



Advance Residence Investment Corporation



12th

Fiscal Period Report

February 1, 2016 - July 31, 2016

Realization of Stable Distribution of Earnings over the Long Term

Unit-holder Memo

Fiscal period-end	January 31 and July 31 of every year
General meeting of unit-holders	Held at least once every 2 years
Date for determining unit-holders exercising voting rights at meeting	The date will be publicly notified in advance
Record date for determining dividend payments	January 31 and July 31 of every year (Dividends will be paid within 3 months of the record date for determining payments.)
Unit listing	Tokyo Stock Exchange (Securities Code: 3269)
Newspaper for public notice	The Nikkei
Transfer agent	Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo
Office address	Stock Transfer Agency Department, Main Office Mizuho Trust & Banking Co., Ltd. 1-2-1 Yaesu, Chuo-ku, Tokyo
Contact	Stock Transfer Agency Department
Mailing address	Mizuho Trust & Banking Co., Ltd. 2-8-4 Izumi, Suginami-ku, Tokyo 168-8507
Phone	Phone 0120-288-324 (toll-free in Japan)

Annual Schedule

Oct. 2016	Publication of 12th Fiscal Period financial report Payment of 12th Fiscal Period dividend
Nov. 2016	Investment performance briefing for unit-holders
Jan. 2017	End of 13th Fiscal Period
Mar. 2017	Announcement of 13th Fiscal Period results
Apr. 2017	Publication of 13th Fiscal Period financial report Payment of 13th Fiscal Period dividend
May 2017	Investment performance briefing for unit-holders
Jul. 2017	End of 14th Fiscal Period

To Our Unit-holders



We would like to report on the results of Advance Residence Investment Corporation (ADR) for its 12th Fiscal Period, or the six months ended July 31, 2016.

Due to the surge of interest in the J-REIT market triggered by the Bank of Japan's adoption of a negative interest rate policy in January 2016, ADR's unit price during the fiscal period remained mostly firm. Although it fell temporarily to 251,600

yen in June, following the decision by the United Kingdom to leave the EU, the unit price recovered quickly and had reached 284,600 yen by the end of the period, helped by favorable domestic financial markets.

With regard to managing assets of the fund, we acquired a total of five properties (totaling 8.6 billion yen) and sold one property (800 million yen). The period average occupancy rate hit a record high of 96.8%, while at the same time we were able to continue to increase rents due to a favorable rental market environment. Additionally, by optimizing restoration work we were able to reduce construction costs and improve the profitability of the portfolio.

On the financing front, amid a significant decline in long-term interest rates, we successfully lowered payable interest rates while aggressively seeking longer durations for borrowings and bond issuance. We believe that these actions have led to a further strengthening of ADR's financial foundation.

As a result, the dividend per unit for the period under review exceeded forecast dividends of 4,590 yen by 184 yen, reaching 4,774 yen.

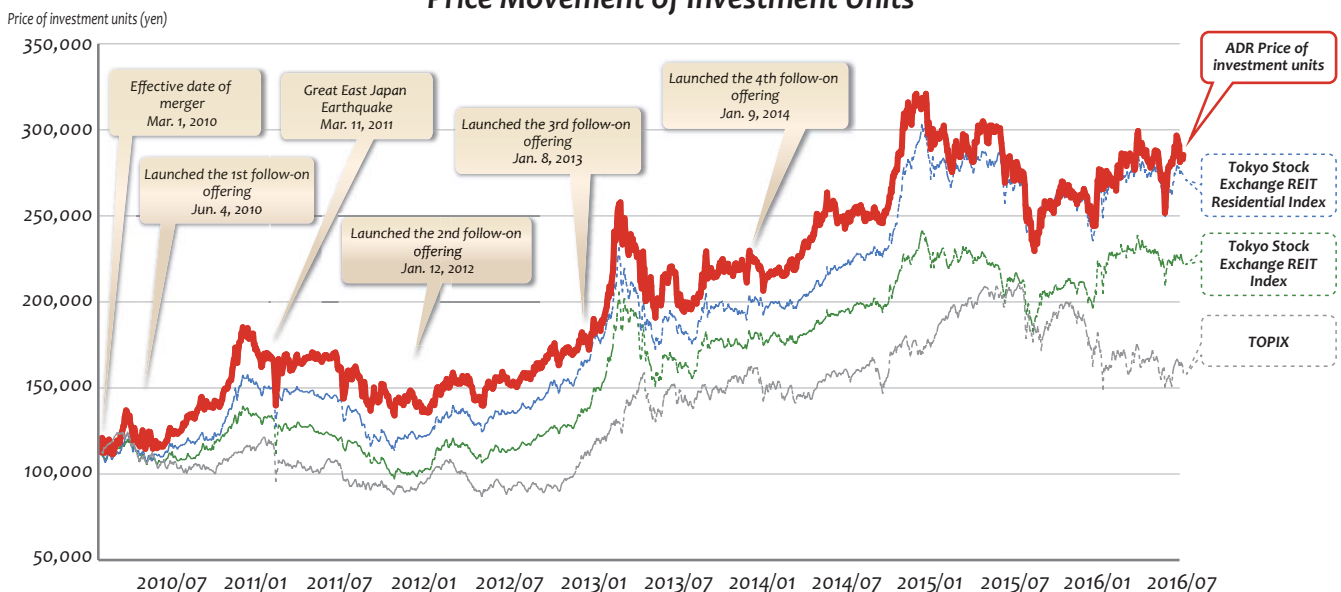
Moreover, ADR resolved on September 6, 2016 to conduct a public offering. By utilizing the additional acquisition capacity gained through this offering, we will continue to steadily achieve further improvements in dividends per unit.

I, therefore, humbly request our unitholders' continued warm support. Thank you.

高坂 健司

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

Price Movement of Investment Units



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

Fiscal Highlights

**Large Increase in Revenue, Profits and Dividends over Initial Forecast
Due to High Occupancy, Restoration Cost Cuts and Lower Interest Rate**

DPU **4,774** yen (+**184** yen from initial forecast)

Record-high Occupancy Rate, Accelerated Rent Increases

Period average occupancy rate **96.8%** (+**0.3** pps from initial forecast)

Rent increased for **4** consecutive periods **+0.45%** (+**0.32** pps over the previous FP)

External Growth through Recently Built Sponsor Properties

Acquisition of recently built properties from sponsor (a total of **4** properties valued at **8** billion yen)

Negotiated third-party acquisition (**1** property, **600** million yen)

Longer-term, Low-interest Rate Funding Long-term Stability-focused Financial Foundation

Average funding interest rate **0.42%**

(average interest rate payable at end of period **1.05%**)

Average initial duration of debt raised during the period **9.5** years

(average remaining duration of debt at end of period **4.3** years)

DPU Forecast for FP January 2017 and FP July 2017

FP January 2017 **4,859** yen (+**85** yen compared to FP July 2016 DPU)

FP July 2017 **4,979** yen (+**205** yen compared to FP July 2016 DPU)



The Largest Portfolio Among Residential J-REITs*

No. of properties	Total assets	Number of leasable units	Leasable floor area
255 properties	433.6 billion yen	20,455 units	766,881 m ²

Highly profitable portfolio configured for long-term stability

NOI yield*

5.7%

Unrealized gains*

88.9 billion yen

* "Largest among residential J-REITs" is based on portfolio valuation derived from publicly disclosed materials by each residential J-REIT as of August 26, 2016.

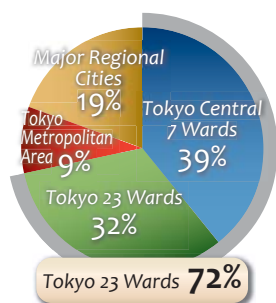
* NOI: NOI stands for Net Operating Income. NOI is calculated as: "Revenue from property leasing" + "Depreciation and amortization" + "Loss on retirement of fixed assets"; NOI yield is calculated using the formula: "Annualized NOI" ÷ "Book value at the end of the fiscal period." When calculating the annualized NOI, the total actual NOI during the period is calculated according to the number of operating days.

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

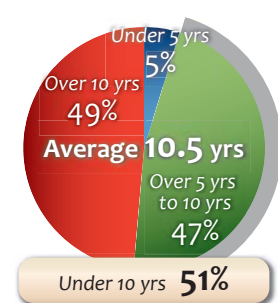
Newly acquired properties



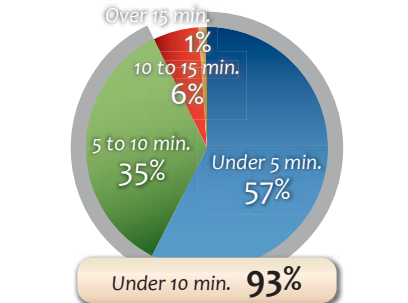
Investment Region
(% based on acquisition price)



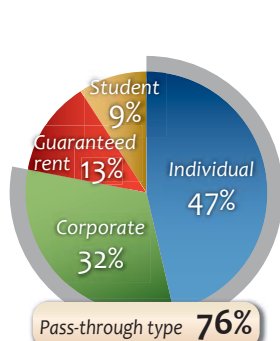
Building Age
(% based on acquisition price)



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

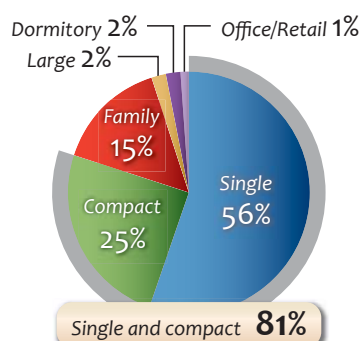


Tenant Category (% based on no. of units)

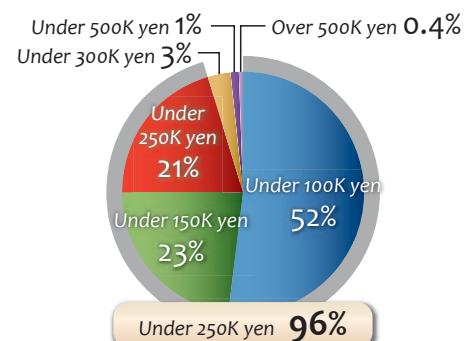


"Student" indicates the proportion of contracts for student dormitories and student apartments.

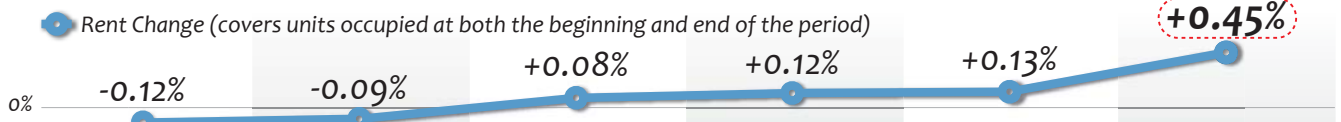
Unit Type (% based on no. of units)



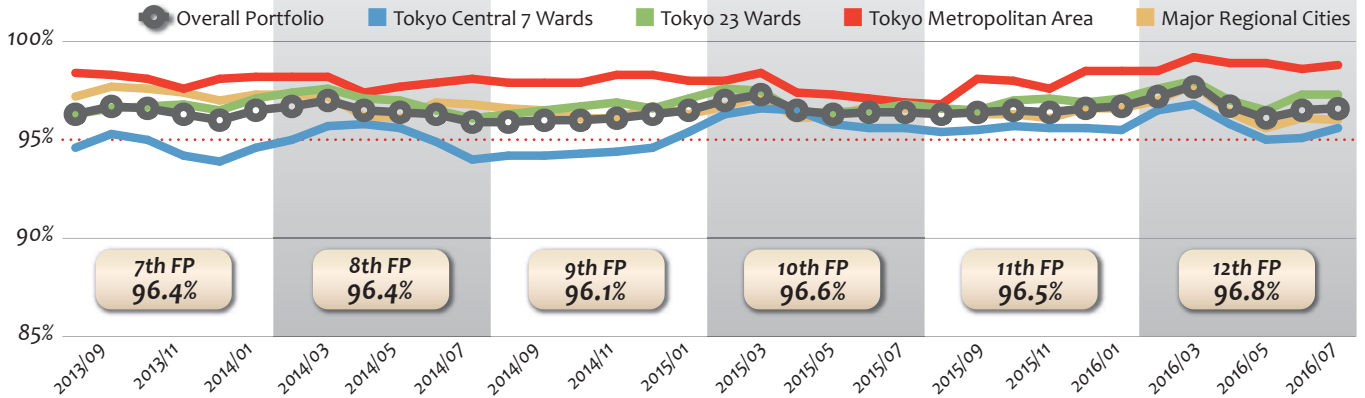
Rents (% based on no. of units)



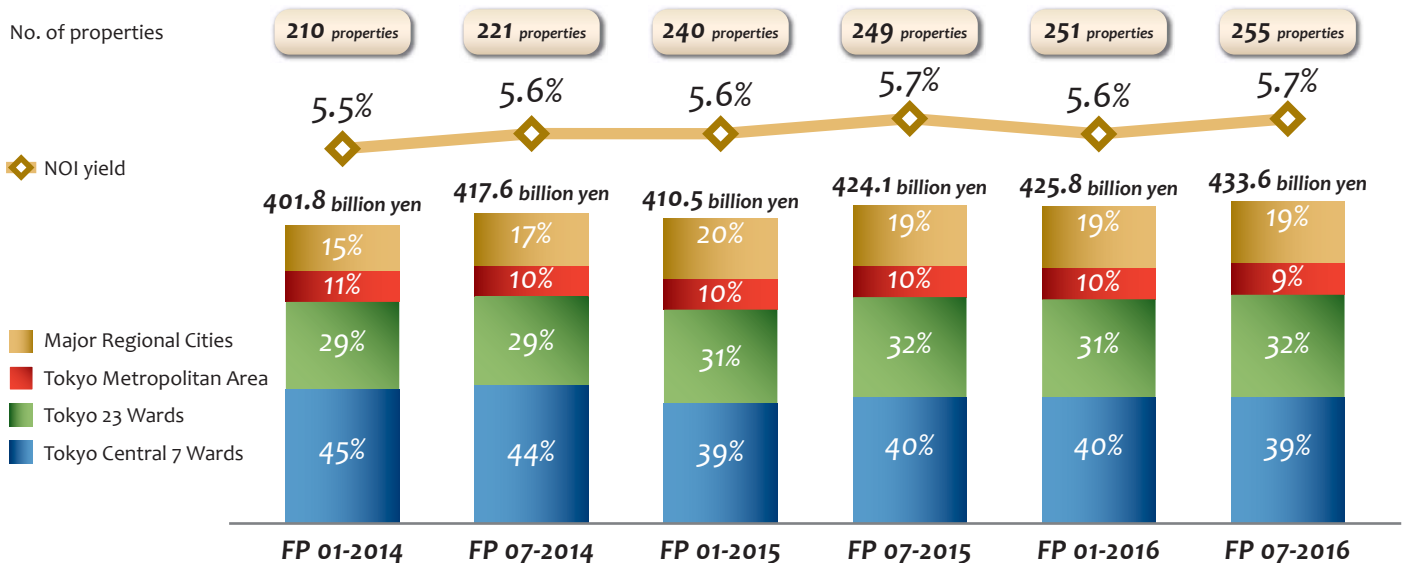
4 Consecutive Period Rent Increases



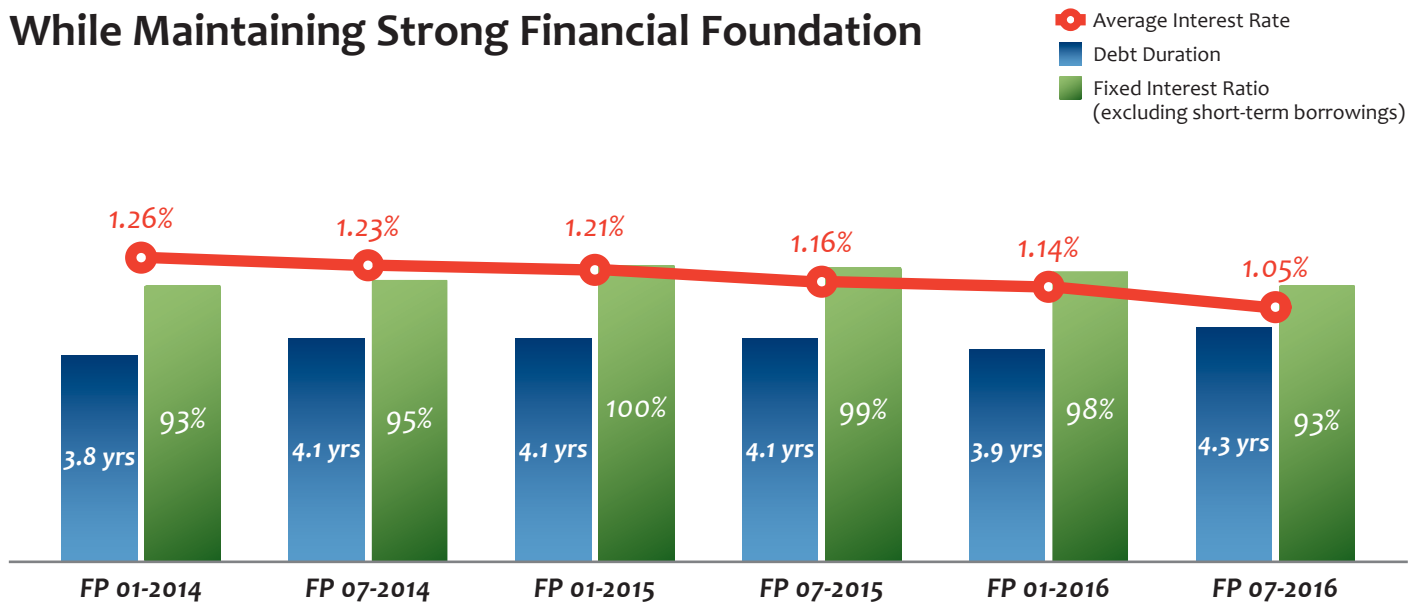
High and Stable Occupancy Rate



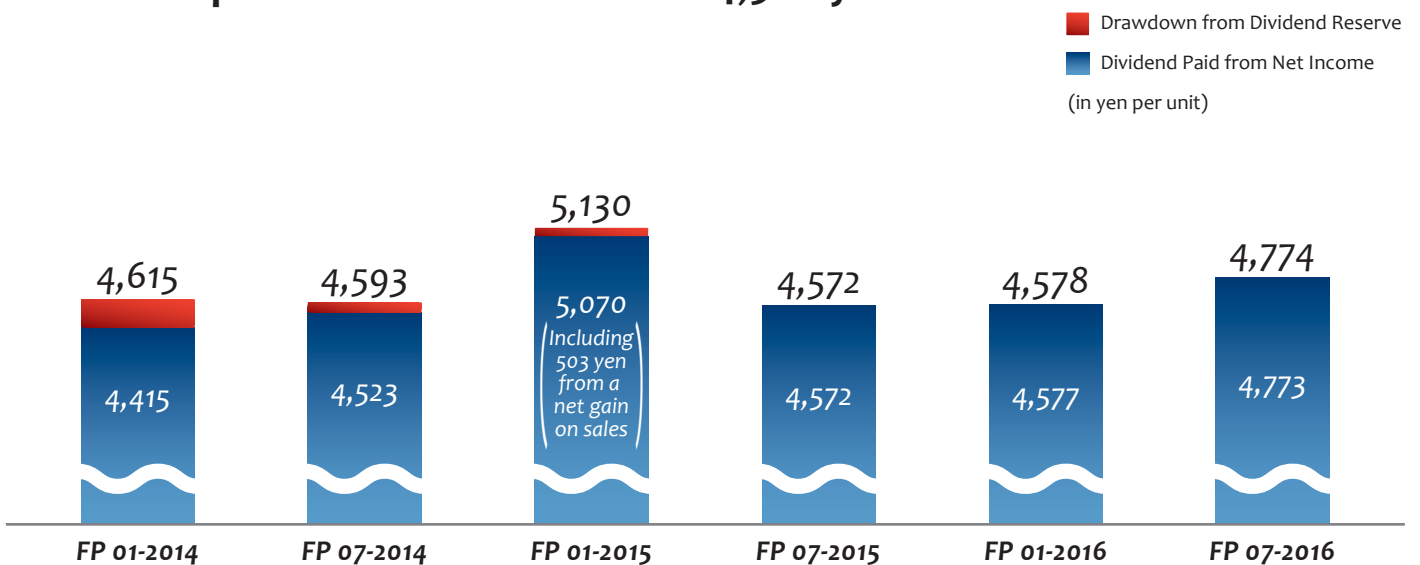
Steady External Growth and Enhanced Portfolio Profitability



Continued to Lower Payable Interest Rate While Maintaining Strong Financial Foundation



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



* EPU is calculated by dividing net income by the number of units issued and outstanding as of the end of the fiscal period.

Internal Growth

For properties with high occupancy, we will not only work to raise rents at the time of tenant replacements, but also at the time of contract renewals. Furthermore, we will aim to maintain and improve property revenues by actively securing key money and reducing leasing-related expenses. In addition, we will continue to enhance the competitive advantages of our properties by systematically conducting timely large-scale renovations, as well as implementing upgrades appropriate to the age of the building and the property characteristics.

External Growth

Because we believe that market conditions will continue to be difficult for acquiring properties, we will minimize competition for properties that will contribute in improving the quality and profitability of ADR's portfolio by acquiring them mainly from our sponsor or by utilizing information collected by ADR to acquire properties from third parties through negotiated transactions. Meanwhile, we will continue to seek opportunities arising from the buoyant property market to replace properties in order to improve the quality and profitability of ADR's portfolio.

Furthermore, with the public offering launched on September 6, 2016, the acquisition capacity through debt finance is expected to increase significantly, if it fully utilizes the capacity to the guideline limit^(Note) of LTV. Therefore, going forward we intend to leverage this capacity to achieve further growth in the portfolio.

(Note) In order to achieve long-term financial stability, ADR has set forth a guideline upper limit to LTV: 53% for a total asset basis and 50% for an appraisal value basis.



Finance Policy

While we will keep a close eye on interest-rate trends, we will, in our debt financing, continue to further diversify its maturities while extending its duration and fix its interest rate, thereby maintaining and strengthening a financial foundation that is resilient to future market volatility. At the same time, because the long-term interest rate remains very low, we will continue to strive to further reduce its average payable interest rate.

Dividend Payout Policy

Starting from FP January 2017 (13th FP), ADR will draw down the reserve for temporary difference adjustment (RTDA) and distribute it additionally as dividends. Specifically, ADR will be distributing a portion of outstanding RTDA as of end of FP January 2017 in equal amounts or more for the maximum 50 years^(Note). The amount will be 259 yen for FP January 2017 (13th FP) and 249 yen for FP July 2017 (14th FP).

In the event that the DPU of a period is to be less than 4,500 yen even with the additional distribution described above, ADR will, in principle, increase the payout from RTDA to maintain the DPU at 4,500 yen.

(Note) Tax regulations call for ADR to draw down the RTDA, which will be transferred from the dividend reserve at the end of fiscal period ending January 2017, in equal amounts or more within 50 years. ADR has a six-month fiscal period, therefore the dividends are paid twice a year. This means that the minimum amount of drawdown per fiscal period is calculated by dividing the outstanding RTDA by 100. The actual drawdown amount will be approximately 335 million yen as of end of FP July 2016. However, draw downs may exceed this amount on occasion in order to stabilize the level of dividends.

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

Measures Taken During the Fiscal Period Ended July 2016

Environmental Considerations

► Installation of LED lighting

Lighting for common areas of 2 properties was replaced with energy-conserving LED lighting. (LED lighting installed in 29 properties in total by the end of July 2016).

► Large-Scale Repairs and Equipment Renewals and Upgrades

Properties' asset value retained, economic life extended and carbon foot print reduced through repairs, renewals and upgrades.

During the Fiscal Period ended July 2016, large-scale repairs were done on 2 properties and upgrades were done on 41 units of 13 properties.

(Track record since the merger*: Large-scale repairs on 19 properties, upgrades on 178 units of 21 properties.)

*As of August 26, 2016. Excluding properties that have already been sold.



C-34 RESIDIA Kinshicho II

Contribution to Local Communities

► Installing Automated External Defibrillators (AEDs)

AEDs that are open to public use were newly installed in 9 properties*.

* AEDs were available in 40 properties in total as of the end of July 2016.

► Posting Emergency Maps

Emergency maps* showing evacuation routes are posted in common areas of all of our properties.

* Maps indicate locations of wide-area evacuation centers to be used in case of a disaster. Maps were available in 255 properties in total as of the end of July 2016.

► Distributing Emergency Kits

Distributed an additional 121 emergency kits* to tenants.

* A cumulative total of 1,155 emergency kits containing rations, helmets, and portable toilets were distributed as of the end of July 2016.



DBJ Green Building Certification



No. 1* Highest Number of Residential Properties Awarded
DBJ Green Building Certification Awarded for 5 properties

*Based on materials published by Development Bank of Japan as of June 30, 2016, and compiled by AD Investment Management Co., Ltd.



P-55 RESIDIA TOWER
Meguro-Fudomae



S-20 Pacific Royal Court
Minatomirai Ocean Tower

Participated in the GRESB Survey 2016

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



ADR obtains its first ever “Green Star”

2016 GRESB Survey Result

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



I. Fiscal Period Report

Management's Discussion and Analysis

1 Summary of Selected Financial Data

	Fiscal Period	units	8th FP From: Feb. 1, 2014 To: Jul. 31, 2014	9th FP From: Aug. 1, 2014 To: Jan. 31, 2015	10th FP From: Feb. 1, 2015 To: Jul. 31, 2015	11th FP From: Aug. 1, 2015 To: Jan. 31, 2016	12th FP From: Feb. 1, 2016 To: Jul. 31, 2016
Operating results	Operating revenues	million yen	14,668	15,633	14,998	15,082	15,444
	(Rental revenue) a	million yen	14,590	14,738	14,964	15,082	15,444
	(Gain on real estate sales) b	million yen	—	839	—	—	—
	Total operating expenses	million yen	7,164	7,474	7,497	7,593	7,716
	(Rental business expenses) c	million yen	5,749	5,817	5,974	6,024	6,092
	(Loss on real estate sales) d	million yen	—	185	—	—	3
	(Impairment loss) e	million yen	—	—	—	—	—
	Operating income	million yen	7,504	8,158	7,501	7,489	7,727
	Ordinary income f	million yen	5,880	6,591	5,945	5,951	6,206
Balance sheet figures	Net income g	million yen	5,880	6,591	5,944	5,951	6,205
	Total assets h	million yen	435,215	430,509	440,991	440,108	448,160
	Interest-bearing liabilities i	million yen	221,799	215,799	227,486	226,280	233,864
	Net assets j	million yen	207,757	208,378	207,653	207,661	207,915
Per unit figures	Paid-in Capital k	million yen	114,936	114,936	114,936	114,936	114,936
	Total dividends l	million yen	5,970	6,669	5,943	5,951	6,206
	Payout ratio l/g	%	101.6	101.2	100.0	100.0	100.0
	Total number of units issued and outstanding m	Units	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000
	Net assets per unit j/m	yen	159,813	160,290	159,733	159,739	159,935
	Net income per unit Note 2	yen	4,526	5,070	4,572	4,577	4,773
	Dividend per unit l/m	yen	4,593	5,130	4,572	4,578	4,774
	Dividend from earnings per unit	yen	4,593	5,130	4,572	4,578	4,774
	Dividend in excess of earnings per unit	yen	0	0	0	0	0
	Annualized dividend yield Note 3	%	3.8	3.4	3.4	3.5	3.4
	Return on investment (Paid-in Capital) (g+q)/(k+i) Note 3	%	5.0	5.5	5.0	4.9	5.1
	Return on investment (market capitalization) (g+q)/(m+r+i) Note 3	%	3.1	3.0	2.9	3.0	2.9
Financial indicators	FFO per unit (g-b+d+e+q)/m	yen	6,413	6,504	6,497	6,524	6,752
	Annualized n Note 3	yen	12,932	12,903	13,103	12,942	13,579
	FFO per unit r/n	times	19.0	23.4	20.6	20.1	21.0
	Ratio of ordinary income to total assets f/h Note 4	%	1.4	1.5	1.4	1.4	1.4
	Annualized Note 3	%	2.8	3.0	2.8	2.7	2.8
	Equity ratio j/h	%	47.7	48.4	47.1	47.2	46.4
	Return on equity g/j Note 5	%	2.9	3.2	2.9	2.9	3.0
	Annualized Note 3	%	5.9	6.3	5.8	5.7	6.0
	Ratio of interest-bearing liabilities to total assets i/h	%	51.0	50.1	51.6	51.4	52.2
	DSCR o/p	times	7.2	7.7	7.5	7.4	8.0
	Net income before interest and depreciation o	million yen	9,686	10,476	9,756	9,803	10,024
	Interest expenses p	million yen	1,349	1,365	1,309	1,321	1,250
	NOI a-c+q Note 6	million yen	11,295	11,438	11,491	11,588	11,920
	Annualized NOI yield Note 3, 7	%	5.5	5.3	5.5	5.4	5.6
	Depreciation and amortization q Note 8	million yen	2,457	2,519	2,502	2,531	2,568
Reference information	Number of properties under management	—	221	240	249	251	255
	Number of leasable units at end of period	Units	19,078	19,572	20,122	20,231	20,455
	Leasable floor area at end of period Note 9	m ²	719,838.71	740,021.39	757,856.84	760,453.15	766,881.60
	Occupancy rate at end of period Note 10	%	95.9	96.5	96.4	96.7	96.6
	Unit price at end of period r	yen	245,500	301,500	270,500	260,500	284,600

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

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

3. The annualized figures are calculated using accounting calculation periods of 181 days for the 8th Fiscal Period, 184 days for the 9th Fiscal Period, 181 days for the 10th Fiscal Period, 184 days for the 11th Fiscal Period and 182 days for the 12th Fiscal Period.

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

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

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

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

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

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

9. "Leasable floor area at end of period" refers to the leasable floor area for each building. The area that does not include the leasable floor area of land (parking lots) that is indicated on the lease agreement or applicable drawings is stated.

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

2 Investment Environment and Operating Performance

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

1. Internal growth driven by maintaining high occupancy rates, increasing rents and reducing restoration costs
ADR maintained high occupancy rates, which averaged 96.8% during the period, while also increasing rents. Moreover, restoration costs were reduced by optimizing the details of restoration work at tenant changeovers. We also proactively implemented upgrade work in order to maintain or strengthen the competitiveness of our properties.
2. Achieving steady external growth by acquiring recently constructed properties developed by the sponsor
We acquired five new properties (at a total acquisition price of 8.6 billion yen), of which four were recently constructed properties acquired through the sponsor's pipeline. In addition, with the aim of enhancing the quality and profitability of the portfolio, we divested an aged property for 800 million yen.
3. Strengthening the financial foundation by leveraging the low-interest rate environment
Under the low interest rate environment, we opted to raise longer-term funds. In doing so, we became the first residential J-REIT to issue a 15-year investment corporation bond. As a result we not only extended the average remaining duration of debt, but also made steady reductions in the average payable interest rate.

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

(million yen)

Item	Previous FP Results	Initial forecast ^{Note 1}	12th FP Results (July 2016)	Difference from the previous FP	Difference from the initial forecast
Operating revenues	15,082	15,363	15,444	+361	+80
Operating income	7,489	7,509	7,727	+238	+217
Ordinary income	5,951	5,967	6,206	+254	+238
Net income	5,951	5,967	6,205	+254	+238
Earnings Per Unit	4,577 yen	4,590 yen	4,773 yen	+196 yen ^{Note 2}	+183 yen ^{Note 2}
Dividend Per Unit	4,578 yen	4,590 yen	4,774 yen	+196 yen	+184 yen

Notes 1. The initial forecast refers to the earnings forecasts for the 12th Fiscal Period disclosed in the "Brief Summary of Kessan Tanshin" for the 11th Fiscal Period, dated March 11, 2016. The same holds true hereafter.

2. Decimals are deleted from the EPU figures.

Compared to the initial forecast, ADR achieved higher revenues and profits due to higher than expected occupancy rates, which were the highest since the merger; to our success in raising rents and controlling expenses related to restoration work; and to a reduction in funding costs due to lower interest rates. As a result, the EPU was 4,773 yen, so we increased the dividend per unit (DPU) by 184 yen over the initial 4,590 yen forecast to 4,774 yen.

a) Internal growth driven by maintaining high occupancy rates, increasing rents and reducing restoration costs

— Highest average occupancy rate since the merger and steady increases in rent —

This fiscal period included the peak leasing season ^(Note 3) and, against a backdrop of tight supply in rental housing, the average occupancy rate recorded a post-merger high of 96.8%. We not only endeavored to raise rents at tenant replacements and contract renewals, but revised the master lease contracts for number of properties (from a guaranteed rent contract to a pass-through contract), which contributed to the 0.45% increase in total portfolio rent ^(Note 4) since the beginning of the period. Regarding the outlook on rental housing market, the inflow of population into the metropolitan area, including the 23 wards of Tokyo, and the major regional cities is forecast to continue, while new supply of rental housings that might compete with ADR's properties continues to be limited. Therefore we expect the rental housing market to continue to be favorable for us going forward.

— Reducing restoration costs and implementing upgrades —

We were able to significantly reduce the costs of restorations needed after tenant move outs from our initial expectation through optimization of the work. We also continued to implement upgrades of individual units, such as renewing appliances and changing the layout of the rooms. During this period, we implemented upgrades of 41 units, of which 18 ^(Note 5) attracted new tenants. For those units, we managed to raise rents by 16.9% ^(Note 5) on average over the previous rent. We will continue to reduce the cost of restoration and carrying out upgrades of individual units to further improve the profitability of ADR's properties.

— Sustainability —

We are taking steps to respond to environmental concerns, to improve tenant satisfaction and to contribute to local communities. During this period, we continued to change common area lighting to LED lighting, install AED units on our properties and distribute emergency kits to tenants.

Moreover, two of the properties were awarded DBJ Green Building Certificates by the Development Bank of Japan. The certificate comprehensively evaluates environmental and other specifications of buildings, and certifies properties that are economical, respond to social needs, and promote initiatives that improve those specifications. We have been taking measures to increase the number of awarded properties, and at the end of this period, with the addition of the two awarded properties, ADR has a total of five properties that are awarded this certification.

Notes 3. “Peak leasing season” is from February to April, and sees the most residential leasing business during the year. For ADR, the fiscal period that ends in July includes the peak leasing season.

4. This is calculated as the total rent at the end of the period divided by the total rent at the beginning of the period for all units that were held by ADR and occupied by tenants at both the beginning and the end of the period.

5. Figures are as of August 26, 2016.

b) Steady external growth through acquisition of recently constructed properties developed by the sponsor

The property acquisition environment remains challenging, with a lack of new supply and soaring property prices. Despite this environment, we have been selectively investing in properties that contribute in improving the quality and profitability of the portfolio, by utilizing the sponsor’s pipeline and by acquiring properties from third parties in negotiated transactions. During this fiscal period, ADR acquired from the sponsor, ITOCHU Corporation, four recently constructed sponsor-developed properties (at a total acquisition price of 8 billion yen). ADR also acquired a property (acquisition price: 600 million yen) from a third party through a negotiated transaction. Additionally, the decision was made to acquire from another third party, a property currently in construction, after its scheduled completion in March 2017 (acquisition price: 1.4 billion yen, scheduled acquisition date: March 29, 2017), also in a negotiated deal. As you can see, even though the property acquisition market was extremely competitive and the properties were all “hard-to-get properties” within their location, ADR was able to achieve steady external growth. Meanwhile, we took advantage of the current buoyant real estate market as described above to sell a property, which we deemed difficult to maintain given future competitiveness due to its location and age.

As a result, at the end of this fiscal period, ADR owns 255 properties amounting to 433.6 billion yen in acquisition price, and continues to maintain the largest portfolio among residential J-REITs.

c) Financing in a low-interest rate environment

Under our basic debt financing policy calling for longer maturity, fixed interest rate and diversified maturities, ADR executed in total 24.3 billion yen in debt financing with an average initial duration of 9.5 years and average interest rate of 0.42% (Note 6) (Note 7) during this period.

With the long-term interest rates falling further during the period, we actively sought to raise longer term debt while pursuing lower payable interest rates. As a result, ADR was able to become the first residential J-REIT to issue a 15-year investment bond, as well as raise a 12-year loan.

Moreover, ADR was able to keep its debt maturity diversified, with the total debt repayments for each fiscal period under the outstanding committed line of debt of 20 billion yen, thereby maintaining its financial foundation, which will be resilient to future market volatility.

As a result of these financing activities, the total outstanding loans and bonds at the end of the period was 233.8 billion yen, with an average initial debt duration of 7.3 years, average remaining duration of 4.3 years and an average interest rate of 1.05% (Note 7).

Furthermore, ADR is committed to maintaining its LTV so that it is under the upper guideline limit of 53% on a total asset basis and 50% on an appraisal basis. At the end of the period, the LTV stood at 52.2% on a total asset basis (Note 8) and 46.0% on an appraisal basis (Note 8).

Notes 6. Average payable interest rate as of the end of the fiscal period in review

7. If the interest rate of debts are hedged using interest rate swaps, interest rates fixed with each swap agreements applied are used to calculate the average.

8. The formulas for calculating total asset LTV and appraisal LTV are below.

Total Asset LTV = Outstanding Interest Bearing Debts ÷ Total Assets

Appraisal LTV = (Loans + Bonds) ÷ Total Appraisal Value of Property Holdings

3. Management Policies and Challenges Going Forward

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

a) Internal Growth

For properties with high occupancy, we will not only work to raise rents at the time of tenant replacements, but also at the time of contract renewals. Furthermore, we will aim to maintain and improve property revenues by actively securing key money and reducing leasing-related expenses. In addition, we will continue to enhance the competitive advantages of our properties by systematically conducting timely large-scale renovations, as well as implementing upgrades appropriate to the age of the building and the property characteristics.

b) External Growth

Because we believe that market conditions will continue to be difficult for acquiring properties, we will minimize competition for properties that will contribute in improving the quality and profitability of ADR's portfolio by acquiring them mainly from our sponsor or by utilizing information collected by ADR to acquire properties from third parties through negotiated transactions. Meanwhile, we will continue to seek opportunities arising from the buoyant property market to replace properties in order to improve the quality and profitability of ADR's portfolio.

On September 6, 2016, ADR launched a public offering. At the same time it decided to acquire in the following fiscal periods a total of four properties (planned total acquisition price: 7.6 billion yen), of which three were developed by its sponsor, ITOCHU Corporation. The three properties scheduled to be acquired from the sponsor are all recently constructed properties in the 23 Tokyo wards and for which stable rental demand can be expected over the long term, while the other remaining property will be acquired from a third party through negotiated transaction at which we believe to be a reasonable price. With the capital procured from the offering, the amount that ADR will be able to borrow to finance an acquisition, within the upper limit of 53% at total asset base and 50% at appraisal price base of LTV, is expected to significantly increase. Therefore, going forward we will focus on utilizing this borrowing capacity to achieve further growth in ADR's portfolio.

c) Finance Policy

(Debt Finance)

While we will keep a close eye on interest-rate trends, we will, in our debt financing, continue to further diversify its maturities while extending its duration and fix its interest rate, thereby maintaining and strengthening a financial foundation that is resilient to future market volatility. At the same time, because the long-term interest rate remains very low, we will continue to strive to further reduce its average payable interest rate.

(Equity Finance)

As we mentioned above, ADR launched a public offering on September 6, 2016. Using the procured funds, ADR will acquire properties as well as pay back debts. As a result, ADR will be able to achieve steady external growth, as well as generate borrowing capacity by lowering its total asset base LTV and securing the potential for further external growth.

d) Dividend Payout Policy

ADR will draw down and pay out the dividend reserve (Reserve for Temporary Difference Adjustment (RTDA) from the fiscal period ending January 2017) starting with the dividends for the fiscal period ending January 2017 (13th Fiscal Period), in accordance with the partial revision of the *Regulations Concerning Accounting of Investment Corporations*, in addition to the bylaws of The Investment Trust Association, the *Regulations on Real Estate Investment Trusts and Real Estate Investment Corporations*.

Specifically, ADR plans to draw down and pay out the dividend reserve in equal amounts ^(Note 9) or more for the maximum 50 years.

In the event that the DPU of a period is less than 4,500 yen even with the above supplemental payout, ADR will, in principle, increase the payout from the reserve to maintain the DPU at 4,500 yen. ^(Note 10)

Notes 9. The amount will be calculated by dividing the outstanding amount of RTDA, transferred from the dividend reserve at the end of the fiscal period ending January 2017, by 100. The drawdown per fiscal period will be 335 million yen as of the end of this fiscal period, if the RTDA is drawn down for 50 years in equal amounts. However, there could be a time when ADR, with an aim of stabilizing the dividend, might increase the drawdown amount.

10. However, this does not constitute a guarantee of actual amount of dividend payment. The actual amount of dividend payment will need to be decided ultimately by ADR's Board of Directors.

4 Equity Finances

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

Date	Remarks	Total number of units issued and outstanding		Paid-in Capital (million yen)		Notes
		Increase	Balance	Increase	Balance	
February 1, 2012	Follow-on offering	110,000	1,090,000	14,231	78,793	1
February 29, 2012	Third-party allotment	10,000	1,100,000	1,293	80,087	2
February 1, 2013	Follow-on offering	135,000	1,235,000	21,667	101,754	3
February 27, 2013	Third-party allotment	5,000	1,240,000	802	102,557	4
February 3, 2014	Follow-on offering	58,000	1,298,000	11,967	114,524	5
February 26, 2014	Third-party allotment	2,000	1,300,000	412	114,936	6

1. ADR issued new units through public offering at an offer price of 133,770 yen (paid-in amount: 129,379 yen) per unit to procure funds for new property acquisitions and for other purposes.
2. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 129,379 yen per unit to procure funds for new property acquisitions and for other purposes.
3. ADR issued new units through public offering at an offer price of 165,945 yen (paid-in amount: 160,498 yen) per unit to procure funds for new property acquisitions and for other purposes.
4. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 160,498 yen per unit to procure funds for new property acquisitions and for other purposes.
5. ADR issued new units through public offering at an offer price of 213,330 yen (paid-in amount: 206,328 yen) per unit to procure funds for new property acquisitions and for other purposes.
6. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 206,328 yen per unit to procure funds for new property acquisitions and for other purposes.

Market Price of Units

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

Fiscal Period Period-end	8th FP July 2014	9th FP January 2015	10th FP July 2015	11th FP January 2016	12th FP July 2016
High	263,600 yen	321,000 yen	305,000 yen	281,400 yen	299,400 yen
Low	206,500 yen	245,800 yen	269,300 yen	229,600 yen	251,700 yen

Overview of the Investment Corporation

1 Major Unit-holders

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

Name	Address	Number of units held (units)	Percentage of issued units (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	335,096	25.77
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	129,942	9.99
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo Harumi Island Triton Square Office Tower Z	78,198	6.01
The Nomura Trust & Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	47,015	3.61
ITOCHU Corporation	2-5-1 Kita-Aoyama, Minato-ku, Tokyo	34,800	2.67
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	1-8-12 Harumi, Chuo-ku, Tokyo Harumi Island Triton Square Office Tower Z	15,862	1.22
Fuji Fire and Marine Insurance Co., Ltd.	1-18-11 Minamisenba, Chuo-ku, Osaka-city, Osaka	14,382	1.10
State Street Bank and Trust Company	P.O. Box 351 Boston, Massachusetts 02101 U.S.A.	14,373	1.10
State Street Bank - West Pension Fund Clients - Exempt	1776 Heritage Drive, North Quincy, MA 02171 U.S.A.	13,773	1.05
Mizuho Trust & Banking Co., Ltd.	1-2-1 Yaesu, Chuo-ku, Tokyo	11,257	0.86
Total		694,698	53.43

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

2 Directors and Independent Auditor

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

Title	Name	Primary concurrent positions	Total amount of compensation during the fiscal period (thousand yen)
Executive director	Kenji Kousaka ^{Note 1}	President, AD Investment Management Co., Ltd.	— ^{Note 2}
Supervisory director	Hidejiro Matsuda	President, Hidejiro Matsuda CPA Office	1,800
		Auditor, TYO Inc.	
Supervisory director	Yoshiki Oshima	President, Akasaka Law Office L.P.C.	1,800
Independent auditor	Deloitte Touche Tohmatsu LLC		19,500 ^{Note 3}

Notes 1. Kenji Kousaka concurrently serves as president of ADR's asset management company, AD Investment Management Co., Ltd. (ADIM) and executive director of ADR. The Commissioner of the Financial Services Agency was notified of the concurrent holding of positions on March 5, 2008 pursuant to the provisions of Article 31-4, Paragraph 4 of the Financial Instruments and Exchange Act (as of the date of this document, Article 31-4, Paragraph 1 of the said Act) prior to its revision made by the provisions of Article 1 of the Act for Amendment to the Financial Instruments and Exchange Act. (Act No. 65 of 2008).

2. The executive director does not receive compensation from ADR.

3. The compensation paid to the independent auditor includes compensation for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act (2,500 thousand yen).

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

The Board of Directors of ADR shall consider the dismissal of independent auditors pursuant to the provisions of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; as amended), and consider refusal of reappointment by comprehensively taking into account the quality of the audit, audit compensation, and other factors.

3 Asset Management Company, Asset Custodian, and Administrative Agents

The following is the list of the asset management company, asset custodian, and administrative agents as of July 31, 2016.

Delegation		Name
Asset management company		AD Investment Management Co., Ltd.
Asset custodian		Sumitomo Mitsui Trust Bank Limited
Administrative agent	Management of register of unit-holders	Mizuho Trust & Banking Co., Ltd.
	Management of special accounts	Mizuho Trust & Banking Co., Ltd.
	Accounting, taxation, institutional operations	Sumitomo Mitsui Trust Bank Limited
	Administration of investment corporation bonds	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
		Sumitomo Mitsui Trust Bank Limited
		Mizuho Bank, Ltd.

Real Estate Portfolio

Real Estate Portfolio

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

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) (Note 1)	11th Fiscal Period (Aug. 1, 2015 ~ Jan. 31, 2016)				12th Fiscal Period (Feb. 1, 2016 ~ Jul. 31, 2016)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,414	3,060	1	93.8	87,822	0.6	1	95.8	87,485	0.6
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	Beneficiary interests in trust	1,451	1,990	1	100.0	47,256	0.3	1	100.0	47,256	0.3
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,147	1,220	1	96.8	34,064	0.2	1	92.5	35,854	0.2
P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,174	1,350	1	100.0	35,783	0.2	1	88.6	36,236	0.2
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	Beneficiary interests in trust	2,065	2,540	1	100.0	71,374	0.5	1	93.6	71,647	0.5
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,078	1,190	1	91.0	30,741	0.2	1	95.4	31,134	0.2
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,073	1,250	1	97.9	33,986	0.2	1	92.7	32,599	0.2
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,577	2,920	1	100.0	75,463	0.5	1	100.0	75,456	0.5
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	Beneficiary interests in trust	713	718	1	94.1	20,480	0.1	1	82.4	18,435	0.1
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	Beneficiary interests in trust	731	855	1	100.0	23,703	0.2	1	97.5	24,447	0.2
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	Beneficiary interests in trust	567	695	1	100.0	17,958	0.1	1	100.0	17,944	0.1
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,320	1,610	1	95.3	42,877	0.3	1	98.8	46,370	0.3
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	Beneficiary interests in trust	938	1,090	1	98.0	30,653	0.2	1	92.2	31,227	0.2
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,422	2,010	1	100.0	57,402	0.4	1	95.2	57,247	0.4
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	Beneficiary interests in trust	890	1,000	1	97.1	25,784	0.2	1	92.1	27,709	0.2
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	Beneficiary interests in trust	572	644	1	93.9	18,089	0.1	1	82.3	17,452	0.1
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	Beneficiary interests in trust	739	737	1	83.8	17,432	0.1	1	84.7	18,309	0.1
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	Real estate	1,551	2,040	1	94.1	53,704	0.4	1	95.3	53,905	0.3
P-30	Pianetta Shiodome	Minato-ku, Tokyo	Beneficiary interests in trust	1,827	2,200	1	98.7	63,199	0.4	1	93.3	63,269	0.4
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	Beneficiary interests in trust	314	381	1	83.9	11,029	0.1	1	85.4	10,249	0.1
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	Beneficiary interests in trust	312	391	1	100.0	11,139	0.1	1	92.7	10,823	0.1
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	Beneficiary interests in trust	348	431	1	100.0	12,211	0.1	1	94.3	12,495	0.1
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	Beneficiary interests in trust	269	334	1	100.0	9,564	0.1	1	87.2	9,779	0.1
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	Real estate	884	1,120	1	97.8	32,928	0.2	1	85.3	33,286	0.2
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	Real estate	2,234	2,770	1	97.7	84,694	0.6	1	95.0	74,220	0.5
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	Real estate	1,111	1,420	1	89.1	41,512	0.3	1	97.6	41,602	0.3
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	Real estate	1,940	2,370	1	92.6	66,405	0.4	1	97.6	68,942	0.4
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	Real estate	1,151	1,330	1	95.9	36,193	0.2	1	97.7	35,916	0.2
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	Real estate	1,257	1,520	1	100.0	41,052	0.3	1	98.4	41,486	0.3
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	Real estate	1,111	1,460	1	100.0	40,245	0.3	1	93.9	38,443	0.2
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	Real estate	877	1,040	1	96.3	30,057	0.2	1	90.8	30,240	0.2
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	Real estate	1,002	1,280	1	95.2	35,739	0.2	1	85.8	35,228	0.2
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	Beneficiary interests in trust	989	1,180	1	85.5	34,462	0.2	1	100.0	34,751	0.2
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	Real estate	2,179	2,610	1	92.8	74,008	0.5	1	94.9	73,727	0.5
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	Real estate	3,475	3,740	1	95.4	102,888	0.7	1	96.7	101,095	0.7
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	Real estate	1,118	1,370	1	97.7	37,521	0.2	1	96.9	40,045	0.3
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	Beneficiary interests in trust	6,459	7,420	1	97.7	207,530	1.4	1	94.6	206,193	1.3



Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) (Note 1)	11th Fiscal Period (Aug. 1, 2015 ~ Jan. 31, 2016)				12th Fiscal Period (Feb. 1, 2016 ~ Jul. 31, 2016)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	Beneficiary interests in trust	2,015	2,050	1	93.6	56,853	0.4	1	100.0	57,732	0.4
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,363	2,860	1	100.0	76,365	0.5	1	95.5	78,013	0.5
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	Beneficiary interests in trust	3,583	4,150	1	85.0	103,956	0.7	1	91.3	113,315	0.7
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	Real estate	15,285	18,200	1	100.0	454,115	3.0	1	100.0	454,376	2.9
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	Real estate	2,571	3,380	1	98.2	88,141	0.6	1	98.3	88,102	0.6
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	Real estate	708	492	1	100.0	15,017	0.1	1	89.2	17,964	0.1
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	Real estate	1,517	2,050	1	98.5	57,120	0.4	1	95.6	55,956	0.4
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	Real estate	1,358	1,430	1	90.7	39,750	0.3	1	96.4	39,961	0.3
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	Real estate	1,954	2,150	1	97.9	55,822	0.4	1	97.6	57,904	0.4
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	Real estate	6,015	5,990	1	90.4	185,133	1.2	1	92.1	179,916	1.2
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	Real estate	1,212	1,510	1	97.4	41,529	0.3	1	95.4	39,875	0.3
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,783	2,280	1	96.9	62,161	0.4	1	95.4	63,144	0.4
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	Beneficiary interests in trust	1,555	1,760	1	90.9	48,161	0.3	1	95.9	46,821	0.3
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	Beneficiary interests in trust	1,689	1,800	1	97.9	48,285	0.3	1	95.9	49,982	0.3
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	Real estate	1,097	1,390	1	97.9	38,460	0.3	1	94.6	38,753	0.3
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	Real estate	1,228	1,450	1	94.3	39,357	0.3	1	97.0	40,434	0.3
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	Real estate	1,732	2,130	1	97.1	57,818	0.4	1	96.5	59,999	0.4
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	Real estate	880	987	1	100.0	26,695	0.2	1	86.7	28,074	0.2
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	Beneficiary interests in trust	927	1,060	1	89.9	33,207	0.2	1	100.0	32,213	0.2
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	Beneficiary interests in trust	4,450	5,460	1	94.7	160,889	1.1	1	96.8	168,597	1.1
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	Real estate	891	914	1	86.6	29,223	0.2	1	100.0	28,693	0.2
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	Beneficiary interests in trust	5,083	5,810	1	91.2	151,607	1.0	1	96.5	153,572	1.0
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	Beneficiary interests in trust	9,048	10,900	1	95.0	317,872	2.1	1	97.2	310,273	2.0
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	Beneficiary interests in trust	851	963	1	100.0	29,700	0.2	1	100.0	30,410	0.2
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	Real estate and leasehold rights to real estate	1,656	1,440	1	100.0	51,239	0.3	1	84.2	47,240	0.3
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	Real estate	1,390	1,590	1	88.5	44,806	0.3	1	84.6	43,169	0.3
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	Beneficiary interests in trust	844	1,170	1	100.0	28,095	0.2	1	100.0	28,095	0.2
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	Beneficiary interests in trust	2,367	2,920	1	95.1	78,806	0.5	1	97.0	82,193	0.5
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,028	2,480	1	100.0	59,834	0.4	1	96.4	61,544	0.4
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	Real estate	1,571	1,810	1	93.1	47,799	0.3	1	92.4	48,297	0.3
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	Real estate	3,373	4,230	1	90.4	111,515	0.7	1	94.4	112,564	0.7
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	Beneficiary interests in trust	3,757	4,430	1	96.4	116,625	0.8	1	97.5	119,094	0.8
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	Beneficiary interests in trust	968	1,250	1	100.0	32,041	0.2	1	94.2	33,936	0.2
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	Beneficiary interests in trust	787	949	1	77.9	25,998	0.2	1	96.7	26,487	0.2
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,250	1,610	1	98.4	43,428	0.3	1	95.0	44,102	0.3
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,631	2,050	1	94.9	52,039	0.3	1	95.9	56,664	0.4
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	Beneficiary interests in trust	1,492	1,920	1	93.0	45,058	0.3	1	100.0	52,489	0.3
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	Beneficiary interests in trust	3,806	4,230	1	94.8	111,581	0.7	1	95.6	117,591	0.8
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	Beneficiary interests in trust	1,133	1,350	1	95.8	35,649	0.2	1	88.1	35,880	0.2
P-98	Artis Court Minamiaoyama	Minato-ku, Tokyo	Beneficiary interests in trust	1,743	1,880	1	97.0	53,227	0.4	1	95.5	51,521	0.3
P-99	RESIDIA Yotsuya Sanchome	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,118	2,690	1	96.1	83,397	0.6	1	98.9	82,142	0.5



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P-100	RESIDIA Takanawa Katsurazaka	Minato-ku, Tokyo	Beneficiary interests in trust	952	1,030	1	95.8	28,674	0.2	1	93.5	28,047	0.2
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	Real estate	654	727	1	96.7	18,491	0.1	1	90.9	18,220	0.1
P-102	RESIDIA Shinjuku-gyoen	Shinjuku-ku, Tokyo	Beneficiary interests in trust	728	819	1	97.5	22,878	0.2	1	87.4	23,501	0.2
P-103	RESIDIA Minami Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,217	1,320	1	95.9	39,675	0.3	1	100.0	35,574	0.2
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	Beneficiary interests in trust	3,185	3,760	1	92.8	100,002	0.7	1	94.7	101,900	0.7
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,317	1,520	1	98.3	40,732	0.3	1	93.7	42,699	0.3
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,010	1,150	1	87.9	30,473	0.2	1	94.8	32,349	0.2
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	Real estate	903	936	1	93.4	17,664	0.1	1	97.4	25,112	0.2
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	Beneficiary interests in trust	952	980	—	—	—	—	1	95.7	16,826	0.1
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	853	885	—	—	—	—	1	94.6	12,701	0.1
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	Beneficiary interests in trust	1,611	2,370	1	99.3	67,053	0.4	1	98.4	67,396	0.4
C-2	RESIDIA Kamata	Ota-ku, Tokyo	Beneficiary interests in trust	2,181	3,420	1	97.6	96,472	0.6	1	97.3	101,750	0.7
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	1,414	1,730	1	100.0	45,936	0.3	1	100.0	45,952	0.3
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,576	2,070	1	100.0	51,091	0.3	1	100.0	51,072	0.3
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	Beneficiary interests in trust	952	1,350	1	97.0	40,143	0.3	1	97.5	39,199	0.3
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	Beneficiary interests in trust	921	1,080	1	94.7	36,515	0.2	1	96.8	36,578	0.2
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	Beneficiary interests in trust	2,905	3,580	1	94.1	98,456	0.7	1	96.3	100,127	0.6
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,561	1,800	1	97.8	48,177	0.3	1	100.0	48,405	0.3
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	Beneficiary interests in trust	861	1,120	1	100.0	32,561	0.2	1	100.0	32,387	0.2
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	Beneficiary interests in trust	5,078	5,480	1	100.0	136,751	0.9	1	100.0	136,866	0.9
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	3,005	3,590	1	97.1	98,102	0.7	1	98.7	99,773	0.6
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	Beneficiary interests in trust	1,866	1,980	1	97.9	56,813	0.4	1	95.7	57,059	0.4
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	Beneficiary interests in trust	4,054	4,460	1	94.9	119,360	0.8	1	99.5	121,156	0.8
C-16	RESIDIA Negishi	Taito-ku, Tokyo	Beneficiary interests in trust	828	899	1	96.5	26,717	0.2	1	96.6	28,375	0.2
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	Beneficiary interests in trust	1,779	2,200	1	90.9	61,137	0.4	1	97.9	64,000	0.4
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	553	683	1	92.9	21,087	0.1	1	97.4	22,136	0.1
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	Beneficiary interests in trust	360	477	1	96.7	14,735	0.1	1	90.1	14,412	0.1
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	941	1,150	1	98.4	33,664	0.2	1	95.3	34,496	0.2
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	Real estate	1,349	1,780	1	100.0	51,372	0.3	1	97.7	51,740	0.3
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	Beneficiary interests in trust	1,814	2,090	1	93.7	56,225	0.4	1	99.1	63,159	0.4
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	Real estate	1,137	1,460	1	100.0	38,847	0.3	1	100.0	38,847	0.3
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	Beneficiary interests in trust	1,198	1,590	1	100.0	41,973	0.3	1	98.0	43,677	0.3
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	Beneficiary interests in trust	558	740	1	97.2	20,743	0.1	1	100.0	21,322	0.1
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	Beneficiary interests in trust	1,867	2,400	1	100.0	60,444	0.4	1	99.2	63,452	0.4
C-28	RESIDIA Oji	Kita-ku, Tokyo	Beneficiary interests in trust	793	1,020	1	100.0	34,584	0.2	1	100.0	34,002	0.2
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	Real estate	989	1,210	1	95.3	35,373	0.2	1	92.7	35,181	0.2
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	Real estate	1,033	1,270	1	100.0	35,772	0.2	1	95.6	36,931	0.2
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	Real estate	1,289	1,610	1	96.5	46,217	0.3	1	94.1	45,890	0.3
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,322	2,880	1	95.4	78,532	0.5	1	95.7	79,718	0.5
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	Real estate	2,264	2,590	1	94.0	70,480	0.5	1	97.0	75,407	0.5
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	Beneficiary interests in trust	3,161	3,920	1	94.2	108,668	0.7	1	91.0	112,364	0.7



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C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	Beneficiary interests in trust	647	857	1	96.6	25,215	0.2	1	100.0	25,314	0.2
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	Beneficiary interests in trust	969	1,270	1	100.0	38,572	0.3	1	94.2	37,387	0.2
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	Beneficiary interests in trust	351	404	1	93.9	12,820	0.1	1	91.0	13,662	0.1
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	Beneficiary interests in trust	512	727	1	100.0	21,444	0.1	1	96.3	22,066	0.1
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	Real estate	1,364	1,600	1	97.5	44,044	0.3	1	95.2	45,481	0.3
C-41	RESIDIA Iriya	Taito-ku, Tokyo	Beneficiary interests in trust	899	1,120	1	96.0	36,714	0.2	1	100.0	36,994	0.2
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	Real estate	1,260	1,520	1	93.4	41,066	0.3	1	91.3	40,760	0.3
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	Real estate	1,773	2,080	1	96.7	56,404	0.4	1	97.6	57,708	0.4
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	Real estate	1,221	1,390	1	96.7	43,982	0.3	1	95.0	44,061	0.3
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	Beneficiary interests in trust	1,218	1,510	1	95.1	42,403	0.3	1	98.5	43,976	0.3
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	Beneficiary interests in trust	6,167	7,380	1	95.4	218,709	1.5	1	93.5	220,569	1.4
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	Beneficiary interests in trust	675	803	1	93.4	25,957	0.2	1	96.7	27,549	0.2
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	Real estate	5,167	6,800	1	100.0	165,484	1.1	1	98.2	177,876	1.2
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	Beneficiary interests in trust	3,688	5,280	1	100.0	136,532	0.9	1	100.0	136,656	0.9
C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	Beneficiary interests in trust	864	1,190	1	100.0	29,739	0.2	1	100.0	29,739	0.2
C-51	RESIDIA Kiba	Koto-ku, Tokyo	Beneficiary interests in trust	1,933	2,850	1	97.4	77,920	0.5	1	100.0	84,206	0.5
C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,109	1,450	1	96.9	37,666	0.3	1	96.9	37,146	0.2
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	Real estate	2,324	2,850	1	100.0	81,055	0.5	1	96.8	83,820	0.5
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	Beneficiary interests in trust	2,518	3,510	1	94.1	90,722	0.6	1	100.0	93,427	0.6
C-55	RESIDIA Minami-senju	Arakawa-ku, Tokyo	Beneficiary interests in trust	2,512	3,460	1	100.0	160,168	1.1	1	98.6	161,437	1.0
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	Real estate	1,771	2,170	1	97.0	60,251	0.4	1	100.0	61,876	0.4
C-57	RESIDIA Monzenakacho	Koto-ku, Tokyo	Beneficiary interests in trust	987	1,240	1	98.5	36,258	0.2	1	98.5	36,412	0.2
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,078	2,730	1	95.4	73,972	0.5	1	92.0	74,334	0.5
C-59	RESIDIA Omori	Ota-ku, Tokyo	Beneficiary interests in trust	1,142	1,420	1	97.4	41,031	0.3	1	100.0	41,670	0.3
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	Beneficiary interests in trust	1,060	1,310	1	90.5	37,008	0.2	1	97.3	38,647	0.3
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	Beneficiary interests in trust	1,786	2,350	1	92.8	64,992	0.4	1	96.1	63,942	0.4
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,316	2,870	1	96.4	79,375	0.5	1	95.6	81,434	0.5
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	Beneficiary interests in trust	664	802	1	100.0	25,414	0.2	1	100.0	25,432	0.2
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	Beneficiary interests in trust	945	1,200	1	95.2	32,870	0.2	1	95.2	33,919	0.2
C-65	RESIDIA TOWER Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	8,257	10,800	1	97.5	704,896	4.7	1	97.6	708,438	4.6
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	Real estate	529	600	1	100.0	16,880	0.1	1	100.0	16,422	0.1
C-67	RESIDIA Shimura-Sakaue	Itabashi-ku, Tokyo	Real estate	611	684	1	100.0	18,084	0.1	1	100.0	18,084	0.1
C-68	RESIDIA Shimura-Sakaue II	Itabashi-ku, Tokyo	Beneficiary interests in trust	1,139	1,330	1	100.0	35,940	0.2	1	100.0	35,562	0.2
C-69	RESIDIA Shimura-Sakaue III	Itabashi-ku, Tokyo	Real estate	434	492	1	100.0	13,608	0.1	1	100.0	13,608	0.1
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	Beneficiary interests in trust	1,131	1,320	1	89.4	40,857	0.3	1	95.6	42,488	0.3
C-71	RESIDIA Ojima	Koto-ku, Tokyo	Beneficiary interests in trust	1,299	1,530	1	98.9	43,681	0.3	1	100.0	44,647	0.3
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	Beneficiary interests in trust	1,201	1,270	1	98.1	40,911	0.3	1	96.7	40,813	0.3
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	Beneficiary interests in trust	1,795	1,900	1	98.3	51,804	0.3	1	93.5	54,369	0.4
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	Beneficiary interests in trust	521	623	1	100.0	18,060	0.1	1	100.0	18,060	0.1
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	Beneficiary interests in trust	402	456	1	100.0	14,388	0.1	1	100.0	14,354	0.1
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	Real estate	697	749	1	100.0	22,007	0.1	1	92.4	21,783	0.1



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C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	Real estate	495	541	1	100.0	13,620	0.1	1	100.0	13,620	0.1
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	Beneficiary interests in trust	1,374	1,490	1	93.6	42,517	0.3	1	97.5	42,853	0.3
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	Beneficiary interests in trust	1,010	1,150	1	94.8	32,645	0.2	1	95.4	33,355	0.2
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	Beneficiary interests in trust	908	1,080	1	96.7	32,378	0.2	1	98.3	31,879	0.2
C-81	RESIDIA Omori III	Ota-ku, Tokyo	Beneficiary interests in trust	1,437	1,560	1	88.1	39,892	0.3	1	98.6	41,432	0.3
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,037	2,280	1	98.3	58,949	0.4	1	98.3	64,285	0.4
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	Beneficiary interests in trust	1,894	2,170	1	100.0	61,182	0.4	1	94.5	60,386	0.4
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,714	1,750	—	—	—	—	1	100.0	33,695	0.2
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	Beneficiary interests in trust	4,834	4,990	—	—	—	—	1	98.8	92,863	0.6
S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	Beneficiary interests in trust	716	741	1	92.3	27,681	0.2	1	100.0	28,931	0.2
S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	Beneficiary interests in trust	1,046	1,180	1	97.7	43,760	0.3	1	97.7	43,958	0.3
S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,798	1,940	1	100.0	61,503	0.4	1	100.0	61,415	0.4
S-7	RESIDIA Chofu	Chofu-shi, Tokyo	Beneficiary interests in trust	1,089	1,170	1	97.5	33,232	0.2	1	96.1	33,263	0.2
S-11	Tokyo Student-House WAKO	Wako-shi, Saitama	Beneficiary interests in trust	689	731	1	100.0	26,182	0.2	1	100.0	26,182	0.2
S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	Beneficiary interests in trust	512	595	1	97.0	18,769	0.1	1	90.7	18,944	0.1
S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,551	1,840	1	95.6	55,593	0.4	1	99.1	56,162	0.4
S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	725	910	1	100.0	27,235	0.2	1	100.0	27,087	0.2
S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	Real estate	1,505	1,890	1	97.8	55,922	0.4	1	93.0	55,650	0.4
S-17	RESIDIA Funabashi I	Funabashi-shi, Chiba	Beneficiary interests in trust	2,572	3,060	1	100.0	94,128	0.6	1	100.0	94,086	0.6
	RESIDIA Funabashi II												
S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	Beneficiary interests in trust	1,431	1,590	1	98.0	46,700	0.3	1	95.7	49,519	0.3
S-20	Pacific Royal Court Minatomirai Ocean Tower	Yokohama-shi, Kanagawa	Real estate and leasehold rights to real estate	12,152	15,900	1	100.0	566,075	3.8	1	100.0	569,920	3.7
S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	Real estate	1,565	2,250	1	100.0	70,704	0.5	1	100.0	70,704	0.5
S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	Beneficiary interests in trust	781	1,090	1	100.0	32,760	0.2	1	100.0	32,760	0.2
S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	Beneficiary interests in trust	2,112	2,810	1	95.5	81,774	0.5	1	98.3	88,433	0.6
S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	835	1,020	1	96.5	35,498	0.2	1	97.6	36,249	0.2
S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	Beneficiary interests in trust	815	981	1	93.2	30,702	0.2	1	89.2	31,950	0.2
S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	771	922	1	97.3	33,012	0.2	1	98.7	33,926	0.2
S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	Beneficiary interests in trust	1,654	2,150	1	91.1	58,815	0.4	1	94.6	61,624	0.4
S-29	Cocofump Hiyoshi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,034	1,190	1	100.0	45,000	0.3	1	100.0	45,000	0.3
S-30	RESIDIA Sagami-hara	Sagami-hara-shi, Kanagawa	Beneficiary interests in trust	1,094	1,230	1	100.0	42,924	0.3	1	100.0	43,521	0.3
S-31	RESIDIA Yokohama-Bashamichi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	782	1,110	1	94.5	24,866	0.2	1	100.0	32,322	0.2
S-32	RESIDIA Hon-Atsugi	Atsugi-shi, Kanagawa	Real estate	656	683	1	96.2	23,999	0.2	1	98.1	24,078	0.2
S-33	RESIDIA Funabashi III	Funabashi-shi, Chiba	Real estate	669	679	—	—	—	—	1	100.0	13,840	0.1
R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,509	1,720	1	100.0	62,379	0.4	1	100.0	61,919	0.4
R-4	RESIDIA Higashizakura	Nagoya-shi, Aichi	Beneficiary interests in trust	1,071	1,390	1	89.9	45,989	0.3	1	98.9	47,365	0.3
R-5	RESIDIA Kameyama	Kameyama-shi, Mie	Beneficiary interests in trust	1,556	1,190	1	97.1	59,905	0.4	1	100.0	59,512	0.4
R-6	RESIDIA Ryokuchikoen	Toyonaka-shi, Osaka	Beneficiary interests in trust	907	963	1	86.0	29,246	0.2	1	88.1	29,935	0.2



Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) (Note 1)	11th Fiscal Period (Aug. 1, 2015 ~ Jan. 31, 2016)				12th Fiscal Period (Feb. 1, 2016 ~ Jul. 31, 2016)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
R-8	RESIDIA Kobe Port Island (South Bldg.; Centre Bldg.) RESIDIA Kobe Port Island (North Bldg.)	Kobe-shi, Hyogo	Beneficiary interests in trust	3,496	4,070	1	100.0	125,445	0.8	1	100.0	125,359	0.8
R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	Real estate	1,153	1,400	1	98.8	50,258	0.3	1	98.7	51,736	0.3
R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	Beneficiary interests in trust	868	1,120	1	96.3	35,407	0.2	1	98.4	35,976	0.2
R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	Real estate	2,000	2,760	1	98.4	90,246	0.6	1	93.9	89,941	0.6
R-13	KC21 Building	Sendai-shi, Miyagi	Real estate	891	1,020	1	91.8	35,169	0.2	1	92.4	37,038	0.2
R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	Real estate	1,070	1,420	1	100.0	46,639	0.3	1	94.3	46,896	0.3
R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,814	2,390	1	99.4	75,393	0.5	1	98.7	77,052	0.5
R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	Real estate	2,173	3,020	1	98.0	99,947	0.7	1	94.3	98,500	0.6
R-17	RESIDIA Hibino	Nagoya-shi, Aichi	Beneficiary interests in trust	1,177	1,460	1	98.4	65,997	0.4	1	95.1	68,261	0.4
R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	851	1,160	1	94.6	39,100	0.3	1	91.1	39,127	0.3
R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	288	390	1	92.6	15,590	0.1	1	97.4	15,928	0.1
R-21	RESIDIA Hisaya-Oodori II	Nagoya-shi, Aichi	Real estate	621	807	1	94.8	25,673	0.2	1	92.6	25,819	0.2
R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	Real estate	1,493	1,970	1	98.4	75,414	0.5	1	99.6	75,932	0.5
R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	Real estate	1,225	1,440	1	100.0	57,708	0.4	1	98.7	57,648	0.4
R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	Real estate	1,024	1,360	1	100.0	50,577	0.3	1	97.8	50,691	0.3
R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	Real estate	771	890	1	97.2	33,249	0.2	1	94.6	31,937	0.2
R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	Real estate	657	743	1	94.0	31,545	0.2	1	89.6	34,764	0.2
R-30	RESIDIA Izumi	Nagoya-shi, Aichi	Real estate	3,398	4,290	1	93.4	142,886	0.9	1	95.1	142,146	0.9
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	Real estate	971	1,200	1	91.3	44,124	0.3	1	92.9	45,402	0.3
R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	Real estate	702	868	1	92.6	29,296	0.2	1	92.2	28,505	0.2
R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	Real estate	1,862	2,450	1	96.9	93,339	0.6	1	98.1	94,650	0.6
R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	Real estate	1,120	1,560	1	90.3	45,815	0.3	1	98.3	47,251	0.3
R-36	RESIDIA Hisaya-Oodori	Nagoya-shi, Aichi	Beneficiary interests in trust	645	915	1	90.9	29,914	0.2	1	95.1	30,699	0.2
R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	Beneficiary interests in trust	518	723	1	100.0	23,914	0.2	1	100.0	25,951	0.2
R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	Beneficiary interests in trust	486	656	1	100.0	21,847	0.1	1	100.0	21,839	0.1
R-39	RESIDIA Edobori	Osaka-shi, Osaka	Real estate	1,424	1,840	1	95.4	58,955	0.4	1	97.7	59,754	0.4
R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	Real estate	1,023	1,320	1	97.8	41,840	0.3	1	99.0	43,318	0.3
R-41	RESIDIA Esaka	Suita-shi, Osaka	Beneficiary interests in trust	983	1,270	1	93.0	39,845	0.3	1	95.3	40,545	0.3
R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	2,329	2,940	1	96.3	105,589	0.7	1	98.3	106,334	0.7
R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	Beneficiary interests in trust	1,185	1,620	1	96.9	55,702	0.4	1	96.9	55,760	0.4
R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	Beneficiary interests in trust	2,682	3,640	1	97.7	121,384	0.8	1	97.3	122,012	0.8
R-45	RESIDIA Kita-Nijo-East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	889	1,110	1	98.3	41,917	0.3	1	96.4	42,073	0.3
R-46	RESIDIA Shinsaibashi West	Osaka-shi, Osaka	Beneficiary interests in trust	1,919	2,400	1	97.0	72,660	0.5	1	96.4	73,774	0.5
R-47	RESIDIA Marunouchi	Nagoya-shi, Aichi	Beneficiary interests in trust	974	1,220	1	93.1	40,276	0.3	1	95.5	40,597	0.3
R-48	RESIDIA Sapporo-Ekimae	Sapporo-shi, Hokkaido	Beneficiary interests in trust	1,477	2,100	1	97.1	74,550	0.5	1	98.0	76,646	0.5
R-49	RESIDIA Goshō-Higashi	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,227	1,530	1	96.1	48,191	0.3	1	90.2	45,382	0.3
R-50	RESIDIA Rakuoku	Kyoto-shi, Kyoto	Beneficiary interests in trust	875	1,010	1	93.0	33,461	0.2	1	93.6	35,037	0.2
R-51	RESIDIA Miyakojima I & II	Osaka-shi, Osaka	Real estate	3,310	4,570	1	97.7	153,844	1.0	1	95.7	153,678	1.0
R-52	RESIDIA TOWER Sendai	Sendai-shi, Miyagi	Beneficiary interests in trust	1,777	2,000	1	97.0	68,742	0.5	1	91.8	69,650	0.5



I. Fiscal Period Report

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) (Note 1)	11th Fiscal Period (Aug. 1, 2015 ~ Jan. 31, 2016)				12th Fiscal Period (Feb. 1, 2016 ~ Jul. 31, 2016)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
R-53	RESIDIA Higashizakura II	Nagoya-shi, Aichi	Beneficiary interests in trust	2,894	3,660	1	93.5	121,224	0.8	1	94.7	123,207	0.8
R-54	RESIDIA Tsutsujigaoka	Sendai-shi, Miyagi	Beneficiary interests in trust	1,808	2,310	1	98.1	82,483	0.5	1	94.4	83,308	0.5
R-55	RESIDIA Kobe-Motomachi	Kobe-shi, Hyogo	Beneficiary interests in trust	1,066	1,340	1	97.8	46,248	0.3	1	84.3	42,585	0.3
R-56	RESIDIA Sendai-Honcho	Sendai-shi, Miyagi	Beneficiary interests in trust	1,130	1,590	1	100.0	53,182	0.4	1	95.0	53,530	0.3
R-57	RESIDIA Sendai-Haranomachi	Sendai-shi, Miyagi	Beneficiary interests in trust	600	857	1	100.0	30,718	0.2	1	97.6	31,236	0.2
R-58	RESIDIA Minami-Ichijo East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	1,079	1,330	1	100.0	48,052	0.3	1	95.9	48,891	0.3
R-59	RESIDIA Shin-Osaka	Osaka-shi, Osaka	Beneficiary interests in trust	2,814	3,420	1	100.0	90,428	0.6	1	100.0	90,400	0.6
R-60	RESIDIA Okayama-Ekimaie	Okayama-shi, Okayama	Beneficiary interests in trust	806	934	1	100.0	35,094	0.2	1	100.0	35,144	0.2
R-61	RESIDIA Kyoto Okazaki	Kyoto-shi, Kyoto	Beneficiary interests in trust	239	301	1	100.0	9,760	0.1	1	100.0	9,761	0.1
R-62	RESIDIA Sendai-Ichibancho	Sendai-shi, Miyagi	Beneficiary interests in trust	1,124	1,340	1	100.0	42,606	0.3	1	100.0	43,448	0.3
R-63	RESIDIA Kita-Nijyo-East II	Sapporo-shi, Hokkaido	Beneficiary interests in trust	566	715	1	100.0	26,698	0.2	1	97.8	26,978	0.2
R-64	RESIDIA Takamiya	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	508	568	1	97.7	19,069	0.1	1	96.9	18,971	0.1
R-65	RESIDIA Soen	Sapporo-shi, Hokkaido	Beneficiary interests in trust	407	523	1	100.0	20,851	0.1	1	90.0	20,498	0.1
R-66	RESIDIA Tenjin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,159	1,290	1	93.2	40,902	0.3	1	90.9	40,843	0.3
R-67	RESIDIA Yakuin-Oodori	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,157	1,310	1	97.8	43,083	0.3	1	90.1	41,444	0.3
R-68	RESIDIA Hakata II	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,401	1,530	1	93.8	47,780	0.3	1	98.1	50,208	0.3
R-69	RESIDIA Kego	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	872	1,080	1	90.2	33,794	0.2	1	97.7	36,346	0.2
R-70	RESIDIA Shirakabe	Nagoya-shi, Aichi	Beneficiary interests in trust	969	1,070	1	86.9	33,975	0.2	1	92.6	34,848	0.2
R-71	RESIDIA Sakae	Nagoya-shi, Aichi	Real estate	944	955	1	92.2	1,567	0.0	1	87.0	27,439	0.2
Total				419,232	508,185	250	96.7	15,041,423	100.0	255	96.6	15,430,919	100.0

- Notes 1. "Appraisal value at end of period" is the appraisal value or survey-based value, pursuant to ADR's Articles of Incorporation and the "Regulations Concerning Accounting of Investment Corporations" issued by the Cabinet Office, provided by a real estate appraiser as of July 31, 2016.
2. "Total number of tenants," is counted as "1" if the property is leased under a master lease agreement to a master lessee. Because all properties held by ADR as of July 31, 2016 are leased under a master lease agreement, the "Total" for the "Total number of tenants" column indicates the total number of master lease agreements, which were concluded with 13 master lessees.
3. "Occupancy rate" is calculated using the formula: "Leased floor area" ÷ "Leasable floor area" × 100.
4. "Rental revenue" is the rental revenue of respective real estate for the fiscal period under review.

Assets scheduled to be acquired related to forward commitments (Note 5)

Property no.	Name of real estate (Note 6)	Location	Type of ownership	Real estate appraisal value (million yen)
R-72	RESIDIA Senri-Fujishirodai (Note 7)	Suita-shi, Osaka	Beneficiary interests in trust	1,580

- Notes 5. This is a forward-dated sales contract in which settlement and delivery of property will be made at least one month after the date of contract or other similar contracts.
6. The assets scheduled to be acquired are listed by the name scheduled at the time of acquisition by ADR (March 2017: after completion). The same applies for the rest of this report unless otherwise specified.
7. ADR concluded a transfer of beneficial interest agreement to acquire RESIDIA Senri Fujishirodai on June 29, 2016. The acquisition price is 1.43 billion yen and the scheduled date of acquisition is March 29, 2017.



Capital Expenditures

1 Planned Capital Expenditures

The following table lists the major capital expenditures for renovations currently planned for the real estate and the underlying real estate of the beneficiary interests in trust ADR owns. The estimated amount includes portions that are to be recorded as expenses for accounting purposes.

(million yen)

Name of real estate (Location)	Purpose	Estimated duration	Estimated amounts		
			Total amounts	Payment for the current period	Cumulative amount paid
RESIDIA Bunkyo-Otowa (Bunkyo-ku, Tokyo)	Major repair work	From: Mar. 2016 To: Sep. 2016	109	13	13
RESIDIA Hakata (Fukuoka-shi, Fukuoka)	Major repair work	From: Aug. 2016 To: Jan. 2017	86	—	—
RESIDIA Okayama-Ekimae (Okayama-shi, Okayama)	Major repair work	From: Jul. 2016 To: Jan. 2017	68	—	—
RESIDIA Hakataeki-Minami (Fukuoka-shi, Fukuoka)	Major repair work	From: Aug. 2016 To: Dec. 2016	39	—	—
RESIDIA Mejiro (Toshima-ku, Tokyo)	Renovation work on individual units	From: Jul. 2016 To: Jan. 2017	34	—	—

2 Capital Expenditures for the Current Period

The following table lists the major capital expenditures for renovations ADR conducted in the current period. The total capital expenditures during this fiscal period were 311 million yen for the entire portfolio and, when combined with repairs and maintenance cost of 505 million yen, the cost of construction work totals 816 million yen.

(million yen)

Name of real estate (Location)	Purpose	Implementation period	Amount paid
RESIDIA Shin-nakano (Nakano-ku, Tokyo)	Major repair work	From: Apr. 2016 To: Jul. 2016	30
RESIDIA TOWER Sendai (Sendai-shi, Miyagi)	Improvements to intercom equipment	From: Apr. 2016 To: May 2016	8
RESIDIA Kameyama (Kameyama-shi, Mie)	Improvement work to ground floor plot	From: May 2016 To: Jun. 2016	6
Other real estate	Renovations		265
Total			311

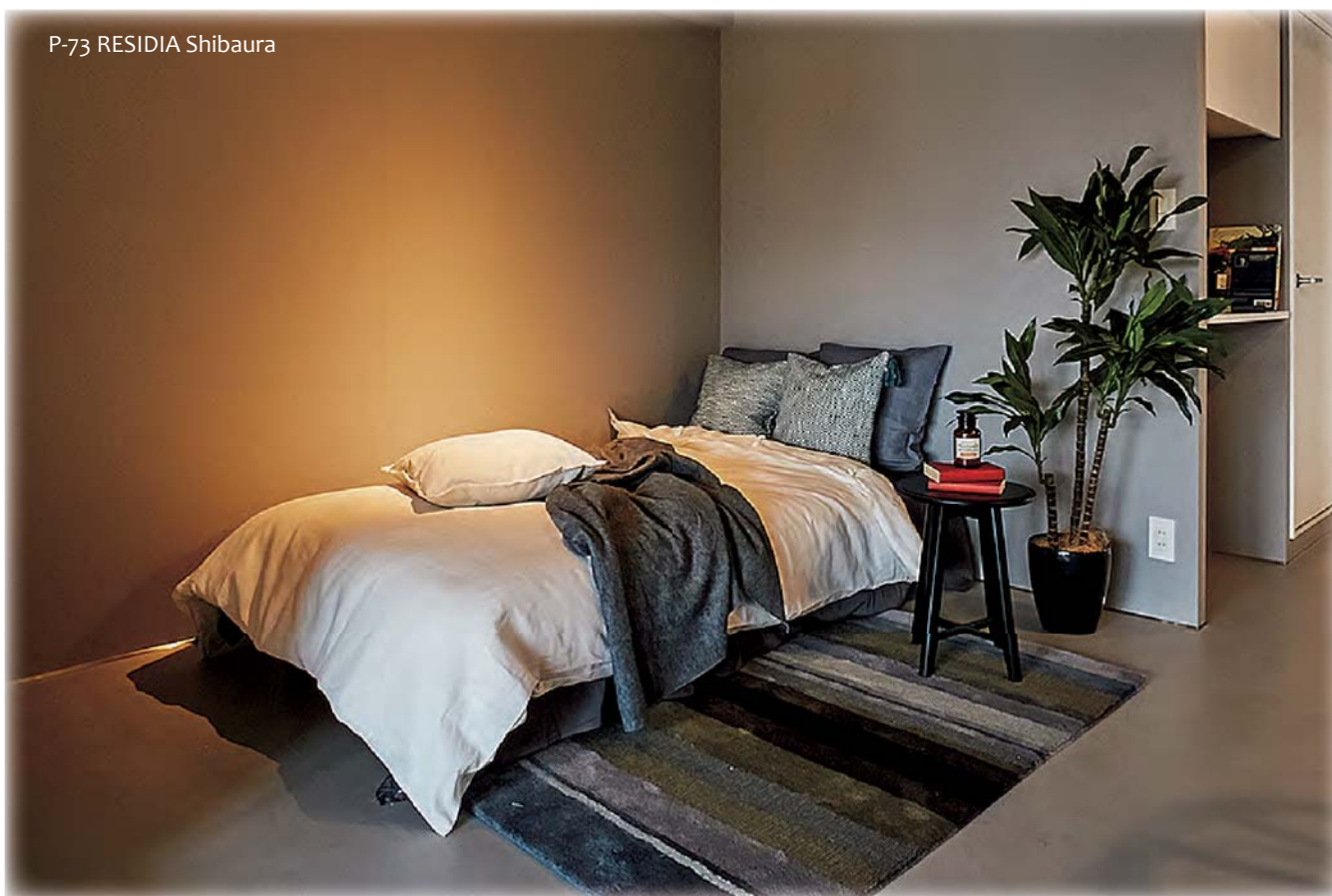
3 Cash Reserves for Upgrades and Renovations

Based on medium- to long-term upgrades and renovation plans for each property, ADR sets aside the following cash reserves, derived mostly from cash flows of depreciation and amortization (including earnings that are retained), to fund large-scale repair work and upgrades.

(million yen)

Fiscal Period	8th FP	9th FP	10th FP	11th FP	12th FP
	From: Feb. 1, 2014 To: Jul. 31, 2014	From: Aug. 1, 2014 To: Jan. 31, 2015	From: Feb. 1, 2015 To: Jul. 31, 2015	From: Aug. 1, 2015 To: Jan. 31, 2016	From: Feb. 1, 2016 To: Jul. 31, 2016
Balance of reserves at beginning of period	1,684	1,618	1,614	1,423	1,658
Amount of reserves during period	524	565	534	584	605
Reversal of reserves during period	590	569	725	349	292
Amount carried forward to next period	1,618	1,614	1,423	1,658	1,970

P-73 RESIDIA Shibaura





Acquisitions and Disposals in the 12th Fiscal Period

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

Property no.	Name of real estate	Acquisition		Disposition			
		Acquisition date	Acquisition Price ^{Note} (million yen)	Disposition date	Disposition price ^{Note} (million yen)	Book value (million yen)	Gain (Loss) on sales (million yen)
C-84	RESIDIA Bunkyo-Hongo III	Mar. 24, 2016	1,655	–	–	–	–
C-85	RESIDIA Shin-Okachimachi II	Mar. 24, 2016	4,650	–	–	–	–
S-33	RESIDIA Funabashi III	Mar. 30, 2016	620				
P-108	RESIDIA Nakanobu II	Apr. 14, 2016	917	–	–	–	–
P-109	RESIDIA Ochanomizu II	Apr. 14, 2016	821	–	–	–	–
S-21	Maison Yachiyodai	–	–	Mar. 24, 2016	840	818	(3)
Total			8,663	–	840	818	(3)

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

2 Transactions with Interested Parties

1) Transactions

The following are the transactions with interested parties for specified assets in the 12th fiscal period.

Classification	Purchase/Sales amount	
	Purchase amount	Sales amount
Total amount (12th FP)	8,663,000 thousand yen	840,000 thousand yen
Breakdown of transaction with interested parties		
ITOCHU Corporation	8,043,000 thousand yen / 92.8%	- thousand yen / -%

2) Amount of Commission Fees Paid

The following are the commission fees paid to interested parties in the 12th Fiscal Period.

Classification	Total amount of commission fees (A) (thousand yen)	Breakdown of transaction with interested parties		Share (B)/(A) (%)
		Payee	Amount paid (B) (thousand yen)	
Property management fees	1,367,407	ITOCHU Urban Community Ltd.	802,000	58.7
Other rental expenses	110,865	ITOCHU Urban Community Ltd.	66,427	59.9
Advertising expenses	4,410	ITOCHU Urban Community Ltd.	3,210	72.8
Other fees	144,764	ITOCHU Urban Community Ltd.	31,666	21.9
		ITOCHU Human Resources & General Affairs Services Inc.	91	0.1

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

2. ITOCHU Corporation, ITOCHU Urban Community Ltd. and ITOCHU Human Resources & General Affairs Services Inc. are interested parties of the asset management company that have signed an asset management agreement with ADR as stipulated in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Enforcement Order thereof, with which ADR engaged in transactions in the 12th Fiscal Period.

R-52 RESIDIA TOWER Sendai





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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Advance Residence Investment Corporation:

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

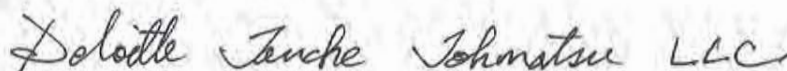
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Emphasis of Matter

As discussed in Note 21 to the financial statements, the Company acquired asset and concluded agreements on the acquisition of assets, and issued new investment units. Our opinion is not modified in respect of this matter.



October 20, 2016

Member of
Deloitte Touche Tohmatsu Limited

Balance Sheets

(Thousands of yen)

	As of January 31, 2016	As of July 31, 2016
Assets		
Current assets		
Cash and deposits (Notes 8 and 10)	11,812,806	16,504,881
Cash and deposits in trust (Notes 8 and 10)	9,080,483	9,348,598
Operating accounts receivable	245,548	206,960
Securities (Notes 10, 11 and 22)	3,000,000	-
Prepaid expenses	362,493	390,904
Other	8,847	5,594
Allowance for doubtful accounts	(14,118)	(12,475)
Total current assets	24,496,061	26,444,463
Non-current assets		
Property, plant and equipment (Notes 14, 18, 19, 21 and 24)		
Buildings	74,103,220	74,345,036
Accumulated depreciation	(9,043,821)	(9,865,584)
Buildings, net	65,059,399	64,479,451
Structures	20,853	21,301
Accumulated depreciation	(4,041)	(4,732)
Structures, net	16,812	16,568
Machinery and equipment	44,987	50,117
Accumulated depreciation	(6,513)	(8,576)
Machinery and equipment, net	38,473	41,540
Tools, furniture and fixtures	170,233	186,106
Accumulated depreciation	(87,158)	(96,914)
Tools, furniture and fixtures, net	83,075	89,192
Land	69,855,727	70,312,696
Buildings in trust	146,530,944	149,040,113
Accumulated depreciation	(17,059,396)	(18,628,703)
Buildings in trust, net	129,471,548	130,411,409
Structures in trust	176,255	178,208
Accumulated depreciation	(81,155)	(85,271)
Structures in trust, net	95,100	92,936
Machinery and equipment in trust	175,759	170,953
Accumulated depreciation	(75,263)	(80,238)
Machinery and equipment in trust, net	100,496	90,715
Tools, furniture and fixtures in trust	586,038	628,040
Accumulated depreciation	(368,861)	(390,915)
Tools, furniture and fixtures in trust, net	217,176	237,124
Land in trust	145,036,252	150,205,767
Construction in progress in trust	-	70,264
Total property, plant and equipment	409,974,062	416,047,668
Intangible assets (Note 24)		
Leasehold rights (Note 19)	1,071,902	1,071,902
Leasehold rights in trust (Note 19)	2,147,139	2,112,702
Other	130	111
Total intangible assets	3,219,173	3,184,717

(Thousands of yen)

	As of January 31, 2016	As of July 31, 2016
Investments and other assets		
Long-term prepaid expenses	765,499	820,670
Guarantee deposits	511,275	517,397
Guarantee deposits in trust	1,026,585	1,026,585
Other	1,632	1,632
Total investments and other assets	2,304,993	2,366,284
Total non-current assets	415,498,228	421,598,670
Deferred assets		
Investment unit issuance expenses	2,719	1,359
Investment corporation bond issuance costs	111,024	115,523
Total deferred assets	113,743	116,883
Total assets	440,108,033	448,160,017
Liabilities		
Current liabilities		
Operating accounts payable	289,552	343,305
Current portion of investment corporation bonds (Notes 10 and 26)	8,000,000	12,000,000
Current portion of long-term loans payable (Notes 10, 12, 23 and 27)	27,725,822	24,500,000
Accounts payable – other (Note 14)	1,249,304	1,314,314
Accrued expenses	193,799	170,320
Accrued consumption taxes	40,690	42,498
Advances received	65,843	57,126
Other	27,907	26,374
Total current liabilities	37,592,920	38,453,939
Non-current liabilities		
Investment corporation bonds (Notes 10 and 26)	30,500,000	29,500,000
Long-term loans payable (Notes 10, 12, 23 and 27)	160,054,329	167,864,329
Tenant leasehold and security deposits	1,220,344	1,229,004
Tenant leasehold and security deposits in trust	3,079,261	3,197,112
Total non-current liabilities	194,853,935	201,790,445
Total liabilities	232,446,856	240,244,385
Net assets		
Unitholders' equity (Notes 6 and 21)		
Paid-in capital	114,936,698	114,936,698
Surplus		
Capital surplus	53,220,279	53,220,279
Reserve for dividends (Note 7)	33,552,162	33,552,162
Unappropriated retained earnings (undisposed loss)	5,952,037	6,206,491
Total surplus	92,724,479	92,978,933
Total unitholders' equity	207,661,177	207,915,632
Total net assets (Notes 4 and 20)	207,661,177	207,915,632
Total liabilities and net assets	440,108,033	448,160,017

Statements of Income

(Thousands of yen)

	For the six months ended January 31, 2016	For the six months ended July 31, 2016
Operating revenue (Note 18)		
Rental revenue – real estate (Notes 5 and 9)	15,082,493	15,444,051
Total operating revenue	15,082,493	15,444,051
Operating expenses		
Expenses related to rent business (Notes 5 and 9)	6,024,756	6,092,317
Loss on real estate sales (Note 5)	-	3,837
Asset management fees (Note 14)	1,039,662	1,116,385
Asset custody fees	9,609	9,670
Administrative service fees	63,032	60,628
Directors' compensation	3,600	3,600
Taxes and dues	260,119	239,631
Provision of allowance for doubtful accounts	1,205	3,883
Bad debt expenses	-	90
Other operating expenses	191,307	186,187
Total operating expenses	7,593,292	7,716,233
Operating income	7,489,201	7,727,818
Non-operating income		
Interest income	11,066	10,182
Interest on securities	1,552	728
Reversal of distribution payable	2,912	1,712
Penalty income	7,050	-
Other	41	372
Total non-operating income	22,623	12,996
Non-operating expenses		
Interest expense (Notes 10, 12 and 23)	1,112,068	1,037,562
Interest expense on investment corporation bonds	209,135	212,764
Amortization of investment unit issuance expenses	3,316	1,359
Amortization of investment corporation bond issuance costs	16,908	17,634
Other offering costs associated with issuance of investment units	-	1,421
Borrowing-related expenses	218,609	260,255
Other	133	3,355
Total non-operating expenses	1,560,172	1,534,354
Ordinary income	5,951,652	6,206,459
Income before income taxes	5,951,652	6,206,459
Income taxes – current (Note 15)	605	605
Total income taxes	605	605
Net income (Note 20)	5,951,047	6,205,854
Retained earnings brought forward	989	637
Unappropriated retained earnings (undisposed loss)	5,952,037	6,206,491

Statements of Changes in Net Assets

For the six months ended January 31, 2016

(Thousands of yen)

	Unitholders' equity						Total net assets
	Paid-in capital	Surplus				Total unitholders' equity	
		Capital surplus	Reserve for dividends	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of period	114,936,698	53,220,279	33,552,162	5,944,589	92,717,032	207,653,730	207,653,730
Changes in items during the period							
Dividends from surplus				(5,943,600)	(5,943,600)	(5,943,600)	(5,943,600)
Net income				5,951,047	5,951,047	5,951,047	5,951,047
Total changes in items during the period	-	-	-	7,447	7,447	7,447	7,447
Balance at the end of period	114,936,698	53,220,279	33,552,162	5,952,037	92,724,479	207,661,177	207,661,177

For the six months ended July 31, 2016

(Thousands of yen)

	Unitholders' equity						Total net assets
	Paid-in capital	Surplus				Total unitholders' equity	
		Capital surplus	Reserve for dividends	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at the beginning of period	114,936,698	53,220,279	33,552,162	5,952,037	92,724,479	207,661,177	207,661,177
Changes in items during the period							
Dividends from surplus				(5,951,400)	(5,951,400)	(5,951,400)	(5,951,400)
Net income				6,205,854	6,205,854	6,205,854	6,205,854
Total changes in items during the period	-	-	-	254,454	254,454	254,454	254,454
Balance at the end of period	114,936,698	53,220,279	33,552,162	6,206,491	92,978,933	207,915,632	207,915,632

Statements of Cash Distributions

	For the six months ended January 31, 2016	For the six months ended July 31, 2016
I. Unappropriated retained earnings	5,952,037,047 yen	6,206,491,705 yen
II. Reversal of reserve for dividends	-	33,552,162,785 yen
III. Dividends	5,951,400,000 yen	6,206,200,000 yen
Dividend per investment unit	4,578 yen	4,774 yen
IV. Voluntary reserve		
Provision of reserve for temporary difference adjustments	-	33,552,162,785 yen
V. Retained earnings carried forward	637,047 yen	291,705 yen
Dividend Policy	<p>In accordance with the distribution policy set forth in Article 32, Item 1 of ADR's Articles of Incorporation, ADR distributes in excess of 90% of the amount of ADR's profit available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In the event of weak performance by investments, reserve for dividends will be used in order to maintain stable payouts into the future.</p> <p>Based on this policy, ADR has decided to distribute 5,951,400,000 yen in total, which is the maximum integral multiples of 1,300,000 investment units issued and outstanding, and not exceeding the unappropriated retained earnings of 5,952,037,047 yen, for the fiscal period.</p> <p>ADR does not distribute dividends in excess of the profits defined in Article 32, Item 2 of its Articles of Incorporation.</p>	<p>In accordance with the distribution policy set forth in Article 32, Item 1 of ADR's Articles of Incorporation, ADR distributes in excess of 90% of the amount of ADR's profit available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In the event of weak performance by investments, reserves will be used in order to maintain stable payouts into the future.</p> <p>Based on this policy, ADR has decided to distribute 6,206,200,000 yen in total, which is the maximum integral multiples of 1,300,000 investment units issued and outstanding, and not exceeding the unappropriated retained earnings of 6,206,491,705 yen, for the fiscal period.</p> <p>ADR does not distribute dividends in excess of the profits defined in Article 32, Item 2 of its Articles of Incorporation.</p>



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Statements of Cash Flows

(Thousands of yen)

	For the six months ended January 31, 2016	For the six months ended July 31, 2016
Cash flows from operating activities		
Income before income taxes	5,951,652	6,206,459
Depreciation and amortization	2,531,042	2,568,795
Amortization of investment unit issuance expenses	3,316	1,359
Amortization of investment corporation bond issuance costs	16,908	17,634
Other offering costs associated with issuance of investment units	-	1,421
Increase (decrease) in allowance for doubtful accounts	708	(1,642)
Interest income	(12,619)	(10,910)
Interest expense	1,112,068	1,037,562
Interest expense on investment corporation bonds	209,135	212,764
Decrease (increase) in operating accounts receivable	23,805	38,587
Decrease (increase) in prepaid expenses	134,504	(28,410)
Increase (decrease) in accrued consumption taxes	31,284	1,808
Increase (decrease) in operating accounts payable	56	70,751
Increase (decrease) in accounts payable – other	(26,892)	76,902
Increase (decrease) in accrued expenses	21,013	(23,822)
Increase (decrease) in advances received	4,836	(8,717)
Decrease in sales of property, plant and equipment in trust	-	818,381
Decrease (increase) in long-term prepaid expenses	78,968	(55,170)
Other	3,043	5,068
Subtotal	10,082,833	10,928,825
Interest income received	6,365	5,957
Interest expense paid	(1,302,970)	(1,249,984)
Income taxes paid	6,355	(266)
Net cash provided by (used in) operating activities	8,792,584	9,684,532
Cash flows from investing activities		
Payments into time deposits	(6,000,000)	(9,000,000)
Proceeds from withdrawal of time deposits	6,000,000	6,000,000
Purchase of securities	(3,000,000)	-
Proceeds from sales of securities	3,000,000	3,000,000
Purchase of property, plant and equipment	(1,971,743)	(757,844)
Purchase of property, plant and equipment in trust	(412,978)	(8,703,965)
Proceeds from tenant leasehold and security deposits, net	(2,955)	8,659
Proceeds from tenant leasehold and security deposits in trust, net	335,176	117,850
Net cash provided by (used in) investing activities	(2,052,501)	(9,335,299)

(Thousands of yen)

	For the six months ended January 31, 2016	For the six months ended July 31, 2016
Cash flows from financing activities		
Proceeds from long-term loans	6,800,000	21,310,000
Repayments of long-term loans	(11,006,750)	(16,725,822)
Proceeds from issuance of investment corporation bonds	3,000,000	3,000,000
Payments for investment corporation bond issuance costs	(20,006)	(22,133)
Dividends paid	(5,948,760)	(5,951,086)
Net cash provided by (used in) financing activities	(7,175,517)	1,610,957
Net increase (decrease) in cash and cash equivalents	(435,435)	1,960,190
Cash and cash equivalents at the beginning of period	15,328,724	14,893,289
Cash and cash equivalents at the end of period (Note 8)	14,893,289	16,853,480



Notes to Financial Statements

1 Organization

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

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

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

2 Basis of Presentation of Financial Statements

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

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

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

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



3 Significant Accounting Policies

(1) Valuation basis and methods for securities	Held-to-maturity debentures Carried at amortized cost (the straight-line method).
(2) Depreciation and amortization methods of non-current assets	<ol style="list-style-type: none"> Property, plant and equipment (including assets in trust) Depreciated using the straight-line method. Useful lives of major categories of property, plant and equipment are as follows: Buildings: 3 to 46 years Structures: 6 to 50 years Machinery and equipment: 10 to 15 years Tools, furniture and fixtures: 2 to 15 years Intangible assets Amortized using the straight-line method. Useful lives of major categories of intangible assets are as follows: Leasehold rights in trust: 23 to 65 years Long-term prepaid expenses Amortized using the straight-line method.
(3) Accounting for deferred assets	<ol style="list-style-type: none"> Investment unit issuance expenses Amortized using the straight-line method (more than three years). Investment corporation bond issuance costs Amortized using the straight-line method over the period up to redemption of the investment corporation bonds.
(4) Basis of recording allowances	<p>Allowance for doubtful accounts</p> <p>Estimated uncollectible amounts are recorded for possible losses arising from default on receivables based on the historical performance of general receivables and a case-by-case evaluation of the collectibility of certain receivables, such as receivables with default possibility.</p>
(5) Basis of recording revenue and expenses	<p>Method of accounting for property taxes</p> <p>For property taxes, urban planning taxes, and depreciable asset taxes on real estate properties held, ADR records the amount of taxes imposed corresponding to the current fiscal period as an expense for the property leasing activities.</p> <p>Furthermore, for the pro rata portion of property taxes ADR paid to the transferor (seller) upon acquisition of real estate properties, ADR treats the amount as acquisition costs of real estate properties, instead of recording it as an expense for the property leasing activities. The amount of property taxes treated as acquisition costs of real estate properties in the current fiscal period was 20,585 thousand yen.</p>
(6) Hedge accounting	<ol style="list-style-type: none"> Method of hedge accounting Special accounting treatment is applied. Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Loans Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy. Method for assessing the hedge effectiveness Assessment of the hedge effectiveness has been omitted as the relevant transactions satisfy the requirements for special accounting treatment.
(7) Scope of funds in the statements of cash flows	The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; demand deposits and deposits in trust; and short-term investments that are readily convertible into cash, carry minimal risk of change in value, and are due for redemption in three months or less from the acquisition date.

(8) Other significant matters that serve as a basis for the preparation of the financial statements

1) Accounting for trust beneficiary interests in trust assets such as real estate properties
For trust beneficiary interests in real estate properties, all assets and liabilities of the trust assets, as well as revenue and income earned from, and expenses incurred for the trust assets are recorded under the respective account in the balance sheets and statements of income.

Of the accounts used to record the above trust assets, the following accounts are significant and disclosed separately on the face of the balance sheets.

A. Cash and deposits in trust

B. Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and leasehold rights in trust

C. Guarantee deposits in trust

D. Tenant leasehold and security deposits in trust

2) Accounting for consumption taxes

Consumption taxes and local consumption taxes are excluded from business transaction amounts. However, accounting for non-current assets and deferred assets is inclusive of consumption taxes and local consumption taxes.

4 Balance Sheets

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

(Thousands of yen)

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

(2) Commitment line agreements

ADR has executed commitment line agreements with its banks.

(Thousands of yen)

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

(3) Contingent liabilities

For the six months ended January 31, 2016

Not applicable.

For the six months ended July 31, 2016

ADR concluded agreement on the acquisition of the beneficiary interests in trust RESIDIA Senri-Fujishirodai, but in the event that the purchase agreement for this asset is rescinded for reasons attributable to ADR (the purchaser), the purchaser shall pay to the seller damages for breach of contract equivalent to 10% of the transaction price of 1,430 million yen.

5 Statements of Income

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

(Thousands of yen)

	For the six months ended January 31, 2016		For the six months ended July 31, 2016	
A. Revenue from property leasing activities				
Rental revenue – real estate				
Rent income	13,504,694		13,727,850	
Facility charges	654,669		687,268	
Parking fees	446,853	14,606,218	442,620	14,857,738
Other revenue related to property leasing				
Income from leasing rights	63,202		72,903	
Other	413,073	476,275	513,409	586,312
Total revenue from property leasing activities		15,082,493		15,444,051
B. Expenses from property leasing activities				
Expenses related to the rent business				
Property taxes	811,888		823,752	
Property management fees	1,024,528		1,087,353	
Utilities	252,971		243,723	
Repairs and maintenance	576,129		505,055	
Property-casual insurance	24,828		24,758	
Trust fees	70,966		73,123	
Other rental expenses	732,420		765,773	
Depreciation and amortization	2,531,022	6,024,756	2,568,776	6,092,317
Total expenses from property leasing activities		6,024,756		6,092,317
C. Operating income from property leasing activities (A–B)		9,057,737	9,351,734	

(2) Breakdown of loss on real estate sales

For the six months ended January 31, 2016

Not applicable.

For the six months ended July 31, 2016

(Maison Yachiyodai)

(Thousands of yen)

Income from sales of real estate properties	840,000
Cost of sales of real estate properties	818,381
Other sales expenses	25,456
Loss on real estate sales	3,837

6 Statements of Changes in Net Assets

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

(Unit)

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

7 Statements of Cash Distributions

- (1) Reserve for temporary difference adjustments

The interim measures of Article 3 of the Supplementary Provisions to the Regulations Concerning Accounting of Investment Corporations (2015, Cabinet Office Ordinance No.27) have been applied and in the statements of cash distributions, the reserve for dividends of 33,552,162,785 yen, which is the remaining portion of the amount subdivided into gains on negative goodwill in previous fiscal periods, has been transferred to the reserve for temporary difference adjustments. From the period following the period in which the transfer to the reserve was made, a portion of the reserve equal to at least the 50-year average is scheduled to be used every period.

8 Statements of Cash Flows

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

(Thousands of yen)

	For the six months ended January 31, 2016	For the six months ended July 31, 2016
Cash and deposits	11,812,806	16,504,881
Cash and deposits in trust	9,080,483	9,348,598
Time deposits held over three months	(6,000,000)	(9,000,000)
Cash and cash equivalents	14,893,289	16,853,480

9 Leases

- (1) Finance leases (as a lessee)

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

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

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

	As of January 31, 2016			As of July 31, 2016		
	Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent	Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent
Tools, furniture and fixtures in trust	6,974	6,028	945	6,974	6,383	591
Total	6,974	6,028	945	6,974	6,383	591

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

B. Period-end balance equivalent of unexpired leases
(Thousands of yen)

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

C. Lease payments and depreciation expense equivalent
(Thousands of yen)

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

D. Calculation method of depreciation equivalent
Depreciated using the straight-line method over the lease term, assuming a zero residual value.

(2) Operating leases (as a lessee)
Future lease payments are as follows:

(Thousands of yen)

	As of January 31, 2016	As of July 31, 2016
Due within one year	729,540	729,540
Due after one year	14,069,939	13,705,169
Total	14,799,479	14,434,709

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

(3) Operating leases (as a lessor)

Future lease receivables are as follows:

(Thousands of yen)

	As of January 31, 2016	As of July 31, 2016
Due within one year	4,463,420	4,127,414
Due after one year	10,482,622	11,220,072
Total	14,946,042	15,347,486

10 Financial Instruments

(1) General information on financial instruments

1) Policy on financial instruments

In order to secure stable earnings and steady growth of assets under management, ADR procures funds through loans, issuance of investment corporation bonds (including short-term investment corporation bonds; the same applies below), issuance of units, and other means of financing for purchasing real estate properties and repaying its debts. ADR conducts derivative transactions solely to hedge against the risk of interest rate fluctuations and other risks arising from liabilities.

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

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

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

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

3) Supplementary explanation on fair value of financial instruments

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

(2) Fair values of financial instruments

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

As of January 31, 2016

(Thousands of yen)

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

As of July 31, 2016

(Thousands of yen)

	Book value	Fair value	Unrealized gain (loss)
1) Cash and deposits	16,504,881	16,504,881	—
2) Cash and deposits in trust	9,348,598	9,348,598	—
3) Securities	—	—	—
4) Current portion of investment corporation bonds	12,000,000	12,062,017	(62,017)
5) Current portion of long-term loans payable	24,500,000	24,668,897	(168,897)
6) Investment corporation bonds	29,500,000	30,614,815	(1,114,815)
7) Long-term loans payable	167,864,329	170,992,358	(3,128,029)
8) Derivative transactions	—	(3,559,153)	(3,559,153)

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

- 1) Cash and deposits and 2) Cash and deposits in trust
These instruments are stated at their book values because the book values approximate fair value due to their short maturities.
- 3) Securities
These instruments are stated at their book values because they are negotiable certificates of deposit and the book values approximate fair value due to their short maturities.
Please refer to “Securities” below for details on securities by their holding purposes.
- 4) Current portion of investment corporation bonds and 6) Investment corporation bonds
The fair values of these instruments are determined using the reference value announced by the Japan Securities Dealers Association. However, if a reference value is not available, the fair value is deemed to be the present value of future cash flows of principal and interests, discounted at the assumed interest rate for similar borrowings.
- 5) Current portion of long-term loans payable and 7) Long-term loans payable
The fair value of these financial instruments is determined as the present value of future cash flows of principal and interests, discounted at the assumed interest rate for similar borrowings.
- 8) Derivative transactions
Please refer to “Derivative Transactions” below for details.

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

As of January 31, 2016

(Thousands of yen)

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

As of July 31, 2016

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and deposits	16,504,881	—	—	—	—	—
Cash and deposits in trust	9,348,598	—	—	—	—	—
Total	25,853,479	—	—	—	—	—

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

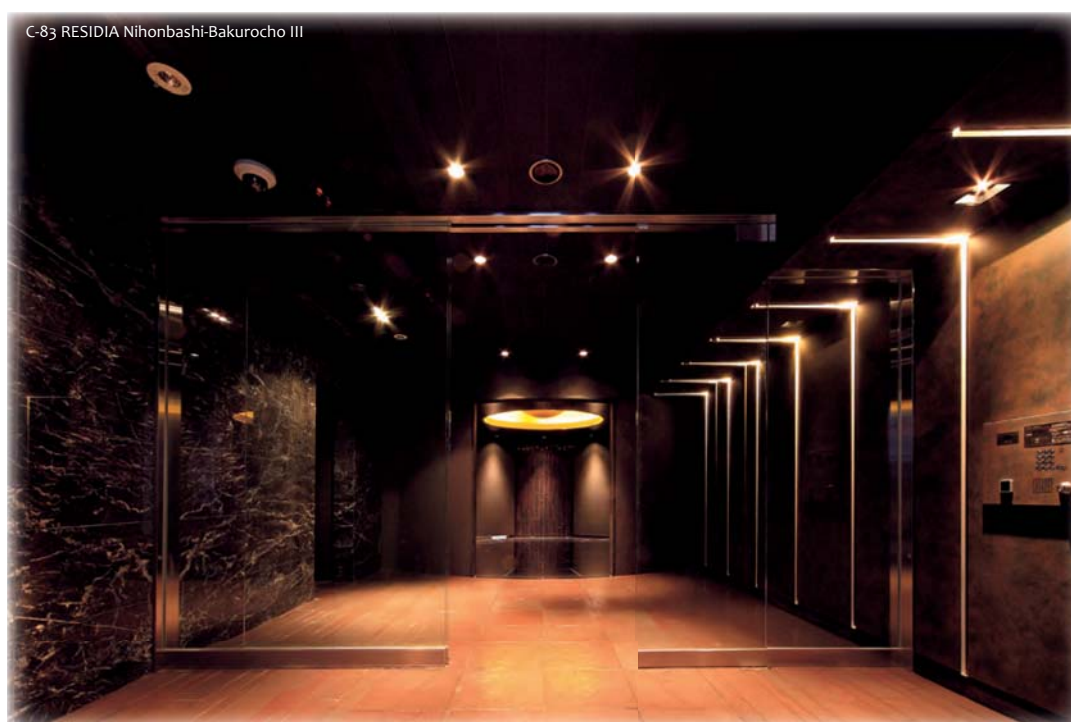
(Thousands of yen)

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

As of July 31, 2016

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Current portion of investment corporation bonds	12,000,000	–	–	–	–	–
Current portion of long-term loans payable	24,500,000	–	–	–	–	–
Investment corporation bonds	–	8,000,000	2,000,000	4,000,000	1,500,000	14,000,000
Long-term loans payable	–	28,646,329	22,660,000	20,870,000	17,918,000	77,770,000
Total	36,500,000	36,646,329	24,660,000	24,870,000	19,418,000	91,770,000



11 Securities

(1) Held-to-maturity debentures
As of January 31, 2016

(Thousands of yen)

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

As of July 31, 2016
Not applicable.





12 Derivative Transactions

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

As of January 31, 2016

Not applicable.

As of July 31, 2016

Not applicable.

- (2) Derivative transactions to which hedge accounting is applied

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

As of January 31, 2016

(Thousands of yen)

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

As of July 31, 2016

(Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount (*1)		Fair value (*2)
				Contract amount due after one year	
Special accounting treatment for interest rate swaps	Interest rate swaps (Fixed rate payment, floating rate receipt)	Long-term loans payable	148,598,000	127,198,000	(3,559,153) (*3)

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

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

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

13 Profits or Losses from Investments Accounted for Using the Equity Method

For the six months ended January 31, 2016

Not applicable as ADR does not have any affiliated companies.

For the six months ended July 31, 2016

Not applicable as ADR does not have any affiliated companies.

14 Transactions with Related Parties

- (1) Parent company and major corporate unitholders
For the six months ended January 31, 2016
Not applicable.
For the six months ended July 31, 2016
Not applicable.
- (2) Affiliated companies
For the six months ended January 31, 2016
Not applicable.
For the six months ended July 31, 2016
Not applicable.
- (3) Fellow subsidiaries
For the six months ended January 31, 2016
Not applicable.
For the six months ended July 31, 2016
Not applicable.
- (4) Directors and major individual unitholders
For the six months ended January 31, 2016

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



For the six months ended July 31, 2016

Type of related party	Name of related party	Location	Capital stock or amount invested in capital (Thousands of yen)	Business description or occupation	Percentage of voting rights held	Relationships with related parties	Nature of transactions	Transaction amount (Thousands of yen)	Account name	Period-end balance (Thousands of yen)
Directors and their immediate family members	Kenji Kousaka	-	-	Executive Director of ADR and the President of ADIM	-	Asset management company	Management fee 1	438,902 (*2)	Accounts payable - other	474,014 (*3)
							Management fee 2	357,615 (*2)	Accounts payable - other	386,224 (*3)
							Management fee 3	319,867 (*2)	Accounts payable - other	345,457 (*3)
							Disposition fee	4,200 (*2)	-	-
							Acquisition fee	93,560 (*3) (*4)	-	-

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

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

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

*3. The transaction amount includes consumption taxes.

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

15 Tax Effect Accounting

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

(Thousands of yen)

	As of January 31, 2016	As of July 31, 2016
Deferred tax assets		
Excess provision of allowance for doubtful accounts	4,561	3,941
Valuation difference on assets acquired through merger	10,676,489	10,288,385
Tax loss carryforwards	1,402,812	1,371,552
Other	67,506	76,880
Subtotal	12,151,369	11,740,758
Less valuation allowance	(12,151,369)	(11,740,758)
Total deferred tax assets	-	-
Net deferred tax asset	-	-

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

(Unit: %)

	As of January 31, 2016	As of July 31, 2016
Statutory tax rate	32.31	32.31
(Adjustments)		
Increase (decrease) in valuation allowance	(0.74)	(6.62)
Increase (decrease) due to tax rate changes	-	3.78
Deductible dividends	(31.81)	(29.99)
Other	0.24	0.52
Effective tax rate after the application of tax effect accounting	0.01	0.01

16 Retirement Benefits

For the six months ended January 31, 2016

Not applicable because ADR does not have retirement benefit plans.

For the six months ended July 31, 2016

Not applicable because ADR does not have retirement benefit plans.

17 Asset Retirement Obligations

For the six months ended January 31, 2016

Not applicable.

For the six months ended July 31, 2016

Not applicable.

18 Segment Information

(1) Segment information

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

(2) Related information

For the six months ended January 31, 2016

1) Information about products and services

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

2) Information about geographic areas

A. Operating revenues

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

B. Property, plant and equipment

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

3) Information about major customers

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

For the six months ended July 31, 2016

1) Information about products and services

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

2) Information about geographic areas

A. Operating revenues

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

B. Property, plant and equipment

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

3) Information about major customers

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

19 Value of Rental Properties

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

(Thousands of yen)

		For the six months ended January 31, 2016	For the six months ended July 31, 2016
Book value			
(*1)	Balance at the beginning of period	413,396,619	413,193,105
	Changes during the period (*2)	(203,514)	6,039,169
	Balance at the end of period	413,193,105	419,232,274
Fair value at the end of period (*3)		493,245,000	508,185,000

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

*2. Of the changes in the value of rental properties during the period, the main element of increase in the previous period was the acquisition of two real estate properties (1,847,267 thousand yen), while the main decrease was caused by the posting of depreciation expenses. In the current fiscal period the main increases related to the acquisition of one real estate property (670,966 thousand yen) and to the acquisition of real estate beneficiary interests in trust for four properties (8,377,652 thousand yen), while the main decreases came from the sale of real estate beneficiary interests in trust for one property (818,381 thousand yen) and from the posting of depreciation expenses.

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

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

20 Per Unit Information

(Yen)

	For the six months ended January 31, 2016	For the six months ended July 31, 2016
Net assets per unit	159,739	159,935
Net income per unit	4,577	4,773

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

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

	For the six months ended January 31, 2016	For the six months ended July 31, 2016
Net income (Thousands of yen)	5,951,047	6,205,854
Amount not attributable to common unitholders (Thousands of yen)	—	—
Net income attributable to common unit (Thousands of yen)	5,951,047	6,205,854
Average number of units during the period (Units)	1,300,000	1,300,000

21 Significant Subsequent Events

For the six months ended July 31, 2016

1. Acquisition of asset and conclusion of agreements on the acquisition of assets

Following the basic policies prescribed in its Articles of Incorporation, ADR acquired the following asset.

RESIDIA Mishuku

Type of asset: Real estate beneficiary interests in trust

Acquisition price: 1,159 million yen

Acquisition date: October 3, 2016

Location: 2-27-13 Shimouma, Setagaya-ku, Tokyo

Area: 425.42m² in land and 1,302.63m² in buildings

Structure: Reinforced concrete structure with flat roof and 12 floors

Construction completion date: April 2015

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

Following the basic policies prescribed in its Articles of Incorporation, ADR concluded agreements on the acquisition of the following assets:

(1) RESIDIA Senri-Banpakukoen

Type of asset: Real estate beneficiary interests in trust

Acquisition price: 2,124 million yen

Date of conclusion of agreement: August 25, 2016

Scheduled date of acquisition: On November 11, 2016 or a date agreed separately with the seller (but the aim shall be to complete by the end of November).

Location: 8-28 Yamada-kita, Suita-shi, Osaka

Area: 2,786.85m² in land and 5,590.94m² in buildings

Structure: Reinforced concrete structure with flat roof and 10 floors

Construction completion date: October 2005

(2) RESIDIA Kameido

Type of asset: Real estate beneficiary interests in trust

Acquisition price: 2,988 million yen

Date of conclusion of agreement: September 6, 2016

Scheduled date of acquisition: On March 29, 2017 or a date agreed separately with the seller (but the aim shall be to complete by April 18, 2017)

Location: 5-14-8 Kameido, Koto-ku, Tokyo

Area: 623.73m² in land and 4,266.16m² in buildings

Structure: Reinforced concrete structure with flat roof and 14 floors

Construction completion date: October 2013

(3) RESIDIA Koenji

Type of asset: Real estate beneficiary interests in trust

Acquisition price: 1,380 million yen

Date of conclusion of agreement: September 6, 2016

Scheduled date of acquisition: On March 29, 2017 or a date agreed separately with the seller (but the aim shall be to complete by April 18, 2017)

Location: 5-7-5 Koenji-minami, Suginami-ku, Tokyo

Area: 443.92m² in land and 2,114.11m² in buildings

Structure: Reinforced concrete structure with flat roof and 8 floors

Construction completion date: March 2015

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

*2 In the event that the purchase agreement for this asset is rescinded for reasons attributable to ADR (the purchaser), the purchaser shall pay to the seller damages for breach of contract equivalent to 20% of the transaction price.

**2. Issuance of new investment units**

At a meeting of the board of directors held on September 6, 2016, it was resolved that new investment units would be issued for the purpose of acquiring real estate (specific assets) and repaying loans. With regard to the public offering for the issuance of new investment units, the payment completed on September 23, 2016 and the payment for issuance of new investment units by third-party allotment ended on October 19, 2016.

Accordingly, the total unitholders' capital is 127,690,098,304 yen and the total number of investment units issued is 1,350,000.

[Issuance of new investment units by public offering]

Number of new investment units issued: 47,500

Issuance price: 263,445 yen per unit

Total value of issue: 12,513,637,500 yen

Issuance price (underwriting price): 255,068 yen per unit

Total value of issue: 12,115,730,000 yen

Payment date: September 23, 2016

[Issuance of new investment units by third-party allotment]

Number of new investment units issued: 2,500 units

Issuance price: 255,068 yen per unit

Total value of issue: 637,670,000 yen

Application period (application date): October 18, 2016

Payment date: October 19, 2016

Allottees: Mizuho Securities Co., Ltd.

22 Schedule of Securities

Not applicable.

23 Table of the Summary of Contract Amounts and Fair Values of Derivative Transactions and Forward Foreign Exchange Contracts

(Thousands of yen)

Category	Type	Contract amount (*1)		Fair value (*2 and *3)
			Contract amount due after one year	
Transactions other than market transactions	Interest rate swaps (Fixed rate payment, floating rate receipt)	148,598,000	127,198,000	(3,559,153)
Total		148,598,000	127,198,000	(3,559,153)

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

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

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

24 Summary of Real Estate

For the six months ended July 31, 2016

(Thousands of yen)

		Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Accumulated depreciation or accumulated amortization	Depreciation for the period	Book value at the end of period	Notes
Property, plant and equipment	Buildings	74,103,220	241,815	-	74,345,036	9,865,584	821,763	64,479,451	*1
	Structures	20,853	447	-	21,301	4,732	691	16,568	-
	Machinery and equipment	44,987	5,130	-	50,117	8,576	2,062	41,540	-
	Tools, furniture and fixtures	170,233	16,215	342	186,106	96,914	9,797	89,192	-
	Land	69,855,727	456,969	-	70,312,696	-	-	70,312,696	*1
	Buildings in trust	146,530,944	3,019,290	510,122	149,040,113	18,628,703	1,665,171	130,411,409	*1 *2
	Structures in trust	176,255	2,093	140	178,208	85,271	4,157	92,936	*2
	Machinery and equipment in trust	175,759	4,590	9,396	170,953	80,238	6,284	90,715	*2
	Tools, furniture and fixtures in trust	586,038	46,754	4,752	628,040	390,915	24,410	237,124	*2
	Land in trust	145,036,252	5,567,925	398,410	150,205,767	-	-	150,205,767	*1 *2
	Construction in progress in trust	-	70,264	-	70,264	-	-	70,264	-
	Subtotal	436,700,274	9,431,496	923,165	445,208,605	29,160,937	2,534,339	416,047,668	
Intangible assets	Leasehold rights	1,071,902	-	-	1,071,902	-	-	1,071,902	-
	Leasehold rights in trust	2,356,072	-	-	2,356,072	243,369	34,437	2,112,702	-
	Other	19,506	-	-	19,506	19,395	19	111	-
	Subtotal	3,447,482	-	-	3,447,482	262,764	34,456	3,184,717	
Total		440,147,756	9,431,496	923,165	448,656,087	29,423,702	2,568,795	419,232,385	

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

RESIDIA Nakanobu II
RESIDIA Ochanomizu II
RESIDIA Bunkyo-Hongo III
RESIDIA Shin-Okachimachi II
RESIDIA Funabashi III

*2. The decrease in property, plant and equipment for the six months ended July 31, 2016, primarily represents sale of the property below.

Maison Yachiyodai

25 Schedule of Other Specified Assets

Not applicable.



26 Schedule of Investment Corporation Bonds

For the six months ended July 31, 2016

(Thousands of yen)

Series (*1)	Issue date	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate (%)	Redemption date	Use	Collateral
ADR Bond #13 (Unsecured)	September 12, 2011	8,000,000	-	8,000,000	1.27	September 12, 2016	(*3)	Unsecured
ADR Bond #14 (Unsecured)	September 12, 2011	2,000,000	-	2,000,000	1.68	September 12, 2018	(*3)	Unsecured
ADR Bond #16 (Unsecured)	April 26, 2012	4,000,000	-	4,000,000	1.08	April 26, 2017	(*2)	Unsecured
ADR Bond #17 (Unsecured)	September 12, 2012	8,000,000	-	8,000,000	0.87	September 12, 2017	(*3)	Unsecured
ADR Bond #18 (Unsecured)	September 12, 2012	4,000,000	-	4,000,000	1.23	September 12, 2019	(*3)	Unsecured
ADR Bond #19 (Unsecured)	April 25, 2013	3,000,000	-	3,000,000	1.32	April 25, 2023	(*2)	Unsecured
ADR Bond #20 (Unsecured)	November 14, 2013	2,000,000	-	2,000,000	1.41	November 14, 2025	(*2)	Unsecured
ADR Bond #21 (Unsecured)	April 28, 2014	2,500,000	-	2,500,000	1.04	April 26, 2024	(*2)	Unsecured
ADR Bond #22 (Unsecured)	April 23, 2015	2,000,000	-	2,000,000	0.726	April 23, 2025	(*3)	Unsecured
ADR Bond #23 (Unsecured)	October 21, 2015	1,500,000	-	1,500,000	0.326	October 21, 2020	(*2)	Unsecured
ADR Bond #24 (Unsecured)	October 21, 2015	1,500,000	-	1,500,000	0.846	October 21, 2025	(*2)	Unsecured
ADR Bond #25 (Unsecured)	June 21, 2016	-	-	3,000,000	0.900	June 20, 2031	(*2)	Unsecured
Total	-	38,500,000	-	41,500,000	-	-	-	-

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

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

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

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

(Thousands of yen)

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

27 Schedule of Loans

For the six months ended July 31, 2016

(Thousands of yen)

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
Development Bank of Japan Inc.	198,334	-	198,334	-	-	(*8)	(*6)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	1,083,029	-	1,083,029	-	-	Feb. 29, 2016	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	492,286	-	492,286	-	-	Feb. 29, 2016	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	492,286	-	492,286	-				
Sumitomo Mitsui Banking Corporation	2,264,516	-	2,264,516	-				
Shinsei Bank, Limited	295,371	-	295,371	-				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	500,000	-				
Sumitomo Mitsui Trust Bank Limited	500,000	-	500,000	-	-	Feb. 29, 2016	(*3)	Unsecured Unguaranteed
Shinsei Bank, Limited	700,000	-	700,000	-	1.75% (*2)	Apr. 28, 2017	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	3,500,000	-	3,500,000				
Mitsubishi UFJ Trust and Banking Corporation	-	3,700,000	-	3,700,000				
Sumitomo Mitsui Trust Bank Limited	-	2,000,000	-	2,000,000	-	Feb. 29, 2016	(*3)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	2,500,000	-	2,500,000	-				
Sumitomo Mitsui Banking Corporation	-	2,700,000	-	2,700,000	1.59% (*2)	Jun. 30, 2017	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	1.31% (*2)	Jan. 31, 2017	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000	1.31% (*2)	Jan. 31, 2017	(*3)	Unsecured Unguaranteed
Resona Bank, Limited	2,000,000	-	-	2,000,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	750,000	-	-	750,000	1.31% (*2)	Jan. 31, 2017	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	750,000	-	-	750,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	300,000	-	-	300,000	1.17% (*2)	Nov. 30, 2016	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	300,000	-	-	300,000				
Sumitomo Mitsui Banking Corporation	450,000	-	-	450,000				
Mizuho Bank, Ltd.	450,000	-	-	450,000				
The Norinchukin Bank	2,500,000	-	-	2,500,000				
Mitsui Sumitomo Insurance Co., Ltd.	1,000,000	-	-	1,000,000	1.21%	Nov. 30, 2016	(*5)	Unsecured Unguaranteed
Taiyo Life Insurance Company	1,500,000	-	-	1,500,000				
Sumitomo Mitsui Banking Corporation	450,000	-	450,000	-	-	Jul. 29, 2016	(*5)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	1,550,000	-	1,550,000	-				
Resona Bank, Limited	900,000	-	900,000	-				
Resona Bank, Limited	1,000,000	-	1,000,000	-	-	Jul. 29, 2016	(*6)	Unsecured Unguaranteed
The Bank of Fukuoka, Ltd.	2,000,000	-	2,000,000	-				
The Yamaguchi Bank, Ltd.	500,000	-	500,000	-				
The Tokyo Tomin Bank, Ltd.	500,000	-	500,000	-				
The Iyo Bank, Ltd.	300,000	-	300,000	-				
The Kagawa Bank, Ltd.	500,000	-	500,000	-	-	Apr. 28, 2016	(*6)	Unsecured Unguaranteed
Development Bank of Japan Inc.	-	600,000	-	600,000	0.74%	May 31, 2017	(*6)	Unsecured Unguaranteed
Tokio Marine & Nichido Fire Insurance Co., Ltd.	-	1,000,000	-	1,000,000	0.72%	Mar. 31, 2017	(*5)	Unsecured Unguaranteed
Total	27,725,822	13,500,000	16,725,822	24,500,000				

Current portion of long-term loans payable

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Development Bank of Japan Inc.	956,329	-	-	956,329	1.90%	Nov. 24, 2017	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,500,000	-	3,500,000	-	-	Apr. 28, 2017	(*5)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	3,700,000	-	3,700,000	-				
Sumitomo Mitsui Trust Bank Limited	2,000,000	-	2,000,000	-				
Sumitomo Mitsui Banking Corporation	2,700,000	-	2,700,000	-	-	Jun. 30, 2017	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	890,000	-	-	890,000	1.76% (*2)	Jun. 29, 2018	(*5)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	-	-	1,000,000	1.62% (*2)	Sep. 28, 2018	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,300,000	-	-	1,300,000	1.57% (*2)	Nov. 30, 2018	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	1,300,000	-	-	1,300,000				
Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000				
Mitsubishi UFJ Trust and Banking Corporation	1,900,000	-	-	1,900,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	1.43% (*2)	Jul. 31, 2018	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				
Sumitomo Mitsui Banking Corporation	650,000	-	-	650,000				
Mizuho Bank, Ltd.	500,000	-	-	500,000				
Mitsubishi UFJ Trust and Banking Corporation	900,000	-	-	900,000				
Development Bank of Japan Inc.	1,000,000	-	-	1,000,000				
Shinsei Bank, Limited	1,500,000	-	-	1,500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000				
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000	1.42% (*2)	Jul. 31, 2018	(*6)	Unsecured Unguaranteed
Shinsei Bank, Limited	1,000,000	-	-	1,000,000	1.23%	Feb. 28, 2018	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,850,000	-	-	2,850,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	800,000	-	-	800,000				
Sumitomo Mitsui Trust Bank Limited	800,000	-	-	800,000				
Sumitomo Mitsui Banking Corporation	2,800,000	-	-	2,800,000	1.10% (*2)	Aug. 31, 2017	(*5)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	1,600,000	-	-	1,600,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500,000	-	-	1,500,000				
Sumitomo Mitsui Trust Bank Limited	2,100,000	-	-	2,100,000	1.20% (*2)	Apr. 27, 2018	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	800,000	-	-	800,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,200,000	-	-	1,200,000				
Sumitomo Mitsui Trust Bank Limited	800,000	-	-	800,000	1.25% (*2)	Jun. 28, 2019	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	700,000	-	-	700,000				
Taiyo Life Insurance Company	1,500,000	-	-	1,500,000				
The Kagawa Bank, Ltd.	500,000	-	-	500,000	0.92% (*2)	Sep. 29, 2017	(*6)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	450,000	-	-	450,000	1.16%	Sep. 30, 2019	(*6)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	450,000	-	-	450,000	1.16%	Sep. 30, 2019	(*6)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	-	-	1,000,000	1.03% (*2)	Nov. 29, 2019	(*6)	Unsecured Unguaranteed
The Hiroshima Bank, Ltd.	500,000	-	-	500,000	0.79% (*2)	Nov. 30, 2017	(*6)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	1,200,000	-	-	1,200,000	0.95% (*2)	Nov. 29, 2019	(*6)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	1,200,000	-	-	1,200,000				
Development Bank of Japan Inc.	600,000	-	600,000	-	-	May 31, 2017	(*6)	Unsecured Unguaranteed
Development Bank of Japan Inc.	2,200,000	-	-	2,200,000	1.23%	Nov. 29, 2020	(*5)	Unsecured Unguaranteed
Development Bank of Japan Inc.	2,200,000	-	-	2,200,000	1.40%	Nov. 29, 2021	(*5)	Unsecured Unguaranteed
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	-	1,000,000	-	-	Mar. 31, 2017	(*5)	Unsecured Unguaranteed

Long-term loans payable

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
The Bank of Tokyo-Mitsubishi UFJ, Ltd	2,703,000	-	-	2,703,000	1.28% (*2)	Jul. 25, 2019	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	3,595,000	-	-	3,595,000				
Mitsubishi UFJ Trust and Banking Corporation	1,799,000	-	-	1,799,000				
Aozora Bank, Ltd.	903,000	-	-	903,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,200,000	-	-	1,200,000	0.81%	Mar. 24, 2020	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	1,200,000	-	-	1,200,000	0.82%	Mar. 24, 2020	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,300,000	-	-	1,300,000	0.81%	Mar. 24, 2020	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	1,300,000	-	-	1,300,000	0.82%	Mar. 24, 2020	(*5)	Unsecured Unguaranteed
Development Bank of Japan Inc.	1,150,000	-	-	1,150,000	1.08%	Mar. 24, 2021	(*4)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	920,000	-	-	920,000	0.88% (*2)	Mar. 24, 2020	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	1,830,000	-	-	1,830,000				
Resona Bank, Limited	1,370,000	-	-	1,370,000				
The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000	0.79% (*2)	Feb. 28, 2018	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000,000	-	-	2,000,000	1.25% (*2)	Oct. 29, 2021	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	2,600,000	-	-	2,600,000				
Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000				
Mizuho Bank, Ltd.	2,160,000	-	-	2,160,000	1.63% (*2)	Dec. 22, 2021	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	1,379,000	-	-	1,379,000	1.54% (*2)	Jun. 25, 2021	(*5)	Unsecured Unguaranteed
Resona Bank, Limited	919,000	-	-	919,000				
Mizuho Trust & Banking Co., Ltd.	1,000,000	-	-	1,000,000	1.07% (*2)	Sep. 30, 2020	(*3)	Unsecured Unguaranteed
The Norinchukin Bank	1,000,000	-	-	1,000,000				
The Nishi-Nippon City Bank Ltd	500,000	-	-	500,000	0.92% (*2)	Sep. 30, 2019	(*3)	Unsecured Unguaranteed
The Nishi-Nippon City Bank Ltd	500,000	-	-	500,000	0.77% (*2)	Sep. 28, 2018	(*3)	Unsecured Unguaranteed
The 77 Bank, Ltd.	500,000	-	-	500,000				
Sumitomo Mitsui Trust Bank Limited	2,600,000	-	-	2,600,000	1.47% (*2)	Nov. 15, 2023	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	3,550,000	-	-	3,550,000	1.37% (*2)	Nov. 15, 2022	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	1,800,000	-	-	1,800,000	1.16% (*2)	Nov. 26, 2021	(*3)	Unsecured Unguaranteed
Shinsei Bank, Limited	1,000,000	-	-	1,000,000	1.32% (*2)	Jun. 17, 2022	(*3)	Unsecured Unguaranteed
Shinsei Bank, Limited	700,000	-	-	700,000	1.10% (*2)	Jun. 18, 2021	(*3)	Unsecured Unguaranteed
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.93% (*2)	Jun. 18, 2020	(*3)	Unsecured Unguaranteed
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.85% (*2)	Dec. 18, 2019	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	1.59% (*2)	Feb. 14, 2025	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	1.44% (*2)	Feb. 16, 2024	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	455,000	-	-	455,000	1.28% (*2)	Feb. 16, 2023	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	455,000	-	-	455,000				
Sumitomo Mitsui Banking Corporation	1,120,000	-	-	1,120,000				
Mizuho Bank, Ltd.	1,630,000	-	-	1,630,000	1.08% (*2)	Feb. 16, 2022	(*5)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,200,000	-	-	1,200,000				
Sumitomo Mitsui Trust Bank Limited	2,100,000	-	-	2,100,000				
Mizuho Bank, Ltd.	2,000,000	-	-	2,000,000				
Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000				
Mizuho Bank, Ltd.	2,900,000	-	-	2,900,000	0.89% (*2)	Feb. 16, 2021	(*5)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	1,500,000	-	-	1,500,000				
Mitsubishi UFJ Trust and Banking Corporation	270,000	-	-	270,000				

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
Mizuho Bank, Ltd.	2,900,000	-	-	2,900,000	0.74% (*2)	Feb. 14, 2020	(*5)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	2,350,000	-	-	2,350,000				
Aozora Bank, Ltd.	900,000	-	-	900,000	0.58% (*2)	Jan. 29, 2021	(*3)	Unsecured Unguaranteed
The Nishi-Nippon City Bank Ltd	400,000	-	-	400,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	707,000	-	-	707,000	0.82% (*2)	Jul. 29, 2022	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	393,000	-	-	393,000				
The Nishi-Nippon City Bank Ltd	400,000	-	-	400,000				
Development Bank of Japan Inc.	1,500,000	-	-	1,500,000	1.02% (*2)	Sep. 29, 2023	(*5)	Unsecured Unguaranteed
Development Bank of Japan Inc.	1,850,000	-	-	1,850,000	1.18% (*2)	Sep. 30, 2024	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	1,000,000	-	-	1,000,000	0.85% (*2)	Oct. 31, 2022	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	700,000	-	-	700,000	0.76% (*2)	Apr. 28, 2022	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	700,000	-	-	700,000	0.42% (*2)	Oct. 31, 2019	(*5)	Unsecured Unguaranteed
Resona Bank, Limited	500,000	-	-	500,000	0.57% (*2)	Jan. 29, 2021	(*5)	Unsecured Unguaranteed
The Bank of Fukuoka, Ltd.	500,000	-	-	500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	600,000	-	-	600,000	0.63% (*2)	Jun. 30, 2021	(*5)	Unsecured Unguaranteed
Resona Bank, Limited	500,000	-	-	500,000				
The Bank of Fukuoka, Ltd.	500,000	-	-	500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000,000	-	-	1,000,000	0.89% (*2)	Jan. 31, 2023	(*5)	Unsecured Unguaranteed
Aozora Bank, Ltd.	700,000	-	-	700,000				
Resona Bank, Limited	1,000,000	-	-	1,000,000				
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	1.05% (*2)	Mar. 19, 2025	(*3)	Unsecured Unguaranteed
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	1.00% (*2)	Apr. 14, 2025	(*3)	Unsecured Unguaranteed
Nippon Life Insurance Company	1,000,000	-	-	1,000,000	1.00% (*2)	Apr. 14, 2025	(*3)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	1,400,000	-	-	1,400,000	0.88% (*2)	Apr. 12, 2024	(*3)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	0.75% (*2)	Apr. 14, 2023	(*3)	Unsecured Unguaranteed
The Norinchukin Bank	1,500,000	-	-	1,500,000				
The Yamaguchi Bank, Ltd.	500,000	-	-	500,000	0.73% (*2)	Apr. 14, 2023	(*3)	Unsecured Unguaranteed
Mizuho Trust & Banking Co., Ltd.	1,200,000	-	-	1,200,000	0.69% (*2)	Oct. 14, 2022	(*3)	Unsecured Unguaranteed
The Tokyo Tomin Bank, Ltd.	500,000	-	-	500,000	0.62% (*2)	Apr. 14, 2022	(*3)	Unsecured Unguaranteed
The Iyo Bank, Ltd.	700,000	-	-	700,000				
The 77 Bank, Ltd.	500,000	-	-	500,000				
The Norinchukin Bank	1,000,000	-	-	1,000,000	0.50% (*2)	Apr. 14, 2021	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500,000	-	-	500,000	0.20%	Apr. 13, 2018	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				
Mizuho Bank, Ltd.	1,500,000	-	-	1,500,000				
The Gunma Bank, Ltd.	1,000,000	-	-	1,000,000	0.63% (*2)	May 27, 2022	(*5)	Unsecured Unguaranteed
Development Bank of Japan Inc.	2,300,000	-	-	2,300,000	1.04% (*2)	Jun. 25, 2025	(*5)	Unsecured Unguaranteed
Resona Bank, Limited	1,000,000	-	-	1,000,000	0.73% (*2)	Aug. 31, 2023	(*5)	Unsecured Unguaranteed
The Nishi-Nippon City Bank Ltd	800,000	-	-	800,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	700,000	-	-	700,000	0.20%	Feb. 28, 2019	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	500,000	-	-	500,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	400,000	-	-	400,000	0.92%	Aug. 29, 2025	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	400,000	-	-	400,000	0.85% (*2)	Aug. 29, 2025	(*3)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	1,000,000	-	-	1,000,000	0.84% (*2)	Dec. 18, 2025	(*5)	Unsecured Unguaranteed

Long-term loans payable

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
The Norinchukin Bank	1,000,000	-	-	1,000,000	0.61% (*2)	Dec. 18, 2023	(*5)	Unsecured Unguaranteed
The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000				
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	990,000	-	990,000	0.55%	Feb. 28, 2026	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	-	990,000	-	990,000				
Mizuho Bank, Ltd.	-	1,080,000	-	1,080,000	0.39%	Feb. 28, 2026	(*5)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	-	2,500,000	-	2,500,000	0.34%	Feb. 28, 2025	(*5)	Unsecured Unguaranteed
Shinsei Bank, Limited	-	990,000	-	990,000	0.29%	Feb. 29, 2024	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Banking Corporation	-	2,260,000	-	2,260,000	0.18%	Nov. 30, 2018	(*5)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	-	1,000,000	-	1,000,000	0.77% (*2)	Mar. 24, 2028	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	1,000,000	-	1,000,000	0.54%	Mar. 24, 2026	(*3)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	-	900,000	-	900,000				
Mizuho Trust & Banking Co., Ltd.	-	750,000	-	750,000	0.36%	Mar. 24, 2026	(*3)	Unsecured Unguaranteed
Resona Bank, Limited	-	1,150,000	-	1,150,000	0.29%	Mar. 24, 2025	(*3)	Unsecured Unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	-	1,150,000	-	1,150,000				
Shinsei Bank, Limited	-	500,000	-	500,000	0.25%	Mar. 24, 2024	(*3)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	-	500,000	-	500,000	0.75% (*2)	Mar. 24, 2028	(*3)	Unsecured Unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	-	500,000	-	500,000	0.51%	Mar. 24, 2026	(*3)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	-	400,000	-	400,000	0.36%	Mar. 24, 2026	(*3)	Unsecured Unguaranteed
Shinsei Bank, Limited	-	350,000	-	350,000	0.25%	Mar. 24, 2024	(*3)	Unsecured Unguaranteed
The Kagawa Bank, Ltd.	-	500,000	-	500,000	0.25%	Apr. 28, 2024	(*5)	Unsecured Unguaranteed
The Yamaguchi Bank, Ltd.	-	500,000	-	500,000	0.36%	Jul. 29, 2026	(*5)	Unsecured Unguaranteed
The Bank of Fukuoka, Ltd.	-	1,000,000	-	1,000,000	0.36%	Jul. 29, 2026	(*5)	Unsecured Unguaranteed
The Bank of Fukuoka, Ltd.	-	1,000,000	-	1,000,000	0.26%	Jul. 29, 2025	(*5)	Unsecured Unguaranteed
The Iyo Bank, Ltd.	-	300,000	-	300,000	0.20%	Jul. 29, 2024	(*5)	Unsecured Unguaranteed
The Chugoku Bank, Ltd.	-	500,000	-	500,000	0.20%	Jul. 29, 2024	(*5)	Unsecured Unguaranteed
Bank of Kyoto, Ltd.	-	500,000	-	500,000	0.20%	Jul. 29, 2024	(*5)	Unsecured Unguaranteed
Total	160,054,329	21,310,000	13,500,000	167,864,329				

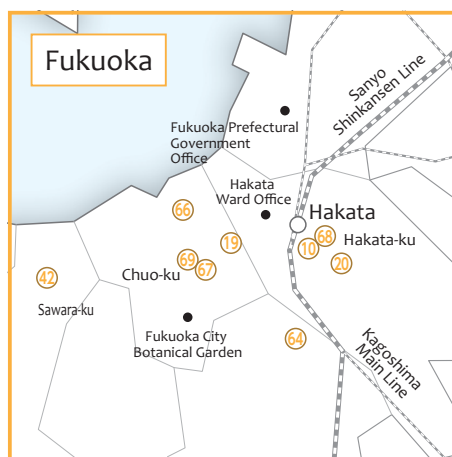
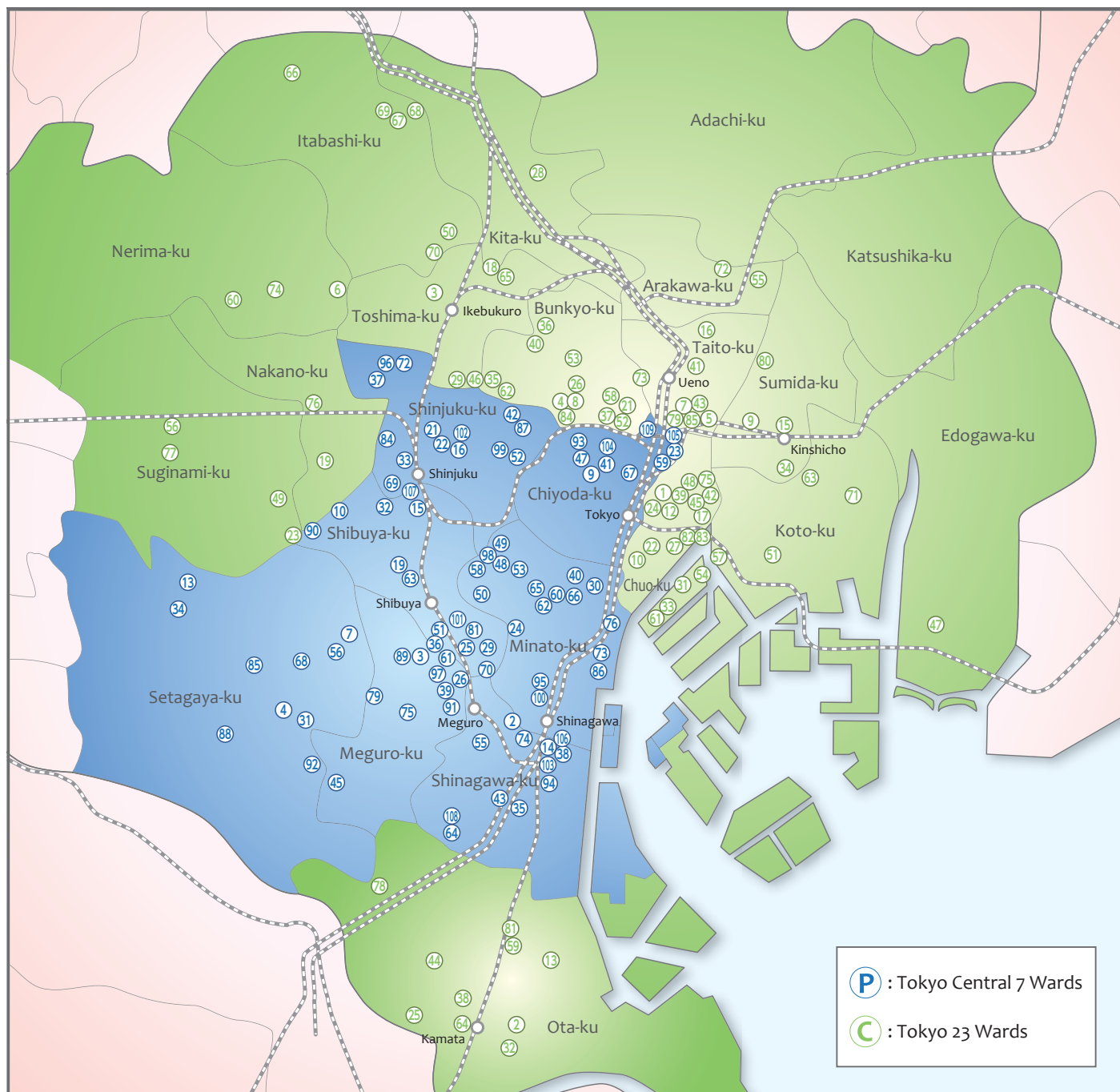
- *1. "Interest rate" represents the borrowing interest rate (the weighted average of the balance at the end of the fiscal period) for each loan agreement, rounded to the second decimal place.
- *2. For loans where an interest rate swap transaction is used to manage exposures to fluctuations in interest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

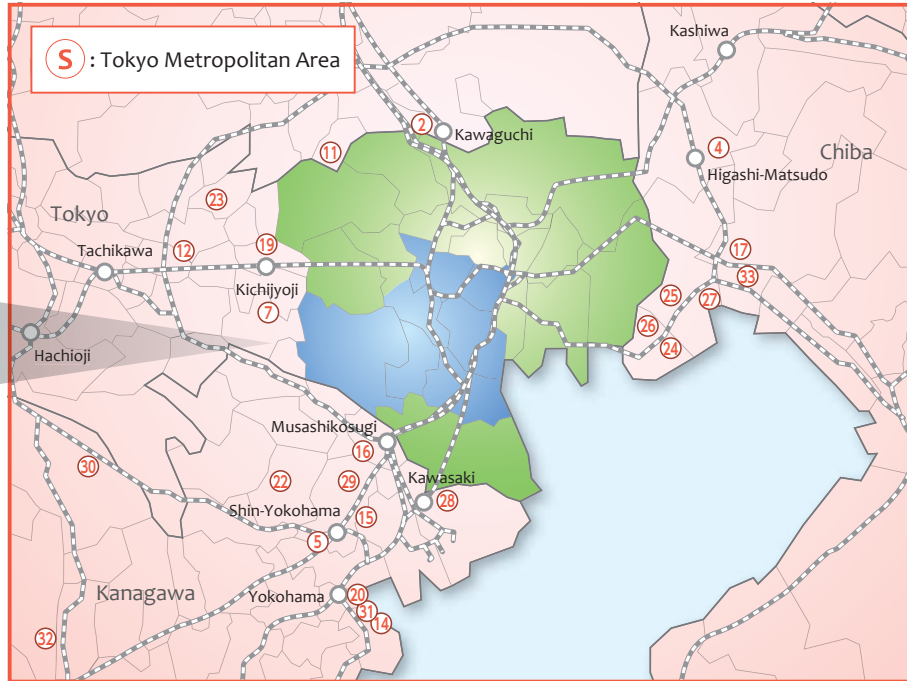
(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term loans payable	24,500,000	28,646,329	22,660,000	20,870,000	17,918,000



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Portfolio List

As of July 31, 2016

Investment region	Property no.	Name of property	Location	Construction completion date	Leasable floor area (m ²)	Number of leasable units	Acquisition Price (million yen)	Investment ratio	PML
Tokyo Central 7 Wards	P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	12/24/2004	3,474.37	115	2,860	0.7%	4.3%
	P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2/10/2005	1,694.18	88	1,730	0.4%	2.6%
	P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	3/11/2002	1,769.67	28	1,229	0.3%	7.3%
	P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	8/19/2005	1,423.38	42	1,230	0.3%	3.1%
	P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	3/9/2004	2,845.89	86	2,270	0.5%	2.9%
	P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2/9/2006	1,129.72	35	1,130	0.3%	7.3%
	P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	7/7/2006	1,201.37	39	1,120	0.3%	7.0%
	P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2/23/2007	2,897.99	120	2,720	0.6%	4.3%
	P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	3/8/2007	723.10	22	732	0.2%	4.4%
	P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2/23/2009	818.74	39	750	0.2%	4.3%
	P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	8/7/2001	623.80	30	588	0.1%	8.2%
	P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2/6/2004	1,743.06	54	1,380	0.3%	4.8%
	P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	8/1/2000	1,219.08	48	941	0.2%	5.3%
	P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2/12/2004	2,354.20	65	1,520	0.4%	4.1%
	P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2/14/2001	1,018.71	37	874	0.2%	3.1%
	P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	1/31/2001	653.04	26	554	0.1%	3.0%
	P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	10/13/1999	701.01	20	722	0.2%	6.2%
	P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	11/1/2005	1,733.63	76	1,660	0.4%	2.9%
	P-30	Pianetta Shiodome	Minato-ku, Tokyo	2/18/2005	2,274.19	67	1,950	0.4%	5.3%
	P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	10/22/2004	488.51	18	333	0.1%	8.5%
	P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2/24/2005	464.64	16	326	0.1%	11.0%
	P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2/18/2005	478.57	19	363	0.1%	9.9%
	P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2/23/2005	509.66	15	286	0.1%	10.6%
	P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	12/16/2005	1,249.56	48	947	0.2%	4.3%
	P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	1/31/2006	2,194.56	61	2,280	0.5%	3.4%
	P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	9/5/2006	1,740.50	70	1,180	0.3%	4.8%
	P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	8/1/2006	2,588.01	122	2,040	0.5%	4.0%
	P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1/31/2006	1,448.84	34	1,190	0.3%	6.5%
	P-40	RESIDIA Toranomon	Minato-ku, Tokyo	9/22/2006	1,353.41	63	1,320	0.3%	3.3%
	P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	3/17/2006	1,422.45	52	1,160	0.3%	2.8%
	P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	8/4/2006	1,182.34	52	918	0.2%	2.1%
	P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	7/2/2007	1,321.76	40	1,050	0.2%	4.8%
	P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	3/19/2002	1,435.93	28	1,050	0.2%	7.3%
	P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	12/22/2004	3,039.14	65	2,310	0.5%	2.3%
	P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	8/31/2004	3,485.00	68	3,660	0.8%	3.5%
	P-49	RESIDIA Akasaka	Minato-ku, Tokyo	5/21/2004	1,352.02	37	1,180	0.3%	8.3%
	P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	7/15/2004	7,078.64	125	6,780	1.6%	2.8%
	P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	7/23/2004	2,067.08	42	2,150	0.5%	4.0%
	P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	8/20/2004	3,003.34	85	2,500	0.6%	3.6%
	P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	9/16/1999	4,863.22	89	3,570	0.8%	6.8%
	P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	1/7/2007	21,019.77	358	16,500	3.8%	1.8%
	P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	1/11/2005	2,847.19	78	2,760	0.6%	2.7%
	P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	3/14/2005	782.33	13	728	0.2%	2.0%
	P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	10/29/2003	2,544.25	64	1,620	0.4%	3.4%
	P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	4/17/2006	1,582.54	31	1,430	0.3%	3.2%
	P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	3/6/2007	2,023.88	39	2,020	0.5%	7.1%
	P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	1/9/2003	7,207.18	113	6,190	1.4%	0.7%
	P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	6/22/2006	1,285.42	40	1,250	0.3%	3.5%
	P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	11/16/2005	2,855.06	65	1,880	0.4%	3.4%
	P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2/28/2006	1,732.06	47	1,610	0.4%	4.6%
	P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	8/24/2006	2,023.20	48	1,740	0.4%	3.3%
	P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	6/1/2006	1,534.57	43	1,140	0.3%	4.9%
	P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	3/13/2006	1,933.54	34	1,280	0.3%	4.4%
	P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	5/16/2007	2,478.31	74	1,830	0.4%	10.9%
	P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	8/30/2007	1,035.75	26	923	0.2%	2.8%
	P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	12/10/2002	1,679.94	19	974	0.2%	4.9%
	P-73	RESIDIA Shibaura	Minato-ku, Tokyo	9/30/1991	8,455.30	153	4,670	1.1%	2.8%
	P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	1/29/2007	1,228.15	16	930	0.2%	7.9%
	P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	8/24/2006	5,423.36	118	5,260	1.2%	7.8%
	P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	5/24/2005	13,490.67	191	9,570	2.2%	3.6%
	P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1/27/1993	1,473.68	16	878	0.2%	7.7%
	P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	6/13/2003	2,172.91	12	1,750	0.4%	4.8%
	P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	2/26/1997	2,173.62	26	1,460	0.3%	8.8%
	P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	10/17/2008	1,182.47	59	870	0.2%	10.0%
	P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	1/6/2010	3,898.10	72	2,400	0.6%	4.4%
	P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	8/19/2008	2,169.57	98	2,070	0.5%	3.0%
	P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	6/3/2008	1,996.81	66	1,523	0.4%	10.3%
	P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3/30/2007	3,989.13	70	3,300	0.8%	2.4%

As of July 31, 2016

Investment region	Property no.	Name of property	Location	Construction completion date	Leasable floor area (m ²)	Number of leasable units	Acquisition Price (million yen)	Investment ratio	PML
Tokyo Central 7 Wards	P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	1/21/2011	4,548.96	167	3,760	0.9%	4.2%
	P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	1/29/2010	1,206.38	31	950	0.2%	2.6%
	P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	10/31/2007	1,127.78	17	778	0.2%	5.4%
	P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	1/6/2012	1,612.65	48	1,240	0.3%	2.6%
	P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	3/2/2012	2,171.74	90	1,620	0.4%	2.2%
	P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	3/15/2012	1,888.07	53	1,480	0.3%	6.7%
	P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	3/3/2008	5,529.19	187	3,656	0.8%	(Building A) 2.9%
									(Building B) 2.9%
									(Building C) 3.0%
	P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	8/10/2006	1,259.45	50	1,119	0.3%	2.7%
	P-98	Artis Court Minamiaoyama	Minato-ku, Tokyo	7/30/2008	1,717.68	23	1,720	0.4%	3.9%
	P-99	RESIDIA Yotsuya Sanhome	Shinjuku-ku, Tokyo	5/8/2009	2,915.94	90	2,090	0.5%	3.8%
	P-100	RESIDIA Takanawa Katsurazaka	Minato-ku, Tokyo	3/7/2006	1,037.58	45	900	0.2%	5.4%
	P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	3/9/2006	644.36	26	611	0.1%	3.3%
	P-102	RESIDIA Shinjuku-gyoen	Shinjuku-ku, Tokyo	10/31/2006	844.76	38	687	0.2%	5.2%
	P-103	RESIDIA Minami Shinagawa	Shinagawa-ku, Tokyo	10/9/2013	1,515.01	50	1,177	0.3%	8.7%
	P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	3/15/2007	3,756.36	118	3,117	0.7%	2.4%
	P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	4/24/2007	1,841.16	48	1,280	0.3%	2.8%
	P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	6/22/2007	1,224.18	36	980	0.2%	4.0%
	P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	1/1/2008	875.22	31	839	0.2%	8.4%
	P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	4/23/2014	1,006.02	44	917	0.2%	3.9%
	P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	3/1/2015	932.90	28	821	0.2%	4.1%
Tokyo 23 Wards	C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2/7/2005	2,552.07	105	1,920	0.4%	3.3%
	C-2	RESIDIA Kamata	Ota-ku, Tokyo	3/9/2005	4,110.54	166	2,640	0.6%	4.7%
	C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	3/15/2005	2,207.63	60	1,520	0.4%	7.1%
	C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	7/23/2005	2,165.35	65	1,680	0.4%	4.6%
	C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	8/27/2005	1,816.14	47	1,060	0.2%	2.9%
	C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	3/31/1993	1,616.64	94	953	0.2%	9.2%
	C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2/20/2006	4,009.27	127	3,160	0.7%	2.1%
	C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1/27/2006	1,960.40	70	1,623	0.4%	3.6%
	C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2/10/2006	1,378.84	48	913	0.2%	9.1%
	C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	9/1/2006	4,871.02	169	5,251	1.2%	4.3%
	C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	1/17/2007	3,541.09	137	3,180	0.7%	4.6%
	C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	8/6/2007	1,928.71	81	1,980	0.5%	3.8%
	C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	11/13/2007	4,326.80	157	4,200	1.0%	7.2%
	C-16	RESIDIA Negishi	Taito-ku, Tokyo	12/2/2005	1,571.54	28	856	0.2%	7.7%
	C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2/10/2003	2,764.70	83	1,880	0.4%	5.3%
	C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	12/21/2001	979.04	44	558	0.1%	6.4%
	C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	6/7/2002	615.28	24	352	0.1%	3.8%
	C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	3/1/2004	1,368.01	63	1,010	0.2%	5.3%
	C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	12/6/2005	2,043.00	54	1,460	0.3%	3.4%
	C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	3/15/2000	2,855.98	96	1,800	0.4%	6.9%
	C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1/18/2005	1,440.11	52	1,220	0.3%	3.4%
	C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	9/29/2004	2,137.41	98	1,300	0.3%	5.9%
	C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	10/18/2004	770.11	31	603	0.1%	3.5%
	C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	9/7/2004	2,824.17	94	2,000	0.5%	4.0%
	C-28	RESIDIA Oji	Kita-ku, Tokyo	2/15/2005	1,659.09	61	867	0.2%	3.2%
	C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	7/13/2005	1,450.16	63	1,050	0.2%	2.3%
	C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2/27/2006	1,694.38	40	1,100	0.3%	6.8%
	C-32	RESIDIA Kamata II	Ota-ku, Tokyo	9/3/2006	1,929.24	78	1,360	0.3%	4.0%
	C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	9/22/2006	3,074.47	105	2,440	0.6%	3.8%
	C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	1/29/2008	3,394.21	99	2,380	0.5%	4.7%
	C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	8/4/2003	5,970.11	104	3,380	0.8%	4.7%
	C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2/19/2003	1,104.50	33	707	0.2%	5.0%
	C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2/20/2003	1,623.62	39	1,050	0.2%	6.9%
	C-38	RESIDIA Ikegami	Ota-ku, Tokyo	7/2/2003	764.84	19	378	0.1%	8.5%
	C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	3/3/2004	848.24	25	557	0.1%	5.6%
	C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	4/15/2005	2,117.47	45	1,440	0.3%	4.1%
	C-41	RESIDIA Iriya	Taito-ku, Tokyo	12/8/2004	1,826.54	49	990	0.2%	5.4%
	C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	8/31/2006	1,915.92	45	1,310	0.3%	4.5%
	C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	3/16/2007	2,531.81	69	1,860	0.4%	3.0%
	C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	9/5/2006	2,105.15	60	1,290	0.3%	5.0%
	C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2/26/2003	2,119.34	36	1,320	0.3%	3.9%
	C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1/12/1999	13,069.70	162	6,280	1.4%	2.6%
	C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	1/18/2000	2,177.89	29	683	0.2%	7.0%
	C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2/15/2007	8,502.12	132	5,500	1.3%	2.4%
	C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	2/26/2009	6,953.96	194	3,834	0.9%	4.3%



Portfolio List

									As of July 31, 2016
Investment region	Property no.	Name of property	Location	Construction completion date	Leasable floor area (m ²)	Number of leasable units	Acquisition Price (million yen)	Investment ratio	PML
Tokyo 23 Wards	C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	8/4/2009	1,413.22	67	888	0.2%	8.6%
	C-51	RESIDIA Kiba	Koto-ku, Tokyo	3/13/2008	3,255.00	155	1,950	0.4%	7.2%
	C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	12/18/2008	1,296.27	52	1,129	0.3%	4.4%
	C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	3/6/2008	3,488.24	98	2,340	0.5%	3.5%
	C-54	RESIDIA Tsukushima III	Chuo-ku, Tokyo	2/25/2008	3,152.45	119	2,570	0.6%	4.0%
	C-55	RESIDIA Minami-senju	Arakawa-ku, Tokyo	3/3/2007	10,097.88	175	2,580	0.6%	5.3%
	C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	3/7/2003	2,830.20	101	1,710	0.4%	4.5%
	C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2/24/2005	1,458.45	68	970	0.2%	7.6%
	C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	9/7/2005	3,164.96	80	2,090	0.5%	4.2%
	C-59	RESIDIA Omori	Ota-ku, Tokyo	3/15/2006	1,528.00	75	1,150	0.3%	1.8%
	C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2/21/2008	1,501.41	66	1,075	0.2%	4.5%
	C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2/25/2008	2,750.82	55	1,805	0.4%	4.9%
	C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2/26/2008	3,063.83	89	2,268	0.5%	4.0%
	C-63	RESIDIA Kinsicho III	Koto-ku, Tokyo	2/21/2005	1,072.75	51	651	0.2%	9.6%
	C-64	RESIDIA Kamata III	Ota-ku, Tokyo	3/2/2007	1,404.35	53	948	0.2%	3.5%
	C-65	RESIDIA TOWER Kamiikebukuro	Toshima-ku, Tokyo	3/26/2009	31,250.61	472	8,250	1.9%	(Tower Bldg.) 2.9% (Park Bldg.) 5.4% (Annex Bldg.) 5.7%
	C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2/22/2007	977.96	45	502	0.1%	4.8%
	C-67	RESIDIA Shimura-Sakaue	Itabashi-ku, Tokyo	2/28/2007	995.37	44	580	0.1%	3.4%
	C-68	RESIDIA Shimura-Sakaue II	Itabashi-ku, Tokyo	3/6/2007	2,066.19	94	1,093	0.3%	5.6%
	C-69	RESIDIA Shimura-Sakaue III	Itabashi-ku, Tokyo	3/6/2007	796.76	36	411	0.1%	5.4%
	C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	10/31/2007	1,996.47	72	1,115	0.3%	3.0%
	C-71	RESIDIA Ojima	Koto-ku, Tokyo	11/20/2007	1,824.39	87	1,282	0.3%	6.1%
	C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	8/11/2009	2,640.34	55	1,168	0.3%	3.2%
	C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	2/29/2004	2,426.47	71	1,700	0.4%	3.8%
	C-74	RESIDIA Nerima	Nerima-ku, Tokyo	3/16/2005	1,073.44	34	502	0.1%	3.9%
	C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	4/28/2006	631.56	22	378	0.1%	5.8%
	C-76	RESIDIA Nakano	Nakano-ku, Tokyo	11/15/2006	825.84	30	652	0.2%	4.1%
	C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	3/5/2007	735.10	36	460	0.1%	5.1%
	C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	3/3/2008	2,031.36	58	1,299	0.3%	4.4%
	C-79	RESIDIA Akihabara	Taito-ku, Tokyo	4/18/2007	1,415.80	40	977	0.2%	5.1%
	C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	9/20/2007	1,323.50	60	876	0.2%	3.5%
	C-81	RESIDIA Omori III	Ota-ku, Tokyo	12/14/2012	1,586.48	65	1,395	0.3%	3.1%
	C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	4/15/2014	2,412.99	77	1,975	0.5%	3.8%
	C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	3/17/2008	2,735.04	55	1,833	0.4%	3.7%
	C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	7/11/2014	1,631.73	48	1,655	0.4%	4.7%
	C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	3/5/2015	5,392.13	100	4,650	1.1%	1.9%
Tokyo Metropolitan Area	S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	3/7/1991	2,023.11	39	770	0.2%	5.5%
	S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	4/23/2007	3,431.44	44	1,100	0.3%	4.6%
	S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	1/30/2007	3,277.62	131	1,920	0.4%	5.6%
	S-7	RESIDIA Chofu	Chofu-shi, Tokyo	3/7/2007	1,750.49	41	1,143	0.3%	5.0%
	S-11	Tokyo Student-House WAKO	Wako-shi, Saitama	4/30/1990	1,684.02	127	675	0.2%	10.2%
	S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	2/10/2003	879.44	33	518	0.1%	2.9%
	S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	8/17/2004	2,359.60	102	1,700	0.4%	8.4%
	S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	3/2/1998	1,334.56	64	755	0.2%	5.3%
	S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	2/26/2007	2,560.40	68	1,580	0.4%	7.2%
	S-17	RESIDIA Funabashi I & II	Funabashi-shi, Chiba	3/1/2007	4,567.44	172	2,730	0.6%	(I) 3.6% (II) 3.4%
	S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	3/20/1995	2,214.73	48	1,380	0.3%	9.1%
	S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama-shi, Kanagawa	11/6/2007	26,082.53	416	14,000	3.2%	4.5%
	S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	10/31/2003	5,433.40	78	1,670	0.4%	6.4%
	S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	2/18/2010	1,136.09	91	810	0.2%	7.7%
	S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	9/18/2009	3,692.76	146	2,115	0.5%	6.7%
	S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	2/16/2005	1,785.00	85	823	0.2%	6.6%
	S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	2/25/2005	1,554.00	74	802	0.2%	7.5%
	S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	2/25/2005	1,569.74	75	761	0.2%	6.1%
	S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	3/6/2007	2,644.73	104	1,670	0.4%	4.7%
	S-29	Cocofump Hiyoshi	Yokohama-shi, Kanagawa	1/29/2010	5,247.90	85	1,050	0.2%	7.5%
	S-30	RESIDIA Sagamihara	Sagamihara-shi, Kanagawa	5/27/2004	2,913.01	111	1,050	0.2%	6.8%
	S-31	RESIDIA Yokohama-Bashamichi	Yokohama-shi, Kanagawa	9/26/2005	1,793.05	28	735	0.2%	11.5%
	S-32	RESIDIA Hon-Atsugi	Atsugi-shi, Kanagawa	1/16/2008	1,215.90	49	606	0.1%	11.0%
	S-33	RESIDIA Funabashi III	Funabashi-shi, Chiba	10/4/2006	972.21	43	620	0.1%	5.0%
Major Regional Cities	R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	2/26/1999	3,714.11	154	1,671	0.4%	10.9%
	R-4	RESIDIA Higashizakura	Nagoya-shi, Aichi	2/20/2006	3,084.03	91	1,290	0.3%	3.4%
	R-5	RESIDIA Kameyama	Kameyama-shi, Mie	2/20/2007	6,065.11	182	1,610	0.4%	4.2%
	R-6	RESIDIA Ryokuchikoen	Toyonaka-shi, Osaka	5/7/2007	2,391.35	44	979	0.2%	5.7%

As of July 31, 2016									
Investment region	Property no.	Name of property	Location	Construction completion date	Leasable floor area (m ²)	Number of leasable units	Acquisition Price (million yen)	Investment ratio	PML
Major Regional Cities	R-8	RESIDIA Kobe Port Island	Kobe-shi, Hyogo	9/1/2007	9,708.00	404	3,740	0.9%	(South Bldg., Centre Bldg.) 6.8% (North Bldg.) 6.7%
	R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	3/12/2002	3,955.24	155	1,220	0.3%	3.4%
	R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	2/15/2000	2,113.91	78	871	0.2%	8.3%
	R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	11/7/2005	5,698.03	161	2,220	0.5%	3.2%
	R-13	KC21 Building	Sendai-shi, Miyagi	3/12/1997	2,716.11	79	900	0.2%	2.4%
	R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	1/11/2006	2,741.46	94	1,170	0.3%	6.6%
	R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	2/28/2006	4,010.85	116	1,970	0.5%	9.9%
	R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	8/20/2007	5,944.56	198	2,330	0.5%	3.5%
	R-17	RESIDIA Hibino	Nagoya-shi, Aichi	4/10/1992	7,598.40	124	1,340	0.3%	3.9%
	R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	1/15/2004	3,179.96	56	936	0.2%	4.9%
	R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	1/14/2003	1,606.29	39	324	0.1%	2.7%
	R-21	RESIDIA Hisaya-Oodori II	Nagoya-shi, Aichi	2/2/2005	1,930.70	38	685	0.2%	5.0%
	R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	12/19/2006	5,928.51	179	1,640	0.4%	0.9%
	R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	12/5/2006	4,512.24	103	1,320	0.3%	1.1%
	R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	1/25/2007	3,867.60	100	1,130	0.3%	1.4%
	R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	5/25/2005	2,709.97	33	831	0.2%	4.1%
	R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	1/17/2000	3,201.93	48	701	0.2%	13.5%
	R-30	RESIDIA Izumi	Nagoya-shi, Aichi	11/17/2005	9,715.22	122	3,700	0.9%	3.1%
	R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	2/2/2007	3,920.00	56	1,050	0.2%	1.2%
	R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	12/19/2006	2,282.49	27	751	0.2%	3.9%
	R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	8/2/2007	6,230.49	109	2,010	0.5%	0.9%
	R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	8/22/2008	2,655.18	108	1,100	0.3%	7.5%
	R-36	RESIDIA Hisaya-Oodori	Nagoya-shi, Aichi	2/1/2007	1,684.19	57	652	0.2%	4.8%
	R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	1/30/2008	2,005.48	67	529	0.1%	2.5%
	R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	2/22/2010	1,564.29	63	494	0.1%	2.8%
	R-39	RESIDIA Edobori	Osaka-shi, Osaka	2/11/2007	3,369.51	127	1,400	0.3%	8.7%
	R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	3/6/2007	2,398.90	84	1,000	0.2%	7.8%
	R-41	RESIDIA Esaka	Suita-shi, Osaka	7/31/2007	2,177.04	68	989	0.2%	4.8%
	R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	1/22/2008	7,282.78	173	2,380	0.5%	2.6%
	R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	2/7/2008	3,116.98	122	1,206	0.3%	3.6%
	R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	3/17/2008	6,714.74	196	2,740	0.6%	3.6%
	R-45	RESIDIA Kita-Nijyo-East	Sapporo-shi, Hokkaido	3/1/2006	3,808.98	56	894	0.2%	1.1%
	R-46	RESIDIA Shinsaibashi West	Osaka-shi, Osaka	2/21/2007	4,243.06	97	1,921	0.4%	9.1%
	R-47	RESIDIA Marunouchi	Nagoya-shi, Aichi	1/16/2007	2,349.52	86	972	0.2%	2.8%
	R-48	RESIDIA Sapporo-Ekimae	Sapporo-shi, Hokkaido	2/8/2007	6,088.03	168	1,483	0.3%	0.7%
	R-49	RESIDIA Goshō-Higashi	Kyoto-shi, Kyoto	9/4/2007	2,601.26	57	1,227	0.3%	8.9%
	R-50	RESIDIA Raku-hoku	Kyoto-shi, Kyoto	3/19/2008	2,101.83	75	874	0.2%	12.4%
	R-51	RESIDIA Miyakojima I & II	Osaka-shi, Osaka	9/3/2006	12,724.11	178	3,232	0.7%	7.1%
	R-52	RESIDIA TOWER Sendai	Sendai-shi, Miyagi	1/25/2008	5,088.45	67	1,705	0.4%	2.3%
	R-53	RESIDIA Higashizakura II	Nagoya-shi, Aichi	2/27/2006	8,467.67	127	2,862	0.7%	3.1%
	R-54	RESIDIA Tsutsujigaoka	Sendai-shi, Miyagi	11/11/2006	5,415.90	168	1,796	0.4%	(EAST) 2.6% (WEST) 2.7%
	R-55	RESIDIA Kobe-Motomachi	Kobe-shi, Hyogo	1/31/2007	2,373.77	85	1,052	0.2%	5.8%
R-56	RESIDIA Sendai-Honcho	Sendai-shi, Miyagi	6/20/2007	3,143.80	105	1,117	0.3%	2.3%	
R-57	RESIDIA Sendai-Haranomachi	Sendai-shi, Miyagi	9/12/2007	2,111.76	72	593	0.1%	2.1%	
R-58	RESIDIA Minami-Ichijo East	Sapporo-shi, Hokkaido	1/22/2008	4,063.96	85	1,062	0.2%	1.1%	
R-59	RESIDIA Shin-Osaka	Osaka-shi, Osaka	2/16/2014	5,300.36	208	2,644	0.6%	6.2%	
R-60	RESIDIA Okayama-Ekimae	Okayama-shi, Okayama	3/21/2004	3,063.96	108	772	0.2%	1.7%	
R-61	RESIDIA Kyoto Okazaki	Kyoto-shi, Kyoto	3/19/2005	621.98	23	227	0.1%	14.1%	
R-62	RESIDIA Sendai-Ichibancho	Sendai-shi, Miyagi	3/1/2006	3,184.61	103	1,083	0.2%	2.4%	
R-63	RESIDIA Kita-Nijyo-East II	Sapporo-shi, Hokkaido	2/16/2007	2,296.58	51	538	0.1%	1.2%	
R-64	RESIDIA Takamiya	Fukuoka-shi, Fukuoka	2/11/2007	1,556.02	51	488	0.1%	6.1%	
R-65	RESIDIA Soen	Sapporo-shi, Hokkaido	2/14/2007	1,944.70	60	384	0.1%	1.4%	
R-66	RESIDIA Tenjin	Fukuoka-shi, Fukuoka	5/16/2007	3,175.04	88	1,122	0.3%	3.4%	
R-67	RESIDIA Yakuin-Oodori	Fukuoka-shi, Fukuoka	6/15/2007	3,221.40	91	1,123	0.3%	4.5%	
R-68	RESIDIA Hakata II	Fukuoka-shi, Fukuoka	9/10/2007	3,592.60	124	1,358	0.3%	1.8%	
R-69	RESIDIA Kego	Fukuoka-shi, Fukuoka	1/10/2008	2,293.82	86	834	0.2%	2.3%	
R-70	RESIDIA Shirakabe	Nagoya-shi, Aichi	3/3/2008	2,449.20	70	907	0.2%	4.4%	
R-71	RESIDIA Sakae	Nagoya-shi, Aichi	12/7/2007	1,805.98	77	868	0.2%	4.2%	
Total					766,881.60	20,455	433,635	100.0%	2.4%

- Notes 1. In the "Investment region" column, "Tokyo Central 7 Wards" indicates the Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards of Tokyo; "Tokyo 23 Wards" indicates the Tokyo 23 wards other than the Tokyo Central 7 Wards; "Tokyo Metropolitan Area" indicates Tokyo (excluding the Tokyo 23 wards) and Kanagawa, Saitama and Chiba prefectures; and "Major Regional Cities" indicates designated and similar major cities excluding cities in the Tokyo Metropolitan Area.
2. In the "Construction completion date" column, if there are multiple buildings in a property where the completion dates differ, the listed completion date is calculated by averaging each building's completion date weighted by the respective building's total floor space.
3. In the "Acquisition price" column, monetary amounts are rounded down to the nearest million yen. Accordingly, the sum total of the itemized figures does not necessarily add up to the "Total" amount entered in the foregoing table.

AD Investment Management Co., Ltd.

As of July 31, 2016

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

Executive Director

President	Kenji Kousaka
Executive Director	Takeshi Takano
Managing Director	Junichi Shoji
Director	Tomoyuki Kimura
Director	Hiroshi Kawakami
Director (non-executive)	Yusuke Takasaka
Director (non-executive)	Kazuhito Akamatsu
Director (non-executive)	Masatoshi Sano
Statutory Auditor	Hiromasa Yamamoto
Statutory Auditor (non-executive)	Kaori Iwasawa



Description of business Company history

Investment management business

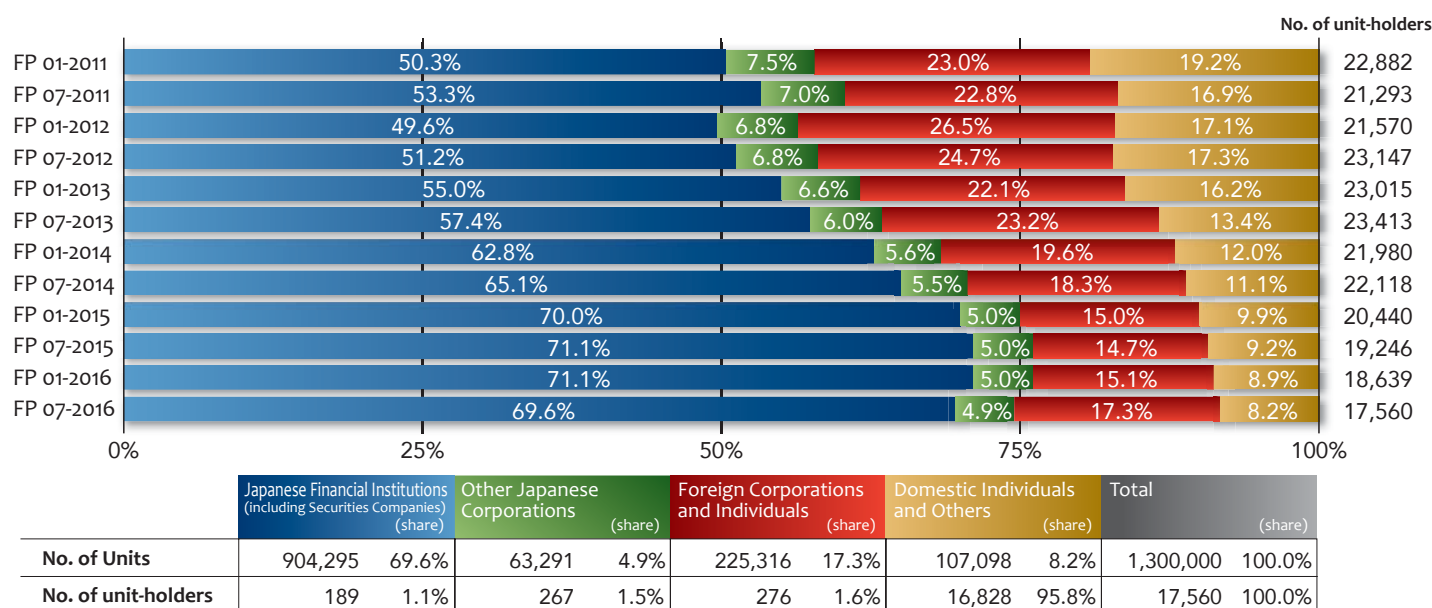
Feb. 2, 2005	Established as Japan Residential Management Co., Ltd.
Apr. 9, 2005	Obtained real estate agent license (Tokyo Governor License (2) No. 84325)
May 17, 2005	Changed trade name to AD Investment Management Co., Ltd.
June 23, 2005	Obtained discretionary transaction agent approval under Building Lots and Buildings Transaction Business Act (Minister of Land, Infrastructure, Transport and Tourism Approval No. 37)
Sep. 8, 2005	Obtained investment trust settlor business approval under Act on Investment Trusts and Investment Corporations (Prime Minister Approval No. 49)
Sep. 30, 2007	Registered as financial instruments business operator (Director-General of Kanto Local Finance Bureau (Kinsho) Registration No. 309)
Mar. 1, 2010	Merged with Pacific Residential Corporation
Aug. 5, 2013	Registered as First-Class Architect Office (Tokyo Metropolitan Registration No. 58856)

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

(Note) "Voting Rights (%)" in the table above is the shareholding (number of shares held) as a percentage of total number of shares issued and outstanding.

Unit-holder Composition

As of July 31, 2016



Inquiries

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

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

Inquiries regarding ADR

For information on ADR, please visit ADR's website at the address shown below, or directly contact the asset management company, AD Investment Management Co., Ltd

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

Dividends

Dividends can be collected by bringing the "unit-holder dividend receipt" to your nearest Japan Post Bank office or a bank agent post office in Japan. If the collection period has elapsed, please make your collection by designating the collection method on the back of the "unit-holder dividend receipt" and mailing it to Mizuho Trust & Banking's Stock Transfer Agency Department or bringing it to a Mizuho Trust & Banking, Mizuho Bank main or branch office. If you wish to designate a bank transfer for future dividend payments, please contact your securities company.



www.adr-reit.com