



Earnings Presentation



Advance Residence Investment Corporation

12th

February 1, 2016 to July 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

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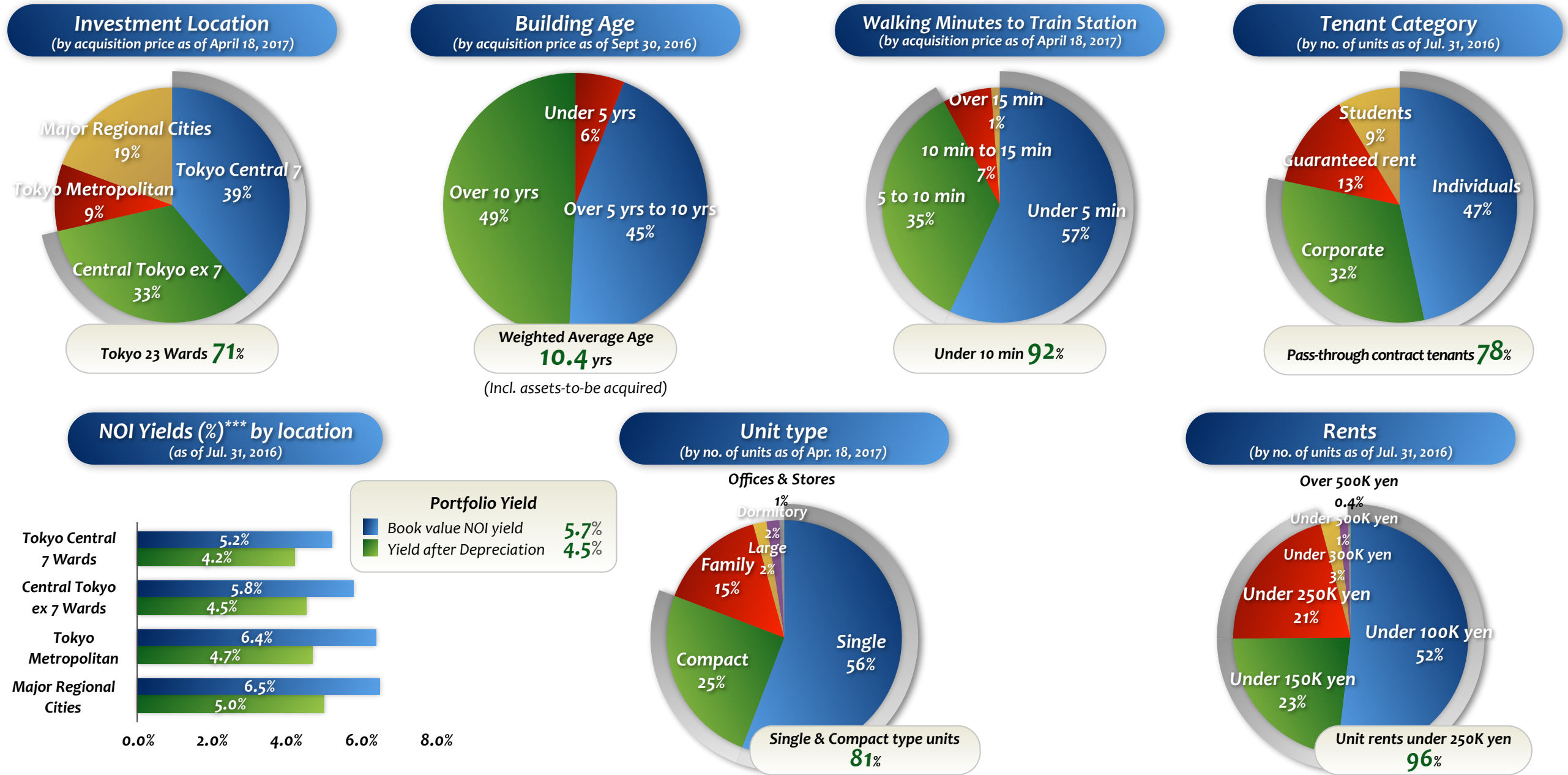
The Largest* Portfolio Among Residential J-REITs

* According to data collected by ADIM from the latest disclosures made by each residential J-REITs as of Sept. 30, 2016.



	Number of Properties	Total Leasable Area	Leasable units	Assets Under Management (Acquisition Price)
as of Jul. 31, 2016	255 properties	766,881 ㎡	20,455 units	433.6 billion yen
as of Apr. 18, 2017**	260 properties	781,760 ㎡	20,842 units	442.7 billion yen

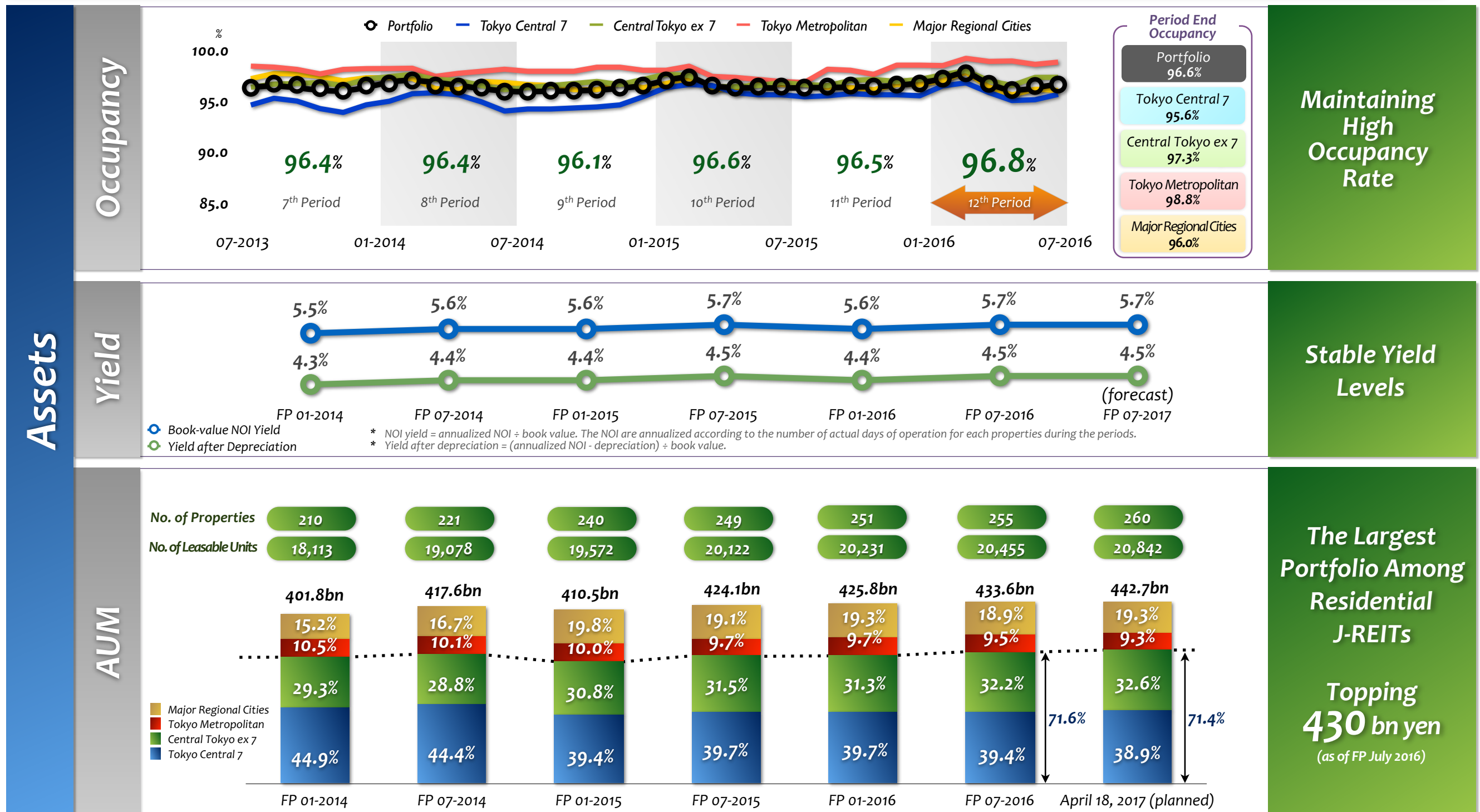
** Five assets scheduled to be acquired from August 2016 onwards are included.



*** Book value NOI is calculated as "annualized NOI" ÷ "book value at the end of FP2016/7". NOI is annualize according to actual number of days of operation for each property during FP2016/7. Yield after Depreciation is calculated as (annualized NOI - depreciation) ÷ book value as of end of FP2016/7.

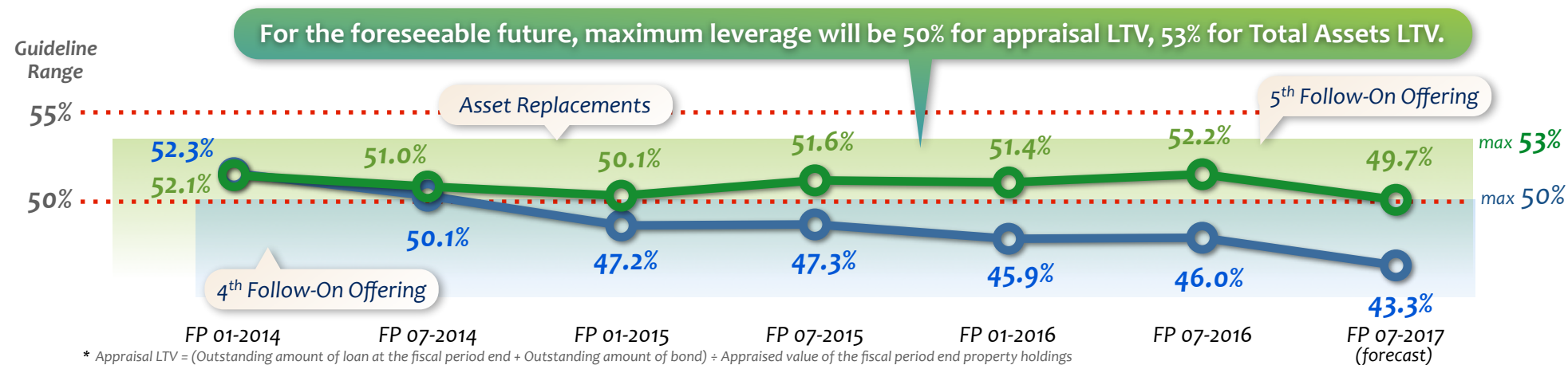
Solid Track Record, Solid Growth

Increasing EPS by Implementing Various Measures



Liabilities

LTV

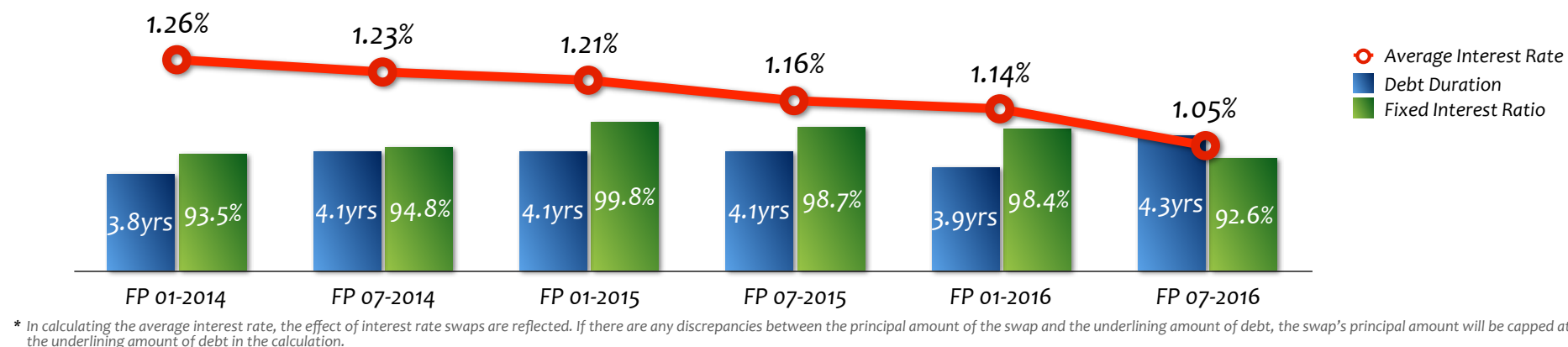


Lowered LTV Range to Maintain Flexibility in Preparation for Future Financial Volatility

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

30.0 bn yen
(estimate for FP ending July 2017)

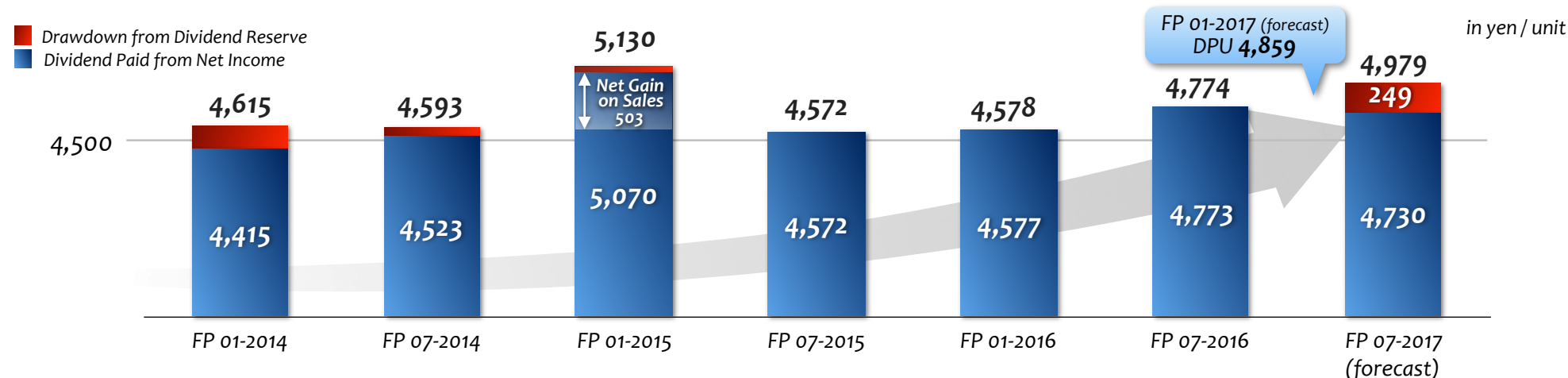
Debts



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

Equities

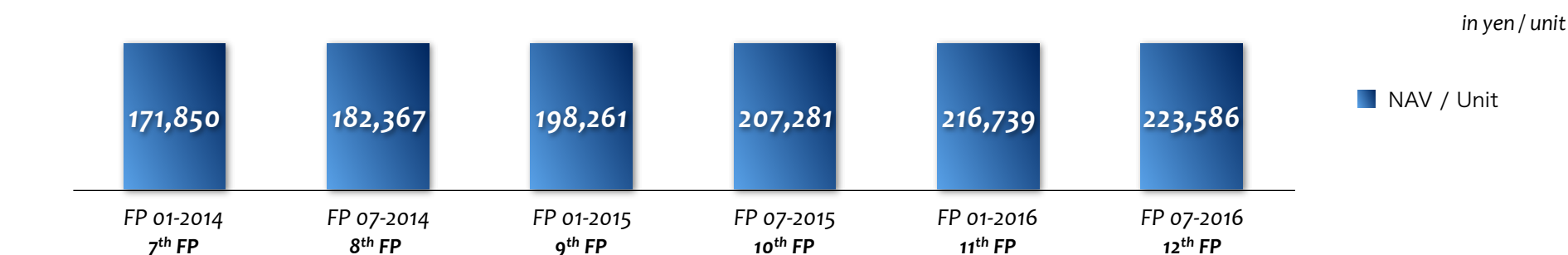
Dividends



Steadily Growing EPU
Outstanding Dividend
Reserve

33.5 bn yen
(as of FP July 2016)

Net Asset Value



Increasing
NAV per Unit

Executive Summary

Committed in Delivering Strong and Stable Dividend



Results for Fiscal Period ended July 31, 2016

Increase in Revenue, Profits and Dividend

Due to rise in occupancy rate and lowering of renovation cost by optimizing

Dividend per Unit* **4,774**yen chg. from initial forecast **+184**yen chg. from last period **+196**yen

* Dividend per unit might be abbreviated as DPU and earnings per share as EPU, hereafter.

Fiscal Highlights

Maintained High Occupancy, Succeeded in Raising Rents and Acquired Five Properties

Internal Growth

Maintaining High Occupancy while Succeeding to Raise Rents

Average Period Occupancy	96.8%	<small>increase from forecast</small> +0.3%pt
Portfolio Rent Change	+0.45%	<small>actual figure for period year before</small> +0.12%
from Tenant Replacements	+1.27%	+1.34%
from Contract Renewals	+0.40%	+0.21%

External Growth

Acquired Five Properties, Mostly Sponsor Developed and Located in the Tokyo 23 Wards

No. of Properties	5 properties
Acquisition Price	8.6 billion yen
Average Building Age	1.9 years
NOI Yield	4.8%

Fund Raising Activities

Lengthened Duration and Lowered Financing Cost

Average Interest Rate	1.05%	<small>chg. on pervious FP</small> -0.09%pt
Average Duration	4.3 years	+0.4 years
Fixed Interest Rate Debt Ratio	92.6%	-5.7%pt

Results for Fiscal Period ended July 2016

from February 1, 2016 to July 31, 2016



	(1) 12th FP Forecast	(2) 12th FP Results	(2)-(1)			(3) 11th FP Results	(2)-(3)			in million yen
	Initial Forecast as of Mar. 11, 2016	Results for FP July 2016	Changes	Notes		Results for FP Jan. 2016	Changes	Notes		
Revenue	15,363 (255 properties) Period avg. occupancy 96.5%	15,444 (255 properties) Period avg. occupancy 96.8%	+80	Asset Acquisitions and Dispositions Increase from RD Funabashi III acquisition Decrease from disposition of Maison Yachiyodai Same Store Increases from higher occupancy, etc.	+13 -28 +95	15,082 (251 properties) Period avg. occupancy 96.5%	+361	Asset Acquisitions and Dispositions Contribution from 2016/1 & 2016/7 acquisition Decrease from 2016/7 disposition Same Store Increases from higher occupancy Peak-season increases in key money & renewal fee income	+203 -27 +84 +100	
Operating Income	7,509 (Depreciation: 2,573) (Property taxes: 825)	7,727 (Depreciation: 2,568) (Property taxes: 823)	+217	Leasing Expenses Net effect of buy/sell of real estates Decrease in renovation costs Decrease in utility costs G & A Expenses Increases in management fees due to higher profits	+5 +88 +49 -7	7,489 (Depreciation: 2,531) (Property taxes: 811)	+238	Leasing Expenses Net effect of buy/sell of RE in 2016/1 & 2016/7 Peak-season increases Decrease in renovation costs Increase in depreciation & expensing of property taxes G & A Expenses Increases in management fees due to higher profits	-49 -89 +76 -9 -51	
Ordinary Income	5,967 (Funding cost*: 1,538)	6,206 (Funding cost*: 1,510)	+238	Decrease in funding costs due to lower interest rate Decrease in non-operating income	+26 -5	5,951 (Funding cost*: 1,539)	+254	Increase in financing cost from acquisition funding Decrease in funding costs due to refinancing No one-off profit	-53 +79 -9	
Net Income	5,967	6,205	+238			5,951	+254			
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	5,967	6,206	+239			5,951	+254			
EPU (yen)	4,590	4,773	+183	Units issued and outstanding 1,300,000 units		4,577	+196	Units issued and outstanding 1,300,000 units		
Drawdown of Retained Earnings**	0	0	-			0	-			
Dividend per unit (yen)	4,590	4,774	+184			4,578	+196			
FFO per Unit (yen)	6,569	6,752	+183			6,524	+228			
FFO Payout Ratio	69.9%	70.7%	+0.8 pt			70.2%	+0.5 pt			
Total Asset LTV	52.3%	52.2%	-0.1 pt			51.4%	+0.8 pt			

* Funding costs include interest payments for loans and bonds as well as other finance fees. *** When calculating the changes of FFO per unit, decimals are ignored.

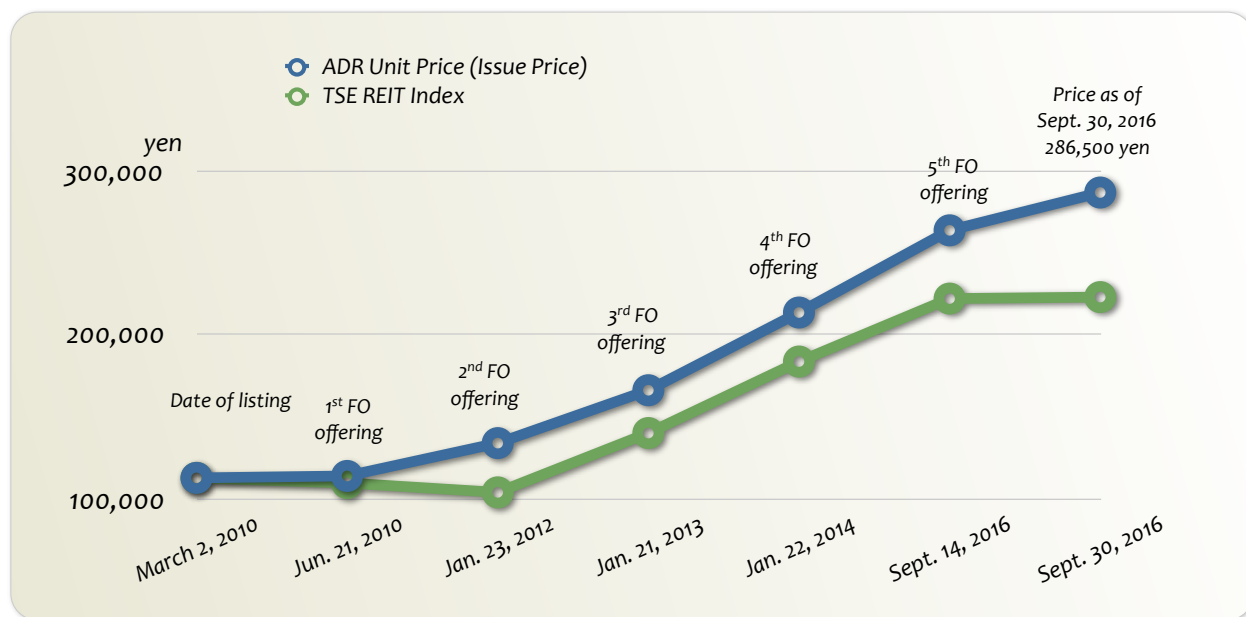
** "Retained Earnings" means "Dividend Reserve" or from Jan. 2017 "Retained Earnings for Temporary Difference Adjustment."

Enhance Unit-holders' Value through Public Offering

Equity Finance History

	The 3 rd Follow-On Public Offering	The 4 th Follow-On Public Offering	The 5 th Follow-On Public Offering
Launch Date	Jan. 8, 2013	Jan. 9, 2014	Sept. 6, 2016
Issue Price	165,945 yen	213,330 yen	263,445 yen
No. of Units Issued (including third-party allotment)	140,000 units	60,000 units	50,000 units (maximum)
Amount Raised	22.4 billion yen	12.3 billion yen	12.7 billion yen (maximum)
Assets Acquired	12 properties, 21.6 bn yen	11 properties, 15.8 bn yen	5 properties, 9.0 bn yen

Unit Price Movement After Equity Financing



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

The Effects of the Follow-On Offering

All Key Figures Improve Due to Premium Priced Offerings

	FP July 2013 (after the 3 rd FO offering)	FP July 2014 (after the 4 th FO offering)	Forecast of FP July 2017 (after the 5 th FO offering and the property acquisitions completed)
AUM (based on acquisition price)	393.8 billion yen (204 properties)	417.6 billion yen (221 properties)	442.7 billion yen (260 properties)
Total Asset LTV	51.2%	51.0%	49.7%
Earnings / Unit (yen)	4,267	4,523	4,730 (FP Jan 2017 Forecast 4,600 yen)
FFO / Unit (yen)	6,109	6,413	6,682
Dividend / Unit (yen)	4,597	4,593	4,979 (FP Jan 2017 Forecast 4,859 yen)
Number of Outstanding Units	1,240,000	1,300,000	1,350,000 (maximum)



Internal Growth

FP July 2016 Tenant Replacements and Renewals

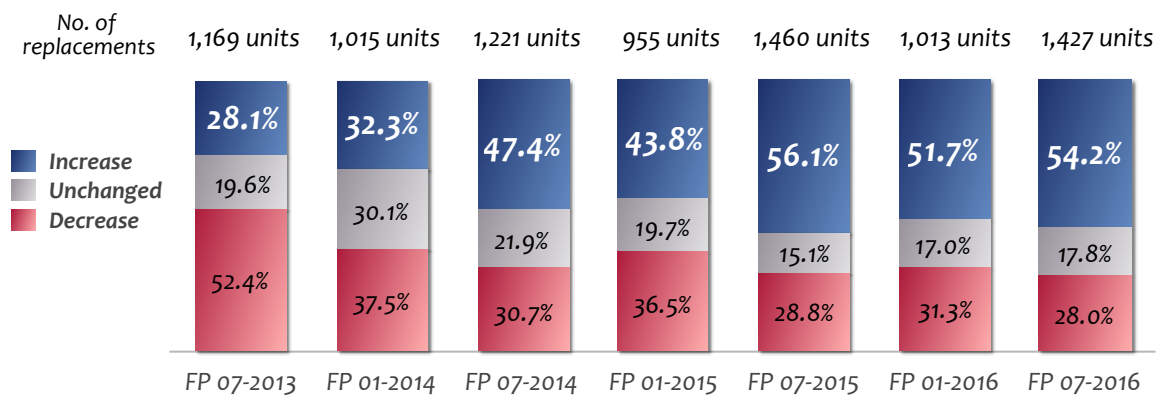
Tenant Replacements*

FP Jul. 2016 Results

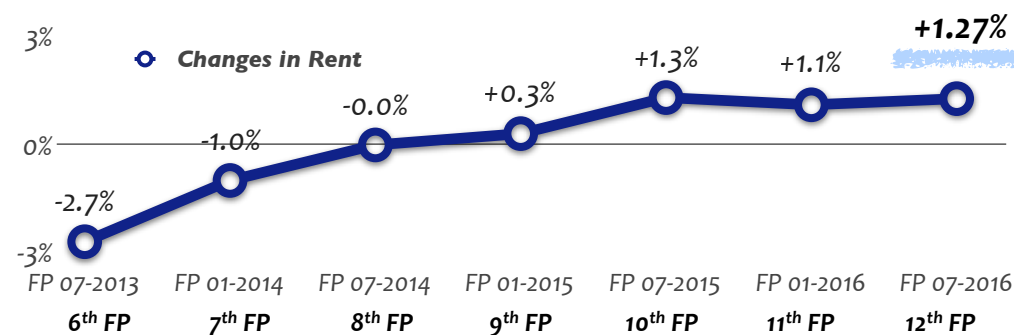
	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	774 units	54.2%	92	96	+4	+4.39%
Unchanged	254 units	17.8%	27	27	-	-
Decrease	399 units	28.0%	44	43	-1	-4.32%
Total	1,427 units	100.0%	164	167	+2	+1.27%

Tokyo Central 7 Wards +1.71% Central Tokyo +1.81% Metropolitan Area +0.61% Major Regional Cities +0.24%

Share of Rent Change (by no. of units)



Rent Changes in Tenant Replacements



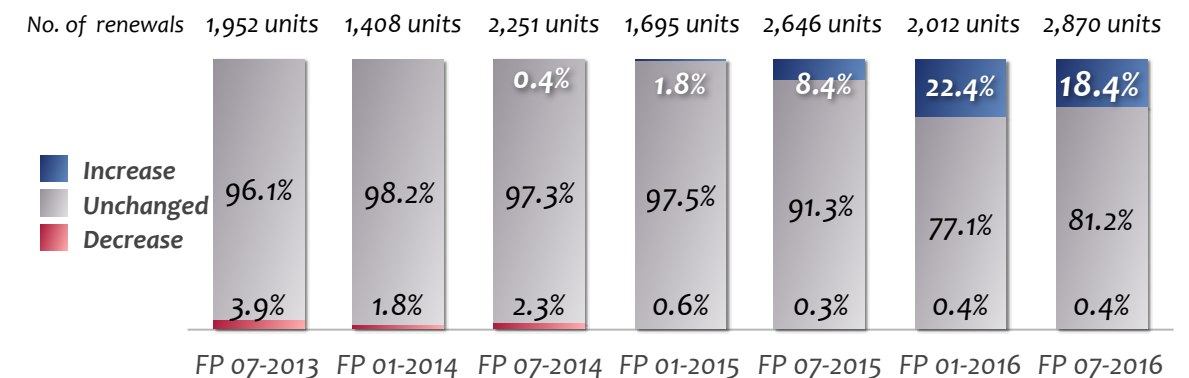
Renewals*

FP Jul. 2016 Results

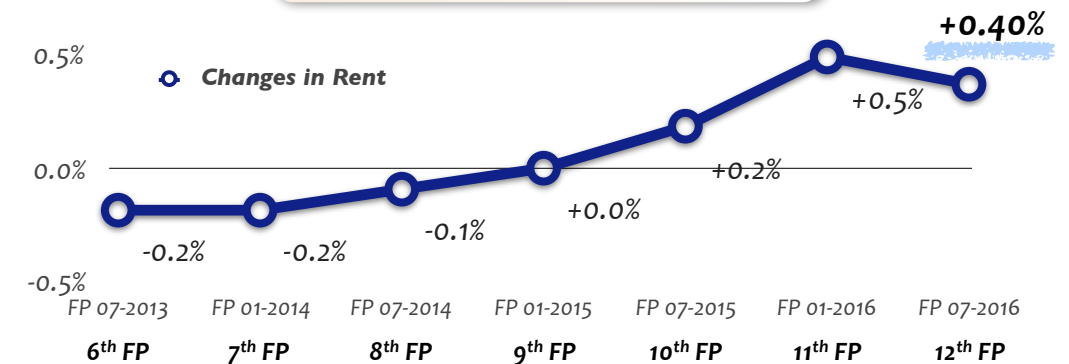
	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	528 units	18.4%	68	69	+1.3	+2.04%
Unchanged	2,330 units	81.2%	259	259	-	-
Decrease	12 units	0.4%	1	1	-0.06	-4.01%
Total	2,870 units	100.0%	330	331	+1.3	+0.40%

Tokyo Central 7 Wards +0.57% Central Tokyo +0.21% Metropolitan Area -0.07% Major Regional Cities +0.29%

Share of Rent Change (by no. of units)



Rent Changes in Tenant Renewals

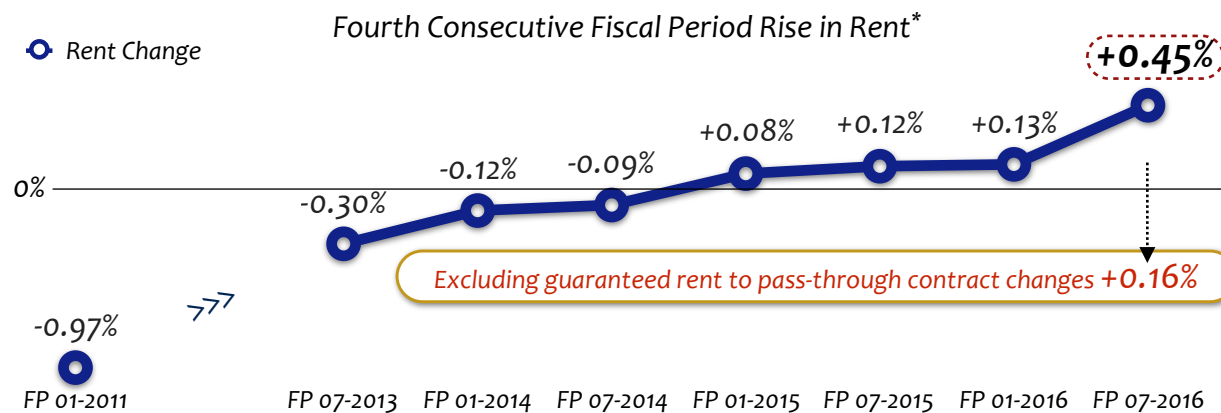


* Rent change for pass-through units that are both occupied at the beginning and the end of the period.

Achieving Internal Growth in the Residential Sector

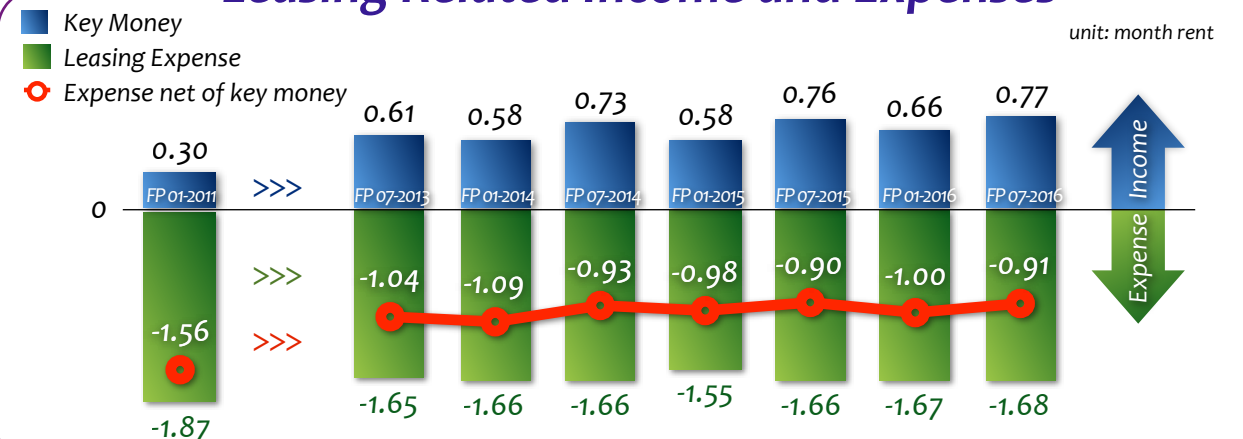
Internal Growth Through Increase in Portfolio Rent, Improvement in Leasing Terms and Higher Occupancy

Portfolio Rent Rise



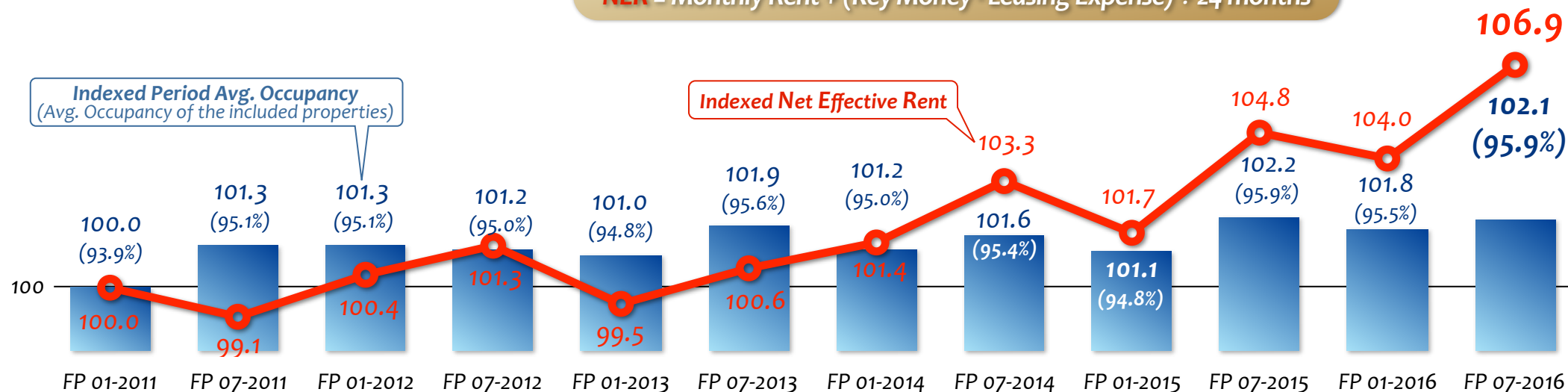
* Change in rents for all units that are both occupied at the beginning and the end of the period.

Leasing Related Income and Expenses



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 115 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) 1,748, FP07-2011) 1,074, FP01-2012) 870, FP07-2012) 1,026, FP01-2013) 981, FP07-2013) 1,024, FP01-2014) 794, FP07-2014) 924, FP01-2015) 835, FP07-2015) 918, FP01-2016) 788, FP07-2016) 625.
- 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.

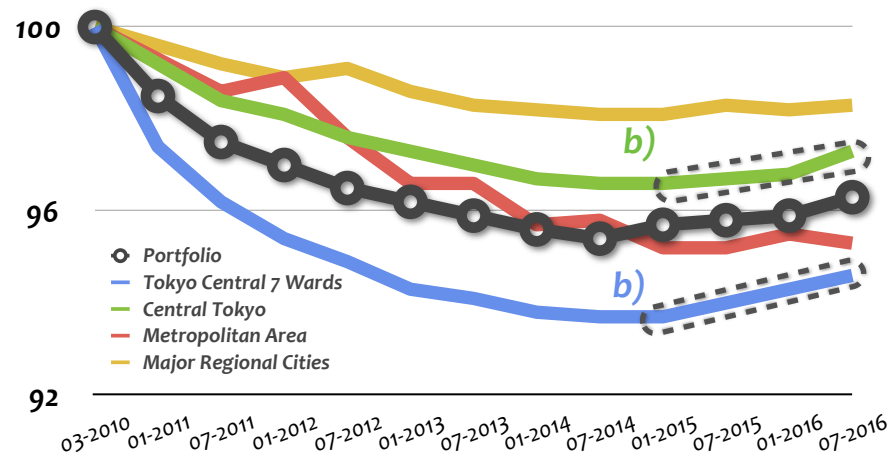
Changes in Rents & Rent Gaps

Rents Rise Seen Especially in Tokyo 23 Wards

* Rent change for pass-through units held at July 31, 2016. Rent at March 31, 2010 indexed as 100.

Rent Change* by Region

- a) **Fourth consecutive FP rise** in rents for the whole portfolio.
- b) There are **marked recovery** in rents in **Tokyo Central 7 Wards** where it saw the largest rent decline in the past as well as rents in **Central Tokyo** region. Leasing are mostly doing well in **Tokyo 23 Wards**, including places such as Roppongi and Azabu.
- c) Although there are some discrepancies between cities, by being selective in the initial investments, rents for ADR's **regional portfolio are stable as a whole**.



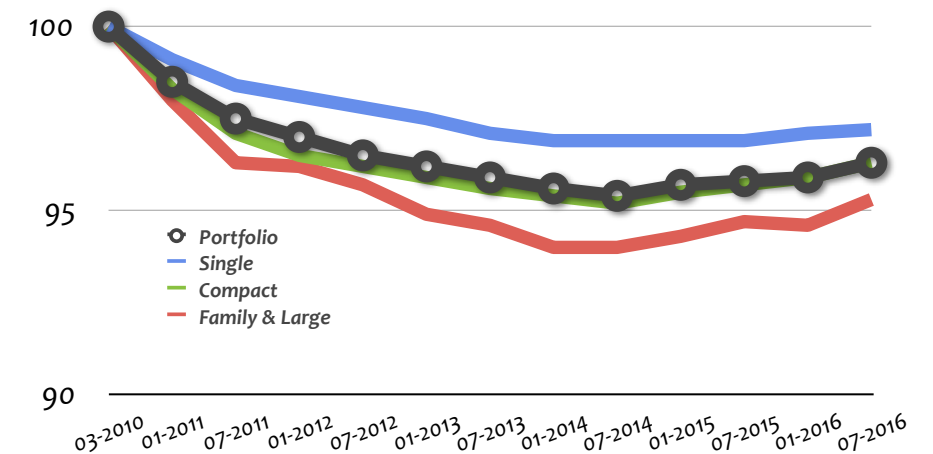
Recent Change in Rent for the Whole Portfolio

Fourth Consecutive Rise

2014/7 2015/1 2015/7 2016/1 2016/7
95.4 → 95.7 → 95.8 → 95.9 → **96.3**

Rent Change* by Type of Unit

- a) **Rents rose in most of the types of units.**
- b) There was also rent rise in Single type units where the volume in demand is largest and the rents are stable.
- c) Although the number of units held by ADR is small, Family and Large type units are seeing significant uptick recently due to rebound from past decline and **tight demand**.

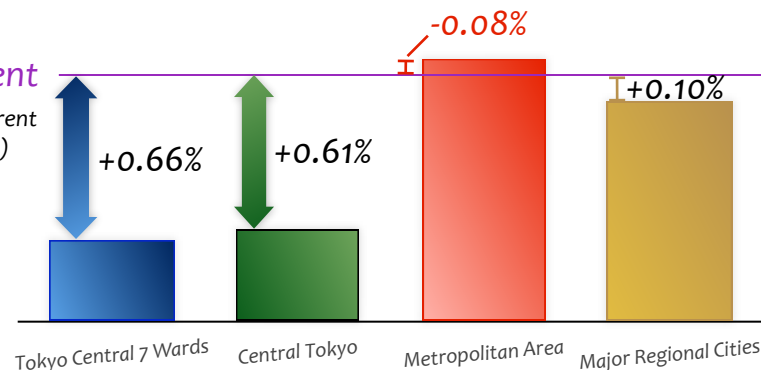


Rent Gaps for the Whole Portfolio +1.29%

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

Market Rent

(new tenants' rent in FP 07-2016)

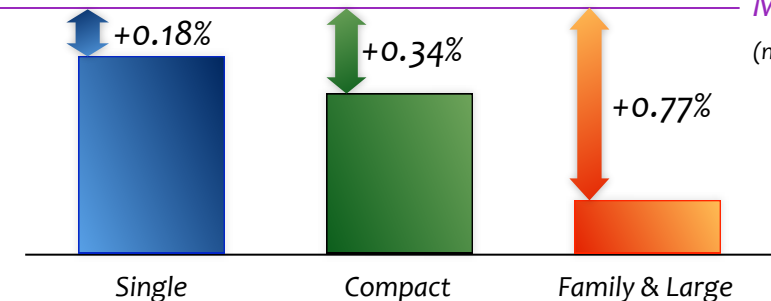


+1.29%

Portfolio

Market Rent

(new tenants' rent in FP 07-2016)



A rent gap is a gap between the unit rent of new tenants of FP Jul. 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 Jul. 2016. A +1.29% gap means that, if the gap is to be closed by rise in existing tenants' rents, then the portfolio rent will rise by +1.29%.

Large-Scale Repairs & Value Enhancement Works

Examples of Works Completed in FP July 2016

Large-scale Repairs

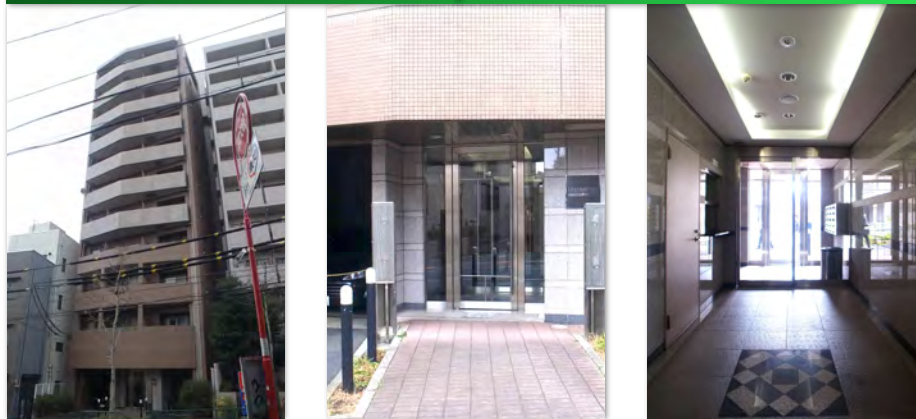
Works started for 2 properties during the period

C-19 RESIDIA Shin-Nakano

Building Age
14 yrs

Total Cost : **29.4 million yen**

before

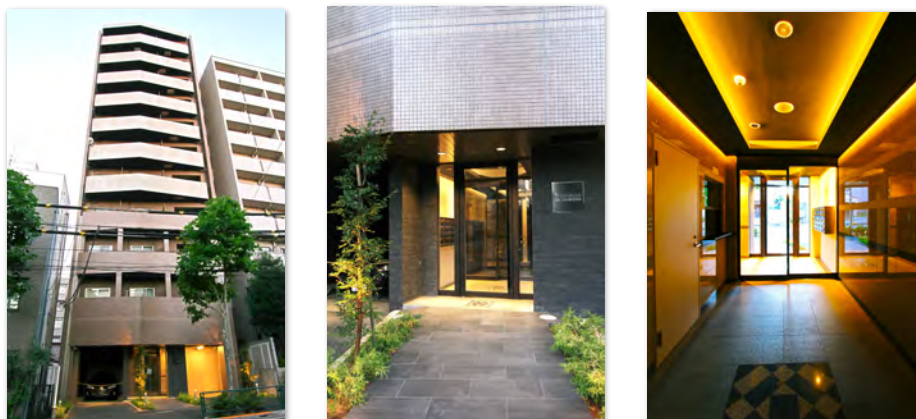


after

Exterior wall repairs
Tile peeling prevention

Entrance upgrades

LED lightings in
common area



Value Enhancement Works

41 units from 13 properties received VE* works during the period,
with average monthly rent increase** of **17.4%**

Building Age
15 yrs

P-24 RESIDIA Azabujuban II

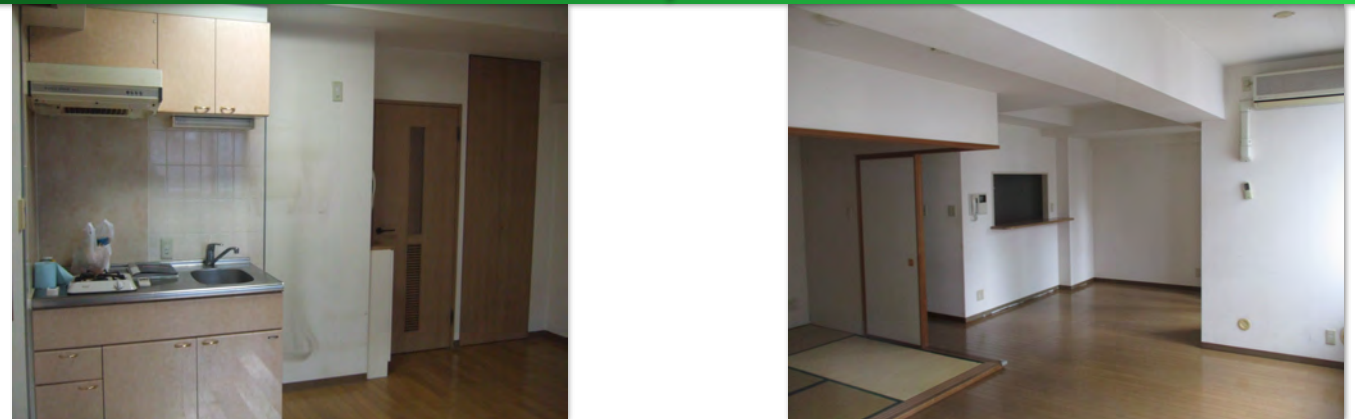
Total Cost : **3.4 million yen**
VE* Works: **1.0 million yen**
Increase in Monthly Rent **: **up 14.5%**
Projected Recuperation Period*** : **5 years**

Building Age
17 yrs

P-53 RESIDIA Roppongi-Hinokichokoen

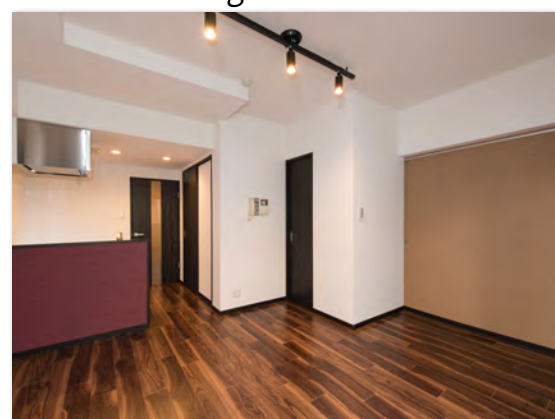
Total Cost : **6.3 million yen**
VE* Works: **2.4 million yen**
Increase in Monthly Rent **: **up 50.4%**
Projected Recuperation Period*** : **3 years**

before

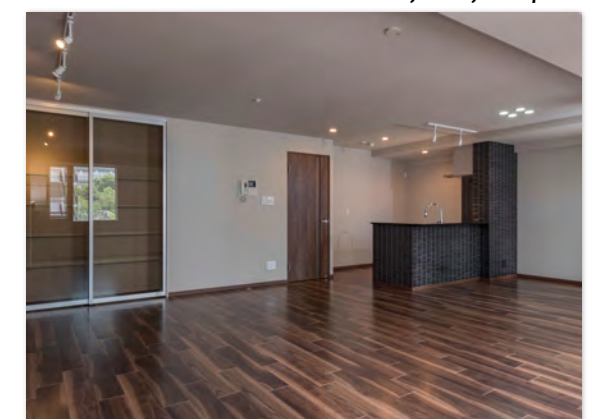


after

Differentiating a plain floor plan by
utilizing an accent wall



Changed to stylish open kitchen layout and
removed tatami room to achieve freer floor plan



* VE works stands for value enhancement works. VE works are works involving changes such as specifications and layouts. ** Increase in monthly rents are calculated for the 25 units leased out as of Sept. 26, 2016, dividing the newly contracted monthly rent by the previous rent. *** Projected Recuperation Periods are periods projected to recuperate the value enhancement cost, which is calculated as total cost minus renovation costs and equipment replacements due to aging.

Maintaining the Competitiveness of Properties

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

Daily Maintenance

Renovation works are carried out at the time of every tenant replacement

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

Large-scale Repairs

Works carried out at around 15 years intervals

Track Record Since the Merger (excluding disposed properties)

No. of Properties: **19** properties

Total Investment: **900** million **47** million yen per property

Equipment Renewals and Value Enhancement (VE) Works

Value enhancement works* are considered at the time of kitchen & bathroom equipment renewals (at around 15 years intervals)

* Cost of VE works are expected to be recuperated within 10 years

Track Record Since the Merger (excluding disposed properties)

as of Sept. 26 2016

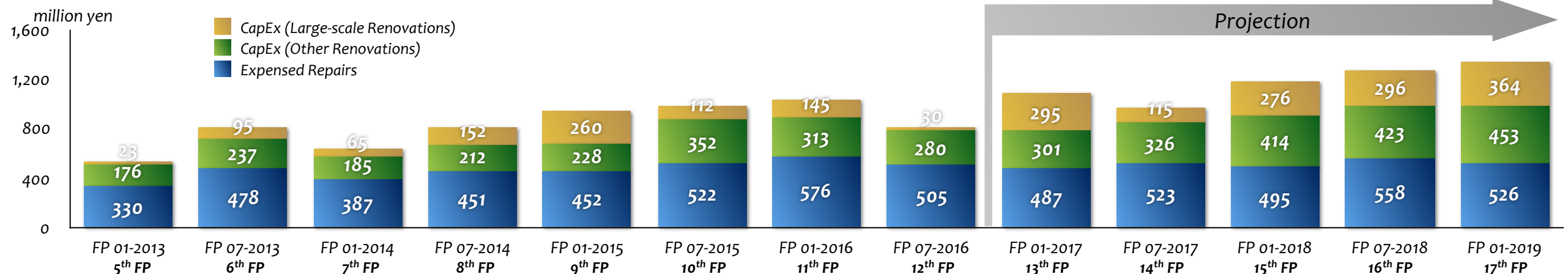
No. of Value Enhanced Units: **194** units

No. of Units Leased-out: **165** units

% Increase in Rents: **9.6**%

* Increase in rents are calculated for the 165 units leased out as of Sept. 26, 2016, dividing the first contracted monthly rent after VE works by the most recent rent before the VE works.

Works Are Scheduled with Cash Management in Mind





External Growth

Acquisitions & Disposition in FP July 2016

Acquired Recently Built Properties Mostly in Tokyo 23 Wards and Mainly from Sponsor's Pipeline

Acquisitions

	Total	Tokyo Central 7 Wards	Central Tokyo ex 7	Tokyo Metropolitan
No. Properties	5 properties	2 properties	2 properties	1 properties
Acquisition Price (yen)	8,663 million	1,738 million	6,305 million	620 million
% Deal Share	100.0%	20.1%	72.8%	7.2%
Weighted Ave. NOI Yield	4.8%	4.8%	4.7%	5.5%
Weighted Ave. Yield after Depreciation	4.1%	4.2%	4.0%	4.6%
No. Leasable Units	263	72	148	43
Weighted Ave. Building Age at the Time of Acquisition	1.9 years	1.6 years	1.2 years	9.5 years

Properties Acquired Through Sponsor's Pipeline



RESIDIA Nakanobu II

Tokyo Central 7 Wards



RESIDIA Ochanomizu II

Tokyo Central 7 Wards



RESIDIA Bunkyo-Hongo III

Central Tokyo ex 7



RESIDIA Shin-Okachimachi II

Central Tokyo ex 7



RESIDIA Funabashi III

Tokyo Metropolitan

	Tokyo Central 7 Wards	Tokyo Central 7 Wards	Central Tokyo ex 7	Central Tokyo ex 7	Tokyo Metropolitan
Acquisition Price	917 million yen	821 million yen	1,655 million yen	4,650 million yen	620 million yen
NOI Yield	4.8%	4.9%	4.7%	4.6%	5.5%
Yield after Depreciation	4.2%	4.2%	4.1%	3.9%	4.6%
Leasable Units	44 units	28 units	48 units	100 units	43 units
Completion	April 2014	March 2015	July 2014	March 2015	October 2006

Disposition

Took advantage of the booming market and disposed an aged low yielding property

Yield after Depreciation **3.8%**
Building Age at Time of Disposal **26.6** years



Maison Yachiyodai

Tokyo Metropolitan

Acquisition Price	840 million yen
Book Value	818 million yen
NOI Yield	5.9%
Yield after Depreciation	3.8%
Completion	Aug. 1989

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

Acquisitions Scheduled for FP Jan. & Jul. 2017

Achieving External Growth & Avoiding Excessive Competitions by Utilizing Sponsor's Pipeline & Negotiated Deals

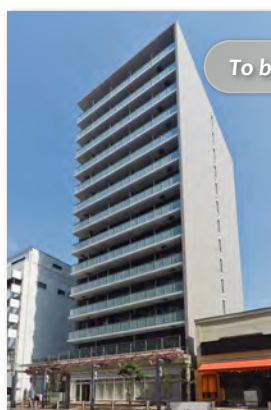
	Total	Tokyo Central 7 Wards	Central Tokyo ex 7	Major Regional Cities
No. Properties	5 properties	1 properties	2 properties	2 properties
Acquisition Price (yen)	9,081 million	1,159 million	4,368 million	3,554 million
% Deal Share	100.0%	12.8%	48.1%	39.1%
Weighted Ave. NOI Yield	5.0%	4.7%	4.7%	5.5%
Weighted Ave. Yield after Depreciation	4.2%	4.1%	4.0%	4.5%
No. Leasable Units	387	42	187	158
Weighted Ave. Building Age at the Time of Acquisition	4.3 years	1.5 years	3.1 years	6.7 years

Properties Acquired Through Sponsor's Pipeline



Acquired in
October 2016

RESIDIA Mishuku



To be acquired by April 2017

RESIDIA Kameido



RESIDIA Koenji

	Tokyo Central 7 Wards	Tokyo Central 7 Wards	Central Tokyo ex 7	Major Regional Cities	Major Regional Cities
Acquisition Price (yen)	1,159 million	2,988 million	1,380 million	1,430 million	2,124 million
NOI Yield	4.7%	4.7%	4.7%	5.7%	5.5%
Yield after Depreciation	4.1%	4.1%	4.0%	4.6%	4.5%
Leasable Units	42 units	129 units	58 units	90 units	68 units
Completion	April 2015	October 2013	March 2015	March 2017 (scheduled)	October 2005

Third Party (Negotiated Transaction)

To be acquired in March 2017



RESIDIA Senri-Fujishirodai

To be acquired in November 2016



RESIDIA Senri-Banpakukoen

Preparing for Future External Growth

External Growth Will Be Achieved Mainly Through Sponsor's Pipeline

Itochu Group Development Examples

Developments mostly in the Tokyo 23 Wards Total **21** properties **1,637** planned units approx. **35** 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 Kanda-Awajicho, Chiyoda-ku	28	9 Minami-Kamata, Ota-ku	110	17 Nakahara-ku, Kawasaki	391	19 Toyotsucho, Suita	137
2 Minami-Shinagawa, Shinagawa-ku	83	10 Kamata, Ota-ku	149	18 Higashi, Kunitachi	48	20 Toyotsucho, Suita	60
3 Sangenjaya, Setagaya-ku	70	11 Kamiogi, Suginami-ku	58	2 properties	439	21 Oyodo-minami, Kita-ku, Osaka	84
4 Mita, Minato-ku	27	12 Koishikawa, Bunkyo-ku	43			3 properties	281
5 Meguro, Meguro-ku	51	13 Ikegami, Ota-ku	43				
6 Shin-Ogawamachi, Shinjuku-ku	23	14 Yanaka, Taito-ku	50				
7 Soto-Kanda, Chiyoda-ku	35	15 Itabashi, Itabashi-ku	60				
8 Sangenjaya, Setagaya-ku	49	16 Hongo, Bunkyo-ku	38				
8 properties	366	8 properties	551				

+ Land Plots Waiting for Building Permit Total **8** properties

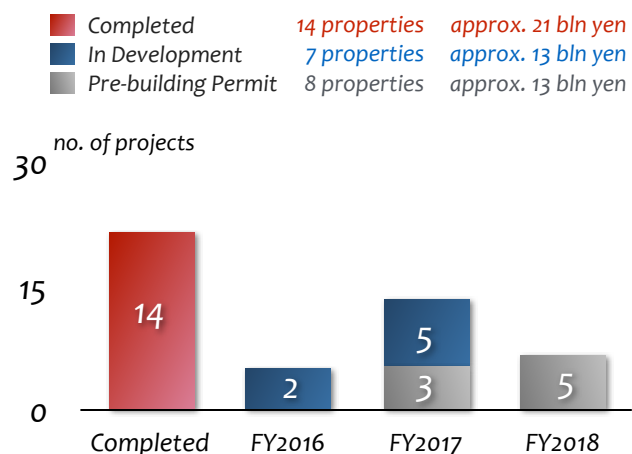
Completed properties are indicated in red letters.



Completion Photo of 10 Kamata, Ota-ku project

Building Completion Schedule and Volume

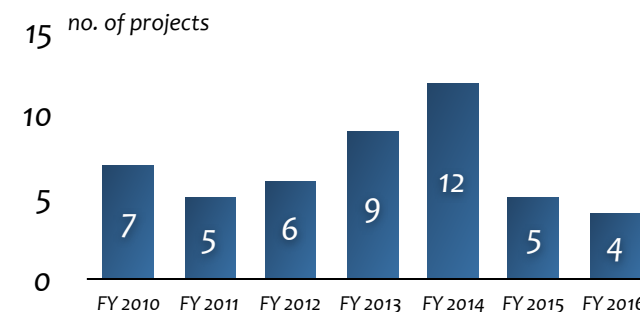
Rich Pipeline



Rental Residence Development Track Record

(Based on signing date of land plot transaction contract)

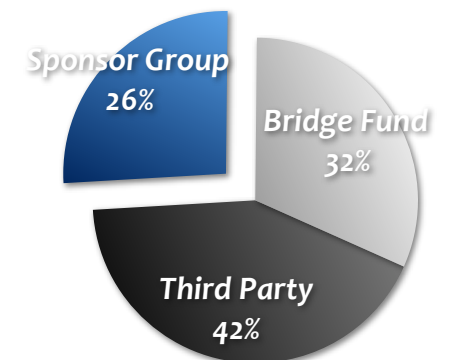
The Sponsor is Consistently Acquiring Land plots for Development



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

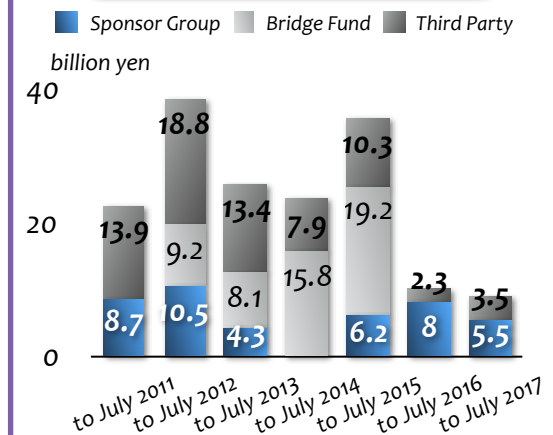
Sourcing Track Record

Diversified Sourcing Channel



115 properties, 166.3 billion yen (based on (planned) acquisition price)

Sourcing Track Record on Yearly Bases



* 5 properties ADR is schedule to acquire from Aug. 2016 onwards are included in the chart.

* "Itochu Group Development Examples" are rental apartment property developments by Itochu Corporation and Itochu Property Development Ltd. as of Sept. 29, 2016 and listed above as a reference. As such, ADR is under no obligation to acquire the properties.

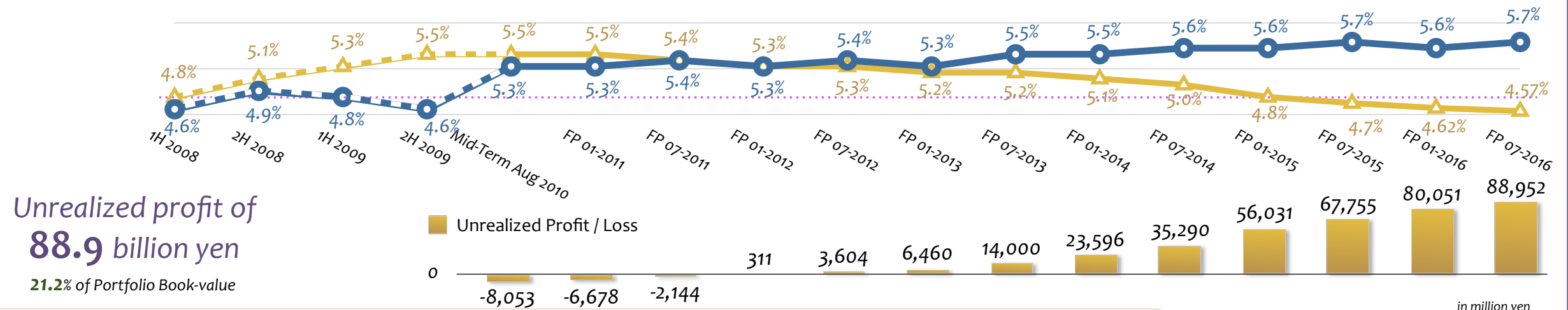
Appraisal Value

- Record Low Cap-rate & Increase in Unrealized Profit -

Appraisal Direct Cap Rate • Unrealized Profit and Loss

● Book-value NOI Yield
▲ Appraisal Direct Cap Rate

Record Low Cap Rate



* 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 July 2016 Appraisal

* For Assets acquired during the FP July, 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 Jul. '16	diff vs last FP	End of FP Jul. '16	diff vs last FP	End of FP Jul. '16	diff vs last FP	FP Jul. '16	Book Value (a)	Difference from the appraisal (b)	(b)/(a)
Tokyo Central 7 Wards	193,578	+2,450	8,473	+35	4.31%	-0.04pt	5.2%	164,808	+28,769	17.5%
Central Tokyo ex. 7 Wards	166,907	+1,793	7,546	+34	4.46%	-0.03pt	5.8%	135,900	+31,006	22.8%
Tokyo 23 Wards Total	360,485	+4,243	16,020	+69	4.38%	-0.03pt	5.4%	300,709	+59,775	19.9%
Tokyo Metropolitan	47,662	+507	2,368	△2	4.94%	-0.06pt	6.4%	38,562	+9,099	23.6%
Major Regional Cities	100,038	+1,748	5,132	△10	5.08%	-0.10pt	6.5%	79,961	+20,076	25.1%
Portfolio Total	508,185	+6,498	23,521	+56	4.57%	-0.05pt	5.7%	419,232	+88,952	21.2%

Rise in Appraisal Value

160 properties
out of **255** properties
(value decreased in 22 properties)

Properties with Unrealized Loss

Total unrealized loss
0.82 billion yen
in **5** properties
(Previous period **0.95** billion yen in 6 properties)

Rise in Appraisal Value +6.49billion yen

= NCF Impact +1.21billion yen

+ DCR Impact +5.28billion yen

Note



Finances

Building a Stable Financial Base

Key Figures on Debts

	FP 01-2016	Loan / Bond Ratio	FP 07-2016	Loan / Bond Ratio
Loans	187.7 bn yen	83%	192.3 bn yen	82%
(Short-term loans)	-	-	-	-
Bonds	38.5 bn yen	17%	41.5 bn yen	18%
Debt Outstanding	226.2 bn yen	100%	233.8 bn yen	100%
Total Asset LTV	51.4%		52.2%	
Appraisal LTV	45.9%		46.0%	

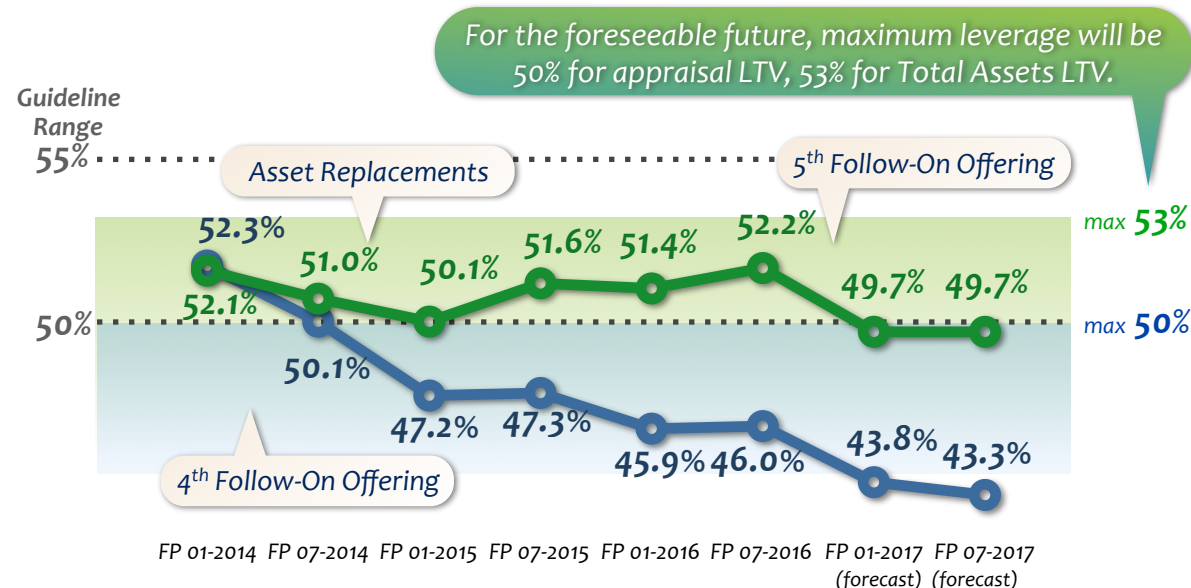
Debt Financing FP July 2016

Lowered Financing Cost While Financing in Longer Debts

	Repayments	Debt Financing
Total Amount	16.7 bn yen	24.3 bn yen
Average Interest Rate	1.38%	0.42%
Average Initial Duration	4.7 years	9.5 years

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

LTV Management



Credit Ratings

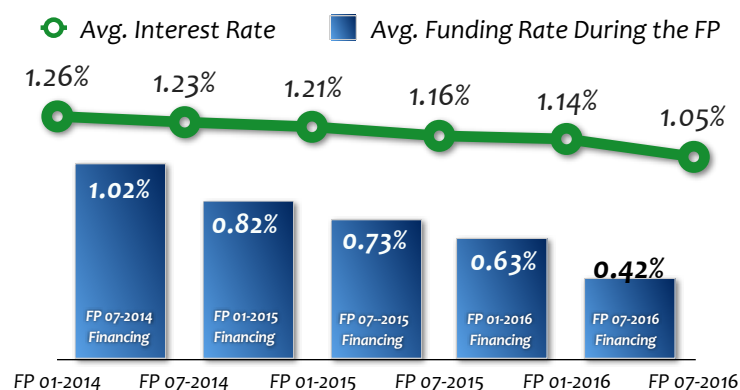
JCR **AA** (Stable)

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

Duration Extended, Ratio of Fixed Interest Debts Increased and Maturity Diversified While Financing Cost Lowered

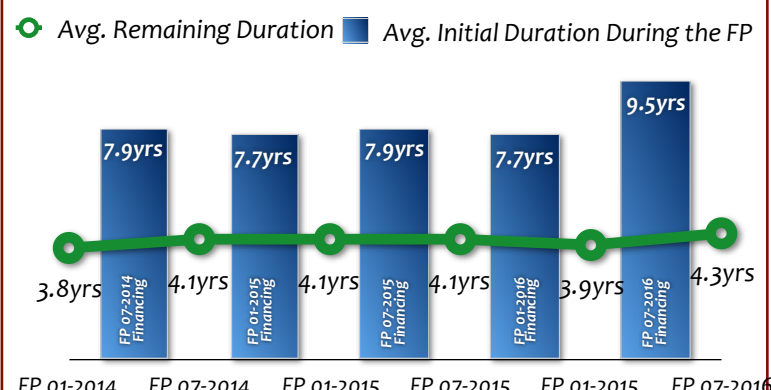
* Debts procured during the period which were repaid during the same period are excluded.

Average Interest Rate



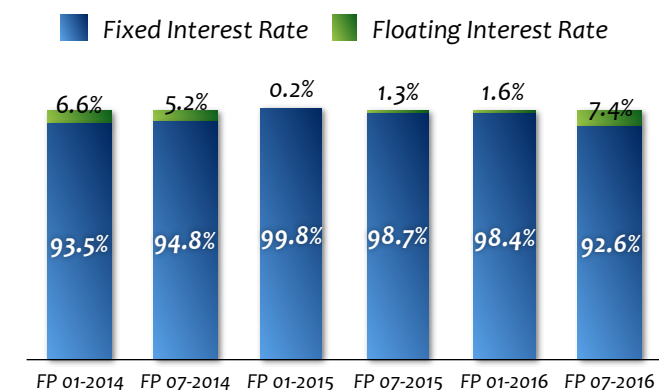
* In Calculating the average interest rate for financing during the periods, amount outstanding and interest rate applicable at the end of each period is used.

Debt Duration



* 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

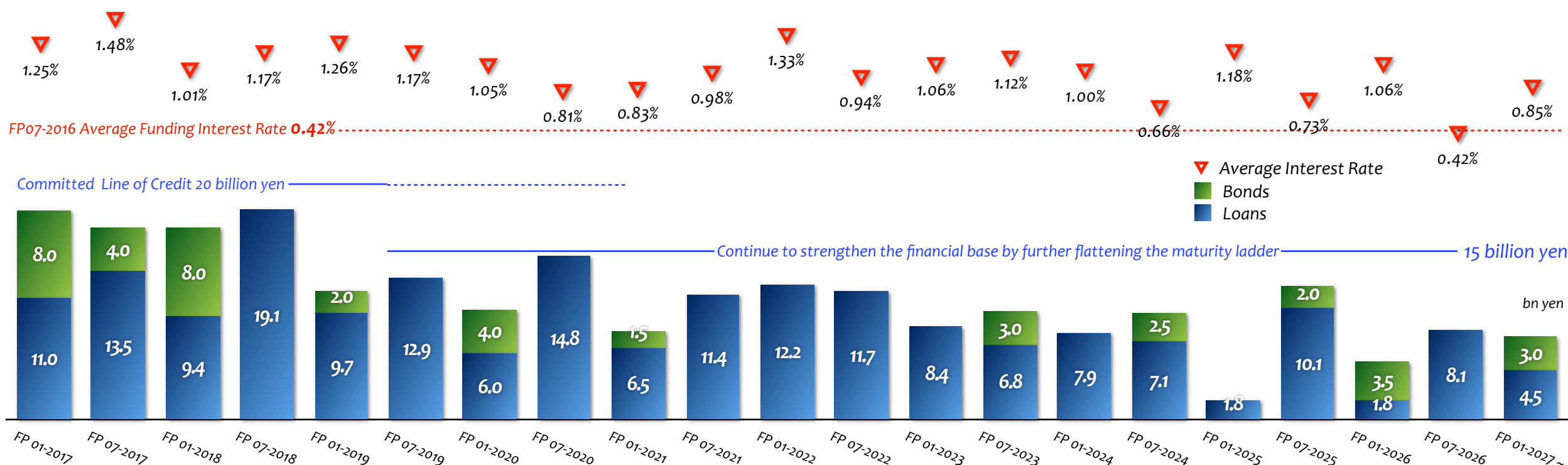


* Short-term loans are excluded.

Diversifying Duration, Setting Up a Committed Line of Credit

Rounded down to the nearest 100 million yen

as of end of FP 07-2016



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

15 billion yen

Committed Line of Credit 20 billion yen

bn yen



Management Policies & Earnings Guidance

Drawdown of Reserve

Maximum 50 years (100 Fiscal Period) Drawdown Begins

Retained Earnings for Temporary Difference Adjustment
(Dividend Reserve)

Responding to the 2015 Tax Revision
Starting FP Jan. 2017 Drawdown Payout of At Least

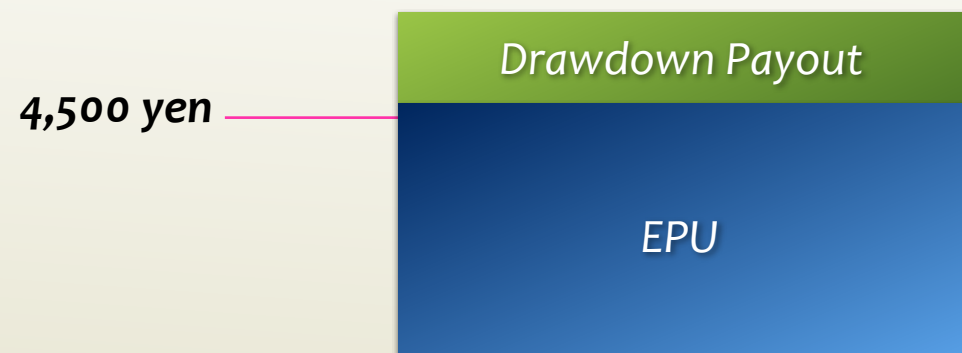
Largest Among J-REITs **33.5 billion yen**
(as of FP July 2016)



335 million yen per FP
equivalent to **248** yen per units
@ 1,350,000 units (as of FP Jan. 2017)

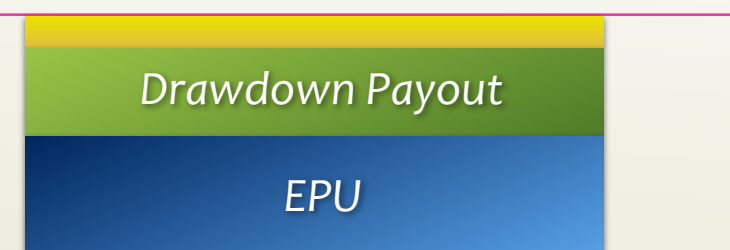
DPU Floor of 4,500 yen To Be Maintained

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 Jan. 2017 & July 2017

	(1) 12th FP Results	(2) 13th FP Forecast	(2)-(1)			(3) 14th FP Forecast	(3)-(2)			in million yen
	Results for FP July 2016	Forecast for FP Jan. 2017 (announced Sept. 6, 2016)	Changes	Notes		Forecast for FP July 2017 (announced Sept. 6, 2016)	Changes	Notes		
Revenue	15,444 (255 properties) Period avg. occupancy 96.8%	15,399 (257 properties) Period avg. occupancy 96.2%	-44	Newly Acquired Assets Increases from FP2016/7&2017/1 acquisitions Same Store Off-peak season decrease Increase from change in contracts from guaranteed rent to pass-through rent	+105 -196 +46	15,709 (260 properties) Period avg. occupancy 96.3%	+309	Newly Acquired Assets Increases from FP2017/1&2017/7 acquisitions Same Store Peak season increase	+145 +163	
Operating Income	7,727 (Depreciation: 2,568) (Property taxes: 823)	7,663 (Depreciation: 2,596) (Property taxes: 836)	-64	Leasing Expenses Net effect from FP2016/7&2017/1 buy&sell of properties Off-peak season decrease Increase in utility costs & depreciations Increase due to changes in contracts from guaranteed rent to pass-through rent GA Expenses Decrease in management fee & increase in consumption tax settlement	-16 +91 -47 -32 -15	7,723 (Depreciation: 2,636) (Property taxes: 847)	+59	Leasing Expenses Increase from FP2017/1&2017/7 acquisitions Peak season increase Increase in depreciation & expensing of property tax GA Expenses Increase in G & A expenses	-38 -115 -47 -48	
Ordinary Income	6,206 (Funding cost*: 1,510)	6,210 (Funding cost*: 1,432)	+4	Decrease in interest payment from refinancing & debt reduction One off cost related to the public offering	+81 -19	6,386 (Funding cost*: 1,334)	+175	Decrease in interest payment from refinancing & debt reduction No one off cost	+101 +20	
Net Income	6,205	6,210	+4			6,385	+175			
Drawdown of Retained Earnings**	0	349	+349	Retained earnings after dividend: 33.2bn yen		336	-13	Retained earnings after dividend: 32.8bn yen		
Dividend Amount	6,206	6,559	+353			6,721	+162			
EPU (yen)	4,773	4,600	-173	Units issued and outstanding 1,350,000 units		4,730	+130	Units issued and outstanding 1,350,000 units		
Drawdown of Retained Earnings**	0	259	+259	Begin drawing down (of more than 248 yen per unit****) of retained earnings for temporary difference adjustment		249	-10			
Dividend per unit (yen)	4,774	4,859	+85			4,979	+120			
FFO per Unit*** (yen)	6,752	6,523	-229			6,682	+159			
FFO Payout Ratio	70.7%	74.5%	+3.8pt			74.5%	+0.0pt			
Total Asset LTV	52.2%	49.7%	-2.5pt			49.7%	+0.0pt			

* Funding costs include interest payments for loans and bonds as well as other finance fees. *** When calculating the changes of FFO per unit, decimals are ignored.

** "Retained Earnings" means "Dividend Reserve" or from Jan. 2017 "Retained Earnings for Temporary Difference Adjustment. **** Number of units issued and outstanding are assumed to be 1,350,000 at the end of FP 2017/1

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

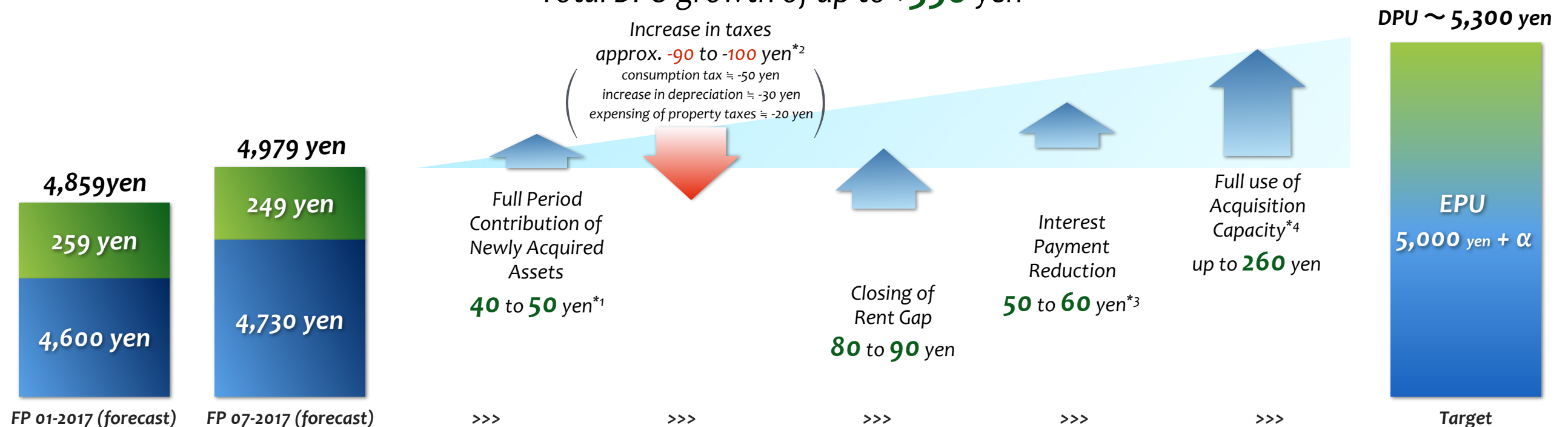
Acquisition Mainly by Sponsor
Sourcing and Negotiated Transactions,
Thereby, Avoiding the Heated Market

Finance Policy

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

Aiming to reach EPU of 5,000 yen + α , DPU of up to 5,300 yen,
through rent increase, lower financing cost and utilization of acquisition capacity

Total DPU growth of up to +350 yen



Assumptions are that the 2,500 units of third party allotment will be executed in full and the issued amount of ADR's units will be 1,350,000 units and the number of outstanding units were to stay unchanged in this slide.

^{*1} Full period contribution of three assets acquired between March to April 2017, where the total acquisition price amounting to 5.7 billion yen.

^{*2} Used the assumptions in the earnings guideline disclosed in the FP07-2016 Tanshin (Japanese Preliminary Fiscal Report). Consumption tax rate is assumed to be raised from 8% to 10%. Restoration works expected to be executed in FP01-2018 & 07-2018 are included in the calculation of depreciation projection.

^{*3} Interest payment reduction is based on the assumption that debts maturing in FP01-2018 & FP07-2018 will be refinanced with an interest rate equivalent to what was achieved in FP01-2016 & 07-2016.

^{*4} 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 FP07-2017. The contributions to the EPU and DPU are calculated using yield after depreciation of asset to be acquired in FP01-2017 & FP07-2017, funding cost and G & A expense projections for FP01-2017 to FP07-2018.

Note



Appendix

Balance Sheet

Fiscal Period Ending July 31, 2016		in thousands yen
Assets		
Current assets		
Cash and deposits		16,504,881
Cash and deposits in trust		9,348,598
Operating accounts receivables		206,960
Short-term investment securities		-
Prepaid expenses		390,904
Other		5,594
Allowance for doubtful accounts		△ 12,475
Current assets		26,444,463
Fixed assets		
Property, plant and equipment		
Buildings		64,479,451
Structures		16,568
Machinery and equipment		41,540
Tools, furniture and fixtures		89,192
Land		70,312,696
Buildings in trust		130,411,409
Structures in trust		92,936
Machinery and equipment in trust		90,715
Tools, furniture and fixtures in trust		237,124
Land in trust		150,205,767
Construction in progress		70,264
Property, plant and equipment		416,047,668
Intangible assets		
Leasehold right		1,071,902
Leasehold right in trust		2,112,702
Other		111
Intangible assets		3,184,717
Investments and other assets		
Securities investments		-
Long-term prepaid expenses		820,670
Guarantee deposits		517,397
Guarantee deposits in trust		1,026,585
Other		1,632
Investments and other assets		2,366,284
Fixed assets		421,598,670
Deferred assets		
Investment unit issuance expenses		1,359
Investment corporation bond issuance costs		115,523
Deferred assets		116,883
Total Assets		448,160,017

Fiscal Period Ending July 31, 2016		in thousands yen
Liabilities		
Current liabilities		
Operating accounts payable		343,305
Current portion of investment corporation bond		12,000,000
Current portion of long-term loans payable		24,500,000
Accounts payable-other		1,314,314
Accrued expenses		170,320
Accrued consumption taxes		42,498
Advances received		57,126
Other		26,374
Current liabilities		38,453,939
Long-term liabilities		
Investment corporation bond		29,500,000
Long-term loans payable		167,864,329
Tenant leasehold and security deposits		1,229,004
Tenant leasehold and security deposits in trust		3,197,112
Long-term liabilities		201,790,445
Liabilities		240,244,385
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)		6,206,491
Surplus		92,978,933
Unitholders' equity		207,915,632
Net assets		207,915,632
Liabilities and net assets		448,160,017

Profit and Loss Statement

Fiscal Period Ending July 31, 2016 (from February 1, 2016 to July 31, 2016)		in thousands yen
Operating revenue		
Rent revenue-real estate		15,444,051
Dividend income		-
Gain on sales of real estate properties		-
Operating revenue		15,444,051
Operating expenses		
Expenses related to rent business		6,092,317
Loss on sales		3,837
Asset management fee		1,116,385
Asset custody fee		9,670
Administrative service fees		60,628
Directors' compensations		3,600
Taxes and dues		239,631
Provision of allowance for doubtful accounts		3,883
Bad debts expenses		90
Other operating expenses		186,187
Operating expenses		7,716,233
Operating income		7,727,818
Non-operating income		
Interest income		10,182
Interest on securities		728
Reversal of distributions payable		1,712
Claim compensation income		-
Other		372
Non-operating income		12,996
Non-operating expenses		
Interest expenses		1,037,562
Interest expenses on investment corporation bonds		212,764
Amortization of investment unit issuance expenses		1,359
Amortization of corporation bonds issuance expenses		17,634
Investment unit issuance expenses		1,421
Borrowing related expenses		260,255
Other		3,355
Non-operating expenses		1,534,354
Ordinary income		6,206,459
Income before income taxes		6,206,459
Income taxes-current		605
Income taxes		605
Net income		6,205,854
Retained earnings brought forward		637
Unappropriated retained earnings (undisposed loss)		6,206,491

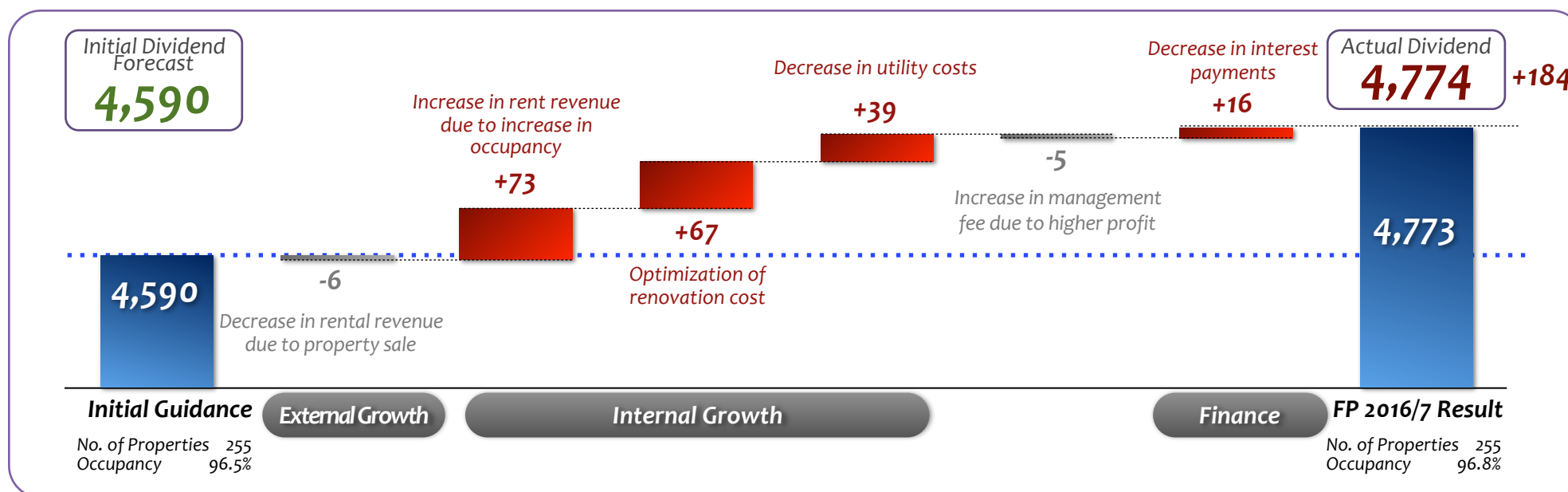
Fiscal Period Ending July 31, 2016 (from February 1, 2016 to July 31, 2016)		in thousands yen
A. Revenue from Property Leasing		
Rental		
Rent income		13,727,850
Facility charge		687,268
Parking fee		442,620
Subtotal		14,857,738
Other revenues related to property leasing		
Income from leasing rights, etc.		72,903
Miscellaneous income		513,409
Subtotal		586,312
Total revenues from property leasing		15,444,051
B. Rental Expenses		
Taxes and Duties		823,752
Property management fees		1,087,353
Utilities		243,723
Repairs and maintenance		505,055
Insurance		24,758
Trust fee		73,123
Other rental expenses		765,773
Depreciation and amortization		2,568,776
Total rental expenses		6,092,317
C. Operating Income from Property Leasing Activities (A-B)		9,351,734

Results for Fiscal Period ended July 2016

from February 1, 2016 to July 31, 2016

Maintained High Occupancy, Decreased Funding Cost

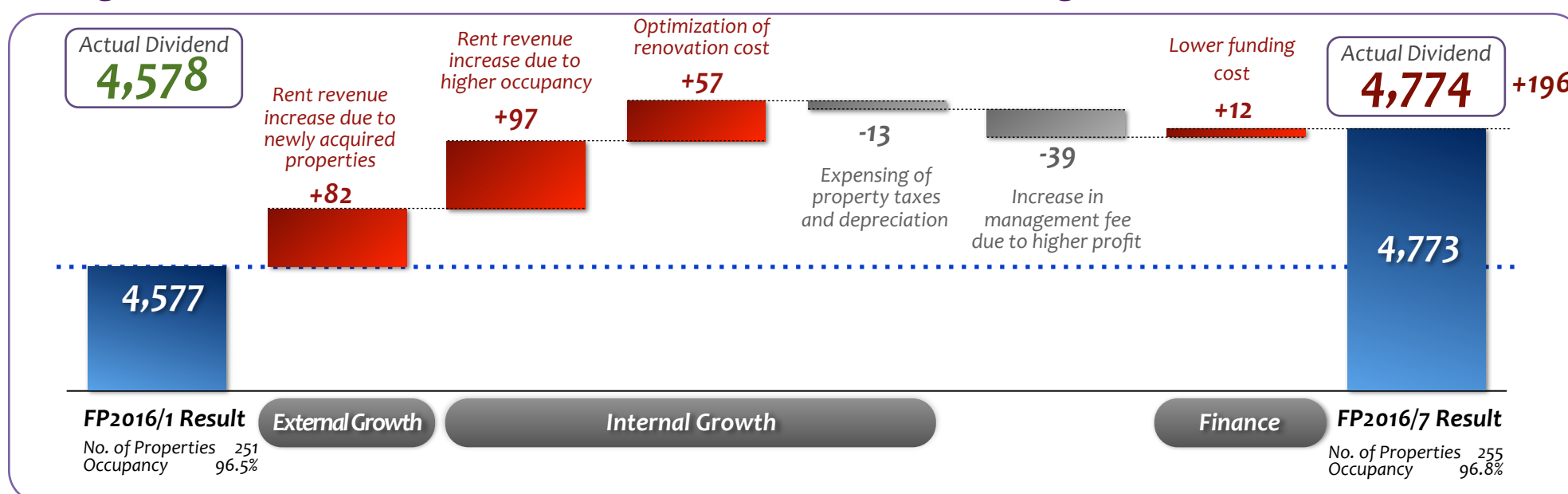
Changes from Initial Earnings Guidance (per unit yen)



in million yen

	Initial Guidance	FP Jul. 2016 Results	diff
Revenue	15,363	15,444	+80
Operating income	7,509	7,727	+217
Ordinary income	5,967	6,206	+238
Net income	5,967	6,205	+238
Earnings per unit (yen)	4,590	4,773	+183
Dividend per unit (yen)	4,590	4,774	+184

Changes from Previous Fiscal Period ended Jan. 2016 Earnings (per unit yen)



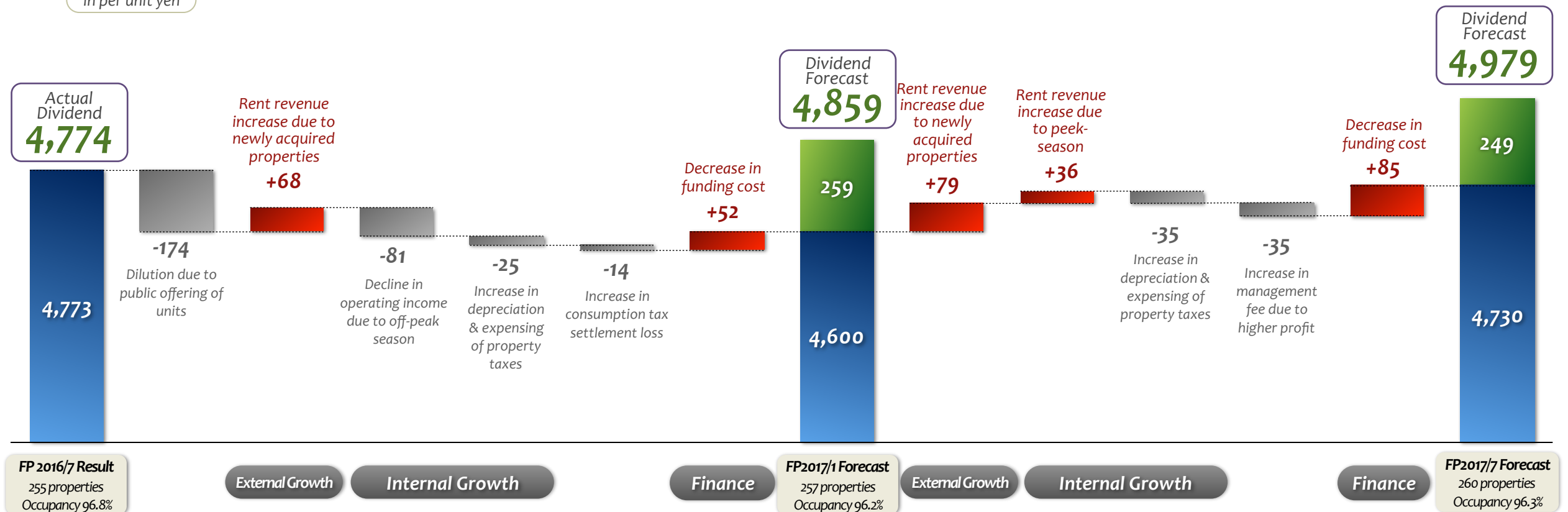
in million yen

	FP Jan. 2016 Results	FP Jul. 2016 Results	diff
Revenue	15,082	15,444	+361
Operating income	7,489	7,727	+238
Ordinary income	5,951	6,206	+254
Net income	5,951	6,205	+254
Earnings per unit (yen)	4,577	4,773	+196
Dividend per unit (yen)	4,578	4,774	+196

Earnings Guidance for FP Jan. 2017 & July 2017

Aiming for EPU Growth, Dividend with Low Downward Risk

in per unit yen



Drawdown per Unit
EPU

At least **335** million yen of retained earnings will be drawn down every FP starting FP 2017/1

+

The draw downs will be used to stabilize dividends

in million yen	FP 2016/7 Result (a)	FP 2017/1 Forecast (b)	diff (b-a)	FP 2017/7 Forecast (b)	diff (c-b)
Revenue	15,444	15,399	△44	15,709	+309
Operating income	7,727	7,663	△64	7,723	+59
Ordinary income	6,206	6,210	+4	6,386	+175
Net income	6,205	6,210	+4	6,385	+175
Earnings per unit (yen)	4,773	4,600	△173	4,730	+130
Drawdown of Reserve (yen)	-	259	+259	249	△10
Dividend per unit (yen)	4,774	4,859	+85	4,979	+120

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

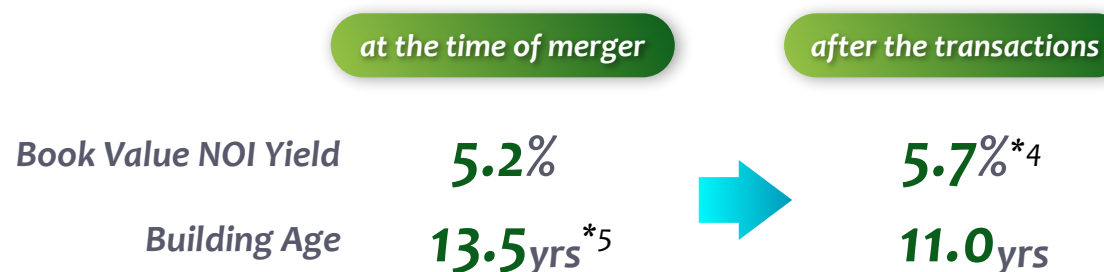
Building a High Quality Portfolio

as of April. 18, 2017

Acquisitions and Dispositions Since the Merger

	Acquisitions	Dispositions
No. of Properties	115	43
Total Value (Acquisition Price)	166.3 bn yen	69.6 bn yen
Weighted Average NOI Yield	5.8%* ₁	4.6%* ₂
Weighted Average Building Age* ₃	4.8 yrs	13.3 yrs

Improving Yield and Reducing Average Age



Balanced and Diversified Acquisition Sources

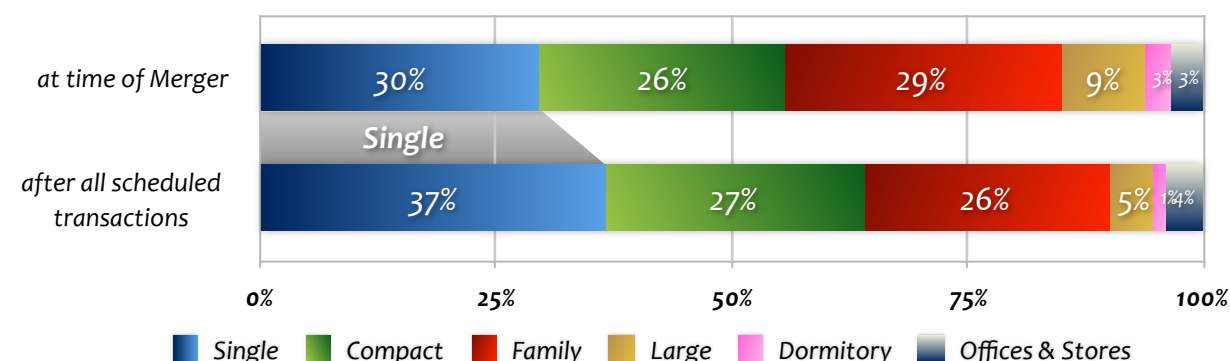
Transactions since the Merger	The Sponsor Group* _{6,7}	Bridge Funds* ₈	Third party and Others	Total
No. of Properties	25	42	48	115
Total Acquisition Value (bn yen)	43.4	52.4	70.5	166.3
Share of Sources	26.1%	31.5%	42.4%	100%

Acquisition Focused on Single-type Units

in number of residential units

	Single	Compact	Family	Large	Dormitory	Others	Total
Tokyo Central 7 Wards	+858	+1	-37	-170	0	-1	+651
Central Tokyo ex 7	+1,893	+721	+431	+13	0	+13	+3,071
Tokyo 23 Wards	+2,751	+722	+394	-157	0	+12	+3,722
Tokyo Metropolitan	+440	+10	-105	0	-748	-4	-407
Major Regional Cities	+1,807	+1,098	+323	+63	0	0	+3,291
Other Regions	+2,247	+1,108	+218	+63	-748	-4	+2,884
Total	+4,998	+1,830	+612	-94	-748	+8	+6,606

Unit type Investment Ratio (by leasable area)



The figures in this slide are all based on data as of April 18, 2017.

- *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. Properties that will be acquired between after FP2016/7 to April 18, 2017, where the scheduled acquisition date have a range in the date, the most latest date is used to calculate the average age.
- *₄ The following figures are used to calculate the Book Value NOI Yield. Annualized NOI ÷ FP2016/7 end book value, where the NOI is annualized using the actual days in operation during the FP2016/7. For the asset acquired after end of FP2016/7 to April 18, 2017, 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 18, 2017.
- *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 19 properties developed by the **Sponsor Group** and 6 properties which were not developed but warehoused according to Advance Residence's request. The 19 properties' acquisition price total is 34.2 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

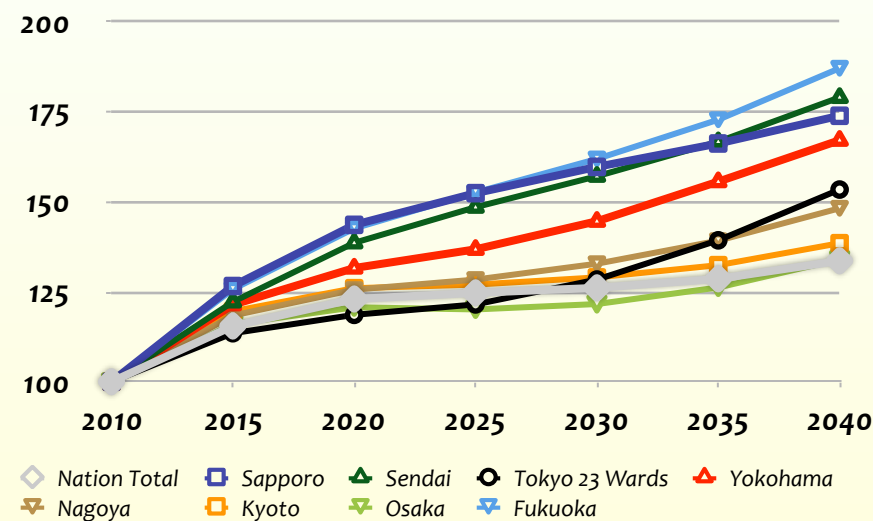
Between private nursing home and Registered Senior Housing with Supportive Services (RSHSS), RSHSS are the preferred type of asset.

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.

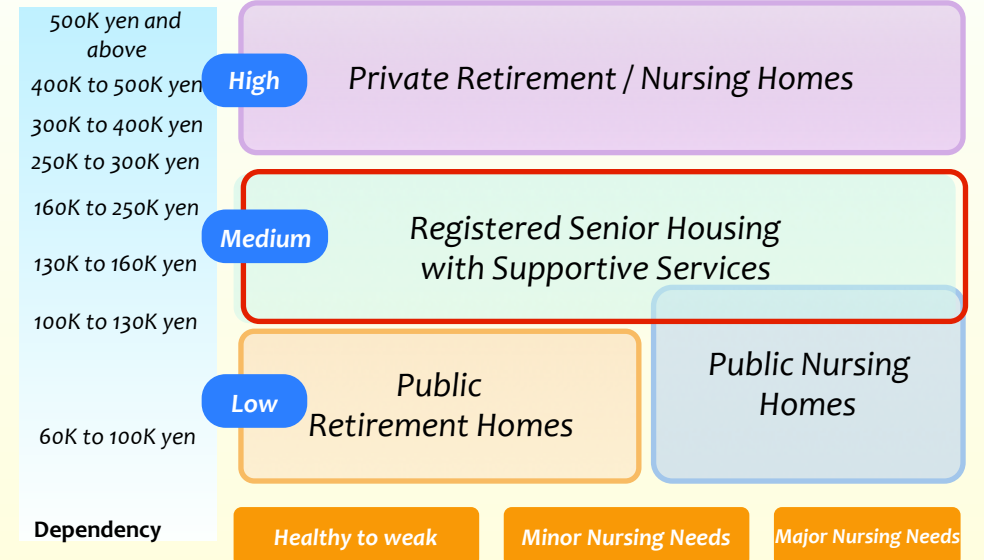
Growing Senior Housing Market

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 07-2016 Actual NOI Yield **6.7%**



	Advantages	Specifics
Location	Residential area	8 min walk from Yokohama Subway Green line, Hiyoshi-Honcho Station
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 76 RSHSS as of Sept. 23, 2016.

S-22 Life & Senior House Kohoku 2

FP 07-2016 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. 18, 2017

No. of properties	Actual NOI yield*	Occupancy (Residential portion)	No of rentable units	Total of acquisition price	Investment ratio of portfolio
19 properties	6.3%	100% <small>* due to guaranteed rent contracts</small>	1,709 units	18,099 million yen	4.1%

* Actual NOI yield = FP July 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
6.6%

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

S-23 College Court Tanashi



Actual NOI yield
7.8%

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

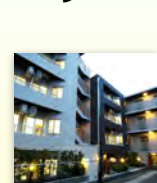
P-3 RESIDIA Nakameguro



Actual NOI yield **6.1%**

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

P-85 RESIDIA Komazawa



Actual NOI yield **6.2%**

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

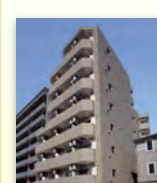
C-66 RESIDIA Takashimadaira



Actual NOI yield **5.7%**

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

C-67 RESIDIA Shimurasakaue



Actual NOI yield **5.4%**

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

C-74 RESIDIA Nerima



Actual NOI yield **5.6%**

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

C-77 RESIDIA Ogikubo II



Actual NOI yield **5.0%**

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

R-2 RESIDIA Imadegawa



Actual NOI yield **6.6%**

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

R-8 RESIDIA Kobe Port Island



Actual NOI yield **6.3%**

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

R-38 RESIDIA Hirose-dori



Actual NOI yield **7.3%**

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

C-28 RESIDIA Oji



Actual NOI yield **6.3%**

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

C-68 RESIDIA Shimurasakaue II



Actual NOI yield **5.6%**

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

S-15 RESIDIA Okurayama



Actual NOI yield **5.9%**

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

R-60 RESIDIA Okayama-Ekimae



Actual NOI yield **7.2%**

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

C-50 RESIDIA Shin-Itabashi



Actual NOI yield **6.4%**

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

C-69 RESIDIA Shimurasakaue III



Actual NOI yield **5.6%**

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

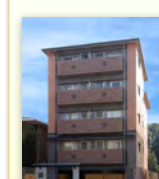
S-30 RESIDIA Sagami-hara



Actual NOI yield **6.4%**

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

R-61 RESIDIA Kyoto-Okazaki



Actual NOI yield **5.8%**

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

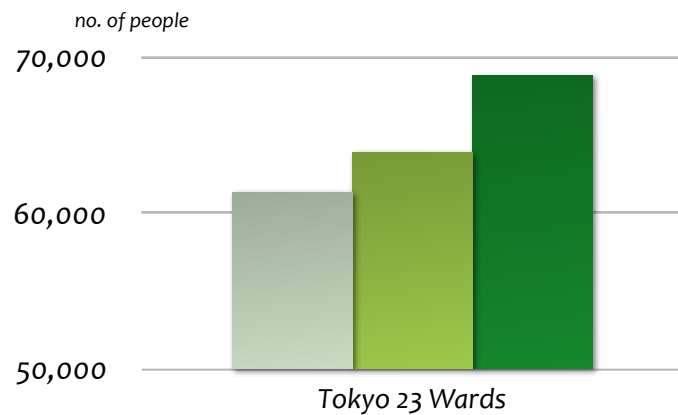
Internal Migration Statistics

Population Inflow to Central Tokyo and Major Regional Cities Continues

Migration Statistics of Major Cities in Japan

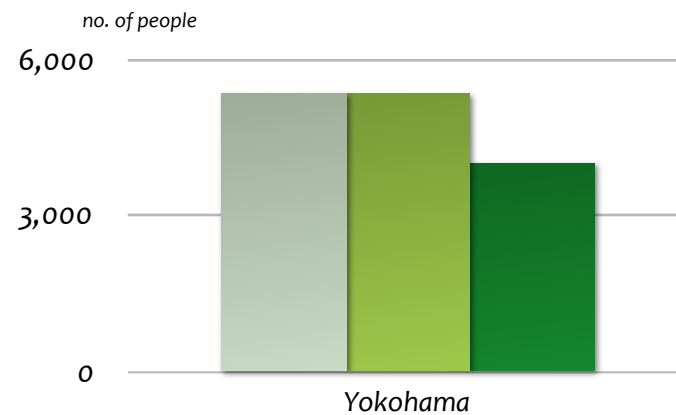
Tokyo 23 Wards

ADR's Investment Ratio 71%



Tokyo Metropolitan Area City

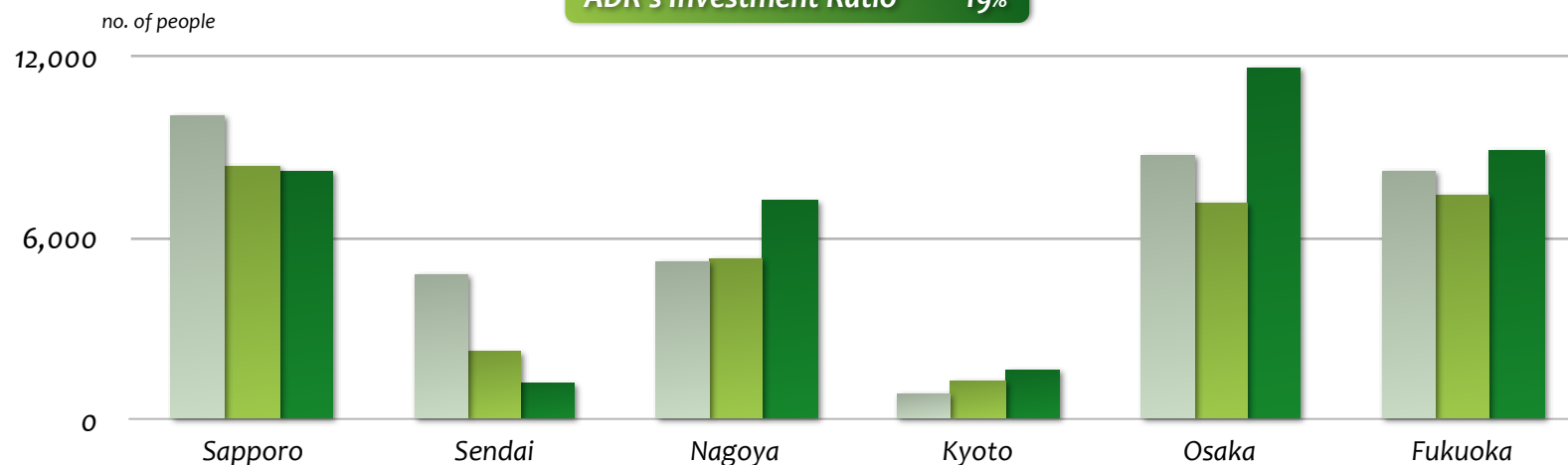
ADR's Investment Ratio 9%



2013 2014 2015

Major Regional Cities

ADR's Investment Ratio 19%



Net Inflow is Pre-dominantly Younger Generation

Tokyo's Population Inflow by Age Group

Tokyo Prefecture

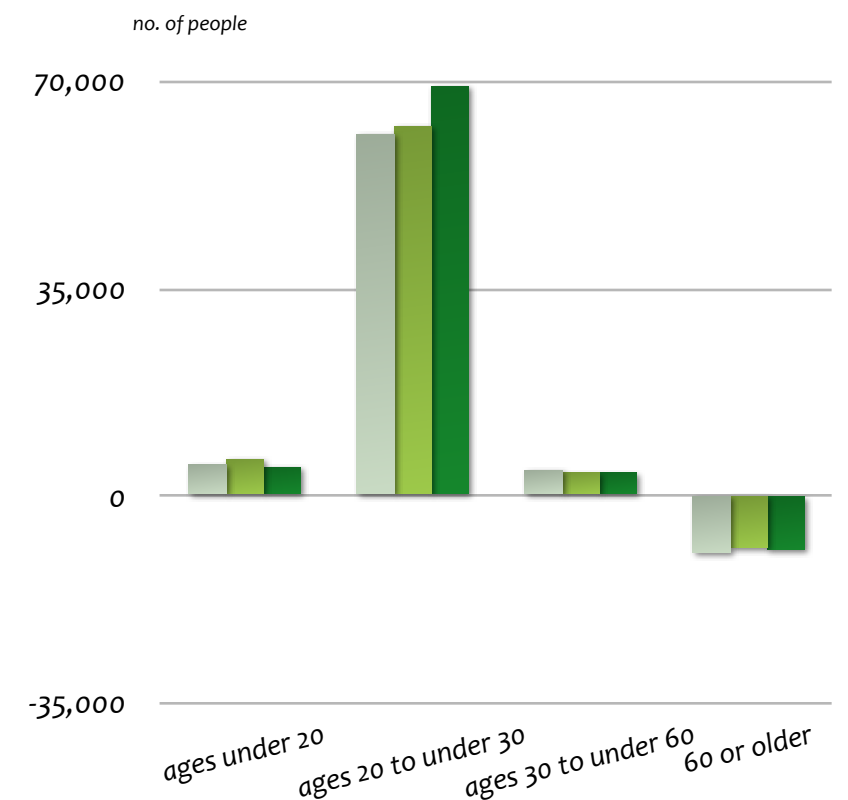
ADR's Investment Ratio* 48%

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

Residential Needs of Younger Generation



Single & Compact Type Units

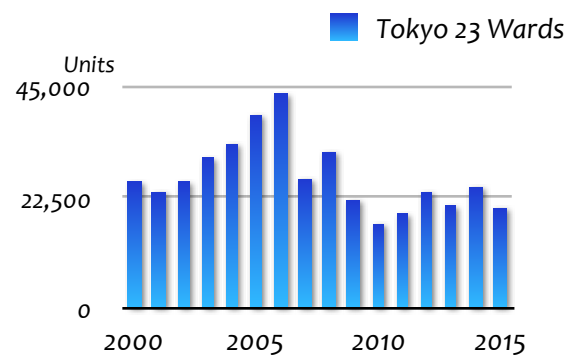


Source: "Report on Internal Migration in Japan" Statistics Bureau, Ministry of Internal Affairs and Communications(2015); "Report on Internal Migration" Statistics Division

Housing Starts

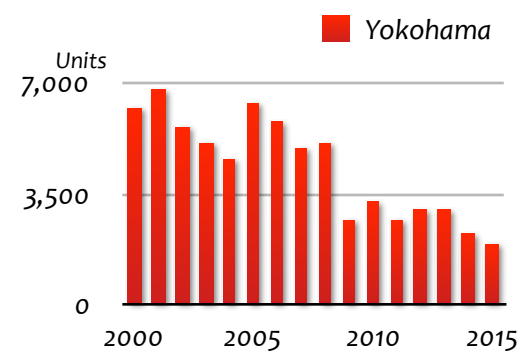
Housing Starts Halved from the Peak since Lehman Shock

Tokyo 23 Wards



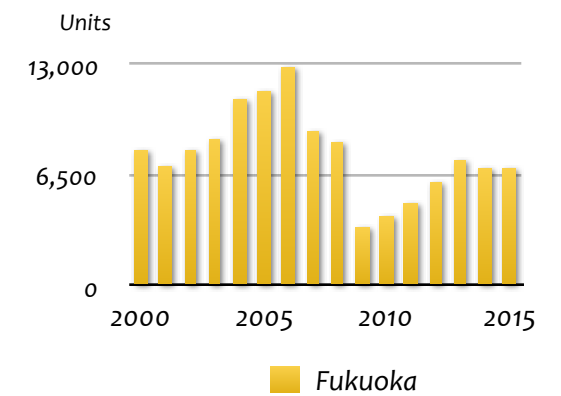
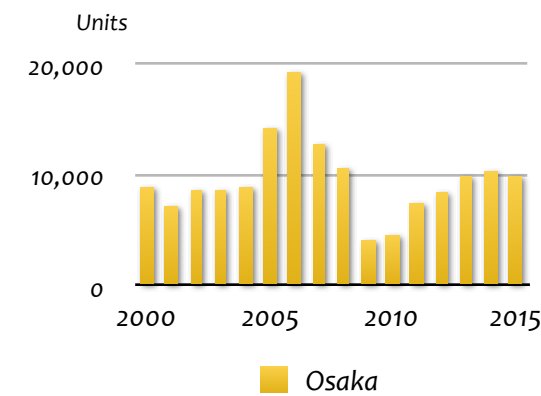
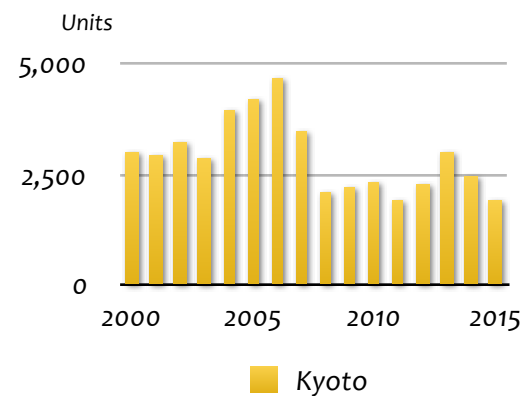
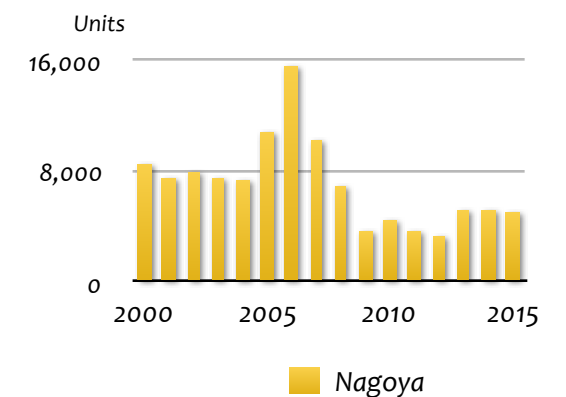
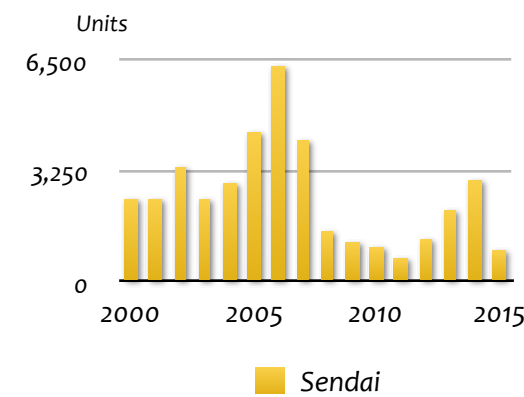
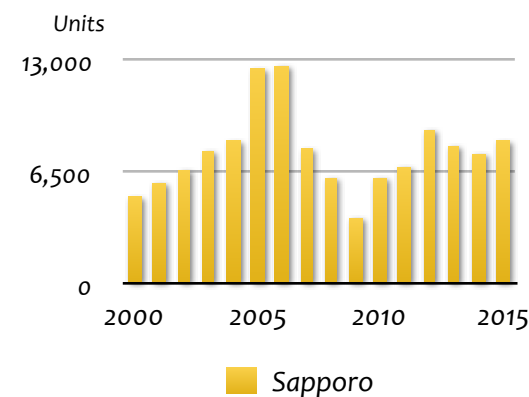
ADR's Investment Ratio in the Region
71%

Tokyo Metropolitan Area



ADR's Investment Ratio in the Region
9%

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

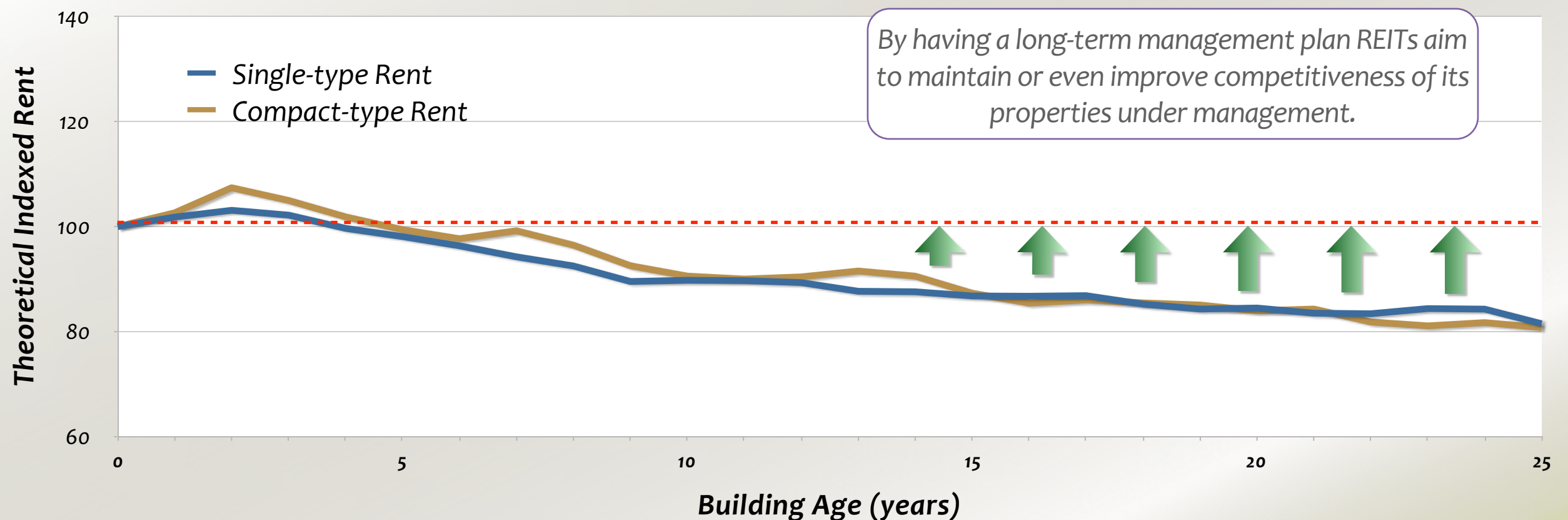
Daily Repairs

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

Building age 25 years

Common area renovation
Cost: 128 million yen

before



after

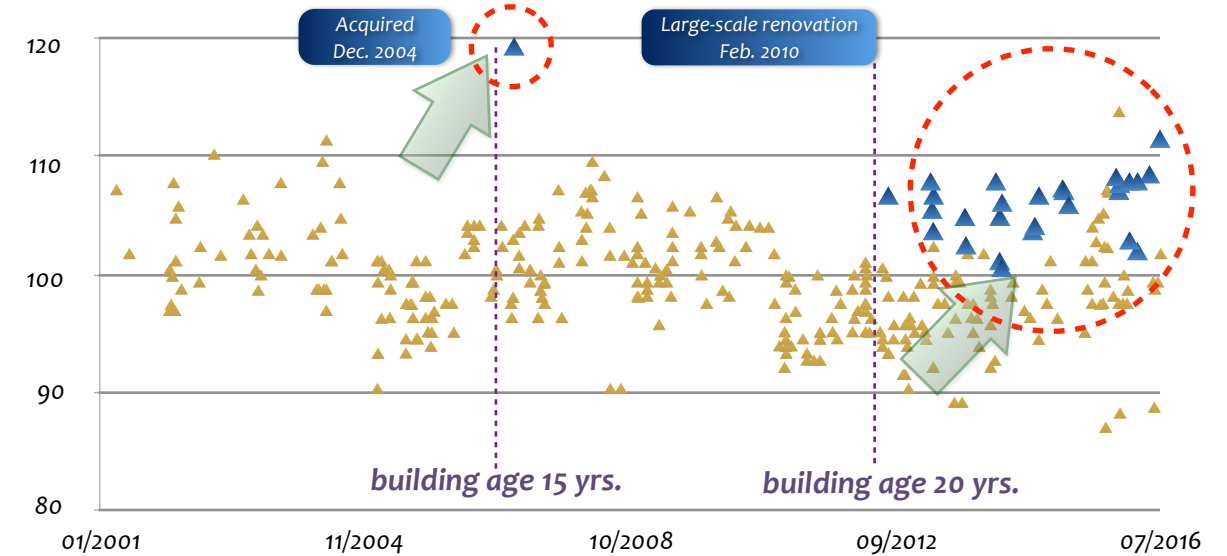
Individual apartment unit
upgrading renovations
Cost: 3,490 thousand yen/unit
(of which 887 thousand yen
is for the upgrade)

before



after

Impact of the measures taken



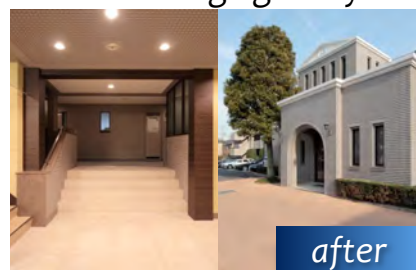
* Rents for RESIDIA Shibaura are indexed by basing the average per m² rent during 2001 as 100.

S-19 RESIDIA Kichijoji

Building age 21 years

Common area renovation
Cost: 32 million yen

before



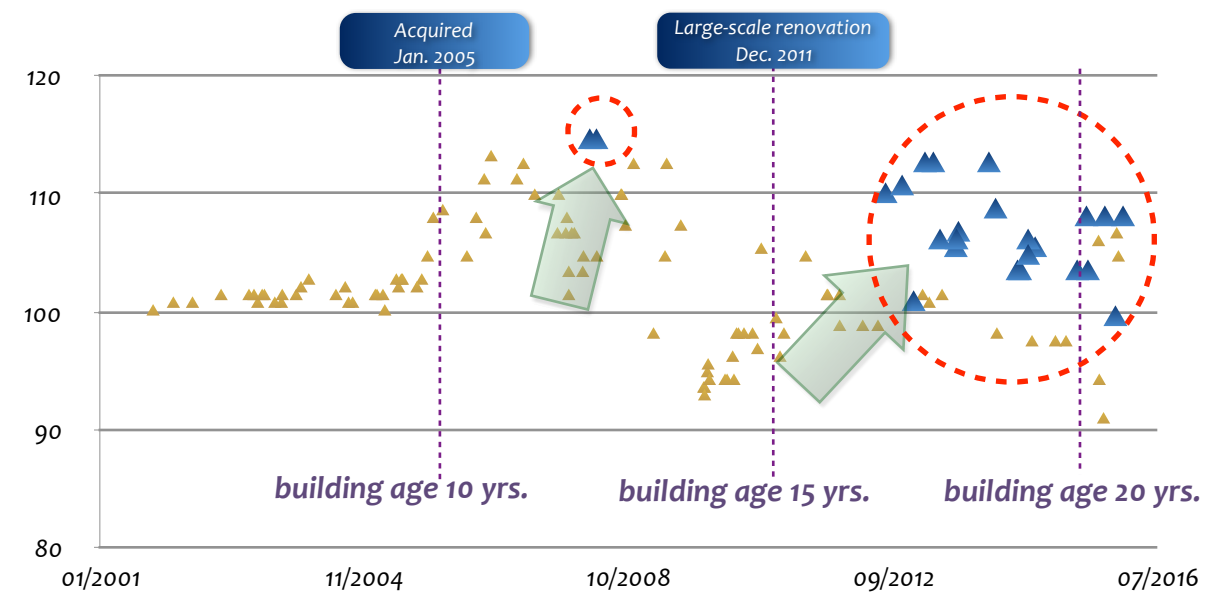
after

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

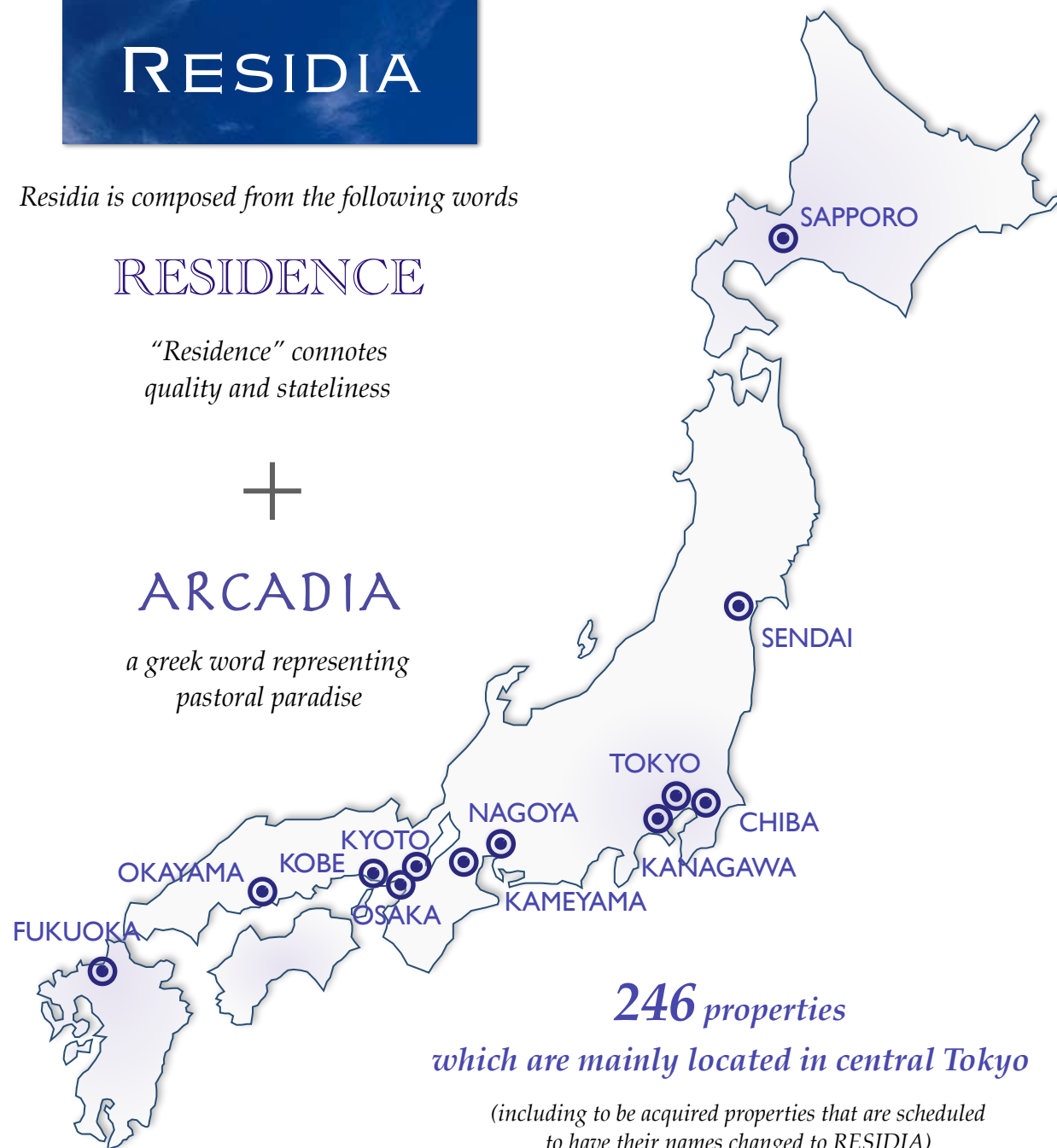
RESIDENCE

*“Residence” connotes
quality and stateliness*

+

ARCADIA

*a greek word representing
pastoral paradise*



246 properties

which are mainly located in central Tokyo

*(including to be acquired properties that are scheduled
to have their names changed to RESIDIA)*

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 **2** properties replaced with energy conserving LED.
(LED lightings installed in **29** properties at the end of July 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 July 2016 large-scale repairs done on **1** properties, value enhancement works on **41** units of **13** properties.

(Track record since the merger*: large-scale repairs on **19** properties, upgrades on **19** properties **194** units)

* as of Sept. 26, 2016

Contribution to the Community

* Installation of Vending Machine w/ Donation Functionality

The vending machines are installed in **24** properties.

* Installation of AEDs

AEDs that are open to public use are installed in **42** properties.

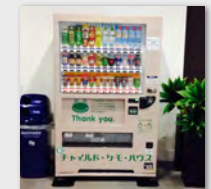
* Emergency Maps

Emergency maps showing evacuation routes, available in common area of **255** properties.

* Distributing Emergency Kits

Distributed **1,155** 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

DBJ Green Building Awarded to **5** properties**



P-76 Park Tower Shibaura Bayward Urban Wing

NO.1 Highest Number of Residential Certificate Awarded ***

** The five properties are P-50 RESIDIA Nishi-Azabu, P-55 RESIDIA Tower Meguro-Fudomae, P-76 Park Tower Shibaura Bayward Urban Wing, C-65 RESIDIA Tower Kami-Ikebukuro and S-20 Pacific Royal Court Minato Mirai Ocean Tower.

*** Based on materials published by Development Bank of Japan as of July 31, 2016 and consolidated by AD Investment Management Co., Ltd.

Participated in GRESB Survey 2016

In 2016, ADR continued to participate in the GRESB Survey, after being the first residential J-REIT to participate in the survey in 2014.



2016 GRESB Survey Result

Green Star

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.

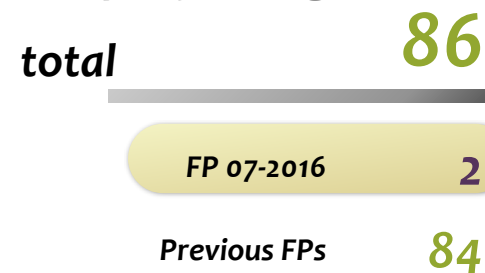
Lowering Costs through Economy of Scale

Total cost reduction since the merger
FP July 2016 cost reduction

352 million yen / annum
23 million yen / annum

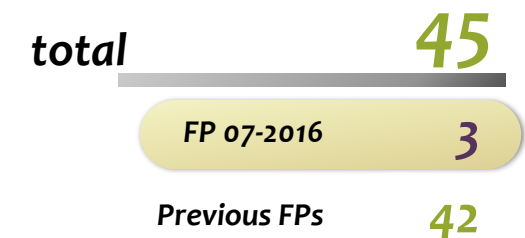
in million yen / annum

Property Management Fees



Property
Management
Fees

Custodial Fees



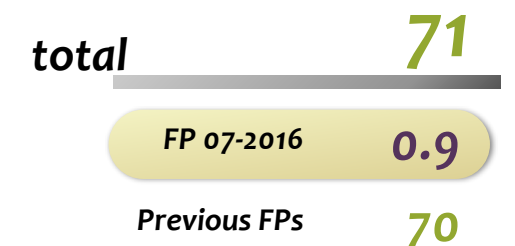
Custodial Fees

Appraisal Fees



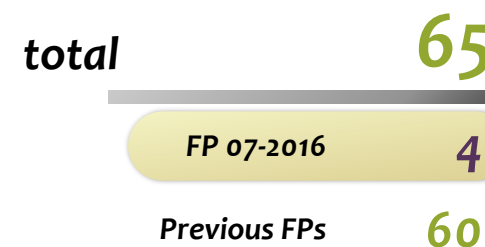
Appraisal Fees

Electricity Bill for Shared Spaces LED Lighting



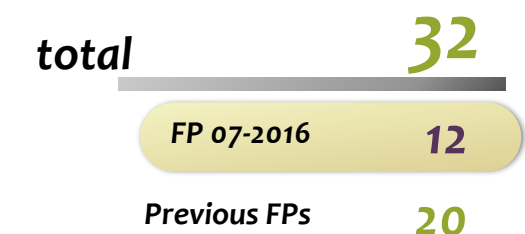
Electricity
Bill for Shared
Spaces

Building Management Fees



Building
Management
Fees

Property Insurance Fees Internet Provider



Others

Cost
Reduction
since the
Merger

*All un-shown decimals are rounded down

Debt Structure

The Lineup of 26 Lenders Includes 3 mega banks, 3 major trust banks

as of July 31, 2016

Investment Corporation Bonds

Issue Date Maturity	Sept. 2011	Apr. 2012	Sept. 2012	Apr. 2013	Nov. 2013	Apr. 2014	Apr. 2015	Oct. 2015	Jun. 2016
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 0.326%	
7 yrs	#14 2 bn yen 1.68%		#18 4 bn yen 1.23%						
10 yrs				#19 3 bn yen 1.32%		#21 2.5 bn yen 1.04%	#22 2 bn yen 0.726%	#24 1.5 bn yen 0.846%	
12 yrs	First residential J-REIT to issue 10, 12 and 15 year bonds				#20 2 bn yen 1.41%				
15 yrs									#25 3.0 bn yen 0.90%

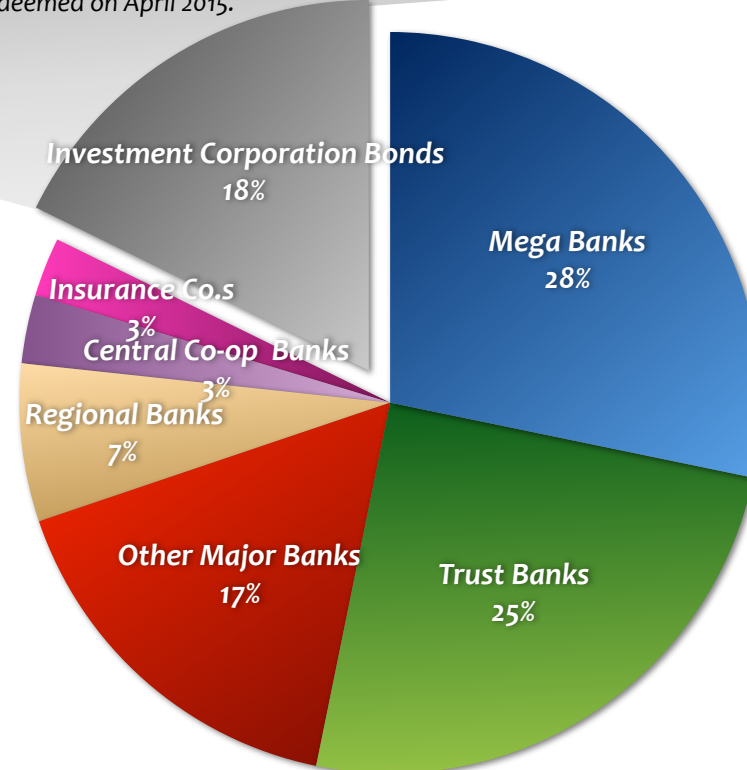
* #13 has been redeemed on Sept. 2016, #15 has been redeemed on April 2015.

Total Interest Bearing Debt

233.8 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



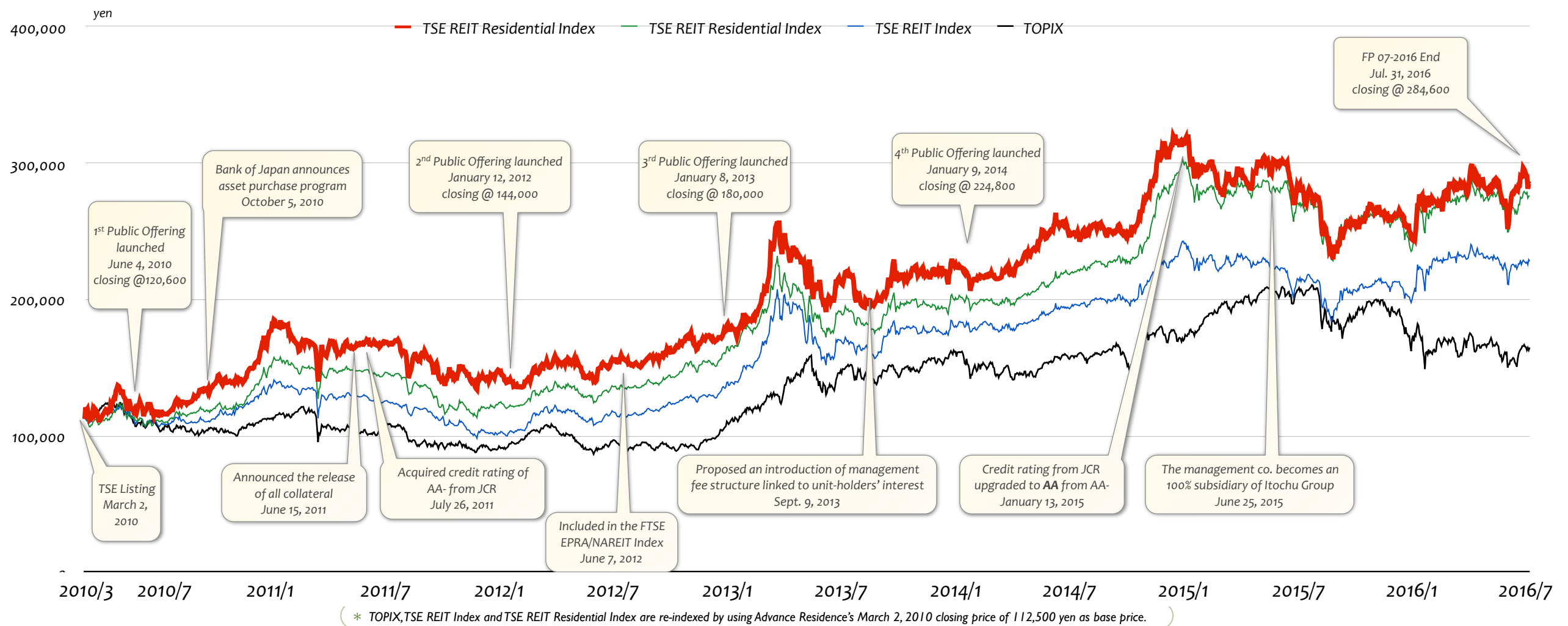
Loans

Lenders	Loan Outstanding (bn yen)	% share
Sumitomo Mitsui Trust Bank	30.4	15.8
The Bank of Tokyo-Mitsubishi UFJ	30.4	15.8
Mizuho Bank	18.6	9.7
Sumitomo Mitsui Banking	17.0	8.9
Mitsubishi UFJ Trust & Banking	16.8	8.7
Development Bank of Japan	13.7	7.2
Mizuho Trust & Banking	11.1	5.8
Aozora Bank	10.6	5.5
Resona Bank	8.4	4.4
The Norinchukin Bank	7.0	3.6
Shinsei Bank	6.0	3.1
The Bank of Fukuoka	5.0	2.6
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	1.0	0.5
Mitsui Sumitomo Insurance	1.0	0.5
Nippon Life Insurance	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
The Tokyo Tomin Bank	0.5	0.3
The Hiroshima Bank	0.5	0.3
The Chugoku Bank	0.5	0.3
The Bank of Kyoto	0.5	0.3
Total	192.3	100

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	FP 07-2016
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	369.9 bn yen closing @284,600
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	1.26 bn yen 4,512 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%	52.2%
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	223,586
ex Dividend Reserve (yen)	113,307	117,984	120,504	124,465	127,061	136,917	144,656	156,497	172,452	181,471	190,929	197,776
BPS (yen)	159,564	156,548	156,140	152,689	152,440	153,020	152,821	155,220	155,160	155,161	155,161	155,161
ex Dividend Reserve (yen)	120,122	120,172	120,185	121,188	121,188	125,626	125,626	129,351	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%	4.2%	4.1%

*NAV and BPS are ex-dividend figures



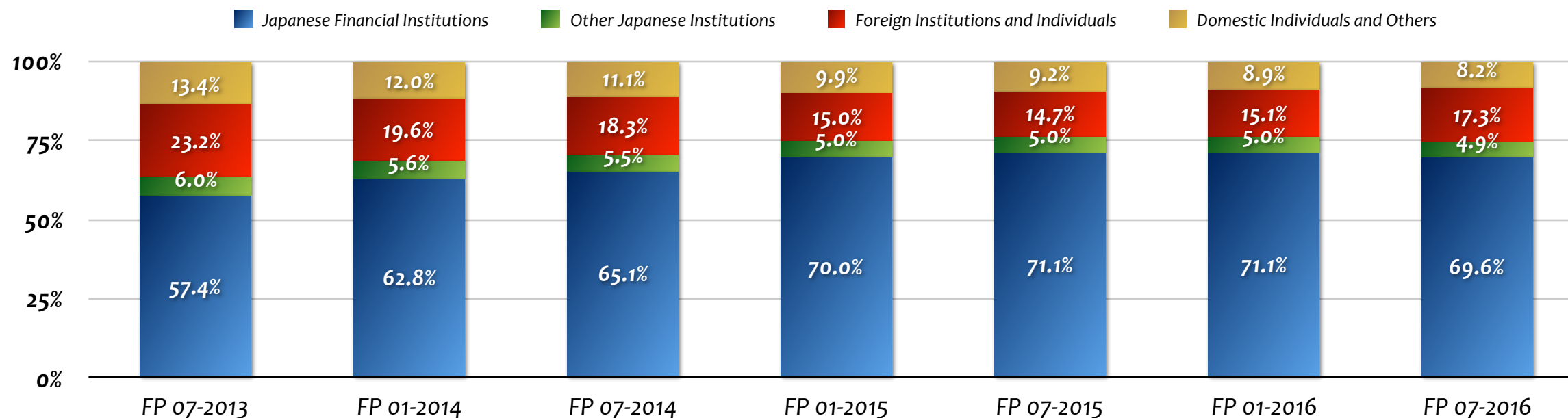
Major Unitholders

Increase in Overseas Ownership

as of July 31, 2016

	Number of Units		Number of Unitholders	
	Units	(%)	Unit-holders	(%)
Japanese Financial Institutions	904,295	69.6%	189	1.1%
Trust Banks	636,534	49.0%	14	0.1%
Regional Banks	131,017	10.1%	57	0.3%
Life Insurance	53,774	4.1%	10	0.1%
Securities Companies	28,117	2.2%	22	0.1%
Casualty Insurance	17,420	1.3%	7	0.0%
Credit Unions & Co-ops	20,241	1.6%	37	0.2%
Shinkin Banks	14,603	1.1%	41	0.2%
City Banks	2,589	0.2%	1	0.0%
Other Japanese Corporations	63,291	4.9%	267	1.5%
Foreign Corporations and Individuals	225,316	17.3%	276	1.6%
Domestic Individuals and Others	107,098	8.2%	16,828	95.8%
Total	1,300,000	100.0%	17,560	100.0%

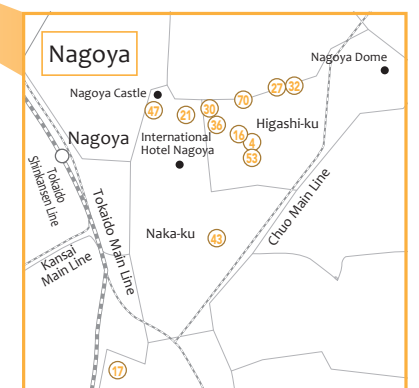
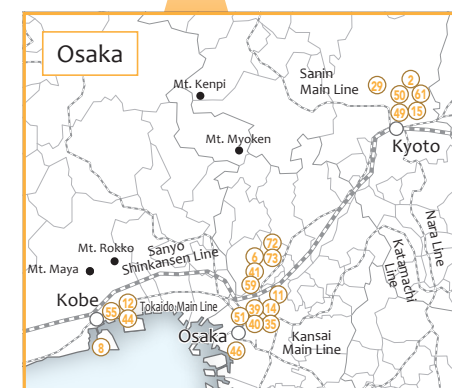
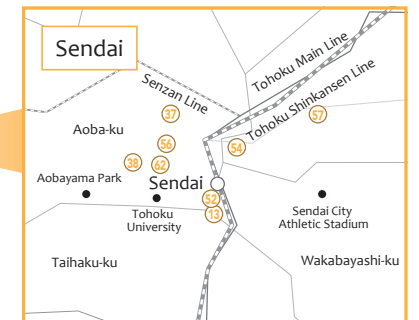
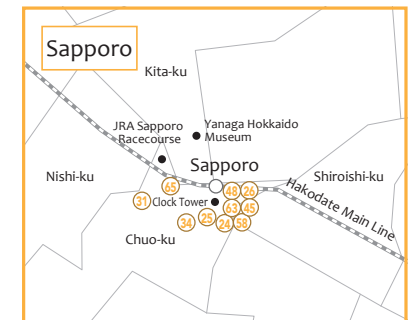
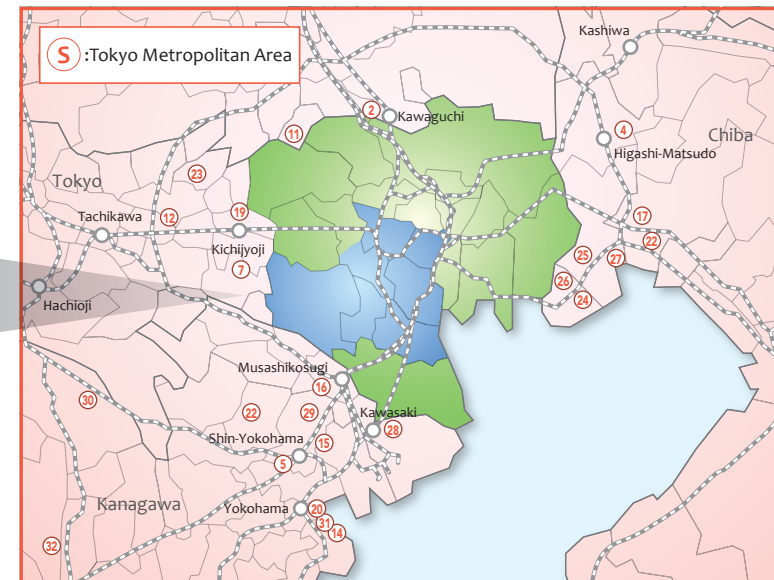
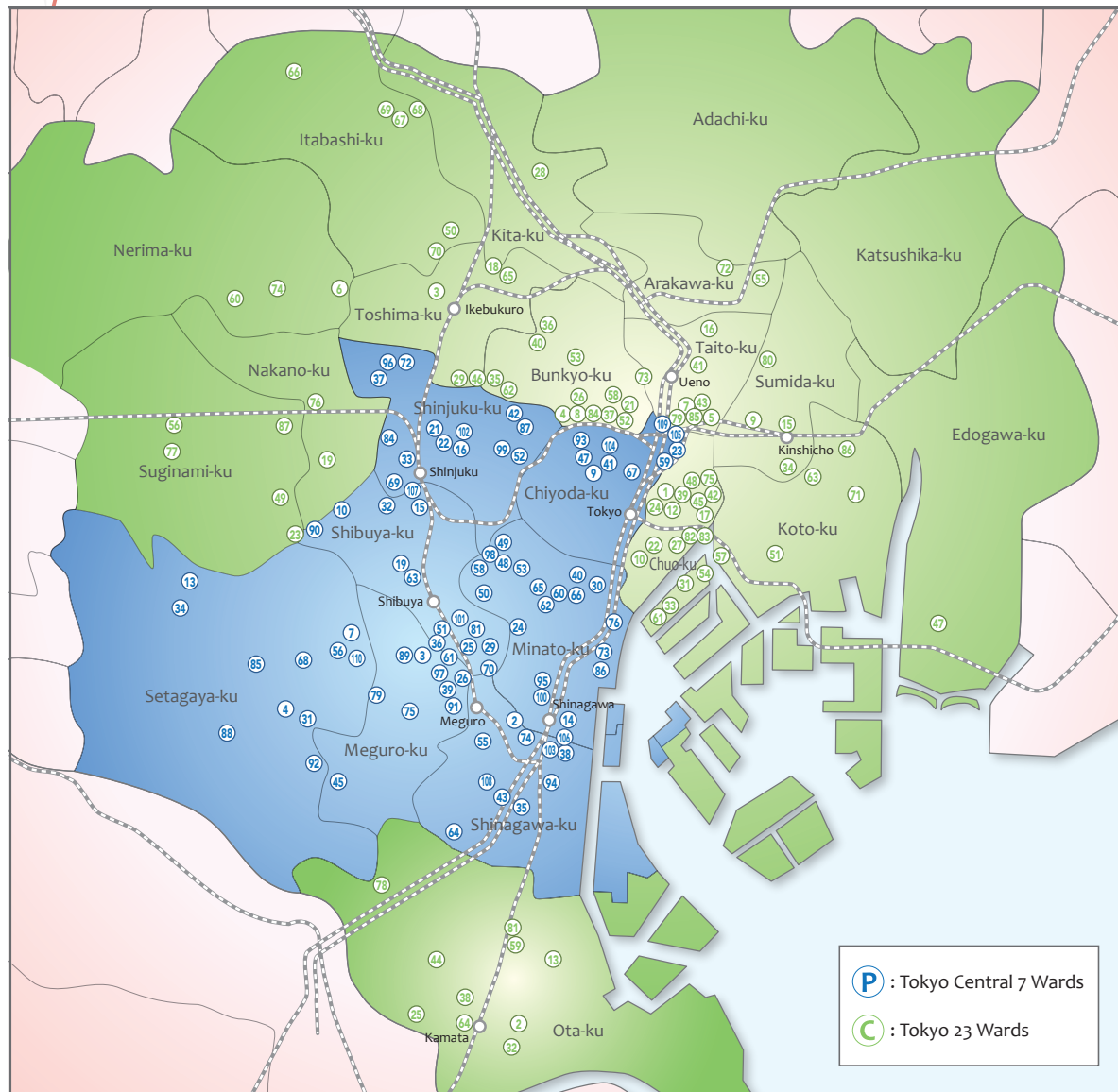
Name of Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	335,096	25.8%
The Master Trust Bank of Japan, Ltd (Tr. Acc.)	129,942	10.0%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	78,198	6.0%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	47,015	3.6%
ITOCHU Corporation	34,800	2.7%
Trust & Custody Services Bank, Ltd. (Cash in Tr. Taxable Acc.)	15,862	1.2%
The Fuji Fire and Marine Insurance Co., Ltd.	14,382	1.1%
State Street Bank and Trust Company 505001	14,373	1.1%
State Street Bank - West Pension Fund Clients - Exempt 505233	13,773	1.1%
Mizuho Trust & Banking Co., Ltd.	11,257	0.9%



Portfolio Map

as of April. 18, 2017

R : Major Regional Cities



No. of Properties

260

(including assets -to-be-acquired)

Portfolio

(as of July 31, 2016)

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	2,414	26.7%	4.3%	95.8%
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2 - 2005	88	1,730	0.4%	1,990	1,451	37.1%	2.6%	100.0%
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	3 - 2002	28	1,229	0.3%	1,220	1,147	6.3%	7.3%	92.5%
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	8 - 2005	42	1,230	0.3%	1,350	1,174	14.9%	3.1%	88.6%
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	3 - 2004	86	2,270	0.5%	2,540	2,065	23.0%	2.9%	93.6%
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2 - 2006	35	1,130	0.3%	1,190	1,078	10.4%	7.3%	95.4%
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	7 - 2006	39	1,120	0.3%	1,250	1,073	16.5%	7.0%	92.7%
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2 - 2007	120	2,720	0.6%	2,920	2,577	13.3%	4.3%	100.0%
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	3 - 2007	22	732	0.2%	718	713	0.7%	4.4%	82.4%
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2 - 2009	39	750	0.2%	855	731	16.8%	4.3%	97.5%
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	8 - 2001	30	588	0.1%	695	567	22.4%	8.2%	100.0%
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2 - 2004	54	1,380	0.3%	1,610	1,320	21.9%	4.8%	98.8%
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	8 - 2000	48	941	0.2%	1,090	938	16.1%	5.3%	92.2%
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2 - 2004	65	1,520	0.4%	2,010	1,422	41.3%	4.1%	95.2%
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2 - 2001	37	874	0.2%	1,000	890	12.3%	3.1%	92.1%
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	1 - 2001	26	554	0.1%	644	572	12.5%	3.0%	82.3%
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	10 - 1999	20	722	0.2%	737	739	-0.4%	6.2%	84.7%
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	11 - 2005	76	1,660	0.4%	2,040	1,551	31.5%	2.9%	95.3%
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2 - 2005	67	1,950	0.4%	2,200	1,827	20.4%	5.3%	93.3%
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	10 - 2004	18	333	0.1%	381	314	21.2%	8.5%	85.4%
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2 - 2005	16	326	0.1%	391	312	25.3%	11.0%	92.7%
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2 - 2005	19	363	0.1%	431	348	23.7%	9.9%	94.3%
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2 - 2005	15	286	0.1%	334	269	23.7%	10.6%	87.2%
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	12 - 2005	48	947	0.2%	1,120	884	26.6%	4.3%	85.3%
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	1 - 2006	61	2,280	0.5%	2,770	2,234	24.0%	3.4%	95.0%
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	9 - 2006	70	1,180	0.3%	1,420	1,111	27.7%	4.8%	97.6%
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	8 - 2006	122	2,040	0.5%	2,370	1,940	22.1%	4.0%	97.6%
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1 - 2006	34	1,190	0.3%	1,330	1,151	15.5%	6.5%	97.7%
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	9 - 2006	63	1,320	0.3%	1,520	1,257	20.8%	3.3%	98.4%
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	3 - 2006	52	1,160	0.3%	1,460	1,111	31.3%	2.8%	93.9%
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	8 - 2006	52	918	0.2%	1,040	877	18.5%	2.1%	90.8%
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	7 - 2007	40	1,050	0.2%	1,280	1,002	27.7%	4.8%	85.8%
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	3 - 2002	28	1,050	0.2%	1,180	989	19.2%	7.3%	100.0%
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	12 - 2004	65	2,310	0.5%	2,610	2,179	19.7%	2.3%	94.9%
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	8 - 2004	68	3,660	0.8%	3,740	3,475	7.6%	3.5%	96.7%
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	5 - 2004	37	1,180	0.3%	1,370	1,118	22.5%	8.3%	96.9%
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	7 - 2004	125	6,780	1.6%	7,420	6,459	14.9%	2.8%	94.6%
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	7 - 2004	42	2,150	0.5%	2,050	2,015	1.7%	4.0%	100.0%
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	8 - 2004	85	2,500	0.6%	2,860	2,363	21.0%	3.6%	95.5%
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	9 - 1999	89	3,570	0.8%	4,150	3,583	15.8%	6.8%	91.3%
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	1 - 2007	358	16,500	3.8%	18,200	15,285	19.1%	1.8%	100.0%
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	1 - 2005	78	2,760	0.6%	3,380	2,571	31.4%	2.7%	98.3%
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	3 - 2005	13	728	0.2%	492	708	-30.6%	2.0%	89.2%
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	10 - 2003	64	1,620	0.4%	2,050	1,517	35.1%	3.4%	95.6%
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	4 - 2006	31	1,430	0.3%	1,430	1,358	5.3%	3.2%	96.4%
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	3 - 2007	39	2,020	0.5%	2,150	1,954	10.0%	7.1%	97.6%
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	1 - 2003	113	6,190	1.4%	5,990	6,015	-0.4%	0.7%	92.1%

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%	1,510	1,212	24.5%	3.5%	95.4%
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	11 - 2005	65	1,880	0.4%	2,280	1,783	27.8%	3.4%	95.4%
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2 - 2006	47	1,610	0.4%	1,760	1,555	13.2%	4.6%	95.9%
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	8 - 2006	48	1,740	0.4%	1,800	1,689	6.5%	3.3%	95.9%
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	6 - 2006	43	1,140	0.3%	1,390	1,097	26.7%	4.9%	94.6%
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	3 - 2006	34	1,280	0.3%	1,450	1,228	18.0%	4.4%	97.0%
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	5 - 2007	74	1,830	0.4%	2,130	1,732	22.9%	10.9%	96.5%
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	8 - 2007	26	923	0.2%	987	880	12.1%	2.8%	86.7%
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	12 - 2002	19	974	0.2%	1,060	927	14.3%	4.9%	100.0%
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	9 - 1991	153	4,670	1.1%	5,460	4,450	22.7%	2.8%	96.8%
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	1 - 2007	16	930	0.2%	914	891	2.6%	7.9%	100.0%
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	8 - 2006	118	5,260	1.2%	5,810	5,083	14.3%	7.8%	96.5%
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	5 - 2005	191	9,570	2.2%	10,900	9,048	20.5%	3.6%	97.2%
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1 - 1993	16	878	0.2%	963	851	13.1%	7.7%	100.0%
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	6 - 2003	12	1,750	0.4%	1,440	1,656	-13.1%	4.8%	84.2%
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	2 - 1997	26	1,460	0.3%	1,590	1,390	14.3%	8.8%	84.6%
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	10 - 2008	59	870	0.2%	1,170	844	38.5%	10.0%	100.0%
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	1 - 2010	72	2,400	0.6%	2,920	2,367	23.3%	4.4%	97.0%
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	8 - 2008	98	2,070	0.5%	2,480	2,028	22.2%	3.0%	96.4%
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	6 - 2008	66	1,523	0.4%	1,810	1,571	15.2%	10.3%	92.4%
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3 - 2007	70	3,300	0.8%	4,230	3,373	25.4%	2.4%	94.4%
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	1 - 2011	167	3,760	0.9%	4,430	3,757	17.9%	4.2%	97.5%
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	1 - 2010	31	950	0.2%	1,250	968	29.0%	2.6%	94.2%
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	10 - 2007	17	778	0.2%	949	787	20.5%	5.4%	96.7%
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	1 - 2012	48	1,240	0.3%	1,610	1,250	28.8%	2.6%	95.0%
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	3 - 2012	90	1,620	0.4%	2,050	1,631	25.7%	2.2%	95.9%
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	3 - 2012	53	1,480	0.3%	1,920	1,492	28.6%	6.7%	100.0%
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	3 - 2008	187	3,656	0.8%	4,230	3,806	11.1%	A 2.9% B 2.9% C 3.0%	95.6%
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	8 - 2006	50	1,119	0.3%	1,350	1,133	19.1%	2.7%	88.1%
P-98	ARTIS COURT Minamiaoyama	Minato-ku, Tokyo	7 - 2008	23	1,720	0.4%	1,880	1,743	7.8%	3.9%	95.5%
P-99	RESIDIA Yotsuya-Sanchome	Shinjuku-ku, Tokyo	5 - 2009	90	2,090	0.5%	2,690	2,118	27.0%	3.8%	98.9%
P-100	RESIDIA Takanawa-Katsurazaka	Minato-ku, Tokyo	3 - 2006	45	900	0.2%	1,030	952	8.1%	5.4%	93.5%
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	3 - 2006	26	611	0.1%	727	654	11.2%	3.3%	90.9%
P-102	RESIDIA Shinjukugyoen	Shinjuku-ku, Tokyo	10 - 2006	38	687	0.2%	819	728	12.4%	5.2%	87.4%
P-103	RESIDIA Minami-Shinagawa	Shinagawa-ku, Tokyo	10 - 2013	50	1,177	0.3%	1,320	1,217	8.4%	8.7%	100.0%
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	3 - 2007	118	3,117	0.7%	3,760	3,185	18.0%	2.4%	94.7%
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	4 - 2007	48	1,280	0.3%	1,520	1,317	15.4%	2.8%	93.7%
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	6 - 2007	36	980	0.2%	1,150	1,010	13.8%	4.0%	94.8%
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	1 - 2008	31	839	0.2%	936	903	3.6%	8.4%	97.4%
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	4 - 2014	44	917	0.2%	980	952	2.9%	3.9%	95.7%
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	3 - 2015	28	821	0.2%	885	853	3.7%	4.1%	94.6%
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2 - 2005	105	1,920	0.4%	2,370	1,611	47.0%	3.3%	98.4%
C-2	RESIDIA Kamata	Ota-ku, Tokyo	3 - 2005	166	2,640	0.6%	3,420	2,181	56.8%	4.7%	97.3%
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	3 - 2005	60	1,520	0.4%	1,730	1,414	22.3%	7.1%	100.0%
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	7 - 2005	65	1,680	0.4%	2,070	1,576	31.3%	4.6%	100.0%
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	8 - 2005	47	1,060	0.2%	1,350	952	41.7%	2.9%	97.5%
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	3 - 1993	94	953	0.2%	1,080	921	17.3%	9.2%	96.8%
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2 - 2006	127	3,160	0.7%	3,580	2,905	23.2%	2.1%	96.3%
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1 - 2006	70	1,623	0.4%	1,800	1,561	15.3%	3.6%	100.0%
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2 - 2006	48	913	0.2%	1,120	861	30.0%	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%	5,480	5,078	7.9%	4.3%	100.0%
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	1 - 2007	137	3,180	0.7%	3,590	3,005	19.4%	4.6%	98.7%
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	8 - 2007	81	1,980	0.5%	1,980	1,866	6.1%	3.8%	95.7%
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	11 - 2007	157	4,200	1.0%	4,460	4,054	10.0%	7.2%	99.5%
C-16	RESIDIA Negishi	Taito-ku, Tokyo	12 - 2005	28	856	0.2%	899	828	8.5%	7.7%	96.6%
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2 - 2003	83	1,880	0.4%	2,200	1,779	23.6%	5.3%	97.9%
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	12 - 2001	44	558	0.1%	683	553	23.3%	6.4%	97.4%
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	6 - 2002	24	352	0.1%	477	360	32.4%	3.8%	90.1%
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	3 - 2004	63	1,010	0.2%	1,150	941	22.2%	5.3%	95.3%
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	12 - 2005	54	1,460	0.3%	1,780	1,349	31.9%	3.4%	97.7%
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	3 - 2000	96	1,800	0.4%	2,090	1,814	15.2%	6.9%	99.1%
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1 - 2005	52	1,220	0.3%	1,460	1,137	28.4%	3.4%	100.0%
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	9 - 2004	98	1,300	0.3%	1,590	1,198	32.7%	5.9%	98.0%
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	10 - 2004	31	603	0.1%	740	558	32.6%	3.5%	100.0%
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	9 - 2004	94	2,000	0.5%	2,400	1,867	28.5%	4.0%	99.2%
C-28	RESIDIA Oji	Kita-ku, Tokyo	2 - 2005	61	867	0.2%	1,020	793	28.5%	3.2%	100.0%
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	7 - 2005	63	1,050	0.2%	1,210	989	22.3%	2.3%	92.7%
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2 - 2006	40	1,100	0.3%	1,270	1,033	22.9%	6.8%	95.6%
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	9 - 2006	78	1,360	0.3%	1,610	1,289	24.8%	4.0%	94.1%
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	9 - 2006	105	2,440	0.6%	2,880	2,322	24.0%	3.8%	95.7%
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	1 - 2008	99	2,380	0.5%	2,590	2,264	14.4%	4.7%	97.0%
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	8 - 2003	104	3,380	0.8%	3,920	3,161	24.0%	4.7%	91.0%
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2 - 2003	33	707	0.2%	857	647	32.4%	5.0%	100.0%
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2 - 2003	39	1,050	0.2%	1,270	969	31.1%	6.9%	94.2%
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	7 - 2003	19	378	0.1%	404	351	15.1%	8.5%	91.0%
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	3 - 2004	25	557	0.1%	727	512	41.8%	5.6%	96.3%
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	4 - 2005	45	1,440	0.3%	1,600	1,364	17.2%	4.1%	95.2%
C-41	RESIDIA Iriya	Taito-ku, Tokyo	12 - 2004	49	990	0.2%	1,120	899	24.5%	5.4%	100.0%
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	8 - 2006	45	1,310	0.3%	1,520	1,260	20.6%	4.5%	91.3%
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	3 - 2007	69	1,860	0.4%	2,080	1,773	17.3%	3.0%	97.6%
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	9 - 2006	60	1,290	0.3%	1,390	1,221	13.8%	5.0%	95.0%
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2 - 2003	36	1,320	0.3%	1,510	1,218	23.9%	3.9%	98.5%
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1 - 1999	162	6,280	1.4%	7,380	6,167	19.7%	2.6%	93.5%
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	1 - 2000	29	683	0.2%	803	675	18.8%	7.0%	96.7%
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2 - 2007	132	5,500	1.3%	6,800	5,167	31.6%	2.4%	98.2%
C-49	RESIDIA Suginami-Honanchō	Suginami-ku, Tokyo	2 - 2009	194	3,834	0.9%	5,280	3,688	43.1%	4.3%	100.0%
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	8 - 2009	67	888	0.2%	1,190	864	37.6%	8.6%	100.0%
C-51	RESIDIA Kiba	Koto-ku, Tokyo	3 - 2008	155	1,950	0.4%	2,850	1,933	47.4%	7.2%	100.0%
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	12 - 2008	52	1,129	0.3%	1,450	1,109	30.7%	4.4%	96.9%
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	3 - 2008	98	2,340	0.5%	2,850	2,324	22.6%	3.5%	96.8%
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2 - 2008	119	2,570	0.6%	3,510	2,518	39.4%	4.0%	100.0%
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	3 - 2007	175	2,580	0.6%	3,460	2,512	37.7%	5.3%	98.6%
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	3 - 2003	101	1,710	0.4%	2,170	1,771	22.5%	4.5%	100.0%
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2 - 2005	68	970	0.2%	1,240	987	25.6%	7.6%	98.5%
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	9 - 2005	80	2,090	0.5%	2,730	2,078	31.3%	4.2%	92.0%
C-59	RESIDIA Omori	Ota-ku, Tokyo	3 - 2006	75	1,150	0.3%	1,420	1,142	24.2%	1.8%	100.0%
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2 - 2008	66	1,075	0.2%	1,310	1,060	23.5%	4.5%	97.3%
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2 - 2008	55	1,805	0.4%	2,350	1,786	31.5%	4.9%	96.1%

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-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2 - 2008	89	2,268	0.5%	2,870	2,316	23.9%	4.0%	95.6%
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2 - 2005	51	651	0.2%	802	664	20.6%	9.6%	100.0%
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	3 - 2007	53	948	0.2%	1,200	945	26.9%	3.5%	95.2%
C-65	RESIDIA Tower Kami-Ikebukuro	Toshima-ku, Tokyo	3 - 2009	472	8,250	1.9%	10,800	8,257	30.8%	Twr 2.9% Prk 5.4% Anx 5.7%	97.6%
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2 - 2007	45	502	0.1%	600	529	13.3%	4.8%	100.0%
C-67	RESIDIA Shimurasakaue	Itabashi-ku, Tokyo	2 - 2007	44	580	0.1%	684	611	11.9%	3.4%	100.0%
C-68	RESIDIA Shimurasakaue II	Itabashi-ku, Tokyo	3 - 2007	94	1,093	0.3%	1,330	1,139	16.7%	5.6%	100.0%
C-69	RESIDIA Shimurasakaue III	Itabashi-ku, Tokyo	3 - 2007	36	411	0.1%	492	434	13.1%	5.4%	100.0%
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	10 - 2007	72	1,115	0.3%	1,320	1,131	16.7%	3.0%	95.6%
C-71	RESIDIA Ojima	Koto-ku, Tokyo	11 - 2007	87	1,282	0.3%	1,530	1,299	17.8%	6.1%	100.0%
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	8 - 2009	55	1,168	0.3%	1,270	1,201	5.7%	3.2%	96.7%
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	2 - 2004	71	1,700	0.4%	1,900	1,795	5.8%	3.8%	93.5%
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	3 - 2005	34	502	0.1%	623	521	19.5%	3.9%	100.0%
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	4 - 2006	22	378	0.1%	456	402	13.2%	5.8%	100.0%
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	11 - 2006	30	652	0.2%	749	697	7.4%	4.1%	92.4%
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	3 - 2007	36	460	0.1%	541	495	9.1%	5.1%	100.0%
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	3 - 2008	58	1,299	0.3%	1,490	1,374	8.4%	4.4%	97.5%
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	4 - 2007	40	977	0.2%	1,150	1,010	13.8%	5.1%	95.4%
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	9 - 2007	60	876	0.2%	1,080	908	18.8%	3.5%	98.3%
C-81	RESIDIA Oomori III	Ota-ku, Tokyo	12 - 2012	65	1,395	0.3%	1,560	1,437	8.5%	3.1%	98.6%
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	4 - 2014	77	1,975	0.5%	2,280	2,037	11.9%	3.8%	98.3%
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	3 - 2008	55	1,833	0.4%	2,170	1,894	14.6%	3.7%	94.5%
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	7 - 2014	48	1,655	0.4%	1,750	1,714	2.1%	4.7%	100.0%
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	3 - 2015	100	4,650	1.1%	4,990	4,834	3.2%	1.9%	98.8%
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	3 - 1991	39	770	0.2%	741	716	3.4%	5.5%	100.0%
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	4 - 2007	44	1,100	0.3%	1,180	1,046	12.8%	4.6%	97.7%
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	1 - 2007	131	1,920	0.4%	1,940	1,798	7.8%	5.6%	100.0%
S-7	RESIDIA Chofu	Chofu, Tokyo	3 - 2007	41	1,143	0.3%	1,170	1,089	7.4%	5.0%	96.1%
S-11	TOKYO Student-House Wako	Wako, Saitama	4 - 1990	127	675	0.2%	731	689	6.0%	10.2%	100.0%
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2 - 2003	33	518	0.1%	595	512	16.1%	2.9%	90.7%
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	8 - 2004	102	1,700	0.4%	1,840	1,551	18.6%	8.4%	99.1%
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	3 - 1998	64	755	0.2%	910	725	25.5%	5.3%	100.0%
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2 - 2007	68	1,580	0.4%	1,890	1,505	25.6%	7.2%	93.0%
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	3 - 2007	172	2,730	0.6%	3,060	2,572	18.9%	I 3.6% II 3.4%	100.0%
S-19	RESIDIA Kichijoji	Musashino, Tokyo	3 - 1995	48	1,380	0.3%	1,590	1,431	11.1%	9.1%	95.7%
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	11 - 2007	416	14,000	3.2%	15,900	12,152	30.8%	4.5%	100.0%
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	10 - 2003	78	1,670	0.4%	2,250	1,565	43.7%	6.4%	100.0%
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2 - 2010	91	810	0.2%	1,090	781	39.6%	7.7%	100.0%
S-24	RESIDIA Urayasu	Urayasu, Chiba	9 - 2009	146	2,115	0.5%	2,810	2,112	33.0%	6.7%	98.3%
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2 - 2005	85	823	0.2%	1,020	835	22.1%	6.6%	97.6%
S-26	RESIDIA Urayasu II	Urayasu, Chiba	2 - 2005	74	802	0.2%	981	815	20.3%	7.5%	89.2%
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2 - 2005	75	761	0.2%	922	771	19.6%	6.1%	98.7%
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	3 - 2007	104	1,670	0.4%	2,150	1,654	30.0%	4.7%	94.6%
S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	1 - 2010	85	1,050	0.2%	1,190	1,034	15.1%	7.5%	100.0%
S-30	RESIDIA Sagami-hara	Sagami-hara, Kanagawa	5 - 2004	111	1,050	0.2%	1,230	1,094	12.4%	6.8%	100.0%
S-31	RESIDIA Yokohama-Bashamichi	Yokohama, Kanagawa	9 - 2005	28	735	0.2%	1,110	782	41.9%	11.5%	100.0%
S-32	RESIDIA Hon-Atugi	Atugi, Kanagawa	1 - 2008	49	606	0.1%	683	656	4.1%	11.0%	98.1%
S-33	RESIDIA Funabashi III	Funabashi, Chiba	2006/10	43	620	0.1%	679	669	1.5%	5.0%	100.0%

Portfolio

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R-2	RESIDIA Imadegawa	Kyoto, Kyoto	2 - 1999	154	1,671	0.4%	1,720	1,509	14.0%	10.9%	100.0%
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2 - 2006	91	1,290	0.3%	1,390	1,071	29.8%	3.4%	98.9%
R-5	RESIDIA Kameyama	Kameyama, Mie	2 - 2007	182	1,610	0.4%	1,190	1,556	-23.5%	4.2%	100.0%
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	5 - 2007	44	979	0.2%	963	907	6.2%	5.7%	88.1%
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	9 - 2007	404	3,740	0.9%	4,070	3,496	16.4%	South • Center 6.8% North 6.7%	100.0%
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	3 - 2002	155	1,220	0.3%	1,400	1,153	21.4%	3.4%	98.7%
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2 - 2000	78	871	0.2%	1,120	868	29.0%	8.3%	98.4%
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	11 - 2005	161	2,220	0.5%	2,760	2,000	38.0%	3.2%	93.9%
R-13	KC21 Building	Sendai, Miyagi	3 - 1997	79	900	0.2%	1,020	891	14.5%	2.4%	92.4%
R-14	RESIDIA Utubokoen	Osaka, Osaka	1 - 2006	94	1,170	0.3%	1,420	1,070	32.6%	6.6%	94.3%
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2 - 2006	116	1,970	0.5%	2,390	1,814	31.7%	9.9%	98.7%
R-16	RESIDIA Takaoka	Nagoya, Aichi	8 - 2007	198	2,330	0.5%	3,020	2,173	39.0%	3.5%	94.3%
R-17	RESIDIA Hibino	Nagoya, Aichi	4 - 1992	124	1,340	0.3%	1,460	1,177	24.0%	3.9%	95.1%
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	1 - 2004	56	936	0.2%	1,160	851	36.2%	4.9%	91.1%
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	1 - 2003	39	324	0.1%	390	288	35.4%	2.7%	97.4%
R-21	RESIDIA Hisaya-Odori II	Nagoya, Aichi	2 - 2005	38	685	0.2%	807	621	29.9%	5.0%	92.6%
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	12 - 2006	179	1,640	0.4%	1,970	1,493	31.9%	0.9%	99.6%
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	12 - 2006	103	1,320	0.3%	1,440	1,225	17.5%	1.1%	98.7%
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	1 - 2007	100	1,130	0.3%	1,360	1,024	32.7%	1.4%	97.8%
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	5 - 2005	33	831	0.2%	890	771	15.4%	4.1%	94.6%
R-29	RESIDIA Uzumasa	Kyoto, Kyoto	1 - 2000	48	701	0.2%	743	657	13.0%	13.5%	89.6%
R-30	RESIDIA Izumi	Nagoya, Aichi	11 - 2005	122	3,700	0.9%	4,290	3,398	26.2%	3.1%	95.1%
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2 - 2007	56	1,050	0.2%	1,200	971	23.5%	1.2%	92.9%
R-32	RESIDIA Tokugawa	Nagoya, Aichi	12 - 2006	27	751	0.2%	868	702	23.6%	3.9%	92.2%
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	8 - 2007	109	2,010	0.5%	2,450	1,862	31.5%	0.9%	98.1%
R-35	RESIDIA Tanimachi	Osaka, Osaka	8 - 2008	108	1,100	0.3%	1,560	1,120	39.3%	7.5%	98.3%
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2 - 2007	57	652	0.2%	915	645	41.8%	4.8%	95.1%
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	1 - 2008	67	529	0.1%	723	518	39.4%	2.5%	100.0%
R-38	RESIDIA Hirose-dori	Sendai, Miyagi	2 - 2010	63	494	0.1%	656	486	34.9%	2.8%	100.0%
R-39	RESIDIA Edobori	Osaka, Osaka	2 - 2007	127	1,400	0.3%	1,840	1,424	29.1%	8.7%	97.7%
R-40	RESIDIA Kyomachibori	Osaka, Osaka	3 - 2007	84	1,000	0.2%	1,320	1,023	29.0%	7.8%	99.0%
R-41	RESIDIA Esaka	Suita, Osaka	7 - 2007	68	989	0.2%	1,270	983	29.1%	4.8%	95.3%
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	1 - 2008	173	2,380	0.5%	2,940	2,329	26.2%	2.6%	98.3%
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2 - 2008	122	1,206	0.3%	1,620	1,185	36.6%	3.6%	96.9%
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	3 - 2008	196	2,740	0.6%	3,640	2,682	35.7%	3.6%	97.3%
R-45	RESIDIA Kita-Nijyo-East	Sapporo, Hokkaido	3 - 2006	56	894	0.2%	1,110	889	24.7%	1.1%	96.4%
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2 - 2007	97	1,921	0.4%	2,400	1,919	25.0%	9.1%	96.4%
R-47	RESIDIA Marunouchi	Nagoya, Aichi	1 - 2007	86	972	0.2%	1,220	974	25.2%	2.8%	95.5%
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2 - 2007	168	1,483	0.3%	2,100	1,477	42.2%	0.7%	98.0%
R-49	RESIDIA Gosyo-Higashi	Kyoto, Kyoto	9 - 2007	57	1,227	0.3%	1,530	1,227	24.6%	8.9%	90.2%
R-50	RESIDIA Rakuohoku	Kyoto, Kyoto	3 - 2008	75	874	0.2%	1,010	875	15.3%	12.4%	93.6%
R-51	RESIDIA Miyakojima I & II	Osaka, Osaka	9 - 2006	178	3,232	0.7%	4,570	3,310	38.0%	7.1%	95.7%
R-52	RESIDIA TOWER Sendai	Sendai, Miyagi	1 - 2008	67	1,705	0.4%	2,000	1,777	12.5%	2.3%	91.8%
R-53	RESIDIA Higashizakura II	Nagoya, Aichi	2 - 2006	127	2,862	0.7%	3,660	2,894	26.5%	3.1%	94.7%
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	11 - 2006	168	1,796	0.4%	2,310	1,808	27.7%	EAST 2.6% WEST 2.7%	94.4%
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	6 - 2007	105	1,117	0.3%	1,590	1,130	40.7%	2.3%	95.0%

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R-56	RESIDIA Sendai-Honcho	Sendai, Miyagi	6 - 2007	105	1,117	0.3%	1,590	1,130	40.7%	2.3%	95.0%
R-57	RESIDIA Sendai-Haranomachi	Sendai, Miyagi	9 - 2007	72	593	0.1%	857	600	42.7%	2.1%	97.6%
R-58	RESIDIA Minami-Ichijo East	Sapporo, Hokkaido	1 - 2008	85	1,062	0.2%	1,330	1,079	23.2%	1.1%	95.9%
R-59	RESIDIA Shin-Osaka	Osaka, Osaka	2 - 2014	208	2,644	0.6%	3,420	2,814	21.5%	6.2%	100.0%
R-60	RESIDIA Okayama-ekimae	Okayama, Okayama	3 - 2004	108	772	0.2%	934	806	15.9%	1.7%	100.0%
R-61	RESIDIA Kyoto-Okazaki	Kyoto, Kyoto	3 - 2005	23	227	0.1%	301	239	25.6%	14.1%	100.0%
R-62	RESIDIA Sendai-Ichibancho	Sendai, Miyagi	3 - 2006	103	1,083	0.2%	1,340	1,124	19.2%	2.4%	100.0%
R-63	RESIDIA Kita-Nijyo East II	Sapporo, Hokkaido	2 - 2007	51	538	0.1%	715	566	26.2%	1.2%	97.8%
R-64	RESIDIA Takamiya	Fukuoka, Fukuoka	2 - 2007	51	488	0.1%	568	508	11.8%	6.1%	96.9%
R-65	RESIDIA Soen	Sapporo, Hokkaido	2 - 2007	60	384	0.1%	523	407	28.5%	1.4%	90.0%
R-66	RESIDIA Tenjin	Fukuoka, Fukuoka	5 - 2007	88	1,122	0.3%	1,290	1,159	11.2%	3.4%	90.9%
R-67	RESIDIA Yakuin-Odori	Fukuoka, Fukuoka	6 - 2007	91	1,123	0.3%	1,310	1,157	13.2%	4.5%	90.1%
R-68	RESIDIA Hakata II	Fukuoka, Fukuoka	9 - 2007	124	1,358	0.3%	1,530	1,401	9.2%	1.8%	98.1%
R-69	RESIDIA Kego	Fukuoka, Fukuoka	1 - 2008	86	834	0.2%	1,080	872	23.8%	2.3%	97.7%
R-70	RESIDIA Shirakabe	Nagoya, Aichi	3 - 2008	70	907	0.2%	1,070	969	10.3%	4.4%	92.6%
R-71	RESIDIA Sakae	Nagoya, Aichi	12 - 2007	77	868	0.2%	955	944	1.2%	4.2%	87.0%
Total 255 properties				20,455	433,635	100.0%	508,185	419,232	21.2%	2.4%	96.6%

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	88	5,395	170,851	39.4%	193,578	164,809	17.5%
C	Central Tokyo ex 7 wards	81	6,385	139,774	32.2%	166,907	135,900	22.8%
S	Tokyo Metropolitan	24	2,254	40,984	9.5%	47,662	38,562	23.6%
R	Major Regional Cities	62	6,421	82,024	18.9%	100,038	79,961	25.1%
Total		255	20,455	433,635	100.0%	508,185	419,232	21.2%

Portfolio after Including the Property Acquired After the FP 07-2016 End (as of April. 18, 2017)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Appraisal Price (mil yen)
P-110	RESIDIA Mishuku	Setagaya-ku, Tokyo	4 - 2015	42	1,159	1,240
C-86	RESIDIA Kameido	Koto-ku, Tokyo	10 - 2013	129	2,988	3,190
C-87	RESIDIA Koenji	Suginami-ku, Tokyo	3 - 2015	58	1,380	1,480
C-72	RESIDIA Senri-Fujishirodai	Shuita, Osaka	3-2017 (scheduled)	90	1,430	1,580
C-73	RESIDIA Senri-Banpakukoen	Shuita, Osaka	10 - 2005	68	2,124	2,320
Total 5 Properties				387	9,081	9,810

Area		No. of Properties	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)
P	Tokyo Central 7 Wards	89	5,437	172,010	38.9%
C	Central Tokyo ex 7 wards	83	6,572	144,142	32.6%
S	Tokyo Metropolitan	24	2,254	40,984	9.3%
R	Major Regional Cities	64	6,579	85,578	19.3%
Total		260	20,842	442,716	100.0%

Asset Management Company Profile

Company Profile as of July 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.

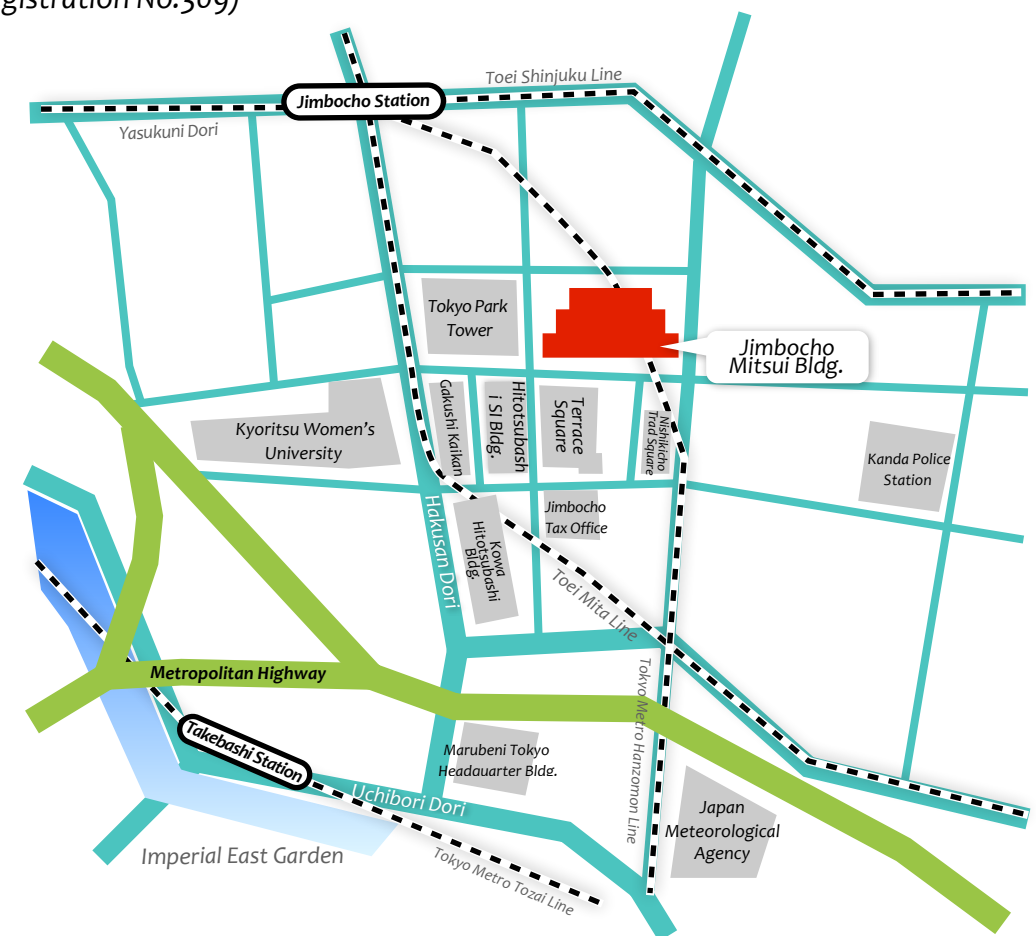
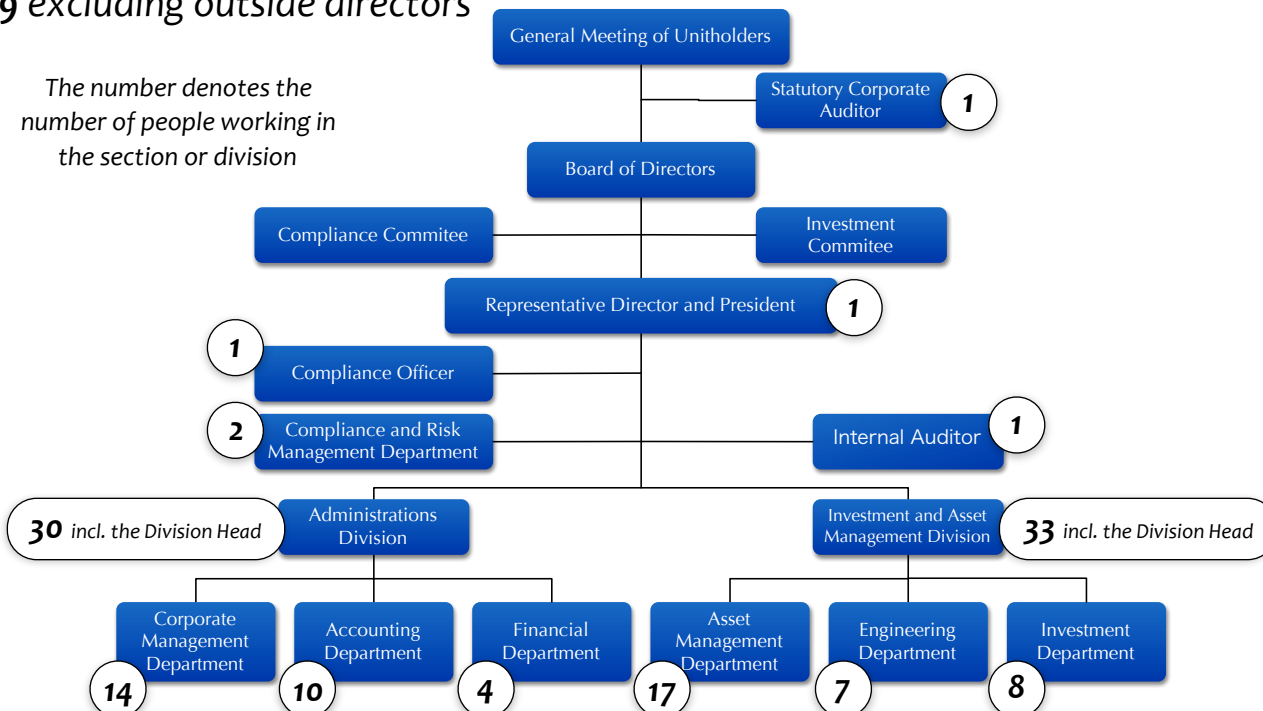
Registrations and Licenses:

- Real estate agent's license (The Governor of Tokyo (3) 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 July 31, 2016

Total 69 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.

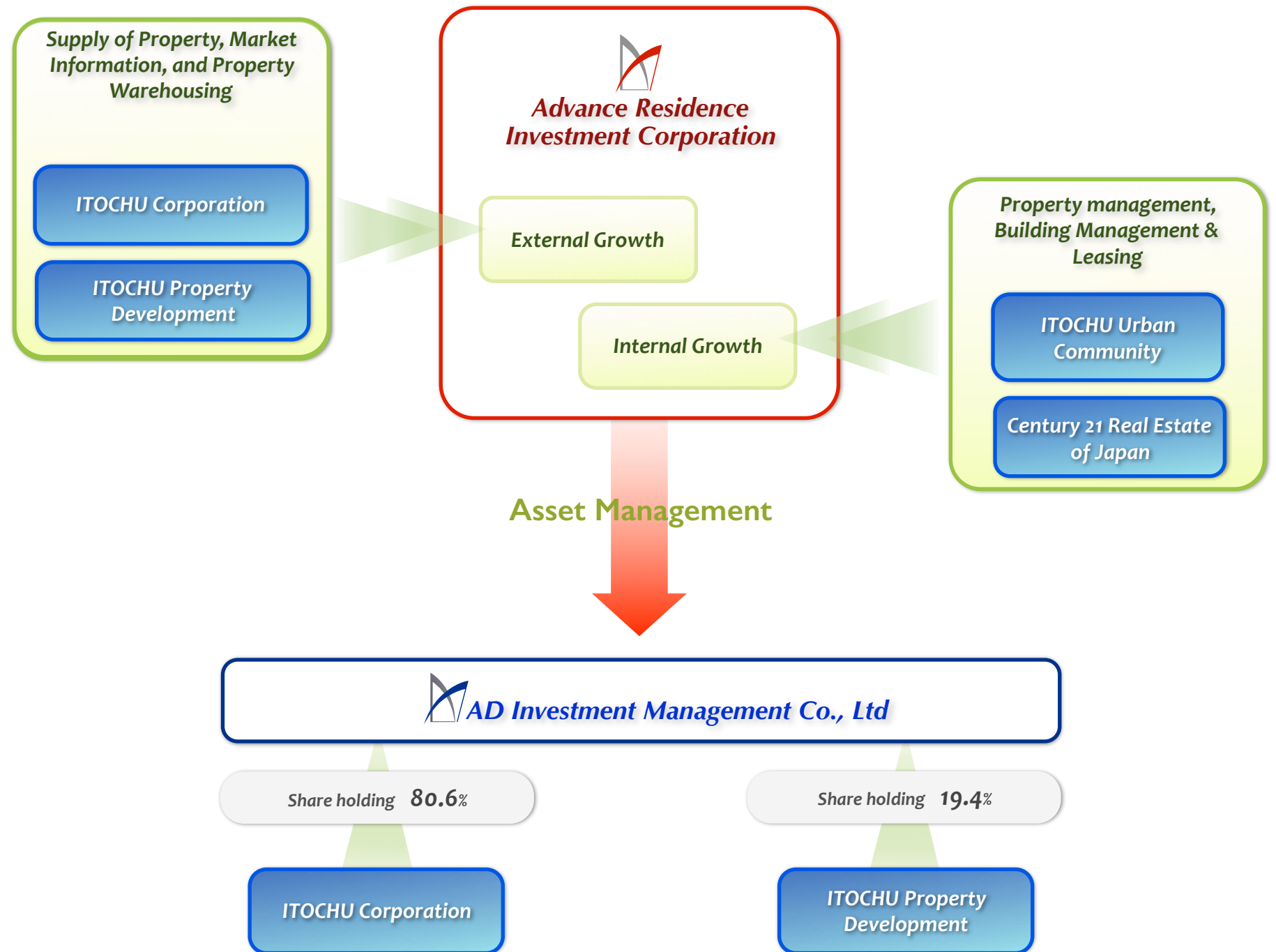
Sponsor Support

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.

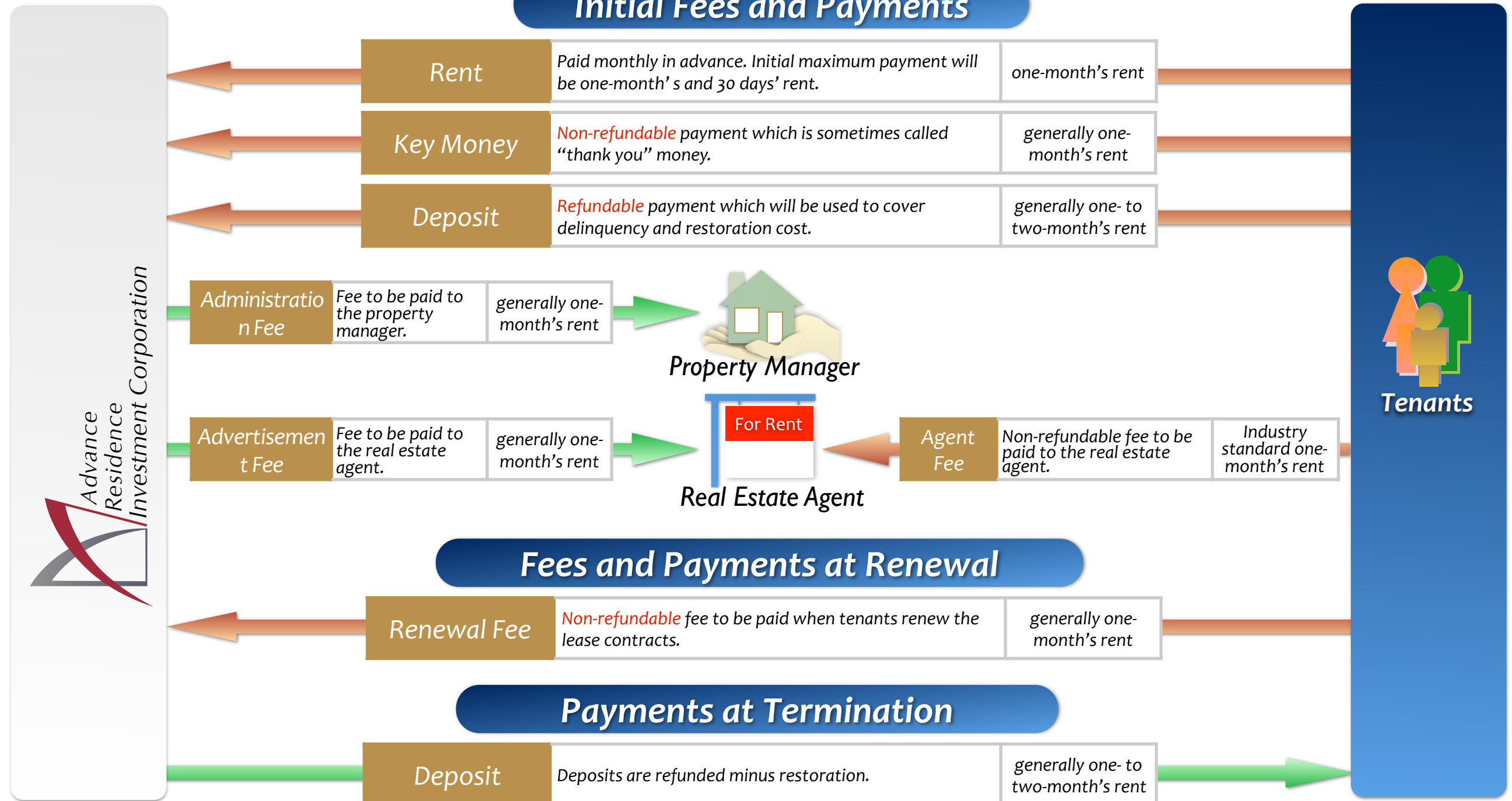
AD Investment Management Co., Ltd. is 100% held by ITOCHU Group.



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



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.