

14 *all*
all for one

14th Fiscal Period Earnings Presentation

February 1, 2017 to July 31, 2017

Advance Residence Investment Corporation

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TSE Ticker Code	3269
Main Sponsor	Itochu Corporation, Itochu Property Development, Ltd.
Asset Type	Residential
Fiscal Period End	End of January & July
Asset Management Company	AD Investment Management Co., Ltd.

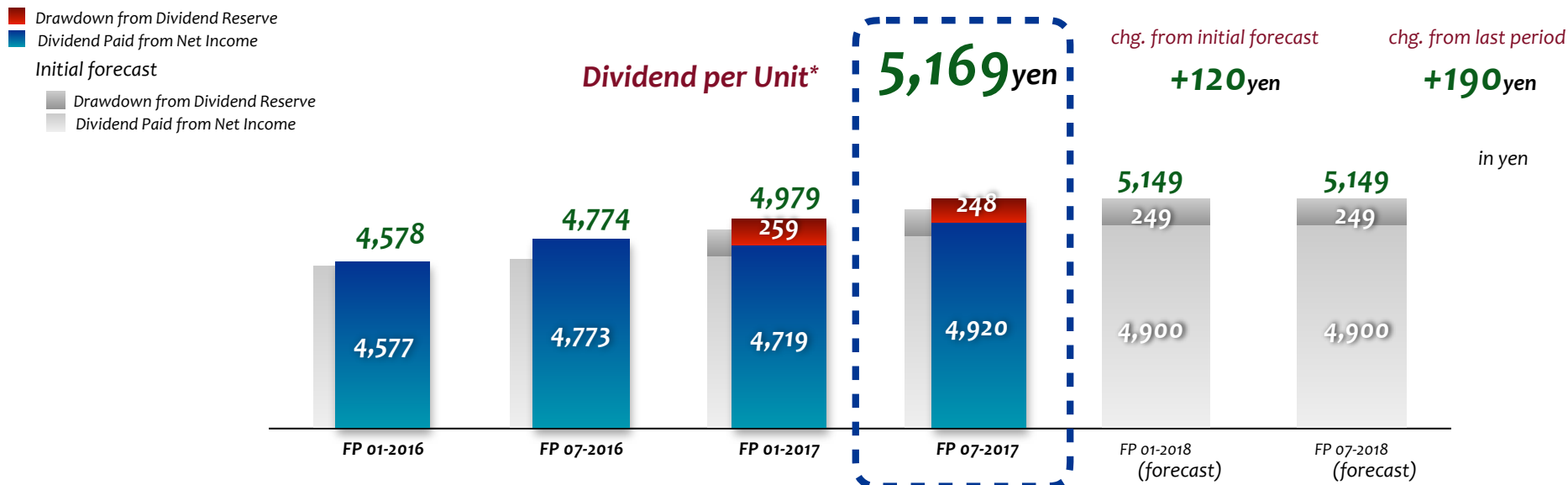
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Disclaimer for Dutch Investors : The prospectus containing the information required under Article 23(1) and (2) of the AIFMD as implemented in the Netherlands is available at [<http://www.adr-reit.com/en/financial/en/financial/sonota/>].

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Executive Summary

Record High Dividend, Record High Occupancy



Internal Growth

Period Avg. Occupancy **Record High of 97.0%**

Continued Rent Increase **+0.30%**

Acquired 3 properties (5.7billion yen)

Asset Under Management 260 properties 442.7 billion yen

Continued to Lower Financial Cost

Average Interest Rate **0.94%**

Other Key Performance Figures

Acquisition Capacity **over 30 billion yen**

Dividend Reserve** **32.8 billion yen**

NAV per Unit **237,214 yen**

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

** Dividend Reserve is booked under the account item called Temporary Difference Adjustment Reserve.

Results for Fiscal Period ended July 2017

from February 1, 2017 to July 31, 2017

 Advance Residence Investment Corporation

	(1) 14 th FP Forecast	(2) 14 th FP Results	(2)-(1)			(3) 13 th FP Results	(2)-(3)			in million yen
	Initial Forecast as of March. 10, 2017	Results for FP July 2017	Changes	Notes		Results for FP January 2017	Changes	Notes		
Revenue	15,755 (260 properties) Period avg. occupancy 96.4%	15,918 (260 properties) Period avg. occupancy 97.0%	+162	Same Store Increases from higher occupancy Increase in key money revenue, etc.	+134 +27	15,504 (257 properties) Period avg. occupancy 96.5%	+414	Asset Acquisitions Incr. from 2017/1 & 2017/7 acquisition Same Store Increases from higher occupancy Increases in key money	+144 +133 +134	
Operating Income	7,819 (Depreciation: 2,637) (Property taxes: 849)	7,968 (Depreciation: 2,631) (Property taxes: 848)	+149	Leasing Expenses Decrease in advertising expenses Increase in restitutions & repairs G & A Expenses Increases in management fees due to higher profits Decrease in other expenses	+22 -41 -14 +19	7,801 (Depreciation: 2,593) (Property taxes: 836)	+167	Leasing Expenses Increase from new acquisition Peak-season increase in fees Increase in repair costs & depreciation, etc. G & A Expenses Incr. in mgt. fees due to incr. in AUM	-44 -140 -47 -16	
Ordinary Income	6,480 (Funding cost*: 1,333)	6,642 (Funding cost*: 1,318)	+162	Increase in non-operating income Decrease in funding costs due to lower interest rate	+4 +8	6,371 (Funding cost*: 1,410)	+270	Decrease in non-operating income Decrease in funding costs due to refinancing of loans	-3 +107	
Net Income	6,480	6,642	+162			6,371	+270			
EPU (yen)	4,800	4,920	+120	Units issued and outstanding 1,350,000 units		4,719	+201	Units issued and outstanding 1,350,000 units		
Per Unit Drawdown of Reserve** (yen)	249	248	-1	Reserve** after dividend: 32.8bn yen		259	-11			
Dividend per unit (yen)	5,049	5,169	+120			4,979	+190			
Total Asset LTV	49.6%	49.6%	-			49.6%	-			

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

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



Internal Growth

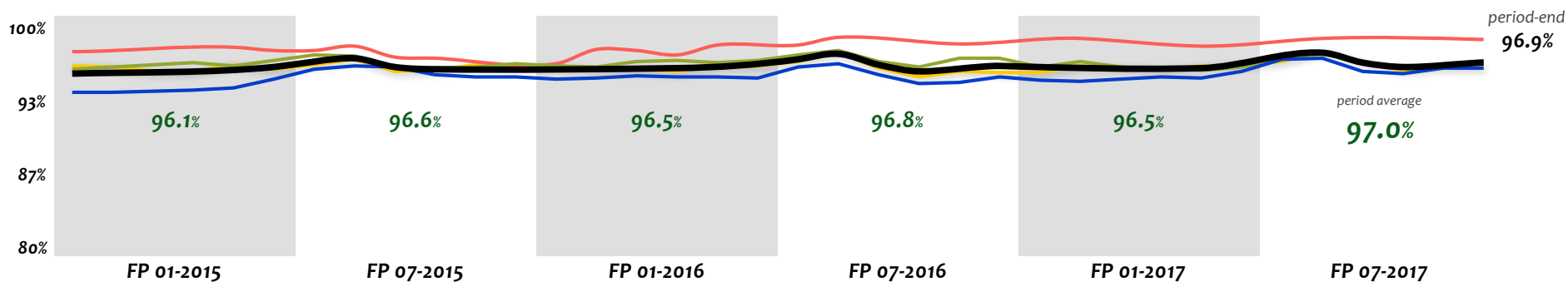


Achieving Internal Growth in the Residential Sector

Occupancy

- Portfolio
- Tokyo Central 7
- Central Tokyo ex 7
- Tokyo Metropolitan
- Major Regional Cities

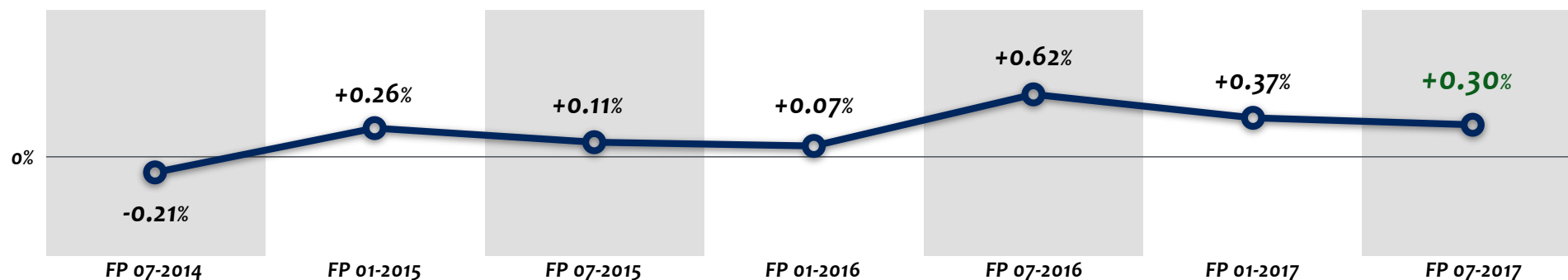
Record High Period Average Occupancy **97.0%**



Portfolio Rent Rise*

Sixth Consecutive Period Rise in Rent

- Rent Change



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

Rents to Continue Rise

Replacements **+1.54%** Renewals **+0.50%**

Replacements*

in million yen
per month

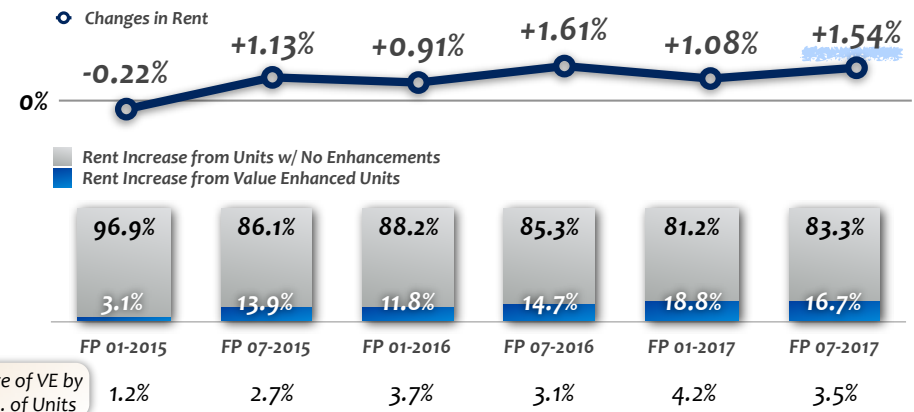
	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	1,153 units	51.9%	145	152	+7.1	+4.91%
Unchanged	364 units	16.4%	39	39	-	-
Decrease	706 units	31.8%	79	76	-3.0	-3.83%
Total	2,233 units	100.0%	264	268	+4.0	+1.54%

Net Rent Change by
Location

Tokyo Central 7 Wards **+2.36%**
Metropolitan Area **+0.40%**

Central Tokyo **+1.81%**
Major Regional Cities **+0.08%**

Contributions of Value Enhanced Units to Rent Rise



Renewals*

in million yen
per month

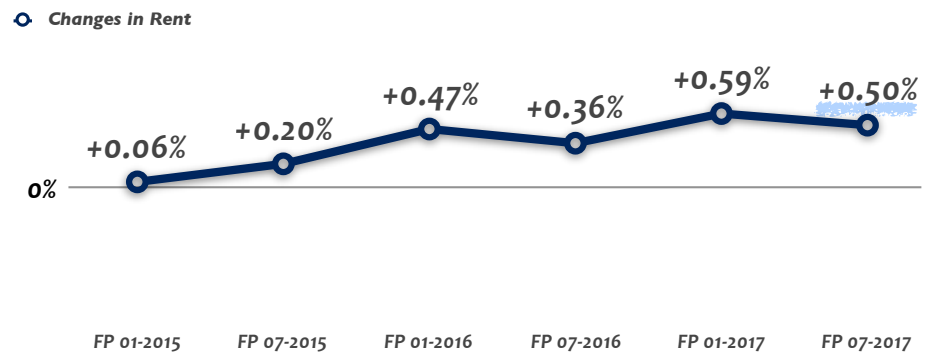
	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	708 units	21.4%	89	90	+1.9	+2.20%
Unchanged	2,595 units	78.4%	297	297	-	-
Decrease	5 units	0.2%	0.8	0.7	-0.02	-3.32%
Total	3,308 units	100.0%	386	388	+1.9	+0.50%

Net Rent Change by
Location

Tokyo Central 7 Wards **+0.56%**
Metropolitan Area **+0.48%**

Central Tokyo **+0.61%**
Major Regional Cities **+0.27%**

Gradual Increase in Renewal Rents



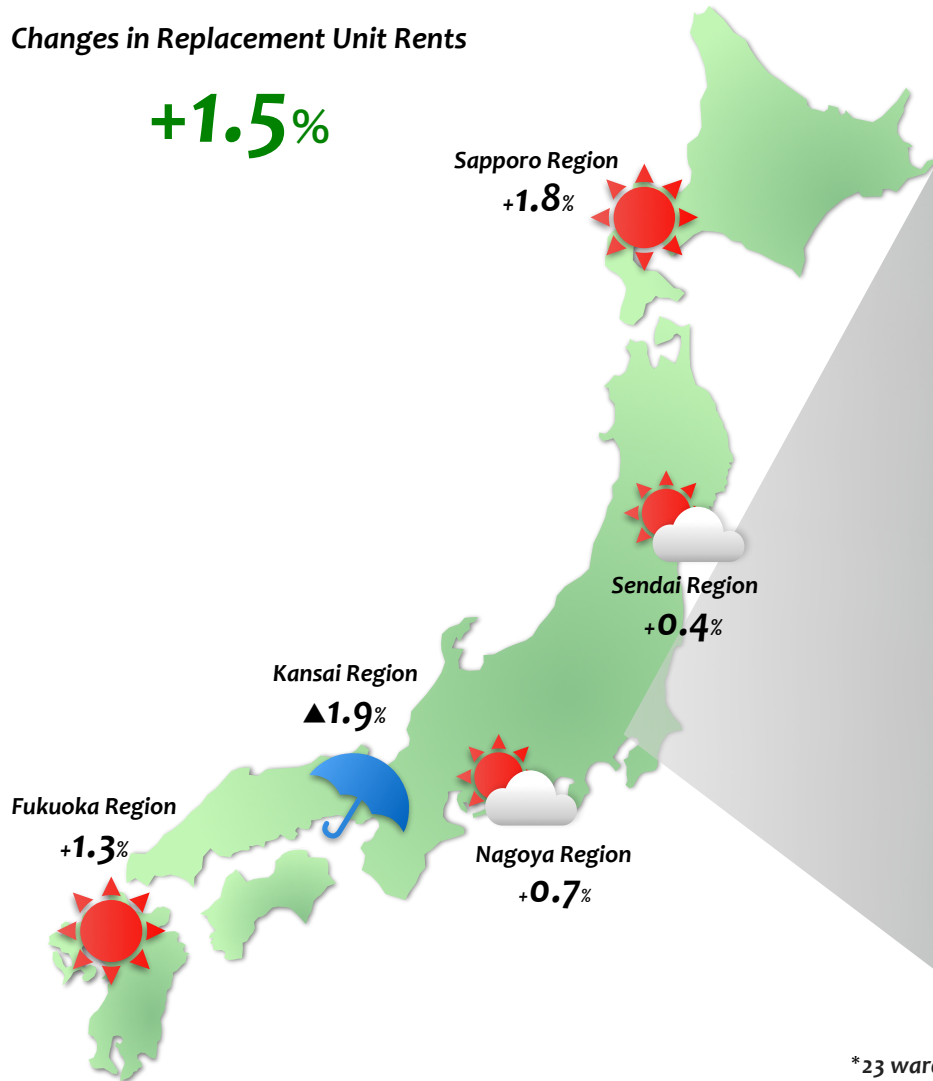
* Rent change for pass-through units that went through replacement or renewal during the period. ** Value enhancements (VU) units are units with changes in floor plan or specification upgrades.

Changes in Replacement Unit Rents by Region

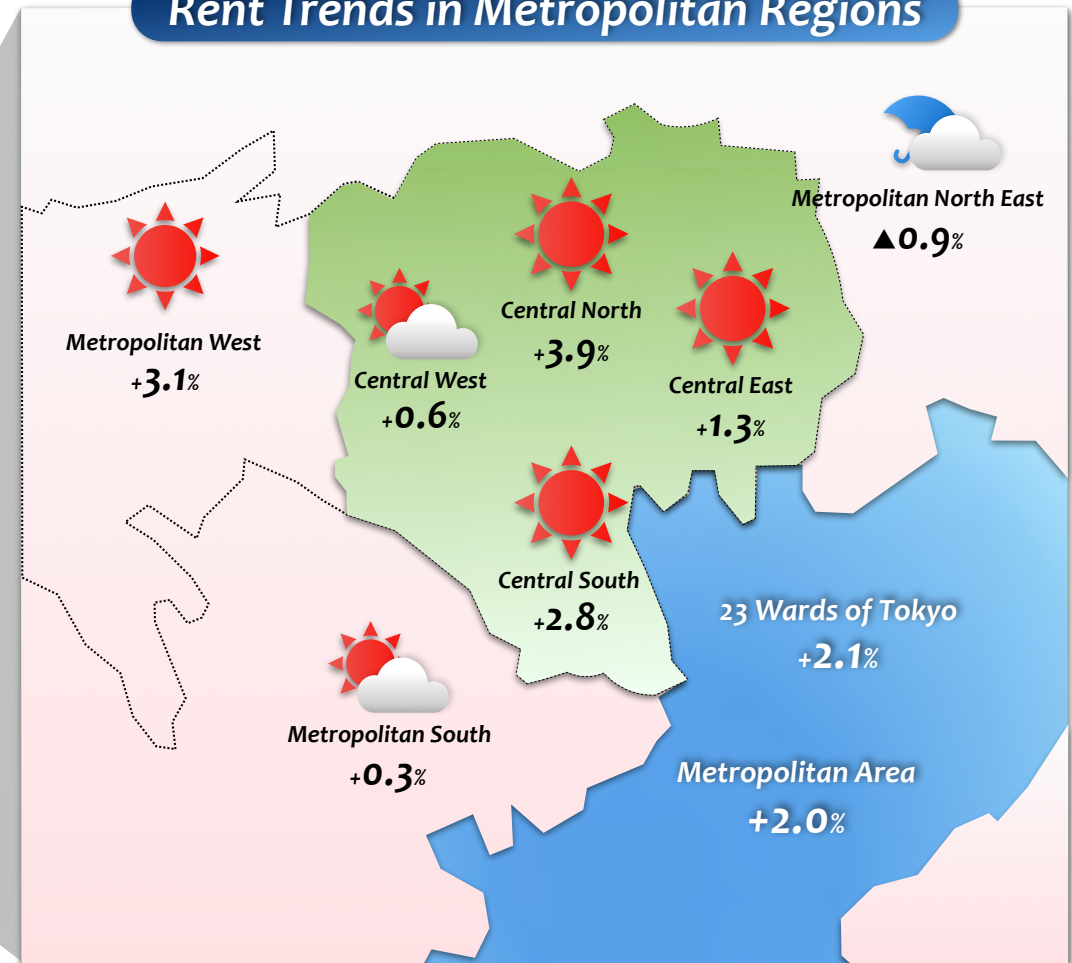
Seeing Strong Rise in Rents Especially in 23 Wards of Tokyo

Changes in Replacement Unit Rents

+1.5%



Rent Trends in Metropolitan Regions



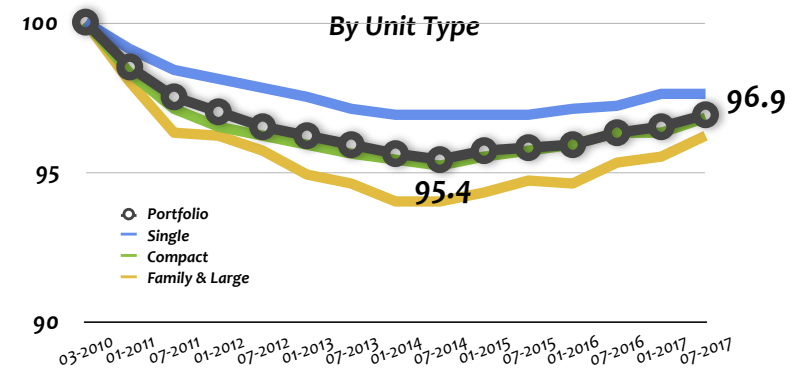
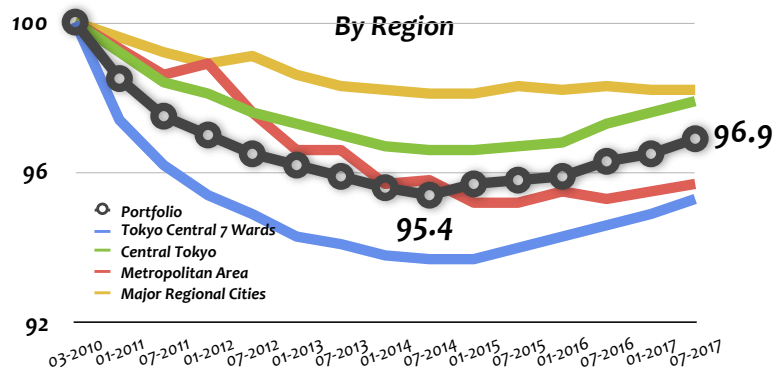
*23 wards of Tokyo are grouped in four regions as below

Central East (Chiyoda, Chuo, Taito, Sumida, Koto, Katsushika, Edogawa), Central West (Shinjuku, Shibuya, Suginami, Nakano)
Central South (Minato, Shinagawa, Meguro, Ota, Setagaya), Central North (Bunkyo, Toshima, Kita, Itabashi, Nerima, Arakawa, Adachi)

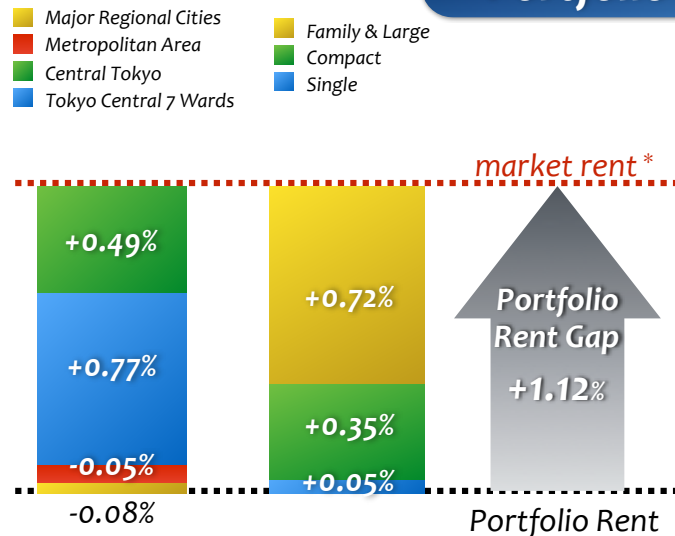
Rent Trend & Rent Gap

Unit Rent Trends

Unit Rent Rise Continues Especially in 23 Wards of Tokyo & Compact Type Units

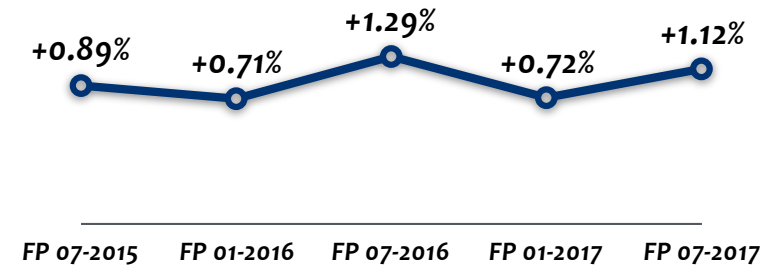


Portfolio Rent Increase Potential *



+1.12%

Trend in Rent Rise Potential



* The portfolio rent increase potential is estimated by calculating the gap between the unit rent of new tenants of FP July 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 July 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: **232** units

No. of Units Leased-out*: **222** units

% Increase in Rents*: **12.2%**

* Increase in rents are calculated for the 212 units leased out as of Aug. 31, 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: **26** properties

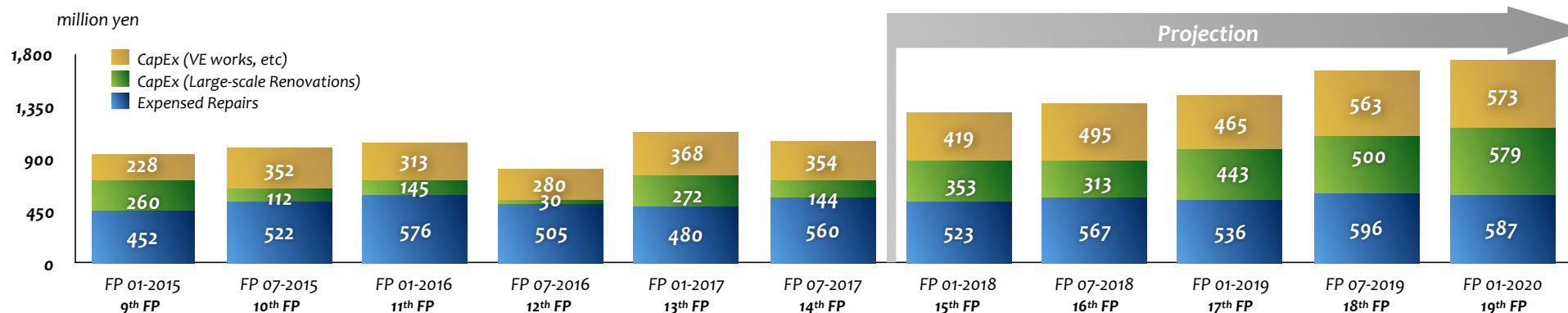
Total Investment: **1,272** million yen

Ave. Cost per Property **48** 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

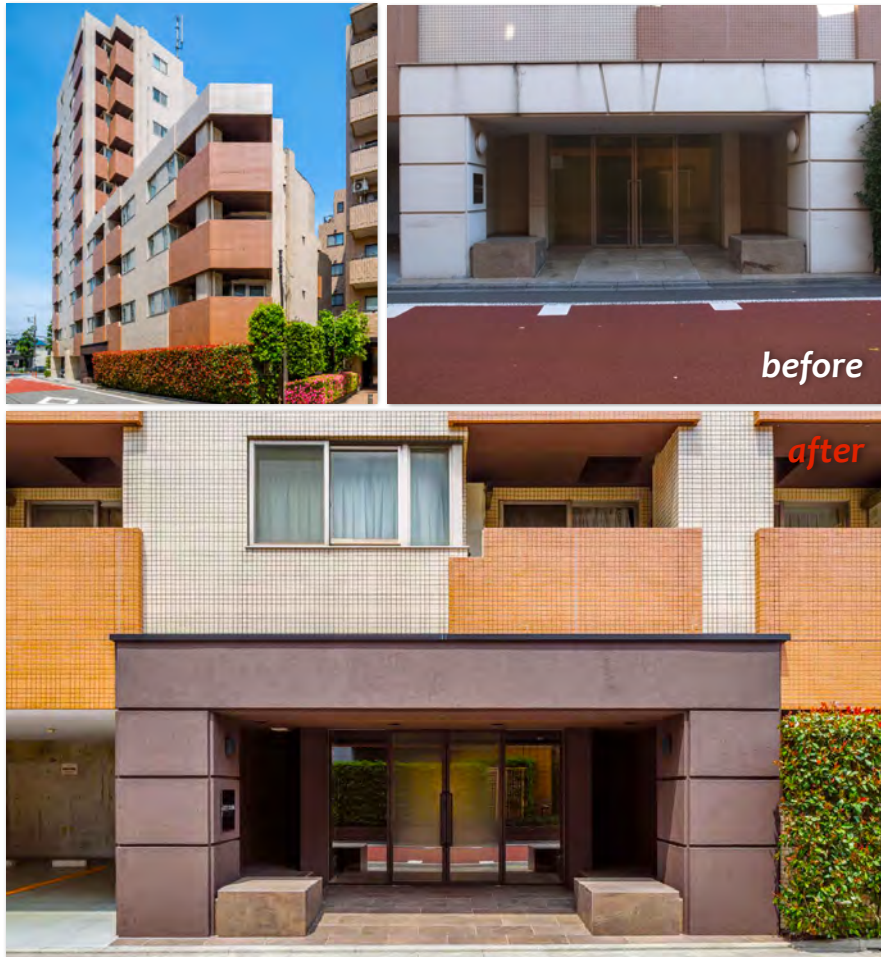
Works Completed in FP July 2017

Properties Repaired during July 2017 **3** properties

Total Expenditure **135** million yen

P-45 RESIDIA Jiyugaoka 15 years old

Entrance renewed to a grander design



C-17 RESIDIA Shinkawa 14 years old

Exterior & entrance hall repainted in vibrant modern colors



Value Enhancement Works

Examples of Works Completed During FP July 2017

No. of Value Enhancement **27** units in **9** properties

Avg. Increase in Monthly Rent **+16.7%***

P-73 RESIDIA Shibaura



Building Age **26** years old
Floor Plan 3 BR + Kitchen/Living/Dining
Construction Cost **4.2** million yen
Increase in Monthly Rent **+21.4%**
Projected Recuperation Period** **5** years



C-46 RESIDIA Mejiro



Building Age **19** years old
Floor Plan 2 BR + Kitchen/Living/Dining
Construction Cost **5.8** million yen
Increase in Monthly Rent **+20.0%**
Projected Recuperation Period** **4** years



* Increase in monthly rents are calculated for the 30 units leased out as of Aug 31, 2017, dividing the newly contracted monthly rent by the previous rent.

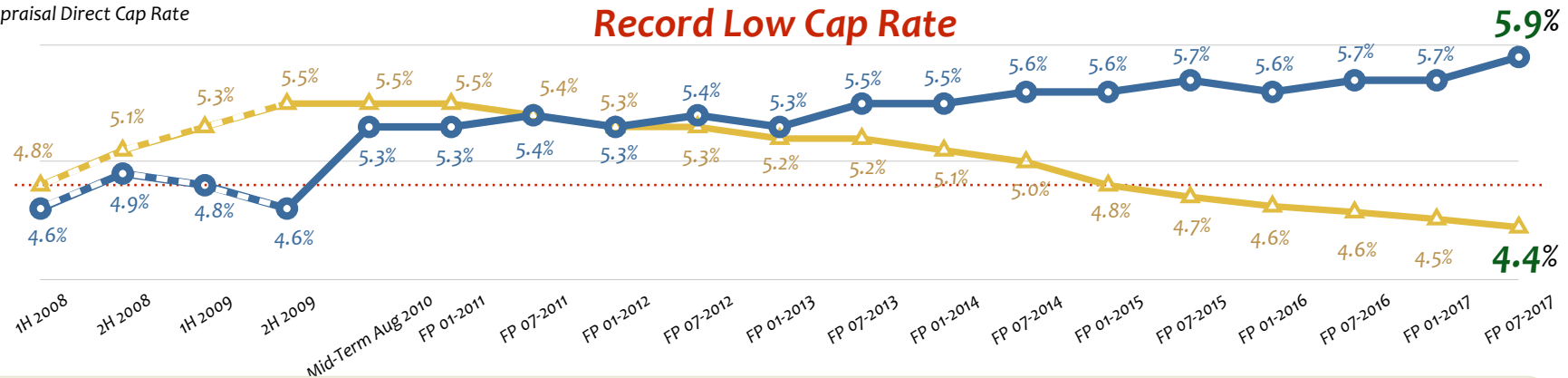
** Projected Recuperation Periods are periods projected to recuperate the value enhancement cost, which is calculated as total cost minus renovation costs and equipment replacements due to aging.

Appraisal Value

Appraisal Direct Cap Rate Trend

- 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 July 2017

Unrealized profit of **106.4** billion yen **25.1%** of Portfolio Book-value

	Appraisal (in million yen)		Appraisal NCF (in million yen)				Direct Cap Rate (%)		Actual NOI Yield (%)	Unrealized Profit and Loss (million yen)		
	End of FP Jul. '17	diff vs last FP	End of FP Jul. '17	diff vs last FP	diff ** rent rev	breakdown ER re-appraisal	End of FP Jul. '17	diff vs last FP	FP Jul. '17	Book Value (a)	Difference from the appraisal (b)	(b)/(a)
Tokyo Central 7 Wards	200,281	+3,206	8,519	+17	+22	-5	4.19%	-0.06pt	5.3%	164,794	35,486	21.5%
Central Tokyo ex. 7 Wards	177,534	+3,266	7,768	+11	+29	-18	4.32%	-0.08pt	5.9%	139,057	38,476	27.7%
Tokyo 23 Wards Total	377,815	+6,472	16,287	+28	+52	-23	4.25%	-0.07pt	5.6%	303,852	73,962	24.3%
Tokyo Metropolitan	48,304	+277	2,366	-0.7	-0.1	-0.7	4.86%	-0.03pt	6.6%	37,973	10,330	27.2%
Major Regional Cities	105,055	+231	5,249	-41	-9	-32	4.95%	-0.05pt	6.7%	82,886	22,168	26.8%
Portfolio Total	531,174	+6,980	23,902	-13	+42	-56	4.44%	-0.06pt	5.9%	424,712	106,461	25.1%

Appraisal Brief

	No. of Properties	Diff. in Value in mil. yen
Increase	187	+7,684
Unchanged	51	-
Decrease	22	-704
Total	260	+6,980

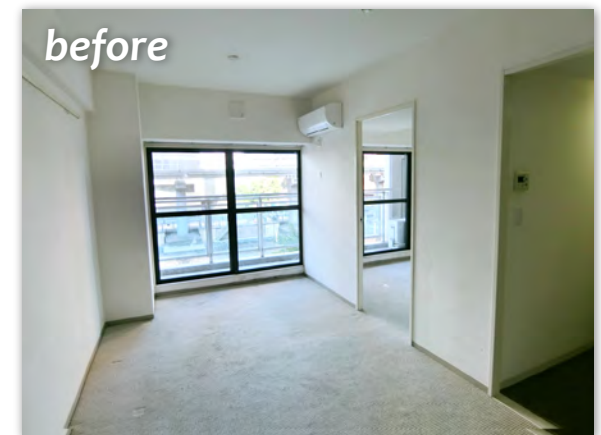
15 properties decreased in value due to increase in expense listed in the re-acquired engineering report

There is a total of unrealized loss of **770** million yen from **4** properties

* For assets acquired during the FP July 2017, appraisal value at the time of acquisition is used as the previous appraisal value. ** The difference in appraisal NCF from last FP is items as difference in rent revenue (appraisal NOI - repairs) and difference in repair cost and capital expenditure re-appraised in the engineering report.

Note

External Growth



Newly Acquired Properties

3 properties **5.7** billion yen

Properties Acquired from Sponsor

Third Party (Negotiated Transaction)

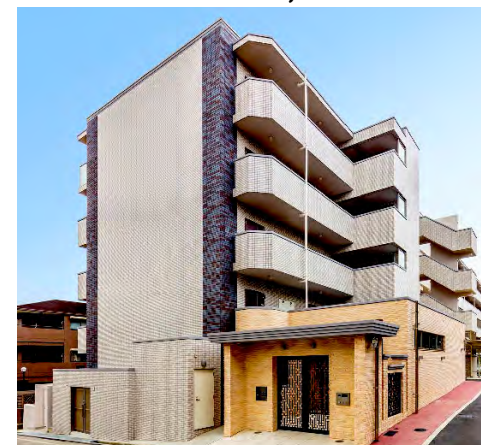
RESIDIA Koenji



RESIDIA Kameido



RESIDIA Senri-Fujishirodai



	Central Tokyo ex 7	Central Tokyo ex 7	Major Regional Cities	Total
Acquisition Price	1,380 million yen	2,988 million yen	1,430 million yen	5,798 million yen
NOI Yield *	5.1%	4.7%	5.2% **	4.9%
Yield after Depreciation *	4.3%	4.0%	4.3% **	4.1%
Leasable Units	58 units	129 units	90 units	277 units
Completion	March 2015	October 2013	February 2017	-
Building Age	2.4 years	3.8 years	0.4 years	2.6 years

Preparing for Future External Growth

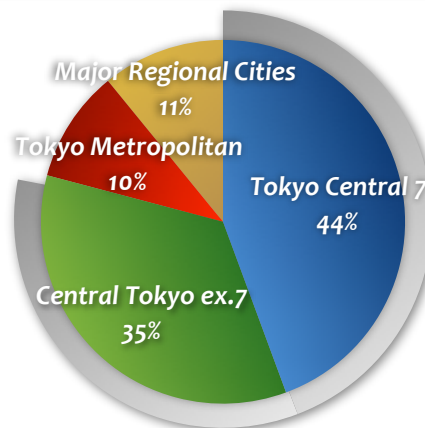
Sponsor Pipeline **31** properties **51.0** billion yen

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	743 units	22.6 bn yen
Central Tokyo ex.7	11 properties	667 units	17.7 bn yen
Tokyo Metropolitan	2 properties	439 units	5.1 bn yen
Major Regional Cities	4 properties	372 units	5.5 bn yen
Total	31 properties	2,221 units	51.0 bn yen

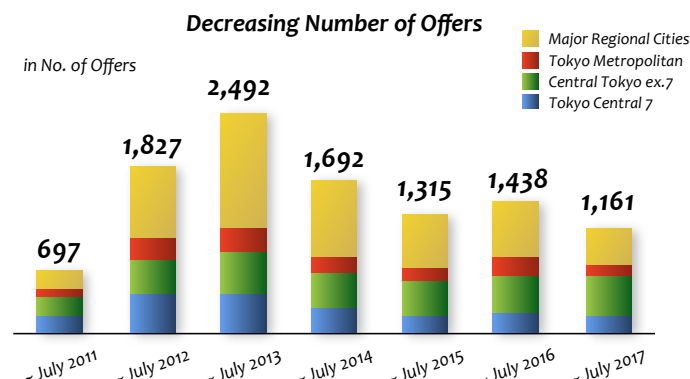
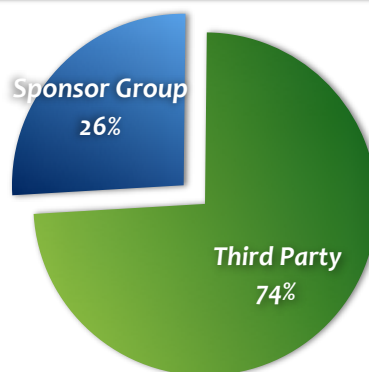
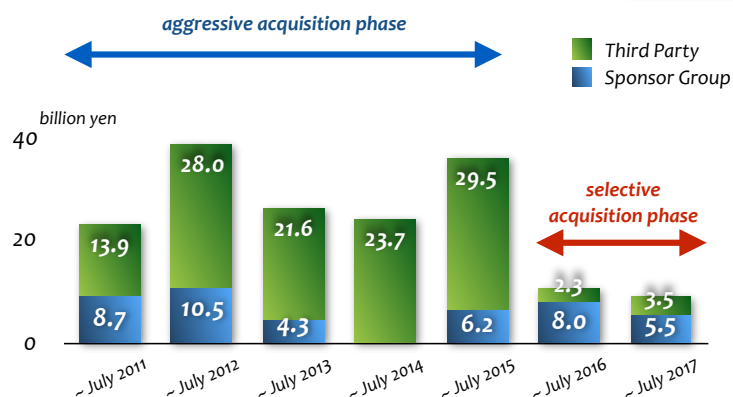
of which are land plots waiting for building permits **5** properties **7.7** bn yen
as of Jul. 2017



Steady Stream of Completions by Sponsors



Sourcing Track Record



Finances



Building a Stable Financial Base

Key Figures on Debts

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

	FP Jan. 2017	FP July 2017		change
Loans	190.2 bn yen	188.8 bn yen (84.6%)		-1.4 bn yen
Bonds	33.5 bn yen	34.5 bn yen (15.4%)		+1.0 bn
Total	223.7 bn yen	223.3 bn yen (100.0%)		-0.4 bn yen

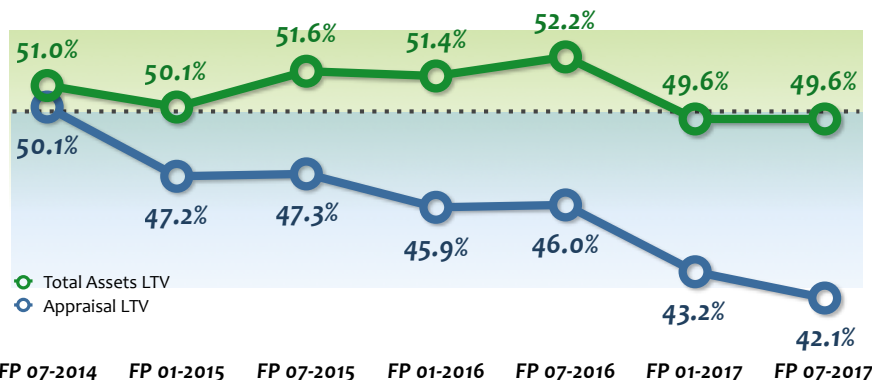
FP July 2017 Debt Financing

Lowered Financing Cost While Financing in Longer Debts

	Repayment	Procurement
Total	22.9 bn yen	22.5 bn yen
Avg. Interest Rate	1.30%	0.46%
Avg. Initial Duration	5.4 yrs	8.3 yrs

LTV Management

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



FP July 2017 Financing Topics

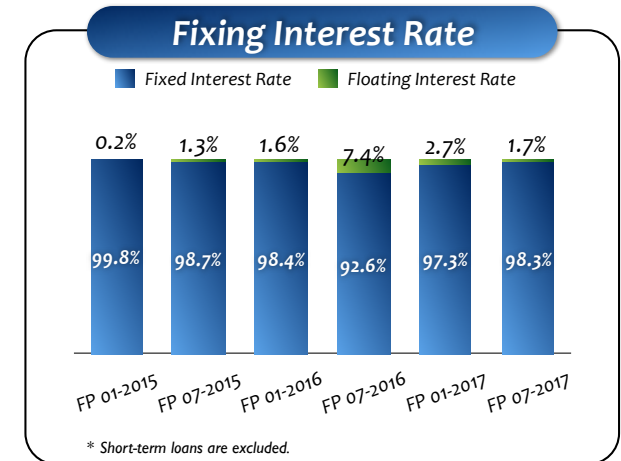
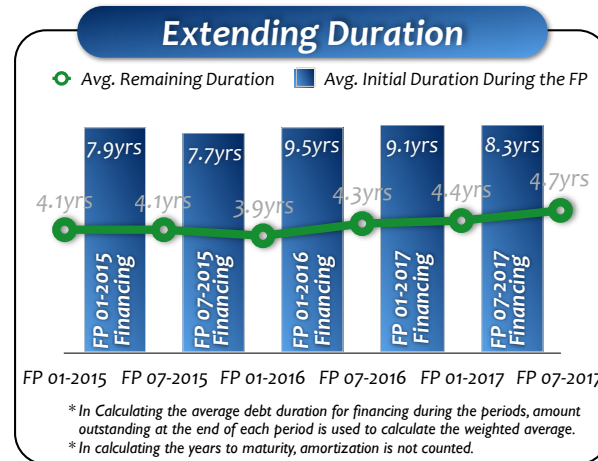
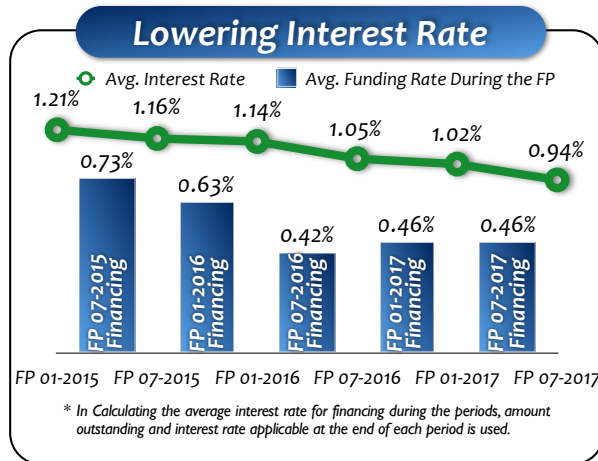
1. Bond Issuance

Total	Average Duration	Average Interest Rate
5.0 billion yen	8.2 years	0.37%

2. Invited Two New Lenders (Scheduled to newly join in Sept. 2017)

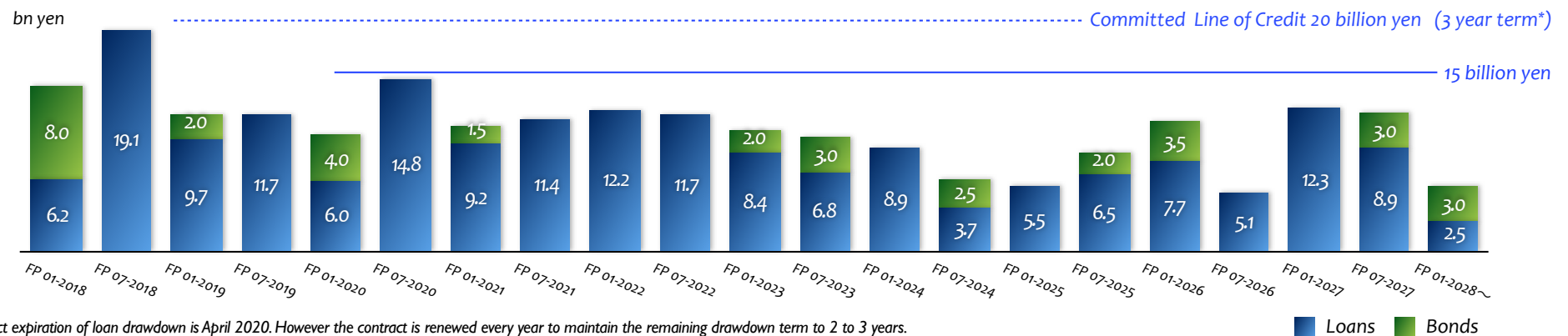
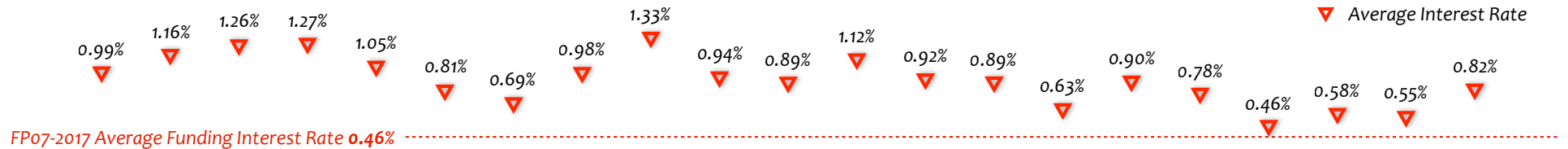
JAPAN POST INSURANCE Co., Ltd.
Shinkin Central Bank

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



Diversifying Duration, Setting Up a Committed Line of Credit

as of end of FP 07-2017



* Contract expiration of loan drawdown is April 2020. However the contract is renewed every year to maintain the remaining drawdown term to 2 to 3 years.

P-24 RESIDIA Azabujuban II



after

before



Management Policies & Earnings Guidance

Drawdown of Reserve

Maximum 50 years (100 Fiscal Period) Drawdown

Temporary Difference Adjustment Reserve
(Dividend Reserve; initial reserve outstanding 33.5 billion yen)

32.8 billion yen
(after FP July 2017 dividend payout)

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

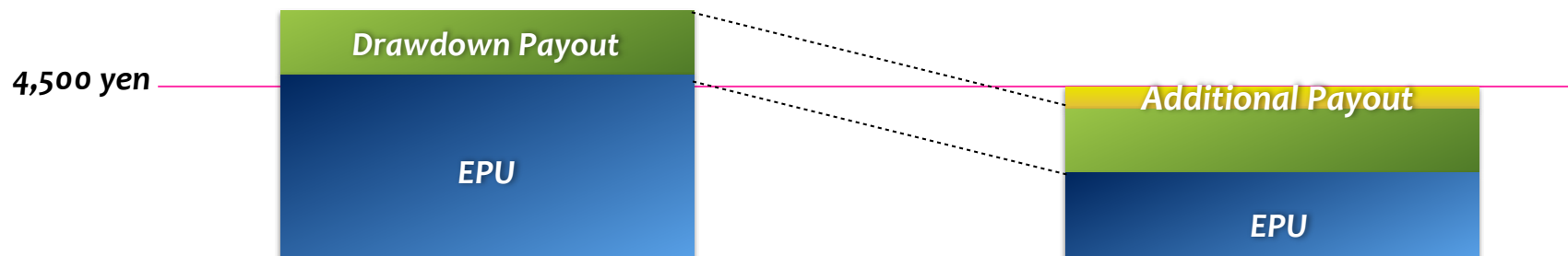
335 million yen per FP



248 yen per units or more per FP
@ 1,350,000 units (as of FP Jan. 2017)

Measures to Ensure Stable Dividends

Increase drawdown to Ensure a Dividend of at Least **4,500 yen per unit**



Retained earnings of negative goodwill (booked as temporary difference adjustment reserve) 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 Jan. 2018 & July 2018

	(1) 14 th FP Results	(2) 15 th FP Forecast	(2)-(1)		(3) 16 th FP Forecast	(3)-(2)		in million yen
	Results for FP July 2017	Forecast for FP January 2018 (announced Sept. 6, 2017)	Changes	Notes	Forecast for FP July 2018 (announced Sept. 6, 2017)	Changes	Notes	
Revenue	15,918 (260 properties) Period avg. occupancy 97.0%	15,742 (260 properties) Period avg. occupancy 96.5%	-176	Newly Acquired Assets Increases from FP2017/7 acquisitions +79 Same Store Lower off-peak occupancy -108 Off-peak decrease in key money -148	15,868 (260 properties) Period avg. occupancy 96.6%	+126	Same Store Peak season increase in key money +126	
Operating Income	7,968 (Depreciation: 2,631) (Property taxes: 848)	7,839 (Depreciation: 2,648) (Property taxes: 859)	-129	Leasing Expenses Increases from FP2017/7 acquisitions -12 Off-peak decrease +106 Depreciation & property tax incrs. -22 G & A Expenses Incr. from expense of bi-annual GUM & other expenses -25	7,811 (Depreciation: 2,661) (Property taxes: 865)	-28	Leasing Expenses Peak season increase in fees -110 Depreciation & property tax incrs. -19 GA Expenses Cons. tax settlement increase, etc -25	
Ordinary Income	6,642 (Funding cost*: 1,318)	6,615 (Funding cost*: 1,216)	-27	Decrease in compensation income -8 Decrease in interest pay't from refinancing & debt reduction +110	6,615 (Funding cost*: 1,190)	-	Decrease in interest pay't from refinancing & debt reduction +28	
Net Income	6,642	6,615	-27		6,615	-		
EPU (yen)	4,920	4,900	-20	Units issued and outstanding 1,350,000 units	4,900	-	Units issued and outstanding 1,350,000 units	
Per Unit Drawdown of Reserve** (yen)	248	249	+1	Reserve after dividend: 32.5bn yen	249	-	Reserve after dividend: 32.1bn yen	
Dividend per unit (yen)	5,169	5,149	-20		5,149	-		
Total Asset LTV	49.6%	49.4%	-0.2pt		49.4%	-		

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

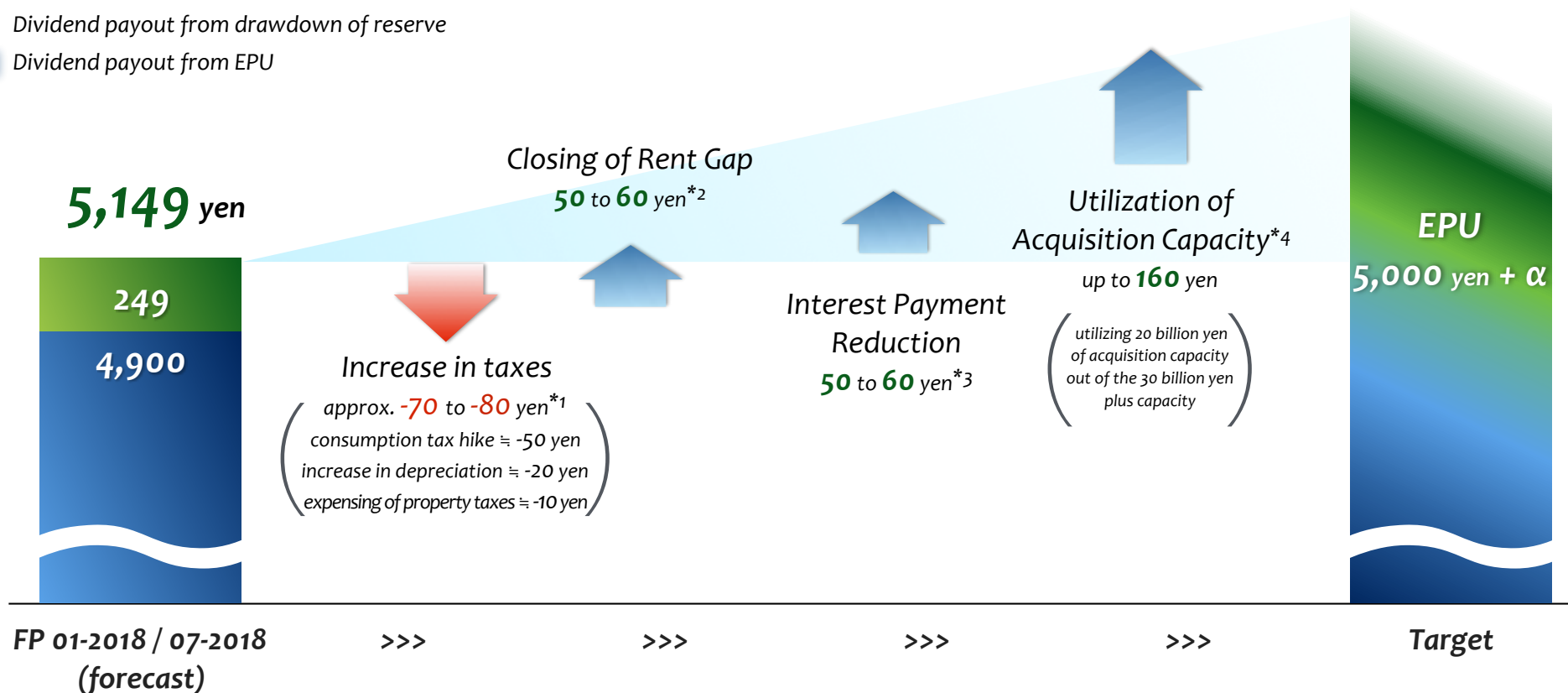
** "Reserve" means "Temporary Difference Adjustment Reserve".

1 to 2 Year DPU Target

Total DPU growth of **+200 yen**

DPU **5,300 yen** ~

- Dividend payout from drawdown of reserve
- Dividend payout from 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 estimated using assumptions such as the ones below.

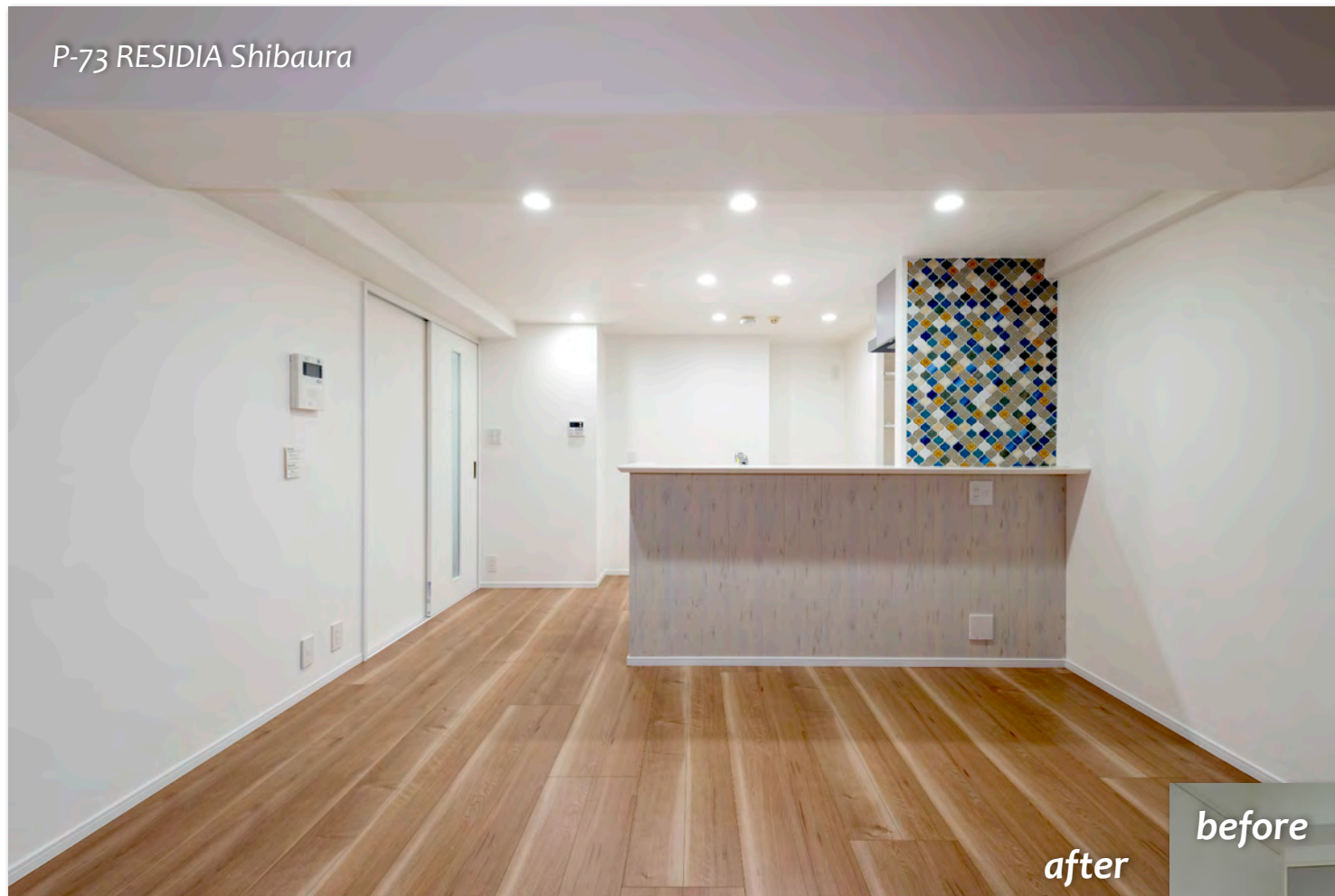
^{*1} Used the assumptions in the earnings guideline disclosed in the FP07-2017 Tanshin (Japanese Preliminary Fiscal Report). Consumption tax rate is assumed to be raised from 8% to 10%. Restoration works expected to be executed by 07-2019 are included in the calculation of depreciation projection.

^{*2} Assumption of EPU/DPU growth from the effect of the closing the rent gap is made referring to rent gap, turnover figure, lease contract term leasing costs of FP07-2017 within the time horizon of FP 07-2020.

^{*3} Interest payment reduction is based on the assumption that debts maturing by FP07-2019 will be refinanced with an average interest rate of 0.8%.

^{*4} The estimate is made using forecast figures of total assets and outstanding interest bearing debts for FP07-2018. Also the estimate is based on around two year worth of acquisition and assumed funding cost.

P-73 RESIDIA Shibaura



after

before



Appendix

Advance Residence's Strength

Defensive with Stable Dividend

ASSET

Holds the **Largest** AUM
Among Residential J-REITs

442.7 billion yen

DEBT

Stable Financial Foundation

Long-term × Fixed Rate
× Diversified Maturity

JCR **AA**

EQUITY

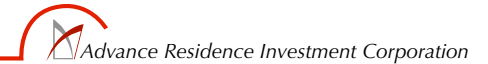
Holds the **Largest**
Reserve Among All J-REITs

32.8 billion yen

(the outstanding after FP July 2017 dividend payout)

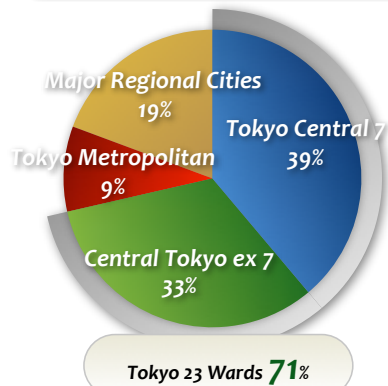
The Largest* Portfolio Among Residential J-REITs

* According to data collected by ADIM from the latest disclosures made by each residential J-REITs as of Sept. 6, 2017.

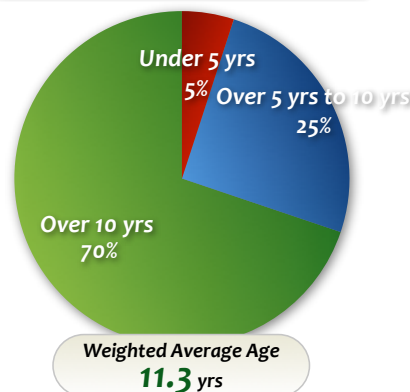


	Number of Properties	Total Leasable Area	Leasable units	Assets Under Management (Acquisition Price)
as of July 31, 2017	260 properties	781,760 ^m	20,842 units	442.7 billion yen

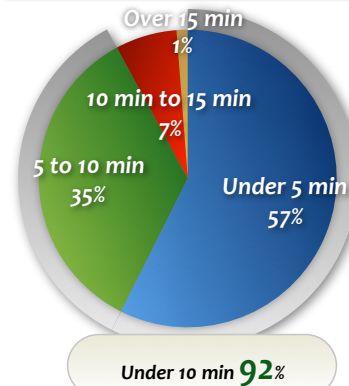
Investment Location
(by acquisition price)



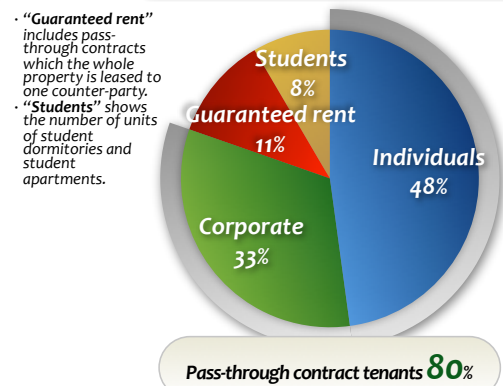
Building Age
(by acquisition price)



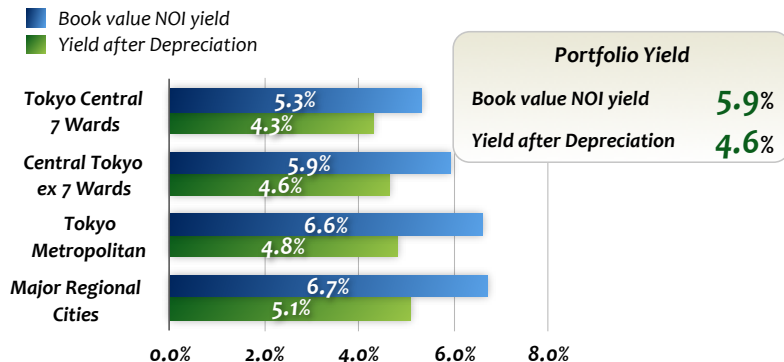
Walking Minutes to Train Station
(by acquisition price)



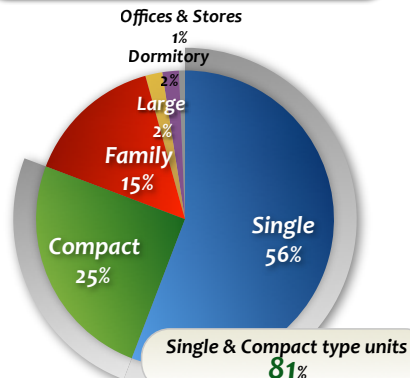
Tenant Category
(by no. of units)



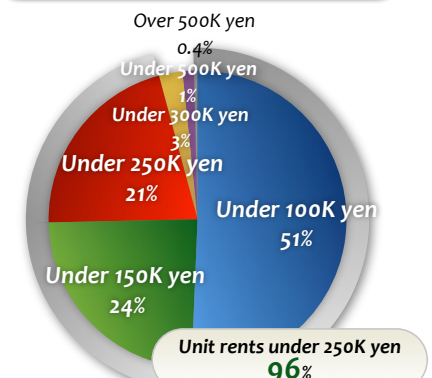
NOI Yields (%) **



Unit type
(by no. of units)

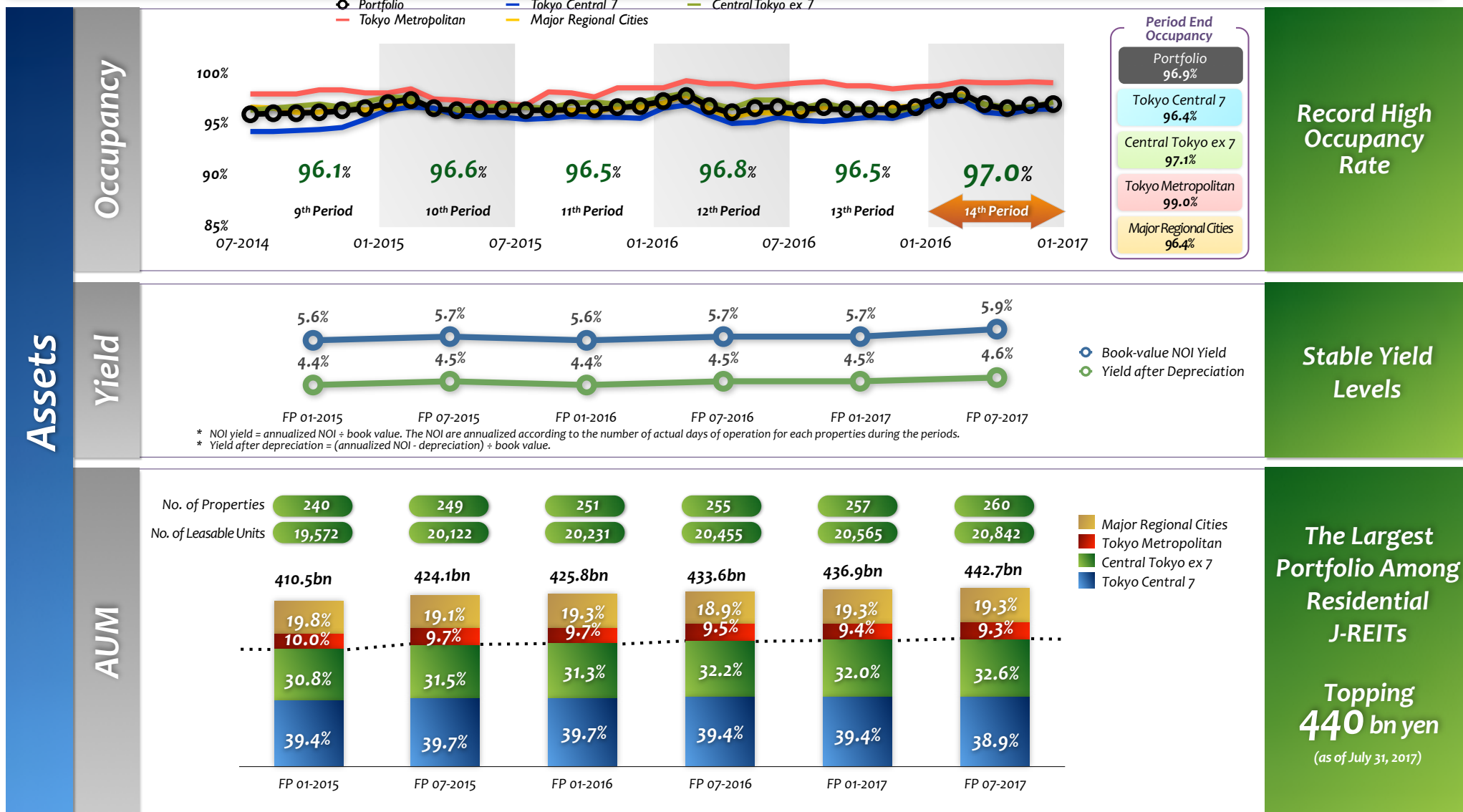


Rents
(by no. of units)



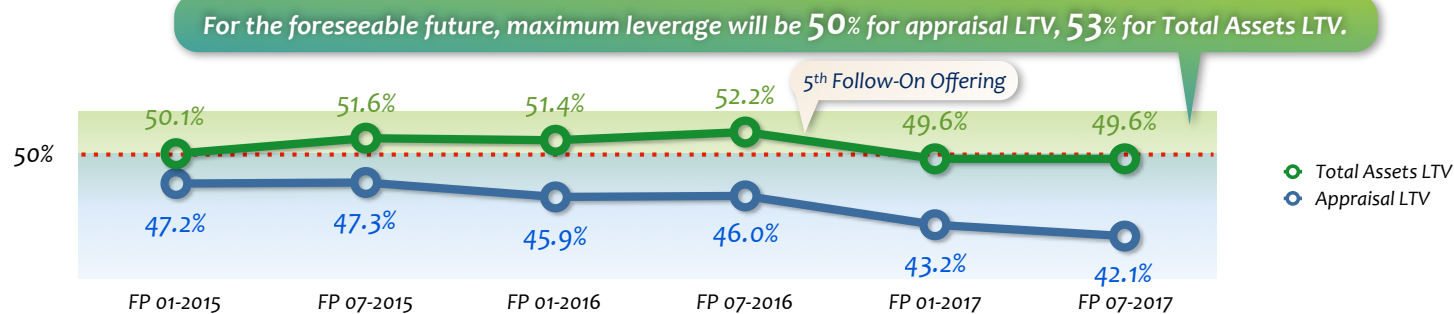
** Book value NOI is calculated as "annualized NOI" ÷ "book value at the end of FP2017/7". NOI is annualized according to actual number of days of operation for each property during FP2017/7.
Yield after Depreciation is calculated as (annualized NOI - depreciation) ÷ book value as of end of FP2017/7.

Increasing EPS by Implementing Various Measures



Liabilities

LTV



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

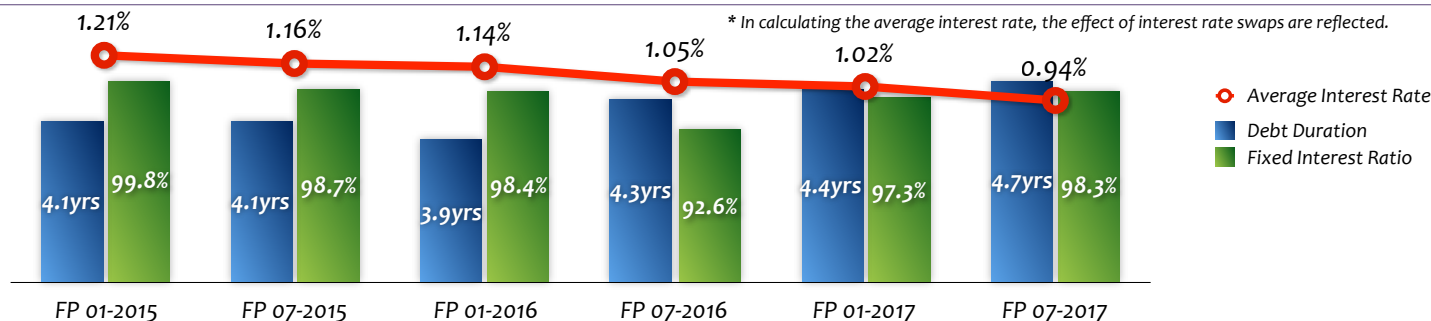
Acquisition Capacity
(@ Total Assets LTV of 53%)

over

30.0 bn yen

(estimate for FP ending July 2017)

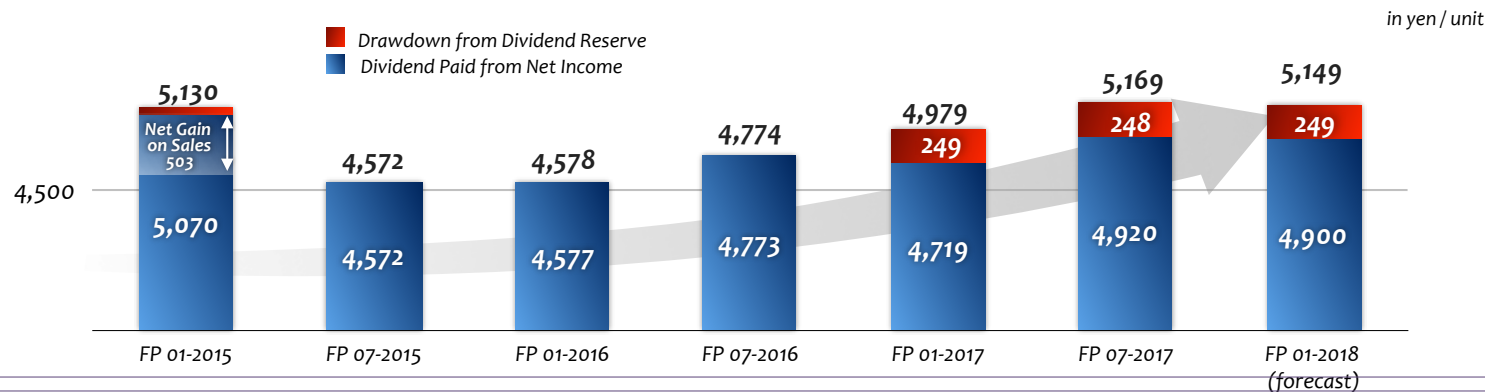
Debts



Lowered Interest Rate While Extending Duration

Equities

Dividends



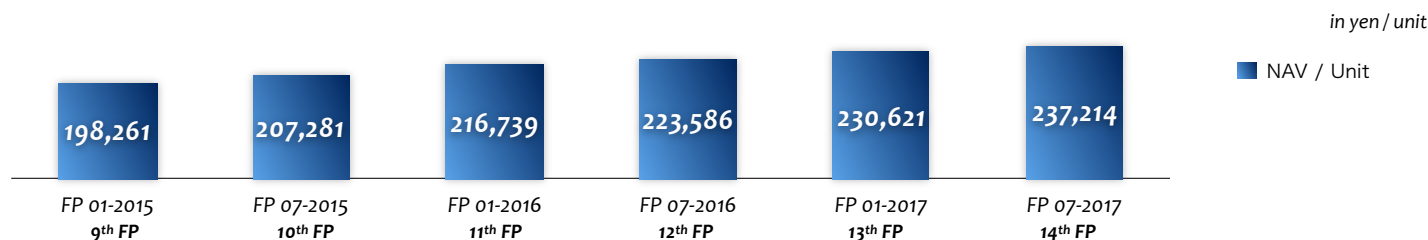
Record High Dividend for FP July 2017

Outstanding Dividend Reserve

32.8 bn yen

(after FP Jan. 2017 dividend)

Net Asset Value

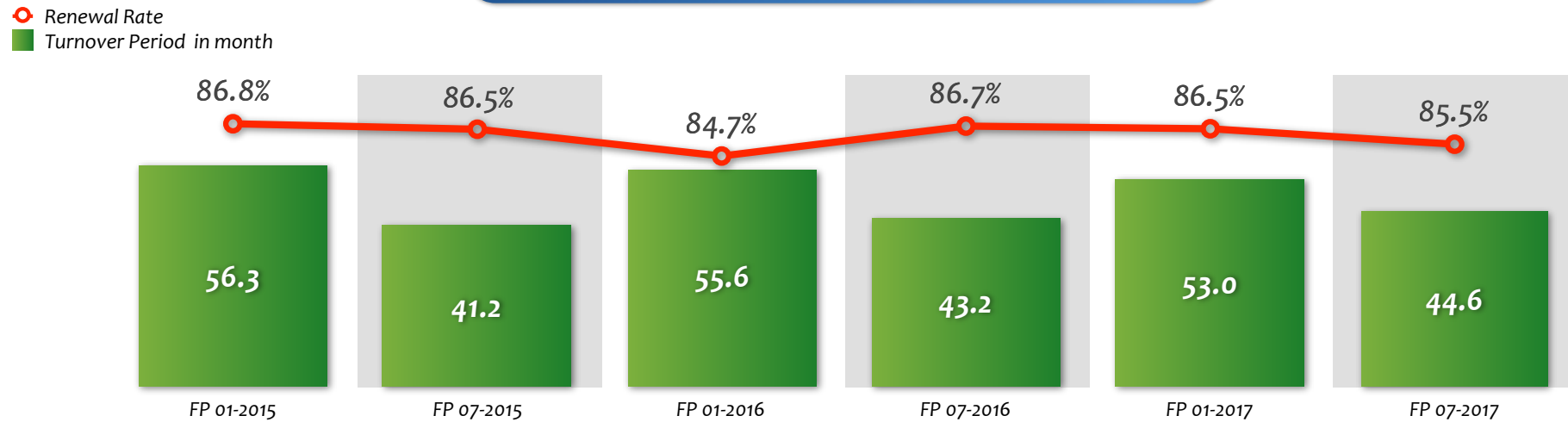


Increasing NAV per Unit

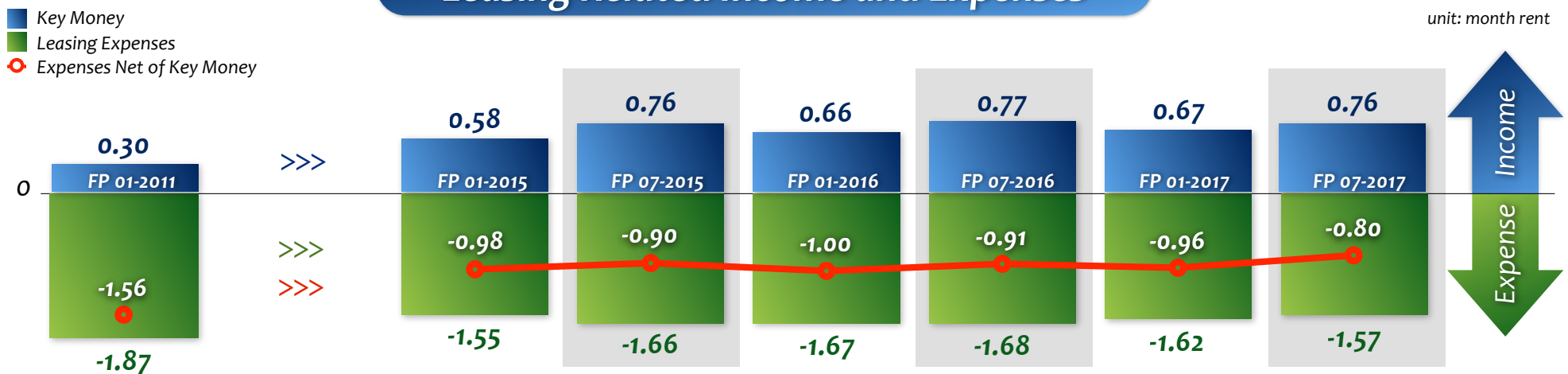
* NAV / Unit is calculated as follows. (FP end net asset + FP end unrealized gain or loss - dividend amount for the FP) ÷ FP end number of issued and outstanding units.

Leasing Figures

Renewal Rate & Turnover



Leasing Related Income and Expenses



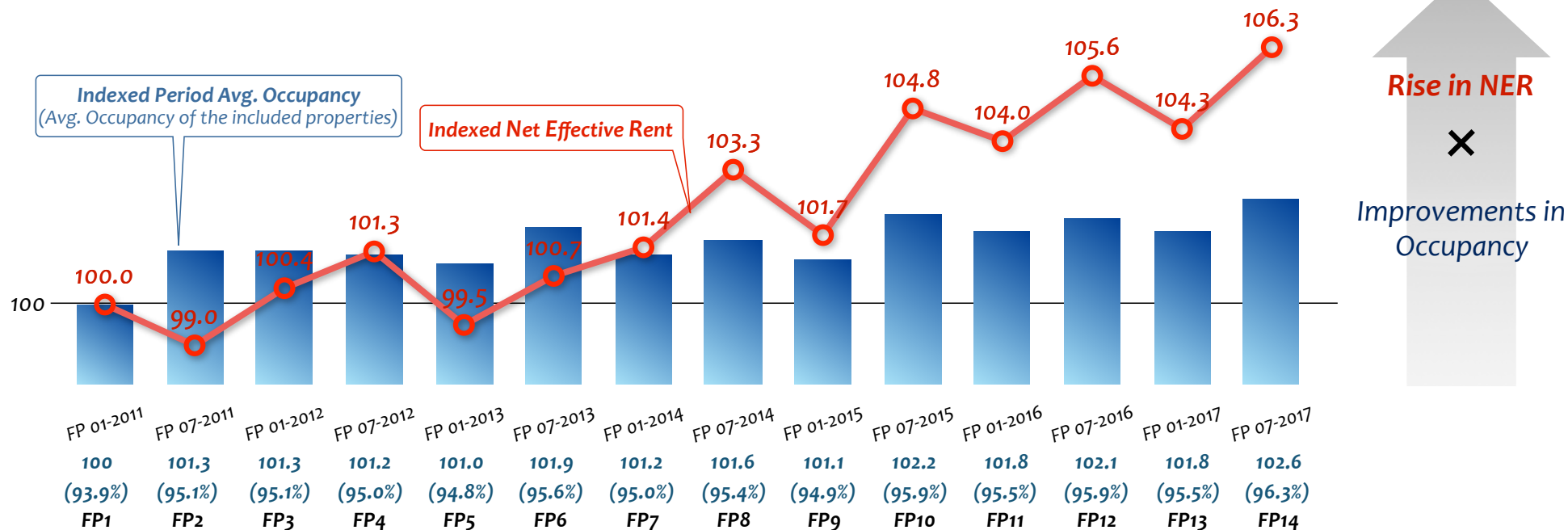
Achieving Internal Growth in the Residential Sector

Changes in Net Effective Rent (NER)

NER rose 0.7pt to the comparable peak season 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 115 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, FP07-2017) 973.

Internal Migration Statistics

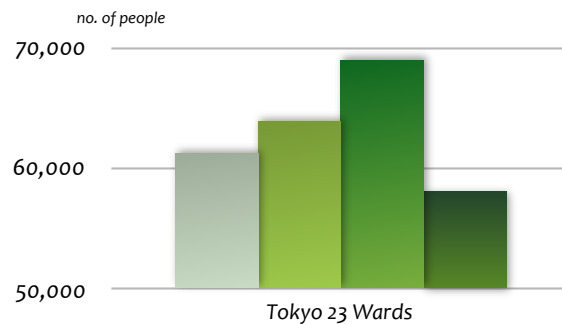
Population Inflow to Central Tokyo and Major Regional Cities Continues

Net Inflow is Pre-dominantly Younger Generation

Migration Statistics of Major Cities in Japan

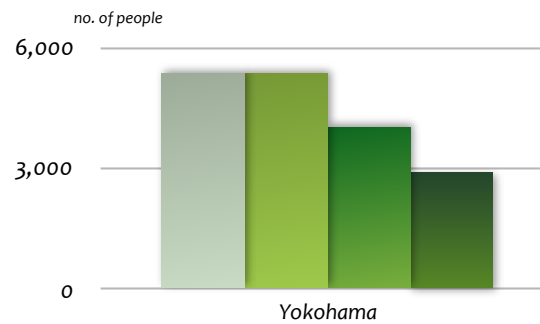
Tokyo 23 Wards

ADR's Investment Ratio 71%



Tokyo Metropolitan Area City

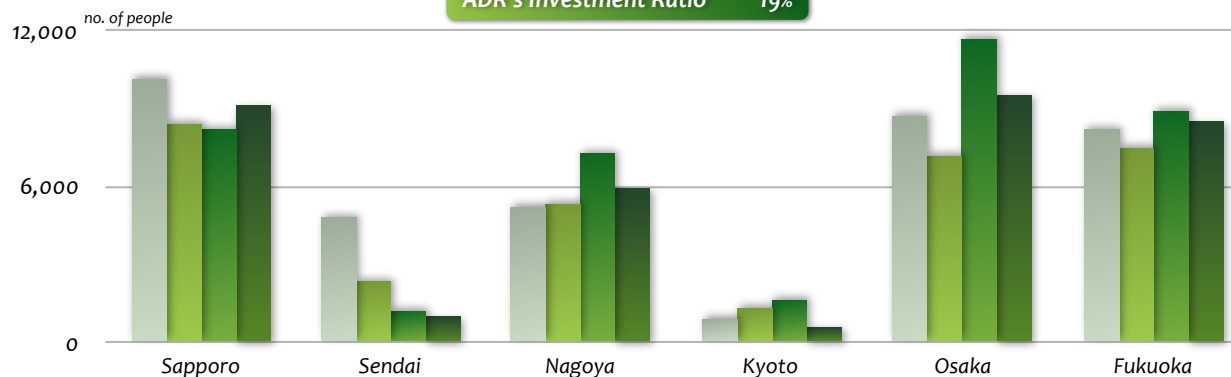
ADR's Investment Ratio 9%



2013 2014 2015 2016

Major Regional Cities

ADR's Investment Ratio 19%



Tokyo's Population Inflow by Age Group

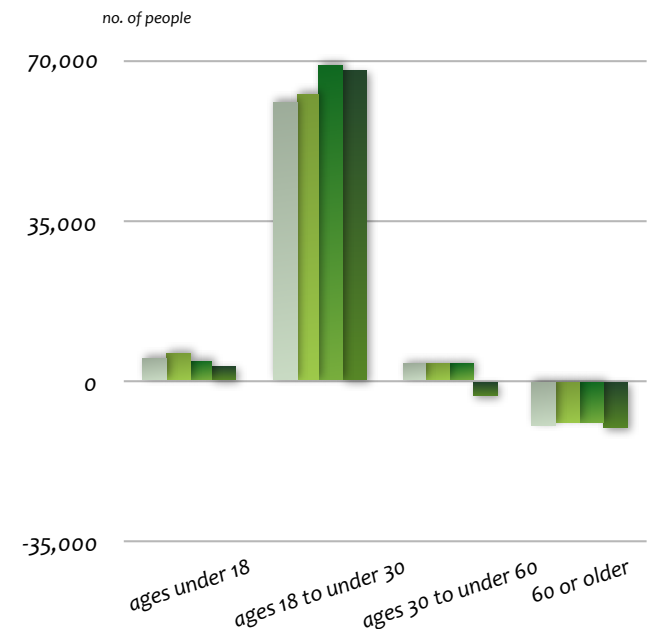
Tokyo Prefecture

ADR's Investment Ratio* 48%

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

Residential Needs of Younger Generation

Single & Compact Type Units

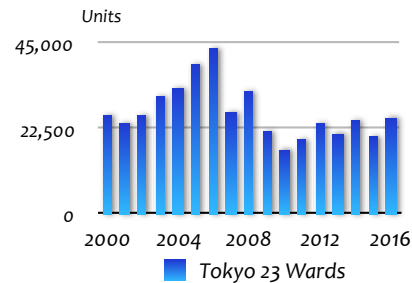


Source: "2016 Report on Internal Migration in Japan" Statistics Bureau, Ministry of Internal Affairs and Communications; "2016 Report on Internal Migration" Statistics Division

Housing Starts

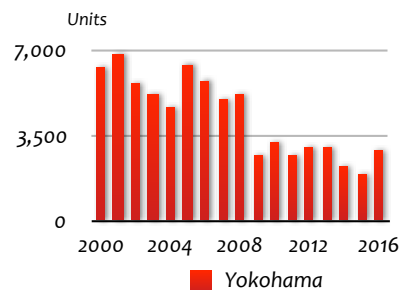
Limited Rise in Housing Starts

Tokyo 23 Wards



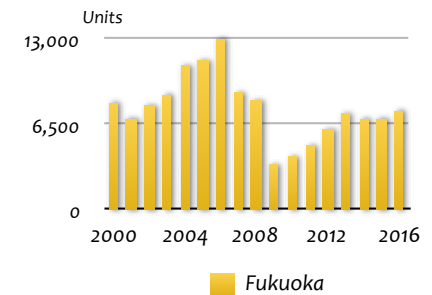
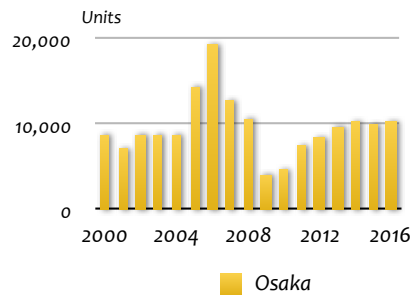
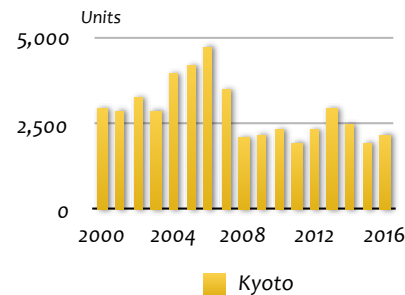
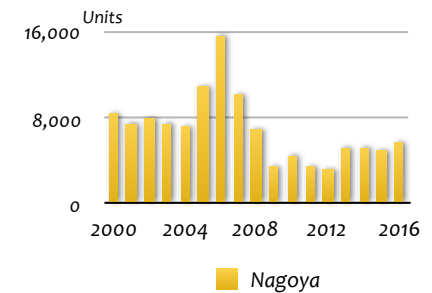
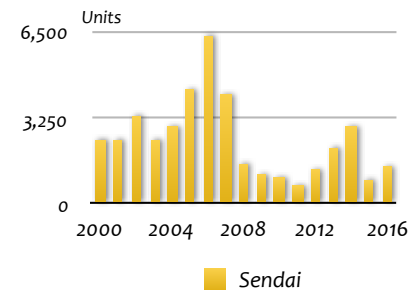
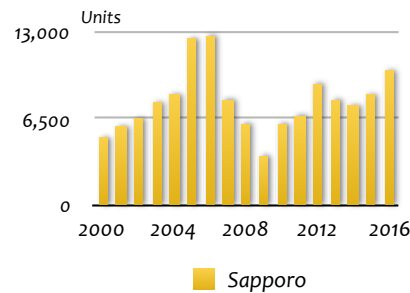
ADR's Investment Ratio in the Region
71%

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)

Portfolio Diversification Policy

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

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

*Note

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

Unit-type Definition

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

Floor plan

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

Dormitory Type Units

The units share common bathrooms and laundry spaces within in the property
Life & Senior House Kohoku 2, College Court Tanashi and Cocofump Hiyoshi are categorized as Dormitory type due to their characteristics

Unit types

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

Building a High Quality Portfolio

Acquisitions and Dispositions Since the Merger

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

Acquisition Focused on Single-type Units

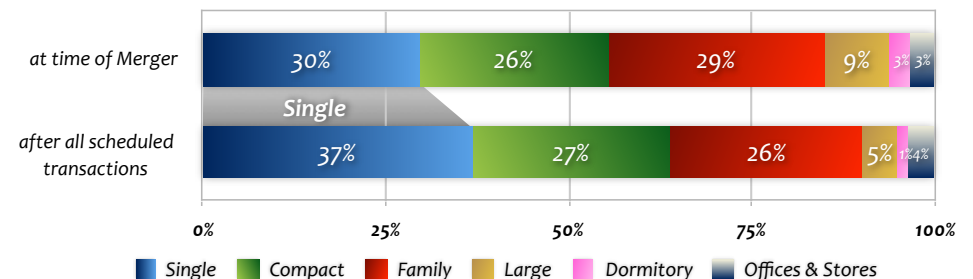
in number of residential units

	Single	Compact	Family	Large	Dormitory	Others	Total
Tokyo Central 7 Wards	+858	+8	-43	-166	0	-1	+651
Central Tokyo ex 7	+1,920	+692	+434	+12	0	+13	+3,071
Tokyo 23 Wards	+2,773	+700	+391	-154	0	+12	+3,722
Tokyo Metropolitan	+440	+10	-105	0	-748	-4	-407
Major Regional Cities	+1,806	+1,099	+323	+63	0	0	+3,291
Other Regions	+2,246	+1,109	+218	+63	-748	-4	+2,884
Total	+5,019	+1,809	+609	-94	-748	+8	+6,606

Improving Yield and Reducing Average Age

	at the time of merger	after the transactions
Book Value NOI Yield	5.2%	5.9%* ⁴
Building Age	13.8 yrs* ⁵	11.3 yrs

Unit type Investment Ratio (by leasable area)



Balanced and Diversified Acquisition Sources

Transactions since the Merger	The Sponsor Group* ^{6,7}	Bridge Funds* ⁸	Third party and Others	Total
No. of Properties	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%

The figures in this slide are all based on data as of July 31, 2017.

*¹ Weighted average NOI yield of acquisitions

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

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

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

*⁴ The following figures are used to calculate the Book Value NOI Yield. Annualized NOI ÷ FP2017/7 end book value, where the NOI is annualized using the actual days in operation during the FP2017/7.

*⁵ Weighted Average age of buildings held at the time of merger as of July 31, 2017.

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

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

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

Senior Housing Market

Investment Policy

Risk Premium Consideration

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

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

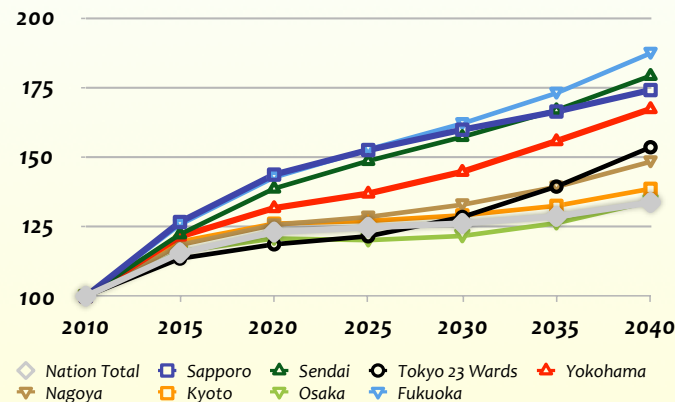
Preference Towards RSHSS

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

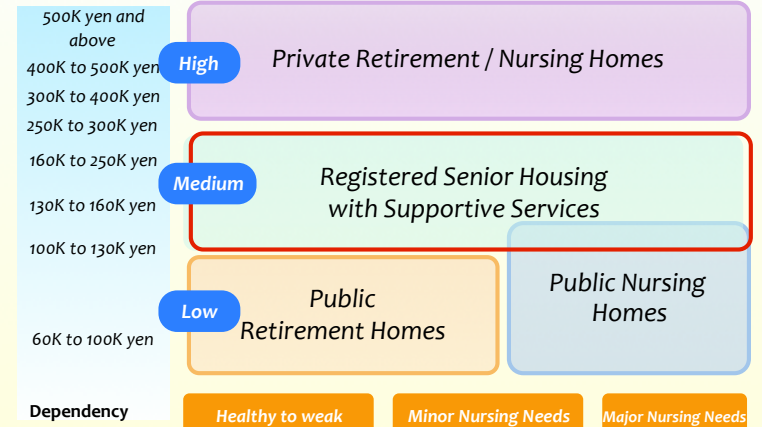
They are easier to convert to regular rental multifamily residence and are more stable to operate having an affordable move-in fee (2 month deposit) and a relatively low rent burden.

Growing Senior Housing Market

Population trend of 65 years or older (Indexed using 2010 figure as 100)



Level of Out-of-pocket Monthly Burden



Senior Housing Holdings

S-29 Cocofump Hiyoshi

FP 07-2016 Actual NOI Yield **6.8%**



	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, reasonable	Pay only 2 mth. deposit upfront
Size	Larger than minimum 500 million yen	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 90 RSHSS as of Sept. 6, 2017.

S-22 Life & Senior House Kohoku 2

FP 07-2017 Actual NOI Yield **7.6%**



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

Advance Residence Investment Corporation

as of July 31, 2017

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

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

Dormitories

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

S-11 TOKYO Student-House Wako



Actual NOI yield
7.1%

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

S-23 College Court Tanashi



Actual NOI yield
7.9%

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

Student apartments

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

17 properties

P-3 RESIDIA Nakameguro



Actual NOI yield **6.1%**

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

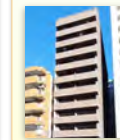
C-66 RESIDIA Takashimadaira



Actual NOI yield **5.5%**

Location	Itabashi-ku, Tokyo
No of units	45 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

R-2 RESIDIA Imadegawa



Actual NOI yield **6.7%**

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

P-85 RESIDIA Komazawa



Actual NOI yield **6.3%**

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

C-67 RESIDIA Shimurasakaue



Actual NOI yield **5.3%**

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

C-77 RESIDIA Ogikubo II



Actual NOI yield **5.1%**

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

R-38 RESIDIA Hiroseodori



Actual NOI yield **8.2%**

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 **6.1%**

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

R-60 RESIDIA Okayama-Ekimae



Actual NOI yield **6.6%**

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

C-50 RESIDIA Shin-Itabashi



Actual NOI yield **6.5%**

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

C-69 RESIDIA Shimurasakaue III



Actual NOI yield **5.7%**

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

S-30 RESIDIA Sagamiyama



Actual NOI yield **6.5%**

Location	Sagamiyama, 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

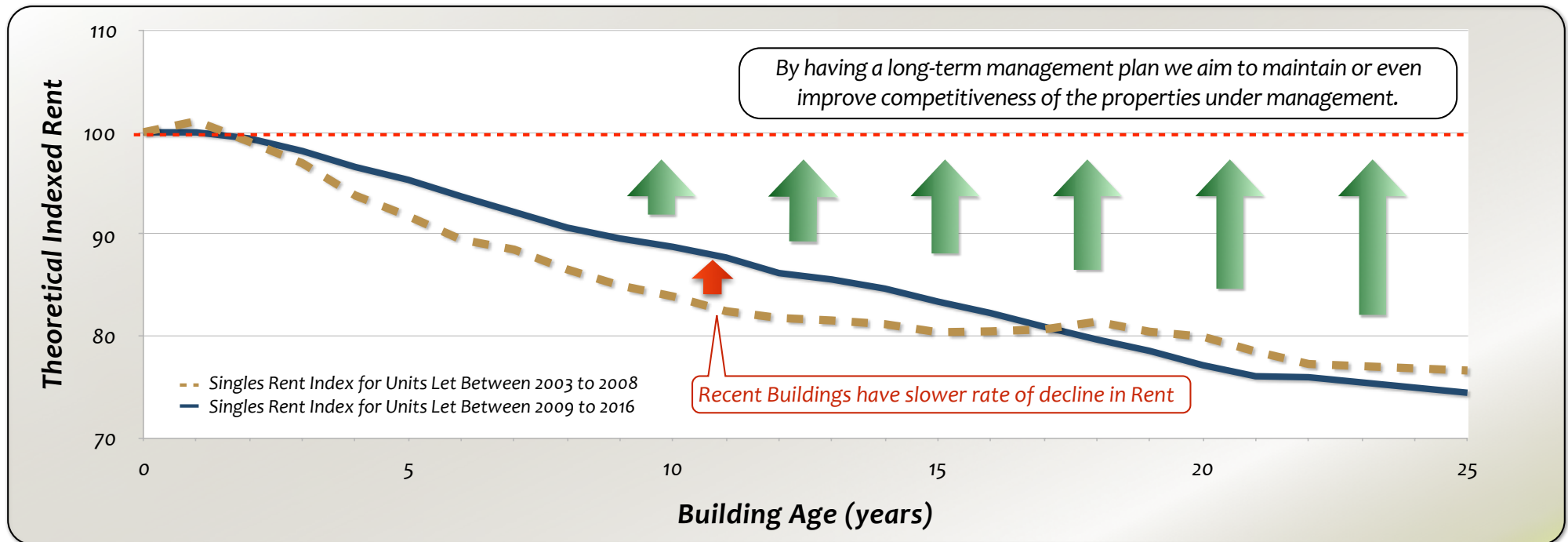
Daily Repairs

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 on rent data from single-type units (18m² to 30m²) of apartments 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 26 years



after

Individual apartment unit
upgrading renovations
Cost: 3,877 thousand yen/unit

before



after

S-19 RESIDIA Kichijoji

Common area renovation
Cost: 32 million yen

before



Building age 22 years



after

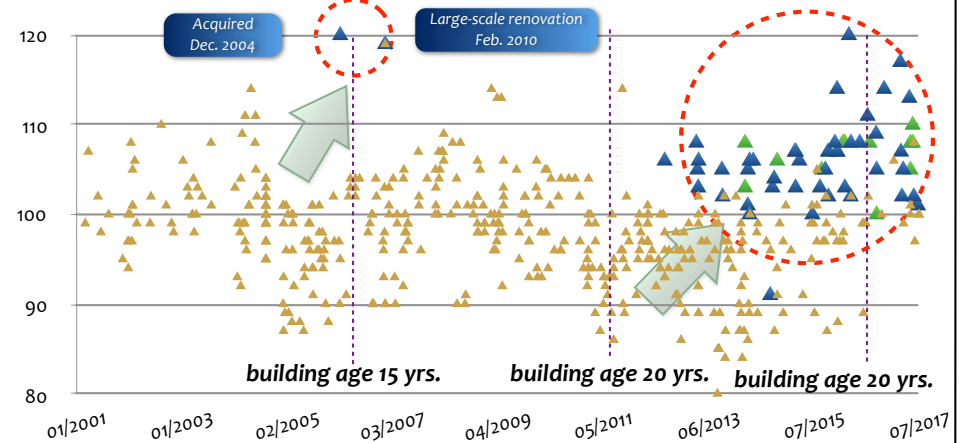
Individual apartment unit
upgrading renovations
Cost: 3,715 thousand yen/unit

before

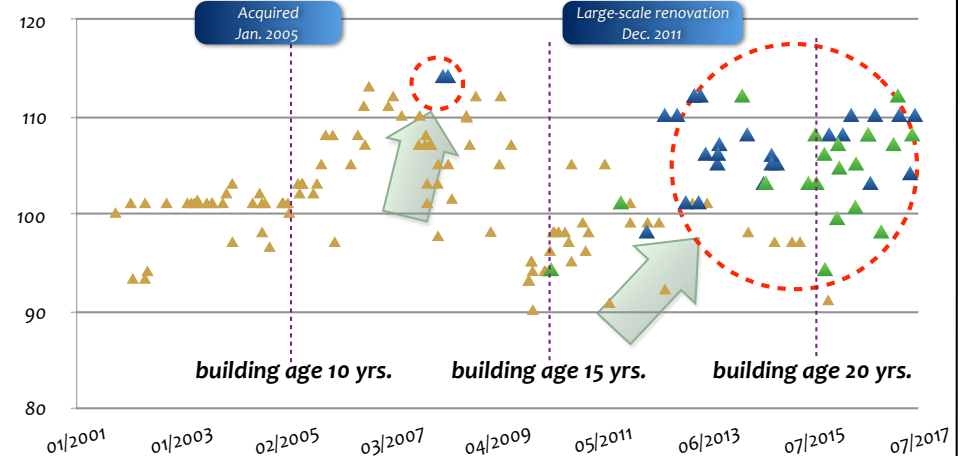


after

Impact of the measures taken



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



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

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

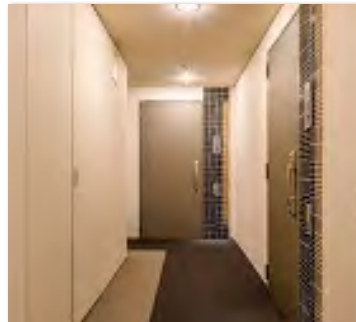
Measures to Ensure Sustainability

Multiple Measures to Ensure Sustainability and Retain & Increase Asset Value

Environmental Considerations

- Installation of LED Lightings
- Putting up awareness posters to promote energy conservation
- Timely execution of large-scale repairs

Example of Installation of LED Lightings



Measures to Improve Governance

- Established a framework for compliance and risk management
- Asset management fee structure having a same boat incentive
- Timely and active disclosures

more inline with unitholders' interest

Asset Management Fee I
Fee Linked to Total Asset Size

Previous fiscal end asset size x 0.20%

Asset Management Fee II
Fee Linked to NOI *1

NOI x 3.00%

Asset Management Fee III
Fee Linked Adjusted EPU *2

(AM Fees I + II) x
Adjusted EPU x 0.008%

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

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

Social Considerations

1) Improving Tenant Satisfaction

- Rich menu of tenant services
- Posting of emergency maps in properties
- Distributing emergency kits to tenants

Emergency Kits



AED



2) Contribution to the Community

- Installation of machines that enables charitable donations
- Installation of AEDs
- Holding architectural design competition
- Volunteering in neighborhood clean-up

Training Seminars



3) Human Capital Development and Employee Satisfaction

- Provide variety of training seminars for employees
- Promoting work / life balance
- Providing ample company benefits

Neighborhood Clean-up



Recognitions for Sustainability Measures

ADR & ADIM were recognized by multiple parties for its sustainability measures

Selected as a constituent of MSCI Japan ESG Select Leaders Index

One and only residential J-REIT to be included in the initial constituents



2017 Constituent
MSCI Japan ESG
Select Leaders Index

The index is designed to target companies in the “MSCI Japan IMI Top 500 Index” that have high “Environmental”, “Social” and “Governance” (ESG) profile relative to their sector peers. Furthermore, the Government Pension Investment Fund (GPIF) announced that it has selected the index for their ESG investment strategy.

DBJ Green Building Certification

DBJ Green Building Awarded to **7** properties*

NO.1 Highest Number of Residential Certificate Awarded **

P-62 RESIDIA Tower
Azabujuban



DBJ Green Building
2017



R-30 RESIDIA Izumi



DBJ Green Building
2017



Participated in GRESB Survey 2016

First residential J-REIT to participate in the survey in 2014



2016 & 2017 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.

Received DBJ BCM Rating

The first and one and only J-REIT management company to receive the rating



Rated by DBJ as a leading company executing measures in contingency planning, disaster prevention and mitigation

* The seven properties are P-50 RESIDIA Nishi-Azabu, P-55 RESIDIA Tower Meguro-Fudomae, P-62 RESIDIA Tower Azabujuban, P-76 Park Tower Shibaura Bayward Urban Wing, C-65 RESIDIA Tower Kami-Ikebukuro and S-20 Pacific Royal Court Minato Mirai Ocean Tower, R-30 RESIDIA Izumi.

** Based on materials published by Development Bank of Japan as of June 30, 2017 and consolidated by AD Investment Management Co., Ltd.

246 RESIDIA branded properties

RESIDIA

Brand Identity

SMART

SIMPLE

SENSUOUS

RESIDIA website
<http://www.residia.jp>

RESIDIA Customer Support

24 -7 call center for RESIDIA tenants

Moving Style

No-load moving between RESIDIA brand apartments

No key money, No brokerage fee

RESIDIA SUPPORT α

Nationwide preferential pricing at resorts, shopping centers and other facilities



Debt Structure

as of July 31, 2017

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

Investment Corporation Bonds

Maturity	3 yrs	5 yrs	7 yrs	10 yrs	12 yrs	15 yrs
2017/7				#27 3.0 bn yen 0.50%		
2017/2		#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%			

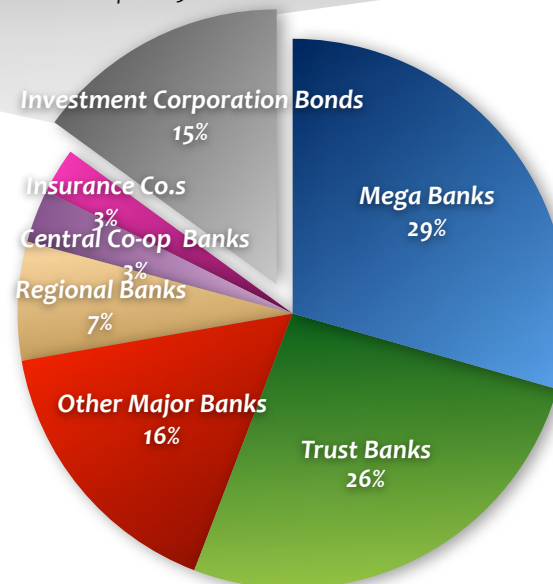
* #13 has been redeemed on Sept. 2016, #15 has been redeemed on April 2015.

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

Invited Two New Lenders as ADR's Lender

Lender Name	Timing
JAPAN POST INSURANCE Co., Ltd. Shinkin Central Bank	September financing



Loans

Lenders	Loan Outstanding (bn yen)	% share
Sumitomo Mitsui Trust Bank	30.3	16.1
The Bank of Tokyo-Mitsubishi UFJ	30.3	16.0
Mizuho Bank	18.1	9.6
Sumitomo Mitsui Banking Corporation	16.5	8.8
Mitsubishi UFJ Trust & Banking	15.2	8.1
Development Bank of Japan	15.5	8.2
Mizuho Trust & Banking	11.1	5.9
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
Total	188.8	100

Unit Price Chart

Key Figures	FP 01-2011	FP 07-2011	FP 01-2012	FP 07-2012	FP 01-2013	FP 07-2013	FP 01-2014	FP 07-2014	FP 01-2015	FP 07-2015	FP 01-2016	FP 07-2016	FP 01-2017	FP 07-2017
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	363.6 bn yen @269,400
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	0.93 bn yen 3,225 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%	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	237,214
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	158,353
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%	4.4%



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

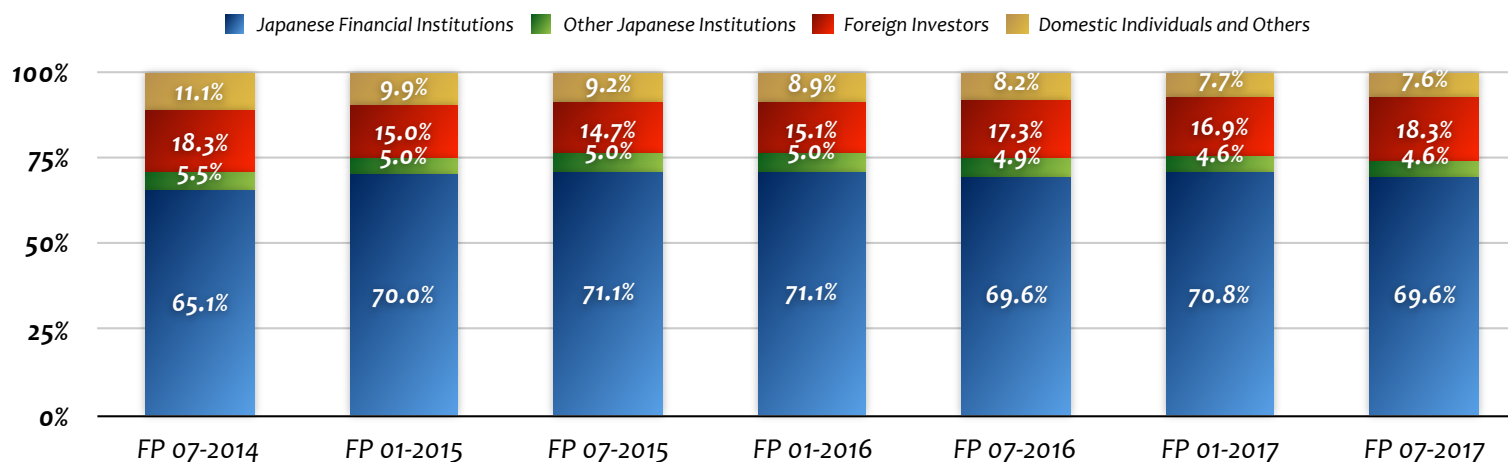
Major Unitholders

Increase in Overseas Investor Ownership

as of July 31, 2017

	Number of Unitholders		Number of Units		
	Unit-holders	diff	Units	diff	(%)
Japanese Financial Institutions	202	-5	939,481	-16,114	69.6%
Trust Banks	16	+1	693,776	-751	51.4%
Regional Banks	54	-5	130,948	-10,783	9.7%
Life Insurance	9	+1	44,153	+2,583	3.3%
Securities Companies	20	-1	15,944	-10,991	1.2%
Casualty Insurance	7	-	17,510	-	1.3%
Credit Unions & Co-ops	48	-	19,867	+3,862	1.5%
Shinkin Banks	48	-1	17,283	-34	1.3%
City Banks	0	-	0	-	0.0%
Other Japanese Corporations	256	-3	61,877	-776	4.6%
Foreign Investors	260	-15	246,608	+18,829	18.3%
Domestic Individuals and Others	15,943	-474	102,034	-1,939	7.6%
Total	16,661	-497	1,350,000	-	100.0%

Top 10 Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	353,309	26.2%
The Master Trust Bank of Japan, Ltd. (Tr. Acc.)	153,855	11.4%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	83,527	6.2%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	52,528	3.9%
ITOCHU Corporation	34,800	2.6%
State Street Bank - West Pension Fund Clients - Exempt 505233	19,012	1.4%
Trust & Custody Services Bank, Ltd. (Cash in Tr. Taxable Acc.)	18,330	1.4%
DFA International Real Estate Securities Portfolio	16,526	1.2%
State Street Bank and Trust Company 505012	15,941	1.2%
State Street Bank and Trust Company 505223	14,869	1.1%
Total	762,697	56.6%



Balance Sheet

Fiscal Period Ending July 31, 2017		in thousands yen
Assets		
Current assets		
Cash and deposits	12,989,663	
Cash and deposits in trust	9,611,975	
Operating accounts receivables	195,001	
Prepaid expenses	473,090	
Other	4,678	
Allowance for doubtful accounts	△ 7,059	
Current assets	23,267,349	
Fixed assets		
Property, plant and equipment		
Buildings	63,076,183	
Structures	16,784	
Machinery and equipment	49,506	
Tools, furniture and fixtures	106,827	
Land	70,314,787	
Buildings in trust	131,079,911	
Structures in trust	93,921	
Machinery and equipment in trust	80,653	
Tools, furniture and fixtures in trust	288,862	
Land in trust	156,457,632	
Construction in progress	-	
Property, plant and equipment	421,596,451	
Intangible assets		
Leasehold right	1,071,902	
Leasehold right in trust	2,043,828	
Other	73	
Intangible assets	3,115,804	
Investments and other assets		
Securities investments	-	
Long-term prepaid expenses	818,919	
Guarantee deposits	529,605	
Guarantee deposits in trust	1,026,585	
Other	1,710	
Investments and other assets	2,376,819	
Fixed assets	427,089,075	
Deferred assets		
Investment unit issuance expenses	5,785	
Investment corporation bond issuance costs	117,268	
Deferred assets	123,053	
Total Assets	450,479,478	

Fiscal Period Ending July 31, 2017		in thousands yen
Liabilities		
Current liabilities		
Operating accounts payable	298,506	
Current portion of investment corporation bond	8,000,000	
Current portion of long-term loans payable	25,446,329	
Accounts payable-other	1,352,658	
Accrued expenses	110,602	
Accrued consumption taxes	29,026	
Advances received	58,572	
Other	18,723	
Current liabilities	35,314,419	
Long-term liabilities		
Investment corporation bond	26,500,000	
Long-term loans payable	163,428,000	
Tenant leasehold and security deposits	1,223,124	
Tenant leasehold and security deposits in trust	3,259,350	
Long-term liabilities	194,410,475	
Liabilities	229,724,894	
Net assets		
Unitholders' equity		
Unitholders' capital, gross	127,690,098	
Surplus		
Capital surplus	53,220,279	
Reserve for dividend	33,202,036	
Unappropriated retained earnings (undisposed loss)	6,642,169	
Surplus	93,064,485	
Unitholders' equity	220,754,583	
Net assets	220,754,583	
Liabilities and net assets	450,479,478	

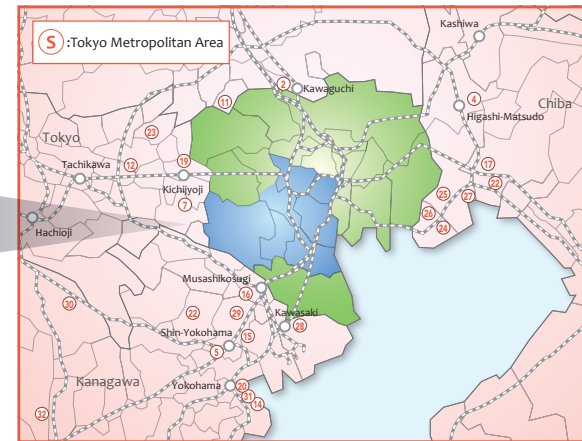
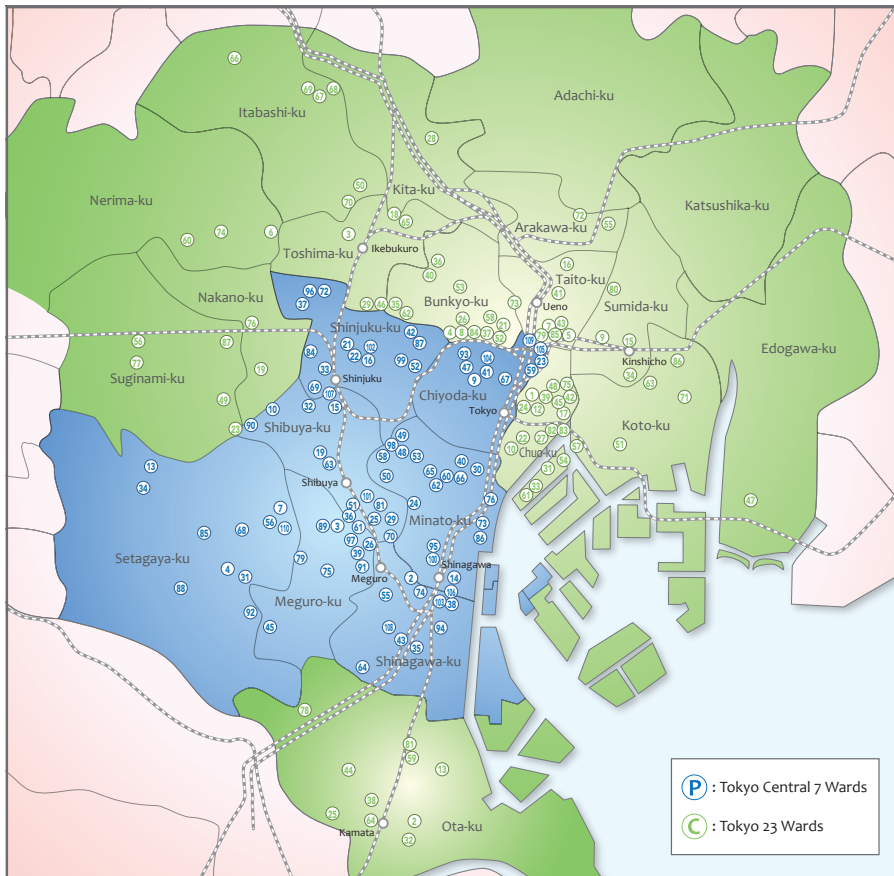
Profit and Loss Statement

Fiscal Period Ending July 31, 2016 (from February 1, 2017 to July 31, 2017)		in thousands yen
Operating revenue		
Rent revenue-real estate	15,918,444	
Dividend income	-	
Gain on sales of real estate properties	-	
Operating revenue	15,918,444	
Operating expenses		
Expenses related to rent business	6,275,634	
Loss on sales	-	
Asset management fee	1,152,793	
Asset custody fee	9,751	
Administrative service fees	59,318	
Directors' compensations	3,600	
Taxes and dues	265,817	
Provision of allowance for doubtful accounts	-	
Bad debts expenses	408	
Other operating expenses	182,187	
Operating expenses	7,949,510	
Operating income	7,968,934	
Non-operating income		
Interest income	6,700	
Interest on securities	8,296	
Reversal of distributions payable	1,154	
Claim compensation income	809	
Other	20	
Non-operating income	16,981	
Non-operating expenses		
Interest expenses	930,276	
Interest expenses on investment corporation bonds	163,328	
Amortization of investment unit issuance expenses	1,388	
Amortization of corporation bonds issuance expenses	13,839	
Investment unit issuance expenses	-	
Borrowing related expenses	225,093	
Other	9,214	
Non-operating expenses	1,343,141	
Ordinary income	6,642,774	
Income before income taxes	6,642,774	
Income taxes-current	605	
Income taxes	605	
Net income	6,642,169	
Retained earnings brought forward	-	
Unappropriated retained earnings (undisposed loss)	6,642,169	

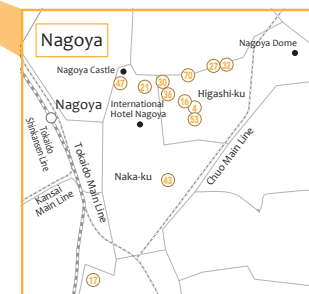
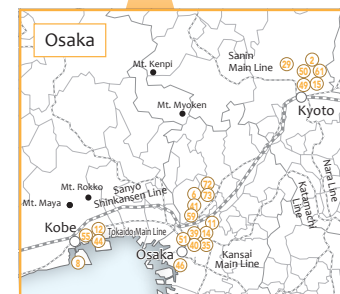
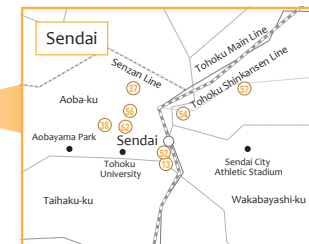
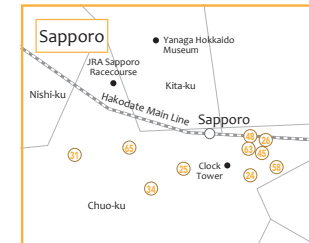
Fiscal Period Ending July 31, 2016 (from February 1, 2017 to July 31, 2017)		in thousands yen
A. Revenue from Property Leasing		
Rental		
Rent income	14,071,111	
Facility charge	747,834	
Parking fee	437,625	
Subtotal	15,256,571	
Other revenues related to property leasing		
Income from leasing rights, etc.	78,459	
Miscellaneous income	583,413	
Subtotal	661,872	
Total revenues from property leasing	15,918,444	
B. Rental Expenses		
Taxes and Duties	848,599	
Property management fees	1,145,863	
Utilities	241,068	
Repairs and maintenance	560,021	
Insurance	25,024	
Trust fee	71,278	
Other rental expenses	751,862	
Depreciation and amortization	2,631,916	
Total rental expenses	6,275,634	
C. Operating Income from Property Leasing Activities (A-B)		9,642,810

Portfolio Map

as of July 31, 2017



(R) : Major Regional Cities



No. of Properties

260

Portfolio

(as of July 31, 2016)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	12 - 2004	115	2,860	0.6%	3,190	2,381	34.0%	4.3%	96.7%
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2 - 2005	88	1,730	0.4%	2,090	1,425	46.6%	2.6%	100.0%
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	3 - 2002	28	1,229	0.3%	1,260	1,178	6.9%	7.3%	96.8%
P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	8 - 2005	42	1,230	0.3%	1,410	1,162	21.3%	3.1%	92.9%
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	3 - 2004	86	2,270	0.5%	2,610	2,039	27.9%	2.9%	98.9%
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2 - 2006	35	1,130	0.3%	1,230	1,069	15.0%	7.3%	100.0%
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	7 - 2006	39	1,120	0.3%	1,280	1,065	20.1%	7.0%	96.3%
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2 - 2007	120	2,720	0.6%	2,990	2,549	17.3%	4.3%	100.0%
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	3 - 2007	22	732	0.2%	735	708	3.7%	4.4%	92.0%
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2 - 2009	39	750	0.2%	912	724	26.0%	4.3%	100.0%
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	8 - 2001	30	588	0.1%	726	564	28.6%	8.2%	100.0%
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2 - 2004	54	1,380	0.3%	1,700	1,309	29.9%	4.8%	88.6%
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	8 - 2000	48	941	0.2%	1,150	932	23.3%	5.3%	94.0%
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2 - 2004	65	1,520	0.3%	2,070	1,407	47.1%	4.1%	100.0%
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2 - 2001	37	874	0.2%	1,050	888	18.2%	3.1%	85.5%
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	1 - 2001	26	554	0.1%	680	569	19.4%	3.0%	100.0%
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	10 - 1999	20	722	0.2%	723	742	-2.6%	6.2%	92.1%
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	11 - 2005	76	1,660	0.4%	2,090	1,533	36.3%	2.9%	95.4%
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2 - 2005	67	1,950	0.4%	2,250	1,808	24.4%	5.3%	94.7%
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	10 - 2004	18	333	0.1%	389	310	25.1%	8.5%	93.6%
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2 - 2005	16	326	0.1%	398	309	28.5%	11.0%	80.7%
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2 - 2005	19	363	0.1%	439	345	27.0%	9.9%	90.0%
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2 - 2005	15	286	0.1%	340	267	27.3%	10.6%	83.1%
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	12 - 2005	48	947	0.2%	1,120	873	28.2%	4.3%	98.0%
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	1 - 2006	61	2,280	0.5%	2,810	2,222	26.5%	3.4%	95.0%
P-37	RESIDIA Kamiuchiai	Shinjuku-ku, Tokyo	9 - 2006	70	1,180	0.3%	1,470	1,100	33.5%	4.8%	97.6%
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	8 - 2006	122	2,040	0.5%	2,370	1,924	23.1%	4.0%	99.1%
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1 - 2006	34	1,190	0.3%	1,340	1,145	17.0%	6.5%	85.8%
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	9 - 2006	63	1,320	0.3%	1,550	1,246	24.3%	3.3%	100.0%
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	3 - 2006	52	1,160	0.3%	1,500	1,103	35.9%	2.8%	100.0%
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	8 - 2006	52	918	0.2%	1,070	871	22.8%	2.1%	94.5%
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	7 - 2007	40	1,050	0.2%	1,300	994	30.7%	4.8%	90.4%
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	3 - 2002	28	1,050	0.2%	1,240	1,031	20.2%	7.3%	85.6%
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	12 - 2004	65	2,310	0.5%	2,710	2,159	25.5%	2.3%	100.0%
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	8 - 2004	68	3,660	0.8%	3,820	3,442	11.0%	3.5%	94.1%
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	5 - 2004	37	1,180	0.3%	1,410	1,107	27.3%	8.3%	100.0%
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	7 - 2004	125	6,780	1.5%	7,640	6,410	19.2%	2.8%	97.6%
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	7 - 2004	42	2,150	0.5%	2,150	1,994	7.8%	4.0%	92.6%
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	8 - 2004	85	2,500	0.6%	2,960	2,341	26.4%	3.6%	88.3%
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	9 - 1999	89	3,570	0.8%	4,370	3,596	21.5%	6.8%	93.0%
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	1 - 2007	358	16,500	3.7%	18,600	15,091	23.2%	1.8%	100.0%
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	1 - 2005	78	2,760	0.6%	3,460	2,542	36.1%	2.7%	97.2%
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	3 - 2005	13	728	0.2%	486	701	-30.7%	2.0%	100.0%
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	10 - 2003	64	1,620	0.4%	2,070	1,500	38.0%	3.4%	91.3%
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	4 - 2006	31	1,430	0.3%	1,440	1,348	6.8%	3.2%	100.0%
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	3 - 2007	39	2,020	0.5%	2,200	1,945	13.1%	7.1%	97.5%
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	1 - 2003	113	6,190	1.4%	6,070	5,994	1.3%	0.7%	94.6%

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	1,207	27.5%	3.5%	95.4%
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	11 - 2005	65	1,880	0.4%	2,260	1,768	27.8%	3.4%	98.6%
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2 - 2006	47	1,610	0.4%	1,760	1,549	13.6%	4.6%	100.0%
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	8 - 2006	48	1,740	0.4%	1,850	1,681	10.0%	3.3%	93.8%
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	6 - 2006	43	1,140	0.3%	1,440	1,091	32.0%	4.9%	100.0%
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	3 - 2006	34	1,280	0.3%	1,500	1,223	22.6%	4.4%	94.3%
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	5 - 2007	74	1,830	0.4%	2,170	1,720	26.2%	10.9%	96.9%
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	8 - 2007	26	923	0.2%	1,010	876	15.3%	2.8%	100.0%
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	12 - 2002	19	974	0.2%	1,080	919	17.4%	4.9%	100.0%
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	9 - 1991	153	4,670	1.1%	5,570	4,420	26.0%	2.8%	93.2%
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	1 - 2007	16	930	0.2%	963	884	8.8%	7.9%	94.9%
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	8 - 2006	118	5,260	1.2%	5,980	5,063	18.1%	7.8%	100.0%
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	5 - 2005	191	9,570	2.2%	11,400	8,967	27.1%	3.6%	95.8%
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1 - 1993	16	878	0.2%	1,010	852	18.5%	7.7%	94.6%
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	6 - 2003	12	1,750	0.4%	1,490	1,641	-9.3%	4.8%	91.5%
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	2 - 1997	26	1,460	0.3%	1,630	1,378	18.2%	8.8%	88.5%
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	10 - 2008	59	870	0.2%	1,230	834	47.5%	10.0%	100.0%
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	1 - 2010	72	2,400	0.5%	2,980	2,342	27.2%	4.4%	97.7%
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	8 - 2008	93	2,070	0.5%	2,530	2,005	26.2%	3.0%	97.4%
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	6 - 2008	66	1,523	0.3%	1,840	1,556	18.2%	10.3%	98.7%
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3 - 2007	70	3,300	0.7%	4,260	3,348	27.2%	2.4%	96.0%
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	1 - 2011	167	3,760	0.8%	4,590	3,725	23.2%	4.2%	98.6%
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	1 - 2010	31	950	0.2%	1,300	961	35.2%	2.6%	97.5%
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	10 - 2007	17	778	0.2%	960	784	22.4%	5.4%	89.3%
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	1 - 2012	48	1,240	0.3%	1,670	1,239	34.8%	2.6%	97.6%
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	3 - 2012	90	1,620	0.4%	2,120	1,615	31.3%	2.2%	98.0%
P-95	RESIDIA Shiokane-Takanawa	Minato-ku, Tokyo	3 - 2012	53	1,480	0.3%	1,950	1,480	31.7%	6.7%	98.7%
P-96	RESIDIA Nakauchiai	Shinjuku-ku, Tokyo	3 - 2008	187	3,656	0.8%	4,430	3,790	16.9%	A 2.9% B 2.9% C 3.0%	97.3%
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	8 - 2006	50	1,119	0.3%	1,420	1,125	26.2%	2.7%	98.0%
P-98	ARTIS COURT Minamiaoyama	Minato-ku, Tokyo	7 - 2008	23	1,720	0.4%	1,930	1,736	11.1%	3.9%	100.0%
P-99	RESIDIA Yotsuya-Sanchome	Shinjuku-ku, Tokyo	5 - 2009	90	2,090	0.5%	2,770	2,099	31.9%	3.8%	97.7%
P-100	RESIDIA Takanawa-Katsurazaka	Minato-ku, Tokyo	3 - 2006	45	900	0.2%	1,050	948	10.7%	5.4%	95.6%
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	3 - 2006	26	611	0.1%	744	651	14.2%	3.3%	100.0%
P-102	RESIDIA Shinjuku-gyoen	Shinjuku-ku, Tokyo	10 - 2006	38	687	0.2%	839	723	15.9%	5.2%	100.0%
P-103	RESIDIA Minami-Shinagawa	Shinagawa-ku, Tokyo	10 - 2013	50	1,177	0.3%	1,390	1,208	15.0%	8.7%	96.6%
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	3 - 2007	118	3,117	0.7%	3,790	3,180	19.1%	2.4%	97.8%
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	4 - 2007	48	1,280	0.3%	1,580	1,308	20.7%	2.8%	98.3%
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	6 - 2007	36	980	0.2%	1,190	1,003	18.6%	4.0%	93.1%
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	1 - 2008	31	839	0.2%	955	900	6.1%	8.4%	93.0%
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	4 - 2014	44	917	0.2%	1,010	946	6.7%	3.9%	96.0%
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	3 - 2015	28	821	0.2%	932	848	9.8%	4.1%	94.6%
P-110	RESIDIA Mishuku	Setagaya-ku, Tokyo	4 - 2015	42	1,159	0.3%	1,300	1,197	8.6%	4.1%	93.7%
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2 - 2005	105	1,920	0.4%	2,350	1,581	60.0%	3.3%	100.0%
C-2	RESIDIA Kamata	Ota-ku, Tokyo	3 - 2005	166	2,640	0.6%	3,550	2,133	66.4%	4.7%	97.3%
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	3 - 2005	60	1,520	0.3%	1,790	1,400	27.8%	7.1%	95.2%
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	7 - 2005	65	1,680	0.4%	2,200	1,562	40.8%	4.6%	100.0%
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	8 - 2005	47	1,060	0.2%	1,410	939	50.1%	2.9%	97.0%
C-6	Maison Eclairer Ekoda	Nerima-ku, Tokyo	3 - 1993	94	953	0.2%	1,100	914	20.3%	9.2%	90.5%
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2 - 2006	127	3,160	0.7%	3,730	2,870	30.0%	2.1%	92.6%
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1 - 2006	70	1,623	0.4%	1,920	1,544	24.3%	3.6%	97.8%
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2 - 2006	48	913	0.2%	1,200	852	40.8%	9.1%	100.0%

Portfolio

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C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	9 - 2006	169	5,251	1.2%	5,590	5,046	10.8%	4.3%	96.4%
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	1 - 2007	137	3,180	0.7%	3,770	2,973	26.8%	4.6%	99.4%
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	8 - 2007	81	1,980	0.4%	2,030	1,845	10.0%	3.8%	95.7%
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	11 - 2007	157	4,200	0.9%	4,580	4,022	13.9%	7.2%	99.1%
C-16	RESIDIA Negishi	Taito-ku, Tokyo	12 - 2005	28	856	0.2%	919	818	12.3%	7.7%	96.4%
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2 - 2003	83	1,880	0.4%	2,330	1,816	28.3%	5.3%	96.2%
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	12 - 2001	44	558	0.1%	714	545	31.0%	6.4%	97.9%
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	6 - 2002	24	352	0.1%	509	355	43.3%	3.8%	83.4%
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	3 - 2004	63	1,010	0.2%	1,220	928	31.4%	5.3%	94.5%
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	12 - 2005	54	1,460	0.3%	1,850	1,332	38.9%	3.4%	100.0%
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	3 - 2000	96	1,800	0.4%	2,140	1,800	18.9%	6.9%	98.2%
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1 - 2005	52	1,220	0.3%	1,480	1,126	31.3%	3.4%	100.0%
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	9 - 2004	98	1,300	0.3%	1,620	1,182	37.0%	5.9%	98.0%
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	10 - 2004	31	603	0.1%	760	551	37.9%	3.5%	96.7%
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	9 - 2004	94	2,000	0.5%	2,460	1,844	33.3%	4.0%	97.3%
C-28	RESIDIA Oji	Kita-ku, Tokyo	2 - 2005	61	867	0.2%	1,040	797	30.5%	3.2%	100.0%
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	7 - 2005	63	1,050	0.2%	1,230	980	25.5%	2.3%	97.1%
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2 - 2006	40	1,100	0.2%	1,270	1,022	24.2%	6.8%	94.9%
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	9 - 2006	78	1,360	0.3%	1,610	1,278	25.9%	4.0%	97.7%
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	9 - 2006	105	2,440	0.6%	2,940	2,303	27.6%	3.8%	97.4%
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	1 - 2008	99	2,380	0.5%	2,640	2,245	17.6%	4.7%	95.5%
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	8 - 2003	104	3,380	0.8%	4,030	3,165	27.3%	4.7%	90.0%
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2 - 2003	33	707	0.2%	872	637	36.9%	5.0%	94.3%
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2 - 2003	39	1,050	0.2%	1,310	956	37.0%	6.9%	98.1%
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	7 - 2003	19	378	0.1%	413	347	19.0%	8.5%	100.0%
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	3 - 2004	25	557	0.1%	762	504	50.9%	5.6%	91.6%
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	4 - 2005	45	1,440	0.3%	1,640	1,353	21.2%	4.1%	94.8%
C-41	RESIDIA Iriya	Taito-ku, Tokyo	12 - 2004	49	990	0.2%	1,140	885	28.8%	5.4%	98.3%
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	8 - 2006	45	1,310	0.3%	1,580	1,252	26.1%	4.5%	97.7%
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	3 - 2007	69	1,860	0.4%	2,110	1,762	19.7%	3.0%	100.0%
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	9 - 2006	60	1,290	0.3%	1,450	1,210	19.8%	5.0%	91.7%
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2 - 2003	36	1,320	0.3%	1,540	1,202	28.0%	3.9%	96.4%
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1 - 1999	162	6,280	1.4%	7,730	6,136	26.0%	2.6%	96.9%
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	1 - 2000	29	683	0.2%	818	666	22.7%	7.0%	93.1%
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2 - 2007	132	5,500	1.2%	7,060	5,121	37.9%	2.4%	97.0%
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	2 - 2009	194	3,834	0.9%	5,430	3,644	49.0%	4.3%	95.7%
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	8 - 2009	67	888	0.2%	1,220	854	42.8%	8.6%	100.0%
C-51	RESIDIA Kiba	Koto-ku, Tokyo	3 - 2008	155	1,950	0.4%	2,930	1,905	53.8%	7.2%	98.7%
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	12 - 2008	52	1,129	0.3%	1,510	1,097	37.6%	4.4%	100.0%
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	3 - 2008	98	2,340	0.5%	2,950	2,296	28.5%	3.5%	96.8%
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2 - 2008	119	2,570	0.6%	3,590	2,487	44.3%	4.0%	97.9%
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	3 - 2007	175	2,580	0.6%	3,530	2,458	43.6%	5.3%	98.9%
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	3 - 2003	101	1,710	0.4%	2,220	1,767	25.6%	4.5%	98.1%
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2 - 2005	68	970	0.2%	1,280	974	31.4%	7.6%	94.1%
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	9 - 2005	80	2,090	0.5%	2,850	2,052	38.8%	4.2%	96.2%
C-59	RESIDIA Omori	Ota-ku, Tokyo	3 - 2006	75	1,150	0.3%	1,480	1,130	30.9%	1.8%	98.7%
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2 - 2008	66	1,075	0.2%	1,340	1,046	28.0%	4.5%	98.7%
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2 - 2008	55	1,805	0.4%	2,420	1,765	37.1%	4.9%	92.8%

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C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2 - 2008	89	2,268	0.5%	2,960	2,293	29.1%	4.0%	98.3%
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2 - 2005	51	651	0.1%	818	655	24.7%	9.6%	100.0%
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	3 - 2007	53	948	0.2%	1,210	937	29.0%	3.5%	100.0%
C-65	RESIDIA Tower Kami-Ikebukuro	Toshima-ku, Tokyo	3 - 2009	472	8,250	1.9%	11,400	8,049	41.6%	Twr 2.9% Prk 5.4% Anx 5.7%	98.0%
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2 - 2007	45	502	0.1%	618	526	17.5%	4.8%	100.0%
C-67	RESIDIA Shimurasakaue	Itabashi-ku, Tokyo	2 - 2007	44	580	0.1%	700	609	14.8%	3.4%	100.0%
C-68	RESIDIA Shimurasakaue II	Itabashi-ku, Tokyo	3 - 2007	94	1,093	0.2%	1,360	1,134	19.9%	5.6%	100.0%
C-69	RESIDIA Shimurasakaue III	Itabashi-ku, Tokyo	3 - 2007	36	411	0.1%	502	433	15.8%	5.4%	100.0%
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	10 - 2007	72	1,115	0.3%	1,350	1,120	20.5%	3.0%	94.3%
C-71	RESIDIA Ojima	Koto-ku, Tokyo	11 - 2007	87	1,282	0.3%	1,570	1,286	22.0%	6.1%	100.0%
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	8 - 2009	55	1,168	0.3%	1,300	1,192	9.0%	3.2%	100.0%
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	2 - 2004	71	1,700	0.4%	1,940	1,784	8.7%	3.8%	98.8%
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	3 - 2005	34	502	0.1%	632	517	22.2%	3.9%	100.0%
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	4 - 2006	22	378	0.1%	468	400	16.7%	5.8%	100.0%
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	11 - 2006	30	652	0.1%	779	694	12.2%	4.1%	100.0%
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	3 - 2007	36	460	0.1%	540	491	9.9%	5.1%	100.0%
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	3 - 2008	58	1,299	0.3%	1,520	1,364	11.4%	4.4%	92.5%
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	4 - 2007	40	977	0.2%	1,160	1,002	15.8%	5.1%	95.2%
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	9 - 2007	60	876	0.2%	1,120	899	24.5%	3.5%	98.3%
C-81	RESIDIA Omori III	Ota-ku, Tokyo	12 - 2012	65	1,395	0.3%	1,640	1,427	14.9%	3.1%	96.2%
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	4 - 2014	77	1,975	0.4%	2,410	2,024	19.0%	3.8%	94.2%
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	3 - 2008	55	1,833	0.4%	2,240	1,880	19.1%	3.7%	95.8%
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	7 - 2014	48	1,655	0.4%	1,870	1,703	9.8%	4.7%	98.4%
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	3 - 2015	100	4,650	1.1%	5,290	4,799	10.2%	1.9%	99.2%
C-86	RESIDIA Kameido	Koto-ku, Tokyo	10 - 2013	129	2,988	0.7%	3,280	3,095	6.0%	5.9%	96.3%
C-87	RESIDIA Koenji	Suginami-ku, Tokyo	3 - 2015	58	1,380	0.3%	1,520	1,433	6.0%	3.9%	90.2%
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	3 - 1991	39	770	0.2%	745	706	5.5%	5.5%	97.4%
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	4 - 2007	44	1,100	0.2%	1,190	1,029	15.6%	4.6%	95.4%
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	1 - 2007	131	1,920	0.4%	1,990	1,778	11.9%	5.6%	100.0%
S-7	RESIDIA Chofu	Chofu, Tokyo	3 - 2007	41	1,143	0.3%	1,180	1,076	9.6%	5.0%	97.8%
S-11	TOKYO Student-House Wako	Wako, Saitama	4 - 1990	127	675	0.2%	755	677	11.5%	10.2%	100.0%
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2 - 2003	33	518	0.1%	608	505	20.2%	2.9%	96.8%
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	8 - 2004	102	1,700	0.4%	1,880	1,530	22.8%	8.4%	94.1%
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	3 - 1998	64	755	0.2%	914	715	27.8%	5.3%	100.0%
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2 - 2007	68	1,580	0.4%	1,950	1,493	30.6%	7.2%	97.0%
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	3 - 2007	172	2,730	0.6%	3,090	2,547	21.3%	13.6% II 3.4%	100.0%
S-19	RESIDIA Kichijoji	Musashino, Tokyo	3 - 1995	48	1,380	0.3%	1,640	1,430	14.6%	9.1%	95.9%
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	11 - 2007	416	14,000	3.2%	16,100	11,850	35.9%	4.5%	100.0%
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	10 - 2003	78	1,670	0.4%	2,190	1,568	39.6%	6.4%	100.0%
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2 - 2010	91	810	0.2%	1,130	770	46.7%	7.7%	100.0%
S-24	RESIDIA Urayasu	Urayasu, Chiba	9 - 2009	146	2,115	0.5%	2,870	2,085	37.6%	6.7%	97.7%
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2 - 2005	85	823	0.2%	1,030	823	25.1%	6.6%	95.3%
S-26	RESIDIA Urayasu II	Urayasu, Chiba	2 - 2005	74	802	0.2%	997	804	24.0%	7.5%	97.3%
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2 - 2005	75	761	0.2%	938	760	23.4%	6.1%	97.3%
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	3 - 2007	104	1,670	0.4%	2,120	1,630	30.0%	4.7%	99.1%
S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	1 - 2010	85	1,050	0.2%	1,210	1,012	19.5%	7.5%	100.0%
S-30	RESIDIA Sagami-hara	Sagami-hara, Kanagawa	5 - 2004	111	1,050	0.2%	1,250	1,073	16.5%	6.8%	100.0%
S-31	RESIDIA Yokohama-Bashamichi	Yokohama, Kanagawa	9 - 2005	28	735	0.2%	1,140	786	44.9%	11.5%	100.0%
S-32	RESIDIA Hon-Atsugi	Atsugi, Kanagawa	1 - 2008	49	606	0.1%	696	647	7.5%	11.0%	100.0%
S-33	RESIDIA Funabashi III	Funabashi, Chiba	2006/10	43	620	0.1%	691	670	3.1%	5.0%	100.0%

Portfolio

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
R-2	RESIDIA Imadegawa	Kyoto, Kyoto	2 - 1999	154	1,671	0.4%	1,660	1,491	11.3%	10.9%	100.0%
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2 - 2006	91	1,290	0.3%	1,430	1,043	37.0%	3.4%	90.3%
R-5	RESIDIA Kameyama	Kameyama, Mie	2 - 2007	182	1,610	0.4%	1,150	1,534	-25.0%	4.2%	100.0%
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	5 - 2007	44	979	0.2%	925	893	3.6%	5.7%	92.3%
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	9 - 2007	404	3,740	0.8%	4,150	3,449	20.3%	10.9%	100.0%
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	3 - 2002	155	1,220	0.3%	1,440	1,235	16.6%	3.4%	99.4%
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2 - 2000	78	871	0.2%	1,140	851	33.8%	8.3%	88.9%
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	11 - 2005	161	2,220	0.5%	2,770	1,966	40.8%	3.2%	98.5%
R-13	KC21 Building	Sendai, Miyagi	3 - 1997	79	900	0.2%	916	877	4.4%	2.4%	99.0%
R-14	RESIDIA Utubokoen	Osaka, Osaka	1 - 2006	94	1,170	0.3%	1,460	1,053	38.5%	6.6%	96.9%
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2 - 2006	116	1,970	0.4%	2,450	1,789	36.9%	9.9%	95.5%
R-16	RESIDIA Takaoka	Nagoya, Aichi	8 - 2007	198	2,330	0.5%	3,040	2,155	41.0%	3.5%	96.1%
R-17	RESIDIA Hibino	Nagoya, Aichi	4 - 1992	124	1,340	0.3%	1,420	1,151	23.4%	3.9%	98.5%
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	1 - 2004	56	936	0.2%	1,180	838	40.7%	4.9%	96.4%
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	1 - 2003	39	324	0.1%	394	322	22.1%	2.7%	93.9%
R-21	RESIDIA Hisaya-Odori II	Nagoya, Aichi	2 - 2005	38	685	0.2%	796	610	30.5%	5.0%	100.0%
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	12 - 2006	179	1,640	0.4%	1,920	1,473	30.3%	0.9%	98.9%
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	12 - 2006	103	1,320	0.3%	1,370	1,208	13.3%	1.1%	92.2%
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	1 - 2007	100	1,130	0.3%	1,380	1,007	36.9%	1.4%	96.9%
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	5 - 2005	33	831	0.2%	906	760	19.2%	4.1%	97.0%
R-29	RESIDIA Uzumasa	Kyoto, Kyoto	1 - 2000	48	701	0.2%	757	650	16.4%	13.5%	96.1%
R-30	RESIDIA Izumi	Nagoya, Aichi	11 - 2005	122	3,700	0.8%	4,240	3,347	26.7%	3.1%	90.7%
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2 - 2007	56	1,050	0.2%	1,200	956	25.4%	1.2%	92.4%
R-32	RESIDIA Tokugawa	Nagoya, Aichi	12 - 2006	27	751	0.2%	850	721	17.7%	3.9%	100.0%
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	8 - 2007	109	2,010	0.5%	2,460	1,844	33.4%	0.9%	96.7%
R-35	RESIDIA Tanimachi	Osaka, Osaka	8 - 2008	108	1,100	0.2%	1,610	1,102	46.0%	7.5%	98.1%
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2 - 2007	57	652	0.1%	933	637	46.4%	4.8%	95.2%
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	1 - 2008	67	529	0.1%	737	509	44.5%	2.5%	100.0%
R-38	RESIDIA Hirose-dori	Sendai, Miyagi	2 - 2010	63	494	0.1%	668	478	39.7%	2.8%	100.0%
R-39	RESIDIA Edobori	Osaka, Osaka	2 - 2007	127	1,400	0.3%	1,850	1,404	31.7%	8.7%	94.6%
R-40	RESIDIA Kyomachibori	Osaka, Osaka	3 - 2007	84	1,000	0.2%	1,350	1,008	33.9%	7.8%	98.7%
R-41	RESIDIA Esaka	Suita, Osaka	7 - 2007	68	989	0.2%	1,250	971	28.7%	4.8%	92.7%
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	1 - 2008	173	2,380	0.5%	3,080	2,288	34.6%	2.6%	97.1%
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2 - 2008	122	1,206	0.3%	1,650	1,165	41.5%	3.6%	96.1%
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	3 - 2008	196	2,740	0.6%	3,730	2,636	41.5%	3.6%	92.2%
R-45	RESIDIA Kita-Nijyo-East	Sapporo, Hokkaido	3 - 2006	56	894	0.2%	1,070	874	22.4%	1.1%	100.0%
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2 - 2007	97	1,921	0.4%	2,410	1,897	27.0%	9.1%	92.7%
R-47	RESIDIA Marunouchi	Nagoya, Aichi	1 - 2007	86	972	0.2%	1,200	959	25.1%	2.8%	94.2%
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2 - 2007	168	1,483	0.3%	2,110	1,451	45.4%	0.7%	96.2%
R-49	RESIDIA Gosyo-Higashi	Kyoto, Kyoto	9 - 2007	57	1,227	0.3%	1,550	1,212	27.8%	8.9%	90.1%
R-50	RESIDIA Rakuohku	Kyoto, Kyoto	3 - 2008	75	874	0.2%	1,010	865	16.7%	12.4%	95.0%
R-51	RESIDIA Miyakojima I & II	Osaka, Osaka	9 - 2006	178	3,232	0.7%	4,750	3,270	45.3%	7.1%	96.2%
R-52	RESIDIA TOWER Sendai	Sendai, Miyagi	1 - 2008	67	1,705	0.4%	2,040	1,753	16.4%	2.3%	95.7%
R-53	RESIDIA Higashizakura II	Nagoya, Aichi	2 - 2006	127	2,862	0.6%	3,700	2,859	29.4%	3.1%	91.2%
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	11 - 2006	404	3,740	0.8%	4,150	3,449	20.3%	10.9%	97.8%
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	6 - 2007	85	1,052	0.2%	1,350	1,050	28.5%	5.8%	92.9%

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
R-56	RESIDIA Sendai-Honcho	Sendai, Miyagi	6 - 2007	105	1,117	0.3%	1,620	1,112	45.6%	2.3%	98.3%
R-57	RESIDIA Sendai-Haranomachi	Sendai, Miyagi	9 - 2007	72	593	0.1%	874	587	48.7%	2.1%	98.8%
R-58	RESIDIA Minami-Ichijo East	Sapporo, Hokkaido	1 - 2008	85	1,062	0.2%	1,360	1,063	27.9%	1.1%	100.0%
R-59	RESIDIA Shin-Osaka	Osaka, Osaka	2 - 2014	208	2,644	0.6%	3,500	2,785	25.7%	6.2%	100.0%
R-60	RESIDIA Okayama-ekimae	Okayama, Okayama	3 - 2004	108	772	0.2%	992	855	16.0%	1.7%	100.0%
R-61	RESIDIA Kyoto-Okazaki	Kyoto, Kyoto	3 - 2005	23	227	0.1%	306	237	29.0%	14.1%	100.0%
R-62	RESIDIA Sendai-Ichibancho	Sendai, Miyagi	3 - 2006	103	1,083	0.2%	1,400	1,107	26.4%	2.4%	100.0%
R-63	RESIDIA Kita-Nijyo East II	Sapporo, Hokkaido	2 - 2007	51	538	0.1%	739	555	33.1%	1.2%	94.0%
R-64	RESIDIA Takamiya	Fukuoka, Fukuoka	2 - 2007	51	488	0.1%	581	502	15.7%	6.1%	89.1%
R-65	RESIDIA Soen	Sapporo, Hokkaido	2 - 2007	60	384	0.1%	541	398	35.7%	1.4%	98.3%
R-66	RESIDIA Tenjin	Fukuoka, Fukuoka	5 - 2007	88	1,122	0.3%	1,310	1,146	14.2%	3.4%	93.2%
R-67	RESIDIA Yakuin-Odori	Fukuoka, Fukuoka	6 - 2007	91	1,123	0.3%	1,320	1,145	15.2%	4.5%	96.7%
R-68	RESIDIA Hakata II	Fukuoka, Fukuoka	9 - 2007	124	1,358	0.3%	1,570	1,385	13.3%	1.8%	99.3%
R-69	RESIDIA Kego	Fukuoka, Fukuoka	1 - 2008	86	834	0.2%	1,110	858	29.2%	2.3%	98.7%
R-70	RESIDIA Shirakabe	Nagoya, Aichi	3 - 2008	70	907	0.2%	1,100	958	14.7%	4.4%	93.6%
R-71	RESIDIA Sakae	Nagoya, Aichi	12 - 2007	77	868	0.2%	960	947	1.3%	4.2%	89.6%
R-72	RESIDIA Senri-Fujishirodai	Shuita, Osaka	2 - 2017	90	1,430	0.3%	1,590	1,552	2.4%	5.2%	100.0%
C-73	RESIDIA Senri-Banpakukoen	Shuita, Osaka	10 - 2005	68	2,124	0.5%	2,320	2,273	2.0%	5.2%	100.0%
Total 260 properties				20,842	442,716	100.0%	531,174	424,712	25.1%	2.4%	96.9%

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	172,011	38.9%	200,281	164,795	21.5%
C Central Tokyo ex 7 wards	83	6,572	144,142	32.6%	177,534	139,057	27.7%
S Tokyo Metropolitan	24	2,254	40,985	9.3%	48,304	37,974	27.2%
R Major Regional Cities	64	6,579	85,578	19.3%	105,055	82,886	26.7%
Total	260	20,842	442,716	100.0%	531,174	424,712	25.1%



Asset Management Company Profile

Company Profile as of July 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:	<p>March 1, 2010 Merges with Pacific Residential Corporation</p> <p>May 17, 2005 Company name is changed to AD Investment Management Co., Ltd.</p> <p>February 2, 2005 Established as Japan Residential Management Co., Ltd.</p>
Registrations and Licenses:	<p>Real estate agent's license (The Governor of Tokyo (3) No.84325)</p> <p>Approval for a discretionary transaction agent (Minister of Land, Infrastructure, Transport and Tourism Approval, No.37)</p> <p>Registered for a financial instruments business (Kanto Local Finance Bureau registration No.309)</p> <p>Registered as First-Class-Architect Office (The Governor of Tokyo No. 58856)</p>

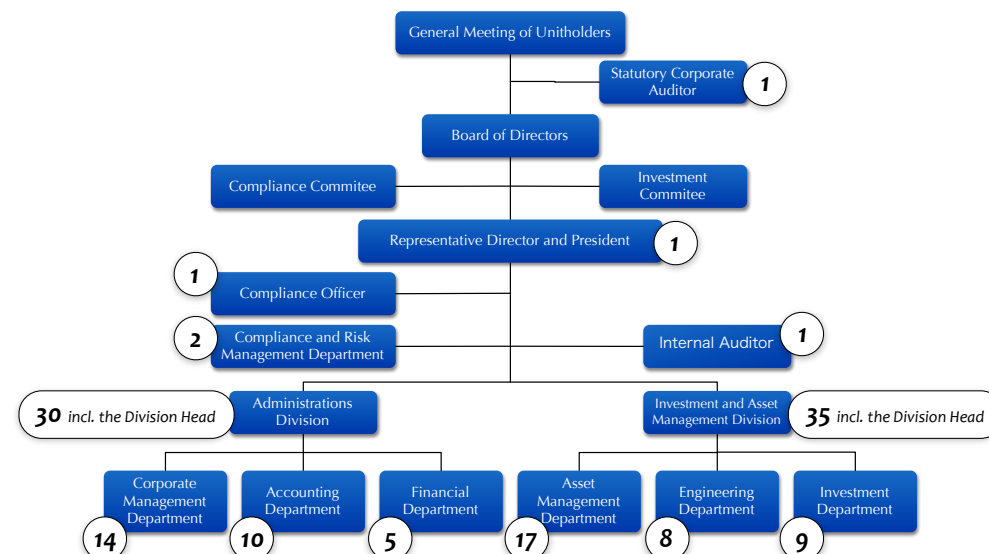
AD Investment Management Co., Ltd. <http://www.adim.co.jp/>
 Advance Residence Investment Corporation <http://www.adr-reit.com/en/>



Major Initiatives by the Asset Management Co.

- ✓ Registered as first-class architect office
- ✓ Constantly hired new graduates (10 new hires in four years)
- ✓ Received a BCM (BCP) rating from DBJ
- ✓ Began providing engineering service to third-parties
- ✓ Held architectural design competition for students

Organizational Chart as of July 31, 2017



ADR's Website

3269

Search



The screenshot shows the homepage of the ADR website. At the top, there are navigation links for "アドバンス・レジデンス投資法人 投資家の皆様へ", "RESIDIA 住まいをお探しの皆様へ", and "ADR ファンド・マネージャー・アドバイザーの皆さまへ 資産運用会社". Below this is the "アドバンス・レジデンス投資法人" header with a language toggle for "日本語 | ENGLISH". The main banner features a large image of a modern interior with the text "J-REIT 最大級の分散". Below the banner is a table with financial data:

指標	1口当たり分配金	2016年11月29日現在	一時差異等調整積立金
1月度 96.6%	2017年1月期 (実績) 4,979 円	取得価格合計 4,369 億円	残高 335 億円
2月度 97.3%	2017年7月期 (予想) 5,049 円	保有物件数 257 物件	投資口価格 (3269) >

Below the table is a "最新情報" (Latest Information) section with a list of updates from 2017.3.13 to 2017.2.8, including notices and releases. At the bottom, there are three "トピックス" (Topics) sections: "2017年1月期 決算説明会資料をアップいたしました。", "2016年10月4日に開催した2016年7月期決算説明会の動画をアップいたしました。", and "ARES・東証 共催 法人投資家 J-リートフェア2016" with details about the event.

www.adr-reit.com

Uploaded Materials

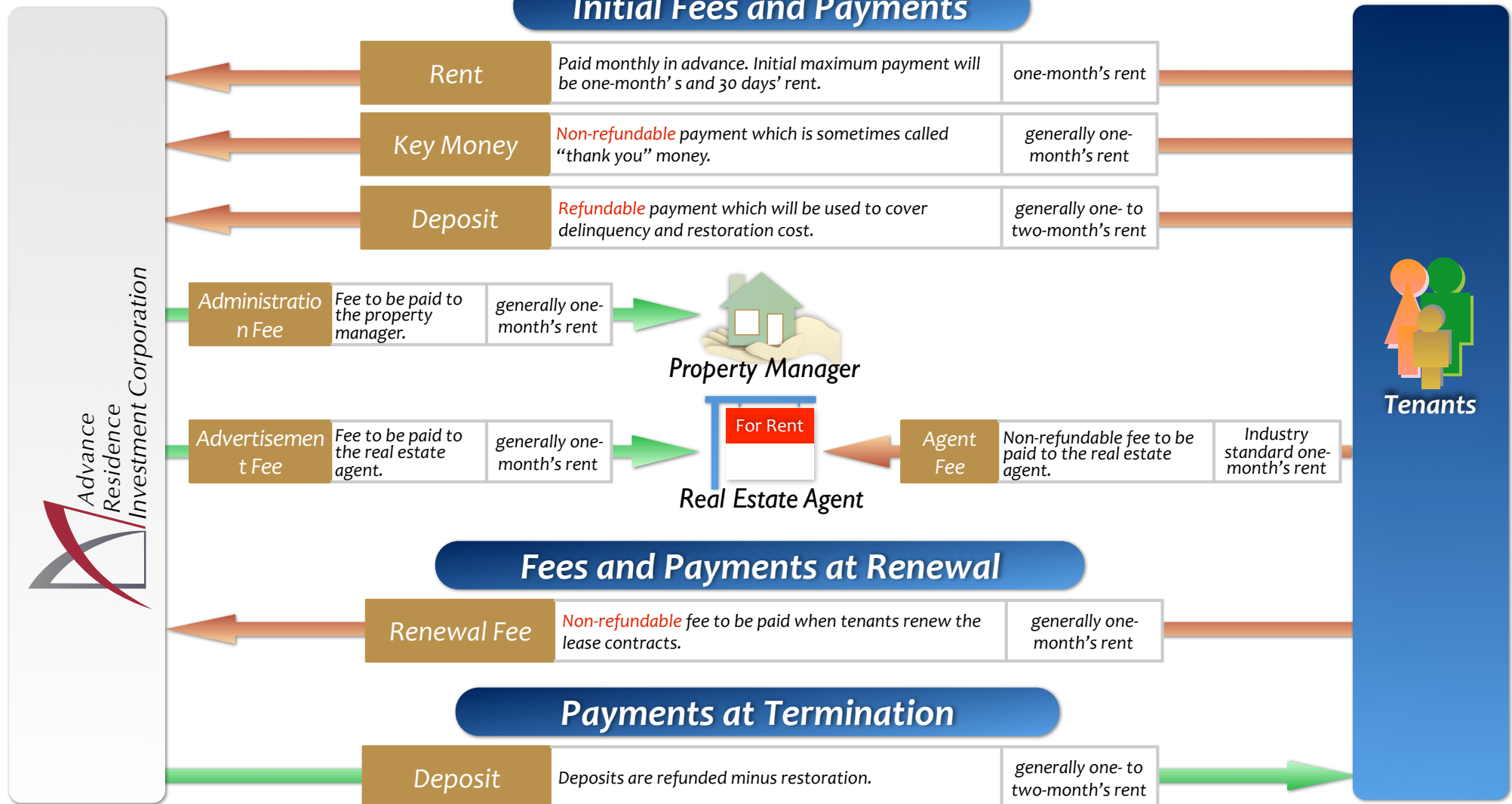
- ✓ Press releases
- ✓ Disclosure materials (ex. Semi-annual Reports, Earnings Presentations)
- ✓ Portfolio guidelines
- ✓ Details on property holdings
- ✓ Occupancies (updated monthly)
- ✓ Earning performance for each holdings
- ✓ Financing details, etc.

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



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.