

**17<sup>th</sup>**  
**Fiscal Period Report**

August 1, 2018 - January 31, 2019

*Advance Residence Investment Corporation*

# I. Fiscal Period Report

## Management's Discussion and Analysis

### 1 Summary of Selected Financial Data

	Fiscal Period	units	13th FP From: Aug. 1, 2016 To: Jan. 31, 2017	14th FP From: Feb. 1, 2017 To: Jul. 31, 2017	15th FP From: Aug. 1, 2017 To: Jan. 31, 2018	16th FP From: Feb. 1, 2018 To: Jul. 31, 2018	17th FP From: Aug. 1, 2018 To: Jan. 31, 2019
Operating results	Operating revenues	million yen	15,504	15,918	15,903	16,302	16,196
	(Rental revenue) a	million yen	15,504	15,918	15,903	16,167	16,196
	(Gain on real estate sales) b	million yen	—	—	—	135	—
	Total operating expenses	million yen	7,702	7,949	7,883	8,030	8,078
	(Rental business expenses) c	million yen	6,045	6,275	6,176	6,345	6,333
	(Loss on real estate sales) d	million yen	—	—	—	—	—
	(Impairment loss) e	million yen	—	—	—	—	—
	Operating income	million yen	7,801	7,968	8,019	8,272	8,117
	Ordinary income f	million yen	6,371	6,642	6,798	7,088	6,984
Balance sheet figures	Net income g	million yen	6,371	6,642	6,798	7,087	6,983
	Total assets h	million yen	450,967	450,479	448,421	452,846	452,487
	Interest-bearing liabilities i	million yen	223,774	223,374	221,418	225,918	225,918
	Net assets j	million yen	220,834	220,754	220,574	220,524	220,069
Per unit figures	Paid-in Capital k	million yen	127,690	127,690	127,690	127,690	127,690
	Total dividends l	million yen	6,721	6,978	7,134	7,423	7,319
	Payout ratio l/g	%	105.5	105.1	105.0	104.7	104.8
	Total number of units issued and outstanding m	Units	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
	Net assets per unit j/m	yen	163,580	163,521	163,388	163,351	163,014
	Net income per unit Note 2	yen	4,771	4,920	5,035	5,250	5,173
	Dividend per unit l/m	yen	4,979	5,169	5,285	5,499	5,422
	Dividend from earnings per unit	yen	4,979	5,169	5,285	5,499	5,422
	Dividend in excess of earnings per unit	yen	0	0	0	0	0
	Annualized dividend yield Note 3	%	3.3	3.9	3.7	3.8	3.3
Financial indicators	Return on investment (Paid-in Capital) (g+q)/(k+i) Note 3	%	5.1	5.3	5.4	5.6	5.4
	Return on investment (market capitalization) (g+q)/(m+r+i) Note 3	%	2.8	3.2	3.1	3.2	2.9
	FFO per unit (g-b+d+e+q)/m	yen	6,640	6,869	6,999	7,136	7,177
	Annualized n Note 3	yen	13,209	13,853	13,885	14,392	14,237
	FFO per unit r/n	times	22.6	19.4	20.2	20.2	22.6
	Ratio of ordinary income to total assets f/h Note 4	%	1.4	1.5	1.5	1.6	1.5
	Annualized Note 3	%	2.8	3.0	3.0	3.2	3.1
	Equity ratio j/h	%	49.0	49.0	49.2	48.7	48.6
	Return on equity g/j Note 5	%	3.0	3.0	3.1	3.2	3.2
	Annualized Note 3	%	5.9	6.1	6.1	6.5	6.3
	Ratio of interest-bearing liabilities to total assets i/h	%	49.6	49.6	49.4	49.9	49.9
	DSCR o/p	times	8.6	9.5	10.2	10.9	11.4
	Net income before interest and depreciation o	million yen	10,151	10,367	10,472	10,755	10,624
	Interest expenses p	million yen	1,186	1,093	1,023	985	935
	NOI a-c+q Note 6	million yen	12,052	12,274	12,377	12,504	12,568
	Annualized NOI yield Note 3, 7	%	5.5	5.6	5.5	5.7	5.6
Reference information	Depreciation and amortization q Note 8	million yen	2,593	2,631	2,651	2,682	2,705
	Number of properties under management	—	257	260	261	263	264
	Number of leasable units at end of period	Units	20,565	20,842	20,888	21,246	21,286
	Leasable floor area at end of period Note 9	m <sup>2</sup>	773,464.74	781,760.64	783,781.16	789,430.47	790,646.47
	Occupancy rate at end of period Note 10	%	96.6	96.9	97.2	96.9	97.0
	Unit price at end of period r	yen	297,900	269,400	280,000	290,900	322,000

- Notes 1. Figures for Operating results do not include consumption tax. Amounts are rounded down to the nearest specified unit. Percentage figures are rounded to the first decimal place. The same applies hereafter.
2. The net income per unit is calculated by dividing net income by the daily weighted average number of units issued and outstanding.
3. The annualized figures are calculated using periods of 184 days for the 13th FP, 181 days for the 14th FP, 184 days for the 15th FP, 181 days for the 16th FP, and 184 days for the 17th FP.
4. Ratio of ordinary income to total assets = Ordinary income ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2} × 100
5. Return on equity = Net income ÷ {(Net assets at beginning of period + Net assets at end of period) ÷ 2} × 100
6. In the calculation of NOI, the depreciation and amortization is limited to what is included in rental business expenses.
7. Annualized NOI yield = Total annualized NOI ÷ Total property acquisition price  
(The annualized NOI yield is calculated by taking into account the actual number of days of operation for each property.)
8. Depreciation and amortization include amortization of intangible assets in addition to depreciation of property, plant and equipment.
9. "Leasable floor area at end of period" refers to the leasable floor area for each building as stated on the lease agreement or indicated on its official floor plan. The leasable floor area of land such as parking lots is not included.
10. "Occupancy rate at end of period" is calculated by using the formula: "Leased floor area" ÷ "Leasable floor area" × 100.

## 2 Investment Environment and Operating Performance

With the aim of realizing a stable distribution of earnings over the long term, we carried out the following initiatives during the 17th Fiscal Period (FP).

### 1. Internal Growth

Even though it was an off-season period <sup>(Note 1)</sup>, ADR was able to maintain high occupancy while accelerating the rise in rent levels in tenant replacements and continuing to raise rents on renewals. We also carried out value enhancement works to heighten the competitive advantages of ADR's properties during the fiscal period.

### 2. External Growth

ADR was able to acquire one property from a third party through negotiated transaction (acquisition price of 0.4 billion yen) during the fiscal period.

### 3. Finance

By taking advantage of the low interest rate environment, ADR was able to maintain the average remaining duration of interest-bearing liabilities and reduce its average interest rate. ADR's issuer rating granted by Rating and Investment Information, Inc. (R&I) was increased to an AA- (Outlook: Stable) from an A+ (Outlook: Positive).

Notes 1. In Japan, the months of February to April is a busy season for leasing, during which time a relatively high number of lease contracts are normally concluded. In this report we call the fiscal periods that include the busy season the peak leasing periods and other fiscal periods as off-season periods. Therefore, at ADR the fiscal periods ending January 31 are off-season periods and fiscal periods ending July 31 are peak leasing periods.

By executing these initiatives, we were able to attain the following fiscal period results.

(million yen)

Item	Previous FP Results	Initial Forecast <sup>Note 2</sup>	17th FP Results (January 2019)	Difference from the Initial Forecast	
				Difference from the Previous FP	
Operating revenues	16,302	16,084	16,196	-106	+111
Operating income	8,272	8,028	8,117	-154	+89
Ordinary income	7,088	6,885	6,984	-103	+98
Net income	7,087	6,885	6,983	-103	+98
Earnings Per Unit <sup>Note 3</sup>	5,250 yen	5,100 yen	5,173 yen	-77 yen	+73 yen
Dividend Per Unit	5,499 yen	5,349 yen	5,422 yen	-77 yen	+73 yen

Notes 2. The initial forecast refers to the earnings forecasts for the 17th FP disclosed in the "Brief Summary of Kessan Tanshin" for the 16th FP, dated September 10, 2018. The same applies hereafter.

3. Calculated by dividing net income by the total number of units issued, 1,350,000 units. Decimals are omitted from the EPU figures. The same applies hereafter.

Earnings per unit (EPU) was 5,173 yen, which is 77 yen lower than in the previous fiscal period, due to an absence of the gain on sales recorded in the previous fiscal period. On the other hand, when compared to the initial forecast, ADR achieved higher revenues and profits due to higher-than-expected occupancy rates which resulted in higher rental revenue and lower leasing expenses to attract new tenants.

The dividend per unit (DPU), including the 248 yen per unit drawdown in reserve for temporary difference adjustment (RTA), amounted to 5,422 yen, which is 73 yen higher than the initial forecast and 77 yen lower than in the previous fiscal period.

### 1. Internal Growth

#### – Maintained High Occupancy Rates while Increasing Rents –

While population inflow continues in regions where ADR invests, the market for rental apartments remains tight since the number of rental housing starts remain limited. Accordingly, we achieved an average period occupancy rate on par with the record high of 97.0% for the fiscal period.

The rent increases in replacements and renewals both reached all-time highs of 3.05% and 0.70%, respectively. This is due to our efforts to actively increase rents upon tenant replacement and at the time of contract renewal against a backdrop of high occupancy rate, and actually having tenants to contract at higher rents, particularly in Tokyo's central area. As a result, we increased the overall portfolio rent level <sup>(Note 4)</sup> for a 9th consecutive fiscal period, achieving a 0.38% gain over rent levels of the end of the previous fiscal period.

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## – Strengthening Competitiveness of Our Properties by Carrying Out Value Enhancement Works –

ADR conducts large-scale repairs of its properties on a scheduled basis in order to maintain functionality and freshen-up their appearance. In addition, ADR carries out value enhancement work on individual units, especially units of properties that have recently been subjected to large-scale repairs, to maintain and enhance competitiveness in the leasing market. Value enhancement works which entail equipment upgrades and floor plan changes are implemented at the time when tenants are being replaced.

During the fiscal period, we executed large-scale repairs on 5 properties and value enhancement works on 26 residential units. Of the residential units that underwent the value enhancement works, new rental contracts had been signed for 19 units as of February 28, 2019. Those units saw robust increases in rent of 22% on average in comparison with rents under previous contracts. Going forward, ADR will endeavor to further enhance the competitive strengths of its properties through such measures.

## – Sustainability Measures –

ADR works together with the asset management company on contributing to realize a sustainable society and to increase its unit-holder value. To that end, we engage in the following initiatives from the perspective of ESG (environmental, social and governance) sustainability goals.

- ADR's initiatives related to the environment have involved installing LED lighting (59 properties as of January 31, 2019, constituting 22.3% of ADR's portfolio), placing green lease clauses in contracts (concluded for 44.2% of residential units out of the total number of rental units as of January 31, 2019), and acquiring DBJ Green Building Certification with respect to seven properties (constituting 16.7% of ADR's portfolio on the basis of floor area, as of January 31, 2019).
- ADR's initiatives related to society have involved conducting satisfaction surveys regarding tenant services, administered to tenants of ADR's properties roughly once every three years and posting emergency maps at all 264 properties owned as of January 31, 2019, in order to raise disaster-prevention awareness.
- ADR's initiatives related to governance have involved arranging ongoing training programs on a scheduled basis for employees of the asset management company, setting up a sustainability committee to systematically promote sustainability measures, introducing asset management fees linked to NOI and net income and becoming the first J-REIT asset management company to adopt an employee investment unit ownership program that invest in the investment units of the fund (ADR) which the management company is entrusted to manage.

International sustainability assessment institutions have evaluated ADR on such measures it has taken as follows:

- Since 2014, ADR has been continually participating in the Global Real Estate Sustainability Benchmark (GRESB) which was developed mainly by European pension funds to evaluate the ESG performance of real estate companies and funds. For the last three years, GRESB has awarded ADR, the "Green Star" rating and in 2018 selected ADR as a GRESB Sector Leader having the top rating among the Asia listed company residential sector.
- Mitsubishi UFJ Research and Consulting Co., Ltd. (MURC) awarded ADR the highest rating of "S Rank" in its rating, the "MUFG ESG Rating Certificate for J-REIT supported by Japan Credit Rating Agency (JCR)". ADR utilized the rating in the ESG assessment loan for J-REIT which it used for part of its financing.

Notes 4. Change in average per-unit rent between the start and end of the fiscal period, for all properties held for the entire fiscal period. The same applies hereafter.

## 2. External Growth

### – Steadily Acquiring Prime Properties –

ADR has acquired one property, RESIDIA Kita-Nijyo-East III, at an acquisition price of 0.4 billion yen, in the current fiscal period, thereby maintaining its policy of acquiring quality properties that promise consistent revenues while avoiding excessive competition amid a challenging acquisition environment which has persisted for sometime. The property which is located in Sapporo's city center nearby Sapporo's Ekimae-dori and Odori area can expect demand from single working adults who commute to the city center and generate stable rent revenue. ADR also deems that the property offers potential for integrated redevelopment in the future, given that it is adjacently located to the east of ADR-owned RESIDIA Kita-Nijyo-East III.

## 3. Finance

### – Reducing the Average Interest Rate and Maintaining Remaining Duration –

ADR's principal finance policy is to extend remaining duration, to fix interest rates and to diversify maturities of interest-bearing liabilities. Under this policy, ADR procured in total 13.7 billion yen (average initial duration of 7.7 years and average

interest rate of 0.52% (Note 5)) during this fiscal period. With the average remaining duration of debt at 4.95 years and the average interest rate at 0.80% as of the end of the current fiscal period, we have managed to further strengthen our financial foundations by maintaining the remaining average duration and lowering the average interest rate.

Meanwhile, in November 2018 ADR's issuer rating granted by Rating and Investment Information, Inc. (R&I) was increased to an AA- (Outlook: Stable) from an A+ (Outlook: Positive). The rating increase is a result of ADR's efforts to strengthen its financial foundations, in addition to its diversified portfolio and its high and stable profitability.

Issuer ratings that have been acquired by ADR as of the end of the current fiscal period (January 31, 2019) are as follows.

Credit rating agency	Coverage	Rating
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	AA (Outlook: Stable)
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA- (Outlook: Stable)

Notes 5. The "average interest rate" is the weighted-average interest rate on loans and bonds as of their respective borrowing or issuance date, as of the end of the current fiscal period (January 31, 2019). If the interest rates on the debts have been converted to fixed interest rates using swap agreements in order to hedge the risk of interest rate volatility, the fixed rates are used in calculating the average.

### 3 Management Policies and Challenges Going Forward

By diligently implementing the strategies outlined below, ADR aims to achieve solid EPU growth.

#### a) Internal Growth

While comprehensively taking into account property characteristics, terms of individual contracts and occupancy rates, ADR will continue working to raise rents at the time of tenant replacements, as well as at the time of contract renewals. Furthermore, we will aim to generate greater profitability from each property by improving leasing income through actively securing key money and controlling expenditures.

In addition, we will continue to enhance the competitive advantages of our properties by systematically conducting timely large-scale renovations, as well as implementing value enhancement work appropriate to the property's characteristic.

#### b) External Growth

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

#### c) Finance Policy

Going forward, we will continue to focus on fixed rate long-term debt and diversifying maturities, while keeping a close eye on interest-rate trends. In so doing, we will endeavor to establish financial foundations that can weather the changing business environment.

#### d) Dividend Payout Policy

ADR will continue to draw down the reserves for temporary difference adjustments (RTA), in accordance with partial amendments of the "Regulations Concerning Accounting of Investment Corporations" and the Investment Trusts Association of Japan's "Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations." This means that ADR will fully draw down the RTA in equal amounts or more every fiscal period <sup>(Note 6)</sup>, within 50 years, starting from the fiscal period ended January 2017.

In case the DPU falls below 4,500 yen even with the dividend supplement, the draw down will be increased to ensure a DPU of at least 4,500 yen <sup>(Note 7)</sup>.

Notes 6. The RTA drawdown amount per fiscal period is calculated by dividing by 100, the outstanding amount of the RTA that has been transferred from the reserve for dividends as of the end of the fiscal period ended January 31, 2017 (50 year × 2 fiscal periods = 100 periods). As of the date of this document, the RTA drawdown amount per fiscal period is approximately 335 million yen. However, ADR may increase the amount of the drawdown indicated above in order to stabilize dividend levels.

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

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## 4 Equity Finances

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

Date	Remarks	Total number of units issued and outstanding		Paid-in Capital (million yen)		Notes
		Increase	Balance	Increase	Balance	
February 3, 2014	Follow-on offering	58,000	1,298,000	11,967	114,524	1
February 26, 2014	Third-party allotment	2,000	1,300,000	412	114,936	2
September 23, 2016	Follow-on offering	47,500	1,347,500	12,115	127,052	3
October 19, 2016	Third-party allotment	2,500	1,350,000	637	127,690	4

Notes 1. ADR issued new units through public offering at an offer price of 213,330 yen (paid-in amount: 206,328 yen) per unit to procure funds for new property acquisitions and for other purposes.  
 2. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 206,328 yen per unit to procure funds for new property acquisitions and for other purposes.  
 3. ADR issued new units through public offering at an offer price of 263,445 yen (paid-in amount: 255,068 yen) per unit to procure funds for new property acquisitions and for other purposes.  
 4. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at paid-in amount of 255,068 yen per unit to procure funds for new property acquisitions and for other purposes.

### Market Price of Units

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

FP	13th FP	14th FP	15th FP	16th FP	17th FP
Period-end	January 2017	July 2017	January 2018	July 2018	January 2019
High	309,000 yen	307,500 yen	285,800 yen	291,500 yen	327,500 yen
Low	267,900 yen	261,600 yen	262,800 yen	264,700 yen	281,100 yen

## Overview of the Investment Corporation

### 1 Major Unit-holders

The following are the major unit-holders as of January 31, 2019.

Name	Address	Number of units held (units)	Percentage of issued units (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	1-8-11 Harumi, Chuo-ku, Tokyo	310,110	22.97
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	202,611	15.00
The Nomura Trust & Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	57,852	4.28
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	Office Tower Z, Harumi Island Triton Square, 1-8-12 Harumi, Chuo-ku, Tokyo	41,698	3.08
ITOCHU Corporation	2-5-1 Kita-Aoyama, Minato-ku, Tokyo	34,800	2.57
Mizuho Securities Co., Ltd.	1-5-1, Otemachi, Chiyoda-ku, Tokyo	20,753	1.53
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2-5-2, Marunouchi, Chiyoda-ku, Tokyo	20,353	1.50
State Street Bank West Clients Treaty	1776 Heritage Drive, North Quincy, MA 02171 U.S.A	16,984	1.25
The Bank of New York Mellon Corporation	240 Greenwich Street New York, NY 10286 U.S.A	15,619	1.15
State Street Bank and Trust Company	PO Box 351, Boston, Massachusetts, 02101 U.S.A	14,320	1.06
<b>Total</b>		<b>735,100</b>	<b>54.45</b>

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



## 2 Directors and Independent Auditor

1. The executive director, supervisory directors, and independent auditor as of January 31, 2019, are as follows.

Title	Name	Primary concurrent positions	Total amount of compensation during the fiscal period (thousand yen)
Executive Director	Kenji Kousaka <sup>Note 1</sup>	President, AD Investment Management Co., Ltd.	— <sup>Note 2</sup>
Supervisory Director	Yoshiki Oshima	President, Akasaka Law Office L.P.C.	1,800
Supervisory Director	Yoshitsugu Oba	Audit & Supervisory Board Member, Mitsubishi Motors Corporation	1,800
Independent Auditor	Deloitte Touche Tohmatsu LLC		19,000 <sup>Note 3</sup>

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

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

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

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

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

## 3 Asset Management Company, Asset Custodian, and Administrative Agents

The following is the list of the asset management company, asset custodian, and administrative agents as of January 31, 2019.

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

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## Real Estate Portfolio

### Real Estate Portfolio

The following lists real estates held by ADR as of January 31, 2019.

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) Note 1	16th (Feb. 1, 2018 ~ Jul. 31, 2018)				17th (Aug. 1, 2018 ~ Jan. 31, 2019)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,327	3,370	1	97.3	90,582	0.6	1	98.7	91,307	0.6
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	Beneficiary interests in trust	1,387	2,150	1	100.0	47,256	0.3	1	100.0	47,256	0.3
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,160	1,300	1	100.0	37,015	0.2	1	95.5	36,998	0.2
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,144	1,460	1	100.0	37,527	0.2	1	100.0	38,798	0.2
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	Beneficiary interests in trust	2,064	2,690	1	98.8	74,853	0.5	1	97.3	74,038	0.5
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,056	1,280	1	94.7	30,825	0.2	1	95.4	31,613	0.2
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,051	1,330	1	100.0	33,743	0.2	1	94.6	33,497	0.2
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,507	3,140	1	100.0	75,458	0.5	1	100.0	75,453	0.5
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	Beneficiary interests in trust	701	742	1	90.8	18,650	0.1	1	91.2	20,259	0.1
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	Beneficiary interests in trust	712	936	1	100.0	25,441	0.2	1	100.0	26,481	0.2
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	Beneficiary interests in trust	559	760	1	100.0	17,944	0.1	1	100.0	17,944	0.1
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,389	1,810	1	98.8	46,808	0.3	1	96.4	46,943	0.3
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	Beneficiary interests in trust	924	1,230	1	98.0	31,786	0.2	1	91.7	31,605	0.2
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,383	2,150	1	100.0	58,394	0.4	1	98.1	58,420	0.4
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	Beneficiary interests in trust	886	1,110	1	95.0	28,895	0.2	1	92.6	28,065	0.2
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	Beneficiary interests in trust	568	727	1	92.3	18,634	0.1	1	92.3	19,275	0.1
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	Beneficiary interests in trust	734	748	1	96.6	20,911	0.1	1	92.1	20,754	0.1
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	Real estate	1,506	2,230	1	91.7	54,672	0.3	1	100.0	54,487	0.3
P-30	Pianetta Shiodome	Minato-ku, Tokyo	Beneficiary interests in trust	1,780	2,350	1	98.6	59,099	0.4	1	96.8	63,399	0.4
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	Beneficiary interests in trust	306	402	1	81.5	10,648	0.1	1	100.0	10,626	0.1
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	Beneficiary interests in trust	306	408	1	92.7	9,262	0.1	1	87.3	10,846	0.1
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	Beneficiary interests in trust	342	451	1	77.0	11,280	0.1	1	91.3	10,100	0.1
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	Beneficiary interests in trust	263	348	1	93.9	9,679	0.1	1	93.8	9,933	0.1
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	Real estate	858	1,170	1	95.8	33,936	0.2	1	93.8	33,053	0.2
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	Real estate	2,209	2,920	1	98.7	76,083	0.5	1	97.4	73,431	0.5



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P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	Real estate	1,084	1,500	1	97.6	42,980	0.3	1	92.9	41,912	0.3
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	Real estate	1,900	2,490	1	96.7	69,933	0.4	1	95.9	69,034	0.4
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	Real estate	1,137	1,420	1	93.7	35,924	0.2	1	97.1	37,528	0.2
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	Real estate	1,231	1,700	1	100.0	42,144	0.3	1	98.4	42,188	0.3
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	Real estate	1,090	1,580	1	95.3	41,056	0.3	1	98.4	41,509	0.3
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	Real estate	859	1,120	1	94.6	30,273	0.2	1	100.0	30,837	0.2
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	Real estate	982	1,330	1	92.7	36,042	0.2	1	97.5	36,121	0.2
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	Beneficiary interests in trust	1,019	1,320	1	94.0	34,132	0.2	1	94.2	33,696	0.2
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	Real estate	2,128	2,830	1	96.1	76,798	0.5	1	100.0	78,797	0.5
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	Real estate	3,533	4,230	1	93.9	105,369	0.7	1	96.8	106,167	0.7
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	Real estate	1,093	1,480	1	96.9	41,249	0.3	1	90.5	39,626	0.2
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	Beneficiary interests in trust	6,519	8,410	1	95.3	212,751	1.3	1	94.6	216,806	1.3
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,974	2,290	1	92.8	55,756	0.3	1	95.7	58,496	0.4
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,410	3,210	1	94.9	78,758	0.5	1	96.5	78,631	0.5
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	Beneficiary interests in trust	3,598	4,830	1	91.4	121,067	0.7	1	97.2	128,109	0.8
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	Real estate	14,805	19,000	1	100.0	455,415	2.8	1	100.0	454,657	2.8
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	Real estate	2,498	3,640	1	97.4	86,536	0.5	1	97.3	89,844	0.6
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	Real estate	1,535	2,200	1	94.5	57,175	0.4	1	96.2	59,888	0.4
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	Real estate	1,357	1,540	1	100.0	43,476	0.3	1	100.0	42,283	0.3
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	Real estate	1,928	2,270	1	88.9	56,958	0.4	1	97.6	56,202	0.3
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	Real estate	6,120	7,390	1	94.2	197,174	1.2	1	94.2	200,665	1.2
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	Real estate	1,202	1,630	1	100.0	41,032	0.3	1	95.7	40,627	0.3
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,747	2,440	1	95.6	65,214	0.4	1	94.2	64,687	0.4
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	Beneficiary interests in trust	1,537	1,910	1	95.1	49,307	0.3	1	97.5	49,112	0.3
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	Beneficiary interests in trust	1,667	2,010	1	97.9	50,344	0.3	1	91.7	50,581	0.3
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	Real estate	1,084	1,520	1	96.4	40,045	0.2	1	96.8	40,401	0.2
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	Real estate	1,210	1,540	1	96.9	39,821	0.2	1	100.0	41,895	0.3
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	Real estate	1,696	2,220	1	95.6	58,040	0.4	1	97.0	59,701	0.4
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	Real estate	866	1,070	1	90.5	28,747	0.2	1	100.0	28,439	0.2
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	Beneficiary interests in trust	974	1,180	1	78.9	28,779	0.2	1	100.0	28,755	0.2
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	Beneficiary interests in trust	4,370	6,130	1	96.0	170,382	1.1	1	93.0	170,407	1.1
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	Real estate	875	1,010	1	88.2	29,022	0.2	1	93.9	27,644	0.2
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	Beneficiary interests in trust	5,023	6,270	1	95.7	153,314	0.9	1	97.5	157,368	1.0

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P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	Beneficiary interests in trust	8,847	11,800	1	98.7	322,467	2.0	1	98.0	325,452	2.0
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	Beneficiary interests in trust	847	1,100	1	92.2	29,486	0.2	1	87.9	29,594	0.2
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	Real estate	1,361	1,670	1	96.2	45,704	0.3	1	92.3	45,929	0.3
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	Beneficiary interests in trust	818	1,250	1	100.0	28,095	0.2	1	100.0	28,095	0.2
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	Beneficiary interests in trust	2,304	3,110	1	92.6	84,718	0.5	1	95.1	81,952	0.5
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,970	2,660	1	97.3	64,190	0.4	1	97.4	66,153	0.4
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	Real estate	1,533	1,920	1	100.0	50,995	0.3	1	94.4	50,199	0.3
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	Real estate	3,303	4,750	1	96.8	119,558	0.7	1	92.9	118,309	0.7
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	Beneficiary interests in trust	3,673	4,760	1	98.0	120,931	0.7	1	97.0	120,943	0.7
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	Beneficiary interests in trust	950	1,370	1	100.0	34,544	0.2	1	100.0	34,155	0.2
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	Beneficiary interests in trust	777	1,000	1	100.0	27,321	0.2	1	100.0	26,123	0.2
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,222	1,750	1	93.9	43,964	0.3	1	98.4	43,980	0.3
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,591	2,240	1	96.1	58,347	0.4	1	99.0	56,138	0.3
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	Beneficiary interests in trust	1,461	2,060	1	93.1	52,357	0.3	1	94.6	50,297	0.3
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	Beneficiary interests in trust	3,767	4,440	1	97.1	118,270	0.7	1	91.4	115,669	0.7
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	Beneficiary interests in trust	1,112	1,490	1	98.0	36,590	0.2	1	89.9	36,044	0.2
P-98	Artis Court Minamiaoyama	Minato-ku, Tokyo	Beneficiary interests in trust	1,726	1,910	1	95.5	51,181	0.3	1	97.0	55,903	0.3
P-99	RESIDIA Yotsuya Sanchome	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,073	2,830	1	95.6	81,487	0.5	1	99.2	84,014	0.5
P-100	RESIDIA Takanawa Katsurazaka	Minato-ku, Tokyo	Beneficiary interests in trust	941	1,140	1	95.8	29,722	0.2	1	97.9	29,262	0.2
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	Real estate	648	786	1	100.0	20,352	0.1	1	94.0	19,905	0.1
P-102	RESIDIA Shinjukugyoen	Shinjuku-ku, Tokyo	Beneficiary interests in trust	720	962	1	100.0	24,653	0.2	1	97.5	25,746	0.2
P-103	RESIDIA Minami Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,195	1,500	1	95.2	36,370	0.2	1	95.7	36,175	0.2
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	Beneficiary interests in trust	3,165	3,890	1	98.5	107,479	0.7	1	97.6	105,870	0.7
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,297	1,680	1	100.0	44,065	0.3	1	100.0	44,668	0.3
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	995	1,300	1	93.0	33,181	0.2	1	89.5	32,028	0.2
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	Real estate	894	982	1	94.3	25,019	0.2	1	100.0	24,567	0.2
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	Beneficiary interests in trust	937	1,110	1	100.0	27,949	0.2	1	98.0	26,694	0.2
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	840	996	1	91.9	24,542	0.2	1	96.8	25,097	0.2
P-110	RESIDIA Mishuku	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,185	1,350	1	95.8	32,921	0.2	1	86.6	36,570	0.2

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C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	Beneficiary interests in trust	1,536	2,690	1	99.2	68,056	0.4	1	95.9	68,105	0.4
C-2	RESIDIA Kamata	Ota-ku, Tokyo	Beneficiary interests in trust	2,060	3,710	1	97.5	101,841	0.6	1	98.4	99,616	0.6
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	1,379	1,840	1	95.2	49,521	0.3	1	98.6	50,243	0.3
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,541	2,360	1	98.6	58,535	0.4	1	97.0	58,755	0.4
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	Beneficiary interests in trust	919	1,510	1	97.8	40,172	0.2	1	96.1	39,942	0.2
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	Beneficiary interests in trust	898	1,130	1	95.8	36,234	0.2	1	96.8	36,400	0.2
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	Beneficiary interests in trust	2,818	3,880	1	97.5	102,604	0.6	1	99.3	103,596	0.6
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,520	2,050	1	93.4	50,387	0.3	1	100.0	52,305	0.3
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	Beneficiary interests in trust	838	1,270	1	98.5	33,425	0.2	1	98.5	33,896	0.2
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	Beneficiary interests in trust	4,997	5,740	1	92.6	150,432	0.9	1	97.9	152,790	0.9
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,924	3,980	1	100.0	100,994	0.6	1	98.7	100,319	0.6
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	Beneficiary interests in trust	1,810	2,130	1	98.9	57,179	0.4	1	95.8	56,129	0.3
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	Beneficiary interests in trust	3,968	4,690	1	98.1	122,767	0.8	1	98.6	121,706	0.8
C-16	RESIDIA Negishi	Taito-ku, Tokyo	Beneficiary interests in trust	802	985	1	100.0	29,375	0.2	1	96.3	28,227	0.2
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	Beneficiary interests in trust	1,798	2,480	1	93.7	65,908	0.4	1	93.6	63,991	0.4
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	532	723	1	97.9	22,069	0.1	1	93.8	21,746	0.1
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	Beneficiary interests in trust	347	523	1	100.0	15,055	0.1	1	93.4	15,388	0.1
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	910	1,220	1	93.2	34,956	0.2	1	98.5	34,312	0.2
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	Real estate	1,306	1,960	1	96.1	52,826	0.3	1	98.2	51,475	0.3
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	Beneficiary interests in trust	1,785	2,250	1	93.4	63,316	0.4	1	95.8	62,095	0.4
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	Real estate	1,104	1,560	1	100.0	38,847	0.2	1	100.0	38,847	0.2
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	Beneficiary interests in trust	1,157	1,690	1	100.0	47,709	0.3	1	99.0	48,517	0.3
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	Beneficiary interests in trust	540	791	1	90.5	21,854	0.1	1	100.0	21,605	0.1
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	Beneficiary interests in trust	1,870	2,620	1	95.5	69,407	0.4	1	92.6	65,704	0.4
C-28	RESIDIA Oji	Kita-ku, Tokyo	Beneficiary interests in trust	778	1,060	1	100.0	33,710	0.2	1	100.0	33,717	0.2
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	Real estate	966	1,280	1	93.0	36,441	0.2	1	91.0	34,327	0.2
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	Real estate	1,005	1,320	1	97.7	37,186	0.2	1	100.0	37,060	0.2
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	Real estate	1,261	1,720	1	97.4	46,867	0.3	1	94.1	44,469	0.3
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,295	3,080	1	96.2	81,674	0.5	1	93.7	81,342	0.5

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C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	Real estate	2,217	2,700	1	98.6	76,087	0.5	1	98.5	76,710	0.5
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	Beneficiary interests in trust	3,089	4,160	1	99.0	120,005	0.7	1	99.4	120,985	0.7
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	Beneficiary interests in trust	660	933	1	97.2	26,742	0.2	1	90.9	25,612	0.2
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	Beneficiary interests in trust	994	1,410	1	94.1	38,462	0.2	1	98.1	37,614	0.2
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	Beneficiary interests in trust	340	429	1	100.0	14,161	0.1	1	100.0	13,621	0.1
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	Beneficiary interests in trust	493	798	1	91.5	21,948	0.1	1	89.1	19,800	0.1
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	Real estate	1,336	1,770	1	92.5	46,603	0.3	1	90.8	45,755	0.3
C-41	RESIDIA Iriya	Taito-ku, Tokyo	Beneficiary interests in trust	863	1,180	1	97.7	36,403	0.2	1	98.3	37,072	0.2
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	Real estate	1,240	1,620	1	97.9	42,853	0.3	1	97.9	44,528	0.3
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	Real estate	1,748	2,150	1	100.0	58,998	0.4	1	98.8	59,405	0.4
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	Real estate	1,194	1,460	1	88.6	42,032	0.3	1	96.8	41,472	0.3
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	Beneficiary interests in trust	1,255	1,670	1	90.5	43,096	0.3	1	96.9	42,988	0.3
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	Beneficiary interests in trust	6,033	8,220	1	98.5	232,834	1.4	1	97.6	235,777	1.5
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	Beneficiary interests in trust	652	852	1	96.7	27,602	0.2	1	89.5	26,644	0.2
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	Real estate	5,047	7,490	1	97.0	192,040	1.2	1	97.4	195,119	1.2
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	Beneficiary interests in trust	3,572	5,580	1	96.0	148,250	0.9	1	96.1	147,302	0.9
C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	Beneficiary interests in trust	838	1,250	1	100.0	29,739	0.2	1	100.0	29,739	0.2
C-51	RESIDIA Kiba	Koto-ku, Tokyo	Beneficiary interests in trust	1,866	3,120	1	96.8	82,674	0.5	1	99.4	79,490	0.5
C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,080	1,600	1	100.0	39,617	0.2	1	100.0	38,945	0.2
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	Real estate	2,255	3,130	1	99.3	83,519	0.5	1	97.9	83,183	0.5
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	Beneficiary interests in trust	2,439	3,770	1	96.1	93,503	0.6	1	98.1	92,095	0.6
C-55	RESIDIA Minami-senju	Arakawa-ku, Tokyo	Beneficiary interests in trust	2,363	3,640	1	95.3	164,429	1.0	1	98.0	165,559	1.0
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	Real estate	1,791	2,380	1	98.7	63,374	0.4	1	97.0	62,042	0.4
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	Beneficiary interests in trust	954	1,390	1	95.6	37,405	0.2	1	100.0	36,694	0.2
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,014	3,000	1	96.4	77,232	0.5	1	96.5	77,282	0.5
C-59	RESIDIA Omori	Ota-ku, Tokyo	Beneficiary interests in trust	1,111	1,530	1	100.0	42,810	0.3	1	98.7	42,432	0.3
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	Beneficiary interests in trust	1,025	1,410	1	94.6	39,142	0.2	1	98.7	38,303	0.2
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	Beneficiary interests in trust	1,736	2,540	1	98.3	66,242	0.4	1	100.0	65,382	0.4
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,262	3,140	1	93.5	82,530	0.5	1	97.8	82,321	0.5

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C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	Beneficiary interests in trust	641	871	1	100.0	25,426	0.2	1	100.0	25,414	0.2
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	Beneficiary interests in trust	924	1,290	1	94.2	33,825	0.2	1	95.2	33,566	0.2
C-65	RESIDIA TOWER Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	7,729	11,900	1	97.7	735,352	4.6	1	97.3	737,714	4.6
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	Real estate	519	627	1	100.0	16,193	0.1	1	100.0	16,194	0.1
C-67	RESIDIA Shimura-Sakaue	Itabashi-ku, Tokyo	Real estate	603	721	1	100.0	18,084	0.1	1	100.0	18,084	0.1
C-68	RESIDIA Shimura-Sakaue II	Itabashi-ku, Tokyo	Beneficiary interests in trust	1,123	1,400	1	100.0	35,372	0.2	1	100.0	35,375	0.2
C-69	RESIDIA Shimura-Sakaue III	Itabashi-ku, Tokyo	Real estate	428	511	1	100.0	13,608	0.1	1	100.0	13,608	0.1
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	Beneficiary interests in trust	1,104	1,390	1	97.6	44,800	0.3	1	95.3	42,295	0.3
C-71	RESIDIA Ojima	Koto-ku, Tokyo	Beneficiary interests in trust	1,266	1,630	1	97.8	44,539	0.3	1	96.6	42,651	0.3
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	Beneficiary interests in trust	1,177	1,400	1	96.0	43,005	0.3	1	97.6	43,541	0.3
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	Beneficiary interests in trust	1,786	2,130	1	97.5	54,820	0.3	1	98.8	56,196	0.3
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	Beneficiary interests in trust	511	676	1	100.0	18,060	0.1	1	100.0	18,060	0.1
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	Beneficiary interests in trust	396	506	1	96.3	14,616	0.1	1	100.0	14,803	0.1
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	Real estate	689	843	1	90.1	21,019	0.1	1	95.0	21,847	0.1
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	Real estate	486	578	1	100.0	13,620	0.1	1	100.0	13,620	0.1
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	Beneficiary interests in trust	1,350	1,600	1	95.3	41,999	0.3	1	98.8	42,593	0.3
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	Beneficiary interests in trust	990	1,230	1	97.5	33,731	0.2	1	100.0	34,060	0.2
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	Beneficiary interests in trust	887	1,160	1	95.0	32,946	0.2	1	100.0	32,591	0.2
C-81	RESIDIA Omori III	Ota-ku, Tokyo	Beneficiary interests in trust	1,412	1,700	1	98.7	43,255	0.3	1	93.5	40,954	0.3
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,006	2,550	1	100.0	64,271	0.4	1	97.3	61,277	0.4
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	Beneficiary interests in trust	1,853	2,350	1	90.7	62,406	0.4	1	98.5	60,339	0.4
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,687	1,990	1	100.0	47,807	0.3	1	96.0	50,664	0.3
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	Beneficiary interests in trust	4,747	5,590	1	96.9	139,280	0.9	1	99.1	143,566	0.9
C-86	RESIDIA Kameido	Koto-ku, Tokyo	Beneficiary interests in trust	3,066	3,450	1	97.0	87,801	0.5	1	98.5	84,331	0.5
C-87	RESIDIA Koenji	Suginami-ku, Tokyo	Beneficiary interests in trust	1,418	1,610	1	98.2	40,295	0.2	1	95.5	40,630	0.3
C-88	RESIDIA Kamata V	Ota-ku, Tokyo	Real estate	2,372	2,560	1	96.6	47,825	0.3	1	95.0	64,512	0.4
C-89	RESIDIA Kamata IV	Ota-ku, Tokyo	Real estate	3,378	3,650	1	97.6	68,611	0.4	1	99.4	91,814	0.6
S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	Beneficiary interests in trust	692	746	1	97.4	29,666	0.2	1	97.4	29,043	0.2
S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	Beneficiary interests in trust	1,003	1,230	1	95.4	42,151	0.3	1	100.0	42,968	0.3

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S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,744	2,070	1	100.0	61,479	0.4	1	100.0	61,298	0.4
S-7	RESIDIA Chofu	Chofu-shi, Tokyo	Beneficiary interests in trust	1,057	1,200	1	97.5	34,235	0.2	1	97.3	34,798	0.2
S-11	Tokyo Student-House WAKO	Wako-shi, Saitama	Beneficiary interests in trust	657	730	1	100.0	26,186	0.2	1	100.0	26,182	0.2
S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	Beneficiary interests in trust	493	663	1	100.0	19,692	0.1	1	97.0	18,700	0.1
S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,495	1,900	1	99.1	55,223	0.3	1	92.5	55,158	0.3
S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	706	944	1	100.0	26,719	0.2	1	100.0	26,676	0.2
S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	Real estate	1,474	1,980	1	91.8	55,694	0.3	1	98.0	57,544	0.4
S-17	RESIDIA Funabashi I	Funabashi-shi, Chiba	Beneficiary interests in trust	2,507	3,280	1	100.0	93,301	0.6	1	100.0	93,388	0.6
	RESIDIA Funabashi II												
S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	Beneficiary interests in trust	1,430	1,820	1	98.0	49,103	0.3	1	91.9	48,899	0.3
S-20	Pacific Royal Court Minatomirai Ocean Tower	Yokohama-shi, Kanagawa	Real estate and leasehold rights to real estate	11,404	15,700	1	100.0	572,115	3.5	1	100.0	572,327	3.5
S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	Real estate	1,625	2,200	1	100.0	71,069	0.4	1	100.0	70,969	0.4
S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	Beneficiary interests in trust	753	1,160	1	100.0	32,760	0.2	1	100.0	32,760	0.2
S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	Beneficiary interests in trust	2,044	2,950	1	97.2	87,824	0.5	1	97.7	84,672	0.5
S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	806	1,080	1	94.1	34,306	0.2	1	98.8	34,120	0.2
S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	Beneficiary interests in trust	787	1,070	1	98.6	32,454	0.2	1	100.0	33,035	0.2
S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	744	992	1	100.0	34,163	0.2	1	93.3	32,756	0.2
S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	Beneficiary interests in trust	1,598	2,270	1	95.7	63,122	0.4	1	98.1	62,955	0.4
S-29	Cocofump Hiyoshi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	980	1,170	1	100.0	45,000	0.3	1	100.0	45,000	0.3
S-30	RESIDIA Sagami-hara	Sagami-hara-shi, Kanagawa	Beneficiary interests in trust	1,042	1,330	1	100.0	43,232	0.3	1	100.0	43,211	0.3
S-31	RESIDIA Yokohama-Bashamichi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	772	1,030	1	100.0	37,282	0.2	1	100.0	31,055	0.2
S-32	RESIDIA Hon-Atsugi	Atsugi-shi, Kanagawa	Real estate	635	724	1	98.1	25,034	0.2	1	90.6	23,320	0.1
S-33	RESIDIA Funabashi III	Funabashi-shi, Chiba	Real estate	662	720	1	100.0	20,127	0.1	1	100.0	23,277	0.1
S-34	RESIDIA Funabashi IV	Funabashi-shi, Chiba	Beneficiary interests in trust	609	601	1	93.0	9,094	0.1	1	93.0	17,391	0.1
R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,493	1,660	1	100.0	54,491	0.3	1	100.0	60,646	0.4
R-4	RESIDIA Higashizakura	Nagoya-shi, Aichi	Beneficiary interests in trust	1,000	1,440	1	89.7	46,172	0.3	1	90.3	42,994	0.3
R-5	RESIDIA Kameyama	Kameyama-shi, Mie	Beneficiary interests in trust	1,502	1,160	1	98.3	59,676	0.4	1	98.3	58,701	0.4



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R-6	RESIDIA Ryokuchikoen	Toyonaka-shi, Osaka	Beneficiary interests in trust	873	944	1	98.3	31,137	0.2	1	100.0	31,985	0.2
R-8	RESIDIA Kobe Port Island	Kobe-shi, Hyogo	Beneficiary interests in trust	3,369	4,230	1	100.0	125,425	0.8	1	100.0	125,325	0.8
R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	Real estate	1,242	1,500	1	97.5	52,101	0.3	1	97.5	51,435	0.3
R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	Beneficiary interests in trust	829	1,190	1	96.0	35,857	0.2	1	98.4	35,557	0.2
R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	Real estate	1,920	2,900	1	96.0	90,148	0.6	1	99.0	90,612	0.6
R-13	KC21 Building	Sendai-shi, Miyagi	Real estate	855	933	1	94.5	37,323	0.2	1	98.1	36,622	0.2
R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	Real estate	1,029	1,570	1	98.8	47,586	0.3	1	98.0	47,675	0.3
R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,753	2,550	1	98.2	78,210	0.5	1	95.6	77,347	0.5
R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	Real estate	2,117	3,290	1	94.7	97,146	0.6	1	91.4	94,846	0.6
R-17	RESIDIA Hibino	Nagoya-shi, Aichi	Beneficiary interests in trust	1,113	1,490	1	99.1	67,547	0.4	1	97.6	67,011	0.4
R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	859	1,100	1	98.2	39,737	0.2	1	94.6	39,248	0.2
R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	311	405	1	97.4	16,027	0.1	1	97.4	15,857	0.1
R-21	RESIDIA Hisaya-Oodori II	Nagoya-shi, Aichi	Real estate	593	821	1	90.4	26,333	0.2	1	97.4	26,784	0.2
R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	Real estate	1,434	1,990	1	94.3	75,041	0.5	1	99.7	74,809	0.5
R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	Real estate	1,181	1,410	1	97.8	58,487	0.4	1	97.2	57,792	0.4
R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	Real estate	983	1,430	1	95.4	49,170	0.3	1	98.0	49,013	0.3
R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	Real estate	743	949	1	91.4	32,441	0.2	1	91.8	32,058	0.2
R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	Real estate	660	769	1	89.8	33,960	0.2	1	98.1	32,248	0.2
R-30	RESIDIA Izumi	Nagoya-shi, Aichi	Real estate	3,273	4,410	1	98.4	144,842	0.9	1	97.5	148,284	0.9
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	Real estate	935	1,250	1	90.2	44,894	0.3	1	92.9	44,244	0.3
R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	Real estate	709	891	1	100.0	29,700	0.2	1	96.3	30,070	0.2
R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	Real estate	1,810	2,550	1	98.5	95,524	0.6	1	96.0	92,814	0.6
R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	Real estate	1,076	1,640	1	94.7	46,360	0.3	1	91.1	44,985	0.3
R-36	RESIDIA Hisaya-Oodori	Nagoya-shi, Aichi	Beneficiary interests in trust	627	970	1	89.2	28,698	0.2	1	88.7	27,006	0.2
R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	Beneficiary interests in trust	497	768	1	100.0	26,178	0.2	1	100.0	24,046	0.1
R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	Beneficiary interests in trust	466	682	1	100.0	21,839	0.1	1	100.0	21,847	0.1
R-39	RESIDIA Edobori	Osaka-shi, Osaka	Real estate	1,377	1,860	1	100.0	57,885	0.4	1	96.9	57,889	0.4
R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	Real estate	989	1,390	1	97.8	43,044	0.3	1	94.5	41,625	0.3
R-41	RESIDIA Esaka	Suita-shi, Osaka	Beneficiary interests in trust	1,004	1,300	1	100.0	39,456	0.2	1	98.7	38,527	0.2
R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	2,225	3,180	1	99.2	106,974	0.7	1	98.7	106,202	0.7

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R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	Beneficiary interests in trust	1,139	1,700	1	97.7	57,750	0.4	1	92.2	52,897	0.3
R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	Beneficiary interests in trust	2,571	3,780	1	93.3	111,906	0.7	1	95.5	113,146	0.7
R-45	RESIDIA Kita-Nijyo-East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	851	1,110	1	98.3	41,829	0.3	1	91.6	41,634	0.3
R-46	RESIDIA Shinsaibashi West	Osaka-shi, Osaka	Beneficiary interests in trust	1,864	2,530	1	94.8	74,420	0.5	1	93.8	70,539	0.4
R-47	RESIDIA Marunouchi	Nagoya-shi, Aichi	Beneficiary interests in trust	937	1,220	1	94.5	40,308	0.2	1	84.9	38,485	0.2
R-48	RESIDIA Sapporo-Ekimae	Sapporo-shi, Hokkaido	Beneficiary interests in trust	1,411	2,190	1	97.4	74,782	0.5	1	95.5	74,719	0.5
R-49	RESIDIA Goshō-Higashi	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,191	1,600	1	100.0	48,640	0.3	1	95.5	47,390	0.3
R-50	RESIDIA Rakuoku	Kyoto-shi, Kyoto	Beneficiary interests in trust	849	1,060	1	98.8	35,385	0.2	1	98.7	34,521	0.2
R-51	RESIDIA Miyakojima I & II	Osaka-shi, Osaka	Real estate	3,203	4,940	1	97.8	154,085	1.0	1	99.5	155,410	1.0
R-52	RESIDIA TOWER Sendai	Sendai-shi, Miyagi	Beneficiary interests in trust	1,716	2,000	1	92.2	70,631	0.4	1	91.8	66,577	0.4
R-53	RESIDIA Higashizakura II	Nagoya-shi, Aichi	Beneficiary interests in trust	2,936	3,620	1	87.0	111,568	0.7	1	92.1	111,559	0.7
R-54	RESIDIA Tsutsujigaoka	Sendai-shi, Miyagi	Beneficiary interests in trust	1,735	2,420	1	98.4	84,295	0.5	1	98.9	82,915	0.5
R-55	RESIDIA Kobe-Motomachi	Kobe-shi, Hyogo	Beneficiary interests in trust	1,029	1,350	1	93.0	43,701	0.3	1	96.6	43,487	0.3
R-56	RESIDIA Sendai-Honcho	Sendai-shi, Miyagi	Beneficiary interests in trust	1,086	1,640	1	95.4	53,736	0.3	1	95.8	52,881	0.3
R-57	RESIDIA Sendai-Haranomachi	Sendai-shi, Miyagi	Beneficiary interests in trust	569	876	1	95.3	30,556	0.2	1	97.2	29,648	0.2
R-58	RESIDIA Minami-Ichijo East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	1,034	1,390	1	94.8	47,517	0.3	1	89.5	46,385	0.3
R-59	RESIDIA Shin-Osaka	Osaka-shi, Osaka	Beneficiary interests in trust	2,740	3,720	1	98.6	105,281	0.7	1	99.1	105,791	0.7
R-60	RESIDIA Okayama-Ekimaie	Okayama-shi, Okayama	Beneficiary interests in trust	829	1,050	1	100.0	35,121	0.2	1	100.0	35,094	0.2
R-61	RESIDIA Kyoto Okazaki	Kyoto-shi, Kyoto	Beneficiary interests in trust	233	322	1	100.0	9,656	0.1	1	100.0	9,629	0.1
R-62	RESIDIA Sendai-Ichibancho	Sendai-shi, Miyagi	Beneficiary interests in trust	1,083	1,420	1	100.0	43,696	0.3	1	100.0	42,624	0.3
R-63	RESIDIA Kita-Nijyo-East II	Sapporo-shi, Hokkaido	Beneficiary interests in trust	539	765	1	96.2	26,820	0.2	1	91.6	26,405	0.2
R-64	RESIDIA Takamiya	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	494	575	1	98.4	19,882	0.1	1	100.0	19,846	0.1
R-65	RESIDIA Soen	Sapporo-shi, Hokkaido	Beneficiary interests in trust	387	567	1	98.3	21,003	0.1	1	96.7	20,730	0.1
R-66	RESIDIA Tenjin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,129	1,300	1	90.9	41,037	0.3	1	97.7	40,487	0.2
R-67	RESIDIA Yakuin-Oodori	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,133	1,310	1	94.5	42,452	0.3	1	98.9	42,638	0.3
R-68	RESIDIA Hakata II	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	1,365	1,570	1	98.1	50,179	0.3	1	97.4	50,505	0.3
R-69	RESIDIA Kego	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	838	1,130	1	95.3	36,904	0.2	1	94.3	34,254	0.2

Property no.	Name of real estate	Location	Type of ownership	Book value at end of period (million yen)	Appraisal value at end of period (million yen) Note 1	16th (Feb. 1, 2018 ~ Jul. 31, 2018)				17th (Aug. 1, 2018 ~ Jan. 31, 2019)			
						Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)	Total number of tenants at end of period (tenants) Note 2	Occupancy rate at end of period (%) Note 3	Rental revenue (thousand yen) Note 4	Percentage of total rent revenue (%)
R-70	RESIDIA Shirakabe	Nagoya-shi, Aichi	Beneficiary interests in trust	941	1,130	1	97.1	34,564	0.2	1	88.6	33,573	0.2
R-71	RESIDIA Sakae	Nagoya-shi, Aichi	Real estate	932	961	1	93.5	29,132	0.2	1	89.6	27,672	0.2
R-72	RESIDIA Senri-Fujishirodai	Suita-shi, Osaka	Beneficiary interests in trust	1,531	1,700	1	100.0	45,973	0.3	1	100.0	46,104	0.3
R-73	RESIDIA Senri-Banpakukoen	Suita-shi, Osaka	Beneficiary interests in trust	2,240	2,370	1	100.0	64,519	0.4	1	100.0	64,529	0.4
R-74	RESIDIA Sapporo-eki North	Sapporo, Hokkaido	Real estate	744	706	1	95.9	22,058	0.1	1	91.3	23,161	0.1
R-75	RESIDIA Hijiyama-Koen	Hiroshima-shi, Hiroshima	Beneficiary interests in trust	694	723	1	97.7	1,925	0.0	1	94.2	24,872	0.2
R-76	RESIDIA Kita-Nijyo-East III	Sapporo, Hokkaido	Beneficiary interests in trust	450	429	—	—	—	—	1	94.9	14,685	0.1
Total				425,124	561,561	263	96.9	16,144,976	100.0	264	97.0	16,196,049	100.0

- Notes 1 “Appraisal value at end of period” is the appraisal value or survey-based value, pursuant to ADR’s Articles of Incorporation and the “Regulations Concerning Accounting of Investment Corporations” issued by the Cabinet Office, provided by a real estate appraiser as of January 31, 2019.
2. “Total number of tenants,” is counted as “1” if the property is leased under a master lease agreement to a master lessee. Because all properties held by ADR as of January 31, 2019 are leased under a master lease agreement, the “Total” for the “Total number of tenants” column indicates the total number of master lease agreements, which were concluded with 12 master lessees.
3. “Occupancy rate” is calculated using the formula: “Leased floor area” ÷ “Leasable floor area” × 100.
4. “Rental revenue” is the rental revenue of respective real estate for the fiscal period under review.

# I. Fiscal Period Report

## Capital Expenditures

### 1 Planned Capital Expenditures

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

(million yen)

Name of real estate (Location)	Purpose	Estimated duration	Estimated amounts		
			Total amounts	Payment for the current period	Cumulative amount paid
RESIDIA Akasaka (Minato-ku, Tokyo)	Major repair work	From: Aug. 2018 To: Jun. 2019	42	1	1
RESIDIA Daikanyama (Shibuya-ku, Tokyo)	Major repair work	From: Sept. 2017 To: May 2019	64	10	10
RESIDIA Bunkyo Yushima II (Bunkyo-ku, Tokyo)	Major repair work	From: Aug. 2018 To: Jun. 2019	44	–	–
RESIDIA Ginza-Higashi (Chuo-ku, Tokyo)	Major repair work	From: May 2018 To: Mar. 2019	67	57	57
RESIDIA Ueno-Ikenohata (Taito-ku, Tokyo)	Major repair work	From: May 2018 To: Mar. 2019	46	16	16
Life & Senior House Kohoku II (Yokohama-shi, Kanagawa Pref.)	Major repair work	From: May 2018 To: Mar. 2019	77	60	60
RESIDIA Imadegawa (Kyoto City, Kyoto Prefecture)	Major repair work	From: Apr. 2018 To: Mar. 2019	67	43	43
RESIDIA Tenjin-Minami (Fukuoka-shi, Fukuoka Pref.)	Major repair work	From: May 2018 To: Mar. 2019	80	42	42
RESIDIA Uzumasa (Kyoto City, Kyoto Prefecture)	Major repair work	From: Apr. 2018 To: Mar. 2019	79	24	24

### 2 Capital Expenditures for the Current Period

The following table lists the major capital expenditures for renovations ADR conducted in the current period. The total capital expenditures during this fiscal period were 896 million yen for the entire portfolio and, when combined with repairs and maintenance cost of 585 million yen, the cost of construction work totals 1,481 million yen.

(million yen)

Name of real estate (Location)	Purpose	Implementation period	Amount paid
RESIDIA Higashizakura II (Nagoya-shi, Aichi)	Major repair work	From: Jul. 2018 To: Jan. 2019	139
RESIDIA TOWER Nogizaka (Minato-ku, Tokyo)	Major repair work	From: May 2018 To: Nov. 2018	137
RESIDIA Ichigaya (Shinjuku-ku, Tokyo)	Major repair work	From: Aug. 2018 To: Dec. 2018	99
Other real estate	Renovations		519
<b>Total</b>			<b>896</b>

Note Figures have been rounded down to the nearest million yen. Accordingly, the sum totals of the figures presented do not necessarily add up to the "Total" amount indicated in the previous table.

### 3 Cash Reserves for Value Enhancement Works and Renovations

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

(million yen)

FP	13th FP	14th FP	15th FP	16th FP	17th FP
	From: Aug. 1, 2016 To: Jan. 31, 2017	From: Feb. 1, 2017 To: Jul. 31, 2017	From: Aug. 1, 2017 To: Jan. 31, 2018	From: Feb. 1, 2018 To: Jul. 31, 2018	From: Aug. 1, 2018 To: Jan. 31, 2019
Balance of reserves at beginning of period	1,970	2,144	2,040	1,921	1,990
Amount of reserves during period	625	696	738	814	906
Reversal of reserves during period	451	801	857	744	1,192
Amount carried forward to next period	2,144	2,040	1,921	1,990	1,705

## Acquisitions and Disposals in the 17th FP

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

Property no.	Name of real estate	Acquisition		Disposition			
		Acquisition date	Acquisition Price <sup>Note</sup> (million yen)	Disposition date	Disposition price <sup>Note</sup> (million yen)	Book value (million yen)	Gain (Loss) on sales (million yen)
R-76	RESIDIA Kita-Nijyo-East III	Aug. 1, 2018	420	–	–	–	–
<b>Total</b>			<b>420</b>	–	–	–	–

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

# I. Fiscal Period Report

## 2 Transactions with Interested Parties

1) Transactions

Not applicable.

2) Amount of Commission Fees Paid

The following are the commission fees paid to interested parties in the 17th FP.

Classification	Total amount of commission fees (A) (thousand yen)	Breakdown of transaction with interested parties		Share (B)/(A)(%)
		Payee	Amount paid (B) (thousand yen)	
Property management fees	1,328,083	ITOCHU Urban Community Ltd.	859,859	64.7
Other rental expenses	109,218	ITOCHU Urban Community Ltd.	66,658	61.0
Advertising expenses	24,463	ITOCHU Urban Community Ltd.	6,087	24.9
Other fees	139,021	ITOCHU Urban Community Ltd.	17,895	12.9
		ITOCHU Human Resources & General Affairs Services Inc.	95	0.1

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

2. ITOCHU Urban Community Ltd. and ITOCHU Human Resources & General Affairs Services Inc. are interested parties of the asset management company that have signed an asset management agreement with ADR as stipulated in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations and Article 123 of the Enforcement Order thereof, with which ADR engaged in transactions in the 17th FP.





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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Advance Residence Investment Corporation:

We have audited the accompanying balance sheet of Advance Residence Investment Corporation (the "Investment Corporation") as of January 31, 2019, and the related statements of income, changes in net assets, cash distributions and cash flows for the six months then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Investment Corporation as of January 31, 2019, and results of its operations and its cash flows for the six months then ended in accordance with accounting principles generally accepted in Japan.

*Deloitte Touche Tohmatsu LLC*

April 22, 2019

## II. Financial Statements

### Balance Sheets

(Thousands of yen)

	As of July 31, 2018	As of January 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits (Notes 8 and 10)	13,741,901	14,553,947
Cash and deposits in trust (Notes 8 and 10)	9,605,383	9,765,681
Operating accounts receivable	209,929	188,117
Prepaid expenses	483,704	345,318
Other	10,412	10,599
Allowance for doubtful accounts	(7,225)	(6,455)
Total current assets	24,044,107	24,857,208
Non-current assets		
Property, plant and equipment (Notes 14, 18, 19 and 24)		
Buildings	75,980,399	76,197,893
Accumulated depreciation	(12,997,222)	(13,841,708)
Buildings, net	62,983,176	62,356,184
Structures	23,395	23,973
Accumulated depreciation	(7,132)	(7,904)
Structures, net	16,263	16,068
Machinery and equipment	82,361	92,420
Accumulated depreciation	(19,859)	(23,640)
Machinery and equipment, net	62,502	68,779
Tools, furniture and fixtures	289,909	339,929
Accumulated depreciation	(141,887)	(159,743)
Tools, furniture and fixtures, net	148,021	180,185
Land	74,403,244	74,407,327
Construction in progress	44,670	85,671
Buildings in trust	154,333,071	155,149,771
Accumulated depreciation	(25,491,760)	(27,245,480)
Buildings in trust, net	128,841,311	127,904,290
Structures in trust	193,591	194,208
Accumulated depreciation	(103,080)	(107,736)
Structures in trust, net	90,510	86,471
Machinery and equipment in trust	182,121	185,984
Accumulated depreciation	(105,796)	(112,638)
Machinery and equipment in trust, net	76,325	73,346
Tools, furniture and fixtures in trust	832,133	884,895
Accumulated depreciation	(518,517)	(557,469)
Tools, furniture and fixtures in trust, net	313,615	327,426
Land in trust	157,302,505	157,508,159
Construction in progress in trust	6,503	170,322
Total property, plant and equipment	424,288,650	423,184,234
Intangible assets (Note 24)		
Leasehold rights in trust (Note 19)	1,974,953	1,940,516
Other	34	15
Total intangible assets	1,974,988	1,940,532

(Thousands of yen)

	As of July 31, 2018	As of January 31, 2019
Investments and other assets		
Long-term prepaid expenses	826,885	786,705
Guarantee deposits	550,532	556,653
Guarantee deposits in trust	1,038,903	1,038,903
Other	1,680	1,168
Total investments and other assets	2,418,000	2,383,430
Total non-current assets	428,681,640	427,508,197
Deferred assets		
Investment unit issuance expenses	3,008	1,619
Investment corporation bond issuance costs	117,266	120,548
Total deferred assets	120,274	122,168
Total assets	452,846,022	452,487,574
Liabilities		
Current liabilities		
Operating accounts payable	337,326	378,449
Short-term loans payable (Notes 10 and 27)	1,000,000	1,000,000
Current portion of investment corporation bonds (Notes 10 and 26)	2,000,000	4,000,000
Current portion of long-term loans payable (Notes 10, 12, 23 and 27)	21,460,000	17,700,000
Accounts payable – other (Note 14)	1,386,590	1,389,839
Accrued expenses	87,859	109,203
Accrued consumption taxes	47,401	10,934
Advances received	66,474	69,778
Other	18,981	18,794
Total current liabilities	26,404,633	24,676,999
Non-current liabilities		
Investment corporation bonds (Notes 10 and 26)	27,000,000	25,000,000
Long-term loans payable (Notes 10, 12, 23 and 27)	174,458,000	178,218,000
Tenant leasehold and security deposits	1,227,275	1,239,315
Tenant leasehold and security deposits in trust	3,228,688	3,265,660
Derivatives liabilities (Notes 10, 12 and 23)	3,423	18,187
Total non-current liabilities	205,917,387	207,741,163
Total liabilities	232,322,020	232,418,162
Net assets		
Unitholders' equity (Note 6)		
Paid-in capital	127,690,098	127,690,098
Surplus		
Capital surplus	53,220,279	53,220,279
Voluntary retained earnings		
Reserve for temporary difference adjustment	32,529,450	32,193,397
Total voluntary retained earnings	32,529,450	32,193,397
Unappropriated retained earnings (undisposed loss)	7,087,597	6,983,823
Total surplus	92,837,327	92,397,500
Total unitholders' equity	220,527,425	220,087,598
Valuation and translation adjustments		
Deferred gains or losses on hedges	(3,423)	(18,187)
Total valuation and translation adjustments	(3,423)	(18,187)
Total net assets (Notes 4 and 20)	220,524,002	220,069,411
Total liabilities and net assets	452,846,022	452,487,574

## II. Financial Statements

### Statements of Income

(Thousands of yen)

	For the six months ended July 31, 2018	For the six months ended January 31, 2019
Operating revenue (Note 18)		
Rental revenue – real estate (Notes 5 and 9)	16,167,076	16,196,049
Gain on real estate sales (Note 5)	135,079	–
Total operating revenue	16,302,155	16,196,049
Operating expenses		
Expenses related to rent business (Notes 5 and 9)	6,345,214	6,333,386
Asset management fees (Note 14)	1,181,791	1,196,544
Asset custody fees	9,762	9,780
Administrative service fees	58,712	58,424
Directors' compensation	3,600	3,600
Taxes and dues	258,130	275,837
Provision of allowance for doubtful accounts	170	345
Bad debt expenses	–	115
Other operating expenses	172,681	200,114
Total operating expenses	8,030,063	8,078,149
Operating income	8,272,092	8,117,899
Non-operating income		
Interest income	6,537	6,769
Compensation income	18,000	1,984
Reversal of distribution payable	1,463	1,089
Other	2,172	1,334
Total non-operating income	28,173	11,178
Non-operating expenses		
Interest expense (Notes 10, 12 and 23)	854,191	808,186
Interest expense on investment corporation bonds	131,529	127,294
Amortization of investment unit issuance expenses	1,388	1,388
Amortization of investment corporation bond issuance costs	10,748	10,548
Borrowing -related expenses	210,950	194,009
Other	3,254	3,222
Total non-operating expenses	1,212,063	1,144,649
Ordinary income	7,088,202	6,984,428
Income before income taxes	7,088,202	6,984,428
Income taxes – current (Note 15)	605	605
Total income taxes	605	605
Net income (Note 20)	7,087,597	6,983,823
Unappropriated retained earnings (undisposed loss)	7,087,597	6,983,823

## Statements of Changes in Net Assets

For the six months ended July 31, 2018

(Thousands of yen)

	Unitholders' equity						Valuation and translation adjustments		Total net assets	
	Paid-in capital	Surplus				Total unitholders' equity	Deferred gain or loss on hedging instruments	Total valuation and translation adjustments		
		Capital surplus	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)					Total surplus
			Reserve for temporary difference adjustments	Total voluntary retained earnings						
Balance at the beginning of period	127,690,098	53,220,279	32,866,055	32,866,055	6,798,144	92,884,479	220,574,577	–	–	220,574,577
Changes in items during the period										
Reversal of reserve for temporary difference adjustments			(336,605)	(336,605)	336,605	–	–			–
Dividends from surplus					(7,134,750)	(7,134,750)	(7,134,750)			(7,134,750)
Net income					7,087,597	7,087,597	7,087,597			7,087,597
Net changes in items other than unitholders' equity in the fiscal year								(3,423)	(3,423)	(3,423)
Total changes in items during the period	–	–	(336,605)	(336,605)	289,453	(47,152)	(47,152)	(3,423)	(3,423)	(50,575)
Balance at the end of period	127,690,098	53,220,279	32,529,450	32,529,450	7,087,597	92,837,327	220,527,425	(3,423)	(3,423)	220,524,002

For the six months ended January 31, 2019

(Thousands of yen)

	Unitholders' equity						Valuation and translation adjustments		Total net assets	
	Paid-in capital	Surplus				Total unitholders' equity	Deferred gain or loss on hedging instruments	Total valuation and translation adjustments		
		Capital surplus	Voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total surplus					
			Reserve for temporary difference adjustments	Total voluntary retained earnings						
Balance at the beginning of period	127,690,098	53,220,279	32,529,450	32,529,450	7,087,597	92,837,327	220,527,425	(3,423)	(3,423)	220,524,002
Changes in items during the period										
Reversal of reserve for temporary difference adjustments			(336,052)	(336,052)	336,052	—	—			—
Dividends from surplus					(7,423,650)	(7,423,650)	(7,423,650)			(7,423,650)
Net income					6,983,823	6,983,823	6,983,823			6,983,823
Net changes in items other than unitholders' equity in the fiscal year								(14,763)	(14,763)	(14,763)
Total changes in items during the period	—	—	(336,052)	(336,052)	(103,774)	(439,826)	(439,826)	(14,763)	(14,763)	(454,590)
Balance at the end of period	127,690,098	53,220,279	32,193,397	32,193,397	6,983,823	92,397,500	220,087,598	(18,187)	(18,187)	220,069,411

## II. Financial Statements

### Statements of Cash Distributions

	For the six months ended July 31, 2018	For the six months ended January 31, 2019
I. Unappropriated retained earnings	7,087,597,394 yen	6,983,823,086 yen
II. Reversal of voluntary retained earnings Reversal of reserve for temporary difference adjustments	336,052,606 yen	335,876,914 yen
III. Dividends (Dividend per investment unit)	7,423,650,000 yen (5,499 yen)	7,319,700,000 yen (5,422 yen)
IV. Retained earnings carried forward	–	–
Dividend Policy	<p>In accordance with the distribution policy set forth in Article 32, Item 1 of ADR's Articles of Incorporation, ADR distributes in excess of 90% of the amount of ADR's profit available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In the event of weak performance by investments, reserve for dividends will be used in order to maintain stable payouts into the future.</p> <p>Based on this policy, ADR has decided to distribute 7,423,650,000 yen, which is the sum of the reversal of the reserve for temporary difference adjustments (RTA) of 336,052,606 yen and unappropriated retained earnings of 7,087,597,394 yen for the fiscal period.</p> <p>ADR does not distribute dividends in excess of the profits defined in Article 32, Item 2 of its Articles of Incorporation.</p>	<p>In accordance with the distribution policy set forth in Article 32, Item 1 of ADR's Articles of Incorporation, ADR distributes in excess of 90% of the amount of ADR's profit available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In the event of weak performance by investments, reserve for dividends will be used in order to maintain stable payouts into the future.</p> <p>Based on this policy, ADR has decided to distribute 7,319,700,000 yen, which is the sum of the reversal of the reserve for temporary difference adjustments (RTA) of 335,876,914 yen and unappropriated retained earnings of 6,983,823,086 yen for the fiscal period.</p> <p>ADR does not distribute dividends in excess of the profits defined in Article 32, Item 2 of its Articles of Incorporation.</p>



## Statements of Cash Flows

(Thousands of yen)

	For the six months ended July 31, 2018	For the six months ended January 31, 2019
Cash flows from operating activities		
Income before income taxes	7,088,202	6,984,428
Depreciation and amortization	2,682,323	2,705,686
Amortization of investment unit issuance expenses	1,388	1,388
Amortization of investment corporation bond issuance costs	10,748	10,548
Increase (decrease) in allowance for doubtful accounts	(49)	(769)
Interest income	(6,537)	(6,769)
Interest expense	854,191	808,186
Interest expense on investment corporation bonds	131,529	127,294
Decrease (increase) in operating accounts receivable	(11,463)	21,812
Decrease (increase) in prepaid expenses	(135,908)	138,386
Increase (decrease) in accrued consumption taxes	13,534	(36,466)
Increase (decrease) in operating accounts payable	(51,454)	71,683
Increase (decrease) in accounts payable – other	(485)	11,312
Increase (decrease) in accrued expenses	(30,082)	29,205
Increase (decrease) in advances received	9,209	3,303
Decrease in sales of property, plant and equipment	1,255,921	–
Decrease in sales of intangible assets	1,071,902	–
Decrease (increase) in long-term prepaid expenses	(16,394)	40,179
Other	(6,671)	508
Subtotal	12,859,905	10,909,919
Interest income received	375	437
Interest expense paid	(984,173)	(943,342)
Income taxes paid	(605)	(614)
Net cash provided by (used in) operating activities	11,875,502	9,966,399
Cash flows from investing activities		
Payments into time deposits	(6,000,000)	(7,000,000)
Proceeds from withdrawal of time deposits	1,000,000	5,000,000
Purchase of property, plant and equipment	(5,953,543)	(311,311)
Purchase of property, plant and equipment in trust	(1,810,924)	(1,295,173)
Proceeds from tenant leasehold and security deposits, net	9,813	12,040
Proceeds from tenant leasehold and security deposits in trust, net	(18,957)	36,972
Payments for lease and guarantee deposits	(8,684)	–
Payments for lease and guarantee deposits in trust	(12,318)	–
Net cash provided by (used in) investing activities	(12,794,614)	(3,557,472)
Cash flows from financing activities		
Increase in short-term loans payable	3,000,000	2,000,000
Decrease in short-term loans payable	(2,000,000)	(2,000,000)
Proceeds from long-term loans	21,190,000	9,760,000
Repayments of long-term loans	(19,190,000)	(9,760,000)
Proceeds from issuance of investment corporation bonds	1,500,000	2,000,000
Redemption of investment corporation bonds	–	(2,000,000)
Payments for investment corporation bond issuance costs	(11,866)	(13,830)
Dividends paid	(7,133,757)	(7,422,752)
Net cash provided by (used in) financing activities	(2,645,623)	(7,436,583)
Net increase (decrease) in cash and cash equivalents	(3,564,736)	(1,027,656)
Cash and cash equivalents at the beginning of period	20,912,021	17,347,285
Cash and cash equivalents at the end of period (Note 8)	17,347,285	16,319,628

# III. Notes to Financial Statements

## Notes to Financial Statements

### 1 Organization

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

The merger made ADR the largest residential J-REIT in terms of asset size, enabling it to upgrade its portfolio while ensuring its financial stability. The merger also resulted in retained earnings of 43.2 billion yen (32.1 billion yen as of the end of this fiscal period) due to the profit from negative goodwill, and allowed ADR to demonstrate one of its strengths of delivering stable dividends over the long term.

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

### 2 Basis of Presentation of Financial Statements

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

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

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

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

### 3 Significant Accounting Policies

(1) Depreciation and amortization methods of non-current assets	<ol style="list-style-type: none"> <li>Property, plant and equipment (including assets in trust) Depreciated using the straight-line method. Useful lives of major categories of property, plant and equipment are as follows: Buildings: 3 to 46 years Structures: 6 to 50 years Machinery and equipment: 10 to 15 years Tools, furniture and fixtures: 2 to 20 years</li> <li>Intangible assets Amortized using the straight-line method. Useful lives of major categories of intangible assets are as follows: Leasehold rights in trust: 23 to 65 years</li> <li>Long-term prepaid expenses Amortized using the straight-line method.</li> </ol>
(2) Accounting for deferred assets	<ol style="list-style-type: none"> <li>Investment unit issuance expenses Amortized using the straight-line method (three years).</li> <li>Investment corporation bond issuance costs Amortized using the straight-line method over the period up to redemption of the investment corporation bonds.</li> </ol>
(3) Basis of recording allowances	<p>Allowance for doubtful accounts</p> <p>Estimated uncollectible amounts are recorded for possible losses arising from default on receivables based on the historical performance of general receivables and a case-by-case evaluation of the collectability of certain receivables, such as receivables with default possibility.</p>
(4) Basis of recording revenue and expenses	<p>Method of accounting for property taxes</p> <p>For property taxes, urban planning taxes, and depreciable asset taxes on real estate properties held, ADR records the amount of taxes imposed corresponding to the current fiscal period as an expense for the property leasing activities.</p> <p>Furthermore, for the pro rata portion of property taxes ADR paid to the transferor (seller) upon acquisition of real estate properties, ADR treats the amount as acquisition costs of real estate properties, instead of recording it as an expense for the property leasing activities. The amount of property taxes treated as acquisition costs of real estate properties was 15,443 thousand yen in the previous period and 1,057 thousand yen in the current period.</p>
(5) Hedge accounting	<ol style="list-style-type: none"> <li>Method of hedge accounting In principal, deferred hedge accounting is applied. Note that special treatment is applied for interest rate swaps that fulfill certain requirements.</li> <li>Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Loans</li> <li>Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy.</li> <li>Method for assessing the hedge effectiveness The effectiveness of hedges is assessed by comparing the cumulative change of cash flows of both hedging instruments and corresponding hedged items, and then verifying the ratio of change for both. However, evaluation of effectiveness is omitted for interest rate swaps that satisfy the requirements for special accounting treatment.</li> </ol>
(6) Scope of funds in the statements of cash flows	<p>The funds (cash and cash equivalents) in the statements of cash flows consist of cash on hand and cash in trust; demand deposits and deposits in trust; and short-term investments that are readily convertible into cash, carry minimal risk of change in value, and are due for redemption in three months or less from the acquisition date.</p>
(7) Other significant matters that serve as a basis for the preparation of the financial statements	<ol style="list-style-type: none"> <li>Accounting for trust beneficiary interests in trust assets such as real estate properties For trust beneficiary interests in real estate properties, all assets and liabilities of the trust assets, as well as revenue and income earned from, and expenses incurred for the trust assets are recorded under the respective account in the balance sheets and statements of income. Of the accounts used to record the above trust assets, the following accounts are significant and disclosed separately on the face of the balance sheets. A. Cash and deposits in trust B. Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; construction in progress in trust; and leasehold rights in trust C. Guarantee deposits in trust D. Tenant leasehold and security deposits in trust</li> <li>Accounting for consumption taxes Consumption taxes and local consumption taxes are excluded from business transaction amounts. However, accounting for non-current assets and deferred assets is inclusive of consumption taxes and local consumption taxes.</li> </ol>

# III. Notes to Financial Statements

## 4 Balance Sheets

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

(Thousands of yen)

	As of July 31, 2018	As of January 31, 2019
	50,000	50,000

- (2) Commitment line agreements

ADR has executed commitment line agreements with banks.

(Thousands of yen)

	As of July 31, 2018	As of January 31, 2019
Total commitment line of credit	20,000,000	20,000,000
Amount used	—	—
Unused balance	20,000,000	20,000,000

- (3) Provision and reversal of the reserve for temporary difference adjustments

For the six months ended July 31, 2018

(Thousands of yen)

	Initial amount	Balance as of January 31, 2018	Funds drawn down during 16th FP	Balance as of July 31, 2018	Reasons for setting aside and drawing down funds
Reserve for dividends (Note)	33,552,162	32,866,055	336,605	32,529,450	For dividends

Note that the reserve for dividends is the remaining amounts of gains on negative goodwill which were recorded in past fiscal periods. The outstanding amount is scheduled to be fully drawn down in equal amounts or more every fiscal period within 50 years, starting from the end of the fiscal period ended January 31, 2017 (13th FP).

For the six months ended January 31, 2019

(Thousands of yen)

	Initial amount	Balance as of July 31, 2018	Funds drawn down during 17th FP	Balance as of January 31, 2019	Reasons for setting aside and drawing down funds
Reserve for dividends (Note)	33,552,162	32,529,450	336,052	32,193,397	For dividends

Note that the reserve for dividends is the remaining amounts of gains on negative goodwill which were recorded in past fiscal periods. The outstanding amount is scheduled to be fully drawn down in equal amounts or more every fiscal period within 50 years, starting from the end of the fiscal period ended January 31, 2017 (13th FP).

## 5 Statements of Income

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

(Thousands of yen)

	For the six months ended July 31, 2018		For the six months ended January 31, 2019	
A. Revenue from property leasing activities				
Rental revenue – real estate				
Rent income	14,276,600		14,373,693	
Facility charges	787,227		799,508	
Parking fees	431,954	15,495,782	436,471	15,609,674
Other revenue related to property leasing				
Income from leasing rights	88,971		82,032	
Other	582,321	671,293	504,342	586,374
Total revenue from property leasing activities		16,167,076		16,196,049
B. Expenses from property leasing activities				
Expenses related to the rent business				
Property taxes	865,044		871,119	
Property management fees	1,146,442		1,107,235	
Utilities	255,223		261,826	
Repairs and maintenance	567,255		585,228	
Property-casual insurance	25,369		25,950	
Trust fees	70,873		69,564	
Other rental expenses	732,701		706,795	
Depreciation and amortization	2,682,304	6,345,214	2,705,666	6,333,386
Total expenses from property leasing activities		6,345,214		6,333,386
C. Operating income from property leasing activities (A–B)		9,821,861		9,862,662

### (2) Breakdown of gain on real estate sales

For the six months ended July 31, 2018  
(RESIDIA Minami-Aoyama)

(Thousands of yen)

Income from sales of real estate properties	710,000
Cost of real estate properties sold	697,303
Other sales expenses	5,798
Gain on real estate sales	6,897

(Windsor House Hiroo)

(Thousands of yen)

Income from sales of real estate properties	1,863,000
Cost of real estate properties sold	1,630,520
Other sales expenses	104,297
Gain on real estate sales	128,181

For the six months ended January 31, 2019  
Not applicable.

# III. Notes to Financial Statements

## 6 Statements of Changes in Net Assets

Total number of units authorized and total number of units issued and outstanding

(Units)

	As of July 31, 2018	As of January 31, 2019
Total number of units authorized	6,000,000	6,000,000
Total number of units issued and outstanding	1,350,000	1,350,000

## 7 Statements of Cash Distributions

Reserve for temporary difference adjustments

For the six months ended July 31, 2018

The interim measures of Article 3 of the Supplementary Provisions to the Regulations Concerning Accounting of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015) have been applied and in the statements of cash distributions, the reserve for dividends of 33,552,162,785 yen, which is the remaining portion of the amount subdivided into gains on negative goodwill in previous fiscal periods, has been transferred to the reserve for temporary difference adjustments. It has become necessary to draw down the reserve in equal amounts or more every fiscal period within 50 years, starting from the end of the fiscal period ended January 31, 2017 (13th FP), which was the period following the period in which the transfer to the reserve was made. As such, ADR has drawn down 336,052,606 yen of the reserve during the fiscal period ended July 31, 2018 (16th FP).

For the six months ended January 31, 2019

The interim measures of Article 3 of the Supplementary Provisions to the Regulations Concerning Accounting of Investment Corporations (Cabinet Office Ordinance No. 27 of 2015) have been applied and in the statements of cash distributions, the reserve for dividends of 33,552,162,785 yen, which is the remaining portion of the amount subdivided into gains on negative goodwill in previous fiscal periods, has been transferred to the reserve for temporary difference adjustments. It has become necessary to draw down the reserve in equal amounts or more every fiscal period within 50 years, starting from the end of the fiscal period ended January 31, 2017 (13th FP), which was the period following the period in which the transfer to the reserve was made. As such, ADR has drawn down 335,876,914 yen of the reserve during the fiscal period ended January 31, 2019 (17th FP).



## 8 Statements of Cash Flows

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

(Thousands of yen)

	As of July 31, 2018	As of January 31, 2019
Cash and deposits	13,741,901	14,553,947
Cash and deposits in trust	9,605,383	9,765,681
Time deposits held over three months	(6,000,000)	(8,000,000)
Cash and cash equivalents	17,347,285	16,319,628

## 9 Leases

### (1) Operating leases (as a lessee)

Future lease payments are as follows:

(Thousands of yen)

	As of July 31, 2018	As of January 31, 2019
Due within one year	739,236	739,236
Due after one year	12,408,175	12,038,557
Total	13,147,411	12,777,793

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

### (2) Operating leases (as a lessor)

Future lease receivables are as follows:

(Thousands of yen)

	As of July 31, 2018	As of January 31, 2019
Due within one year	3,802,751	3,446,011
Due after one year	6,353,964	5,172,798
Total	10,156,715	8,618,809

# III. Notes to Financial Statements

## 10 Financial Instruments

### (1) General information on financial instruments

#### 1) Policy on financial instruments

In order to secure stable earnings and steady growth of assets under management, ADR procures funds through loans, issuance of investment corporation bonds (including short-term investment corporation bonds; the same applies below), issuance of units, and other means of financing for the purpose of purchasing real estate properties and repaying its debts.

ADR conducts derivative transactions solely for the purpose of hedging against the risk of interest rate fluctuations and other risks arising from liabilities.

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

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

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

In addition, ADR is exposed to the risk arising from fluctuations in interest rates on its loans and investment corporation bonds with floating interest rates. ADR controls and limits such risk by utilizing derivative transactions (interest rate swap transactions).

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

#### 3) Supplementary explanation on fair value of financial instruments

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

### (2) Fair values of financial instruments

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

As of July 31, 2018

(Thousands of yen)

	Book value	Fair value	Unrealized gain (loss)
1) Cash and deposits	13,741,901	13,741,901	–
2) Cash and deposits in trust	9,605,383	9,605,383	–
3) Short-term loans payable	1,000,000	1,000,572	(572)
4) Current portion of investment corporation bonds	2,000,000	2,003,600	(3,600)
5) Current portion of long-term loans payable	21,460,000	21,552,561	(92,561)
6) Investment corporation bonds	27,000,000	27,544,250	(544,250)
7) Long-term loans payable	174,458,000	177,215,067	(2,757,067)
8) Derivative transactions (Special treatment for interest rate swaps)	–	(1,517,966)	(1,517,966)
9) Derivative transactions (Basic treatment for interest rate swaps)	3,423	3,423	–

As of January 31, 2019

(Thousands of yen)

	Book value	Fair value	Unrealized gain (loss)
1) Cash and deposits	14,553,947	14,553,947	–
2) Cash and deposits in trust	9,765,681	9,765,681	–
3) Short-term loans payable	1,000,000	1,000,244	(244)
4) Current portion of investment corporation bonds	4,000,000	4,026,800	(26,800)
5) Current portion of long-term loans payable	17,700,000	17,757,339	(57,339)
6) Investment corporation bonds	25,000,000	25,626,293	(626,293)
7) Long-term loans payable	178,218,000	181,398,510	(3,180,510)
8) Derivative transactions (Special treatment for interest rate swaps)	–	(1,535,808)	(1,535,808)
9) Derivative transactions (Basic treatment for interest rate swaps)	18,187	18,187	–

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

1) Cash and deposits and 2) Cash and deposits in trust

These instruments are stated at book values because their book values approximate fair values due to their short maturities.

4) Current portion of investment corporation bonds and 6) Investment corporation bonds

The fair values of these instruments are determined using the reference value announced by the Japan Securities Dealers Association. However, if a reference value is not available, the fair value is deemed to be the present value of future cash flows of principal and interest, discounted at the assumed interest rate for similar borrowings.

3) Short-term loans payable, 5) Current portion of long-term loans payable and 7) Long-term loans payable

The fair values of these financial instruments were determined as the present value of future cash flows of principal and interest, discounted at the assumed interest rate for similar borrowings.

8) Derivative transactions (Special treatment for interest rate swaps) and 9) Derivative transactions (Basic treatment for interest rate swaps)

Please refer to "Derivative Transactions" below for details.

\*2 Redemption schedules of monetary claims and securities after balance sheet date.

As of July 31, 2018

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and deposits	13,741,901	–	–	–	–	–
Cash and deposits in trust	9,605,383	–	–	–	–	–
Total	23,347,284	–	–	–	–	–

As of January 31, 2019

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Cash and deposits	14,553,947	–	–	–	–	–
Cash and deposits in trust	9,765,681	–	–	–	–	–
Total	24,319,628	–	–	–	–	–

## III. Notes to Financial Statements

\*3 Repayment schedules of investment corporation bonds, loans payable, and other interest-bearing loans after balance sheet date.

As of July 31, 2018

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term loans payable	1,000,000	–	–	–	–	–
Current portion of investment corporation bonds	2,000,000	–	–	–	–	–
Current portion of long-term loans payable	21,460,000	–	–	–	–	–
Investment corporation bonds	–	4,000,000	1,500,000	–	5,000,000	16,500,000
Long-term loans payable	–	20,870,000	25,218,000	24,460,000	15,310,000	88,600,000
Total	24,460,000	24,870,000	26,718,000	24,460,000	20,310,000	105,100,000

As of January 31, 2019

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years	Due after five years
Short-term loans payable	1,000,000	–	–	–	–	–
Current portion of investment corporation bonds	4,000,000	–	–	–	–	–
Current portion of long-term loans payable	17,700,000	–	–	–	–	–
Investment corporation bonds	–	1,500,000	–	2,000,000	3,000,000	18,500,000
Long-term loans payable	–	25,070,000	27,778,000	21,710,000	15,760,000	87,900,000
Total	22,700,000	26,570,000	27,778,000	23,710,000	18,760,000	106,400,000

### 11 Securities

As of July 31, 2018

Not applicable.

As of January 31, 2019

Not applicable.

## 12 Derivative Transactions

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

As of July 31, 2018

Not applicable.

As of January 31, 2019

Not applicable.

(2) Derivative transactions to which hedge accounting is applied

The contract amounts or equivalent notional principal amounts defined in the contract by the method of hedge accounting as of July 31, 2018 and January 31, 2019 are as follows:

As of July 31, 2018

(Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount (*1)		Fair value (*2)
				Contract amount due after one year	
Special accounting treatment for interest rate swaps	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	106,358,000	87,158,000	(1,517,966) (*3)
Basic accounting method	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	2,000,000	2,000,000	(3,423)

As of January 31, 2019

(Thousands of yen)

Method of hedge accounting	Type of derivative transaction	Main hedged item	Contract amount (*1)		Fair value (*2)
				Contract amount due after one year	
Special accounting treatment for interest rate swaps	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	98,858,000	82,058,000	(1,535,808) (*3)
Basic accounting method	Interest rate swaps (fixed rate payment, floating rate receipt)	Long-term loans payable	2,000,000	2,000,000	(18,187)

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

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

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

# III. Notes to Financial Statements

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

For the six months ended July 31, 2018

Not applicable as ADR does not have any affiliated companies.

For the six months ended January 31, 2019

Not applicable as ADR does not have any affiliated companies.

## 14 Transactions with Related Parties

(1) Parent company and major corporate unitholders

As of and for the six months ended July 31, 2018

Not applicable.

As of and for the six months ended January 31, 2019

Not applicable.

(2) Affiliated companies

As of and for the six months ended July 31, 2018

Not applicable.

As of and for the six months ended January 31, 2019

Not applicable.

(3) Fellow subsidiaries

As of and for the six months ended July 31, 2018

Not applicable.

As of and for the six months ended January 31, 2019

Not applicable.

(4) Directors and major individual unitholders

As of and for the six months ended July 31, 2018

Type of related party	Name of related party	Location	Capital stock or amount invested in capital (Thousands of yen)	Business description or occupation	Percentage of voting rights held	Relationships with related parties	Nature of transactions		Transaction amount (Thousands of yen)	Account name	Period-end balance (Thousands of yen)
Directors and their immediate family members	Kenji Kousaka	-	-	Executive Director of ADR and the President of ADIM	-	Asset management company	Payment of asset management fees to ADIM (*1)	Management fee 1	444,736 (*2)	Accounts payable – other	480,315 (*3)
								Management fee 2	375,124 (*2)	Accounts payable – other	405,134 (*3)
								Management fee 3	361,930 (*2)	Accounts payable – other	390,885 (*3)
								Transfer fee	12,865 (*2)	-	-
								Acquisition fee	73,240 (*3) (*4)	-	-

As of and for the six months ended January 31, 2019

Type of related party	Name of related party	Location	Capital stock or amount invested in capital (Thousands of yen)	Business description or occupation	Percentage of voting rights held	Relationships with related parties	Nature of transactions		Transaction amount (Thousands of yen)	Account name	Period-end balance (Thousands of yen)
Directors and their immediate family members	Kenji Kousaka	—	—	Executive Director of ADR and the President of ADIM	—	Asset management company	Payment of asset management fees to ADIM (*1)	Management fee 1	456,568 (*2)	Accounts payable – other	493,093 (*3)
								Management fee 2	377,049 (*2)	Accounts payable – other	407,213 (*3)
								Management fee 3	362,926 (*2)	Accounts payable – other	391,960 (*3)
								Acquisition fee	4,536 (*3) (*4)	—	—

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

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

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

\*3. The transaction amount includes consumption taxes.

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

## 15 Tax Effect Accounting

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

(Thousands of yen)

	As of July 31, 2018	As of January 31, 2019
Deferred tax assets		
Excess provision of allowance for doubtful accounts	2,282	2,039
Valuation difference on assets acquired through merger	9,832,217	9,749,656
Tax loss carryforwards*	1,371,552	1,371,552
Other	120,395	131,274
Deferred tax assets, subtotal	11,326,447	11,254,522
Less valuation allowance associated with tax loss carryforwards	-	(1,371,552)
Less valuation allowance associated with total of deductible temporary differences, etc.	-	(9,882,969)
Less valuation allowance, subtotal	(11,326,447)	(11,254,522)
Total deferred tax assets	-	-
Net deferred tax asset	-	-



## III. Notes to Financial Statements

\* Amounts stated on the basis of maximum carryforward periods of tax loss carryforwards and deferred tax assets.

As of January 31, 2019

(Thousands of yen)

	One year or less	One year through two years	Two years through three years	Three years through four years	Four years through five years	After five years	Total
Tax loss carryforwards (a)	–	1,243,330	128,222	–	–	–	1,371,552
Less valuation allowance	–	(1,243,330)	(128,222)	–	–	–	(1,371,552)
Deferred tax assets	–	–	–	–	–	–	–

(a) The tax loss carryforward is calculated based on the statutory effective tax rate.

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

(Unit: %)

	As of July 31, 2018	As of January 31, 2019
Statutory tax rate	31.74	31.51
(Adjustments)		
Increase (decrease) in valuation allowance	(3.20)	(1.03)
Deductible dividends	(28.52)	(30.48)
Other	0.00	0.01
Effective tax rate after the application of tax effect accounting	0.01	0.01

### 16 Retirement Benefits

As of and for the six months ended July 31, 2018

Not applicable because ADR does not have retirement benefit plans.

As of and for the six months ended January 31, 2019

Not applicable because ADR does not have retirement benefit plans.

### 17 Asset Retirement Obligations

As of and for the six months ended July 31, 2018

Not applicable.

As of and for the six months ended January 31, 2019

Not applicable.

## 18 Segment Information

### (1) Segment information

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

### (2) Related information

As of and for the six months ended July 31, 2018

#### 1) Information about products and services

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

#### 2) Information about geographic areas

##### A. Operating revenues

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

##### B. Property, plant and equipment

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

#### 3) Information about major customers

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

As of and for the six months ended January 31, 2019

#### 1) Information about products and services

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

#### 2) Information about geographic areas

##### A. Operating revenues

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

##### B. Property, plant and equipment

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

#### 3) Information about major customers

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

## III. Notes to Financial Statements

### 19 Value of Rental Properties

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

(Thousands of yen)

		As of July 31, 2018	As of January 31, 2019
Book value			
(*1)	Balance at the beginning of period	423,470,815	426,263,604
	Changes during the period (*2)	2,792,788	(1,138,853)
	Balance at the end of period	426,263,604	425,124,751
Fair value at the end of period (*3)		548,888,000	561,561,000

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

\*2. Of the changes in the value of rental properties during the period, the main element of increase in the previous period was the acquisition of two real estate properties (5,770,812 thousand yen) and the acquisition of real estate beneficiary interests in trust for two properties (1,311,848 thousand yen), and the decrease is mainly a result of the sales of two real estate properties (2,327,824 thousand yen) and posting depreciation. The main element of increase in the current period was the acquisition of one real estate property (453,545 thousand yen), and the decrease is mainly a result of posting depreciation.

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

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

### 20 Per Unit Information

(Yen)

	As of and for the six months ended July 31, 2018	As of and for the six months ended January 31, 2019
Net assets per unit	163,351	163,014
Net income per unit	5,250	5,173

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

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

	For the six months ended July 31, 2018	For the six months ended January 31, 2019
Net income (thousands of yen)	7,087,597	6,983,823
Amount not attributable to common unitholders (thousands of yen)	—	—
Net income attributable to common unit (thousands of yen)	7,087,597	6,983,823
Average number of units during the period (units)	1,350,000	1,350,000

## 21 Significant Subsequent Event

For the six months ended January 31, 2019

Not applicable.

## 22 Schedule of Securities

Not applicable.

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

(Thousands of yen)

Category	Type	Contract amount (*1)		Fair value (*2 and *3)
			Contract amount due after one year	
Transactions other than market transactions	Interest rate swaps (fixed rate payment, floating rate receipt)	100,858,000	84,058,000	(1,553,996)
Total		100,858,000	84,058,000	(1,553,996)

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

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

\*3. For the fair value amount of negative 1,535,808 thousand yen, special accounting treatment is applied to the interest rate swaps in accordance with the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10) and therefore, interest rate swaps are not stated at fair value in the balance sheets.

## III. Notes to Financial Statements

### 24 Summary of Real Estate

As of and for the six months ended January 31, 2019

(Thousands of yen)

		Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Accumulated depreciation or accumulated amortization	Depreciation for the period	Book value at the end of period	Notes
Property, plant and equipment	Buildings	75,980,399	217,494	—	76,197,893	13,841,708	844,485	62,356,184	—
	Structures	23,395	577	—	23,973	7,904	772	16,068	—
	Machinery and equipment	82,361	10,059	—	92,420	23,640	3,781	68,779	—
	Tools, furniture and fixtures	289,909	50,983	962	339,929	159,743	17,946	180,185	—
	Land	74,403,244	4,083	—	74,407,327	—	—	74,407,327	—
	Construction in progress	44,670	85,671	44,670	85,671	—	—	85,671	—
	Buildings in trust	154,333,071	816,843	143	155,149,771	27,245,480	1,753,736	127,904,290	*1
	Structures in trust	193,591	616	—	194,208	107,736	4,655	86,471	—
	Machinery and equipment in trust	182,121	3,863	—	185,984	112,638	6,842	73,346	—
	Tools, furniture and fixtures in trust	832,133	52,866	104	884,895	557,469	39,009	327,426	—
	Land in trust	157,302,505	205,654	—	157,508,159	—	—	157,508,159	*1
	Construction in progress in trust	6,503	170,322	6,503	170,322	—	—	170,322	—
Subtotal		463,673,908	1,619,035	52,385	465,240,557	42,056,323	2,671,229	423,184,234	
Intangible assets	Leasehold rights in trust	2,356,072	—	—	2,356,072	415,555	34,437	1,940,516	—
	Other	19,506	—	—	19,506	19,491	19	15	—
Subtotal		2,375,579	—	—	2,375,579	435,046	34,456	1,940,532	
Total		466,049,487	1,619,035	52,385	467,616,137	42,491,370	2,705,686	425,124,766	

\*1. The increase in property, plant and equipment for the six months ended January 31, 2019, primarily represents the acquisition of the property listed below.  
RESIDIA Kita-Nijyo-East III

### 25 Schedule of Other Specified Assets

Not applicable.

## 26 Schedule of Investment Corporation Bonds

As of and for the six months ended January 31, 2019

(Thousands of yen)

Series (*1)	Issue date	Balance at the beginning of period	Decrease during the period	Balance at the end of period	Interest rate (%)	Redemption date	Use	Collateral
ADR Bond #14 (Unsecured)	Sep. 12, 2011	2,000,000	2,000,000	–	–	Sep. 12, 2018	(*3)	Unsecured
ADR Bond #18 (Unsecured)	Sep. 12, 2012	4,000,000	–	4,000,000	1.230	Sep. 12, 2019	(*3)	Unsecured
ADR Bond #19 (Unsecured)	Apr. 25, 2013	3,000,000	–	3,000,000	1.320	Apr. 25, 2023	(*2)	Unsecured
ADR Bond #20 (Unsecured)	Nov. 14, 2013	2,000,000	–	2,000,000	1.410	Nov. 14, 2025	(*2)	Unsecured
ADR Bond #21 (Unsecured)	Apr. 28, 2014	2,500,000	–	2,500,000	1.040	Apr. 26, 2024	(*2)	Unsecured
ADR Bond #22 (Unsecured)	Apr. 23, 2015	2,000,000	–	2,000,000	0.726	Apr. 23, 2025	(*3)	Unsecured
ADR Bond #23 (Unsecured)	Oct. 21, 2015	1,500,000	–	1,500,000	0.326	Oct. 21, 2020	(*2)	Unsecured
ADR Bond #24 (Unsecured)	Oct. 21, 2015	1,500,000	–	1,500,000	0.846	Oct. 21, 2025	(*2)	Unsecured
ADR Bond #25 (Unsecured)	Jun. 21, 2016	3,000,000	–	3,000,000	0.900	Jun. 20, 2031	(*2)	Unsecured
ADR Bond #26 (Unsecured)	Feb. 17, 2017	2,000,000	–	2,000,000	0.180	Aug. 17, 2022	(*2)	Unsecured
ADR Bond #27 (Unsecured)	Jul. 18, 2017	3,000,000	–	3,000,000	0.500	Jul. 16, 2027	(*2)	Unsecured
ADR Bond #28 (Unsecured)	Nov. 24, 2017	1,000,000	–	1,000,000	0.5663	Nov. 24, 2027	(*2)	Unsecured
ADR Bond #29 (Unsecured)	Apr. 24, 2018	1,500,000	–	1,500,000	0.690	Apr. 24, 2030	(*2)	Unsecured
ADR Bond #30 (Unsecured)	Oct. 19, 2018	–	–	2,000,000	0.704	Oct. 19, 2028	(*2)	Unsecured
Total	–	29,000,000	2,000,000	29,000,000	–	–	–	–

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

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

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

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

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Investment corporation bond	4,000,000	1,500,000	–	2,000,000	3,000,000

# III. Notes to Financial Statements

## 27 Schedule of Loans

As of and for the six months ended January 31, 2019

(Thousands of yen)

	Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
	Lenders								
Short-term loans payable	Sumitomo Mitsui Trust Bank Limited	1,000,000	–	1,000,000	–	–	Jul. 31, 2019	(*5)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	–	1,000,000	1,000,000	–	–	Sep. 11, 2019	(*6)	
	Sumitomo Mitsui Trust Bank Limited	–	1,000,000	–	1,000,000	0.16%	Sep. 30, 2019	(*5)	
	Total		1,000,000	2,000,000	2,000,000	1,000,000			
Current portion of long-term loans payable	MUFG Bank, Ltd.	1,000,000	–	1,000,000	–	–	Sep. 28, 2018	(*3)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	3,200,000	–	3,200,000	–	–	Nov. 30, 2018	(*5)	
	Sumitomo Mitsui Trust Bank Limited	1,300,000	–	1,300,000	–				
	Mizuho Bank, Ltd.	1,000,000	–	1,000,000	–				
	MUFG Bank, Ltd.	1,200,000	–	–	1,200,000	1.25% (*2)	Jun. 28, 2019	(*5)	
	Sumitomo Mitsui Trust Bank Limited	800,000	–	–	800,000				
	Aozora Bank, Ltd.	700,000	–	–	700,000				
	MUFG Bank, Ltd.	–	450,000	–	450,000	1.16%	Sep. 30, 2019	(*6)	
	Sumitomo Mitsui Trust Bank Limited	–	450,000	–	450,000	1.16%	Sep. 30, 2019	(*6)	
	MUFG Bank, Ltd.	–	1,000,000	–	1,000,000	1.03% (*2)	Nov. 29, 2019	(*6)	
	Sumitomo Mitsui Banking Corporation	–	1,200,000	–	1,200,000	0.95% (*2)	Nov. 29, 2019	(*6)	
	Mizuho Bank, Ltd.	–	1,200,000	–	1,200,000				
	MUFG Bank, Ltd.	4,502,000	–	–	4,502,000	1.28% (*2)	Jul. 25, 2019	(*5)	
	Sumitomo Mitsui Trust Bank Limited	3,595,000	–	–	3,595,000				
	Aozora Bank, Ltd.	903,000	–	–	903,000				
	The Nishi-Nippon City Bank, Ltd.	–	500,000	–	500,000	0.92% (*2)	Sep. 30, 2019	(*3)	
	The Nishi-Nippon City Bank, Ltd.	500,000	–	500,000	–	–	Sep. 28, 2018	(*3)	
	The 77 Bank, Ltd.	500,000	–	500,000	–				
	The Yamaguchi Bank, Ltd.	–	500,000	–	500,000	0.85% (*2)	Dec. 18, 2019	(*3)	
	Aozora Bank, Ltd.	–	700,000	–	700,000	0.42% (*2)	Oct. 31, 2019	(*5)	
	Sumitomo Mitsui Banking Corporation	2,260,000	–	2,260,000	–	–	Nov. 30, 2018	(*5)	
	Total		21,460,000	6,000,000	9,760,000	17,700,000			



Long-term loans payable

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
MUFG Bank, Ltd.	450,000	–	450,000	–	–	Sep. 30, 2019	(*6)	Unsecured Unguaranteed
Sumitomo Mitsui Trust Bank Limited	450,000	–	450,000	–	–	Sep. 30, 2019	(*6)	
MUFG Bank, Ltd.	1,000,000	–	1,000,000	–	–	Nov. 29, 2019	(*6)	
Sumitomo Mitsui Banking Corporation	1,200,000	–	1,200,000	–	–	Nov. 29, 2019	(*6)	
Mizuho Bank, Ltd.	1,200,000	–	1,200,000	–				
Development Bank of Japan Inc.	2,200,000	–	–	2,200,000	1.23%	Nov. 29, 2020	(*5)	
Development Bank of Japan Inc.	2,200,000	–	–	2,200,000	1.40%	Nov. 29, 2021	(*5)	
MUFG Bank, Ltd.	1,200,000	–	–	1,200,000	0.81%	Mar. 24, 2020	(*3)	
Sumitomo Mitsui Trust Bank Limited	1,200,000	–	–	1,200,000	0.82%	Mar. 24, 2020	(*3)	
MUFG Bank, Ltd.	1,300,000	–	–	1,300,000	0.81%	Mar. 24, 2020	(*5)	
Sumitomo Mitsui Trust Bank Limited	1,300,000	–	–	1,300,000	0.82%	Mar. 24, 2020	(*5)	
Development Bank of Japan Inc.	1,150,000	–	–	1,150,000	1.08%	Mar. 24, 2021	(*4)	
Sumitomo Mitsui Trust Bank Limited	920,000	–	–	920,000	0.88% (*2)	Mar. 24, 2020	(*5)	
Aozora Bank, Ltd.	1,830,000	–	–	1,830,000				
Resona Bank, Limited	1,370,000	–	–	1,370,000				
MUFG Bank, Ltd.	2,000,000	–	–	2,000,000	1.25% (*2)	Oct. 29, 2021	(*5)	
Sumitomo Mitsui Trust Bank Limited	2,600,000	–	–	2,600,000				
Sumitomo Mitsui Banking Corporation	1,500,000	–	–	1,500,000	1.63% (*2)	Dec. 22, 2021	(*5)	
Mizuho Bank, Ltd.	2,160,000	–	–	2,160,000				
Aozora Bank, Ltd.	1,379,000	–	–	1,379,000	1.54% (*2)	Jun. 25, 2021	(*5)	
Resona Bank, Limited	919,000	–	–	919,000				
Mizuho Trust & Banking Co., Ltd.	1,000,000	–	–	1,000,000	1.07% (*2)	Sep. 30, 2020	(*3)	
The Norinchukin Bank	1,000,000	–	–	1,000,000				
The Nishi-Nippon City Bank, Ltd.	500,000	–	500,000	–	–	Sep. 30, 2019	(*3)	
Sumitomo Mitsui Trust Bank Limited	2,600,000	–	–	2,600,000	1.47% (*2)	Nov. 15, 2023	(*5)	
Sumitomo Mitsui Banking Corporation	3,550,000	–	–	3,550,000	1.37% (*2)	Nov. 15, 2022	(*5)	
Aozora Bank, Ltd.	1,800,000	–	–	1,800,000	1.16% (*2)	Nov. 26, 2021	(*3)	
Shinsei Bank, Limited	1,000,000	–	–	1,000,000	1.32% (*2)	Jun. 17, 2022	(*3)	
Shinsei Bank, Limited	700,000	–	–	700,000	1.10% (*2)	Jun. 18, 2021	(*3)	
The Yamaguchi Bank, Ltd.	500,000	–	–	500,000	0.93% (*2)	Jun. 18, 2020	(*3)	
The Yamaguchi Bank, Ltd.	500,000	–	500,000	–	–	Dec. 18, 2019	(*5)	
MUFG Bank, Ltd.	500,000	–	–	500,000	1.59% (*2)	Feb. 14, 2025	(*5)	
MUFG Bank, Ltd.	500,000	–	–	500,000	1.44% (*2)	Feb. 16, 2024	(*5)	
Sumitomo Mitsui Trust Bank Limited	500,000	–	–	500,000				
MUFG Bank, Ltd.	455,000	–	–	455,000	1.28% (*2)	Feb. 16, 2023	(*5)	
Sumitomo Mitsui Trust Bank Limited	455,000	–	–	455,000				
Sumitomo Mitsui Banking Corporation	1,120,000	–	–	1,120,000				
Mizuho Bank, Ltd.	1,630,000	–	–	1,630,000				

### III. Notes to Financial Statements

	Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
	Lenders								
Long-term loans payable	MUFG Bank, Ltd.	1,200,000	—	—	1,200,000	1.08% (*2)	Feb. 16, 2022	(*5)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank Limited	2,100,000	—	—	2,100,000				
	Mizuho Bank, Ltd.	2,000,000	—	—	2,000,000				
	Mizuho Trust & Banking Co., Ltd.	500,000	—	—	500,000	1.08% (*2)	Feb. 16, 2022	(*5)	
	Mizuho Bank, Ltd.	2,900,000	—	—	2,900,000	0.89% (*2)	Feb. 16, 2021	(*5)	
	Mizuho Trust & Banking Co., Ltd.	1,500,000	—	—	1,500,000				
	MUFG Bank, Ltd.	270,000	—	—	270,000				
	Mizuho Bank, Ltd.	2,900,000	—	—	2,900,000	0.74% (*2)	Feb. 14, 2020	(*5)	
	Mizuho Trust & Banking Co., Ltd.	2,350,000	—	—	2,350,000				
	Aozora Bank, Ltd.	900,000	—	—	900,000	0.58% (*2)	Jan. 29, 2021	(*3)	
	The Nishi-Nippon City Bank, Ltd.	400,000	—	—	400,000				
	MUFG Bank, Ltd.	707,000	—	—	707,000	0.82% (*2)	Jul. 29, 2022	(*3)	
	Sumitomo Mitsui Trust Bank Limited	393,000	—	—	393,000				
	The Nishi-Nippon City Bank, Ltd.	400,000	—	—	400,000				
	Development Bank of Japan Inc.	1,500,000	—	—	1,500,000	1.02% (*2)	Sep. 29, 2023	(*5)	
	Development Bank of Japan Inc.	1,850,000	—	—	1,850,000	1.18% (*2)	Sep. 30, 2024	(*5)	
	Aozora Bank, Ltd.	1,000,000	—	—	1,000,000	0.85% (*2)	Oct. 31, 2022	(*5)	
	Aozora Bank, Ltd.	700,000	—	—	700,000	0.76% (*2)	Apr. 28, 2022	(*5)	
	Aozora Bank, Ltd.	700,000	—	700,000	—	—	Oct. 31, 2019	(*5)	
	Resona Bank, Limited	500,000	—	—	500,000	0.57% (*2)	Jan. 29, 2021	(*5)	
	The Bank of Fukuoka, Ltd.	500,000	—	—	500,000				
	MUFG Bank, Ltd.	600,000	—	—	600,000	0.63% (*2)	Jun. 30, 2021	(*5)	
	Resona Bank, Limited	500,000	—	—	500,000				
	The Bank of Fukuoka, Ltd.	500,000	—	—	500,000				
	MUFG Bank, Ltd.	1,000,000	—	—	1,000,000	0.89% (*2)	Jan. 31, 2023	(*5)	
	Aozora Bank, Ltd.	700,000	—	—	700,000				
	Resona Bank, Limited	1,000,000	—	—	1,000,000				
	Mizuho Trust & Banking Co., Ltd.	1,200,000	—	—	1,200,000	1.05% (*2)	Mar. 19, 2025	(*3)	
	The Yamaguchi Bank, Ltd.	500,000	—	—	500,000	1.00% (*2)	Apr. 14, 2025	(*3)	
	Nippon Life Insurance Company	1,000,000	—	—	1,000,000	1.00% (*2)	Apr. 14, 2025	(*3)	
	Mizuho Trust & Banking Co., Ltd.	1,400,000	—	—	1,400,000	0.88% (*2)	Apr. 12, 2024	(*3)	
	Mizuho Trust & Banking Co., Ltd.	1,200,000	—	—	1,200,000	0.75% (*2)	Apr. 14, 2023	(*3)	
	The Norinchukin Bank	1,500,000	—	—	1,500,000				
	The Yamaguchi Bank, Ltd.	500,000	—	—	500,000	0.73% (*2)	Apr. 14, 2023	(*3)	
	Mizuho Trust & Banking Co., Ltd.	1,200,000	—	—	1,200,000	0.69% (*2)	Oct. 14, 2022	(*3)	
	Kiraboshi Bank, Ltd.	500,000	—	—	500,000	0.62% (*2)	Apr. 14, 2022	(*3)	
The Iyo Bank, Ltd.	700,000	—	—	700,000					
The 77 Bank, Ltd.	500,000	—	—	500,000					
The Norinchukin Bank	1,000,000	—	—	1,000,000	0.50% (*2)	Apr. 14, 2021	(*3)		
The Gunma Bank, Ltd.	1,000,000	—	—	1,000,000	0.63% (*2)	May 27, 2022	(*5)		
Development Bank of Japan Inc.	2,300,000	—	—	2,300,000	1.04% (*2)	Jun. 25, 2025	(*5)		

Long-term loans payable

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
Lenders								
Resona Bank, Limited	1,000,000	–	–	1,000,000	0.73% (*2)	Aug. 31, 2023	(*5)	
The Nishi-Nippon City Bank, Ltd.	800,000	–	–	800,000				
MUFG Bank, Ltd.	400,000	–	–	400,000	0.92%	Aug. 29, 2025	(*3)	
Sumitomo Mitsui Trust Bank Limited	400,000	–	–	400,000	0.85% (*2)	Aug. 29, 2025	(*3)	
MUFG Bank, Ltd.	1,000,000	–	–	1,000,000	0.84% (*2)	Dec. 18, 2025	(*5)	
The Norinchukin Bank	1,000,000	–	–	1,000,000	0.61% (*2)	Dec. 18, 2023	(*5)	
The Bank of Fukuoka, Ltd.	1,000,000	–	–	1,000,000				
MUFG Bank, Ltd.	990,000	–	–	990,000	0.55%	Feb. 28, 2026	(*5)	
Sumitomo Mitsui Trust Bank Limited	990,000	–	–	990,000				
Mizuho Bank, Ltd.	1,080,000	–	–	1,080,000	0.66%	Jan. 31, 2027	(*5)	
MUFG Bank, Ltd.	2,500,000	–	–	2,500,000	0.57%	Jan. 31, 2026	(*5)	
Sumitomo Mitsui Trust Bank Limited	1,000,000	–	–	1,000,000	0.77% (*2)	Mar. 24, 2028	(*3)	
MUFG Bank, Ltd.	1,000,000	–	–	1,000,000	0.54%	Mar. 24, 2026	(*3)	
Mizuho Bank, Ltd.	900,000	–	–	900,000				
Mizuho Trust & Banking Co., Ltd.	750,000	–	–	750,000	0.63%	Jan. 31, 2027	(*3)	
Resona Bank, Limited	900,000	–	–	900,000	0.52%	Jan. 31, 2026	(*3)	
MUFG Bank, Ltd.	1,150,000	–	–	1,150,000	0.45%	Jan. 31, 2025	(*3)	
Sumitomo Mitsui Trust Bank Limited	500,000	–	–	500,000	0.75% (*2)	Mar. 24, 2028	(*3)	
MUFG Bank, Ltd.	500,000	–	–	500,000	0.51%	Mar. 24, 2026	(*3)	Unsecured Unguaranteed
Mizuho Bank, Ltd.	400,000	–	–	400,000	0.63%	Jan. 31, 2027	(*3)	
The Yamaguchi Bank, Ltd.	500,000	–	–	500,000	0.36%	Jul. 29, 2026	(*5)	
The Bank of Fukuoka, Ltd.	1,000,000	–	–	1,000,000	0.36%	Jul. 29, 2026	(*5)	
The Bank of Fukuoka, Ltd.	1,000,000	–	–	1,000,000	0.26%	Jul. 29, 2025	(*5)	
The Iyo Bank, Ltd.	300,000	–	–	300,000	0.20%	Jul. 29, 2024	(*5)	
The Chugoku Bank, Ltd.	500,000	–	–	500,000	0.20%	Jul. 29, 2024	(*5)	
Bank of Kyoto, Ltd.	500,000	–	–	500,000	0.20%	Jul. 29, 2024	(*5)	
The Norinchukin Bank	1,500,000	–	–	1,500,000	0.45%	Nov. 28, 2025	(*5)	
The Norinchukin Bank	1,000,000	–	–	1,000,000	0.38%	Nov. 29, 2024	(*5)	
Taiyo Life Insurance Company	1,500,000	–	–	1,500,000	0.24%	Nov. 29, 2024	(*5)	
Mitsui Sumitomo Insurance Co., Ltd.	1,000,000	–	–	1,000,000	0.32%	Nov. 30, 2023	(*5)	
MUFG Bank, Ltd.	1,250,000	–	–	1,250,000	0.41%	Jan. 29, 2027	(*5)	
MUFG Bank, Ltd.	1,000,000	–	–	1,000,000	0.58%	Jan. 29, 2027	(*5)	
Sumitomo Mitsui Trust Bank Limited	1,000,000	–	–	1,000,000	0.63%	Jan. 29, 2027	(*5)	
Sumitomo Mitsui Trust Bank Limited	1,250,000	–	–	1,250,000				
Resona Bank, Limited	1,000,000	–	–	1,000,000	0.61%	Jan. 29, 2027	(*5)	

### III. Notes to Financial Statements

Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes		
									Lenders	
Long-term loans payable	Resona Bank, Limited	1,000,000	—	—	1,000,000	0.50%	Jan. 30, 2026	(*5)	Unsecured Unguaranteed	
	MUFG Bank, Ltd.	1,200,000	—	—	1,200,000	0.43%	Feb. 25, 2026	(*6)		
	Sumitomo Mitsui Trust Bank Limited	1,000,000	—	—	1,000,000	0.67%	Apr. 25, 2028	(*6)		
	Development Bank of Japan Inc.	1,400,000	—	—	1,400,000	0.56%	Apr. 23, 2027	(*6)		
	MUFG Bank, Ltd.	2,500,000	—	—	2,500,000	0.52%	Feb. 26, 2027	(*5)		
	MUFG Bank, Ltd.	1,000,000	—	—	1,000,000	0.47%	Aug. 31, 2026	(*5)		
	Sumitomo Mitsui Trust Bank Limited	2,000,000	—	—	2,000,000	0.60%	Apr. 30, 2027	(*5)		
	MUFG Bank, Ltd.	2,000,000	—	—	2,000,000					
	MUFG Bank, Ltd.	1,700,000	—	—	1,700,000	0.54%	Oct. 30, 2026	(*5)		
	Development Bank of Japan Inc.	1,000,000	—	—	1,000,000	0.57%	May 31, 2027	(*7)		
	Sumitomo Mitsui Banking Corporation	2,700,000	—	—	2,700,000	0.25%	Dec. 25, 2020	(*5)		
	Sumitomo Mitsui Banking Corporation	2,800,000	—	—	2,800,000	0.25%	Feb. 26, 2021	(*5)		
	The Nishi-Nippon City Bank, Ltd.	500,000	—	—	500,000	0.55%	Aug. 31, 2027	(*6)		
	The Bank of Fukuoka, Ltd.	500,000	—	—	500,000					
	The Iyo Bank, Ltd.	500,000	—	—	500,000					
	Bank of Kyoto, Ltd.	500,000	—	—	500,000					
	Shinkin Central Bank	500,000	—	—	500,000	0.42%	Feb. 27, 2026	(*6)		
	The Nishi-Nippon City Bank, Ltd.	500,000	—	—	500,000					
	The Bank of Fukuoka, Ltd.	500,000	—	—	500,000					
	The Iyo Bank, Ltd.	500,000	—	—	500,000					
	The Chugoku Bank, Ltd.	500,000	—	—	500,000					
	Shinkin Central Bank	500,000	—	—	500,000	0.51%	Aug. 31, 2027	(*6)		
	MUFG Bank, Ltd.	500,000	—	—	500,000					
	Sumitomo Mitsui Trust Bank Limited	500,000	—	—	500,000					
	Japan Post Insurance Co., Ltd.	1,000,000	—	—	1,000,000	0.55%	Aug. 31, 2027	(*6)		
	Taiyo Life Insurance Company	1,500,000	—	—	1,500,000	0.42%	Sep. 30, 2025	(*5)		
	MUFG Bank, Ltd.	2,850,000	—	—	2,850,000	0.54%	Sep. 30, 2027	(*5)		
	The Bank of Fukuoka, Ltd.	500,000	—	—	500,000	0.38%	Feb. 28, 2025	(*5)		
	The Bank of Fukuoka, Ltd.	500,000	—	—	500,000	0.63%	Feb. 29, 2028	(*5)		
	MUFG Bank, Ltd.	500,000	—	—	500,000	0.56%	Mar. 17, 2028	(*3)		
	Sumitomo Mitsui Trust Bank Limited	500,000	—	—	500,000	0.61%	Mar. 17, 2028	(*3)		
	Mizuho Bank, Ltd.	1,000,000	—	—	1,000,000					
	The Yamaguchi Bank, Ltd.	500,000	—	—	500,000					
Shinkin Central Bank	500,000	—	—	500,000						
Mizuho Bank, Ltd.	1,500,000	—	—	1,500,000	0.60%	Apr. 13, 2028	(*5)			
MUFG Bank, Ltd.	1,500,000	—	—	1,500,000	0.50%	Mar. 31, 2028	(*5)			
Sumitomo Mitsui Trust Bank Limited	2,100,000	—	—	2,100,000	0.38%	Apr. 30, 2025	(*5)			
Sumitomo Mitsui Banking Corporation	800,000	—	—	800,000	0.27%	Apr. 30, 2021	(*5)			
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1,000,000	—	—	1,000,000	0.20%	Nov. 30, 2020	(*5)			

Long-term loans payable

	Classification	Balance at the beginning of period	Increase during the period	Decrease during the period	Balance at the end of period	Interest rate (*1)	Repayment date	Use	Notes
	Lenders								
Long-term loans payable	Sumitomo Mitsui Trust Bank Limited	890,000	–	–	890,000	0.70%	Jun. 29, 2029	(*5)	Unsecured Unguaranteed
	MUFG Bank, Ltd.	1,000,000	–	–	1,000,000	0.49%	Mar. 31, 2028	(*5)	
	Development Bank of Japan Inc.	1,000,000	–	–	1,000,000	0.66%	Jul. 31, 2028	(*5)	
	The Nishi-Nippon City Bank, Ltd.	900,000	–	–	900,000				
	Mizuho Bank, Ltd.	500,000	–	–	500,000	0.47%	Jul. 31, 2026	(*5)	
	Shinsei Bank, Limited	1,000,000	–	–	1,000,000	0.47% (*2)	Jul. 31, 2026	(*5)	
	Sumitomo Mitsui Banking Corporation	650,000	–	–	650,000	0.37%	Jan. 31, 2025	(*5)	
	Shinsei Bank, Limited	1,000,000	–	–	1,000,000	0.36% (*2)	Jan. 31, 2025	(*5)	
	Shinsei Bank, Limited	500,000	–	–	500,000	0.21%	Jan. 31, 2022	(*5)	
	Nippon Life Insurance Company	–	1,000,000	–	1,000,000	0.67%	Sep. 11, 2028	(*6)	
	The Nishi-Nippon City Bank, Ltd.	–	500,000	–	500,000	0.70%	Sep. 29, 2028	(*5)	
	The 77 Bank, Ltd.	–	500,000	–	500,000	0.70%	Sep. 29, 2028	(*5)	
	Sumitomo Mitsui Trust Bank Limited	–	2,200,000	–	2,200,000	0.64%	Nov. 30, 2028	(*5)	
	MUFG Bank, Ltd.	–	1,300,000	–	1,300,000	0.60%	Nov. 30, 2028	(*5)	
	Mizuho Bank, Ltd.	–	1,000,000	–	1,000,000	0.62%	Nov. 30, 2028	(*5)	
	Mizuho Trust & Banking Co., Ltd.	–	1,000,000	–	1,000,000				
	Sumitomo Mitsui Banking Corporation	–	700,000	–	700,000	0.30%	May 31, 2024	(*5)	
	Sumitomo Mitsui Banking Corporation	–	1,560,000	–	1,560,000	0.25%	May 31, 2022	(*5)	
	Total	174,458,000	9,760,000	6,000,000	178,218,000				

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

(Thousands of yen)

	Due in one year or less	Due after one year through two years	Due after two years through three years	Due after three years through four years	Due after four years through five years
Long-term loans payable	17,700,000	25,070,000	27,778,000	21,710,000	15,760,000