



# 6<sup>th</sup> Fiscal Period Report

February 1, 2013 ▶ July 31, 2013

***Advance Residence Investment Corporation***

3-26 Kanda-nishikicho, Chiyoda-ku, Tokyo  
[www.adr-reit.com](http://www.adr-reit.com)





## Realization of Stable Distribution of Earnings over the Long Term

In the Medium Term, ADR Aims for an Earnings Per Unit of 4,500 Yen to Ensure Minimum Dividend Payment of 4,500 Yen Per Unit.



We would like to report on the management results and performance of Advance Residence Investment Corporation (ADR) for its 6th Fiscal Period, or the six months ended July 31, 2013.

In order to achieve our medium-term earnings per unit (EPU) goal of 4,500 yen, we acquired 14 new properties during the fiscal period through the issuance of new investment units (follow-on public offering) early in the fiscal period, and also solidified our foundation for future external growth by acquiring equity interest in TK property fund. We achieved an average occupancy rate of 96.6% during this fiscal period, the highest since the merger, and carried out large-scale repairs and renovations as scheduled with the aim of maintaining and

improving the asset value of our holdings. In addition to reducing financing costs, we continued our efforts to increase the fixed-rate debt ratio and extend debt maturities of loans and bonds in order to further reinforce our financial position.

As a result, net earnings per unit increased by 12 yen over the previous period to 4,267 yen. This was 97 yen above the initial earnings forecast of 4,170 yen, and as a consequence, we have increased our dividends per unit from the initial forecast of 4,500 yen to 4,597 yen.

Furthermore, as a result of the latest public offering, the Loan-to-Value (LTV) at the end of the fiscal period fell compared to the end of the previous fiscal period. This ensured that we would be able to take on new loans, thus giving us the capacity to acquire properties. Going forward, we will use this capacity to acquire properties effectively to achieve our medium-term earnings per unit (EPU) goal of 4,500 yen as early as possible.

As for ADR's investment unit, the price rose sharply from 190,100 yen at the end of the previous fiscal period to 260,000 yen in late March as a result of expectations that Abenomics would conquer deflation. However, as a result of the rise in long-term interest rate attributable to the Bank of

Japan's unprecedented monetary easing from April, a shift in money flow to shares of exporting companies as the yen weakened, and anxiety that the US's Federal Reserve Bank would taper its bond purchase program earlier than expected, the investment unit price declined to 198,100 yen at the end of the fiscal period.

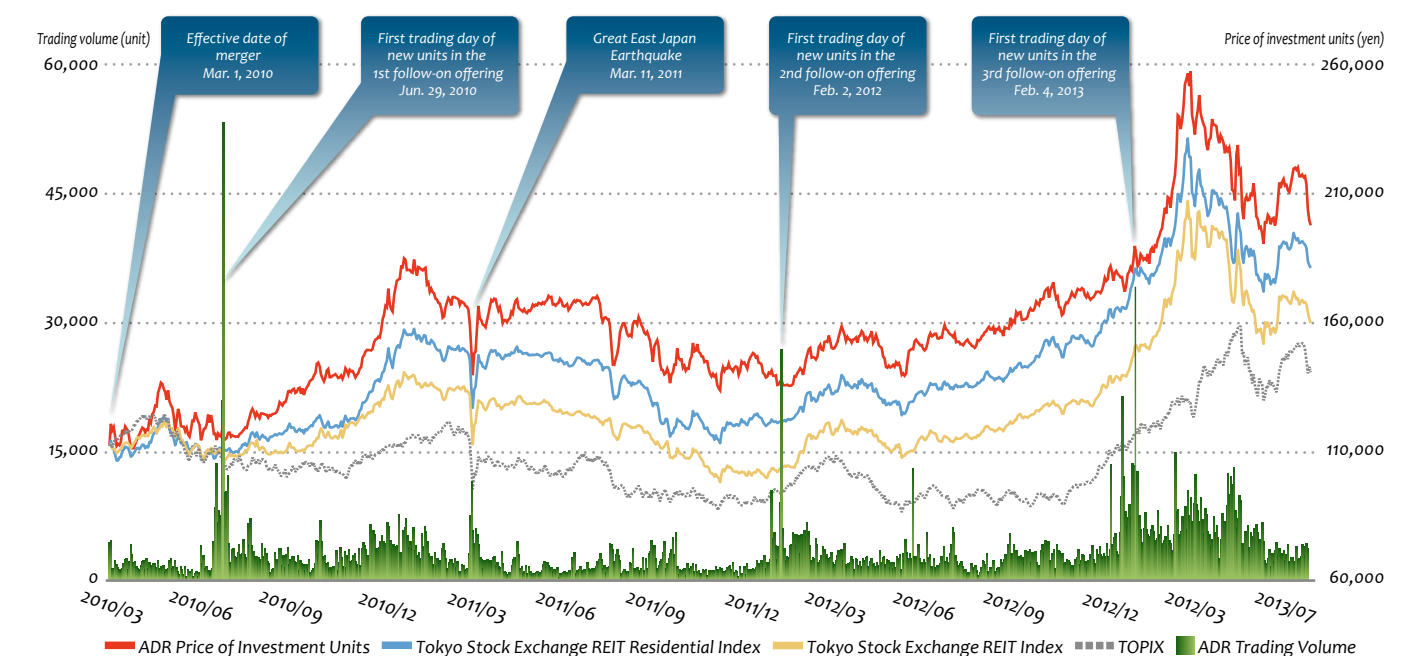
Although we were affected by the various external factors mentioned above, the price of ADR's investment units did not once fall below the public offering offer price. We believe that this is because investors approved of our investment strategy and results.

We would like to take this opportunity to express our gratitude to our shareholders for their support and ask for their continued understanding.

### Kenji Kousaka

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

### Changes in price of investment units



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

## 6th FP (ended July 2013) Fiscal Highlights

97 yen Increase in Dividends from Forecast of 4,500 yen

Dividend Per Unit **4,597 yen**

### Achieve Steady External Growth with the Public Offering

New property acquisitions **14 properties** **25.9 billion yen**

Right-of-first-refusal acquired **15 properties** **15.7 billion yen**

(Right-of-first-refusal price, consumption tax included)

### Highest Occupancy Rate Since the Merger

Average occupancy rate during fiscal period **96.6%**

### Further Strengthened Financial Base

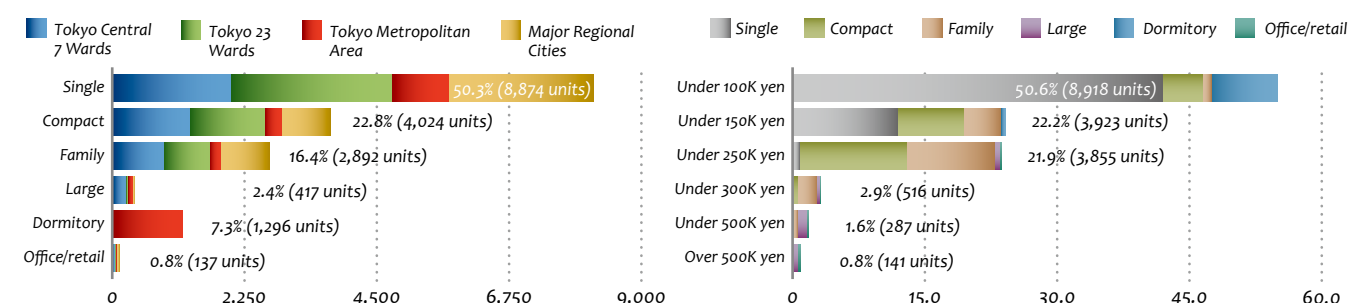
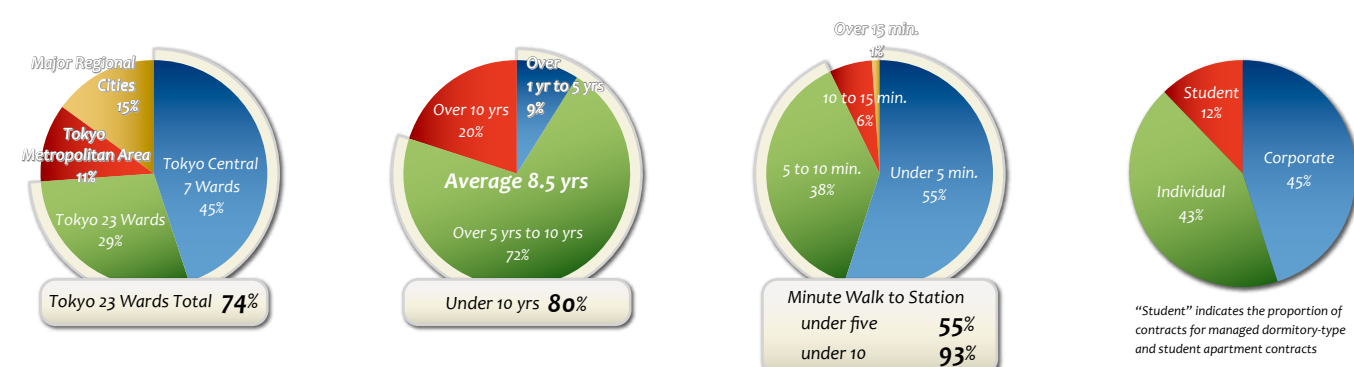
- Reduction in LTV (securing capacity to acquire properties)
- Reduction in average interest rate
- Extension in average loan maturity

## The Largest Portfolio Among Residential J-REITs

As of July 31, 2013

No. of properties	Number of leasable units	NOI yield*	Unrealized gains*
204 properties	17,640 units	5.5%	14.0 billion yen
Total assets (Based on acquisition price)	Total leasable floor area	Average amount invested per property	
393.8 billion yen	669,094 m <sup>2</sup>	1.93 billion yen	

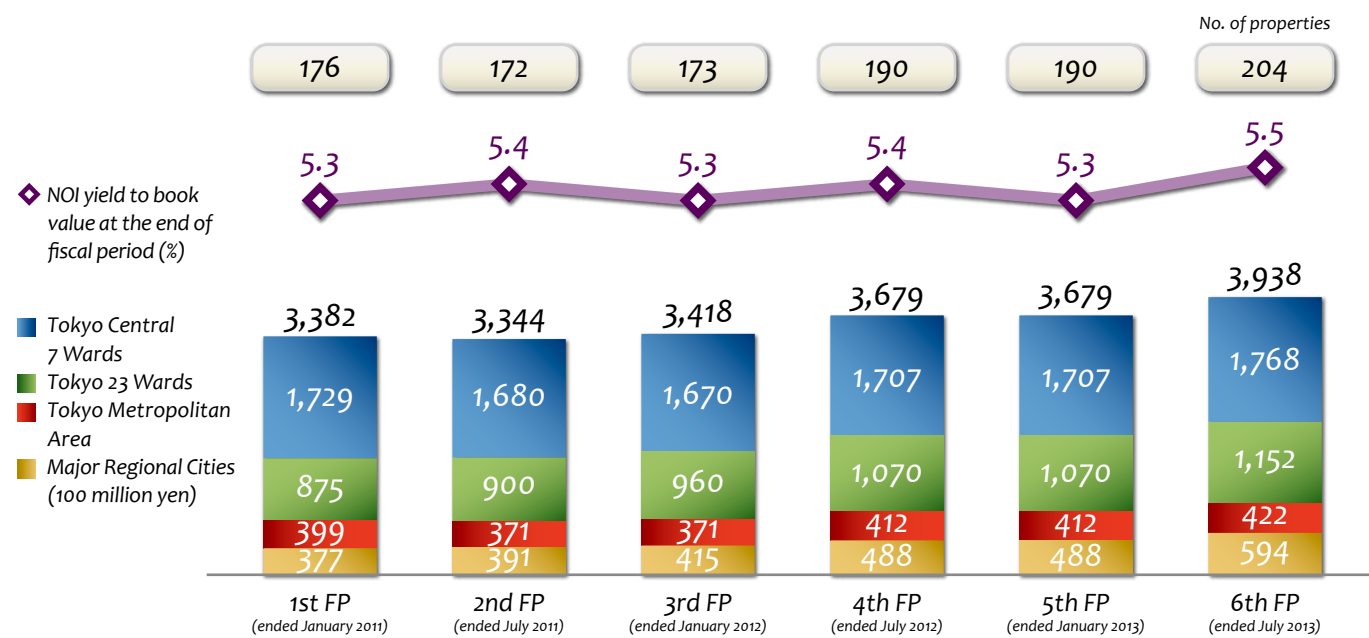
\* NOI stands for Net Operating Income and refers to revenues and expenses from the real estate business, calculated as follows:  
Revenue from property leasing – Expenses from property leasing + Depreciation and amortization + Loss on retirement of fixed assets.  
\* NOI yield is calculated by using the formula: “Annualized NOI” ÷ “Book value at the end of fiscal period.” When calculating the annualized NOI, the total actual NOI during the period is calculated according to the number of operating days.  
\* The unrealized gain is the appraisal value at the end of the fiscal period less the book value at the end of the fiscal period.



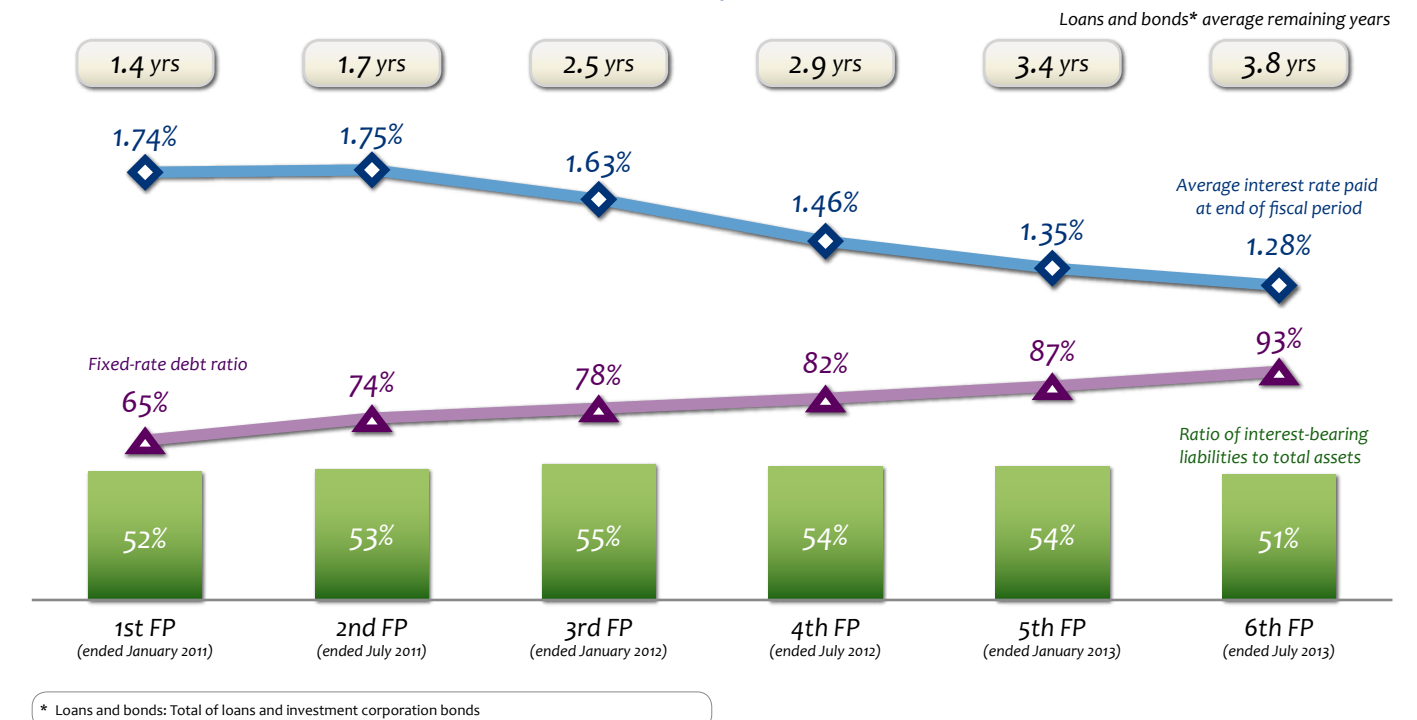




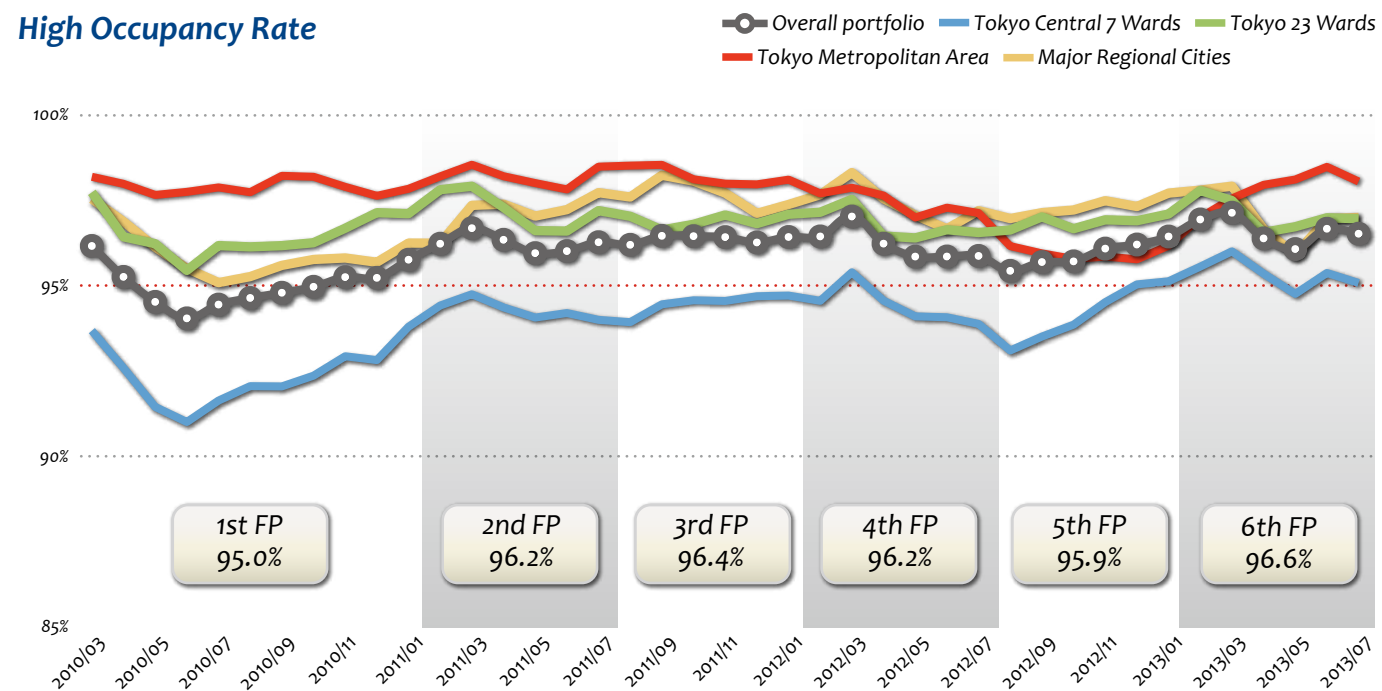
## Solid External Growth



## Financial Base that Withstands Financial Volatility

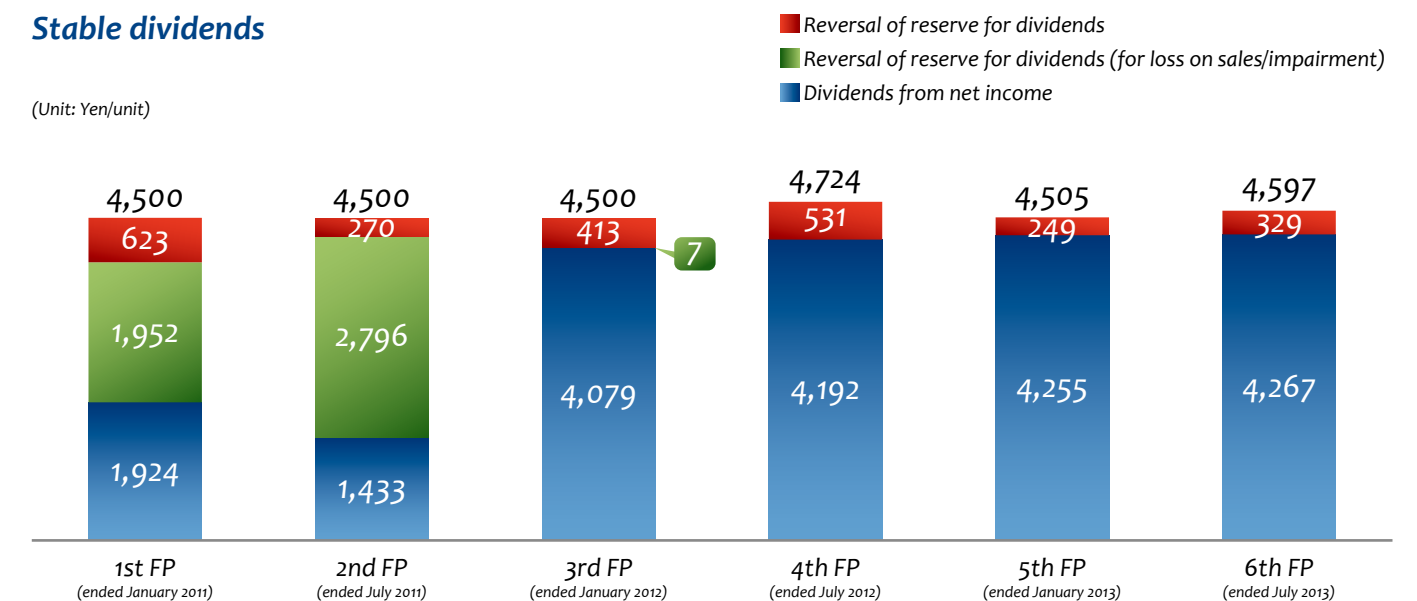


## High Occupancy Rate



## Stable dividends

(Unit: Yen/unit)



\* "Reversal of reserve for dividends (loss on sale, impairment)" is calculated by dividing the total of "loss on sale of real estate" and "impairment loss" by the number of outstanding investment units at the end of the fiscal period. The number is rounded down to the nearest decimal point.  
\* The 1FP was an 11-month period. The 1FP figures are converted into six-month figures. When calculating the dividends from net earnings, a 43,281,299,408 yen gain in negative goodwill resulting from the merger and 7,178 yen in unappropriated earnings are excluded from the 1FP net income and divided by the number of outstanding investment units at the end of the 1FP.



# Realization of Stable Distribution of Earnings over the Long Term

## An Asset Management Fee Structure More In Line With Unit-holders' Interest

### Introducing an Asset Management Fee Structure that is Coupled to NOI<sup>(Note 1)</sup> and Adjusted EPU<sup>(Note 2)</sup>

A proposal was made to change the asset management fee structure, the fee that ADR pays to its asset management company, at the second general meeting of unit-holders to be held on October 25, 2013. (Relevant agenda item: Agenda item number 1 "Partial change in articles of incorporation")

The main objective of this change is to more closely align unit-holders' interests with the profits of the asset management company.



### External Growth

Even though the supply of properties remains very tight, we aim to achieve external growth without missing opportunities to acquire high-yielding properties, using all the tools in our toolbox.

- Sourcing properties from sponsors
- Direct sourcing from the open market based on a wealth of trading information that we are able to collect
- Utilizing bridge funds

### Internal Growth

We will seek to improve revenues from properties with high occupancy rates by increasing key money and cutting leasing expenses.

We will also keep working to maintain and enhance the competitiveness of our properties through continuous implementation of upgrades and large-scale renovations.

### Financial Strategy

We work to maintain and develop a financing structure that can adapt flexibly to future changes in the environment by continuing to finance with an emphasis on extended maturities and fixed interest rates, while closely monitoring interest rate trends.

We will endeavor to reduce financing costs further by taking advantage of advantageous financing conditions and utilizing the stable financial profile achieved through the public offering.

Current fee structure	Proposed change
Fees linked to size of assets under management (maximum fee rates)	
Basic fee structure Total assets × 0.4% (annualized)	Fee structure I Total assets × 0.2% (annualized)
Fees linked to results or earnings per unit (maximum fee rates)	
Incentive-based fees Income before income taxes <sup>(Note 3)</sup> × 3.0%	Fee structure II NOI <sup>(Note 1)</sup> × 3.0% Fee structure III (Fee structure I + Fee structure II) × adjusted EPU <sup>(Note 2)</sup> × 0.008%
Fees for asset acquisition and disposition (maximum fee rates)	
Fees for acquisition Sales price × 1.0%	No change
Fees for disposition Sales price × 0.5%	
Newly established fee structure (maximum fee rate)	
	Merger fees: Appraised value of real estate and other acceded × 0.5%

Note 1. NOI stands for Net Operating Income and refers to revenues and expenses from the real estate business, calculated as follows:  
Revenue from property leasing – Expenses from property leasing + Depreciation and amortization + Loss on retirement of fixed assets.

2. Adjusted EPU = Net income before subtracting “investment compensation III” ÷ outstanding investment units at end of fiscal period

3. Income before income taxes before deducting incentive compensation

Note 1. NOI stands for Net Operating Income and refers to revenues and expenses from the real estate business, calculated as follows:  
Revenue from property leasing – Expenses from property leasing + Depreciation and amortization + Loss on retirement of fixed assets.  
2. Adjusted EPU = Net income before subtracting "Investment compensation III" ÷ outstanding investment units at end of fiscal period  
3. Income before income taxes before deducting incentive compensation



## Management's Discussion and Analysis

### 1 Summary of Selected Financial Data

	Fiscal period		units	2nd FP	3rd FP	4th FP	5th FP	6th FP
	Operating period			From: Feb. 1, 2011 To: Jul. 31, 2011	From: Aug. 1, 2011 To: Jan. 31, 2012	From: Feb. 1, 2012 To: Jul. 31, 2012	From: Aug. 1, 2012 To: Jan. 31, 2013	From: Feb. 1, 2013 To: Jul. 31, 2013
Operating results	Operating revenues		million yen	11,345	11,259	12,219	12,194	13,493
	(Rental revenue)	a	million yen	11,345	11,252	12,193	12,155	13,462
	(Gain on real estate sales)	b	million yen	—	—	—	—	—
	Total operating expenses		million yen	7,892	5,275	5,660	5,773	6,517
	(Rental business expenses)	c	million yen	4,199	4,202	4,551	4,557	5,343
	(Loss on real estate sales)	d	million yen	2,000	7	—	—	—
	(Impairment loss)	e	million yen	739	—	—	—	—
	Operating income		million yen	3,453	5,984	6,559	6,420	6,976
	Ordinary income	f	million yen	1,465	3,998	4,612	4,681	5,292
Net income	g	million yen	1,404	3,997	4,611	4,681	5,291	
Balance sheet figures	Total assets	h	million yen	349,158	356,891	384,091	383,476	410,989
	Interest-bearing liabilities	i	million yen	186,639	195,002	206,359	206,166	210,269
	Net assets	j	million yen	157,827	157,428	173,155	172,640	195,446
	Paid-in Capital	k	million yen	64,561	64,561	80,087	80,087	102,557
Per unit figures	Total dividends	l	million yen	4,410	4,410	5,196	4,955	5,700
	Payout ratio	l/g	%	313.9	110.3	112.7	105.9	107.7
	Total number of units issued and outstanding	m	units	980,000	980,000	1,100,000	1,100,000	1,240,000
	Net assets per unit	j/m	yen	161,048	160,640	157,413	156,945	157,617
	Net income per unit	(Note 2)	yen	1,433	4,079	4,198	4,255	4,270
	Dividend per unit	l/m	yen	4,500	4,500	4,724	4,505	4,597
	Dividend from earnings per unit		yen	4,500	4,500	4,724	4,505	4,597
	Dividend in excess of earnings per unit		yen	0	0	0	0	0
	Annualized dividend yield	(Note 3)	%	5.6	6.5	6.2	4.7	4.7
Financial indicators	Return on investment (Paid-in Capital)	(g+q)/(k+i) (Note 3)	%	2.6	4.5	4.7	4.7	4.9
	Return on investment (market capitalization)	(g+q)/(m×r+i) (Note 3)	%	1.9	3.5	3.6	3.2	3.4
	FFO per unit	(g-b+d+e+q)/m	yen	6,161	6,025	6,075	6,152	6,109
	Annualized	n (Note 3)	yen	12,425	11,953	12,184	12,203	12,321
	FFO multiple	r/n	times	13.1	11.5	12.5	15.6	16.1
	Ratio of ordinary income to total assets	f/h (Note 4)	%	0.4	1.1	1.2	1.2	1.3
	Annualized	(Note 3)	%	0.8	2.2	2.5	2.4	2.7
	Equity ratio	j/h	%	45.2	44.1	45.1	45.0	47.6
	Return on equity	g/i (Note 5)	%	0.9	2.5	2.8	2.7	2.9
	Annualized	(Note 3)	%	1.8	5.0	5.6	5.4	5.8
	Ratio of interest-bearing liabilities to total assets	i/h	%	53.5	54.6	53.7	53.8	51.2
	DSCR	o/p	times	3.0	4.6	5.3	5.6	6.6
	Net income before interest and depreciation	o	million yen	4,912	7,525	8,241	8,243	8,940
	Interest expenses	p	million yen	1,614	1,627	1,558	1,476	1,364
	NOI	a-c+q (Note 6)	million yen	9,038	8,949	9,711	9,681	10,401
	Annualized NOI yield	(Notes 3, 7)	%	5.3	5.2	5.4	5.2	5.4
	Depreciation and amortization	q (Note 8)	million yen	1,893	1,900	2,071	2,085	2,284
	Unit price at end of period	r	yen	162,200	137,500	152,900	190,100	198,100

- Notes 1. Operating revenues do not include consumption taxes. Amounts are rounded down to the nearest specified unit. Percentage figures are rounded to the first decimal place. The same applies for the rest of this report unless otherwise specified.
2. The net income per unit is calculated by dividing net income by the daily weighted average number of units issued and outstanding.
3. The annualized figures are calculated based on 1 year being 365 days, with accounting calculation periods of 181 days for the 2nd Fiscal Period, 184 days for the 3rd Fiscal Period, 182 days for the 4th Fiscal Period, 184 days for the 5th Fiscal Period, and 181 days for the 6th Fiscal Period.
4. Ratio of ordinary income to total assets = Ordinary income ÷ {(Total assets at beginning of period + Total assets at end of period) ÷ 2} × 100
5. Return on equity = Net income ÷ {(Net assets at beginning of period + Net assets at end of period) ÷ 2} × 100
6. In the calculation of NOI, the depreciation and amortization is limited to what is included in rental business expenses.
7. Annualized NOI yield = Annualized NOI ÷ Property acquisition prices.
8. Depreciation and amortization includes depreciation and amortization of intangible assets in addition to depreciation of property, plant and equipment.

### 2 Investment Environment and Operating Performance

We acquired 14 new properties in the fiscal period under review through the follow-on public offering in order to achieve our medium-term earnings per unit (EPU) goal of 4,500 yen. Accordingly, at the end of the fiscal period under review, we held 204 properties (acquisition price totaling 393.8 billion yen). In addition, we acquired equity interest in TK property fund with the aim of securing properties for future external growth. On the leasing side, we achieved an average occupancy rate of 96.6% during this fiscal period, the highest since the merger. We also worked to improve cash flow by increasing revenue from key money and leasing expenses, such as new contract fees. On the finance side, we improved net earnings by reducing financing costs. Reinforced the resilience of our financial base to withstand future financial volatility by extending debt maturities and increasing fixed interested rate for loans and investment corporation bonds (hereinafter, “loans and bonds”).

ADR's investment results in the current fiscal period are outlined below.

Item	(Reference)		6th FP results	Compared to the previous fiscal period	Compared to the initial earnings forecast
	5th FP results	Initial forecast <sup>(Note 1)</sup>			
Operating revenues	12,194 million yen	13,279 million yen	13,493 million yen	+1,299 million yen	+213 million yen
Operating income	6,420 million yen	6,847 million yen	6,976 million yen	+556 million yen	+129 million yen
Ordinary income	4,681 million yen	5,172 million yen	5,292 million yen	+610 million yen	+119 million yen
Net income	4,681 million yen	5,171 million yen	5,291 million yen	+610 million yen	+119 million yen
Net income/unit <sup>(Note 2)</sup>	4,255 yen	4,170 yen	4,267 yen	+12 yen	+97 yen
Dividend per unit	4,505 yen	4,500 yen	4,597 yen	+92 yen	+97 yen

- Notes 1. The initial forecast refers to the earning forecasts for the 6th Fiscal Period disclosed in the “Brief Summary of Kessan Tanshin” for the 5th Fiscal Period dated March 15, 2013. The same holds true hereafter.
2. Net income/unit is calculated by dividing net income by the number of units issued at the end of the fiscal period. Fractions are deleted.

In the fiscal period under review, we increased revenue by 1,299 million yen over the previous fiscal period by acquiring 14 new properties and raising the average occupancy rate. In addition, we reduced financing costs through refinancing. As a result, we increased net earnings by 610 million yen over the previous fiscal period to 5,291 million yen and bolstered Earnings Per Unit by 12 yen over the previous period to 4,267 yen.

Comparing against the initial earnings forecast, in addition to the improvements in the occupancy, and reduction of leasing expenses mentioned above, we acquired two additional properties “RESIDIA Miyakojima I/II” and “Cocofump Hiyoshi,” which had not been factored into the forecast. As a result, we were able to beat the initial EPU forecast of 4,170 yen by 97 yen. Dividends Per Unit were increased 97 yen over the initial forecast of 4,500 yen to 4,597 yen, based on our disclosed dividend strategy.

#### a) External growth

In the fiscal period under review, we acquired 12 properties in conjunction with a public offering held at the start of the fiscal period. Additionally, using the capacity to acquire properties gained as a result of this public offering, we acquired “RESIDIA Miyakojima I/II” in March 2013 and “Cocofump Hiyoshi” in April 2013. The average assumed NOI yield <sup>(Note 3)</sup> for the total of 14 properties (total acquisition price of 25.9 billion yen) was 6.0%, which exceeds the average 5.3% for our existing portfolio (as of January 2013). Accordingly, we have succeeded in improving our portfolio's profitability through these property acquisitions.

As a result, the assets held by ADR at the end of the fiscal period under review totaled 204 properties worth a total of 393.8 billion yen (total acquisition price), with unrealized gains <sup>(Note 4)</sup> amounting to 14.0 billion yen (up 7.5 billion yen over the end of the previous fiscal period). Unrealized gains on the 14 properties acquired in the fiscal period under review totaled 0.8 billion yen at the end of the fiscal period. This increase in unrealized gains is another factor behind the improved unit-holders' value achieved through the acquisition of these properties.

In addition to these acquisitions, in March and June 2013 we acquired equity interest in TK property fund investing in a total of 15 properties (total of 457 million yen <sup>(Note 5)</sup>) in order to secure properties for future acquisition and receive the dividend revenue in the meantime. By investing in the TK property fund, we acquired rights of first refusal for these 15 properties, and at the end of the fiscal period under review, ADR had rights of first refusal for 26 properties valued at 31.1 billion yen (based on price of rights of first refusal, the average assumed NOI yield is 6.0% <sup>(Note 6)</sup>).





# I. Asset Management Report

Our acquisition of “Cocofump Hiyoshi” in April is the first investment by a J-REIT in the type of senior housing called “Senior housing with supportive services.” We expect this to represent our foothold for our entry into this sector, which is expected to see growing demand in the future.

3. The average assumed NOI yield for the acquired properties is calculated by dividing the total NOI calculated using the direct capitalization method in the appraisal report at the time of acquisition by the total acquisition price. The actual book-value NOI yield is calculated by annualizing the total NOI in the relevant fiscal period and dividing it by the total book value as of the end of that fiscal period. The same holds true hereafter.
4. The amount is the total appraisal value at the end of the fiscal period less the total book value at the end of the fiscal period.
5. The amount does not include the costs incurred in acquiring the equity interest in TK property fund.
6. In the event that consumption tax is included in the right-of-first-refusal price, the NOI yield is calculated based on the price excluding tax assuming a 5% tax rate. In addition, the average assumed NOI yield is calculated by dividing the total NOI calculated using the direct capitalization method in the appraisal report at the time of acquisition of equity interest in the TK property fund by the total right-of-first-refusal price. (If right-of-first-refusal price in the contract includes tax, no adjustment will be made to the price even if the consumption tax rate changes at the time of acquisition.)

## b) Internal growth

For the period under review, we were able to achieve the highest average period occupancy rate since the merger at 96.6%. In addition, we made an effort to improve revenues by actively collecting key money, reducing leasing expenses particularly from properties with high occupancy rates. As a result of these efforts, along with the addition of acquired properties, the actual book value NOI yield improved 0.2 points over the previous fiscal period to 5.5% in the fiscal period under review.

We also carried out large-scale repairs and value-adding renovations such as replacement of room fixtures and room layout changes on five properties in the fiscal period under review with the aim of maintaining and strengthening the competitiveness of our holdings.

## c) Financial Strategy

### Debt financing

In the fiscal period under review, in addition to reducing financing costs, we continued our efforts to extend and diversify debt maturities for loans and other and increase the number of fixed-rate loans in order to achieve our goal of stable distribution of earnings over the long term.

We were able to reduce financing costs through re-financing, since many of the loans raised prior to the merger that have higher interest rates than current levels reached maturity during the period <sup>(Note 7)</sup>. As a result, the average interest rate <sup>(Note 8)</sup> for loans and bonds at the end of the fiscal period under review was 1.28%, down 0.08 points over the 1.35% average rate in the previous fiscal period.

Moreover, in April 2013 we became the first residential J-REIT to issue an investment corporation bond with a 10-year maturity (total of 3.0 billion yen, fixed interest rate and a coupon rate of 1.32%). As with this bond issuance, while we reduced the financing cost, we extended maturities for loans and bonds and increased the ratio of fixed-rate loans. As a result, the average remaining years of our loans and bonds <sup>(Note 9)</sup> stood at 3.8 years at the end of the fiscal period, 0.4 years longer than at the end of the previous fiscal period, and the fixed-rate debt ratio was 92.7% <sup>(Note 10)</sup>, up 7.7 points over the end of the previous fiscal period. Furthermore, we succeeded in diversifying repayment amounts for loans and bonds. The repayment amounts for each fiscal period are all kept below the 20 billion credit limit of the commitment line (8.0 billion yen for one-year terms, 12.0 billion yen for three-year terms) at the end of the fiscal period under review.

Such efforts to extend debt maturity, fix interest rates on our loans and diversify repayment amounts are primarily intended to reinforce the resilience of our financial base to withstand future financial volatility, and accordingly contributed to the long-term stability of our dividends.

7. In the current fiscal period, we raised a total of 24.8 billion yen in loans (including refinancing) with an average maturity of 7.9 years and an average interest rate of 1.14% at the end of the fiscal period. We repaid a total amount of 20.7 billion yen (including early repayments, with an average interest rate of 1.83% at the end of last fiscal period) during the fiscal period under review. Among the loans repaid, 13.6 billion yen of loans were taken out prior to the merger and the average interest rate was 2.26% at the end of the last fiscal period. The remaining amount of loans taken out prior to merger stands at 5.9 billion out of the total outstanding loans and bonds of 210.2 billion yen at the end of the current fiscal period under review.
8. In calculating the average interest rate, fixed interest rate after the application of interest rate swap is used for floating-rate loans that are hedged using an interest rate swap agreement.
9. Calculations are made on the assumption that the entire balance of the borrowings is repaid in lump sums on the final repayment dates, including the amortized loans.
10. If floating interest rate loans are hedged using interest-rate swaps, the loans are treated as fixed interest-rate loans for the principal amount of the swap.

### Equity finance

In the fiscal period under review in February 2013, we raised a total of 22.4 billion yen through a public offering and a third-party allotment (the public offering). The paid-in amount per unit was 160,498 yen, which exceeded net assets per unit at the end of the previous fiscal period (156,945 yen, or 152,440 yen per unit after excluding dividend payments).

We acquired 14 properties in the current fiscal period (total acquisition price of 25.9 billion yen), but by conducting the public offering at the start of the fiscal period, the ratio of interest-bearing liabilities to total assets fell 2.6 points from 53.8% at the end of the previous fiscal period, to 51.2%. As a result, we gained capacity for property acquisition and succeeded in preparing for further external growth.

## 3 Management Policies and Challenges Going Forward

We will continue in our efforts to realize our basic management principle of “realization of stable distribution of earnings over the long term,” by following through the policies and strategies in external growth and internal growth as well as implementing the financial strategy as set forth below.

### a) External Growth

The environment for property acquisition remains extremely competitive. However, we aim to achieve external growth by utilizing the acquisition capacity gained in the public offering at the start the fiscal period and avoid missing out on opportunities to acquire high-yielding properties. We will use all the tools in our toolbox in acquiring properties. These include direct sourcing from the open market based on a wealth of trading information that we are able to collect, utilizing bridge funds (securing right of first refusal for the acquisition of the fund’s investment properties by acquiring equity interests in TK property fund), and sourcing properties from sponsors (primarily sponsor-developed properties).

### b) Internal Growth

We will aim to maintain and improve revenues from properties with high occupancy rates by increasing key money and enhancing the efficiency of leasing expenses. We will continue our efforts to stabilize occupancy rates by taking a flexible approach to rent setting in some high-rent properties.

We will also keep working to maintain and enhance the competitiveness of our properties through continuous implementation of upgrades and large-scale renovations.

### c) Financial Strategy

While closely monitoring interest rate trends, we will work to maintain and build a financing structure that can withstand future financial volatility by continuing our funding activity with an emphasis on extended maturities and locking in low financing rates by fixing interest rates. We will aim to reduce financing costs further by taking advantage of advantageous financing conditions and utilizing our stable financial standing achieved through the public offering.

## 4 Equity Finances

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

Date	Description	Number of units issued and outstanding (units)		Paid-in capital (million yen)		Notes
		Increase	Balance	Increase	Balance	
March 1, 2010	Consolidation-type merger	722,306	722,306	36,262	36,262	(Note 1)
June 28, 2010	Follow-on offering	240,000	962,306	26,355	62,618	(Note 2)
July 30, 2010	Third-party allotment	17,694	980,000	1,943	64,561	(Note 3)
February 1, 2012	Follow-on offering	110,000	1,090,000	14,231	78,793	(Note 4)
February 29, 2012	Third-party allotment	10,000	1,100,000	1,293	80,087	(Note 5)
February 1, 2013	Follow-on offering	135,000	1,235,000	21,667	101,754	(Note 6)
February 27, 2013	Third-party allotment	5,000	1,240,000	802	102,557	(Note 7)

- Notes
1. ADR was established through the consolidation-type merger between former Advance Residence Investment Corporation (the “former ADR”) and Nippon Residential Investment Corporation (NRI) on March 1, 2010. Upon its establishment, ADR allotted and delivered 3 ADR units per 1 former ADR unit and allotted and delivered 2 ADR units per 1 NRI unit.
  2. ADR issued new units through public offering at an offer price of 113,684 yen (paid-in amount: 109,816 yen) per unit to procure funds for new property acquisitions as well as partly funding repayment of loans and redemption of investment corporation bonds.
  3. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at a paid-in amount of 109,816 yen per unit to procure funds for new property acquisitions as well as partly funding repayment of loans and redemption of investment corporation bonds.
  4. ADR issued new units through public offering at an offer price of 133,770 yen (paid-in amount: 129,379 yen) per unit to procure funds for new property acquisitions and for other purposes.
  5. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at a paid-in amount of 129,379 yen per unit to procure funds for new property acquisitions and for other purposes.
  6. ADR issued new units through public offering at an offer price of 165,945 yen (paid-in amount: 160,498 yen) per unit to procure funds for new property acquisitions and for other purposes.
  7. ADR issued new units by way of third-party allotment with Mizuho Securities Co., Ltd. as the allottee at a paid-in amount of 160,498 yen per unit to procure funds for new property acquisitions and for other purposes.



# I. Asset Management Report

## Market Price of Units

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

Fiscal period	2nd FP	3rd FP	4th FP	5th FP	6th FP
Fiscal period-end	July 2011	January 2012	July 2012	January 2013	July 2013
High	173,500 yen	162,500 yen	159,400 yen	190,100 yen	257,900 yen
Low	139,900 yen	134,000 yen	135,800 yen	150,500 yen	182,200 yen

## 5 Distribution to Unit-holders

In accordance with the distribution policy provided in Article 32, Item 1 of ADR's Articles of Incorporation, we shall deliver dividends in excess of an amount equivalent to 90% of the amount of ADR's earnings available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation. In addition, ADR may use the reserve for dividends in order to provide stable dividend payouts going forward, and shall decide to increase dividends in accordance with the better-than-expected results.

Based on the policy above, ADR decided that the unappropriated retained earnings of 5,291,809 thousand yen plus reversal of reserve for dividends of 408,470 thousand yen to arrive at 5,700,280 thousand yen will be distributed as dividends of earnings, and declared a dividend per unit of 4,597 yen.

Fiscal period	2nd FP	3rd FP	4th FP	5th FP	6th FP
Operating period	From: Feb. 1, 2011 To: Jul. 31, 2011	From: Aug. 1, 2011 To: Jan. 31, 2012	From: Feb. 1, 2012 To: Jul. 31, 2012	From: Aug. 1, 2012 To: Jan. 31, 2013	From: Feb. 1, 2013 To: Jul. 31, 2013
Total amount of unappropriated retained earnings	1,404,952	3,997,454	4,611,435	4,681,376	5,291,809
Accumulated amount of earnings	35,648,605	35,236,060	34,651,095	34,376,971	33,968,500
Total amount of dividends of cash (Dividend per unit)	4,410,000 (4,500 yen)	4,410,000 (4,500 yen)	5,196,400 (4,724 yen)	4,955,500 (4,505 yen)	5,700,280 (4,597 yen)
Of which, total amount of dividends of earnings (Dividend of earnings per unit)	4,410,000 (4,500 yen)	4,410,000 (4,500 yen)	5,196,400 (4,724 yen)	4,955,500 (4,505 yen)	5,700,280 (4,597 yen)
Of which, total amount of capital reimbursement (Capital reimbursement per unit)	— (— yen)	— (— yen)	— (— yen)	— (— yen)	— (— yen)

## 6 Significant Subsequent Events

Not applicable.

P-76 Park Tower Shibaura Bayward Urban Wing



## Overview of the Investment Corporation

### 1 Paid-in Capital

The total number of units authorized, total number of units issued and outstanding, paid-in capital and number of unit-holders as of July 31, 2013 are as follows.

Fiscal period	2nd FP	3rd FP	4th FP	5th FP	6th FP
Fiscal period end	July 2011	January 2012	July 2012	January 2013	July 2013
Total number of units authorized	6,000,000 units	6,000,000 units	6,000,000 units	6,000,000 units	6,000,000 units
Total number of units issued and outstanding	980,000 units	980,000 units	1,100,000 units	1,100,000 units	1,240,000 units
Paid-in capital (Note)	64,561 million yen	64,561 million yen	80,087 million yen	80,087 million yen	102,557 million yen
Number of unit-holders	21,293 persons	21,570 persons	23,147 persons	23,015 persons	23,413 persons

(Note) The paid-in capital on the balance sheets as of July 31, 2013 includes capital surplus of 53,220 million yen.

### 2 Major Unit-holders

The following are the major unit-holders as of July 31, 2013.

Name	Address	Unit-holding (units)	% share of issued and outstanding (%)
Japan Trustee Services Bank, Ltd.	1-8-11 Harumi, Chuo-ku, Tokyo	288,592	23.27
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsucho, Minato-ku, Tokyo	71,088	5.73
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	65,793	5.30
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo Harumi Island Triton Square Office Tower Z	65,203	5.25
NOMURA BANK (LUXEMBOURG) S.A.	BATIMENT A, 33, RUE DE GASPERICH, L-5826, LUXEMBOURG	50,587	4.07
ITOCHU Corporation	2-5-1 Kita-Aoyama, Minato-ku, Tokyo	34,800	2.80
NORTHERN TRUST CO. (AVFC) SUB A/C BRITISH CLIENTS	50 BANK STREET CANARY WHARF LONDON E14 5NT, UK	20,051	1.61
Mizuho Trust & Banking Co., Ltd.	1-2-1 Yaesu, Chuo-ku, Tokyo	18,083	1.45
Trust & Custody Services Bank, Ltd. (Money Trust Tax Account)	1-8-12 Harumi, Chuo-ku, Tokyo Harumi Island Triton Square Office Tower Z	16,783	1.35
Gibraltar Life Insurance Co., Ltd. (General account J-REIT)	2-13-10 Nagata-cho, Chiyoda-ku, Tokyo	11,746	0.94
Total		642,726	51.83

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





## 3 Directors and Independent Auditor

1. The executive director, supervisory directors and independent auditor as of July 31, 2013 are as follows.

Title	Name	Primary concurrent positions	Total amount of compensation for each title during applicable operating period (thousand yen)
Executive director	Kenji Kousaka <sup>(Note 1)</sup>	President, AD Investment Management Co., Ltd.	— <sup>(Note 2)</sup>
Supervisory director	Hidejiro Matsuda	President, Hidejiro Matsuda CPA Office	1,200
		Auditor, TYO Inc.	
Supervisory director	Yoshiki Oshima	President, Akasaka, Law Office L.P.C.	1,200
Independent auditor	Deloitte Touche Tohmatsu LLC		20,130 <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 (Article 31-4, Paragraph 1 of the said Act as of the date of this document) prior to its revision made by the provisions of Article 1 of the Act for Partial Revision of the Financial Instruments and Exchange Act, Etc. (Act No. 65 of 2008).

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

3. The compensation paid to the independent auditor includes compensation for services other than those prescribed in Article 2, Paragraph 1 of the Certified Public Accountants Act (2,630 thousand yen).

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

The Board of Directors of ADR shall investigate 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 its reappointment by comprehensively taking into account the quality of audit, audit compensation and other factors.

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

The following is the list of the asset management company, asset custodian and administrative agents as of July 31, 2013.

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.
Administrative agent	(management of special accounts) Mizuho Trust & Banking Co., Ltd. Mitsubishi UFJ Trust and Banking Corporation
Administrative agent	(accounting, taxation, institutional operations) Sumitomo Mitsui Trust Bank Limited
Administrative agent	(administration for investment corporation bonds) The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank Limited Mizuho Bank, Ltd. (Note)

Note: When Mizuho Corporate Bank, Ltd. merged with Mizuho Bank, Ltd. on July 1, 2013, the trade name was changed to Mizuho Bank, Ltd. on the same date.

## Assets Under Management

### 1 Composition of the Investment Corporation's Assets

Type of asset	Investment regions	5th Fiscal Period (as of January 31, 2013)		6th Fiscal Period (as of July 31, 2013)	
		Amount held (million yen) <sup>(Note 6)</sup>	Share of total assets (%) <sup>(Note 7)</sup>	Amount held (million yen) <sup>(Note 6)</sup>	Share of total assets (%) <sup>(Note 7)</sup>
Real estate in trust <sup>(Note 1)</sup>	Tokyo Central 7 Wards <sup>(Note 2)</sup>	94,220	24.6	100,182	24.4
	Tokyo 23 Wards <sup>(Note 3)</sup>	81,882	21.4	90,340	22.0
	Tokyo Metropolitan Area <sup>(Note 4)</sup>	23,786	6.2	24,764	6.0
	Major Regional Cities <sup>(Note 5)</sup>	23,565	6.1	31,069	7.6
Subtotal		223,454	58.3	246,357	59.9
Real estate <sup>(Note 1)</sup>	Tokyo Central 7 Wards <sup>(Note 2)</sup>	73,233	19.1	72,914	17.7
	Tokyo 23 Wards <sup>(Note 3)</sup>	23,721	6.2	23,611	5.7
	Tokyo Metropolitan Area <sup>(Note 4)</sup>	16,305	4.3	16,162	3.9
	Major Regional Cities <sup>(Note 5)</sup>	24,658	6.4	27,944	6.8
Subtotal		137,918	36.0	140,632	34.2
TK property fund equity interests <sup>(Note 8)</sup>		927	0.2	931	0.2
Deposits and other assets		21,176	5.5	23,067	5.6
Sum total of total amount of assets		383,476	100.0	410,989	100.0

Notes 1. The real estate in trust and real estate are used primarily for apartments.

2. "Tokyo Central 7 Wards" represents the Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa Wards of Tokyo.

3. "Tokyo 23 Wards" represents the Tokyo 23 wards other than the Tokyo Central 7 Wards.

4. "Tokyo Metropolitan Area" represents Tokyo (excluding the 23 wards of Tokyo) and Kanagawa, Saitama and Chiba prefectures.

5. "Major Regional Cities" represents major cities designated by government ordinance and similar cities excluding those in the Tokyo Metropolitan Area.

6. "Total amount held" is based on the amount recorded on the balance sheet (total amount of book value after depreciation in the case of real estate, etc.) as of the date of closing of accounts, and is rounded down to the nearest million yen.

7. "As a percentage of total assets" is the balance sheet amount of the applicable real estate, etc. expressed as a percentage of the total amount of assets, rounded to one decimal place.

8. "TK property fund equity interests" owned in the 5th Fiscal Period are the equity interests in the TK property fund with Godo Kaisha RBFA2, Godo Kaisha RBFA3, Godo Kaisha RISING and Godo Kaisha RISING2 as the operators. "TK property fund equity interests" owned in the 6th Fiscal Period are the equity interests in the TK property fund with Godo Kaisha RISING, Godo Kaisha RISING2, Godo Kaisha RISING3 and Godo Kaisha RISING4 as the operators.

9. Amounts less than the specified unit are rounded down and percentages are rounded off. Due to this, the sum total of respective figures does not necessarily add up to the sum total indicated in the table above. The same applies for the rest of this report unless otherwise specified.

### 2 Principal Assets Held

The following summarizes the principal assets held by ADR as of July 31, 2013 (the top 10 properties with the highest book value at the end of the fiscal period).

Name of real estate	Book value (million yen)	Total leasable floor area (m <sup>2</sup> )	Leased floor area (m <sup>2</sup> )	Occupancy rate (%)	As a percentage of total revenue from property leasing (%) <sup>(Note)</sup>	Primary use
RESIDIA TOWER Meguro-Fudomae	15,852	21,019.77	21,019.77	100.0	3.4	Apartment
Pacific Royal Court Minato Mirai Ocean Tower	13,009	26,082.53	25,934.50	99.4	4.2	Apartment
Park Tower Shibaura Bayward Urban Wing	9,290	13,490.67	12,420.92	92.1	2.2	Apartment
RESIDIA TOWER Kami-Ikebukuro	8,924	31,250.61	30,097.32	96.3	4.3	Apartment
Motoazabu Place	8,323	7,382.62	6,512.84	88.2	1.3	Apartment
RESIDIA Daikanyama Sarugakucho/Daikanyama Parkside Village	7,270	5,977.18	5,387.24	90.1	1.3	Apartment
RESIDIA TOWER Roppongi	6,866	5,978.20	5,458.66	91.3	1.2	Apartment
RESIDIA Nishi-Azabu	6,606	7,078.64	6,759.79	95.5	1.5	Apartment
RESIDIA TOWER Azabujuban	6,092	7,207.18	6,453.33	89.5	1.3	Apartment
RESIDIA Mejiro	6,038	13,069.70	12,287.79	94.0	1.6	Apartment
Total	88,275	138,537.10	132,332.16	—	22.4	—

(Note) "As a percentage of total revenue from property leasing" is the percentage arrived at by dividing the revenue from property leasing of respective properties by the total revenue from property leasing of the entire portfolio.



## 3 Real Estate Portfolio

The following are the itemized assets held by ADR as of July 31, 2013.

Property No.	Name of real estate	Location	Type of ownership	Book value at the end of the fiscal period (million yen)	Estimated value at the end of the fiscal period (million yen)	5th Fiscal Period (Aug. 1, 2012 – Jan. 31, 2013)				6th Fiscal Period (Feb. 1, 2013 – Jul. 31, 2013)			
						Total number of tenants at end of period (tenants)	Occupancy rate at end of period (%)	Rent revenue (thousand yen)	Share of total rent revenue (%)	Total number of tenants at end of period (tenants)	Occupancy rate at end of period (%)	Rent revenue (thousand yen)	Share of total rent revenue (%)
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,521	2,830	1	93.6	82,670	0.7	1	95.7	88,238	0.7
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	Beneficiary interests in trust	1,526	1,770	1	100.0	47,256	0.4	1	100.0	47,256	0.4
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,179	1,140	1	100.0	34,785	0.3	1	100.0	37,147	0.3
P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	Beneficiary interests in trust	1,933	1,810	1	100.0	52,689	0.4	1	95.9	53,458	0.4
P-7	RESIDIA Ikejiriohashi	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,218	1,200	1	92.9	35,757	0.3	1	95.7	38,035	0.3
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	Beneficiary interests in trust	2,141	2,230	1	92.2	66,751	0.5	1	97.7	68,292	0.5
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,099	1,040	1	94.7	30,721	0.3	1	88.4	30,879	0.2
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	Beneficiary interests in trust	1,099	1,120	1	96.3	34,275	0.3	1	100.0	33,882	0.3
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	Beneficiary interests in trust	2,657	2,620	1	100.0	75,888	0.6	1	100.0	75,888	0.6
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	Beneficiary interests in trust	728	598	1	100.0	19,596	0.2	1	90.8	20,171	0.1
P-16	RESIDIA Shinjuku- East III	Shinjuku-ku, Tokyo	Beneficiary interests in trust	754	720	1	95.0	11,308	0.1	1	100.0	23,385	0.2
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	Beneficiary interests in trust	578	625	1	100.0	17,944	0.1	1	100.0	17,957	0.1
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	Beneficiary interests in trust	1,344	1,450	1	84.8	38,711	0.3	1	95.8	44,441	0.3
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	Beneficiary interests in trust	916	936	1	92.8	30,476	0.3	1	100.0	30,896	0.2
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,467	1,690	1	98.7	55,181	0.5	1	91.3	55,879	0.4
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	Beneficiary interests in trust	852	885	1	97.1	26,931	0.2	1	87.9	28,007	0.2
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	Beneficiary interests in trust	535	564	1	100.0	18,127	0.1	1	100.0	18,767	0.1
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	Beneficiary interests in trust	710	660	1	100.0	19,606	0.2	1	100.0	21,050	0.2
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	Real estate	1,603	1,710	1	94.0	51,332	0.4	1	98.8	51,900	0.4
P-30	Pianetta Shiodome	Minato-ku, Tokyo	Beneficiary interests in trust	1,884	1,900	1	94.7	64,746	0.5	1	92.7	58,613	0.4
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	Beneficiary interests in trust	323	354	1	95.1	10,355	0.1	1	86.8	11,356	0.1
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	Beneficiary interests in trust	318	331	1	100.0	10,775	0.1	1	100.0	10,975	0.1
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	Beneficiary interests in trust	355	375	1	87.0	11,480	0.1	1	100.0	12,513	0.1
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	Beneficiary interests in trust	277	296	1	100.0	10,621	0.1	1	100.0	10,572	0.1
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	Real estate	913	973	1	95.8	32,186	0.3	1	100.0	34,154	0.3
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	Real estate	2,244	2,420	1	100.0	71,567	0.6	1	100.0	72,418	0.5
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	Real estate	1,144	1,240	1	97.6	41,582	0.3	1	96.4	42,516	0.3
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	Real estate	1,987	2,160	1	98.4	68,413	0.6	1	95.0	68,454	0.5
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	Real estate	1,170	1,200	1	100.0	35,420	0.3	1	95.5	37,473	0.3
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	Real estate	1,286	1,330	1	98.4	39,606	0.3	1	96.8	41,365	0.3
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	Real estate	1,135	1,170	1	96.9	37,621	0.3	1	95.3	36,341	0.3
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	Real estate	894	925	1	98.2	29,690	0.2	1	94.7	31,324	0.2
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	Real estate	1,025	1,110	1	94.9	34,346	0.3	1	97.1	35,238	0.3
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	Beneficiary interests in trust	1,018	1,060	1	100.0	34,116	0.3	1	89.5	35,578	0.3
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	Real estate	2,242	2,340	1	93.9	71,414	0.6	1	96.7	75,031	0.6
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	Real estate	3,562	3,280	1	93.6	94,459	0.8	1	93.7	91,275	0.7
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	Real estate	1,148	1,180	1	95.1	38,643	0.3	1	95.5	39,210	0.3

Property No.	Name of real estate	Location	Type of ownership	Book value at the end of the fiscal period (million yen)	Estimated value at the end of the fiscal period (million yen)	5th Fiscal Period (Aug. 1, 2012 – Jan. 31, 2013)				6th Fiscal Period (Feb. 1, 2013 – Jul. 31, 2013)			
						Total number of tenants at end of period (tenants)	Occupancy rate at end of period (%)	Rent revenue (thousand yen)	Share of total rent revenue (%)	Total number of tenants at end of period (tenants)	Occupancy rate at end of period (%)	Rent revenue (thousand yen)	Share of total rent revenue (%)
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	Beneficiary interests in trust	6,606	6,620	1	95.4	196,867	1.6	1	95.5	201,810	1.5
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	Beneficiary interests in trust	2,075	1,930	1	95.8	50,677	0.4	1	97.6	57,337	0.4
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,426	2,580	1	97.4	73,004	0.6	1	93.8	75,041	0.6
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	Beneficiary interests in trust	3,488	3,530	1	96.7	105,416	0.9	1	91.8	106,688	0.8
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	Real estate	15,852	16,400	1	100.0	460,754	3.8	1	100.0	459,816	3.4
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	Real estate	2,661	2,850	1	94.4	86,897	0.7	1	97.1	89,411	0.7
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	Real estate	730	493	1	94.1	15,008	0.1	1	100.0	16,556	0.1
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	Real estate	1,567	1,670	1	96.3	56,074	0.5	1	94.9	55,298	0.4
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	Real estate	1,392	1,290	1	93.9	37,408	0.3	1	91.0	37,949	0.3
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	Real estate	1,988	1,920	1	100.0	55,705	0.5	1	100.0	56,862	0.4
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	Real estate	6,092	5,460	1	89.8	172,343	1.4	1	89.5	175,319	1.3
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	Real estate	1,230	1,320	1	98.0	40,711	0.3	1	91.3	40,272	0.3
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,828	2,020	1	98.6	60,938	0.5	1	95.4	62,249	0.5
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	Beneficiary interests in trust	1,581	1,550	1	94.2	46,179	0.4	1	95.1	46,299	0.3
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	Beneficiary interests in trust	1,704	1,610	1	89.7	47,897	0.4	1	98.0	51,845	0.4
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	Real estate	1,118	1,160	1	100.0	37,607	0.3	1	100.0	38,391	0.3
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	Real estate	1,253	1,310	1	94.8	38,732	0.3	1	97.8	41,733	0.3
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	Real estate	1,780	1,900	1	96.9	57,845	0.5	1	90.7	57,196	0.4
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	Real estate	901	901	1	100.0	25,910	0.2	1	88.7	27,336	0.2
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	Beneficiary interests in trust	948	990	1	94.5	30,299	0.2	1	94.9	31,545	0.2
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	Beneficiary interests in trust	4,529	4,960	1	93.7	166,150	1.4	1	90.9	164,448	1.2
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	Real estate	908	805	1	93.8	27,890	0.2	1	100.0	26,991	0.2
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	Beneficiary interests in trust	5,165	5,270	1	94.8	155,150	1.3	1	95.7	154,228	1.1
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	Beneficiary interests in trust	9,290	9,610	1	93.9	300,682	2.5	1	92.1	292,787	2.2
P-77	Motoazabu Place	Minato-ku, Tokyo	Beneficiary interests in trust	8,323	6,240	1	78.7	171,786	1.4	1	88.2	169,416	1.3
P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	Real estate	6,866	5,680	1	86.2	167,528	1.4	1	91.3	167,100	1.2
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	Beneficiary interests in trust	875	868	1	100.0	26,498	0.2	1	100.0	29,009	0.2
P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	Beneficiary interests in trust	1,072	735	1	100.0	27,450	0.2	1	100.0	27,450	0.2
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	Real estate and leasehold rights to real estate	1,702	1,300	1	100.0	46,539	0.4	1	100.0	49,500	0.4
P-83	RESIDIA Daikanyama Sarugakucho/Daikanyama Parkside Village	Shibuya-ku, Tokyo	Beneficiary interests in trust	7,270	6,040	1	90.1	175,679	1.4	1	90.1	175,855	1.3
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	Real estate	1,426	1,480	1	92.3	42,295	0.3	1	88.5	41,191	0.3
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	Beneficiary interests in trust	875	1,040	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	2,441	2,770	1	97.7	89,192	0.7	1	97.7	90,161	0.7
P-87	RESIDIA Ichigaya-yakuoji	Shinjuku-ku, Tokyo	Beneficiary interests in trust	2,099	2,300	1	100.0	61,224	0.5	1	100.0	61,172	0.5
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	Real estate	1,618	1,660	1	96.2	51,004	0.4	1	97.4	51,537	0.4
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	Real estate	3,461	3,650	1	97.0	109,161	0.9	1	89.0	108,169	0.8
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	Beneficiary interests in trust	3,849	3,840	1	95.8	116,115	1.0	1	94.3	120,007	0.9
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	Beneficiary interests in trust	990	1,030	–	–	–	–	1	96.7	25,577	0.2
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	Beneficiary interests in trust	800	902	–	–	–	–	1	97.9	25,991	0.2





# I. Asset Management Report

Property No.	Name of real estate	Location	Type of ownership	Book value at the end of the fiscal period (million yen)	Estimated value at the end of the fiscal period (million yen) (Note 1)	5th Fiscal Period (Aug. 1, 2012 – Jan. 31, 2013)				6th Fiscal Period (Feb. 1, 2013 – Jul. 31, 2013)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Rent revenue (thousand yen) (Note 4)	Share of total rent revenue (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Rent revenue (thousand yen) (Note 4)	Share of total rent revenue (%)
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	Beneficiary interests in trust	1,282	1,320	–	–	–	–	1	93.8	34,721	0.3
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	Beneficiary interests in trust	1,678	1,770	–	–	–	–	1	97.9	45,680	0.3
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	Beneficiary interests in trust	1,531	1,630	–	–	–	–	1	100.0	41,110	0.3
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	Beneficiary interests in trust	1,702	2,070	1	95.2	62,389	0.5	1	95.2	67,114	0.5
C-2	RESIDIA Kamata	Ota-ku, Tokyo	Beneficiary interests in trust	2,333	3,080	1	96.4	95,456	0.8	1	98.8	107,516	0.8
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	1,455	1,590	1	100.0	46,833	0.4	1	100.0	46,846	0.3
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,612	1,810	1	100.0	50,271	0.4	1	100.0	50,255	0.4
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	Beneficiary interests in trust	992	1,200	1	98.3	36,632	0.3	1	97.5	38,770	0.3
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	Beneficiary interests in trust	945	949	1	100.0	36,242	0.3	1	93.6	36,925	0.3
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	Beneficiary interests in trust	3,005	3,230	1	97.0	99,212	0.8	1	95.2	97,779	0.7
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,604	1,600	1	100.0	48,137	0.4	1	97.8	48,947	0.4
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	Beneficiary interests in trust	886	940	1	96.9	30,020	0.2	1	100.0	31,415	0.2
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	Beneficiary interests in trust	5,179	4,840	1	100.0	136,751	1.1	1	100.0	137,276	1.0
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	Beneficiary interests in trust	3,098	3,200	1	99.4	93,423	0.8	1	98.1	105,738	0.8
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	Beneficiary interests in trust	1,935	1,750	1	97.9	56,043	0.5	1	97.9	55,436	0.4
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	Beneficiary interests in trust	4,156	3,830	1	98.1	115,685	1.0	1	97.7	116,500	0.9
C-16	RESIDIA Negishi	Taito-ku, Tokyo	Beneficiary interests in trust	860	799	1	96.4	26,593	0.2	1	92.6	26,165	0.2
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	Beneficiary interests in trust	1,827	1,860	1	86.3	55,284	0.5	1	92.6	59,669	0.4
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	535	590	1	95.5	21,842	0.2	1	100.0	22,035	0.2
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	Beneficiary interests in trust	340	404	1	93.3	14,954	0.1	1	90.0	15,028	0.1
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	977	1,050	1	98.4	32,639	0.3	1	93.0	33,635	0.2
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	Real estate	1,401	1,540	1	96.6	45,845	0.4	1	98.9	48,731	0.4
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	Beneficiary interests in trust	1,745	1,850	1	91.3	61,329	0.5	1	94.7	60,471	0.4
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	Real estate	1,174	1,260	1	100.0	39,668	0.3	1	100.0	38,001	0.3
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	Beneficiary interests in trust	1,244	1,380	1	100.0	40,381	0.3	1	100.0	40,381	0.3
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	Beneficiary interests in trust	579	626	1	100.0	21,483	0.2	1	97.2	20,398	0.2
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	Beneficiary interests in trust	1,926	2,070	1	100.0	58,385	0.5	1	100.0	58,330	0.4
C-28	RESIDIA Oji	Kita-ku, Tokyo	Beneficiary interests in trust	827	932	1	100.0	34,584	0.3	1	100.0	34,584	0.3
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	Real estate	1,018	1,030	1	97.1	35,009	0.3	1	98.5	36,514	0.3
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	Real estate	1,064	1,110	1	88.0	33,667	0.3	1	97.8	36,818	0.3
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	Real estate	1,324	1,420	1	96.3	46,123	0.4	1	95.3	46,416	0.3
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	Beneficiary interests in trust	2,377	2,550	1	93.7	78,711	0.6	1	98.3	80,247	0.6
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	Real estate	2,319	2,380	1	96.9	78,389	0.6	1	91.7	73,128	0.5
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	Beneficiary interests in trust	3,221	3,570	1	100.0	108,541	0.9	1	100.0	108,352	0.8
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	Beneficiary interests in trust	674	776	1	97.2	25,837	0.2	1	94.2	26,356	0.2
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,008	1,130	1	95.3	37,804	0.3	1	95.3	36,975	0.3
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	Beneficiary interests in trust	362	380	1	97.1	13,830	0.1	1	97.1	13,632	0.1
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	Beneficiary interests in trust	533	625	1	96.4	18,866	0.2	1	100.0	21,117	0.2
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	Real estate	1,400	1,450	1	92.0	43,165	0.4	1	96.8	45,414	0.3

Property No.	Name of real estate	Location	Type of ownership	Book value at the end of the fiscal period (million yen)	Estimated value at the end of the fiscal period (million yen) (Note 1)	5th Fiscal Period (Aug. 1, 2012 – Jan. 31, 2013)				6th Fiscal Period (Feb. 1, 2013 – Jul. 31, 2013)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Rent revenue (thousand yen) (Note 4)	Share of total rent revenue (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Rent revenue (thousand yen) (Note 4)	Share of total rent revenue (%)
C-41	RESIDIA Iriya	Taito-ku, Tokyo	Beneficiary interests in trust	942	1,010	1	90.9	37,253	0.3	1	93.9	35,713	0.3
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	Real estate	1,285	1,350	1	97.9	42,026	0.3	1	100.0	42,327	0.3
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	Real estate	1,815	1,850	1	97.1	55,326	0.5	1	95.8	59,300	0.4
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	Real estate	1,255	1,300	1	96.6	42,555	0.4	1	96.6	44,730	0.3
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	Beneficiary interests in trust	1,265	1,340	1	87.8	41,826	0.3	1	98.5	42,215	0.3
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	Beneficiary interests in trust	6,038	6,360	1	94.1	223,161	1.8	1	94.0	220,556	1.6
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	Beneficiary interests in trust	653	724	1	96.5	27,951	0.2	1	93.3	28,389	0.2
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	Real estate	5,327	5,900	1	100.0	164,944	1.4	1	100.0	164,563	1.2
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	Beneficiary interests in trust	3,841	4,660	1	100.0	137,171	1.1	1	100.0	137,315	1.0
C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	Beneficiary interests in trust	896	1,050	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	2,014	2,480	1	100.0	77,992	0.6	1	99.4	78,248	0.6
C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	Beneficiary interests in trust	1,145	1,300	1	100.0	39,785	0.3	1	100.0	44,127	0.3
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	Real estate	2,407	2,600	1	98.8	84,369	0.7	1	94.0	79,629	0.6
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	Beneficiary interests in trust	2,612	3,040	1	97.4	88,762	0.7	1	97.3	91,841	0.7
C-55	RESIDIA Minamisenjyu	Arakawa-ku, Tokyo	Beneficiary interests in trust	2,703	3,230	1	97.1	159,689	1.3	1	94.5	157,983	1.2
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	Real estate	1,817	1,900	1	93.9	61,445	0.5	1	98.0	63,336	0.5
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	Beneficiary interests in trust	1,023	1,080	1	100.0	35,106	0.3	1	100.0	35,495	0.3
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,143	2,400	1	100.0	74,511	0.6	1	96.4	74,154	0.6
C-59	RESIDIA Omori	Ota-ku, Tokyo	Beneficiary interests in trust	1,179	1,280	1	98.7	41,702	0.3	1	98.7	40,715	0.3
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	Beneficiary interests in trust	1,102	1,190	1	97.3	37,736	0.3	1	98.7	38,792	0.3
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	Beneficiary interests in trust	1,849	2,040	1	96.8	65,216	0.5	1	94.5	63,911	0.5
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	Beneficiary interests in trust	2,387	2,500	1	99.3	80,025	0.7	1	97.8	80,729	0.6
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	Beneficiary interests in trust	690	729	1	100.0	25,414	0.2	1	100.0	25,491	0.2
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	Beneficiary interests in trust	974	1,040	1	92.5	32,862	0.3	1	95.6	34,433	0.3
C-65	RESIDIA TOWER Kami-Ikebukuro	Toshima-ku, Tokyo	Beneficiary interests in trust	8,924	8,850	–	–	–	–	1	96.3	580,080	4.3
S-1	Hiyoshidai Student Heights	Yokohama-shi, Kanagawa	Beneficiary interests in trust	3,060	3,760	1	100.0	174,072	1.4	1	100.0	174,072	1.3
S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	Beneficiary interests in trust	748	695	1	100.0	29,343	0.2	1	94.9	29,428	0.2
S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	Beneficiary interests in trust	1,094	1,060	1	93.6	40,549	0.3	1	88.5	41,857	0.3
S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,866	1,790	1	100.0	61,534	0.5	1	100.0	61,398	0.5
S-7	RESIDIA Chofu	Chofu-shi, Tokyo	Beneficiary interests in trust	1,123	1,070	1	90.8	33,504	0.3	1	90.6	34,539	0.3
S-11	Wako Student Heights	Wako-shi, Saitama	Beneficiary interests in trust	726	676	1	100.0	26,182	0.2	1	100.0	26,182	0.2
S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	Beneficiary interests in trust	494	525	1	100.0	19,039	0.2	1	100.0	20,239	0.2
S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,621	1,730	1	98.3	58,176	0.5	1	92.1	59,006	0.4
S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	Beneficiary interests in trust	755	819	1	100.0	28,297	0.2	1	100.0	27,168	0.2
S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	Real estate	1,539	1,600	1	100.0	54,096	0.4	1	98.8	56,682	0.4
S-17	RESIDIA Funabashi I	Funabashi-shi, Chiba	Beneficiary interests in trust	2,640	2,800	1	100.0	94,455	0.8	1	100.0	94,573	0.7
	RESIDIA Funabashi II												
S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	Beneficiary interests in trust	1,433	1,440	1	79.4	44,797	0.4	1	91.9	44,756	0.3



# I. Asset Management Report

Property No.	Name of real estate	Location	Type of ownership	Book value at the end of the fiscal period (million yen)	Estimated value at the end of the fiscal period (million yen) (Note 1)	5th Fiscal Period (Aug. 1, 2012 – Jan. 31, 2013)				6th Fiscal Period (Feb. 1, 2013 – Jul. 31, 2013)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Rent revenue (thousand yen) (Note 4)	Share of total rent revenue (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Rent revenue (thousand yen) (Note 4)	Share of total rent revenue (%)
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama-shi, Kanagawa	Real estate and leasehold rights to real estate	13,009	14,300	1	98.8	568,766	4.7	1	99.4	568,820	4.2
S-21	Maison Yachiyodai	Yachiyo-shi, Chiba	Beneficiary interests in trust	846	866	1	85.8	41,277	0.3	1	91.6	41,622	0.3
S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	Real estate	1,613	1,680	1	100.0	70,704	0.6	1	100.0	70,704	0.5
S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	Beneficiary interests in trust	815	978	1	100.0	32,760	0.3	1	100.0	32,760	0.2
S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	Beneficiary interests in trust	2,193	2,400	1	67.0	61,823	0.5	1	97.2	74,494	0.6
S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	870	945	1	100.0	36,287	0.3	1	100.0	38,874	0.3
S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	Beneficiary interests in trust	848	910	1	95.9	32,564	0.3	1	97.3	32,979	0.2
S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	Beneficiary interests in trust	805	866	1	97.3	32,480	0.3	1	98.7	36,809	0.3
S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	Beneficiary interests in trust	1,719	1,850	1	95.1	59,717	0.5	1	100.0	63,602	0.5
S-29	Cocofump Hiyoshi	Yokohama-shi, Kanagawa	Beneficiary interests in trust	1,099	1,090	–	–	–	–	1	100.0	25,500	0.2
R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,591	1,580	1	100.0	65,712	0.5	1	100.0	65,088	0.5
R-4	RESIDIA Higashi-Sakura	Nagoya-shi, Aichi	Beneficiary interests in trust	1,154	1,200	1	96.6	47,904	0.4	1	96.6	48,045	0.4
R-5	RESIDIA Kameyama	Kameyama-shi, Mie	Beneficiary interests in trust	1,607	1,150	1	97.1	62,099	0.5	1	97.1	61,938	0.5
R-6	RESIDIA Ryokuchikoen	Toyonaka-shi, Osaka	Beneficiary interests in trust	945	871	1	100.0	31,143	0.3	1	96.0	31,989	0.2
R-8	RESIDIA Kobe Port Island (South Bldg.; Centre Bldg.) RESIDIA Kobe Port Island (North Bldg.)	Kobe-shi, Hyogo	Beneficiary interests in trust	3,657	3,560	1	100.0	125,350	1.0	1	100.0	125,376	0.9
R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	Real estate	1,188	1,220	1	97.5	50,523	0.4	1	100.0	51,432	0.4
R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	Beneficiary interests in trust	827	929	1	96.3	37,080	0.3	1	98.8	37,155	0.3
R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	Real estate	2,103	2,440	1	97.3	88,365	0.7	1	94.7	90,475	0.7
R-13	KC21 Building	Sendai-shi, Miyagi	Real estate	926	954	1	99.0	41,062	0.3	1	97.1	41,782	0.3
R-14	RESIDIA Usubokoen	Osaka-shi, Osaka	Real estate	1,117	1,300	1	95.3	48,366	0.4	1	97.7	48,724	0.4
R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,886	2,130	1	99.3	76,671	0.6	1	98.7	77,309	0.6
R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	Real estate	2,248	2,640	1	100.0	89,682	0.7	1	100.0	89,977	0.7
R-17	RESIDIA Hibino	Nagoya-shi, Aichi	Beneficiary interests in trust	1,255	1,380	1	98.5	67,043	0.6	1	99.2	68,628	0.5
R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	892	990	1	98.2	39,323	0.3	1	92.8	38,719	0.3
R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	305	347	1	100.0	16,241	0.1	1	97.5	16,232	0.1
R-21	Mare	Nagoya-shi, Aichi	Real estate	649	706	1	93.4	27,656	0.2	1	100.0	27,344	0.2
R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	Real estate	1,564	1,750	1	99.3	73,946	0.6	1	99.7	74,903	0.6
R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	Real estate	1,278	1,270	1	97.5	58,112	0.5	1	98.7	57,189	0.4
R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	Real estate	1,073	1,200	1	100.0	49,558	0.4	1	99.3	50,021	0.4
R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	Real estate	797	824	1	97.2	30,771	0.3	1	97.4	31,939	0.2
R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	Real estate	681	710	1	97.9	34,738	0.3	1	97.9	35,454	0.3
R-30	RESIDIA Izumi	Nagoya-shi, Aichi	Real estate	3,543	3,780	1	93.7	142,959	1.2	1	87.6	138,382	1.0
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	Real estate	1,009	1,070	1	94.4	44,636	0.4	1	89.3	44,065	0.3
R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	Real estate	725	769	1	95.9	29,590	0.2	1	100.0	29,989	0.2
R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	Real estate	1,932	2,190	1	98.9	92,268	0.8	1	99.0	92,670	0.7
R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	Real estate	1,172	1,390	1	98.2	48,736	0.4	1	99.0	48,328	0.4
R-36	RESIDIA Hisaya-Oodori	Nagoya-shi, Aichi	Beneficiary interests in trust	669	810	1	100.0	30,780	0.3	1	98.0	30,716	0.2
R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	Beneficiary interests in trust	544	664	1	100.0	24,048	0.2	1	100.0	26,023	0.2

Property No.	Name of real estate	Location	Type of ownership	Book value at the end of the fiscal period (million yen)	Estimated value at the end of the fiscal period (million yen) (Note 1)	5th Fiscal Period (Aug. 1, 2012 – Jan. 31, 2013)				6th Fiscal Period (Feb. 1, 2013 – Jul. 31, 2013)			
						Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Rent revenue (thousand yen) (Note 4)	Share of total rent revenue (%)	Total number of tenants at end of period (tenants) (Note 2)	Occupancy rate at end of period (%) (Note 3)	Rent revenue (thousand yen) (Note 4)	Share of total rent revenue (%)
R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	Beneficiary interests in trust	510	579	1	100.0	21,847	0.2	1	100.0	21,839	0.2
R-39	RESIDIA Edobori	Osaka-shi, Osaka	Real estate	1,482	1,710	1	98.5	62,149	0.5	1	98.4	62,134	0.5
R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	Real estate	1,068	1,170	1	98.7	43,390	0.4	1	95.3	42,729	0.3
R-41	RESIDIA Esaka	Suita-shi, Osaka	Beneficiary interests in trust	1,021	1,140	1	96.5	39,944	0.3	1	90.3	38,408	0.3
R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	Beneficiary interests in trust	2,449	2,720	1	94.6	104,357	0.9	1	96.0	104,141	0.8
R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	Beneficiary interests in trust	1,243	1,400	1	97.7	55,419	0.5	1	100.0	55,890	0.4
R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	Beneficiary interests in trust	2,820	3,200	1	97.8	121,601	1.0	1	95.5	118,470	0.9
R-45	RESIDIA Kita-Niijo-East	Sapporo-shi, Hokkaido	Beneficiary interests in trust	936	982	–	–	–	–	1	98.3	36,351	0.3
R-46	RESIDIA Shinsaibashi West	Osaka-shi, Osaka	Beneficiary interests in trust	1,991	2,090	–	–	–	–	1	88.7	65,314	0.5
R-47	RESIDIA Marunouchi	Nagoya-shi, Aichi	Beneficiary interests in trust	1,015	1,030	–	–	–	–	1	96.6	34,074	0.3
R-48	RESIDIA Sapporo-Ekimae	Sapporo-shi, Hokkaido	Beneficiary interests in trust	1,556	1,740	–	–	–	–	1	98.5	64,125	0.5
R-49	RESIDIA Gosho-Higashi	Kyoto-shi, Kyoto	Beneficiary interests in trust	1,273	1,310	–	–	–	–	1	90.2	38,950	0.3
R-50	RESIDIA Raku-hoku	Kyoto-shi, Kyoto	Beneficiary interests in trust	910	916	–	–	–	–	1	95.9	29,729	0.2
R-51	RESIDIA Miyakojima I/II	Osaka-shi, Osaka	Real estate	3,381	3,610	–	–	–	–	1	100.0	108,934	0.8
Total				386,990	400,991	190	96.4	12,155,922	100.0	204	96.5	13,462,948	100.0

Notes 1. “Estimated value at end of period” is the appraisal value or survey-based value provided by a real estate appraiser as of July 31, 2013, the valuation date, pursuant to ADR’s Articles of Incorporation and the “Regulations Concerning Accounting of Investment Corporations” issued by the Cabinet Office.  
2. For “Total number of tenants,” tenants that have executed a master lease agreement with a master lessee are counted as 1.  
The “Total” column for “Total number of tenants” indicates the sum total number of master lease agreements, concluded with 15 master lessees, as a master lease agreement is executed for all assets held by ADR as of July 31, 2013.  
3. “Occupancy rate” is calculated by using the formula: “Leased floor area” ÷ “Leasable floor area” × 100.  
4. “Revenue from property leasing” is the rental revenue of respective real estate for the fiscal period under review.

## 4 Securities Portfolio

The following are securities held by ADR as of July 31, 2013.

Name	Type of asset	Quantity	Book value (thousand yen)		Assessed value (thousand yen) (Note 1)		Gain (Loss) on valuation (thousand yen)	Notes
			Unit price	Amount	Unit price	Amount		
Equity interests in TK property fund with Godo Kaisha RISING as operator (Note 2)	TK property fund equity interests	–	–	261,231	–	257,000	-4,231	–
Equity interests in TK property fund with Godo Kaisha RISING2 as operator (Note 3)	TK property fund equity interests	–	–	214,812	–	212,141	-2,670	–
Equity interests in TK property fund with Godo Kaisha RISING3 as operator (Note 4)	TK property fund equity interests	–	–	198,552	–	195,945	-2,606	–
Equity interests in TK property fund with Godo Kaisha RISING4 as operator (Note 5)	TK property fund equity interests	–	–	256,695	–	254,000	-2,695	–
Total	–	–	–	931,291	–	919,087	-12,204	–

Notes 1. The “Assessed value” is the value quoted by the operator of TK property fund pursuant to regulations provided by The Investment Trusts Association, Japan.  
2. The silent partnership owns the real estate beneficiary interests in trust for “Forecity Ojima,” “Artis Court Minamiaoyama,” “Pleide Nakameguro,” “N.S. ZEAL Higashizakura,” “Human Heim Honcho” and “Sun Vario Haranomachiekimae.”  
3. TK property fund owns the real estate beneficiary interests in trust for “City Village Yotsuya-Sanchome II,” “Ikebukuro DUPLEX R’s,” “Belle Face Sakaemachi,” “Belle Face Tsutsujigaoka (West/East)” and “AGILIA Sapporo OodoriHigashi.”  
4. TK property fund owns the real estate beneficiary interests in trust for “Lifesuta Kego,” “Bebless Sapporo-Eki,” “Bebless Souen,” “Grand E’terna Okayama,” “Grand E’terna Kyoto-Okazaki,” “Grand E’terna Nerima,” “Grand E’terna Sagami-hara,” “Grand E’terna Sendai-Ichibancho” and “Lumiere Yokohama-Bashamichi.”  
5. TK property fund owns the real estate beneficiary interests in trust for “Chester Court Ochanomizu,” “Chester House Iwamotocho,” “Chester House Shinagawa,” “Chester Court Asakusabashi,” “Chester House Akihabara” and “Chester House Azumabashi.”  
6. Other than the above, ADR holds real estate beneficiary interests in trust that are securities as defined in Article 2, Paragraph 2, Item 1 of the Financial Instruments and Exchange Act. For convenience of reference, however, the underlying real estate in trust of those beneficiary interests in trust is included in “3. Real Estate Portfolio.”





## 5 Specified Transactions

The following is the status of ADR's specified transactions as of July 31, 2013.

Account	Type	Contract amount <sup>(Note 1)</sup>		Fair value <sup>(Notes 2, 3)</sup>
			Of which, exceeding 1 year	
Transaction other than market transaction	Interest rate swap transactions payable fixed; receivable floating	135,945,488	111,345,488	-454,082
Total		135,945,488	111,345,488	-454,082

Notes 1. The contract amount is based on notional principal.  
2. The fair value is based on the calculation conducted by the counterparty to the relevant transaction on the basis of the going rate of interest.  
3. Special provisions for interest rate swaps are applied to the amount of fair value based on the "Accounting Standard for Financial Instruments" (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected on the balance sheets.

## 6 Other Assets

Real estate and real estate beneficiary interests in trust are all listed in "3. Real Estate Portfolio." As of July 31, 2013, there are no major specified assets in the portfolio that are key investment targets of ADR other than those listed in that section and earlier in "4. Securities Portfolio."

## 7 Assets Held by Country and Region

There are no applicable matters concerning countries and regions other than Japan.



## Capital Expenditures

### 1 Planned Capital Expenditures

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

Name of real estate (Location)	Purpose	Estimated Duration	(million yen)		
			Total amounts	Payment for the current period	Cumulative amount paid
RESIDIA Azabujuban (Minato-ku, Tokyo)	Major repair work	From: Oct. 2013 To: Jan. 2014	45	—	—
RESIDIA Meguro (Shinagawa-ku, Tokyo)	Major repair work	From: Nov. 2013 To: Jan. 2014	22	—	—
RESIDIA Shibaura (Minato-ku, Tokyo)	Value-enhancement work on individual units	From: Aug. 2013 To: Jan. 2014	17	—	—
RESIDIA Kichijoji (Musashino-shi, Tokyo)	Value-enhancement work on individual units	From: Aug. 2013 To: Jan. 2014	16	—	—
RESIDIA Mejiro (Toshima-ku, Tokyo)	Repairs to external wall	From: Oct. 2013 To: Dec. 2013	16	—	—

### 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 333 million yen for the entire portfolio and, when combined with repairs and maintenance cost of 478 million yen, were 811 million yen.

Name of real estate (Location)	Purpose	Implementation period	(million yen)
			Amount paid
KC21 Building (Sendai-shi, Miyagi)	Major repair work	From: Mar. 2013 To: Jul. 2013	61
RESIDIA Ikejirihashi (Setagaya-ku, Tokyo)	Repairs to external wall	From: May 2013 To: Jul. 2013	53
Wako Student Heights (Wako-shi, Saitama)	Major repair work	From: May 2013 To: Jul. 2013	34
Other real estate	Renovations		183
Total			333

(Note) Amount paid is rounded down to the nearest million yen. Accordingly, the sum total of the entered figures does not necessarily add up to the "Total" amount indicated in the foregoing table.



## 3 Cash Reserves for Upgrades and Renovations

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

Fiscal period	2nd FP	3rd FP	4th FP	5th FP	(million yen) 6th FP
Operating period	From: Feb. 1, 2011 To: Jul. 31, 2011	From: Aug. 1, 2011 To: Jan. 31, 2012	From: Feb. 1, 2012 To: Jul. 31, 2012	From: Aug. 1, 2012 To: Jan. 31, 2013	From: Feb. 1, 2013 To: Jul. 31, 2013
Balance of reserves at beginning of period	1,899	1,843	1,748	1,704	1,671
Amount of reserves during period	460	245	261	320	357
Reversal of reserves during period	516	341	304	353	403
Amount carried forward to next period	1,843	1,748	1,704	1,671	1,625



## Expenses and Liabilities

### 1 Entrustment Expenses

Item	5th FP	(thousand yen) 6th FP
(a) Asset management fee <sup>(Note 1)</sup>	822,488 <sup>(Note 2)</sup>	829,251 <sup>(Note 3)</sup>
(b) Asset custody fee	10,628	9,059
(c) Administrative service fees	60,073	60,667
(d) Directors' compensations	2,400	2,400
(e) Other	321,368	272,427
<b>Total</b>	<b>1,216,959</b>	<b>1,173,804</b>

Notes 1. Asset management fee is the sum total amount of the base fee and incentive fee.  
2. Aside from the amounts indicated above, a total 4,790 thousand yen has been paid for asset management of the acquired properties and has been included in their acquisition prices.  
3. Aside from the amounts indicated above, a total 272,915 thousand yen has been paid for asset management of the acquired properties and has been included in their acquisition prices.

### 2 Loans

The following lists the balance of respective loans ADR borrowed from financial institutions as of July 31, 2013.

	Account	Drawdown date	Balance at start of 6th FP (million yen)	Balance at end of 6th FP (million yen)	Interest rate (Note 1)	Repayment date	Repayment method	Use	Description
	Lenders								
Short-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 25, 2013	1,613	—	—	January 24, 2014	Lump-sum repayment at maturity	(Note 5)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank Limited		2,535	—					
		Subtotal		4,148	—				
Current portion of long-term loans payable	Mizuho Bank, Ltd. (Note 8)	June 25, 2008	2,765	—	—	June 25, 2013	Lump-sum repayment at maturity	(Note 5)	Unsecured Unguaranteed
	Aozora Bank, Ltd.		1,382	—					
	Resona Bank, Limited		921	—					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	August 31, 2009	2,965	—	—	April 30, 2013		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		3,526	—					
	Sumitomo Mitsui Banking Corporation		2,110	—					
	Development Bank of Japan Inc.	October 22, 2009	250	250	3.10%	(Note 9)	Installment	(Note 6)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 31, 2010	1,384	—	—	March 29, 2013	Lump-sum repayment at maturity	(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		1,384	—					
	Development Bank of Japan Inc.	February 17, 2011	13	13	1.86%	(Note 10)	Installment	(Note 6)	
	Mizuho Bank, Ltd. (Note 8)	September 22, 2010	1,147	1,147	1.50 % (Note 2)	September 21, 2013		(Note 6)	
	Mizuho Trust & Banking Co., Ltd.		573	573					
	Sumitomo Mitsui Trust Bank Limited	November 25, 2010	2,610	2,610	1.39% (Note 2)	November 15, 2013		(Note 5)	
	Sumitomo Mitsui Banking Corporation		1,770	1,770					
	Aozora Bank, Ltd.	November 30, 2010	1,530	1,530	1.39% (Note 2)	November 15, 2013		(Note 5)	
	Sumitomo Mitsui Banking Corporation		1,806	1,806					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	April 27, 2012	1,300	1,300	0.54%	January 31, 2014	Lump-sum repayment at maturity	(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		1,700	1,700					
	Mizuho Bank, Ltd. (Note 8)	February 17, 2011	—	8,664	1.63% (Note 2)	February 17, 2014		(Note 6)	
	Mizuho Trust & Banking Co., Ltd.		—	4,332					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 17, 2011	—	443	1.63% (Note 2)	February 17, 2014		(Note 6)	
	Sumitomo Mitsui Trust Bank Limited		—	443					
	Sumitomo Mitsui Banking Corporation		—	354					
	Mitsubishi UFJ Trust and Banking Corporation		—	265					





# I. Asset Management Report

	Account	Drawdown date	Balance at start of 6th FP (million yen)	Balance at end of 6th FP (million yen)	Interest rate (Note 1)	Repayment date	Repayment method	Use	Description
	Lenders								
Current portion of long-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 25, 2012	–	657	0.54%	June 30, 2014	Lump-sum repayment at maturity	(Note 5)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank Limited		–	343					
	Aozora Bank, Ltd.		–	800					
	The Nishi-Nippon City Bank Ltd.		–	700					
	Subtotal			29,144	29,705				
Long-term loans payable	Development Bank of Japan Inc.	June 25, 2008	2,304	2,304	2.70%	June 25, 2015	Lump-sum repayment at maturity	(Note 5)	Unsecured Unguaranteed
	Development Bank of Japan Inc.	October 22, 2009	3,554	3,429	3.10%	(Note 9)	Installment	(Note 6)	
	Development Bank of Japan Inc.	November 25, 2010	956	956	1.90%	November 24, 2017	Lump-sum repayment at maturity	(Note 5)	
	Mizuho Bank, Ltd. (Note 8)	February 17, 2011	8,664	–	–	February 17, 2014		(Note 6)	
	Mizuho Trust & Banking Co., Ltd.		4,332	–				(Note 6)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 17, 2011	443	–	–	February 17, 2014	Lump-sum repayment at maturity	(Note 6)	
	Sumitomo Mitsui Trust Bank Limited		443	–					
	Sumitomo Mitsui Banking Corporation		354	–					
	Mitsubishi UFJ Trust and Banking Corporation		265	–					
	Development Bank of Japan Inc.	February 17, 2011	225	218	1.86%	(Note 10)	Installment	(Note 6)	
	Mizuho Bank, Ltd. (Note 8)	March 1, 2011	1,083	1,083	1.68% (Note 2)	February 29, 2016	Lump-sum repayment at maturity	(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 1, 2011	492	492	1.68% (Note 2)	February 29, 2016		(Note 3)	
	Sumitomo Mitsui Trust Bank Limited		492	492					
	Sumitomo Mitsui Banking Corporation		2,264	2,264					
	Shinsei Bank, Limited	March 10, 2011	295	295	1.69% (Note 2)	February 29, 2016		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Sumitomo Mitsui Trust Bank Limited		500	500					
	Shinsei Bank, Limited	April 28, 2011	700	700	1.75% (Note 2)	April 28, 2017	(Note 5)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		3,500	3,500					
	Mitsubishi UFJ Trust and Banking Corporation		3,700	3,700					
	Sumitomo Mitsui Trust Bank Limited	May 31, 2011	2,000	2,000	1.52% (Note 2)	February 29, 2016	(Note 3)		
	Mitsubishi UFJ Trust and Banking Corporation		2,500	2,500					
	Sumitomo Mitsui Banking Corporation	June 30, 2011	2,700	2,700	1.59% (Note 2)	June 30, 2017	(Note 5)		
	Sumitomo Mitsui Trust Bank Limited	June 30, 2011	890	890	1.76% (Note 2)	June 29, 2018	(Note 5)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	August 31, 2011	1,600	1,600	1.01% (Note 2)	January 31, 2015	Lump-sum repayment at maturity	(Note 5)	
	Resona Bank, Limited		2,000	2,000					
	The Bank of Fukuoka, Ltd.		1,000	1,000					
	Aozora Bank, Ltd.		700	700					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	August 31, 2011	500	500	1.16% (Note 2)	December 18, 2015		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		500	500					
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000					
	The Norinchukin Bank		1,000	1,000					
	The Bank of Fukuoka, Ltd.	August 31, 2011	1,000	1,000	1.31% (Note 2)	January 31, 2017		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		500	500					
	Aozora Bank, Ltd.	August 31, 2011	2,000	2,000	1.16% (Note 2)	December 18, 2015		(Note 3)	
	Sumitomo Mitsui Banking Corporation		1,000	1,000					
	Resona Bank, Limited	August 31, 2011	2,000	2,000	1.31% (Note 2)	January 31, 2017		(Note 3)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 1, 2011	750	750	1.31% (Note 2)	January 31, 2017		(Note 3)	
	Sumitomo Mitsui Trust Bank Limited		750	750					
	Mitsubishi UFJ Trust and Banking Corporation	September 29, 2011	1,000	1,000	1.62% (Note 2)	September 28, 2018		(Note 3)	
	Aozora Bank, Ltd.	November 18, 2011	2,400	2,400	0.70%	October 31, 2014		(Note 6)	

	Account	Drawdown date	Balance at start of 6th FP (million yen)	Balance at end of 6th FP (million yen)	Interest rate (Note 1)	Repayment date	Repayment method	Use	Description
	Lenders								
Long-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	November 30, 2011	1,300	1,300	1.57% (Note 2)	November 30, 2018	Lump-sum repayment at maturity	(Note 5)	Unsecured Unguaranteed
	Sumitomo Mitsui Trust Bank Limited		1,300	1,300					
	Mizuho Bank, Ltd. (Note 8)		1,000	1,000					
	Mitsubishi UFJ Trust and Banking Corporation		1,900	1,900					
	The Norinchukin Bank	December 26, 2011	2,000	2,000	0.76%	December 18, 2015		(Note 5)	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	December 26, 2011	300	300	1.17% (Note 2)	November 30, 2016		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		300	300					
	Sumitomo Mitsui Banking Corporation		450	450					
	Mizuho Bank, Ltd. (Note 8)		450	450					
	The Norinchukin Bank		2,500	2,500					
	Mitsui Sumitomo Insurance Co., Ltd.		1,000	1,000					
	Taiyo Life Insurance Company	December 26, 2011	1,500	1,500	1.21%	November 30, 2016		(Note 5)	
	Sumitomo Mitsui Banking Corporation	January 25, 2012	450	450	1.11% (Note 2)	July 29, 2016		(Note 5)	
	Mizuho Bank, Ltd. (Note 8)		1,550	1,550					
	Resona Bank, Limited		900	900					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 25, 2012	500	500	1.43% (Note 2)	July 31, 2018		(Note 5)	
	Sumitomo Mitsui Trust Bank Limited		500	500					
	Sumitomo Mitsui Banking Corporation		650	650					
	Mizuho Bank, Ltd. (Note 8)		500	500					
	Mitsubishi UFJ Trust and Banking Corporation		900	900					
	Development Bank of Japan Inc.		1,000	1,000					
	Shinsei Bank, Limited		1,500	1,500					
	Mizuho Trust & Banking Co., Ltd.	February 8, 2012	1,000	1,000	0.72%	July 31, 2015	(Note 6)		
	The Yamaguchi Bank, Ltd.	February 8, 2012	500	500	0.80%	July 31, 2015	(Note 6)		
	The Tokyo Tomin Bank, Ltd.		500	500					
	The Iyo Bank, Ltd.	February 8, 2012	300	300	1.11% (Note 2)	July 29, 2016	(Note 6)		
	Resona Bank, Limited		1,000	1,000					
	The Bank of Fukuoka, Ltd.		2,000	2,000					
	The Yamaguchi Bank, Ltd.		500	500					
	The Tokyo Tomin Bank, Ltd.		500	500					
	The Iyo Bank, Ltd.	February 8, 2012	300	300	1.42% (Note 2)	July 31, 2018	(Note 6)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		500	500					
	Sumitomo Mitsui Trust Bank Limited		500	500					
	Shinsei Bank, Limited	February 28, 2012	1,000	1,000	1.23%	February 28, 2018	(Note 3)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,850	2,850					
	Mizuho Trust & Banking Co., Ltd.	April 3, 2012	2,700	2,700	0.64%	March 31, 2015	(Note 3)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	April 27, 2012	800	800	1.10% (Note 2)	August 31, 2017	(Note 5)		
	Sumitomo Mitsui Trust Bank Limited		800	800					
	Sumitomo Mitsui Banking Corporation		2,800	2,800					
	Mitsubishi UFJ Trust and Banking Corporation		1,600	1,600					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	April 27, 2012	1,500	1,500	1.20% (Note 2)	April 27, 2018	(Note 5)			
Sumitomo Mitsui Trust Bank Limited		2,100	2,100						
Sumitomo Mitsui Banking Corporation		800	800						
The Gunma Bank, Ltd.	May 31, 2012	1,000	1,000	0.84% (Note 2)	May 29, 2015	(Note 5)			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 25, 2012	657	–	–	June 30, 2014	(Note 5)			
Sumitomo Mitsui Trust Bank Limited		343	–						
Aozora Bank, Ltd.		800	–						
The Nishi-Nippon City Bank Ltd.	June 25, 2012	700	–	0.85% (Note 2)	August 31, 2015	(Note 5)			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		700	700						
Sumitomo Mitsui Trust Bank Limited		500	500						
Resona Bank, Limited		1,000	1,000						
The Nishi-Nippon City Bank Ltd.		800	800						



	Account	Drawdown date	Balance at start of 6th FP (million yen)	Balance at end of 6th FP (million yen)	Interest rate (Note 1)	Repayment date	Repayment method	Use	Description		
	Lenders										
Long-term loans payable	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	June 29, 2012	1,200	1,200	1.25% (Note 2)	June 28, 2019	Lump-sum repayment at maturity	(Note 5)	Unsecured Unguaranteed		
	Sumitomo Mitsui Trust Bank Limited		800	800							
	Aozora Bank, Ltd.		700	700							
	Taiyo Life Insurance Company	September 19, 2012	1,500	1,500	0.94%	September 29, 2017		(Note 7)			
	The Kagawa Bank, Ltd.	September 21, 2012	500	500	0.77% (Note 2)	April 28, 2016		(Note 6)			
	The Kagawa Bank, Ltd.	September 21, 2012	500	500	0.92% (Note 2)	September 29, 2017		(Note 6)			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 21, 2012	450	450	1.16%	September 30, 2019		(Note 6)			
	Sumitomo Mitsui Trust Bank Limited	September 21, 2012	450	450	1.16%	September 30, 2019		(Note 6)			
	Mitsubishi UFJ Trust and Banking Corporation	November 20, 2012	1,000	1,000	1.03% (Note 2)	November 29, 2019		(Note 6)			
	The Hiroshima Bank, Ltd.	November 20, 2012	500	500	0.50%	November 30, 2015		(Note 6)			
	The Hiroshima Bank, Ltd.	November 20, 2012	500	500	0.79% (Note 2)	November 30, 2017		(Note 6)			
	Sumitomo Mitsui Banking Corporation	November 20, 2012	1,200	1,200	0.95% (Note 2)	November 29, 2019		(Note 6)			
	Mizuho Bank, Ltd. (Note 8)		1,200	1,200							
	Development Bank of Japan Inc.	November 30, 2012	600	600	0.74%	May 31, 2017		(Note 6)			
	Development Bank of Japan Inc.	November 30, 2012	2,200	2,200	1.23%	November 29, 2020		(Note 5)			
	Development Bank of Japan Inc.	November 30, 2012	2,200	2,200	1.40%	November 29, 2021		(Note 5)			
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	December 28, 2012	500	500	0.60%	December 18, 2015		(Note 5)			
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	December 28, 2012	1,000	1,000	0.72%	March 31, 2017		(Note 5)			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	January 25, 2013	2,703	2,703	1.28% (Note 2)	July 25, 2019		(Note 5)			
	Sumitomo Mitsui Trust Bank Limited		3,595	3,595							
	Mitsubishi UFJ Trust and Banking Corporation		1,799	1,799							
	Aozora Bank, Ltd.		903	903							
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 29, 2013	–	1,200	0.81%	March 24, 2020		(Note 3)			
	Sumitomo Mitsui Trust Bank Limited	March 29, 2013	–	1,200	0.82%	March 24, 2020		(Note 3)			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 29, 2013	–	1,300	0.81%	March 24, 2020		(Note 5)			
	Sumitomo Mitsui Trust Bank Limited	March 29, 2013	–	1,300	0.82%	March 24, 2020		(Note 5)			
	Development Bank of Japan Inc.	March 29, 2013	–	1,150	1.08%	March 24, 2021		(Note 4)			
	Sumitomo Mitsui Trust Bank Limited	March 29, 2013	–	920	0.88% (Note 2)	March 24, 2020		(Note 5)			
	Aozora Bank, Ltd.		–	1,830							
	Resona Bank, Limited		–	1,370							
	The Bank of Fukuoka, Ltd.	April 19, 2013	–	1,000	0.79% (Note 2)	February 28, 2018		(Note 3)			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	April 30, 2013	–	2,000	1.25% (Note 2)	October 29, 2021		(Note 5)			
	Sumitomo Mitsui Trust Bank Limited		–	2,600							
	Sumitomo Mitsui Banking Corporation		–	1,500							
	Mizuho Bank, Ltd. (Note 8)	June 25, 2013	–	2,160	1.63% (Note 2)	December 22, 2021		(Note 5)			
	Aozora Bank, Ltd.	June 25, 2013	–	1,379	1.54% (Note 2)	June 25, 2021		(Note 5)			
	Resona Bank, Limited		–	919							
		Subtotal		142,861	147,555						
		Total		176,154	177,260						

- Notes 1. “Interest rate” is the borrowing interest rate (weighted average of 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 has been made for the purpose of hedging the risk of interest rate fluctuations, the fixed rate resulting from the swap transaction is listed.
3. The funds are used for acquiring specified assets.
4. The funds are used for acquiring specified assets and repaying existing loans.
5. The funds are used for repaying existing loans.
6. The funds are used for redeeming existing investment corporation bonds.
7. The funds are used to repay existing loans and redeem existing investment corporation bonds.
8. Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd. merged on July 1, 2013 and became Mizuho Bank, Ltd. The balance of loans at the beginning and end of the 6th fiscal period listed under Mizuho Bank Ltd. is the balance of loans borrowed from Mizuho Corporate Bank, Ltd.
9. The loan contract requires that the first repayment shall be on the last day of February 2010 and subsequent repayments shall be at the end of every February, May, August and November thereafter, each in the amount of 62,500 thousand yen of principal, until lump-sum repayment of the remaining principal on September 30, 2014.
10. The loan contract requires that the first repayment shall be on the last day of April 2011 and subsequent repayments shall be at the end of every January, April, July and October thereafter, each in the amount of 3,375 thousand yen of principal, until lump-sum repayment of the remaining principal on February 17, 2016.

3 Investment Corporation Bonds

The following lists the outstanding investment corporation bonds issued by ADR as of July 31, 2013.

Series (Note 1)	Issue Date	Balance at start of 6th FP (million yen)	Balance at end of 6th FP (million yen)	Interest rate (%)	Redemption date	Redemption method	Use	Description
ADR Bond #13 (Unsecured)	2011 Sep. 12,	8,000	8,000	1.27	2016 Sep. 12,	Lump-sum redemption at maturity	(Note 3)	Unsecured
ADR Bond #14 (Unsecured)	2011 Sep. 12,	2,000	2,000	1.68	2018 Sep. 12,	Lump-sum redemption at maturity	(Note 3)	Unsecured
ADR Bond #15 (Unsecured)	2012 Apr. 26	4,000	4,000	0.86	2015 Apr. 24	Lump-sum redemption at maturity	(Note 2)	Unsecured
ADR Bond #16 (Unsecured)	2012 Apr. 26	4,000	4,000	1.08	2017 Apr. 26	Lump-sum redemption at maturity	(Note 2)	Unsecured
ADR Bond #17 (Unsecured)	2012 Sep. 12,	8,000	8,000	0.87	2017 Sep. 12,	Lump-sum redemption at maturity	(Note 3)	Unsecured
ADR Bond #18 (Unsecured)	2012 Sep. 12,	4,000	4,000	1.23	2019 Sep. 12,	Lump-sum redemption at maturity	(Note 3)	Unsecured
ADR Bond #19 (Unsecured)	2013 Apr. 25	–	3,000	1.32	2023 Apr. 25	Lump-sum redemption at maturity	(Note 2)	Unsecured
Total		30,000	33,000					

- Notes 1. The bonds come with pari passu clause among specified investment corporation bonds.
2. The funds are used for repaying existing loans.
3. The funds are used for redeeming existing investment corporation bonds.

4 Short-Term Investment Corporation Bonds

Not applicable.







## Acquisitions and Disposals in the 6th Fiscal Period

### 1 Acquisitions and Disposals of Properties and Asset-Backed Securities

Property no.	Name of real estate	Acquisitions		Dispositions			
		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)
P-91	RESIDIA Meguro III	February 21, 2013	950	—	—	—	—
P-92	RESIDIA Jiyugaoka II	February 25, 2013	778	—	—	—	—
R-45	RESIDIA Kita-Nijyo-East	February 25, 2013	894	—	—	—	—
R-46	RESIDIA Shinsaibashi West	February 25, 2013	1,921	—	—	—	—
R-47	RESIDIA Marunouchi	February 27, 2013	972	—	—	—	—
R-48	RESIDIA Sapporo-Ekimae	February 27, 2013	1,483	—	—	—	—
R-49	RESIDIA Goshō-Higashi	February 27, 2013	1,227	—	—	—	—
R-50	RESIDIA Rakuoku	February 27, 2013	874	—	—	—	—
P-93	RESIDIA Kudanshita II	March 1, 2013	1,240	—	—	—	—
P-94	RESIDIA Omori II	March 1, 2013	1,620	—	—	—	—
P-95	RESIDIA Shirokane-Takanawa	March 1, 2013	1,480	—	—	—	—
C-65	RESIDIA TOWER Kami-Ikebukuro	March 1, 2013	8,250	—	—	—	—
R-51	RESIDIA Miyakojima I/II	March 25, 2013	3,232	—	—	—	—
S-29	Cocofump Hiyoshi	April 19, 2013	1,050	—	—	—	—
—	Equity interest in TK property fund with Godo Kaisha RISING3 as operator	March 27, 2013	203	—	—	—	—
—	Equity interest in TK property fund with Godo Kaisha RISING4 as operator	June 26, 2013	254	—	—	—	—
Total			26,428	—	—	—	—

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

### 2 Acquisitions and Disposals of Other Assets

Not applicable. Major assets other than the above-mentioned properties and asset-backed securities are mostly bank deposits or bank deposits within trust assets.

### 3 Appraisal Values of Specified Assets

#### 1) Real Estate

Acquisition or disposition	Type of asset	Property no.	Name of property	Acquisition date	Acquisition or disposition price (million yen)	Appraisal value (million yen)	Appraisal institution	Price appraisal date
Acquisition	Real estate	R-51	RESIDIA Miyakojima I/II	2013 Mar. 25	3,232	3,510	Morii Appraisal & Investment Consulting, Inc.	2013 Feb. 1
	Real estate in trust	P-91	RESIDIA Meguro III	2013 Feb. 21	950	1,000	Japan Real Estate Institute	2012 Nov. 1
		P-92	RESIDIA Jiyugaoka II	2013 Feb. 25	778	885	DAIWA REAL ESTATE APPRAISAL CO., LTD.	2012 Nov. 1
		R-45	RESIDIA Kita-Nijyo-East	2013 Feb. 25	894	968	DAIWA REAL ESTATE APPRAISAL CO., LTD.	2012 Nov. 1
		R-46	RESIDIA Shinsaibashi West	2013 Feb. 25	1,921	2,050	DAIWA REAL ESTATE APPRAISAL CO., LTD.	2012 Nov. 1
		R-47	RESIDIA Marunouchi	2013 Feb. 27	972	1,010	DAIWA REAL ESTATE APPRAISAL CO., LTD.	2012 Nov. 1
		R-48	RESIDIA Sapporo-Ekimae	2013 Feb. 27	1,483	1,710	DAIWA REAL ESTATE APPRAISAL CO., LTD.	2012 Nov. 1
		R-49	RESIDIA Goshō-Higashi	2013 Feb. 27	1,227	1,280	Japan Real Estate Institute	2012 Nov. 1
		R-50	RESIDIA Rakuoku	2013 Feb. 27	874	898	Japan Real Estate Institute	2012 Nov. 1
		P-93	RESIDIA Kudanshita II	2013 Mar. 1	1,240	1,290	Japan Real Estate Institute	2012 Nov. 1
		P-94	RESIDIA Omori II	2013 Mar. 1	1,620	1,740	Japan Real Estate Institute	2012 Nov. 1
		P-95	RESIDIA Shirokane-Takanawa	2013 Mar. 1	1,480	1,570	Morii Appraisal & Investment Consulting, Inc.	2012 Nov. 1
		C-65	RESIDIA TOWER Kami-Ikebukuro	2013 Mar. 1	8,250	8,340	Japan Real Estate Institute	2012 Nov. 1
		S-29	Cocofump Hiyoshi	2013 Apr. 19	1,050	1,090	Japan Real Estate Institute	2013 Mar. 1

Note 1. “Acquisition price” or “Disposition price” is the purchase or sale price entered in the transaction agreement and does not include the various expenses, such as broker commission, and taxes and public dues, required in the acquisition or disposition of the concerned real estate.  
2. The Act on Investment Trusts and Investment Corporations was revised on November 24, 2011. Since assessment of the prices is no longer necessary in cases where a real estate appraisal is carried out prior to the acquisition or disposition of specific assets (land, buildings, rights to land or buildings, or anything deemed to be an asset by government ordinance), the prices of the specific assets have not been assessed for the properties listed above.

#### 2) TK Property Fund Equity Interests

Acquisition or disposition	Name	Acquisition date	Acquisition Price (million yen)	Assessed value of specified assets (million yen)
Acquisition	Equity interest in TK property fund with Godo Kaisha RISING3 as operator	March 27, 2013	203	203
Acquisition	Equity interest in TK property fund with Godo Kaisha RISING4 as operator	June 26, 2013	254	254

Notes 1. The assessment into the value of specified assets above was conducted at the time of acquisition or disposition of assets by Deloitte Touche Tohmatsu LLC in accordance with The Japanese Institute of Certified Public Accountants’ Industry Audit Practice Committee Statement No. 23 “Assessment of the Value of Specified Assets of Investment Trusts and Investment Corporations” and ADR has received the assessment report.  
2. “Acquisition price” is the investment amount in TK property fund, or the amount required in its equity interests, and excludes the various expenses associated with the acquisition.



# I. Asset Management Report

3) Others

For transactions conducted by ADR other than the transactions listed above in “1) Real Estate” and “2) TK Property Fund Equity Interests” that require assessments pursuant to the provisions of Article 201 of the Act on Investment Trusts and Investment Corporations, ADR entrusts Deloitte Touche Tohmatsu LLC with the assessment.

4 Transactions with Interested Parties and Major Shareholders

1) Transactions

The following are the sales and purchase transactions on specific assets conducted with interested parties and major shareholders in the 6th Fiscal Period.

Account	Transaction amount	
	Purchase amount	Sales amount
Total amount (6th fiscal period)	25,971,000 thousand yen	– thousand yen
	Of which purchase amount for interested parties and major shareholders 4,340,000 thousand yen (16.7%)	Of which sales amount for interested parties and major shareholders – thousand yen (–%)
Breakdown of transaction with interested parties and major shareholders		
ITOCHU Corporation	4,340,000 thousand yen (16.7%)	– thousand yen (–%)

2) Amount of Commission Fees Paid

The following are the commission fees paid to interested parties and major shareholders in the 6th Fiscal Period.

Account	Total amount of commission fees (A) (thousand yen)	Breakdown of transaction with interested parties and major shareholders		Share (B)/(A) (%)
		Payee	Amount paid (B) (thousand yen)	
Property management fees	1,230,545	ITOCHU Urban Community Ltd.	694,688	56.5
Other rental expenses	114,932	ITOCHU Urban Community Ltd.	58,979	51.3
Advertising expenses	5,316	ITOCHU Urban Community Ltd.	3,210	60.4
Other fees	131,698	ITOCHU Urban Community Ltd.	27,739	21.1
		ITOCHU Human Resources & General Affairs Services Inc.	90	0.1

Notes 1. Transactions are not disclosed for transactions in which the actual counterparty is clearly a third party but via interested parties by form or name.  
2. ITOCHU Corporation, ITOCHU Urban Community Ltd. and ITOCHU Human Resources & General Affairs Services Inc. are the 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 and the major shareholders of the asset management company as defined in Article 29-4, Paragraph 2 of the Financial Instruments and Exchange Act, with which ADR engaged in transactions in the 6th Fiscal Period.

5 Transactions with the Asset Management Company Pertaining to Business Operated by the Asset Management Company as Subsidiary Business

There are no such transactions, as the asset management company conducts no concurrent operations in the area of type I financial instruments business, type II financial instruments business, building lots and buildings transaction business or real estate specified joint enterprise.

Accounts

1 Assets, Liabilities, Principal, Income and Losses

Please refer to the accompanying “II. Balance Sheets,” “III. Statements of Income,” “IV. Statements of Changes in Unit-holders’ Equity,” “V. Notes to Financial Statements” and “VI. Statements of Cash Distributions.”

2 Change in Depreciation Calculation Method

Not applicable.

3 Change in Method of Valuation of Properties

Not applicable.

4 Beneficiary Certificates of Self-Managed Investment Trust

Not applicable.

Other

1 Notice

Board of Directors meeting  
Major issues related to the execution and modification of major agreements approved at ADR’s board of directors meetings in the fiscal period under review are summarized below.

Approval date	Item	Overview
March 22, 2013	Entrustment of administration associated with issuance of investment corporation bonds	Agent selected for entrustment of administration associated with the issuance of ADR Unsecured Bond #19.

2 Other

Unless otherwise stated, monetary amounts are rounded down and percentage figures are rounded off to the nearest specified unit in this document.





## II. Balance Sheets

	(thousand yen)	
	5th Fiscal Period (Reference) January 31, 2013	6th Fiscal Period July 31, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	7,864,275	7,415,835
Cash and deposits in trust	6,319,609	7,368,577
Operating accounts receivable	269,842	317,270
Securities	5,000,000	5,200,000
Prepaid expenses	325,915	457,775
Consumption taxes receivable	—	45,609
Other	30,747	17,861
Allowance for doubtful accounts	-29,650	-22,922
Total current assets	19,780,740	20,800,007
Noncurrent assets		
Property, plant and equipment		
Buildings	72,335,479	74,359,445
Accumulated depreciation	-4,413,766	-5,225,498
Buildings, net	67,921,712	69,133,947
Structures	7,850	10,851
Accumulated depreciation	-1,032	-1,330
Structures, net	6,817	9,520
Machinery and equipment	8,999	12,097
Accumulated depreciation	-345	-773
Machinery and equipment, net	8,654	11,323
Tools, furniture and fixtures	87,784	102,499
Accumulated depreciation	-47,535	-54,327
Tools, furniture and fixtures, net	40,248	48,171
Land	68,868,819	70,357,878
Buildings in trust	109,742,615	125,953,680
Accumulated depreciation	-9,107,515	-10,511,586
Buildings in trust, net	100,635,099	115,442,093
Structures in trust	147,106	147,571
Accumulated depreciation	-55,812	-60,810
Structures in trust, net	91,293	86,761
Machinery and equipment in trust	131,042	134,231
Accumulated depreciation	-44,723	-49,249
Machinery and equipment in trust, net	86,319	84,982
Tools, furniture and fixtures in trust	480,232	510,941
Accumulated depreciation	-297,938	-318,008
Tools, furniture and fixtures in trust, net	182,294	192,933
Land in trust	122,331,287	128,764,575
Total property, plant and equipment	360,172,547	384,132,186
Intangible asset		
Leasehold rights	1,071,902	1,071,902
Leasehold rights in trust	128,069	1,786,215
Other	13,239	10,213
Total intangible assets	1,213,211	2,868,331
Investments and other assets		
Investment securities	927,092	931,291
Long-term prepaid expenses	593,968	652,060
Guarantee deposits	452,101	457,830
Guarantee deposits in trust	182,384	995,717
Other	1,654	1,602
Total investment and other assets	2,157,201	3,038,501
Total noncurrent assets	363,542,960	390,039,019
Deferred assets		
Investment unit issuance expenses	23,773	16,886
Investment corporation bond issuance costs	129,105	133,240
Total deferred assets	152,878	150,127
<b>Total assets</b>	<b>383,476,579</b>	<b>410,989,155</b>

	(thousand yen)	
	5th Fiscal Period (Reference) January 31, 2013	6th Fiscal Period July 31, 2013
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	176,888	193,547
Short-term loans payable	4,148,000	—
Current portion of long-term loans payable	29,144,855	29,705,215
Accounts payable – other	1,011,380	1,061,359
Accrued expenses	217,987	173,911
Accrued consumption taxes	35,901	—
Advances received	53,984	67,292
Other	36,180	34,800
Total current liabilities	34,825,179	31,236,125
Noncurrent liabilities		
Investment corporation bond	30,000,000	33,000,000
Long-term loans payable	142,861,595	147,555,096
Tenant leasehold and security deposits	1,232,672	1,254,001
Tenant leasehold and security deposits in trust	1,893,284	2,483,123
Long-term deposits received	16,996	10,648
Other	6,804	4,082
Total noncurrent liabilities	176,011,351	184,306,951
<b>Total liabilities</b>	<b>210,836,530</b>	<b>215,543,077</b>
<b>Net assets</b>		
Unit-holders' equity		
Paid-in Capital	80,087,298	102,557,018
Surplus		
Capital surplus	53,220,279	53,220,279
Reserve for dividends	34,651,095	34,376,971
Unappropriated retained earnings (undisposed loss)	4,681,376	5,291,809
Total surplus	92,552,750	92,889,059
Total unit-holders' equity	172,640,048	195,446,078
<b>Total net assets</b>	<b>*1 172,640,048</b>	<b>*1 195,446,078</b>
<b>Total liabilities and net assets</b>	<b>383,476,579</b>	<b>410,989,155</b>





### III. Statements of Income

	(thousand yen)	
	5th Fiscal Period (Reference) From: August 1, 2012 To: January 31, 2013	6th Fiscal Period From: February 1, 2013 To: July 31, 2013
Operating revenues		
Rent revenue-real estate	*1 12,155,922	*1 13,462,948
Dividends income	38,589	30,874
Total operating revenue	12,194,512	13,493,823
Operating expenses		
Expenses related to rent business	*1 4,557,030	*1 5,343,295
Asset management fee	822,488	829,251
Asset custody fee	10,628	9,059
Administrative service fees	60,073	60,667
Directors' compensations	2,400	2,400
Taxes and dues	138,303	72,877
Provision of allowance for doubtful accounts	11,345	2,080
Bad debts expenses	–	361
Other operating expenses	171,720	197,107
Total operating expenses	5,773,989	6,517,100
Operating income	6,420,522	6,976,722
Non-operating income		
Interest income	9,018	10,428
Interest on securities	2,989	3,738
Reversal of distributions payable	3,408	2,790
Other	3,184	1,983
Total non-operating income	18,600	18,941
Non-operating expenses		
Interest expenses	1,261,904	1,190,245
Interest expenses on investment corporation bonds	214,384	174,350
Amortization of investment unit issuance expenses	8,100	8,146
Amortization of investment corporation bond issuance costs	16,385	16,543
Other offering costs associated with the issuance of investment units	15,317	20,966
Borrowing-related expenses	228,815	283,599
Other	12,233	9,397
Total non-operating expenses	1,757,141	1,703,249
Ordinary income	4,681,981	5,292,414
Income before income taxes	4,681,981	5,292,414
Income taxes – current	605	605
Total income taxes	605	605
Net income	4,681,376	5,291,809
Unappropriated retained earnings (undisposed loss)	4,681,376	5,291,809



### IV. Statements of Changes in Unit-holders' Equity Advance Residence Investment Corporation

	(thousand yen)	
	5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
Unit-holders' equity		
Unit-holders' capital		
Balance at the beginning of current period	80,087,298	80,087,298
Changes of items during the period		
Issuance of new investment units	–	22,469,720
Total changes of items during the period	–	22,469,720
Balance at the end of 6th fiscal period	80,087,298	102,557,018
Surplus		
Capital surplus		
Balance at the beginning of current period	53,220,279	53,220,279
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	53,220,279	53,220,279
Reserve for dividends		
Balance at the beginning of current period	35,236,060	34,651,095
Changes of items during the period		
Reversal of reserve for dividends	-584,965	-274,123
Total changes of items during the period	-584,965	-274,123
Balance at the end of current period	34,651,095	34,376,971
Unappropriated retained earnings (undisposed loss)		
Balance at the beginning of current period	4,611,435	4,681,376
Changes of items during the period		
Reversal of reserve for dividends	584,965	274,123
Dividends from surplus	-5,196,400	-4,955,500
Net income	4,681,376	5,291,809
Total changes of items during the period	69,941	610,433
Balance at the end of current period	4,681,376	5,291,809
Total surplus		
Balance at the beginning of current period	93,067,774	92,552,750
Changes of items during the period		
Reversal of reserve for dividends	–	–
Dividends from surplus	-5,196,400	-4,955,500
Net income	4,681,376	5,291,809
Total changes of items during the period	-515,023	336,309
Balance at the end of current period	92,552,750	92,889,059
Total unit-holders' equity		
Balance at the beginning of current period	173,155,072	172,640,048
Changes of items during the period		
Issuance of new investment units	–	22,469,720
Dividends from surplus	-5,196,400	-4,955,500
Net income	4,681,376	5,291,809
Total changes of items during the period	-515,023	22,806,029
Balance at the end of current period	172,640,048	195,446,078
Total net assets		
Balance at the beginning of current period	173,155,072	172,640,048
Changes of items during the period		
Issuance of new investment units	–	22,469,720
Dividends from surplus	-5,196,400	-4,955,500
Net income	4,681,376	5,291,809
Total changes of items during the period	-515,023	22,806,029
Balance at the end of current period	172,640,048	195,446,078





## Notes on Matters Concerning Significant Accounting Policies

	5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
1. Standards and method of valuation of securities	(1) Held-to-maturity debentures Carried at amortized cost (straight-line basis). (2) Available-for-sale securities Non-marketable securities Stated at cost determined by the moving average method. For investments in TK property fund, ADR adopts the method of factoring in the net amount of TK property fund income (loss) in proportion to its equity interests.	(1) Held-to-maturity debentures Carried at amortized cost (straight-line basis). (2) Available-for-sale securities Non-marketable securities Stated at cost determined by the moving average method. For investments in TK property fund, ADR adopts the method of factoring in the net amount of TK property fund income (loss) in proportion to its equity interests.
2. Method of depreciation of noncurrent assets	(1) Property, plant and equipment (including assets in trust) Calculated on a straight-line basis. The useful life of the main items of property, plant and equipment are as follows: Buildings 5~46 years Structures 6~50 years Machinery and equipment 10~15 years Tools, furniture and fixtures 2~15 years (2) Intangible assets Calculated on a straight-line basis. The useful life of the main items of intangible assets are as follows: Leasehold rights in trust 24 years Software 3~5 years (3) Long-term prepaid expenses Calculated on a straight-line basis.	(1) Property, plant and equipment (including assets in trust) Calculated on a straight-line basis. The useful life of the main items of property, plant and equipment are as follows: Buildings 5~46 years Structures 6~50 years Machinery and equipment 10~15 years Tools, furniture and fixtures 2~15 years (2) Intangible assets Calculated on a straight-line basis. The useful life of the main items of intangible assets are as follows: Leasehold rights in trust 23~65 years Software 3~5 years (3) Long-term prepaid expenses Calculated on a straight-line basis.
3. Method of accounting for deferred assets	(1) Unit issuance expenses Amortized on a straight-line basis (over 3 years). (2) Investment corporation bond issuance costs Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.	(1) Unit issuance expenses Amortized on a straight-line basis (over 3 years). (2) Investment corporation bond issuance costs Amortized on a straight-line basis over the period up to redemption of the investment corporation bonds.
4. Standards of recording allowances	Allowance for doubtful accounts For allowance for doubtful accounts against possible losses arising from default on receivables, uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on a case-by-case examination for doubtful and other specific receivables.	Allowance for doubtful accounts For allowance for doubtful accounts against possible losses arising from default on receivables, uncollectable amount is estimated and recorded by investigating collectability based on historical loan loss ratios for general receivables and on a case-by-case examination for doubtful and other specific receivables.
5. Standards of recording revenue and expenses	Method of accounting for property taxes For property, urban planning and depreciable asset taxes on real estates held, ADR adopts the method of charging the corresponding amounts of assessed taxes in the fiscal period under review as expenses related to rent business. Furthermore, for the pro rata portion of property taxes ADR paid to the sellers upon acquisition of real estate properties, ADR includes the amount in the acquisition cost instead of recording it as expenses related to rent business. There are no amounts equivalent to property taxes included in the acquisition cost of real estate properties in the fiscal period under review.	Method of accounting for property taxes For property, urban planning and depreciable asset taxes on real estates held, ADR adopts the method of charging the corresponding amounts of assessed taxes in the fiscal period under review as expenses related to rent business. Furthermore, for the pro rata portion of property taxes ADR paid to the sellers upon acquisition of real estate properties, ADR includes the amount in the acquisition cost instead of recording it as expenses related to rent business. The amount equivalent to property taxes included in the acquisition cost of real estate properties in the fiscal period under review is 109,038 thousand yen.

	5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
6. Method of hedge accounting	(1) Method of hedge accounting Special accounting is applied. (2) Hedging instruments and hedged items Hedging instruments Interest rate swap transaction Hedged items Loans (3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy. (4) Method for assessing the effectiveness of hedging Assessment of the effectiveness is omitted as the relevant transactions meet the requirements for special accounting.	(1) Method of hedge accounting Special accounting is applied. (2) Hedging instruments and hedged items Hedging instruments Interest rate swap transaction Hedged items Loans (3) Hedging policy ADR conducts derivative transactions to hedge risks stipulated in ADR's Articles of Incorporation in accordance with its financial policy. (4) Method for assessing the effectiveness of hedging Assessment of the effectiveness is omitted as the relevant transactions meet the requirements for special accounting.
7. Other significant matters that serve as basis for preparing financial statements	(1) Method of accounting for beneficiary interests in trust in real estate properties For beneficiary interests in trust in real estate, liabilities within trust assets as well as all accounts of revenue and expenses incurred from the trust assets are recorded in the relevant account titles on the balance sheets and statements of income. The following material titles of the trust assets recorded in the relevant account titles are separately stated on the balance sheets. (i) Cash and deposits in trust (ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; and leasehold rights in trust (iii) Paid tenant guarantees (iv) Tenant leasehold and security deposits in trust (2) Method of accounting for consumption taxes The national and local consumption taxes are excluded from business transaction amounts. However, accounting for fixed assets and deferred assets includes national and local consumption taxes levied on them.	(1) Method of accounting for beneficiary interests in trust in real estate properties For beneficiary interests in trust in real estate, liabilities within trust assets as well as all accounts of revenue and expenses incurred from the trust assets are recorded in the relevant account titles on the balance sheets and statements of income. The following material titles of the trust assets recorded in the relevant account titles are separately stated on the balance sheets. (i) Cash and deposits in trust (ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture and fixtures in trust; land in trust; and leasehold rights in trust (iii) Paid tenant guarantees (iv) Tenant leasehold and security deposits in trust (2) Method of accounting for consumption taxes The national and local consumption taxes are excluded from business transaction amounts. However, accounting for fixed assets and deferred assets includes national and local consumption taxes levied on them.



# V. Notes to Financial Statements

## Notes to Balance Sheets

5th Fiscal Period (Reference) January 31, 2013	6th Fiscal Period July 31, 2013
*1. Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen	*1. Minimum net assets as stipulated in Article 67, Paragraph 4 of the Act on Investment Trusts and Investment Corporations 50,000 thousand yen
2. ADR has signed term loan commitment agreements with its banks of account.	2. ADR has signed term loan commitment agreements with its banks of account.
Revolving line of credit 20,000,000 thousand yen	Revolving line of credit 20,000,000 thousand yen
Line of credit used – thousand yen	Line of credit used – thousand yen
Line of credit left unused 20,000,000 thousand yen	Line of credit left unused 20,000,000 thousand yen

## Notes to Statements of Income

5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
*1. Breakdown of operating income (loss) from property leasing activities (thousand yen)	*1. Breakdown of operating income (loss) from property leasing activities (thousand yen)
A. Revenue from property leasing	A. Revenue from property leasing
Rental revenue – real estate	Rental revenue – real estate
Rent income 11,044,017	Rent income 12,107,204
Facility charge 432,368	Facility charge 502,535
Parking fee 370,556	Parking fee 402,624
Subtotal 11,846,942	Subtotal 13,012,364
Other revenue related to property leasing	Other revenue related to property leasing
Income from leasing rights 29,574	Income from leasing rights 34,616
Other 279,405	Other 415,967
Subtotal 308,980	Subtotal 450,584
Total revenue from property leasing 12,155,922	Total revenue from property leasing 13,462,948
B. Expenses from property leasing Rental expenses	B. Expenses from property leasing Rental expenses
Expenses related to rent business	Expenses related to rent business
Property taxes 566,806	Property taxes 612,740
Property management fees 844,116	Property management fees 961,455
Utilities 209,084	Utilities 226,871
Repairs and maintenance 330,955	Repairs and maintenance 478,551
Insurance 22,780	Insurance 24,428
Trust fee 56,010	Trust fee 61,543
Other rental expenses 444,375	Other rental expenses 696,146
Depreciation and amortization 2,082,900	Depreciation and amortization 2,281,559
Total expenses from property leasing 4,557,030	Total expenses from property leasing 5,343,295
C. Operating income from property leasing (A–B) 7,598,892	C. Operating income from property leasing (A–B) 8,119,652

## Notes to Statements of Changes in Unit-holders' Equity

5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
Total number of units authorized and total number of units issued and outstanding	Total number of units authorized and total number of units issued and outstanding
Total number of units authorized 6,000,000 units	Total number of units authorized 6,000,000 units
Total number of units issued and outstanding 1,100,000 units	Total number of units issued and outstanding 1,240,000 units

## Notes on Tax-Effect Accounting

5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities (thousand yen)	1. Breakdown of primary causes for occurrence of deferred tax assets and deferred tax liabilities (thousand yen)
(Deferred tax assets)	(Deferred tax assets)
Amount in excess of provision of allowance for doubtful accounts 10,438	Amount in excess of provision of allowance for doubtful accounts 7,830
Valuation difference on amount received at merger 13,344,103	Valuation difference on amount received at merger 13,207,387
Deficit brought forward 1,483,134	Deficit brought forward 1,483,134
Other 2,767	Other 12,552
Subtotal 14,840,444	Subtotal 14,710,904
Allowance for valuation -14,840,444	Allowance for valuation -14,710,904
Total deferred tax assets –	Total deferred tax assets –
Net deferred tax assets –	Net deferred tax assets –
2. Breakdown of significant components that caused a difference between statutory income tax rate and effective income tax rate after application of tax-effect accounting (%)	2. Breakdown of significant components that caused a difference between statutory income tax rate and effective income tax rate after application of tax-effect accounting (%)
Statutory income tax rate 36.59	Statutory income tax rate 36.59
(Adjustments)	(Adjustments)
Increase (decrease) in allowance for valuation -4.71	Increase (decrease) in allowance for valuation -2.45
Deductible dividend amount -32.76	Deductible dividend amount -34.16
Other 0.89	Other 0.03
Effective income tax rate after application of tax-effect accounting 0.01	Effective income tax rate after application of tax-effect accounting 0.01







## Notes on Fixed Assets Used Under Lease

5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013																																												
<div>1. Finance lease transactions (as lessee)</div> <div>Finance lease transactions without ownership transfer to lessee</div> <div>(1) Leased property</div> <div>Intangible asset</div> <div>Software</div> <div>(2) Depreciation method of leased property</div> <div>Calculated on a straight-line basis over the lease period as the useful life, without residual value.</div> <div>Of the finance lease transactions without ownership transfer to lessee, those with the lease transaction start date falling on a date earlier than July 1, 2008 are subject to accounting in accordance with the method adopted for ordinary rental transactions. The details are as follows:</div> <div>(As lessee)</div> <div>(1) Acquisition value equivalent, accumulated depreciation equivalent and period-end balance equivalent of the leased properties</div> <div>(thousand yen)</div> <table><tr><th></th><th>Acquisition value equivalent</th><th>Accumulated depreciation equivalent</th><th>Period-end balance equivalent</th></tr><tr><td>Tools, furniture and fixtures in trust</td><td>6,974</td><td>3,900</td><td>3,073</td></tr><tr><td>Subtotal</td><td>6,974</td><td>3,900</td><td>3,073</td></tr></table> <div>(Note) Acquisition value equivalent is calculated using the inclusive-of interest method, as the period-end balance of future lease payments payable accounts for only a small proportion of the period-end balance of property, plant and equipment.</div> <div>(2) Period-end balance equivalent of future lease payments Payable</div> <table><tr><td>Due within 1 year</td><td>709 thousand yen</td></tr><tr><td>Due after 1 year</td><td>2,365 thousand yen</td></tr><tr><td>Total</td><td>3,075 thousand yen</td></tr></table> <div>(3) Lease payments paid and depreciation equivalent</div> <table><tr><td>Lease payments paid</td><td>354 thousand yen</td></tr><tr><td>Depreciation equivalent</td><td>354 thousand yen</td></tr></table> <div>(4) Calculation method of depreciation equivalent</div> <div>Calculated on a straight-line basis over the lease period as the useful life, without residual value.</div>		Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent	Tools, furniture and fixtures in trust	6,974	3,900	3,073	Subtotal	6,974	3,900	3,073	Due within 1 year	709 thousand yen	Due after 1 year	2,365 thousand yen	Total	3,075 thousand yen	Lease payments paid	354 thousand yen	Depreciation equivalent	354 thousand yen	<div>1. Finance lease transactions (as lessee)</div> <div>Finance lease transactions without ownership transfer to lessee</div> <div>(1) Leased property</div> <div>Intangible asset</div> <div>Software</div> <div>(2) Depreciation method of leased property</div> <div>Calculated on a straight-line basis over the lease period as the useful life, without residual value.</div> <div>Of the finance lease transactions without ownership transfer to lessee, those with the lease transaction start date falling on a date earlier than July 1, 2008 are subject to accounting in accordance with the method adopted for ordinary rental transactions. The details are as follows:</div> <div>(As lessee)</div> <div>(1) Acquisition value equivalent, accumulated depreciation equivalent and period-end balance equivalent of the leased properties</div> <div>(thousand yen)</div> <table><tr><th></th><th>Acquisition value equivalent</th><th>Accumulated depreciation equivalent</th><th>Period-end balance equivalent</th></tr><tr><td>Tools, furniture and fixtures in trust</td><td>6,974</td><td>4,255</td><td>2,718</td></tr><tr><td>Subtotal</td><td>6,974</td><td>4,255</td><td>2,718</td></tr></table> <div>(Note) Acquisition value equivalent is calculated using the inclusive-of interest method, as the period-end balance of future lease payments payable accounts for only a small proportion of the period-end balance of property, plant and equipment.</div> <div>(2) Period-end balance equivalent of future lease payments Payable</div> <table><tr><td>Due within 1 year</td><td>709 thousand yen</td></tr><tr><td>Due after 1 year</td><td>2,010 thousand yen</td></tr><tr><td>Total</td><td>2,720 thousand yen</td></tr></table> <div>(3) Lease payments paid and depreciation equivalent</div> <table><tr><td>Lease payments paid</td><td>354 thousand yen</td></tr><tr><td>Depreciation equivalent</td><td>354 thousand yen</td></tr></table> <div>(4) Calculation method of depreciation equivalent</div> <div>Calculated on a straight-line basis over the lease period as the useful life, without residual value.</div>		Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent	Tools, furniture and fixtures in trust	6,974	4,255	2,718	Subtotal	6,974	4,255	2,718	Due within 1 year	709 thousand yen	Due after 1 year	2,010 thousand yen	Total	2,720 thousand yen	Lease payments paid	354 thousand yen	Depreciation equivalent	354 thousand yen
	Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent																																										
Tools, furniture and fixtures in trust	6,974	3,900	3,073																																										
Subtotal	6,974	3,900	3,073																																										
Due within 1 year	709 thousand yen																																												
Due after 1 year	2,365 thousand yen																																												
Total	3,075 thousand yen																																												
Lease payments paid	354 thousand yen																																												
Depreciation equivalent	354 thousand yen																																												
	Acquisition value equivalent	Accumulated depreciation equivalent	Period-end balance equivalent																																										
Tools, furniture and fixtures in trust	6,974	4,255	2,718																																										
Subtotal	6,974	4,255	2,718																																										
Due within 1 year	709 thousand yen																																												
Due after 1 year	2,010 thousand yen																																												
Total	2,720 thousand yen																																												
Lease payments paid	354 thousand yen																																												
Depreciation equivalent	354 thousand yen																																												
<div>2. Operating lease transactions</div> <div>(As lessee)</div> <div>Future lease payments payable</div> <table><tr><td>Due within 1 year</td><td>136,428 thousand yen</td></tr><tr><td>Due after 1 year</td><td>2,853,430 thousand yen</td></tr><tr><td>Total</td><td>2,989,858 thousand yen</td></tr></table> <div>Furthermore, estimated amounts are used for transactions in which the lease amount is not finalized.</div> <div>(As lessor)</div> <div>Future lease payments payable</div> <table><tr><td>Due within 1 year</td><td>4,088,631 thousand yen</td></tr><tr><td>Due after 1 year</td><td>6,133,656 thousand yen</td></tr><tr><td>Total</td><td>10,222,287 thousand yen</td></tr></table>	Due within 1 year	136,428 thousand yen	Due after 1 year	2,853,430 thousand yen	Total	2,989,858 thousand yen	Due within 1 year	4,088,631 thousand yen	Due after 1 year	6,133,656 thousand yen	Total	10,222,287 thousand yen	<div>2. Operating lease transactions</div> <div>(As lessee)</div> <div>Future lease payments payable</div> <table><tr><td>Due within 1 year</td><td>706,812 thousand yen</td></tr><tr><td>Due after 1 year</td><td>15,398,829 thousand yen</td></tr><tr><td>Total</td><td>16,105,641 thousand yen</td></tr></table> <div>Furthermore, estimated amounts are used for transactions in which the lease amount is not finalized.</div> <div>(As lessor)</div> <div>Future lease payments payable</div> <table><tr><td>Due within 1 year</td><td>4,484,248 thousand yen</td></tr><tr><td>Due after 1 year</td><td>10,378,491 thousand yen</td></tr><tr><td>Total</td><td>14,862,740 thousand yen</td></tr></table>	Due within 1 year	706,812 thousand yen	Due after 1 year	15,398,829 thousand yen	Total	16,105,641 thousand yen	Due within 1 year	4,484,248 thousand yen	Due after 1 year	10,378,491 thousand yen	Total	14,862,740 thousand yen																				
Due within 1 year	136,428 thousand yen																																												
Due after 1 year	2,853,430 thousand yen																																												
Total	2,989,858 thousand yen																																												
Due within 1 year	4,088,631 thousand yen																																												
Due after 1 year	6,133,656 thousand yen																																												
Total	10,222,287 thousand yen																																												
Due within 1 year	706,812 thousand yen																																												
Due after 1 year	15,398,829 thousand yen																																												
Total	16,105,641 thousand yen																																												
Due within 1 year	4,484,248 thousand yen																																												
Due after 1 year	10,378,491 thousand yen																																												
Total	14,862,740 thousand yen																																												

## Notes on Financial Instruments

5th Fiscal Period (from August 1, 2012 to January 31, 2013) (Reference)

### 1. Matters concerning status of financial instruments

#### (1) Policy for financial instruments usage

In order to secure stable earnings and steady growth of assets under management, ADR procures funds through debt financing, issuance of investment corporation bonds (including short-term investment corporation bonds; same for below), issuance of units and other means of finance upon such occasions as purchasing real estate properties and repaying debts.

ADR may use derivatives only for the purpose of hedging the risk of interest rate fluctuations and other risks arising from liabilities.

With regard to surplus funds, ADR will manage them as bank deposits, savings, negotiable deposits and Japanese Government Bonds as a rule, in consideration of safety and stability.

#### (2) Description of financial instruments and associated risks, and risk management structure

Funds from debt financing and investment corporation bonds are used primarily to fund the acquisition of real estate properties, repay existing debts or redeem existing investment corporation bonds. With regard to such funds, ADR is exposed to liquidity risks where it may not be able to find alternative financing means upon repayment or redemption maturity. ADR manages the risks through monthly review of payment schedules to monitor the cash positions, and limits the risks by securing cash reserves, spreading out the debt repayment and bond redemption dates, diversifying the lending financial institutions, signing term loan commitment agreements, and procuring funds through various means including issuance of units.

In addition, ADR limits the risk of interest rate fluctuations to which debt financing and investment corporation bonds with floating interest rates are exposed, by utilizing derivatives (interest rate swap transactions).

Deposits are exposed to the risk of failure of the financial institutions holding the deposits and other credit risks. ADR limits the risks by setting certain limits to the duration of deposits and a minimum credit rating for the financial institutions holding the deposits, and by diversifying the financial institutions holding the deposits.

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

The fair value of financial instruments, aside from values based on market price, may include values based on reasonable calculations when there is no market price. Certain assumptions are adopted in calculating those values, and there may be cases where the values will vary when different assumptions are adopted. As for the contract value and other conditions of derivatives transactions, the value itself is not an indicator showing the market risks related to such transactions.

### 2. Fair values of financial instruments

The following are the book values recorded on the balance sheets, fair values and their difference as of January 31, 2013.

	Book value	Fair value	Difference
(1) Cash and deposits	7,864,275	7,864,275	—
(2) Cash and deposits in trust	6,319,609	6,319,609	—
(3) Securities	5,000,000	5,000,000	—
(4) Short-term loans payable	(4,148,000)	(4,148,729)	729
(5) Current portion of long-term loans payable	(29,144,855)	(29,244,799)	99,944
(6) Investment corporation bond	(30,000,000)	(30,285,600)	285,600
(7) Long-term loans payable	(142,861,595)	(144,731,034)	1,869,439
(8) Derivative transactions (Note 2)	—	-1,194,403	-1,194,403

Notes 1. Items that are charged to liabilities are shown in parentheses ( ).

2. Special provisions for interest rate swaps are applied to the amount of fair value based on the “Accounting Standard for Financial Instruments” (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected to the balance sheets.

#### 3. Calculation method for fair value of financial instruments

##### (1) Cash and deposits; (2) Cash and deposits in trust

As these are settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

##### (3) Securities

As these are negotiable deposits and settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

##### (4) Short-term loans payable; (5) Current portion of long-term loans payable; (7) Long-term loans payable

The fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

##### (6) Investment corporation bond

The fair value of these is calculated based on the reference value quoted by Japan Securities Dealers Association. However, when there is no reference value, the fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.



## V. Notes to Financial Statements

### (8) Derivative transactions

(i) Transactions for which hedge accounting is not applied  
Not applicable.

(ii) Transactions for which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract, etc. as of the closing of accounts for each method of hedge accounting.

Method of hedge accounting	Type of derivative transactions	Main hedged item	Contract amount <sup>(*)</sup>		Fair value <sup>(*)</sup> , <sup>(3)</sup>
				Of which, exceeding 1 year	
Special provisions for interest rate swaps	Interest rate swap transactions Payable fixed; Receivable floating	Long-term loans payable	125,589,090	110,397,488	-1,194,403

(\*) The contract amount, etc. is based on notional principal.

(\*) The fair value is based on the calculation conducted by the counterparty to the relevant transaction on the basis of the going rate of interest.

(\*) Special provisions for interest rate swaps are applied to the amount of fair value based on the “Accounting Standard for Financial Instruments” (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected to the balance sheets.

### 4. Financial instruments for which discerning of fair value is recognized to be extremely difficult Investment securities

TK property fund equity interests (carrying amount: 927,092 thousand yen) are not subject to disclosure of fair value because discerning of fair value is recognized to be extremely difficult since there is no market price for them.

### 5. Amount of redemption of monetary claims and securities scheduled to be due after closing of accounts (thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	7,864,275	—	—	—	—	—
Cash and deposits in trust	6,319,609	—	—	—	—	—
Securities	5,000,000	—	—	—	—	—
<b>Total</b>	<b>19,183,885</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

### 6. Amount of repayment of investment corporation bonds, long-term loans payable, and other interest-bearing loans scheduled to be due after closing of accounts (thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Short-term loans payable	4,148,000	—	—	—	—	—
Current portion of long-term loans payable	29,144,855	—	—	—	—	—
Investment corporation bond	—	—	4,000,000	8,000,000	12,000,000	6,000,000
Long-term loans payable	—	28,271,133	21,318,311	27,725,822	22,956,329	42,590,000
<b>Total</b>	<b>33,292,855</b>	<b>28,271,133</b>	<b>25,318,311</b>	<b>35,725,822</b>	<b>34,956,329</b>	<b>48,590,000</b>



6th Fiscal Period (from February 1, 2013 to July 31, 2013)

### 1. Matters concerning status of financial instruments

#### (1) Policy for financial instruments usage

In order to secure stable earnings and steady growth of assets under management, ADR procures funds through debt financing, issuance of investment corporation bonds (including short-term investment corporation bonds; same for below), issuance of units and other means of finance upon such occasions as purchasing real estate properties and repaying debts.

ADR may use derivatives only for the purpose of hedging the risk of interest rate fluctuations and other risks arising from liabilities.

With regard to surplus funds, ADR will manage them as bank deposits, savings, negotiable deposits and Japanese Government Bonds as a rule, in consideration of safety and stability.

#### (2) Description of financial instruments and associated risks, and risk management structure

Funds from debt financing and investment corporation bonds are used primarily to fund the acquisition of real estate properties, repay existing debts or redeem existing investment corporation bonds. With regard to such funds, ADR is exposed to liquidity risks where it may not be able to find alternative financing means upon repayment or redemption maturity. ADR manages the risks through monthly review of payment schedules to monitor the cash positions, and limits the risks by securing cash reserves, spreading out the debt repayment and bond redemption dates, diversifying the lending financial institutions, signing term loan commitment agreements, and procuring funds through various means including issuance of units.

In addition, ADR limits the risk of interest rate fluctuations to which debt financing and investment corporation bonds with floating interest rates are exposed, by utilizing derivatives (interest rate swap transactions).

Deposits are exposed to the risk of failure of the financial institutions holding the deposits and other credit risks. ADR limits the risks by setting certain limits to the duration of deposits and a minimum credit rating for the financial institutions holding the deposits, and by diversifying the financial institutions holding the deposits.

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

The fair value of financial instruments, aside from values based on market price, may include values based on reasonable calculations when there is no market price. Certain assumptions are adopted in calculating those values, and there may be cases where the values will vary when different assumptions are adopted. As for the contract value and other conditions of derivatives transactions, the value itself is not an indicator showing the market risks related to such transactions.

### 2. Fair values of financial instruments

The following are the book values recorded on the balance sheets, fair values and their difference as of July 31, 2013.

	(thousand yen)		
	Book value	Fair value	Difference
(1) Cash and deposits	7,415,835	7,415,835	—
(2) Cash and deposits in trust	7,368,577	7,368,577	—
(3) Securities	5,200,000	5,200,000	—
(4) Current portion of long-term loans payable	29,705,215	29,840,878	135,663
(5) Investment corporation bond	33,000,000	33,427,935	427,935
(6) Long-term loans payable	147,555,096	150,068,713	2,513,617
(7) Derivative transactions <sup>(Note 2)</sup>	—	-454,082	-454,082

Notes 1. Items that are charged to liabilities are shown in parentheses ( ).

2. Special provisions for interest rate swaps are applied to the amount of fair value based on the “Accounting Standard for Financial Instruments” (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected to the balance sheets.

#### 3. Calculation method for fair value of financial instruments

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

As these are settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

(3) Securities

As these are negotiable deposits and settled within a short period of time, the fair value is approximately equal to book value and is thus stated at that book value.

(4) Current portion of long-term loans payable

(6) Long-term loans payable

The fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.

(5) Investment corporation bond

The fair value of these is calculated based on the reference value quoted by Japan Securities Dealers Association. However, when there is no reference value, the fair value of these is calculated based on the present value found by discounting the sum total amount of principal and interest by the interest rate assumed as being applicable in the event of drawdown of a similar debt financing.





## V. Notes to Financial Statements

### (7) Derivative transactions

(i) Transactions for which hedge accounting is not applied  
Not applicable.

(ii) Transactions for which hedge accounting is applied

The following is the contract amount or amount equivalent to the principal provided in the contract, etc. as of the closing of accounts for each method of hedge accounting.

Method of hedge accounting	Type of derivative transactions	Main hedged item	Contract amount <sup>(*)1</sup>		Fair value <sup>(*)2, 3)</sup>
				Of which, exceeding 1 year	
Special provisions for interest rate swaps	Interest rate swap transactions Payable fixed; Receivable floating	Long-term loans payable	135,945,488	111,345,488	-454,082

(thousand yen)

(\*)1 The contract amount, etc. is based on notional principal.

(\*)2 The fair value is based on the calculation conducted by the counterparty to the relevant transaction on the basis of the going rate of interest.

(\*)3 Special provisions for interest rate swaps are applied to the amount of fair value based on the “Accounting Standard for Financial Instruments” (issued by the Accounting Standards Board of Japan (ASBJ) on March 10, 2008; ASBJ Statement No. 10). Accordingly, the fair value is not reflected to the balance sheets.

### 4. Financial instruments for which discerning of fair value is recognized to be extremely difficult Investment securities

TK property fund equity interests (carrying amount: 931,291 thousand yen) are not subject to disclosure of fair value because discerning of fair value is recognized to be extremely difficult since there is no market price for them.

### 5. Amount of redemption of monetary claims and securities scheduled to be due after closing of accounts (thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Cash and deposits	7,415,835	—	—	—	—	—
Cash and deposits in trust	7,368,577	—	—	—	—	—
Securities	5,200,000	—	—	—	—	—
<b>Total</b>	<b>19,984,412</b>	—	—	—	—	—

### 6. Amount of repayment of investment corporation bonds, long-term loans payable, and other interest-bearing loans scheduled to be due after closing of accounts (thousand yen)

	Due within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years	Due after 5 years
Current portion of long-term loans payable	29,705,215	—	—	—	—	—
Investment corporation bond	—	4,000,000	—	12,000,000	8,000,000	9,000,000
Long-term loans payable	—	19,448,195	29,732,572	24,500,000	26,146,329	47,728,000
<b>Total</b>	<b>29,705,215</b>	<b>23,448,195</b>	<b>29,732,572</b>	<b>36,500,000</b>	<b>34,146,329</b>	<b>56,728,000</b>



### Notes on Value of Rental Properties

5th Fiscal Period (from August 1, 2012 to January 31, 2013) (Reference)

ADR mainly owns residential rental properties in Tokyo and other regions. The following are the book value, amount of change during the period and fair value of these properties.

Book value <sup>(Note 1)</sup>			Period-end fair value <sup>(Note 3)</sup>
Balance at the beginning of current period	Amount of change during the period <sup>(Note 2)</sup>	Balance at the end of current period	
363,255,828	-1,883,308	361,372,519	367,832,900

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

2. The amount of change during the period is mainly attributable to the increase from the posting of depreciation and amortization.

3. The period-end fair value is the appraisal or assessment value provided by an outside real estate appraiser.

For the 5th Fiscal Period operating income from property leasing, please refer to the aforementioned “Notes to Statements of Income.”

6th Fiscal Period (from February 1, 2013 to July 31, 2013)

ADR mainly owns residential rental properties in Tokyo and other regions. The following are the book value, amount of change during the period and fair value of these properties.

Book value <sup>(Note 1)</sup>			Period-end fair value <sup>(Note 3)</sup>
Balance at the beginning of current period	Amount of change during the period <sup>(Note 2)</sup>	Balance at the end of current period	
361,372,519	25,617,784	386,990,304	400,991,000

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

2. The amount of change during the period is mainly attributable to increase from the acquisition of one real estate property (3,399,796 thousand yen) and the acquisition of 13 real estate beneficiary interests in trust (24,166,537 thousand yen); the decrease is mainly a result of posting of depreciation.

3. The period end fair value is the appraisal or assessment value provided by an outside real estate appraiser.

For the 6th Fiscal Period operating income from property leasing, please refer to the aforementioned “Notes to Statements of Income.”





## Notes on Transactions with Related Parties

5th Fiscal Period (from August 1, 2012 to January 31, 2013) (Reference)

Classification	Name of related party	Business description or occupation	Share of units held in ADR	Nature of transaction	Transaction amount (thousand yen)	Account	Period-end balance (thousand yen)
Interested parties	ITOCHU Urban Community Ltd.	Real estate business	—	Entrustment of property management (Note 1)	630,347	Operating accounts payable	46,806 (Note 2)
Asset custodian	Sumitomo Mitsui Trust Bank Limited	Banking business and trust business	—	Borrowing (repayment) of funds (Note 3)	6,580,000 (4,984,886)	Short-term loans payable	2,535,000
						Current portion of long-term loans payable	9,221,887
						Long-term loans payable	17,263,343

Transaction terms and conditions, and policy on determining transaction terms and conditions

Notes 1. Transaction terms and conditions are negotiated and decided based on market price.

2. This includes consumption taxes.

3. Interest rates on borrowings are reasonably determined based on market interest rates.

6th Fiscal Period (from February 1, 2013 to July 31, 2013)

Classification	Name of related party	Business description or occupation	Share of units held in ADR	Nature of transaction	Transaction amount (thousand yen)	Account	Period-end balance (thousand yen)
Interested parties	ITOCHU Corporation	General trading company	Direct ownership 2.81% Indirect ownership 0.36%	Acquisition of beneficiary interests in trust (Note 1)	4,446,059 (Notes 2, 3)	—	—
Interested parties	ITOCHU Urban Community Ltd.	Real estate business	—	Entrustment of property management (Note 4)	694,688	Operating accounts payable	56,291 (Note 3)
Asset custodian	Sumitomo Mitsui Trust Bank Limited	Banking business and trust business	—	Borrowing (repayment) of funds (Note 5)	6,020,000 (7,446,106)	Current portion of long-term loans payable	5,096,838
						Long-term loans payable	22,497,286
				Deposit of negotiable deposits (cancellation of contract) (Note 5)	6,600,000 (5,000,000)	Securities	1,600,000

Transaction terms and conditions, and policy on determining transaction terms and conditions

Notes 1. Purchase price of beneficiary interests in trust is determined through negotiations, with reference to actual transaction results in neighboring areas and appraisal values provided by real estate appraisers.

2. The transaction amount for the purchase of beneficiary interests in trusts includes 11,809 thousand yen ADI paid to the seller as property taxes.

3. This includes consumption taxes.

4. Transaction terms and conditions are negotiated and decided based on market price.

5. Interest rates on borrowings and negotiable deposits are reasonably determined based on market interest rates.

## Notes on Per Unit Information

5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013		6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013	
Net assets per unit	156,945 yen	Net assets per unit	157,617 yen
Earnings per unit	4,255 yen	Earnings per unit	4,270 yen
The net income per unit was calculated by dividing net income by the day-weighted average number of units issued and outstanding for the fiscal period.		The net income per unit was calculated by dividing net income by the day-weighted average number of units issued and outstanding for the fiscal period.	
The diluted net income per unit was not stated as there are no diluted units since no warrants and convertible bonds were outstanding.		The diluted net income per unit was not stated as there are no diluted units since no warrants and convertible bonds were outstanding.	

(Note) The following numbers were used to calculate the earnings per unit.

	5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
Net income (thousand yen)	4,681,376	5,291,809
Amount not attributable to common unit-holders (thousand yen)	—	—
Net income attributable to common unit (thousand yen)	4,681,376	5,291,809
Average number of units during the period (units)	1,100,000	1,239,282

## Significant Subsequent Events

6th Fiscal Period (from February 1, 2013 to July 31, 2013)

Not applicable.







## VI. Statements of Cash Distributions

	5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
I. Unappropriated retained earnings	4,681,376,098	5,291,809,231
II. Reversal of reserve for dividends	274,123,902	408,470,769
III. Amount of dividends	4,955,500,000	5,700,280,000
(Amount of dividends per unit)	(4,505)	(4,597)
IV. Retained earnings carried forward	0	0
Method of calculation of amount of dividends	In accordance with the distribution policy provided in Article 32, Item 1 of ADR's Articles of Incorporation, we shall deliver dividends in excess of an amount equivalent to 90% of the amount of ADR's earnings available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.  In addition, ADR may use reserve for dividends in order to make stable dividend payouts into the future, and shall investigate an increase in dividends in accordance with the performance when it has achieved good operating results.  Based on the policy above, ADR decided on dividends of earnings totaling 4,955,500,000 yen for the 5th Fiscal Period, which was arrived at by adding reversal of reserve for dividends of 274,123,902 yen to the unappropriated retained earnings of 4,681,376,098 yen.  Furthermore, ADR does not distribute cash in excess of earnings, as provided in Article 32, Item 2 of its Articles of Incorporation.	In accordance with the distribution policy provided in Article 32, Item 1 of ADR's Articles of Incorporation, we shall deliver dividends in excess of an amount equivalent to 90% of the amount of ADR's earnings available for dividends as stipulated in Article 67-15 of the Act on Special Measures Concerning Taxation.  In addition, ADR may use reserve for dividends in order to make stable dividend payouts into the future, and shall investigate an increase in dividends in accordance with the performance when it has achieved good operating results.  Based on the policy above, ADR decided on dividends of earnings totaling 5,700,280,000 yen for the 6th Fiscal Period, which was arrived at by adding reversal of reserve for dividends of 408,470,769 yen to the unappropriated retained earnings of 5,291,809,231 yen.  Furthermore, ADR does not distribute cash in excess of earnings, as provided in Article 32, Item 2 of its Articles of Incorporation.

(yen)



## VII. Independent Auditor's Report Advance Residence Investment Corporation

This is a copy of the independent auditor's report issued originally for the Japanese statutory report, presenting the opinion that it presents fairly, in all material respects, the financial position and the results of operations for the period for which it was prepared.

**独立監査人の監査報告書**

2013年9月9日

アドバンス・レジデンス投資法人

役員 会 御中

有限責任監査法人 トーマツ

指定有限責任社員 公認会計士 林 武志

業務執行社員

指定有限責任社員 公認会計士 太田 健司

業務執行社員

当監査法人は、「投資信託及び投資法人に関する法律」第130条の規定に基づき、アドバンス・レジデンス投資法人の2013年2月1日から2013年7月31日までの第6期営業期間の計算書類、すなわち、貸借対照表、損益計算書、投資主資本等変動計算書及び注記表、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書（資産運用報告及びその附属明細書については、会計に関する部分に限る。以下同じ。）について監査を行った。なお、資産運用報告及びその附属明細書について監査の対象とした会計に関する部分は、資産運用報告及びその附属明細書に記載されている事項のうち会計帳簿の記録に基づく記載部分である。

計算書類等に対する経営者の責任

経営者の責任は、法令及び規約並びに我が国において一般に公正妥当と認められる企業会計の基準に準拠して計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書を作成し適正に表示することにある。これには、不正又は誤謬による重要な虚偽表示のない計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書を作成し適正に表示するために経営者が必要と判断した内部統制を整備及び運用することが含まれる。

監査人の責任

当監査法人の責任は、当監査法人が実施した監査に基づいて、独立の立場から計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に対する意見を表明することにある。当監査法人は、我が国において一般に公正妥当と認められる監査の基準に準拠して監査を行った。監査の基準は、当監査法人に計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に重要な虚偽表示がないかどうかについて合理的な保証を得るために、監査計画を策定し、これに基づき監査を実施することを求めている。

監査においては、計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の金額及び開示について監査証拠を入手するための手段が実施される。監査手続は、当監査法人の判断により、不正又は誤謬による計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の重要な虚偽表示のリスクの評価に基づいて選択及び適用される。監査の目的は、内部統制の有効性について意見表明するためのものではないが、当監査法人は、リスク評価の実施に際して、状況に応じた適切な監査手続を立案するために、計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の作成と適正な表示に関連する内部統制を検討する。また、監査には、経営者が採用した会計方針及びその適用方法並びに経営者によって行われた見積りの評価も含め全体としての計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書の表示を検討することが含まれる。

当監査法人は、意見表明の基礎となる十分かつ適切な監査証拠を入手したと判断している。

監査意見

当監査法人は、上記の計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書が、法令及び規約並びに我が国において一般に公正妥当と認められる企業会計の基準に準拠して、当該計算書類、資産運用報告及び金銭の分配に係る計算書並びにこれらの附属明細書に係る期間の財産及び損益の状況をすべての重要な点において適正に表示しているものと認める。

利害関係

投資法人と当監査法人又は業務執行社員との間には、公認会計士法の規定により記載すべき利害関係はない。

以上

### Disclaimer

This financial report is an English translation of a Japanese financial report originally made available in Japan in accordance with the Act on Investment Trusts and Investment Corporations of Japan. This English-language financial report has been prepared solely for the convenience of readers outside Japan and is not intended to constitute a document for an offer to sell, or seeking an offer to buy, any securities of Advance Residence Investment Corporation.

English terms for Japanese legal, accounting, tax and business concepts used herein may not be precisely identical to the concept of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English translation contained herein, the original Japanese documents will always govern the meaning and interpretation.

Although every effort is made to provide accurate translation, neither Advance Residence Investment Corporation, AD Investment Management Co., Ltd. nor any of their respective directors, officers, employees, partners, unit-holders, agents, affiliates nor their advisors shall be responsible or liable for the completeness, appropriateness, or accuracy of English translations or the selection of the portion(s) of any document(s) translated into English.

The financial statements of Advance Residence Investment Corporation have been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP), which may materially differ in certain respects from the generally accepted accounting principles of other jurisdictions.

This fiscal report contains forward-looking statements. These statements appear in a number of places in this fiscal report and include statements regarding the intent, belief, or current and future expectations of Advance Residence Investment Corporation or AD Investment Management Co., Ltd. with respect to its business, financial condition and results of operations. In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential,” or the negative of these terms or other similar terminology. These statements are not guarantees of future performance and are subject to various risks and uncertainties. Actual results, performance or achievements, or those of the industries in which we operate, may differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. In addition, these forward-looking statements are necessarily dependent upon assumptions, estimates and data that may be incorrect or imprecise and involve known and unknown risks and uncertainties. Accordingly, readers of this document should not interpret the forward-looking statements included herein as predictions or representations of future events or circumstances.

Potential risks and uncertainties also include those identified and discussed in this document. Given these risks and uncertainties, readers of this document are cautioned not to place undue reliance on forward-looking statements, which are only valid as of the date of the information published herein. We disclaim any obligation to update or, except in the limited circumstances required by the Tokyo Stock Exchange, announce publicly any revisions to any of the forward-looking statements contained in these documents.





## VIII. (Reference Information) Statement of Cash Flows

	(thousand yen)	
	5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes	4,681,981	5,292,414
Depreciation and amortization	2,085,926	2,284,585
Amortization of investment unit issuance expenses	8,100	8,146
Amortization of investment corporation bond issuance costs	16,385	16,543
Other offering costs associated with the issuance of investment units	15,317	20,966
Increase (decrease) in allowance for doubtful accounts	7,104	-6,728
Interest income	-12,007	-14,167
Interest expenses	1,261,904	1,190,245
Interest expenses on investment corporation bonds	214,384	174,350
Decrease (increase) in operating accounts receivable	21,233	-47,427
Decrease (increase) in consumption taxes refund receivable	31,779	-45,609
Decrease (increase) in prepaid expenses	80,177	-131,860
Increase (decrease) in accrued consumption taxes	35,901	-35,901
Increase (decrease) in operating accounts payable	-1,616	15,603
Increase (decrease) in accounts payable-other	31,602	63,488
Increase (decrease) in accrued expenses	24,389	-24,915
Increase (decrease) in advances received	6,930	13,308
Decrease (increase) in long-term prepaid expenses	62,678	-58,091
Other	-2,617	18,733
Subtotal	8,569,556	8,733,685
Interest income received	5,075	10,133
Interest expenses paid	-1,549,621	-1,383,757
Income taxes paid	-4,590	-2,917
Net cash provided by (used in) operating activities	7,020,420	7,357,143
Net cash provided by (used in) investing activities		
Payments into time deposits	-3,000,000	-
Proceeds from withdrawal of time deposits	2,000,000	3,000,000
Purchase of securities	-5,000,000	-5,200,000
Proceeds from sales of securities	4,500,000	5,000,000
Purchase of property, plant and equipment	-41,717	-3,502,538
Purchase of property, plant and equipment in trust	-111,327	-22,699,381
Purchase of intangible asset in trust	-	-1,686,789
Proceeds from tenant leasehold and security deposits, net	-2,124	21,328
Proceeds from tenant leasehold and security deposits in trust, net	16,785	589,839
Payments for lease and guarantee deposits in trust	-	-813,333
Purchase of investment securities	-487,770	-462,602
Proceeds from reimbursement of investment securities	-	452,912
Repayments of long-term deposits received	-6,348	-6,348
Net cash provided by (used in) investing activities	-2,132,502	-25,306,911
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	4,148,000	-
Decrease in short-term loans payable	-1,500,000	-4,148,000
Proceeds from long-term loans payable	23,300,000	21,828,000
Repayment of long-term loans payable	-18,638,061	-16,574,139
Proceeds from issuance of investment corporation bonds	12,000,000	3,000,000
Redemption of investment corporation bonds	-19,500,000	-
Payments for investment corporation bond issuance costs	-62,537	-20,679
Proceeds from issuance of investment units	-	22,469,720
Payments for investment unit issuance expenses	-	-11,739
Other offering costs associated with the issuance of investment units	-2,913	-33,370
Repayments of finance lease obligations	-2,721	-2,721
Dividends paid	-5,202,639	-4,956,774
Net cash provided by (used in) financing activities	-5,460,873	21,550,295
Net increase (decrease) in cash and cash equivalents	-572,955	3,600,527
Cash and cash equivalents at beginning of period	11,756,841	11,183,885
Cash and cash equivalents at end of period	*1 11,183,885	*1 14,784,412

(Note) The Statements of Cash Flows has been prepared based on the "Regulations Concerning Terminology, Forms, and Preparation Methods of Financial Statements" (Ministry of Finance Regulation No.59, 1963), and is attached as reference information. The Statements of Cash Flows has not been audited by the independent auditor, as it is not subject to audit by an independent auditor under the provisions of Article 130 of the Act on Investment Trusts and Investment Corporations.

### Notes on Matters Concerning Significant Accounting Policies

	5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
Scope of funds in Statements of Cash Flows	The funds (cash and cash equivalents) in the Statements of Cash Flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.	The funds (cash and cash equivalents) in the Statements of Cash Flows consist of cash on hand and cash in trust; deposits that can be withdrawn at any time and deposits in trust; and short-term investments with a maturity of 3 months or less from the date of acquisition, which are readily convertible to cash and bear only an insignificant risk of price fluctuation.

### Notes to Statements of Cash Flows

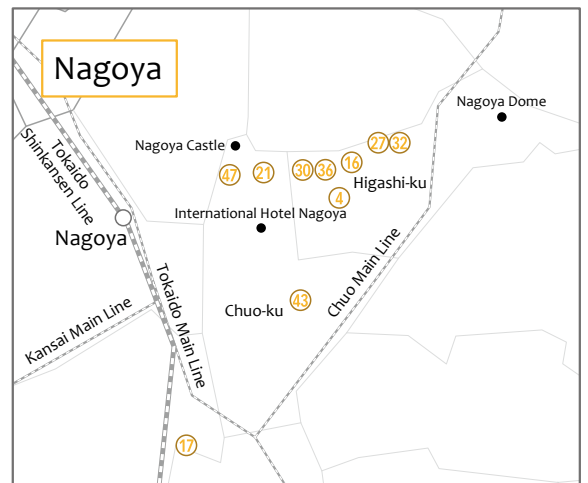
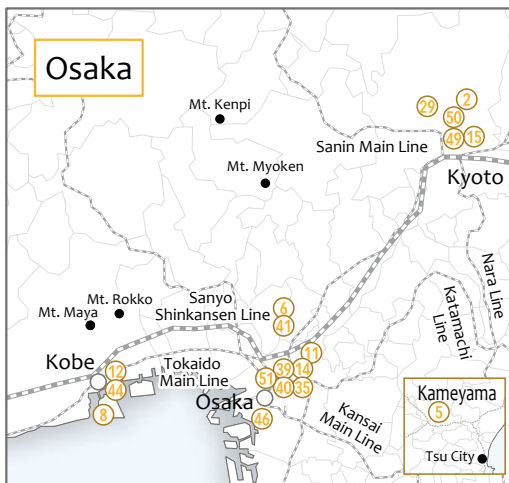
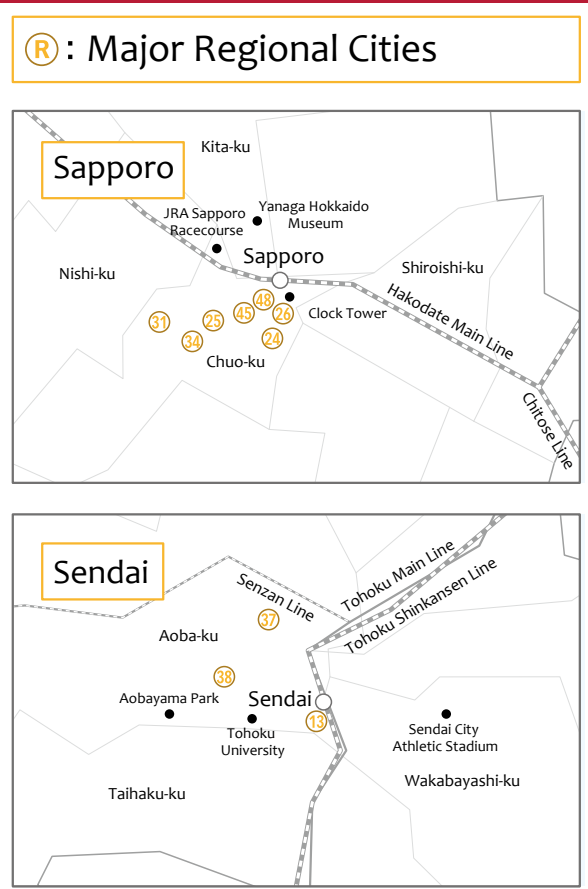
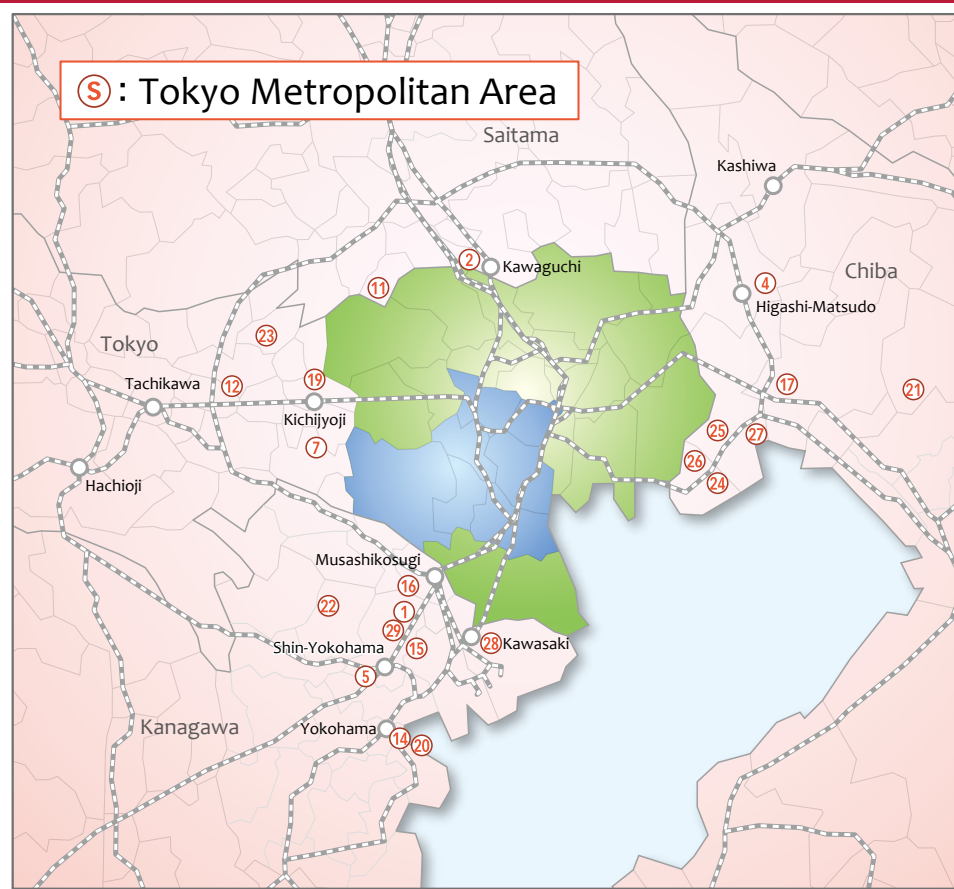
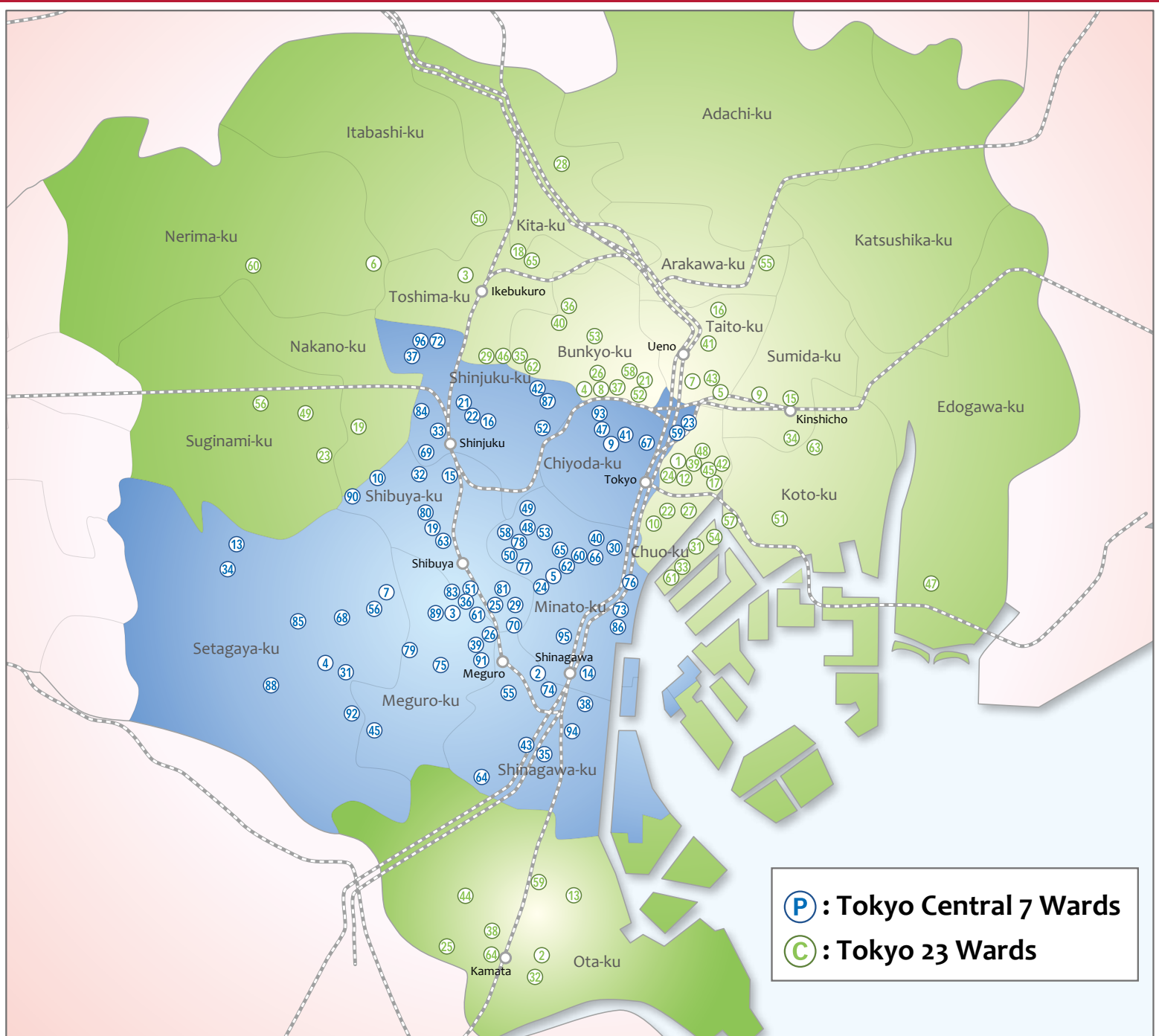
	5th Fiscal Period (Reference) From: Aug. 1, 2012 To: Jan. 31, 2013	6th Fiscal Period From: Feb. 1, 2013 To: Jul. 31, 2013
*1 Relationship between the cash and cash equivalents at end of period in the Statements of Cash Flows and the amounts of the corresponding accounts on the Balance Sheets (thousand yen)		
Cash and deposits	7,864,275	Cash and deposits 7,415,835
Cash and deposits in trust	6,319,609	Cash and deposits in trust 7,368,577
Time deposits with holding period over 3 months	-3,000,000	Time deposits with holding period over 3 months -
Cash and cash equivalents	11,183,885	Cash and cash equivalents 14,784,412







Portfolio Map



P-2	RESIDIA Shimazuyama	P-32	RESIDIA Yoyogi	P-56	RESIDIA Sangenjaya	P-78	RESIDIA TOWER Roppongi	C-3	RESIDIA Ikebukuro	C-49	RESIDIA Suginami-Honacho	S-7	RESIDIA Chofu	R-5	RESIDIA Kameyama	R-31	RESIDIA Maruyama Kita-Gojo
P-3	RESIDIA Nakameguro	P-33	RESIDIA Nishi-Shinjuku	P-58	RESIDIA Minami-Aoyama	P-79	RESIDIA Kamimeguro	C-4	RESIDIA Bunkyo-Hongo	C-50	RESIDIA Shin-Itabashi	S-11	Wako Student Heights	R-6	RESIDIA Ryokuchikoen	R-32	RESIDIA Tokugawa
P-4	RESIDIA Setagaya-Tsurumaki	P-34	RESIDIA Kyodo	P-59	RESIDIA Kanda-Higashi	P-80	RESIDIA Yoyogikoen	C-5	RESIDIA Asakusabashi	C-51	RESIDIA Kiba	S-12	RESIDIA Kokubunji	R-8	RESIDIA Kobe Port	R-34	RESIDIA Odori-Koen
P-5	RESIDIA Azabujuban	P-35	RESIDIA Oimachi	P-60	RESIDIA Higashi-Azabu	P-81	Windsor House Hiroo	C-6	Maison Claire Ekoda	C-52	RESIDIA Bunkyo-Yushima III	S-14	RESIDIA Yokohama-Kannai		Island	R-35	RESIDIA Tanimachi
P-7	RESIDIA Ikejirihashi	P-36	RESIDIA Ebisu II	P-61	RESIDIA Ebisu-Minami	P-83	RESIDIA Daikanyama Sarugakuchō/Daikanyama Parkside Village	C-7	RESIDIA Ueno-Okachimachi	C-53	RESIDIA Bunkyo-Honkomagome	S-15	RESIDIA Okurayama	R-10	RESIDIA Hakata	R-36	RESIDIA Hisaya-Oodori
P-9	RESIDIA Kudanshita	P-37	RESIDIA Kamiichiai	P-62	RESIDIA TOWER Azabujuban	P-84	RESIDIA Kita-Shinjuku	C-8	RESIDIA Bunkyo-Hongo II	C-54	RESIDIA Tsukishima III	S-16	RESIDIA Musashikosugi	R-11	RESIDIA Tenjinbashi	R-37	RESIDIA Sendai-Miyamachi
P-10	RESIDIA Higashi-Shinjawa	P-38	RESIDIA Higashi-Shinjawa	P-63	RESIDIA Shibadaimon II	P-85	RESIDIA Komazawa	C-9	RESIDIA Ryogoku	C-55	RESIDIA Minamisenjyu	S-17	RESIDIA Funabashi I and II	R-12	RESIDIA Sannomiya-Higashi	R-38	RESIDIA Hirose-dori
P-13	RESIDIA Sakurajosui	P-39	RESIDIA Meguro II	P-64	RESIDIA Nakanobu	P-86	RESIDIA Shibaura KAIGAN	C-10	RESIDIA Higashi-Ginza	C-56	RESIDIA Ogikubo	S-19	RESIDIA Kichijoji	R-13	KC21 Building	R-39	RESIDIA Edobori
P-14	RESIDIA Kita-Shinagawa	P-40	RESIDIA Toranomon	P-65	RESIDIA Azabudai	P-87	RESIDIA Ichigaya-yakuoji	C-12	RESIDIA Nihonbashi-Ningyocho II	C-57	RESIDIA Monzennakacho	S-20	Pacific Royal Court	R-14	RESIDIA Utsubokoen	R-40	RESIDIA Kyomachibori
P-15	RESIDIA Yoyoginomori	P-41	RESIDIA Shin-Ochanomizu	P-66	RESIDIA Shibadaimon II	P-88	RESIDIA Yoga	C-13	RESIDIA Omori-Higashi	C-58	RESIDIA Ochanomizu	S-21	Minato Mirai Ocean Tower	R-15	RESIDIA Kyoto-ekimae	R-41	RESIDIA Esaka
P-16	RESIDIA Shinjuku-East III	P-42	RESIDIA Kagurazaka	P-67	RESIDIA Kanda	P-89	RESIDIA TOWER Nakameguro	C-15	RESIDIA Kinshicho	C-59	RESIDIA Omori	S-22	Maison Yachiyodai	R-16	RESIDIA Takaoka	R-42	RESIDIA Nishijin
P-19	Leopalace Udagawacho Mansion	P-43	RESIDIA Oimachi II	P-68	RESIDIA Sangenjaya II	P-90	RESIDIA Sasazuka II	C-16	RESIDIA Negishi	C-60	RESIDIA Nakamurabashi	S-23	Life & Senior House Kohoku II	R-17	RESIDIA Hibino	R-43	RESIDIA Tsurumai
P-21	RESIDIA Shinjuku-East II	P-45	RESIDIA Jiyugaoka	P-69	RESIDIA Nishi-Shinjuku II	P-91	RESIDIA Meguro III	C-17	RESIDIA Shinkawa	C-61	RESIDIA Kachidoki	S-24	College Court Tanashi	R-19	RESIDIA Tenjin-Minami	R-44	RESIDIA Kobe-Isogami
P-22	RESIDIA Shinjuku-East	P-47	RESIDIA Suidobashi	P-70	RESIDIA Hiroo-Minami	P-92	RESIDIA Jiyugaoka II	C-18	RESIDIA Kamiikebukuro	C-62	RESIDIA Bunkyo-Otowa II	S-25	RESIDIA Urayasu	R-20	RESIDIA Hakataeki-Minami	R-45	RESIDIA Kita-Niyo-East
P-23	RESIDIA Kanda-Iwamotocho	P-48	RESIDIA TOWER Nogizaka	P-72	RESIDIA Mejiro-Otomeyama	P-93	RESIDIA Kudanshita II	C-19	RESIDIA Shin-nakano	C-63	RESIDIA Kinshicho III	S-26	RESIDIA Minami-Gyotoku	R-21	Mare	R-46	RESIDIA Shinsaibashi West
P-24	RESIDIA Azabujuban II	P-49	RESIDIA Akasaka	P-73	RESIDIA Shibaura	P-94	RESIDIA Omori II	C-21	RESIDIA Bunkyo-Yushima II	C-64	RESIDIA Kamata III	S-27	RESIDIA Urayasu II	R-24	RESIDIA Minami-Ichijo	R-47	RESIDIA Marunouchi
P-25	RESIDIA Ebisu	P-50	RESIDIA Nishi-Azabu	P-74	RESIDIA Gotenjima	P-95	RESIDIA Shirokane-Takanawa	C-22	RESIDIA Tsukiji	C-65	RESIDIA TOWER Kami-Ikebukuro	S-28	RESIDIA Gyotoku	R-25	RESIDIA Odori-Nishi	R-48	RESIDIA Sapporo-Ekimae
P-26	RESIDIA Meguro	P-51	RESIDIA Daikanyama	P-75	RESIDIA Yutenji	P-96	RESIDIA Nakaichiai	C-23	RESIDIA Sasazuka	S-1	Hiyoshidai Student Heights	S-29	RESIDIA Kawasaki	R-26	RESIDIA Kita-Sanjo	R-49	RESIDIA Goshoh-Higashi
P-29	RESIDIA Hiroo II	P-52	RESIDIA Ichigaya	P-76	Park Tower Shibaura Bayward	C-24	RESIDIA Kyobashi	C-25	RESIDIA Tamagawa	S-2	Chester House Kawaguchi	R-2	Cocofump Hiyoshi	R-27	RESIDIA Shirakabe-Higashi	R-50	RESIDIA Rakuohku
P-30	Pianetta Shiodome	P-53	RESIDIA Roppongi-Hinokichokoen	P-77	Motoazabu Place	C-1	RESIDIA Mitsukoshimae	C-26	RESIDIA Korakuen	S-4	RESIDIA Nihonbashi-Bakurocho	R-29	RESIDIA Imadegawa	R-28	RESIDIA Uzumasa	R-51	RESIDIA Miyakojima I/II
P-31	RESIDIA Komazawadaigaku	P-55	RESIDIA TOWER Meguro-Fudomae			C-2	RESIDIA Kamata			S-5	RESIDIA Shin-Yokohama	R-4	RESIDIA Higashi-Sakura	R-30	RESIDIA Izumi		

... Property acquired after the end of 6th fiscal period (July 31, 2013)



Portfolio List

As of July 31, 2013									
Investment region	Property No.	Name of property	Location	Construction completion date	Leasable floor area (m <sup>2</sup> )	Number of leasable units (residential units)	Acquisition price (million yen)	Investment ratio	PML
Tokyo Central 7 Wards	P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	December 2004	3,474.37	115	2,860	0.73%	4.3%
	P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	February 2005	1,694.18	88	1,730	0.44%	2.6%
	P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	March 2002	1,769.67	28	1,229	0.31%	7.3%
	P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	November 1999	1,986.76	44	1,987	0.50%	4.2%
	P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	August 2005	1,423.38	42	1,230	0.31%	3.1%
	P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	March 2004	2,845.89	86	2,270	0.58%	2.9%
	P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	February 2006	1,129.72	35	1,130	0.29%	7.3%
	P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	July 2006	1,201.37	39	1,120	0.28%	7.0%
	P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	February 2007	2,897.99	120	2,720	0.69%	4.3%
	P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	March 2007	723.10	22	732	0.19%	4.4%
	P-16	RESIDIA Shinjuku- East III	Shinjuku-ku, Tokyo	February 2009	818.74	39	750	0.19%	4.3%
	P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	August 2001	623.80	30	588	0.15%	8.2%
	P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	February 2004	1,743.06	54	1,380	0.35%	4.8%
	P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	August 2000	1,219.08	48	941	0.24%	5.3%
	P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	February 2004	2,354.20	65	1,520	0.39%	4.1%
	P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	February 2001	1,018.71	37	874	0.22%	3.1%
	P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	January 2001	653.04	26	554	0.14%	3.0%
	P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	October 1999	701.01	20	722	0.18%	6.2%
	P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	November 2005	1,733.63	76	1,660	0.42%	2.9%
	P-30	Pianetta Shiodome	Minato-ku, Tokyo	February 2005	2,274.19	67	1,950	0.50%	5.3%
	P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	October 2004	488.51	18	333	0.08%	8.5%
	P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	February 2005	464.64	16	326	0.08%	11.0%
	P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	February 2005	478.57	19	363	0.09%	9.9%
	P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	February 2005	509.66	15	286	0.07%	10.6%
	P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	December 2005	1,249.56	48	947	0.24%	4.3%
	P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	January 2006	2,194.56	61	2,280	0.58%	3.4%
	P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	September 2006	1,740.50	70	1,180	0.30%	4.8%
	P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	August 2006	2,588.01	122	2,040	0.52%	4.0%
	P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	January 2006	1,448.84	34	1,190	0.30%	6.5%
	P-40	RESIDIA Toranomon	Minato-ku, Tokyo	September 2006	1,353.41	63	1,320	0.34%	3.3%
	P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	March 2006	1,422.45	52	1,160	0.29%	2.8%
	P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	August 2006	1,182.34	52	918	0.23%	2.1%
	P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	July 2007	1,321.76	40	1,050	0.27%	4.8%
	P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	March 2002	1,435.93	28	1,050	0.27%	7.3%
	P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	December 2004	3,039.14	65	2,310	0.59%	2.3%
	P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	August 2004	3,485.00	68	3,660	0.93%	3.5%
	P-49	RESIDIA Akasaka	Minato-ku, Tokyo	May 2004	1,352.02	37	1,180	0.30%	8.3%
	P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	July 2004	7,078.64	125	6,780	1.72%	2.8%
	P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	July 2004	2,067.08	42	2,150	0.55%	4.0%
	P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	August 2004	3,003.34	85	2,500	0.63%	3.6%
	P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	September 1999	4,803.29	88	3,570	0.91%	6.8%
	P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	January 2007	21,019.77	358	16,500	4.19%	1.8%
	P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	January 2005	2,847.19	78	2,760	0.70%	2.7%
	P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	March 2005	782.33	13	728	0.18%	2.0%
	P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	October 2003	2,544.25	64	1,620	0.41%	3.4%
	P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	April 2006	1,582.54	31	1,430	0.36%	3.2%
	P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	March 2007	2,023.88	39	2,020	0.51%	7.1%
	P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	January 2003	7,207.18	113	6,190	1.57%	0.7%
	P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	June 2006	1,285.42	40	1,250	0.32%	3.5%
	P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	November 2005	2,855.06	65	1,880	0.48%	3.4%
	P-65	RESIDIA Azabudai	Minato-ku, Tokyo	February 2006	1,732.06	47	1,610	0.41%	4.6%
	P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	August 2006	2,023.20	48	1,740	0.44%	3.3%
	P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	June 2006	1,534.57	43	1,140	0.29%	4.9%
	P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	March 2006	1,933.54	34	1,280	0.32%	4.4%
	P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	May 2007	2,478.31	74	1,830	0.46%	10.9%
	P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	August 2007	1,035.75	26	923	0.23%	2.8%
	P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	December 2002	1,679.94	19	974	0.25%	4.9%
	P-73	RESIDIA Shibaura	Minato-ku, Tokyo	September 1991	8,508.36	154	4,670	1.19%	2.8%
	P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	January 2007	1,228.15	16	930	0.24%	7.9%
	P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	August 2006	5,423.36	118	5,260	1.34%	7.8%
	P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	May 2005	13,490.67	191	9,570	2.43%	3.6%
	P-77	Motoazabu Place	Minato-ku, Tokyo	February 2001	7,382.62	41	8,430	2.14%	9.7%
	P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	February 2006	5,978.20	83	7,040	1.79%	1.5%
	P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	January 1993	1,473.68	16	878	0.22%	7.7%
	P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	July 1998	1,545.36	6	1,100	0.28%	5.1%
	P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	June 2003	2,172.91	12	1,750	0.44%	4.8%
	P-83	RESIDIA Daikanyama Sarugakuchō/ Daikanyama Parkside Village	Shibuya-ku, Tokyo	January 1998	5,977.18	77	7,360	1.87%	6.7%
	P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	February 1997	2,173.62	26	1,460	0.37%	8.8%
	P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	October 2008	1,182.47	59	870	0.22%	10.0%
	P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	January 2010	3,898.10	72	2,400	0.61%	4.4%
	P-87	RESIDIA Ichigaya-yakuoji	Shinjuku-ku, Tokyo	August 2008	2,169.57	98	2,070	0.53%	3.0%
	P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	June 2008	1,996.81	66	1,523	0.39%	10.3%
	P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	March 2007	3,989.13	70	3,300	0.84%	2.4%

As of July 31, 2013									
Investment region	Property No.	Name of property	Location	Construction completion date	Leasable floor area (m²)	Number of leasable units (residential units)	Acquisition price (million yen)	Investment ratio	PML
	P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	January 2011	4,548.96	166	3,760	0.95%	4.2%
	P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	January 2010	1,206.38	31	950	0.24%	2.6%
	P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	October 2007	1,127.78	17	778	0.20%	5.4%
	P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	January 2012	1,612.65	48	1,240	0.31%	2.6%
	P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	March 2012	2,171.74	90	1,620	0.41%	2.2%
	P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	March 2012	1,888.07	53	1,480	0.38%	6.7%
Tokyo 23 Wards	C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	February 2005	2,552.07	105	1,920	0.49%	3.3%
	C-2	RESIDIA Kamata	Ota-ku, Tokyo	March 2005	4,110.54	166	2,640	0.67%	4.7%
	C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	March 2005	2,207.63	60	1,520	0.39%	7.1%
	C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	July 2005	2,165.35	65	1,680	0.43%	4.6%
	C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	August 2005	1,816.14	47	1,060	0.27%	2.9%
	C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	March 1993	1,591.71	93	953	0.24%	9.2%
	C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	February 2006	4,009.27	127	3,160	0.80%	2.1%
	C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	January 2006	1,960.40	70	1,623	0.41%	3.6%
	C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	February 2006	1,378.84	48	913	0.23%	9.1%
	C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	September 2006	4,871.02	169	5,251	1.33%	4.3%
	C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	January 2007	3,541.09	137	3,180	0.81%	4.6%
	C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	August 2007	1,928.71	81	1,980	0.50%	3.8%
	C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	November 2007	4,326.80	157	4,200	1.07%	7.2%
	C-16	RESIDIA Negishi	Taito-ku, Tokyo	December 2005	1,571.54	28	856	0.22%	7.7%
	C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	February 2003	2,764.70	83	1,880	0.48%	5.3%
	C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	December 2001	979.04	44	558	0.14%	6.4%
	C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	June 2002	615.28	24	352	0.09%	3.8%
	C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	March 2004	1,368.01	63	1,010	0.26%	5.3%
	C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	December 2005	2,043.00	54	1,460	0.37%	3.4%
	C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	March 2000	2,855.98	96	1,800	0.46%	6.9%
	C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	January 2005	1,440.11	52	1,220	0.31%	3.4%
	C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	September 2004	2,137.41	98	1,300	0.33%	5.9%
	C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	October 2004	770.11	31	603	0.15%	3.5%
	C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	September 2004	2,824.17	94	2,000	0.51%	4.0%
	C-28	RESIDIA Oji	Kita-ku, Tokyo	February 2005	1,659.09	61	867	0.22%	3.2%
	C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	July 2005	1,450.16	63	1,050	0.27%	2.3%
	C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	February 2006	1,694.38	40	1,100	0.28%	6.8%
	C-32	RESIDIA Kamata II	Ota-ku, Tokyo	September 2006	1,929.24	78	1,360	0.35%	4.0%
	C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	September 2006	3,074.47	105	2,440	0.62%	3.8%
	C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	January 2008	3,394.21	99	2,380	0.60%	4.7%
	C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	August 2003	5,970.11	104	3,380	0.86%	4.7%
	C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	February 2003	1,104.50	33	707	0.18%	5.0%
	C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	February 2003	1,623.62	39	1,050	0.27%	6.9%
	C-38	RESIDIA Ikegami	Ota-ku, Tokyo	July 2003	764.84	19	378	0.10%	8.5%
	C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	March 2004	848.24	25	557	0.14%	5.6%
	C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	April 2005	2,117.47	45	1,440	0.37%	4.1%
	C-41	RESIDIA Iriya	Taito-ku, Tokyo	December 2004	1,826.54	49	990	0.25%	5.4%
	C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	August 2006	1,915.92	45	1,310	0.33%	4.5%
	C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	March 2007	2,531.81	69	1,860	0.47%	3.0%
	C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	September 2006	2,105.15	60	1,290	0.33%	5.0%
	C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	February 2003	2,119.34	36	1,320	0.34%	3.9%
	C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	January 1999	13,069.70	162	6,280	1.59%	2.6%
	C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	January 2000	2,177.89	29	683	0.17%	7.0%
	C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	February 2007	8,502.12	132	5,500	1.40%	2.4%
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	February 2009	6,953.96	194	3,834	0.97%	4.3%	
C-50	RESIDIA Shin-Itabashi	Itabashi-ku, Tokyo	August 2009	1,413.22	67	888	0.23%	8.6%	
C-51	RESIDIA Kiba	Koto-ku, Tokyo	March 2008	3,255.00	155	1,950	0.50%	7.2%	
C-52	RESIDIA Bunkyo-Yushima III	Bunkyo-ku, Tokyo	December 2008	1,296.27	52	1,129	0.29%	4.4%	
C-53	RESIDIA Bunkyo- Honkomagome	Bunkyo-ku, Tokyo	March 2008	3,488.24	98	2,340	0.59%	3.5%	
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	February 2008	3,152.45	119	2,570	0.65%	4.0%	
C-55	RESIDIA Minamisenjyu	Arakawa-ku, Tokyo	March 2007	10,097.88	175	2,580	0.66%	5.3%	
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	March 2003	2,830.20	101	1,710	0.43%	4.5%	
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	February 2005	1,458.45	68	970	0.25%	7.6%	
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	September 2005	3,164.96	80	2,090	0.53%	4.2%	
C-59	RESIDIA Omori	Ota-ku, Tokyo	March 2006	1,528.00	75	1,150	0.29%	1.8%	
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	February 2008	1,501.41	66	1,075	0.27%	4.5%	
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	February 2008	2,750.82	55	1,805	0.46%	4.9%	
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	February 2008	3,063.83	89	2,268	0.58%	4.0%	
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	February 2005	1,072.75	51	651	0.17%	9.6%	
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	March 2007	1,404.35	53	948	0.24%	3.5%	
									2.9%
	C-65	RESIDIA TOWER Kami-Ikebukuro	Toshima-ku, Tokyo	March 2009	31,250.61	472	8,250	2.09%	5.4%
									5.7%

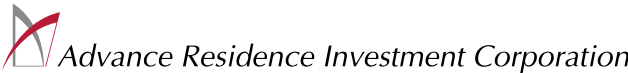




# Portfolio List



# Asset Management Company Profile



As of July 31, 2013									
Investment region	Property No.	Name of property	Location	Construction completion date	Leasable floor area (m <sup>2</sup> )	Number of leasable units (residential units)	Acquisition price (million yen)	Investment ratio	PML
Tokyo Metropolitan Area	S-1	Hiyoshidai Student Heights	Yokohama-shi, Kanagawa	March 1969	8,552.00	920	3,420	0.87%	7.1%
	S-2	Chester House Kawaguchi	Kawaguchi-shi, Saitama	March 1991	2,023.11	39	770	0.20%	5.5%
	S-4	RESIDIA Higashi-Matsudo	Matsudo-shi, Chiba	April 2007	3,431.44	44	1,100	0.28%	4.6%
	S-5	RESIDIA Shin-Yokohama	Yokohama-shi, Kanagawa	January 2007	3,277.62	131	1,920	0.49%	5.6%
	S-7	RESIDIA Chofu	Chofu-shi, Tokyo	March 2007	1,750.49	41	1,143	0.29%	5.0%
	S-11	Wako Student Heights	Wako-shi, Saitama	April 1990	1,684.02	127	675	0.17%	10.2%
	S-12	RESIDIA Kokubunji	Kokubunji-shi, Tokyo	February 2003	879.44	33	518	0.13%	2.9%
	S-14	RESIDIA Yokohama-Kannai	Yokohama-shi, Kanagawa	August 2004	2,359.60	102	1,700	0.43%	8.4%
	S-15	RESIDIA Okurayama	Yokohama-shi, Kanagawa	March 1998	1,334.56	64	755	0.19%	5.3%
	S-16	RESIDIA Musashikosugi	Kawasaki-shi, Kanagawa	February 2007	2,560.40	68	1,580	0.40%	7.2%
	S-17	RESIDIA Funabashi I and II	Funabashi-shi, Chiba	March 2007	4,567.44	172	2,730	0.69%	3.6% 3.4%
	S-19	RESIDIA Kichijoji	Musashino-shi, Tokyo	March 1995	2,214.73	48	1,380	0.35%	9.1%
	S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama-shi, Kanagawa	November 2007	26,082.53	416	14,000	3.55%	4.5%
	S-21	Maison Yachiyodai	Yachiyo-shi, Chiba	August 1989	3,506.54	39	882	0.22%	5.4%
	S-22	Life & Senior House Kohoku II	Yokohama-shi, Kanagawa	October 2003	5,433.40	78	1,670	0.42%	6.4%
	S-23	College Court Tanashi	Nishi-Tokyo-shi, Tokyo	February 2010	1,136.09	91	810	0.21%	7.7%
	S-24	RESIDIA Urayasu	Urayasu-shi, Chiba	September 2009	3,692.76	146	2,115	0.54%	6.7%
	S-25	RESIDIA Minami-Gyotoku	Ichikawa-shi, Chiba	February 2005	1,785.00	85	823	0.21%	6.6%
	S-26	RESIDIA Urayasu II	Urayasu-shi, Chiba	February 2005	1,554.00	74	802	0.20%	7.5%
	S-27	RESIDIA Gyotoku	Ichikawa-shi, Chiba	February 2005	1,569.74	75	761	0.19%	6.1%
	S-28	RESIDIA Kawasaki	Kawasaki-shi, Kanagawa	March 2007	2,644.73	104	1,670	0.42%	4.7%
	S-29	Cocofump Hiyoshi	Yokohama-shi, Kanagawa	January 2010	5,247.90	85	1,050	0.27%	7.5%
Major Regional Cities	R-2	RESIDIA Imadegawa	Kyoto-shi, Kyoto	February 1999	3,714.11	154	1,671	0.42%	10.9%
	R-4	RESIDIA Higashi-Sakura	Nagoya-shi, Aichi	February 2006	3,084.03	91	1,290	0.33%	3.4%
	R-5	RESIDIA Kameyama	Kameyama-shi, Mie	February 2007	6,065.11	182	1,610	0.41%	4.2%
	R-6	RESIDIA Ryokuchikoen	Toyonaka-shi, Osaka	May 2007	2,391.35	44	979	0.25%	5.7% 6.8%
	R-8	RESIDIA Kobe Port Island	Kobe-shi, Hyogo	March 2007	9,708.00	404	3,740	0.95%	6.7%
	R-10	RESIDIA Hakata	Fukuoka-shi, Fukuoka	March 2002	3,955.24	155	1,220	0.31%	3.4%
	R-11	RESIDIA Tenjinbashi	Osaka-shi, Osaka	February 2000	2,113.91	78	871	0.22%	8.3%
	R-12	RESIDIA Sannomiya-Higashi	Kobe-shi, Hyogo	November 2005	5,698.03	161	2,220	0.56%	3.2%
	R-13	KC21 Building	Sendai-shi, Miyagi	March 1997	2,716.11	79	900	0.23%	2.4%
	R-14	RESIDIA Utsubokoen	Osaka-shi, Osaka	January 2006	2,741.46	94	1,170	0.30%	6.6%
	R-15	RESIDIA Kyoto-ekimae	Kyoto-shi, Kyoto	February 2006	4,010.85	116	1,970	0.50%	9.9%
	R-16	RESIDIA Takaoka	Nagoya-shi, Aichi	August 2007	5,944.56	198	2,330	0.59%	3.5%
	R-17	RESIDIA Hibino	Nagoya-shi, Aichi	April 1992	7,598.40	124	1,340	0.34%	3.9%
	R-19	RESIDIA Tenjin-Minami	Fukuoka-shi, Fukuoka	January 2004	3,179.96	56	936	0.24%	4.9%
	R-20	RESIDIA Hakataeki-Minami	Fukuoka-shi, Fukuoka	January 2003	1,606.29	39	324	0.08%	2.7%
	R-21	Mare	Nagoya-shi, Aichi	February 2005	1,930.70	38	685	0.17%	5.0%
	R-24	RESIDIA Minami-Ichijo	Sapporo-shi, Hokkaido	December 2006	5,928.51	179	1,640	0.42%	0.9%
	R-25	RESIDIA Odori-Nishi	Sapporo-shi, Hokkaido	December 2006	4,512.24	103	1,320	0.34%	1.1%
	R-26	RESIDIA Kita-Sanjo	Sapporo-shi, Hokkaido	January 2007	3,867.60	100	1,130	0.29%	1.4%
	R-27	RESIDIA Shirakabe-Higashi	Nagoya-shi, Aichi	May 2005	2,709.97	33	831	0.21%	4.1%
	R-29	RESIDIA Uzumasa	Kyoto-shi, Kyoto	January 2000	3,201.93	48	701	0.18%	13.5%
	R-30	RESIDIA Izumi	Nagoya-shi, Aichi	November 2005	9,715.22	122	3,700	0.94%	3.1%
	R-31	RESIDIA Maruyama Kita-Gojo	Sapporo-shi, Hokkaido	February 2007	3,920.00	56	1,050	0.27%	1.2%
	R-32	RESIDIA Tokugawa	Nagoya-shi, Aichi	December 2006	2,282.49	27	751	0.19%	3.9%
	R-34	RESIDIA Odori-Koen	Sapporo-shi, Hokkaido	August 2007	6,230.49	109	2,010	0.51%	0.9%
	R-35	RESIDIA Tanimachi	Osaka-shi, Osaka	August 2008	2,655.18	108	1,100	0.28%	7.5%
	R-36	RESIDIA Hisaya-Oodori	Nagoya-shi, Aichi	February 2007	1,684.19	57	652	0.17%	4.8%
	R-37	RESIDIA Sendai-Miyamachi	Sendai-shi, Miyagi	January 2008	2,005.48	67	529	0.13%	2.5%
	R-38	RESIDIA Hirose-dori	Sendai-shi, Miyagi	February 2010	1,564.29	63	494	0.13%	2.8%
	R-39	RESIDIA Edobori	Osaka-shi, Osaka	February 2007	3,369.51	127	1,400	0.36%	8.7%
	R-40	RESIDIA Kyomachibori	Osaka-shi, Osaka	March 2007	2,398.90	84	1,000	0.25%	7.8%
	R-41	RESIDIA Esaka	Suita-shi, Osaka	July 2007	2,177.04	68	989	0.25%	4.8%
	R-42	RESIDIA Nishijin	Fukuoka-shi, Fukuoka	January 2008	7,282.78	173	2,380	0.60%	2.6%
	R-43	RESIDIA Tsurumai	Nagoya-shi, Aichi	February 2008	3,116.98	122	1,206	0.31%	3.6%
	R-44	RESIDIA Kobe-Isogami	Kobe-shi, Hyogo	March 2008	6,714.74	196	2,740	0.70%	3.6%
	R-45	RESIDIA Kita-Niijo-East	Sapporo-shi, Hokkaido	March 2006	3,808.98	56	894	0.23%	1.1%
	R-46	RESIDIA Shinsaibashi West	Osaka-shi, Osaka	February 2007	4,243.06	97	1,921	0.49%	9.1%
	R-47	RESIDIA Marunouchi	Nagoya-shi, Aichi	January 2007	2,349.52	86	972	0.25%	2.8%
	R-48	RESIDIA Sapporo-Ekimae	Sapporo-shi, Hokkaido	February 2007	6,088.03	168	1,483	0.38%	0.7%
	R-49	RESIDIA Goshō-Higashi	Kyoto-shi, Kyoto	September 2007	2,601.26	57	1,227	0.31%	8.9%
	R-50	RESIDIA Raku-hoku	Kyoto-shi, Kyoto	March 2008	2,101.83	75	874	0.22%	12.4%
	R-51	RESIDIA Miyakojima I/II	Osaka-shi, Osaka	September 2006	12,724.11	178	3,232	0.82%	7.1%
Total at end of 6th fiscal period					669,094.00	17,640	393,882	100.0%	2.8%
Property acquired during 7th fiscal period									2.9%
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	March 2008		5,529.19	187	3,656		2.9% 3.0%

Notes 1. In the “Investment region” column, “Tokyo Central 7 Wards” indicates the Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards of Tokyo; “Tokyo 23 Wards” indicates the Tokyo 23 wards other than the Tokyo Central 7 Wards; “Tokyo Metropolitan Area” indicates Tokyo (excluding the Tokyo 23 wards) and Kanagawa, Saitama and Chiba prefectures; and “Major Regional Cities” indicates cabinet order designated and similar cities excluding cities in the Tokyo Metropolitan Area.  
2. In the “Acquisition price” column, monetary amounts are rounded down to the nearest million yen. Accordingly, the sum total of the itemized figures does not necessarily add up to the “Total” amount entered in the foregoing table.

## AD Investment Management Co., Ltd.

Hitotsubashi SI Building 9F, 3-26 Kanda Nishiki-cho, Chiyoda-ku, Tokyo

### Officers

President	Kenji Kousaka
Executive Director	Takeshi Takano
Managing Director	Junichi Shoji
Director	Tomoyuki Kimura
Director	Hiroshi Kawakami
Director	Masato Kawanishi
Director (non-executive)	Yoshinori Komoto
Director (non-executive)	Kouji Fukaki
Director (non-executive)	Takashi Ogata
Director (non-executive)	Nobuchika Goto
Statutory Auditor	Hiromasa Yamamaoto
Statutory Auditor (non-executive)	Kaori Iwasawa



### Description of business Company history

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

Shareholder composition	Name	Shareholding (shares)	% share (%)
	ITOCHU Corporation	2,880	46.6
	ITOCHU Property Development, Ltd.	1,200	19.4
	Nippon Tochi-Tatemono Co., Ltd.	1,200	19.4
	Aozora Bank, Ltd.	180	2.9
	Mizuho Trust & Banking Co., Ltd.	180	2.9
	Sumitomo Mitsui Banking Corporation	180	2.9
	Sumitomo Mitsui Trust Bank Limited	180	2.9
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	180	2.9
	<b>Total</b>	<b>6,180</b>	<b>100.0</b>

(Note) “% share” in the table above is the shareholding (number of shares held) as a percentage of total number of shares issued and outstanding.



## Unit-holder Memo

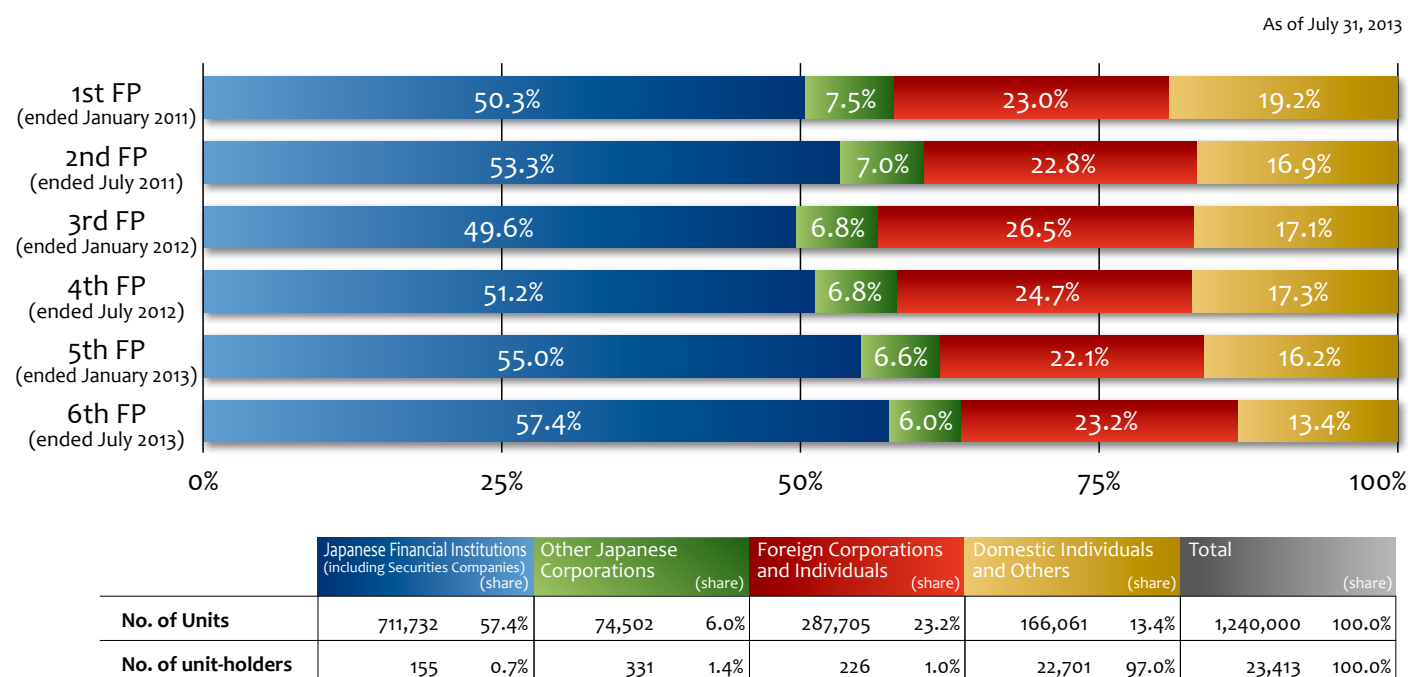
Fiscal period end	January 31 and July 31 of every year
General meeting of unit-holders	Held at least once every 2 years
Date for determining unit-holders exercising voting rights at meeting	The date will be publicly notified in advance
Record date for determining dividend payments	January 31 and July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

## Annual Schedule

2013.10	Delivery of 6th Fiscal Period financial report
	Payment of 6th Fiscal Period dividend
	General meeting of unit-holders
2013.11	Investment performance briefing for unit-holders
2014.1	End of seventh fiscal period
2014.3	Announcement of 7th Fiscal period results
2014.4	Delivery of 7th Fiscal Period financial report
	Payment of 7th Fiscal Period dividend
2014.5	Investment performance briefing for unit-holders
2014.7	End of 8th fiscal period



## Unit-holder Composition



## Inquiries

Please direct any inquiries concerning ADR's units (address, name, dividend transfer account designation, changes, etc.) to your securities company at which you have opened the transfer account for units.

## Disclosures

ADR strives to provide information to unit-holders in a transparent and timely manner by uploading an array of information and data on the ADR website, including documents that must be disclosed by law, press releases, information on business performance (kessan tanshin, presentation materials for analyst meetings, etc.) and information on portfolio assets. ADR will remain dedicated to providing easy-to-understand and timely information by continuing to increasingly enrich the content of the website.

## Dividends

Dividends can be collected by bringing the "unit-holder dividend receipt" to your nearest Japan Post Bank main or branch office, sub-branch office or post office (bank agent) in Japan. If the collection period has elapsed, please make your collection by designating the collection method on the back of the "unit-holder dividend receipt" and mailing it to Mizuho Trust & Banking's Stock Transfer Agency Department or bringing it to a Mizuho Trust & Banking, Mizuho Securities main or branch offices. (Note: Depending on the office, when the payment processing does not take place on the premises, it may take a few days to collect.) If you wish to designate a bank transfer for future dividend payments, please contact your securities company.