

7th Fiscal Period

August 1, 2013 to January 31, 2014



Advance Residence Investment Corporation

Investor Relations Presentation
March 2014



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

The Largest Portfolio Among Residential J-REITs

as of Feb. 6, 2014

Number of Properties

221 properties

Assets Under Management
(Acquisition Price)

417.6 billion yen

Leasable units

19,077 units

Total Leasable Area

719,838m²

Book Value
NOI Yield

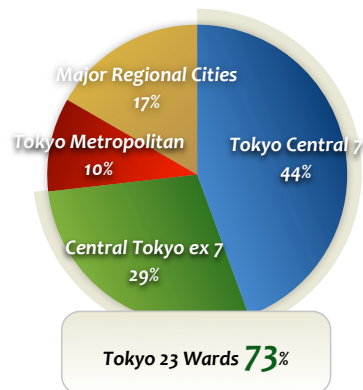
5.5%

Yield after Depreciation

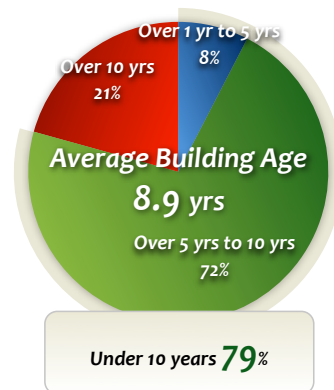
4.3%

* For properties held at the end of 7FP, annualized actual NOI is used to calculate the Book Value NOI Yield. For properties acquired between end of 7FP to February 6, 2014, appraisal NOI and acquisition price are used to calculate the NOI yield.
* Yield after Depreciation is calculated by subtracting the annualized depreciation from the annualized NOI and dividing the result by book-value or acquisition price depending on the property.

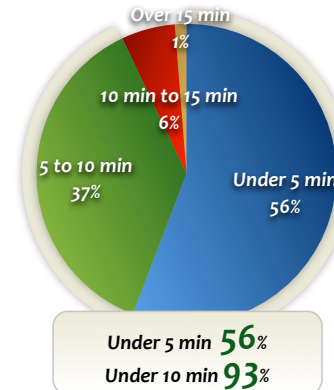
Investment Location (based on acquisition price)



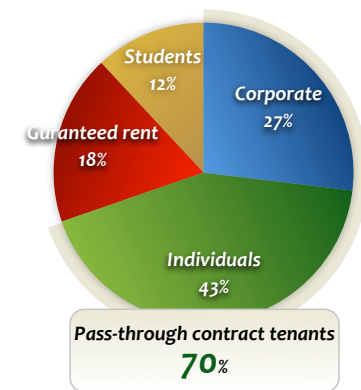
Building Age (based on acquisition price)



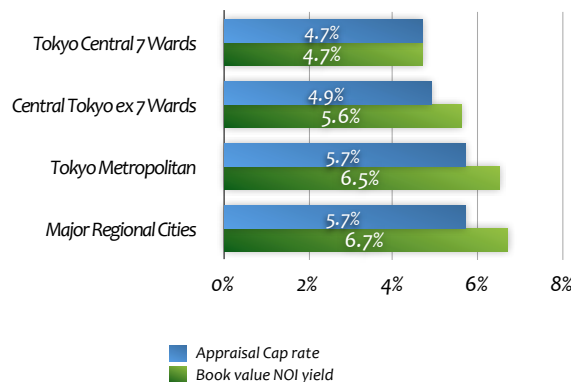
Walking Minutes to Train Station (based on acquisition price)



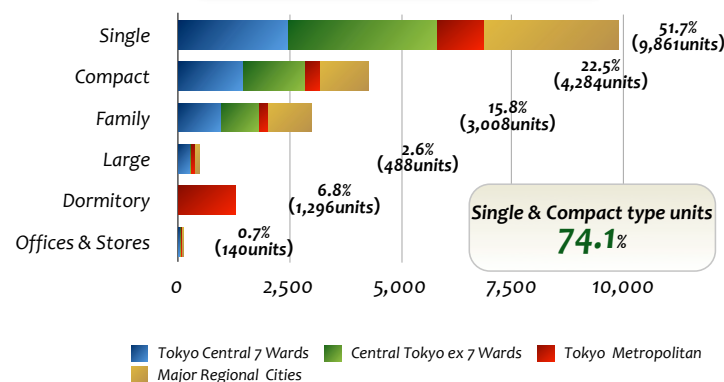
Tenant Category (Based on no. of unit)



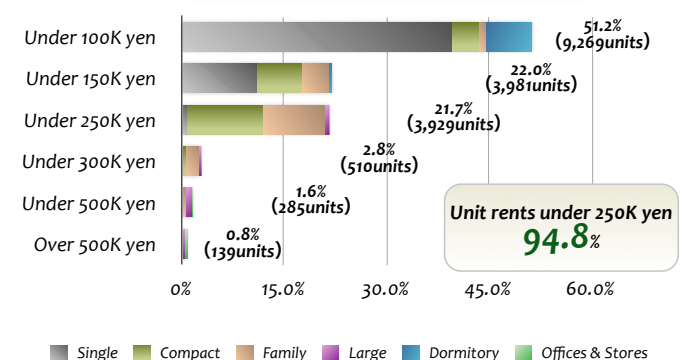
NOI Yields (%) by location (as of Jan. 31, 2014)



Unit type (Based on no. of unit)



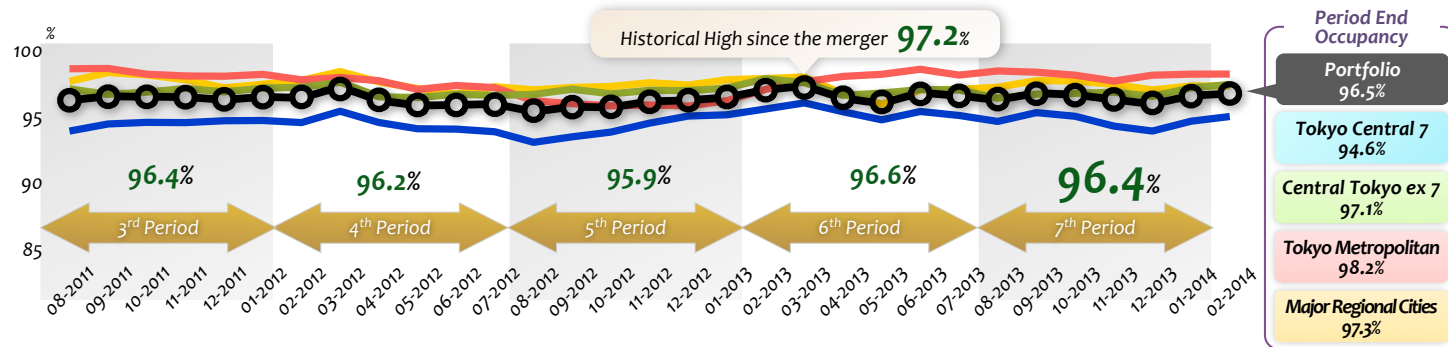
Rents (Based on no. of unit)



Solid Track Record, Solid Growth

Increasing EPS by Implementing Various Measures

Occupancy



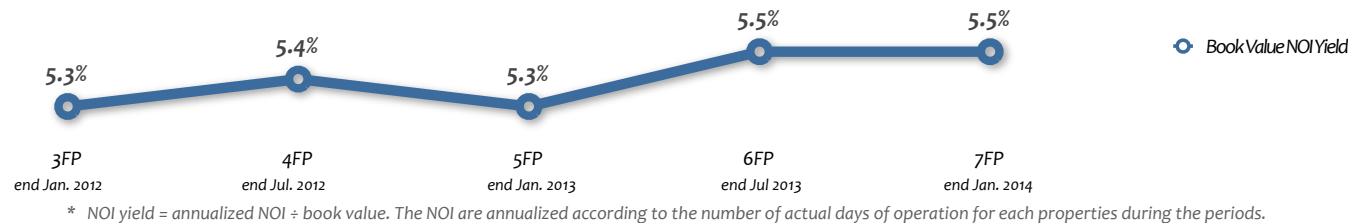
Maintaining High Occupancy Rate

Latest Occupancy
Feb. 2014 end

96.7%

Assets

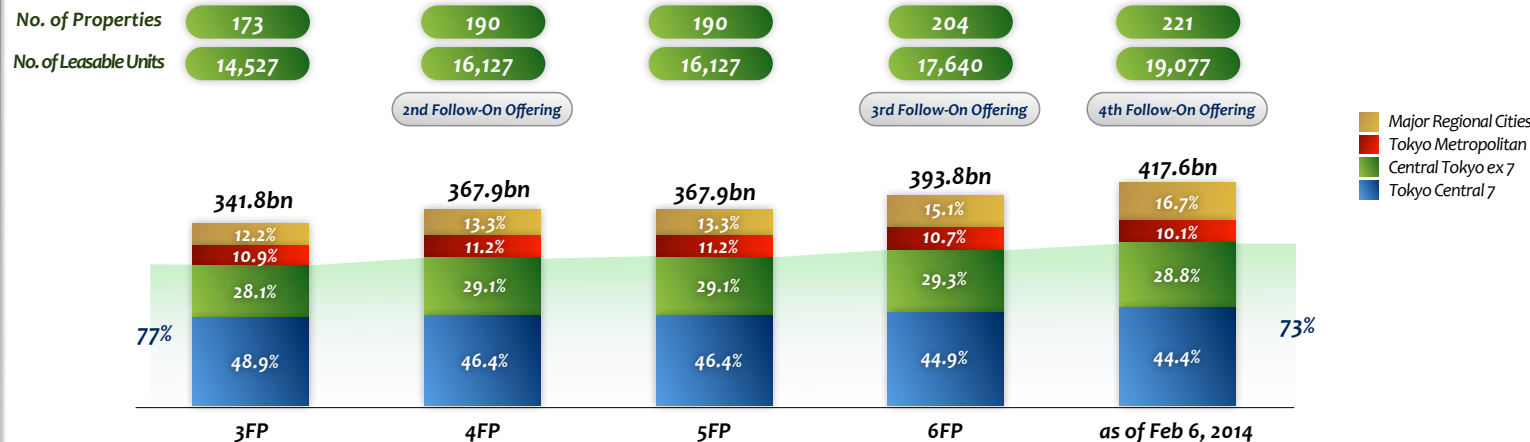
Yield



NOI Yield Stable at
5.3% to 5.4%
from 3FP to 5FP

Yield Improved to
5.5% from 6FP

AUM



400 bn yen
The Largest
Portfolio Among
Residential J-REITs

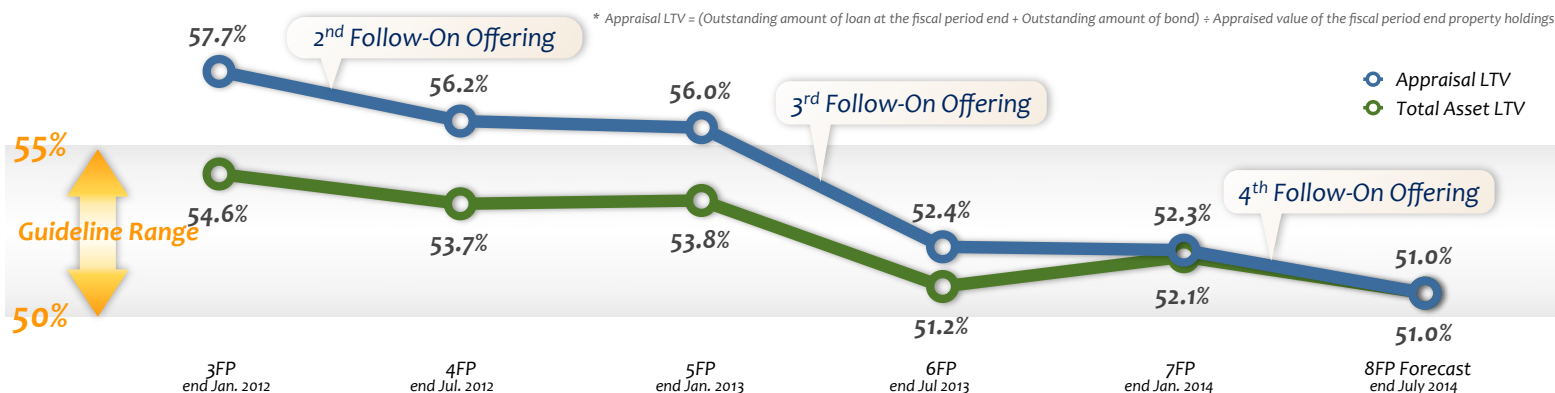
Asset growth
while maintaining
region ratio

* Data as of Feb. 6, 2014, include to-be-acquired properties as of Feb. 6, 2014.

Advance Residence Investment Corporation

Liabilities

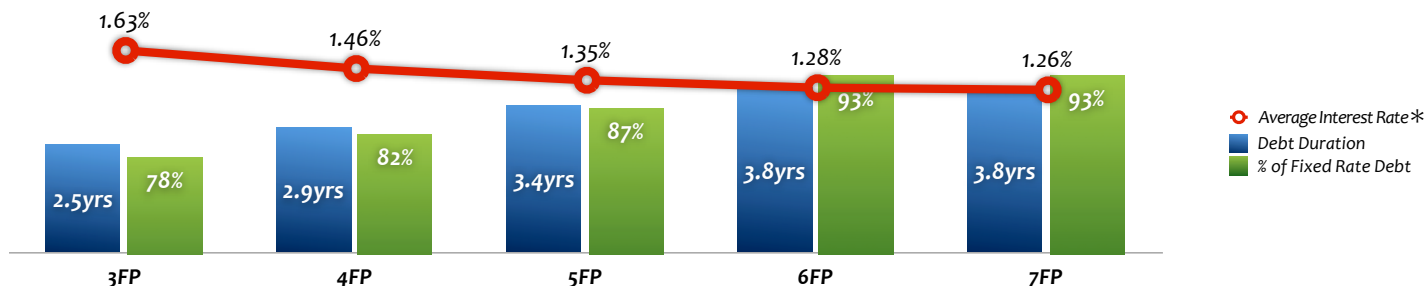
LTV



Controlling LTV Level within the Guideline Range

Acquisition Capacity approx. **38.4bn yen**

Debts

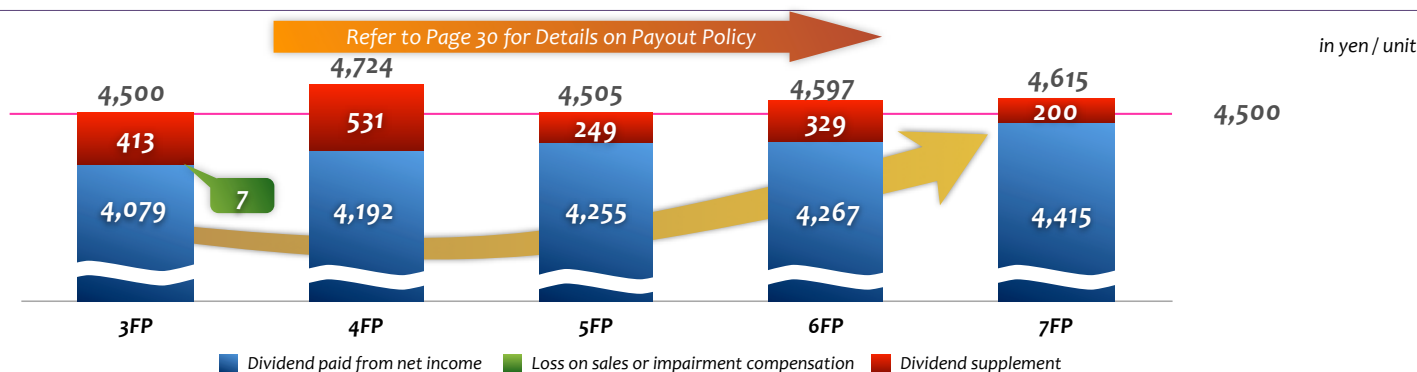


* In calculating the average interest rate, the effect of interest rate swaps are reflected. If there are any discrepancies between the principal amount of the swap and the underlining amount of debt, the swap's principal amount will be capped at the underlining amount of debt in the calculation.

Lengthen Duration
Fix Interest Rates
Lower Financing Cost

Equities

Dividends

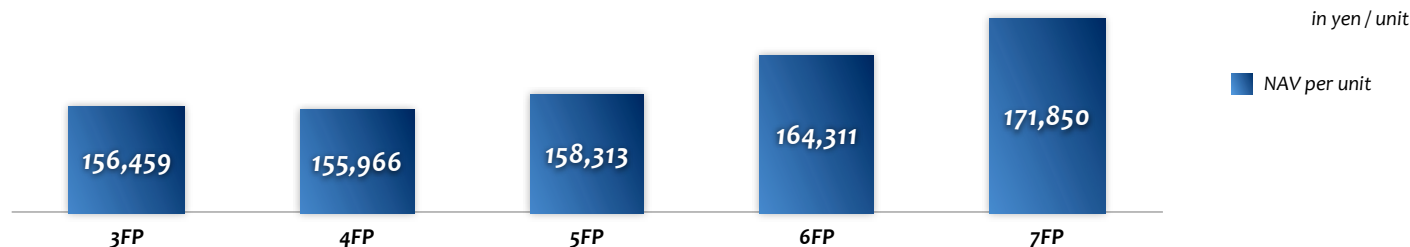


Stable Dividend Utilizing Dividend Reserve

Dividend Reserve Outstanding **33.7bn yen** (after 7FP dividend payout)

Improving EPU

Net Asset Value



Increasing NAV per Unit



7th Fiscal Period Result

Executive Summary

Committed in Delivering Strong and Stable Dividend

Initial Guidance

(announced September 9, 2013)

Dividend Increase Due to
Favorable Leasing
Environment &
Asset Acquisition

Actual Result for 7th FP

(ending January 31, 2014)

Substantial Increase in
Net Income and Dividend
while maintaining LTV

Previous FP

(ending July 31, 2013)

Appraisal LTV

52.4%

-0.1pt

52.3%

-0.1pt

52.4%

Net Income per Unit

4,300 yen

+115 yen

4,415 yen

+148 yen

4,267 yen

Dividend per Unit

4,500 yen

+115 yen

4,615 en

+18 yen

4,597 yen

Please refer to page 30 on the payout policy

Fiscal Highlight

External Growth

✓ Premium Priced Equity Offering

Offered **60,000** units Procured **12.3** bn yen
(Including third party allotment)

in yen per unit

6FP end (July 2013 end)

Public Offering

Premium of
+53,308
(+34.8%)
above BPS

Premium of **+42,017**
(+25.6%)
above NAV per unit

153,020

164,311

206,328

BPS

NAV per unit

Offer Price

✓ Asset Acquisitions

17 properties **23.7** billion yen **6.1%**
Total Acquisition Price Amount NOI yield*

✓ Acquired Rights of First Refusal

~ Preparing for Future External Growth ~

4 properties **4.2** billion yen **6.1%**
Right of First Refusal Price Amount (incl. consumption tax) NOI yield*

Internal Growth

✓ Historical High Period Average Occupancy

96.4% +0.4pt. from initial forecast

✓ Streamlining Leasing Expenses

Financing

✓ Longer-term fixed interest borrowing

Building A Stable Financial Base That
Withstand Financial Volatility

* For assets acquired, annualized appraisal NOI and acquisition price are used to calculate the NOI yield. The NOI yield for assets that ADR holds the rights of refusal, rights of refusal price is used.

7th Fiscal Period Result

from August 1, 2013 to January 31, 2014

in million yen

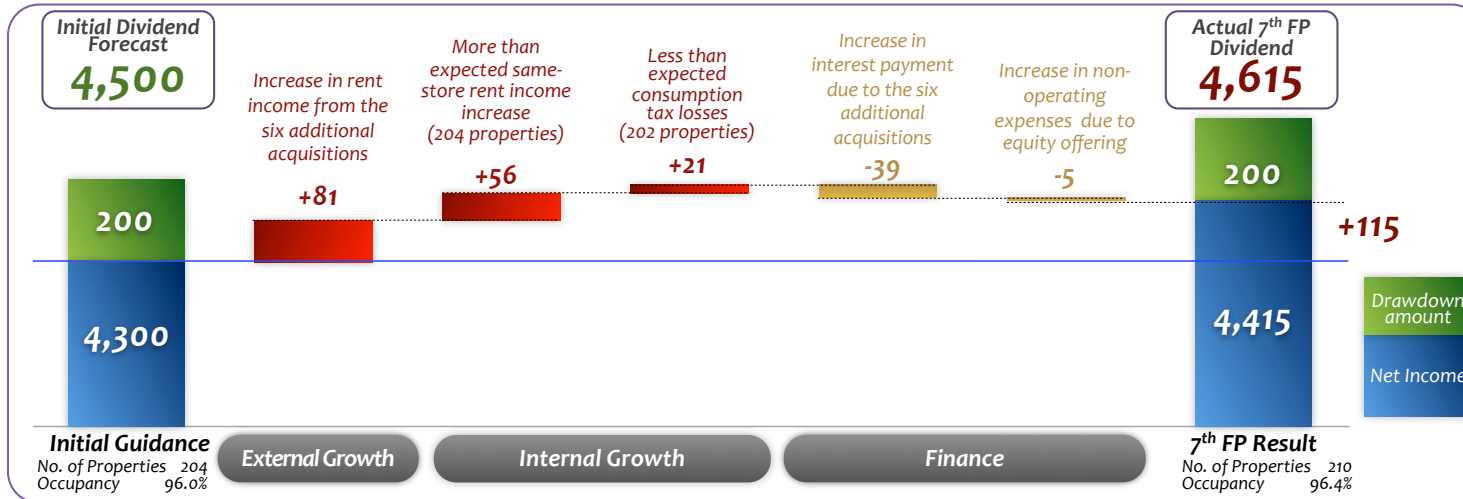
	(1) Forecast as of Sept. 9, 2013	(2) 7 th FP Result January 31, 2014	Changes (2)-(1)	Notes		(3) 6 th FP Result July 31, 2013	Changes (2)-(3)	Notes	
Revenue	13,593 (204 properties) Period avg. occupancy 96.0%	13,794 (210 properties) Period avg. occupancy 96.4%	+201	6 additionally acquired assets Increase in rental income +133 Same-store 204 properties Rental income increase, occupancy rise +46 Increase in key money, renewal fees & dividends +22		13,493 (204 properties) Period avg. occupancy 96.6%	+300	14 properties acquired in 6FP Rent increase from full period contribution 6 newly acquired properties in 7FP Rent increase +133 Same-store 190 properties decrease in rent due to lower occupancy -107 Off peak-season decrease in key money & renewal fees -31 -76	
Operating Income	6,938 (Depreciation: 2,313) (Property taxes: 658)	7,136 (Depreciation: 2,332) (Property taxes: 659)	+197	Rental Expenses Increase from 6 additional acquisitions -30 Decrease in Same-store 204 properties +19 External wall tiles inspection fee -20 SG&A Decrease in consumption tax losses due to acquisition +27		6,976 (Depreciation: 2,281) (Property taxes: 612)	+159	Rental Expenses Increase in expense due to full period holdings of 14 properties acquired in 6FP -130 Increase in expense from 6 additional acquisitions -30 Increase in property taxes from 2012 acquisitions -47 Off peak-season decrease in expenses +184 SG&A Increase in consumption tax settlement losses -118	
Ordinary Income	5,333 (Funding cost: 1,591)	5,475 (Funding cost: 1,624)	+142	Non-operating expenses Interest payment increase due to two acquisitions -48 Equity offering expenses -7		5,292 (Funding cost: 1,648)	+183	Increase in interest payment due to 6FP & 7FP acquisitions -18 Decrease in loan related expenses due to refinancing +42	
Net Income	5,332	5,475	+142			5,291	+183		
EPU (yen)	4,300	4,415	+115			4,267	+148		
FFO per Unit (yen)	6,168	6,298	+130			6,109	+189		
Appraisal LTV	52.4%	52.3%	-0.1 pt			52.4%	-0.1 pt		
Net Income	5,332	5,475	+142			5,291	+183		
Drawdown of Retained Earnings	+) 247	+) 247	-	Retained earnings after dividend: 33.7 bn yen		+) 408	-160		
Dividend Amount	=) 5,580	=) 5,722	+142	Units issued and outstanding 1,240,000 units		=) 5,700	+22	Units issued and outstanding 1,240,000 units	
Dividend per unit (yen)	4,500	4,615	+115	Please refer to page 30 for details on the payout policy.		4,597	+18	Please refer to page 30 for details on the payout policy.	

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

7th Fiscal Period Result

Dividend Increase due to External Growth and Higher Occupancy

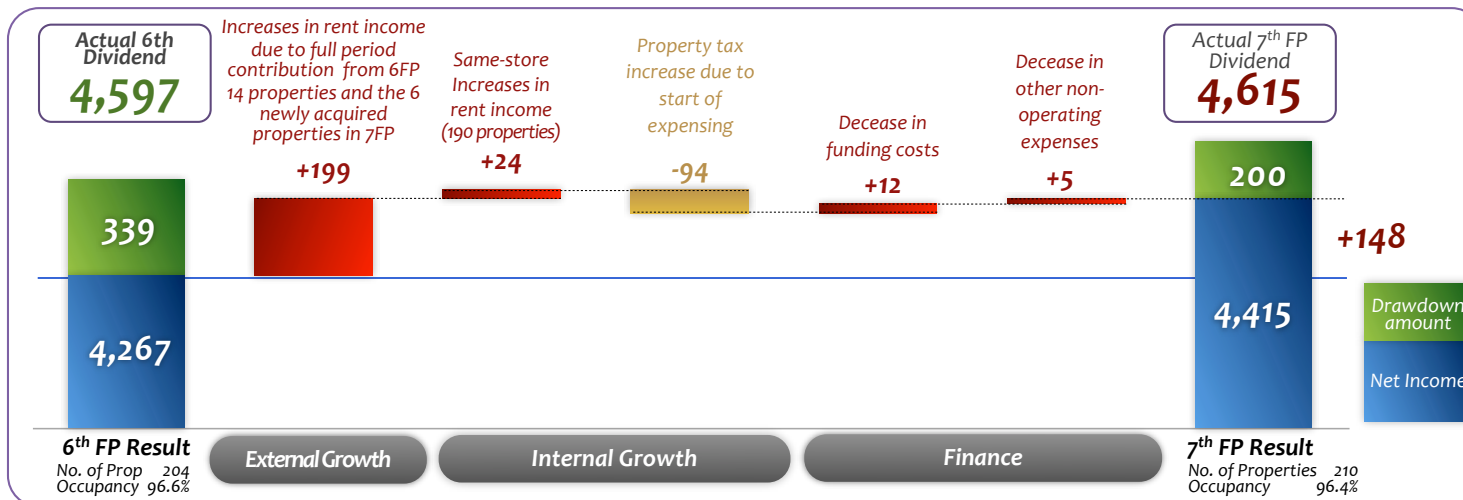
Changes from Initial Earnings Guidance (per unit yen)



in million yen

	Initial Guidance	7 th FP	diff
Revenue	13,593	13,794	+201
Operating income	6,938	7,136	+197
Ordinary income	5,333	5,475	+142
Net income	5,332	5,475	+142
Earnings per unit (yen)	4,300	4,415	+115
Dividend per unit (yen)	4,500	4,615	+115

Changes from 6th Fiscal Period Earnings (per unit yen)

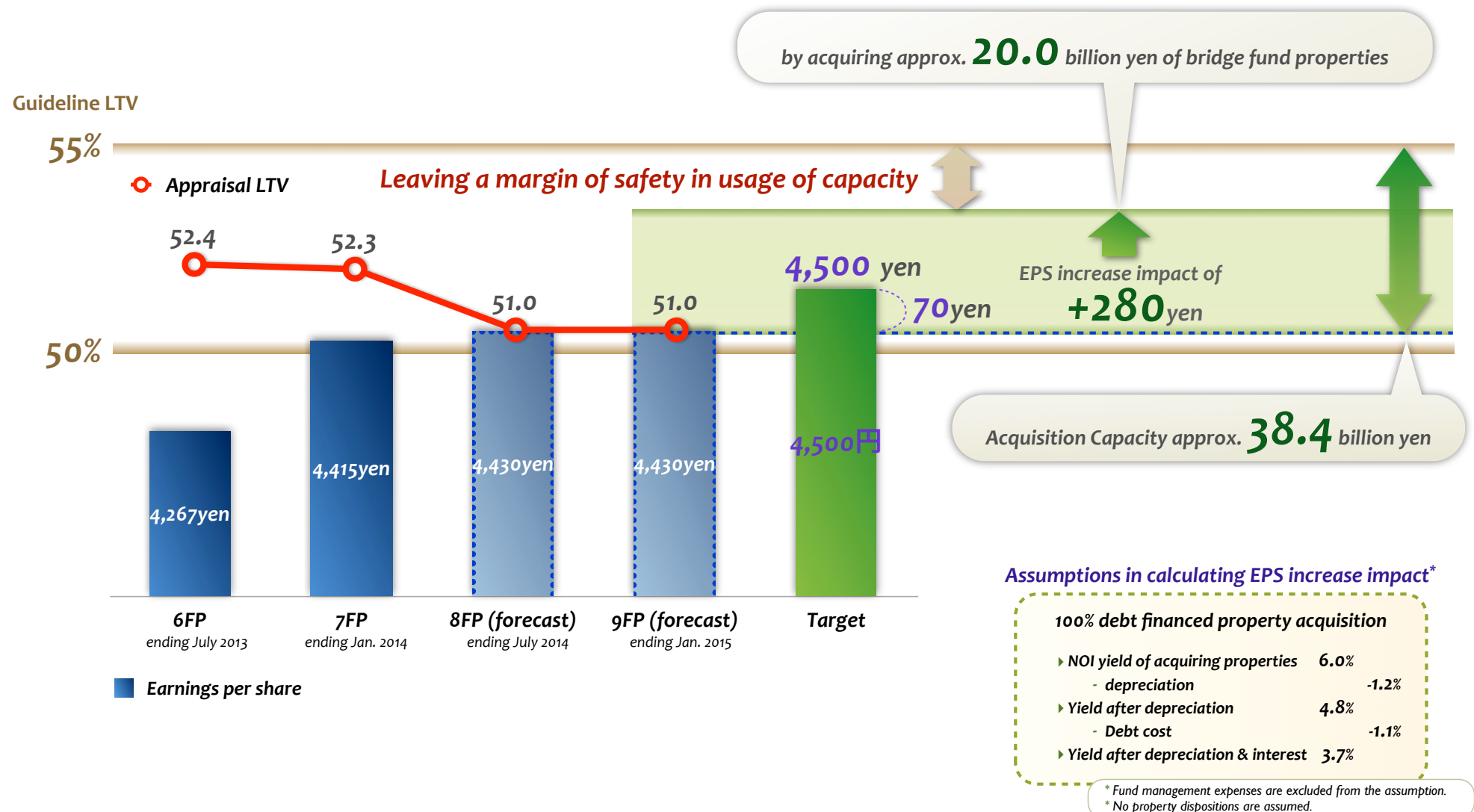


in million yen

	6 th FP	7 th FP	diff
Revenue	13,493	13,794	+300
Operating income	6,976	7,136	+159
Ordinary income	5,292	5,475	+183
Net income	5,291	5,475	+183
Earnings per unit (yen)	4,267	4,415	+148
Dividend per unit (yen)	4,597	4,615	+18

Reaching EPS of Over 4,500yen Mainly through External Growth

Reaching Target with Ample Margin of Safety



Management Policies Going Forward

Actual EPS for 7th FP
4,415yen

Reaching EPS
4,500yen ASAP

Growth strategy for
4,500yen+α EPS

External Growth

Improving the Profitability & Quality of the Portfolio

Utilizing the Acquisition Capacity →
(38.4bn yen at 7FP End)

Sponsor Pipeline

Under development: **16**properties

Pre-construction: **4**properties

Bridge Funds

19properties **19.9** bn yen **6.0%** **4.9%**
(including tax) (NOI yield) (yield after depreciation)

Acquisition Guideline

→ Maintaining and improving portfolio profitability
Maintaining geographical ratio & lowering average building age
If property market is heated, take advantage by selling properties

Internal Growth

Maintaining & Improving NOI

Maintain the high occupancy →
Leasing & operational cost control →
Maintaining →

Detailed market monitoring, timely utilization of flexible leasing terms
Increasing key money and renewal income, utilize economies of scale
Periodic and scheduled maintenances & up-grading constructions

Finance Strategy

Building A Stable Financial Base That Withstand Financial Volatility

LTV Management
Debt Maturity Management
Lengthening Debt Duration
& Fixing Interest Rate

→ Upper limit guideline of LTV is **55%** on appraisal bases, maintain safety margin
→ Keeping maturity ladder flattened below the commitment line credit limit
→ Lengthen debt duration and fix interest rate further in preparation for future interest rate rise



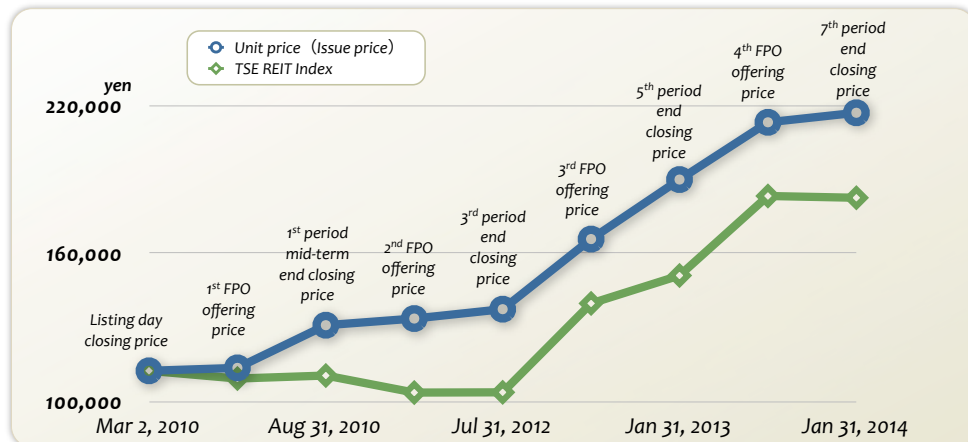
External Growth

External Growth through Equity Financing

Equity Finance History

	The 4 th Follow-On Public Offering	The 2 nd Follow-On Public Offering	The 3 rd Follow-On Public Offering
Launch Date	Jan. 9, 2014	Jan. 12, 2012	Jan. 8, 2013
Offering Price	213,330 yen	133,770 yen	165,945 yen
No. of New Units (incl. 3rd party allotment)	60,000 units	120,000 units	140,000 units
Amount Raised	12.3bn yen	15.5bn yen	22.4bn yen
Assets Acquired (Implied Cap Rate as of Launch Date)	11 properties 15.8bn yen NOI Yield 6.2% Implied Cap 4.3%	15 properties 23.4bn yen NOI Yield 6.0% Implied Cap 5.5%	12 properties 21.6bn yen NOI Yield 5.9% Implied Cap 4.8%

Unit Price Moving Higher After Equity Financing



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

The Effects of the 3rd & 4th Follow-On Offering

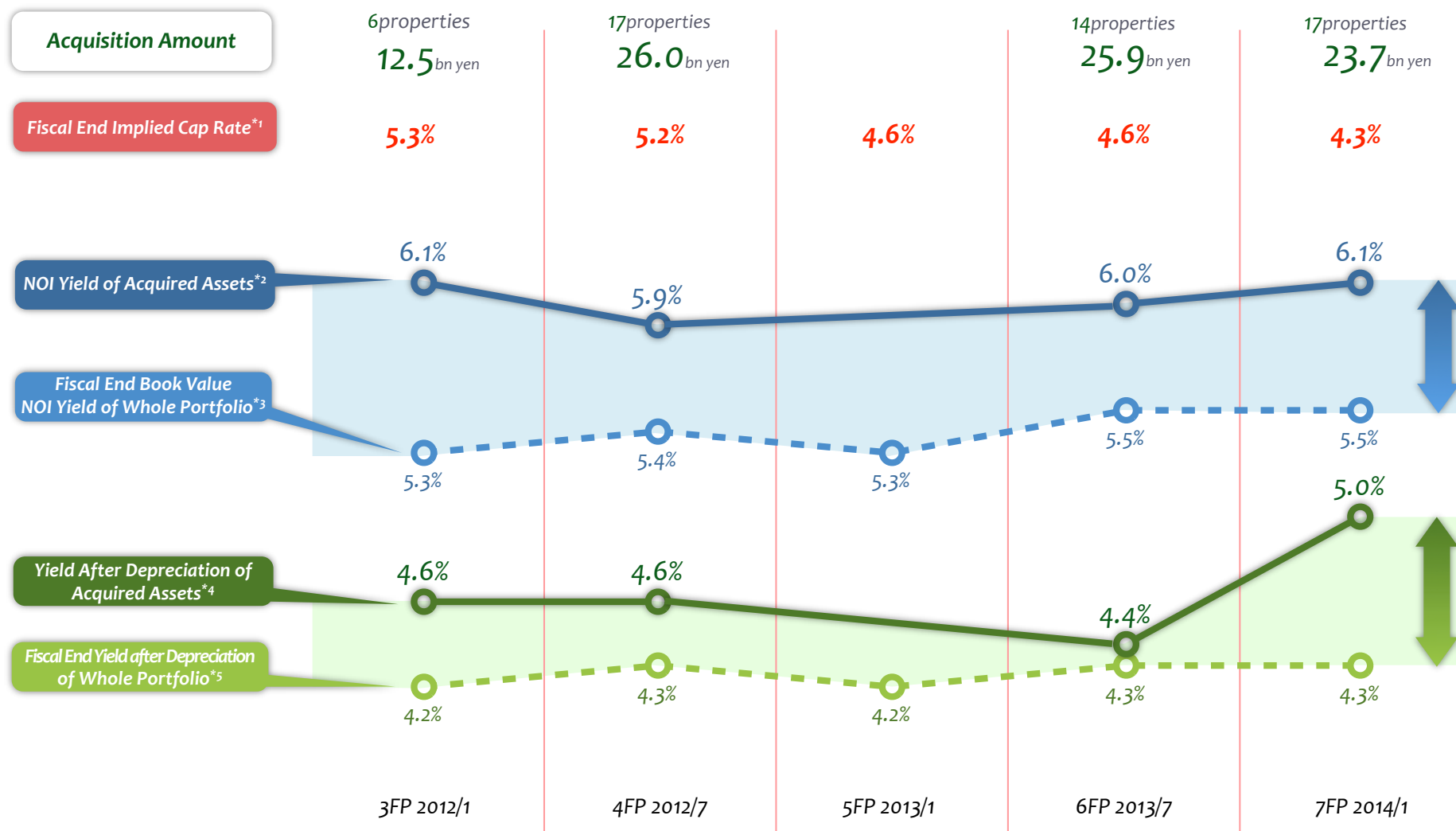
All Key Figures Improve Due to Premium Priced Offerings

Key Figures	End of 5 th FP (before the 3 rd offering)	End of 7 th FP (before the 4 th offering)	8 th FP End Forecast (after the 4 th offering)
Appraisal Loan-to-value	56.0%	52.3%	51.0%
NAV per unit yen	158,313	171,850	174,169
Net income per unit yen	4,255	4,415	4,430
FFO per unit yen	6,152	6,298	6,315
Dividend per unit yen	4,505	4,615	4,500
No. of outstanding issued Units	1,100,000	1,240,000	1,300,000

* NAVs are ex-dividend figures.

EPU Positive External Growth

Continuing to Acquire Assets at Higher Yield than Either Fiscal End Book-value NOI Yield or Portfolio Yield after Depreciation



*¹ Fiscal-End Implied Cap Rate is calculated by dividing the annualized actual NOI by fiscal-end interest-bearing debt + fiscal-end market capitalization + fiscal-end deposits & deposits in trust.

*² NOI Yield of Acquired Assets is calculated by dividing the annualized appraisal NOI at acquisition by total acquisition amount for each fiscal period.

*³ Fiscal End Book Value NOI Yield of Whole Portfolio is calculated by dividing the annualized actual NOI by total fiscal-end book value for each fiscal period.

*⁴ Yield After Depreciation of Acquired Assets is calculated by subtracting the annualized depreciation cost ^{note} from the annualized appraisal NOI at acquisition and dividing it by total acquisition amount for each period.
Note: depreciation of acquired assets are calculated using same straight-line method as the portfolio.

*⁵ Fiscal End Yield after Depreciation of Whole Portfolio is subtracting the annualized depreciation cost from the annualized actual NOI and dividing it by total fiscal-end book value for each fiscal period.

Preparing for Future External Growth

Itochu Group Development Properties*

Properties under development mostly in Tokyo 23 wards

Tokyo Central 7 Wards	6 properties	251 units
Central Tokyo ex 7 Wards	9 properties	774 units
Major Regional Cities (R)	1 property	137 units

	Development Location	Planned Units
①	Minami-Shinagawa, Shinagawa-ku	49units
②	Higashi-Nakanobu, Shinagawa-ku	44units
③	Shibuya, Shibuya-ku	60units
④	Shoto, Shibuya-ku	29units
⑤	Shimouma, Setagaya-ku	41units
⑥	Sotokanda, Chiyoda-ku	28units
⑦	Omori-kita, Ota-ku	65units
⑧	Minami-kamata, Ota-ku	110units
⑨	Kameido, Koto-ku	128units
⑩	Kamata, Ota-ku	148units
⑪	Nihonbashi-Bakurocho, Chuo-ku	76units
⑫	Hongo, Bunkyo-ku	47units
⑬	Midori, Sumida-ku	43units
⑭	Kojima, Taito-ku	99units
⑮	Koenji-Minami, Suginami-ku	58units
⑯	Toyotsucho, Suita-shi, Osaka	137units

+

Tokyo Central 7 3 property
Central Tokyo ex 7 1 property
Total 4 pre-building permit properties

* "Itochu Group development properties" are examples of rental apartment property developments by Itochu Corporation and Itochu Property Development Ltd, and listed above as a reference. As such, ADR is under no obligation to acquire the properties.

* The properties listed in red letters indicate completed developments.

Acquired right of first refusal for properties through equity interest in TK property funds (bridge funds)

Fund Name

Launched

Expiration Date

Right of First Refusal Price

Weighted Avg. NOI Yield*2

G.K. RISING3

March 2013 / October 2013

November 30, 2014

13 properties 10.6bn yen
(tax inclusive*)

6.5%

Assets Under Management



G.K. RISING4

June 2013

August 30, 2015

6 properties 9.2bn yen
(tax inclusive*)

5.4%



	Total	Tokyo Central 7	Central Tokyo ex7	Tokyo Metropolitan	Regional Cities
No. of Properties	19properties	3properties	4properties	2properties	10properties
Acquisition Price Total (excluding tax)	19.9bn yen	5.4bn yen	4.3bn yen	1.8bn yen	8.2bn yen
Weighted Avg. NOI Yield*2	6.0%	5.3%	5.6%	6.4%	6.5%
Investment Ratio	100%		49%	9%	42%

The following three funds have been acquired through execution of rights of first refusal since the merger

Funds	G.K. RBFA	G.K. RBFA2	G.K. RBFA3	G.K. RISING	G.K. RISING2
Right of First Refusal Price	5properties 9.2bn yen	4properties 4.5bn yen	3properties 3.5bn yen	6properties 8.6bn yen	5properties 7.1bn yen
Weighted Avg. NOI Yield*2	6.400%	6.500%	6.200%	6.200%	6.300%
Financing	Equity finance Jan. 2012	Equity finance Jan. 2013		Equity finance Jan. 2014	

*1 For G.K. Rising3 and Rising4, right of first refusal prices includes the consumption tax to prevent any change in price in case of tax rate changes.

*2 Weighted Average NOI Yield = Sum of Annualized Appraisal NOI ÷ sum of right of first refusal price (tax not included) x 100%

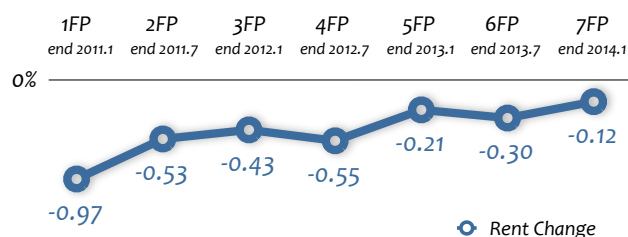


Internal Growth

Achieving Internal Growth in the Residential Sector

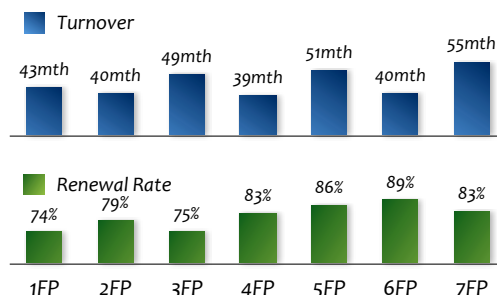
Rent Decline Bottoming-out, Turnover / Renewal Rate in Upward Trend

Portfolio Rent Change*

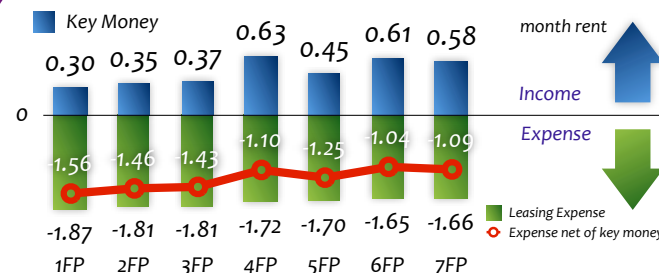


* Rent change for units that are both occupied at the beginning and the end of the period.

Turnover & Renewal Rate



Leasing Related Income and Expenses



The figures are calculated by dividing monthly key money and leasing expenses by monthly rent.

Achieving Internal Growth for New Contracts

Calculating Net Effective Rent (NER)

If the leasing contract was made under the following condition;

Monthly Rent: 120,000yen/mth
Key Money: One month equiv.
Leasing Expenses: 180,000yen/mth

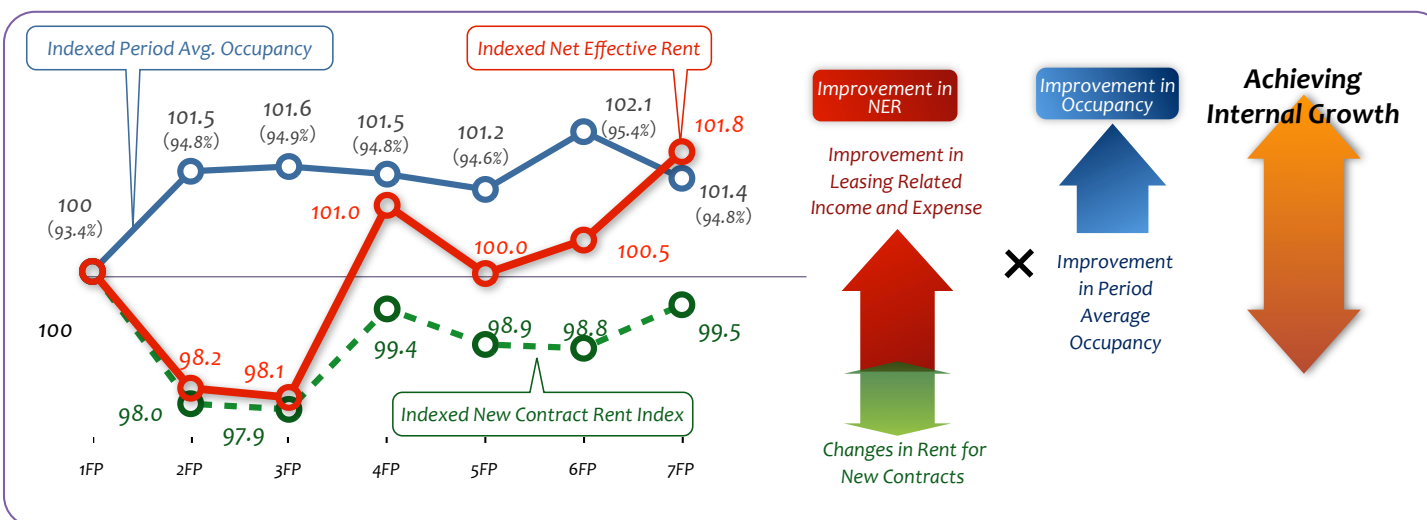
Monthly Rent
120,000 yen

Key Money
120,000 yen

Leasing Expenses
180,000yen

Costs spread for the two year lease term
Divide by 24 month

$$120,000 \text{ yen} + 5,000 \text{ yen/mth} - 7,500 \text{ yen/mth} = \text{NER } 117,500 \text{ yen}$$



- The 119 properties that are included in above chart are properties held since the start of the 1st fiscal period. Following properties are excluded from the calculation. 1) Properties with guaranteed rent or properties where the whole building is let to one tenant. This is because fluctuation in "key money" and "leasing related expenses" do not effect ADR's rental income from the properties. 2) Properties targeted for Expats, where there are no key money practices.
- Number of new contracts for each fiscal period is as follows, 1FP) 1,837, 2FP) 1,128, 3FP) 918, 4FP) 1,061, 5FP) 1,040, 6FP) 1,065, 7FP) 909.
- Net Effective Rent Index is calculated as weighted average of monthly rental of new contracts and common fees plus key Money Income divided by 24 month, minus leasing related expenses divided by 24 month for each fiscal period and indexed by using the 1FP figure as 100.
- New Contract Rent Index is calculated as weighted average of the new contract monthly rental and common fees for each fiscal period and indexed by using the 1FP figure as 100.

Renovations

7th FP Large-Scale Repairs

RESIDIA Meguro

Mainly worked on

- Exterior wall repairs
- Re-painting Common area iron works
- Water-proofing Balconies
- Value-adding works to the entrance area, etc.

Total restoration cost 20,900 thousand yen

before



after



RESIDIA Azabujuban

Mainly worked on

- Exterior wall repairs
- Re-roofing (using subsidies)
- Water-proofing Balconies
- Landscaping improvements
- Value-adding works to the entrance area
- Re-painting Common area iron works, etc.

Total Restoration cost 46,400 thousand yen

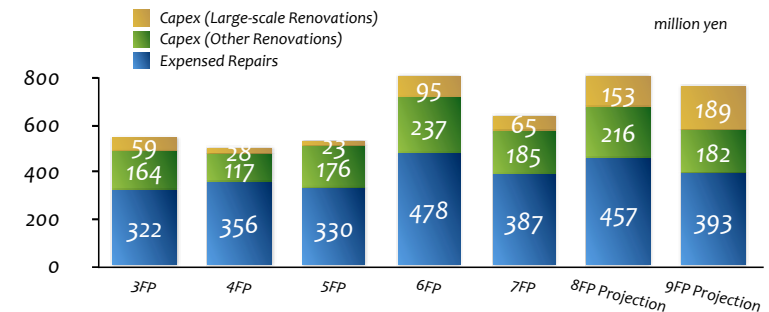
before



after



By Taking Proper Measures Portfolio Competitiveness Can Be Maintained



Renovations

7th FP Large-Scale Renovations

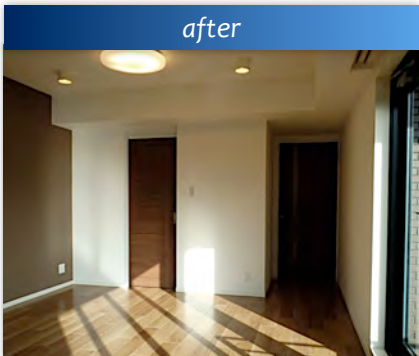
RESIDIA Kamimeguro

Renovation Cost : **3,974 thousand yen**
 Value-added amount : **715 thousand yen**
 Projected Recuperation period : **3 years**
 Increase in Monthly Rent : **up 7.8%**

before



after



RESIDIA Shibaura

Renovation Cost : **3,970 thousand yen**
 Value-added amount : **1,231 thousand yen**
 Projected Recuperation period : **10 years**
 Increase in Monthly Rent : **up 6.3%**

before



after



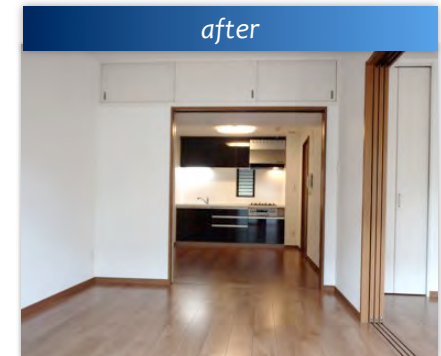
RESIDIA Kichijoji

Renovation Cost : **3,680 thousand yen**
 Value-added amount : **1,097 thousand yen**
 Projected Recuperation period : **8 years**
 Increase in Monthly Rent : **up 8.5%**

before

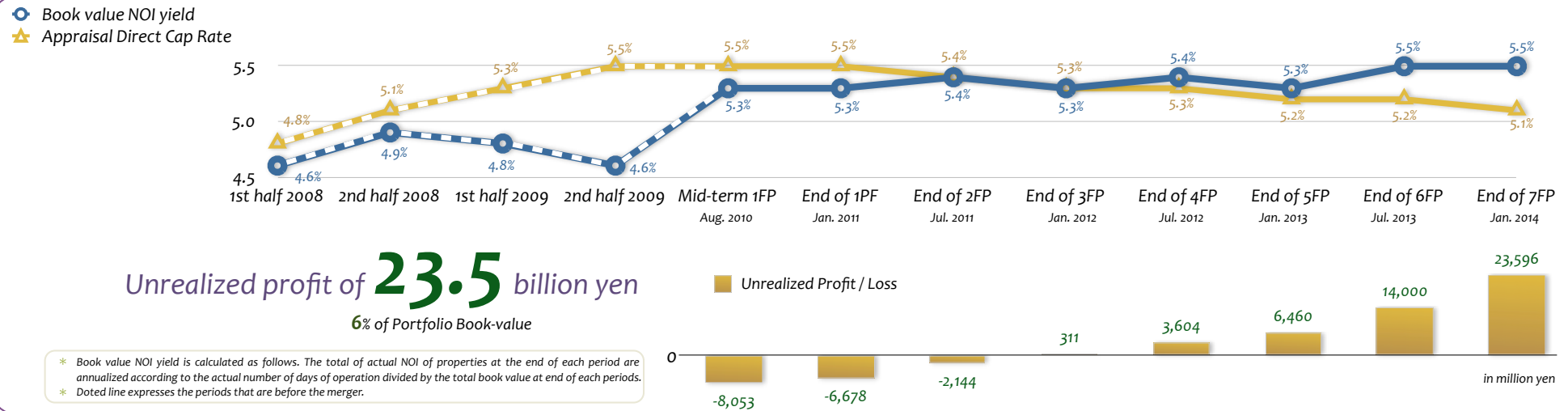


after



Appraisal Value

Appraisal Direct Cap Rate • Unrealized Profit and Loss



Summary of End of 7th Period Appraisal

	Appraisal (in million yen)		Appraisal NCF (in million yen)		Direct Cap Rate (%)		Movements in Appraisal			Unrealized Profit and Loss (million yen)		
	End of 7 th FP	diff vs last FP	End of 7 th FP	diff vs last FP	End of 7 th FP	diff vs last FP	Improvement	Unchanged	Deterioration	Book Value (a)	Difference from the appraisal (b)	(b)/(a)
Tokyo Central 7 Wards	178,622	3,106	8,589	-57	4.75	-0.12	68	10	2	176,361	2,260	1.28%
Central Tokyo ex. 7 Wards	127,719	2,751	6,369	1	4.93	-0.11	53	12	0	116,028	11,690	10.08%
Tokyo 23 Wards Total	306,341	5,857	14,959	-56	4.82	-0.11	121	22	2	292,389	13,951	4.77%
Tokyo Metropolitan	44,425	575	2,536	-9	5.70	-0.09	17	5	0	40,592	3,832	9.44%
Major Regional Cities	66,261	1,090	3,790	-4	5.68	-0.10	34	6	3	60,448	5,812	9.62%
Portfolio Total	417,027	7,522	21,285	-70	5.05	-0.11	172	33	5	393,430	23,596	6.00%

Rise in Appraisal Value
+7.5 billion yen

=

Appraisal Impact
-1.3 billion yen

+

Appraisal Impact
+8.8 billion yen

* For Assets acquired during the 7FP, appraisal value at the time of acquisition is used as the previous appraisal value.



Finance & Earnings Guidance

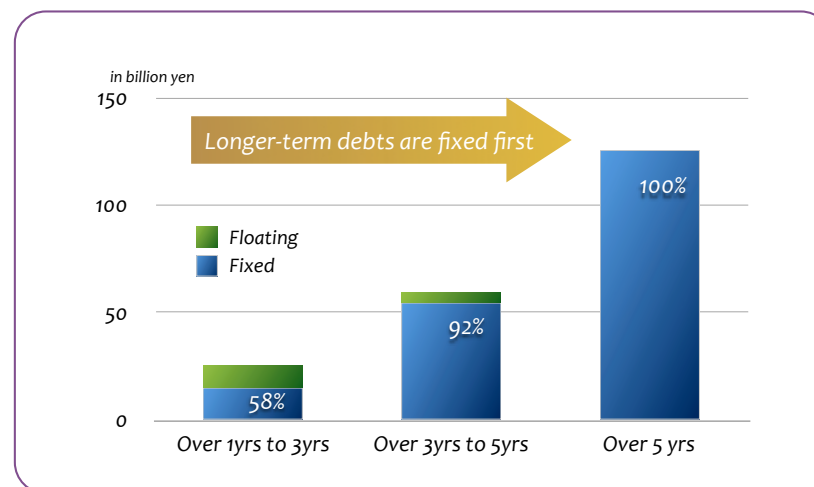
Building A Stable Financial Base

* Lease liabilities are excluded from the debts in this slide.

Key Figures on Debts

Credit Ratings	JCR: AA- (Outlook: Stable → Positive) November 8, 2013		R&I: A+ (Outlook: Stable)	
	6FP	Loan / Bond Ratio	7FP	Loan / Bond Ratio
Loans	177.2bn yen	84.3%	183.1bn yen	84.0%
(Short-term loans)	-	-	(2.5bn yen)	(1.2%)
Bonds	33.0bn yen	15.7%	35.0bn yen	16.0%
Debt Outstanding	210.2bn yen	100.0%	218.1bn yen	100.0%
Appraisal LTV	52.4%		52.3%	

Ratio of Fixed Interest according to Duration of Debts



7th Fiscal Period Debt Financing

	Repayment	Debt Financing
Total Amount	33.4bn yen (12.5bn yen)	41.3bn yen (20.4bn yen)
Average Interest Rate	1.29% (1.21%)	1.06% (1.11%)
Average Debt Duration	2.3years (2.7years)	7.3years (7.0years)

* Total debt repayment includes scheduled repayments. The outstanding figures at FP ending January 2014 is listed in parenthesis.

Bond Issue History

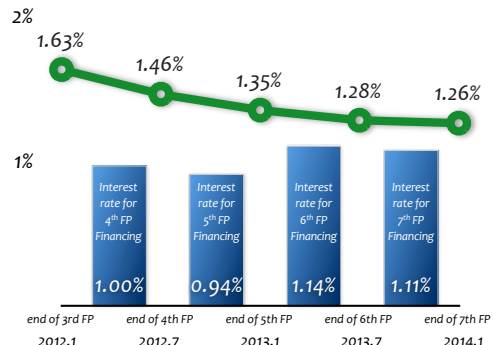
First Residential J-REIT to Issue Ten Year Bond and Twelve Year Bond

Issue Date	Sept. 2011	Apr. 2012	Sept. 2012	Apr. 2013	Nov. 2013
Maturity					
3 yrs		4bn yen 0.86%			
5 yrs	8bn yen 1.27%	4bn yen 1.08%	8bn yen 0.87%		
7 yrs	2bn yen 1.68%		4bn yen 1.23%		
10 yrs				3bn yen 1.32%	
12yrs					2bn yen 1.41%

Lengthened Duration, Increased Ratio of Fixed Interest Debts and Diversified Maturity While Lowering Financing Cost

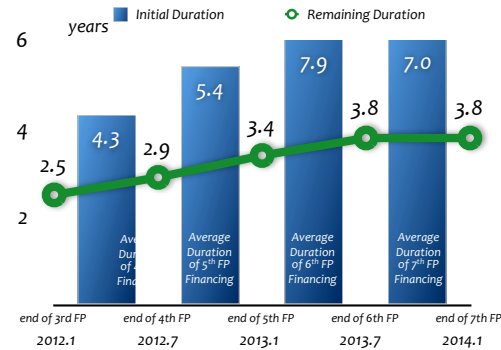
* Lease liabilities are excluded from the debts in this slide.

Average Interest Rate



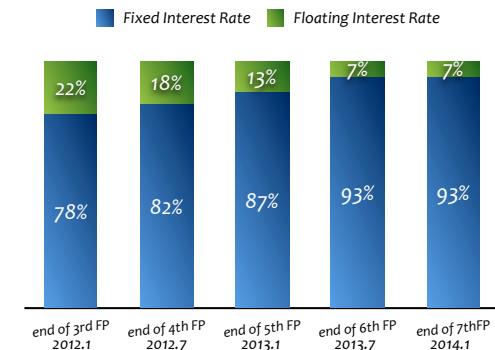
* In Calculating the average interest rate for financing during the periods, amount outstanding and interest rate applicable at the end of each period is used.

Debt Duration



* In Calculating the average debt duration for financing during the periods, amount outstanding at the end of each period is used to calculate the weighted average.
* In calculating the years to maturity, amortization is not counted.

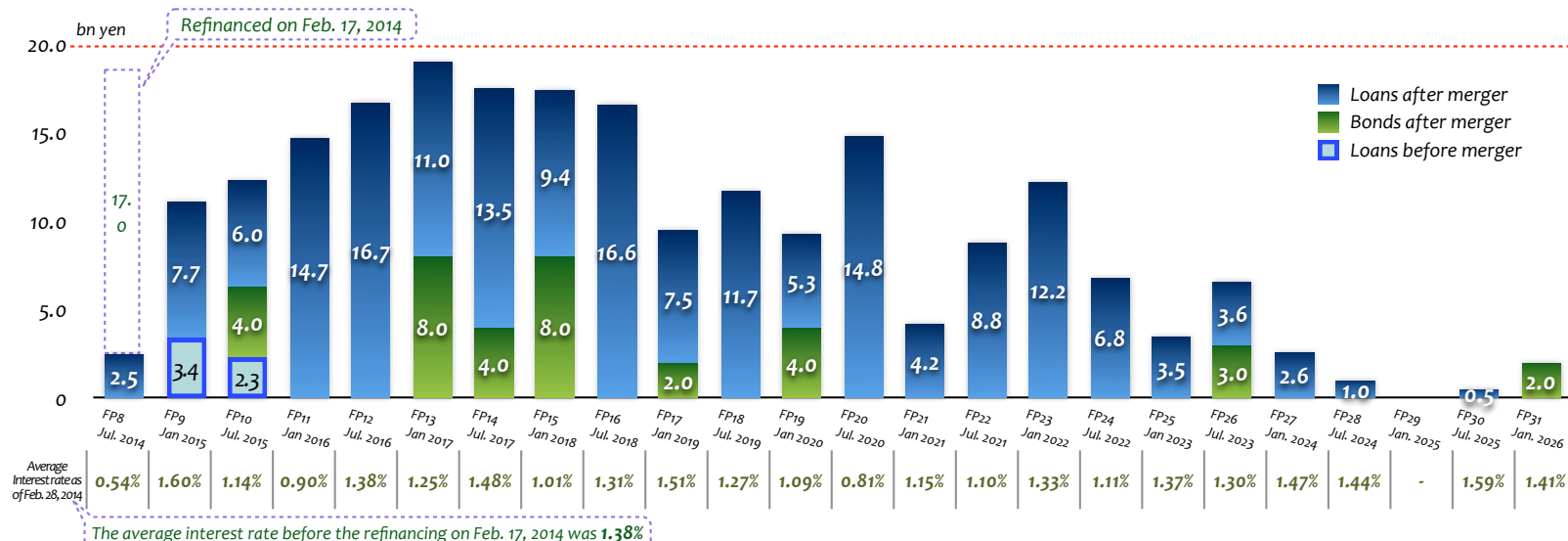
Ratio of Fixed Interest Rate Debts



* Short-term loans are excluded.

Maturity Ladder Flattened Below The Total Amount of Committed Line of Credit

Rounded down to the nearest 100 million yen



Committed Line of Credit

20bn yen

3year : 12bn yen

1year : 8bn yen

Fund Usage

Property acquisitions

Debt repayments

Benefit

make it possible for timely property acquisitions

lowering refinancing risk

* Amortization is not consider on this graph. (It presumes that the outstanding amount at the end of 7th period will be repaid on maturity)

8th & 9th Period Earnings Guidance

in million yen

8th FP from February 1, 2014 to July 31, 2014

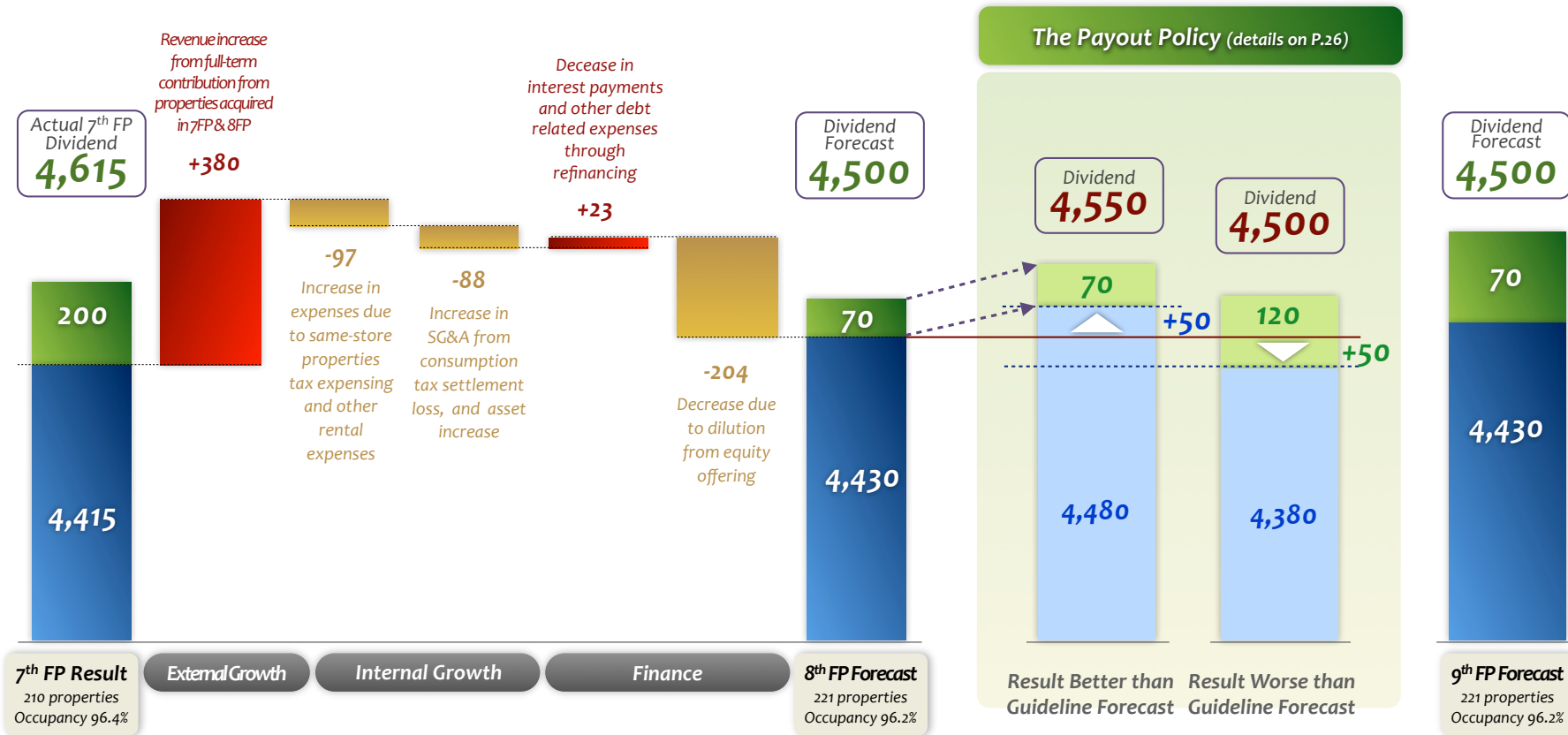
9th FP from August 1, 2014 to January 31, 2015

	(1) 7 th FP Result Jan. 31, 2014	(2) 8 th FP Forecast as of Mar. 12, 2014	Changes (2)-(1)	Notes		(3) 9 th FP Forecast as of Mar. 12, 2014	Changes (3) - (2)	Notes
Revenue	13,794 (210 properties) Period avg. occupancy 96.4%	14,542 (221 properties) Period avg. occupancy 96.2%	+747	Rent increase from 6 properties new in 7FP +133 Rent increase from 11 properties from 8FP +603 Rent income from same-store 204 properties +11 (peak season increases in key money and renewals) (+25) (decrease from lower occupancy) (-14)		14,479 (221 properties) Period avg. occupancy 96.2%	-63	Off-peak decrease in key money and renewals -63
Operating Income	7,136 (Depreciation: 2,332) (Property taxes: 659)	7,388 (Depreciation: 2,447) (Property taxes: 705)	+252	Rent business expense increases Increase due to 6FP&7FP property increase -126 2013 acquisitions' property tax expensing -38 Peak season rise in leasing expenses -100 Increase in depreciation due to acquisitions -116 SG&A Consumption tax settlement loss & increase due to external growth -115		7,328 (Depreciation: 2,448) (Property taxes: 750)	-60	Rent business expense increases 2013 acquisitions' property tax expensing -45 Off-Peak decrease in leasing expenses +76 SG&A Consumption tax settlement loss & increase due to external growth -28
Ordinary Income	5,475 (Funding cost: 1,624)	5,760 (Funding cost: 1,604)	+284	Decrease in interest payments & other financial expenses +40 Equity financing expenses -8		5,760 (Funding cost: 1,560)	+0	Decreases in interest payments due to refinancing +60
Net Income	5,475	5,759	+284			5,759	+0	
EPU (yen)	4,415	4,430	+15			4,430	0	
FFO per Unit (yen)	6,298	6,315	+17			6,316	+1	
Appraisal LTV	52.3%	51.0%	-1.3%			51.0%	-	
Net Income	5,475	5,759	+284			5,759	+0	
Drawdown of Retained Earnings	+) 247	+) 90	-157	Retained earnings after dividend: 33.6bn yen		+) 90	-0	Retained earnings after dividend: 33.5bn yen
Dividend Amount	=) 5,722	=) 5,850	-127	Units issued and outstanding 1,300,000units		=) 5,850	0	Units issued and outstanding 1,300,000units
Dividend per unit (yen)	4,615	4,500	-115	Please refer to page 30 for details on the payout policy.		4,500	0	Please refer to page 30 for details on the payout policy.

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

8th & 9th Period Earnings Guidance

Growth in Normalized EPU Due to External Growth Financed Through Premium Priced PO



in per unit yen

Drawdown amount
Net Income

in million yen	7th FP Result (a)	8FP Forecast (b) ending July 2014	diff (b-a)	9FP Forecast (c) ending January 2015	diff (c-b)
Revenue	13,794	14,542	+747	14,479	-63
Operating income	7,136	7,388	+252	7,328	-60
Ordinary income	5,475	5,760	+284	5,760	0
Net income	5,475	5,759	+284	5,759	0
Earnings per unit (yen)	4,415	4,430	+15	4,430	0
Dividend per unit (yen)	4,615	4,500	-115	4,500	0



Appendix on Financial Results

Balance Sheet

7 th Fiscal Period (January 31, 2014)		in thousand yen
Assets		
Current assets		
Cash and deposits	13,836,485	
Cash and deposits in trust	7,600,752	
Operating accounts receivables	293,941	
Short-term investment securities	—	
Prepaid expenses	330,726	
Consumption tax receivables	—	
Other	17,393	
Allowance for doubtful accounts	△ 16,468	
Current assets	22,062,830	
Fixed assets		
Property, plant and equipment		
Buildings	68,890,681	
Structures	14,902	
Machinery and equipment	19,379	
Tools, furniture and fixtures	52,891	
Land	71,429,166	
Buildings in trust	116,473,616	
Structures in trust	86,418	
Machinery and equipment in trust	86,747	
Tools, furniture and fixtures in trust	193,746	
Land in trust	133,305,012	
Construction in progress	54,101	
Property, plant and equipment	390,606,665	
Intangible assets		
Leasehold right	1,071,902	
Leasehold right in trust	1,751,777	
Other	7,188	
Intangible assets	2,830,868	
Investments and other assets		
Securities investments	1,031,787	
Long-term prepaid expenses	642,400	
Guarantee deposits	463,559	
Guarantee deposits in trust	995,717	
Other	1,602	
Investments and other assets	3,135,067	
Fixed assets	396,572,601	
Deferred assets		
Investment unit issuance expenses	19,544	
Investment corporation bond issuance costs	130,496	
Deferred assets	150,040	
Total Assets	418,785,472	

7 th Fiscal Period (January 31, 2014)		in thousand yen
Liabilities		
Current liabilities		
Operating accounts payable	211,104	
Short-term loans payable	2,560,000	
Current portion of long-term loans payable	28,271,133	
Accounts payable-other	1,147,912	
Accrued expenses	206,116	
Accrued consumption taxes	33,246	
Advances received	64,135	
Other	40,438	
Current liabilities	32,534,086	
Long-term liabilities		
Investment corporation bond	35,000,000	
Long-term loans payable	152,278,462	
Tenant leasehold and security deposits	1,248,074	
Tenant leasehold and security deposits in trust	2,498,350	
Long-term deposits received	4,300	
Other	1,360	
Long-term liabilities	191,030,548	
Liabilities	223,564,634	
Net assets		
Unitholders' equity		
Unitholders' capital, gross	102,557,018	
Surplus		
Capital surplus	53,220,279	
Reserve for dividend	33,968,500	
Unappropriated retained earnings (undisposed loss)	5,475,039	
Surplus	92,663,819	
Unitholders' equity	195,220,837	
Net assets	195,220,837	
Liabilities and net assets	418,785,472	

Profit and Loss Statement

7 th Fiscal Period (from August. 1, 2013 to January. 31, 2014)		in thousand yen
Operating revenue		
Rent revenue-real estate		13,756,780
Dividend income		37,871
Operating revenue		13,794,651
Operating expenses		
Expenses related to rent business		5,366,603
Asset management fee		894,492
Asset custody fee		9,207
Administrative service fees		64,479
Directors' compensations		2,400
Taxes and dues		134,167
Provision of allowance for doubtful accounts		—
Bad debts expenses		329
Other operating expenses		186,697
Operating expenses		6,658,377
Operating income		7,136,274
Non-operating income		
Interest income		10,137
Interest on securities		1,231
Reversal of distributions payable		16
Reversal of allowance for doubtful accounts		1,050
Other		249
Non-operating income		12,685
Non-operating expenses		
Interest expenses		1,173,832
Interest expenses on investment corporation bonds		193,786
Amortization of investment unit issuance expenses		4,324
Amortization of investment corporation bond issuance costs		17,189
Investment unit issuance expenses		6,836
Borrowing related expenses		256,629
Other		20,716
Non-operating expenses		1,673,315
Ordinary income		5,475,644
Income before income taxes		5,475,644
Income taxes-current		605
Income taxes		605
Net income		5,475,039
Unappropriated retained earnings (undisposed loss)		5,475,039

7 th Fiscal Period (from August. 1, 2013 to January. 31, 2014)		in thousand yen
A. Revenue from Property Leasing		
Rental		
Rent income		12,411,796
Facility charge		526,733
Parking fee		413,966
Subtotal		13,352,496
Other revenues related to property leasing		
Income from leasing rights, etc.		36,533
Miscellaneous income		367,750
Subtotal		404,283
Total revenues from property leasing		13,756,780
B. Rental Expenses		
Taxes and Duties		659,792
Property management fees		937,336
Utilities		262,130
Repairs and maintenance		387,545
Insurance		25,522
Trust fee		58,352
Other rental expenses		703,909
Depreciation and amortization		2,332,014
Total rental expenses		5,366,603
C. Operating Income from Property Leasing Activities (A-B)		8,390,176

Cash Flow Statement

7 th Fiscal Period (from August. 1, 2013 to January. 31, 2014)		in thousand yen
Net cash provided by (used in) operating activities		
Income before income taxes		5,475,644
Depreciation and amortization		2,335,039
Amortization of investment unit issuance expenses		4,324
Amortization of investment corporation bond issuance costs		17,189
Other offering costs associated with the issuance of investment units		6,836
Increase (decrease) in allowance for doubtful accounts		-6,454
Interest income		-11,368
Interest expenses		1,173,832
Interest expenses on investment corporation bonds		193,786
Decrease (increase) in operating accounts receivables		23,328
Decrease (increase) in consumption tax receivables		45,609
Decrease (increase) in prepaid expenses		127,049
Increase (decrease) in accrued consumption taxes		33,246
Increase (decrease) in operating accounts payable		6,323
Increase (decrease) in accounts payable-other		62,173
Increase (decrease) in accrued expenses		24,174
Increase (decrease) in advances received		-3,156
Decrease (increase) in long-term prepaid expenses		9,660
Other		246
Subtotal		9,517,486
Interest income received		3,942
Interest expenses paid		-1,359,588
Income taxes paid		1,941
Net cash provided by (used in) operating activities		8,163,781

7 th Fiscal Period (from August. 1, 2013 to January. 31, 2014)		in thousand yen
Net cash provided by (used in) investing activities		
Payments into time deposits		-5,000,000
Proceeds from withdrawal of time deposits		-
Purchase of short-term investment securities		-
Proceeds from sales of short-term investment securities		5,200,000
Purchase of property, plant and equipment		-1,685,706
Purchase of property, plant and equipment in trust		-7,063,782
Purchase of intangible fixed assets in trust		-
Proceeds from tenant leasehold and security deposits		-5,927
Proceeds from tenant leasehold and security deposits in trust		15,227
Payments of leasehold and security deposits in trust		-
Purchase of Securities Investment		-126,557
Proceeds from withdrawal of of investment securities		25,715
Repayments of long-term deposits received		-6,348
Net cash provided by (used in) investing activities		-8,647,378
Net cash provided by (used in) financing activities		
Increase in short-term loans payable		2,560,000
Decrease in short-term loans payable		-
Proceeds from long-term loans payable		15,860,000
Repayment of long-term loans payable		-12,570,716
Proceeds from investment corporation bond issuance		2,000,000
Payments for investment corporation bond issuance costs		-14,444
Proceeds from issuance of investment units		-
Payments for investment unit issuance expenses		-
Other offering costs associated with the issuance of investment units		-744
Repayments of finance lease obligations		-2,721
Dividends paid		-5,694,952
Net cash provided by (used in) financing activities		2,136,421
Net increase (decrease) in cash and cash equivalents		1,652,825
Fiscal period start cash and cash equivalents		14,784,412
Fiscal period end cash and cash equivalents		16,437,238

The Payout Policy

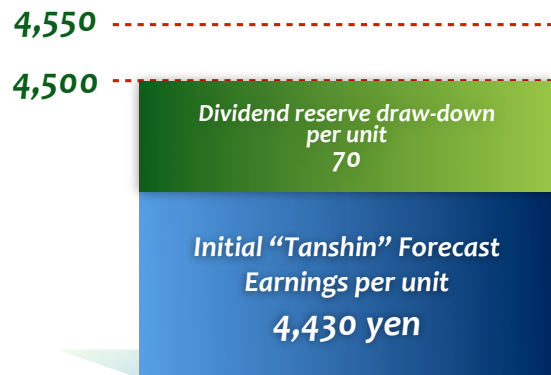
Stable Payout with an Upside Potential

Under the new payout policy, ADR will continue to stabilize dividends by using reserve for dividends as before, but when the management performance is solid, dividends will be increased by how much the result beats the “Tanshin” forecast.

Forecast

“Tanshin” Forecast

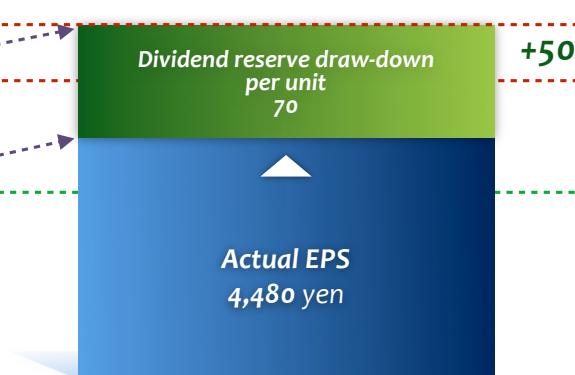
Earnings per share **4,430** yen
Reserve draw-down per share **70** yen
Dividend per share **4,500** yen



Result

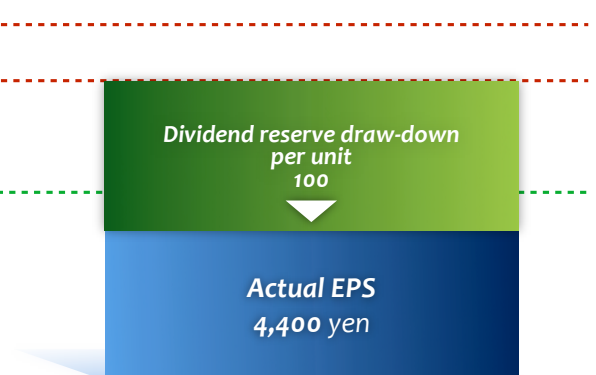
IF the result beats the forecast

Assuming the actual EPS result is **4,480** yen
beating the forecast by **50** yen
dividend will increase by **50** yen
to **4,550** yen



IF the result is lower than the forecast

Assuming the actual EPS result is **4,400** yen
Reserve draw-down increased to **100** yen
dividend will remain at **4,500** yen



The actual dividends will be decided by the ADR’s board based on a comprehensive consideration of such factors as the amount exceeding the forecast net income per investment unit announced in the previous fiscal period’s “tanshin” (an abridgment of business performance), increase/decrease in rent and status of occupancy of portfolio, status of cash reserves, level of LTV, debt costs and balance of reserve for dividends.



Appendix on External Growth

Occupancy by Unit-type & Rent Level

Greater Tokyo Area

Single Type Units

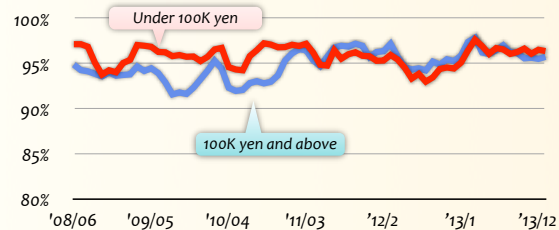
Occupancies are stable in all rent levels.

% share by location

Under 100K yen 8.8%

100K yen and above 7.5%

16.2%



Family & Large Type Units

Volatilities in occupancies are highest in rents above 250K yen.

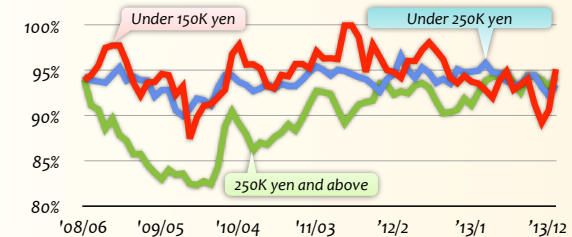
% share by location

Under 150K yen 1.2%

Under 250K yen 10.0%

250K yen and above 6.8%

18.0%



Compact Type Units

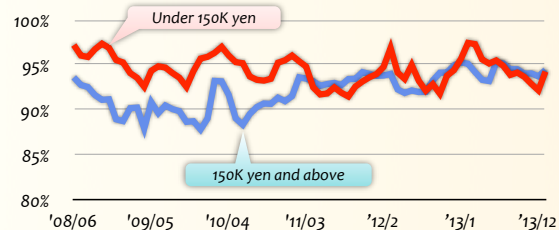
The differences in volatility in occupancies are smaller between the rent level in recent fiscal periods.

% share by location

Under 150K yen 3.7%

150K yen and above 10.8%

14.5%



Regional Areas

All Unit Types

Volatilities in occupancies are relatively more stable in rent levels under 150K yen.

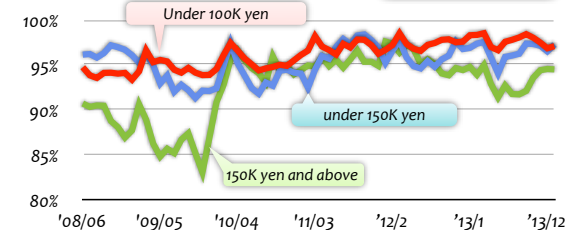
% share by location

Under 100K yen 10.6%

Under 150K yen 6.7%

150K yen and above 2.9%

20.3%



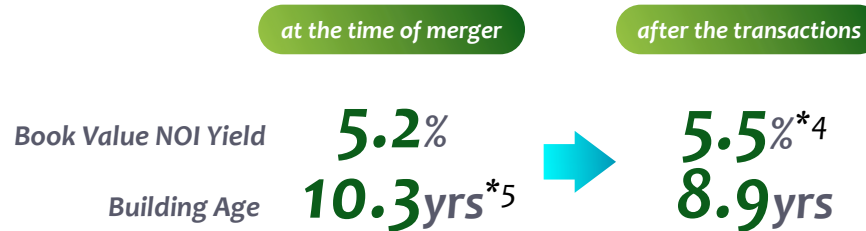
* 69.0% of units of the total portfolio are included in the above figures and charts. Guaranteed rent units, commercial units such as offices and stores are excluded. % share by locations are percentage share of the total portfolio rentable area at the end of 7th fiscal period.

Building a High Quality Portfolio

Acquisitions and Dispositions Since the Merger

	Acquisitions	Dispositions
No. of Properties	69	36
Total Value (Acquisition Price)	111.0 bn yen	39.3 bn yen
Weighted Average NOI Yield	6.0%* ₁	4.9%* ₂
Weighted Average Building Age* ₃	4.4 yrs	9.9 yrs

Improving Yield and Reducing Average Age



Balanced and Diversified Acquisition Sources

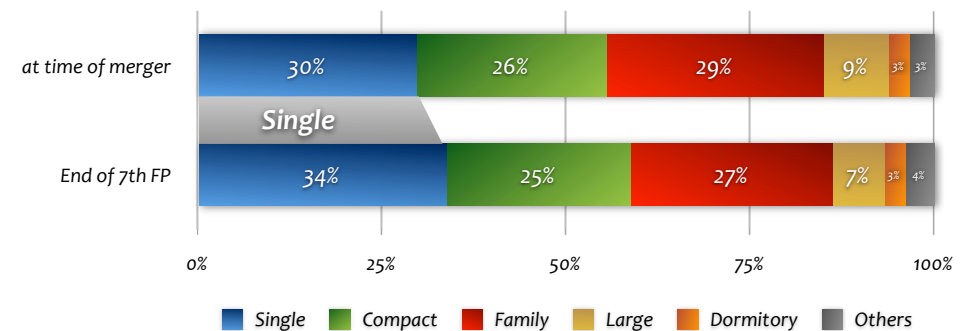
Transactions since the Merger	The Sponsor Group* _{6,7}	Bridge Funds* ₈	Third party and Others	Total
No. of Properties	14	23	32	69
Total Acquisition Value (bn yen)	23.6	33.1	54.3	111.0
Share of Sources	21.3%	29.9%	48.9%	100.0%

Acquisition Focused on Single-type Units in Central Tokyo and Regional Cities

in number of residential units

	Single	Compact	Family	Large	Dormitory	Others	Total
Tokyo Central 7 Wards	+484	-14	-32	-52	0	+9	+395
Central Tokyo ex 7	+1,222	+476	+370	+11	0	+8	+2,087
Tokyo Metropolitan	+241	-18	-72	0	+172	-2	+321
Major Regional Cities	+1,234	+470	+236	+55	0	-2	+1,993
Total	+3,181	+914	+502	+14	+172	+13	+4,796

Unit-type Ratio (based on rentable space)



The figures in this slide are all based on data as of February 6, 2014.

*₁ Weighted average NOI yield of acquisitions

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

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

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

*₄ The following figures are used to calculate the Book Value NOI Yield. Annualized NOI ÷ 7th FP end book value, where the NOI is annualized using the actual days in operation during the 7th FP. For the asset acquired between after 7th FP end and February 6, 2014, the appraisal NOI is used for annualized NOI and the acquisition price is used for book value.

*₅ Weighted Average age of buildings held at the time of merger as of February 6, 2014.

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

*₇ The assets acquired from the **Sponsor Group** includes 9 properties developed by the **Sponsor Group** and 5 properties which were not developed but warehoused according to Advance Residence's request. The 9 properties' acquisition price total is 16.1 billion yen. The 5 properties' acquisition price total is 7.4 billion yen.

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

7th & 8th Fiscal Period New Acquisitions

(including to-be acquired assets)

	Total	Tokyo Central 7 Wards	Central Tokyo ex 7	Major Regional Cities
Properties	17	4	6	7
Acquisition price (million yen)	23,775	8,585	4,983	10,187
Share	100.0%	36.1%	21.0%	42.9%
Weighted average NOI yield	6.1%	5.4%	5.8%	6.7%
Weighted average building age (as of acquired date)	6.4yrs	5.6yrs	6.5yrs	6.9yrs
No. of rentable units	1,437	350	378	709

P-96 RESIDIA Nakaochiai

Source: Market



Area	Tokyo Central 7 Wards
Location	Shinjuku-ku, Tokyo
Acquisition price	3,656million yen
Appraisal price	3,870million yen
NOI yield	5.3%
No. of rentable units	187units
Completion date	March 2008

P-97 RESIDIA Nakameguro II

Source: Bridge Fund



Area	Tokyo Central 7 Wards
Location	Meguro-ku, Tokyo
Acquisition price	1,119million yen
Appraisal price	1,210million yen
NOI yield	5.3%
No. of rentable units	50units
Completion date	August 2006

P-98 ARTIS COURT Minamiaoyama

Source: Bridge Fund



Area	Tokyo Central 7 Wards
Location	Minato-ku, Tokyo
Acquisition price	1,720million yen
Appraisal price	1,790million yen
NOI yield	5.0%
No. of rentable units	23units
Completion date	July 2008

P-99 RESIDIA Yotsuya-Sanchome

Source: Bridge Fund



Area	Tokyo Central 7 Wards
Location	Shinjuku-ku, Tokyo
Acquisition price	2,090million yen
Appraisal price	2,430million yen
NOI yield	5.8%
No. of rentable units	90units
Completion date	May 2009

C-66 RESIDIA Takashimadaira

Source: Market



Area	Central Tokyo ex 7
Location	Itabashi-ku, Tokyo
Acquisition price	502million yen
Appraisal price	555million yen
NOI yield	6.0%
No. of rentable units	45units
Completion date	February 2007

C-67 RESIDIA Shimurasakaue

Source: Market



Area	Central Tokyo ex 7
Location	Itabashi-ku, Tokyo
Acquisition price	580million yen
Appraisal price	633million yen
NOI yield	5.8%
No. of rentable units	44units
Completion date	February 2007

C-68 RESIDIA Shimurasakaue II

Source: Market



Area	Central Tokyo ex 7
Location	Itabashi-ku, Tokyo
Acquisition price	1,093million yen
Appraisal price	1,250million yen
NOI yield	6.2%
No. of rentable units	94units
Completion date	March 2007

C-69 RESIDIA Shimurasakaue III

Source: Market



Area	Central Tokyo ex 7
Location	Itabashi-ku, Tokyo
Acquisition price	411million yen
Appraisal price	456million yen
NOI yield	6.0%
No. of rentable units	36units
Completion date	March 2007

- * Names of properties will be changed to the listed names.
- * Acquisition prices are rounded down to the nearest million. The appraisal price at the time of acquisition is listed.
- * NOI yields = appraisal NOI ÷ acquisition price × 100%

7th & 8th Fiscal Period New Acquisitions

(including to-be acquired assets)

C-70 RESIDIA Ikebukuro West

Source: Bridge Fund



Area	Central Tokyo ex7
Location	Itabashi-ku, Tokyo
Acquisition price	1,115million yen
Appraisal price	1,180million yen
NOI yield	5.7%
No. of rentable units	72units
Completion date	October 2007

C-71 RESIDIA Ojima

Source: Bridge Fund



Area	Central Tokyo ex7
Location	Koto-ku, Tokyo
Acquisition price	1,282million yen
Appraisal price	1,340million yen
NOI yield	5.6%
No. of rentable units	87units
Completion date	November 2007

R-52 RESIDIA TOWER Sendai

Source: Market



Area	Major Regional Cities
Location	Sendai-shi, Miyagi
Acquisition price	1,705million yen
Appraisal price	1,750million yen
NOI yield	6.2%
No. of rentable units	67units
Completion date	January 2008

R-53 RESIDIA Higashizakura II

Source: Bridge Fund



Area	Major Regional Cities
Location	Nagoya-shi, Aichi
Acquisition price	2,862million yen
Appraisal price	3,380million yen
NOI yield	6.8%
No. of rentable units	127units
Completion date	February 2006

R-54 RESIDIA Tsutsujigaoka

Source: Bridge Fund



Area	Major Regional Cities
Location	Sendai-shi, Miyagi
Acquisition price	1,796million yen
Appraisal price	2,000million yen
NOI yield	6.9%
No. of rentable units	168units
Completion date	November 2006

R-55 RESIDIA Kobe-Motomachi

Source: Bridge Fund



Area	Major Regional Cities
Location	Kobe-shi, Hyogo
Acquisition price	1,052million yen
Appraisal price	1,140million yen
NOI yield	6.4%
No. of rentable units	85units
Completion date	January 2007

R-56 RESIDIA Sendai-Honcho

Source: Bridge Fund



Area	Major Regional Cities
Location	Sendai-shi, Miyagi
Acquisition price	1,117million yen
Appraisal price	1,330million yen
NOI yield	7.1%
No. of rentable units	105units
Completion date	June 2007

R-57 RESIDIA Sendai-Haranomachi

Source: Bridge Fund



Area	Major Regional Cities
Location	Sendai-shi, Miyagi
Acquisition price	593million yen
Appraisal price	708million yen
NOI yield	7.5%
No. of rentable units	72units
Completion date	September 2007

R-58 RESIDIA Minami-Ichijo East

Source: Bridge Fund



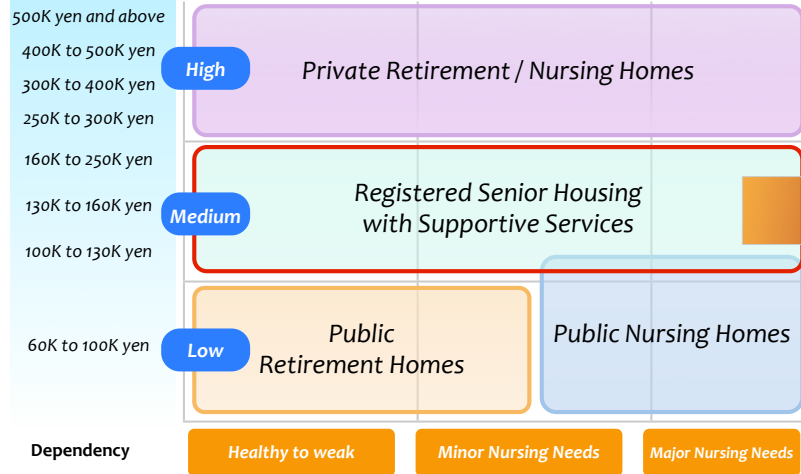
Area	Major Regional Cities
Location	Sapporo-shi, Hokkaido
Acquisition price	1,062million yen
Appraisal price	1,150million yen
NOI yield	6.6%
No. of rentable units	85units
Completion date	January 2008

- * P-96 RESIDIA Nakaochiai is a to-be-acquired property. Scheduled acquisition date is Sept. 13, 2013. As of Sept. 10, 2013, the property is not yet acquired.
- * Names of properties will be changed to the listed names.
- * Acquisition prices are rounded down to the nearest million. The appraisal price at the time of acquisition is listed.
- * NOI yields = appraisal NOI ÷ acquisition price × 100%

Senior Housing Market

First J-REIT to Invest in Registered Senior Housing with Supportive Services

Level of Out-of-pocket
Monthly Burden



S-29 Cocofump Hiyoshi 7FP Actual NOI Yield **7.0%**



Area	Tokyo Metropolitan
Location	Yokohama, Kanagawa
Acquisition price	1,050 million yen
No. of rentable units	85 units
Operator	Gakken Cocofump Corporation

Highly Rated Points

- **Good Transportation and good living environment**
(8min. walk to Yokohama Municipal Subway Green Line Hiyoshi-honcho Station)
- **Capable of providing comprehensive medical and nursing services at the attached facility**
(day care, home care, pharmacy and medical clinic, etc.)
- **Facility operator, Gakken Cocofump Corporation being part of a TSE 1st section listed company group**
- **Affordable move-in fee (2 month deposit), having a relatively low rent burden**

Gakken Cocofump Corporation is a leading operator of Registered Senior Housing with Supportive Services (RSHSS). It has a solid track record from operating **38 RSHSS** mainly within the Tokyo metropolitan region.

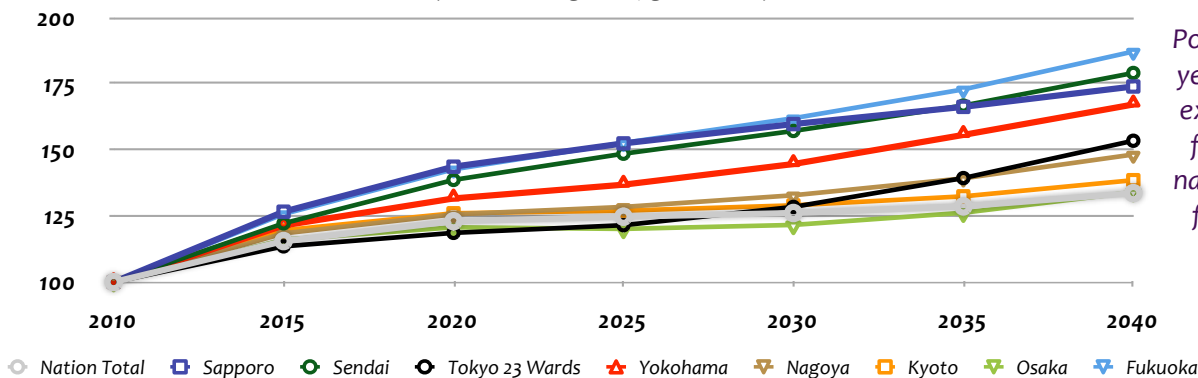
Parent Company: Gakken Cocofump Holdings Co., Ltd.
(Listed company on the TSE 1st Section)

Main Business: Planning, developing, operating RSHSS and providing other senior nursing related services.

Growing Senior Housing Market

Population trend of 65 years or older

(Indexed using 2010 figure as 100)



Population of 65 years or older is expected to grow for the whole nation as well as for the major cities

(Source: National Institute of Population and Social Security Research, figures as of March 2013)

Private Nursing Home Holding

S-22 Life & Senior House Kohoku 2

7FP Actual NOI Yield **7.5%**



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

Dormitories and Student Apartments

as of Feb. 6, 2014

No. of properties	Actual NOI yield	Occupancy (Residential portion)	No of rentable units	Total of acquisition price	Investment ratio of portfolio
15 properties	7.0%	100% <small>* due to guaranteed rent contract</small>	2,317 units	18,506 million yen	4.4%

* Actual NOI yield = 7th FP actual annualized NOI ÷ book value × 100%.

Dormitories*¹

*1 Dormitories are apartments either have common bathrooms or laundry spaces within in the property and offer meals

S-1 TOKYO Student-House Hiyoshidai

* Quake-proofing renovation in 2002



Actual NOI yield 10.8%

Location	Yokohama-shi, Kanagawa
No of units	920units
Completion Date	Mar. 1969
Main Univ.	Keio University

S-11 TOKYO Student-House Wako



Actual NOI yield 6.1%

Location	Wako-shi, Saitama
No of units	127units
Completion Date	Apr. 1990
Main Univ.	Waseda university

S-23 College Court Tanashi



Actual NOI yield 7.4%

Location	Nishitokyo-shi, Tokyo
No of units	91units
Completion Date	Feb. 2010
Main Univ.	Waseda university

P-3 RESIDIA Nakameguro



Actual NOI yield 5.7%

Location	Meguro-ku, Tokyo
No of units	88units
Completion Date	Feb. 2005
Main Univ.	The University of the Sacred Heart Keio University

P-85 RESIDIA Komazawa



Actual NOI yield 5.9%

Location	Setagaya-ku, Tokyo
No of units	59units
Completion Date	Oct. 2008
Main Univ.	Komazawa University Aoyama Gakuin University

C-28 RESIDIA Oji



Actual NOI yield 6.3%

Location	Kita-ku, Tokyo
No of units	61units
Completion Date	Feb. 2005
Main Univ.	Tokyo University

C-50 RESIDIA Shin Itabashi



Actual NOI yield 6.2%

Location	Itabashi-ku, Tokyo
No of units	67units
Completion Date	Aug. 2009
Main Univ.	Teikyo University Toyo university

Student apartments*²

*2 Student apartments are normal apartments where the tenants are exclusively students.

C-66 RESIDIA Takashimadaira



Actual NOI yield 6.2%

Location	Itabashi-ku, Tokyo
No. of rentable units	45units
Completion date	Feb. 2007
Main Univ.	Toyo University Nippon University

C-67 RESIDIA Shimurasakaue



Actual NOI yield 5.7%

Location	Itabashi-ku, Tokyo
No. of rentable units	44units
Completion date	Feb. 2007
Main Univ.	Toyo University Nippon University

C-68 RESIDIA Shimurasakaue II



Actual NOI yield 6.0%

Location	Itabashi-ku, Tokyo
No. of rentable units	94units
Completion date	Mar. 2007
Main Univ.	Toyo University Nippon University

C-69 RESIDIA Shimurasakaue III



Actual NOI yield 6.1%

Location	Itabashi-ku, Tokyo
No. of rentable units	36units
Completion date	Mar. 2007
Main Univ.	Toyo University Nippon University

S-15 RESIDIA Okurayama



Actual NOI yield 6.1%

Location	Yokohama-shi, Kanagawa
No of units	64units
Completion Date	Mar. 1998
Main Univ.	Kanagawa University Teikyo University

R-2 RESIDIA Imadegawa



Actual NOI yield 6.9%

Location	Kyoto-shi, Kyoto
No of units	154units
Completion Date	Feb. 1999
Main Univ.	Doshisha University

R-8 RESIDIA Kobe Port Island



Actual NOI yield 6.2%

Location	Kobe-shi, Hyogo
No of units	404units
Completion Date	Mar. 2008
Main Univ.	Kobe Gakuin University Kobe Women's University Hyogo University of Health Sciences

R-38 RESIDIA Hirose-dori



Actual NOI yield 7.6%

Location	Sendai, Miyagi
No of units	63units
Completion Date	Feb. 2010
Main Univ.	Tohoku University

Internal Migration Statistics

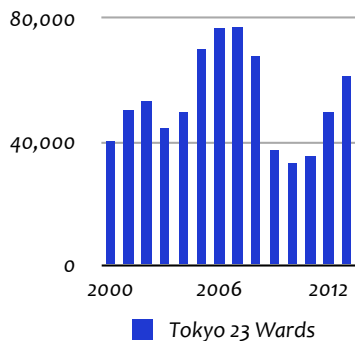
Population Inflow to Central Tokyo and Major Regional Cities Continues

Net Inflow is Pre-dominantly Younger Generation

Migration Statistics of Major Cities in Japan

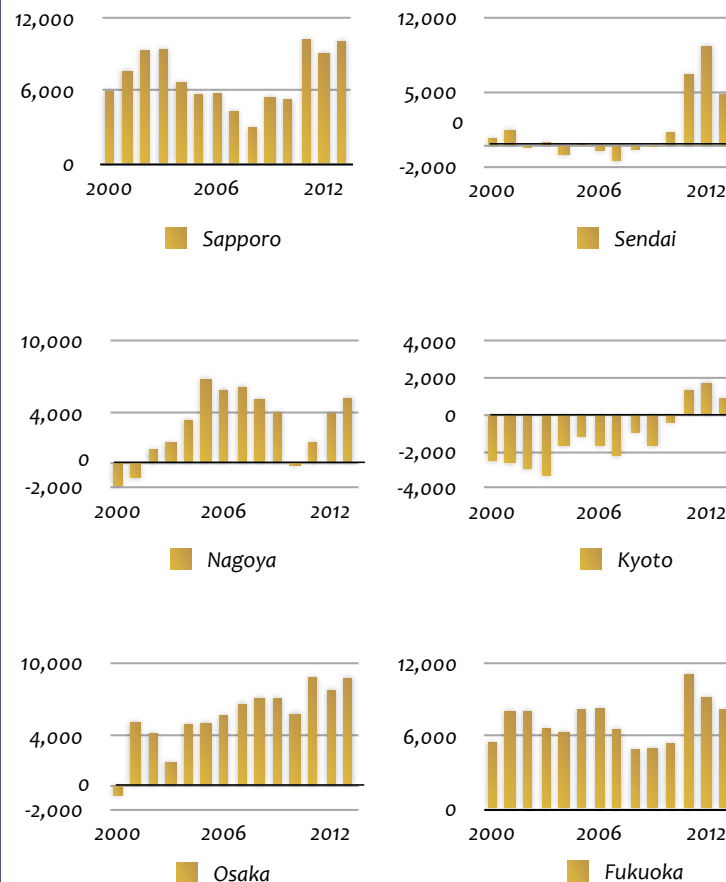
Tokyo 23 Wards

ADR's Investment Ratio 73%



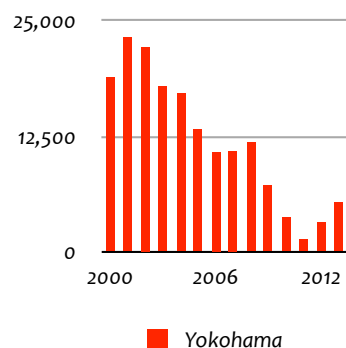
Major Regional Cities

ADR's Investment Ratio 17%



Cities in Tokyo Metropolitan Area

ADR's Investment Ratio 10%



Tokyo's Population Inflow by Age Group

Tokyo Prefecture

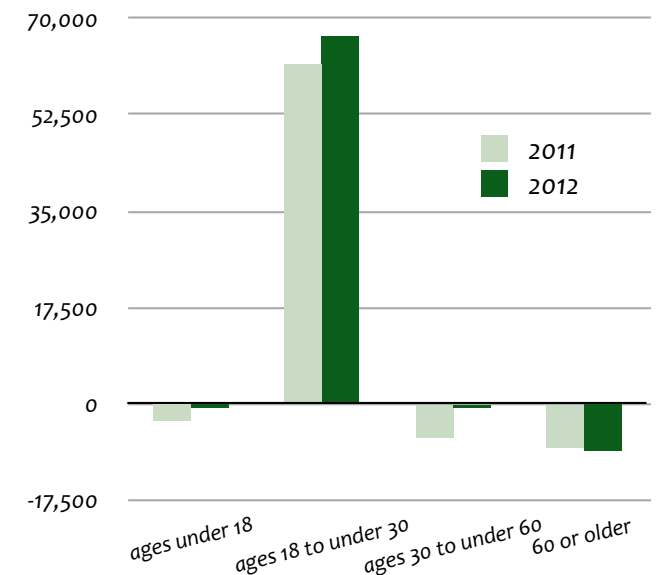
ADR's Investment Ratio* 45%

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

Residential
Needs of
Younger
Generation



Single & Compact
Type Units

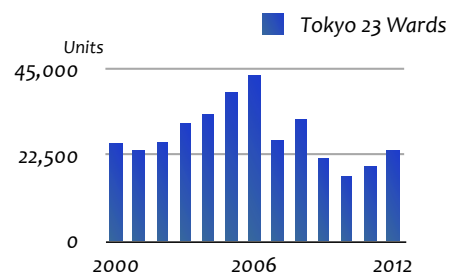


Source: "Report on Internal Migration in Japan" Statistics Bureau, Ministry of Internal Affairs and Communications(2013); "Report on Internal Migration" Statistics Division, Bureau of General Affairs, Tokyo Metropolitan (2012)

Housing Starts

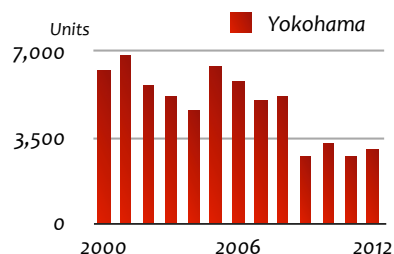
Housing Starts Halved from the Peak since Lehman Shock

Tokyo 23 Wards



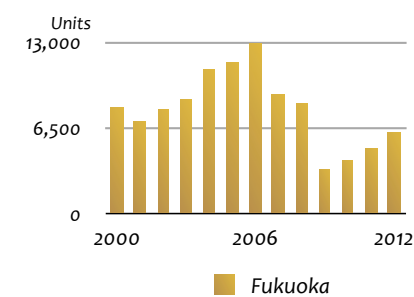
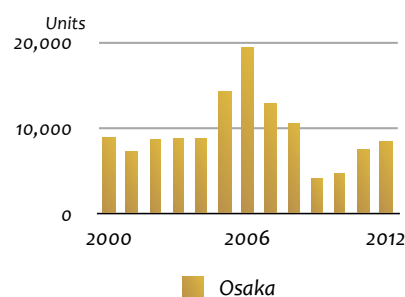
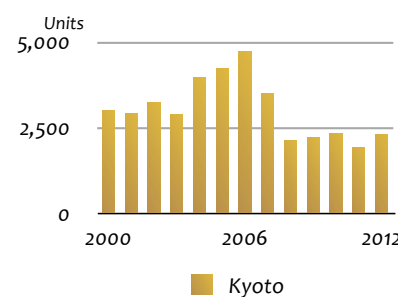
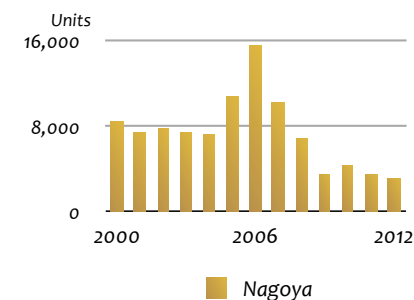
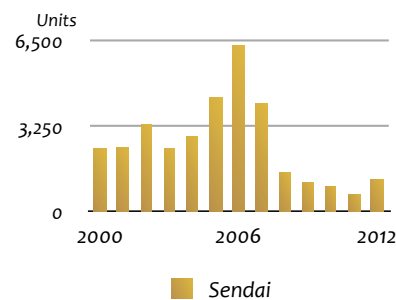
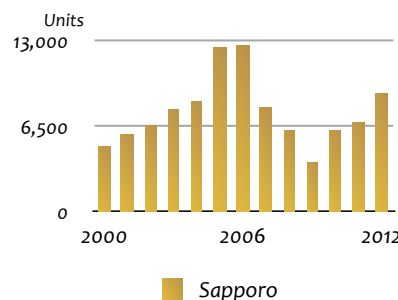
ADR's Investment Ratio in the Region
73%

Tokyo Metropolitan Area



ADR's Investment Ratio in the Region
10%

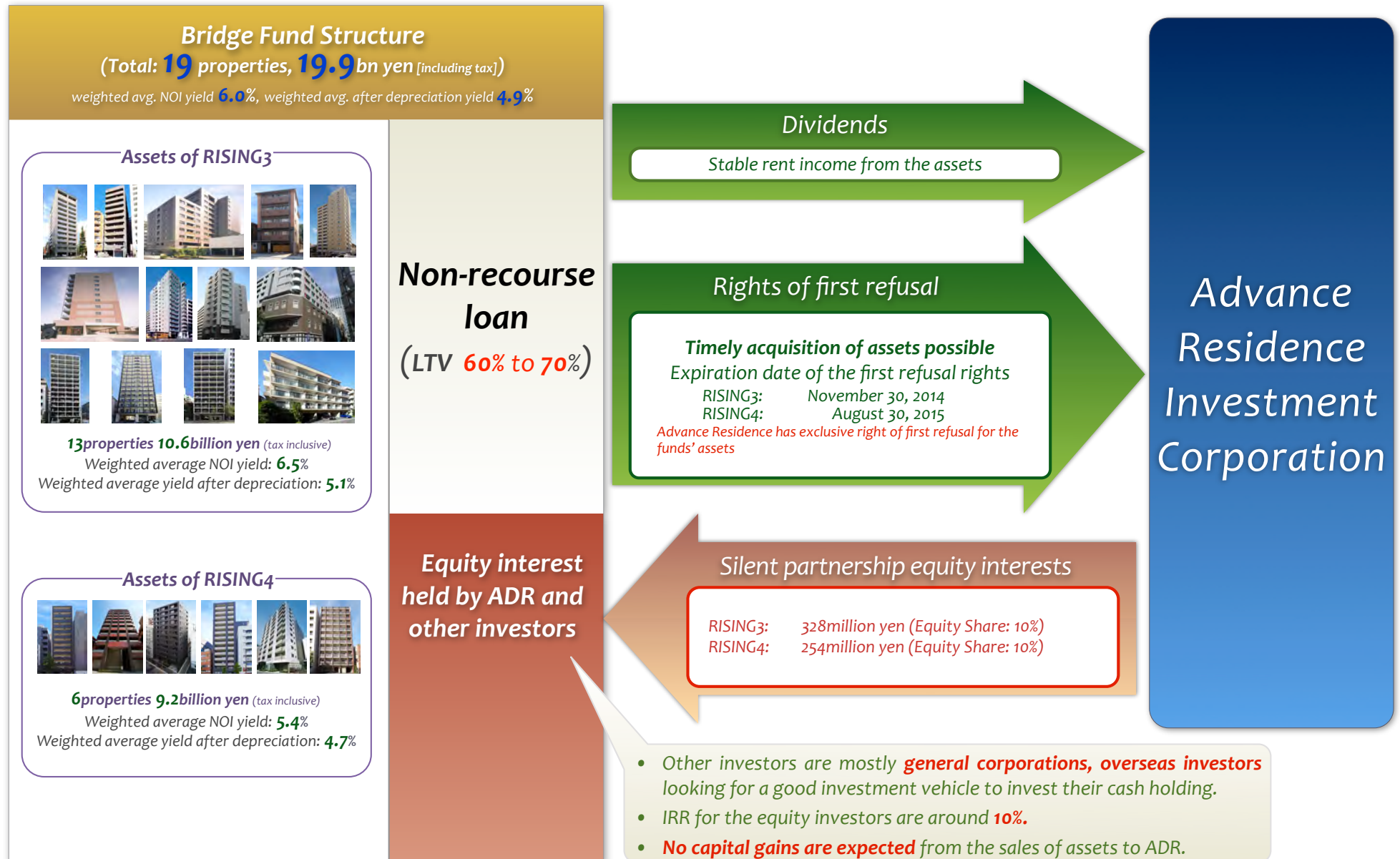
Major Regional Cities



ADR's Investment Ratio in the Region
17%

Source: Ministry of Land, Infrastructure, Transportation and Tourism, Policy Bureau, Information Policy Division, Construction Statistics Office "Housing Starts" (RC and SRC Construction Rented Collective Housing) (2012)

Bridge Funds (Warehousing Vehicles)



* Weighted average NOI yield = total annualized appraisal NOI at the time of equity interest investment ÷ right of first refusal acquisition price total × 100%

* Weighted average yield after depreciation = (total annualized appraisal NOI at the time of equity interest investment - total annualized depreciation) ÷ right of first refusal acquisition price total × 100%

Portfolio Diversification Policy

Investment Regions* ¹	Investment ratio* ²
Tokyo Central 7 Wards	40 ~ 60%
Central Tokyo ex 7 Wards	20 ~ 40%
Tokyo Metropolitan (ex. the 23 Wards)	5 ~ 20%
Major Regional Cities	5 ~ 20%

Unit types	Investment ratio* ³
Single	~ 50%
Compact	20 ~ 40%
Family	20 ~ 40%
Large	~ 10%

■ In addition to the above, we invest in the following unit type.

Unit types	Investment ratio* ³
Dormitory	up to 20%

*Note

1. Tokyo Central 7 Wards include Minato, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa. Tokyo Metropolitan (ex. the 23 Wards) include Tokyo (ex. the 23 Wards), Kanagawa, Saitama and Chiba. Major regional cities excluding cities located within Tokyo Metropolitan.
2. Investment ratios are calculated based on acquisition price.
3. Investment ratios are calculated based on leasable area.

Unit-type Definition

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

Floor plan

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

Dormitory Type Units

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

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

Unit types

S = Single Type Units
C = Compact Type Units
F = Family Type Units
L = Large Type Units

mostly for singles
 mostly for singles, couples or small families
 mostly for families
 mostly for foreign executives



Appendix on Internal Growth & Finance

Lowering Costs through Economy of Scale

Total cost reduction since the merger
7th fiscal period cost reduction

281 million yen / annum
23 million yen / annum

in million yen / annum

■ Property Management Fees

total	76
7 th Fiscal Period	7
1-6 th Fiscal Period	68

■ Appraisal Fees

total	51
7 th Fiscal Period	11
1-6 th Fiscal Period	39

■ Building Management Fees

total	60
7 th Fiscal Period	-
1-6 th Fiscal Period	60

■ Custodial Fees

total	37
7 th Fiscal Period	-
1-6 th Fiscal Period	37

■ Electricity Bill for Shared Spaces

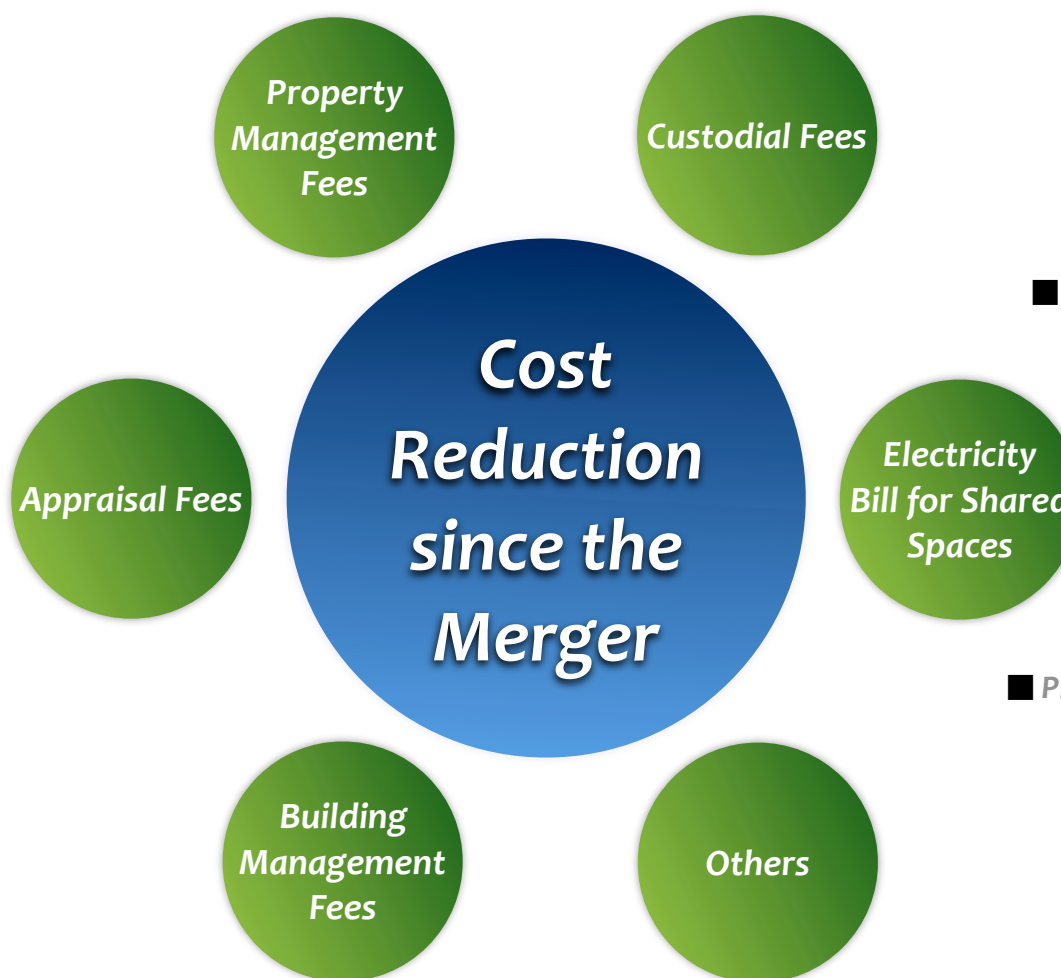
■ LED Lighting

total	43
7 th Fiscal Period	4
1-6 th Fiscal Period	38

■ Property Insurance Fees

■ Internet Provider

total	11
7 th Fiscal Period	-
1-6 th Fiscal Period	11



*All un-shown decimals are rounded down

Measures to Reduce Rent Declines Caused by Aging

Rent Decline due to Aging

Supply of new properties

Equipments become obsolete

Quality decline due to wearing

Change in tenants' needs



Gradual decline in Competitiveness

Measures taken to prevent or reduce rent declines

Building Maintenance

Daily Cleaning

Equipment Maintenance

Daily Repairs

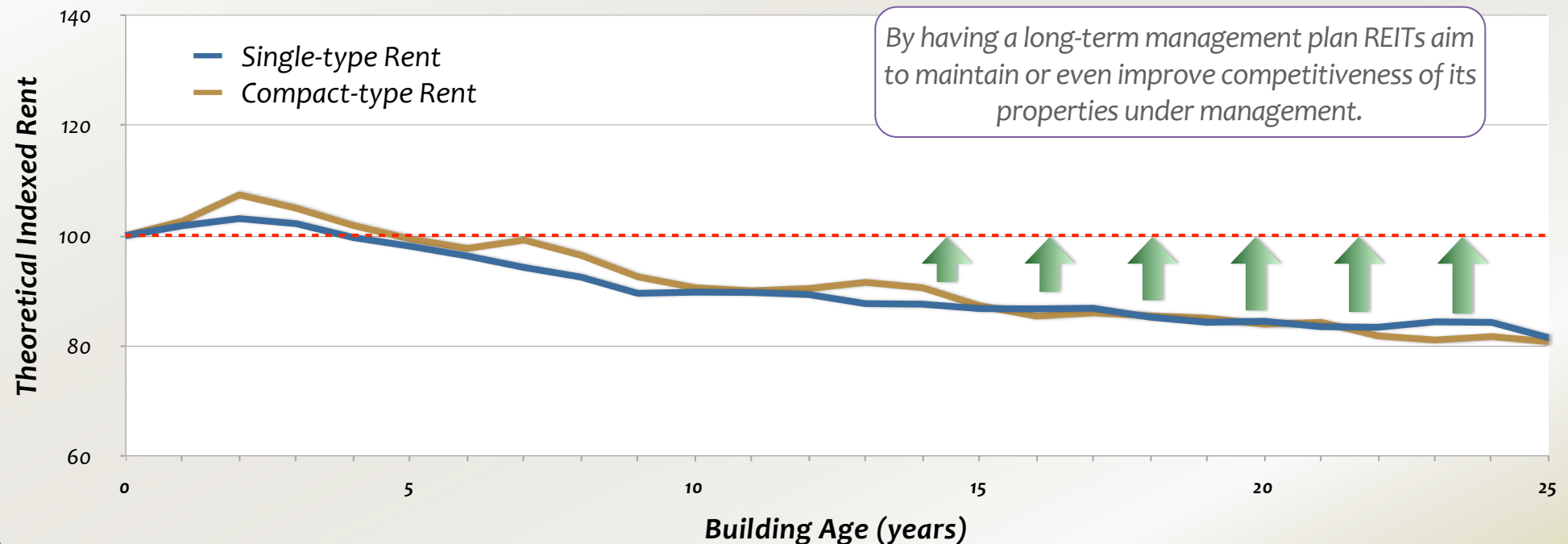
Timely Capital Expenditures

Large-scale renovations of common areas and exteriors

Renovations of individual apartment units



Providing living environment matching the tenants' needs



* Figures are indexed theoretical rent categorized by year and building age using actual rents provided by At Home Co., Ltd., of which Sumitomo Mitsui Trust Research Institute Co., Ltd. statistically processed using hedonic method.

* Analysis was conducted separately between rent data from single-type units (18m² to 30m²) and compact-type units (30m² to 60m²) of apartment in 23 wards of Tokyo.

Renovation Examples in ADR's Properties

By taking proper measures competitiveness can be maintained

Examples of Measures Taken

P-73 RESIDIA Shibaura

Building age 22 years

Common area renovation
Cost: 128 million yen

before



after

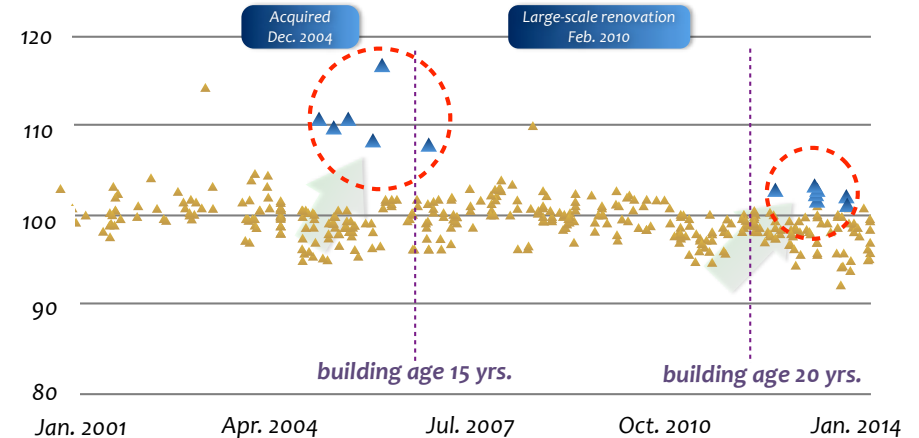
Individual apartment unit
upgrading renovations
Cost: 4,500 thousand yen/unit
(of which 1,231 thousand
yen is for the upgrade)

before



after

Impact of the measures taken



S-19 RESIDIA Kichijoji

Building age 18 years

Common area renovation
Cost: 32 million yen

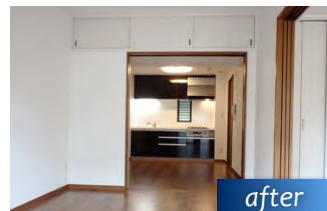
before



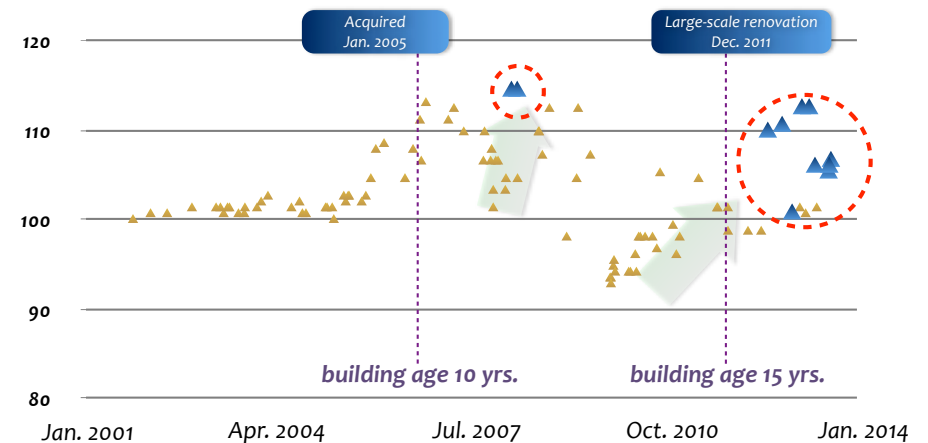
after

Individual apartment unit
upgrading renovations
Cost: 3,850 thousand yen/unit
(of which 1,097 thousand
yen is for the upgrade)

before



after



Brand Strategy

The Brand

RESIDENCE

×

ARCADIA

RESIDIA



204 properties

as of February 6, 2014

Tenant Service

RESIDIA Customer Support

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

Moving Support from RESIDIA to RESIDIA

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

KAJITAKU ~Tenant Service~

“KAJITAKU” provides housekeeping services.



×



Leasing Channel



RESIDIA Shibuya Building Sign

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

Lender Line-up

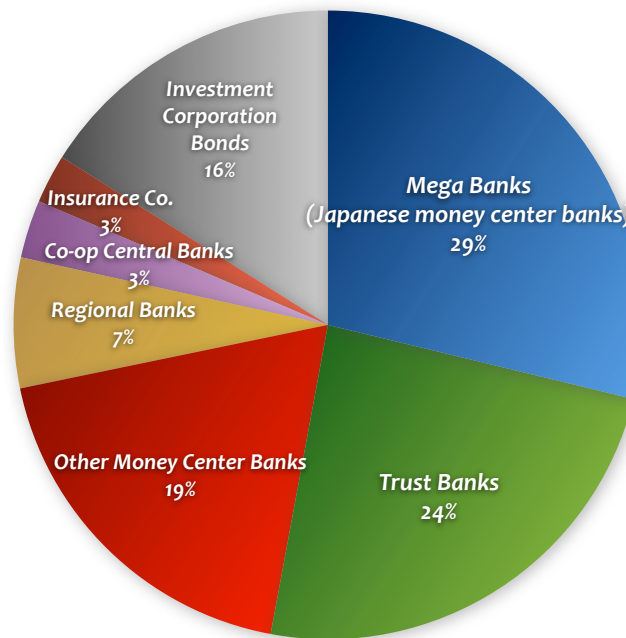
as of January 31, 2014

The Lineup of 23 Lenders Includes 3 mega banks, 3 major trust banks

* Lease liabilities are excluded from the debts in this slide.

Investment Corporation Bonds

Series	Outstanding Amount (bn yen)
ADR Bond #13	8.0
ADR Bond #14	2.0
ADR Bond #15	4.0
ADR Bond #16	4.0
ADR Bond #17	8.0
ADR Bond #18	4.0
ADR Bond #19	3.0
ADR Bond #20	2.0
Total	35.0



Total Interest Bearing Debt **218.1** billion yen

Loans

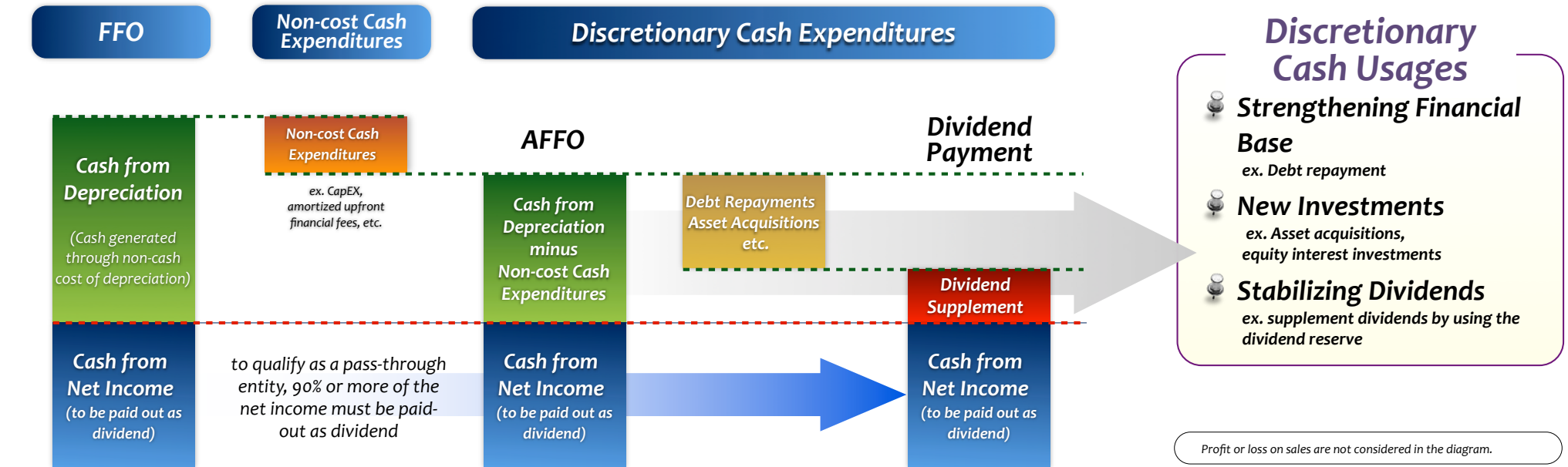
Lenders	Loan Outstanding (bn yen)	% share
Sumitomo Mitsui Trust Bank	27.3	14.9
The Bank of Tokyo-Mitsubishi UFJ	27.3	14.9
Mizuho Bank	17.7	9.7
Sumitomo Mitsui Banking Corporation	17.7	9.7
Mitsubishi UFJ Trust & Banking	15.6	8.6
Development Bank of Japan	14.1	7.8
Aozora Bank	12.5	6.8
Mizuho Trust & Banking	9.6	5.2
Resona Bank	9.1	5.0
The Norinchukin Bank	6.5	3.5
Shinsei Bank	5.1	2.8
The Bank of Fukuoka	5.0	2.7
Taiyo Life Insurance	3.0	1.6
The Nishi-Nippon City Bank	2.5	1.4
The Yamaguchi Bank	2.0	1.1
Tokio Marine & Nichido Fire Insurance	1.5	0.8
Mitsui Sumitomo Insurance	1.0	0.5
The Tokyo Tomin Bank	1.0	0.5
The Gunma Bank	1.0	0.5
The Kagawa Bank	1.0	0.5
The Hiroshima Bank	1.0	0.5
The Iyo Bank	0.6	0.3
The 77 Bank*	0.5	0.3
Total	183.1	100.0

* The 77 bank to join line up on September 2013

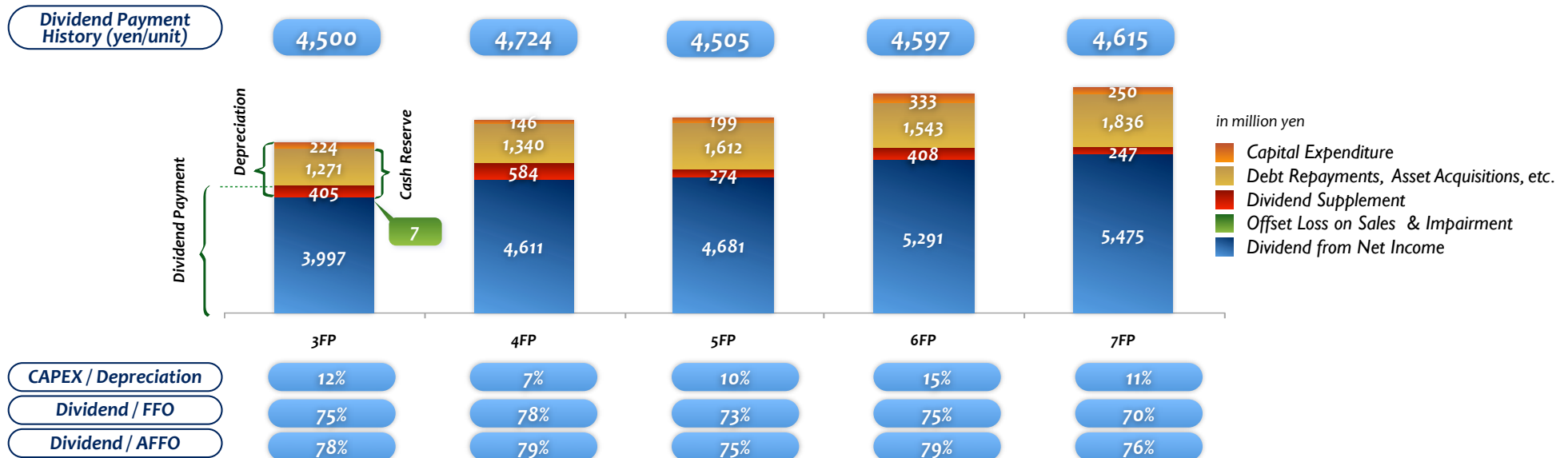
Committed Line of Credit

Term	Lenders	Outstanding Amount (bn yen)
3 y	Sumitomo Mitsui Trust Bank, The Bank of Tokyo-Mitsubishi UFJ	12.0
1 y	Mizuho Bank	4.0
1 y	Sumitomo Mitsui Banking Corporation	4.0
	Total	20.0

Cash Management



Stable Dividend Of 4,500yen Or More Has Been Paid Through Optimal Cash Management



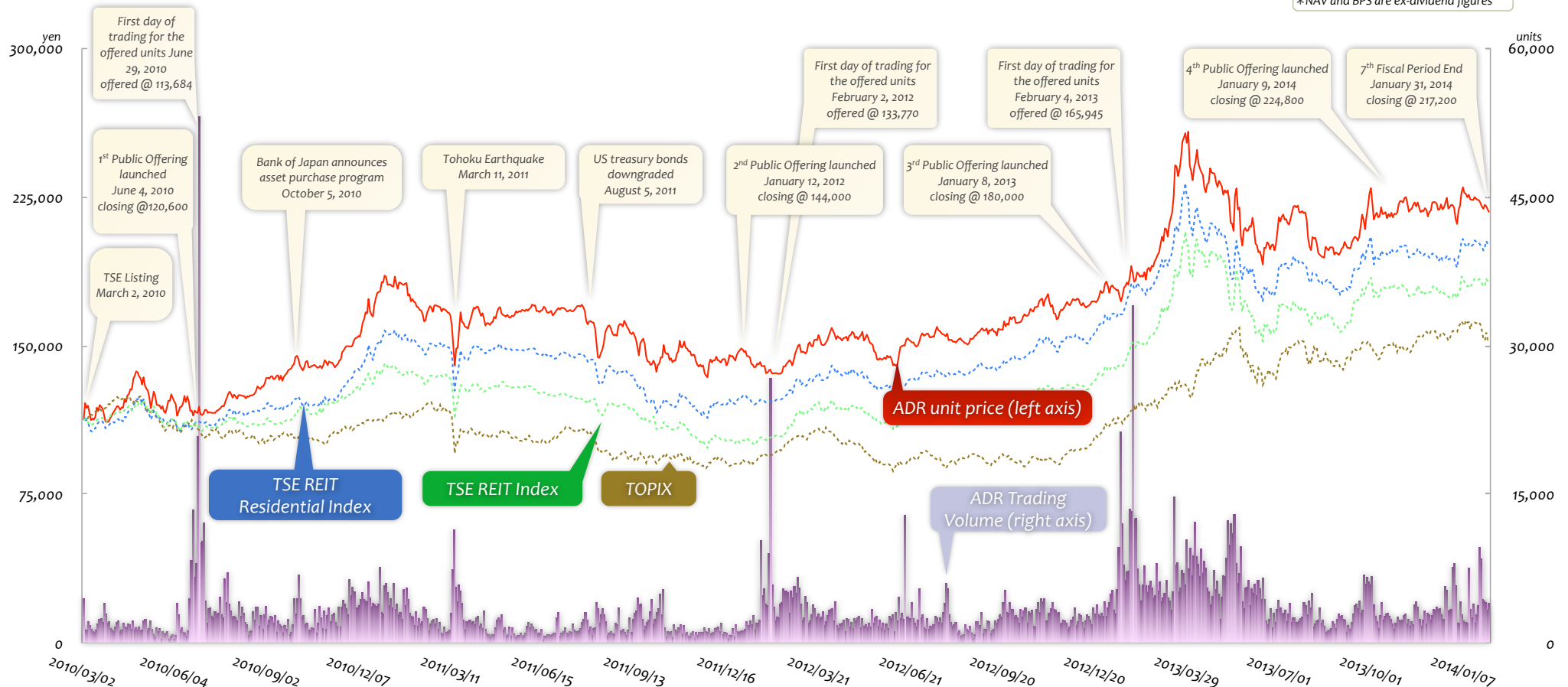


Other Reference Materials

Unit Price Chart

Key Figures	End of 1 st FP	End of 2 nd FP	End of 3 rd FP	End of 4 th FP	End of 5 th FP	End of 6 th FP	End of 7 th FP
Market capitalization	168.8 bn yen Jan. 31, 2011 closing @172,300	158.9 bn yen July 29, 2011 closing @162,200	134.7 bn yen Jan. 31, 2012 closing @137,500	168.1 bn yen July 31, 2012 closing @152,900	209.1 bn yen Jan. 31, 2013 closing @190,100	245.6 bn yen Jul. 31, 2013 closing @198,100	269.3 bn yen Jan. 31, 2014 closing @217,200
Average Trading volume	0.44 bn yen / day 3,247units	0.31 bn yen / day 1,920units	0.27 bn yen / day 1,908units	0.47 bn yen / day 3,160units	0.54 bn yen / day 3,208units	1.29 bn yen / day 6,055units	0.68 bn yen / day 3,174units
LTV (Total assets base)	52.4%	53.5%	54.6%	53.7%	53.8%	51.2%	52.1%
NAV per Unit (yen)	152,749	154,360	156,459	155,966	158,313	164,311	171,850
ex Dividend Payment Reserve (yen)	113,307	117,984	120,504	124,465	127,061	136,917	144,656
BPS (yen)	159,564	156,548	156,141	152,689	152,440	153,020	152,821
ex Dividend Payment Reserve (yen)	120,122	120,172	120,185	121,188	121,188	125,626	125,626
Implied CAP rate	5.1%	5.2%	5.3%	5.2%	4.6%	4.6%	4.3%

*NAV and BPS are ex-dividend figures



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

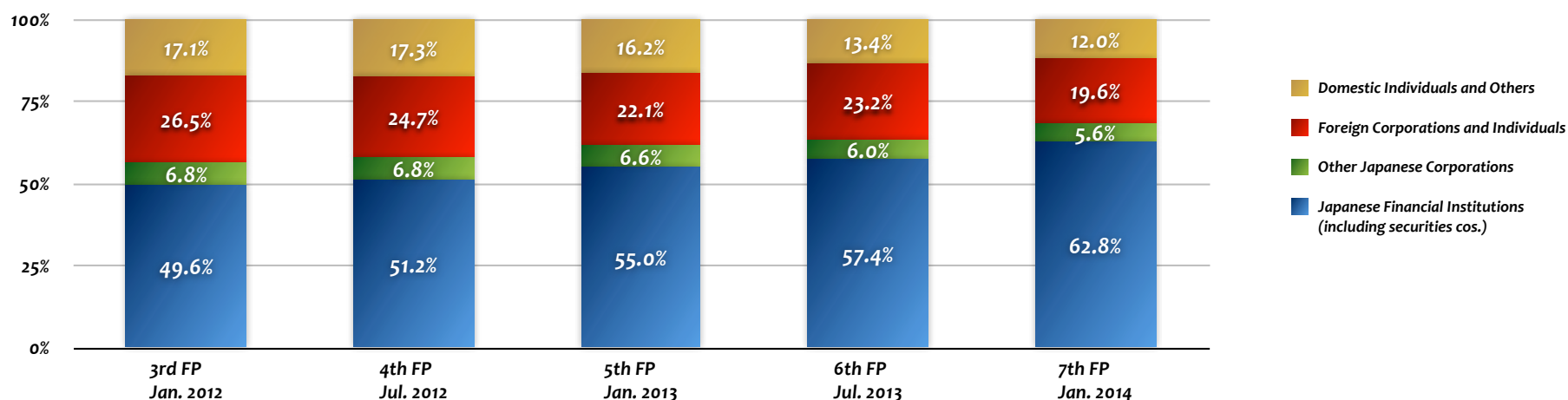
Major Unitholders

Increase in Japanese Financial Institutions' Holdings

as of Jan. 31, 2014

	Number of Units		Number of Unitholders	
	Units	(%)	Unit-holders	(%)
Japanese Financial Institutions (including securities cos.)	778,347	62.8%	163	0.7%
Other Japanese Corporations	69,775	5.6%	315	1.4%
Foreign Corporations and Individuals	243,111	19.6%	223	1.0%
Domestic Individuals and Others	148,767	12.0%	21,279	96.8%
Total	1,240,000	100.0%	21,980	100.0%

Name of Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	311,860	25.2%
The Master Trust Bank of Japan, Ltd (Tr. Acc.)	90,607	7.3%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	64,704	5.2%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	63,204	5.1%
NOMURA BANK (LUXEMBOURG) S.A.	39,244	3.2%
ITOCHU Corporation	34,800	2.8%
Mizuho Trust & Banking Co., Ltd.	17,826	1.4%
Trust & Custody Services Bank, Ltd. (Cash in Tr. Taxable Acc.)	17,089	1.4%
The Fuji Fire and Marine Insurance Co., Ltd.	13,278	1.1%
MetLife Alico Life Insurance K. K., JA Company JPY	11,682	0.9%



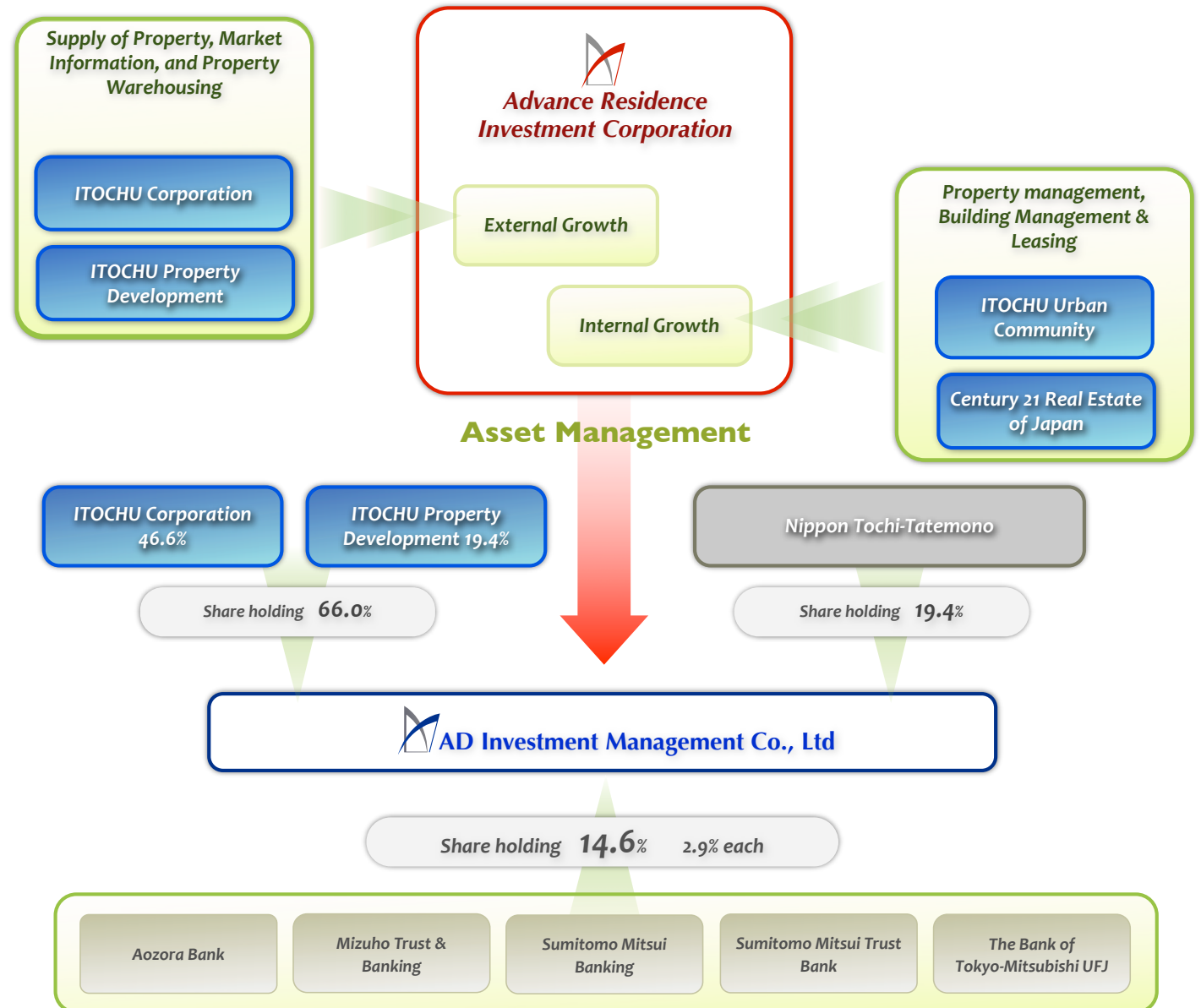
Sponsor Support

Support from ITOCHU Group

Being a member of a major conglomerate trading house, the ITOCHU Group, AD Investment Management Co., Ltd., the asset management company, utilizes the support of ITOCHU Group to maximize the asset of Advance Residence through external and internal growth.

Shareholders of the AD Investment Management Co., Ltd.

The shareholders of AD Investment Management Co., Ltd. not only include the companies of ITOCHU Group but also include five major Japanese financial institutions.



Asset Management Company Profile

Company Profile as of January 31, 2014

AD Investment Management Co., Ltd.

<http://www.adim.co.jp/>

Advance Residence Investment Corporation

<http://www.adr-reit.com/>

Name: AD Investment Management Co., Ltd.
Address: 9F Hitotsubashi SI Bldg., 3-26 Kanda-Nishikicho, Chiyoda-ku, Tokyo, Japan
Company Representative: Kenji Kousaka, Representative Director and President
Amount of Capital: 300 million yen
Type of Business: Asset Management

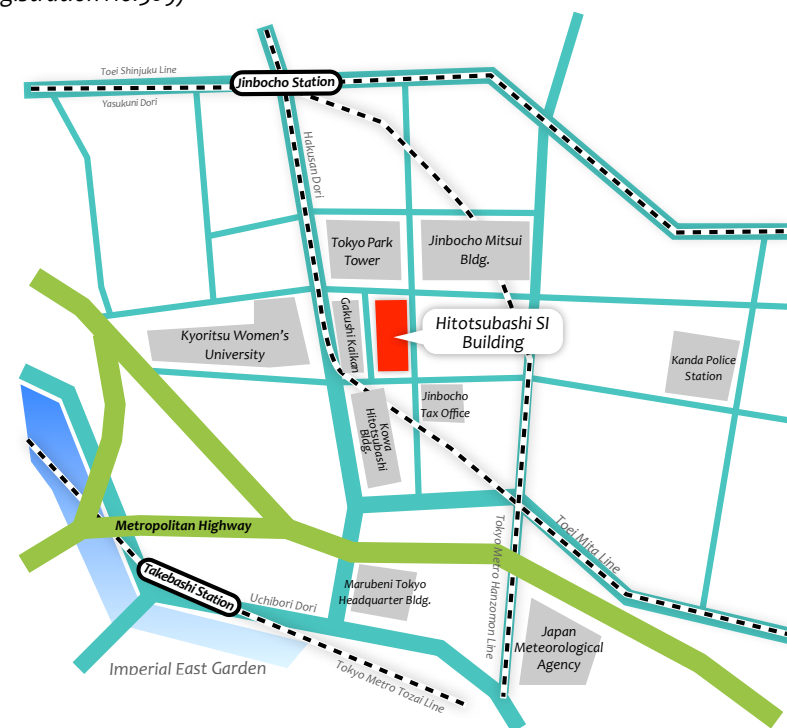
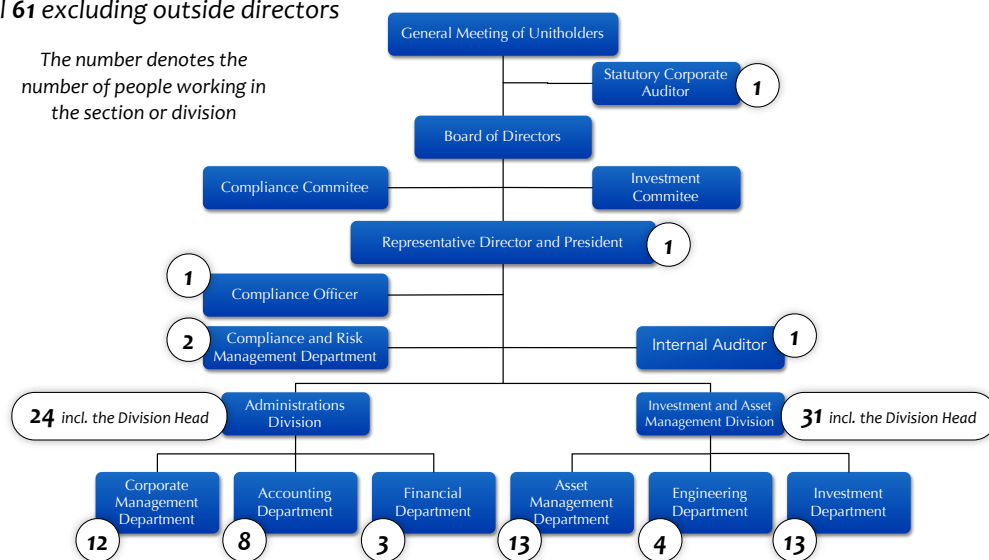
History: March 1, 2010 Merges with Pacific Residential Corporation
 May 17, 2005 Company name is changed to AD Investment Management Co., Ltd.
 February 2, 2005 Established as Japan Residential Management Co., Ltd.

Registrations and Licenses: Real estate agent's license (The Governor of Tokyo (2) No.84325)
 Approval for a discretionary transaction agent (Minister of Land, Infrastructure, Transport and Tourism Approval, No.37)
 Certification to conduct businesses related to investment trust management (Prime Minister, License No. 49)
 Registered for a financial instruments business (Kanto Local Finance Bureau registration No.309)
 Registered as First-Class-Architect Office (The Governor of Tokyo No. 58856)

Organizational Chart as of January 31, 2014

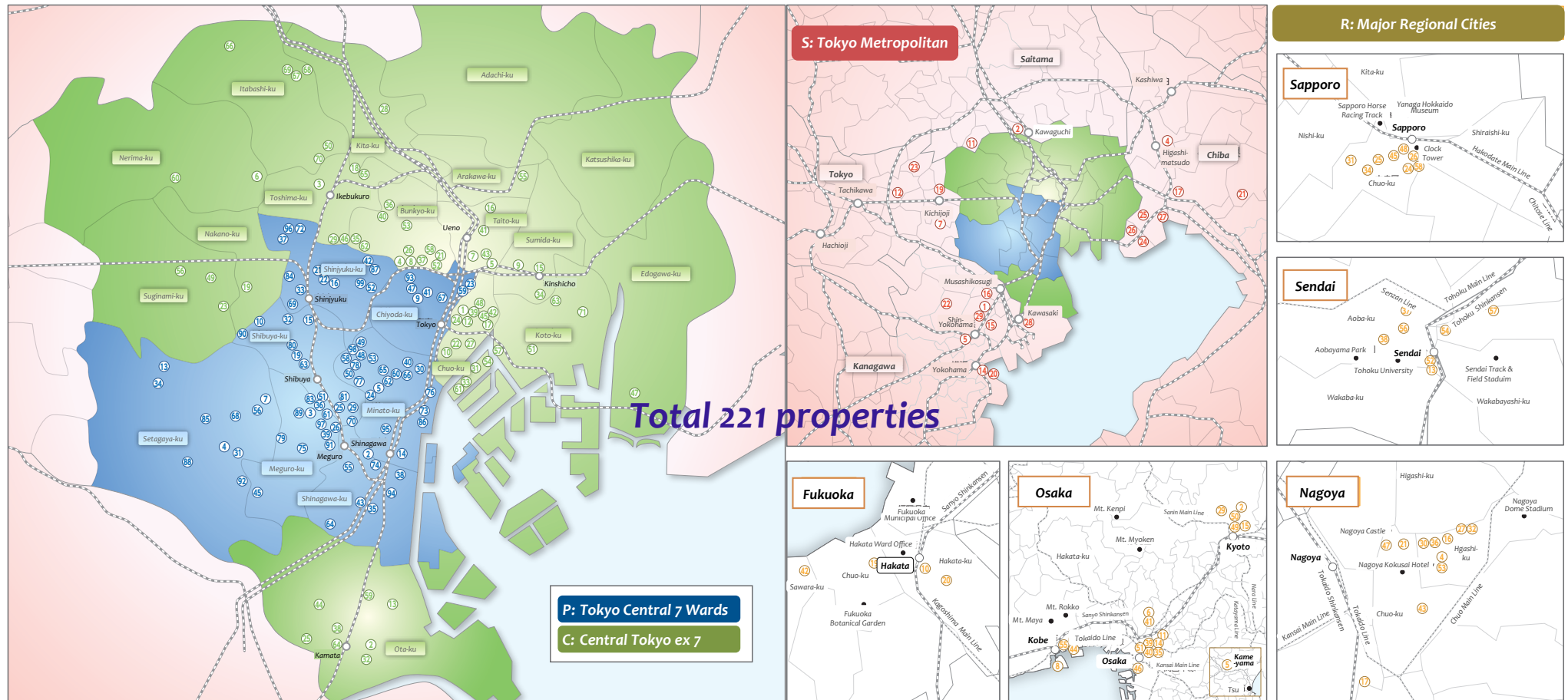
Total 61 excluding outside directors

The number denotes the number of people working in the section or division



Portfolio Map

as of February 6, 2014



P-2 RESIDIA Shimazuyama	P-34 RESIDIA Kyoto	P-61 RESIDIA Ebisu-Minami	P-84 RESIDIA Kita-Shinjuku	C-8 RESIDIA Bunkyo-Hongo II	C-35 RESIDIA Bunkyo-Otowa	C-58 RESIDIA Ochanomizu	S-16 RESIDIA Musashikosugi	R-13 KC21 Building	R-41 RESIDIA Esaka
P-3 RESIDIA Nakameguro	P-35 RESIDIA Oimachi	P-62 RESIDIA TOWER Azabujuban	P-85 RESIDIA Kita-Shinjuku	C-9 RESIDIA Ryugoku	C-36 RESIDIA Bunkyo-Sengoku	C-59 RESIDIA Omori	S-17 RESIDIA Funabashi I and II	R-14 RESIDIA Utsukoben	R-42 RESIDIA Nishijin
P-4 RESIDIA Setagaya-Tsurumaki	P-36 RESIDIA Ebisu II	P-63 RESIDIA Shibuya	P-86 RESIDIA Shibuya-KAIGAN	C-10 RESIDIA Higashi-Ginza	C-37 RESIDIA Bunkyo-Yushima	C-60 RESIDIA Nakurabashi	S-18 RESIDIA Kichijoji	R-15 RESIDIA Kyoto-ekimae	R-43 RESIDIA Tsurumai
P-5 RESIDIA Azabujuban	P-37 RESIDIA Kamiichiai	P-64 RESIDIA Nakamab	P-87 RESIDIA Ichigaya-Yakuoji	C-11 RESIDIA Nihonbashi-Ningyocho II	C-38 RESIDIA Ikegami	C-61 RESIDIA Kachidoki	S-19 Pacific Royal Court	R-16 RESIDIA Takaoka	R-44 RESIDIA Kobe-Isogami
P-7 RESIDIA Ikejiri-hashi	P-38 RESIDIA Higashi-Shinagawa	P-65 RESIDIA Azabudai	P-88 RESIDIA Yoda	C-12 RESIDIA Omori-Higashi	C-39 RESIDIA Nihonbashi-Ningyocho	C-62 RESIDIA Bunkyo-Otowa II	S-20 Minato Mirai Ocean Tower	R-17 RESIDIA Hibino	R-45 RESIDIA Kita-Nijo-East
P-9 RESIDIA Kudenshita	P-39 RESIDIA Meguro II	P-66 RESIDIA Shibadamon II	P-89 RESIDIA TOWER Nakameguro	C-13 RESIDIA Kinshicho	C-40 RESIDIA Bunkyo-Sengoku II	C-63 RESIDIA Kinshicho III	S-21 Maison Yachiyodai	R-18 RESIDIA Tenjin-Minami	R-46 RESIDIA Shinsabashi West
P-10 RESIDIA Hatagaya	P-40 RESIDIA Toranomon	P-67 RESIDIA Kanda	P-90 RESIDIA Sasazuka II	C-14 RESIDIA Negishi	C-41 RESIDIA Irya	C-64 RESIDIA Kamata III	S-22 Life & Senior House Kohoku II	R-19 RESIDIA Hakataeki-Minami	R-47 RESIDIA Marunouchi
P-13 RESIDIA Sakurajousi	P-41 RESIDIA Shin-Ochanomizu	P-68 RESIDIA Sangenjaya II	P-91 RESIDIA Shinjuku III	C-15 RESIDIA Shinkawa	C-42 RESIDIA Nihonbashi-Hamacho	C-65 RESIDIA TOWER Kami-Ikeburo	S-23 College Court Tanashi	R-20 RESIDIA Sapporo-Ekimae	R-48 RESIDIA Sapporo-Ekimae
P-14 RESIDIA Kita-Shinagawa	P-42 RESIDIA Kagurazaka	P-69 RESIDIA Nishi-Shinjuku II	P-92 RESIDIA Jiyugakko II	C-16 RESIDIA Kamikobukuro	C-43 RESIDIA Shin-Ochimachi	C-66 RESIDIA Takahimadaira	R-21 Mare	R-24 RESIDIA Minami-Chijo	R-49 RESIDIA Goshu-Higashi
P-15 RESIDIA Yoyoginomori	P-43 RESIDIA Oimachi II	P-70 RESIDIA Hiroo-Minami	P-93 RESIDIA Kudanshita II	C-17 RESIDIA Shin-nakano	C-44 RESIDIA Chidori	C-67 RESIDIA Shimurasakaue	R-24 RESIDIA Urayasu	R-25 RESIDIA Odori-Nishi	R-50 RESIDIA Rakucho
P-16 RESIDIA Shinjuku-East III	P-45 RESIDIA Jiyugaoka	P-71 RESIDIA Meiji-Otomeyama	P-94 RESIDIA Omori II	C-18 RESIDIA Kamikobukuro	C-45 RESIDIA Shinkawa II	C-68 RESIDIA Shimurasakaue II	S-25 RESIDIA Minami-Gyotoku	R-26 RESIDIA Kita-Sanjo	R-51 RESIDIA Miyakojima I and II
P-19 Leoplace Udagawacho Mansion	P-47 RESIDIA Suidobashi	P-72 RESIDIA Shibuya	P-95 RESIDIA Shirokane-Takanawa	C-19 RESIDIA Tamagawa	C-46 RESIDIA Meiji	C-69 RESIDIA Shimurasakaue III	S-26 RESIDIA Gyotoku	R-27 RESIDIA Shirakabe-Higashi	R-52 RESIDIA TOWER Sendai
P-21 RESIDIA Shinjuku-East II	P-48 RESIDIA TOWER Nogizaka	P-73 RESIDIA Gatenyama	P-96 RESIDIA Nakaochi	C-20 RESIDIA Kyobashi	C-47 RESIDIA Kasai	C-70 RESIDIA Ikebukuro West	S-27 RESIDIA Kawasaki	R-29 RESIDIA Izumi	R-53 RESIDIA Higashizakura II
P-22 RESIDIA Shinjuku-East	P-49 RESIDIA Akasaka	P-74 RESIDIA Nishi-Azabu	P-97 RESIDIA Nakameguro II	C-21 RESIDIA Karakuen	C-48 RESIDIA Nihonbashi-Bakurocho	C-71 RESIDIA Ojima	S-28 Cocofump Hyoshi	R-30 RESIDIA Maruyama Kito-Gojo	R-54 RESIDIA Tsutsujikubo
P-23 RESIDIA Kanda-Iwamotocho	P-50 RESIDIA Nishi-Azabu	P-75 RESIDIA Yutenji	P-98 ARTIS COURT Minamioyama	C-22 RESIDIA Tamagawa	C-49 RESIDIA Suganami-Honacho		S-29 RESIDIA Imadegawa	R-31 RESIDIA Odori-Koen	R-55 RESIDIA Kobe-Motomachi
P-24 RESIDIA Azabujuban II	P-51 RESIDIA Dalkanyama	P-76 Park Tower Shibuya Bayward Urban Wing	P-99 RESIDIA Yotsuya-Sanchome	C-23 RESIDIA Tsukiji	C-50 RESIDIA Shin Itabashi		R-32 RESIDIA Higashi-Sakura	R-34 RESIDIA Tokugawa	R-56 RESIDIA Sendai-Honcho
P-25 RESIDIA Ebisu	P-52 RESIDIA Ichigaya	P-77 Motoazabu Place	C-1 RESIDIA Mitsukoshimae	C-24 RESIDIA Kyobashi	C-51 RESIDIA Kiba		R-33 RESIDIA Kameyama	R-36 RESIDIA Hisaya-odori	R-57 RESIDIA Sendai-Haranomachi
P-26 RESIDIA Meguro	P-53 RESIDIA Roppongi-Hinokichikoen	P-78 RESIDIA TOWER Roppongi	C-2 RESIDIA Kamata	C-25 RESIDIA Kiyobashi	C-52 RESIDIA Bunkyo-Yushima		R-34 RESIDIA Kameyama	R-37 RESIDIA Sendai-Miyamachi	R-58 RESIDIA Minami-Chijo-East
P-29 RESIDIA Hiroo II	P-54 RESIDIA Kamimeguro	P-79 RESIDIA Kamimeguro	C-3 RESIDIA Ikebukuro	C-26 RESIDIA Karakuen	C-53 RESIDIA Bunkyo-Honkomagome		R-35 RESIDIA Ryakuchi Koen	R-38 RESIDIA Kobe Port Island	
P-30 Planetta Shiodome	P-55 RESIDIA Sangenjaya	P-80 RESIDIA Yoyogikoen	C-4 RESIDIA Bunkyo-Hongo	C-27 RESIDIA Ginza-Higashi	C-54 RESIDIA Tsukishima III		R-36 RESIDIA Ryakuchi Koen	R-39 RESIDIA Hirodori	
P-31 RESIDIA Komazawadai-gaku	P-58 RESIDIA Minami-Aoyama	P-81 Windsor House Hiroo	C-5 RESIDIA Asakusabashi	C-28 RESIDIA Oji	C-55 RESIDIA Minamisenju		R-37 RESIDIA Sendai-Hirodori	R-40 RESIDIA Kiyomachibori	
P-32 RESIDIA Yoyogi	P-59 RESIDIA Kanda-Higashi	P-83 RESIDIA Dalkanyama-Sanagakucho / Dalkanyama Parkside Village	C-6 Maison Eclairée Ekoda	C-29 RESIDIA Tsukishima II	C-56 RESIDIA Ogikubo		R-38 RESIDIA Sendai-Hirodori		
P-33 RESIDIA Nishi-Shinjuku	P-60 RESIDIA Higashi-Azabu		C-7 RESIDIA Ueno-Ochikimachi	C-30 RESIDIA Kinshicho II	C-57 RESIDIA Monzenkacho		R-39 RESIDIA Edo-bori		

Properties were bought after the 7th FP end.

Portfolio

(as of January 31, 2014)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	2004/12/24	115	2,860	0.7%	2,900	2,502	15.9%	4.3%
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2005/2/10	88	1,730	0.4%	1,810	1,513	19.6%	2.6%
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	2002/3/11	28	1,229	0.3%	1,140	1,174	-2.9%	7.3%
P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	1999/11/29	44	1,987	0.5%	1,820	1,970	-7.6%	4.2%
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	2005/8/19	42	1,230	0.3%	1,220	1,211	0.7%	3.1%
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	2004/3/9	86	2,270	0.5%	2,230	2,129	4.7%	2.9%
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2006/2/9	35	1,130	0.3%	1,050	1,095	-4.2%	7.3%
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	2006/7/7	39	1,120	0.3%	1,140	1,094	4.1%	7.0%
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2007/2/23	120	2,720	0.7%	2,670	2,642	1.0%	4.3%
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	2007/3/8	22	732	0.2%	605	725	-16.7%	4.4%
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2009/2/23	39	750	0.2%	736	751	-2.0%	4.3%
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	2001/8/7	30	588	0.1%	638	576	10.7%	8.2%
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2004/2/6	54	1,380	0.3%	1,470	1,339	9.7%	4.8%
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	2000/8/1	48	941	0.2%	952	911	4.4%	5.3%
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2004/2/12	65	1,520	0.4%	1,770	1,462	21.0%	4.1%
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2001/2/14	37	874	0.2%	905	848	6.7%	3.1%
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	2001/1/31	26	554	0.1%	576	532	8.1%	3.0%
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	1999/10/13	20	722	0.2%	678	728	-6.9%	6.2%
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	2005/11/1	76	1,660	0.4%	1,780	1,594	11.6%	2.9%
P-30	Planetta Shiodome	Minato-ku, Tokyo	2005/2/18	67	1,950	0.5%	1,980	1,874	5.6%	5.3%
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	2004/10/22	18	333	0.1%	358	321	11.2%	8.5%
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2005/2/24	16	326	0.1%	344	317	8.2%	11.0%
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2005/2/18	19	363	0.1%	382	353	8.0%	9.9%
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2005/2/23	15	286	0.1%	301	276	8.8%	10.6%
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	2005/12/16	48	947	0.2%	973	908	7.1%	4.3%
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	2006/1/31	61	2,280	0.5%	2,520	2,238	12.6%	3.4%
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	2006/9/5	70	1,180	0.3%	1,270	1,138	11.5%	4.8%
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	2006/8/1	122	2,040	0.5%	2,190	1,980	10.6%	4.0%
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	2006/1/31	34	1,190	0.3%	1,200	1,167	2.8%	6.5%
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	2006/9/22	63	1,320	0.3%	1,360	1,280	6.2%	3.3%
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	2006/3/17	52	1,160	0.3%	1,170	1,131	3.4%	2.8%
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	2006/8/4	52	918	0.2%	925	895	3.3%	2.1%
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	2007/7/2	40	1,050	0.3%	1,140	1,021	11.6%	4.8%
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	2002/3/19	28	1,050	0.3%	1,070	1,013	5.6%	7.3%
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	2004/12/22	65	2,310	0.6%	2,380	2,231	6.6%	2.3%
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	2004/8/31	68	3,660	0.9%	3,340	3,548	-5.9%	3.5%
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	2004/5/21	37	1,180	0.3%	1,200	1,143	4.9%	8.3%
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	2004/7/15	125	6,780	1.6%	6,780	6,580	3.0%	2.8%
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	2004/7/23	42	2,150	0.5%	1,960	2,064	-5.1%	4.0%
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	2004/8/20	85	2,500	0.6%	2,640	2,415	9.3%	3.6%
P-53	RESIDIA Roppongi-Hinokichikoen	Minato-ku, Tokyo	1999/9/16	88	3,570	0.9%	3,670	3,530	5.6%	6.8%
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	2007/1/7	358	16,500	4.0%	16,600	15,756	5.4%	1.8%
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	2005/1/11	78	2,760	0.7%	3,020	2,646	14.1%	2.7%
P-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	2005/3/14	13	728	0.2%	493	726	-32.1%	2.0%
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	2003/10/29	64	1,620	0.4%	1,740	1,558	11.6%	3.4%
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	2006/4/17	31	1,430	0.3%	1,300	1,387	-6.3%	3.2%
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	2007/3/6	39	2,020	0.5%	2,000	1,983	0.9%	7.1%
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	2003/1/9	113	6,190	1.5%	5,560	6,080	-8.6%	0.7%
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	2006/6/22	40	1,250	0.3%	1,330	1,227	8.3%	3.5%
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	2005/11/16	65	1,880	0.5%	2,070	1,820	13.7%	3.4%
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2006/2/28	47	1,610	0.4%	1,610	1,577	2.1%	4.6%
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	2006/8/24	48	1,740	0.4%	1,640	1,698	-3.5%	3.3%
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	2006/6/1	43	1,140	0.3%	1,200	1,114	7.6%	4.9%
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	2006/3/13	34	1,280	0.3%	1,320	1,249	5.7%	4.4%
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	2007/5/16	74	1,830	0.4%	1,940	1,772	9.5%	10.9%
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	2007/8/30	26	923	0.2%	901	897	0.4%	2.8%
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	2002/12/10	19	974	0.2%	1,010	945	6.9%	4.9%
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	1991/9/30	154	4,670	1.1%	5,020	4,515	11.2%	2.8%
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	2007/1/29	16	930	0.2%	824	905	-9.0%	7.9%
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	2006/8/24	118	5,260	1.3%	5,370	5,151	4.2%	7.8%
P-76	Park Tower Shibaura Bayward Urban Wine	Minato-ku, Tokyo	2005/5/24	191	9,570	2.3%	9,760	9,249	5.5%	3.6%
P-77	Motoazabu Place	Minato-ku, Tokyo	2001/2/5	41	8,430	2.0%	6,110	8,307	-26.4%	9.7%
P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	2006/2/28	83	7,040	1.7%	5,790	6,842	-15.4%	1.5%
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1993/1/27	16	878	0.2%	884	873	1.2%	7.7%
P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	1998/7/15	6	1,100	0.3%	737	1,067	-31.0%	5.1%
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	2003/6/13	12	1,750	0.4%	1,300	1,694	-23.3%	4.8%
P-83	RESIDIA Daikanyama-Sarugakucho / Daikanyama Parkside Village	Shibuya-ku, Tokyo	1998/1/14	77	7,360	1.8%	6,040	7,253	-16.7%	6.7%
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	1997/2/26	26	1,460	0.3%	1,430	1,420	0.7%	8.8%
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	2008/10/17	59	870	0.2%	1,070	870	22.9%	10.0%
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	2010/1/6	72	2,400	0.6%	2,850	2,429	17.3%	4.4%
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	2008/8/19	98	2,070	0.5%	2,340	2,087	12.1%	3.0%
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	2008/6/3	66	1,523	0.4%	1,680	1,610	4.3%	10.3%
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	2007/3/30	70	3,300	0.8%	3,700	3,451	7.2%	2.4%
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	2011/1/21	166	3,760	0.9%	3,910	3,832	2.0%	4.2%
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	2010/1/29	31	950	0.2%	1,050	987	6.3%	2.6%
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	2007/10/31	17	778	0.2%	920	798	15.2%	5.4%
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	2012/1/6	48	1,240	0.3%	1,410	1,277	10.3%	2.6%
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	2012/3/2	90	1,620	0.4%	1,810	1,671	8.3%	2.2%
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	2012/3/15	53	1,480	0.4%	1,670	1,524	9.5%	6.7%
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	2008/3/3	187	3,656	0.9%	3,970	3,854	3.0%	A:2.9% B:2.9% C:3.0%
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2005/2/7	105	1,920	0.5%	2,120	1,686	25.7%	3.3%
C-2	RESIDIA Kamata	Ota-ku, Tokyo	2005/3/9	166	2,640	0.6%	3,130	2,308	35.6%	4.7%
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	2005/3/15	60	1,520	0.4%	1,620	1,448	11.8%	7.1%
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	2005/7/23	65	1,680	0.4%	1,850	1,611	14.8%	4.6%

Portfolio

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	2005/8/27	47	1,060	0.3%	1,220	986	23.7%	2.9%
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	1993/3/31	93	953	0.2%	964	940	2.5%	9.2%
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2006/2/20	127	3,160	0.8%	3,290	2,987	10.1%	2.1%
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	2006/1/27	70	1,623	0.4%	1,630	1,597	2.1%	3.6%
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2006/2/10	48	913	0.2%	957	882	8.5%	9.1%
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	2006/9/1	169	5,251	1.3%	4,920	5,162	-4.7%	4.3%
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	2007/1/17	137	3,180	0.8%	3,270	3,082	6.1%	4.6%
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	2007/8/6	81	1,980	0.5%	1,780	1,923	-7.5%	3.8%
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	2007/11/13	157	4,200	1.0%	3,900	4,138	-5.8%	7.2%
C-16	RESIDIA Negishi	Taito-ku, Tokyo	2005/12/2	28	856	0.2%	815	855	-4.7%	7.7%
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2003/2/10	83	1,880	0.5%	1,900	1,819	4.4%	5.3%
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	2001/12/21	44	558	0.1%	614	532	15.4%	6.4%
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	2002/6/7	24	352	0.1%	412	338	21.8%	3.8%
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	2004/3/1	63	1,010	0.2%	1,050	972	8.0%	5.3%
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	2005/12/6	54	1,460	0.3%	1,560	1,392	12.0%	3.4%
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	2000/3/15	96	1,800	0.4%	1,880	1,739	8.1%	6.9%
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	2005/1/18	52	1,220	0.3%	1,310	1,167	12.2%	3.4%
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	2004/9/29	98	1,300	0.3%	1,420	1,239	14.6%	5.9%
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	2004/10/18	31	603	0.1%	636	575	10.5%	3.5%
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	2004/9/7	94	2,000	0.5%	2,150	1,917	12.1%	4.0%
C-28	RESIDIA Oji	Kita-ku, Tokyo	2005/2/15	61	867	0.2%	932	821	13.5%	3.2%
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	2005/7/13	63	1,050	0.3%	1,030	1,013	1.7%	2.3%
C-31	RESIDIA Tsukushima	Chuo-ku, Tokyo	2006/2/27	40	1,100	0.3%	1,150	1,059	8.6%	6.8%
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	2006/9/3	78	1,360	0.3%	1,450	1,318	10.0%	4.0%
C-33	RESIDIA Tsukushima II	Chuo-ku, Tokyo	2006/9/22	105	2,440	0.6%	2,660	2,367	12.3%	3.8%
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	2008/1/29	99	2,380	0.6%	2,380	2,310	3.0%	4.7%
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	2003/8/4	104	3,380	0.8%	3,580	3,200	11.9%	4.7%
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2003/2/19	33	707	0.2%	777	669	16.0%	5.0%
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2003/2/20	39	1,050	0.3%	1,150	1,001	14.8%	6.9%
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	2003/7/2	19	378	0.1%	380	360	5.3%	8.5%
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	2004/3/3	25	557	0.1%	627	530	18.3%	5.6%
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	2005/4/15	45	1,440	0.3%	1,480	1,394	6.1%	4.1%
C-41	RESIDIA Iriya	Taito-ku, Tokyo	2004/12/8	49	990	0.2%	1,020	935	9.0%	5.4%
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	2006/8/31	45	1,310	0.3%	1,410	1,280	10.1%	4.5%
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	2007/3/16	69	1,860	0.4%	1,850	1,808	2.3%	3.0%
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	2006/9/5	60	1,290	0.3%	1,300	1,249	4.0%	5.0%
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2003/2/26	36	1,320	0.3%	1,370	1,256	9.0%	3.9%
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1999/1/12	162	6,280	1.5%	6,360	6,011	5.8%	2.6%
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	2000/1/18	29	683	0.2%	737	649	13.4%	7.0%
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2007/2/15	132	5,500	1.3%	6,140	5,300	15.8%	2.4%
C-49	RESIDIA Suginami-Honanchō	Suginami-ku, Tokyo	2009/2/26	194	3,834	0.9%	4,770	3,815	25.0%	4.3%
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	2009/8/4	67	888	0.2%	1,070	890	20.1%	8.6%

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
C-51	RESIDIA Kiba	Koto-ku, Tokyo	2008/3/13	155	1,950	0.5%	2,540	2,001	26.9%	7.2%
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2008/12/18	52	1,129	0.3%	1,330	1,139	16.7%	4.4%
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	2008/3/6	98	2,340	0.6%	2,640	2,394	10.3%	3.5%
C-54	RESIDIA Tsukushima III	Chuo-ku, Tokyo	2008/2/25	119	2,570	0.6%	3,120	2,596	20.2%	4.0%
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	2007/3/3	175	2,580	0.6%	3,300	2,671	23.5%	5.3%
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	2003/3/7	101	1,710	0.4%	1,970	1,809	8.8%	4.5%
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2005/2/24	68	970	0.2%	1,100	1,017	8.1%	7.6%
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	2005/9/7	80	2,090	0.5%	2,450	2,138	14.6%	4.2%
C-59	RESIDIA Omori	Ota-ku, Tokyo	2006/3/15	75	1,150	0.3%	1,310	1,173	11.6%	1.8%
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2008/2/21	66	1,075	0.3%	1,220	1,095	11.3%	4.5%
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2008/2/25	55	1,805	0.4%	2,090	1,839		4.9%
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2008/2/26	89	2,268	0.5%	2,550	2,375	7.3%	4.0%
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2005/2/21	51	651	0.2%	744	686	8.4%	9.6%
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	2007/3/2	53	948	0.2%	1,060	969	9.4%	3.5%
C-65	RESIDIA Tower Kami-Ikebukuro	Toshima-ku, Tokyo	2009/3/26	472	8,250	2.1%	8,850	8,924	-0.8%	Twr:2.9% Pk:5.4% Annx:5.7%
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2007/2/22	45	502	0.1%	555	537	3.3%	4.8%
C-67	RESIDIA Shimurasakaue	Itabashi-ku, Tokyo	2007/2/28	44	580	0.1%	633	617	2.5%	3.4%
C-68	RESIDIA Shimurasakaue II	Itabashi-ku, Tokyo	2007/3/6	94	1,093	0.3%	1,250	1,157	8.0%	5.6%
C-69	RESIDIA Shimurasakaue III	Itabashi-ku, Tokyo	2007/3/6	36	411	0.1%	456	439	3.7%	5.4%
S-1	TOKYO Student-House Hiyoshidai	Yokohama, Kanagawa	1969/3/31	920	3,420	0.8%	3,800	3,018	25.9%	7.1%
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	1991/3/7	39	770	0.2%	696	743	-6.3%	5.5%
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	2007/4/23	44	1,100	0.3%	1,060	1,085	-2.3%	4.6%
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	2007/1/30	131	1,920	0.5%	1,820	1,855	-1.9%	5.6%
S-7	RESIDIA Chofu	Chofu, Tokyo	2007/3/7	41	1,143	0.3%	1,080	1,117	-3.3%	5.0%
S-11	TOKYO Student-House Wako	Wako, Saitama	1990/4/30	127	675	0.2%	687	721	-4.7%	10.2%
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2003/2/10	33	518	0.1%	538	491	9.4%	2.9%
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	2004/8/17	102	1,700	0.4%	1,730	1,609	7.5%	8.4%
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	1998/3/2	64	755	0.2%	834	750	11.1%	5.3%
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2007/2/26	68	1,580	0.4%	1,600	1,533	4.3%	7.2%
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	2007/3/1	172	2,730	0.7%	2,800	2,627	6.6%	I:3.6% II:3.4%
S-19	RESIDIA Kichijoji	Musashino, Tokyo	1995/3/20	48	1,380	0.3%	1,460	1,438	1.5%	9.1%
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	2007/11/6	416	14,000	3.4%	14,500	12,860	12.8%	4.5%
S-21	Maison Yachiyodai	Yachiyo, Chiba	1989/8/7	39	882	0.2%	869	839	3.5%	5.4%
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	2003/10/31	78	1,670	0.4%	1,730	1,604	7.8%	6.4%
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2010/2/18	91	810	0.2%	993	809	22.6%	7.7%
S-24	RESIDIA Urayasu	Urayasu, Chiba	2009/9/18	146	2,115	0.5%	2,450	2,182	12.3%	6.7%
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2005/2/16	85	823	0.2%	964	864	11.5%	6.6%
S-26	RESIDIA Urayasu II	Urayasu, Chiba	2005/2/25	74	802	0.2%	930	843	10.2%	7.5%
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2005/2/25	75	761	0.2%	884	799	10.6%	6.1%
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	2007/3/6	104	1,670	0.4%	1,910	1,708	11.8%	4.7%
S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	2010/1/29	85	1,050	0.3%	1,090	1,088	0.2%	7.5%
R-2	RESIDIA Imadegawa	Kyoto, Kyoto	1999/2/26	154	1,671	0.4%	1,490	1,577	-5.6%	10.9%

Portfolio

(as of January 31, 2014)



No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2006/2/20	91	1,290	0.3%	1,250	1,140	9.6%	3.4%
R-5	RESIDIA Kameyama	Kameyama, Mie	2007/2/20	182	1,610	0.4%	1,140	1,596	-28.6%	4.2%
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	2007/5/7	44	979	0.2%	871	938	-7.2%	5.7%
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	2007/9/1	404	3,740	0.9%	3,580	3,632	-1.5%	South: 6.8% Center: 6.8% North: 6.7%
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	2002/3/12	155	1,220	0.3%	1,220	1,185	2.9%	3.4%
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2000/2/15	78	871	0.2%	947	827	14.4%	8.3%
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	2005/11/7	161	2,220	0.5%	2,490	2,086	19.3%	3.2%
R-13	KC21 Building	Sendai, Miyagi	1997/3/12	79	900	0.2%	1,000	926	8.0%	2.4%
R-14	RESIDIA Utubokoen	Osaka, Osaka	2006/1/11	94	1,170	0.3%	1,320	1,109	18.9%	6.6%
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2006/2/28	116	1,970	0.5%	2,160	1,874	15.3%	9.9%
R-16	RESIDIA Takaoka	Nagoya, Aichi	2007/8/20	198	2,330	0.6%	2,700	2,236	20.7%	3.5%
R-17	RESIDIA Hibino	Nagoya, Aichi	1992/4/10	124	1,340	0.3%	1,380	1,243	11.0%	3.9%
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	2004/1/15	56	936	0.2%	1,020	886	15.0%	4.9%
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	2003/1/14	39	324	0.1%	350	303	15.4%	2.7%
R-21	Mare	Nagoya, Aichi	2005/2/2	38	685	0.2%	716	644	11.1%	5%
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	2006/12/19	179	1,640	0.4%	1,780	1,551	14.7%	0.9%
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	2006/12/5	103	1,320	0.3%	1,270	1,269	0.0%	1.1%
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	2007/1/25	100	1,130	0.3%	1,220	1,064	14.6%	1.4%
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	2005/5/25	33	831	0.2%	832	791	5.1%	4.1%
R-29	RESIDIA Uzumasa	Kyoto, Kyoto	2000/1/17	48	701	0.2%	700	678	3.1%	13.5%
R-30	RESIDIA Izumi	Nagoya, Aichi	2005/11/17	122	3,700	0.9%	3,850	3,517	9.4%	3.1%
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2007/2/2	56	1,050	0.3%	1,070	1,002	6.8%	1.2%
R-32	RESIDIA Tokugawa	Nagoya, Aichi	2006/12/19	27	751	0.2%	770	721	6.7%	3.9%
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	2007/8/2	109	2,010	0.5%	2,230	1,920	16.1%	0.9%
R-35	RESIDIA Tanimachi	Osaka, Osaka	2008/8/22	108	1,100	0.3%	1,440	1,163	23.7%	7.5%
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2007/2/1	57	652	0.2%	826	665	24.1%	4.8%
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	2008/1/30	67	529	0.1%	675	540	24.9%	2.5%
R-38	RESIDIA Hirose-dori	Sendai, Miyagi	2010/2/22	63	494	0.1%	590	506	16.4%	2.8%
R-39	RESIDIA Edobori	Osaka, Osaka	2007/2/11	127	1,400	0.3%	1,730	1,472	17.5%	8.7%
R-40	RESIDIA Kyomachibori	Osaka, Osaka	2007/3/6	84	1,000	0.2%	1,190	1,060	12.2%	7.8%
R-41	RESIDIA Esaka	Suita, Osaka	2007/7/31	68	989	0.2%	1,160	1,015	14.3%	4.8%
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	2008/1/22	173	2,380	0.6%	2,760	2,428	13.7%	2.6%
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2008/2/7	122	1,206	0.3%	1,440	1,234	16.7%	3.6%
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	2008/3/17	196	2,740	0.7%	3,300	2,797	18.0%	3.6%
R-45	RESIDIA Kita-Niijo-East	Sapporo, Hokkaido	2006/3/1	56	894	0.2%	982	929	5.7%	1.1%
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2007/2/21	97	1,921	0.5%	2,130	1,979	7.6%	9.1%
R-47	RESIDIA Marunouchi	Nagoya, Aichi	2007/1/16	86	972	0.2%	1,070	1,008	6.0%	2.8%
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2007/2/8	168	1,483	0.4%	1,800	1,542	16.7%	0.7%
R-49	RESIDIA Gosyo-Higashi	Kyoto, Kyoto	2007/9/4	57	1,227	0.3%	1,320	1,265	4.3%	8.9%
R-50	RESIDIA Raku-hoku	Kyoto, Kyoto	2008/3/19	75	874	0.2%	922	904	1.9%	12.4%
R-51	RESIDIA Miyakojima I & II	Osaka, Osaka	2006/9/3	178	3,232	0.8%	3,790	3,376	12.2%	7.1%
	RESIDIA TOWER Sendai	Sendai, Miyagi	2008/1/25	67	1,705	0.4%	1,780	1,827	-2.6%	2.3%
Total				18,113	401,829	100%	417,027	393,430	6.0%	2.8%

Advance Residence Investment Corporation

	Area	No. of Properties	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)
P	Tokyo Central 7 Wards	80	5,018	180,510	44.9%	178,622	176,361	1.3%
C	Central Tokyo ex 7 wards	65	5,474	117,856	29.3%	122,719	116,028	10.1%
S	Tokyo Metropolitan	22	2,982	42,274	10.5%	44,425	40,592	9.4%
R	Major Regional Cities	43	4,639	61,188	15.2%	66,261	60,448	9.6%
	Total	210	18,113	401,829	100%	417,027	393,430	6.0%

Properties Acquired After the 7th FP End & the Portfolio Including the Acquisitions

(as of February 6, 2014)

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Appraisal Price (mil yen)
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	2006/8/10	50	1,119	1,210
P-98	ARTIS COURT Minamiaoyama	Minato-ku, Tokyo	2008/7/30	23	1,720	1,790
P-99	RESIDIA Yotsuya-Sanchome	Shinjuku-ku, Tokyo	2009/5/8	90	2,090	2,430
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	2007/10/31	72	1,115	1,180
C-71	RESIDIA Ojima	Koto-ku, Tokyo	2007/11/20	87	1,282	1,340
R-53	RESIDIA Higashizakura II	Nagoya, Aichi	2006/2/27	127	2,862	3,380
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	2006/11/11	168	1,796	2,000
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	2007/1/31	85	1,052	1,140
R-56	RESIDIA Sendai-Honcho	Sendai, Miyagi	2007/6/20	105	1,117	1,330
R-57	RESIDIA Sendai-Haranomachi	Sendai, Miyagi	2007/9/12	72	593	708
R-58	RESIDIA Minami-Ichijo East	Sapporo, Hokkaido	2008/1/22	85	1,062	1,150
Total				964	15,808	17,658

	Area	No. of Properties	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)
P	Tokyo Central 7 Wards	83	5,181	185,439	44.4%
C	Central Tokyo ex 7 wards	67	5,633	120,253	28.8%
S	Tokyo Metropolitan	22	2,982	42,274	10.1%
R	Major Regional Cities	49	5,281	69,670	16.7%
	Total	221	19,077	417,637	100.0%

Asset Management Fee Structure Change

An Asset Management Fee Structure More Inline with Unitholders' Interest

Introducing an Asset Management Fee that is Coupled to NOI*¹ and Adjusted EPU*²

more inline with unitholders' interest

The proposed fee structure

AM Fee I
Fee Linked to Total Asset Size
(Previous fiscal end)

AM Fee II
Fee Linked to NOI*¹

AM Fee III
Fee Linked Adjusted EPU*²

Fee Linked to the Size of the Asset Under Management

The current fee structure

Base Fee
Fee Linked to Total Asset Size
(Previous fiscal end)

Incentive Fee
Fee Linked to Pre-tax Net Income*³

The proposed fee structure

Fees	Fee Base	Maximum Fee Rate
AM Fee I	Total Asset (Previous fiscal end)	× 0.20%
AM Fee II	NOI* ¹	× 3.00%
AM Fee III	(AM Fees I + II) × Adjusted EPU* ²	× 0.008%(note)
Acquisition Fee	Acquisition Price	× 1.00%
Disposition Fee	Disposition Price	× 0.50%
Merger Fee	Acquired Asset Value	× 0.50%

The current fee structure

Fees	Fee Base	Maximum Fee Rate
Base Fee	Total Asset (Previous fiscal end)	× 0.40%
Incentive Fee	Pre-tax Net Income* ³	× 3.00%
Acquisition Fee	Acquisition Price	× 1.00%
Disposition Fee	Disposition Price	× 0.50%

No Change

(note) Until EPU reaches 4,500yen maximum fee rate will be set at 0.005%

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

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

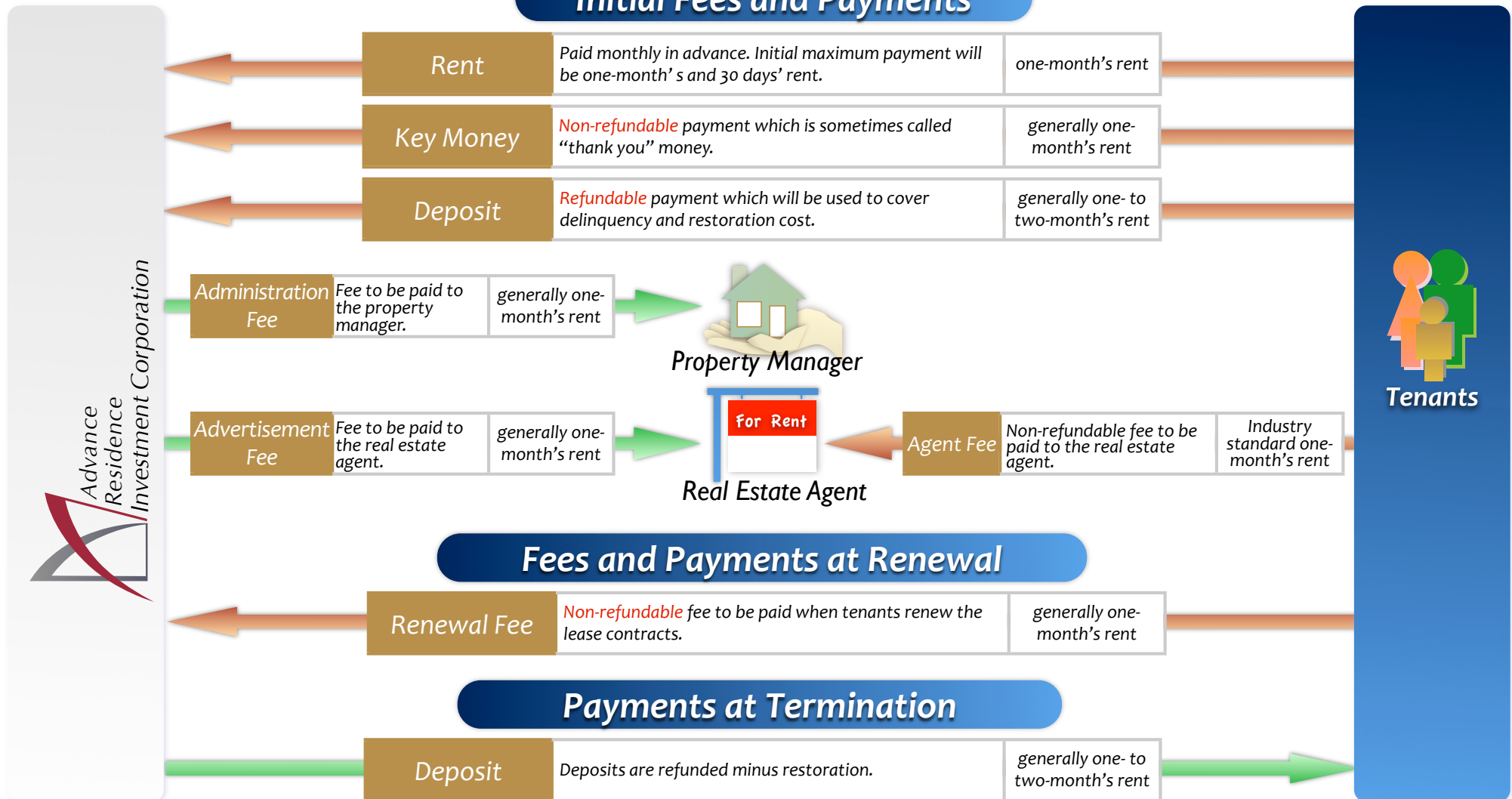
※3 Pre-tax Net Income = Pre-tax Net Income excluding Incentive Fee, (if there exist a loss brought forward from the previous term, pre-tax net income after covering the loss.)

The proposed fee structure is subject to the approval by the ADR's unitholders' at the 2nd General Unitholders' Meeting which will be held on October 25, 2013. If the unitholders' approve, it will become effective from the fiscal period ending July 31, 2014.

Japanese Real Estate Leasing Contract Practices

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

Initial Fees and Payments



NOTE

[illegible]

Note



[illegible]

Disclaimer



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

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

This material is based on Japanese GAAP unless otherwise stated.

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

