



13<sup>th</sup> Period

2016.8.1 ~ 2017.1.31

# Earnings Presentation



*Advance Residence Investment Corporation*

# Index



Executive Summary of Fiscal Period January 2017 Results	3-4
Internal Growth	5-12
External Growth	13-15
Finances	17-19
Management Policies & Earnings Guidance	20-23
Appendix	24-53

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

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

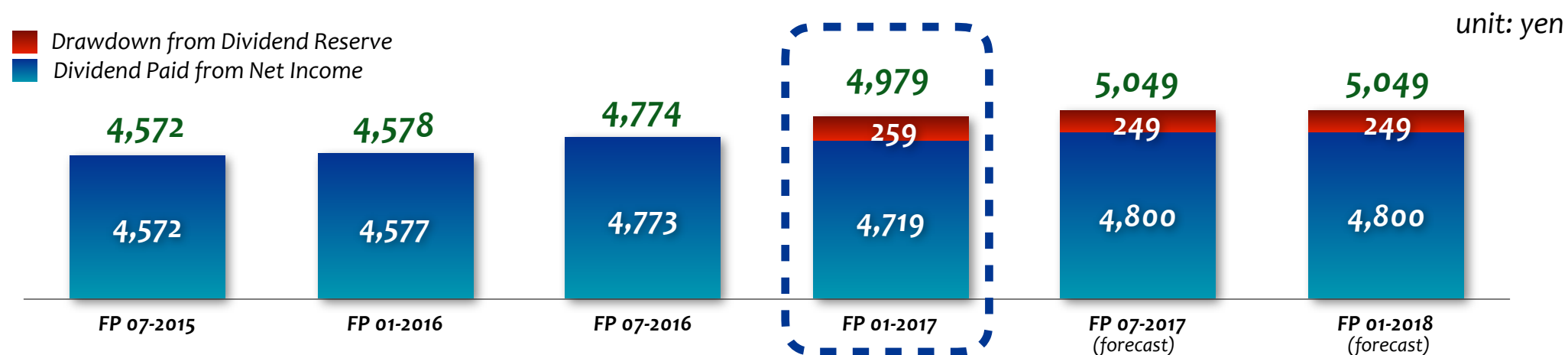
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# Executive Summary

## Maintained High Occupancy, Lowered Financial Costs

**Dividend per Unit\*** **4,979** yen chg. from initial forecast +120 yen chg. from last period +205 yen

Begin **259** yen per Dividend Drawdown from the Largest Dividend Reserve\*\* Among J-REIT ( **33.5** billion yen outstanding)



### Two New Acquisitions Totaling 3.2 bn yen

Asset Under Management **257** properties **436.9** billion yen

### Lowered Financial Cost through Refinancing

Average Interest Rate **1.02%** chg. from pervious FP -0.03%pt

### Firm Occupancy Especially in Tokyo 23 Wards

Average Period Occupancy **96.5%**  
 NOI Yield & Yield after Depreciation\*\*\* **5.7%** & **4.5%**

### Generated Growth Potential through Public Offering

Lowered Total Asset LTV **49.6%** chg. from pervious FP -2.6%pt  
 Acquisition Capacity **30** billion yen over (as of July 2017)  
 NAV per Unit **230,621** yen

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

\*\* Dividend Reserve is booked under the accounting item Reserve for Temporary Difference Adjustment.

\*\*\* The yields are calculated by dividing the annualized NOI or annualized NOI after depreciation by total book value at the end of the period.

# Results for Fiscal Period ended Jan. 2017

from August 1, 2016 to January 31, 2017



	(1) 13th FP Forecast	(2) 13th FP Results	(2)-(1)			(3) 12th FP Results	(2)-(3)			in million yen
	Initial Forecast as of Sept. 6, 2016	Results for FP January 2017	Changes	Notes		Results for FP July 2016	Changes	Notes		
Revenue	15,399 (257 properties) Period avg. occupancy 96.2%	15,504 (257 properties) Period avg. occupancy 96.5%	+104	Increases from higher occupancy, etc. Increase in key money revenue, etc.		15,444 (255 properties) Period avg. occupancy 96.8%	+60	<b>Asset Acquisitions and Dispositions</b> Incr. from 2016/7 & 2017/1 acquisition +136 Decrease from 2016/7 disposition -13 <b>Same Store</b> Incr. from contract chgs. to pass-through +50 Off-season decreases in key money & renewal fee income -114		
Operating Income	7,663 (Depreciation: 2,596) (Property taxes: 836)	7,801 (Depreciation: 2,593) (Property taxes: 836)	+138	<b>Leasing Expenses</b> Decrease in utility costs +18 Decrease in leasing expenses +37 <b>G &amp; A Expenses</b> Increases in management fees due to higher profits -21		7,727 (Depreciation: 2,568) (Property taxes: 823)	+73	<b>Leasing Expenses</b> Off-season decrease in fees +118 Net effect of buy/sell of RE in 2016/7 & 2017/1 -66 <b>G &amp; A Expenses</b> Incr. in mgt. fees due to incr. in AUM -19 Consumption tax settlement cost incr. -16		
Ordinary Income	6,210 (Funding cost*: 1,432)	6,371 (Funding cost*: 1,410)	+161	Decrease in funding costs due to lower interest rate		6,206 (Funding cost*: 1,510)	+165	Decrease in funding costs due to repayment of loans		+92
Net Income	6,210	6,371	+161			6,205	+165			
Drawdown of Reserve**	349	350	+0.7	Reserve after dividend: 33.2 bn yen		0	+350	Reserve after dividend: 33.5 bn yen		
Dividend Amount	6,559	6,721	+162			6,206	+515			
EPU (yen)	4,600	4,719	+119	Units issued and outstanding 1,350,000 units		4,773	-54	Units issued and outstanding 1,300,000 units		
Per Unit Drawdown of Reserve** (yen)	259	259	-			0	+259			
Dividend per unit (yen)	4,859	4,979	+120			4,774	+205			
Total Asset LTV	49.7%	49.6%	-0.1 pt			52.2%	-2.6 pt			

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

\*\* "Reserve" means "Reserve for Temporary Difference Adjustment".



P-22 RESIDIA Shinjuku East



***Internal Growth***

# Rents to Continue Rise in FP Jan. 2017

Replacements **+1.1%**

Renewals **+0.6%**

## Replacements\*

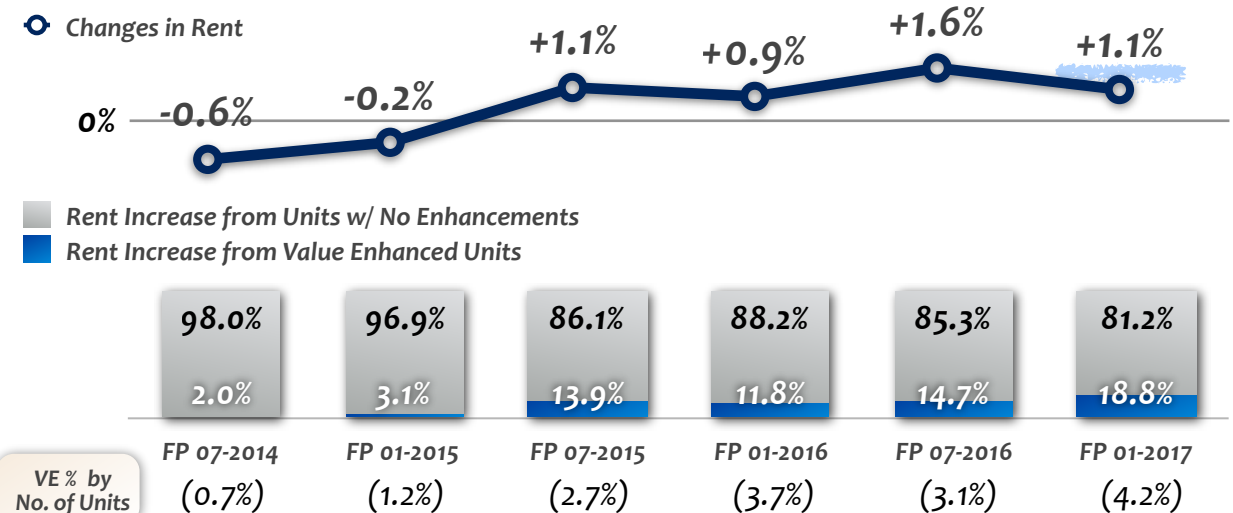
in million yen

	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	836 units	48.7%	111	116	+5.2	+4.69%
Unchanged	296 units	17.2%	33	33	-	-
Decrease	585 units	34.1%	69	66	-2.9	-4.24%
<b>Total</b>	<b>1,717 units</b>	<b>100.0%</b>	<b>213</b>	<b>215</b>	<b>+2.2</b>	<b>+1.08%</b>

Net Rent Change by Location

Tokyo Central 7 Wards **+1.1%**  
Metropolitan Area **+0.3%**  
Central Tokyo **+2.2%**  
Major Regional Cities **-0.5%**

## Contributions of Value Enhanced Units to Rent Rise



## Renewals\*

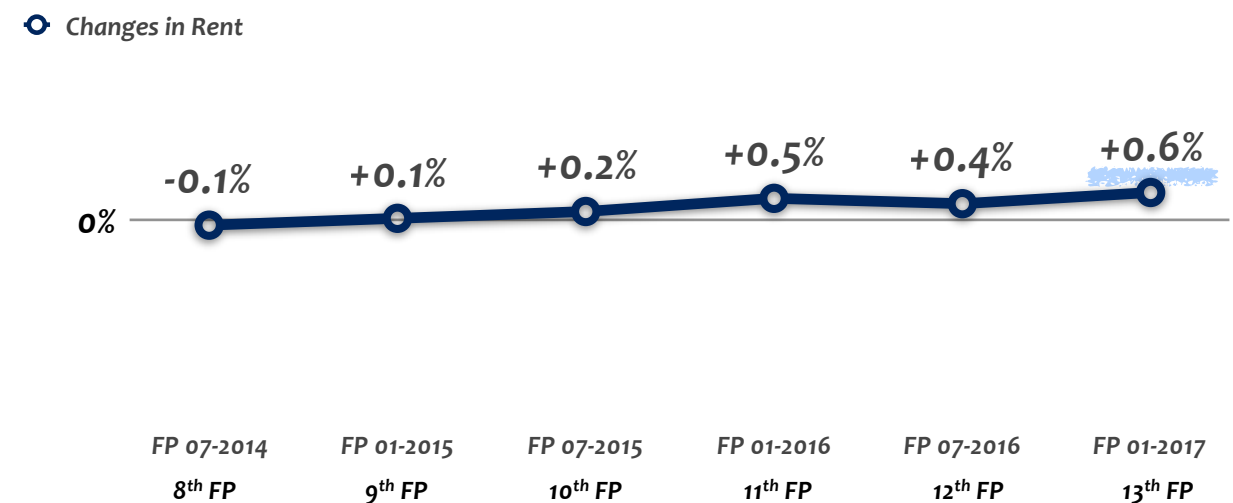
in million yen

	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	652 units	27.6%	82	84	+1.7	+2.16%
Unchanged	1,705 units	72.1%	201	201	-	-
Decrease	7 units	0.3%	1	1	-0.09	-7.34%
<b>Total</b>	<b>2,364 units</b>	<b>100.0%</b>	<b>285</b>	<b>287</b>	<b>+1.6</b>	<b>+0.59%</b>

Net Rent Change by Location

Tokyo Central 7 Wards **+0.7%**  
Metropolitan Area **+0.6%**  
Central Tokyo **+0.7%**  
Major Regional Cities **+0.2%**

## Gradual Increase in Renewal Rents

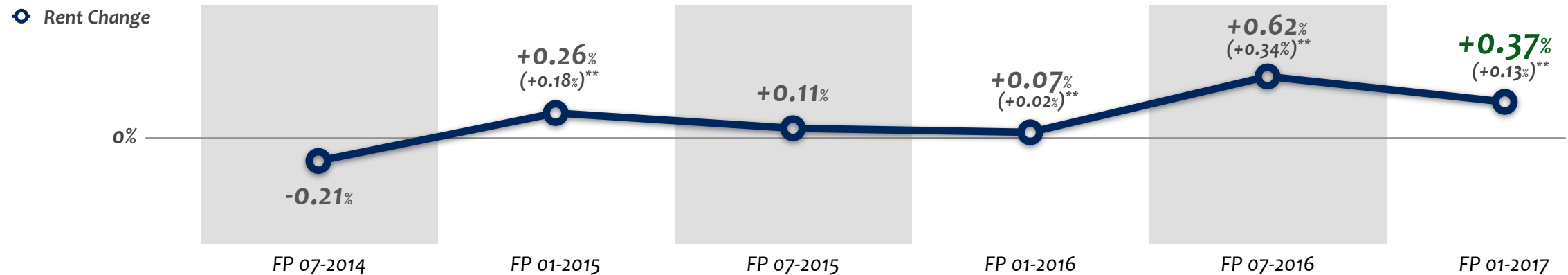


\* Rent change for pass-through units that had tenant replacement or contract renewal.

# Steady Portfolio Rent Growth

## Portfolio Rent Rise

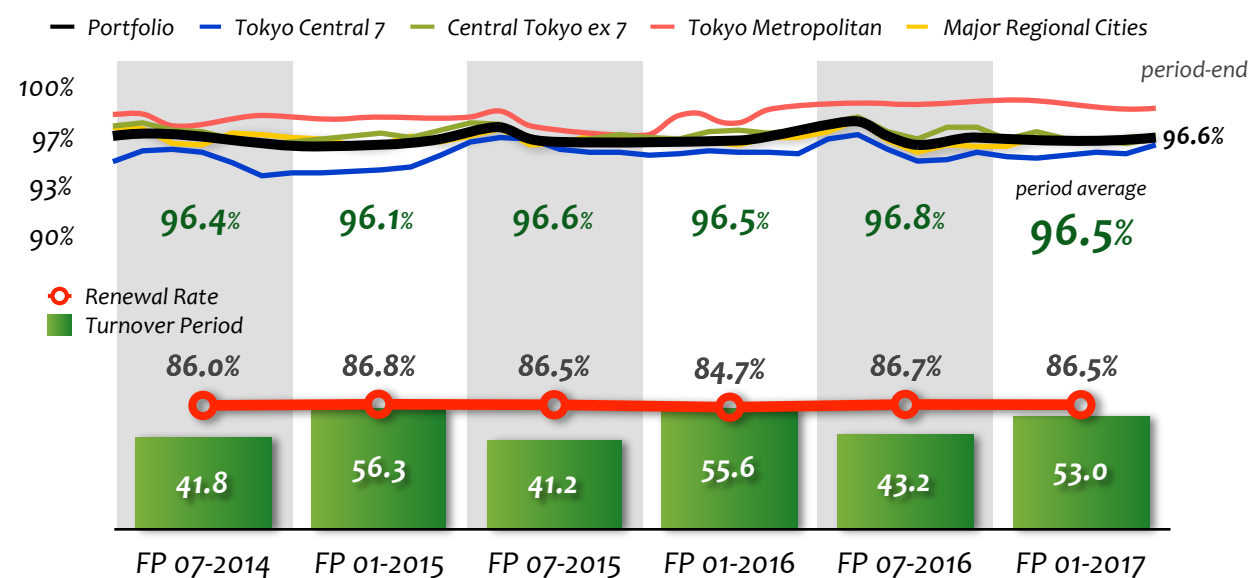
### Fifth Consecutive Period Rise in Rent



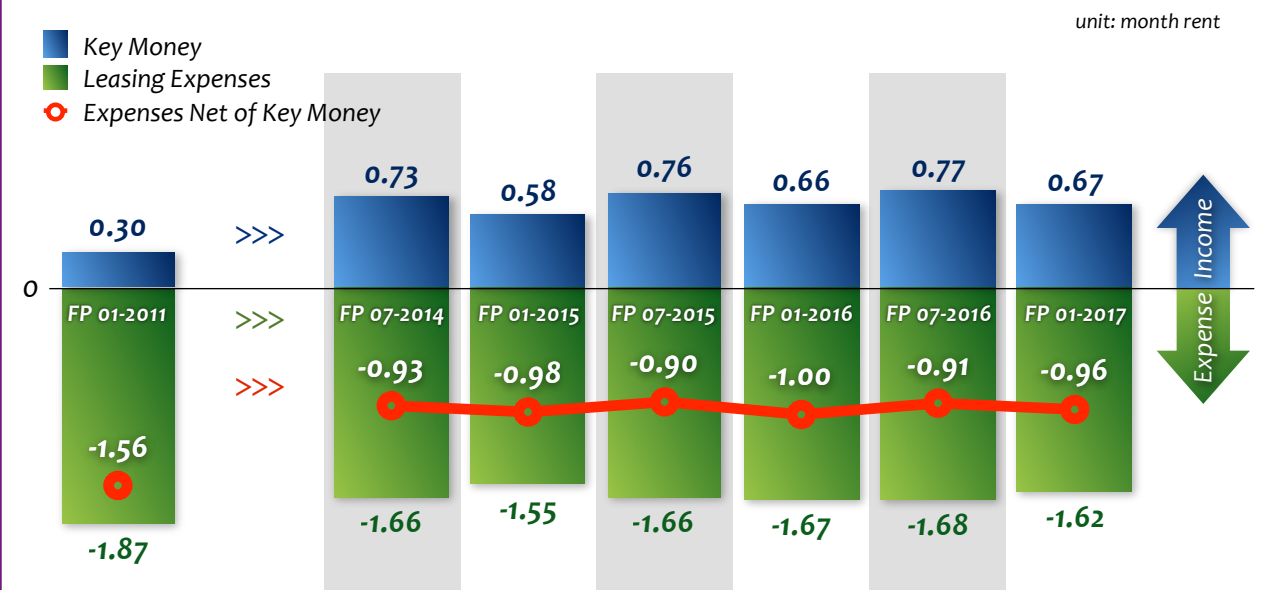
\* Change in unit rent between the start and the end of the period for all properties held throughout the period.

\*\* Excluding the effect of change in contract type from rent-guarantee to pass-through.

## Occupancy, Renewal Rate & Turnover



## Leasing Related Income and Expenses

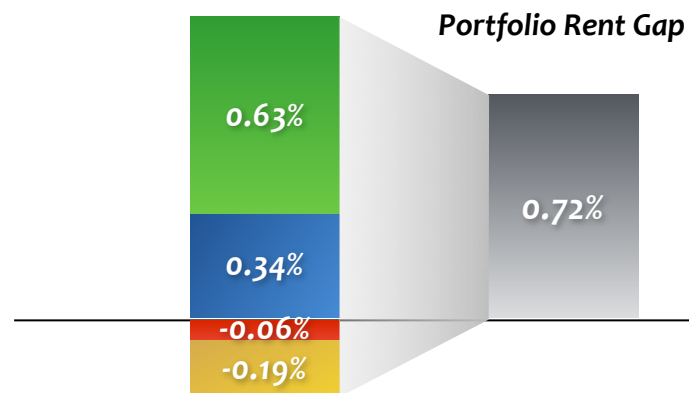
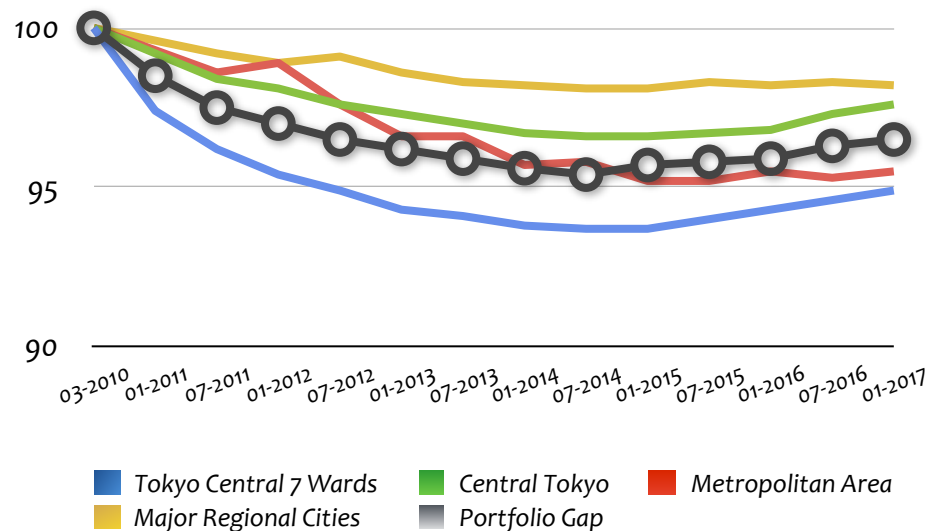


# Rent Trend & Rent Gap

Potential Portfolio Rent Increase\* **+0.72%**

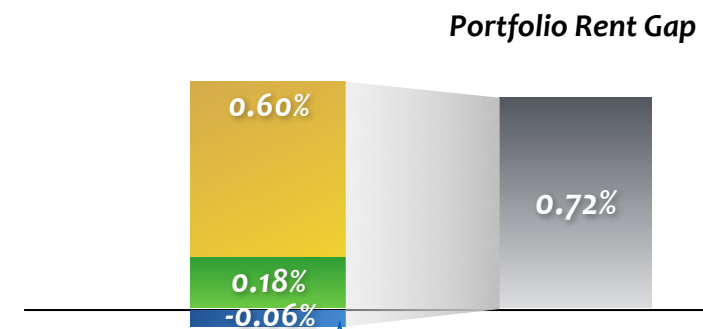
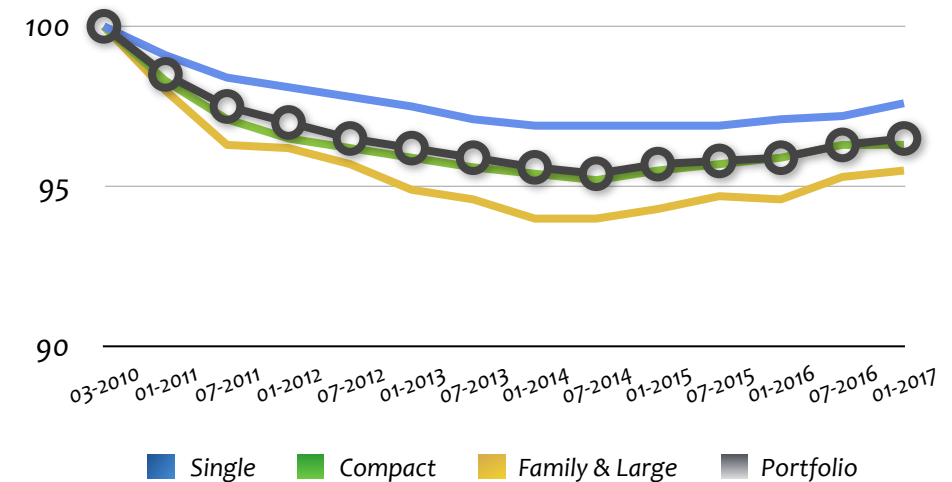
## By Location

- ✓ Rent increases are spreading from Tokyo Central 7 Wards to Central Tokyo
- ✓ Rent trends in Osaka and Kobe continue to show weakness



## By Unit Type

- ✓ Rent trends for Compact, Family & Large type units in 23 wards of Tokyo are strong
- ✓ Continued demands are expected for the above units from DINKs who prefer to live close to their workplaces



Although Single units in Tokyo 23 Wards had a positive rent gap, it resulted in a negative gap due to the gaps in other areas.

\* The potential portfolio rent increase is estimated by calculating the gap between the unit rent of new tenants of FP Jan. 2017 (treating the rents as approximation of market rent) and unit rent of existing tenants, aggregated for the whole portfolio for leasing contracts that are pass-throughs. The calculation is made on each property and by each unit type for properties held at the end of FP Jan. 2017.



# Maintaining the Competitiveness of Properties

## Value Enhancement (VE) Works

In value enhancement works, floor plans and kitchens are renovated to current style thereby making it possible to aggressively pursue rent increases

Track Record  
Since the Merger

No. of Value Enhanced Units: **223** units

No. of Units Leased-out\*: **189** units

% Increase in Rents\*: **10.8%**

\* Increase in rents are calculated for the 189 units leased out as of Feb. 23, 2017, dividing the first contracted monthly rent after VE works by the most recent rent before the VE works.

## Large-scale Repairs

Repair works are carried out at around 15 years intervals on roofings, exteriors and entrances to maintain the basic functionality of the buildings

Track Record  
Since the Merger

No. of Properties: **23** properties

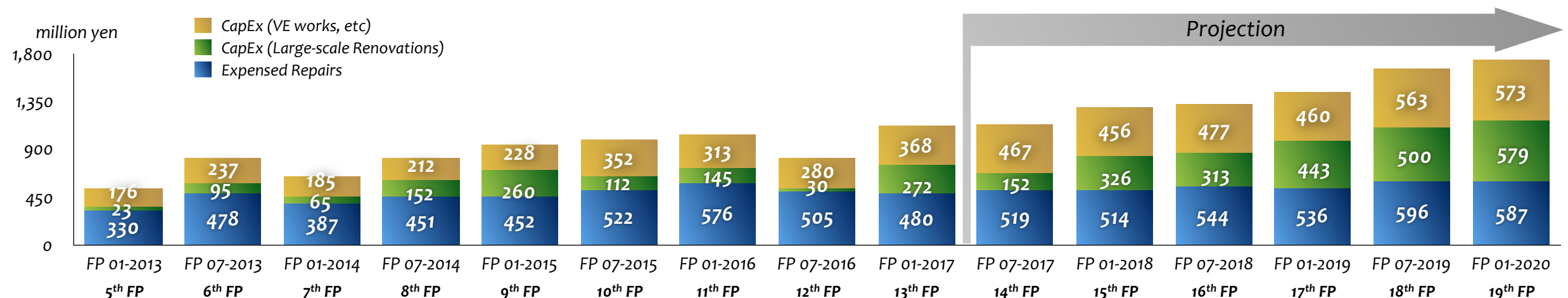
Total Investment: **1,137** million yen

Ave. Cost per Property **49** million yen

## Daily Maintenance

Restoration on kitchen & bathroom equipments, walls and etc. are carried out between tenant replacements

## Works Are Scheduled with Cash Management in Mind



# Large-Scale Repairs

Works Completed in FP January 2017

Properties Repaired during January 2017  
Total Expenditure

**4** properties  
**282** million yen

C-35 RESIDIA Bunkyo Otowa 14 years old

## Exterior Repairs / More Stylish Entrance



before



before

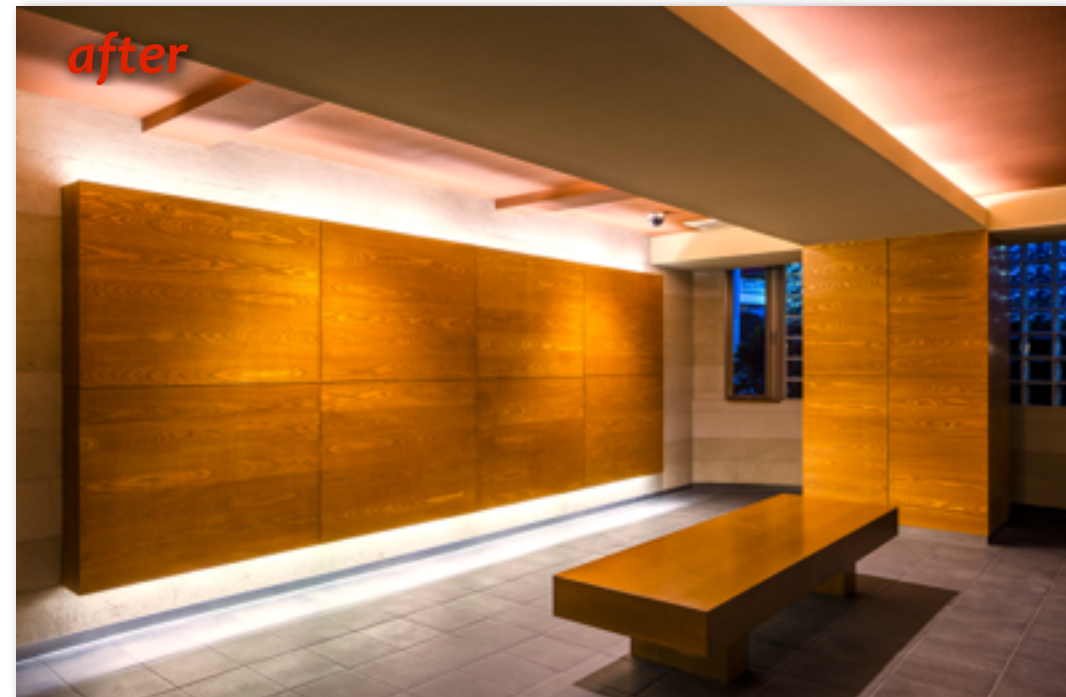
### Construction Cost

**103** million yen

- Exterior repair
- Roof waterproofing
- Installing LED Lighting in common space



after



after



# Value Enhancement Works

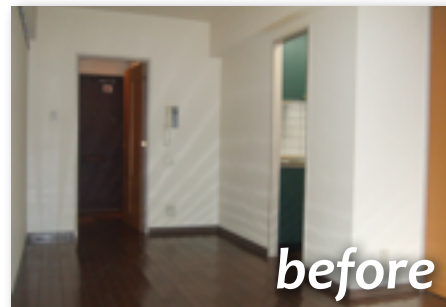
Examples of Works Completed During FP January 2017

No. of Value Enhancement Implemented  
Average Increase in Monthly Rent

**34** units of **11** properties  
**+20.6%\***

## P-26 RESIDIA Meguro

Building Age 17 years old  
Floor Plan 1 BR + Kitchen to Studio  
Construction Cost 2.9 million yen  
Increase in Monthly Rent **+13.5%**  
Projected Recuperation Period\*\* 7 years



## P-53 RESIDIA Roppongi Hinokichokoen

Building Age 17 years old  
Floor Plan 1 BR + Kitchen + Den  
Construction Cost 4.4 million yen  
Increase in Monthly Rent **+30.1%**  
Projected Recuperation Period\*\* 9 years



\* Increase in monthly rents are calculated for the 13 units leased out as of Feb. 23, 2017, dividing the newly contracted monthly rent by the previous rent.

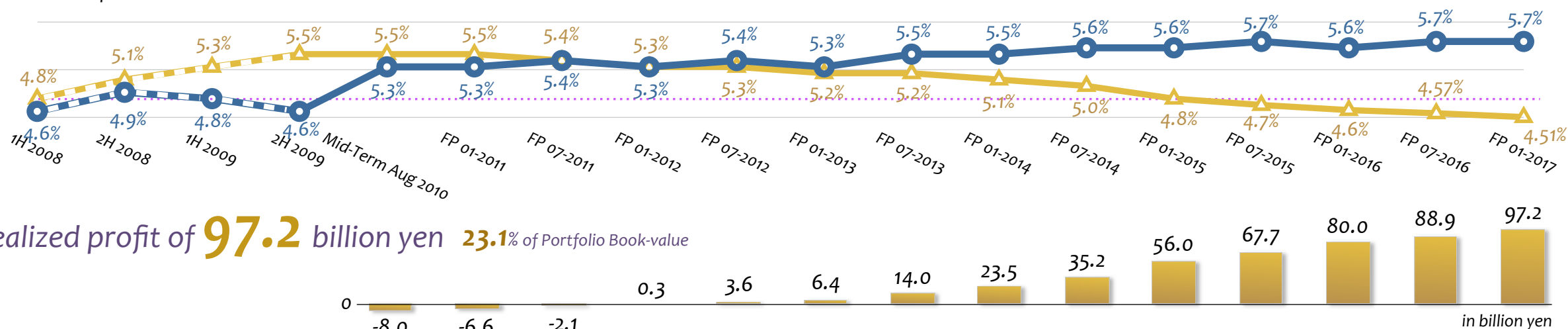
\*\* Projected Recuperation Periods are periods projected to recuperate the value enhancement cost, which is calculated as total cost minus renovation costs and equipment replacements due to aging.

# Appraisal Value

## Appraisal Direct Cap Rate • Unrealized Profit and Loss

● Book-value NOI Yield  
▲ Appraisal Direct Cap Rate

### Record Low Cap Rate



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

## Appraisal Summary of FP January 2017 End

\* For assets acquired during the FP Jan. 2017, appraisal value at the time of acquisition is used as the previous appraisal value.

	Appraisal		Appraisal NCF		Direct Cap Rate		Actual NOI Yield	Unrealized Profit and Loss (million yen)		
	in million yen	diff vs last FP	in million yen	diff vs last FP	in million yen	diff vs last FP		Book Value (a)	Difference from the appraisal (b)	(b)/(a)
Tokyo Central 7 Wards	197,075	+2,257	8,502	-25	4.25%	-0.06pt	5.1%	165,367	31,707	19.2%
Central Tokyo ex. 7 Wards	169,598	+2,691	7,553	+6	4.40%	-0.06pt	5.7%	135,205	34,392	25.4%
Tokyo 23 Wards Total	366,673	+4,948	16,055	-18	4.32%	-0.06pt	5.4%	300,572	66,100	22.0%
Tokyo Metropolitan	48,027	+365	2,366	-2	4.90%	-0.04pt	6.4%	38,270	9,756	25.5%
Major Regional Cities	103,244	+886	5,212	-32	5.00%	-0.07pt	6.6%	81,874	21,369	26.1%
Portfolio Total	517,944	+6,199	23,634	-53*	4.51%	-0.06pt	5.7%	420,717	97,226	23.1%

### Rise in Appraisal Value

**171** properties  
out of **257** properties  
value decreased in 20 properties  
of which 14 properties was due to  
increase in expense from  
ER reassessment

### Properties with Unrealized Loss

Total unrealized loss  
**1.0** billion yen  
in **5** properties

\* -67 million yen impact on appraisal NCF is from changes in ER reassessment on repair expenses and capital expenditure.

Rise in Appraisal Value +6.19billion yen

=

NCF Impact -1.17billion yen

+

DCR Impact +7.36billion yen





# ***External Growth***

# Acquisitions in FP Jan. & July 2017

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

### Properties Acquired Through Sponsor's Pipeline

### Third Party (Negotiated Transaction)



	Acquired RESIDIA Mishuku	Acquiring in April RESIDIA Kameido	Acquiring in April RESIDIA Koenji	Acquired RESIDIA Senri-Banpakukoen	Acquiring in March RESIDIA Senri-Fujishirodai	Total
	Tokyo Central 7 Wards	Central Tokyo ex 7	Central Tokyo ex 7	Major Regional Cities	Major Regional Cities	
Acquisition Price	1,159 million yen	2,988 million yen	1,380 million yen	2,124 million yen	1,430 million yen	9,081 million yen
NOI Yield*	4.8%	4.7%	4.7%	5.2%	5.7%	5.0%
Yield after Depreciation	4.1%	4.1%	4.0%	3.8%	4.6%	4.1%
Leasable Units	42 units	129 units	58 units	68 units	90 units	387 units
Completion	April 2015	October 2013	March 2015	October 2005	March 2017 (planned)	n.a.
Building Age**	1.8 years	3.3 years	1.9 years	11.3 years	Not Completed	4.3 years

\* NOI yield of acquired properties are calculated by dividing the annualize NOI for FP Jan. 2017 by each book values at the end of the FP. NOI yield of acquiring properties are calculated by dividing NOI listed on the appraisal reports at the time of the acquisition announcements by each acquisition prices.

\*\* Listed building ages are as of January 31, 2017.

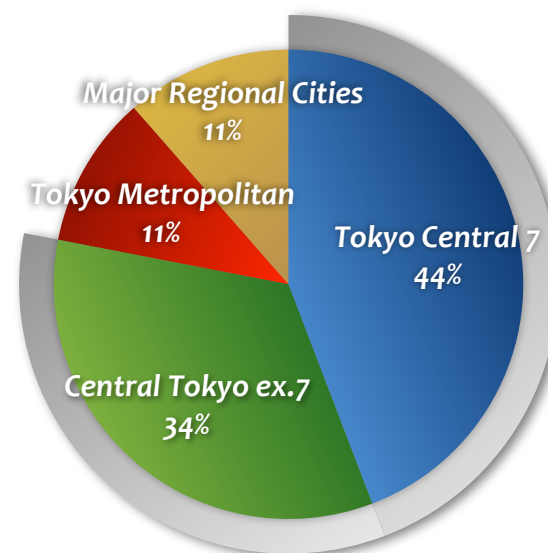
# Preparing for Future External Growth

Sponsor Pipeline **30** properties **48.5** bn yen

## Properties Developed by Itochu Group

### Developments mostly in the Tokyo 23 Wards

	No. of Properties	No. of Units	Expected Size
Tokyo Central 7	14 properties	721 units	21.4 bn yen
Central Tokyo ex.7	10 properties	625 units	16.4 bn yen
Tokyo Metropolitan	2 properties	439 units	5.1 bn yen
Major Regional Cities	4 properties	372 units	5.5 bn yen
<b>Total</b>	<b>30 properties</b>	<b>2,157 units</b>	<b>48.5 bn yen</b>
as of Jan. 2017			
Land Plots Waiting for Building Permit	6 properties		8.8 bn yen

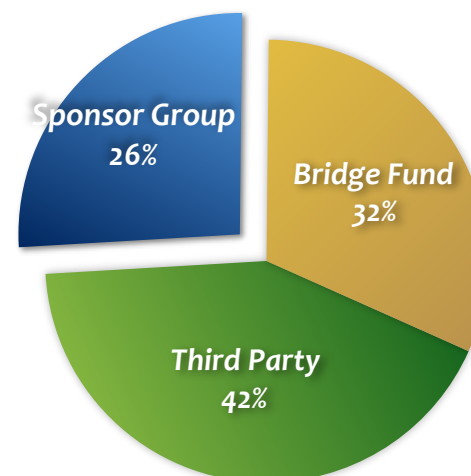
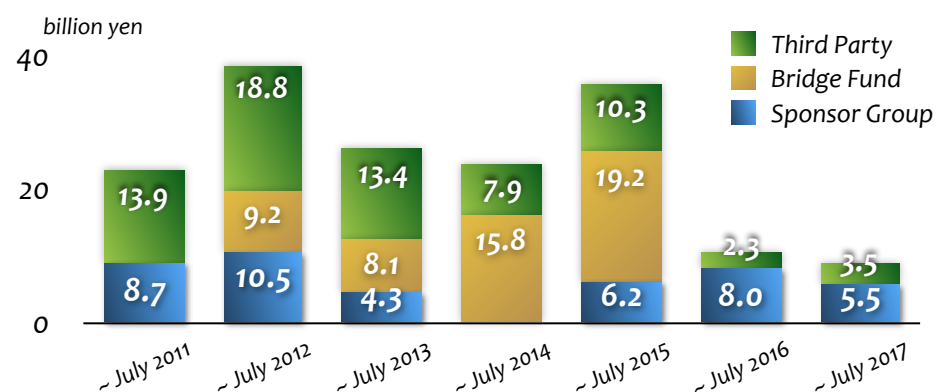


### Properties Developed by the Sponsor



## Sourcing Track Record

### Sourcing Track Record on Yearly Bases



### Kept clear of the over-competitive market

Total No. of Leads in FP Jan. 2017	<b>652</b>
of which NDAs were signed	<b>29</b>
of which LOI sent	<b>0</b>

# Note

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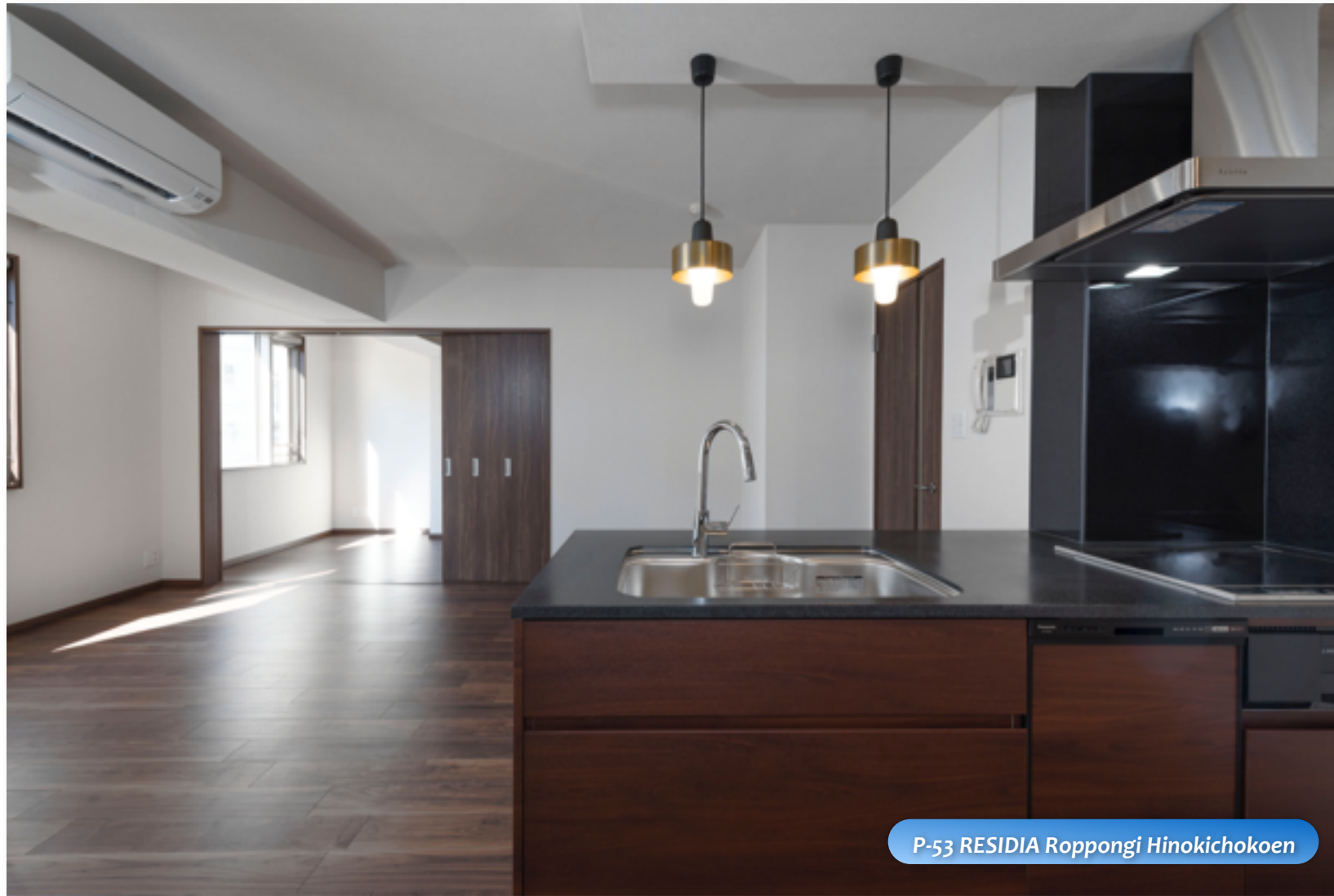
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# ***Finances***

# Building a Stable Financial Base

## Key Figures on Debts

Lowered LTV Through Public Offering

	FP 07-2016	Loan / Bond Ratio	FP 01-2017	Loan / Bond Ratio
<b>Loans</b>	192.3 bn yen	82%	190.2 bn yen	85%
(Short-term loans)	-	-	-	-
<b>Bonds</b>	41.5 bn yen	18%	33.5 bn yen	15%
<b>Debt Outstanding</b>	233.8 bn yen	100%	223.7 bn yen	100%
<b>Total Asset LTV</b>	52.2%		49.6%	
<b>Appraisal LTV</b>	46.0%		43.2%	

## Debt Financing FP Jan. 2017

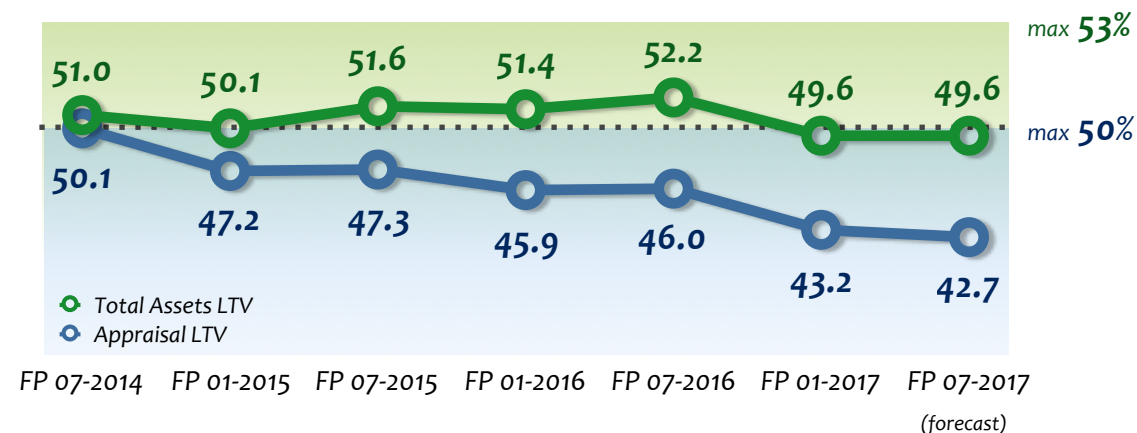
Lowered Financing Cost While Financing in Longer Debts

	Repayments	Debt Financing
<b>Total Amount</b>	11.8 bn yen	11.5 bn yen
<b>Average Interest Rate</b>	0.92%	0.46%
<b>Average Initial Duration</b>	5.7 years	9.1 years

\* Loans repaid using funds procured from equity financing and bond issuance are excluded.  
 \* Debts procured and repaid during the same period and Loans that had it's floating interest rate fixed are excluded.

## LTV Management

Maximum leverage will be 50% for Appraisal LTV, 53% for Total Assets LTV

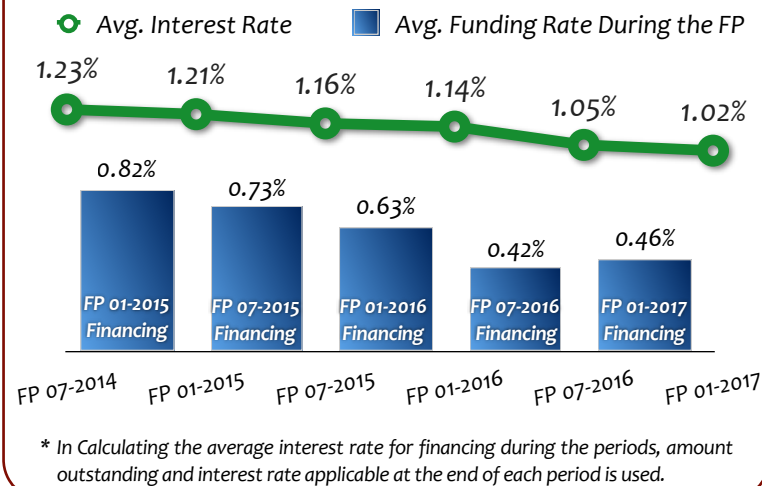


## Credit Ratings

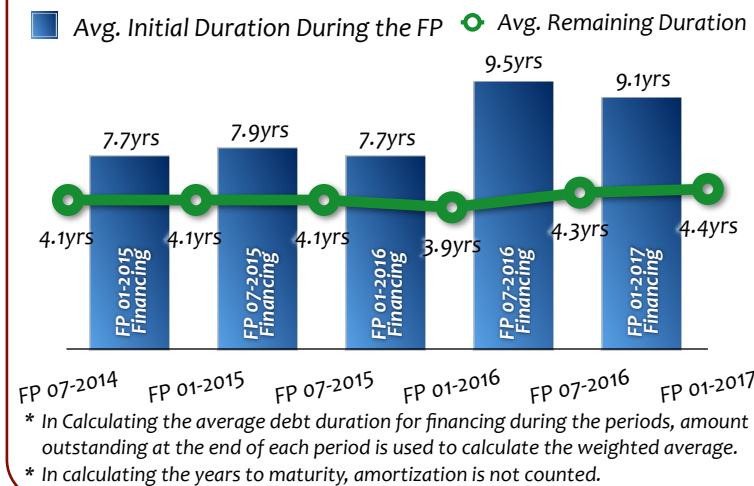
JCR **AA** (Stable)  
 R&I **A+** (Stable)

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

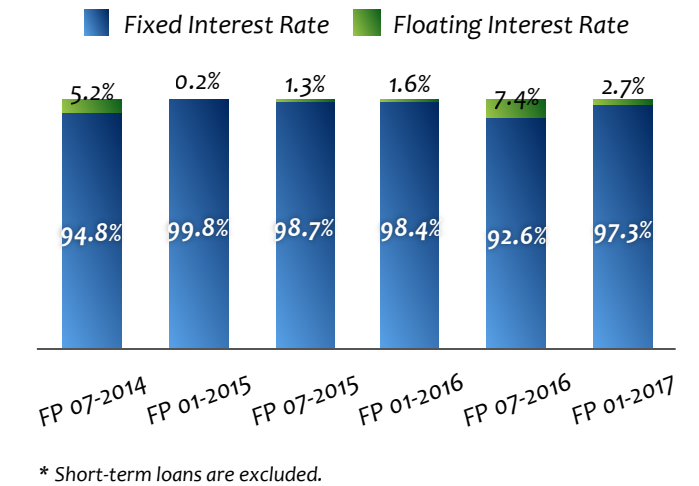
## Lowering Interest Rate



## Extending Duration



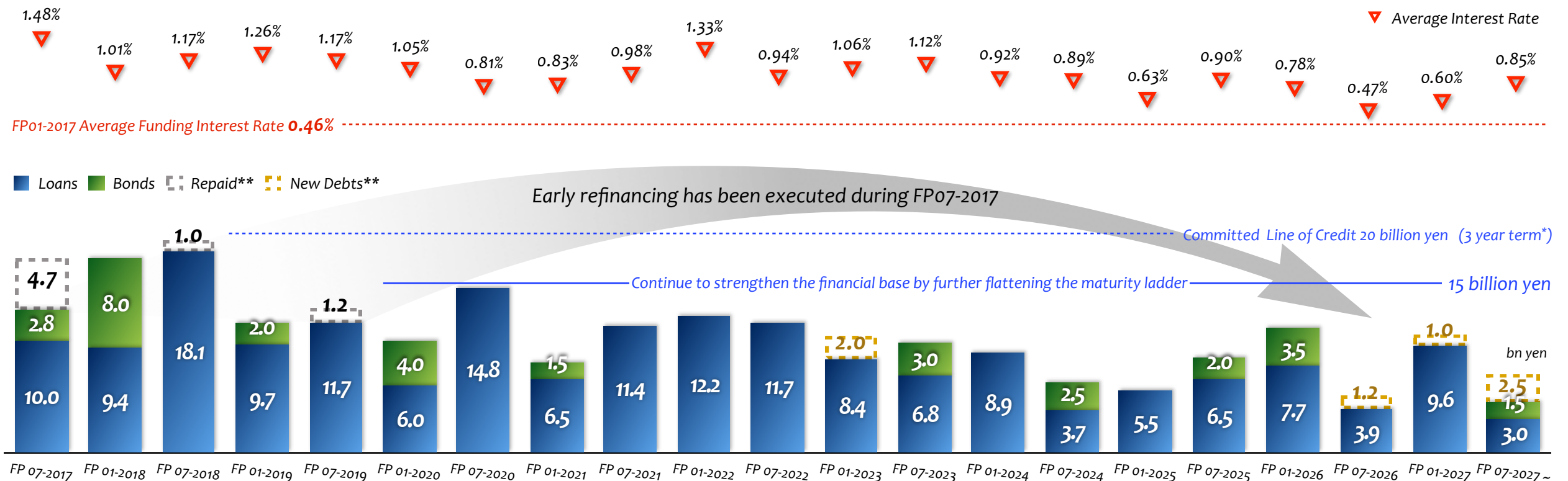
## Fixing Interest Rate



Rounded down to the nearest 100 million yen

## Diversifying Duration, Setting Up a Committed Line of Credit

as of end of FP 01-2017



\* Contract expiration of loan drawdown is April 2019. However the contract is renewed every year to maintain the remaining drawdown term to 2 to 3 years.

\*\* Includes refinance contracts signed as of February 2017.



# ***Management Policies & Earnings Guidance***



# Drawdown of Reserve

## Maximum 50 years (100 Fiscal Period) Drawdown Begins

Reserve for Temporary Difference Adjustment  
(Dividend Reserve)

Largest Among J-REITs **33.2 billion yen**  
(after FP Jan. 2017 dividend payout)

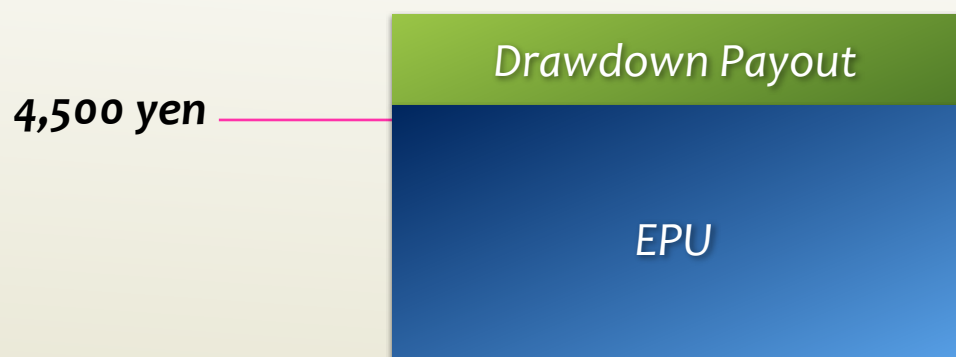


Responding to the 2015 Tax Revision\*  
Starting FP Jan. 2017 Drawdown Payout of At Least

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

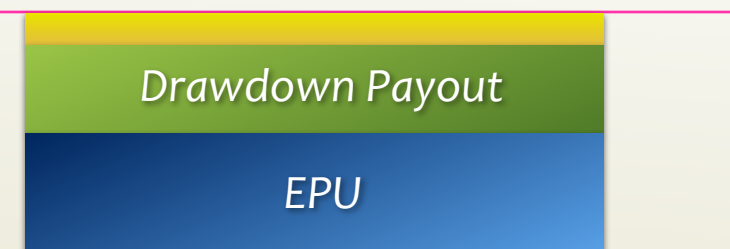
## DPU Floor of 4,500 yen To Be Maintained\*\*

EPU+Drawdown Payout  $\geq$  4,500 yen



EPU+Drawdown Payout  $<$  4,500 yen

Increase drawdown to offset deficit



\* Retained earnings of negative goodwill (booked as reserve for temporary difference adjustment) that resulted from merger must be drawdown within 50 years in a predetermined method.

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

# Earnings Guidance for FP July 2017 & Jan. 2018

	(1) 13th FP Results	(2) 14th FP Forecast	(2)-(1)			(3) 15th FP Forecast	(3)-(2)			in million yen
	Results for FP January 2017	Forecast for FP July 2017 (announced Mar. 10, 2017)	Changes	Notes		Forecast for FP January 2018 (announced Mar. 10, 2017)	Changes	Notes		
Revenue	15,504 (257 properties) Period avg. occupancy 96.5%	15,755 (260 properties) Period avg. occupancy 96.4%	+251	Newly Acquired Assets Increases from FP2017/1&2017/7 acquisitions +143 Same Store Peak season increase +108		15,709 (260 properties) Period avg. occupancy 96.3%	-46	Newly Acquired Assets Full period contribution from 2017/7 acquisitions +82 Same Store Off-peak decrease of key money, etc -128		
Operating Income	7,801 (Depreciation: 2,593) (Property taxes: 836)	7,819 (Depreciation: 2,637) (Property taxes: 849)	+18	Leasing Expenses Increases from FP2017/1&2017/7 acquisitions -43 Peak season increase -123 Increase in depreciations -45 GA Expenses Incr. in consumption tax settlement -22		7,787 (Depreciation: 2,659) (Property taxes: 862)	-32	Leasing Expenses Off-peak decrease in fees +77 Full period impact from 2017/7 acquisitions -14 Depreciation & property tax incrs. -28 GA Expenses Mgmt fee & Cons. tax settlement increase -21		
Ordinary Income	6,371 (Funding cost*: 1,410)	6,480 (Funding cost*: 1,333)	+108	Decrease in interest pay't from refinancing & debt reduction +75 No one-off costs from public offering +13		6,480 (Funding cost*: 1,305)	-	Decrease in interest pay't from refinancing & debt reduction +32		
Net Income	6,371	6,480	+108			6,480	-			
Drawdown of Reserve**	350	336	-13	Reserve after dividend: 32.8bn yen		336	-	Reserve after dividend: 32.5bn yen		
Dividend Amount	6,721	6,816	+94			6,816	-			
EPU (yen)	4,719	4,800	+81	Units issued and outstanding 1,350,000 units		4,800	-	Units issued and outstanding 1,350,000 units		
Per Unit Drawdown of Reserve** (yen)	259	249	-10			249	-			
Dividend per unit (yen)	4,979	5,049	+70			5,049	-			
Total Asset LTV	49.6%	49.6%	0.0pt			49.5%	-0.1pt			

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

\*\* "Reserve" means "Reserve for Temporary Difference Adjustment".

# DPU Growth Driver

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

### Internal Growth

Pursue Rent Increase  
While Controlling Leasing Expenses

### External Growth

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

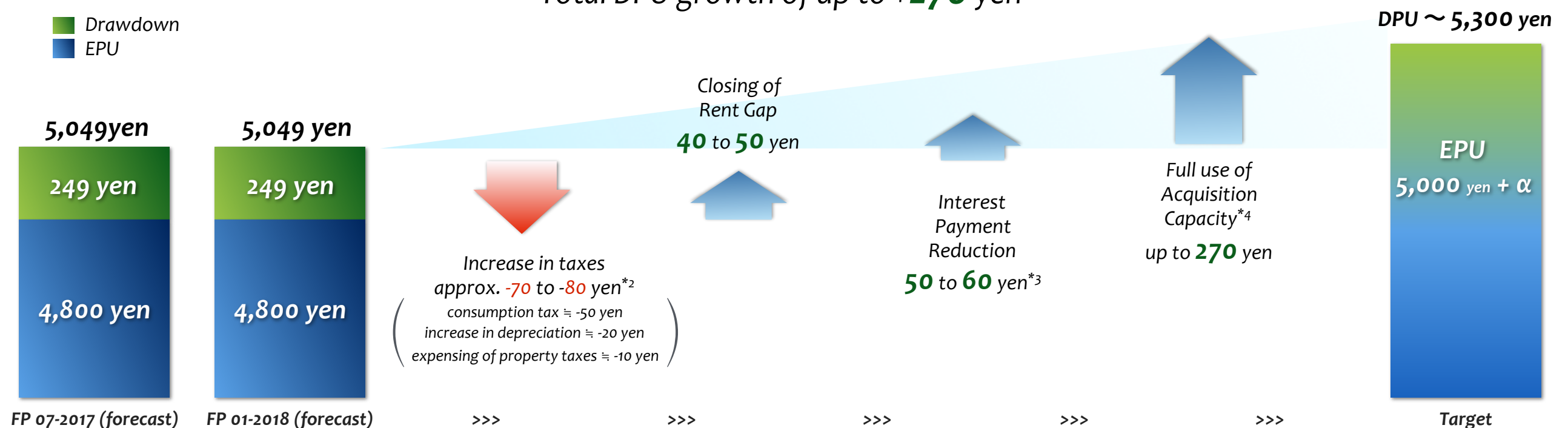
### Finance Policy

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

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

Total DPU growth of up to +270 yen

Drawdown  
EPU



Assumptions are that the issued and outstanding amount of 1,350,000 ADR units will be unchanged, and that the amount of effects of various events on EPU and DPU are estimation by ADR using certain assumptions.

\*<sup>1</sup> Used the assumptions in the earnings guideline disclosed in the FP01-2017 Tanshin (Japanese Preliminary Fiscal Report). Consumption tax rate is assumed to be raised from 8% to 10%. Restoration works expected to be executed in FP07-2018 & 01-2019 are included in the calculation of depreciation projection.

\*<sup>2</sup> Assumption of EPU/DPU growth from closing the rent gap is made referring to rent gap, turnover figure, lease contract term leasing costs of FP01-2017 Interest payment reduction is based on the assumption that debts maturing in FP07-2018 & FP01-2019 will be refinanced with an average interest rate of 0.8%.

\*<sup>3</sup> Acquisition capacity is calculated using total asset LTV of 53% as a limit where acquisitions are financed solely on debts. Calculation is made on forecast figures of total assets and outstanding interest bearing debts for FP01-2018. The contributions to the EPU and DPU are calculated using yield after depreciation of assets acquired in FP01-2017 & FP07-2017 assets to be acquired, funding cost and G & A expense projections for FP07-2018 to FP01-2019.

S-19 RESIDIA Kichijoji



# ***Appendix***



# The Largest\* Portfolio Among Residential J-REITs

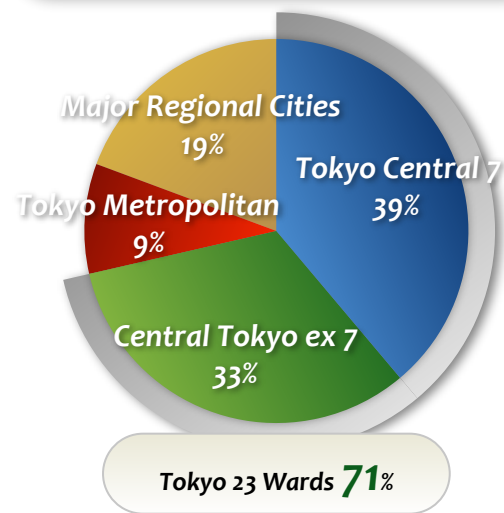
\* According to data collected by ADIM from the latest disclosures made by each residential J-REITs as of Mar. 10, 2017.



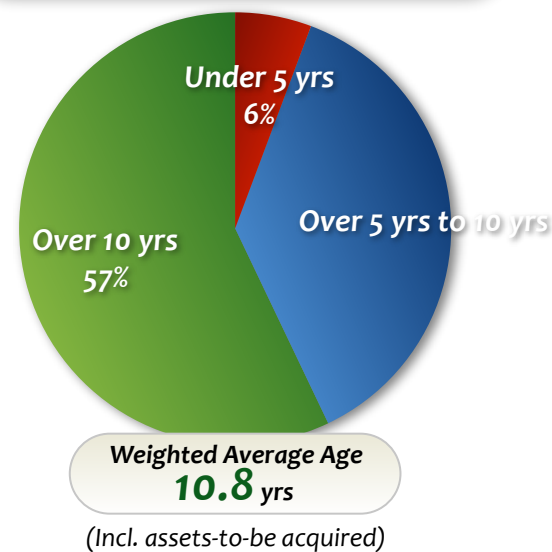
	Number of Properties	Total Leasable Area	Leasable units	Assets Under Management (Acquisition Price)
as of Jan. 31, 2017	<b>257</b> properties	<b>773,464</b> m <sup>2</sup>	<b>20,565</b> units	<b>436.9</b> billion yen
as of Apr. 18, 2017**	<b>260</b> properties	<b>781,760</b> m <sup>2</sup>	<b>20,842</b> units	<b>442.7</b> billion yen

\*\* Three assets scheduled to be acquired in FP July 2017 are included.

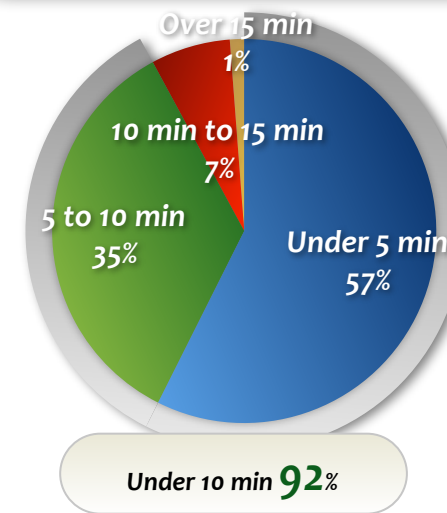
## Investment Location (by acquisition price as of April 18, 2017)



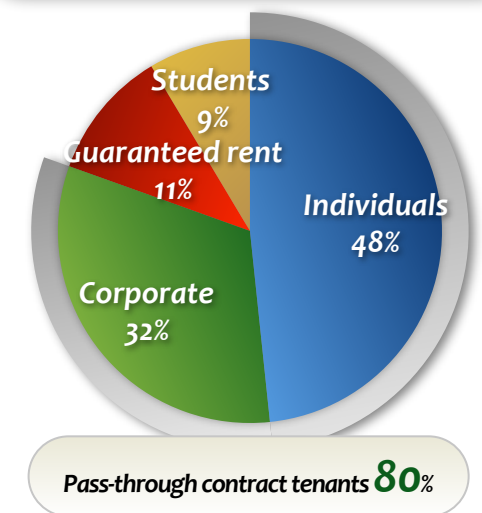
## Building Age (by acquisition price as of Jan. 31, 2017)



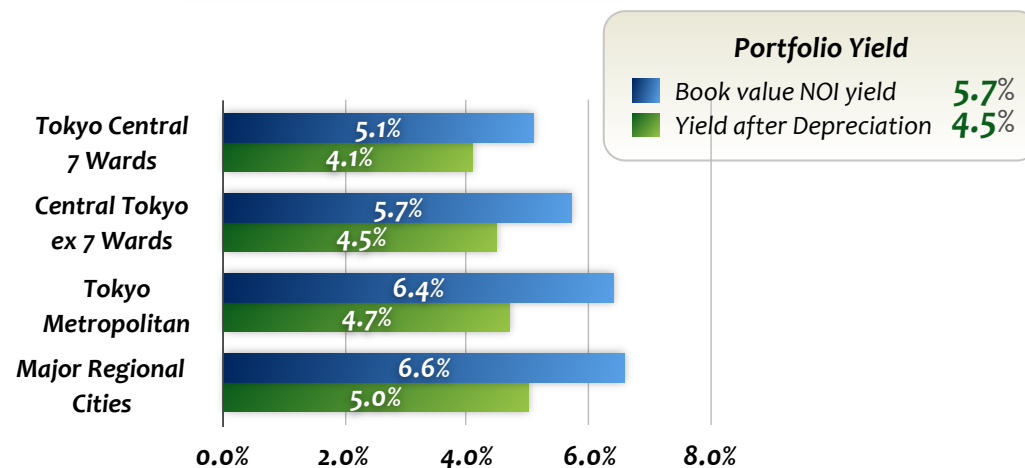
## Walking Minutes to Train Station (by acquisition price as of April 18, 2017)



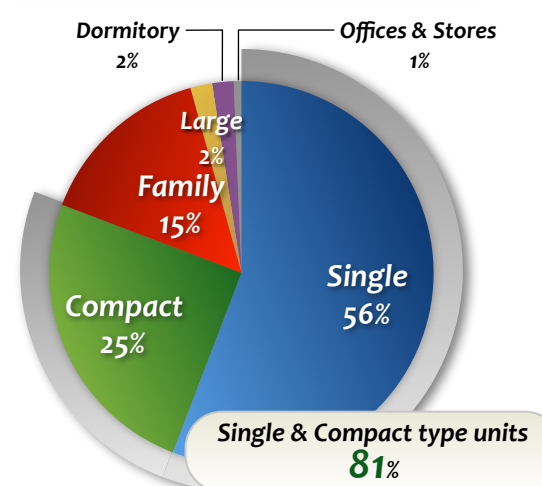
## Tenant Category (by no. of units as of Jan. 31, 2017)



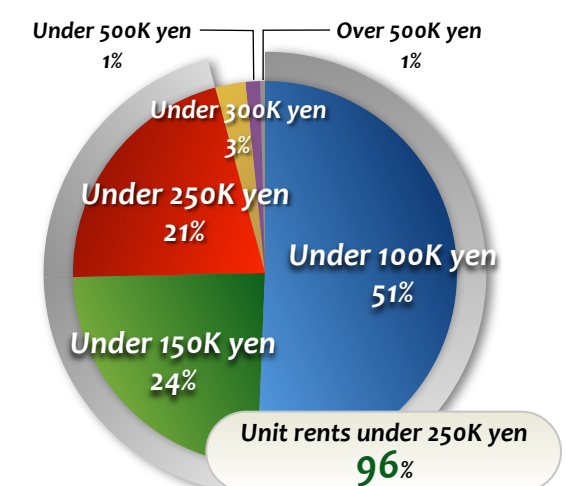
## NOI Yields (%)\*\*\* by location (as of Jan. 31, 2017)



## Unit type (by no. of units as of Apr. 18, 2017)



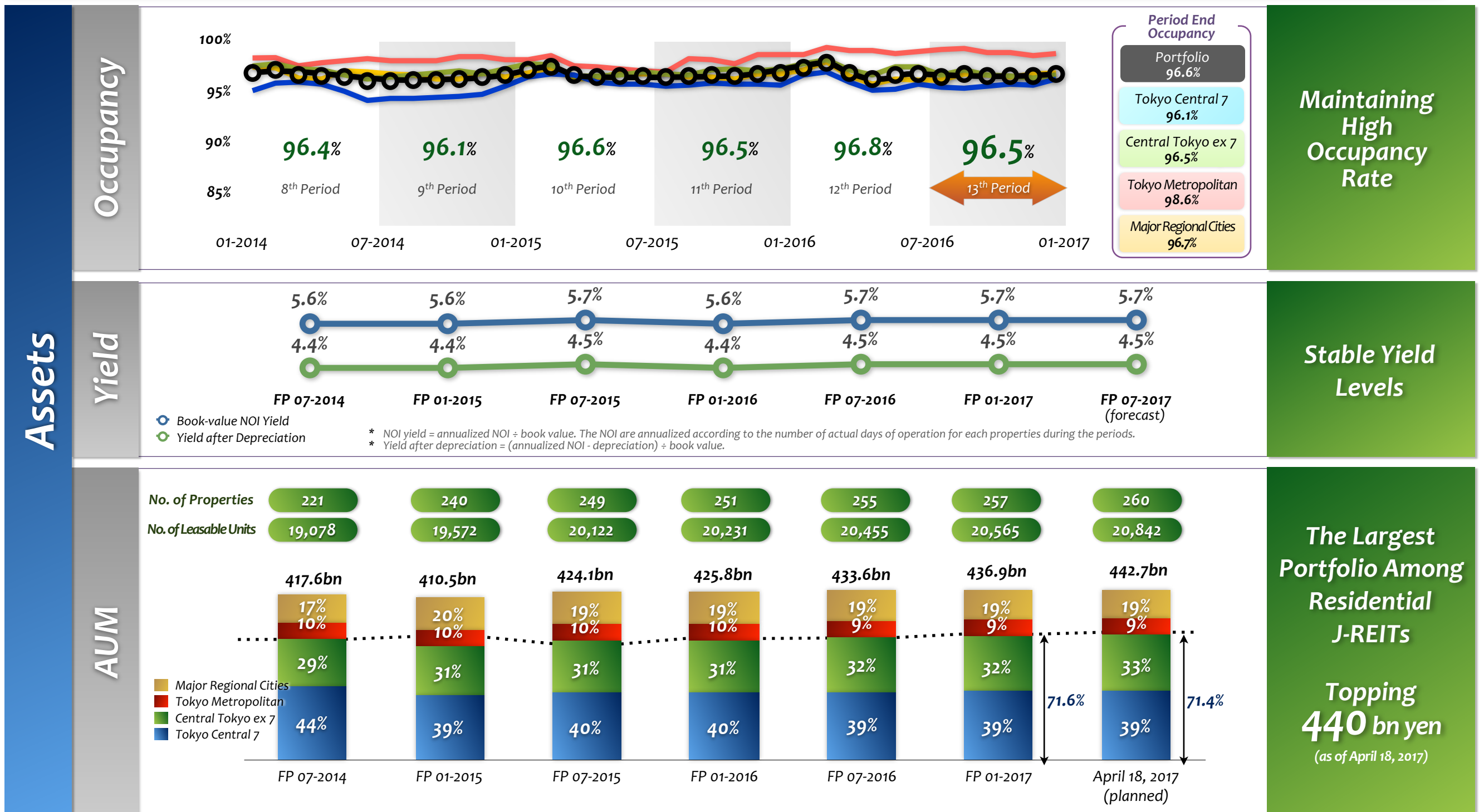
## Rents (by no. of units as of Jan. 31, 2017)



\*\*\* Book value NOI is calculated as "annualized NOI" ÷ "book value at the end of FP2017/1". NOI is annualized according to actual number of days of operation for each property during FP2017/1. Yield after Depreciation is calculated as (annualized NOI - depreciation) ÷ book value as of end of FP2017/1.

# Solid Growth, Solid Track Record

## Aiming to Realize Long-term Stable Dividends

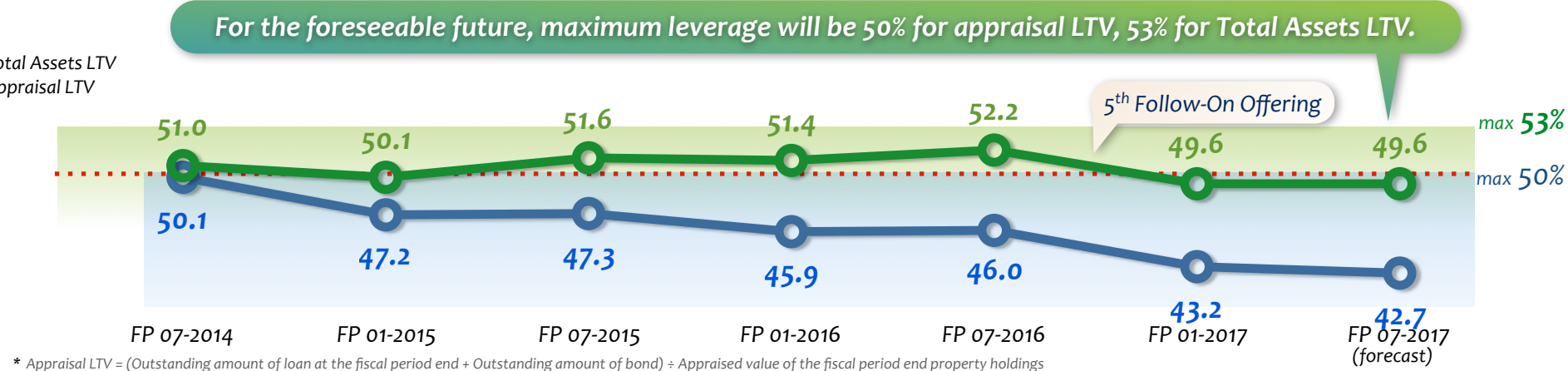




# Liabilities

## LTV

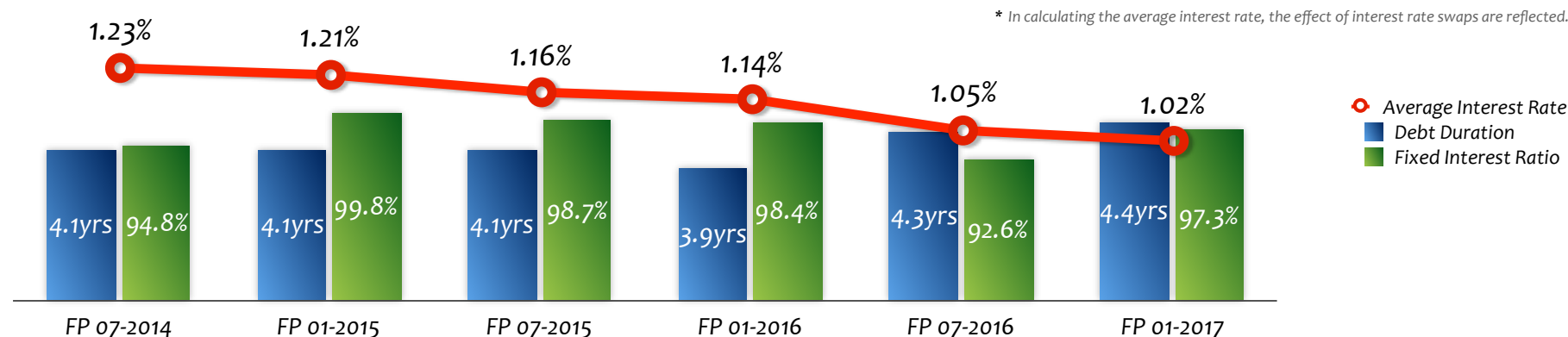
- Total Assets LTV
- Appraisal LTV



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

Acquisition Capacity  
(@ Total Assets LTV of 53%)  
over  
**30.0 bn yen**  
(estimate for FP ending July 2017)

## Debts

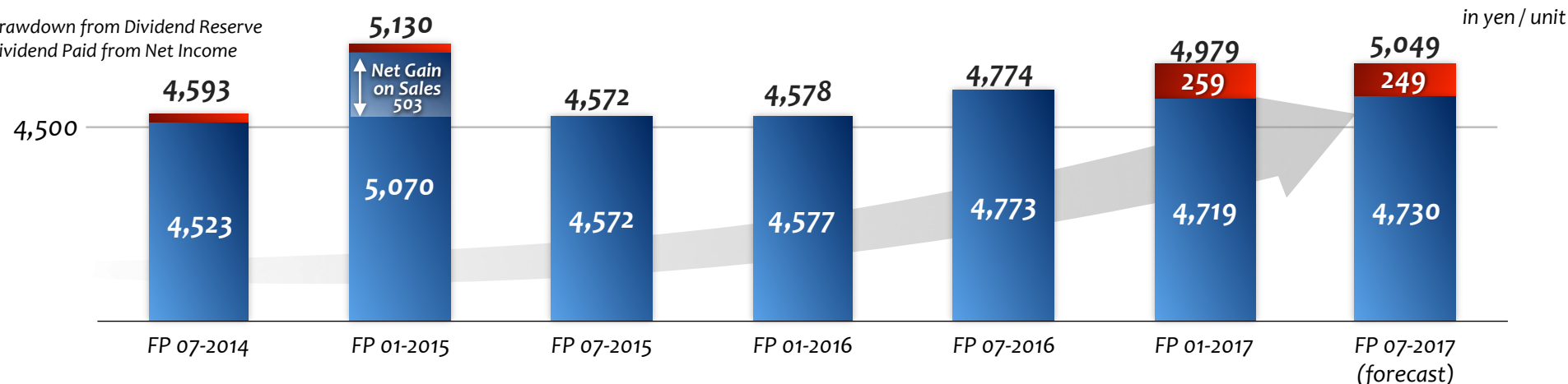


Lowered Interest Rate While Extending Duration and Maintaining Fixed Interest Rate Debt Ratio

# Equities

## Dividends

- Drawdown from Dividend Reserve
- Dividend Paid from Net Income

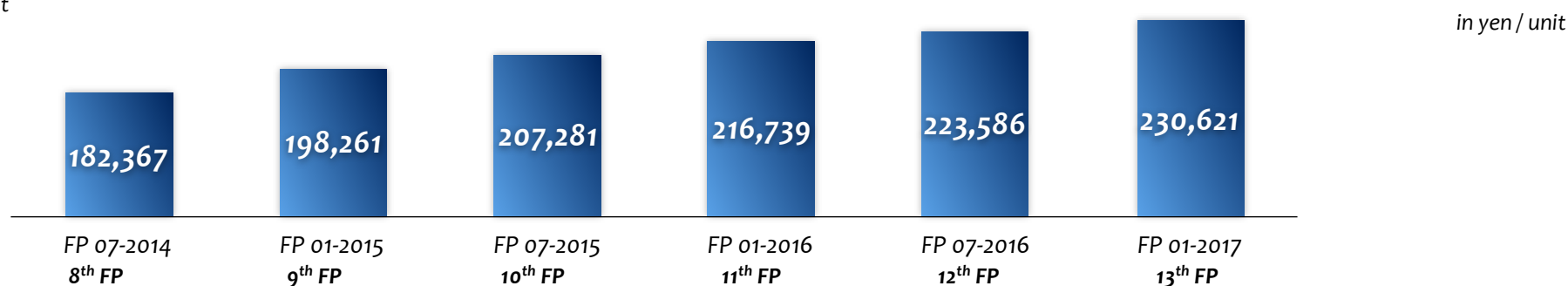


Steadily Growing EPU  
Outstanding Dividend Reserve

**33.2 bn yen**  
(after FP Jan. 2017 dividend)

## Net Asset Value

- NAV / Unit



Increasing NAV per Unit

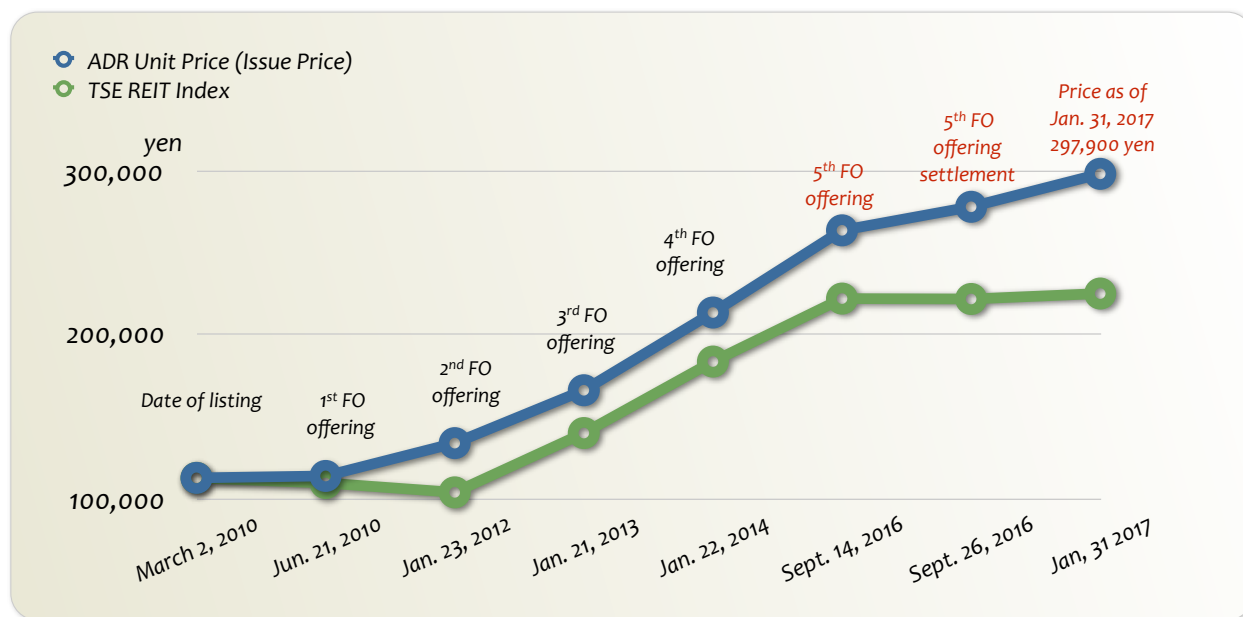
\* NAV / Unit is calculated as follows. (FP end net asset + FP end unrealized gain or loss - dividend amount for the FP) ÷ FP end number of issued and outstanding units.

# Enhance Unit-holders' Value through Public Offering

## Equity Finance History

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

## Unit Price Movement After Equity Financing



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

## The Effects of the Follow-On Offering

### All Key Figures Improve Due to Premium Priced Offerings

	FP July 2013 (after the 3 <sup>rd</sup> FO offering)	FP July 2014 (after the 4 <sup>th</sup> FO offering)	Forecast of FP July 2017 (after the 5 <sup>th</sup> FO offering and the property acquisitions completed)
AUM (based on acquisition price)	393.8 billion yen (204 properties)	417.6 billion yen (221 properties)	442.7 billion yen (260 properties)
Total Asset LTV	51.2%	51.0%	49.6%
Earnings / Unit (yen)	4,267	4,523	4,800
FFO / Unit (yen)	6,109	6,413	6,753
Dividend / Unit (yen)	4,597	4,593	5,049
Number of Outstanding Units	1,240,000	1,300,000	1,350,000



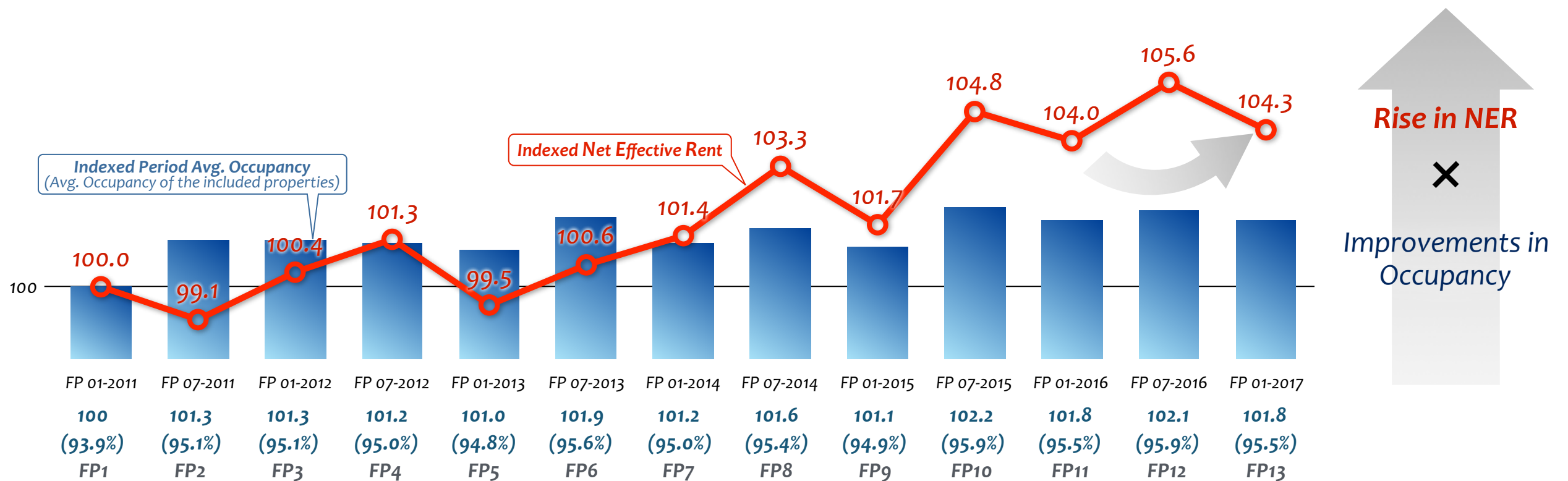
# Achieving Internal Growth in the Residential Sector

## Changes in Net Effective Rent (NER)

NER rose **0.3pt** against  
the comparable off-peak period  
an year ago

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

Achieving  
Internal Growth



- Net Effective Rent Index is calculated as monthly rental of new contracts and common fees plus key Money Income divided by 24 month, minus leasing related expenses divided by 24 month and weighted averaged by each 116 properties rentable space for each fiscal period and indexed by using the FP01-2011 figure as 100.
- The 115 properties that are included in above charts are properties held since the start of the FP01-2011. Following properties are excluded from the calculation. 1) Properties with guaranteed rent or properties where the whole building is let to one tenant. This is because fluctuation in "key money" and 'leasing related expenses do not effect ADR's rental income from those properties. 2) Properties targeted for Expats, where there are no key money practices.
- Number of new contracts for each fiscal period is as follows, FP01-2011) 1,748, FP07-2011) 1,074, FP01-2012) 870, FP07-2012) 1,026, FP01-2013) 981, FP07-2013) 1,024, FP01-2014) 794, FP07-2014) 924, FP01-2015) 835, FP07-2015) 918, FP01-2016) 788, FP07-2016) 918, FP01-2017) 784.

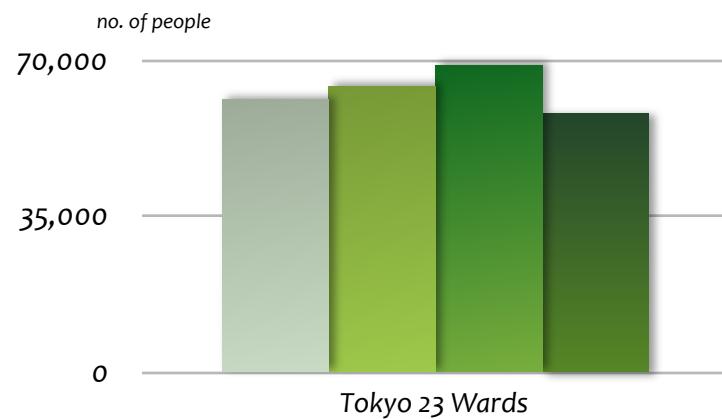
# Internal Migration Statistics

## Migration Statistics of Major Cities in Japan

### Population Inflow to Central Tokyo and Major Regional Cities Continues

#### Tokyo 23 Wards

ADR's Investment Ratio 71%



2013

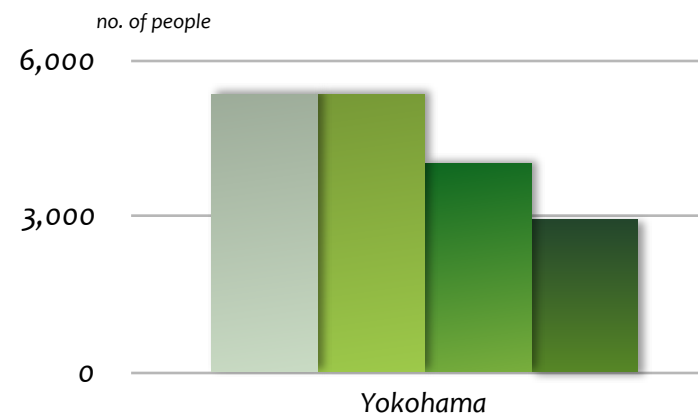
2014

2015

2016

#### Tokyo Metropolitan Area City

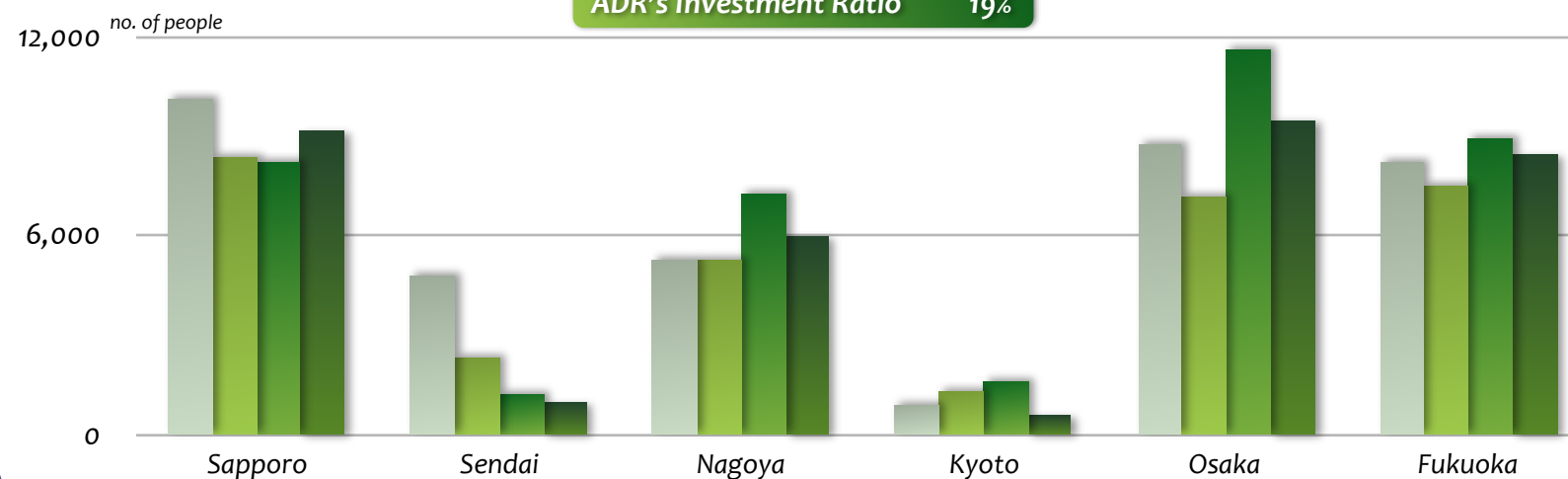
ADR's Investment Ratio 9%



Yokohama

#### Major Regional Cities

ADR's Investment Ratio 19%



Sapporo

Sendai

Nagoya

Kyoto

Osaka

Fukuoka

## Tokyo's Population Inflow by Age Group

### Net Inflow is Pre-dominantly Younger Generation

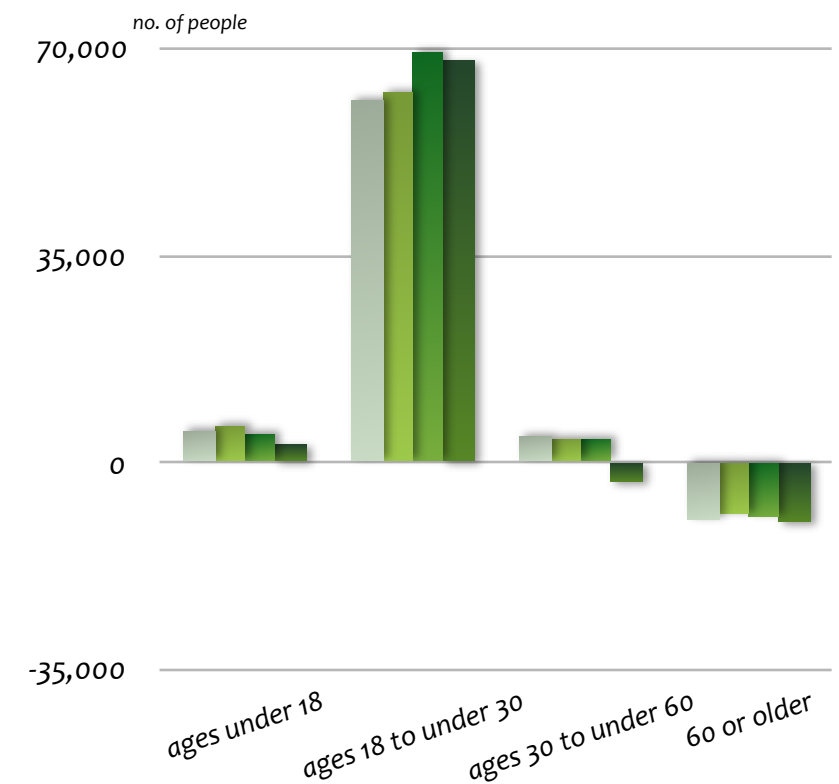
#### Tokyo Prefecture

ADR's Investment Ratio\* 48%

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

### Residential Needs of Younger Generation

#### Single & Compact Type Units



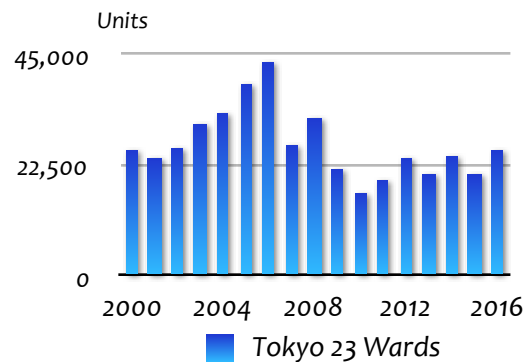
Note: Figures for "ADR's Investment Ratio" include the three properties planned to be acquired in FP July 2017 and the ratios are based on acquisition price.

Source: "2016 Report on Internal Migration in Japan" Statistics Bureau, Ministry of Internal Affairs and Communications; "2016 Report on Internal Migration" Statistics Division

# Housing Starts

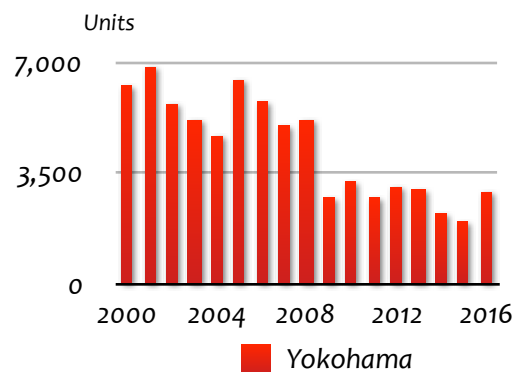
## Housing Starts Shows No Sign of Large Upswing

### Tokyo 23 Wards



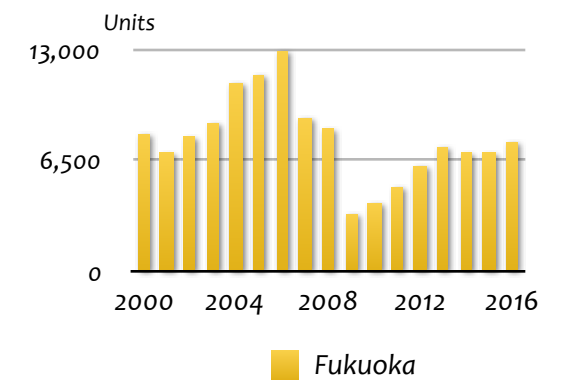
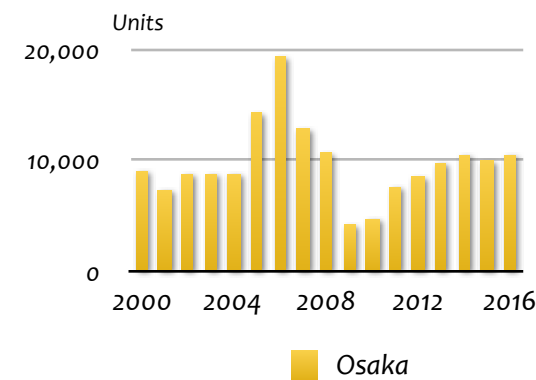
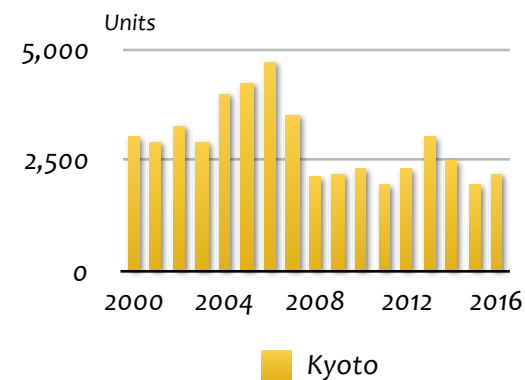
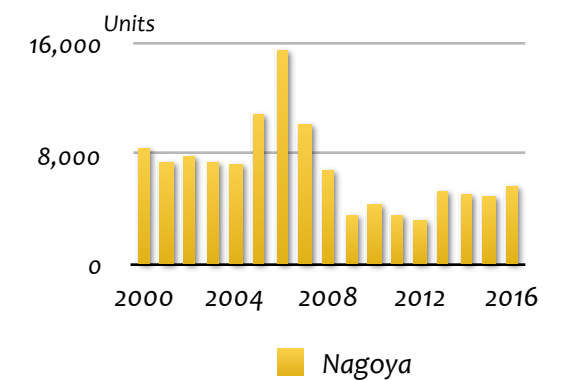
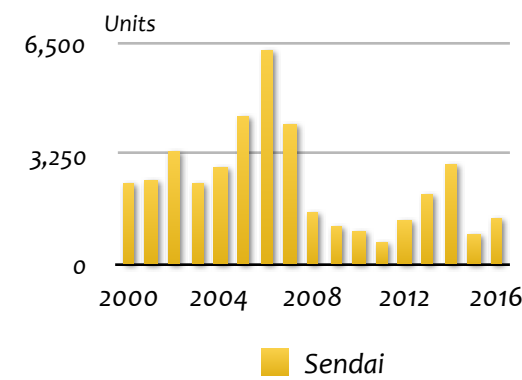
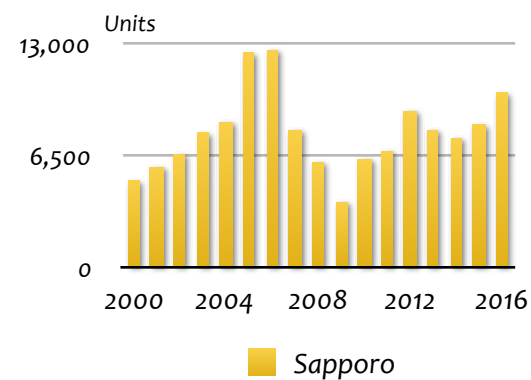
ADR's Investment Ratio in the Region  
71%

### Tokyo Metropolitan Area



ADR's Investment Ratio in the Region  
9%

### Major Regional Cities



ADR's Investment Ratio in the Region  
19%

Source: Ministry of Land, Infrastructure, Transportation and Tourism, Policy Bureau, Information Policy Division, Construction Statistics Office "Housing Starts" (RC and SRC Construction Rented Collective Housing) (2016)

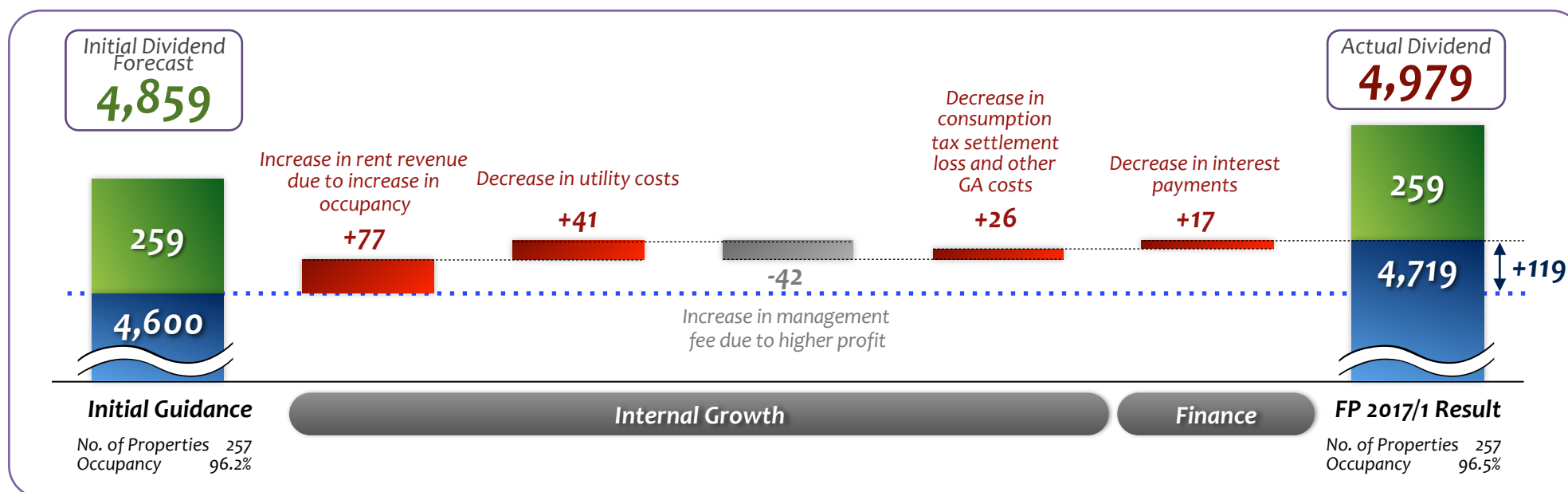
# Results for Fiscal Period ended Jan. 2017

from August 1, 2016 to January 31, 2017



## Maintained High Occupancy, Decreased Funding Cost

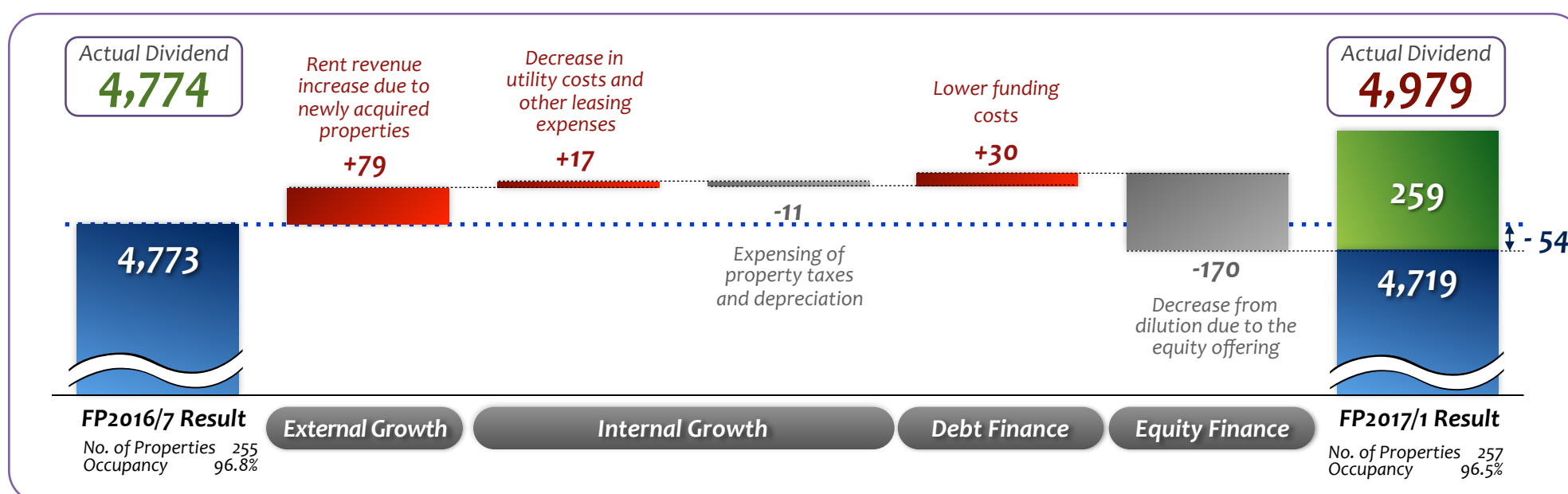
### Changes from Initial Earnings Guidance (per unit yen)



in million yen

	Initial Guidance	FP Jan. 2017 Results	diff
Revenue	15,399	15,504	+104
Operating income	7,663	7,801	+138
Ordinary income	6,210	6,371	+161
Net income	6,210	6,371	+161
Earnings per unit (yen)	4,600	4,719	+119
Dividend per unit (yen)	4,859	4,979	+120

### Changes from Previous Fiscal Period July 2016 Earnings (per unit yen)



in million yen

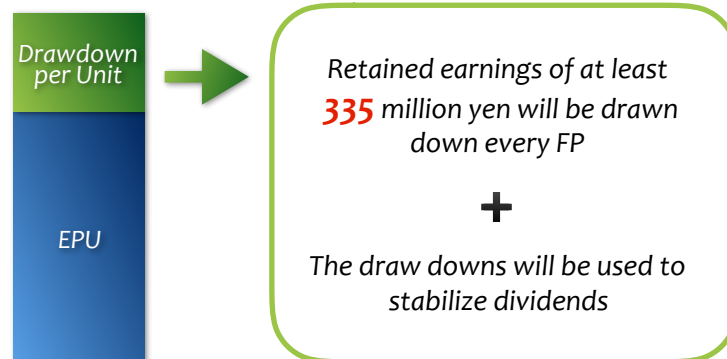
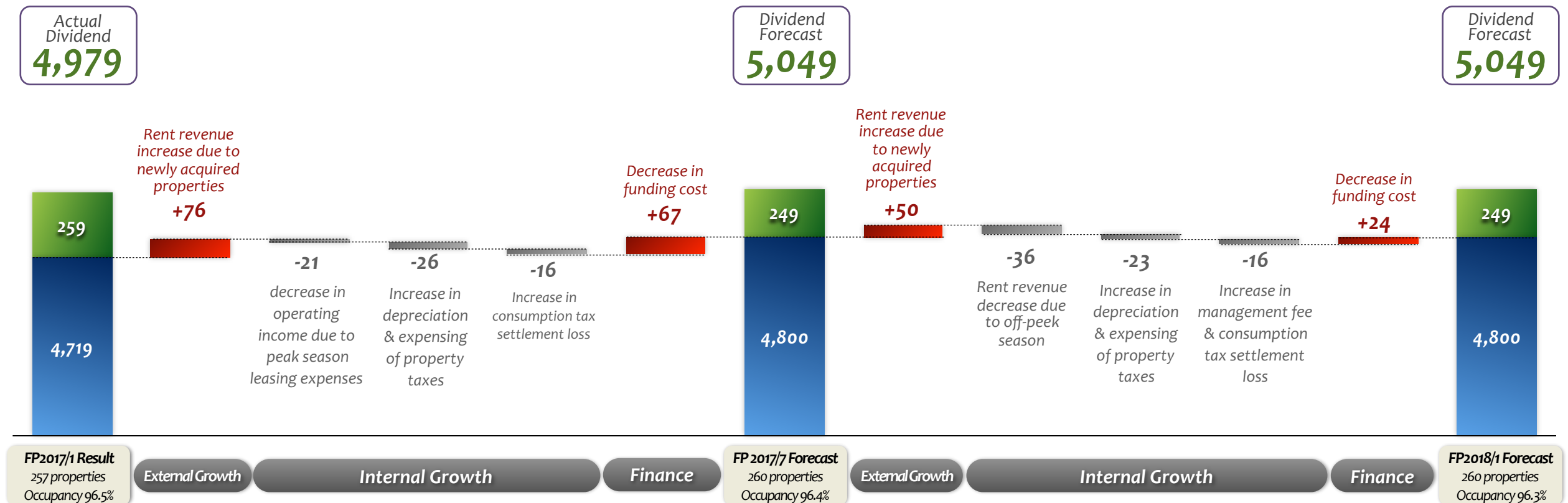
	FP Jul. 2016 Results	FP Jan. 2017 Results	diff
Revenue	15,444	15,504	+60
Operating income	7,727	7,801	+73
Ordinary income	6,206	6,371	+165
Net income	6,205	6,371	+165
Earnings per unit (yen)	4,773	4,719	-54
Dividend per unit (yen)	4,774	4,979	+205



# Earnings Guidance for FP July 2017 & Jan. 2018

With the Solid Growth in EPU, DPU Is Likely to Top 5,000

in per unit yen



in million yen	FP 2017/1 Result (a)	FP 2017/7 Forecast (b)	diff (b-a)	FP 2018/1 Forecast (c)	diff (c-b)
Revenue	15,504	15,755	+251	15,709	-46
Operating income	7,801	7,819	+18	7,787	-32
Ordinary income	6,371	6,480	+108	6,480	-
Net income	6,371	6,480	+108	6,480	-
Earnings per unit (yen)	4,719	4,800	+81	4,800	-
Drawdown of Reserve (yen)	259	249	-10	249	-
Dividend per unit (yen)	4,979	5,049	+70	5,049	-

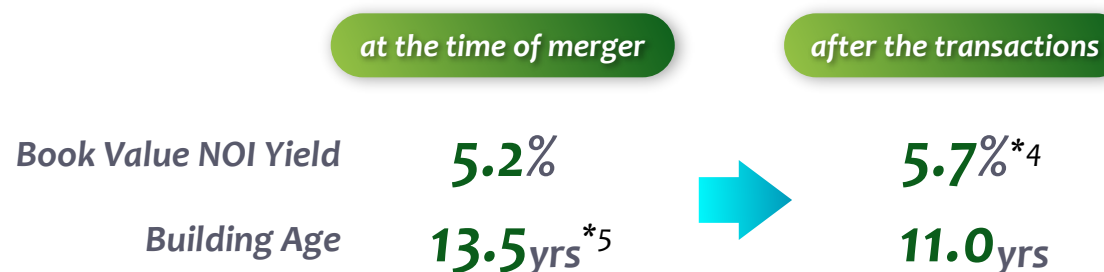
# Building a High Quality Portfolio

as of April. 18, 2017

## Acquisitions and Dispositions Since the Merger

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

## Improving Yield and Reducing Average Age



## Balanced and Diversified Acquisition Sources

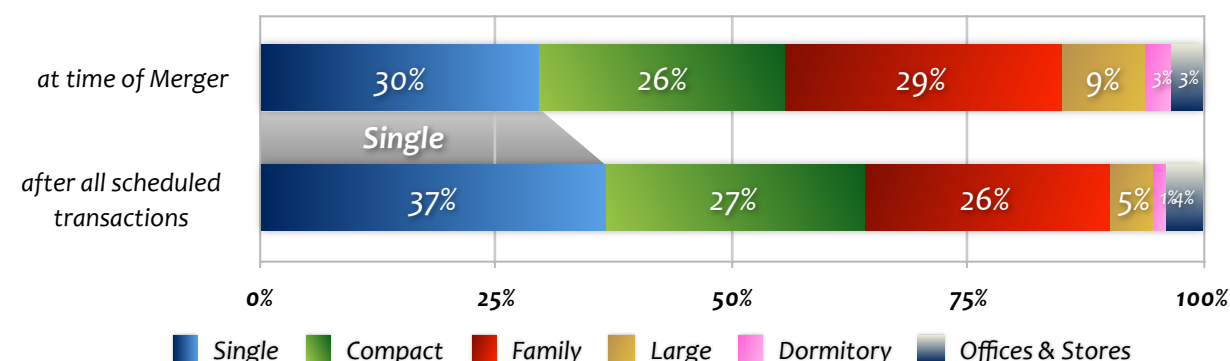
Transactions since the Merger	The Sponsor Group* <sub>6,7</sub>	Bridge Funds* <sub>8</sub>	Third party and Others	Total
No. of Properties	25	42	48	115
Total Acquisition Value (bn yen)	43.4	52.4	70.5	166.3
Share of Sources	26.1%	31.5%	42.4%	100.0%

## Acquisition Focused on Single-type Units

in number of residential units

	Single	Compact	Family	Large	Dormitory	Others	Total
Tokyo Central 7 Wards	+858	+2	-39	-169	0	-1	+651
Central Tokyo ex 7	+1,893	+719	+433	+13	0	+13	+3,071
Tokyo 23 Wards	+2,751	+721	+394	-156	0	+12	+3,722
Tokyo Metropolitan	+440	+10	-105	0	-748	-4	-407
Major Regional Cities	+1,807	+1,098	+323	+63	0	0	+3,291
Other Regions	+2,247	+1,108	+218	+63	-748	-4	+2,884
Total	+4,998	+1,829	+612	-93	-748	+8	+6,606

## Unit type Investment Ratio (by leasable area)



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

\*<sub>1</sub> Weighted average NOI yield of acquisitions

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

\*<sub>2</sub> Weighted average NOI yield of dispositions = Total actual annual NOI ÷ Total of the historical acquisition prices × 100

\*<sub>3</sub> Weighted average building age is acquisition price weighted average as of the time of acquisition or disposition. Properties that will be acquired between after FP2017/1 to April 18, 2017, where the scheduled acquisition date have a range in the date, the most latest date is used to calculate the average age.

\*<sub>4</sub> The following figures are used to calculate the Book Value NOI Yield. Annualized NOI ÷ FP2017/1 end book value, where the NOI is annualized using the actual days in operation during the FP2017/1. For the asset acquired after end of FP2017/1 to April 18, 2017, the appraisal NOI is used for annualized NOI and the acquisition price is used for book value.

\*<sub>5</sub> Weighted Average age of buildings held at the time of merger as of April 18, 2017.

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

\*<sub>7</sub> The assets acquired from the **Sponsor Group** includes 19 properties developed by the **Sponsor Group** and 6 properties which were not developed but warehoused according to Advance Residence's request. The 19 properties' acquisition price total is 34.2 billion yen. The 6 properties' acquisition price total is 9.1 billion yen.

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

# Portfolio Diversification Policy

Investment Regions* <sup>1</sup>	Investment ratio* <sup>2</sup>
<b>Tokyo 23 Wards</b>	70 ~ 100%
Tokyo Central 7 Wards	
Central Tokyo ex 7 Wards	
<b>Other Regions</b>	0 ~ 30%
Tokyo Metropolitan (ex. Tokyo 23 Wards)	
Major Regional Cities	

Unit types	Investment ratio* <sup>3</sup>
Single	~ 50%
Compact	20 ~ 40%
Family	20 ~ 40%
Large	~ 10%
■ In addition to the above, we invest in the following unit type.	
Unit types	Investment ratio* <sup>3</sup>
Dormitory	up to 20%

## \* Note

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

## Unit-type Definition

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

### Floor plan

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

### Dormitory Type Units

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

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

### Unit types

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



# Senior Housing Market

## Investment Policy

### Risk Premium Consideration

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

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

### Preference Towards RSHSS

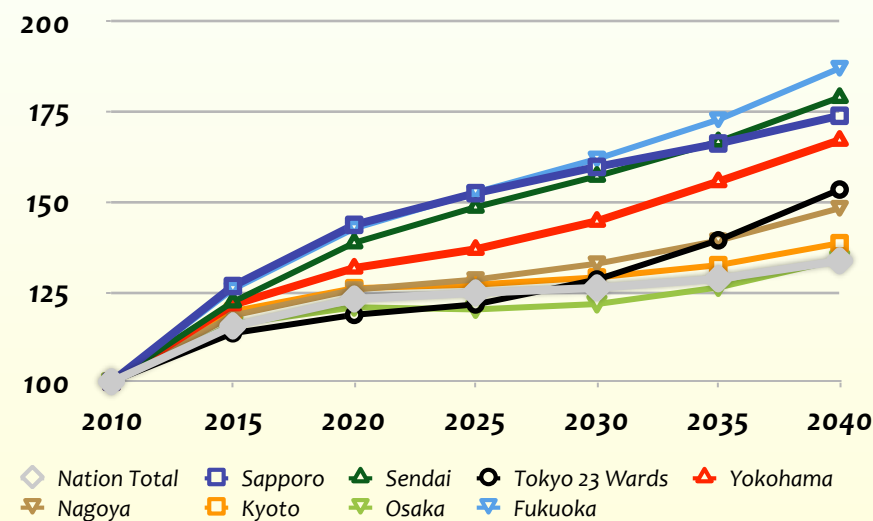
Between private nursing home and Registered Senior Housing with Supportive Services (RSHSS), RSHSS are the preferred type of asset.

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

## Growing Senior Housing Market

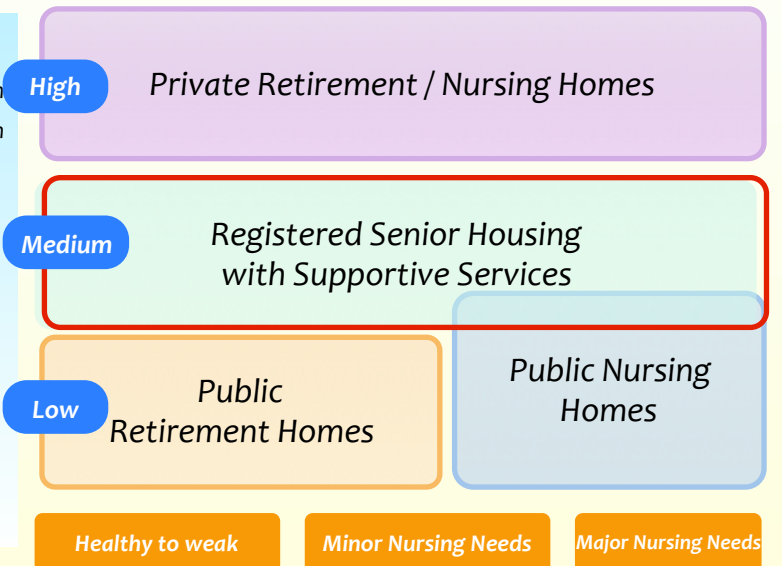
### Population trend of 65 years or older

(Indexed using 2010 figure as 100)



### Level of Out-of-pocket Monthly Burden

500K yen and above  
400K to 500K yen  
300K to 400K yen  
250K to 300K yen  
160K to 250K yen  
130K to 160K yen  
100K to 130K yen  
60K to 100K yen



## Senior Housing Holdings

### S-29 Cocofump Hiyoshi

FP 01-2017 Actual NOI Yield **6.7%**



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

\* Gakken Cocofump Corporation is a leading operator of Registered Senior Housing with Supportive Services (RSHSS), operating 81 RSHSS as of Feb. 27, 2017.

### S-22 Life & Senior House Kohoku 2

FP 01-2017 Actual NOI Yield **7.7%**



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



# Dormitories and Student Apartments

as of Apr. 18, 2017

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

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

## Dormitories

No. of dormitories  
serving breakfast  
and dinner **2** properties

## Student apartments

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

**17** properties

### S-11 TOKYO Student-House Wako



Actual NOI yield  
**6.7%**

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

### S-23 College Court Tanashi



Actual NOI yield  
**7.8%**

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

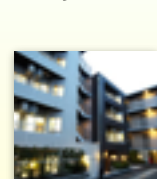
### P-3 RESIDIA Nakameguro



Actual NOI yield **6.1%**

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

### P-85 RESIDIA Komazawa



Actual NOI yield **6.1%**

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

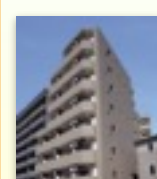
### C-66 RESIDIA Takashimadaira



Actual NOI yield **5.5%**

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

### C-67 RESIDIA Shimurasakaue



Actual NOI yield **5.4%**

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

### C-74 RESIDIA Nerima



Actual NOI yield **5.7%**

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

### C-77 RESIDIA Ogikubo II



Actual NOI yield **5.0%**

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

### R-2 RESIDIA Imadegawa



Actual NOI yield **6.8%**

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

### R-8 RESIDIA Kobe Port Island



Actual NOI yield **6.5%**

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

### R-38 RESIDIA Hirose-dori



Actual NOI yield **8.0%**

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

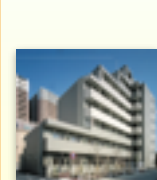
### C-28 RESIDIA Oji



Actual NOI yield **6.2%**

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

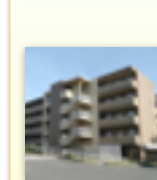
### C-68 RESIDIA Shimurasakaue II



Actual NOI yield **5.6%**

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

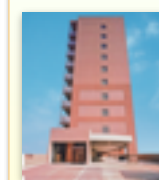
### S-15 RESIDIA Okurayama



Actual NOI yield **6.5%**

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

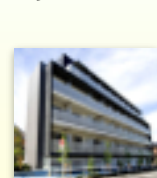
### R-60 RESIDIA Okayama-Ekimae



Actual NOI yield **5.9%**

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

### C-50 RESIDIA Shin-Itabashi



Actual NOI yield **6.4%**

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

### C-69 RESIDIA Shimurasakaue III



Actual NOI yield **5.6%**

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

### S-30 RESIDIA Sagamihara



Actual NOI yield **6.6%**

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

### R-61 RESIDIA Kyoto-Okazaki



Actual NOI yield **6.0%**

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

# Measures to Reduce Rent Declines Caused by Aging

## Rents Decline due to Aging

Supply of new properties

Equipments become obsolete

Quality decline due to wearing

Change in tenants' needs



**Gradual decline in Competitiveness**

## Measures taken to prevent or reduce rent declines

### Building Maintenance

Daily Cleaning

Equipment Maintenance

Daily Repairs

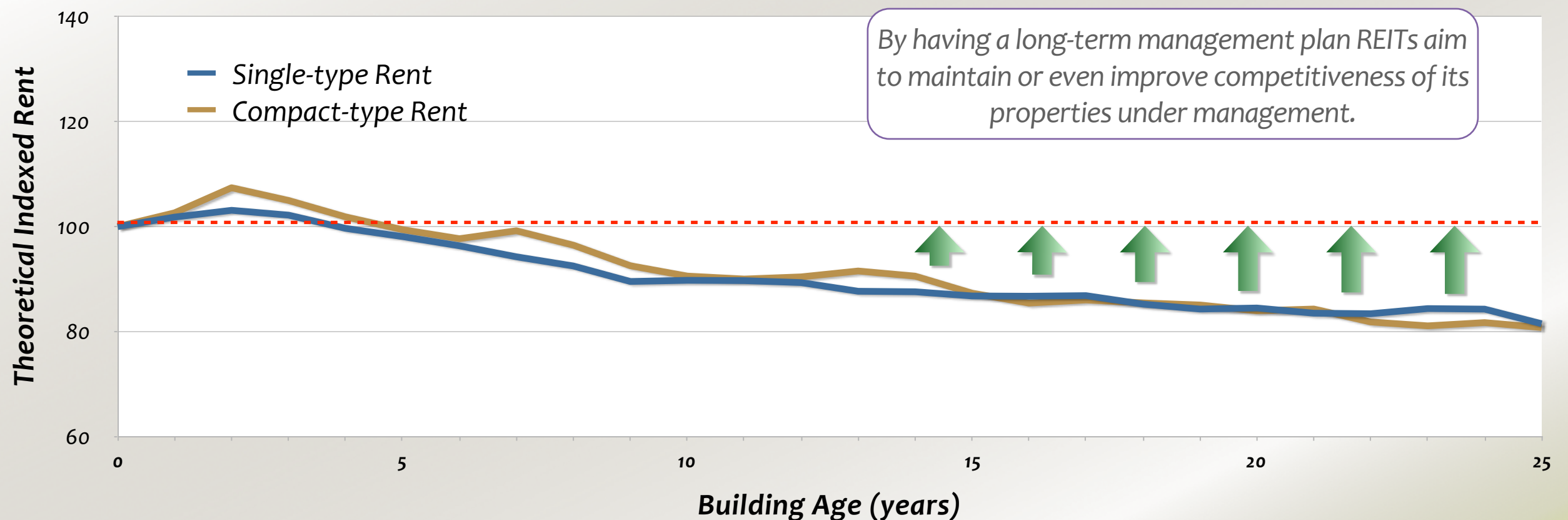
### Timely Capital Expenditures

Large-scale renovations of common areas and exteriors

Renovations of individual apartment units



**Providing living environment matching the tenants' needs**



\* Figures are indexed theoretical rent categorized by year and building age using actual rents provided by At Home Co., Ltd., of which Sumitomo Mitsui Trust Research Institute Co., Ltd. statistically processed using hedonic method.  
 \* Analysis was conducted separately between rent data from single-type units (18m<sup>2</sup> to 30m<sup>2</sup>) and compact-type units (30m<sup>2</sup> to 60m<sup>2</sup>) of apartment in 23 wards of Tokyo.



# Renovation Examples in ADR's Properties

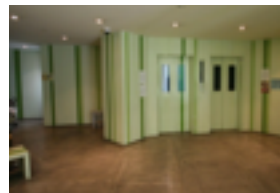
By taking proper measures competitiveness can be maintained

## Examples of Measures Taken

### P-73 RESIDIA Shibaura

Common area renovation  
Cost: 128 million yen

before



Building age 25 years



after

Individual apartment unit  
upgrading renovations  
Cost: 3,490 thousand yen/unit

before



after

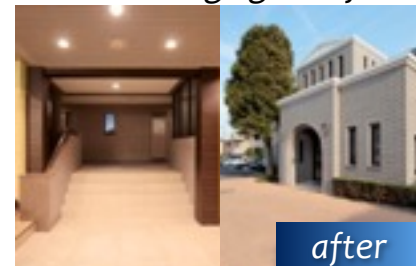
### S-19 RESIDIA Kichijoji

Common area renovation  
Cost: 32 million yen

before



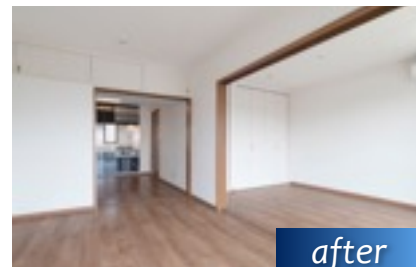
Building age 22 years



after

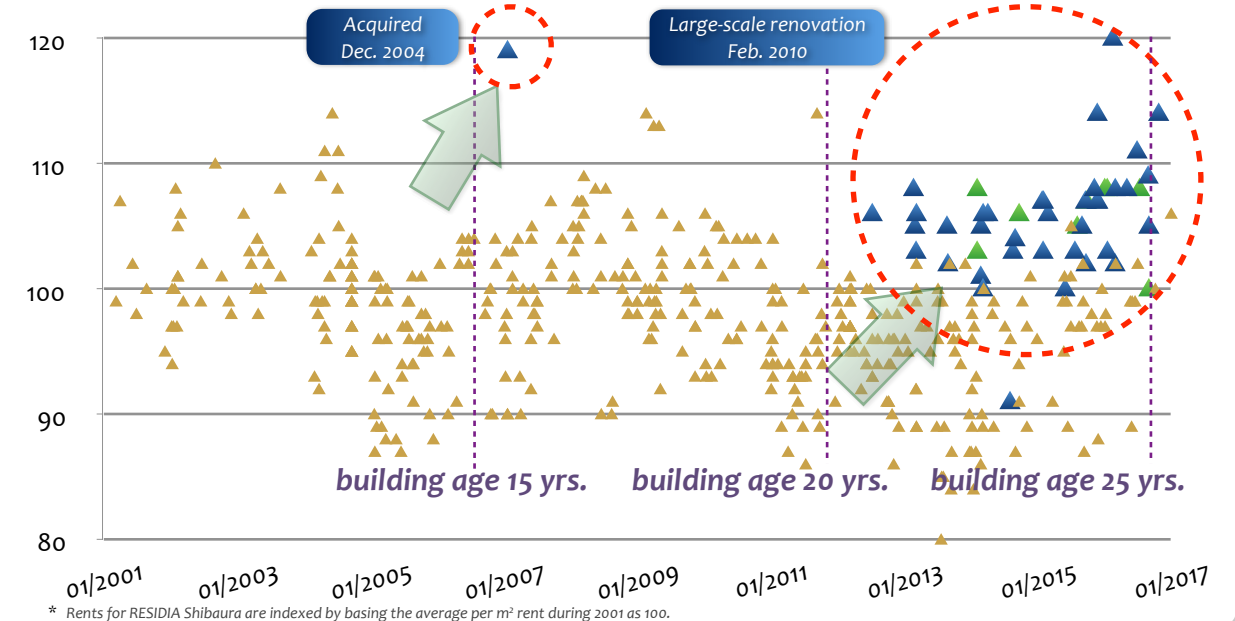
Individual apartment unit  
upgrading renovations  
Cost: 3,680 thousand yen/unit

before

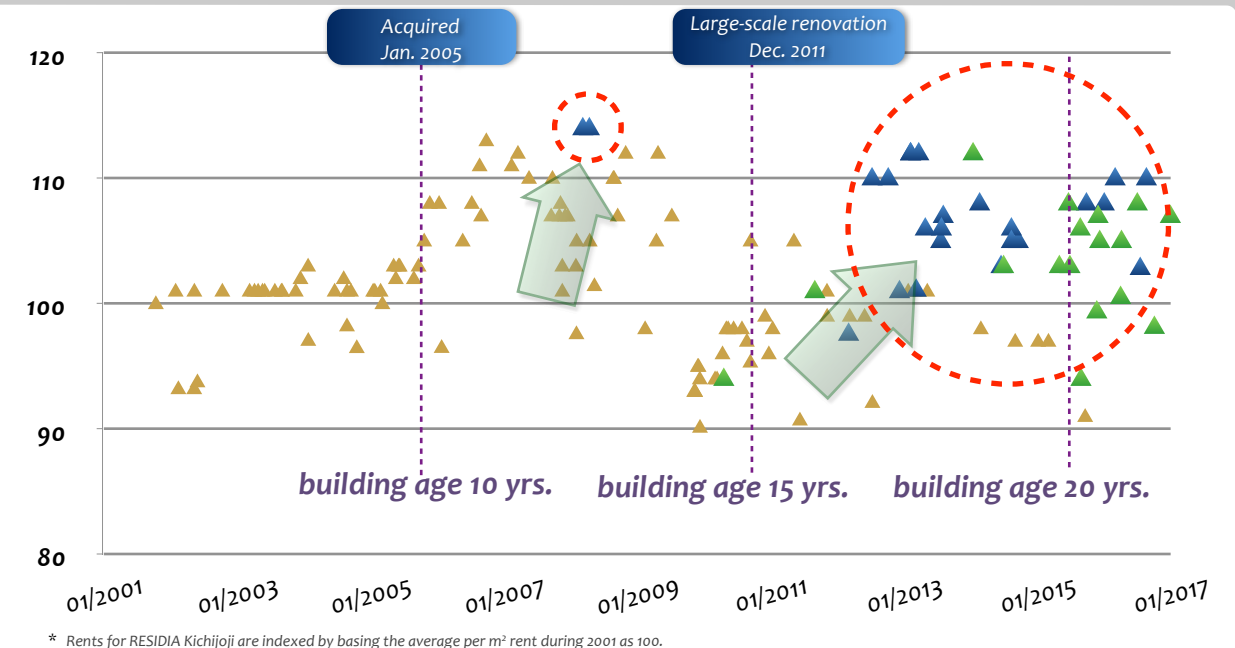


after

## Impact of the measures taken



▲ Units w/ standard restoration work ▲ Units went under VE works ▲ Units having t/o more than twice after VE works



# Brand Strategy

## The Brand

# RESIDIA

Residia is composed from the following words

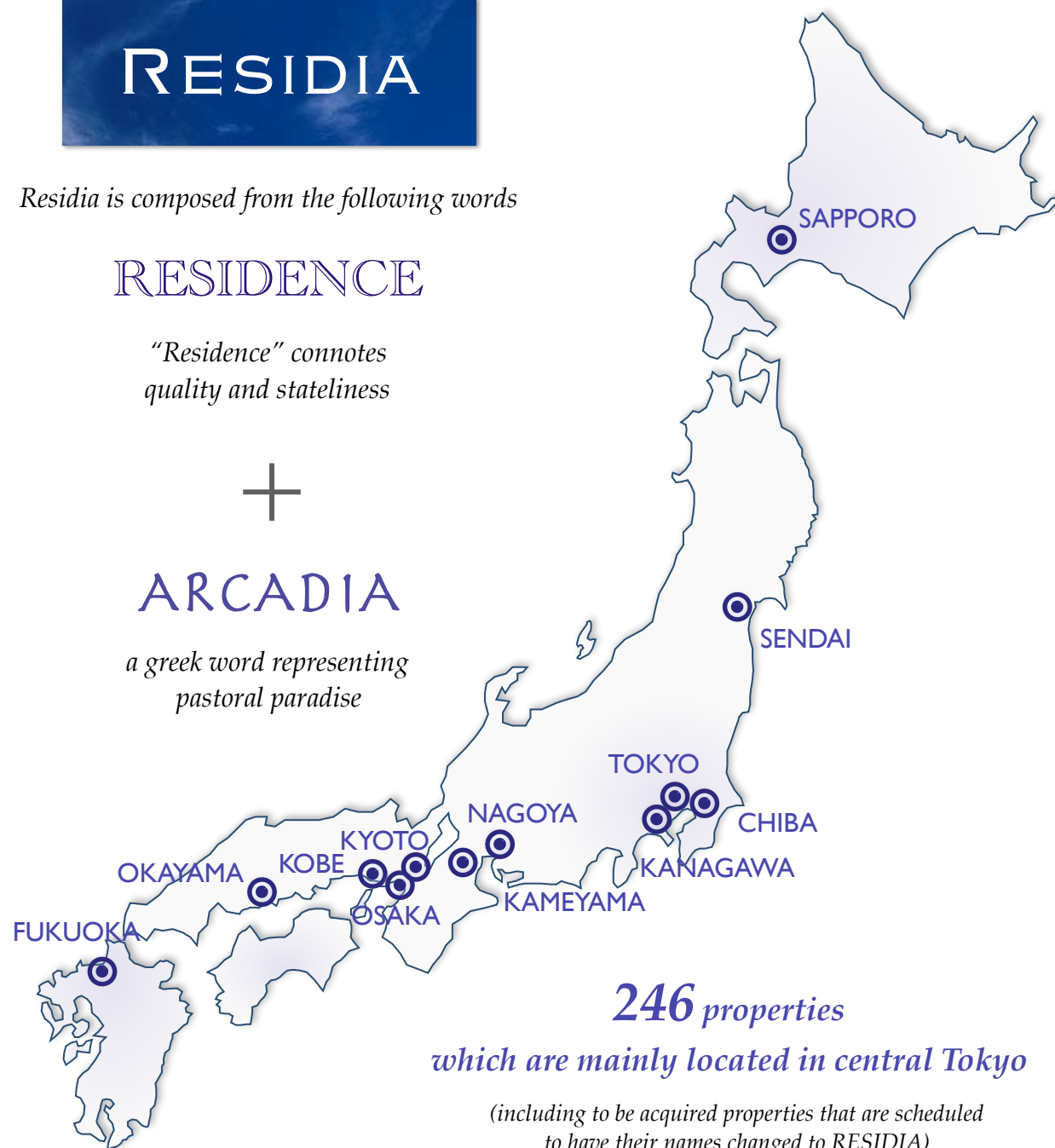
## RESIDENCE

*“Residence” connotes  
quality and stateliness*

+

## ARCADIA

*a greek word representing  
pastoral paradise*



**246 properties**

*which are mainly located in central Tokyo*

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

## Tenant Services

### RESIDIA Customer Support

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

### Moving Support from RESIDIA to RESIDIA

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

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

### KAJITAKU ~Tenant Service~

“KAJITAKU” provides housekeeping services.



## Branding through Leasing Website & Building Signs



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



RESIDIA Shibuya Building Sign



# Sustainability

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

### Environmental Considerations

#### \* Installation of LED Lightings

Lightings for common area of **9** properties replaced with energy conserving LED.  
(LED lightings installed in **38** properties at the end of Jan. 2017)

#### \* Large-Scale Repairs and Equipment Renewals and Upgrades

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

During the Fiscal Period July 2016 large-scale repairs done on **4** properties,  
value enhancement works on **34** units of **11** properties.

(Track record since the merger\*: large-scale repairs on **23** properties, upgrades on **18** properties **223** units)

\* as of Feb. 23, 2017, excluding disposed properties

### Contribution to the Community

#### \* Installation of Vending Machine w/ Donation Functionality

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

#### \* Installation of AEDs

AEDs that are open to public use are installed in **50** properties.

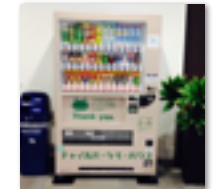
#### \* Emergency Maps

Emergency maps showing evacuation routes, available in common area of **256** properties.

#### \* Distributing Emergency Kits

Distributed **1,275** emergency kits to tenants.  
(the kit consists of emergency rations, helmets, portable toilets, etc.)

Vending Machine



AED



Emergency Map



Emergency Kits



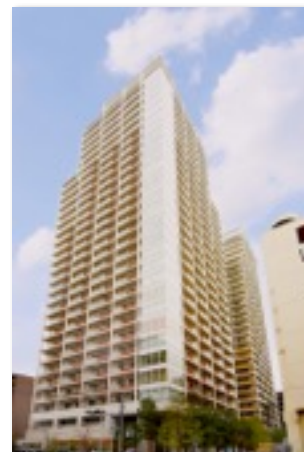
### DBJ Green Building Certification

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



P-76 Park Tower Shibaura  
Bayward Urban Wing

Awarded the highest  
rank for having  
environmental &  
social awareness in  
2016



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

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

\*\*\* Based on materials published by Development Bank of Japan as of Feb. 28, 2017 and consolidated by AD Investment Management Co., Ltd.

### Participated in GRESB Survey 2016

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



2016 GRESB Survey Result

**Green Star**

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

# Debt Structure

## The Lineup of 26 Lenders Including 3 Mega Banks, 3 Major Trust Banks

as of January 31, 2017

### Investment Corporation Bonds

Maturity Issue Date	3 yrs	5 yrs	7 yrs	10 yrs	12 yrs	15 yrs
2017/2	FP July 2017 Issuance		#26* 2.0 bn yen 0.18%			
2016/6						#25 3.0bn yen 0.90%
2015/10		#23 1.5 bn yen 0.326%		#24 1.5bn yen 0.846%		
2015/4				#22 2 bn yen 0.726%		
2014/4				#21 2.5 bn yen 1.04%		
2013/11					#20 2 bn yen 1.41%	
2013/4				#19 3 bn yen 1.32%		
2012/9		#17* 8 bn yen 0.87%	#18 4 bn yen 1.23%			
2012/4	#15* 4 bn yen 0.86%	#16 4 bn yen 1.08%				
2011/9		#13 8 bn yen 1.27%	#14 2 bn yen 1.68%			

\* #26 is excluded from the "Total Interest Bearing Debts" because it was issued after FP Jan. 2017 ended.

\* #13 redeemed on Sept. 2016, #15 redeemed on April 2015, #17 redeemed on Sept. 2016.

First residential J-REIT  
to issue 10, 12 and 15 year bonds

### Loans

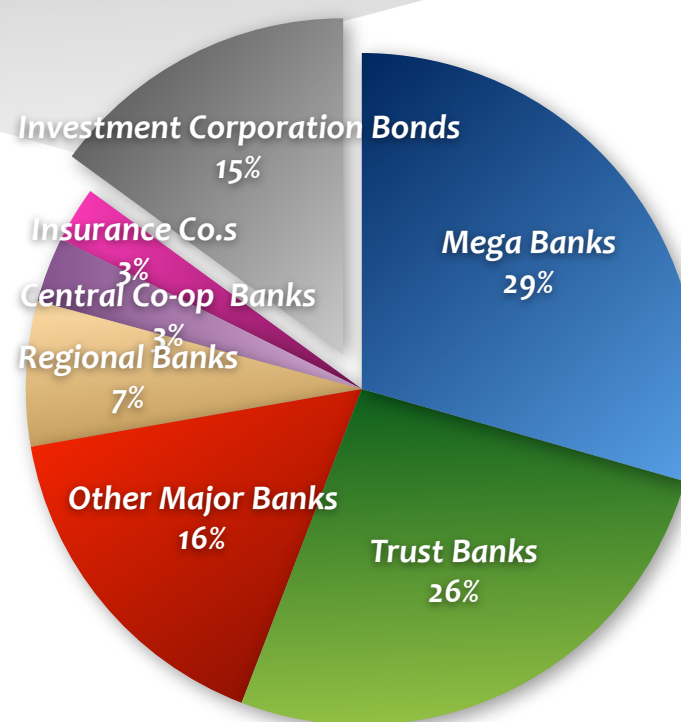
Lenders	Loan Outstanding (bn yen)	% share
Sumitomo Mitsui Trust Bank	31.1	16.4
The Bank of Tokyo-Mitsubishi UFJ	31.1	16.3
Mizuho Bank	18.1	9.5
Mitsubishi UFJ Trust & Banking	16.8	8.8
Sumitomo Mitsui Banking Corporation	16.5	8.7
Development Bank of Japan	13.7	7.2
Mizuho Trust & Banking	11.1	5.8
Aozora Bank	10.6	5.6
Resona Bank	8.1	4.3
The Norinchukin Bank	7.0	3.7
The Bank of Fukuoka	5.0	2.6
Shinsei Bank	4.2	2.2
Taiyo Life Insurance	3.0	1.6
The Nishi-Nippon City Bank	2.6	1.4
The Yamaguchi Bank	2.5	1.3
Tokio Marine & Nichido Fire Insurance	1.0	0.5
Mitsui Sumitomo Insurance	1.0	0.5
Nippon Life Insurance	1.0	0.5
The Gunma Bank	1.0	0.5
The Iyo Bank	1.0	0.5
The 77 Bank	1.0	0.5
The Kagawa Bank	0.5	0.3
The Tokyo Tomin Bank	0.5	0.3
The Hiroshima Bank	0.5	0.3
The Chugoku Bank	0.5	0.3
The Bank of Kyoto	0.5	0.3
<b>Total</b>	<b>190.2</b>	<b>100.0</b>

### Total Interest Bearing Debt

**223.7** billion yen

### Committed Lines of Credit

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



# Note

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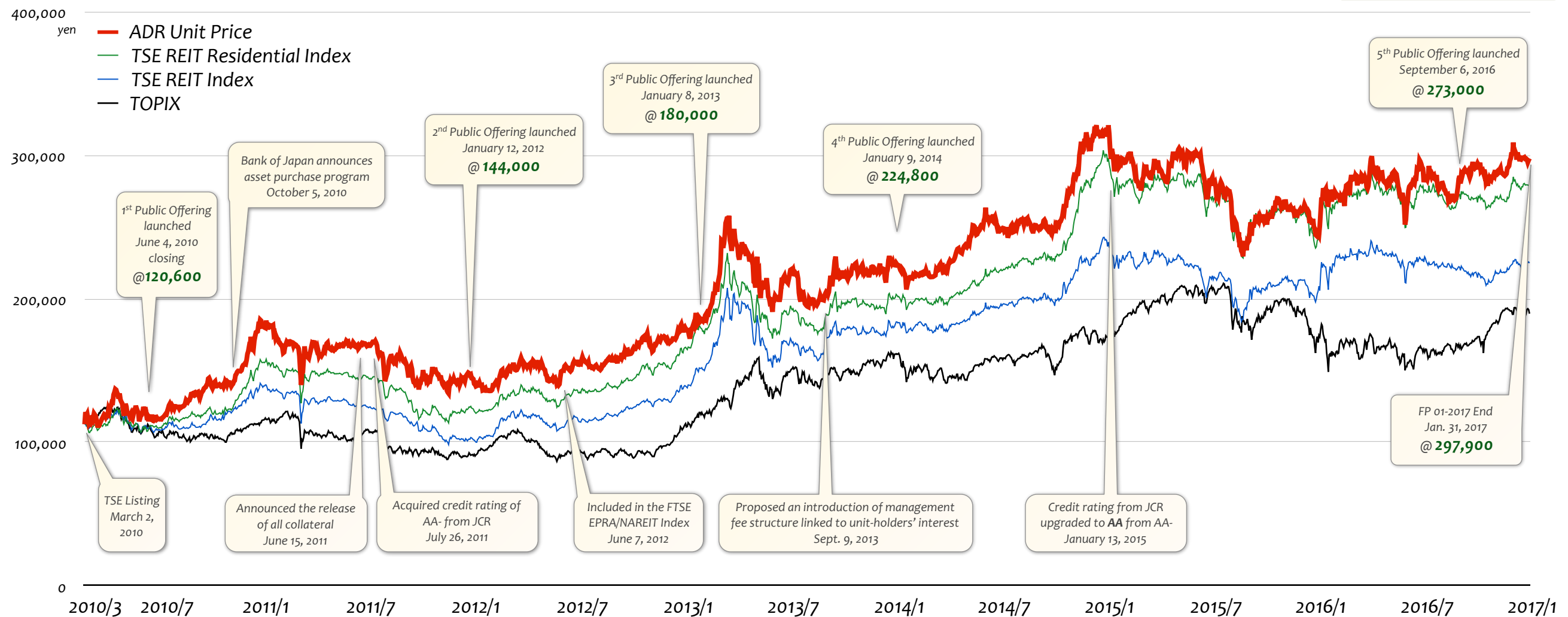
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# Unit Price Chart

Key Figures	FP 01-2011	FP 07-2011	FP 01-2012	FP 07-2012	FP 01-2013	FP 07-2013	FP 01-2014	FP 07-2014	FP 01-2015	FP 07-2015	FP 01-2016	FP 07-2016	FP 01-2017
Market capitalization	168.8 bn yen @172,300	158.9 bn yen @162,200	134.7 bn yen @137,500	168.1 bn yen @152,900	209.1 bn yen @190,100	245.6 bn yen @198,100	269.3 bn yen @217,200	319.1 bn yen @245,500	391.9 bn yen @301,500	351.6 bn yen @270,500	338.6 bn yen @260,500	369.9 bn yen @284,600	4,021 bn yen @297,900
Daily Average Trading volume	0.44 bn yen 3,247 units	0.31 bn yen 1,917 units	0.27 bn yen 1,907 units	0.46 bn yen 3,160 units	0.54 bn yen 3,208 units	1.29 bn yen 6,055 units	0.68 bn yen 3,174 units	0.62 bn yen 2,684 units	0.81 bn yen 2,922 units	0.92 bn yen 3,181 units	0.85 bn yen 3,344 units	1.26 bn yen 4,512 units	1.25 bn yen 4,389 units
LTV (Total assets base)	52.4%	53.5%	54.6%	53.7%	53.8%	51.2%	52.1%	51.0%	50.1%	51.6%	51.4%	52.2%	49.6%
NAV per Unit (yen)	152,749	154,360	156,459	155,966	158,313	164,311	171,850	182,367	198,261	207,281	216,739	223,586	230,621
BPS (yen)	159,564	156,548	156,140	152,689	152,440	153,020	152,821	155,220	155,160	155,161	155,161	155,161	158,601
Implied CAP rate	5.3%	5.5%	5.6%	5.4%	4.8%	4.7%	4.5%	4.3%	3.8%	4.1%	4.2%	4.1%	4.0%

\*NAV and BPS are ex-dividend figures



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



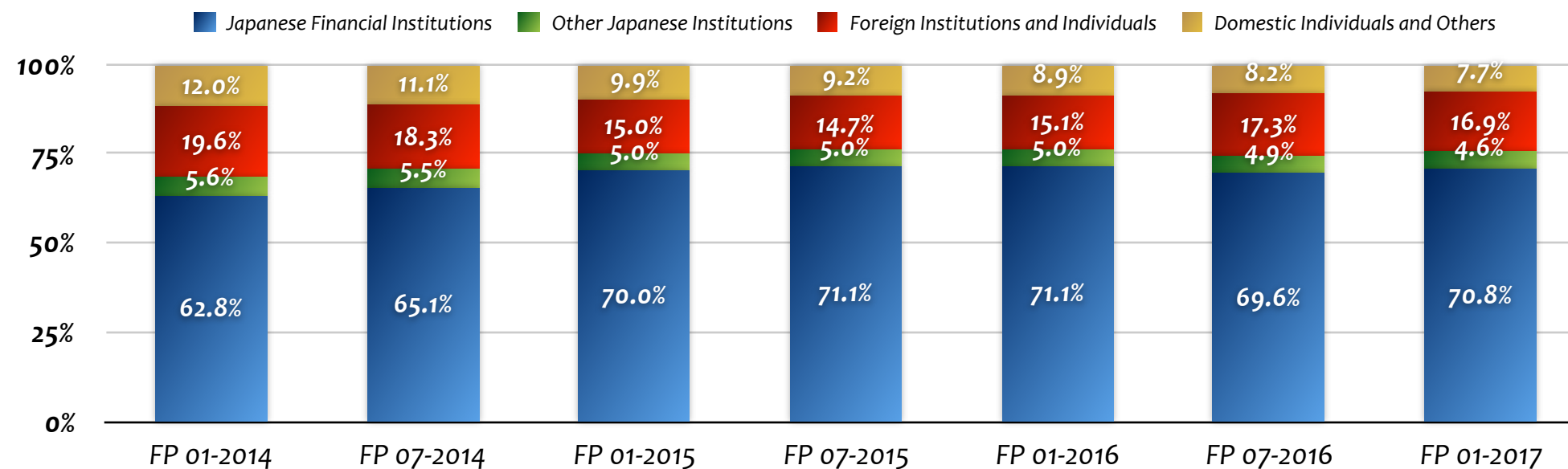
# Major Unitholders

## Increase in Trust Banks Ownership

as of January 31, 2017

	Number of Units		Number of Unitholders	
	Units	(%)	Unit-holders	(%)
Japanese Financial Institutions	955,595	70.8%	207	1.2%
Trust Banks	694,527	51.4%	15	0.1%
Regional Banks	141,731	10.5%	59	0.3%
Life Insurance	41,570	3.1%	8	0.0%
Securities Companies	26,935	2.0%	21	0.1%
Casualty Insurance	17,510	1.3%	7	0.0%
Credit Unions & Co-ops	16,005	1.2%	48	0.3%
Shinkin Banks	17,317	1.3%	49	0.3%
City Banks	0	0.0%	0	0.0%
Other Japanese Corporations	62,653	4.6%	259	1.5%
Foreign Corporations and Individuals	227,779	16.9%	275	1.6%
Domestic Individuals and Others	103,973	7.7%	16,417	95.7%
<b>Total</b>	<b>1,350,000</b>	<b>100.0%</b>	<b>17,158</b>	<b>100.0%</b>

Name of Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	363,783	26.9%
The Master Trust Bank of Japan, Ltd (Tr. Acc.)	146,922	10.9%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	85,449	6.3%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	51,126	3.8%
ITOCHU Corporation	34,800	2.6%
State Street Bank and Trust Company 505012	17,541	1.3%
Trust & Custody Services Bank, Ltd. (Cash in Tr. Taxable Acc.)	17,406	1.3%
State Street Bank - West Pension Fund Clients - Exempt 505233	16,449	1.2%
The Fuji Fire and Marine Insurance Co., Ltd.	14,382	1.1%
The Yamanashi Chuo Bank, Ltd.	12,666	0.9%
<b>Total</b>	<b>760,524</b>	<b>56.3%</b>



# Balance Sheet

Fiscal Period Ending January 31, 2017		in thousands yen
<b>Assets</b>		
Current assets		
Cash and deposits		17,772,257
Cash and deposits in trust		9,471,622
Operating accounts receivables		203,764
Prepaid expenses		351,386
Other		4,946
Allowance for doubtful accounts		△ 10,161
Current assets		27,793,815
Fixed assets		
Property, plant and equipment		
Buildings		63,802,834
Structures		17,366
Machinery and equipment		46,191
Tools, furniture and fixtures		99,179
Land		70,314,787
Buildings in trust		130,377,105
Structures in trust		95,002
Machinery and equipment in trust		84,428
Tools, furniture and fixtures in trust		268,775
Land in trust		152,459,428
Construction in progress		2,521
Property, plant and equipment		417,567,620
Intangible assets		
Leasehold right		1,071,902
Leasehold right in trust		2,078,265
Other		92
Intangible assets		3,150,260
Investments and other assets		
Securities investments		-
Long-term prepaid expenses		796,418
Guarantee deposits		523,518
Guarantee deposits in trust		1,026,585
Other		1,632
Investments and other assets		2,348,154
Fixed assets		423,066,035
Deferred assets		
Investment unit issuance expenses		7,173
Investment corporation bond issuance costs		100,759
Deferred assets		107,932
Total Assets		450,967,784

Fiscal Period Ending January 31, 2017		in thousands yen
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable		324,578
Current portion of investment corporation bond		12,000,000
Current portion of long-term loans payable		22,956,329
Accounts payable-other		1,330,850
Accrued expenses		151,770
Accrued consumption taxes		21,366
Advances received		66,297
Other		18,877
Current liabilities		36,870,070
Long-term liabilities		
Investment corporation bond		21,500,000
Long-term loans payable		167,318,000
Tenant leasehold and security deposits		1,225,772
Tenant leasehold and security deposits in trust		3,219,876
Long-term liabilities		193,263,649
Liabilities		230,133,720
Net assets		
Unitholders' equity		
Unitholders' capital, gross		127,690,098
Surplus		
Capital surplus		53,220,279
Reserve for dividend		33,552,162
Unappropriated retained earnings (undisposed loss)		6,371,523
Surplus		93,143,965
Unitholders' equity		220,834,064
Net assets		220,834,064
Liabilities and net assets		450,967,784

# Profit and Loss Statement

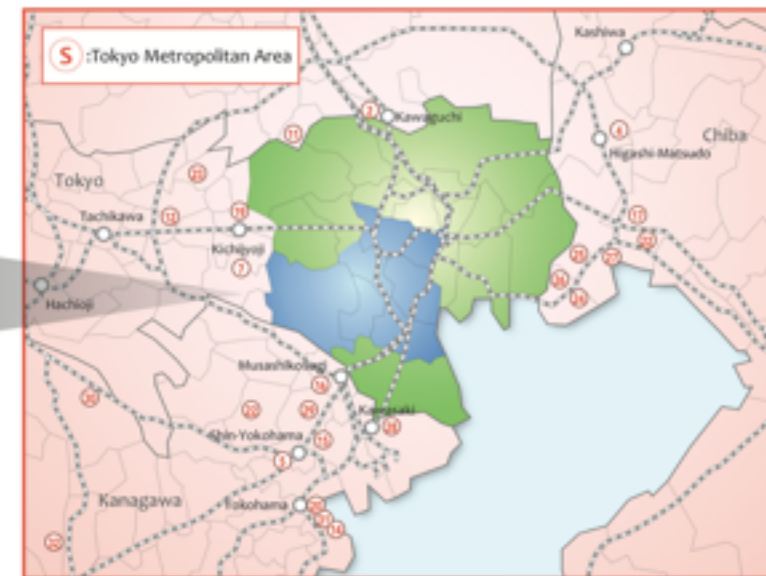
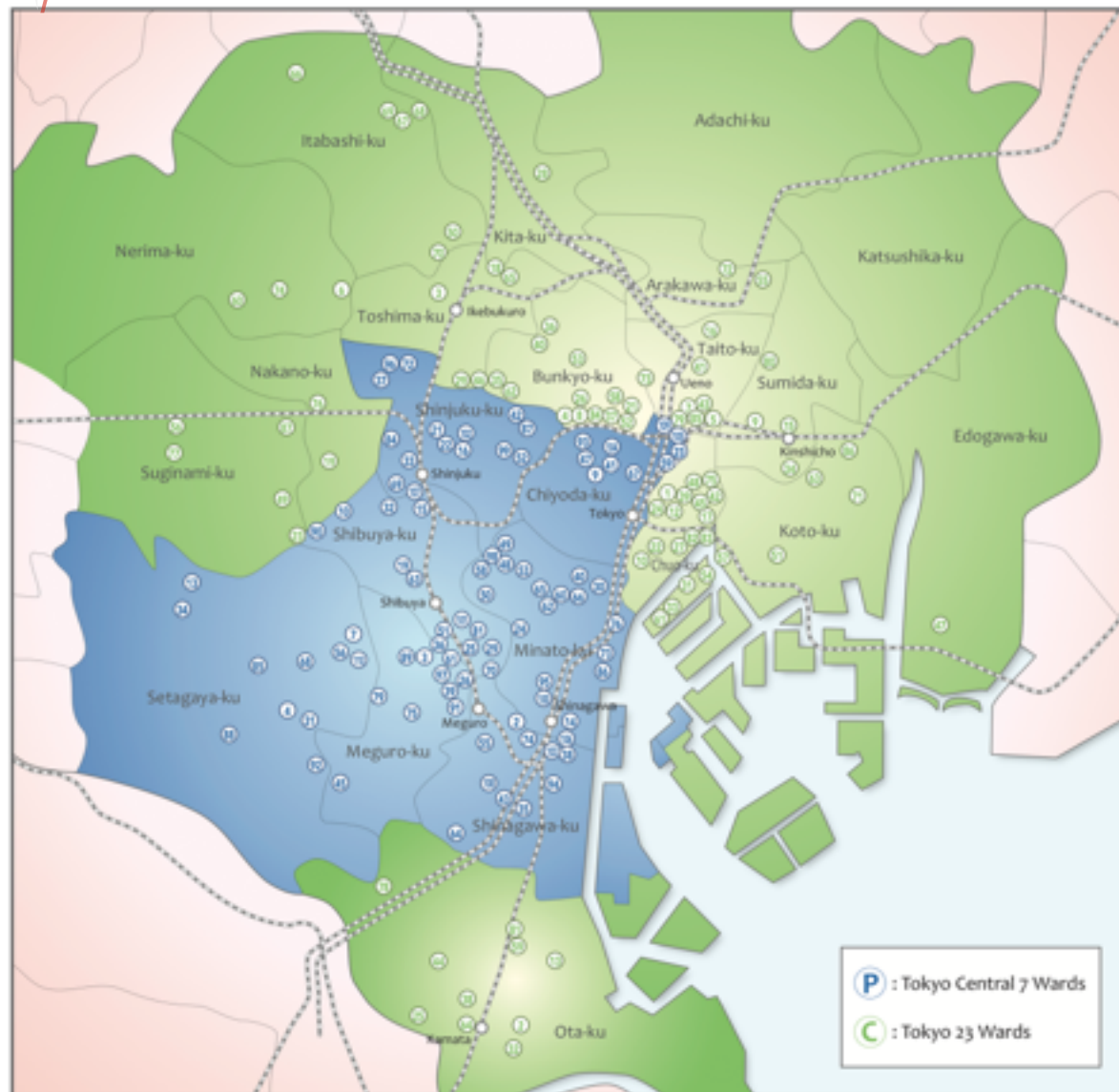
Fiscal Period Ending January 31, 2017 (from August 1, 2016 to January 31, 2017)		in thousands yen
Operating revenue		
Rent revenue-real estate		15,504,314
Dividend income		-
Gain on sales of real estate properties		-
Operating revenue		15,504,314
Operating expenses		
Expenses related to rent business		6,045,529
Loss on sales		-
Asset management fee		1,136,067
Asset custody fee		9,745
Administrative service fees		60,534
Directors' compensations		3,600
Taxes and dues		257,486
Provision of allowance for doubtful accounts		-
Bad debts expenses		26
Other operating expenses		189,733
Operating expenses		7,702,724
Operating income		7,801,590
Non-operating income		
Interest income		7,208
Interest on securities		9,691
Reversal of distributions payable		3,494
Claim compensation income		362
Other		2
Non-operating income		20,760
Non-operating expenses		
Interest expenses		998,854
Interest expenses on investment corporation bonds		187,808
Amortization of investment unit issuance expenses		2,516
Amortization of corporation bonds issuance expenses		14,764
Investment unit issuance expenses		23,071
Borrowing related expenses		223,341
Other		156
Non-operating expenses		1,450,513
Ordinary income		6,371,837
Income before income taxes		6,371,837
Income taxes-current		605
Income taxes		605
Net income		6,371,232
Retained earnings brought forward		291
Unappropriated retained earnings (undisposed loss)		6,371,523

Fiscal Period Ending January 31, 2017 (from August 1, 2016 to January 31, 2017)		in thousands yen
A. Revenue from Property Leasing		
Rental		
Rent income		13,823,691
Facility charge		728,212
Parking fee		441,475
Subtotal		14,993,378
Other revenues related to property leasing		
Income from leasing rights, etc.		68,658
Miscellaneous income		442,277
Subtotal		510,935
Total revenues from property leasing		15,504,314
B. Rental Expenses		
Taxes and Duties		836,580
Property management fees		1,068,122
Utilities		235,861
Repairs and maintenance		480,985
Insurance		25,170
Trust fee		69,683
Other rental expenses		735,571
Depreciation and amortization		2,593,555
Total rental expenses		6,045,529
C. Operating Income from Property Leasing Activities (A-B)		9,458,784



# Portfolio Map

as of April 18, 2017



R : Major Regional Cities



No. of Properties

260

(including assets -to-be-acquired)

# Portfolio

(as of January 31, 2017)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	12 - 2004	115	2,860	0.7%	3,130	2,397	30.6%	4.3%	96.1%
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2 - 2005	88	1,730	0.4%	2,040	1,438	41.8%	2.6%	100.0%
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	3 - 2002	28	1,229	0.3%	1,240	1,142	8.5%	7.3%	96.4%
P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	8 - 2005	42	1,230	0.3%	1,380	1,167	18.2%	3.1%	95.0%
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	3 - 2004	86	2,270	0.5%	2,600	2,052	26.7%	2.9%	97.7%
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2 - 2006	35	1,130	0.3%	1,210	1,073	12.7%	7.3%	92.1%
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	7 - 2006	39	1,120	0.3%	1,250	1,068	17.0%	7.0%	97.9%
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2 - 2007	120	2,720	0.6%	2,920	2,563	13.9%	4.3%	100.0%
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	3 - 2007	22	732	0.2%	718	710	1.0%	4.4%	88.5%
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2 - 2009	39	750	0.2%	887	727	21.9%	4.3%	92.5%
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	8 - 2001	30	588	0.1%	711	566	25.6%	8.2%	100.0%
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2 - 2004	54	1,380	0.3%	1,650	1,314	25.5%	4.8%	86.2%
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	8 - 2000	48	941	0.2%	1,120	938	19.3%	5.3%	92.1%
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2 - 2004	65	1,520	0.3%	2,070	1,415	46.3%	4.1%	98.7%
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2 - 2001	37	874	0.2%	1,040	885	17.5%	3.1%	97.5%
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	1 - 2001	26	554	0.1%	671	574	16.8%	3.0%	88.6%
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	10 - 1999	20	722	0.2%	720	742	-3.1%	6.2%	91.9%
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	11 - 2005	76	1,660	0.4%	2,070	1,542	34.2%	2.9%	97.6%
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2 - 2005	67	1,950	0.4%	2,250	1,818	23.7%	5.3%	97.3%
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	10 - 2004	18	333	0.1%	389	312	24.4%	8.5%	81.9%
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2 - 2005	16	326	0.1%	398	310	28.1%	11.0%	80.4%
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2 - 2005	19	363	0.1%	440	347	26.8%	9.9%	90.0%
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2 - 2005	15	286	0.1%	341	268	27.0%	10.6%	91.5%
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	12 - 2005	48	947	0.2%	1,120	879	27.4%	4.3%	98.0%
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	1 - 2006	61	2,280	0.5%	2,810	2,228	26.1%	3.4%	100.0%
P-37	RESIDIA Kamiuchiai	Shinjuku-ku, Tokyo	9 - 2006	70	1,180	0.3%	1,450	1,106	31.1%	4.8%	98.8%
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	8 - 2006	122	2,040	0.5%	2,370	1,932	22.6%	4.0%	95.1%
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1 - 2006	34	1,190	0.3%	1,340	1,148	16.7%	6.5%	95.5%
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	9 - 2006	63	1,320	0.3%	1,500	1,252	19.8%	3.3%	98.4%
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	3 - 2006	52	1,160	0.3%	1,500	1,107	35.4%	2.8%	98.4%
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	8 - 2006	52	918	0.2%	1,040	874	19.0%	2.1%	98.2%
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	7 - 2007	40	1,050	0.2%	1,280	998	28.2%	4.8%	97.7%
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	3 - 2002	28	1,050	0.2%	1,180	986	19.7%	7.3%	89.4%
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	12 - 2004	65	2,310	0.5%	2,640	2,170	21.6%	2.3%	98.6%
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	8 - 2004	68	3,660	0.8%	3,730	3,459	7.8%	3.5%	95.8%
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	5 - 2004	37	1,180	0.3%	1,370	1,113	23.0%	8.3%	95.4%
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	7 - 2004	125	6,780	1.6%	7,470	6,433	16.1%	2.8%	95.7%
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	7 - 2004	42	2,150	0.5%	2,100	2,005	4.7%	4.0%	92.5%
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	8 - 2004	85	2,500	0.6%	2,890	2,352	22.8%	3.6%	97.3%
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	9 - 1999	89	3,570	0.8%	4,240	3,599	17.8%	6.8%	90.0%
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	1 - 2007	358	16,500	3.8%	18,600	15,189	22.5%	1.8%	100.0%
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	1 - 2005	78	2,760	0.6%	3,460	2,557	35.3%	2.7%	92.7%
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	3 - 2005	13	728	0.2%	474	704	-32.8%	2.0%	72.3%
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	10 - 2003	64	1,620	0.4%	2,060	1,508	36.5%	3.4%	100.0%
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	4 - 2006	31	1,430	0.3%	1,410	1,354	4.1%	3.2%	87.1%
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	3 - 2007	39	2,020	0.5%	2,190	1,950	12.3%	7.1%	88.8%
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	1 - 2003	113	6,190	1.4%	5,810	5,994	-3.1%	0.7%	96.5%

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	6 - 2006	40	1,250	0.3%	1,540	1,210	27.2%	3.5%	90.9%
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	11 - 2005	65	1,880	0.4%	2,280	1,776	28.3%	3.4%	92.3%
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2 - 2006	47	1,610	0.4%	1,800	1,553	15.9%	4.6%	94.3%
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	8 - 2006	48	1,740	0.4%	1,800	1,686	6.8%	3.3%	95.9%
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	6 - 2006	43	1,140	0.3%	1,430	1,093	30.8%	4.9%	100.0%
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	3 - 2006	34	1,280	0.3%	1,460	1,224	19.2%	4.4%	93.9%
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	5 - 2007	74	1,830	0.4%	2,130	1,728	23.2%	10.9%	97.0%
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	8 - 2007	26	923	0.2%	987	879	12.2%	2.8%	100.0%
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	12 - 2002	19	974	0.2%	1,060	923	14.8%	4.9%	100.0%
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	9 - 1991	153	4,670	1.1%	5,470	4,433	23.4%	2.8%	94.2%
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	1 - 2007	16	930	0.2%	943	887	6.2%	7.9%	89.9%
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	8 - 2006	118	5,260	1.2%	5,950	5,070	17.4%	7.8%	96.4%
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	5 - 2005	191	9,570	2.2%	11,100	9,007	23.2%	3.6%	98.1%
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1 - 1993	16	878	0.2%	964	852	13.0%	7.7%	87.9%
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	6 - 2003	12	1,750	0.4%	1,480	1,650	-10.3%	4.8%	74.4%
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	2 - 1997	26	1,460	0.3%	1,590	1,384	14.8%	8.8%	96.2%
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	10 - 2008	59	870	0.2%	1,200	839	43.0%	10.0%	100.0%
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	1 - 2010	72	2,400	0.5%	2,920	2,355	24.0%	4.4%	98.9%
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	8 - 2008	98	2,070	0.5%	2,480	2,017	22.9%	3.0%	92.0%
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	6 - 2008	66	1,523	0.3%	1,810	1,563	15.7%	10.3%	97.7%
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3 - 2007	70	3,300	0.8%	4,230	3,362	25.8%	2.4%	100.0%
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	1 - 2011	167	3,760	0.9%	4,500	3,740	20.3%	4.2%	95.8%
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	1 - 2010	31	950	0.2%	1,280	965	32.6%	2.6%	100.0%
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	10 - 2007	17	778	0.2%	964	785	22.7%	5.4%	96.7%
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	1 - 2012	48	1,240	0.3%	1,650	1,244	32.6%	2.6%	95.1%
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	3 - 2012	90	1,620	0.4%	2,070	1,623	27.5%	2.2%	97.1%
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	3 - 2012	53	1,480	0.3%	1,920	1,486	29.2%	6.7%	94.8%
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	3 - 2008	187	3,656	0.8%	4,320	3,799	13.7%	A 2.9% B 2.9% C 3.0%	96.1%
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	8 - 2006	50	1,119	0.3%	1,380	1,129	22.2%	2.7%	95.8%
P-98	ARTIS COURT Minamiaoyama	Minato-ku, Tokyo	7 - 2008	23	1,720	0.4%	1,880	1,740	8.0%	3.9%	95.6%
P-99	RESIDIA Yotsuya-Sanchome	Shinjuku-ku, Tokyo	5 - 2009	90	2,090	0.5%	2,740	2,108	29.9%	3.8%	98.3%
P-100	RESIDIA Takanawa-Katsurazaka	Minato-ku, Tokyo	3 - 2006	45	900	0.2%	1,030	951	8.2%	5.4%	91.4%
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	3 - 2006	26	611	0.1%	728	653	11.4%	3.3%	92.4%
P-102	RESIDIA Shinjukuogyoen	Shinjuku-ku, Tokyo	10 - 2006	38	687	0.2%	820	726	12.9%	5.2%	97.5%
P-103	RESIDIA Minami-Shinagawa	Shinagawa-ku, Tokyo	10 - 2013	50	1,177	0.3%	1,350	1,213	11.3%	8.7%	100.0%
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	3 - 2007	118	3,117	0.7%	3,760	3,186	18.0%	2.4%	100.0%
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	4 - 2007	48	1,280	0.3%	1,540	1,312	17.3%	2.8%	96.0%
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	6 - 2007	36	980	0.2%	1,150	1,006	14.2%	4.0%	96.5%
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	1 - 2008	31	839	0.2%	938	901	4.0%	8.4%	97.4%
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	4 - 2014	44	917	0.2%	989	950	4.1%	3.9%	98.0%
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	3 - 2015	28	821	0.2%	893	851	4.9%	4.1%	100.0%
P-110	RESIDIA Mishuku	Setagaya-ku, Tokyo	4 - 2015	42	1,159	0.3%	1,270	1,200	5.7%	4.1%	100.0%
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2 - 2005	105	1,920	0.4%	2,460	1,596	54.1%	3.3%	100.0%
C-2	RESIDIA Kamata	Ota-ku, Tokyo	3 - 2005	166	2,640	0.6%	3,480	2,159	61.2%	4.7%	98.3%
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	3 - 2005	60	1,520	0.3%	1,750	1,407	24.4%	7.1%	100.0%
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	7 - 2005	65	1,680	0.4%	2,140	1,568	36.4%	4.6%	100.0%
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	8 - 2005	47	1,060	0.2%	1,370	946	44.8%	2.9%	93.9%
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	3 - 1993	94	953	0.2%	1,100	919	19.6%	9.2%	98.9%
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2 - 2006	127	3,160	0.7%	3,660	2,887	26.7%	2.1%	97.1%
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1 - 2006	70	1,623	0.4%	1,870	1,553	20.4%	3.6%	96.7%
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2 - 2006	48	913	0.2%	1,160	856	35.4%	9.1%	98.5%



# Portfolio

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	9 - 2006	169	5,251	1.2%	5,480	5,063	8.2%	4.3%	90.9%
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	1 - 2007	137	3,180	0.7%	3,670	2,989	22.7%	4.6%	98.7%
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	8 - 2007	81	1,980	0.5%	1,990	1,854	7.3%	3.8%	93.7%
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	11 - 2007	157	4,200	1.0%	4,460	4,036	10.5%	7.2%	99.5%
C-16	RESIDIA Negishi	Taito-ku, Tokyo	12 - 2005	28	856	0.2%	899	823	9.2%	7.7%	96.5%
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2 - 2003	83	1,880	0.4%	2,270	1,771	28.1%	5.3%	95.9%
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	12 - 2001	44	558	0.1%	695	549	26.5%	6.4%	93.7%
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	6 - 2002	24	352	0.1%	477	357	33.4%	3.8%	96.6%
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	3 - 2004	63	1,010	0.2%	1,180	934	26.2%	5.3%	95.5%
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	12 - 2005	54	1,460	0.3%	1,790	1,340	33.5%	3.4%	91.3%
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	3 - 2000	96	1,800	0.4%	2,130	1,808	17.8%	6.9%	93.1%
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1 - 2005	52	1,220	0.3%	1,490	1,134	31.4%	3.4%	100.0%
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	9 - 2004	98	1,300	0.3%	1,590	1,191	33.5%	5.9%	96.9%
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	10 - 2004	31	603	0.1%	755	554	36.1%	3.5%	100.0%
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	9 - 2004	94	2,000	0.5%	2,400	1,856	29.3%	4.0%	99.2%
C-28	RESIDIA Oji	Kita-ku, Tokyo	2 - 2005	61	867	0.2%	1,040	804	29.3%	3.2%	100.0%
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	7 - 2005	63	1,050	0.2%	1,230	984	24.9%	2.3%	98.0%
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2 - 2006	40	1,100	0.3%	1,300	1,027	26.5%	6.8%	95.0%
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	9 - 2006	78	1,360	0.3%	1,610	1,284	25.4%	4.0%	93.0%
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	9 - 2006	105	2,440	0.6%	2,940	2,313	27.1%	3.8%	95.5%
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	1 - 2008	99	2,380	0.5%	2,590	2,254	14.9%	4.7%	94.9%
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	8 - 2003	104	3,380	0.8%	4,010	3,191	25.7%	4.7%	90.3%
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2 - 2003	33	707	0.2%	870	642	35.5%	5.0%	100.0%
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2 - 2003	39	1,050	0.2%	1,290	962	34.0%	6.9%	95.0%
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	7 - 2003	19	378	0.1%	412	349	18.0%	8.5%	90.7%
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	3 - 2004	25	557	0.1%	742	508	45.8%	5.6%	100.0%
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	4 - 2005	45	1,440	0.3%	1,600	1,358	17.8%	4.1%	95.8%
C-41	RESIDIA Iriya	Taito-ku, Tokyo	12 - 2004	49	990	0.2%	1,140	892	27.7%	5.4%	96.0%
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	8 - 2006	45	1,310	0.3%	1,560	1,257	24.1%	4.5%	93.3%
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	3 - 2007	69	1,860	0.4%	2,080	1,766	17.7%	3.0%	98.7%
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	9 - 2006	60	1,290	0.3%	1,420	1,216	16.7%	5.0%	91.6%
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2 - 2003	36	1,320	0.3%	1,540	1,210	27.2%	3.9%	100.0%
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1 - 1999	162	6,280	1.4%	7,470	6,151	21.4%	2.6%	96.6%
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	1 - 2000	29	683	0.2%	818	670	21.9%	7.0%	93.4%
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2 - 2007	132	5,500	1.3%	7,040	5,141	36.9%	2.4%	96.0%
C-49	RESIDIA Suginami-Honanchou	Suginami-ku, Tokyo	2 - 2009	194	3,834	0.9%	5,400	3,667	47.2%	4.3%	92.3%
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	8 - 2009	67	888	0.2%	1,210	859	40.8%	8.6%	100.0%
C-51	RESIDIA Kiba	Koto-ku, Tokyo	3 - 2008	155	1,950	0.4%	2,850	1,919	48.5%	7.2%	98.7%
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	12 - 2008	52	1,129	0.3%	1,480	1,103	34.1%	4.4%	100.0%
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	3 - 2008	98	2,340	0.5%	2,950	2,310	27.7%	3.5%	99.2%
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2 - 2008	119	2,570	0.6%	3,510	2,502	40.2%	4.0%	97.3%
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	3 - 2007	175	2,580	0.6%	3,450	2,490	38.5%	5.3%	98.1%
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	3 - 2003	101	1,710	0.4%	2,210	1,763	25.3%	4.5%	95.9%
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2 - 2005	68	970	0.2%	1,240	980	26.4%	7.6%	98.5%
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	9 - 2005	80	2,090	0.5%	2,780	2,065	34.6%	4.2%	97.8%
C-59	RESIDIA Omori	Ota-ku, Tokyo	3 - 2006	75	1,150	0.3%	1,450	1,136	27.6%	1.8%	96.1%
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2 - 2008	66	1,075	0.2%	1,310	1,053	24.3%	4.5%	94.6%
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2 - 2008	55	1,805	0.4%	2,410	1,775	35.7%	4.9%	95.4%

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2 - 2008	89	2,268	0.5%	2,870	2,305	24.5%	4.0%	96.3%
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2 - 2005	51	651	0.1%	802	660	21.5%	9.6%	100.0%
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	3 - 2007	53	948	0.2%	1,200	940	27.6%	3.5%	95.6%
C-65	RESIDIA Tower Kami-Ikebukuro	Toshima-ku, Tokyo	3 - 2009	472	8,250	1.9%	11,100	8,145	36.3%	Twr 2.9% Prk 5.4% Anx 5.7%	97.0%
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2 - 2007	45	502	0.1%	613	527	16.3%	4.8%	100.0%
C-67	RESIDIA Shimurasakaue	Itabashi-ku, Tokyo	2 - 2007	44	580	0.1%	700	609	14.9%	3.4%	100.0%
C-68	RESIDIA Shimurasakaue II	Itabashi-ku, Tokyo	3 - 2007	94	1,093	0.3%	1,360	1,135	19.8%	5.6%	100.0%
C-69	RESIDIA Shimurasakaue III	Itabashi-ku, Tokyo	3 - 2007	36	411	0.1%	502	433	15.9%	5.4%	100.0%
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	10 - 2007	72	1,115	0.3%	1,320	1,124	17.3%	3.0%	87.8%
C-71	RESIDIA Ojima	Koto-ku, Tokyo	11 - 2007	87	1,282	0.3%	1,530	1,292	18.4%	6.1%	96.6%
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	8 - 2009	55	1,168	0.3%	1,270	1,197	6.1%	3.2%	97.7%
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	2 - 2004	71	1,700	0.4%	1,900	1,789	6.1%	3.8%	100.0%
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	3 - 2005	34	502	0.1%	623	520	19.8%	3.9%	100.0%
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	4 - 2006	22	378	0.1%	456	401	13.6%	5.8%	100.0%
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	11 - 2006	30	652	0.1%	754	695	8.5%	4.1%	100.0%
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	3 - 2007	36	460	0.1%	540	493	9.4%	5.1%	100.0%
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	3 - 2008	58	1,299	0.3%	1,490	1,369	8.8%	4.4%	98.7%
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	4 - 2007	40	977	0.2%	1,160	1,006	15.3%	5.1%	97.0%
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	9 - 2007	60	876	0.2%	1,080	904	19.5%	3.5%	95.0%
C-81	RESIDIA Oomori III	Ota-ku, Tokyo	12 - 2012	65	1,395	0.3%	1,600	1,432	11.7%	3.1%	96.0%
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	4 - 2014	77	1,975	0.5%	2,350	2,031	15.7%	3.8%	99.0%
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	3 - 2008	55	1,833	0.4%	2,190	1,885	16.2%	3.7%	91.7%
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	7 - 2014	48	1,655	0.4%	1,820	1,709	6.5%	4.7%	94.5%
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	3 - 2015	100	4,650	1.1%	5,150	4,817	6.9%	1.9%	95.8%
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	3 - 1991	39	770	0.2%	745	711	4.7%	5.5%	97.5%
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	4 - 2007	44	1,100	0.3%	1,190	1,037	14.7%	4.6%	97.7%
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	1 - 2007	131	1,920	0.4%	1,950	1,787	9.1%	5.6%	100.0%
S-7	RESIDIA Chofu	Chofu, Tokyo	3 - 2007	41	1,143	0.3%	1,170	1,082	8.1%	5.0%	100.0%
S-11	TOKYO Student-House Wako	Wako, Saitama	4 - 1990	127	675	0.2%	743	683	8.7%	10.2%	100.0%
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2 - 2003	33	518	0.1%	607	508	19.3%	2.9%	94.1%
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	8 - 2004	102	1,700	0.4%	1,880	1,541	22.0%	8.4%	95.0%
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	3 - 1998	64	755	0.2%	914	720	26.9%	5.3%	100.0%
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2 - 2007	68	1,580	0.4%	1,930	1,498	28.8%	7.2%	94.5%
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	3 - 2007	172	2,730	0.6%	3,090	2,560	20.7%	I 3.6% II 3.4%	100.0%
S-19	RESIDIA Kichijoji	Musashino, Tokyo	3 - 1995	48	1,380	0.3%	1,600	1,435	11.5%	9.1%	95.9%
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	11 - 2007	416	14,000	3.2%	16,100	11,998	34.2%	4.5%	100.0%
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	10 - 2003	78	1,670	0.4%	2,190	1,561	40.2%	6.4%	100.0%
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2 - 2010	91	810	0.2%	1,110	775	43.2%	7.7%	100.0%
S-24	RESIDIA Urayasu	Urayasu, Chiba	9 - 2009	146	2,115	0.5%	2,810	2,099	33.9%	6.7%	94.3%
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2 - 2005	85	823	0.2%	1,020	829	23.0%	6.6%	92.9%
S-26	RESIDIA Urayasu II	Urayasu, Chiba	2 - 2005	74	802	0.2%	982	810	21.2%	7.5%	95.9%
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2 - 2005	75	761	0.2%	922	765	20.4%	6.1%	96.0%
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	3 - 2007	104	1,670	0.4%	2,120	1,642	29.1%	4.7%	95.7%
S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	1 - 2010	85	1,050	0.2%	1,210	1,023	18.2%	7.5%	100.0%
S-30	RESIDIA Sagami-hara	Sagami-hara, Kanagawa	5 - 2004	111	1,050	0.2%	1,230	1,083	13.5%	6.8%	100.0%
S-31	RESIDIA Yokohama-Bashamichi	Yokohama, Kanagawa	9 - 2005	28	735	0.2%	1,140	791	44.1%	11.5%	100.0%
S-32	RESIDIA Hon-Atugi	Atugi, Kanagawa	1 - 2008	49	606	0.1%	683	651	4.8%	11.0%	96.2%
S-33	RESIDIA Funabashi III	Funabashi, Chiba	2006/10	43	620	0.1%	691	670	3.0%	5.0%	100.0%



# Portfolio

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R-2	RESIDIA Imadegawa	Kyoto, Kyoto	2 - 1999	154	1,671	0.4%	1,720	1,494	15.1%	10.9%	100.0%
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2 - 2006	91	1,290	0.3%	1,420	1,057	34.2%	3.4%	93.5%
R-5	RESIDIA Kameyama	Kameyama, Mie	2 - 2007	182	1,610	0.4%	1,150	1,545	-25.6%	4.2%	100.0%
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	5 - 2007	44	979	0.2%	924	900	2.7%	5.7%	98.1%
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	9 - 2007	404	3,740	0.9%	4,080	3,469	17.6%	South 6.8% North 6.7%	100.0%
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	3 - 2002	155	1,220	0.3%	1,410	1,240	13.6%	3.4%	96.3%
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2 - 2000	78	871	0.2%	1,140	860	32.6%	8.3%	97.5%
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	11 - 2005	161	2,220	0.5%	2,710	1,984	36.6%	3.2%	93.9%
R-13	KC21 Building	Sendai, Miyagi	3 - 1997	79	900	0.2%	915	883	3.5%	2.4%	96.2%
R-14	RESIDIA Utubokoen	Osaka, Osaka	1 - 2006	94	1,170	0.3%	1,450	1,062	36.5%	6.6%	94.5%
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2 - 2006	116	1,970	0.5%	2,450	1,802	35.9%	9.9%	98.0%
R-16	RESIDIA Takaoka	Nagoya, Aichi	8 - 2007	198	2,330	0.5%	2,970	2,164	37.2%	3.5%	95.2%
R-17	RESIDIA Hibino	Nagoya, Aichi	4 - 1992	124	1,340	0.3%	1,450	1,164	24.5%	3.9%	96.8%
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	1 - 2004	56	936	0.2%	1,180	844	39.7%	4.9%	94.6%
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	1 - 2003	39	324	0.1%	393	325	20.6%	2.7%	97.4%
R-21	RESIDIA Hisaya-Odori II	Nagoya, Aichi	2 - 2005	38	685	0.2%	796	615	29.4%	5.0%	92.6%
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	12 - 2006	179	1,640	0.4%	2,030	1,486	36.6%	0.9%	99.3%
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	12 - 2006	103	1,320	0.3%	1,470	1,216	20.9%	1.1%	97.5%
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	1 - 2007	100	1,130	0.3%	1,410	1,016	38.7%	1.4%	100.0%
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	5 - 2005	33	831	0.2%	909	765	18.7%	4.1%	96.5%
R-29	RESIDIA Uzumasa	Kyoto, Kyoto	1 - 2000	48	701	0.2%	757	653	15.8%	13.5%	89.7%
R-30	RESIDIA Izumi	Nagoya, Aichi	11 - 2005	122	3,700	0.8%	4,250	3,373	26.0%	3.1%	98.3%
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2 - 2007	56	1,050	0.2%	1,220	964	26.5%	1.2%	94.5%
R-32	RESIDIA Tokugawa	Nagoya, Aichi	12 - 2006	27	751	0.2%	839	698	20.2%	3.9%	100.0%
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	8 - 2007	109	2,010	0.5%	2,450	1,850	32.4%	0.9%	96.9%
R-35	RESIDIA Tanimachi	Osaka, Osaka	8 - 2008	108	1,100	0.3%	1,590	1,111	43.1%	7.5%	96.2%
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2 - 2007	57	652	0.1%	933	641	45.5%	4.8%	90.0%
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	1 - 2008	67	529	0.1%	737	514	43.3%	2.5%	100.0%
R-38	RESIDIA Hirose-dori	Sendai, Miyagi	2 - 2010	63	494	0.1%	668	482	38.5%	2.8%	100.0%
R-39	RESIDIA Edobori	Osaka, Osaka	2 - 2007	127	1,400	0.3%	1,840	1,414	30.1%	8.7%	93.0%
R-40	RESIDIA Kyomachibori	Osaka, Osaka	3 - 2007	84	1,000	0.2%	1,320	1,016	29.9%	7.8%	94.5%
R-41	RESIDIA Esaka	Suita, Osaka	7 - 2007	68	989	0.2%	1,250	977	27.9%	4.8%	96.5%
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	1 - 2008	173	2,380	0.5%	3,060	2,308	32.6%	2.6%	98.0%
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2 - 2008	122	1,206	0.3%	1,650	1,175	40.4%	3.6%	93.8%
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	3 - 2008	196	2,740	0.6%	3,690	2,659	38.7%	3.6%	91.9%
R-45	RESIDIA Kita-Nijyo-East	Sapporo, Hokkaido	3 - 2006	56	894	0.2%	1,140	881	29.3%	1.1%	98.3%
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2 - 2007	97	1,921	0.4%	2,450	1,908	28.4%	9.1%	93.2%
R-47	RESIDIA Marunouchi	Nagoya, Aichi	1 - 2007	86	972	0.2%	1,250	966	29.3%	2.8%	90.8%
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2 - 2007	168	1,483	0.3%	2,140	1,464	46.2%	0.7%	100.0%
R-49	RESIDIA Gosyo-Higashi	Kyoto, Kyoto	9 - 2007	57	1,227	0.3%	1,530	1,220	25.4%	8.9%	97.3%
R-50	RESIDIA Rakuoku	Kyoto, Kyoto	3 - 2008	75	874	0.2%	1,020	870	17.2%	12.4%	96.7%
R-51	RESIDIA Miyakojima I & II	Osaka, Osaka	9 - 2006	178	3,232	0.7%	4,650	3,288	41.4%	7.1%	97.1%
R-52	RESIDIA TOWER Sendai	Sendai, Miyagi	1 - 2008	67	1,705	0.4%	2,000	1,765	13.3%	2.3%	96.0%
R-53	RESIDIA Higashizakura II	Nagoya, Aichi	2 - 2006	127	2,862	0.7%	3,730	2,879	29.5%	3.1%	92.8%
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	11 - 2006	168	1,796	0.4%	2,360	1,794	31.5%	EAST 2.6% WEST 2.7%	94.7%
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	6 - 2007	105	1,117	0.2%	1,350	1,058	27.6%	5.8%	92.0%

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R-56	RESIDIA Sendai-Honcho	Sendai, Miyagi	6 - 2007	105	1,117	0.3%	1,600	1,120	42.8%	2.3%	97.1%
R-57	RESIDIA Sendai-Haranomachi	Sendai, Miyagi	9 - 2007	72	593	0.1%	859	593	44.6%	2.1%	90.5%
R-58	RESIDIA Minami-Ichijo East	Sapporo, Hokkaido	1 - 2008	85	1,062	0.2%	1,330	1,070	24.2%	1.1%	97.9%
R-59	RESIDIA Shin-Osaka	Osaka, Osaka	2 - 2014	208	2,644	0.6%	3,500	2,799	25.0%	6.2%	100.0%
R-60	RESIDIA Okayama-ekimae	Okayama, Okayama	3 - 2004	108	772	0.2%	977	863	13.1%	1.7%	100.0%
R-61	RESIDIA Kyoto-Okazaki	Kyoto, Kyoto	3 - 2005	23	227	0.1%	305	238	27.9%	14.1%	100.0%
R-62	RESIDIA Sendai-Ichibancho	Sendai, Miyagi	3 - 2006	103	1,083	0.2%	1,370	1,115	22.8%	2.4%	100.0%
R-63	RESIDIA Kita-Nijyo East II	Sapporo, Hokkaido	2 - 2007	51	538	0.1%	737	560	31.4%	1.2%	93.2%
R-64	RESIDIA Takamiya	Fukuoka, Fukuoka	2 - 2007	51	488	0.1%	580	505	14.8%	6.1%	100.0%
R-65	RESIDIA Soen	Sapporo, Hokkaido	2 - 2007	60	384	0.1%	540	402	34.0%	1.4%	96.7%
R-66	RESIDIA Tenjin	Fukuoka, Fukuoka	5 - 2007	88	1,122	0.3%	1,290	1,153	11.8%	3.4%	94.3%
R-67	RESIDIA Yakuin-Odori	Fukuoka, Fukuoka	6 - 2007	91	1,123	0.3%	1,310	1,151	13.8%	4.5%	100.0%
R-68	RESIDIA Hakata II	Fukuoka, Fukuoka	9 - 2007	124	1,358	0.3%	1,530	1,393	9.8%	1.8%	99.3%
R-69	RESIDIA Kego	Fukuoka, Fukuoka	1 - 2008	86	834	0.2%	1,100	865	27.1%	2.3%	97.9%
R-70	RESIDIA Shirakabe	Nagoya, Aichi	3 - 2008	70	907	0.2%	1,080	964	12.0%	4.4%	96.3%
R-71	RESIDIA Sakae	Nagoya, Aichi	12 - 2007	77	868	0.2%	965	950	1.6%	4.2%	90.9%
R-73	RESIDIA Senri-Banpakukoen	Suita, Osaka	10 - 2005	68	2,124	0.5%	2,320	2,284	1.6%	5.2%	100.0%
Total 257 properties				20,565	436,918	100.0%	517,944	420,717	23.1%	2.4%	96.6%

	Area	No. of Properties	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)
P	Tokyo Central 7 Wards	89	5,437	172,010	39.4%	197,075	165,367	19.2%
C	Central Tokyo ex 7 wards	81	6,385	139,774	32.0%	169,598	135,205	25.4%
S	Tokyo Metropolitan	24	2,254	40,984	9.4%	48,027	38,270	25.5%
R	Major Regional Cities	63	6,489	84,148	19.3%	103,244	81,874	26.1%
Total		257	20,565	436,918	100.0%	517,944	420,717	23.1%

## Portfolio after Including the Properties to be Acquired After the FP 01-2017 End (as of April. 18, 2017)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Appraisal Price (mil yen)
C-86	RESIDIA Kameido	Koto-ku, Tokyo	10 - 2013	129	2,988	3,190
C-87	RESIDIA Koenji	Suginami-ku, Tokyo	3 - 2015	58	1,380	1,480
R-72	RESIDIA Senri-Fujishirodai	Suita, Osaka	3-2017 (scheduled)	90	1,430	1,580
Total 3 Properties				277	5,798	6,250

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

# Asset Management Company Profile

## Company Profile as of January 31, 2017

**Name:** AD Investment Management Co., Ltd.

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

**Company Representative:** Kenji Kousaka, Representative Director and President

**Amount of Capital:** 300 million yen

**Type of Business:** Asset Management

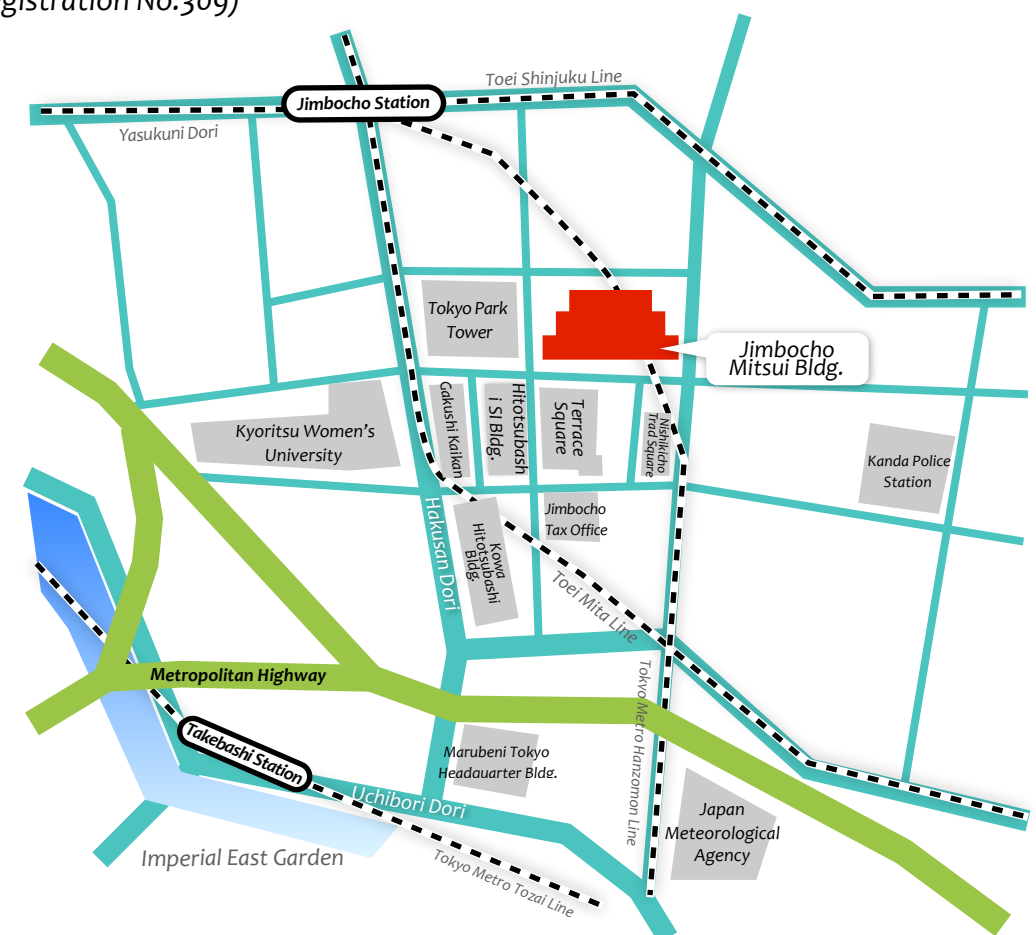
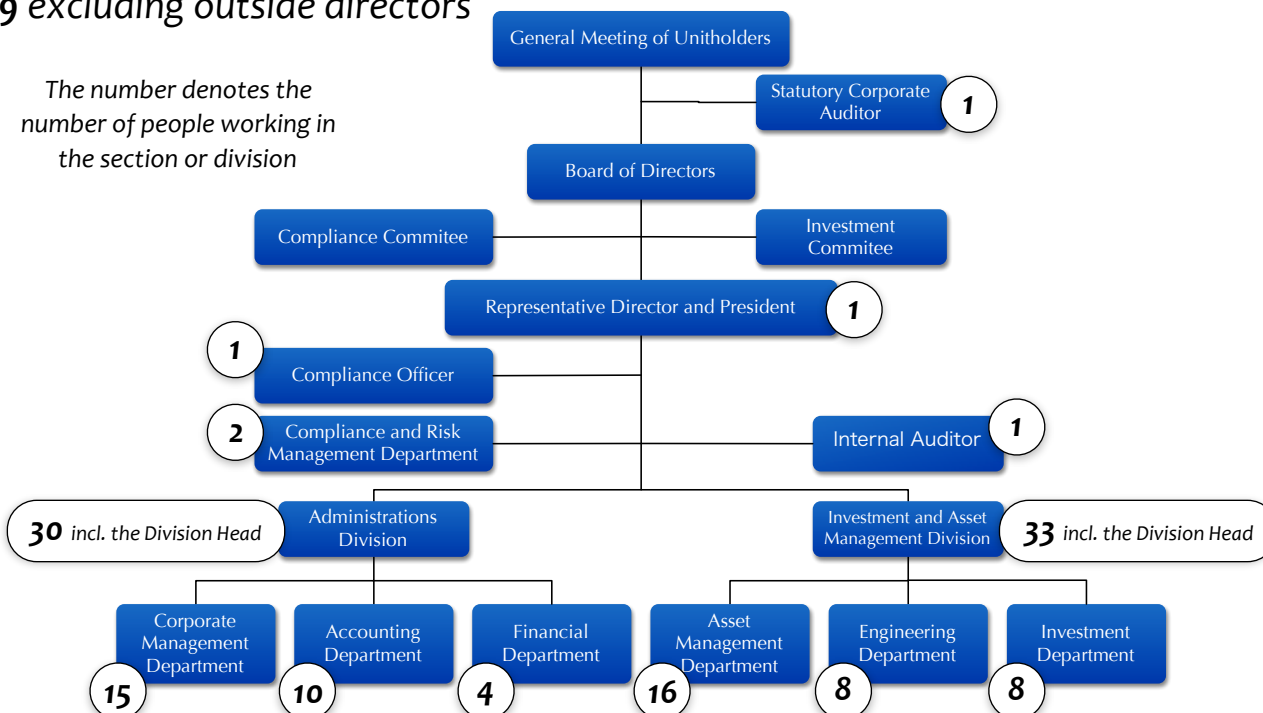
**History:**  
 March 1, 2010 Merges with Pacific Residential Corporation  
 May 17, 2005 Company name is changed to AD Investment Management Co., Ltd.  
 February 2, 2005 Established as Japan Residential Management Co., Ltd.

**Registrations and Licenses:** Real estate agent's license (The Governor of Tokyo (3) No.84325)  
 Approval for a discretionary transaction agent (Minister of Land, Infrastructure, Transport and Tourism Approval, No.37)  
 Registered for a financial instruments business (Kanto Local Finance Bureau registration No.309)  
 Registered as First-Class-Architect Office (The Governor of Tokyo No. 58856)

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

## Organizational Chart as of January 31, 2017

Total 69 excluding outside directors



# ADR's Website

[www.adr-reit.com/en](http://www.adr-reit.com/en)



## Uploaded Materials

- ✓ Press releases
- ✓ Disclosure materials (ex. Semi-annual Reports, Earnings Presentations)
- ✓ Portfolio guidelines
- ✓ Details on property holdings
- ✓ Occupancies (updated monthly)
- ✓ Earning performance for each holdings
- ✓ Financing details, etc.

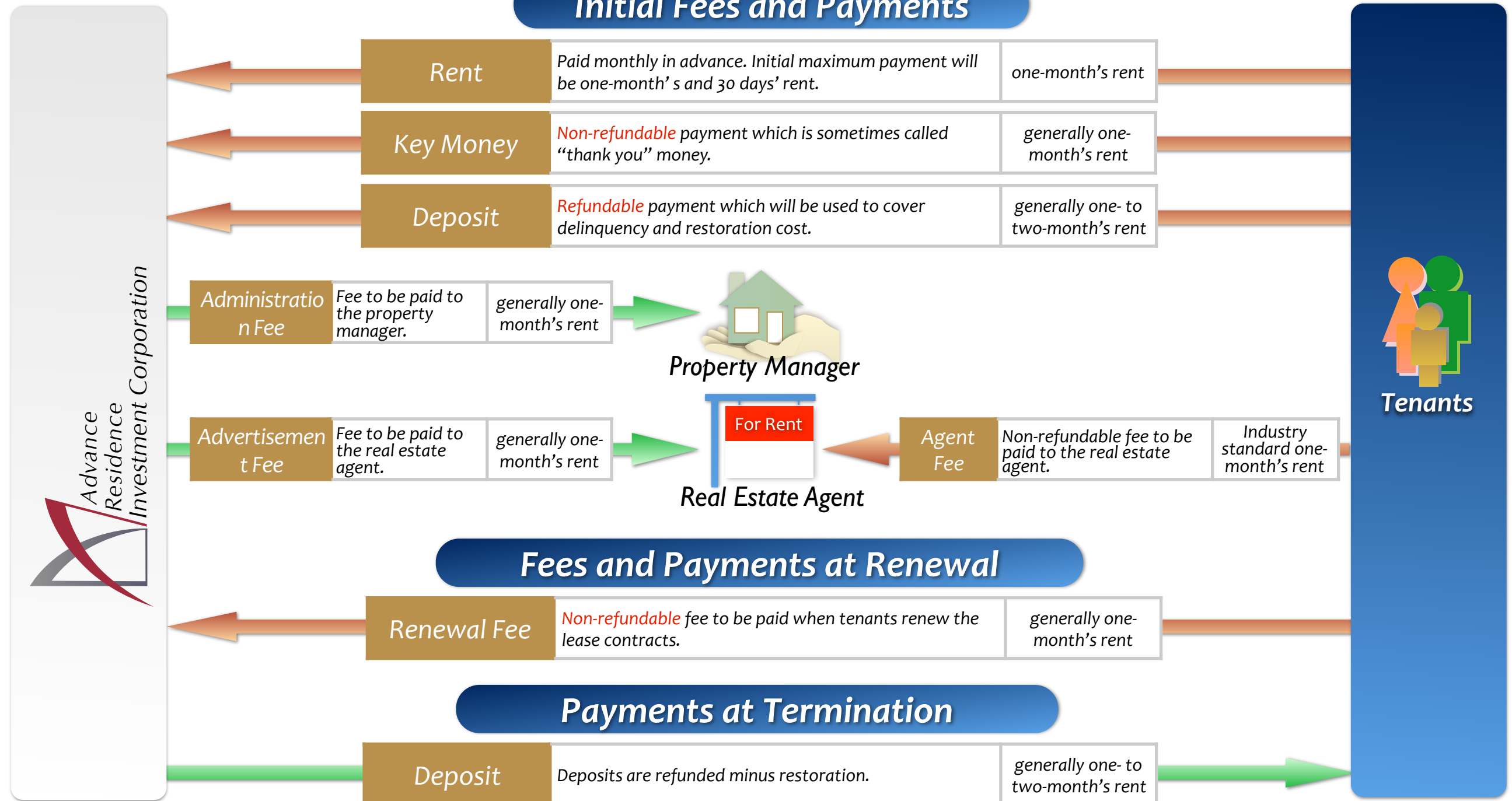
Some of the information are available as Excel spreadsheets.



# Japanese Real Estate Leasing Contract Practices

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

## Initial Fees and Payments



# Note

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*Advance Residence Investment Corporation*



## **Inquiries**



Investor Relations  
AD Investment Management Co., Ltd.



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

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

*This material is based on Japanese GAAP unless otherwise stated.*

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