Advance Residence

16th Fiscal Period Results Presentation

February 1, 2018 ~ July 31, 2018

Executive Summary

Marking Record Highs

Earnings Per Unit (EPU) **5,250 yen**

chg. from last period **+215 yen**

Dividend Per Unit (DPU) **5,499 yen**

chg. from initial forecast **+200 yen**

ASSET

8th Consecutive FP Rise in Rent

Period Avg. Occupancy	Rise in Rent
97.0%	0.29%
(chg. from FP15 +0.1%)	

DEBT

Lowered Rates • Extended Duration

Average Interest Rate	Average Duration
0.84%	5.0 yrs

EQUITY

Steady Rise in NAV*

NAV/U	Reserve
248,686 yen	32.1 bn yen
(chg. from FP15 +9,183 yen)	

*NAV: Net Asset Value

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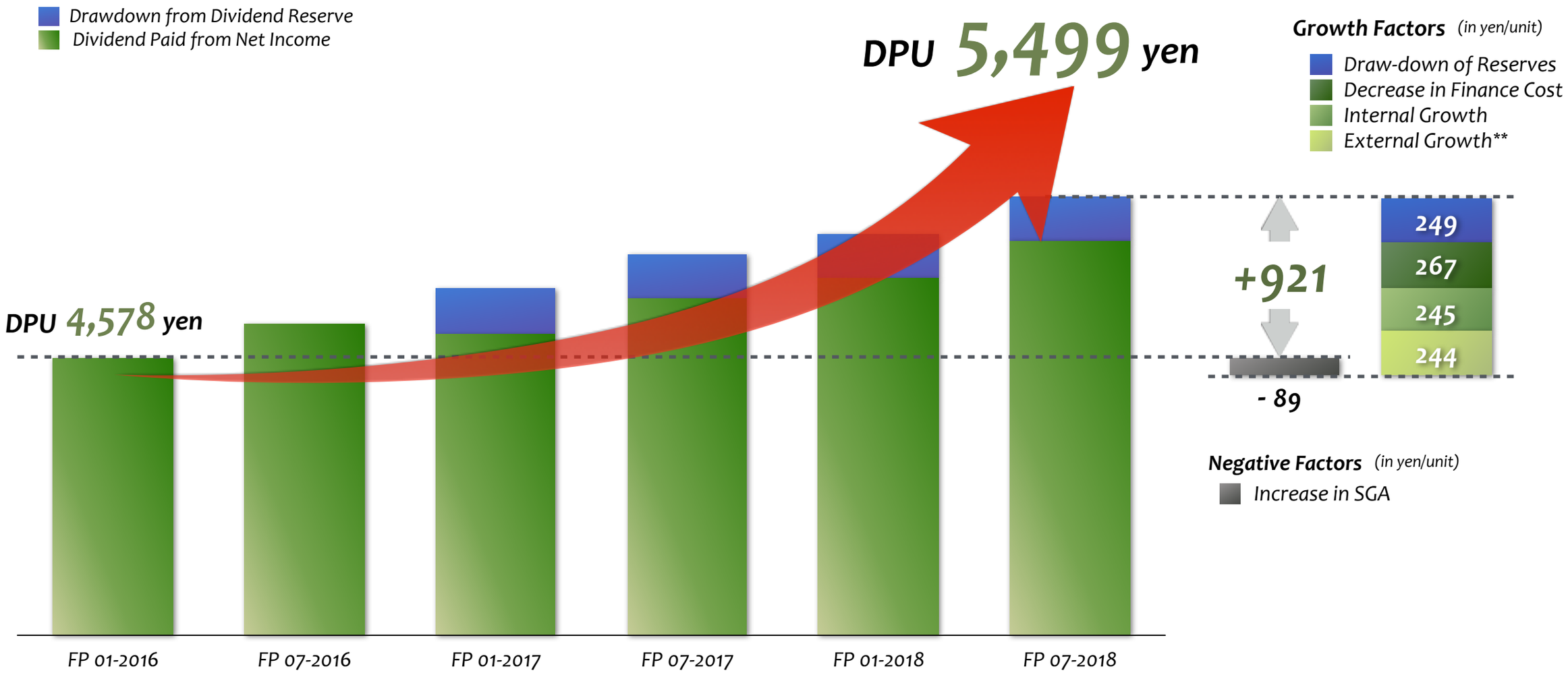
DPU Growth

DPU Avg. Annual Growth +7.6%*



* Annual average growth in DPU from **4,578** yen for FP2016/1 to **5,499** yen for FP2018/7.
** External growth figures are diluted from Sept. 2016 PO.

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Results for Fiscal Period ended Jul. 2018

Feb. 1, 2018 - Jul. 31, 2018

in million yen

	(1) 16th FP Forecast	(2) 16th FP Results	(2)-(1)		(3) 15th FP Results	(2)-(3)	
	Initial Forecast as of Mar. 12, 2018	Results for FPJuly 2018	Changes	Notes	Results for FP Jan. 2018	Changes	Notes
Revenue	16,162 (261 properties) Period avg. occupancy 96.6%	16,302 (263 properties) Period avg. occupancy 97.0%	+139	**Asset Acquisitions** Incrs. in revenue from acquisitions +11 **Same Store** Increases from higher occupancy & higher rent +113 Increases in other revenues +15	15,903 (261 properties) Period avg. occupancy 96.9%	-398	**Asset Acquisitions** Profit from sales of assets +135 Increase in revenue from acquisitions +103 **Same Store** Increase in rent revenue from higher occupancy & rent +56 Increase in key money revenue +104
Operating Income	8,032 (Depreciation: 2,676) (Property taxes: 861)	8,272 (Depreciation: 2,682) (Property taxes: 865)	+239	**Leasing Expenses** Increases from new acquisitions -3 Decrease in advertising expenses +25 Decreases in repairs +54 **G & A Expenses** Decrease in C. tax set. loss due to acquisition +23	8,019 (Depreciation: 2,651) (Property taxes: 859)	252	**Leasing Expenses** Decrease due to asset transactions -22 Peak-season increase in fees -70 Increase in repair costs -42 Increase in other expenses -33 **G & A Expenses** Decrease in C. tax set. loss due to disposition +11 Decrease in other expenses +10
Ordinary Income	6,818 (Funding cost*: 1,208)	7,088 (Funding cost*: 1,196)	+270	Compensation from lease cancellation +19 Decrease in funding costs +11	6,798 (Funding cost*: 1,216)	289	Compensation from lease cancellation +19 Decrease due to lower interest rate +17
Net Income	6,817	7,087	+270		6,798	289	
EPU (yen)	5,050	5,250	+200	Units issued and outstanding 1,350,000 units	5,035	215	Units issued and outstanding 1,350,000 units
Per Unit Drawdown of Reserve** (yen)	249	249	-	Reserve** after dividend: 32.1 bn yen	248	-	
Dividend per unit (yen)	5,299	5,499	+200		5,285	+214	
Total Asset LTV	49.7%	49.9%	+0.2p		49.4%	+0.5p	

* Funding costs include interest payments for loans and bonds as well as other finance fees.
** "Reserve" means "Temporary Difference Adjustment Reserve".

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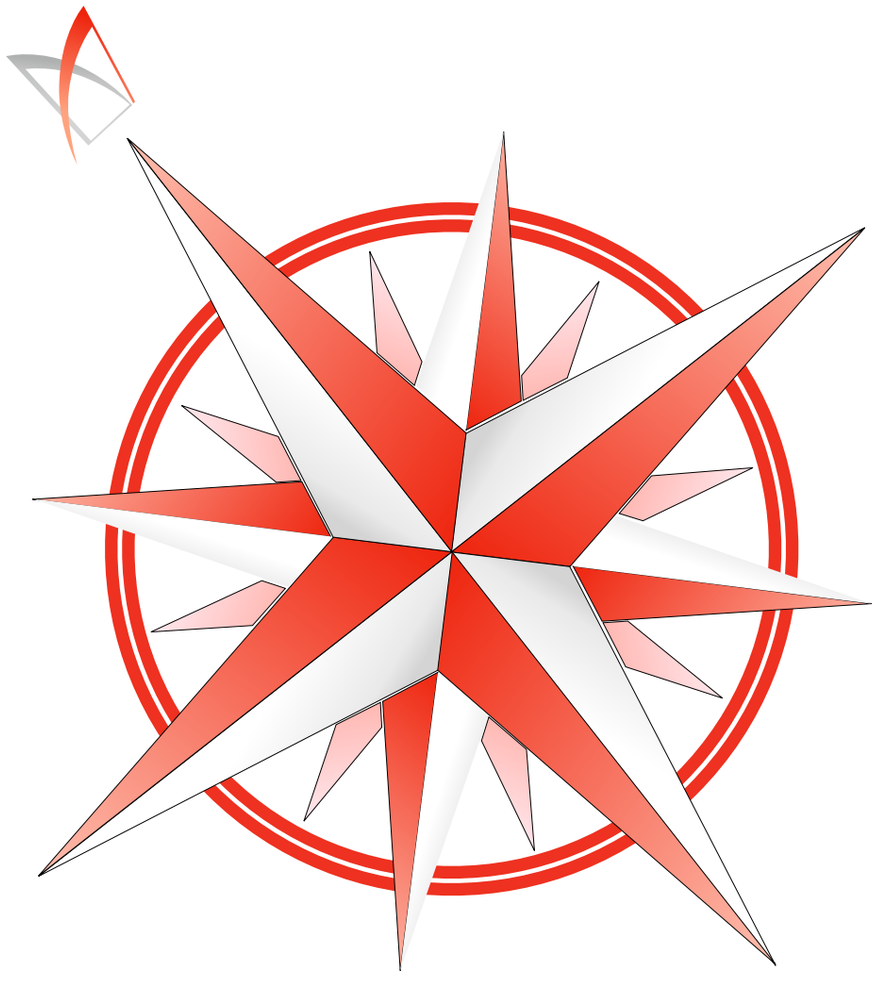
Internal Growth

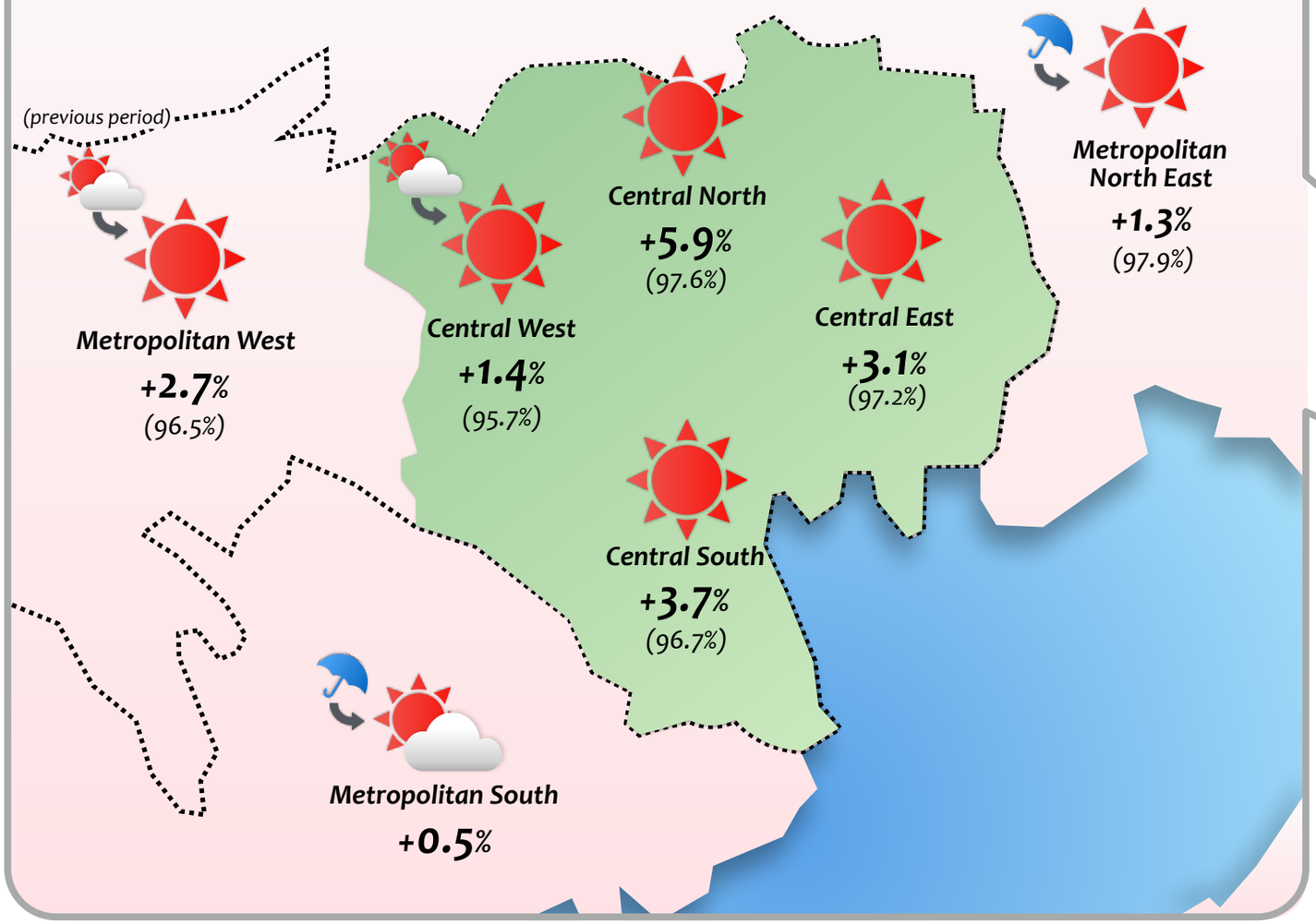


Rent Trends by Region

Rent Trends in Metropolitan Regions

23 Wards of Tokyo
+3.5% (97.0%)

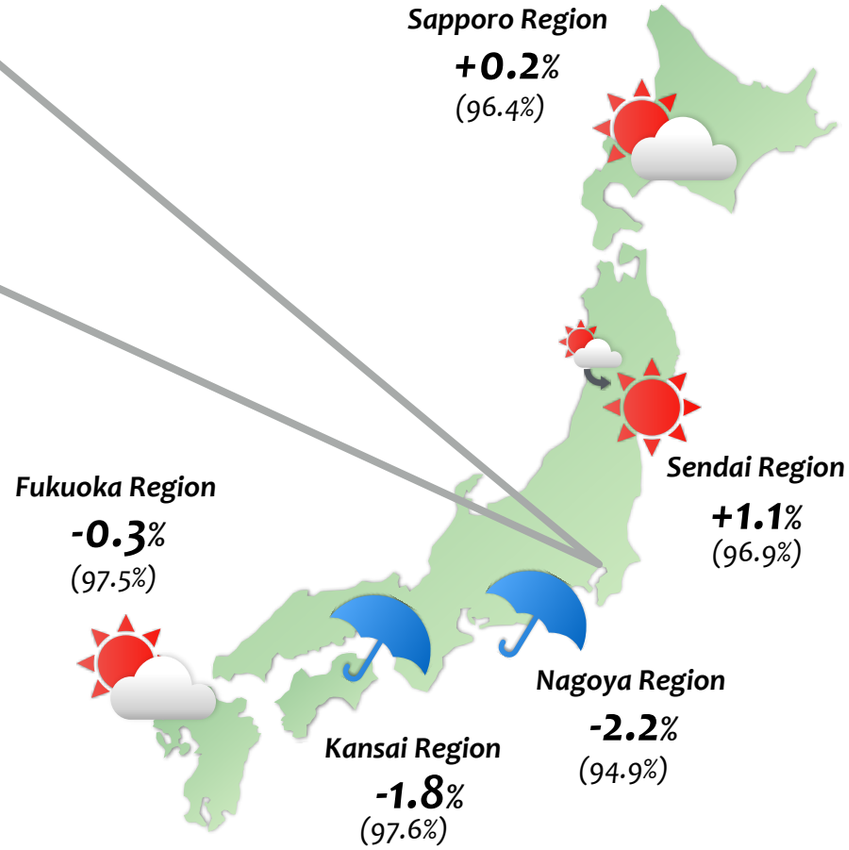
Metropolitan Area
+3.3% (97.2%)



FP16 Rent Changes & Occupancy

Changes in Rent **+2.2%**

Ave. Period Occupancy (97.0%)



* 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)

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Strong Rent Trend

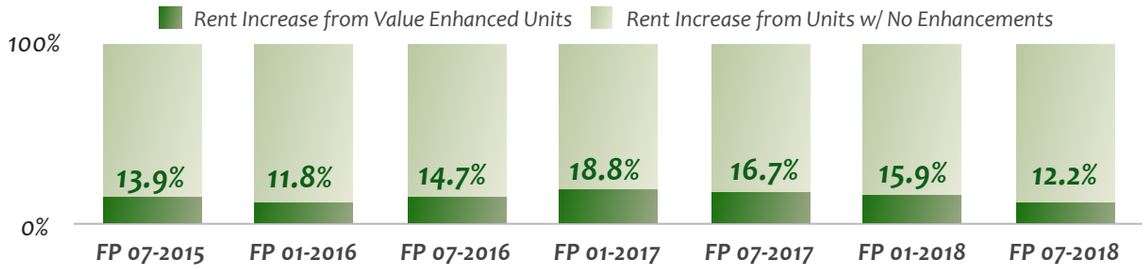
Replacements +2.18% **Renewals +0.51%**

Replacements*

million yen / month

	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	1,206 units	56.5%	158	166	+7.8	+4.96%
Unchanged	387 units	18.1%	37	37	-	-
Decrease	543 units	25.4%	55	52	-2.3	-4.30%
Total	2,136 units	100.0%	251	256	+5.4	+2.18%

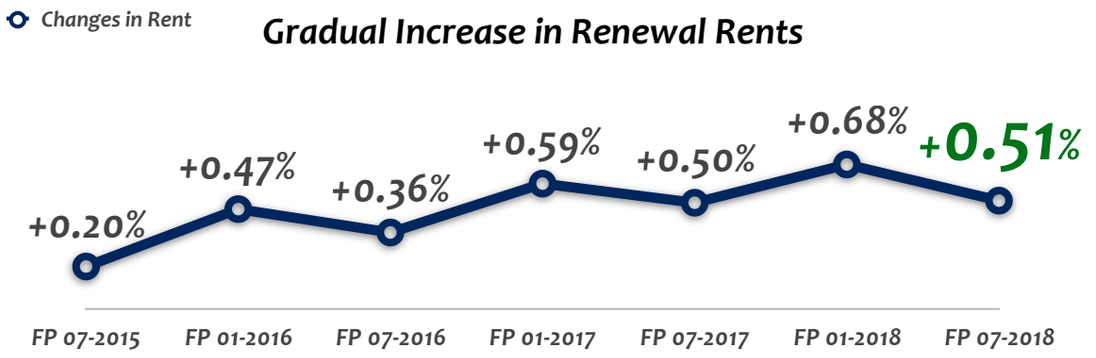
Contributions of Value Enhanced Units** to Rent Rise



Renewals*

million yen / month

	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	583 units	17.3%	81	83	+2.0	+2.49%
Unchanged	2,778 units	82.6%	309	309	-	-
Decrease	4 units	0.1%	0.3	0.3	-0.01	-3.20%
Total	3,365 units	100.0%	391	393	+2.0	+0.51%



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

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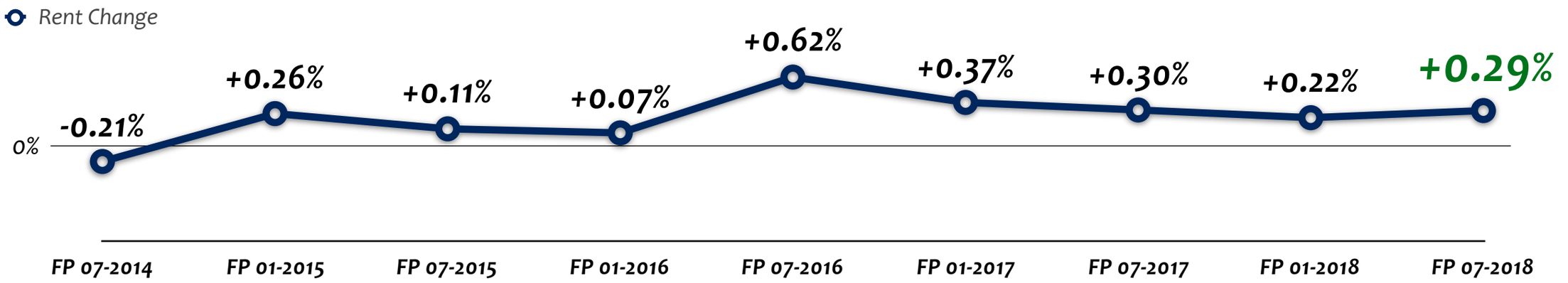
Increasing Internal Growth Potential

Portfolio Rent Rise *

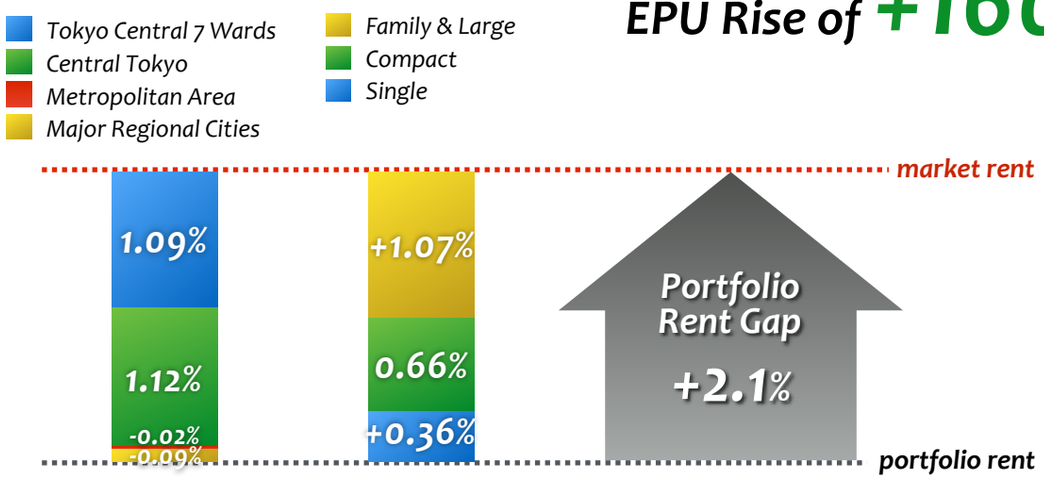
Rent Rising for Eighth Consecutive Periods



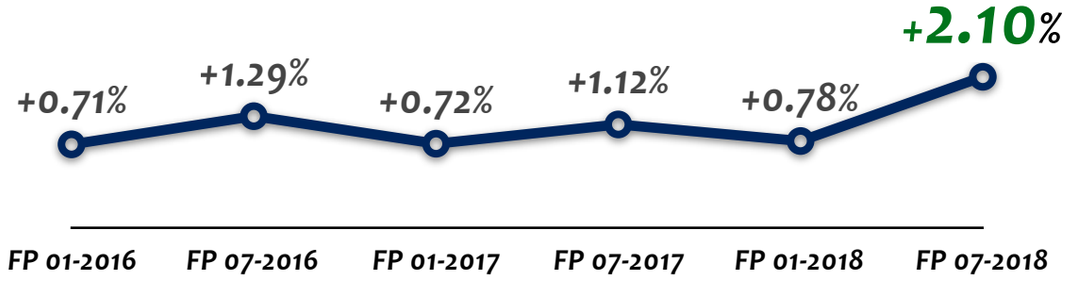
* Change in unit rent between the start and the end of the period for all properties held throughout the period.

Portfolio Rent Increase Potential *

EPU Rise of +160~200 yen Expected



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 2018 (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 2018.

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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:	290 units
No. of Units Leased-out*:	275 units
% Increase in Rents*:	15.0%

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

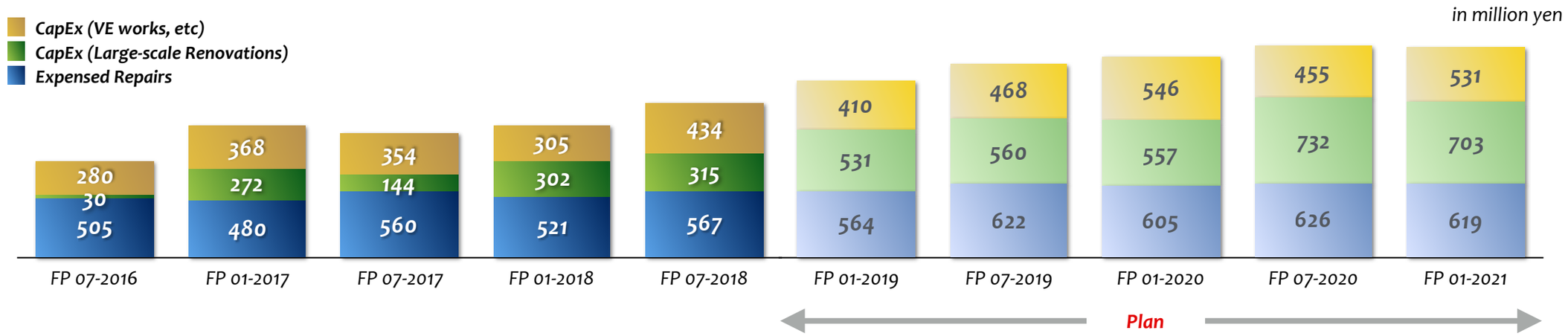
No. of Properties:	34 properties
Total Investment:	1,975 million yen
Ave. Cost per Property:	58 million yen

Daily Maintenance

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

Registered as First Class Architect Office

ADIM is the first and only J-REIT asset management company to register as First Class Architect Office. Efficient management of buildings are realized by our in-house architects.



* Average percentage rise in rents, comparing rents before the VE works and rents of the first lease after the VE works for the 275 leased out units (as of Aug. 31, 2018) .

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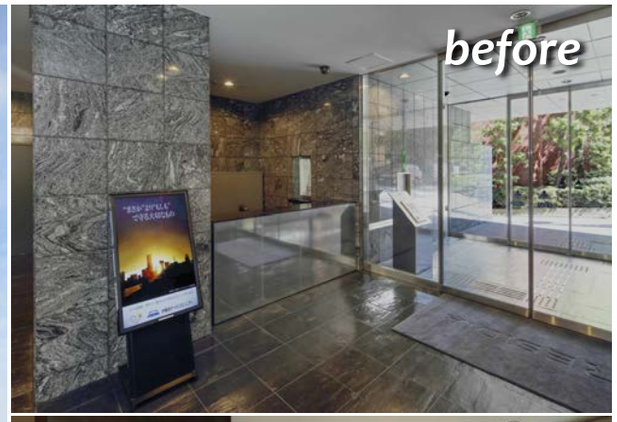
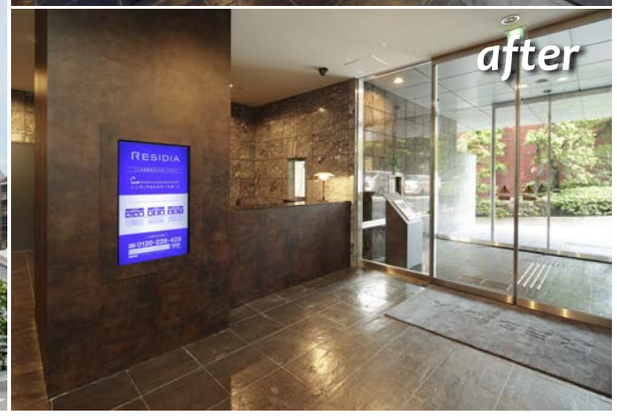
Large-Scale Repairs

Properties Repaired during FP July 2018 **5** properties **Total Expenditure** **379** million yen

RESIDIA Nishi-Azabu 13 yrs old

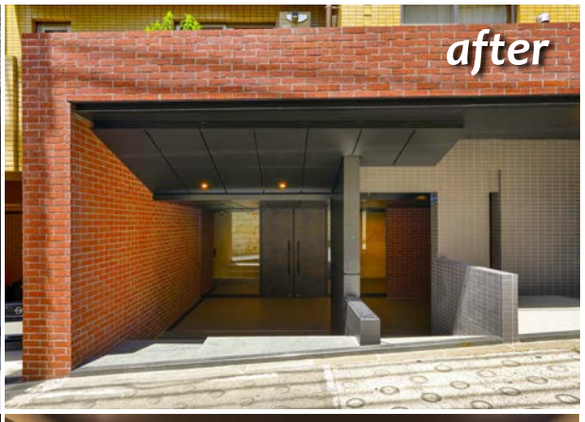
Exterior wall repair - wall tile anti-peeling coating





RESIDIA Mejiro-Otomeyama 16 yrs old

Redesigned using vivid colors



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Value Enhancement Works

Examples of Works Completed During FP July 2018

No. of Value Enhancement **39** *units in* **16** *properties*

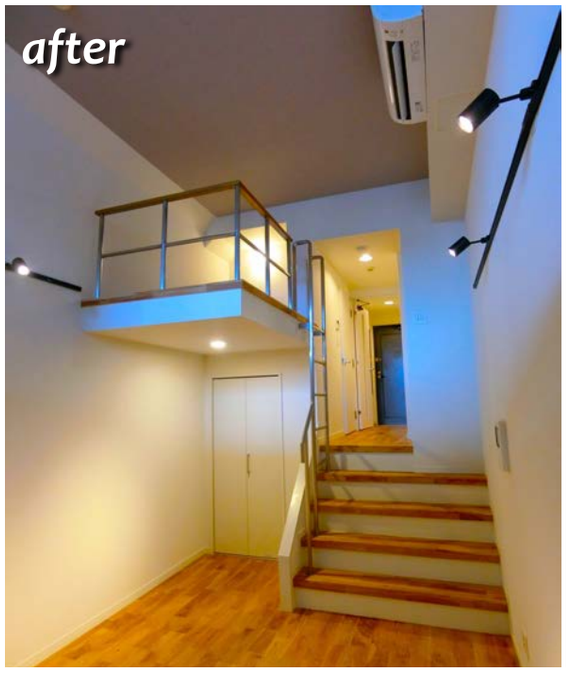
Avg. Increase in Monthly Rent **20.2%**

RESIDIA Roppongi-Hinokichokoen 18 yrs old

Floor Plan	1LDK+S
Construction Cost	4.9 million yen
Increase in Monthly Rent	40.8%
Projected Recuperation Period**	10 years

RESIDIA Sasazuka 18 yrs old

Floor Plan	1R + loft
Construction Cost	2.4 million yen
Increase in Monthly Rent	18.2%
Projected Recuperation Period**	12 years



* Increase in monthly rents are calculated for the 24 units leased out as of August 31, 2018, 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.

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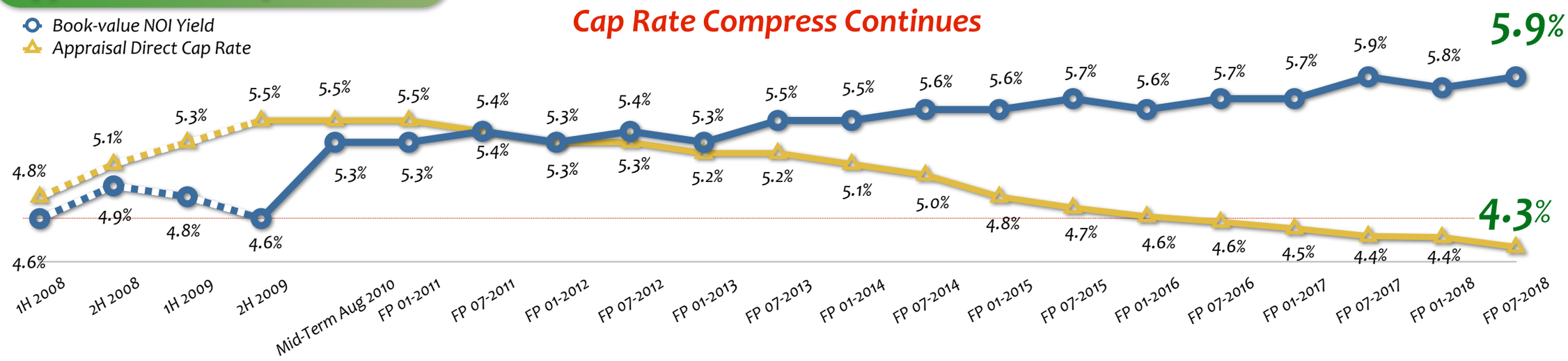
Appraisal Value

Appraisal Direct Cap Rate Trend



Appraisal Summary of FP July 2018

Unrealized profit of **122.6** billion yen (**28.8**% of total book-value)

million yen

	Appraisal (in million yen)		Appraisal NCF (in million yen)				Direct Cap Rate (%)		Unrealized Profit and Loss (million yen)		
	End of FP July '18	diff vs last FP	End of FP July '18	diff vs last FP	itemized diff: rent rev	itemized diff: ER re-appraisal	End of FP July '18	diff vs last FP	Book Value (a)	Diff. from the appraisal (b)	(b)/(a)
Tokyo Central 7 Wards	204,282	+5,113	8,460	+33	+47	-14	4.08%	-0.09pt	161,657	42,624	26.4%
Central Tokyo ex. 7 Wards	187,850	+3,955	8,055	+9	+25	-15	4.22%	-0.09pt	143,431	44,418	31.0%
Tokyo 23 Wards Total	**392,132**	**+9,068**	**16,515**	**+42**	**+72**	**-29**	**4.15%**	**-0.09pt**	**305,088**	**87,043**	**28.5%**
Tokyo Metropolitan	48,970	-44	2,343	-41	0	-41	4.74%	-0.09pt	37,974	10,995	29.0%
Major Regional Cities	107,786	+1,279	5,277	-32	-6	-26	4.84%	-0.09pt	83,198	24,587	29.6%
Portfolio Total	**548,888**	**+10,303**	**24,136**	**-30**	**+66**	**-97**	**4.34%**	**-0.09pt**	**426,261**	**122,626**	**28.8%**

Increase in **86**% of properties

	No. of Properties	chg. from previous FP
Increase	226	+11,200
Unchange	26	-
Decrease	11	-897
Total	263	+10,303

Decrease is mostly due to Increase in cost of repairs listed in the re-appraised engineering report.

* For assets acquired during the FP July 2018, 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.

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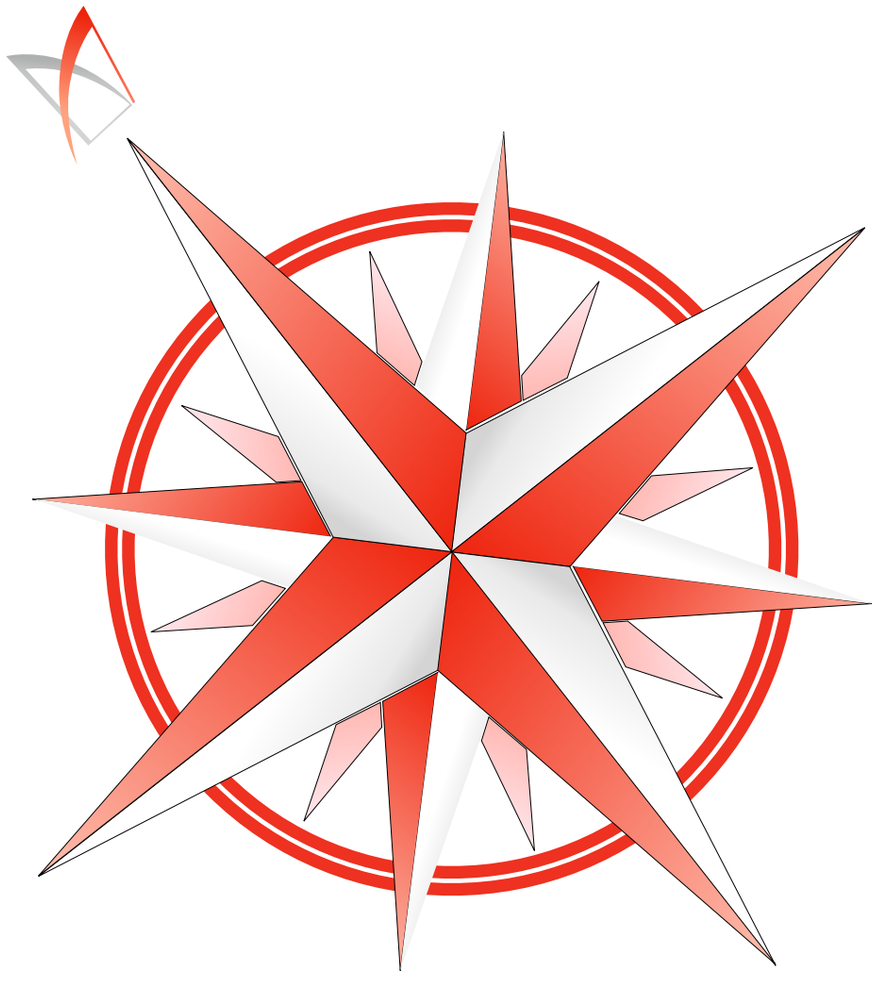
External Growth



Improving Profitability by Replacements

Acquisitions

RESIDIA Kamata V

RESIDIA Kamata IV

RESIDIA Funabashi IV

RESIDIA Hijiyama-Koen

RESIDIA Kita-Nijyo-East III

	Sourced from sponsor		Sourced from third-parties			
	RESIDIA Kamata V	RESIDIA Kamata IV	RESIDIA Funabashi IV	RESIDIA Hijiyama-Koen	RESIDIA Kita-Nijyo-East III	Total /Average
Acquisition Price	2,283 million yen	3,268 million yen	567 million yen	663 million yen	420 million yen	**7,201 million yen**
Acq. Price / Appraisal Price	93.6%	94.5%	95.7%	93.8%	100.0%	**94.5%**
NOI Yield *	4.7%	4.7%	5.1%	6.1%	5.5%	**4.9%**
Yield after Depreciation *	4.1%	4.0%	4.2%	4.9%	4.2%	**4.2%**
Building Age**	5.1 year	4.1 year	9.5 year	21.4 year	10.8 year	**6.8 year**

Dispositions

RESIDIA Minami-Aoyama

Windsor House Hiroo

Total /Average	
2,573 million yen	Disposition Price
130.2%	Dis. Price / Appraisal Price
4.2%	NOI Yield *
3.1%	Yield after Depreciation *
14.3 year	Building Age**

* Calculated using the annualized NOI and depreciation listed on the appraisal report and acquisition price for acquisitions, actual NOI, depreciation and book value for FP2018/7 for dispositions. ** The listed building ages are as of acquisition / disposition dates.

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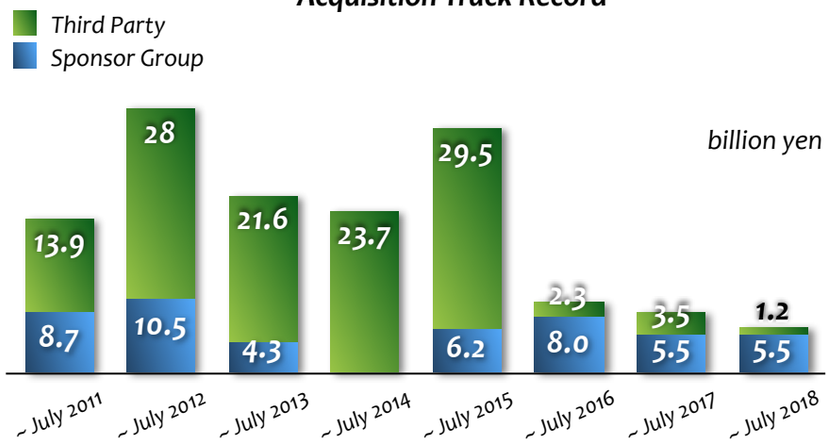
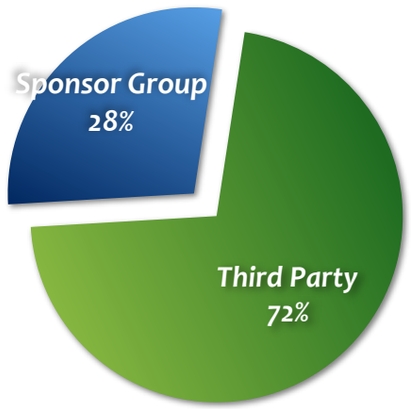
External Growth Policy

Sourcing Track Record

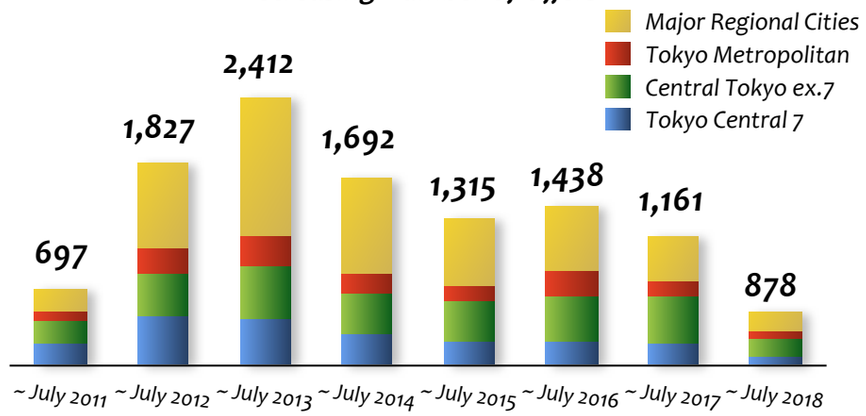
Maintain Discerning Acquisition Policy

Acquisition Track Record





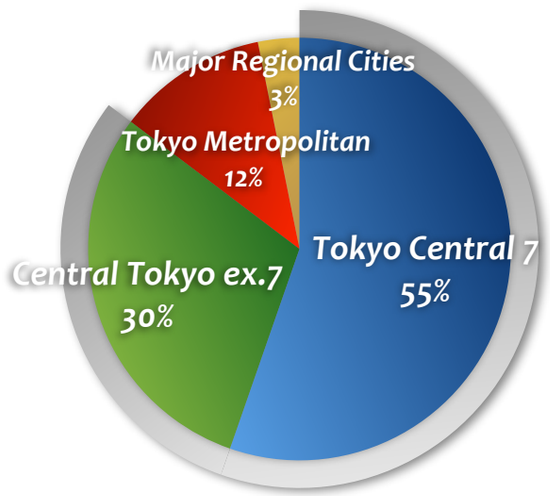
Decreasing Number of Offers



Properties Developed by Itochu Group

Sponsor Pipeline **26** properties **44.1** billion yen (of which **30.5** billion yen is completed)

	No. of Properties	No. of Units	Expected Size
Tokyo Central 7	14 properties	879 units	24.4 bn yen
Central Tokyo ex.7	9 properties	387 units	13.2 bn yen
Tokyo Metropolitan	2 properties	439 units	5.1 bn yen
Major Regional Cities	1 properties	91 units	1.4 bn yen
Total	26properties	1,796 units	44.1 bn yen



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Memo

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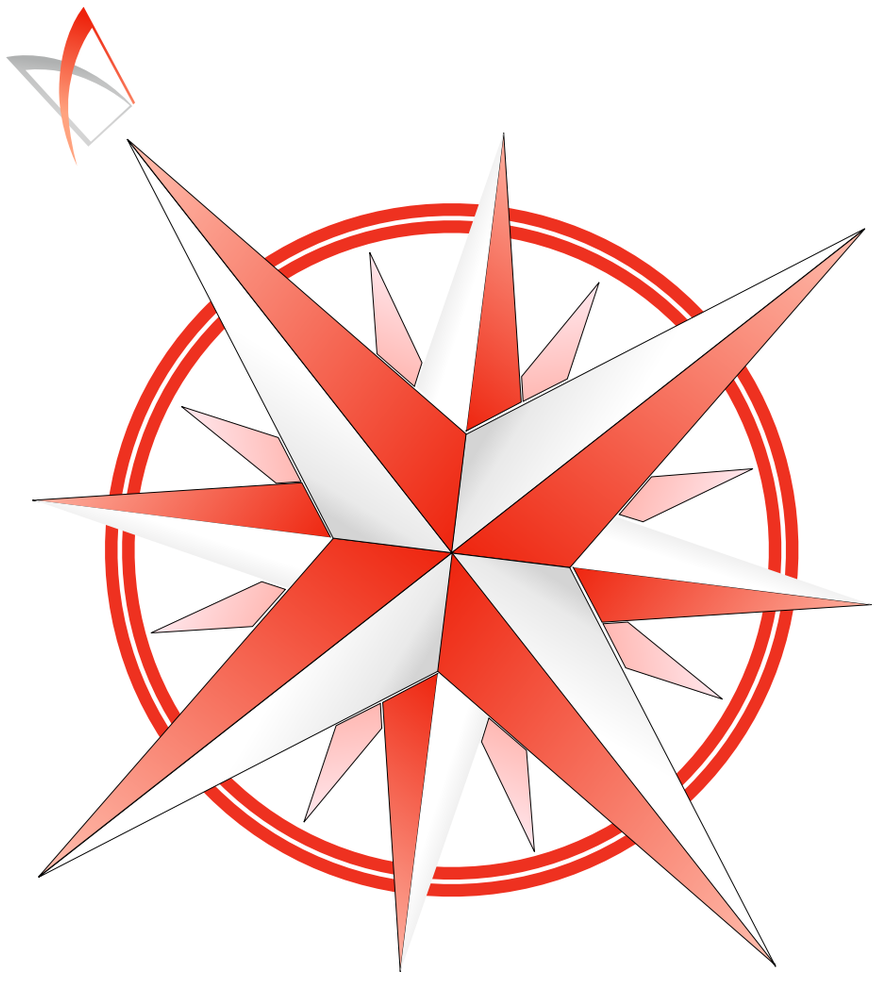
Finance



Building a Stable Financial Base

Key Figures on Debts

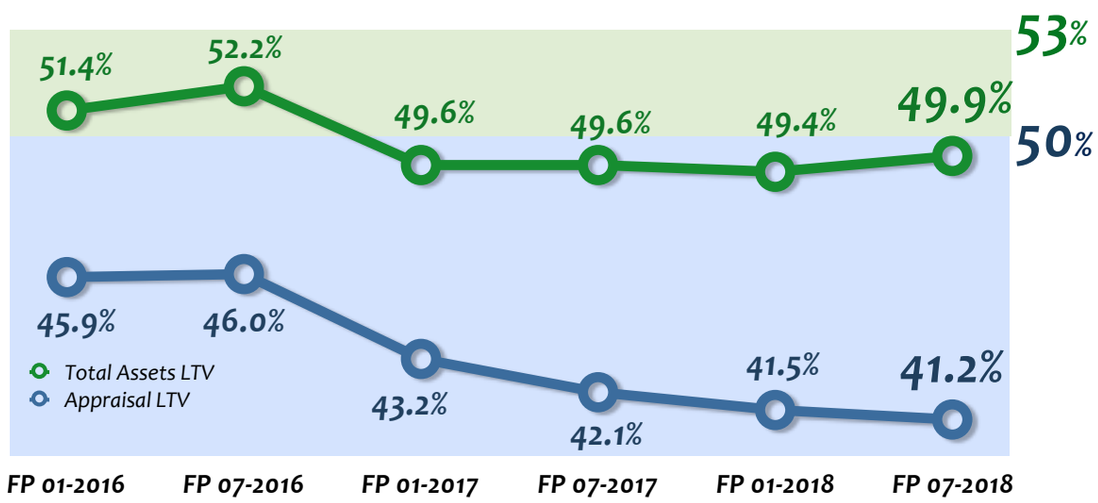
JCR **AA** (Stable)　　R&I **A+** (Positive)

	FP Jan 2018	FP July 2018		change
Loans	193.9 bn yen	196.9 bn yen	(87.2%)	+3.0 bn yen
Bonds	27.5 bn yen	29.0 bn yen	(12.8%)	+1.5 bn yen
Total	221.4 bn yen	225.9 bn yen	(100.0%)	+4.5 bn yen

FP July 2018 Debt Financing

	Repayment	Procurement
Total	21.1 bn yen	25.6 bn yen
Avg. Interest Rate	1.09%	0.48%
Avg. Initial Duration	5.2 yrs	7.7 yrs

LTV Management



Maximum Leverage

Appraisal LTV **50%**　　Total Assets LTV **53%**

Acquisition Capacity of around

30.0 billion yen

at Total Asset LTV of 53%

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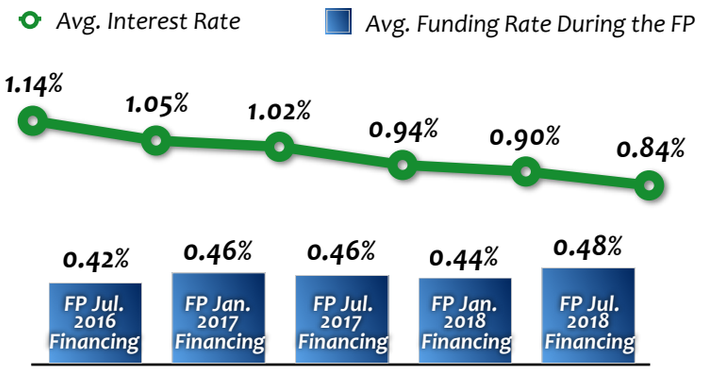
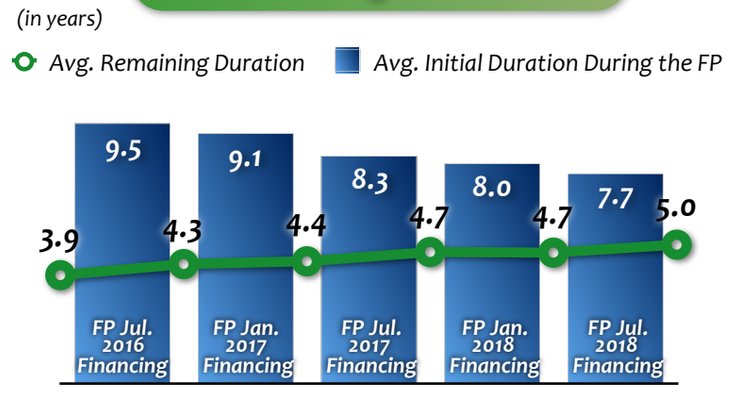
Biased to Long-term Stability

Lowering Interest Rate



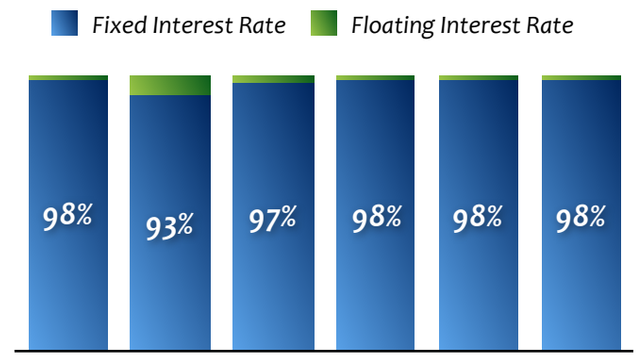
* In Calculating the average interest rate for financing during the periods, amount outstanding and interest rate applicable at the end of each period is used.

Extending Duration



* In Calculating the average debt duration for financing during the periods, amount outstanding at the end of each period is used to calculate the weighted average.

Fixing Interest Rate

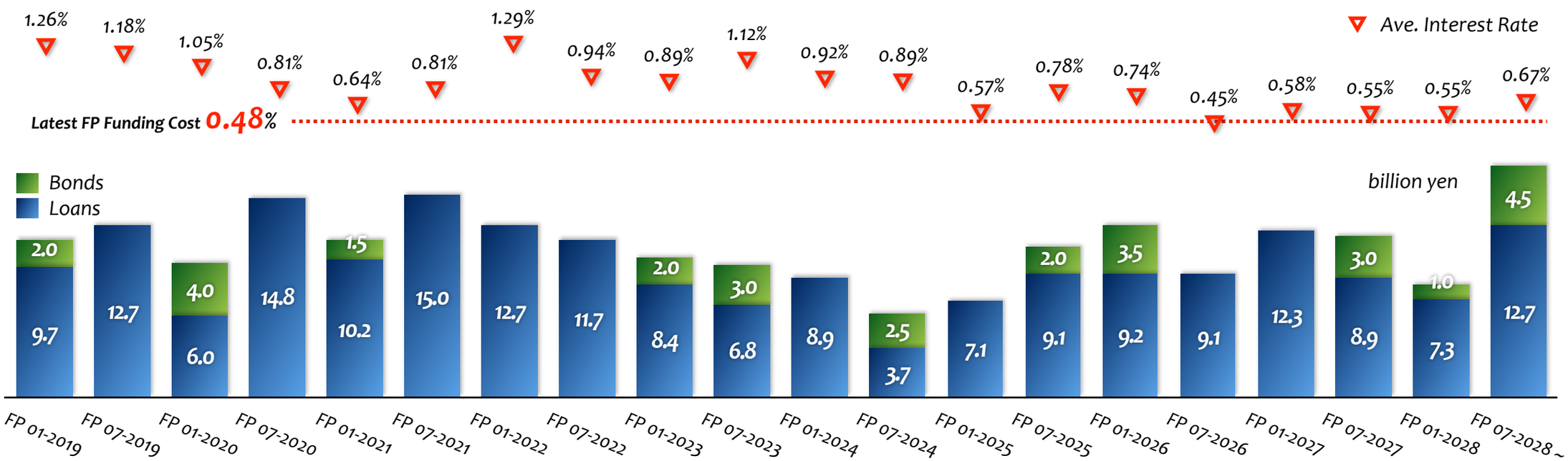


* Short-term loans are excluded.

Diversifying Duration

Max. repayment per FP **15** bn yen < Committed line of credit **20** bn yen

as of July 2018



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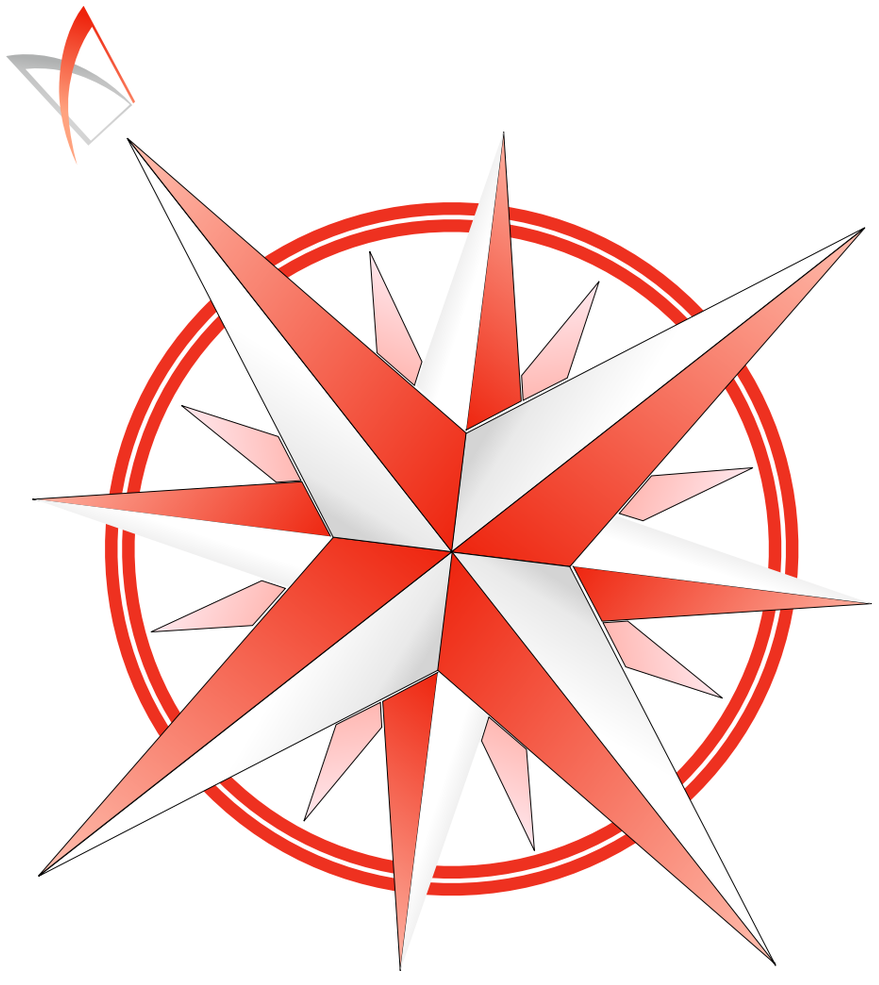
Guidance and DPU Target



Earnings Guidance

in million yen

	(1) 16th FP Results	(2) 17th FP Forecast	(2)-(1)			(3) 18th FP Forecast	(3)-(2)		
	Results for FP July 2018	Forecast for FP Jan. 2019 (announced Sept. 10, 2018)	Changes	Notes		Forecast for FP Jul. 2019 (announced Sept.10, 2018)	Changes	Notes	
Revenue	16,302 (263 properties) Period avg. occupancy 97.0%	16,084 (264 properties) Period avg. occupancy 96.5%	-218	**Newly Acquired Assets** No profit from sales Increase in revenue due to asset replacement **Same Store** Decrease due to lower occupancy assumption Off-peak decrease in key money & renewal	-135 +62 -42 -103	16,226 (264properties) Period avg. occupancy 96.6%	142	**Same Store** Increase in revenue due higher occupancy and rent level Peak season increase in key money Other increase in revenue	 +42 +93 +7
Operating Income	8,272 (Depreciation: 2,682) (Property taxes: 865)	8,028 (Depreciation: 2,701) (Property taxes: 870)	-243	**Leasing Expenses** Increase in expenses from incr. in AUM Off-peak decrease in fees Increase in depreciation and other cost **G & A Expenses** Cons. tax settlement increase Increase in other expenses	 -15 +75 -20 -24 -41	8,009 (Depreciation: 2,712) (Property taxes: 877)	-18	**Leasing Expenses** Peak season increase in expenses Increase in repair cost Increase in depreciation and other cost **G & A Expenses** Decrease in other expenses	 -110 -58 -19 +26
Ordinary Income	7,088 (Funding cost*: 1,196)	6,885 (Funding cost*: 1,136)	-202	No one time profit Decrease in interest pay't from refinancing	-19 +60	6,885 (Funding cost*: 1,117)	-	Decrease in interest pay't from refinancing	19
Net Income	7,087	6,885	-202			6,885	-		
EPU (yen)	5,250	5,100	-150	Units issued and outstanding 1,350,000 units		5,100	-	Units issued and outstanding 1,350,000 units	
Per Unit Drawdown of Reserve** (yen)	249	249	-	Reserve** after dividend: 31.8 bn yen		249	-	Reserve** after dividend: 31.5 bn yen	
Dividend per unit (yen)	5,499	5,349	-150			5,349	-		
Total Asset LTV	49.9%	49.9%	-			50.0%	+0.1p		

* Funding costs include interest payments for loans and bonds as well as other finance fees.
** "Reserve" means "Temporary Difference Adjustment Reserve".

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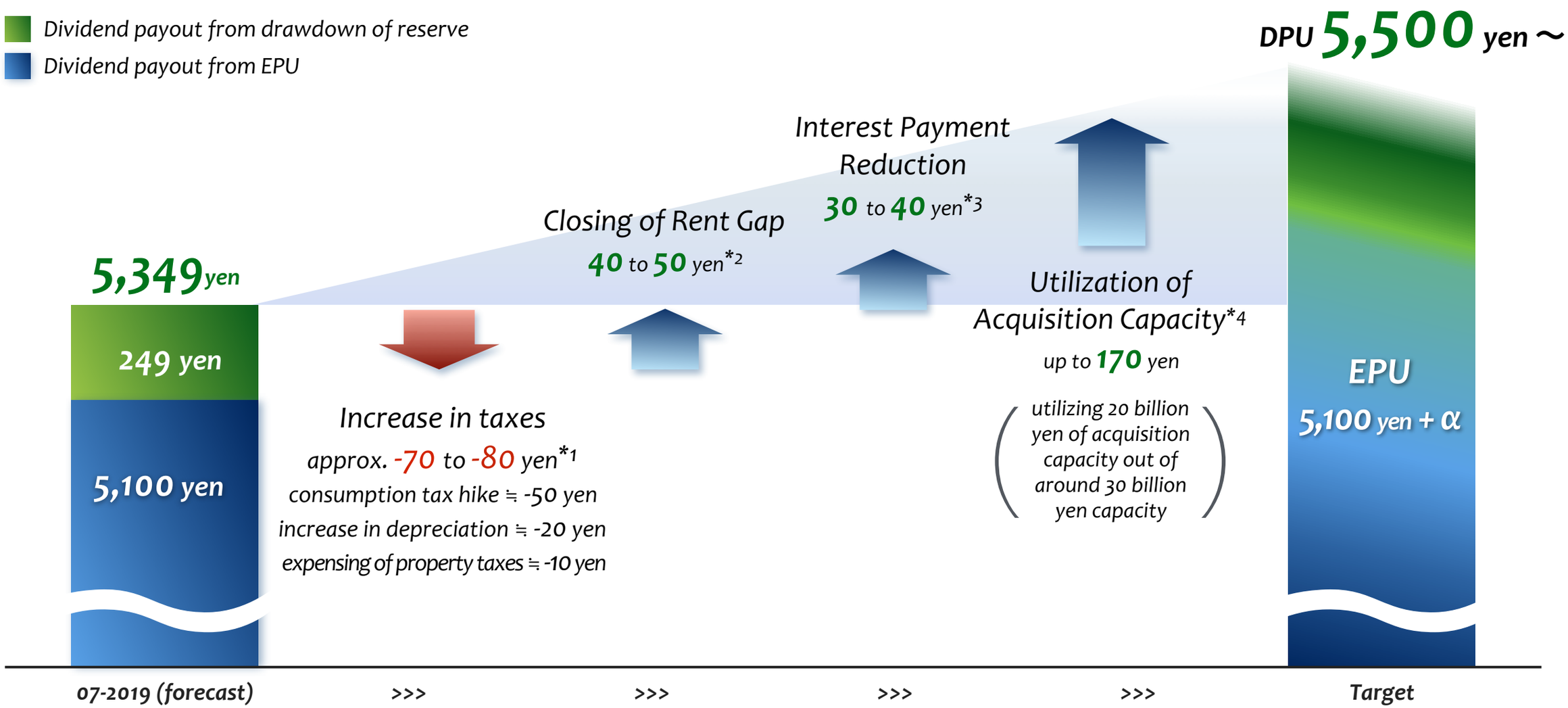
1 to 2 Year DPU Target

Total DPU growth of ~180 yen



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 listed below.

**1 Consumption tax rate is assumed to be raised from 8% to 10%. Restoration works expected to be executed by 07-2020 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 FP07-2018 within the time horizon of FP 07-2020.*

**3 Interest payment reduction is based on the assumption that debts maturing by FP07-2020 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 FP07-2019. Also the estimate is based on around two year worth of acquisition of 20.0 billion yen and assumed funding cost.*

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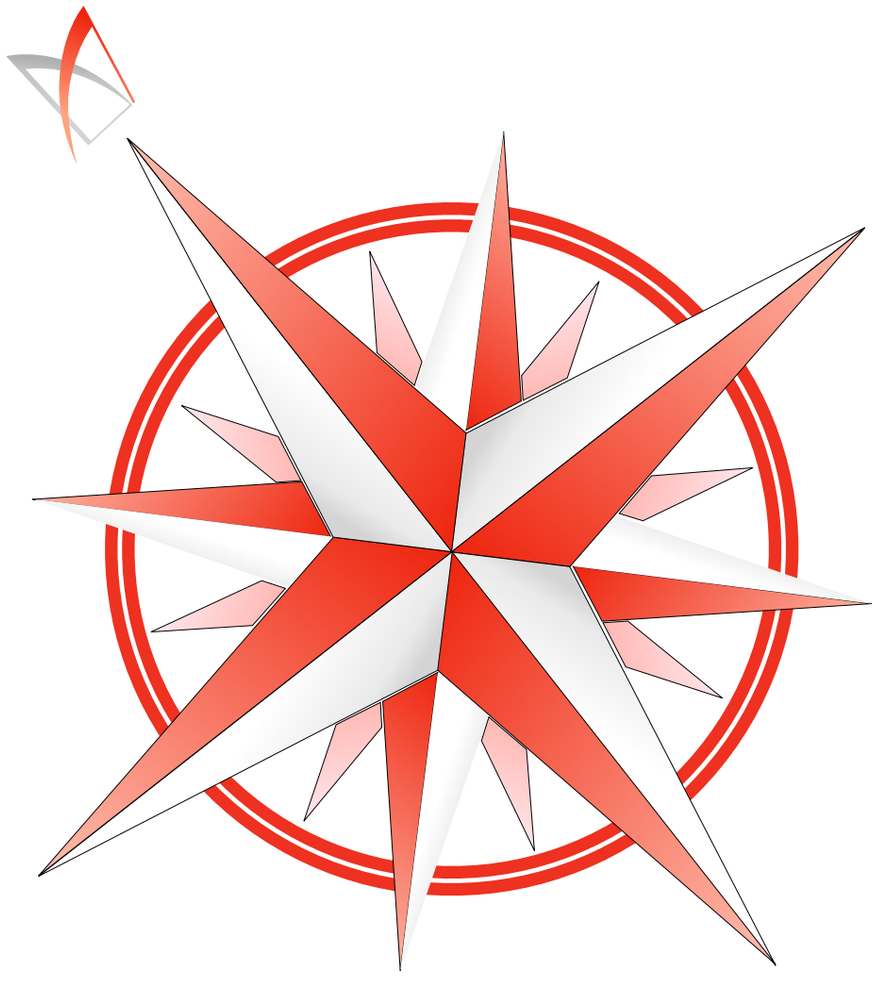
Appendix



Advance Residence's Strength

Defensive with Stable Dividend

as of Sept. 10, 2018

ASSET

Holds the Largest AUM
Among Residential J-REITs

448.1 billion yen

DEBT

Stable Financial Foundation

Long-term × Fixed Rate
× Diversified Maturity

JCR AA

EQUITY

Holds the Largest
Reserve Among All J-REITs

32.1 billion yen

(the outstanding after FP July 2018 dividend payout)

* According to data collected by ADIM from the latest disclosures made by each residential J-REITs as of Sept. 10, 2018.

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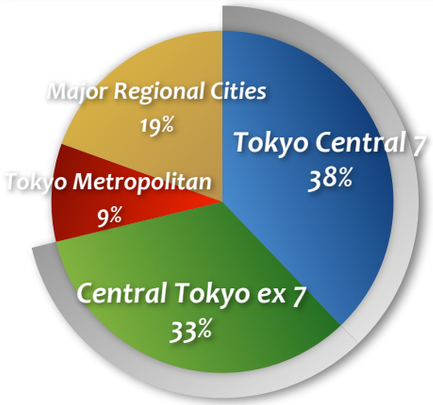
The Largest* Portfolio Among Residential J-REITs

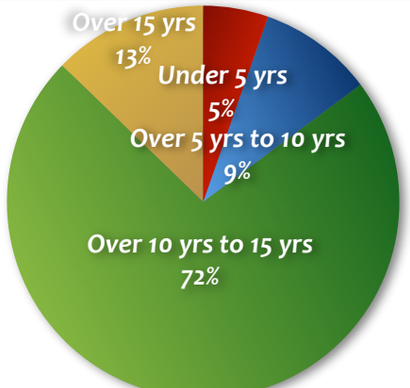
	Number of Properties	Total Leasable Area	Leasable units	Assets Under Management (acquisition price)
as of July 31, 2018	263 properties	789,430m²	21,246 units	447.6 billion yen
as of August 1, 2018	264 properties	790,632m²	21,286 units	448.1 billion yen

Investment Location
(by acquisition price)



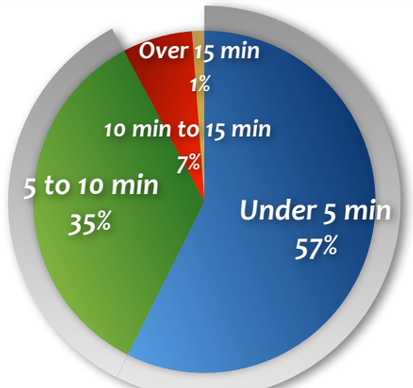
Tokyo 23 Wards **71%**

Building Age
(by acquisition price)



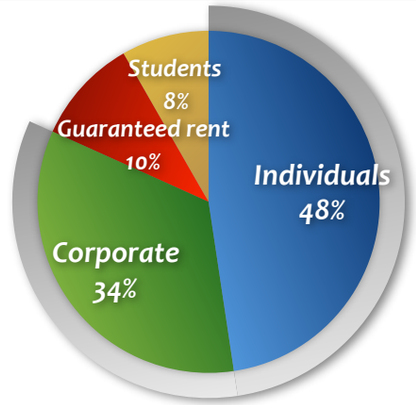
Weighted Average Age
12.2 yrs

Walking Minutes to Train Station
(by acquisition price)



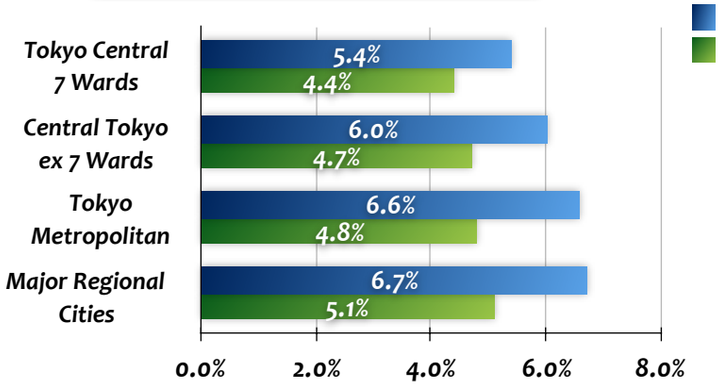
Under 10 min **92%**

Tenant Category
(by no. of units, as of July31, 2018)



Pass-through contract tenants **82%**

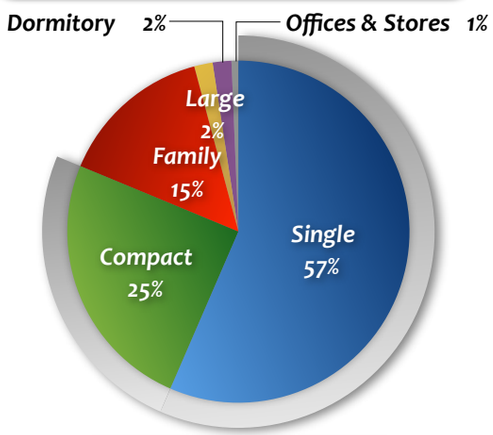
NOI Yields (%) **
(as of July 31, 2018)



Portfolio Yield

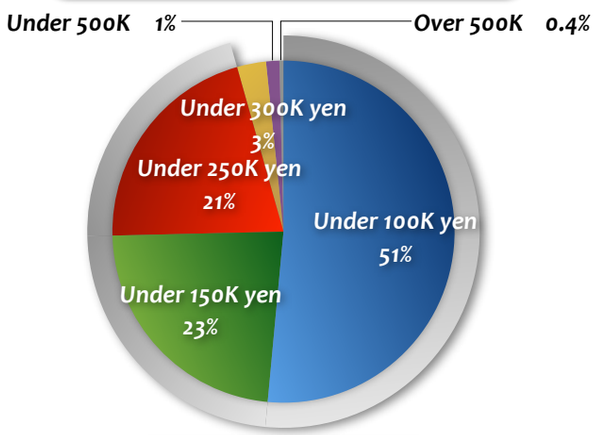
Book value NOI yield	5.9%
Yield after Depreciation	4.7%

Unit type
(by no. of units)



Single & Compact type units
81%

Rents
(by no. of units, as of July 31, 2018)



Unit rents under 250K yen
96%

* According to data collected by ADIM from the latest disclosures made by each residential J-REITs as of Sept. 10, 2018.
** ***Book value NOI*** *is calculated as "annualized NOI" ÷ "book value at the end of FP2018/1". NOI is annualize according to actual number of days of operation for each property during FP2018/7.*
Yield after Depreciation *is calculated as (annualized NOI - depreciation) ÷ book value as of end of FP2018/7.*

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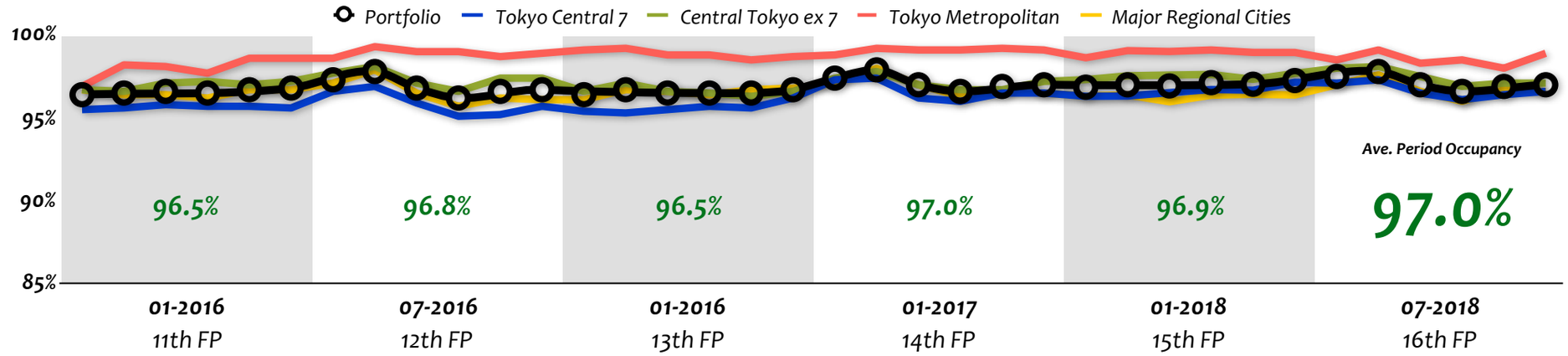
Solid Growth, Solid Track Record

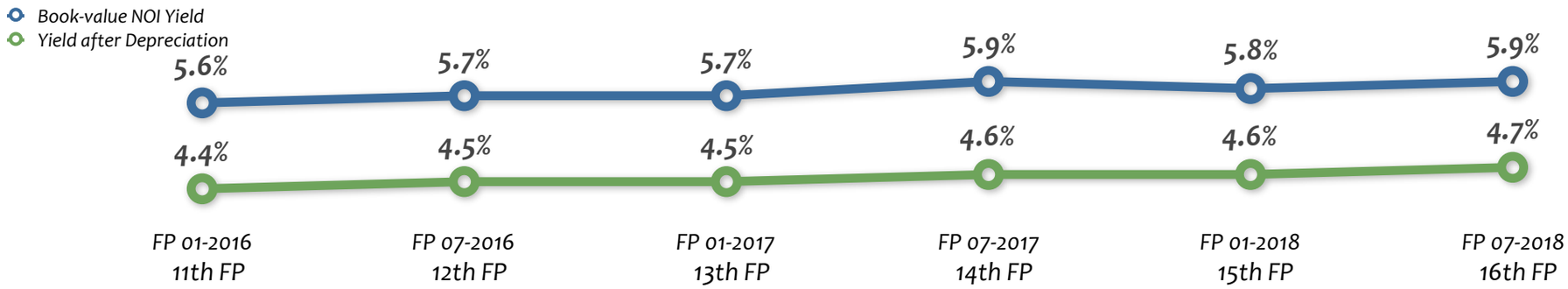
Assets

Occupancy



Maintained High Occupancy

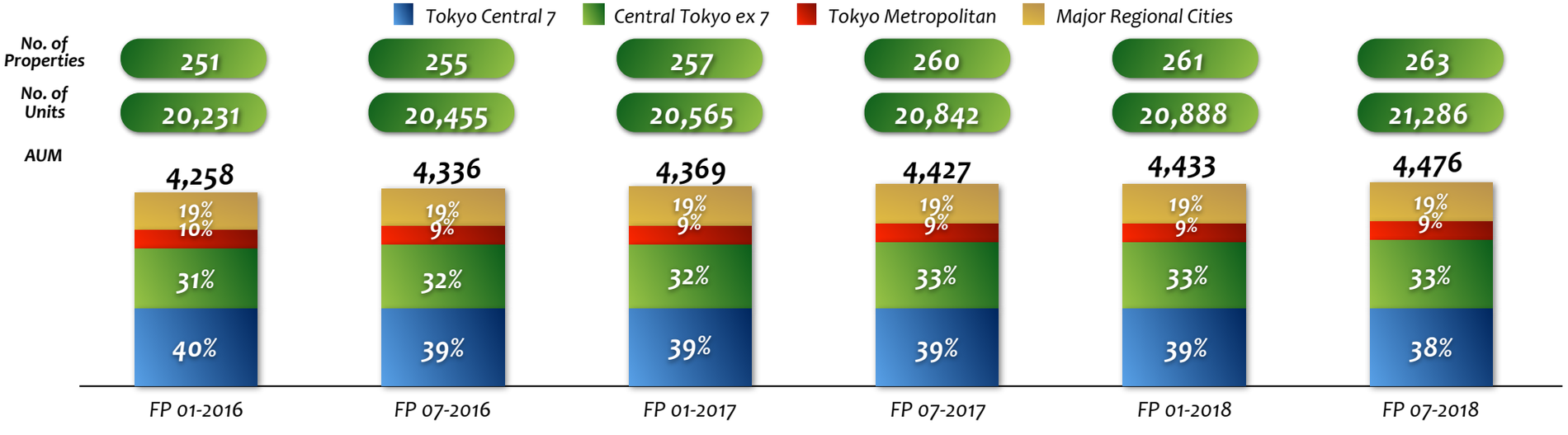
Yield



* NOI yield = annualized NOI ÷ book value. NOIs are annualized according to the number of actual days of operation for each properties during the periods.
* Yield after depreciation = (annualized NOI - depreciation) ÷ book value.

Stable Yield Levels

AUM



The Largest Portfolio Among Residential J-REITs

Topping 440 bn yen
(as of July 31, 2018)

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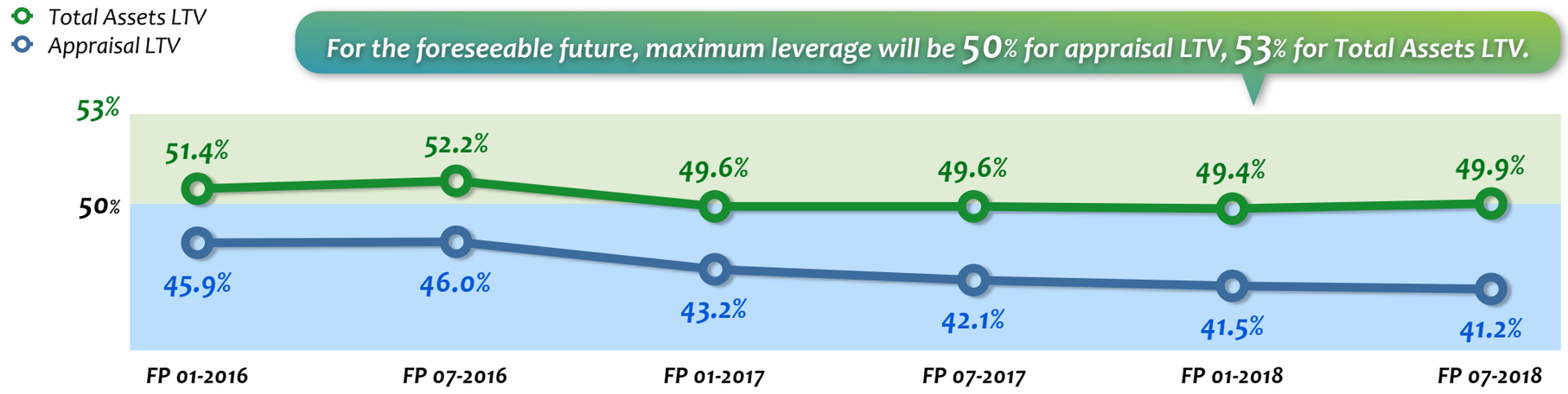
Debts

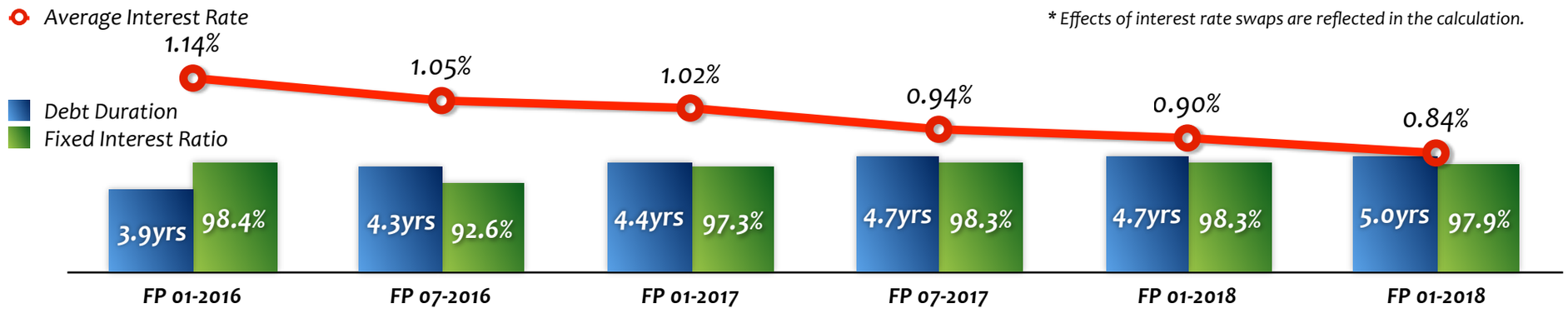
LTV



Lowered LTV Range to Maintain Flexibility in Preparation for Future Volatility

Acquisition Capacity
(@ Total Assets LTV of 53%)
of around
30.0 bn yen
(as of FP ending July 2018)

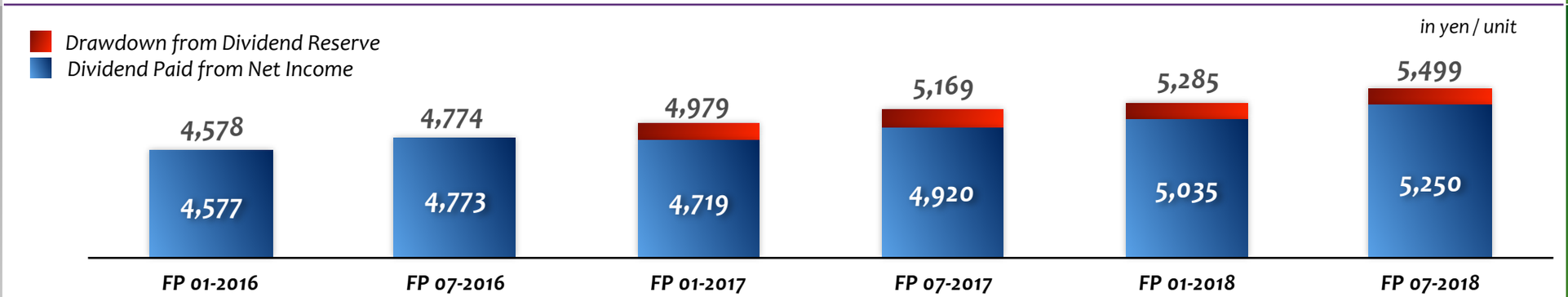
Debts



Lowered Interest Rate While Maintaining a Stable Base

Equities

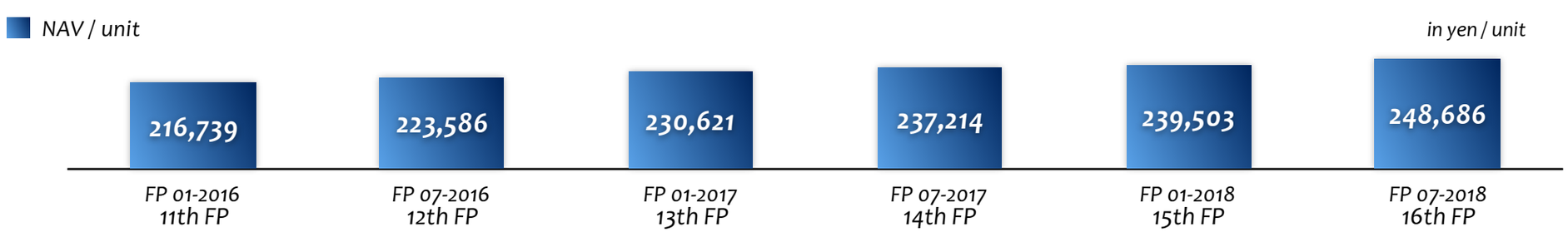
Dividends



Record High Dividend for FP July 2018

Outstanding Dividend Reserve
32.1 bn yen
(after FP July 2018 dividend payout)

Unit-holders' Value



Continued Increase in 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.

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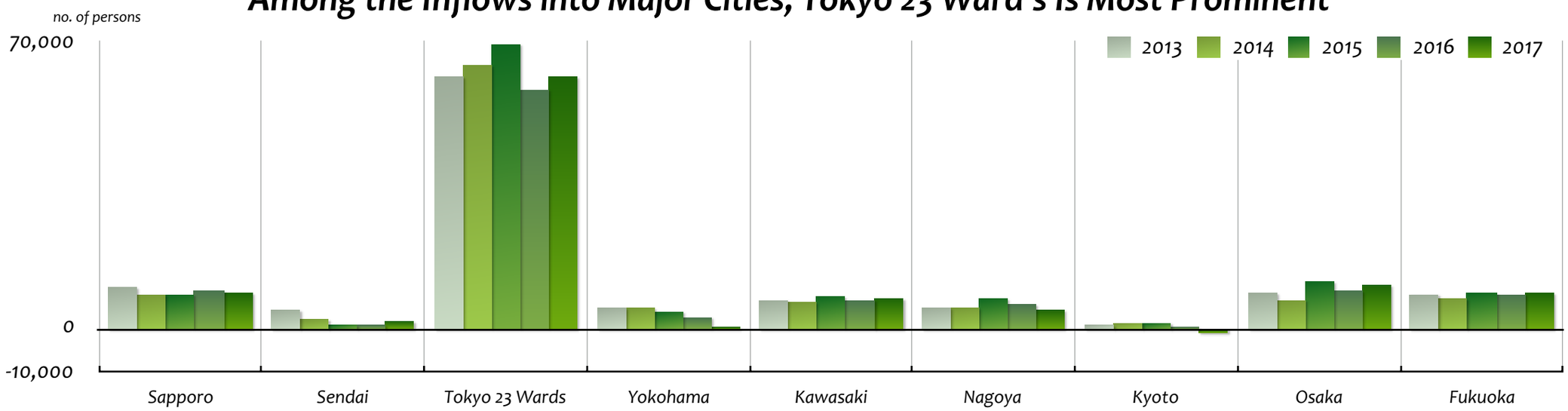
Internal Migration Statistics

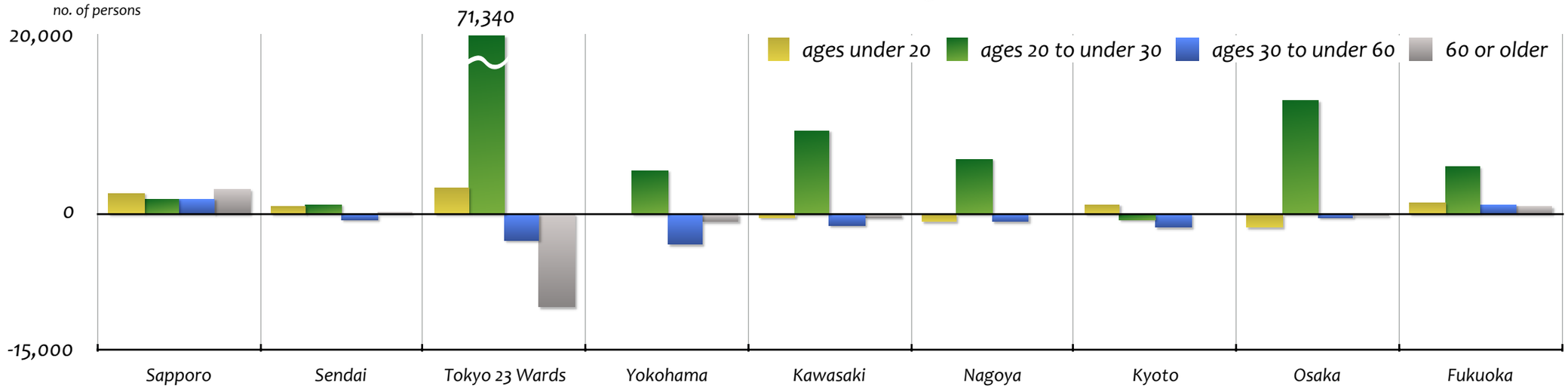
Yearly Population Inflow

Among the Inflows into Major Cities, Tokyo 23 Ward's Is Most Prominent



Population Inflow by Age Group

Inflows are Pre-dominantly Younger Generation



Source: "2017 Report on Internal Migration in Japan" Statistics Bureau, Ministry of Internal Affairs and Communications, Statistics Division

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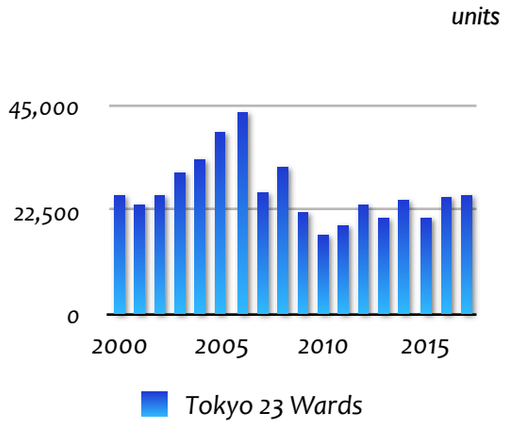
Housing Starts

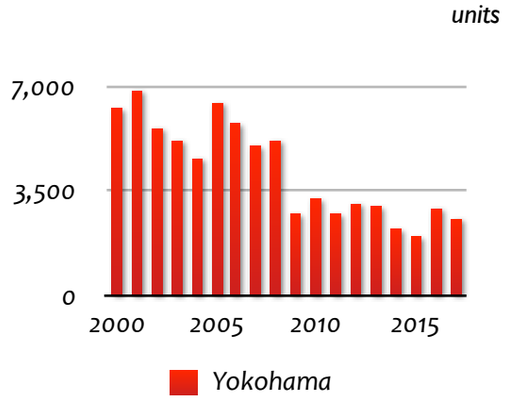
Limited Rise in Housing Starts

Tokyo 23 Wards



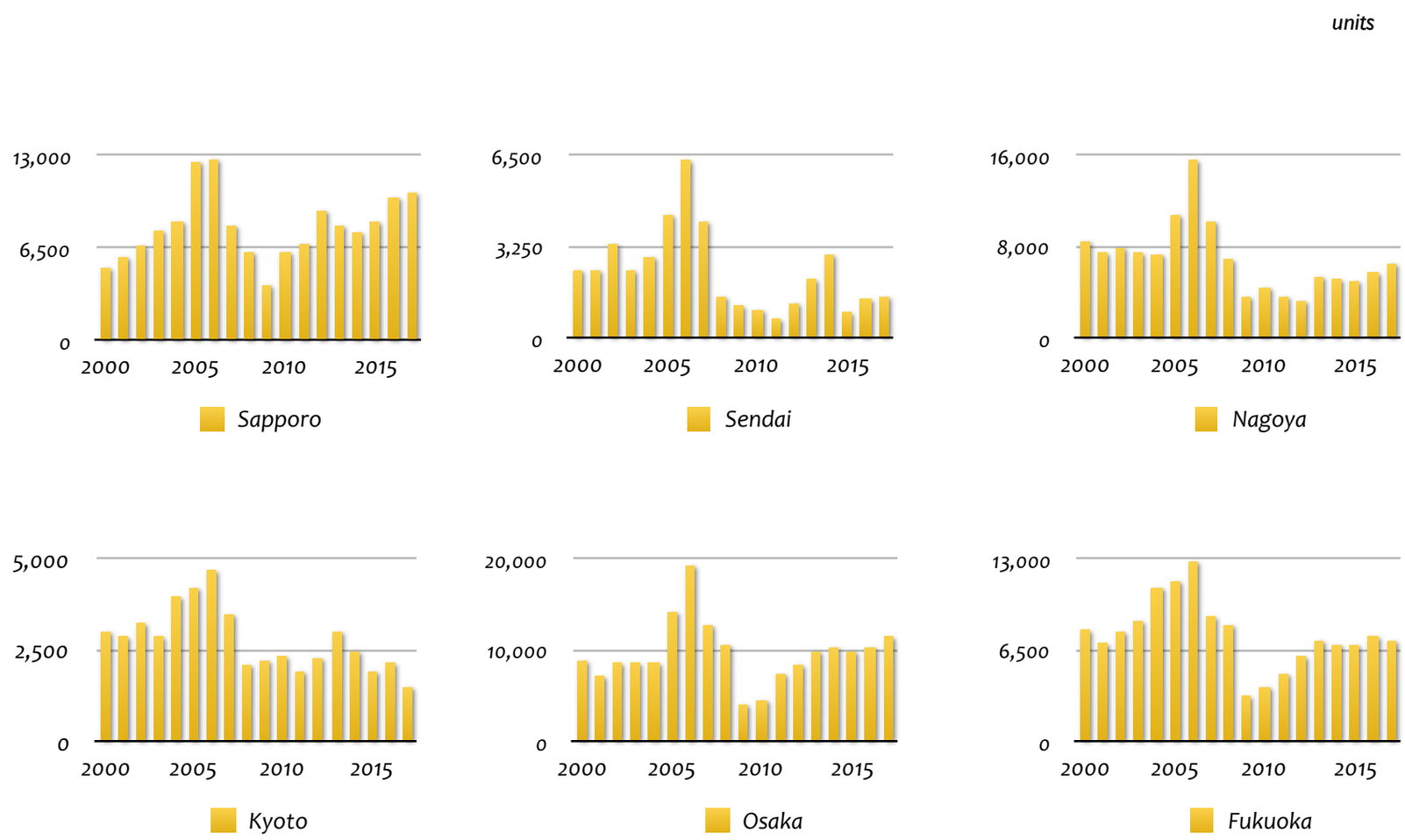
ADR's Investment Ratio in the Region
71%

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) (2017)

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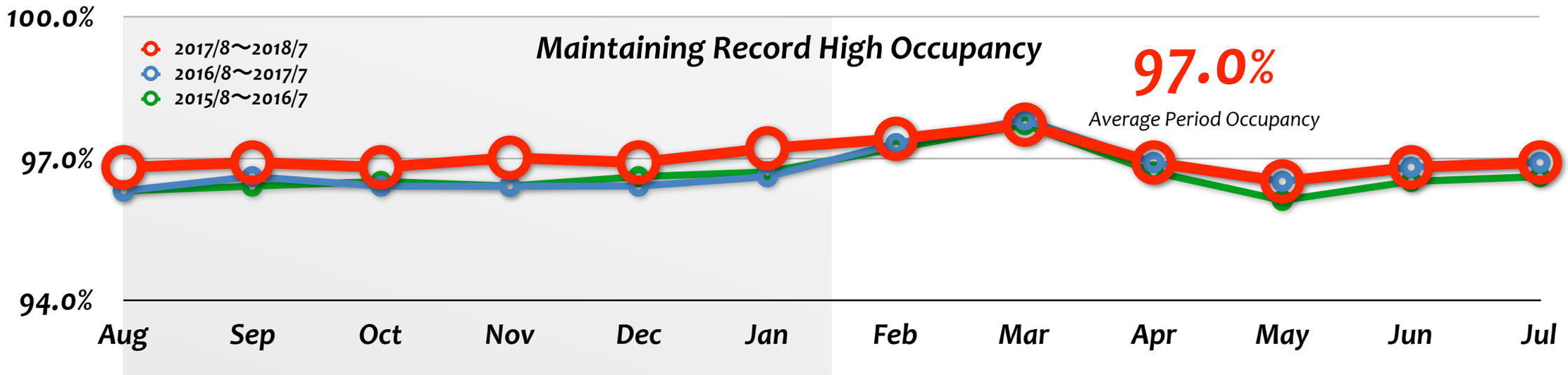
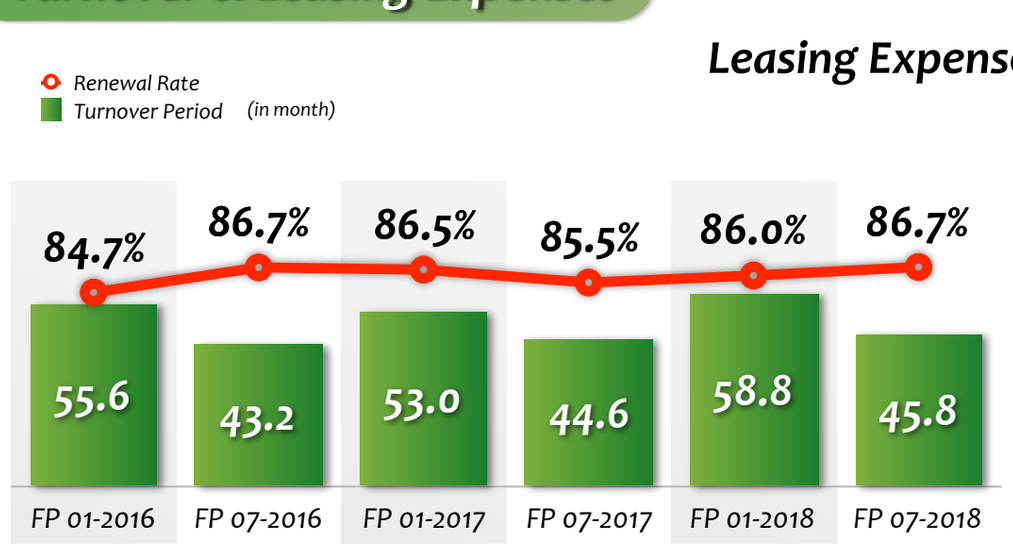
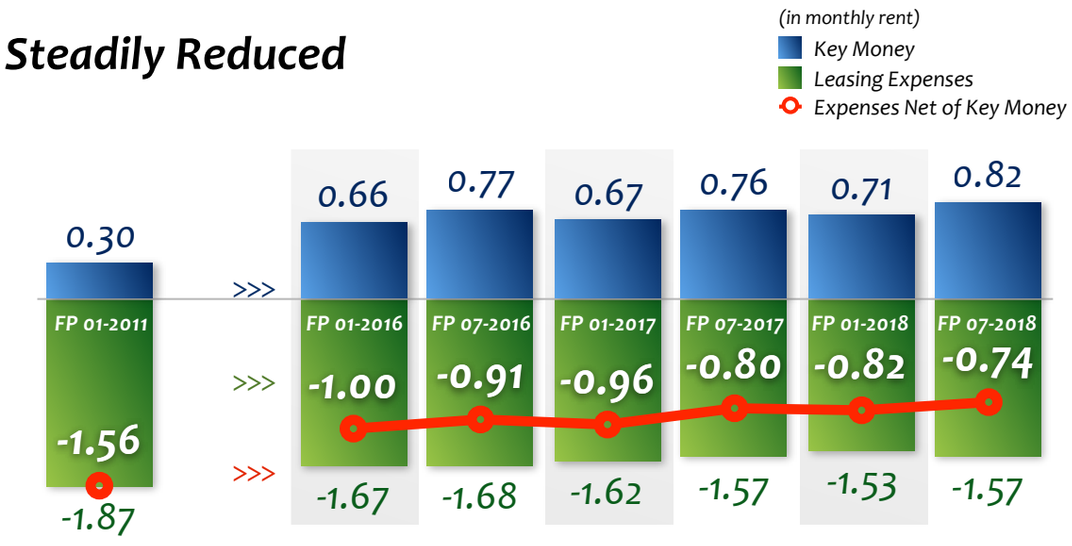
Strong Leasing Condition

Occupancy



Turnover & Leasing Expenses





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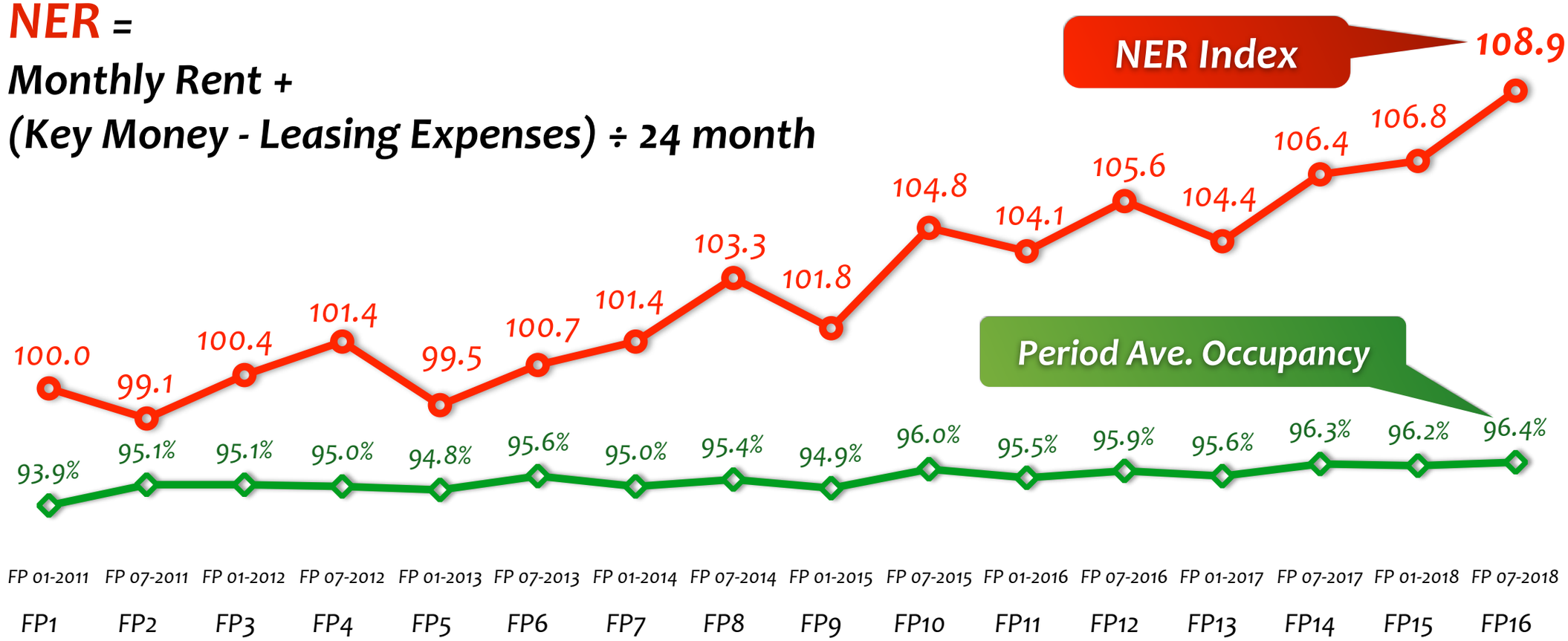
Strong Growth in NER

Net Effective Rent (NER)

NER =

Monthly Rent +

(Key Money - Leasing Expenses) ÷ 24 month



- *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 114 properties rentable space for each fiscal period and indexed by using the FP01-2011 figure as 100.*
- *The 114 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) 1,744, FP07-2011) 1,070, FP01-2012) 869, FP07-2012) 1,025, FP01-2013) 977, FP07-2013) 1,021, FP01-2014) 793, FP07-2014) 923, FP01-2015) 831, FP07-2015) 916, FP01-2016) 784, FP07-2016) 917, FP01-2017) 783, FP07-2017) 968, FP01-2018) 752, FP07-2018) 871.*

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Senior Housing Holdings

	No. of Properties	Asset Size (Acquisition Price Total)	Investment Ratio	Leasable Units	Occupancy (Guaranteed Rent Contract)	Bookvalue NOI Yield
as of July 31, 2018	2 properties	2.7 billion yen	0.6%	163 units	100 %	7.6%

Investment Policy

Continue Search for Good Investment

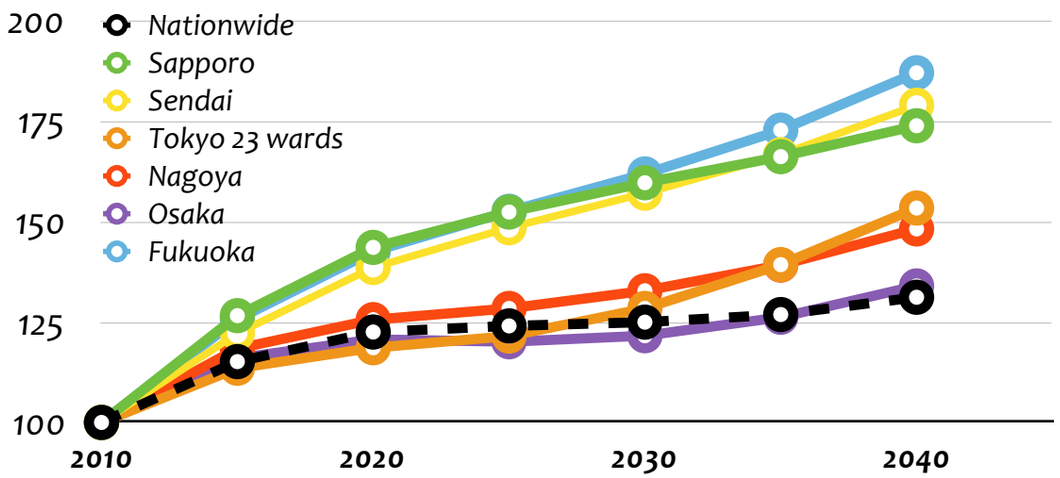
Targeted Asset — *Assets that can be expected to have continued demand. Equivalent locational requirements with good access to public transportation.*

Expected Yield — *To insure future liquidity there should be some premium over normal residential assets.*

Population trend of 65 years or older

(Indexed using 2010 figure as 100)

Population of Seniors Will Grow In Every Major Cities



Source: National Social Security and Population Research Center (March 2013)

Holdings

S-22 Life & Senior House Kohoku 2

There are units both for tenants needing nursing and tenants who are do not. Depending on the tenants condition they are able to transfer between the two type units.
The neighborhood is filled with greenery a, are parks and trails.

S-29 Cocofump Hiyoshi

Located 8 min. walk away from Hiyoshi Honcho Station. Day service center and home nursing center is also located in the property.
On the commercial space, a medical clinic and a drugstore can be found.

Prop. No.	Property Name	Location	Built	NOI Yield
1 S-22	Life & Senior House Kohoku 2	Yokohama, Kanagawa	2003/10	8.1%
2 S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	2010/01	6.9%

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Dormitories and Student Apartments

	No. of Properties	Asset Size (Acquisition Price Total)	Investment Ratio	Leasable Units	Occupancy (Guaranteed Rent Contract)	Bookvalue NOI Yield
as of July 31, 2018	19 properties	18.0 billion	4.0 %	1,709 units	100 %	6.4 %

Dormitories

Dormitories usually have in addition to individual rooms, kitchen serving breakfast and dinner, common dining room and common room, and operated under an operator.

S-23 College Court Tanashi

	Property No.	Property Name	Location	Built	Book Value NOI Yield
1	S-11	Tokyo • Student House Wako	Wako, Saitama	04/1990	7.1%
2	S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	02/2010	8.1%

Student Apartments

Student apartments are normal apartments tenants are exclusively students.

R-8 RESIDIA Kobe Port Island

R-60 RESIDIA Okayama-Ekimae
(undergone large-scale repair in FP 01/2018)

	Property No.	Property Name	Location	Built	Book Value NOI Yield
1	P-3	RESIDIA Nakameguro	Meguro, Tokyo	02/2005	6.3%
2	P-85	RESIDIA Komazawa	Setagaya, Tokyo	10/2008	6.4%
3	C-28	RESIDIA Oji	Kita, Tokyo	02/2005	6.3%
4	C-50	RESIDIA Shin-Itabashi	Itabashi, Tokyo	08/2009	6.6%
5	C-66	RESIDIA Takashimadaira	Itabashi, Tokyo	02/2007	5.6%
6	C-67	RESIDIA Shimurasakaue	Itabashi, Tokyo	02/2007	5.5%
7	C-68	RESIDIA Shimurasakaue II	Itabashi, Tokyo	03/2007	5.7%
8	C-69	RESIDIA Shimurasakaue III	Itabashi, Tokyo	03/2007	5.6%
9	C-74	RESIDIA Nerima	Nerima, Tokyo	03/2005	5.3%
10	C-77	RESIDIA Ogikubo II	Suginami, Tokyo	03/2007	5.1%
11	S-15	RESIDIA Okurayama	Yokohama, Kanagawa	03/1998	6.4%
12	S-30	RESIDIA Sagamihara	Sagamihara, Kanagawa	05/2004	6.7%
13	R-2	RESIDIA Imadegawa	Kyoto, Kyoto	02/1999	6.0%
14	R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	09/2007	6.4%
15	R-38	RESIDIA Hirosedori	Sendai, Miyagi	02/2010	8.2%
16	R-60	RESIDIA Okayama-Ekimae	Okayama, Okayama	03/2004	6.7%
17	R-61	RESIDIA Kyoto-Okazaki	Kyoto, Kyoto	03/2005	5.7%

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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

Floor Plan	～30㎡	～40㎡	～50㎡	～60㎡	～70㎡	～80㎡	～90㎡	over 90㎡
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

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

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

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Building a High Quality Portfolio

as of August 1, 2018

Acquisitions and Dispositions Since the Merger

	Acquisitions	Dispositions
No. of Properties	121	45
Total Value (Acquisition Price)	174.2 bn yen	72.0 bn yen
Weighted Average NOI Yield	5.8%*1	4.6%*2
Weighted Average Building Age*3	4.9 yrs	13.3 yrs

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	14.8yrs*5	12.2yrs

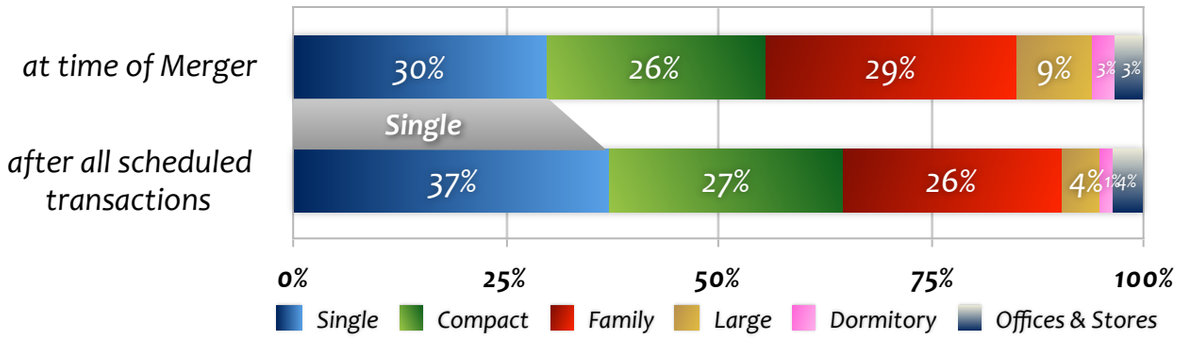
Balanced and Diversified Acquisition Sources

Transactions since the Merger	The Sponsor Group *6	Bridge Funds *7	Third party and Others	Total
No. of Properties	27	42	52	121
Total Acquisition Value (bn yen)	48.9	52.4	72.8	174.2
Share of Sources	28.1%	30.1%	41.8%	100%

Acquisition Focused on Single-type Units

	Single	Compact	Family	Large	Dormitory	Others	Total
Tokyo Central 7 Wards	+850	4	-48	-179	0	-1	+626
Central Tokyo ex 7	+2,154	+716	+435	+11	0	+14	+3,330
Tokyo 23 Wards	+3,004	+720	+387	-168	0	+13	+3,956
Tokyo Metropolitan	+483	+10	-105	0	-748	-4	-364
Major Regional Cities	+1,906	+1,164	+323	+63	0	+2	+3,458
Other Regions	+2,389	+1,174	+218	+63	-748	-2	+3,094
Total	+5,393	+1,894	+605	-105	-748	+11	+7,050

Unit type Investment Ratio *(by leasable area)*



*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 calculated the Book Value NOI Yield. Annualized NOI ÷ FP2018/7 end book value, where the NOI is annualized using the actual days in operation during the FP2018/7
*5 Weighted Average age of buildings held at the time of merger as of August 1, 2018.
*6 The **Sponsor Group** applies to Itochu Corporation, who is the parent company of ADR's asset management company, and its subsidiaries.
*7 Bridge Funds are property funds which are often TK and where ADR has a right of first refusal on the assets under management.

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Measures to Reduce Rent Declines Caused

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

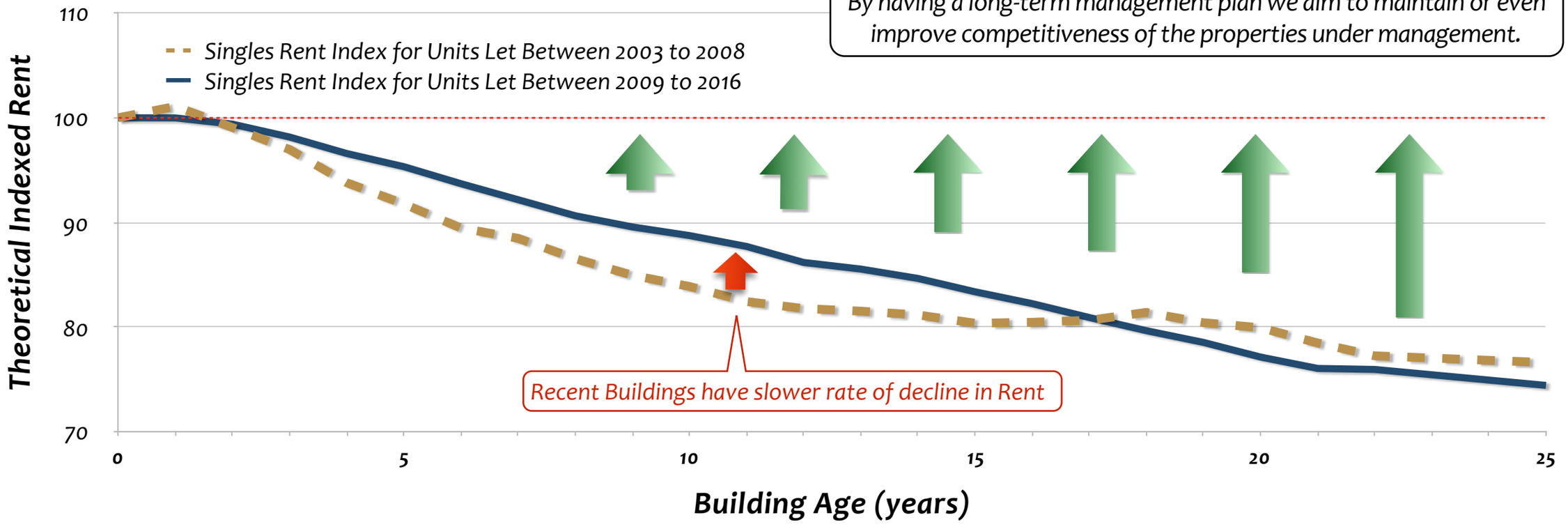
- Daily Cleaning
- Equipment Maintenance
- Daily Repairs

Timely Capital Expenditures

- Large-scale renovations of common areas and exteriors
- Renovations of individual apartment units

Providing living environments that satisfy the tenants' needs

By having a long-term management plan we aim to maintain or even improve competitiveness of the properties under management.



* 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.

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Renovation Examples in ADR's Properties

By taking proper measures competitiveness can be maintained

Examples of Measures Taken

P-73 RESIDIA Shibaura

Building age 27 years

Common area renovation
Cost:123million yen

before

Individual apartment unit upgrading renovations
Cost: 3,857 thousand yen/unit

before

S-19 RESIDIA Kichijoji

Building age 23 years

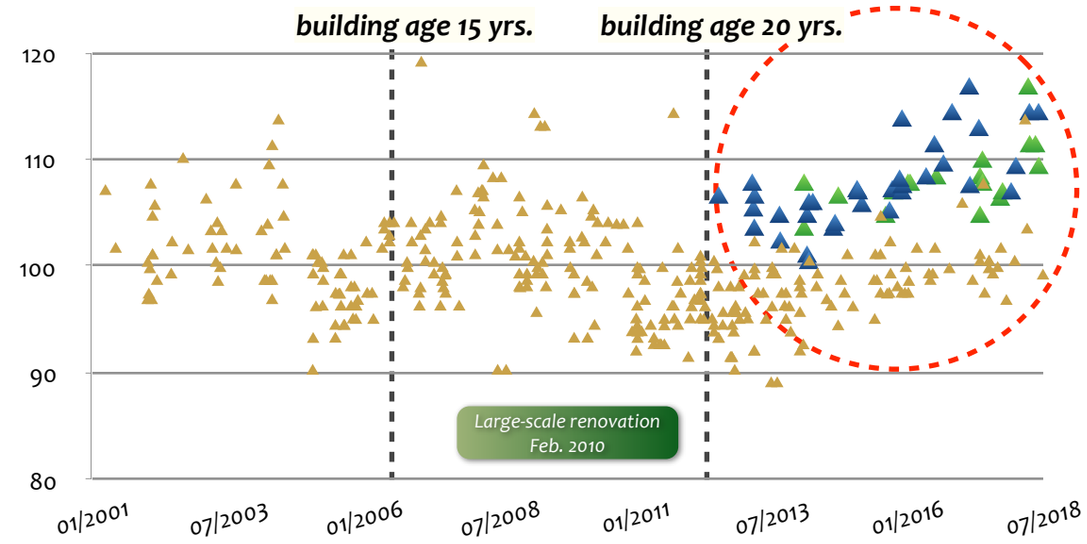
Common area renovation
Cost: 30million yen

before

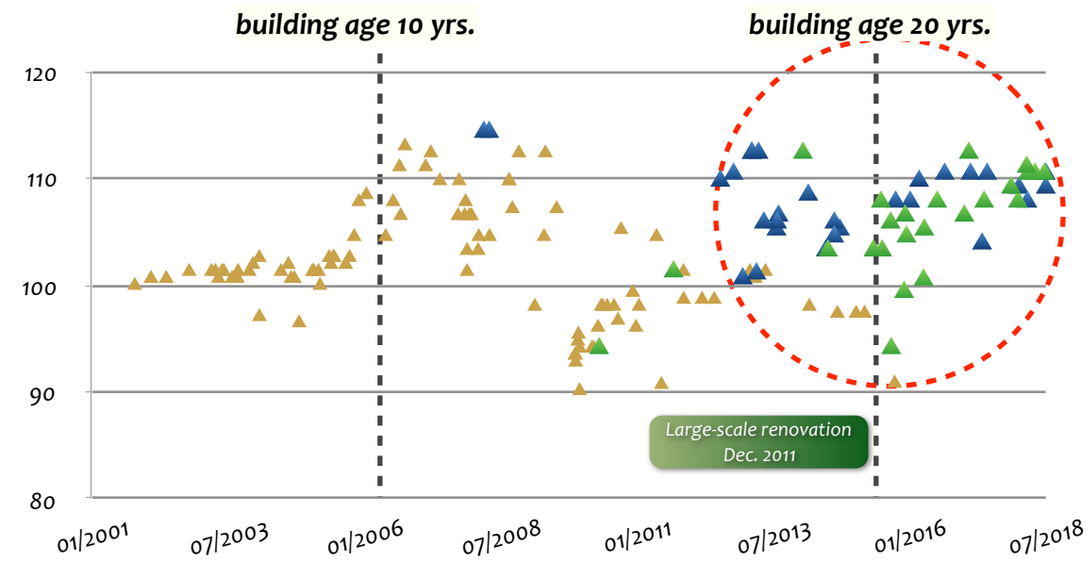
Individual apartment unit upgrading renovations
Cost; 3,593 thousand yen/unit

before

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

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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

Neighborhood Clean-up

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	Asset Management Fee II	Asset Management Fee III
Fee Linked to Total Asset Size	Fee Linked to NOI *1	Fee Linked Adjusted EPU *2
Previous fiscal end asset size x 0.20%	NOI x 3.00%	(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

2) *Contribution to the Community*

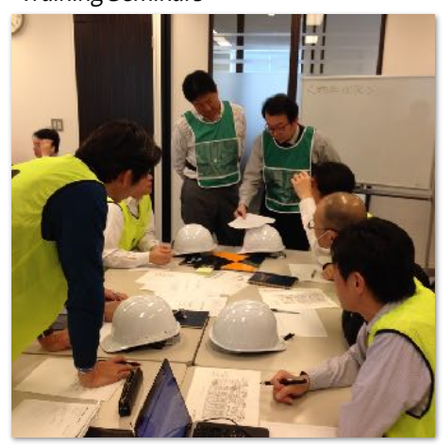
- *Installation of vending machines that enables charitable donations*
- *Installation of AEDs*
- *Holding architectural design competition*
- *Volunteering in neighborhood clean-up*

AED

3) *Human Capital Development and Employee Satisfaction*

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

Training Seminars



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Measures to Ensure Sustainability

Sustainability Measures Taken by the Asset Management Company

Employee Investment Unit Ownership Program

ADIM became the first J-REIT asset management company to start the program

- *Aligns ADIM employees' interest to ADR's unit-holders' interest.*
- *Improves the level of company benefits that ADIM provides to employees.*

Business Continuity Planning

ADIM ensures BCP through following measures

- *Office is situated in a building with back-up generator*
- *The office building has earthquake resistant structure*
- *The building stockpiles three days worth of food and drinking water*
- *Usage of offsite data center*

Jinbocho Mitsui Building which ADIM resides

Volunteering for Disaster Relief

10 people from ADIM including the president, Kenji Kousaka volunteered in the relief of the disaster from the Heavy Rain Event in July 2018. (Areas affected Okayama and Hiroshima)

Holding a Watering Event

Held a watering event in one of ADR's property, RESIDIA Tower Kami-Ikebukuro. Tenants, local residents and ADIM employees attended the event.

Cooling down neighborhood square using used water.

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Recognitions for Sustainability

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

Participated in GRESB Survey

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

GRESB REAL ESTATE

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.

DBJ Green Building Certification

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

P-62 RESIDIA Tower Azabujuban

DBJ Green Building 2017

Other ESG Ratings

***BB** rating from* MSCI

***ADR** became the first residential J-REIT to participate in **Robeco SAM** (2018)*

Received DBJ BCM Rating

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

DBJ BCM格付 2016

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 Japans as of Jan. 31, 2018 and consolidated by AD Investment Management Co., Ltd.*

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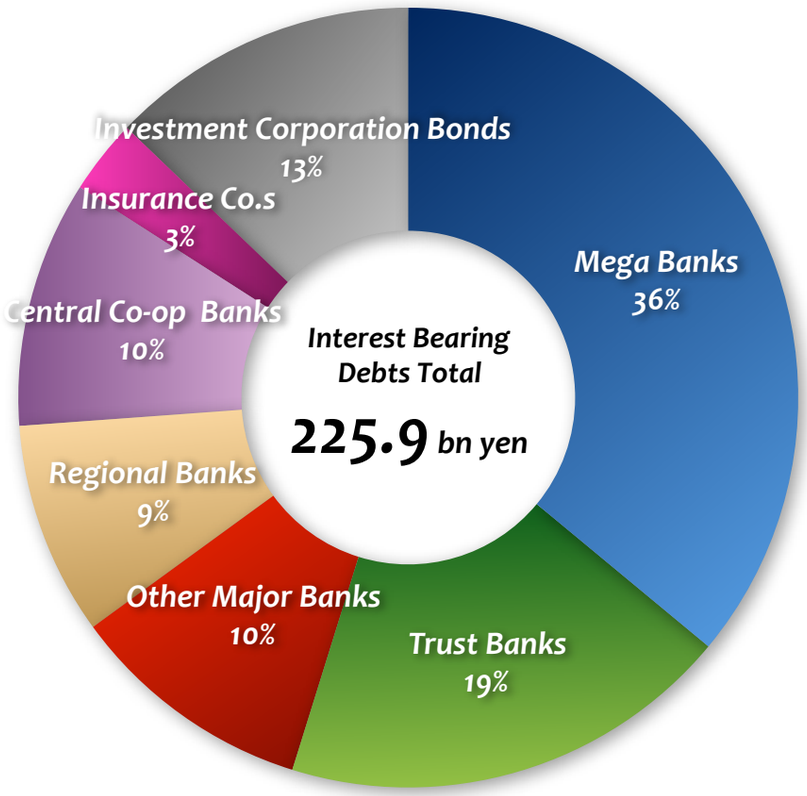
Debt Structure

Stable Financial Base with Multiple Funding Source

Investment Corporation Bonds

	Issue Date	Duration	Amount
Bond #14	09/2011	7.0 yrs	2.0
Bond #18	09/2012	7.0 yrs	4.0
Bond #19	04/2013	10.0 yrs	3.0
Bond #20	11/2013	12.0 yrs	2.0
Bond #21	04/2014	10.0 yrs	2.5
Bond #22	04/2015	10.0 yrs	2.0
Bond #23	10/2015	5.0 yrs	1.5
Bond #24	10/2015	10.0 yrs	1.5
Bond #25	06/2016	15.0 yrs	3.0
Bond #26	02/2017	5.5 yrs	2.0
Bond #27	07/2017	10.0 yrs	3.0
Bond #28 (private placement)	11/2017	10.0 yrs	1.0
Bond #29	04/2018	12.0 yrs	1.5
Total			29.0



Lenders	Loan Outstanding (bn yen)	% share
MUFG Bank	45.6	23.2
Sumitomo Mitsui Trust Bank	31.3	15.9
Mizuho Bank	19.1	9.7
Sumitomo Mitsui Banking Corporation	16.5	8.4
Development Bank of Japan	14.6	7.4
MIzuho Trust & Banking	11.1	5.6
Aozora Bank	10.6	5.4
Resona Bank	8.1	4.2
The Norinchukin Bank	7.0	3.6
The Bank of Fukuoka	6.0	3.0
The Nishi-Nippon City Bank	4.5	2.3
Shinsei Bank	4.2	2.1
The Yamaguchi Bank	3.0	1.5
Taiyo Life Insurance	3.0	1.5
The Iyo Bank	2.0	1.0
Shinkin Central Bank	1.5	0.8
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 77 Bank	1.0	0.5
The Chugoku Bank	1.0	0.5
The Bank of Kyoto	1.0	0.5
JAPAN POST INSURANCE	1.0	0.5
Kiraboshi Bank	0.5	0.3
Total	196.9	100

Credit Ratings

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

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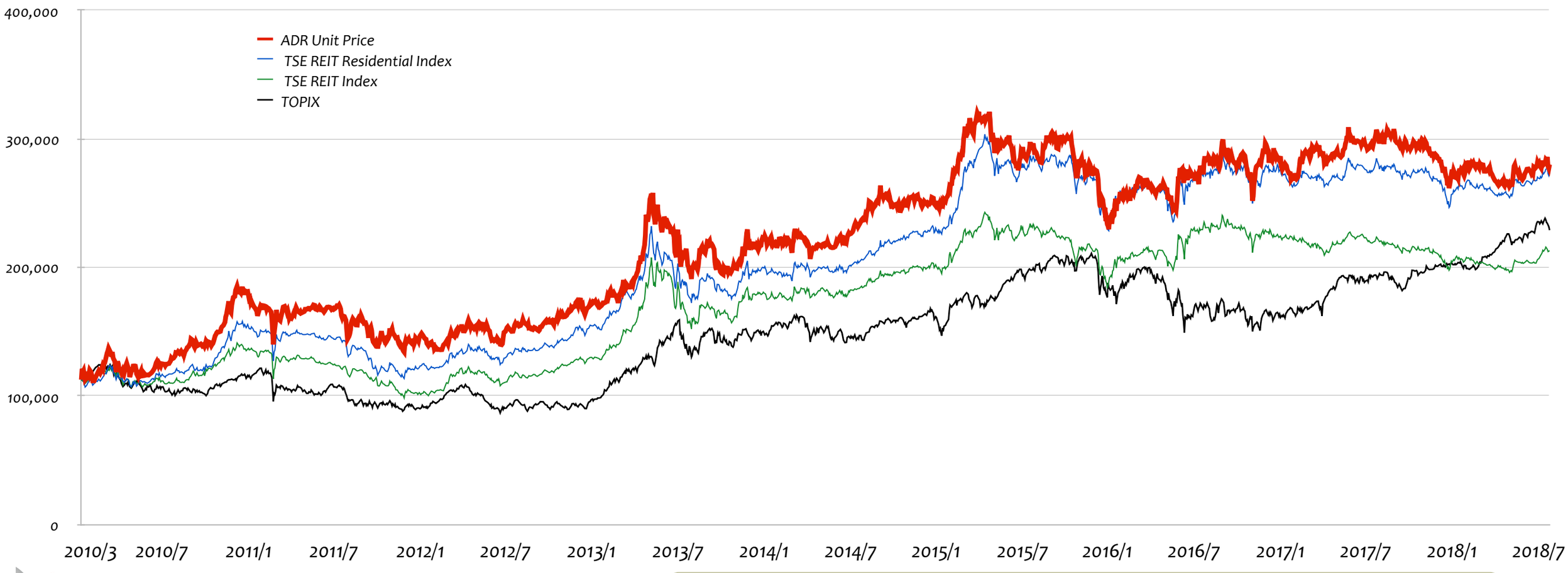
Unit Price Chart

Key Figures	FP 01-2011	FP 07-2011	FP 01-2012	FP 07-2012	FP 01-2013	FP 07-2013	FP 01-2014	FP 07-2014	FP 01-2015	FP 07-2015	FP 01-2016	FP 07-2016	FP 01-2017	FP 07-2017	FP 01-2018	FP 07-2018
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	402.1 bn yen @297,900	363.6 bn yen @269,400	378.0 bn yen @280,000	392.7 bn yen @290,900
Daily Average Trading volume	0.44 bn yen 3,247 units	0.31 bn yen 1,917 units	0.27 bn yen 1,907 units	0.46 bn yen 3,160 units	0.54 bn yen 3,208 units	1.29 bn yen 6,055 units	0.68 bn yen 3,174 units	0.62 bn yen 2,684 units	0.81 bn yen 2,922 units	0.92 bn yen 3,181 units	0.85 bn yen 3,344 units	1.26 bn yen 4,512 units	1.25 bn yen 4,389 units	0.93 bn yen 3,225 units	0.77 bn yen 2,827 units	0.86 bn yen 3,116 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%	49.4%	49.9%
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	239,503	248,686
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	158,103	157,852
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%	4.2%	4.2%

*NAV and BPS are ex-dividend figures



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

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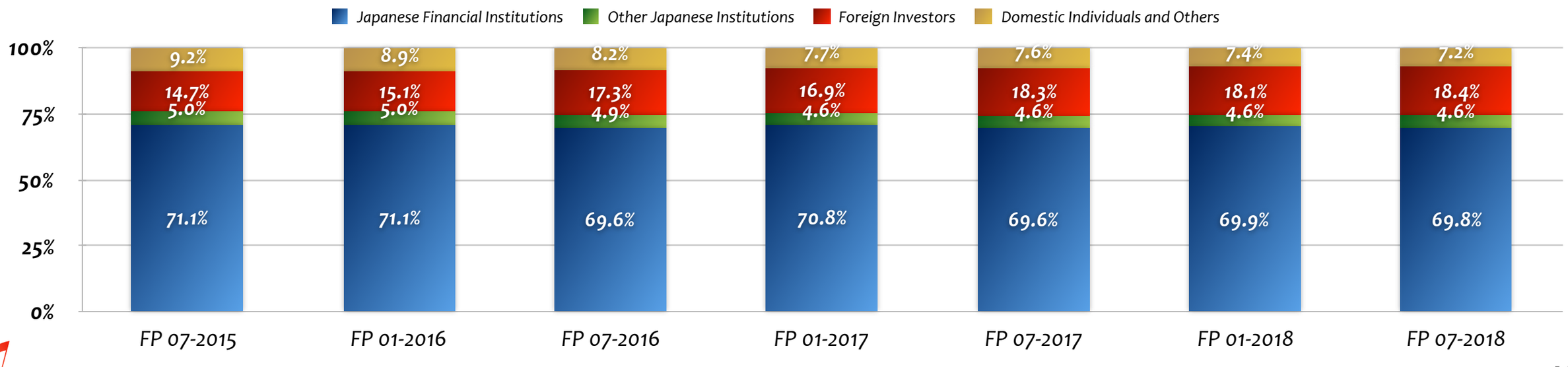
Major Unitholders

Around 150 regional financial institutions such as the regional banks hold ADR's Units

	Number of Unitholders		Number of Units		
	Unit-holders	diff	Units	diff	(%)
Japanese Financial Institutions	**198**	**+2**	**942,857**	**-1,057**	**69.8%**
Trust Banks	13	-1	661,077	-5,848	49.0%
(investment trust account)	23	-1	465,280	-4,449	34.5%
Regional Banks	50	-2	133,940	-5,962	9.9%
Life Insurance	10	+1	37,556	-5	2.8%
Securities Companies	19	0	53,208	+2,568	3.9%
Casualty Insurance	6	-	6,123	-5,105	0.5%
Credit Unions & Co-ops	49	+3	31,765	+13,659	2.4%
Shinkin Banks	51	+1	19,188	-364	1.4%
City Banks	0	-	0	-	0.0%
Other Japanese Corporations	**241**	**-8**	**61,633**	**-137**	**4.6%**
Foreign Corporations and Individuals	**257**	**-2**	**247,955**	**+3,184**	**18.4%**
Domestic Individuals and Others	**14,883**	**-483**	**97,555**	**-1,990**	**7.2%**
Total	**15,579**	**-491**	**1,350,000**	**-**	**100.0%**

Top 10 Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	317,929	23.6%
The Master Trust Bank of Japan ,Ltd. (Tr. Acc.)	199,390	14.8%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	56,262	4.2%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	42,089	3.1%
ITOCHU Corporation	34,800	2.6%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	22,974	1.7%
Mizuho Securities Co., Ltd.	20,708	1.5%
State Street Bank - West Client - Treaty 505234	15,944	1.2%
Trust & Custody Services Bank, Ltd. (Cash in Tr. Taxable Acc.)	14,149	1.0%
JP Morgan Chase Bank 385771	13,277	1.0%
Total	**737,522**	**54.6%**



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Balance Sheet

in thousand yen

Fiscal Period Ending July 31, 2018	
Assets	
Current assets	
Cash and deposits	13,741,901
Cash and deposits in trust	9,605,383
Operating accounts receivables	209,929
Prepaid expenses	483,704
Other	10,412
Allowance for doubtful accounts	△ 7,225
Current assets	24,044,107
Fixed assets	
Property, plant and equipment	
Buildings	62,983,176
Structures	16,263
Machinery and equipment	62,502
Tools, furniture and fixtures	148,021
Land	74,403,244
Construction in progress	44,670
Buildings in trust	128,841,311
Structures in trust	90,510
Machinery and equipment in trust	76,325
Tools, furniture and fixtures in trust	313,615
Land in trust	157,302,505
Construction in progress	6,503
Property, plant and equipment	424,288,650
Intangible assets	
Leasehold right in trust	1,974,953
Other	34
Intangible assets	1,974,988
Investments and other assets	
Long-term prepaid expenses	826,885
Guarantee deposits	550,532
Guarantee deposits in trust	1,038,903
Other	1,680
Investments and other assets	2,418,000
Fixed assets	428,681,640
Deferred assets	
Investment unit issuance expenses	3,008
Investment corporation bond issuance costs	117,266
Deferred assets	120,274
Total Assets	452,846,022

Fiscal Period Ending July 31, 2018	
Liabilities	
Current liabilities	
Operating accounts payable	337,326
Current portion of short-term loans payable	1,000,000
Current portion of investment corporation bond	2,000,000
Current portion of long-term loans payable	21,460,000
Accounts payable-other	1,386,590
Accrued expenses	87,859
Accrued consumption taxes	47,401
Advances received	66,474
Other	18,981
Current liabilities	26,404,633
Long-term liabilities	
Investment corporation bond	27,000,000
Long-term loans payable	174,458,000
Tenant leasehold and security deposits	1,227,275
Tenant leasehold and security deposits in trust	3,228,688
	3,423
Long-term liabilities	205,917,387
Liabilities	232,322,020
Net assets	
Unitholders' equity	
Unitholders' capital, gross	127,690,098
Surplus	
Capital surplus	53,220,279
Reserve for dividend	32,529,450
Unappropriated retained earnings (undisposed loss)	7,087,597
Surplus	92,837,327
Unitholders' equity	220,527,425
	△ 3,423
Net assets	220,524,002
Liabilities and net assets	452,846,022

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Profit and Loss Statement

in thousand yen

Fiscal Period Ending July 31, 2018 (from February 1, 2018 to July 31, 2018)	
Operating revenue	
Rent revenue-real estate	16,167,076
Gain on sales of real estate properties	135,079
Operating revenue	16,302,155
Operating expenses	
Expenses related to rent business	6,345,214
Asset management fee	1,181,791
Asset custody fee	9,762
Administrative service fees	58,712
Directors' compensations	3,600
Taxes and dues	258,130
Provision of allowance for doubtful accounts	170
Other operating expenses	172,681
Operating expenses	8,030,063
Operating income	8,272,092
Non-operating income	
Interest income	6,537
Claim compensation income	18,000
Reversal of distributions payable	1,463
Other	2,172
Non-operating income	28,173
Non-operating expenses	
Interest expenses	854,191
Interest expenses on investment corporation bonds	131,529
Amortization of investment unit issuance expenses	1,388
Amortization of corporation bonds issuance expenses	10,748
Borrowing related expenses	210,950
Other	3,254
Non-operating expenses	1,212,063
Ordinary income	7,088,202
Income before income taxes	7,088,202
Income taxes-current	605
Income taxes	605
Net income	7,087,597
Retained earnings brought forward	-
Unappropriated retained earnings (undisposed loss)	7,087,597

Fiscal Period Ending July 31, 2018 (from February 1, 2018 to July 31, 2018)	
A. Revenue from Property Leasing	
Rental	
Rent income	14,276,600
Facility charge	787,227
Parking fee	431,954
Subtotal	15,495,782
Other revenues related to property leasing	
Income from leasing rights, etc.	88,971
Miscellaneous income	582,321
Subtotal	671,293
Total revenues from property leasing	16,167,076
B. Rental Expenses	
Taxes and Duties	865,044
Property management fees	1,146,442
Utilities	255,223
Repairs and maintenance	567,255
Insurance	25,369
Trust fee	70,873
Other rental expenses	732,701
Depreciation and amortization	2,682,304
Total rental expenses	6,345,214
C. Operating Income from Property Leasing Activities (A-B)	9,821,861

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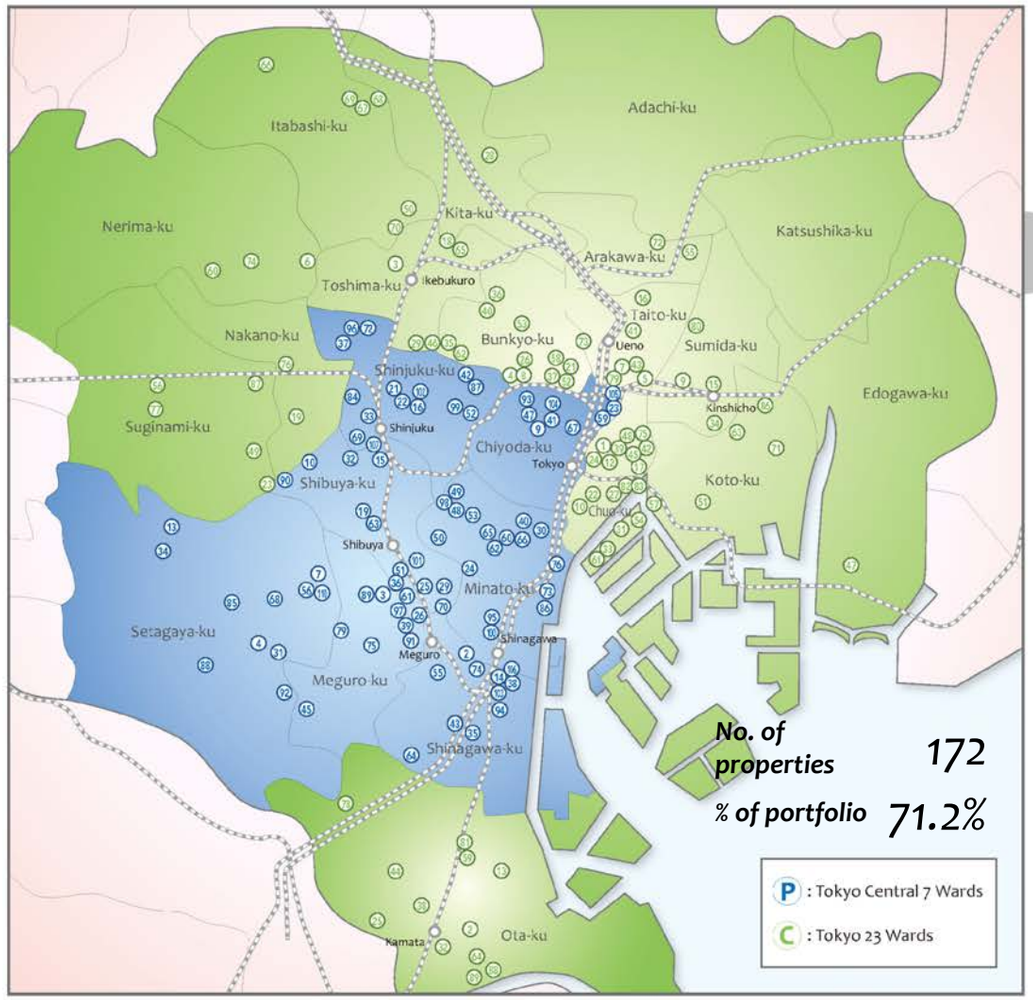
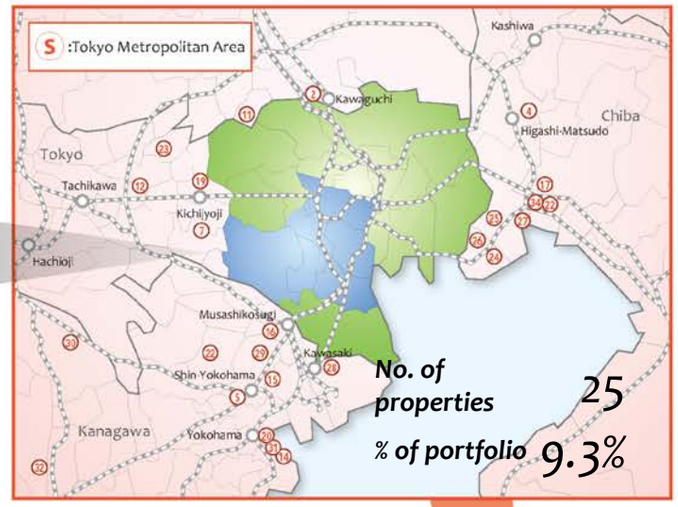
Portfolio Map

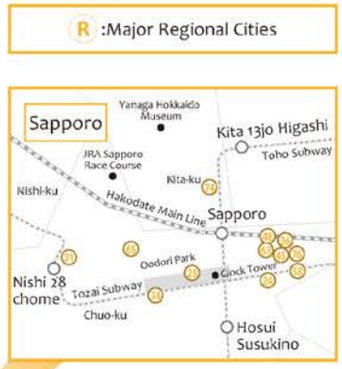
Percentages of portfolio are calculated based on acquisition price of properties.

as of August 1, 2018

No. of Properties 264



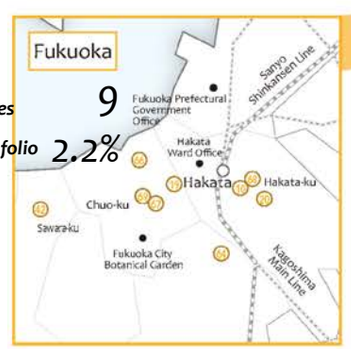




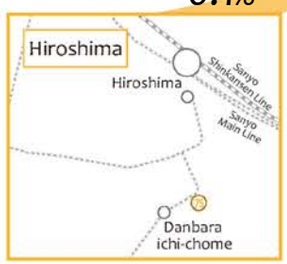
No. of properties 12
% of portfolio 2.8%

No. of properties 1
% of portfolio 0.4%

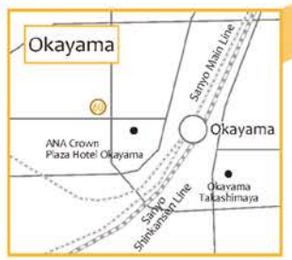
No. of properties 8
% of portfolio 1.8%



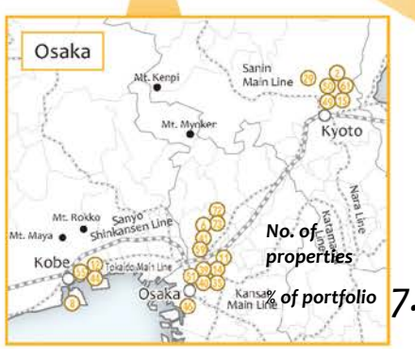
No. of properties 9
% of portfolio 2.2%



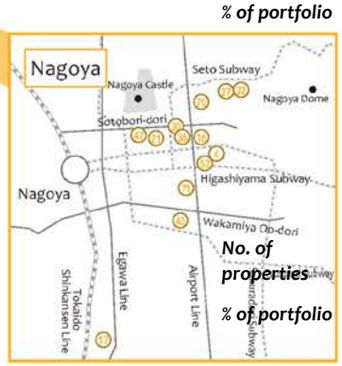
No. of properties 1
% of portfolio 0.1%



No. of properties 1
% of portfolio 0.2%



No. of properties 22
% of portfolio 7.9%



No. of properties 13
% of portfolio 4.1%

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Portfolio

(as of July 31, 2018)

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%	3,310	2,344	41.2%	4.3%	97.3%
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2 - 2005	88	1,730	0.4%	2,140	1,400	52.8%	2.6%	100.0%
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	3 - 2002	28	1,229	0.3%	1,300	1,165	11.5%	7.3%	100.0%
P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	8 - 2005	42	1,230	0.3%	1,460	1,151	26.8%	3.1%	100.0%
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	3 - 2004	86	2,270	0.5%	2,670	2,015	32.4%	2.9%	98.8%
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2 - 2006	35	1,130	0.3%	1,240	1,060	16.9%	7.3%	94.7%
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	7 - 2006	39	1,120	0.3%	1,300	1,056	23.1%	7.0%	100.0%
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2 - 2007	120	2,720	0.6%	3,060	2,522	21.3%	4.3%	100.0%
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	3 - 2007	22	732	0.2%	731	704	3.8%	4.4%	90.8%
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2 - 2009	39	750	0.2%	919	716	28.3%	4.3%	100.0%
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	8 - 2001	30	588	0.1%	742	560	32.3%	8.2%	100.0%
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2 - 2004	54	1,380	0.3%	1,710	1,297	31.8%	4.8%	98.8%
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	8 - 2000	48	941	0.2%	1,180	922	27.9%	5.3%	98.0%
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2 - 2004	65	1,520	0.3%	2,100	1,391	50.9%	4.1%	100.0%
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2 - 2001	37	874	0.2%	1,080	885	21.9%	3.1%	95.0%
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	1 - 2001	26	554	0.1%	710	572	24.1%	3.0%	92.3%
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	10 - 1999	20	722	0.2%	745	738	0.9%	6.2%	96.6%
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	11 - 2005	76	1,660	0.4%	2,180	1,515	43.8%	2.9%	91.7%
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2 - 2005	67	1,950	0.4%	2,290	1,790	27.9%	5.3%	98.6%
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	10 - 2004	18	333	0.1%	398	307	29.3%	8.5%	81.5%
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2 - 2005	16	326	0.1%	408	307	32.6%	11.0%	92.7%
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2 - 2005	19	363	0.1%	448	343	30.4%	9.9%	77.0%
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2 - 2005	15	286	0.1%	348	264	31.5%	10.6%	93.9%
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	12 - 2005	48	947	0.2%	1,140	863	32.0%	4.3%	95.8%
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	1 - 2006	61	2,280	0.5%	2,880	2,213	30.1%	3.4%	98.7%
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	9 - 2006	70	1,180	0.3%	1,470	1,089	34.9%	4.8%	97.6%
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	8 - 2006	122	2,040	0.5%	2,430	1,908	27.3%	4.0%	96.7%
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1 - 2006	34	1,190	0.3%	1,370	1,139	20.2%	6.5%	93.7%
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	9 - 2006	63	1,320	0.3%	1,650	1,236	33.5%	3.3%	100.0%
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	3 - 2006	52	1,160	0.3%	1,530	1,095	39.7%	2.8%	95.3%
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	8 - 2006	52	918	0.2%	1,090	863	26.3%	2.1%	94.6%
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	7 - 2007	40	1,050	0.2%	1,300	986	31.7%	4.8%	92.7%
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	3 - 2002	28	1,050	0.2%	1,280	1,023	25.1%	7.3%	94.0%
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	12 - 2004	65	2,310	0.5%	2,810	2,137	31.4%	2.3%	96.1%
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	8 - 2004	68	3,660	0.8%	4,070	3,451	17.9%	3.5%	93.9%
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	5 - 2004	37	1,180	0.3%	1,470	1,097	34.0%	8.3%	96.9%
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	7 - 2004	125	6,780	1.5%	8,060	6,544	23.1%	2.8%	95.3%
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	7 - 2004	42	2,150	0.5%	2,250	1,973	14.0%	4.0%	92.8%
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	8 - 2004	85	2,500	0.6%	3,090	2,321	33.1%	3.6%	94.9%
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	9 - 1999	89	3,570	0.8%	4,680	3,611	29.6%	6.8%	91.4%
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	1 - 2007	358	16,500	3.7%	18,700	14,899	25.5%	1.8%	100.0%
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	1 - 2005	78	2,760	0.6%	3,540	2,513	40.9%	2.7%	97.4%
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	10 - 2003	64	1,620	0.4%	2,130	1,545	37.8%	3.4%	94.5%
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	4 - 2006	31	1,430	0.3%	1,500	1,359	10.4%	3.2%	100.0%
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	3 - 2007	39	2,020	0.5%	2,200	1,933	13.8%	7.1%	88.9%
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	1 - 2003	113	6,190	1.4%	6,940	6,134	13.1%	0.7%	94.2%
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	6 - 2006	40	1,250	0.3%	1,550	1,201	29.0%	3.5%	100.0%
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	11 - 2005	65	1,880	0.4%	2,350	1,754	34.0%	3.4%	95.6%
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2 - 2006	47	1,610	0.4%	1,850	1,541	20.0%	4.6%	95.1%
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	8 - 2006	48	1,740	0.4%	1,950	1,671	16.6%	3.3%	97.9%
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	6 - 2006	43	1,140	0.3%	1,470	1,084	35.6%	4.9%	96.4%
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	3 - 2006	34	1,280	0.3%	1,500	1,214	23.5%	4.4%	96.9%
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	5 - 2007	74	1,830	0.4%	2,210	1,704	29.6%	10.9%	95.6%
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	8 - 2007	26	923	0.2%	1,030	869	18.4%	2.8%	90.5%
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	12 - 2002	19	974	0.2%	1,160	974	19.1%	4.9%	78.9%
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	9 - 1991	153	4,670	1.0%	5,860	4,391	33.4%	2.8%	96.0%
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	1 - 2007	16	930	0.2%	984	876	12.2%	7.9%	88.2%
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	8 - 2006	118	5,260	1.2%	6,140	5,035	21.9%	7.8%	95.7%
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	5 - 2005	191	9,570	2.1%	11,400	8,887	28.3%	3.6%	98.7%
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1 - 1993	16	878	0.2%	1,050	848	23.8%	7.7%	92.2%
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	2 - 1997	26	1,460	0.3%	1,660	1,366	21.4%	8.8%	96.2%
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	10 - 2008	59	870	0.2%	1,220	823	48.1%	10.0%	100.0%
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	1 - 2010	72	2,400	0.5%	3,100	2,317	33.8%	4.4%	92.6%
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	8 - 2008	98	2,070	0.5%	2,590	1,981	30.7%	3.0%	97.3%
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	6 - 2008	66	1,523	0.3%	1,880	1,540	22.0%	10.3%	100.0%
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3 - 2007	70	3,300	0.7%	4,550	3,317	37.2%	2.4%	96.8%
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	1 - 2011	167	3,760	0.8%	4,700	3,690	27.3%	4.2%	98.0%
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	1 - 2010	31	950	0.2%	1,350	954	41.5%	2.6%	100.0%
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	10 - 2007	17	778	0.2%	982	779	26.0%	5.4%	100.0%
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	1 - 2012	48	1,240	0.3%	1,710	1,227	39.3%	2.6%	93.9%
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	3 - 2012	90	1,620	0.4%	2,180	1,599	36.3%	2.2%	96.1%
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	3 - 2012	53	1,480	0.3%	2,010	1,467	37.0%	6.7%	93.1%
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	3 - 2008	187	3,656	0.8%	4,340	3,773	15.0%	A 2.9% B 2.9% C 3.0%	97.1%
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	8 - 2006	50	1,119	0.2%	1,450	1,116	29.9%	2.7%	98.0%
P-98	ARTIS COURT Minamiaoyama	Minato-ku, Tokyo	7 - 2008	23	1,720	0.4%	1,990	1,729	15.0%	3.9%	95.5%
P-99	RESIDIA Yotsuya-Sanchome	Shinjuku-ku, Tokyo	5 - 2009	90	2,090	0.5%	2,770	2,081	33.1%	3.8%	95.6%
P-100	RESIDIA Takanawa-Katsurazaka	Minato-ku, Tokyo	3 - 2006	45	900	0.2%	1,110	943	17.6%	5.4%	95.8%
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	3 - 2006	26	611	0.1%	765	649	17.8%	3.3%	100.0%
P-102	RESIDIA Shinjukugyoen	Shinjuku-ku, Tokyo	10 - 2006	38	687	0.2%	939	722	29.9%	5.2%	100.0%
P-103	RESIDIA Minami-Shinagawa	Shinagawa-ku, Tokyo	10 - 2013	50	1,177	0.3%	1,450	1,199	20.9%	8.7%	95.2%
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	3 - 2007	118	3,117	0.7%	3,800	3,170	19.9%	2.4%	98.5%
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	4 - 2007	48	1,280	0.3%	1,630	1,299	25.4%	2.8%	100.0%
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	6 - 2007	36	980	0.2%	1,270	996	27.4%	4.0%	93.0%
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	1 - 2008	31	839	0.2%	962	896	7.3%	8.4%	94.3%
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	4 - 2014	44	917	0.2%	1,040	940	10.6%	3.9%	100.0%
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	3 - 2015	28	821	0.2%	971	843	15.1%	4.1%	91.9%
P-110	RESIDIA Mishuku	Shinagawa-ku, Tokyo	4 - 2015	42	1,159	0.3%	1,310	1,189	10.1%	4.1%	95.8%
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2 - 2005	105	1,920	0.4%	2,610	1,551	68.2%	3.3%	99.2%
C-2	RESIDIA Kamata	Ota-ku, Tokyo	3 - 2005	166	2,640	0.6%	3,580	2,083	71.9%	4.7%	97.5%
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	3 - 2005	60	1,520	0.3%	1,800	1,385	29.9%	7.1%	95.2%
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	7 - 2005	65	1,680	0.4%	2,290	1,548	47.9%	4.6%	98.6%
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	8 - 2005	47	1,060	0.2%	1,470	926	58.6%	2.9%	97.8%
C-6	Maison Eclairee Ekoda	Nerima-ku, Tokyo	3 - 1993	94	953	0.2%	1,120	904	23.9%	9.2%	95.8%
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2 - 2006	127	3,160	0.7%	3,740	2,835	31.9%	2.1%	97.5%
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1 - 2006	70	1,623	0.4%	1,990	1,528	30.2%	3.6%	93.4%

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Portfolio

(as of July 31, 2018)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2 - 2006	48	913	0.2%	1,240	842	47.1%	9.1%	98.5%
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	9 - 2006	169	5,251	1.2%	5,740	5,014	14.5%	4.3%	92.6%
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	1 - 2007	137	3,180	0.7%	3,880	2,940	32.0%	4.6%	100.0%
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	8 - 2007	81	1,980	0.4%	2,070	1,822	13.6%	3.8%	98.9%
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	11 - 2007	157	4,200	0.9%	4,560	3,986	14.4%	7.2%	98.1%
C-16	RESIDIA Negishi	Taito-ku, Tokyo	12 - 2005	28	856	0.2%	961	807	19.0%	7.7%	100.0%
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2 - 2003	83	1,880	0.4%	2,430	1,803	34.7%	5.3%	93.7%
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	12 - 2001	44	558	0.1%	710	537	32.2%	6.4%	97.9%
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	6 - 2002	24	352	0.1%	511	350	46.0%	3.8%	100.0%
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	3 - 2004	63	1,010	0.2%	1,220	916	33.1%	5.3%	93.2%
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	12 - 2005	54	1,460	0.3%	1,910	1,314	45.3%	3.4%	96.1%
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	3 - 2000	96	1,800	0.4%	2,190	1,791	22.2%	6.9%	93.4%
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1 - 2005	52	1,220	0.3%	1,520	1,112	36.7%	3.4%	100.0%
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	9 - 2004	98	1,300	0.3%	1,690	1,166	44.9%	5.9%	100.0%
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	10 - 2004	31	603	0.1%	788	544	44.8%	3.5%	90.5%
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	9 - 2004	94	2,000	0.4%	2,590	1,823	42.1%	4.0%	95.5%
C-28	RESIDIA Oji	Kita-ku, Tokyo	2 - 2005	61	867	0.2%	1,060	785	34.9%	3.2%	100.0%
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	7 - 2005	63	1,050	0.2%	1,260	971	29.7%	2.3%	93.0%
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2 - 2006	40	1,100	0.2%	1,300	1,011	28.6%	6.8%	97.7%
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	9 - 2006	78	1,360	0.3%	1,680	1,267	32.6%	4.0%	97.4%
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	9 - 2006	105	2,440	0.5%	3,010	2,284	31.7%	3.8%	96.2%
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	1 - 2008	99	2,380	0.5%	2,700	2,226	21.3%	4.7%	98.6%
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	8 - 2003	104	3,380	0.8%	4,070	3,114	30.7%	4.7%	99.0%
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2 - 2003	33	707	0.2%	911	665	37.0%	5.0%	97.2%
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2 - 2003	39	1,050	0.2%	1,370	997	37.4%	6.9%	94.1%
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	7 - 2003	19	378	0.1%	417	342	21.7%	8.5%	100.0%
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	3 - 2004	25	557	0.1%	774	497	55.7%	5.6%	91.5%
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	4 - 2005	45	1,440	0.3%	1,720	1,341	28.2%	4.1%	92.5%
C-41	RESIDIA Iriya	Taito-ku, Tokyo	12 - 2004	49	990	0.2%	1,160	870	33.2%	5.4%	97.7%
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	8 - 2006	45	1,310	0.3%	1,580	1,244	27.0%	4.5%	97.9%
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	3 - 2007	69	1,860	0.4%	2,110	1,750	20.5%	3.0%	100.0%
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	9 - 2006	60	1,290	0.3%	1,430	1,200	19.1%	5.0%	88.6%
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2 - 2003	36	1,320	0.3%	1,620	1,257	28.9%	3.9%	90.5%
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1 - 1999	162	6,280	1.4%	8,080	6,078	32.9%	2.6%	98.5%
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	1 - 2000	29	683	0.2%	834	658	26.7%	7.0%	96.7%
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2 - 2007	132	5,500	1.2%	7,090	5,072	39.8%	2.4%	97.0%
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	2 - 2009	194	3,834	0.9%	5,440	3,597	51.2%	4.3%	96.0%
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	8 - 2009	67	888	0.2%	1,250	843	48.1%	8.6%	100.0%
C-51	RESIDIA Kiba	Koto-ku, Tokyo	3 - 2008	155	1,950	0.4%	2,990	1,878	59.2%	7.2%	96.8%
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	12 - 2008	52	1,129	0.3%	1,560	1,085	43.7%	4.4%	100.0%
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	3 - 2008	98	2,340	0.5%	3,050	2,269	34.4%	3.5%	99.3%
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2 - 2008	119	2,570	0.6%	3,680	2,455	49.9%	4.0%	96.1%
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	3 - 2007	175	2,580	0.6%	3,560	2,394	48.6%	5.3%	95.3%
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	3 - 2003	101	1,710	0.4%	2,320	1,800	28.9%	4.5%	98.7%
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2 - 2005	68	970	0.2%	1,350	960	40.5%	7.6%	95.6%
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	9 - 2005	80	2,090	0.5%	2,920	2,027	44.0%	4.2%	96.4%
C-59	RESIDIA Omori	Ota-ku, Tokyo	3 - 2006	75	1,150	0.3%	1,500	1,117	34.2%	1.8%	100.0%
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2 - 2008	66	1,075	0.2%	1,370	1,032	32.6%	4.5%	94.6%
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2 - 2008	55	1,805	0.4%	2,470	1,746	41.5%	4.9%	98.3%
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2 - 2008	89	2,268	0.5%	3,050	2,270	34.3%	4.0%	93.5%
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2 - 2005	51	651	0.1%	850	646	31.5%	9.6%	100.0%
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	3 - 2007	53	948	0.2%	1,250	929	34.5%	3.5%	94.2%
C-65	RESIDIA Tower Kami-Ikebukuro	Toshima-ku, Tokyo	3 - 2009	472	8,250	1.8%	11,600	7,840	47.9%	Twr 2.9% Prk 5.4% Anx 5.7%	97.7%
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2 - 2007	45	502	0.1%	614	521	17.7%	4.8%	100.0%
C-67	RESIDIA Shimurasakaue	Itabashi-ku, Tokyo	2 - 2007	44	580	0.1%	706	605	16.6%	3.4%	100.0%
C-68	RESIDIA Shimurasakaue II	Itabashi-ku, Tokyo	3 - 2007	94	1,093	0.2%	1,370	1,126	21.6%	5.6%	100.0%
C-69	RESIDIA Shimurasakaue III	Itabashi-ku, Tokyo	3 - 2007	36	411	0.1%	500	430	16.1%	5.4%	100.0%
C-70	RESIDIA Ikebukuro West	Itabshi-ku, Tokyo	10 - 2007	72	1,115	0.2%	1,360	1,111	22.4%	3.0%	97.6%
C-71	RESIDIA Ojima	Koto-ku, Tokyo	11 - 2007	87	1,282	0.3%	1,590	1,273	24.8%	6.1%	97.8%
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	8 - 2009	55	1,168	0.3%	1,380	1,182	16.7%	3.2%	96.0%
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	2 - 2004	71	1,700	0.4%	2,070	1,774	16.6%	3.8%	97.5%
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	3 - 2005	34	502	0.1%	658	513	28.0%	3.9%	100.0%
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	4 - 2006	22	378	0.1%	491	397	23.4%	5.8%	96.3%
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	11 - 2006	30	652	0.1%	822	689	19.2%	4.1%	90.1%
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	3 - 2007	36	460	0.1%	563	488	15.2%	5.1%	100.0%
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	3 - 2008	58	1,299	0.3%	1,550	1,353	14.5%	4.4%	95.3%
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	4 - 2007	40	977	0.2%	1,220	993	22.8%	5.1%	97.5%
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	9 - 2007	60	876	0.2%	1,150	890	29.2%	3.5%	95.0%
C-81	RESIDIA Oomori III	Ota-ku, Tokyo	12 - 2012	65	1,395	0.3%	1,680	1,417	18.5%	3.1%	98.7%
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	4 - 2014	77	1,975	0.4%	2,480	2,012	23.2%	3.8%	100.0%
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	3 - 2008	55	1,833	0.4%	2,310	1,862	24.1%	3.7%	90.7%
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	7 - 2014	48	1,655	0.4%	1,920	1,692	13.4%	4.7%	100.0%
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	3 - 2015	100	4,650	1.0%	5,440	4,764	14.2%	1.9%	96.9%
C-86	RESIDIA Kameido	Chiyoda-ku, Tokyo	10 - 2013	129	2,988	0.7%	3,360	3,076	9.2%	5.9%	97.0%
C-87	RESIDIA Koenji	Bunkyo-ku, Tokyo	3 - 2015	58	1,380	0.3%	1,570	1,423	10.3%	3.9%	98.2%
C-88	RESIDIA Kamata IV	Ota-ku, Tokyo	1 - 2013	110	2,283	0.5%	2,500	2,367	5.6%	6.4%	96.6%
C-89	RESIDIA Kamata V	Ota-ku, Tokyo	2 - 2014	149	3,268	0.7%	3,550	3,388	4.8%	4.7%	97.6%
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	3 - 1991	39	770	0.2%	746	698	6.9%	5.5%	97.4%
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	4 - 2007	44	1,100	0.2%	1,200	1,011	18.6%	4.6%	95.4%
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	1 - 2007	131	1,920	0.4%	2,030	1,755	15.6%	5.6%	100.0%
S-7	RESIDIA Chofu	Chofu, Tokyo	3 - 2007	41	1,143	0.3%	1,180	1,063	11.0%	5.0%	97.5%
S-11	TOKYO Student-House Wako	Wako, Saitama	4 - 1990	127	675	0.2%	717	664	7.9%	10.2%	100.0%
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2 - 2003	33	518	0.1%	656	497	31.9%	2.9%	100.0%
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	8 - 2004	102	1,700	0.4%	1,890	1,507	25.4%	8.4%	99.1%
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	3 - 1998	64	755	0.2%	932	706	32.0%	5.3%	100.0%
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2 - 2007	68	1,580	0.4%	1,940	1,480	31.0%	7.2%	91.8%
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	3 - 2007	172	2,730	0.6%	3,220	2,520	27.7%	(I)3.6% (II)3.4%	100.0%
S-19	RESIDIA Kichijoji	Musashino, Tokyo	3 - 1995	48	1,380	0.3%	1,750	1,428	22.5%	9.1%	98.0%
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	11 - 2007	416	14,000	3.1%	15,500	11,547	34.2%	4.5%	100.0%
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	10 - 2003	78	1,670	0.4%	2,200	1,574	39.7%	6.4%	100.0%
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2 - 2010	91	810	0.2%	1,130	758	48.9%	7.7%	100.0%
S-24	RESIDIA Urayasu	Urayasu, Chiba	9 - 2009	146	2,115	0.5%	2,950	2,057	43.4%	6.7%	97.2%
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2 - 2005	85	823	0.2%	1,070	812	31.6%	6.6%	94.1%
S-26	RESIDIA Urayasu II	Urayasu, Chiba	2 - 2005	74	802	0.2%	1,040	792	31.2%	7.5%	98.6%
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2 - 2005	75	761	0.2%	972	750	29.5%	6.1%	100.0%
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	3 - 2007	104	1,670	0.4%	2,210	1,608	37.4%	4.7%	95.7%
S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	1 - 2010	85	1,050	0.2%	1,170	991	18.1%	7.5%	100.0%
S-30	RESIDIA Sagamihara	Sagamihara, Kanagawa	5 - 2004	111	1,050	0.2%	1,300	1,053	23.4%	6.8%	100.0%

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Portfolio

(as of July 31, 2018)

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
S-31	RESIDIA Yokohama-Bashamichi	Yokohama, Kanagawa	9 - 2005	28	735	0.2%	1,160	776	49.3%	11.5%	100.0%
S-32	RESIDIA Hon-Atugi	Atugi, Kanagawa	1 - 2008	49	606	0.1%	709	638	11.1%	11.0%	98.1%
S-33	RESIDIA Funabashi III	Funabashi, Chiba	10 - 2006	43	620	0.1%	705	665	5.9%	5.0%	100.0%
S-34	RESIDIA Funabashi IV	Funabashi, Chiba	10 - 2008	43	567	0.1%	593	611	-3.0%	5.2%	93.0%
R-2	RESIDIA Imadegawa	Kyoto, Kyoto	2 - 1999	154	1,671	0.4%	1,660	1,464	13.4%	10.9%	100.0%
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2 - 2006	91	1,290	0.3%	1,410	1,014	38.9%	3.4%	89.7%
R-5	RESIDIA Kameyama	Kameyama, Mie	2 - 2007	182	1,610	0.4%	1,150	1,513	-24.0%	4.2%	98.3%
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	5 - 2007	44	979	0.2%	922	881	4.6%	5.7%	98.3%
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	9 - 2007	404	3,740	0.8%	4,150	3,394	22.2%	South•Center 6.8% North 6.7%	100.0%
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	3 - 2002	155	1,220	0.3%	1,470	1,236	18.9%	3.4%	97.5%
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2 - 2000	78	871	0.2%	1,160	837	38.5%	8.3%	96.0%
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	11 - 2005	161	2,220	0.5%	2,870	1,932	48.5%	3.2%	96.0%
R-13	KC21 Building	Sendai, Miyagi	3 - 1997	79	900	0.2%	924	862	7.2%	2.4%	94.5%
R-14	RESIDIA Utubokoen	Osaka, Osaka	1 - 2006	94	1,170	0.3%	1,530	1,037	47.4%	6.6%	98.8%
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2 - 2006	116	1,970	0.4%	2,490	1,765	41.0%	9.9%	98.2%
R-16	RESIDIA Takaoka	Nagoya, Aichi	8 - 2007	198	2,330	0.5%	3,250	2,130	52.6%	3.5%	94.7%
R-17	RESIDIA Hibino	Nagoya, Aichi	4 - 1992	124	1,340	0.3%	1,450	1,126	28.8%	3.9%	99.1%
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	1 - 2004	56	936	0.2%	1,180	823	43.2%	4.9%	98.2%
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	1 - 2003	39	324	0.1%	401	315	27.1%	2.7%	97.4%
R-21	RESIDIA Hisaya-Odori II	Nagoya, Aichi	2 - 2005	38	685	0.2%	803	598	34.1%	5.0%	90.4%
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	12 - 2006	179	1,640	0.4%	1,950	1,447	34.7%	0.9%	94.3%
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	12 - 2006	103	1,320	0.3%	1,390	1,190	16.8%	1.1%	97.8%
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	1 - 2007	100	1,130	0.3%	1,410	989	42.4%	1.4%	95.4%
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	5 - 2005	33	831	0.2%	925	748	23.6%	4.1%	91.4%
R-29	RESIDIA Uzumasa	Kyoto, Kyoto	1 - 2000	48	701	0.2%	769	641	19.8%	13.5%	89.8%
R-30	RESIDIA Izumi	Nagoya, Aichi	11 - 2005	122	3,700	0.8%	4,300	3,296	30.4%	3.1%	98.4%
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2 - 2007	56	1,050	0.2%	1,210	943	28.3%	1.2%	90.2%
R-32	RESIDIA Tokugawa	Nagoya, Aichi	12 - 2006	27	751	0.2%	871	713	22.0%	3.9%	100.0%
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	8 - 2007	109	2,010	0.4%	2,500	1,823	37.1%	0.9%	98.5%
R-35	RESIDIA Tanimachi	Osaka, Osaka	8 - 2008	108	1,100	0.2%	1,620	1,085	49.3%	7.5%	94.7%
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2 - 2007	57	652	0.1%	950	631	50.5%	4.8%	89.2%
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	1 - 2008	67	529	0.1%	753	501	50.2%	2.5%	100.0%
R-38	RESIDIA Hirosedori	Sendai, Miyagi	2 - 2010	63	494	0.1%	682	470	45.0%	2.8%	100.0%
R-39	RESIDIA Edobori	Osaka, Osaka	2 - 2007	127	1,400	0.3%	1,850	1,387	33.3%	8.7%	100.0%
R-40	RESIDIA Kyomachibori	Osaka, Osaka	3 - 2007	84	1,000	0.2%	1,360	996	36.4%	7.8%	97.8%
R-41	RESIDIA Esaka	Suita, Osaka	7 - 2007	68	989	0.2%	1,270	1,011	25.6%	4.8%	100.0%
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	1 - 2008	173	2,380	0.5%	3,120	2,246	38.9%	2.6%	99.2%
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2 - 2008	122	1,206	0.3%	1,670	1,146	45.7%	3.6%	97.7%
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	3 - 2008	196	2,740	0.6%	3,730	2,594	43.8%	3.6%	93.3%
R-45	RESIDIA Kita-Nijyo-East	Sapporo, Hokkaido	3 - 2006	56	894	0.2%	1,090	858	27.0%	1.1%	98.3%
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2 - 2007	97	1,921	0.4%	2,470	1,876	31.6%	9.1%	94.8%
R-47	RESIDIA Marunouchi	Nagoya, Aichi	1 - 2007	86	972	0.2%	1,210	944	28.1%	2.8%	94.5%
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2 - 2007	168	1,483	0.3%	2,150	1,426	50.8%	0.7%	97.4%
R-49	RESIDIA Gosyo-Higashi	Kyoto, Kyoto	9 - 2007	57	1,227	0.3%	1,580	1,198	31.8%	8.9%	100.0%
R-50	RESIDIA Rakuhoku	Kyoto, Kyoto	3 - 2008	75	874	0.2%	1,030	855	20.3%	12.4%	98.8%
R-51	RESIDIA Miyakojima I & II	Osaka, Osaka	9 - 2006	178	3,232	0.7%	4,860	3,224	50.7%	7.1%	97.8%
R-52	RESIDIA TOWER Sendai	Sendai, Miyagi	1 - 2008	67	1,705	0.4%	1,980	1,728	14.5%	2.3%	92.2%
R-53	RESIDIA Higashizakura II	Nagoya, Aichi	2 - 2006	127	2,862	0.6%	3,530	2,821	25.1%	3.1%	87.0%
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	11 - 2006	168	1,796	0.4%	2,390	1,750	36.5%	(EAST)2.6% (WEST)2.7%	98.4%
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	6 - 2007	85	1,052	0.2%	1,320	1,036	27.3%	5.8%	93.0%
R-53	RESIDIA Higashizakura II	Nagoya, Aichi	2 - 2006	127	2,862	0.6%	3,530	2,821	25.1%	3.1%	87.0%
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	11 - 2006	168	1,796	0.4%	2,390	1,750	36.5%	(EAST)2.6% (WEST)2.7%	98.4%
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	6 - 2007	85	1,052	0.2%	1,320	1,036	27.3%	5.8%	93.0%
R-56	RESIDIA Sendai-Honcho	Sendai, Miyagi	6 - 2007	105	1,117	0.2%	1,610	1,096	46.9%	2.3%	95.4%
R-57	RESIDIA Sendai-Haranomachi	Sendai, Miyagi	9 - 2007	72	593	0.1%	862	576	49.5%	2.1%	95.3%
R-58	RESIDIA Minami-Ichijo East	Sapporo, Hokkaido	1 - 2008	85	1,062	0.2%	1,360	1,044	30.3%	1.1%	94.8%
R-59	RESIDIA Shin-Osaka	Osaka, Osaka	2 - 2014	208	2,644	0.6%	3,650	2,755	32.5%	6.2%	98.6%
R-60	RESIDIA Okayama-ekimae	Okayama, Okayama	3 - 2004	108	772	0.2%	1,030	838	22.9%	1.7%	100.0%
R-61	RESIDIA Kyoto-Okazaki	Kyoto, Kyoto	3 - 2005	23	227	0.1%	315	234	34.1%	14.1%	100.0%
R-62	RESIDIA Sendai-Ichibancho	Sendai, Miyagi	3 - 2006	103	1,083	0.2%	1,440	1,091	32.0%	2.4%	100.0%
R-63	RESIDIA Kita-Nijyo East II	Sapporo, Hokkaido	2 - 2007	51	538	0.1%	754	545	38.3%	1.2%	96.2%
R-64	RESIDIA Takamiya	Fukuoka, Fukuoka	2 - 2007	51	488	0.1%	586	496	18.1%	6.1%	98.4%
R-65	RESIDIA Soen	Sapporo, Hokkaido	2 - 2007	60	384	0.1%	556	390	42.3%	1.4%	98.3%
R-66	RESIDIA Tenjin	Fukuoka, Fukuoka	5 - 2007	88	1,122	0.3%	1,320	1,135	16.2%	3.4%	90.9%
R-67	RESIDIA Yakuin-Odori	Fukuoka, Fukuoka	6 - 2007	91	1,123	0.3%	1,340	1,135	18.0%	4.5%	94.5%
R-68	RESIDIA Hakata II	Fukuoka, Fukuoka	9 - 2007	124	1,358	0.3%	1,610	1,370	17.5%	1.8%	98.1%
R-69	RESIDIA Kego	Fukuoka, Fukuoka	1 - 2008	86	834	0.2%	1,130	845	33.7%	2.3%	95.3%
R-70	RESIDIA Shirakabe	Nagoya, Aichi	3 - 2008	70	907	0.2%	1,110	947	17.1%	4.4%	97.1%
R-71	RESIDIA Sakae	Nagoya, Aichi	12 - 2007	77	868	0.2%	960	937	2.4%	4.2%	93.5%
R-72	RESIDIA Senri-Fujishirodai	Suita, Osaka	2 - 2017	90	1,430	0.3%	1,660	1,538	7.9%	5.2%	100.0%
R-73	RESIDIA Senri-Banpakukoen	Suita, Osaka	10 - 2005	68	2,124	0.5%	2,320	2,252	3.0%	5.2%	100.0%
R-74	RESIDIA Sapporo-eki North	Sapporo, Hokkaido	2 - 2003	46	679	0.2%	706	748	-5.6%	1.5%	95.9%
R-75	RESIDIA Hijiyama Koen	Hiroshima, Hiroshima	2 - 1997	81	663	0.1%	707	698	1.3%	5.9%	97.7%
	Total 263 properties			21,246	447,698	100.0%	548,888	426,261	28.8%	2.4%	96.9%

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)
P	Tokyo Central 7 Wards	87	5,412	169,532	37.9%	204,282	161,657	26.4%
C	Central Tokyo ex 7 wards	85	6,831	149,693	33.4%	187,850	143,431	31.0%
S	Tokyo Metropolitan	25	2,297	41,552	9.3%	48,970	37,974	29.0%
R	Major Regional Cities	66	6,706	86,920	19.4%	107,786	83,198	29.6%
	Total	**263**	**21,246**	**447,698**	**100.0%**	**548,888**	**426,261**	**28.8%**

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Loss from Recent Natural Disasters

No Serious Damages to ADR's Properties

Northern Osaka Earthquake

RESIDIA Shin-Osaka

deforming of expansion joints

RESIDIA Senri-Banpakukoen

some damages in floor tiles

RESIDIA Senri-Fujishirodai

some damages in exterior wall tiles

Few minor damages

Out of **22** properties in greater Osaka region, there were

no damages in **15** properties

Heavy Rain in July

No damages

Typhoon Jebi

Few minor damages

Earthquake in Hokkaido

No damages

(as of Sept 7, 2018)

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Asset Management Company Profile

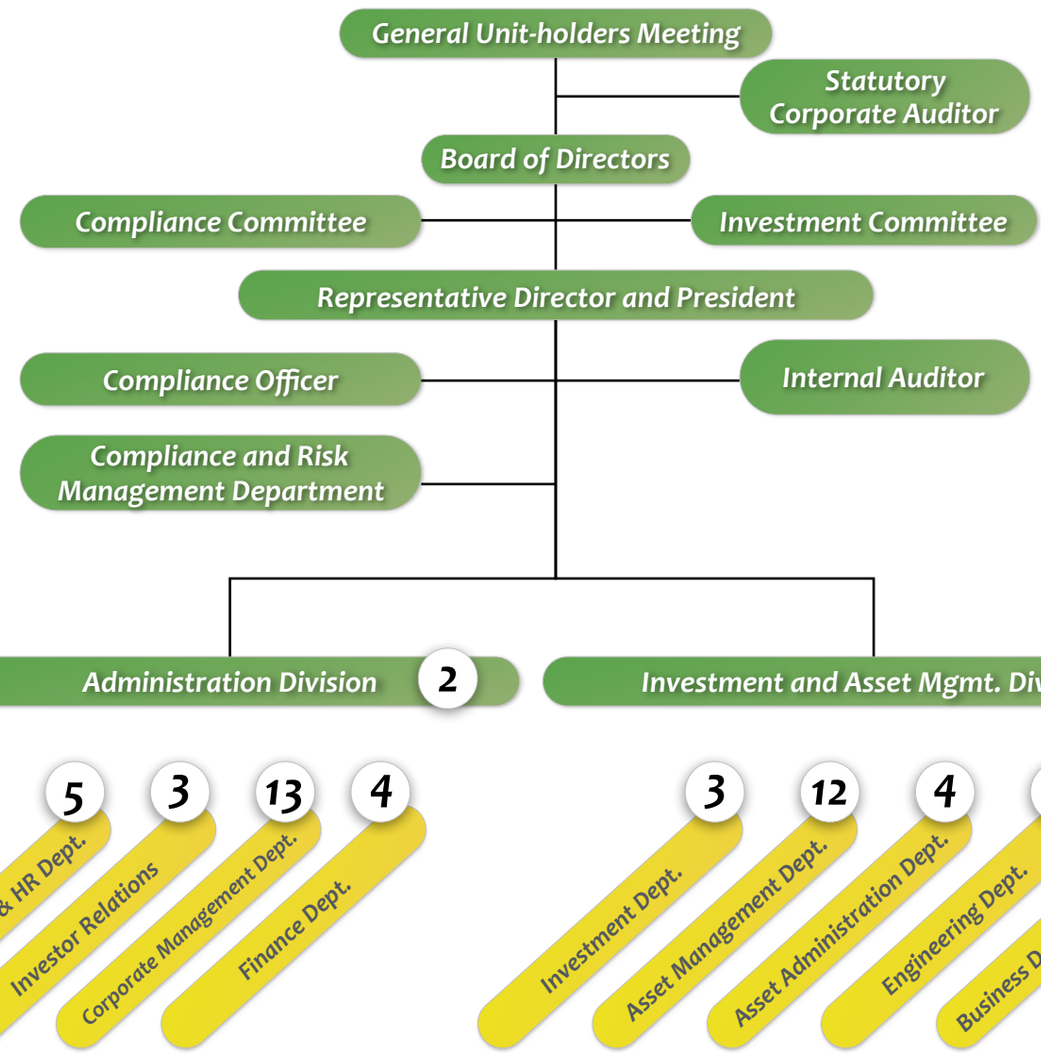
AD Investment Management Co., Ltd.

as of July 31, 2018

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
Number of Employees:	66 (excluding independent directors and statutory auditors)
Registrations and Licenses:	Real Estate Brokerage License (The Governor of Tokyo (3) No. 84325)
	Discretionary Real Estate Transaction Agent (Minister of Land, Infrastructure, Transport and Tourism Approval, No.37)
	Registered Financial Instruments Business Operator (Kanto Local Finance Bureau registration No.309)
	Registered First-Class-Architect Office (The Governor of Tokyo No. 58856)

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

Organizational Chart



Major Initiatives by the Asset Management Co.

- ✓ Registered as first-class architect office
- ✓ Constantly hire new graduates (11 new hires in five years)
- ✓ Received a BCM (BCP) rating from DBJ
- ✓ Began providing engineering service to third-parties
- ✓ Held architectural design competition for students

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Japanese Real Estate Leasing Contract Practices

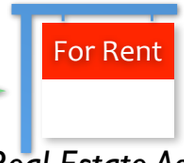
- *Standard lease terms in Japan are mostly two years.*
- *Tenants are able to leave the leased space before contract expiration without paying for the remaining contract period.*
- *Japan's Lease Land and House Law makes raising rents of existing contracts almost impossible.*

Initial Fees and Payments

Rent	Paid monthly in advance. Initial maximum payment will be one-month' s and 30 days' rent.	one-month's rent
Key Money	Non-refundable payment which is sometimes called "thank you" money.	generally one-month's rent
Deposit	Refundable payment which will be used to cover delinquency and restoration cost.	generally one- to two-month's rent

Administration Fee	Fee to be paid to the property manager.	generally one-month's rent
Advertisement Fee	Fee to be paid to the real estate agent.	generally one-month's rent

Property Manager



Real Estate Agent

Agent Fee	Non-refundable fee to be paid to the real estate agent.	Industry standard one-month's rent

Fees and Payments at Renewal

Renewal Fee	Non-refundable fee to be paid when tenants renew the lease contracts.	generally one-month's rent

Payments at Termination

Deposit	Deposits are refunded minus restoration.	generally one- to two-month's rent

Advance Residence Investment Corporation

Tenants

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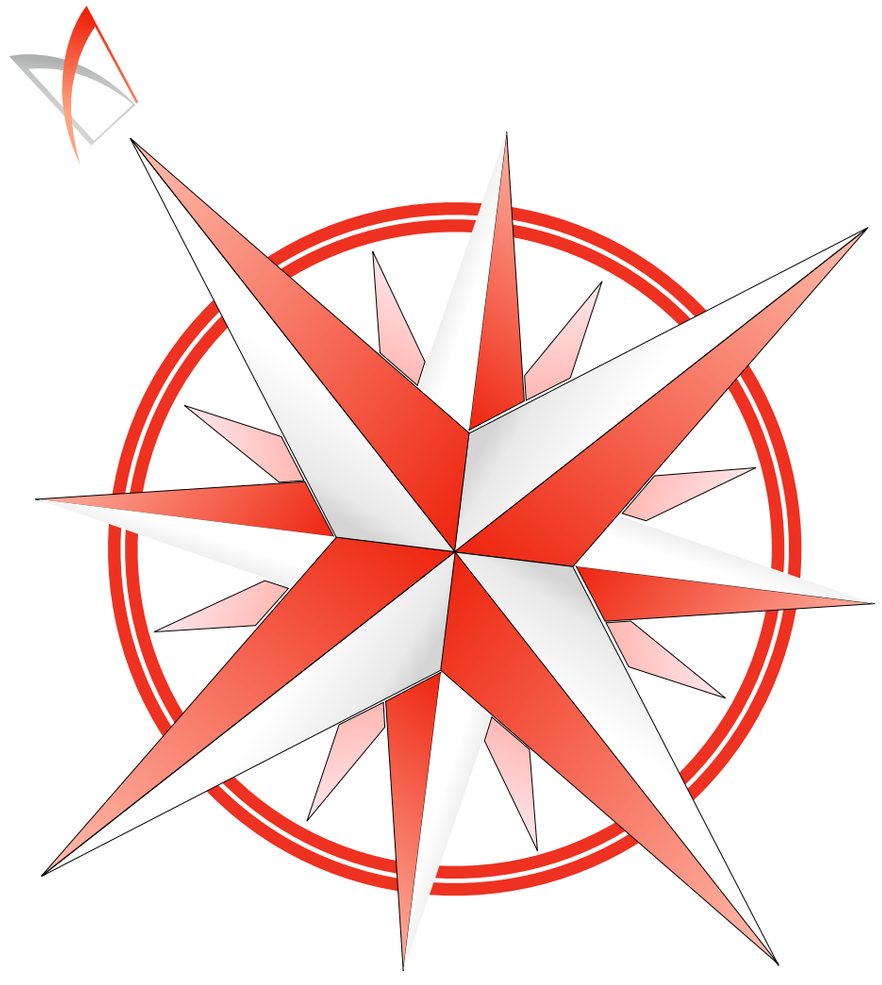
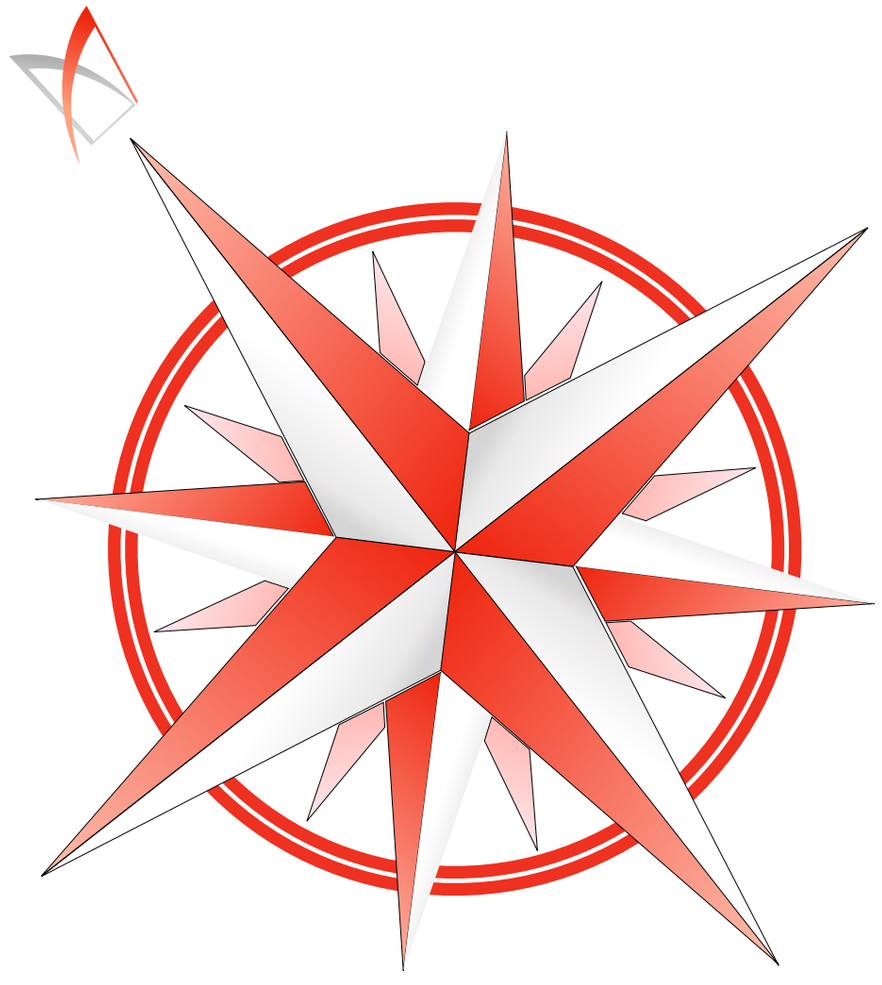
Memo



Memo



Disclaimer

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.

Although the financial figures in the material are based on Japanese GAAP, the material does not necessarily follow any official rules or regulations on financial disclosures.

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

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

(European Directive 2011/61/EU)(the"AIFMD") as described below.

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

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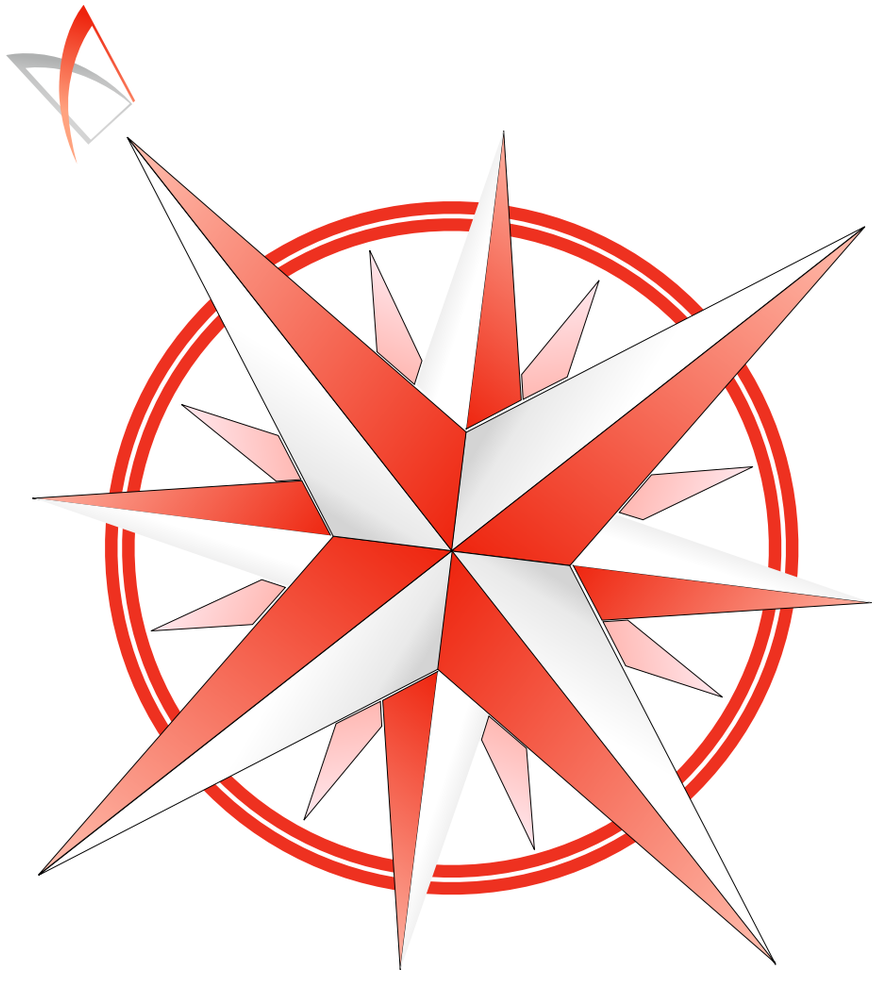

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