen outstanding in 100 Fiscal Periods or in 50 years' time

Fiscal Highlights

Succeeded in Raising Rents, Maintained High Occupancy while Acquiring Two Recently Built Properties

Internal Growth

Maintaining High Occupancy while Succeeding to Raise Rents

Average Period Occupancy	96.5%	<small>increase from forecast</small> +0.2%pt
Portfolio Rent Change	+0.13%	<small>previous FP actual</small> +0.12%
from Tenant Replacements	+1.75%	+1.34%
from Contract Renewals	+0.53%	+0.21%

External Growth

Acquired Two Recently Built Properties Using Own Sourcing Network

No. of Properties	2 properties
Acquisition Price	1.7 billion yen
NOI Yield	5.3%

Fund Raising Activities

Lowered Financing Cost While Maintaining Duration and Fixed Interest Rate Debt Ratio

Average Interest Rate	1.14%	<small>chg. on pervious FP</small> -0.02%pt
Average Duration	3.9 years	-0.2 years
Fixed Interest Rate Debt Ratio	98.4%	-0.3%pt

Results for Fiscal Period ended Jan. 2016

from August 1, 2015 to January 31, 2016



	(1) 11th FP Forecast	(2) 11th FP Results	(2)-(1)			(3) 10th FP Results	(2)-(3)			in million yen
	Initial Forecast as of Sept. 8, 2015	Results for FP January 2016	Changes	Notes		Results for FP July 2015	Changes	Notes		
Revenue	15,015 (250 properties) Period avg. occupancy 96.3%	15,082 (251 properties) Period avg. occupancy 96.5%	+66	Increase in occupancy Income from penalty Increases in key money & renewal fee income	+33 +12 +21	14,998 (249 properties) Period avg. occupancy 96.6%	+83	Full period contribution from 2015/7 acquisition Contribution from 2016/1 acquisition Decrease in dividend from SPC Off-peak decreases in key money & renewal fee income	+176 +19 -33 -77	
Operating Income	7,454 (Depreciation: 2,529) (Property taxes: 811)	7,489 (Depreciation: 2,531) (Property taxes: 811)	+34	Leasing Expenses Increase due to rise in occupancy Decrease in utility expenses G & A Expenses Increases in management fees due to higher profits	-15 +27 -39	7,501 (Depreciation: 2,501) (Property taxes: 760)	-11	Leasing Expenses Off-peak decreases in leasing expenses Increase in property taxes from 2014 acquisitions G & A Expenses Increase in consumption tax settlement loss	+109 -51 -46	
Ordinary Income	5,889 (Funding cost*: 1,560)	5,951 (Funding cost*: 1,539)	+62	Decrease in funding costs due to repayment of loans and bonds	+22	5,945 (Funding cost*: 1,546)	+6	Decrease in funding costs due to refinancing	+18	
Net Income	5,889	5,951	+62			5,944	+6			
Drawdown of Retained Earnings**	0	0	-	Retained earnings after dividend: 33.5 bn yen		0	-	Retained earnings after dividend: 33.5 bn yen		
Dividend Amount	5,889	5,951	+62			5,943	+7			
EPU (yen)	4,530	4,577	+47	Units issued and outstanding 1,300,000 units		4,572	+5	Units issued and outstanding 1,300,000 units		
Dividend per unit (yen)	4,530	4,578	+48			4,572	+6			
FFO per Unit (yen)	6,476	6,524	+48			6,497	+27			
FFO Payout Ratio	70%	70.2%	+0.2 pt			70.4%	-0.2 pt			
Appraisal LTV	47.4%	45.9%	-1.5 pt			47.3%	-1.4 pt			

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

** "Retained Earnings" means "Dividend Reserve".



Internal Growth

Three Consecutive Fiscal Period Rise in Rent

Rent Rise Seen in Both Tenant Replacements & Renewals

* Rent change for pass-through units that are both occupied at the beginning and the end of the period.

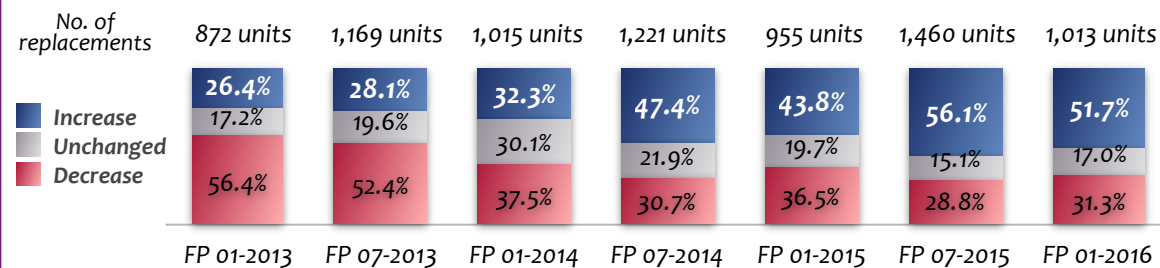
Tenant Replacements*

FP Jan. 2016 Results

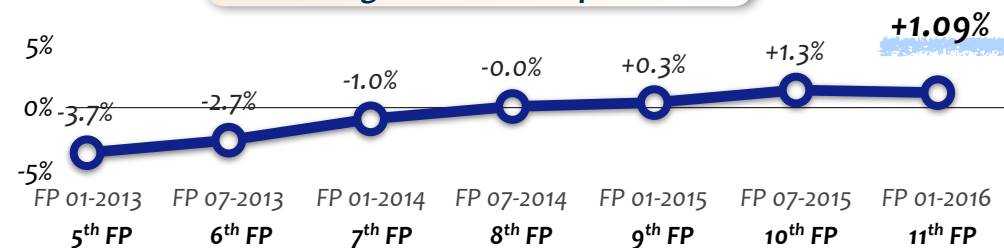
	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	524 units	51.7%	66	69	+2	+4.22%
Unchanged	172 units	17.0%	20	20	-	-
Decrease	317 units	31.3%	34	33	-1	-4.24%
Total	1,013 units	100%	121	122	+1	+1.09%

Tokyo Central 7 Wards +1.44% Central Tokyo +1.54% Metropolitan Area +0.65% Major Regional Cities -0.04%

Share of Rent Change (by no. of units)



Rent Changes in Tenant Replacements



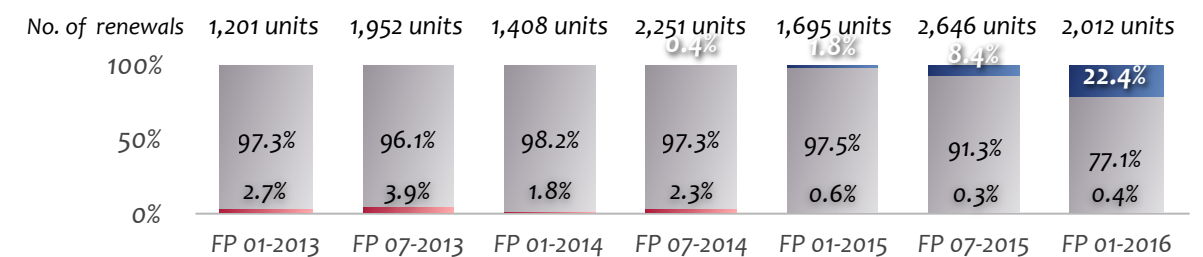
Renewals*

FP Jan. 2016 Results

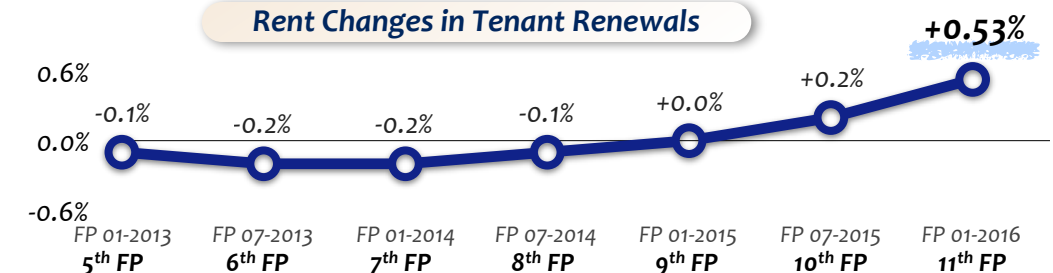
	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	451 units	22.4%	62	63	+1.3	+2.20%
Unchanged	1,552 units	77.1%	183	183	-	-
Decrease	9 units	0.4%	1	1	-0.05	-3.35%
Total	2,012 units	100%	248	249	+1.3	+0.53%

Tokyo Central 7 Wards +0.78% Central Tokyo +0.54% Metropolitan Area +0.11% Major Regional Cities +0.12%

Share of Rent Change (by no. of units)

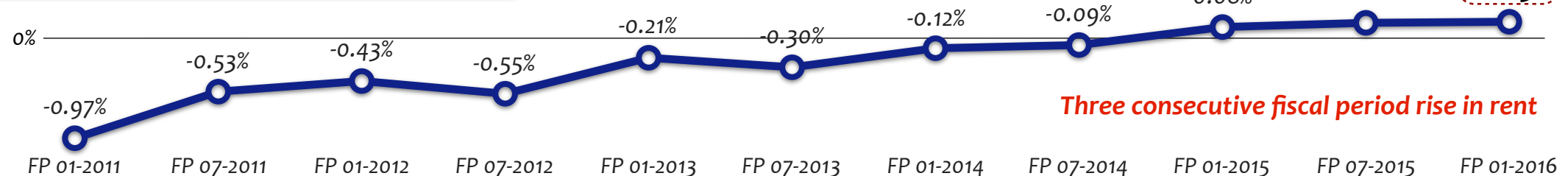


Rent Changes in Tenant Renewals



Portfolio Rent Change**

** Rent change for all units that are both occupied at the beginning and the end of the period.

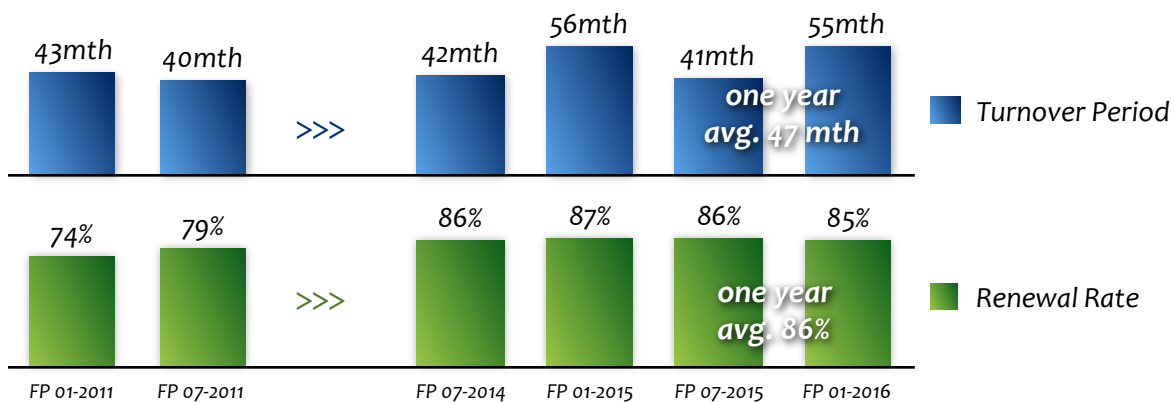


Three consecutive fiscal period rise in rent

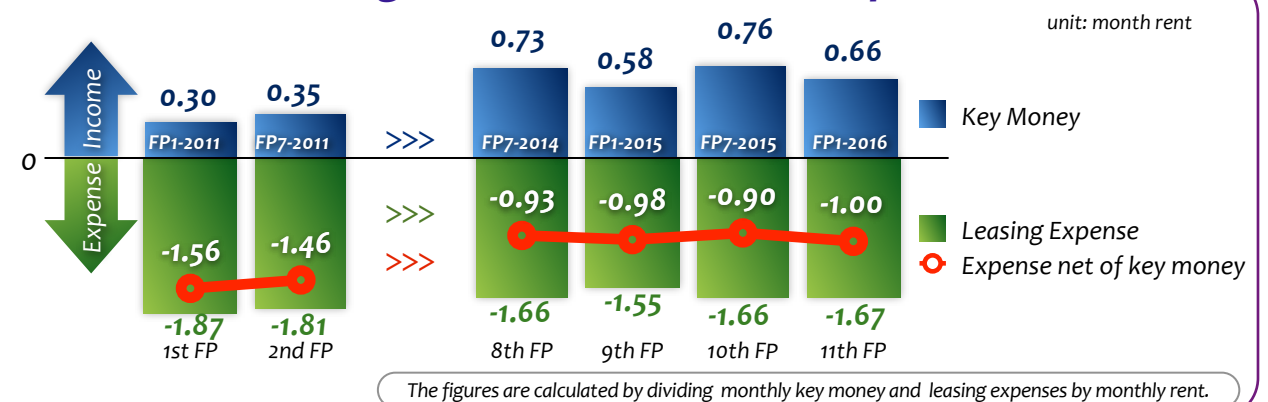
Achieving Internal Growth in the Residential Sector

Key Money Income Gradually Rising Year on Year

Turnover & Renewal Rate



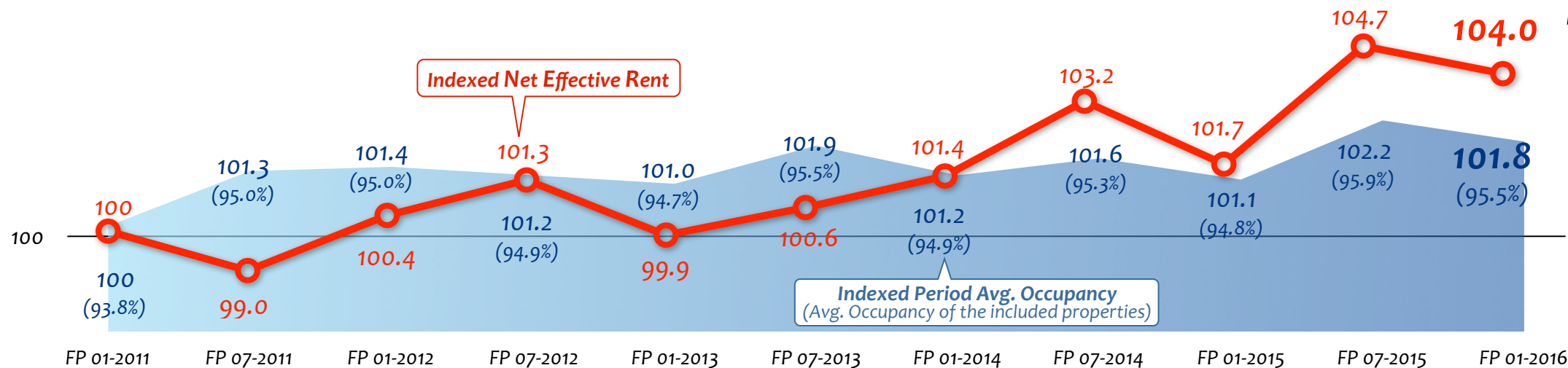
Leasing Related Income and Expenses



Promoting Internal Growth Through Improvement in Leasing Terms and Occupancy

Changes in Net Effective Rent (NER)

$$\text{NER} = \text{Monthly Rent} + (\text{Key Money} - \text{Leasing Expense}) \div 24 \text{ months}$$



Achieving Internal Growth

Rise in NER

×

Improvement in Occupancy

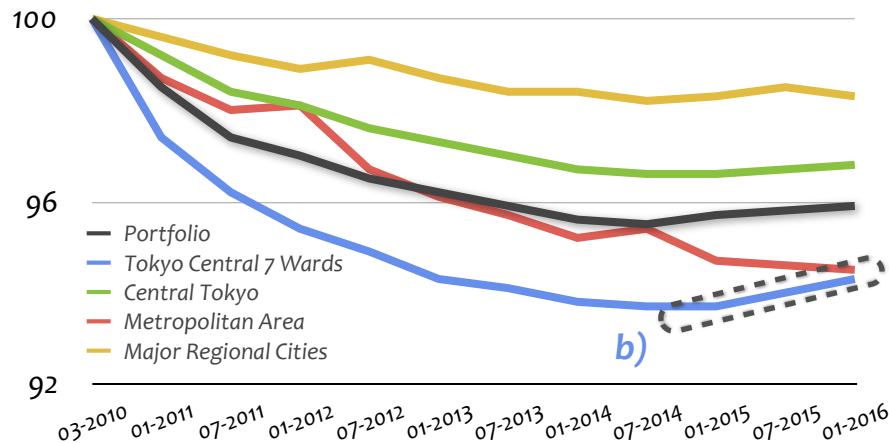
- The 116 properties that are included in above charts are properties held since the start of the FP01-2011. Following properties are excluded from the calculation. 1) Properties with guaranteed rent or properties where the whole building is let to one tenant. This is because fluctuation in "key money" and "leasing related expenses" do not affect ADR's rental income from those properties. 2) Properties targeted for Expats, where there are no key money practices.
- Number of new contracts for each fiscal period is as follows, FP01-2011) 1,754, FP07-2011) 1,076, FP01-2012) 872, FP07-2012) 1,028, FP01-2013) 981, FP07-2013) 1,030, FP01-2014) 796, FP07-2014) 927, FP01-2015) 837, FP07-2015) 922, FP01-2016) 792.
- Net Effective Rent Index is calculated as monthly rental of new contracts and common fees plus key Money Income divided by 24 month, minus leasing related expenses divided by 24 month and weighted averaged by each 116 properties rentable space for each fiscal period and indexed by using the FP01-2011 figure as 100.

Changes in Rents & Rent Gaps

Rents Rebound Especially in Tokyo Central 7 Wards

Rent Change*

- a) **+0.1pt rise** in rent index for the whole portfolio. **Third consecutive FP rise** in rent.
- b) There are **marked recovery** in rents in **Tokyo Central 7 Wards** where it saw the largest rent decline in the past especially in areas such as Shibuya, Roppongi, Azabu, etc.
- c) By being selective in the initial investments, rents for ADR's **regional portfolio are stable as a whole**. However, there are discrepancies between cities, specifically, Sendai is booming but Osaka is weak.

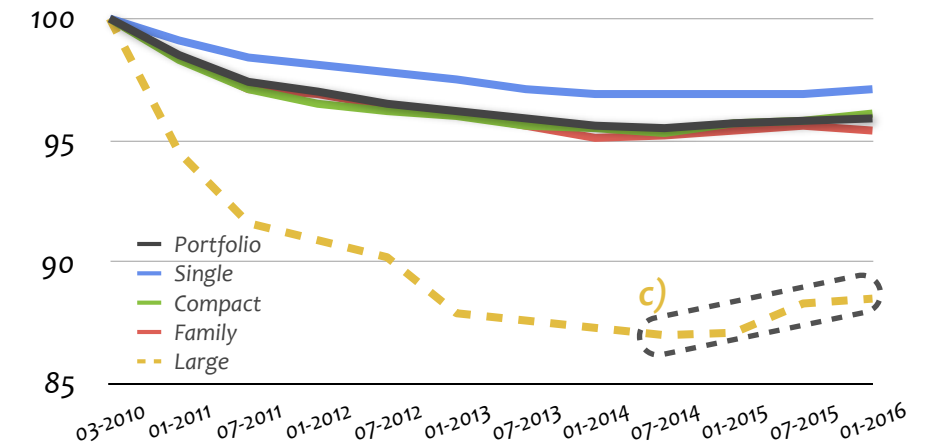


Recent Change in Rent for the Whole Portfolio

2014/7 2015/1 2015/7 2016/1
95.5 → 95.7 → 95.8 → **95.9**

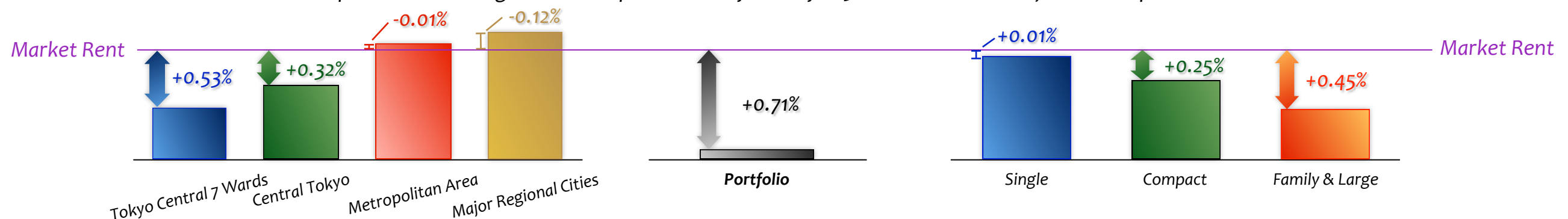
Rent Change*

- a) **Rents rose** in most types of units.
- b) There was also rent rise in Single type units where volume in demand is largest and rents stable.
- c) Although the number of units held by ADR is small, Large type units where the rent declined the most in the past, saw a significant uptick.



Rent Gaps for the Whole Portfolio +0.71%

Upward Rent Changes Can Be Expected Mainly in Tokyo 23 Ward at the Time of Tenant Replacements



A rent gap is a gap between the unit rent of new tenants of FP Jan. 2016 (treating this current rent as approximation of market rent) and unit rent of existing tenants, aggregated for the whole portfolio for leasing contracts that are pass-throughs. The calculation is made on each property and by each unit type for properties held at the end of FP Jan. 2016. A +0.71% gap means that, if the gap is to be closed by rise in existing tenants' rents, then the portfolio rent will rise by +0.71%.

Large-Scale Repairs & Conversion Works

Examples of Works Completed in FP July 2015

Large-scale Renovation Executed in the FP Jan. 2016

C-18 RESIDIA Kami-Ikebukuro

Building Age
14 yrs

Total Cost :
37,200 thousand yen

C-47 RESIDIA Kasai

Building Age
16 yrs

Total Cost :
44,800 thousand yen

R-11 RESIDIA Tenjinbashi

Building Age
16 yrs

Total Cost :
58,600 thousand yen

Before and After of “R-11 RESIDIA Tenjinbashi”

before

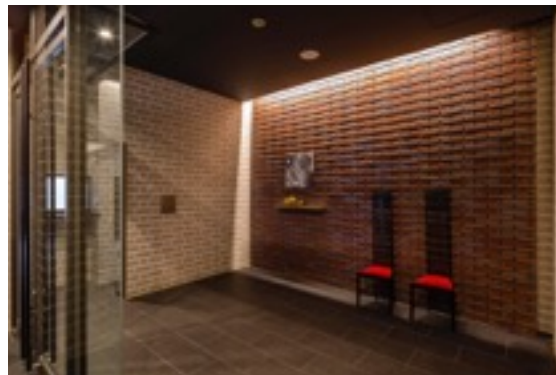


after

- Exterior wall repairs • Tile peeling prevention • Entrance upgrades



- LED lightings in common area
- Entrance hall upgrades



- Hallway floor sheet upgrades
- Unit door refurbishment



Equipment Renewals and Upgrades

Examples of Works Completed in FP January 2016



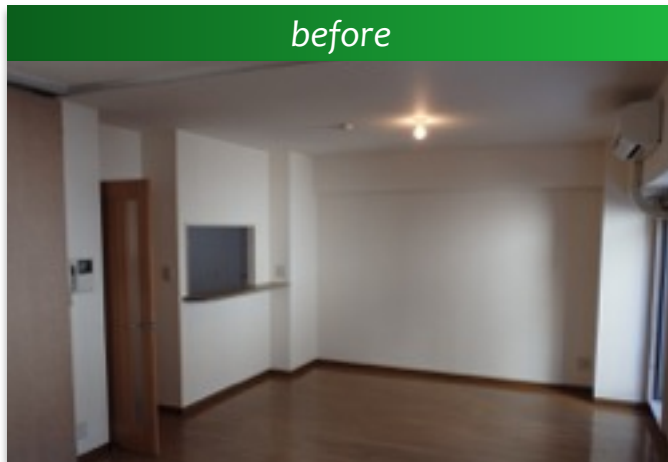
30 units of 9 properties received equipment renewals and upgrades - Average Monthly Rent +18.5%

P-53 RESIDIA Roppongi-Hinokichokoen

Building Age
16 yrs

Total Cost : 5,080 thousand yen
Upgrades : 1,844 thousand yen
Increase in Monthly Rent : up 28.2%
Projected Recuperation Period : 6 years

before



after

Open kitchen conversion making the living-dinning room feel more spacious

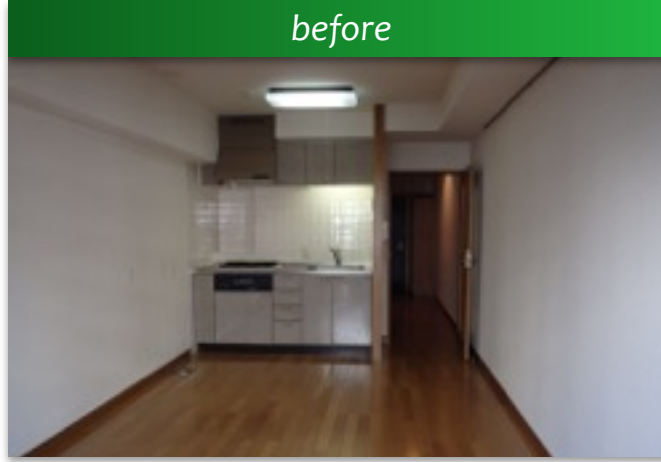


C-46 RESIDIA Mejiro

Building Age
17 yrs

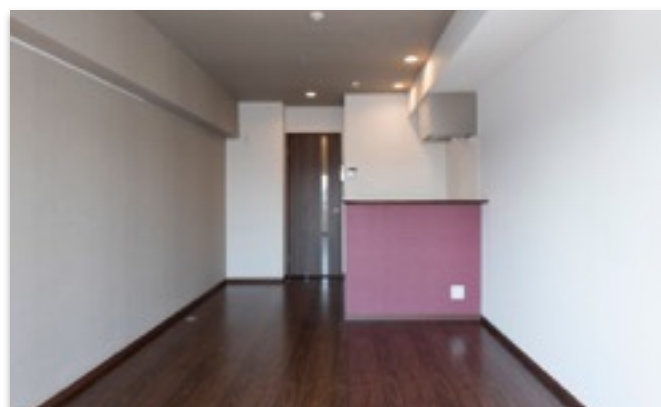
Total Cost : 3,310 thousand yen
Upgrades : 1,200 thousand yen
Increase in Monthly Rent : up 22.0%
Projected Recuperation Period : 9 years

before



after

Conversion to a more compact and modern design kitchen



P-73 RESIDIA Shibaura

Building Age
24 yrs

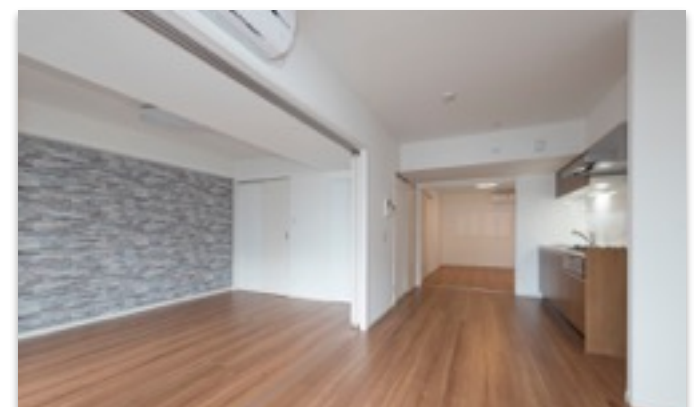
Total Cost : 3,780 thousand yen
Upgrades : 1,075 thousand yen
Increase in Monthly Rent : up 11.0%
Projected Recuperation Period : 8 years

before



after

Converted to a better 2DK floor plan by Japanese to western style room change & kitchen relocation



*Projected Recuperation Periods are periods projected to recuperate the upgrade cost. The percentage increase in monthly rent is the ratio of rent against the assumed asking rent for non-upgraded units.

Maintaining the Competitiveness of Properties

By Scheduling and Executing Proper Measures Property's Competitiveness Can be Maintained

Daily Maintenance

Restoration works carried out at the time of every tenant replacement

First REIT management company to be registered as First-Class-Architect Office

Large-scale Renovation

Works carried out at around 15 years intervals

Track Record Since the Merger (excluding disposed properties)

No. of Properties: **18** properties

Total Investment: **871** million yen

Per Property Investment: **48** million yen

Equipment Renewals and Upgrade Works

Upgrades considered at the time of kitchen & bathroom equipment renewals (at around 15 years intervals)

Track Record Since the Merger (excluding disposed properties)

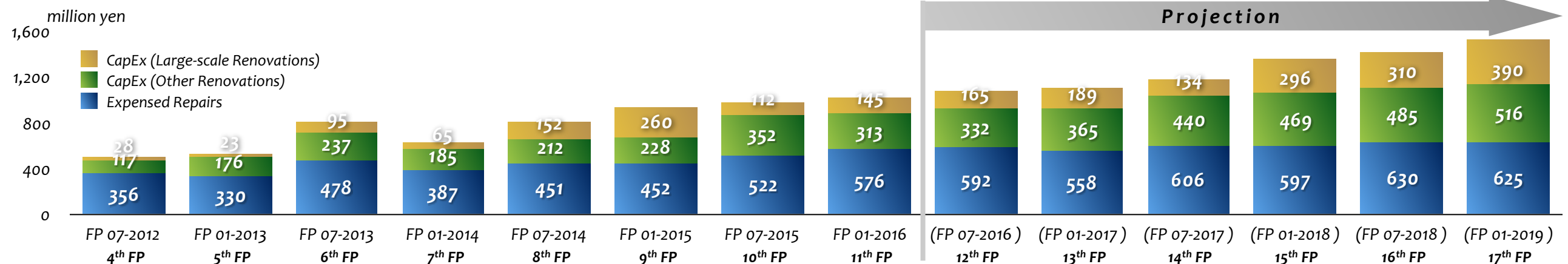
as of Mar. 7, 2016

No. of Upgraded Units: **138** units

No. of Units Leased-out: **129** units

% Increase in Rent: **14.7**%

10 Year Planned Works: Maximum 43 billion Yen < 10 Year Total Projected Depreciation





External Growth

New Acquisitions Execute or Announced

Acquired Properties Through Our Own Sourcing Network and from the Sponsor's Pipeline

Acquisitions Executed in FP Jan. 2016

Acquisitions Using Own Sourcing Network



Tokyo Central 7 Wards

RESIDIA Yoyogi II



Major Regional Cities

RESIDIA Sakae



Tokyo Central 7 Wards

RESIDIA Nakanobu II



Tokyo Central 7 Wards

RESIDIA Ochanomizu II



Central Tokyo ex 7

RESIDIA Bunkyo-Hongo III



Central Tokyo ex 7

RESIDIA Shin-Okachimachi II

Location	Shibuya-ku, Tokyo	Naka-ku, Nagoya	Shinagawa-ku, Tokyo	Chiyoda-ku, Tokyo	Bunkyo-ku, Tokyo	Taito-ku, Tokyo
Access	9 min. walk from JR Yamanote Line Shinjuku Station	8 min. walk from Meijo Line Yabacho Station	1 min. walk from Asakusa Line Nakanobu Station	5 min. walk from Ginza Line Suehirocho Station	5 min. walk from Marunouchi Line Hongo-3chome Station	3 min. walk from Oedo Line Shin-Okachimachi Station
Acquisition Price	839 million	868 million	917 million	821 million	1,655 million	4,650 million
NOI Yield	4.8%	5.7%	4.8%	4.9%	4.7%	4.6%
Building Age	7.7 years	8.1 years	2.0 years	1.1 years	1.7 years	1.1 years
Leasable Units	31 units	77 units	44 units	28 units	48 units	100 units
Seller	Third-party		Itochu Corporation			

* Acquisition prices are rounded down to the nearest million. The appraisal prices at the time of acquisitions are listed.
 * NOI yields = appraisal NOI ÷ acquisition price × 100%
 * Listed building ages are as of the date of the acquisition of each property.

Preparing for Future External Growth

External Growth Achieved Mainly Through Sponsor's Pipeline

Itochu Group Development Examples

Developments mostly in the Tokyo 23 Wards Total **19** properties **1,610** planned units approx. **30** billion yen

Tokyo Central 7		Central Tokyo ex.7		Tokyo Metropolitan		Osaka	
Location	Planned Units	Location	Planned Units	Location	Planned Units	Location	Planned Units
① Shimouma, Setagaya-ku	41	⑨ Minami-Kamata, Ota-ku	110	⑯ Nakahara-ku, Kawasaki	391	⑱ Toyotsucho, Suita	137
② Minami-Shinagawa, Shinagawa-	83	⑩ Kameido, Koto-ku	129	1 properties	391	⑲ Toyotsucho, Suita	60
③ Kanda-Awajicho, Chiyoda-ku	28	⑪ Kamata, Ota-ku	149			⑳ Oyodo-minami, Kita-ku, Osaka	84
④ Sangenjaya, Setagaya-ku	70	⑫ Koenji-minami, Suginami-ku	58			3 properties	281
⑤ Mita, Minato-ku	27	⑬ Kamiogi, Suginami-ku	58				
⑥ Meguro, Meguro-ku	51	⑭ Koishikawa, Bunkyo-ku	43				
⑦ Soto-Kanda, Chiyoda-ku	35	⑮ Ikegami, Ota-ku	42				
⑧ Shin-Ogawamachi, Shinjuku-ku	23	7 properties	589				
8 properties	358						

+ Land Plots Waiting for Building Permit Total **6** properties

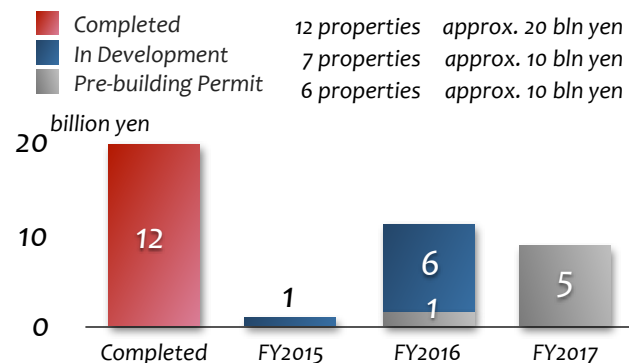
Completed properties are indicated in red letters.



Completion Photo of
⑩ Kameido, Koto-ku project

Building Completion Schedule and Volume

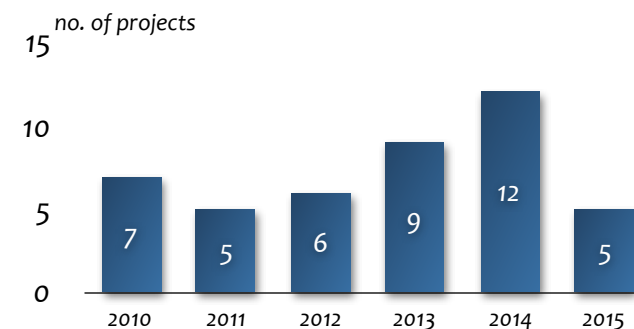
Pipeline, More than 20 billion yen of Completed Developments



Rental Residence Development Track Record

(Based on signing date of land plot transaction contract)

The Sponsor is Consistently Acquiring Land plots for Development



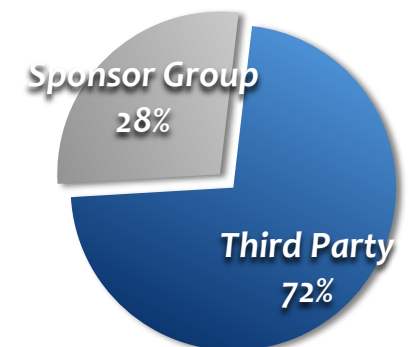
* FY: Fiscal year ending March in the following calendar year.

Sourcing from Third parties

Property Source since the Merger

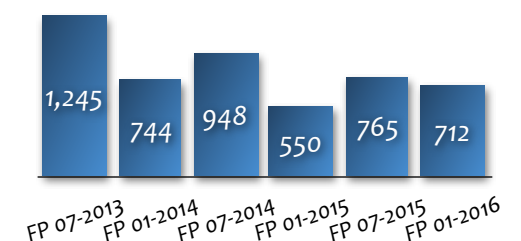
(based on acquisition price)

72% from third parties



* Original sellers to the bridge fund are re-categorized to either "Sponsor Group" or "Third Party"

Changes in Volume of Trading Information



* "Itochu Group Development Examples" are rental apartment property developments by Itochu Corporation and Itochu Property Development Ltd. as of Feb. 15, 2016 and listed above as a reference. As such, ADR is under no obligation to acquire the properties.

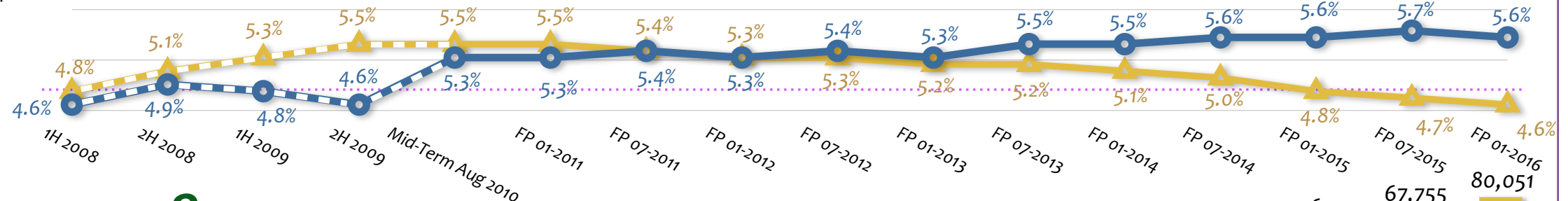
Appraisal Value

- Cap-rate Compression & Increase in Unrealized Profit -

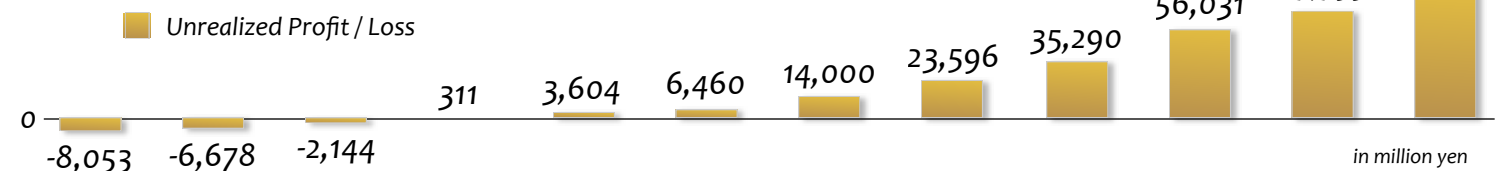
Appraisal Direct Cap Rate • Unrealized Profit and Loss

Cap Rate Now Lower than the Bottom Before the Financial Crisis

● Book-value NOI Yield
▲ Appraisal Direct Cap Rate



Unrealized profit of **80 billion yen**
19.4% of Portfolio Book-value



* Book value NOI yield is calculated as follows. The total of actual NOI of properties at the end of each period are annualized according to the actual number of days of operation divided by the total book value at end of each periods.
* Dotted line expresses the periods that are before the merger.

Summary of End of FP January 2016 Appraisal

* For Assets acquired during the FP Jan. 2016, appraisal value at the time of acquisition is used as the previous appraisal value.

	Appraisal (in million yen)		Appraisal NCF (in million yen)		Direct Cap Rate (%)		Actual NOI Yield (%)	Unrealized Profit and Loss (million yen)		
	End of FP Jan. '16	diff vs last FP	End of FP Jan. '16	diff vs last FP	End of FP Jan. '16	diff vs last FP		Book Value (a)	Difference from the appraisal (b)	(b)/(a)
Tokyo Central 7 Wards	189,263	+4,270	8,354	+13	4.35%	-0.10 pt	5.0%	163,655	+25,607	15.6%
Central Tokyo ex. 7 Wards	158,394	+3,383	7,218	+15	4.49%	-0.09 pt	5.6%	129,983	+28,410	21.9%
Tokyo 23 Wards Total	347,657	+7,653	15,573	+28	4.42%	-0.09 pt	5.3%	293,638	+54,018	18.4%
Tokyo Metropolitan	47,298	+710	2,388	-7	5.02%	-0.09 pt	6.1%	39,020	+8,277	21.2%
Major Regional Cities	98,290	+1,866	5,143	+1	5.18%	-0.10 pt	6.6%	80,534	+17,755	22.0%
Portfolio Total	493,245	+10,229	23,105	+21	4.62%	-0.10 pt	5.6%	413,193	+80,051	19.4%

Rise in Appraisal

232 properties
out of **251** properties
(decreased in 8 properties)

Properties with Unrealized Loss

Total unrealized loss
0.95 billion yen
in **6** properties
(Previous period 1.24 billion yen in 10 properties)

Rise in Appraisal Value

+10.22billion yen

=

NCF Impact

+0.45billion yen

+

DCR Impact

+9.77billion yen



Finances

Building A Stable Financial Base

Key Figures on Debts

	FP 07-2015	Loan / Bond Ratio	FP 01-2016	Loan / Bond Ratio
Loans	191.9 bn yen	83%	187.7 bn yen	83%
(Short-term loans)	-	-	-	-
Bonds	35.5 bn yen	17%	38.5 bn yen	17%
Debt Outstanding	227.4 bn yen	100%	226.2 bn yen	100%
Total Asset LTV	51.6%		51.4%	
Appraisal LTV	47.3%		45.9%	

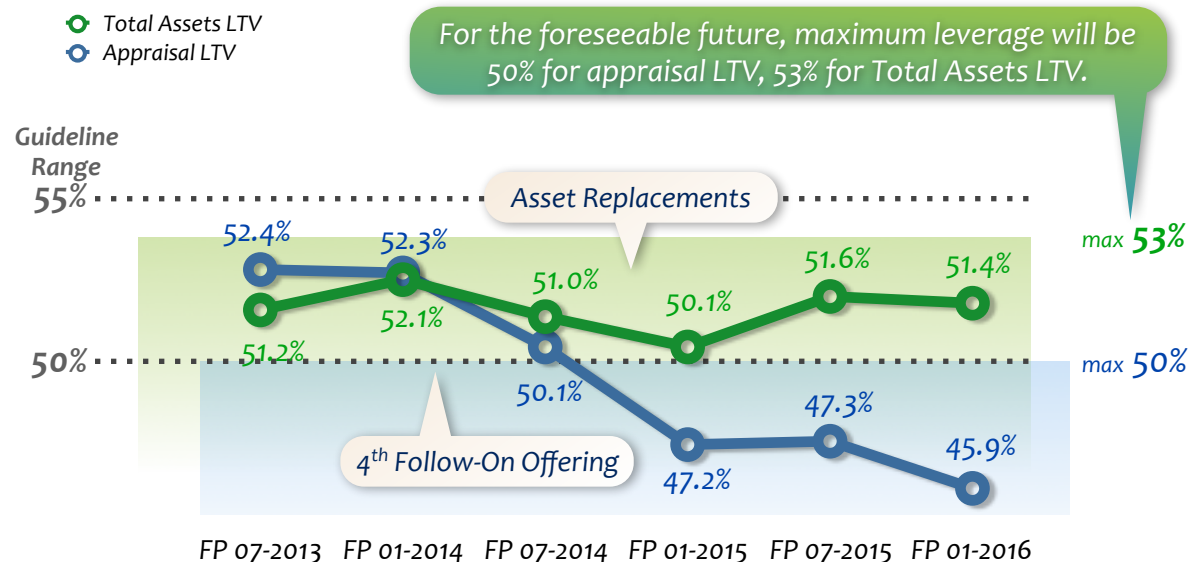
Debt Financing FP January 2016

Lowered Financing Cost While Financing in Longer Debts

	Repayments	Debt Financing
Total Amount	11.0 yen	9.8 bn yen
Average Interest Rate	1.02%	0.63%
Average Initial Duration	3.8 years	7.7 years

* Amortized debt repayments are included in the Total Amount of Repayments.

LTV Management



Credit Ratings

JCR **AA** (Stable)

R&I **A+** (Stable)

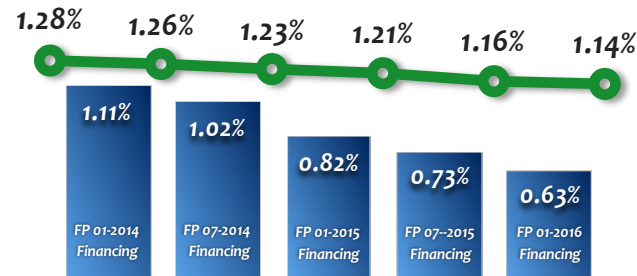
Lengthened Duration, Increased Ratio of Fixed Interest Debts and Diversified Maturity While Lowering Financing Cost

Advance Residence Investment Corporation

* Debts procured during the period which were repaid during the same period are excluded.

Average Interest Rate

● Avg. Interest Rate ■ Avg. Funding Rate During the FP

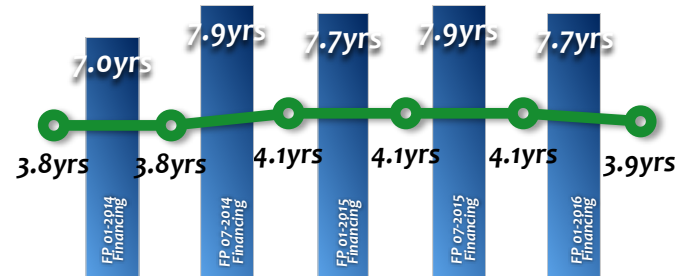


FP 07-2013 FP 01-2014 FP 07-2014 FP 01-2015 FP 07-2015 FP 01-2016

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

Debt Duration

● Avg. Remaining Duration ■ Avg. Initial Duration During the FP

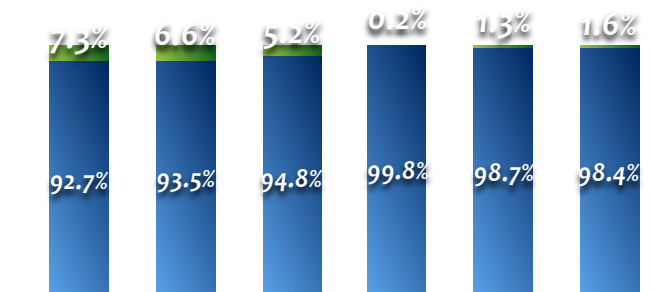


FP 07-2013 FP 01-2014 FP 07-2014 FP 01-2015 FP 07-2015 FP 01-2016

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

Ratio of Fixed Interest Rate Debts

■ Fixed Interest Rate ■ Floating Interest Rate



FP 07-2013 FP 01-2014 FP 07-2014 FP 01-2015 FP 07-2015 FP 01-2016

* Short-term loans are excluded.

Diversifying Duration, Setting Up a Committed Line of Credit

Rounded down to the nearest 100 million yen

as of end of FP 2016/1

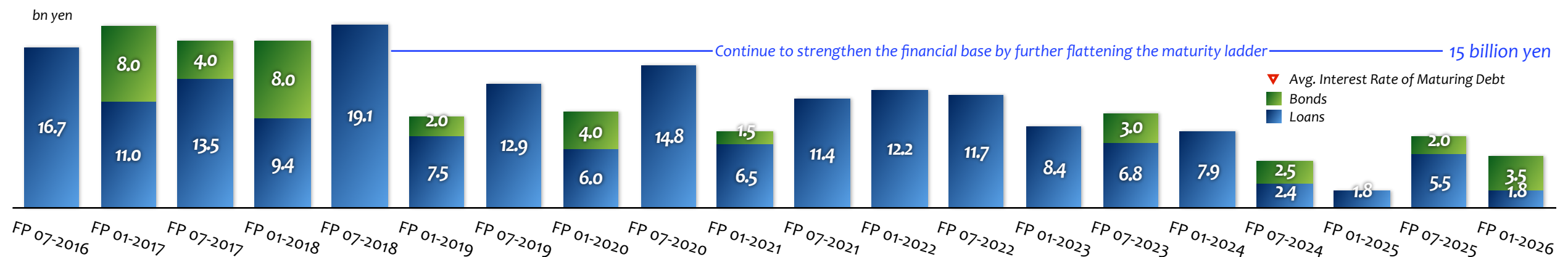


FP2016/1 Average Funding Interest Rate 0.63%

Committed Line of Credit 20 billion yen

Continue to strengthen the financial base by further flattening the maturity ladder

15 billion yen



▼ Avg. Interest Rate of Maturing Debt
■ Bonds
■ Loans



Management Policies & Earnings Guidance

Drawdown of Reserve Account

Maximum 50 years (100 Fiscal Period) Drawdown

Drawdown Payout of At Least

335 million yen per FP

equivalent to **259** yen per units

@ 1,300,000 units (as of FP Jan. 2016)

- The dividend reserve will be used for such purpose as,

- To offset rent income loss due to redevelopments & repairs
- To offset rent income loss due to loss on sales or impairments
- To offset dilution due to increase in number of units
- To offset loss due to unforeseen events

- Schedule

FP July 2016

Dividend reserve transferred to Temporary Differences Adjustment Reserve Account

FP January 2017

Dividend for the FP will start including the additional dividend

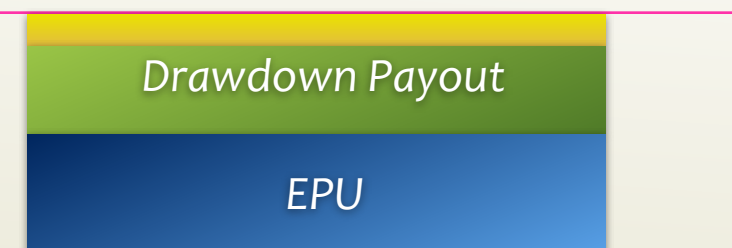
DPU Floor of 4,500 yen To Be Maintained

EPU+Drawdown Payout \geq 4,500 yen



EPU+Drawdown Payout $<$ 4,500 yen

Increase drawdown to offset deficit



The actual dividends will be decided by the ADR's board based on a comprehensive consideration of such factors as increase/decrease in portfolio rent and occupancy, level of cash reserves, level of LTV, debt costs.

Earnings Guidance for FP July 2016 & Jan. 2017

	(1) 11th FP Results	(2) 12th FP Forecast	(2)-(1)			(3) 13th FP Forecast	(3)-(2)			in million yen
	Results for FP Jan. 2016	Forecast for FP July 2016 (announced Mar. 11, 2016)	Changes	Notes		Forecast for FP Jan. 2017 (announced Mar. 11, 2016)	Changes	Notes		
Revenue	15,082 (251 properties) Period avg. occupancy 96.5%	15,363 (255 properties) Period avg. occupancy 96.5%	+280	Newly Acquired Assets Full period contribution from FP2016/1&2016/7 acquisition +181 Same Store Peak season increase in rental income +10 Peak season increase in key money & renewal fee +88		15,296 (255 properties) Period avg. occupancy 96.4%	-66	Newly Acquired Assets Full period contribution from FP2016/7 acquisition +71 Same Store Off-peak decrease in rental income -19 Peak season increase in key money & renewal fee -118		
Operating Income	7,489 (Depreciation: 2,531) (Property taxes: 811)	7,509 (Depreciation: 2,573) (Property taxes: 825)	+20	Leasing Expenses Increase due to assets acquired in FP2016/1 & 2016/7 Peak season increase -46 -125 Increase in depreciation -29 Expensing of property taxes from 2015 acquisitions -13 GA Expenses Increase in G & A expenses -44		7,493 (Depreciation: 2,595) (Property taxes: 839)	-16	Leasing Expenses Increase due to assets acquired in FP2016/7 Off-peak decrease -14 +91 Increase in depreciation -16 Decrease in repairs +35 Expensing of property taxes from 2015 acquisitions -13 GA Expenses Increase in G & A expenses -31		
Ordinary Income	5,951 (Funding cost*: 1,539)	5,967 (Funding cost*: 1,538)	+15	Decrease in non-operating income	-4	5,980 (Funding cost*: 1,510)	+13	Decrease in funding costs	+29	
Net Income	5,951	5,967	+15			5,980	+13			
Drawdown of Retained Earnings**	0	0	-	Retained earnings after dividend: 33.5bn yen		336	-	Retained earnings after dividend: 33.2bn yen		
Dividend Amount	5,951	5,967	+15			6,316	+349			
EPU (yen)	4,577	4,590	+13	Units issued and outstanding 1,300,000 units		4,600	+10	Units issued and outstanding 1,300,000 units		
Dividend per unit (yen)	4,578	4,590	+12			4,859	+269			
FFO per Unit (yen)	6,524	6,569	+45			6,596	+27			
FFO Payout Ratio	70.2%	69.9%	-0.3pt			73.7%	+3.8pt			
Appraisal LTV	45.9%	46.7%	+0.8pt			46.7%	-			

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

** "Retained Earnings" means "Dividend Reserve" or after end of FP2016/7 "Temporary Differences Adjustment Reserve"

DPU Growth Driver

Emphasis on DPU & NAV/Unit Growth While Responding to Changes in Business Environment

Internal Growth

Pursue Rent Increase
While Controlling Leasing Expenses

External Growth

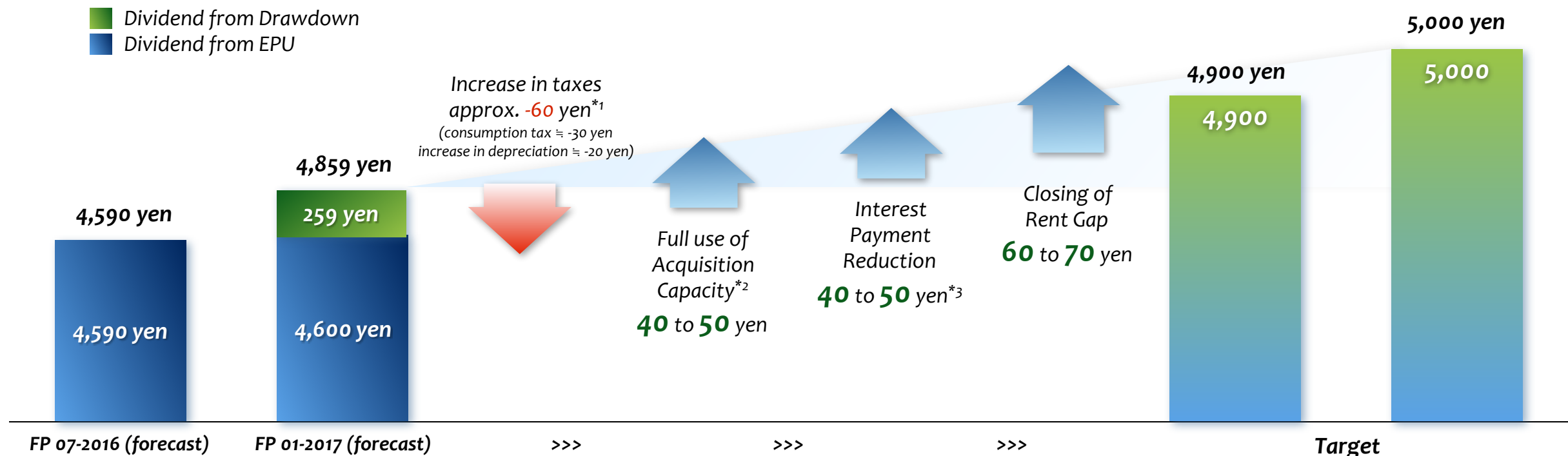
Acquisition Mainly by Sponsor
Sourcing and Negotiated Transactions,
Thereby, Avoiding the Heated Market

Finance Policy

Long-term Fixed Interest Rate
Borrowing, Maturity Diversification &
Reduce Funding Cost

DPU of 4,900 yen to 5,000 yen Through Property Acquisitions, Rent Increases and Interest Payment Reduction

Total DPU growth of around **100 yen**



*¹ Because forecast figures of FP Jan. 2016 and other assumptions such as that the number of outstanding units were to stay unchanged to calculate the figures, actual figures may differ. Depreciation on repairs and restoration work projected in FP2017/7 to FP2019/1.

*² Acquisition capacity is calculated using total asset LTV of 53% as a limit where acquisitions are financed solely on debts. Calculation is made on forecast figures of total assets and outstanding interest bearing debts for FP Jan. 2017.

*³ Interest payment reduction is based on the assumption that debts maturing in FP2017/7 & FP2018/1 will be refinanced with an interest rate equivalent to what was achieved in FP2016/1.

Note



Appendix

Balance Sheet

Fiscal Period Ending January 31, 2016		in thousands yen
Assets		
Current assets		
Cash and deposits		11,812,806
Cash and deposits in trust		9,080,483
Operating accounts receivables		245,548
Short-term investment securities		3,000,000
Prepaid expenses		362,493
Other		8,847
Allowance for doubtful accounts		△ 14,118
Current assets		24,496,061
Fixed assets		
Property, plant and equipment		
Buildings		65,059,399
Structures		16,812
Machinery and equipment		38,473
Tools, furniture and fixtures		83,075
Land		69,855,727
Buildings in trust		129,471,548
Structures in trust		95,100
Machinery and equipment in trust		100,496
Tools, furniture and fixtures in trust		217,176
Land in trust		145,036,252
Construction in progress		-
Property, plant and equipment		409,974,062
Intangible assets		
Leasehold right		1,071,902
Leasehold right in trust		2,147,139
Other		130
Intangible assets		3,219,173
Investments and other assets		
Securities investments		-
Long-term prepaid expenses		765,499
Guarantee deposits		511,275
Guarantee deposits in trust		1,026,585
Other		1,632
Investments and other assets		2,304,993
Fixed assets		415,498,228
Deferred assets		
Investment unit issuance expenses		2,719
Investment corporation bond issuance costs		111,024
Deferred assets		113,743
Total Assets		440,108,033

Fiscal Period Ending January 31, 2016		in thousands yen
Liabilities		
Current liabilities		
Operating accounts payable		289,552
Current portion of investment corporation bond		8,000,000
Current portion of long-term loans payable		27,725,822
Accounts payable-other		1,249,304
Accrued expenses		193,799
Accrued consumption taxes		40,690
Advances received		65,843
Other		27,907
Current liabilities		37,592,920
Long-term liabilities		
Investment corporation bond		30,500,000
Long-term loans payable		160,054,329
Tenant leasehold and security deposits		1,220,344
Tenant leasehold and security deposits in trust		3,079,261
Long-term liabilities		194,853,935
Liabilities		232,446,856
Net assets		
Unitholders' equity		
Unitholders' capital, gross		114,936,698
Surplus		
Capital surplus		53,220,279
Reserve for dividend		33,552,162
Unappropriated retained earnings (undisposed loss)		5,952,037
Surplus		92,724,479
Unitholders' equity		207,661,177
Net assets		207,661,177
Liabilities and net assets		440,108,033

Profit and Loss Statement

Fiscal Period Ending January 31, 2016 (from August 1, 2015 to January 31, 2016)		in thousands yen
Operating revenue		
Rent revenue-real estate		15,082,493
Dividend income		-
Gain on sales of real estate properties		-
Operating revenue		15,082,493
Operating expenses		
Expenses related to rent business		6,024,756
Asset management fee		1,039,662
Asset custody fee		9,609
Administrative service fees		63,032
Directors' compensations		3,600
Taxes and dues		260,119
Provision of allowance for doubtful accounts		1,205
Bad debts expenses		-
Other operating expenses		191,307
Operating expenses		7,593,292
Operating income		7,489,201
Non-operating income		
Interest income		11,066
Interest on securities		1,552
Claim compensation income		-
Reversal of distributions payable		2,912
Reversal of allowance for doubtful accounts		7,050
Other		41
Non-operating income		22,623
Non-operating expenses		
Interest expenses		1,112,068
Interest expenses on investment corporation bonds		209,135
Amortization of investment unit issuance expenses		3,316
Investment unit issuance expenses		16,908
Borrowing related expenses		218,609
Other		133
Non-operating expenses		1,560,172
Ordinary income		5,951,652
Income before income taxes		5,951,652
Income taxes-current		605
Income taxes		605
Net income		5,951,047
Retained earnings brought forward		989
Unappropriated retained earnings (undisposed loss)		5,952,037

Fiscal Period Ending January 31, 2016 (from August 1, 2015 to January 31, 2016)		in thousands yen
A. Revenue from Property Leasing		
Rental		
Rent income		13,504,694
Facility charge		654,669
Parking fee		446,853
Subtotal		14,606,218
Other revenues related to property leasing		
Income from leasing rights, etc.		63,202
Miscellaneous income		413,073
Subtotal		476,275
Total revenues from property leasing		15,082,493
B. Rental Expenses		
Taxes and Duties		811,888
Property management fees		1,024,528
Utilities		252,971
Repairs and maintenance		576,129
Insurance		24,828
Trust fee		70,966
Other rental expenses		732,420
Depreciation and amortization		2,531,022
Total rental expenses		6,024,756
C. Operating Income from Property Leasing Activities (A-B)		9,057,737

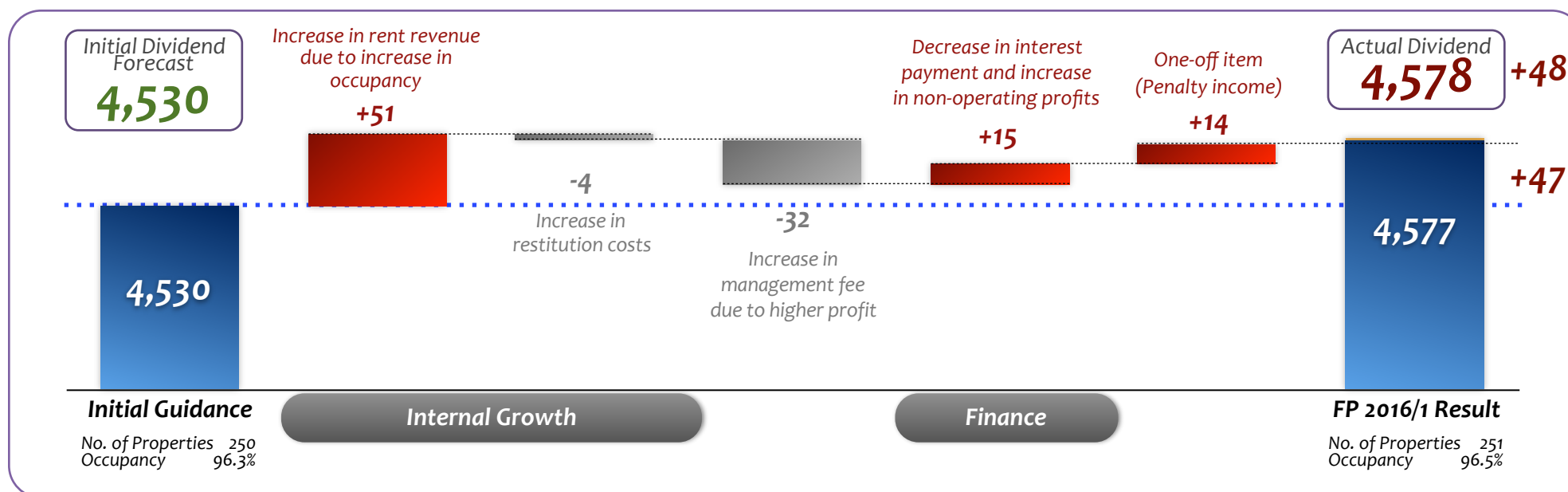
Results for Fiscal Period ended January 2016

from August 1, 2015 to January 31, 2016



Maintained High Occupancy, Decreased Funding Cost

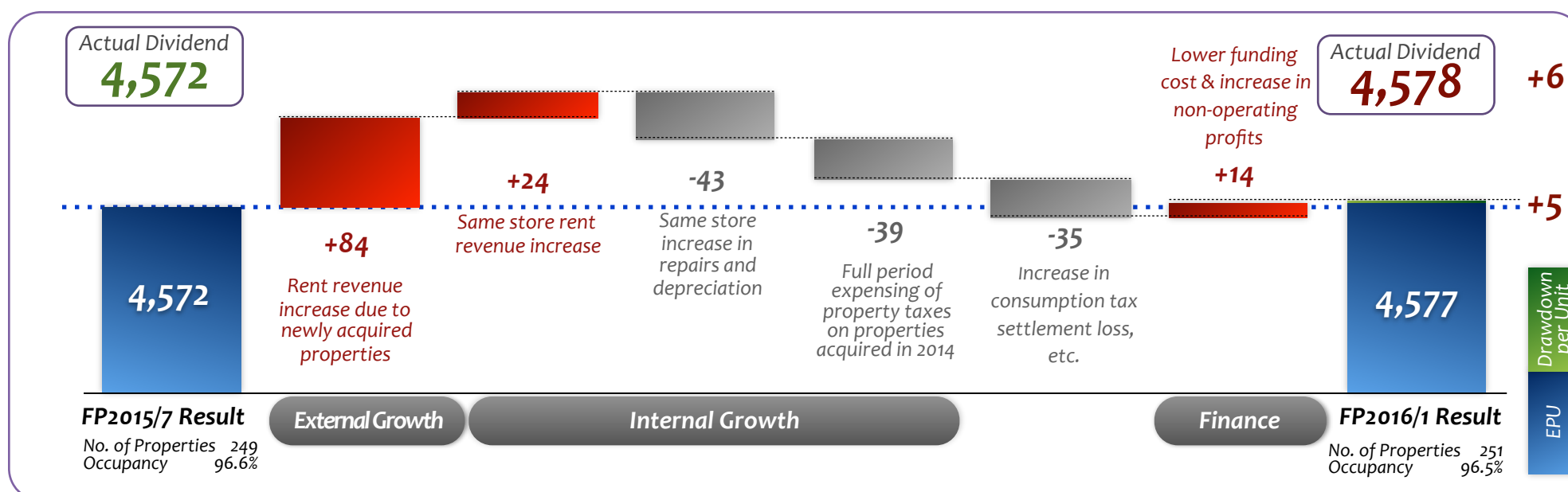
Changes from Initial Earnings Guidance (per unit yen)



in million yen

	Initial Guidance	FP Jan. 2016 Results	diff
Revenue	15,015	15,082	+66
Operating income	7,454	7,489	+34
Ordinary income	5,889	5,951	+62
Net income	5,889	5,951	+62
Earnings per unit (yen)	4,530	4,577	+47
Dividend per unit (yen)	4,530	4,578	+48

Changes from Previous Fiscal Period ended July 2015 Earnings (per unit yen)

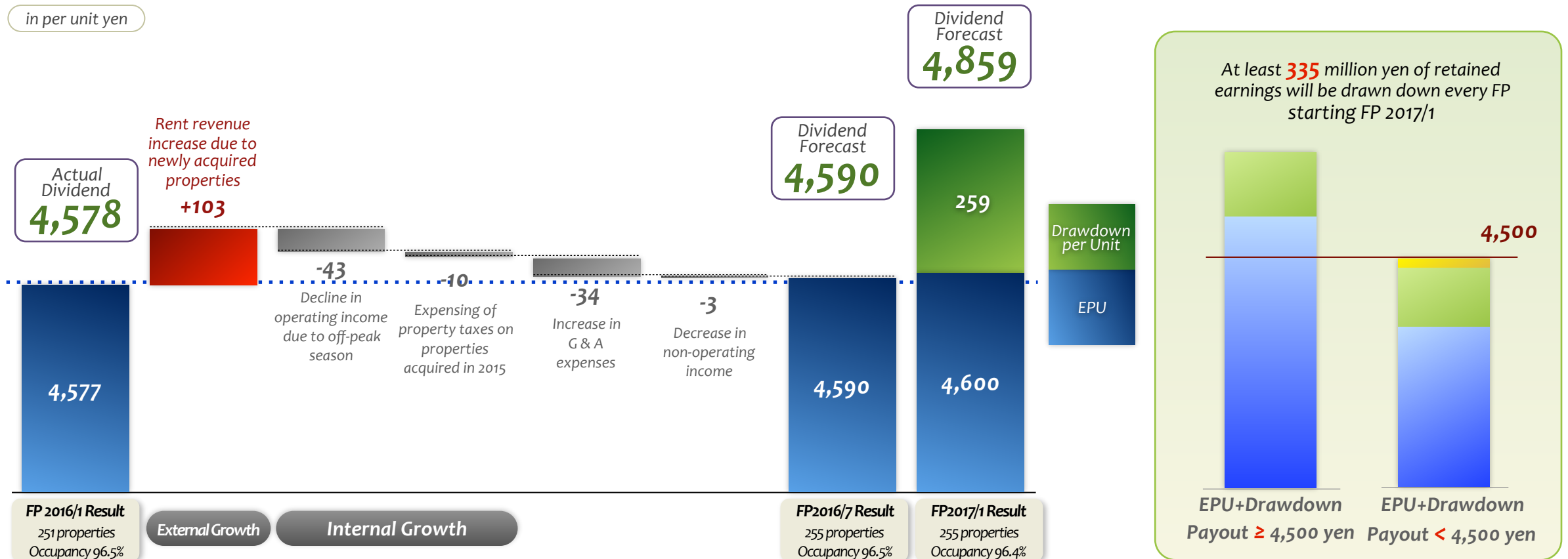


in million yen

	FP July 2015 Results	FP Jan. 2016 Results	diff
Revenue	14,998	15,082	+83
Operating income	7,501	7,489	-11
Ordinary income	5,945	5,951	+6
Net income	5,944	5,951	+6
Earnings per unit (yen)	4,572	4,577	+5
Dividend per unit (yen)	4,572	4,578	+6

Earnings Guidance for FP July 2016 & Jan. 2017

Aiming for EPU Growth, Dividend with Low Downward Risk



in million yen	FP 2016/1 Result (a)	FP 2016/7 Forecast (b)	diff (b-a)	FP 2017/1 Forecast (b)	diff (c-b)
Revenue	15,082	15,363	+280	15,296	-66
Operating income	7,489	7,509	+20	7,493	-16
Ordinary income	5,951	5,967	+15	5,980	+13
Net income	5,951	5,967	+15	5,980	+13
Earnings per unit (yen)	4,577	4,590	+13	4,600	+10
Dividend per unit (yen)	4,578	4,590	+12	4,859	+269

Portfolio Diversification Policy

Investment Regions* ¹	Investment ratio* ²	
	Originally	Revised
Tokyo 23 Wards		
Tokyo Central 7 Wards	40 ~ 60%	70 ~ 100%
Central Tokyo ex 7 Wards	20 ~ 40%	
Other Regions		
Tokyo Metropolitan (ex. Tokyo 23 Wards)	5 ~ 20%	0 ~ 30%
Major Regional Cities	5 ~ 20%	

* Revised the investment region by simplifying the category to just two, Tokyo 23 Wards and Other Regions and set the Investment ratio guideline for each region.

Unit types	Investment ratio* ³
Single	~ 50%
Compact	20 ~ 40%
Family	20 ~ 40%
Large	~ 10%

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

Unit types	Investment ratio* ³
Dormitory	up to 20%

* Note

1. Of the Tokyo 23 Wards, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards are classified as Tokyo Central 7 Wards and the remaining wards are classified as Central Tokyo. Other Regions are Tokyo Metropolitan Area (Tokyo Metropolis excluding the Tokyo 23 Wards, prefectures of Kanagawa, Saitama and Chiba) and Major Regional Cities.
2. Investment ratios are calculated based on acquisition price.
3. Investment ratios are calculated based on leasable area.

Unit-type Definition

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

Floor plan

Studio	1R, 1K, STUDIO
1Bedroom	1DK, 1LDK
2Bedroom	2DK, 2LDK, 1LDK+S
3Bedroom	3DK, 3LDK, 2LDK+S
4Bedroom ~	4DK, 4LDK, 3LDK+S, or units with more rooms

Dormitory Type Units

The units share common bathrooms and laundry spaces within in the property

Life & Senior House Kohoku 2, College Court Tanashi and Cocofump Hiyoshi are categorized as Dormitory type due to their characteristics

Unit types

S = Single Type Units	mostly for singles
C = Compact Type Units	mostly for singles, couples or small families
F = Family Type Units	mostly for families
L = Large Type Units	mostly for foreign executives

Building a High Quality Portfolio

as of April. 14, 2016

Acquisitions and Dispositions Since the Merger

	Acquisitions	Dispositions
No. of Properties	109	42
Total Value (Acquisition Price)	156.6 bn yen	68.7 bn yen
Weighted Average NOI Yield	5.9%* ¹	4.6%* ²
Weighted Average Building Age* ³	4.8 yrs	13.1 yrs

Acquisition Focused on Single-type Units

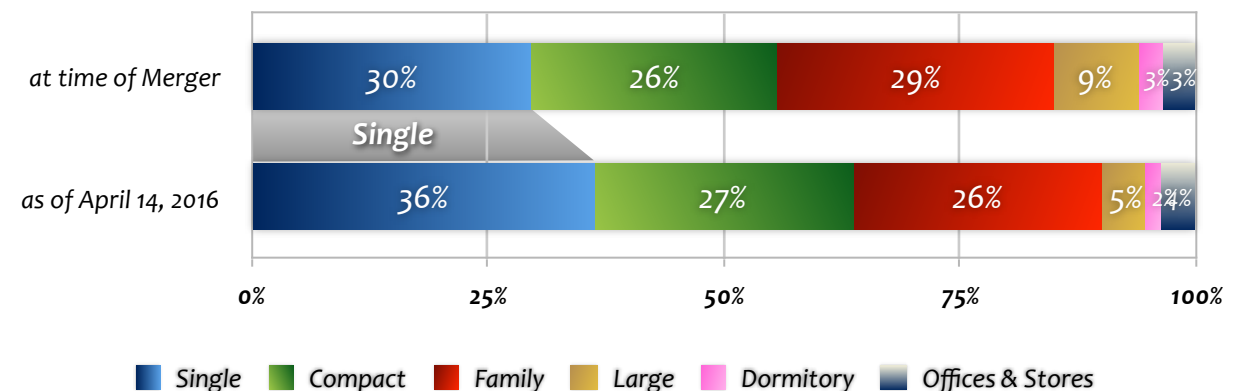
in number of residential units

	Single	Compact	Family	Large	Dormitory	Others	Total
Tokyo Central 7 Wards	+813	+5	-37	-170	0	-2	+609
Central Tokyo ex 7	+1,725	+704	+430	+13	0	+12	+2,884
Tokyo 23 Wards	+2,538	+709	+393	-157	0	+10	+3,493
Tokyo Metropolitan	+398	+10	-72	0	-748	+1	-411
Major Regional Cities	+1,809	+1,006	+263	+55	0	0	+3,133
Other Regions	+2,207	+1,016	+191	+55	-748	+1	+2,722
Total	+4,745	+1,725	+584	-102	-748	+11	+6,215

Improving Yield and Reducing Average Age

	at the time of merger	after the transactions
Book Value NOI Yield	5.2%	5.6%* ⁴
Building Age	12.5yrs* ⁵	10.1yrs

Unit type Investment Ratio (by leasable area)



Balanced and Diversified Acquisition Sources

Transactions since the Merger	The Sponsor Group* ^{6,7}	Bridge Funds* ⁸	Third party and Others	Total
No. of Properties	22	42	45	109
Total Acquisition Value (bn yen)	37.8	52.4	66.3	156.6
Share of Sources	24.2%	33.5%	42.3%	100%

The figures in this slide are all based on data as of April 14, 2016.

*¹ Weighted average NOI yield of acquisitions

= Total annual NOI as entered on the appraisal of acquisitions ÷ Total of the acquisition prices × 100%

*² Weighted average NOI yield of dispositions = Total actual annual NOI ÷ Total of the historical acquisition prices × 100

*³ Weighted average building age is acquisition price weighted average as of the time of acquisition or disposition.

*⁴ The following figures are used to calculate the Book Value NOI Yield. Annualized NOI ÷ FP Jan. 2016 end book value, where the NOI is annualized using the actual days in operation during the FP Jan. 2016. For the asset acquired after end of FP Jan. 2016 to April 14, 2016, the appraisal NOI is used for annualized NOI and the acquisition price is used for book value.

*⁵ Weighted Average age of buildings held at the time of merger as of April 14, 2016.

*⁶ The Sponsor Group applies to Itochu Corporation, who is the parent company of ADR's asset management company, and its subsidiaries.

*⁷ The assets acquired from the Sponsor Group includes 16 properties developed by the Sponsor Group and 6 properties which were not developed but warehoused according to Advance Residence's request. The 16 properties' acquisition price total is 28.7 billion yen. The 6 properties' acquisition price total is 9.1 billion yen.

*⁸ Bridge Funds are property funds which are often TK and where ADR has a right of first refusal on the assets under management.

Senior Housing Market

Investment Policy

Risk Premium Consideration

Considering operational risks and possibility of issues arising from operator collecting upfront lump-sum payment from tenants, certain amount of risk premium must be accounted.

With the recent rise in price, reasonably priced properties are currently non-existent.

Preference Towards RSHSS

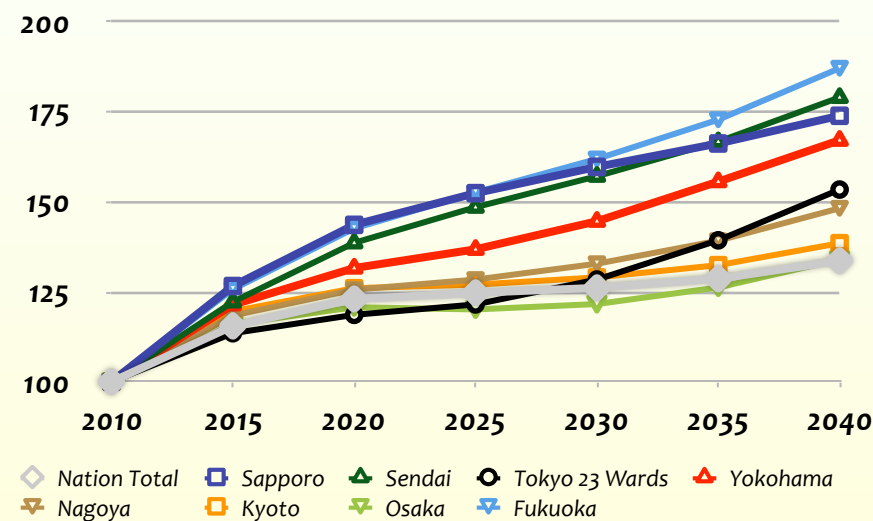
Between private nursing home and Registered Senior Housing with Supportive Services (RSHSS), RSHSS are the preferred type of asset.

They are easier to convert to regular rental multifamily residence and are more stable to operate having an affordable move-in fee (2 month deposit) and a relatively low rent burden.

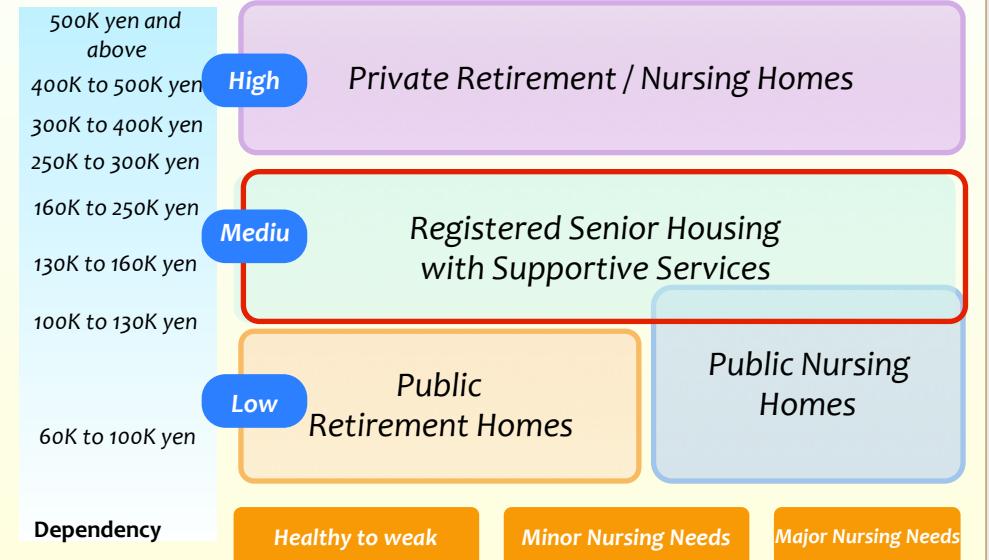
Growing Senior Housing Market

Population trend of 65 years or older

(Indexed using 2010 figure as 100)



Level of Out-of-pocket Monthly Burden



Senior Housing Holdings

S-29 Cocofump Hiyoshi

FP 01-2016 Actual NOI Yield **6.7%**



	Advantages	Specifics
Location	Residential area	8 min walk from Yokohama Subway Green line, Hiyoshi-Honcho
Feature	Facilities to provide medical	Day service, home nursing, pharmacy, nursing office, medical
Rent Contract	Low upfront payment,	Pay only 2 mth. deposit upfront
Size	Larger than minimum 500	Acquisition price: 1,050 million yen
Operator	Part of TSE 1st Sect. listed Group	Gakken Cocofump Corporation*

* Gakken Cocofump Corporation is a leading operator of Registered Senior Housing with Supportive Services (RSHSS), operating 71 RSHSS as of Mar. 9, 2016.

S-22 Life & Senior House Kohoku 2

FP 01-2016 Actual NOI Yield **7.3%**



Area	Tokyo Metropolitan
Location	Yokohama, Kanagawa
Acquisition price	1,670 million yen
No. of rentable units	78 units
Operator	Seikatsu Kagaku Un-Ei Co., Ltd.

Dormitories and Student Apartments

as of Apr. 14, 2016

No. of properties

19 properties

Actual NOI yield*

6.3%

Occupancy
(Residential portion)

100%

* due to guaranteed rent contracts

No of rentable units

1,709 units

Total of acquisition price

18,099 million yen

Investment ratio of
portfolio

4.2%

* Actual NOI yield = FP Jan. 2016 actual annualized NOI ÷ book value × 100%.

Dormitories

No. of dormitories
serving breakfast
and dinner

2 properties

Student apartments

Student apartments are normal apartments but where
the new tenants are on the whole exclusively students.

17 properties

S-11 TOKYO Student-House Wako



Actual NOI yield
6.7%

Location	Wako, Saitama
No of units	127 units
Completion Date	Apr. 1990

S-23 College Court Tanashi



Actual NOI yield
7.7%

Location	Nishi-Tokyo, Tokyo
No of units	91 units
Completion Date	Feb. 2010

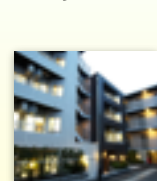
P-3 RESIDIA Nakameguro



Actual NOI yield **6.0%**

Location	Meguro-ku, Tokyo
No of units	88 units
Completion Date	Feb. 2005

P-85 RESIDIA Komazawa



Actual NOI yield **6.1%**

Location	Setagaya-ku, Tokyo
No of units	59 units
Completion Date	Oct. 2008

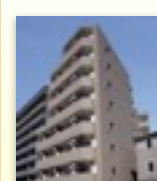
C-66 RESIDIA Takashimadaira



Actual NOI yield **5.6%**

Location	Itabashi-ku, Tokyo
No of units	45 units
Completion Date	Feb. 2007

C-67 RESIDIA Shimurasakaue



Actual NOI yield **5.2%**

Location	Itabashi-ku, Tokyo
No of units	44 units
Completion Date	Feb. 2007

C-74 RESIDIA Nerima



Actual NOI yield **5.6%**

Location	Nerima-ku, Tokyo
No of units	34 units
Completion Date	Mar. 2005

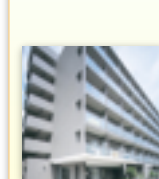
C-77 RESIDIA Ogikubo II



Actual NOI yield **5.0%**

Location	Suginami-ku, Tokyo
No of units	36 units
Completion Date	Mar. 2007

R-2 RESIDIA Imadegawa



Actual NOI yield **6.9%**

Location	Kyoto, Kyoto
No of units	154 units
Completion Date	Feb. 1999

R-8 RESIDIA Kobe Port Island



Actual NOI yield **6.4%**

Location	Kobe, Hyogo
No of units	404 units
Completion Date	Mar. 2007/Feb. 2008

R-38 RESIDIA Hirose-dori



Actual NOI yield **8.0%**

Location	Sendai, Miyagi
No of units	63 units
Completion Date	Feb. 2010

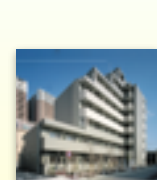
C-28 RESIDIA Oji



Actual NOI yield **6.5%**

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

C-68 RESIDIA Shimurasakaue II



Actual NOI yield **5.6%**

Location	Itabashi-ku, Tokyo
No of units	94 units
Completion Date	Mar. 2007

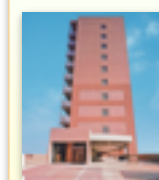
S-15 RESIDIA Okurayama



Actual NOI yield **6.4%**

Location	Yokohama, Kanagawa
No of units	64 units
Completion Date	Mar. 1998

R-60 RESIDIA Okayama-Ekimae



Actual NOI yield **7.1%**

Location	Okayama, Okayama
No of units	108 units
Completion Date	Mar. 2004

C-50 RESIDIA Shin-Itabashi



Actual NOI yield **6.3%**

Location	Itabashi-ku, Tokyo
No of units	67 units
Completion Date	Aug. 2009

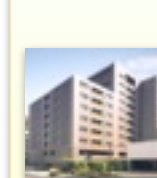
C-69 RESIDIA Shimurasakaue III



Actual NOI yield **5.4%**

Location	Itabashi-ku, Tokyo
No of units	36 units
Completion Date	Mar. 2007

S-30 RESIDIA Sagami-hara



Actual NOI yield **6.4%**

Location	Sagamihara, Kanagawa
No of units	111 units
Completion Date	May 2004

R-61 RESIDIA Kyoto-Okazaki



Actual NOI yield **5.9%**

Location	Kyoto, Kyoto
No of units	23 units
Completion Date	Mar. 2005

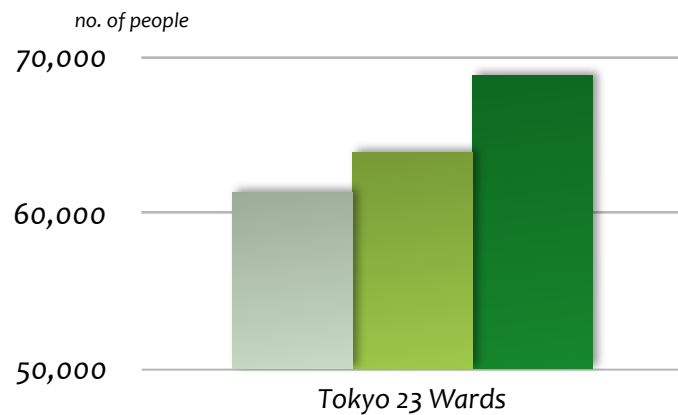
Internal Migration Statistics

Population Inflow to Central Tokyo and Major Regional Cities Continues

Migration Statistics of Major Cities in Japan

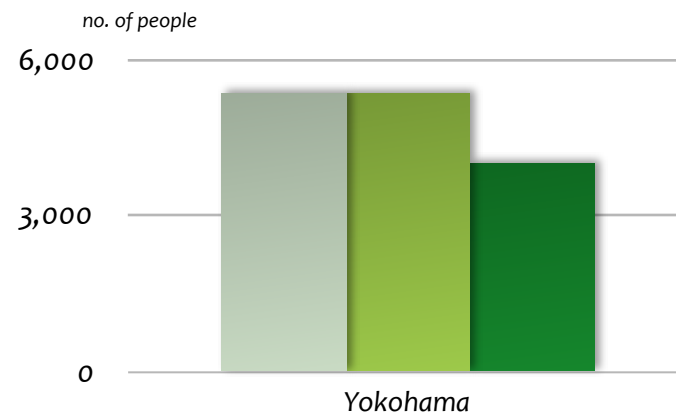
Tokyo 23 Wards

ADR's Investment Ratio 71%



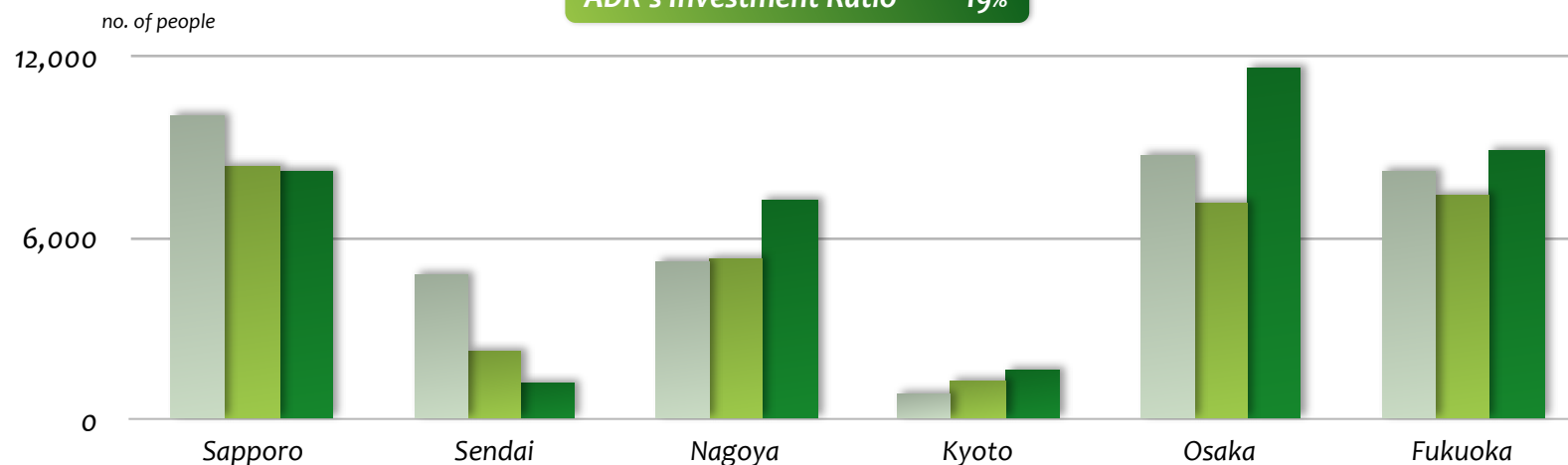
Tokyo Metropolitan Area City

ADR's Investment Ratio 10%



Major Regional Cities

ADR's Investment Ratio 19%



Net Inflow is Pre-dominantly Younger Generation

Tokyo's Population Inflow by Age Group

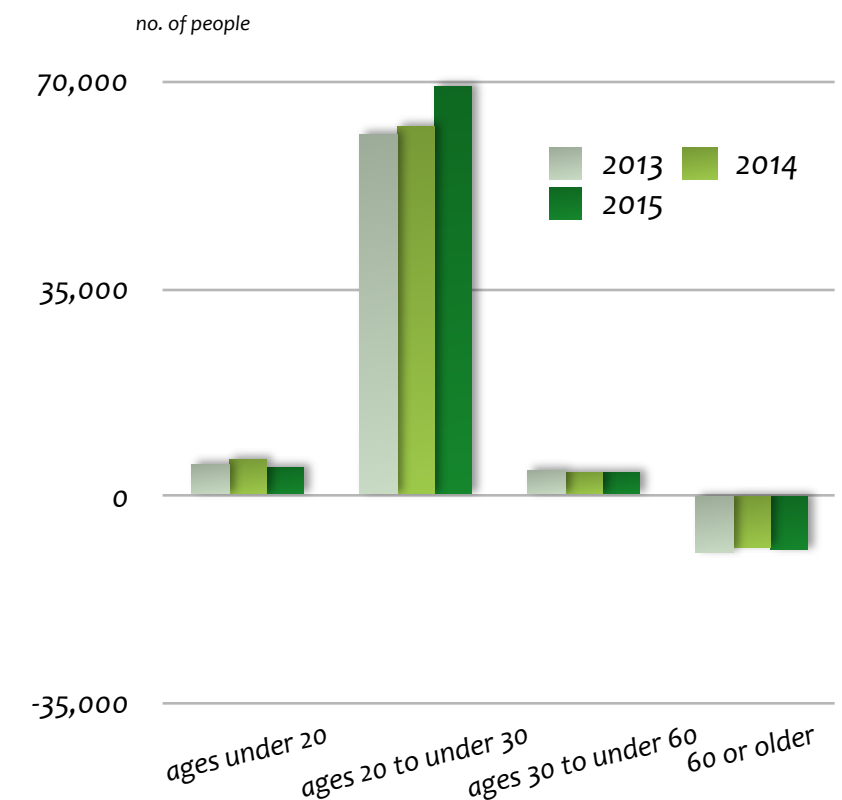
Tokyo Prefecture

ADR's Investment Ratio* 47%

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

Residential Needs of Younger Generation

Single & Compact Type Units

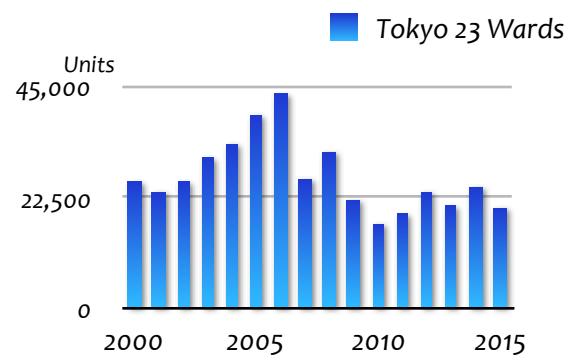


Source: "Report on Internal Migration in Japan" Statistics Bureau, Ministry of Internal Affairs and Communications(2015); "Report on Internal Migration" Statistics Division

Housing Starts

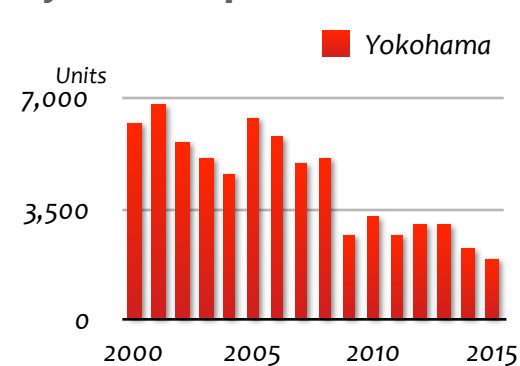
Housing Starts Halved from the Peak since Lehman Shock

Tokyo 23 Wards



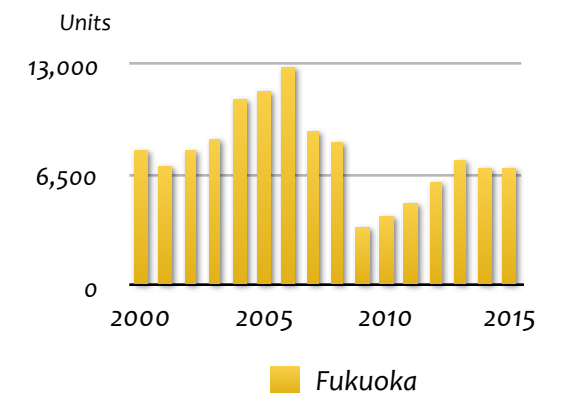
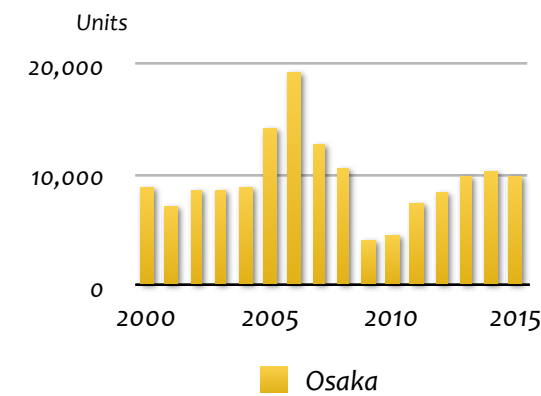
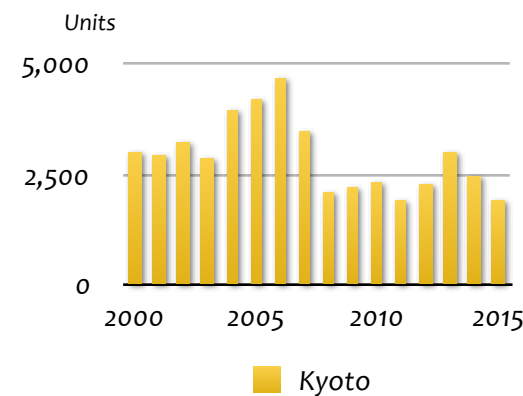
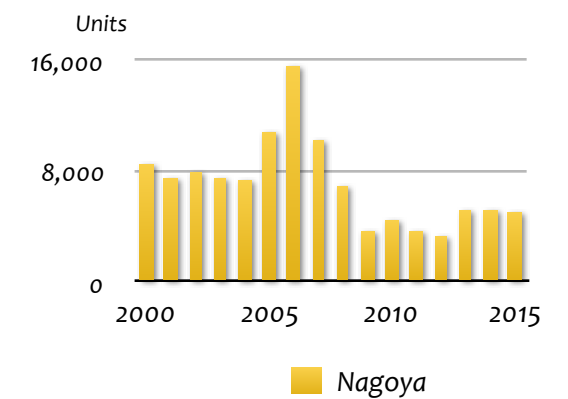
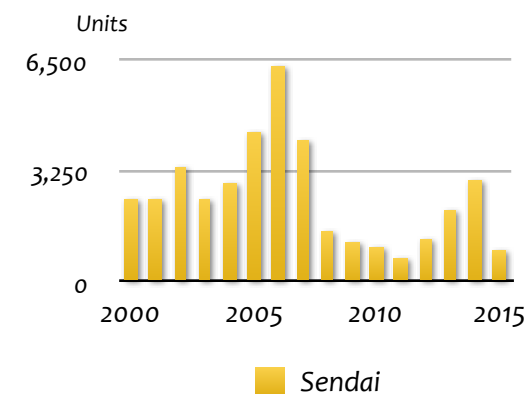
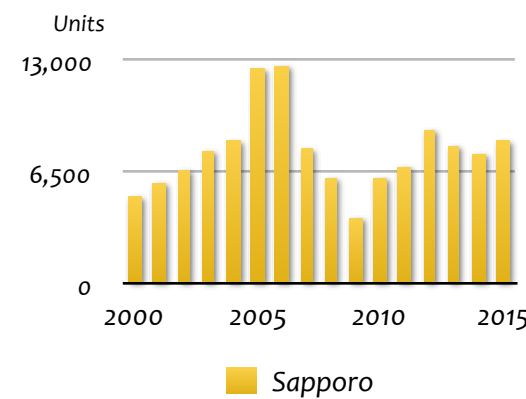
ADR's Investment Ratio in the Region
71%

Tokyo Metropolitan Area



ADR's Investment Ratio in the Region
10%

Major Regional Cities



ADR's Investment Ratio in the Region
19%

Source: Ministry of Land, Infrastructure, Transportation and Tourism, Policy Bureau, Information Policy Division, Construction Statistics Office "Housing Starts" (RC and SRC Construction Rented Collective Housing) (2015)

Measures to Reduce Rent Declines Caused by Aging

Rents Decline due to Aging

Supply of new properties

Equipments become obsolete

Quality decline due to wearing

Change in tenants' needs



Gradual decline in Competitiveness

Measures taken to prevent or reduce rent declines

Building Maintenance

Daily Cleaning

Equipment Maintenance

Daily Repairs

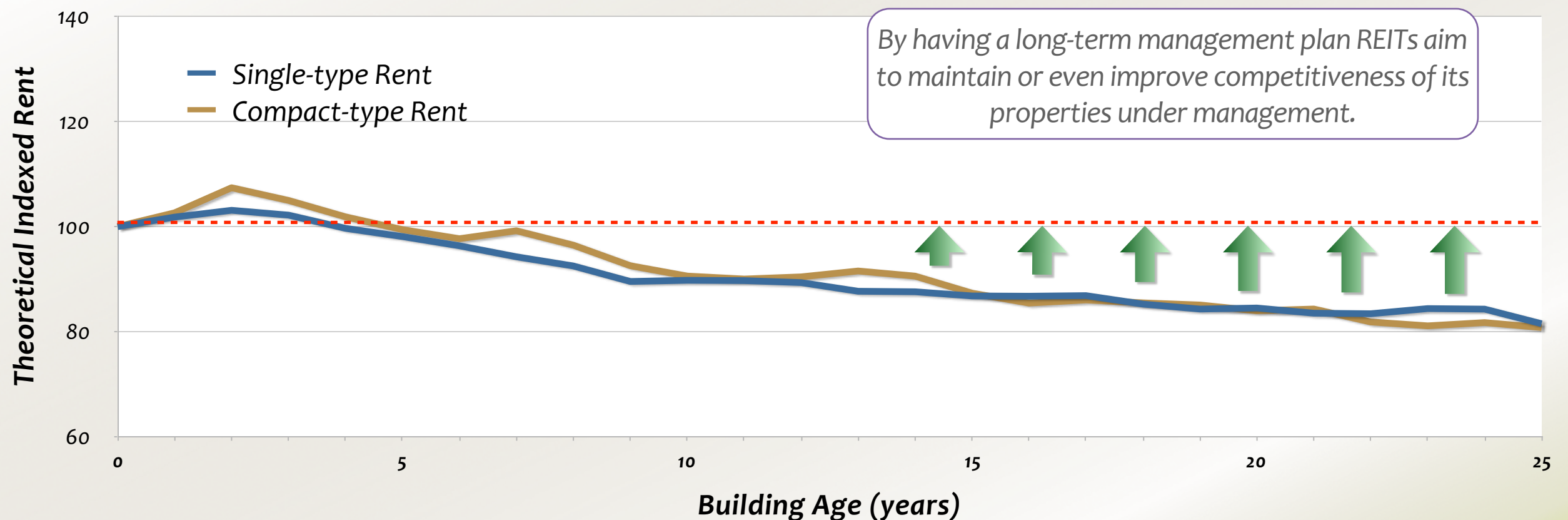
Timely Capital Expenditures

Large-scale renovations of common areas and exteriors

Renovations of individual apartment units



Providing living environment matching the tenants' needs



* Figures are indexed theoretical rent categorized by year and building age using actual rents provided by At Home Co., Ltd., of which Sumitomo Mitsui Trust Research Institute Co., Ltd. statistically processed using hedonic method.
 * Analysis was conducted separately between rent data from single-type units (18m² to 30m²) and compact-type units (30m² to 60m²) of apartment in 23 wards of Tokyo.

Renovation Examples in ADR's Properties

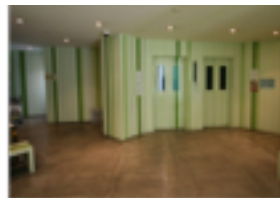
By taking proper measures competitiveness can be maintained

Examples of Measures Taken

P-73 RESIDIA Shibaura

Common area renovation
Cost: 128 million yen

before



Building age 24 years



after

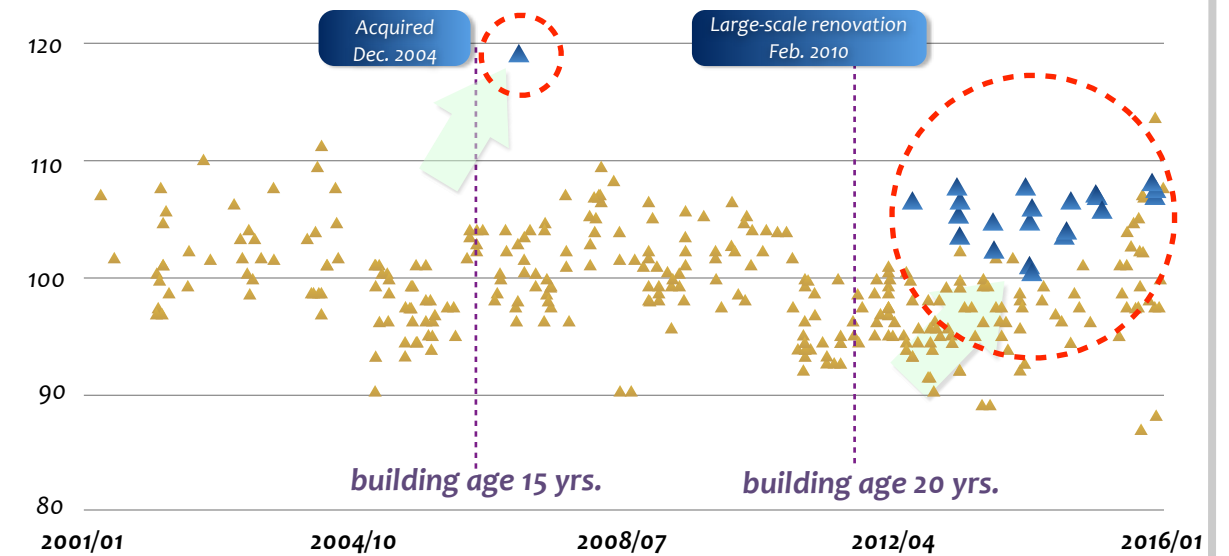
Individual apartment unit
upgrading renovations
Cost: 3,490 thousand yen/unit
(of which 887 thousand yen
is for the upgrade)

before



after

Impact of the measures taken



* Rents for RESIDIA Shibaura are indexed by basing the average per m² rent during 2001 as 100.

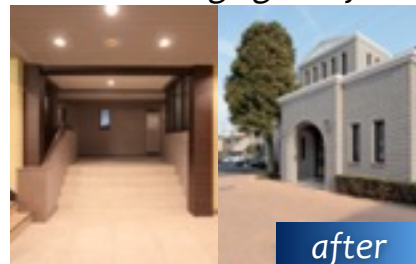
S-19 RESIDIA Kichijoji

Common area renovation
Cost: 32 million yen

before



Building age 21 years



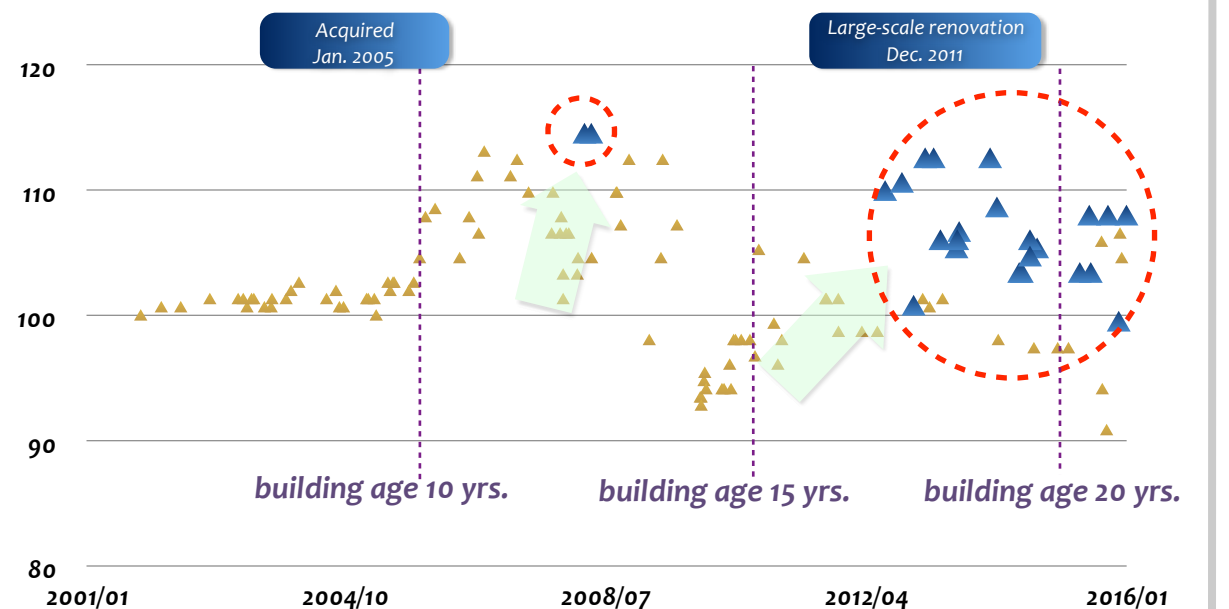
after

Individual apartment unit
upgrading renovations
Cost: 3,680 thousand yen/unit
(of which 1,097 thousand
yen is for the upgrade)

before



after



* Rents for RESIDIA Kichijoji are indexed by basing the average per m² rent during 2001 as 100.

Brand Strategy

The Brand

RESIDIA

Residia is composed from the following words

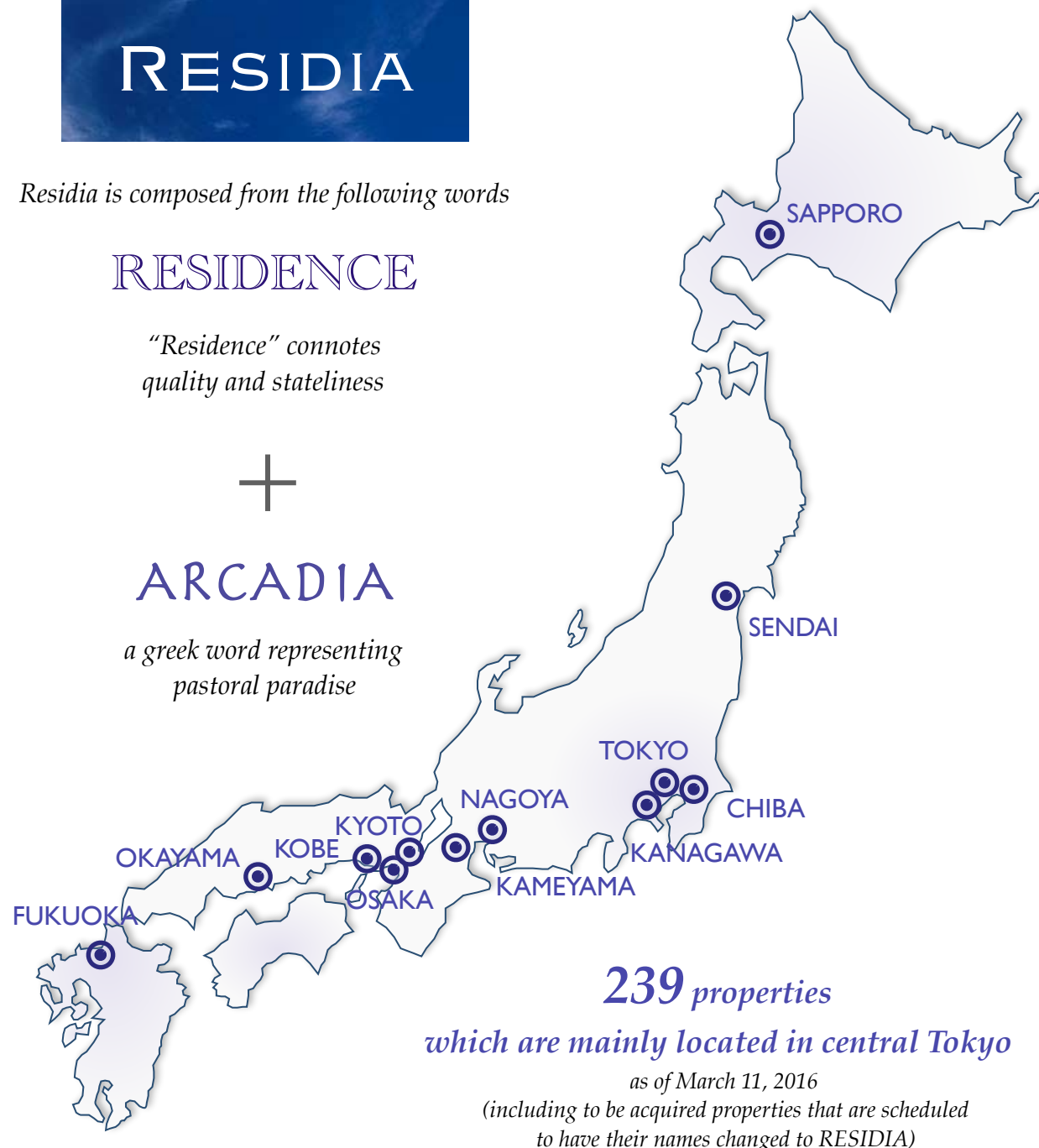
RESIDENCE

*“Residence” connotes
quality and stateliness*

+

ARCADIA

*a greek word representing
pastoral paradise*



Tenant Services

RESIDIA Customer Support

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

Moving Support from RESIDIA to RESIDIA

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

Handing out Emergency Kits (only for tenants in Metropolitan Area properties)
Handed out to any tenants who requested, provisions, helmets, portable toilet, etc.

KAJITAKU ~Tenant Service~

“KAJITAKU” provides housekeeping services.



Branding through Leasing Website & Building Signs



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



RESIDIA Shibuya Building Sign

Sustainability

Mid to Long-term Measures to Retain & Increase Asset Value & Raise Unitholders Value

Environmental Considerations

* Installation of LED Lightings

Lightings for common area of **4** properties replaced with energy conserving LED.
(LED lightings installed in **27** properties at the end of Jan. 2016)

* Large-Scale Repairs and Equipment Renewals and Upgrades

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

During the Fiscal Period Jan. 2016 large-scale repairs done on **3** properties, upgrades on **30** units of **9** properties.

(Track record since the merger: large-scale repairs on **18** properties, upgrades on **16** properties **138** units)

Contribution to the Community

* Installation of Vending Machine w/ Donation Functionality

The vending machines are installed in **26** properties.

* Installation of AEDs

AEDs that are open to public use are installed in **31** properties.

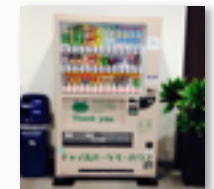
* Emergency Maps

Emergency maps showing evacuation routes, available in common area of **250** properties.

* Distributing Emergency Kits

Distributed **1,034** emergency kits to tenants.
(the kit consists of emergency rations, helmets, portable toilets, etc.)

Vending Machine



AED



Emergency Map



Emergency Kits



DBJ Green Building Certification

NO.1 Highest Number of Residential Certificate Awarded*

5 properties Awarded

Four Star

P-76 Park Tower Shibaura Bayward Urban Wing

Three Star

P-50 RESIDIA Nishi-Azabu

P-55 RESIDIA Tower Meguro-Fudomae

S-20 Pacific Royal Court Minato Mirai Ocean Tower

Two Star

C-65 RESIDIA Tower Kami-Ikebukuro



P-76 Park Tower Shibaura Bayward Urban Wing



* Based on materials published by Development Bank of Japans as of Dec. 31, 2015 and consolidated by AD Investment Management Co., Ltd.

Participated in GRESB Survey 2015

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



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 performance of their investment portfolio, and the global property sector at large.

2015 GRESB Survey Result

Asia Residential Sector **NO.2**



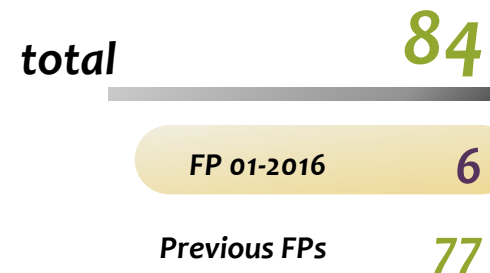
Lowering Costs through Economy of Scale

Total cost reduction since the merger
FP July 2015 cost reduction

329 million yen / annum
14 million yen / annum

in million yen / annum

■ Property Management Fees



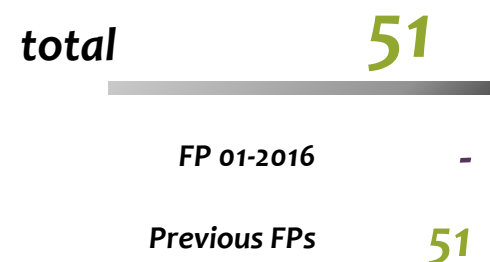
Property
Management
Fees

■ Custodial Fees



Custodial Fees

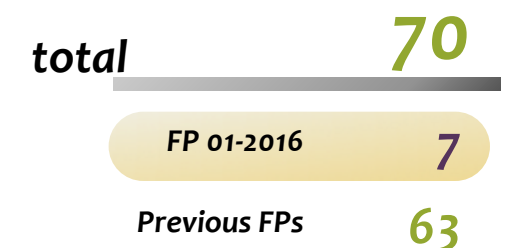
■ Appraisal Fees



Appraisal Fees

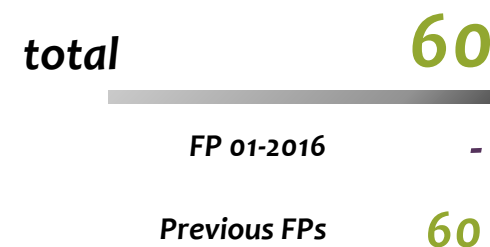
■ Electricity Bill for Shared Spaces

■ LED Lighting



Electricity
Bill for Shared
Spaces

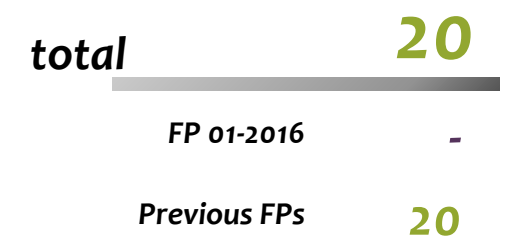
■ Building Management Fees



Building
Management
Fees

■ Property Insurance Fees

■ Internet Provider



Others

Cost
Reduction
since the
Merger

*All un-shown decimals are rounded down

Lender Line-up

The Lineup of 24 Lenders Includes 3 mega banks, 3 major trust banks

as of Jan. 31, 2016

Investment Corporation Bonds

Maturity	Issue Date	Sept. 2011	Apr. 2012	Sept. 2012	Apr. 2013	Nov. 2013	Apr. 2014	Apr. 2015	Oct. 2015
3 yrs			#15 * 4 bn yen 0.86%						
5 yrs		#13 8 bn yen 1.27%	#16 4 bn yen 1.08%	#17 8 bn yen 0.87%					#23 1.5 bn yen
7 yrs		#14 2 bn yen 1.68%		#18 4 bn yen 1.23%					
10 yrs		First residential J-REIT to issue 10 and 12 year bonds			#19 3 bn yen 1.32%		#21 2.5 bn yen	#22 2 bn yen	#24 1.5 bn yen
12 yrs						#20 2 bn yen 1.41%			

* #15 has been redeemed on April 2015.

Loans

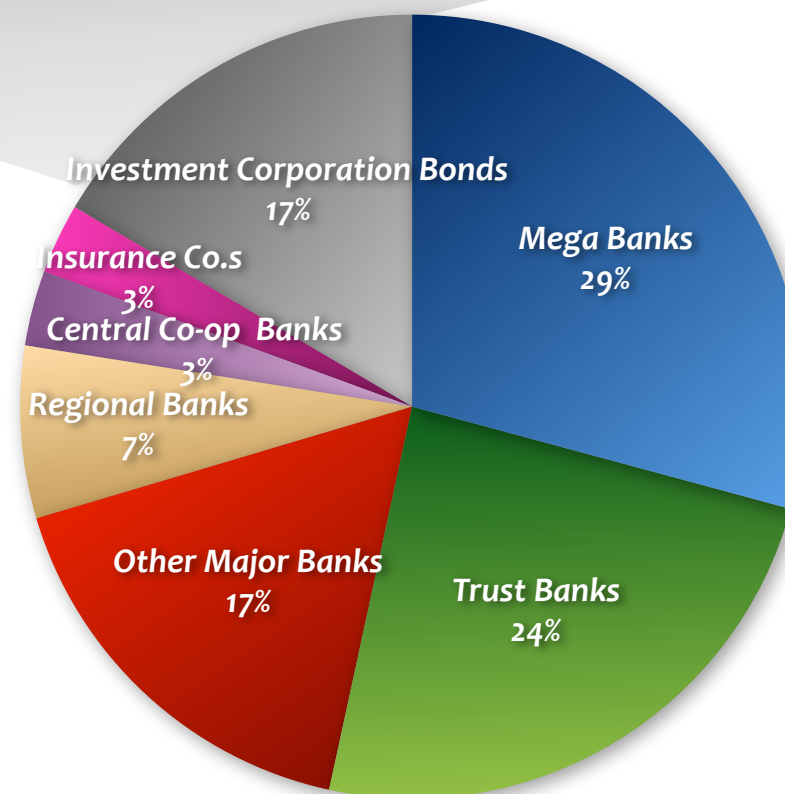
Lenders	Loan Outstanding (bn yen)	% share
Sumitomo Mitsui Trust Bank	28.9	15.4
The Bank of Tokyo-Mitsubishi UFJ	28.9	15.4
Mizuho Bank	18.8	10.1
Sumitomo Mitsui Banking Corporation	17.4	9.3
Mitsubishi UFJ Trust & Banking	15.6	8.3
Development Bank of Japan	13.9	7.4
Aozora Bank	10.6	5.7
Mizuho Trust & Banking	10.3	5.5
Resona Bank	9.1	4.9
The Norinchukin Bank	7.0	3.7
Shinsei Bank	5.1	2.8
The Bank of Fukuoka	5.0	2.7
Taiyo Life Insurance	3.0	1.6
The Nishi-Nippon City Bank	2.6	1.4
The Yamaguchi Bank	2.5	1.3
Tokio Marine & Nichido Fire Insurance	1.0	0.5
Mitsui Sumitomo Insurance	1.0	0.5
The Tokyo Tomin Bank	1.0	0.5
The Gunma Bank	1.0	0.5
The Kagawa Bank	1.0	0.5
The Iyo Bank	1.0	0.5
The 77 Bank	1.0	0.5
Nippon Life Insurance	1.0	0.5
The Hiroshima Bank	0.5	0.3
Total	187.7	100

Total Interest Bearing Debt

226.2 billion yen

Committed Lines of Credit

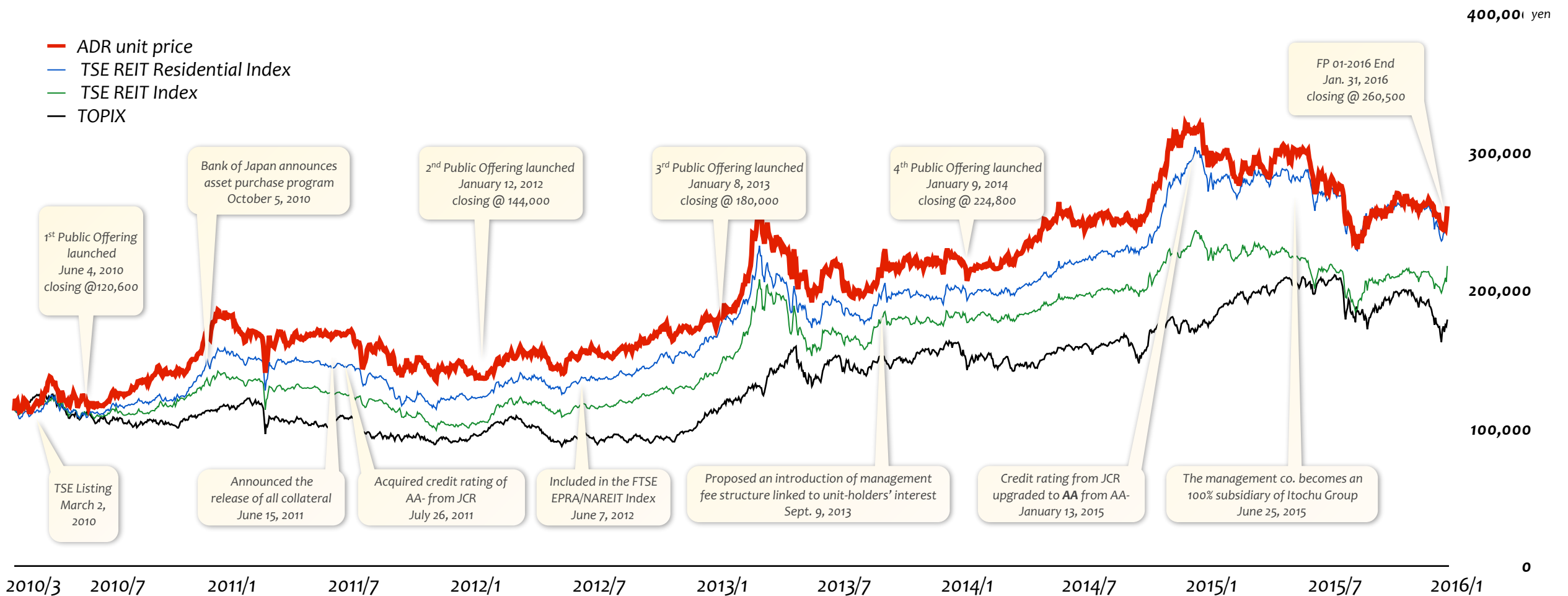
Lenders	Term	Outstanding Amount (bn yen)
Sumitomo Mitsui Trust Bank, The Bank of Tokyo-Mitsubishi UFJ Mizuho Bank	3 y	20.0



Unit Price Chart

Key Figures	FP 01-2011	FP 07-2011	FP 01-2012	FP 07-2012	FP 01-2013	FP 07-2013	FP 01-2014	FP 07-2014	FP 01-2015	FP 07-2015	FP 01-2016
Market capitalization	168.8 bn yen closing @172,300	158.9 bn yen closing @162,200	134.7 bn yen closing @137,500	168.1 bn yen closing @152,900	209.1 bn yen closing @190,100	245.6 bn yen closing @198,100	269.3 bn yen closing @217,200	319.1 bn yen closing @245,500	391.9 bn yen closing @301,500	351.6 bn yen closing @270,500	338.6 bn yen closing @260,500
Daily Average Trading volume	0.44 bn yen 3,247 units	0.31 bn yen 1,917 units	0.27 bn yen 1,907 units	0.46 bn yen 3,160 units	0.54 bn yen 3,208 units	1.29 bn yen 6,055 units	0.68 bn yen 3,174 units	0.62 bn yen 2,684 units	0.81 bn yen 2,922 units	0.92 bn yen 3,181 units	0.85 bn yen 3,344 units
LTV (Total assets base)	52.4%	53.5%	54.6%	53.7%	53.8%	51.2%	52.1%	51.0%	50.1%	51.6%	51.4%
NAV per Unit (yen)	152,749	154,360	156,459	155,966	158,313	164,311	171,850	182,367	198,261	207,281	216,739
ex Dividend Payment Reserve (yen)	113,307	117,984	120,504	124,465	127,061	136,917	144,656	156,497	172,452	181,686	190,929
BPS (yen)	159,564	156,548	156,140	152,689	152,440	153,020	152,821	155,220	155,160	155,161	155,161
ex Dividend Payment Reserve (yen)	120,122	120,172	120,185	121,188	121,188	125,626	125,626	129,351	129,351	129,351	129,351
Implied CAP rate	5.3%	5.5%	5.6%	5.4%	4.8%	4.7%	4.5%	4.3%	3.8%	4.1%	0.042

* NAV and BPS are ex-dividend figures



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

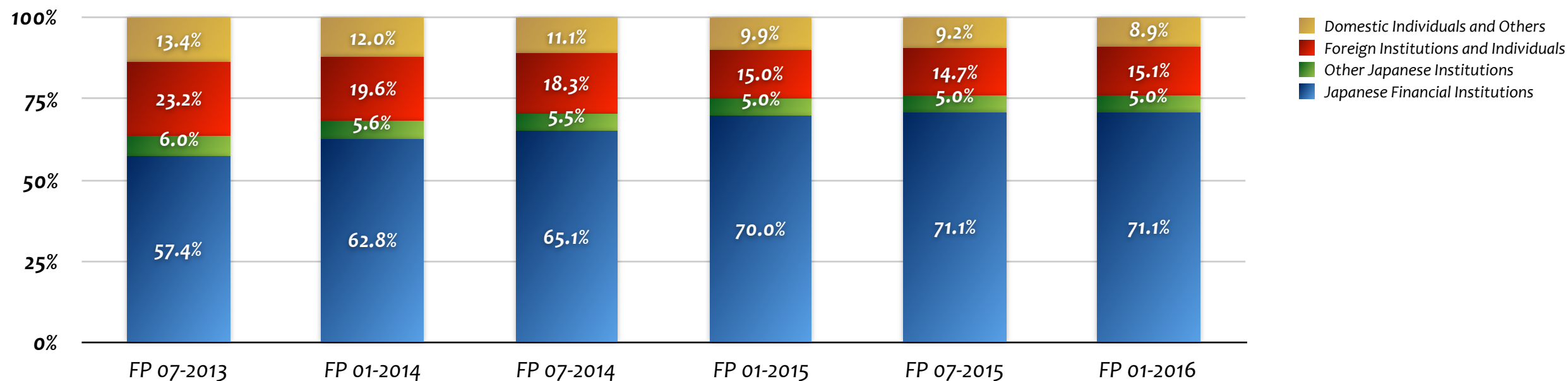
Major Unitholders

Increase in Overseas Ownership

as of January 31, 2016

	Number of Units		Number of Unitholders	
	Units	(%)	Unit-holders	(%)
Japanese Financial Institutions	924,015	71.1%	181	1%
Trust Banks	669,845	51.5%	14	0.1%
Regional Banks	126,760	9.8%	54	0.3%
Life Insurance	53,327	4.1%	11	0.1%
Securities Companies	30,537	2.3%	23	0.1%
Casualty Insurance	15,909	1.2%	6	0.0%
Credit Unions & Co-ops	11,068	0.9%	31	0.2%
Shinkin Banks	13,830	1.1%	41	0.2%
City Banks	2,739	0.2%	1	0.0%
Other Japanese Corporations	65,031	5%	276	1.5%
Foreign Corporations and Individuals	195,850	15.1%	264	1.4%
Domestic Individuals and Others	115,104	8.9%	17,918	96.1%
Total	1,300,000	100%	18,639	100.0%

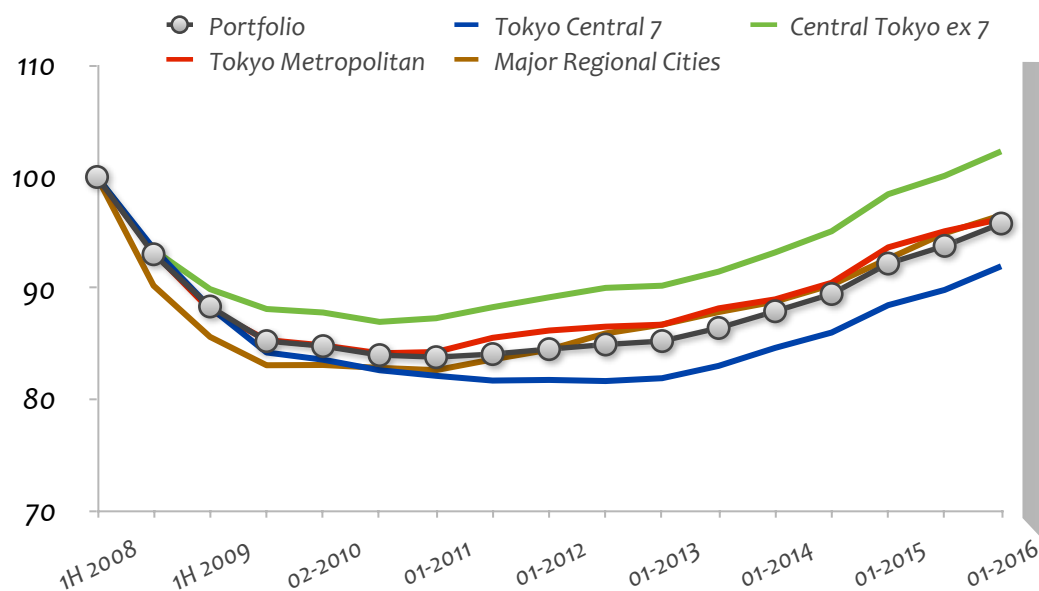
Name of Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	375,004	28.8%
The Master Trust Bank of Japan, Ltd. (Tr. Acc.)	125,511	9.7%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	74,721	5.7%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	45,758	3.5%
ITOCHU Corporation	34,800	2.7%
Trust & Custody Services Bank, Ltd. (Cash in Tr. Taxable Acc.)	15,812	1.2%
Nomura Securities Co., Ltd. (Proprietary Account)	15,030	1.2%
State Street Bank - West Pension Fund Clients - Exempt	14,888	1.1%
The Fuji Fire and Marine Insurance Co., Ltd.	13,278	1.0%
Mizuho Trust & Banking Co., Ltd.	11,528	0.9%



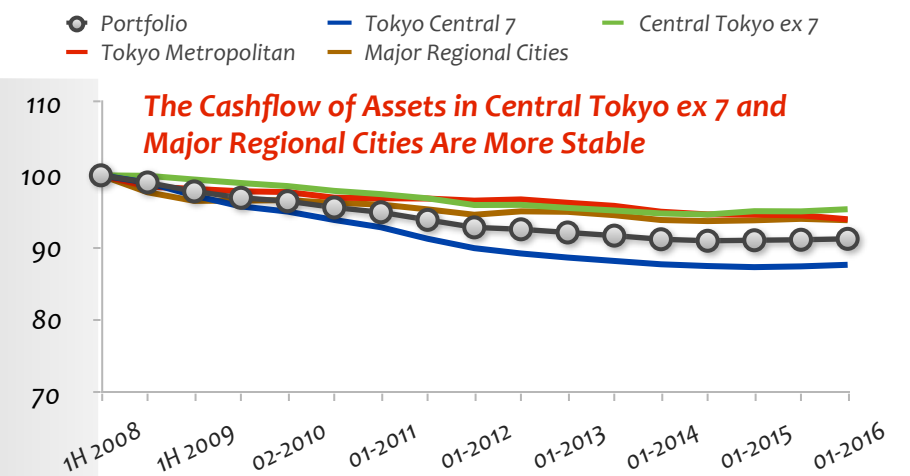
Rent & Cap Rate by Region

Rent Levels Are Stable in Central Tokyo and Major Regional Cities Cap-Rates Are Stable in Tokyo 23 Wards

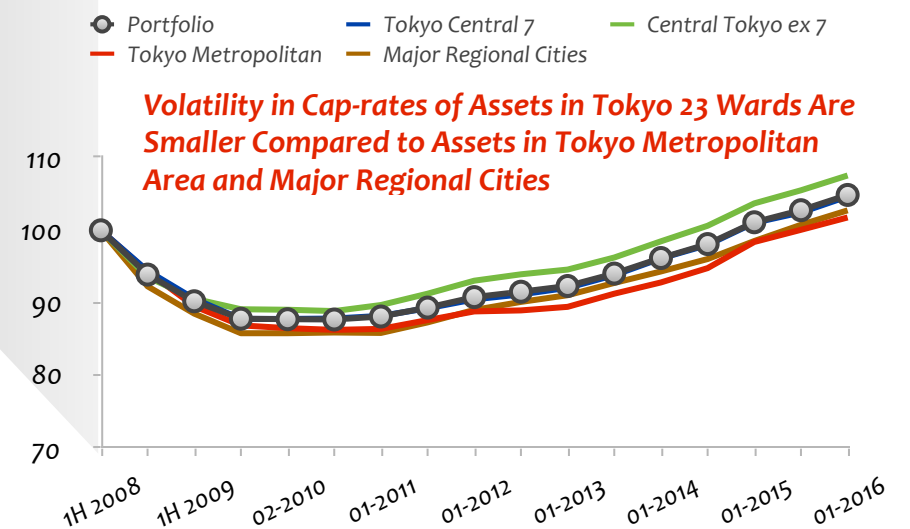
Appraisal Value (Indexed)



Cashflow (Indexed)



Inverted Cap-rate (Indexed)



Portfolio Appraisal Value Analyzed by Components

Aiming to have a high quality portfolio that realizes stable profit distribution in the long-term by forming balanced portfolio with assets from each region with different characteristics

* Above indices are calculated using appraisal value, cashflow figures used in the direct capitalization method and the inverted capitalization rate from 145 assets held from 1st half of 2008 to end of January 2016.

Portfolio Map

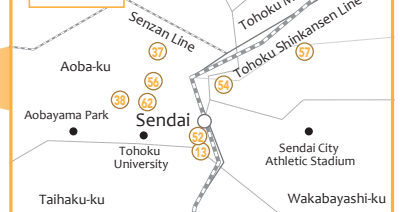
as of April. 14, 2016

R : Major Regional Cities

Sapporo



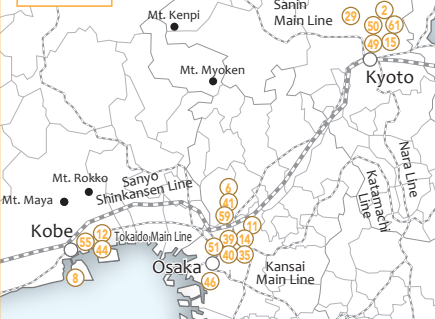
Sendai



Nagoya



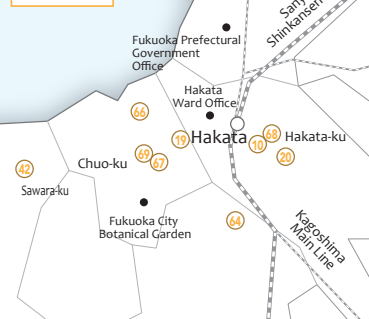
Osaka



Okayama



Fukuoka



No. of Properties

255

(including assets -to-be-acquired)

P : Tokyo Central 7 Wards

C : Tokyo 23 Wards

Portfolio

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	12 - 2004	115	2,860	0.7%	3,060	2,432	25.8%	4.3%	93.8%
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2 - 2005	88	1,730	0.4%	1,990	1,464	35.9%	2.6%	100.0%
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	3 - 2002	28	1,229	0.3%	1,190	1,152	3.2%	7.3%	96.8%
P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	8 - 2005	42	1,230	0.3%	1,350	1,182	14.2%	3.1%	100.0%
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	3 - 2004	86	2,270	0.5%	2,490	2,078	19.8%	2.9%	100.0%
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2 - 2006	35	1,130	0.3%	1,190	1,082	9.9%	7.3%	91.0%
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	7 - 2006	39	1,120	0.3%	1,250	1,077	16.0%	7.0%	97.9%
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2 - 2007	120	2,720	0.6%	2,920	2,589	12.8%	4.3%	100.0%
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	3 - 2007	22	732	0.2%	718	715	0.3%	4.4%	94.1%
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2 - 2009	39	750	0.2%	850	735	15.5%	4.3%	100.0%
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	8 - 2001	30	588	0.1%	695	569	22.0%	8.2%	100.0%
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2 - 2004	54	1,380	0.3%	1,600	1,325	20.7%	4.8%	95.3%
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	8 - 2000	48	941	0.2%	1,080	936	15.3%	5.3%	98.0%
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2 - 2004	65	1,520	0.4%	1,930	1,430	34.9%	4.1%	100.0%
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2 - 2001	37	874	0.2%	974	887	9.8%	3.1%	97.1%
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	1 - 2001	26	554	0.1%	631	567	11.2%	3.0%	93.9%
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	10 - 1999	20	722	0.2%	713	732	-2.7%	6.2%	83.8%
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	11 - 2005	76	1,660	0.4%	1,980	1,560	26.9%	2.9%	94.1%
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2 - 2005	67	1,950	0.5%	2,130	1,835	16.0%	5.3%	98.7%
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	10 - 2004	18	333	0.1%	377	315	19.5%	8.5%	83.9%
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2 - 2005	16	326	0.1%	382	313	21.9%	11.0%	100.0%
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2 - 2005	19	363	0.1%	410	349	17.2%	9.9%	100.0%
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2 - 2005	15	286	0.1%	327	271	20.5%	10.6%	100.0%
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	12 - 2005	48	947	0.2%	1,080	889	21.4%	4.3%	97.8%
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	1 - 2006	61	2,280	0.5%	2,680	2,238	19.7%	3.4%	97.7%
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	9 - 2006	70	1,180	0.3%	1,370	1,117	22.6%	4.8%	89.1%
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	8 - 2006	122	2,040	0.5%	2,320	1,948	19.1%	4.0%	92.6%
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1 - 2006	34	1,190	0.3%	1,300	1,155	12.5%	6.5%	95.9%
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	9 - 2006	63	1,320	0.3%	1,510	1,262	19.6%	3.3%	100.0%
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	3 - 2006	52	1,160	0.3%	1,420	1,116	27.2%	2.8%	100.0%
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	8 - 2006	52	918	0.2%	1,030	881	16.8%	2.1%	96.3%
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	7 - 2007	40	1,050	0.2%	1,260	1,005	25.4%	4.8%	95.2%
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	3 - 2002	28	1,050	0.2%	1,170	995	17.6%	7.3%	85.5%
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	12 - 2004	65	2,310	0.5%	2,580	2,190	17.8%	2.3%	92.8%
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	8 - 2004	68	3,660	0.9%	3,690	3,493	5.6%	3.5%	95.4%
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	5 - 2004	37	1,180	0.3%	1,300	1,123	15.7%	8.3%	97.7%
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	7 - 2004	125	6,780	1.6%	7,390	6,484	14.0%	2.8%	97.7%
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	7 - 2004	42	2,150	0.5%	2,050	2,025	1.2%	4.0%	93.6%
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	8 - 2004	85	2,500	0.6%	2,850	2,373	20.1%	3.6%	100.0%
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	9 - 1999	89	3,570	0.8%	3,980	3,571	11.4%	6.8%	85.0%
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	1 - 2007	358	16,500	3.9%	17,700	15,383	15.1%	1.8%	100.0%
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	1 - 2005	78	2,760	0.6%	3,310	2,586	28.0%	2.7%	98.2%
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	3 - 2005	13	728	0.2%	491	712	-31.1%	2.0%	100.0%
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	10 - 2003	64	1,620	0.4%	2,000	1,526	31.0%	3.4%	98.5%
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	4 - 2006	31	1,430	0.3%	1,430	1,364	4.8%	3.2%	90.7%
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	3 - 2007	39	2,020	0.5%	2,080	1,960	6.1%	7.1%	97.9%
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	1 - 2003	113	6,190	1.5%	5,940	6,027	-1.4%	0.7%	90.4%

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	6 - 2006	40	1,250	0.3%	1,470	1,215	20.9%	3.5%	97.4%
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	11 - 2005	65	1,880	0.4%	2,280	1,790	27.3%	3.4%	96.9%
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2 - 2006	47	1,610	0.4%	1,720	1,559	10.3%	4.6%	90.9%
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	8 - 2006	48	1,740	0.4%	1,800	1,695	6.2%	3.3%	97.9%
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	6 - 2006	43	1,140	0.3%	1,340	1,100	21.7%	4.9%	97.9%
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	3 - 2006	34	1,280	0.3%	1,450	1,232	17.6%	4.4%	94.3%
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	5 - 2007	74	1,830	0.4%	2,130	1,740	22.4%	10.9%	97.1%
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	8 - 2007	26	923	0.2%	987	884	11.6%	2.8%	100.0%
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	12 - 2002	19	974	0.2%	1,060	931	13.8%	4.9%	89.9%
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	9 - 1991	153	4,670	1.1%	5,450	4,470	21.9%	2.8%	94.7%
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	1 - 2007	16	930	0.2%	880	892	-1.4%	7.9%	86.6%
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	8 - 2006	118	5,260	1.2%	5,700	5,097	11.8%	7.8%	91.2%
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	5 - 2005	191	9,570	2.2%	10,800	9,089	18.8%	3.6%	95.0%
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1 - 1993	16	878	0.2%	962	858	12.1%	7.7%	100.0%
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	6 - 2003	12	1,750	0.4%	1,420	1,664	-14.7%	4.8%	100.0%
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	2 - 1997	26	1,460	0.3%	1,590	1,395	13.9%	8.8%	88.5%
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	10 - 2008	59	870	0.2%	1,170	849	37.7%	10.0%	100.0%
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	1 - 2010	72	2,400	0.6%	2,920	2,380	22.7%	4.4%	95.1%
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	8 - 2008	98	2,070	0.5%	2,480	2,040	21.5%	3.0%	100.0%
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	6 - 2008	66	1,523	0.4%	1,820	1,579	15.2%	10.3%	93.1%
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3 - 2007	70	3,300	0.8%	4,190	3,389	23.6%	2.4%	90.4%
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	1 - 2011	167	3,760	0.9%	4,430	3,771	17.5%	4.2%	96.4%
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	1 - 2010	31	950	0.2%	1,230	972	26.5%	2.6%	100.0%
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	10 - 2007	17	778	0.2%	966	789	22.3%	5.4%	77.9%
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	1 - 2012	48	1,240	0.3%	1,600	1,255	27.4%	2.6%	98.4%
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	3 - 2012	90	1,620	0.4%	2,040	1,639	24.4%	2.2%	94.9%
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	3 - 2012	53	1,480	0.3%	1,920	1,499	28.1%	6.7%	93.0%
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	3 - 2008	187	3,656	0.9%	4,240	3,815	11.1%	A 2.9% B 2.9% C 3.0%	94.8%
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	8 - 2006	50	1,119	0.3%	1,350	1,137	18.6%	2.7%	95.8%
P-98	ARTIS COURT Minamiaoyama	Minato-ku, Tokyo	7 - 2008	23	1,720	0.4%	1,850	1,747	5.9%	3.9%	97.0%
P-99	RESIDIA Yotsuya-Sanchome	Shinjuku-ku, Tokyo	5 - 2009	90	2,090	0.5%	2,630	2,127	23.6%	3.8%	96.1%
P-100	RESIDIA Takanawa-Katsurazaka	Minato-ku, Tokyo	3 - 2006	45	900	0.2%	1,020	955	6.8%	5.4%	95.8%
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	3 - 2006	26	611	0.1%	729	655	11.2%	3.3%	96.7%
P-102	RESIDIA Shinjukugyoen	Shinjuku-ku, Tokyo	10 - 2006	38	687	0.2%	807	731	10.4%	5.2%	97.5%
P-103	RESIDIA Minami-Shinagawa	Shinagawa-ku, Tokyo	10 - 2013	50	1,177	0.3%	1,320	1,221	8.0%	8.7%	95.9%
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	3 - 2007	118	3,117	0.7%	3,760	3,191	17.8%	2.4%	92.8%
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	4 - 2007	48	1,280	0.3%	1,520	1,321	15.0%	2.8%	98.3%
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	6 - 2007	36	980	0.2%	1,140	1,013	12.4%	4.0%	87.9%
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	1 - 2008	31	839	0.2%	924	905	2.0%	8.4%	93.4%
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2 - 2005	105	1,920	0.5%	2,370	1,627	45.7%	3.3%	99.3%
C-2	RESIDIA Kamata	Ota-ku, Tokyo	3 - 2005	166	2,640	0.6%	3,420	2,207	55.0%	4.7%	97.6%
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	3 - 2005	60	1,520	0.4%	1,730	1,421	21.7%	7.1%	100.0%
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	7 - 2005	65	1,680	0.4%	2,070	1,583	30.7%	4.6%	100.0%
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	8 - 2005	47	1,060	0.2%	1,350	959	40.7%	2.9%	97.0%
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	3 - 1993	94	953	0.2%	1,060	926	14.4%	9.2%	94.7%
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2 - 2006	127	3,160	0.7%	3,570	2,922	22.1%	2.1%	94.1%
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1 - 2006	70	1,623	0.4%	1,750	1,569	11.5%	3.6%	97.8%
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2 - 2006	48	913	0.2%	1,110	866	28.1%	9.1%	100.0%

Portfolio

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	9 - 2006	169	5,251	1.2%	5,430	5,095	6.6%	4.3%	100.0%
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	1 - 2007	137	3,180	0.7%	3,590	3,019	18.9%	4.6%	97.1%
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	8 - 2007	81	1,980	0.5%	1,980	1,877	5.5%	3.8%	97.9%
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	11 - 2007	157	4,200	1.0%	4,430	4,072	8.8%	7.2%	94.9%
C-16	RESIDIA Negishi	Taito-ku, Tokyo	12 - 2005	28	856	0.2%	899	834	7.8%	7.7%	96.5%
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2 - 2003	83	1,880	0.4%	2,160	1,788	20.8%	5.3%	90.9%
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	12 - 2001	44	558	0.1%	683	555	22.9%	6.4%	92.9%
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	6 - 2002	24	352	0.1%	466	329	41.6%	3.8%	96.7%
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	3 - 2004	63	1,010	0.2%	1,140	947	20.3%	5.3%	98.4%
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	12 - 2005	54	1,460	0.3%	1,760	1,358	29.6%	3.4%	100.0%
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	3 - 2000	96	1,800	0.4%	2,040	1,813	12.5%	6.9%	93.7%
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1 - 2005	52	1,220	0.3%	1,430	1,144	25.0%	3.4%	100.0%
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	9 - 2004	98	1,300	0.3%	1,570	1,206	30.2%	5.9%	100.0%
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	10 - 2004	31	603	0.1%	715	561	27.3%	3.5%	97.2%
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	9 - 2004	94	2,000	0.5%	2,400	1,879	27.7%	4.0%	100.0%
C-28	RESIDIA Oji	Kita-ku, Tokyo	2 - 2005	61	867	0.2%	1,000	799	25.0%	3.2%	100.0%
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	7 - 2005	63	1,050	0.2%	1,180	994	18.6%	2.3%	95.3%
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2 - 2006	40	1,100	0.3%	1,230	1,039	18.4%	6.8%	100.0%
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	9 - 2006	78	1,360	0.3%	1,590	1,295	22.7%	4.0%	96.5%
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	9 - 2006	105	2,440	0.6%	2,790	2,332	19.6%	3.8%	95.4%
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	1 - 2008	99	2,380	0.6%	2,580	2,272	13.6%	4.7%	94.0%
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	8 - 2003	104	3,380	0.8%	3,780	3,112	21.4%	4.7%	94.2%
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2 - 2003	33	707	0.2%	846	650	30.0%	5.0%	96.6%
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2 - 2003	39	1,050	0.2%	1,270	975	30.2%	6.9%	100.0%
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	7 - 2003	19	378	0.1%	404	353	14.3%	8.5%	93.9%
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	3 - 2004	25	557	0.1%	720	516	39.4%	5.6%	100.0%
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	4 - 2005	45	1,440	0.3%	1,600	1,370	16.8%	4.1%	97.5%
C-41	RESIDIA Iriya	Taito-ku, Tokyo	12 - 2004	49	990	0.2%	1,100	906	21.3%	5.4%	96.0%
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	8 - 2006	45	1,310	0.3%	1,480	1,264	17.0%	4.5%	93.4%
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	3 - 2007	69	1,860	0.4%	2,070	1,780	16.2%	3.0%	96.7%
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	9 - 2006	60	1,290	0.3%	1,380	1,227	12.4%	5.0%	96.7%
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2 - 2003	36	1,320	0.3%	1,470	1,225	19.9%	3.9%	95.1%
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1 - 1999	162	6,280	1.5%	7,170	6,171	16.2%	2.6%	95.4%
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	1 - 2000	29	683	0.2%	789	680	16.0%	7.0%	93.4%
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2 - 2007	132	5,500	1.3%	6,580	5,193	26.7%	2.4%	100.0%
C-49	RESIDIA Suginami-Honanchō	Suginami-ku, Tokyo	2 - 2009	194	3,834	0.9%	5,140	3,714	38.4%	4.3%	100.0%
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	8 - 2009	67	888	0.2%	1,190	869	36.8%	8.6%	100.0%
C-51	RESIDIA Kiba	Koto-ku, Tokyo	3 - 2008	155	1,950	0.5%	2,850	1,946	46.4%	7.2%	97.4%
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	12 - 2008	52	1,129	0.3%	1,450	1,115	30.0%	4.4%	96.9%
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	3 - 2008	98	2,340	0.5%	2,840	2,338	21.5%	3.5%	100.0%
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2 - 2008	119	2,570	0.6%	3,500	2,534	38.1%	4.0%	94.1%
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	3 - 2007	175	2,580	0.6%	3,490	2,544	37.2%	5.3%	100.0%
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	3 - 2003	101	1,710	0.4%	2,170	1,778	22.0%	4.5%	97.0%
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2 - 2005	68	970	0.2%	1,270	994	27.8%	7.6%	98.5%
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	9 - 2005	80	2,090	0.5%	2,730	2,089	30.7%	4.2%	95.4%
C-59	RESIDIA Omori	Ota-ku, Tokyo	3 - 2006	75	1,150	0.3%	1,420	1,148	23.6%	1.8%	97.4%
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2 - 2008	66	1,075	0.3%	1,340	1,067	25.5%	4.5%	90.5%
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2 - 2008	55	1,805	0.4%	2,370	1,797	31.9%	4.9%	92.8%

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C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2 - 2008	89	2,268	0.5%	2,880	2,328	23.7%	4.0%	96.4%
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2 - 2005	51	651	0.2%	823	669	22.9%	9.6%	100.0%
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	3 - 2007	53	948	0.2%	1,210	950	27.4%	3.5%	95.2%
C-65	RESIDIA Tower Kami-Ikebukuro	Toshima-ku, Tokyo	3 - 2009	472	8,250	1.9%	10,600	8,368	26.7%	Twr 5.7% Prk 5.4% Anx 2.9%	97.5%
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2 - 2007	45	502	0.1%	596	532	12.0%	4.8%	100.0%
C-67	RESIDIA Shimurasakaue	Itabashi-ku, Tokyo	2 - 2007	44	580	0.1%	671	613	9.4%	3.4%	100.0%
C-68	RESIDIA Shimurasakaue II	Itabashi-ku, Tokyo	3 - 2007	94	1,093	0.3%	1,310	1,142	14.6%	5.6%	100.0%
C-69	RESIDIA Shimurasakaue III	Itabashi-ku, Tokyo	3 - 2007	36	411	0.1%	481	436	10.1%	5.4%	100.0%
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	10 - 2007	72	1,115	0.3%	1,310	1,136	15.2%	3.0%	89.4%
C-71	RESIDIA Ojima	Koto-ku, Tokyo	11 - 2007	87	1,282	0.3%	1,500	1,306	14.8%	6.1%	98.9%
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	8 - 2009	55	1,168	0.3%	1,260	1,206	4.4%	3.2%	98.1%
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	2 - 2004	71	1,700	0.4%	1,860	1,800	3.3%	3.8%	98.3%
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	3 - 2005	34	502	0.1%	610	523	16.5%	3.9%	100.0%
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	4 - 2006	22	378	0.1%	456	404	12.7%	5.8%	100.0%
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	11 - 2006	30	652	0.2%	743	699	6.2%	4.1%	100.0%
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	3 - 2007	36	460	0.1%	542	497	8.9%	5.1%	100.0%
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	3 - 2008	58	1,299	0.3%	1,500	1,379	8.7%	4.4%	93.6%
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	4 - 2007	40	977	0.2%	1,130	1,014	11.3%	5.1%	94.8%
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	9 - 2007	60	876	0.2%	1,070	913	17.1%	3.5%	96.7%
C-81	RESIDIA Oomori III	Ota-ku, Tokyo	12 - 2012	65	1,395	0.3%	1,560	1,441	8.2%	3.1%	88.1%
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	4 - 2014	77	1,975	0.5%	2,260	2,043	10.6%	3.8%	98.3%
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	3 - 2008	55	1,833	0.4%	2,110	1,902	10.9%	3.7%	100.0%
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	3 - 1991	39	770	0.2%	734	722	1.6%	5.5%	92.3%
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	4 - 2007	44	1,100	0.3%	1,180	1,054	11.9%	4.6%	97.7%
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	1 - 2007	131	1,920	0.5%	1,940	1,808	7.3%	5.6%	100.0%
S-7	RESIDIA Chofu	Chofu, Tokyo	3 - 2007	41	1,143	0.3%	1,170	1,093	7.0%	5.0%	97.5%
S-11	TOKYO Student-House Wako	Wako, Saitama	4 - 1990	127	675	0.2%	731	695	5.1%	10.2%	100.0%
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2 - 2003	33	518	0.1%	572	515	10.9%	2.9%	97.0%
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	8 - 2004	102	1,700	0.4%	1,770	1,562	13.3%	8.4%	95.6%
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	3 - 1998	64	755	0.2%	878	730	20.2%	5.3%	100.0%
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2 - 2007	68	1,580	0.4%	1,790	1,511	18.4%	7.2%	97.8%
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	3 - 2007	172	2,730	0.6%	2,940	2,582	13.9%	I 3.6% II 3.4%	100.0%
S-19	RESIDIA Kichijoji	Musashino, Tokyo	3 - 1995	48	1,380	0.3%	1,550	1,431	8.3%	9.1%	98.0%
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	11 - 2007	416	14,000	3.3%	15,900	12,301	29.3%	4.5%	100.0%
S-21	Maison Yachiyodai	Yachiyo, Chiba	8 - 1989	39	882	0.2%	822	821	0.1%	5.4%	100.0%
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	10 - 2003	78	1,670	0.4%	2,200	1,574	39.7%	6.4%	100.0%
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2 - 2010	91	810	0.2%	1,090	786	38.5%	7.7%	100.0%
S-24	RESIDIA Urayasu	Urayasu, Chiba	9 - 2009	146	2,115	0.5%	2,750	2,126	29.3%	6.7%	95.5%
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2 - 2005	85	823	0.2%	1,040	840	23.7%	6.6%	96.5%
S-26	RESIDIA Urayasu II	Urayasu, Chiba	2 - 2005	74	802	0.2%	1,010	821	23.0%	7.5%	93.2%
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2 - 2005	75	761	0.2%	958	776	23.3%	6.1%	97.3%
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	3 - 2007	104	1,670	0.4%	2,150	1,665	29.1%	4.7%	91.1%
S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	1 - 2010	85	1,050	0.2%	1,190	1,045	13.9%	7.5%	100.0%
S-30	RESIDIA Sagami-hara	Sagami-hara, Kanagawa	3 - 2005	111	1,050	0.2%	1,210	1,104	9.5%	6.8%	100.0%
S-31	RESIDIA Yokohama-Bashamichi	Yokohama, Kanagawa	5 - 2004	28	735	0.2%	1,040	785	32.3%	11.5%	94.5%
S-32	RESIDIA Hon-Atugi	Atugi, Kanagawa	1 - 2008	49	606	0.1%	683	660	3.4%	11.0%	96.2%

Portfolio

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R-2	RESIDIA Imadegawa	Kyoto, Kyoto	2 - 1999	154	1,671	0.4%	1,690	1,523	10.9%	10.9%	100.0%
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2 - 2006	91	1,290	0.3%	1,390	1,085	28.0%	3.4%	89.9%
R-5	RESIDIA Kameyama	Kameyama, Mie	2 - 2007	182	1,610	0.4%	1,190	1,559	-23.7%	4.2%	97.1%
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	5 - 2007	44	979	0.2%	963	913	5.5%	5.7%	86.0%
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	9 - 2007	404	3,740	0.9%	4,070	3,523	15.5%	South & Center 6.8% North 6.7%	100.0%
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	3 - 2002	155	1,220	0.3%	1,340	1,159	15.5%	3.4%	98.8%
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2 - 2000	78	871	0.2%	1,060	869	21.8%	8.3%	96.3%
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	11 - 2005	161	2,220	0.5%	2,710	2,018	34.3%	3.2%	98.4%
R-13	KC21 Building	Sendai, Miyagi	3 - 1997	79	900	0.2%	1,010	897	12.5%	2.4%	91.8%
R-14	RESIDIA Utubokoen	Osaka, Osaka	1 - 2006	94	1,170	0.3%	1,420	1,078	31.6%	6.6%	100.0%
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2 - 2006	116	1,970	0.5%	2,310	1,826	26.5%	9.9%	99.4%
R-16	RESIDIA Takaoka	Nagoya, Aichi	8 - 2007	198	2,330	0.5%	3,020	2,185	38.2%	3.5%	98.0%
R-17	RESIDIA Hibino	Nagoya, Aichi	4 - 1992	124	1,340	0.3%	1,470	1,190	23.5%	3.9%	98.4%
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	1 - 2004	56	936	0.2%	1,110	859	29.2%	4.9%	94.6%
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	1 - 2003	39	324	0.1%	375	291	28.8%	2.7%	92.6%
R-21	RESIDIA Hisaya-Odori II	Nagoya, Aichi	2 - 2005	38	685	0.2%	781	622	25.4%	5.0%	94.8%
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	12 - 2006	179	1,640	0.4%	1,890	1,506	25.4%	0.9%	98.4%
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	12 - 2006	103	1,320	0.3%	1,370	1,234	11.0%	1.1%	100.0%
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	1 - 2007	100	1,130	0.3%	1,300	1,033	25.8%	1.4%	100.0%
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	5 - 2005	33	831	0.2%	857	775	10.4%	4.1%	97.2%
R-29	RESIDIA Uzumasa	Kyoto, Kyoto	1 - 2000	48	701	0.2%	722	661	9.1%	13.5%	94.0%
R-30	RESIDIA Izumi	Nagoya, Aichi	11 - 2005	122	3,700	0.9%	4,120	3,424	20.3%	3.1%	93.4%
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2 - 2007	56	1,050	0.2%	1,160	978	18.5%	1.2%	91.3%
R-32	RESIDIA Tokugawa	Nagoya, Aichi	12 - 2006	27	751	0.2%	835	706	18.2%	3.9%	92.6%
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	8 - 2007	109	2,010	0.5%	2,450	1,874	30.7%	0.9%	96.9%
R-35	RESIDIA Tanimachi	Osaka, Osaka	8 - 2008	108	1,100	0.3%	1,520	1,128	34.6%	7.5%	90.3%
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2 - 2007	57	652	0.2%	885	649	36.3%	4.8%	90.9%
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	1 - 2008	67	529	0.1%	715	523	36.7%	2.5%	100.0%
R-38	RESIDIA Hirosedori	Sendai, Miyagi	2 - 2010	63	494	0.1%	630	490	28.4%	2.8%	100.0%
R-39	RESIDIA Edobori	Osaka, Osaka	2 - 2007	127	1,400	0.3%	1,840	1,434	28.2%	8.7%	95.4%
R-40	RESIDIA Kyomachibori	Osaka, Osaka	3 - 2007	84	1,000	0.2%	1,340	1,030	30.0%	7.8%	97.8%
R-41	RESIDIA Esaka	Suita, Osaka	7 - 2007	68	989	0.2%	1,290	990	30.3%	4.8%	93.0%
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	1 - 2008	173	2,380	0.6%	2,950	2,349	25.5%	2.6%	96.3%
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2 - 2008	122	1,206	0.3%	1,620	1,194	35.6%	3.6%	96.9%
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	3 - 2008	196	2,740	0.6%	3,710	2,704	37.2%	3.6%	97.7%
R-45	RESIDIA Kita-Niijo-East	Sapporo, Hokkaido	3 - 2006	56	894	0.2%	1,070	897	19.2%	1.1%	98.3%
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2 - 2007	97	1,921	0.5%	2,320	1,931	20.1%	9.1%	97.0%
R-47	RESIDIA Marunouchi	Nagoya, Aichi	1 - 2007	86	972	0.2%	1,170	979	19.5%	2.8%	93.1%
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2 - 2007	168	1,483	0.3%	2,010	1,490	34.8%	0.7%	97.1%
R-49	RESIDIA Gosyo-Higashi	Kyoto, Kyoto	9 - 2007	57	1,227	0.3%	1,530	1,235	23.8%	8.9%	96.1%
R-50	RESIDIA Rakuohoku	Kyoto, Kyoto	3 - 2008	75	874	0.2%	1,010	881	14.6%	12.4%	93.0%
R-51	RESIDIA Miyakojima I & II	Osaka, Osaka	9 - 2006	178	3,232	0.8%	4,430	3,333	32.9%	7.1%	97.7%
R-52	RESIDIA TOWER Sendai	Sendai, Miyagi	1 - 2008	67	1,705	0.4%	1,990	1,780	11.7%	2.3%	97.0%
R-53	RESIDIA Higashizakura II	Nagoya, Aichi	2 - 2006	127	2,862	0.7%	3,550	2,914	21.8%	3.1%	93.5%
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	11 - 2006	168	1,796	0.4%	2,290	1,828	25.2%	EAST 2.6% WEST 2.7%	98.1%
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	1 - 2007	85	1,052	0.2%	1,340	1,073	24.8%	5.8%	97.8%

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R-56	RESIDIA Sendai-Honcho	Sendai, Miyagi	6 - 2007	105	1,117	0.3%	1,580	1,139	38.7%	2.3%	100.0%
R-57	RESIDIA Sendai-Haranomachi	Sendai, Miyagi	9 - 2007	72	593	0.1%	854	606	40.8%	2.1%	100.0%
R-58	RESIDIA Minami-Ichijo East	Sapporo, Hokkaido	1 - 2008	85	1,062	0.2%	1,310	1,088	20.3%	1.1%	100.0%
R-59	RESIDIA Shin-Osaka	Osaka, Osaka	2 - 2014	208	2,644	0.6%	3,290	2,829	16.3%	6.2%	100.0%
R-60	RESIDIA Okayama-ekimae	Okayama, Okayama	3 - 2004	108	772	0.2%	929	813	14.2%	1.7%	100.0%
R-61	RESIDIA Kyoto-Okazaki	Kyoto, Kyoto	3 - 2005	23	227	0.1%	295	240	22.7%	14.1%	100.0%
R-62	RESIDIA Sendai-Ichibancho	Sendai, Miyagi	3 - 2006	103	1,083	0.3%	1,310	1,132	15.7%	2.4%	100.0%
R-63	RESIDIA Kita-Niijo East II	Sapporo, Hokkaido	2 - 2007	51	538	0.1%	688	572	20.2%	1.2%	100.0%
R-64	RESIDIA Takamiya	Fukuoka, Fukuoka	2 - 2007	51	488	0.1%	548	511	7.2%	6.1%	97.7%
R-65	RESIDIA Soen	Sapporo, Hokkaido	2 - 2007	60	384	0.1%	506	411	23.0%	1.4%	100.0%
R-66	RESIDIA Tenjin	Fukuoka, Fukuoka	5 - 2007	88	1,122	0.3%	1,290	1,166	10.6%	3.4%	93.2%
R-67	RESIDIA Yakuin-Odori	Fukuoka, Fukuoka	6 - 2007	91	1,123	0.3%	1,310	1,162	12.7%	4.5%	97.8%
R-68	RESIDIA Hakata II	Fukuoka, Fukuoka	9 - 2007	124	1,358	0.3%	1,520	1,408	7.9%	1.8%	93.8%
R-69	RESIDIA Kego	Fukuoka, Fukuoka	1 - 2008	86	834	0.2%	1,030	879	17.2%	2.3%	90.2%
R-70	RESIDIA Shirakabe	Nagoya, Aichi	3 - 2008	70	907	0.2%	1,050	975	7.7%	4.4%	86.9%
R-71	RESIDIA Sakae	Nagoya, Aichi	12 - 2007	77	868	0.2%	957	948	0.9%	4.2%	92.2%
Total 251 properties				20,231	425,854	100.0%	493,245	413,193	19.4%	2.4%	96.7%

	Area	No. of Properties	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)
P	Tokyo Central 7 Wards	86	5,323	169,113	39.7%	189,263	163,655	15.6%
C	Central Tokyo ex 7 wards	79	6,237	133,469	31.3%	158,394	129,983	21.9%
S	Tokyo Metropolitan	24	2,250	41,246	9.7%	47,298	39,020	21.2%
R	Major Regional Cities	62	6,421	82,024	19.3%	98,290	80,534	22.0%
Total		251	20,231	425,854	100.0%	493,245	413,193	19.4%

Portfolio after Including the Property Acquired After the FP 01-2016 End (as of April. 14, 2016)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Appraisal Price (mil yen)
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	4 - 2014	44	917	980
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	3 - 2015	28	821	885
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	7 - 2014	48	1,655	1,740
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	3 - 2015	100	4,650	4,980
				220	8,043	8,585

	Area	No. of Properties	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)
P	Tokyo Central 7 Wards	88	5,395	170,851	39.4%
C	Central Tokyo ex 7 wards	81	6,385	139,774	32.2%
S	Tokyo Metropolitan	24	2,250	41,246	9.5%
R	Major Regional Cities	62	6,421	82,024	18.9%
Total		255	20,451	433,897	100.0%

Asset Management Company Profile

Company Profile as of January 31, 2016

Name: AD Investment Management Co., Ltd.

Address: 17F Jimbocho Mitsui Bldg., 1-105 Kanda-Jimbocho, Chiyoda-ku, Tokyo

Company Representative: Kenji Kousaka, Representative Director and President

Amount of Capital: 300 million yen

Type of Business: Asset Management

History:

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

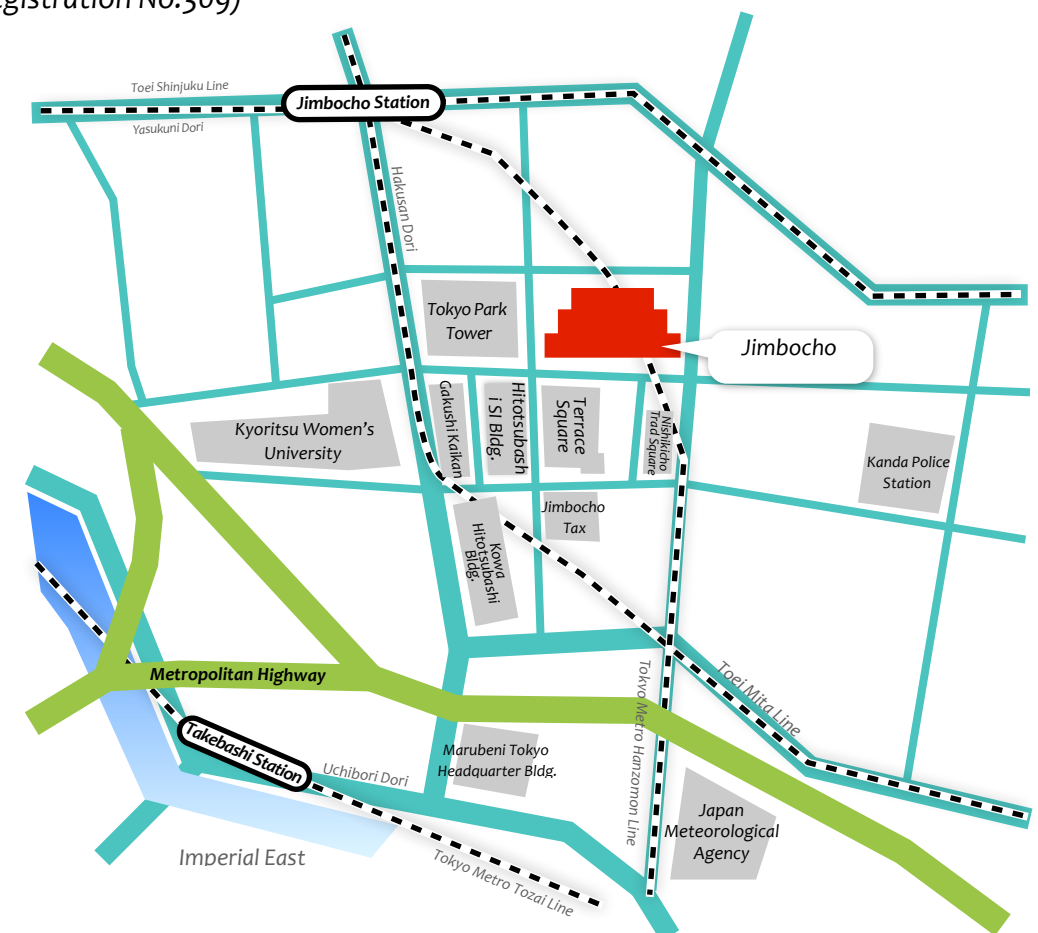
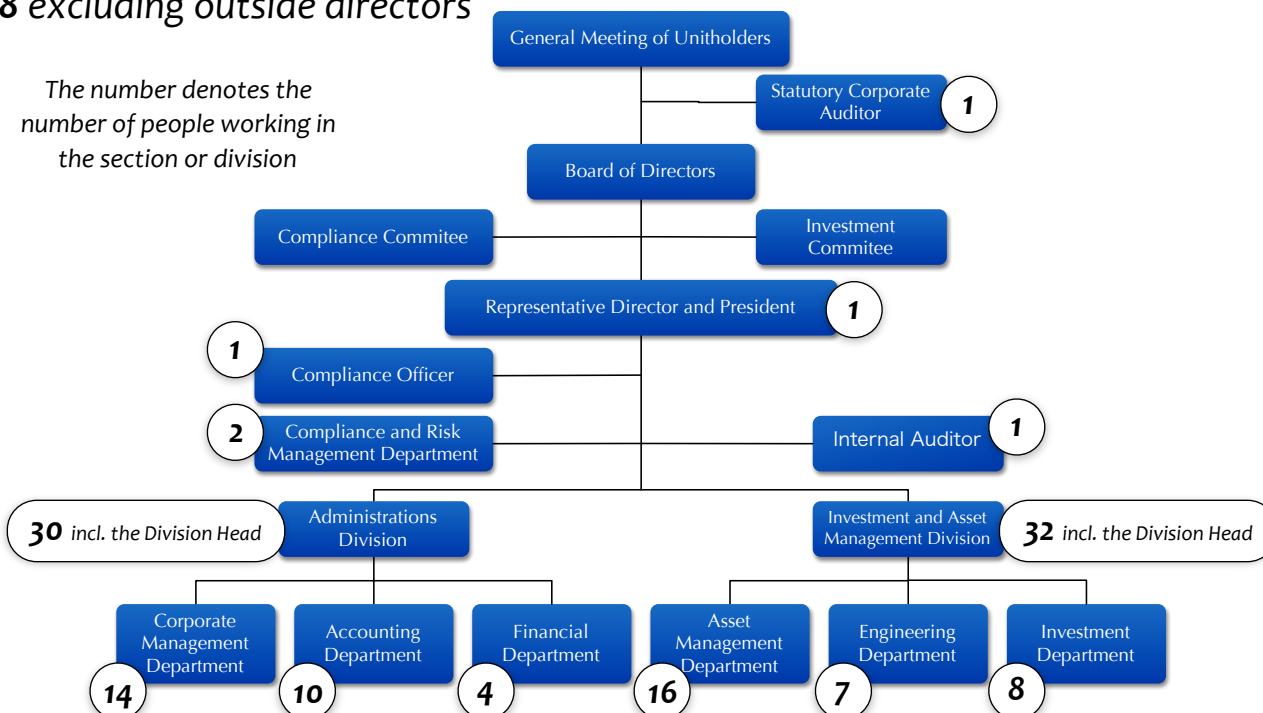
Registrations and Licenses:

- Real estate agent's license (The Governor of Tokyo (2) No.84325)
- Approval for a discretionary transaction agent (Minister of Land, Infrastructure, Transport and Tourism Approval, No.37)
- Registered for a financial instruments business (Kanto Local Finance Bureau registration No.309)
- Registered as First-Class-Architect Office (The Governor of Tokyo No. 58856)

AD Investment Management Co., Ltd. <http://www.adim.co.jp/>
Advance Residence Investment Corporation <http://www.adr-reit.com/en/>

Organizational Chart as of January 31, 2016

Total 68 excluding outside directors



Asset Management Fee Structure

An Asset Management Fee Structure More Inline with Unitholders' Interest

Introducing an Asset Management Fee that is Coupled to NOI^{*1} and Adjusted EPU^{*2}

more inline with unitholders' interest

Fee Linked to Total Asset Size
(Previous fiscal end) **AM Fee I**

Fee Linked to NOI^{*1} **AM Fee II**

Fee Linked Adjusted EPU^{*2} **AM Fee III**

Fees	Fee Base	Maximum Fee Rate
AM Fee I	Total Asset (Previous fiscal end)	× 0.20%
AM Fee II	NOI ^{*1}	× 3.00%
AM Fee III	(AM Fees I + II) × Adjusted EPU ^{*2}	× 0.008%
Acquisition Fee	Acquisition Price	× 1.00%
Disposition Fee	Disposition Price	× 0.50%
Merger Fee	Acquired Asset Value	× 0.50%

※1 NOI = Gross Operating Income minus Gross Operating Expense (excluding depreciation and loss from fixed asset retirement.)

※2 Adjusted EPU = Net Income excluding AM Fee III divided by number of outstanding asset at the fiscal period end.

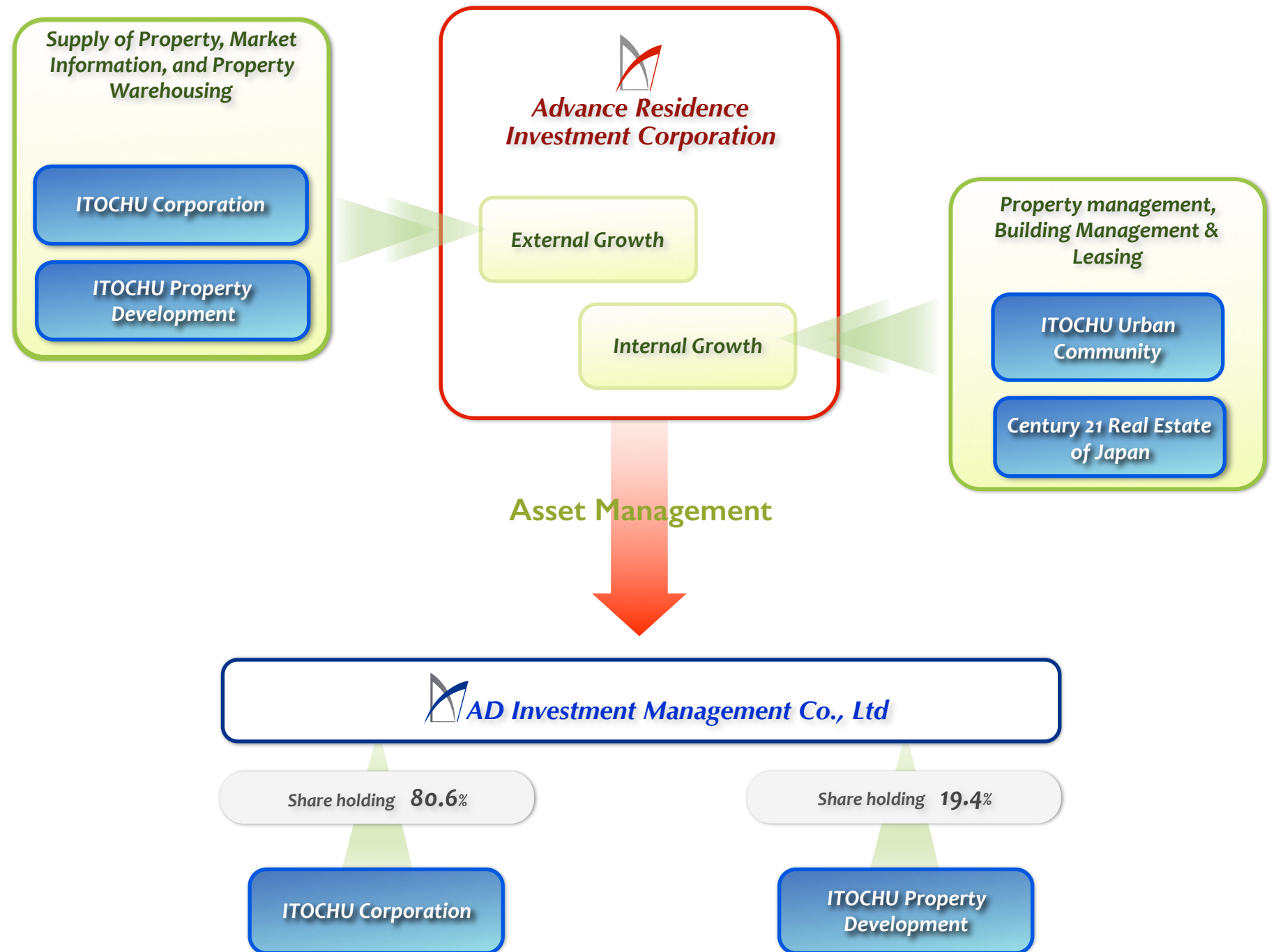
Sponsor Support

Support from ITOCHU Group

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

Shareholders of the AD Investment Management Co., Ltd.

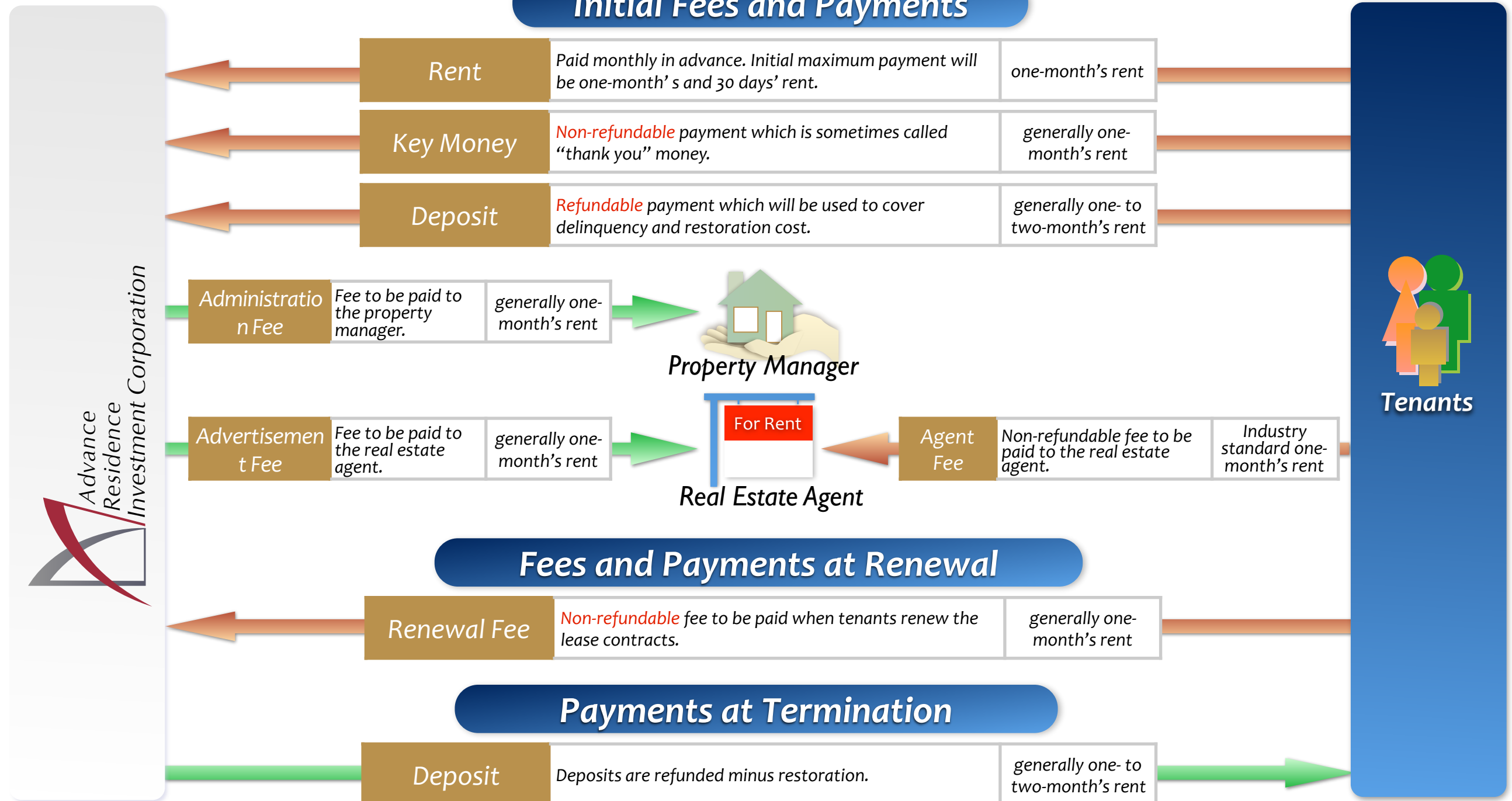
AD Investment Management Co., Ltd. is 100% held by ITOCHU Group.



Japanese Real Estate Leasing Contract Practices

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

Initial Fees and Payments



Note



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

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

This material is based on Japanese GAAP unless otherwise stated.

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