

8th Fiscal Period ended July 31, 2014

February 1, 2014 to July 31, 2014








Fiscal Period-End Results Presentation

Advance Residence Investment Corporation

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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 purpose of this material is to present you with an update on the financial performance of Advance Residence Investment Corporation (the “Corporation”). We do not intend to conduct any advertising or solicitation with respect to any units of the Corporation in connection with this material. Nothing in this material should be regarded as an offer to sell or a solicitation of an offer to buy, a recommendation to sell or buy, or a direct or indirect offer or placement of, any units of the Corporation, except for the purpose of meeting certain requirements under the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU)(the “AIFMD”) as described below.

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

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The Largest Portfolio Among Residential J-REITs

Advance Residence Investment Corporation
as of Aug. 1, 2014

Number of Properties

222 properties

Assets Under Management
(Acquisition Price)

420.2 billion yen

Leasable units

19,286 units

Total Leasable Area

725,139 m²

Book Value
NOI Yield

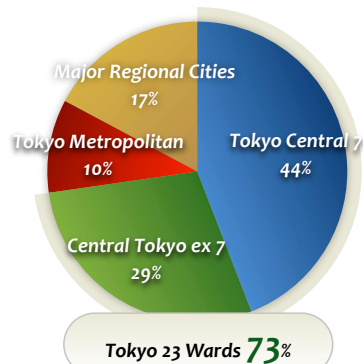
5.6%

Yield after
Depreciation

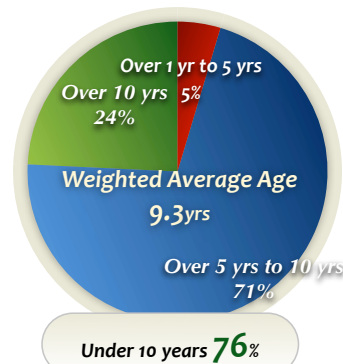
4.4%

* For properties held at the end of July 31, 2014, annualized actual NOI is used to calculate the Book Value NOI Yield. For properties acquired between end of the FP to August 1, 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.

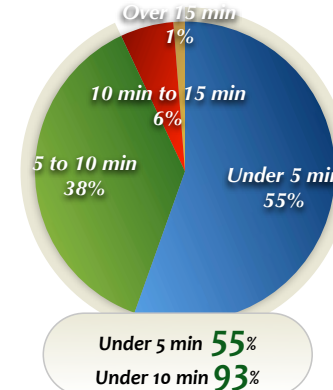
Investment Location (based on acquisition price)



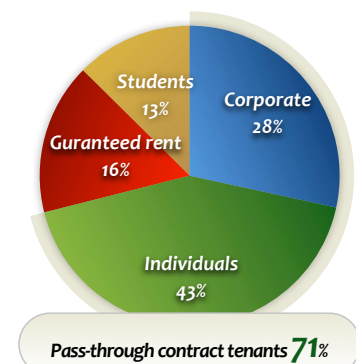
Building Age (based on acquisition price)



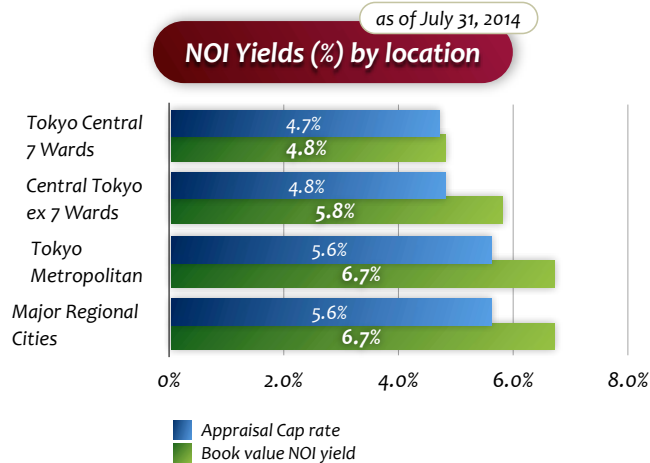
Walking Minutes to Train Station (based on acquisition price)



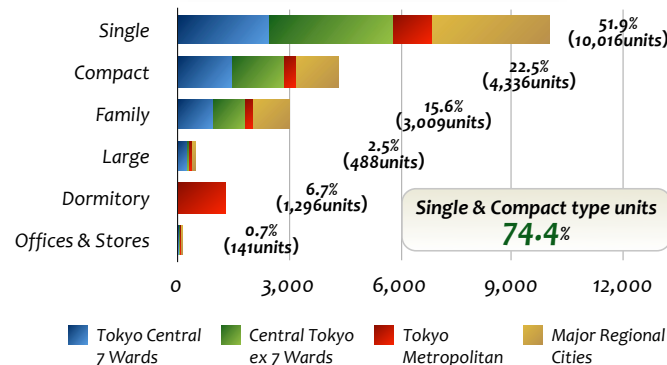
Tenant Category (Based on no. of unit)



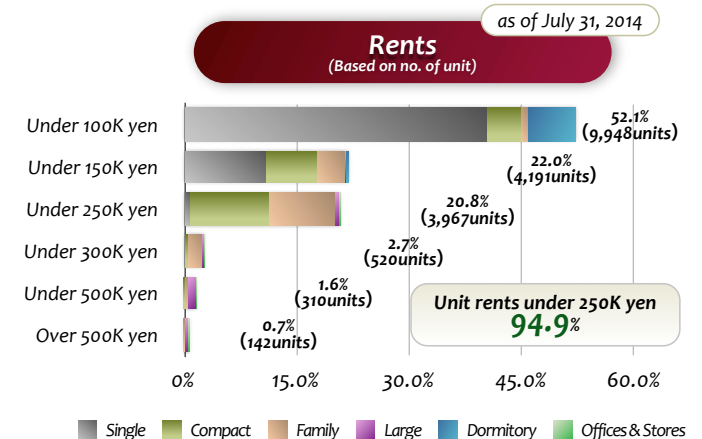
NOI Yields (%) by location



Unit type (Based on no. of unit)

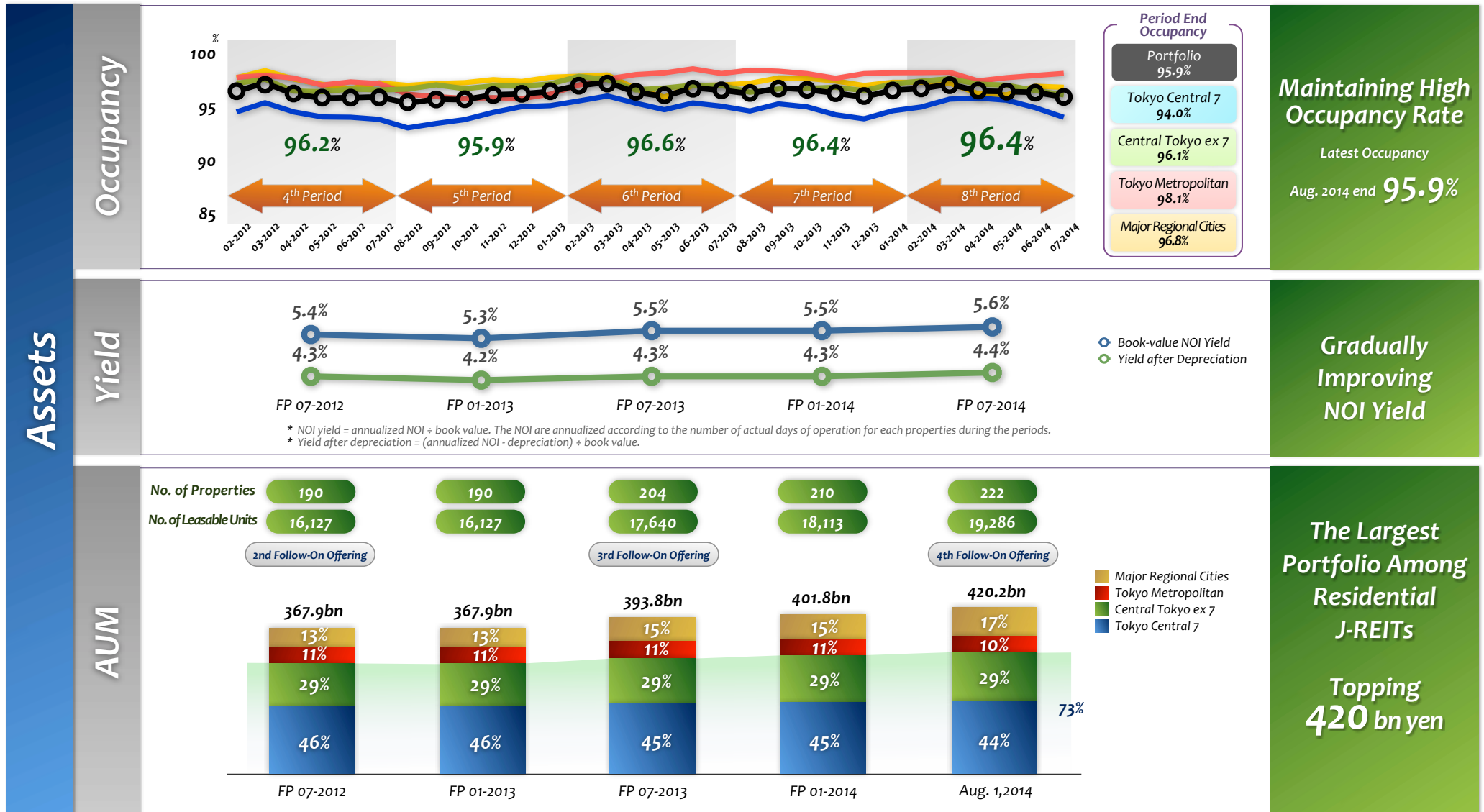


Rents (Based on no. of unit)



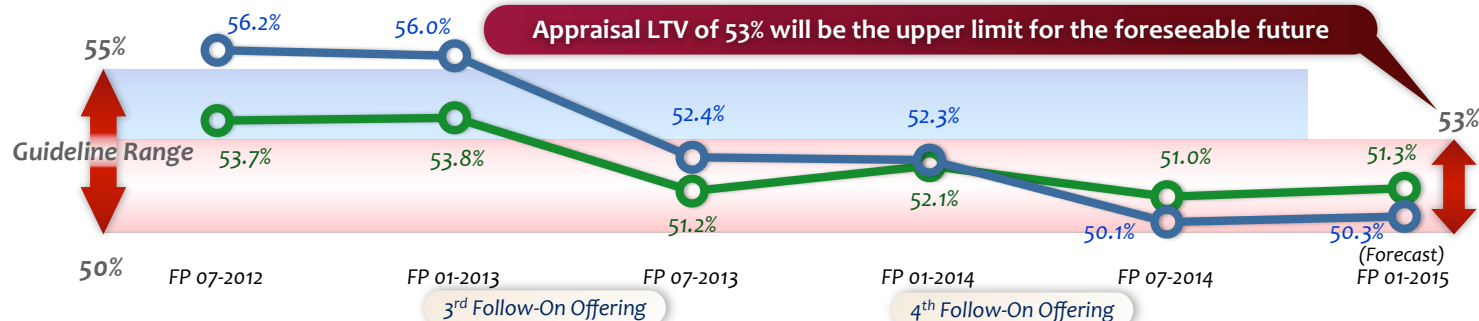
Solid Track Record, Solid Growth

Increasing EPS by Implementing Various Measures



Liabilities

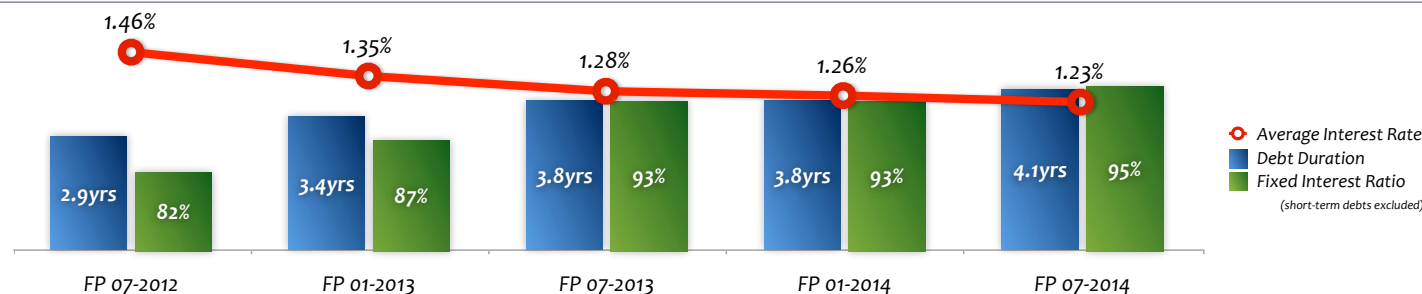
LTV



* Appraisal LTV = (Outstanding amount of loan at the fiscal period end + Outstanding amount of bond) ÷ Appraised value of the fiscal period end property holdings

Acquisition Capacity at appraisal LTV of 53% approx. **25.4bn yen** (estimate for FP ending Jan. 2015)

Debts

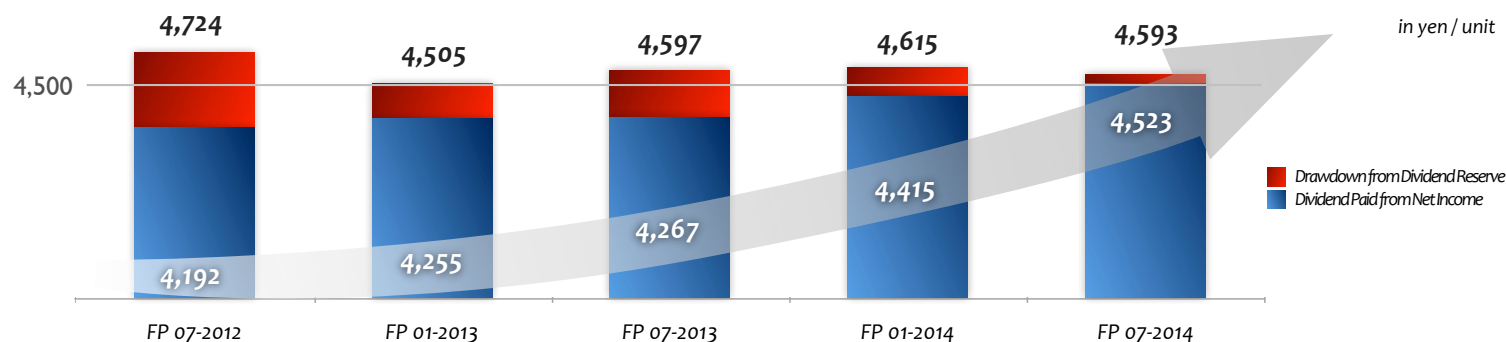


* In calculating the average interest rate, the effect of interest rate swaps are reflected. If there are any discrepancies between the principal amount of the swap and the underlining amount of debt, the swap's principal amount will be capped at the underlining amount of debt in the calculation.

Continue Extending Duration and Fix Interest Rates Borrowing

Equities

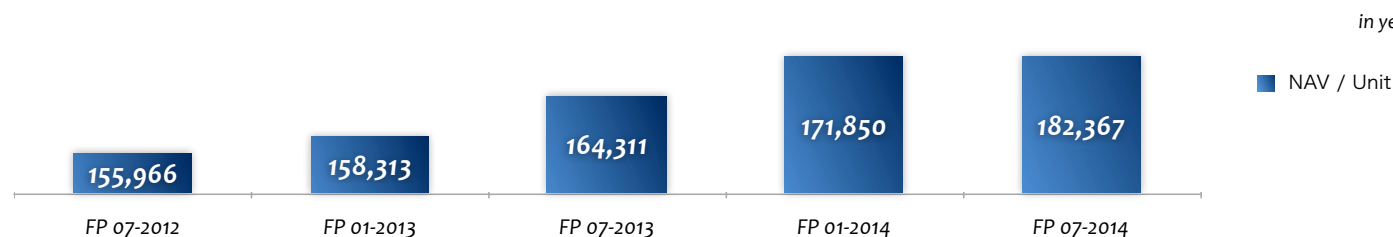
Dividends



Dividend Reserve Outstanding **33.6bn yen** (after FP July 2014 dividend payout)

Improving EPU

Net Asset Value



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


Increasing NAV per Unit



***Results for 8th Fiscal Period
ended July 31, 2014***

Executive Summary

Committed in Delivering Strong and Stable Dividend

 Advance Residence Investment Corporation

Results for Fiscal Period ended July 31, 2014

Earnings per Unit Tops 4,500 yen

		against initial forecast	against last period
Earnings per Unit	4,523yen	+93yen	+108yen
Dividend per Unit	4,593yen	+93yen	- 22yen

per unit figures without decimals are used in calculating the differences, same hereafter

Fiscal Highlight

Earnings per Unit Growth through the Various Measures

External Growth

including assets acquired in fiscal period ending Jan. 2015

Accretive Acquisitions

	Total Amount	NOI Yield	Yield after Depreciation
12 properties	18.4 billion yen	6.2%	5.0%

Internal Growth

Maintaining High Occupancy

Period Avg. Occupancy	against initial forecast	against last period
96.4%	+0.2%	+0.0%

Fund Raising Activities

Strengthening the Financial Base by Taking Advantage of the Favorable Financing Environment

1. Executed a Premium Priced Equity Offering
2. Signed Refinance Agreements in Advance on Loans Due in FP Jan. 2015

Results for Fiscal Period ended July 2014

from February 1, 2014 to July 31, 2014

 Advance Residence Investment Corporation

	(1) 8th FP Forecast	(2) 8th FP Results	(2)-(1)			(3) 7th FP Results	(2)-(3)	in million yen	
	Initial Forecast as of Mar. 12, 2014	Results for FP ended July 2014	Changes	Notes		Result for FP ended Jan. 2014	Changes	Notes	
Revenue	14,542 (221 properties) Period avg. occupancy 96.2%	14,668 (221 properties) Period avg. occupancy 96.4%	+126	Rental income increase, occupancy rise Increases in key money, renewal fees, etc Increases in SPCs closing dividend	+42 +31 +53	13,794 (210 properties) Period avg. occupancy 96.4%	+873	6 properties newly acquired in FP Jan 2014 Rent increase from full period contribution 11 newly acquired properties in FP July 2014 Rent increase Other same-stores & SPCs Increases in key money, renewal fee income Increases from SPCs closing dividend	+136 +609 +88 +40
Operating Income	7,388 (Depreciation: 2,447) (Property taxes: 705)	7,504 (Depreciation: 2,454) (Property taxes: 705)	+115	Rental Expenses External wall tiles inspection fee Decreases in restoration costs SG&A Increases in management fees	-30 +28 -9	7,136 (Depreciation: 2,332) (Property taxes: 659)	+368	Rental Expenses Increase in expense from new acquisitions Peak-season Increases in leasing expenses Increase in property taxes from 2013 acquisitions SG&A Increase in expenses due to consumption tax settlement losses and other cost increase due to increased asset size	-227 -109 -46 -123
Ordinary Income	5,760 (Funding cost: 1,604)	5,880 (Funding cost: 1,629)	+120	Interest receivables & others	+4	5,475 (Funding cost: 1,624)	+405	Increase in reversal of unpaid dividends	+37
Net Income	5,759	5,880	+120			5,475	+405		
EPU (yen)	4,430	4,523	+93			4,415	+108		
FFO per Unit (yen)	6,315	6,413	+98			6,298	+115		
Appraisal LTV	51.0%	50.1%	-0.9 pt			52.3%	-2.2pt		
Net Income	5,759	5,880	+120			5,475	+405		
Drawdown of Retained Earnings	+) 90	+) 90	-	Retained earnings after dividend: 33.6 bn yen		+) 247	-156		
Dividend Amount	=) 5,850	=) 5,970	+120	Units issued and outstanding 1,300,000 units		=) 5,722	+248	Units issued and outstanding 1,240,000 units	
Dividend per unit (yen)	4,500	4,593	+93	Please refer to page 23 for details on the payout policy.		4,615	-22	Please refer to page 23 for details on the payout policy.	

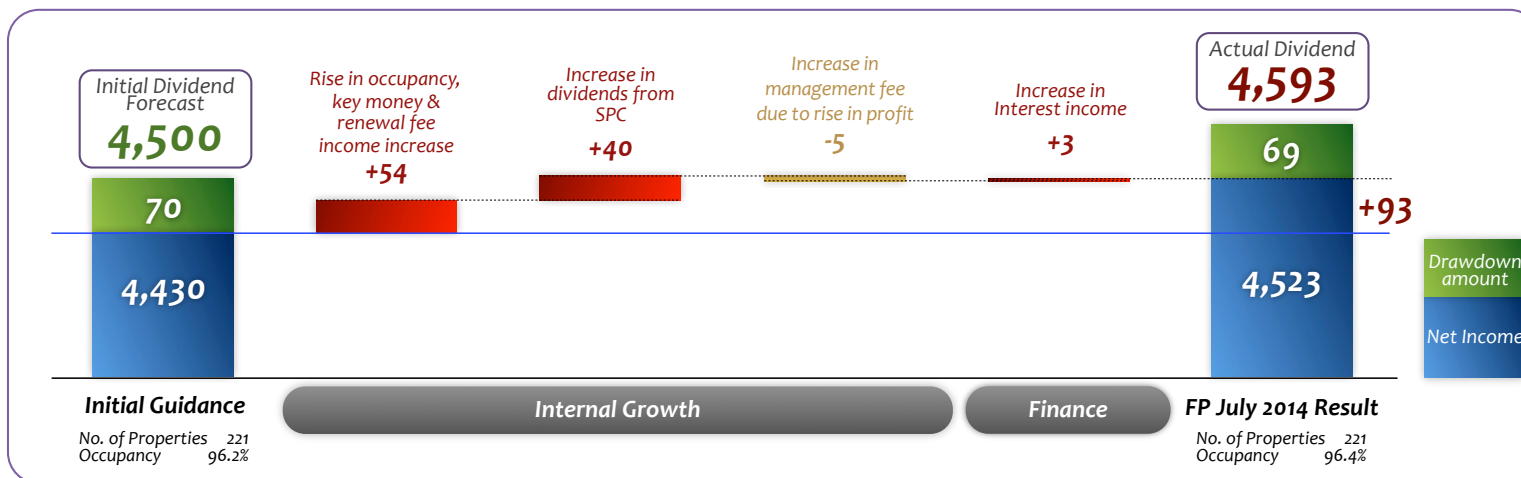
* Funding costs include interest payments for loans and bonds as well as other finance fees.

Results for Fiscal Period ended July 2014

from February 1, 2014 to July 31, 2014

EPU Tops 4,500 yen due to Favorable Environment and One-off Income

Changes from Initial Earnings Guidance (per unit yen)



in million yen

	Initial Guidance	FP July 2014 Results	diff
Revenue	14,542	14,668	+126
Operating income	7,388	7,504	+115
Ordinary income	5,760	5,880	+120
Net income	5,759	5,880	+120
Earnings per unit (yen)	4,430	4,523	+93
Dividend per unit (yen)	4,500	4,593	+93

Changes from Fiscal Period ended January 2014 Earnings (per unit yen)



in million yen

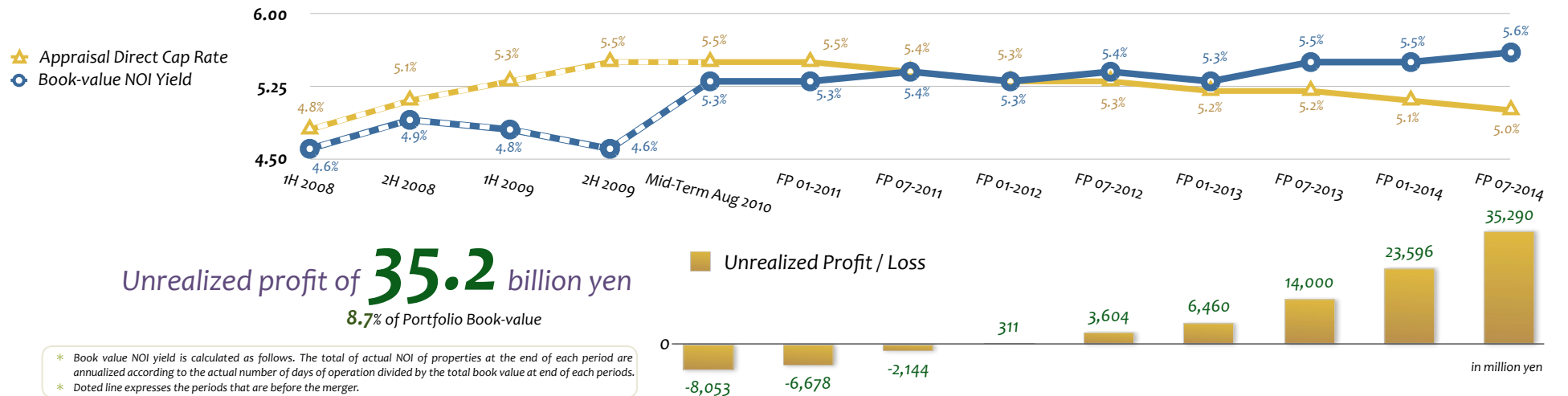
	FP Jan. 2014 Results	FP July 2014 Results	diff
Revenue	13,794	14,668	+873
Operating income	7,136	7,504	+368
Ordinary income	5,475	5,880	+405
Net income	5,475	5,880	+405
Earnings per unit (yen)	4,415	4,523	+108
Dividend per unit (yen)	4,615	4,593	-22



External Growth

Appraisal Value - Increase in Unrealized Profit -

Appraisal Direct Cap Rate • Unrealized Profit and Loss



Summary of End of FP July 2014 Appraisal

* For Assets acquired during the FP July 2014, appraisal value at the time of acquisition is used as the previous appraisal value.

	Appraisal (in million yen)		Appraisal NCF (in million yen)		Direct Cap Rate (%)		Movements in Appraisal			Unrealized Profit and Loss (million yen)		
	End of FP July '14	diff vs last FP	End of FP July '14	diff vs last FP	End of FP July '14	diff vs last FP	Improvement	Unchanged	Deterioration	Book Value (a)	Difference from the appraisal (b)	(b)/(a)
Tokyo Central 7 Wards	186,953	2,901	8,825	-30	4.66	-0.09	71	6	6	180,789	6,163	3.41%
Central Tokyo ex. 7 Wards	133,156	2,917	6,503	2	4.83	-0.11	62	1	4	117,895	15,260	12.94%
Tokyo 23 Wards Total	320,109	5,818	15,328	-28	4.73	-0.10	133	7	10	298,684	21,424	7.17%
Tokyo Metropolitan	45,216	791	2,530	-5	5.59	-0.11	20	1	1	40,256	4,959	12.32%
Major Regional Cities	77,771	1,802	4,371	22	5.58	-0.11	47	2	0	68,864	8,906	12.93%
Portfolio Total	443,096	8,411	22,230	-12	4.96	-0.10	200	10	11	407,805	35,290	8.65%

Excluding the effect of re-acquired engineer's report, minus 23 million yen,
Appraisal NCF was plus 11 million yen compared to the last FP

Rise in Appraisal Value +8.4billion yen

=

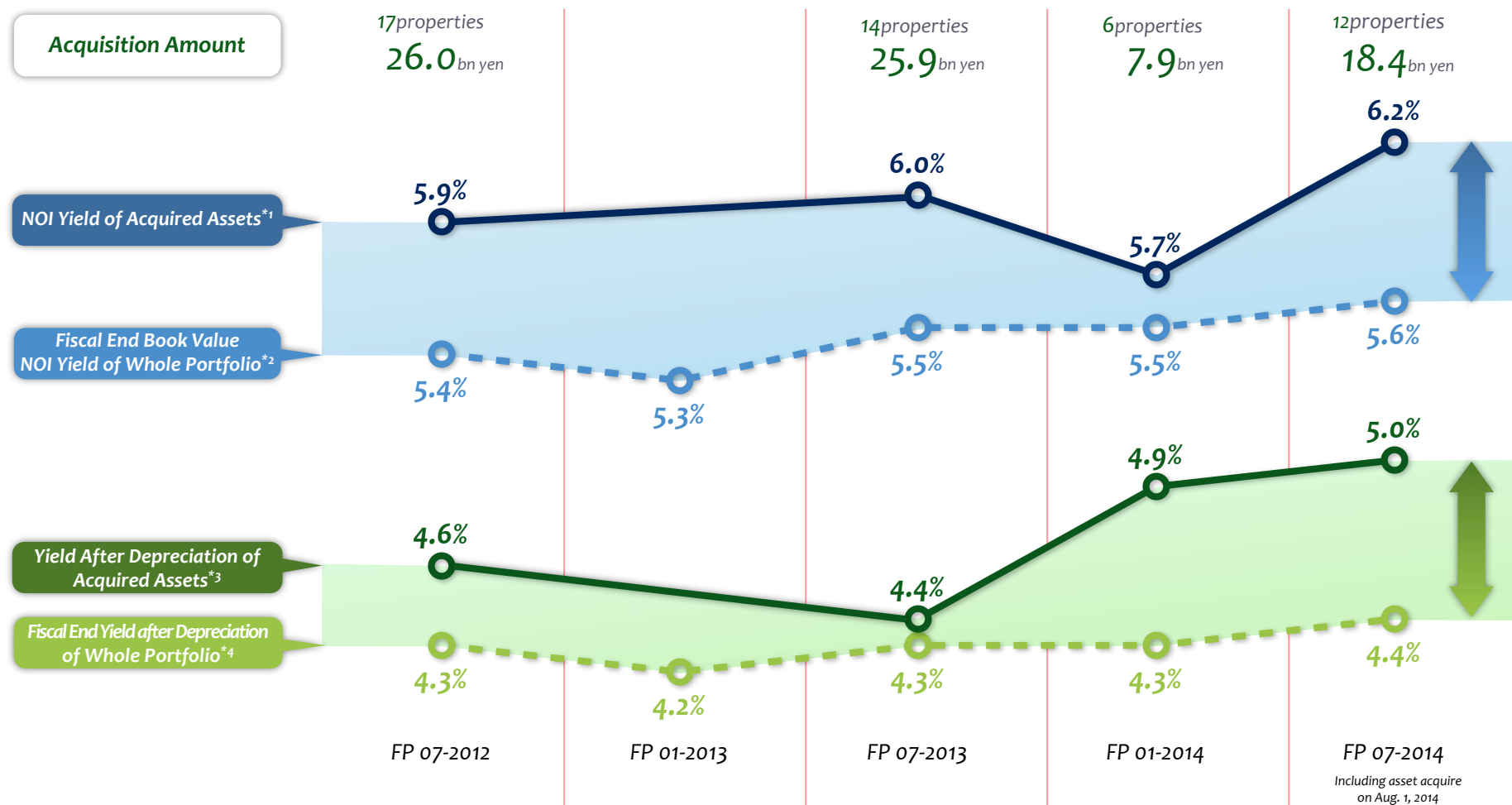
NCF Impact -0.2billion yen

+

DCR Impact +8.6billion yen

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

*2 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.

*3 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.

*4 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

Acquired from Market

Despite of the booming market, we were able to acquire a scarce newly built property through direct transaction

acquisition date: Aug. 1, 2014



Source	Market
Area	Major Regional Cities
Location	Osaka-shi, Osaka
Appraisal price	3,060million yen
Acquisition price	2,644million yen
NOI yield	6.3%
Yield after Depreciation	5.1%
No. of rentable units	208units
Completion date	February 2014

* Appraisal at the time of acquisition list annual property tax of 12 million yen

Itochu Group Development Properties

Properties being development are mostly in Tokyo 23 wards

Tokyo Central 7 Wards 7 properties 320 units Central Tokyo ex 7 Wards 9 properties 774 units

Development Location	Planned Units	Development Location	Planned Units
① Minami-Shinagawa, Shinagawa-ku	49	⑨ Omori-kita, Ota-ku	65
② Higashi-Nakanobu, Shinagawa-ku	44	⑩ Minami-kamata, Ota-ku	110
③ Shibuya, Shibuya-ku	60	⑪ Kameido, Koto-ku	128
④ Sotokanda, Chiyoda-ku	28	⑫ Kamata, Ota-ku	148
⑤ Shimouma, Setagaya-ku	41	⑬ Nihonbashi-Bakurocho, Chuo-ku	76
⑥ Shoto, Shibuya-ku	29	⑭ Hongo, Bunkyo-ku	47
⑦ Sangenjaya, Setagaya-ku	69	⑮ Midori, Sumida-ku	43
		⑯ Kojima, Taito-ku	99
		⑰ Koenji-minami, Suginami-ku	58

Regional 1 property 137 units

Development Location	Planned Units
⑧ Toyotsucho, Suita-shi	137

in total
17 properties 1,231 units

* The properties listed in red letters indicate completed developments.

Total 6 pre-building permit properties

Tokyo Central 7	3 properties
Central Tokyo ex. 7	2 properties
Major Regional Cities	1 properties

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

Fund Name

G.K. RISING3

Launched

March 2013 / October 2013

Expiration Date

November 30, 2014

Right of First Refusal Price

13 properties 10.6 bn yen*

Weighted Avg. NOI Yield

6.5%

Assets Under Management



G.K. RISING4

June 2013

August 30, 2015

6 properties 9.2 bn yen*

5.4%



	Total	Tokyo Central 7	Central Tokyo ex 7	Tokyo Metropolitan	Regional Cities
No. of Properties	19 properties	3 properties	4 properties	2 properties	10 properties
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%

We have already acquired five funds through execution of rights of first refusal since the merger.

* "Itochu Group development properties" are examples of rental apartment property developments by Itochu Corporation and Itochu Property Development Ltd. as of August 7, 2014 and listed above as a reference. As such, ADR is under no obligation to acquire the properties.

*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%

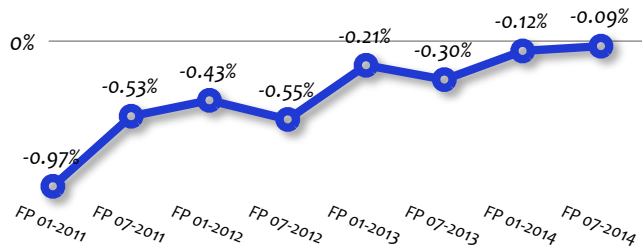


Internal Growth

Achieving Internal Growth in the Residential Sector

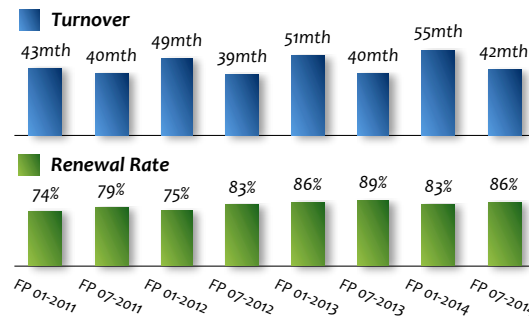
Rent Decline Bottoming-out, Key Money Income in Upward Trend

Portfolio Rent Change*

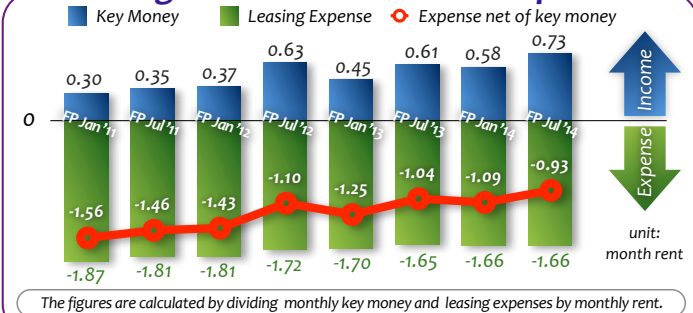


* Rent change for units that are both occupied at the beginning and the end of the period.

Turnover & Renewal Rate



Leasing Related Income and Expenses



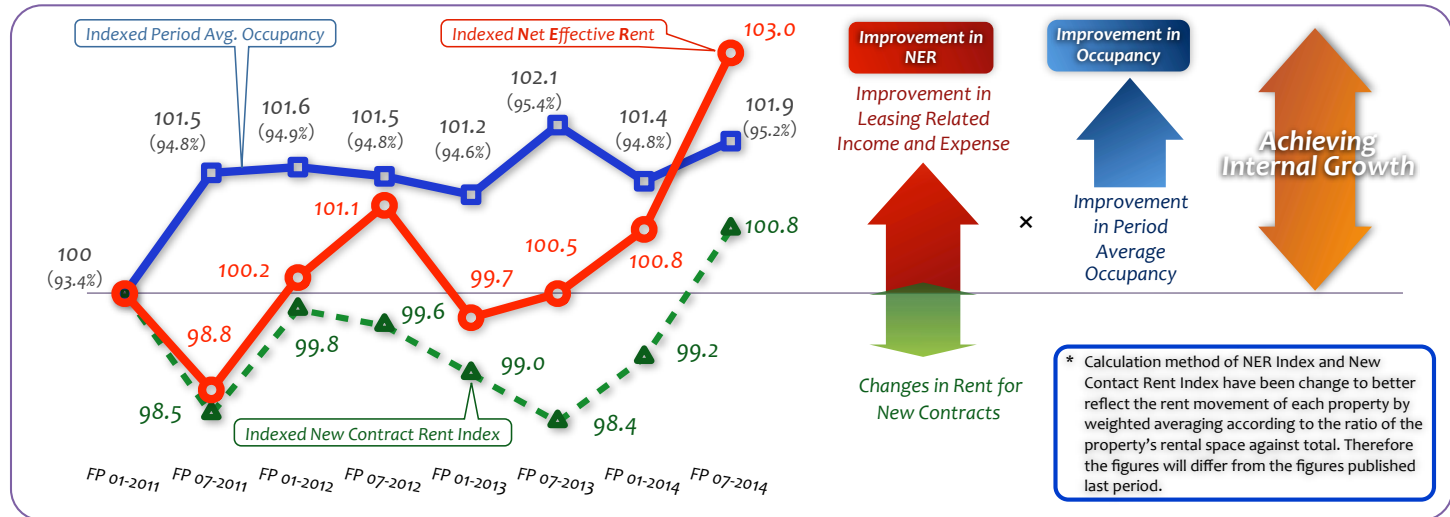
Achieving Internal Growth for New Contracts

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	Key Money	Leasing Expenses
120,000 yen	120,000 yen	180,000yen
	Costs spread for the two year lease term	
	Divide by 24 month	
120,000 yen	+ 5,000 yen/mth	- 7,500 yen/mth
= NER 117,500 yen		



- ▶ The 119 properties that are included in above chart are properties held since the start of the FP01-2011. Following properties are excluded from the calculation. 1) Properties with guaranteed rent or properties where the whole building is let to one tenant. This is because fluctuation in "key money" and "leasing related expenses" do not effect ADR's rental income from 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, FP01-2011) 1,811, FP07-2011) 1,118, FP01-2012) 903, FP07-2012) 1,057, FP01-2013) 1,002, FP07-2013) 1,057, FP01-2014) 817, FP07-2014) 947.
- ▶ Net Effective Rent Index is calculated as monthly rental of new contracts and common fees plus key Money Income divided by 24 month, minus leasing related expenses divided by 24 month and weighted averaged by each 119 properties rentable space for each fiscal period and indexed by using the FP01-2011 figure as 100.
- ▶ New Contract Rent Index is calculated as new contract monthly rental plus common fees for each fiscal period weighted averaged by each 119 properties rentable space and indexed by using the FP01-2011 figure as 100.

Maintaining and Improving the Assets through Renovations and Upgrades

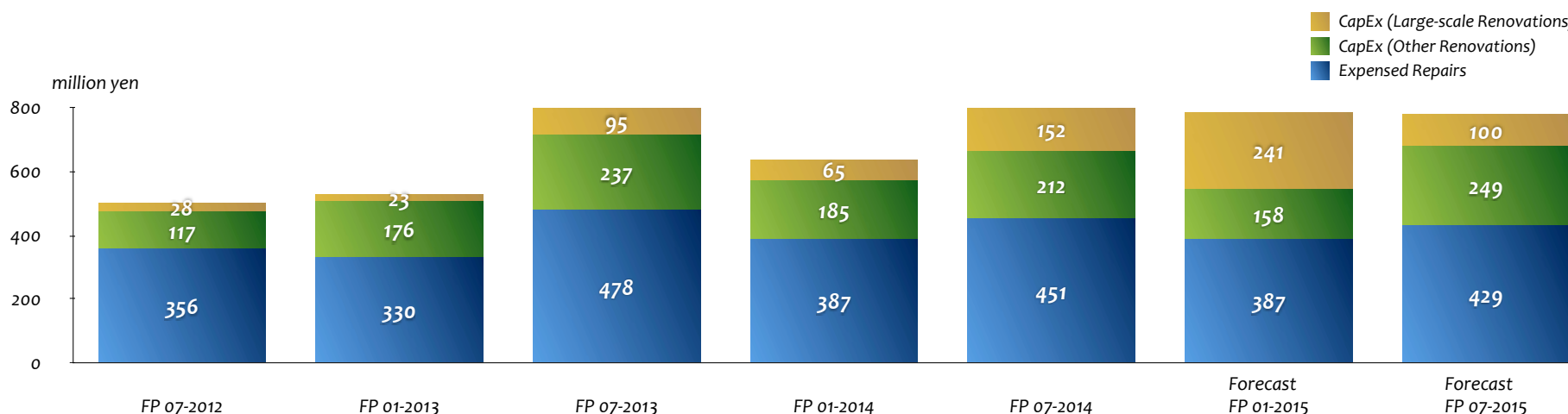


	Large-scale Renovations	Equipment Renewals Upgrade Works
Criteria	Properties with building Age of around 15 years	Upgrading considered at the time of kitchens & bathrooms equipment renewals (timing at around 15 years)
Track Record <small>* Properties which has been disposed are excluded</small>	10 properties	Number of Upgrades: 63 properties of which gained tenants: 49 properties Rate of rent increase: 9.7 %

The remaining vacant 14 units received the upgrades during FP July 2014. Units that have received the upgrades before the last FP have all gained tenants

The increase is against the rents of unit that have not received the upgrade with same type of layout and on the same floor

By Scheduling and Executing Proper Measures Property's Competitiveness Can be Maintained



Large-Scale Repairs, FP July 2014

P-53 RESIDIA Roppongi-Hinokichokoen

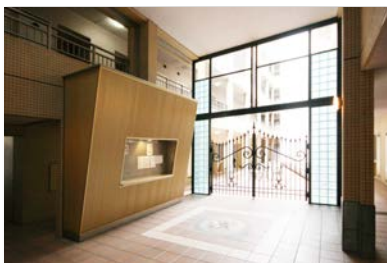
Building Age
15 yrs

Repairs and Renovations

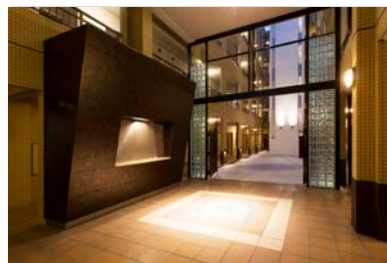
- Exterior wall • Re-roofing (using subsidies) • Water-proofing Balconies
- Landscaping • Entrance area upgrades • Re-flooring common area

Total Cost 69,150 thousand yen

before



after



P-25 RESIDIA Ebisu

Building Age
14 yrs

Repairs and Renovations

- Exterior wall repairs • Re-painting Common area iron works • Water-proofing Balconies
- Landscaping • Entrance area upgrades

Total Restoration cost 22,730 thousand yen

before



after



Equipment Renewals and Upgrades, FP July 2014

19 units of 8 properties received equipment renewals and upgrades

Examples

P-5 RESIDIA Azabujuban

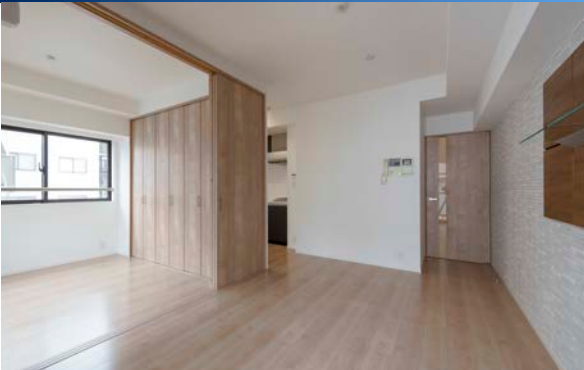
Building Age
15 yrs

Total Cost : 4,000 thousand yen
Upgrades : 1,096 thousand yen
Increase in Monthly Rent : up 15.1%
Projected Recuperation Period : 7 years

before



after



P-62 RESIDIA TOWER Azabujuban

Building Age
12 yrs

Total Cost : 3,690 thousand yen
Upgrades : 2,647 thousand yen
Increase in Monthly Rent : up 10.2%
Projected Recuperation Period : 8 years

before



after



P-26 RESIDIA Meguro

Building Age
15 yrs

Total Cost : 3,168 thousand yen
Upgrades : 737 thousand yen
Increase in Monthly Rent : up 13.8%
Projected Recuperation Period : 8 years

before



after



*Projected Recuperation Periods are periods projected to recuperate the upgrade cost. The increase in monthly rent is the ratio of rent against the assumed asking rent for non-upgraded units.



Finances

Building A Stable Financial Base

Advance Residence Investment Corporation

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

Key Figures on Debts

Credit Ratings

JCR: AA-
(Outlook: Stable → Positive)
November 8, 2013

R&I: A+
(Outlook: Stable)

	FP 01-2014	Loan / Bond Ratio	FP 07-2014	Loan / Bond Ratio	FP01-2015 Forecast	Loan / Bond Ratio
Loans	183.1bn yen	84%	184.2bn yen	83%	187.0bn yen	83%
(Short-term loans)	(2.5bn yen)	(1%)	-	-	-	-
Bonds	35.0bn yen	16%	37.5bn yen	17%	37.5bn yen	17%
Debt Outstanding	218.1bn yen	100%	221.7bn yen	100%	224.5bn yen	100%
Total Asset LTV	52.1%		51.0%		51.3%	
Appraisal LTV	52.3%		50.1%		50.3%	

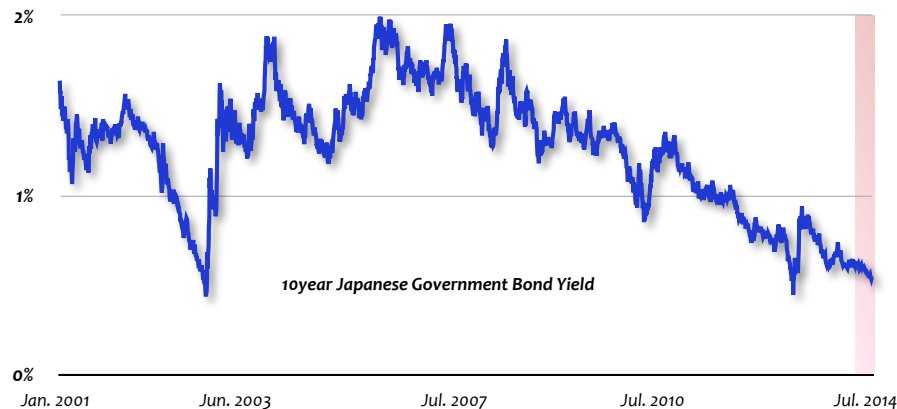
Bond Issue History

First Residential J-REIT to Issue 10 Year Bond and 12 Year Bond

Issue Date / Maturity	Sept. 2011	Apr. 2012	Sept. 2012	Apr. 2013	Nov. 2013	Apr. 2014
3 yrs		4 bn yen 0.86%				
5 yrs	8 bn yen 1.27%	4 bn yen 1.08%	8 bn yen 0.87%			
7 yrs	2 bn yen 1.68%		4 bn yen 1.23%			
10 yrs				3 bn yen 1.32%		2.5 bn yen 1.04%
12 yrs					2 bn yen 1.41%	

Debt Financing FP July 2014

Historical Low Interest Rates



Data: Bloomberg 10year JGB

Front-loaded Agreements on FP Jan. 2015 Re-financing

Feb. 1, 2014 to Jan. 31, 2015

	Repayment	Debt Financing
Total Amount	30.8bn yen (19.6bn yen)	37.2bn yen (23.3bn yen)
Average Interest Rate	1.46% (1.39%)	0.94% (1.02%)
Average Debt Duration	3.0years (2.5years)	7.8years (7.9years)

* Amortized debt repayments are included in the Total Amount of Repayments.

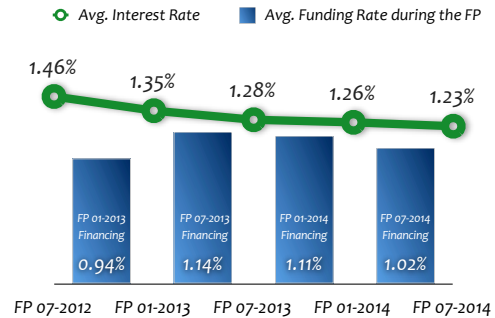
* The outstanding figures at FP ending July 2014 is listed in parenthesis.

* Debts that have been both raised and repaid during the same fiscal period are excluded.

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

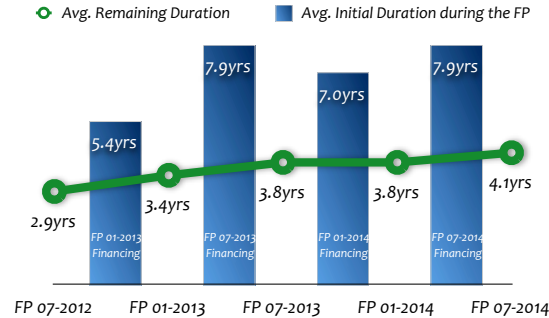
* Lease liabilities are excluded from the debts in this slide.

Average Interest Rate



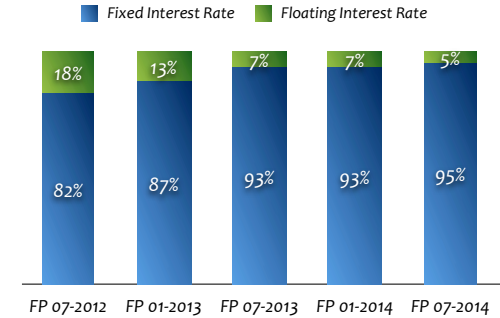
* In Calculating the average interest rate for financing during the periods, amount outstanding and interest rate applicable at the end of each period is used.

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.

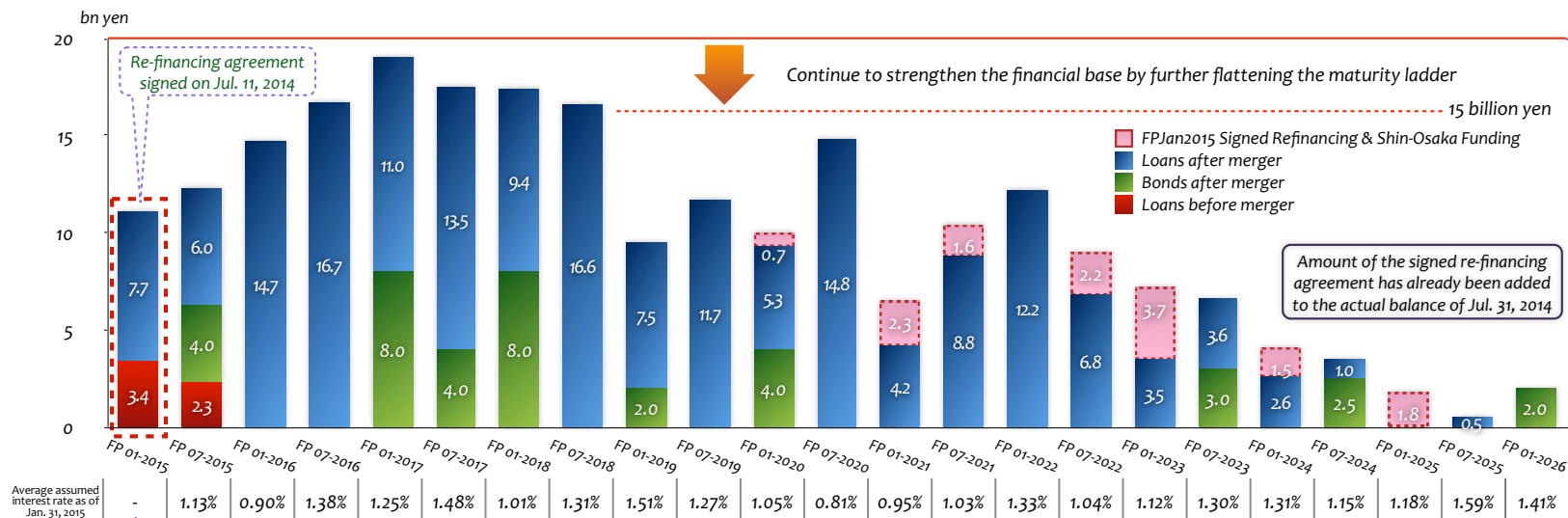
Ratio of Fixed Interest Rate Debts



* 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 FP 07-2014 will be repaid on maturity)
* The average assumed interest rate for FP 01-2015 is calculated on the premises that there will be no change from Jul. 2014 in the floating interest rate.



Management Policies & Earnings Guidance

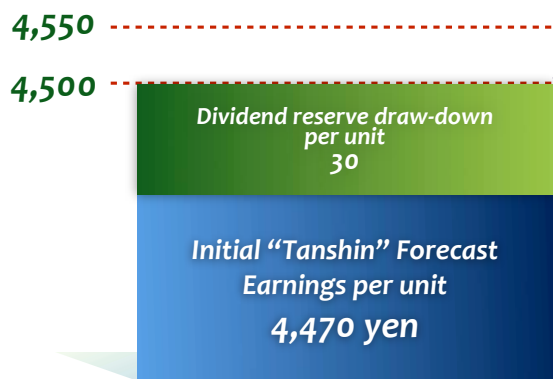
Current Payout Policy Will Be Maintained Till EPU Is Consistently Topping 4,500 yen

Under the payout policy, ADR will stabilize dividends by using reserve for dividends, but when the management performance is solid, dividends will be increased by how much the results beat the “Tanshin” earnings forecast.

Forecast

“Tanshin” Forecast

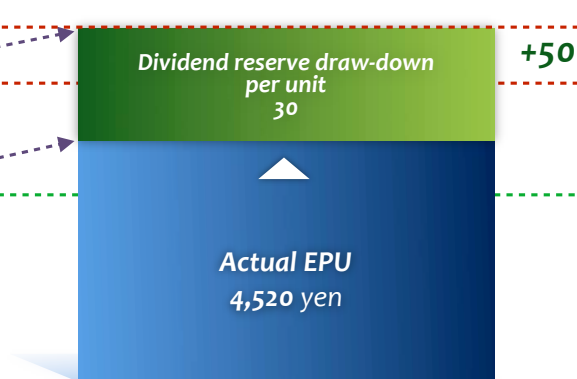
Earnings per share **4,470** yen
Reserve draw-down per share **30** yen
Dividend per share **4,500** yen



Results

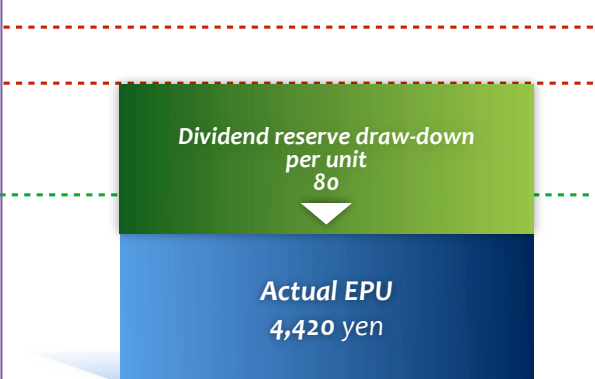
IF the results beat the forecast

Assuming the actual EPS result is **4,520** yen
beating the forecast by **50** yen
dividend will increase by **50** yen
to **4,550** yen



IF the results are lower than the forecast

Assuming the actual EPS result is **4,420** yen
Reserve draw-down increased to **80** 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.

Aiming to Consistently Achieve an EPU above 4,500 yen

Continue to Put Emphasis on EPU & NAV/Unit Growth While Responding to Changes in Business Environment

External Growth

Portfolio Replacement
Acquisition 113.7 bn yen / Disposition 39.3bn yen

External Growth through Utilization of Bridge Funds

In View of the Heated Market, Portfolio Replacements Are Becoming an Attractive Option

Internal Growth

Maintained High Occupancy, Improved Key Money Revenue, Reduced Management Costs & Leasing Expenses through Utilization of Merit of Scale

Pursue Rent Increase While Continuing to Reducing Leasing Expenses

Finance

Balance Sheet Restructuring
Release of Collateral / Improved Credit Ratings

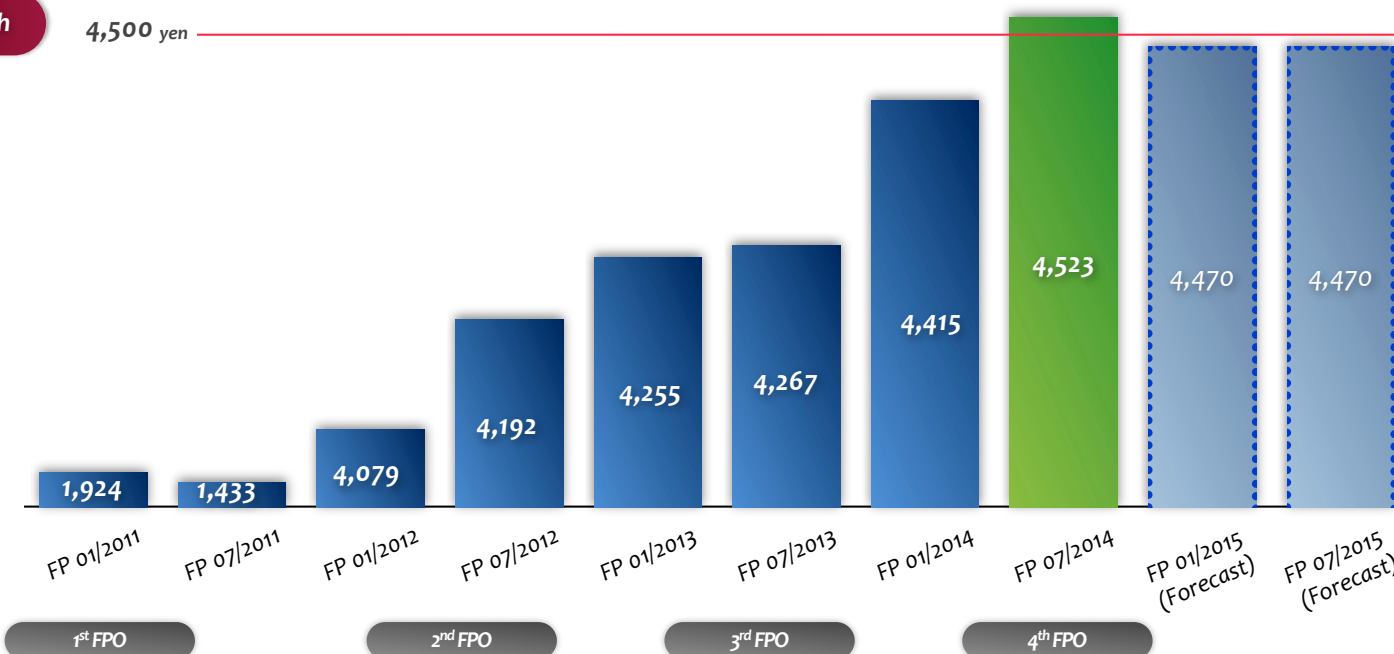
Reduced Interest Payment, Pursued Long-term Fixed Interest Rate Borrowing & Diversified Maturities

Continue to Long-term Fixed Interest Rate Borrowing & Diversification of Maturity

EPU Growth

4,500 yen

in yen



FP 01/2011 was an 11 month period. The FP 01/2011 figures in the chart are converted to 6 month figure and earnings from the negative good will are subtracted from the net income.

LTV's Upper Guideline & EPU Growth Engine

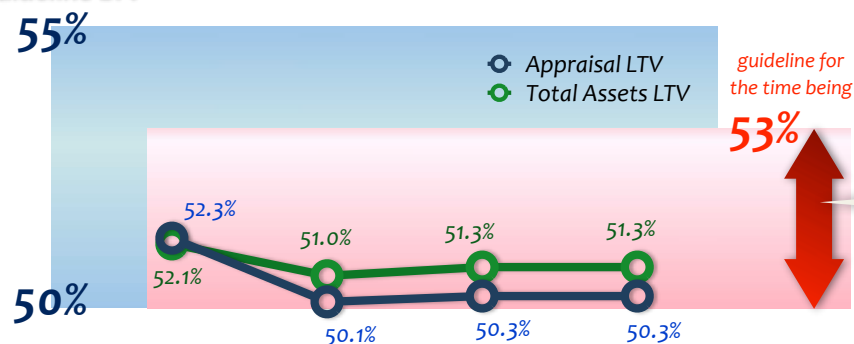
LTV's Upper Guideline

- Official LTV Guideline is 50% to 55%
- For the time being, appraisal LTV of 53% will be used as the upper guideline

EPU Growth Engine

- Future Consumption Tax Hike & Property Tax Effect **-73yen**
- EPU Growth From Utilization of Acquisition Capacity **+295yen**

Guideline LTV



There is enough acquisition capacity to acquire the bridge funds

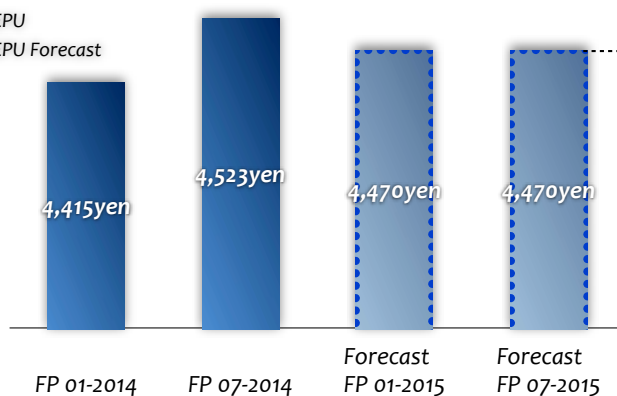
Acquisition Capacity*

25.4 billion yen

Bridge Funds (p.13)

19.9 billion yen

EPU
EPU Forecast



Effect of Consumption tax* hike (from 8% to 10%) on EPU

-48yen

Expensing of property taxes and dissolutions of property tax relief

-25yen

+295yen

EPU growth if 19.9bn yen bridge funds are acquired by utilizing the capacity*

* Acquisition capacity for appraisal LTV limit of 53%, is calculated on assumption that acquisitions are financed solely on debts.
 * The future effect of consumption tax on the EPU is calculated using figures for FP 07-2015 and assuming that the tax rate will rise from 8% to 10%.
 * The income from the bridge fund is our estimate calculated based on the NOI listed on the appraisal obtained at the time of equity participation, depreciation calculated on straight line bases and using the average borrowing cost of FP 07-2014. The funds' cost of administrations are not considered.
 * The LTV for FP 01-2015 and FP 07-2015 are estimates based on the appraisal value of FP 07-2014, and for the asset acquired in FP 01-2015 the appraisal value at the time of acquisition is used to estimate the LTV.

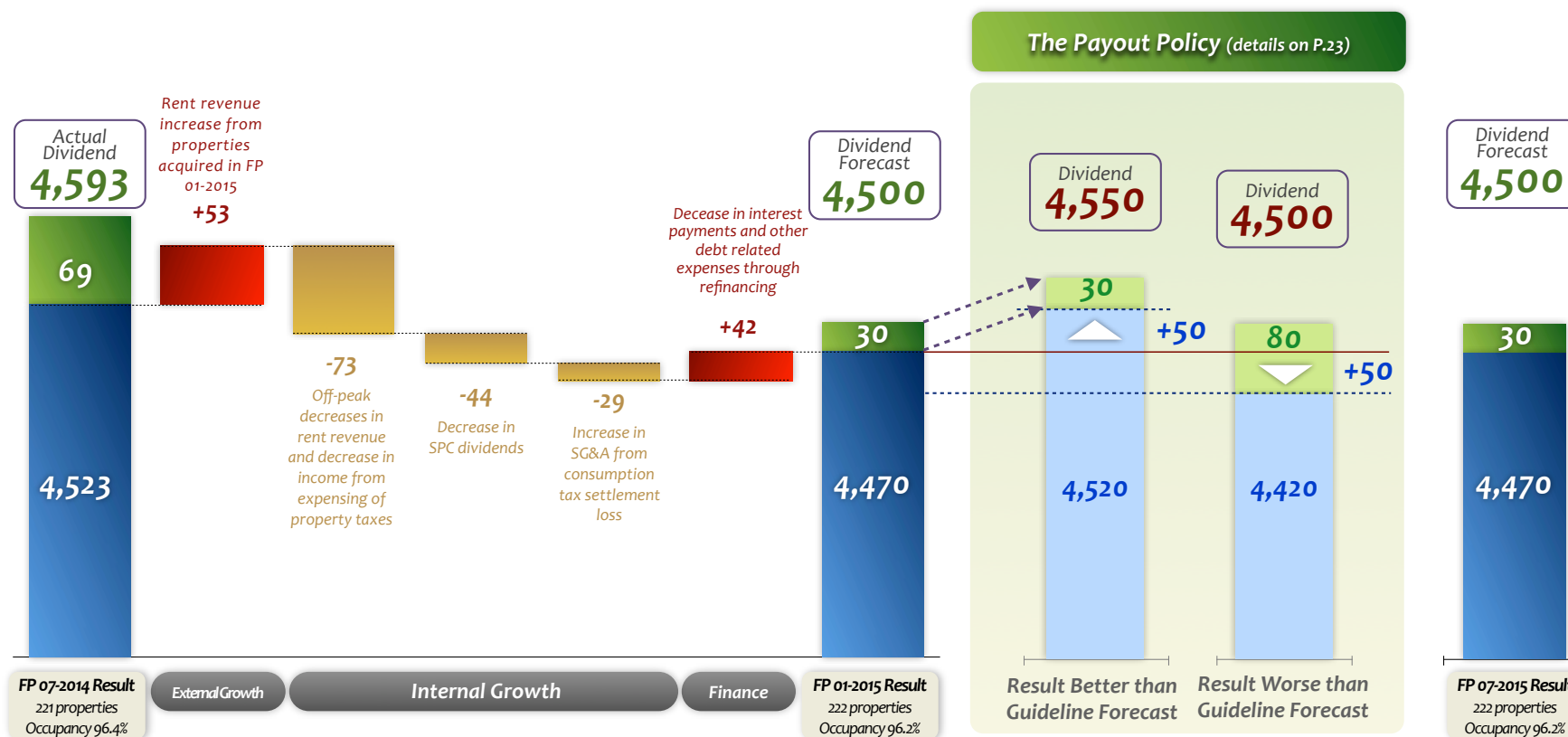
Earnings Guidance for FP Jan. 2015 & Jul. 2015

	(1) 8th FP Results	(2) 9th FP Forecast	(2)-(1)		(3) 10th FP Forecast	(2)-(3)		in million yen
	Results for FP July 2014	FP Jan 2015 Forecast (announced Sept. 8, 2014)	Changes	Notes	FP July 2015 Forecast (announced Sept. 8, 2014)	Changes	Notes	
Revenue	14,668 (221 properties) Period avg. occupancy 96.4%	14,545 (222 properties) Period avg. occupancy 96.2%	-123	One newly acquired asset (Residia Shin-Osaka) Rental income increase +90 Same-store 221 Properties Decrease in rent due to lower occupancy -156 Off-peak Decreases in key money, renewal fee income -48 Others -108 Decrease in dividend from SPC -57	14,646 (222 properties) Period avg. occupancy 96.2%	+101	Peak-season Increases in key money & renewal fee income	+101
Operating Income	7,504 (Depreciation: 2,454) (Property taxes: 705)	7,380 (Depreciation: 2,473) (Property taxes: 751)	-123	Rental Expenses +38 Off-peak decreases in leasing expenses +105 Increase in expense from new acquisitions -21 Increase in property taxes from 2013 acquisitions -46 SG&A Increase in consumption tax settlement losses -38	7,358 (Depreciation: 2,472) (Property taxes: 778)	-21	Rental Expenses Increase in property taxes from 2014 acquisitions -27 Peak-season Increases in leasing expenses -85 SG&A Increase in consumption tax settlement losses -10	
Ordinary Income	5,880 (Funding cost: 1,629)	5,811 (Funding cost: 1,559)	-68	Non-operating expenses Decrease in re-financing expense due to the front-loading in previous FP +55	5,812 (Funding cost: 1,542)	+0	Decrease in interest payment due to the re-financing	+21
Net Income	5,880	5,811	-68		5,811	+0		
EPU (yen)	4,523	4,470	-53		4,470	-		
FFO per Unit (yen)	6,413	6,375	-38		6,373	-2		
Appraisal LTV	50.1%	50.3%	+0.2 pt		50.3%	-0		
Net Income	5,880	5,811	-68		5,811	-0		
Drawdown of Retained Earnings	+) 90	+) 38	-52	Retained earnings after dividend: 33.5 bn yen	+) 38	+0	etained earnings after dividend: 33.5 bn yen	
Dividend Amount	=) 5,970	=) 5,850	-120	Units issued and outstanding 1,300,000 units	=) 5,850	-	Units issued and outstanding 1,300,000 units	
Dividend per unit (yen)	4,593	4,500	-93	Please refer to page 23 for details on the payout policy.	4,500	-	Please refer to page 23 for details on the payout policy.	

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

Earnings Guidance for FP Jan. 2015 & Jul. 2015

Aiming to Consistently Achieve an EPU above 4,500 yen



in million yen	FP 07-2014 Result (a)	FP 01-2015 Forecast (b)	diff (b-a)	FP 07-2015 Forecast (b)	diff (c-b)
Revenue	14,668	14,545	-123	14,646	+101
Operating income	7,504	7,380	-123	7,358	-21
Ordinary income	5,880	5,811	-68	5,812	0
Net income	5,880	5,811	-68	5,811	0
Earnings per unit (yen)	4,523	4,470	-53	4,470	0
Dividend per unit (yen)	4,593	4,500	-93	4,500	0



Appendix on Financial Results

Balance Sheet

Fiscal Period Ending July 31, 2014		in thousands yen
Assets		
Current assets		
Cash and deposits	7,592,567	
Cash and deposits in trust	8,134,558	
Operating accounts receivables	285,946	
Short-term investment securities	8,000,000	
Prepaid expenses	449,187	
Other	28,567	
Allowance for doubtful accounts	△ 29,547	
Current assets	24,461,279	
Fixed assets		
Property, plant and equipment		
Buildings	68,094,062	
Structures	15,406	
Machinery and equipment	25,250	
Tools, furniture and fixtures	59,812	
Land	71,429,166	
Buildings in trust	123,983,468	
Structures in trust	88,114	
Machinery and equipment in trust	85,388	
Tools, furniture and fixtures in trust	202,407	
Land in trust	141,013,941	
Construction in progress	23,452	
Property, plant and equipment	405,020,472	
Intangible assets		
Leasehold right	1,071,902	
Leasehold right in trust	1,717,340	
Other	4,162	
Intangible assets	2,793,405	
Investments and other assets		
Securities investments	546,342	
Long-term prepaid expenses	783,105	
Guarantee deposits	469,288	
Guarantee deposits in trust	995,717	
Other	1,602	
Investments and other assets	2,796,056	
Fixed assets	410,609,935	
Deferred assets		
Investment unit issuance expenses	15,036	
Investment corporation bond issuance costs	129,162	
Deferred assets	144,198	
Total Assets	435,215,413	

Fiscal Period Ending July 31, 2014		in thousands yen
Liabilities		
Current liabilities		
Operating accounts payable	218,944	
Short-term loans payable	-	
Current portion of investment corporation bond	4,000,000	
Current portion of long-term loans payable	19,448,195	
Accounts payable-other	1,214,306	
Accrued expenses	190,194	
Accrued consumption taxes	11,119	
Advances received	76,364	
Other	35,560	
Current liabilities	25,194,685	
Long-term liabilities		
Investment corporation bond	33,500,000	
Long-term loans payable	164,846,901	
Tenant leasehold and security deposits	1,251,239	
Tenant leasehold and security deposits in trust	2,664,629	
Long-term deposits received	-	
Other	-	
Long-term liabilities	202,262,769	
Liabilities	227,457,454	
Net assets		
Unitholders' equity		
Unitholders' capital, gross	114,936,698	
Surplus		
Capital surplus	53,220,279	
Reserve for dividend	33,720,940	
Unappropriated retained earnings (undisposed loss)	5,880,040	
Surplus	92,821,260	
Unitholders' equity	207,757,958	
Net assets	207,757,958	
Liabilities and net assets	435,215,413	

Profit and Loss Statement

Fiscal Period Ending July 31, 2014 (from February 1, 2014 to July 31, 2014)		in thousands yen
Operating revenue		
Rent revenue-real estate		14,590,450
Dividend income		78,198
Operating revenue		14,668,649
Operating expenses		
Expenses related to rent business		5,749,489
Asset management fee		949,870
Asset custody fee		9,478
Administrative service fees		62,733
Directors' compensations		2,400
Taxes and dues		178,510
Provision of allowance for doubtful accounts		18,158
Bad debts expenses		296
Other operating expenses		193,132
Operating expenses		7,164,070
Operating income		7,504,578
Non-operating income		
Interest income		10,862
Interest on securities		2,600
Claim compensation income		22,838
Reversal of distributions payable		3,281
Reversal of allowance for doubtful accounts		-
Other		3,863
Non-operating income		43,446
Non-operating expenses		
Interest expenses		1,145,316
Interest expenses on investment corporation bonds		204,167
Amortization of investment unit issuance expenses		5,684
Amortization of investment corporation bond issuance costs		18,047
Investment unit issuance expenses		11,587
Borrowing related expenses		280,430
Other		2,145
Non-operating expenses		1,667,379
Ordinary income		5,880,645
Income before income taxes		5,880,645
Income taxes-current		605
Income taxes		605
Net income		5,880,040
Unappropriated retained earnings (undisposed loss)		5,880,040

Fiscal Period Ending July 31, 2014 (from February 1, 2014 to July 31, 2014)		in thousands yen
A. Revenue from Property Leasing		
Rental		
Rent income		13,049,054
Facility charge		574,352
Parking fee		436,819
Subtotal		14,060,226
Other revenues related to property leasing		
Income from leasing rights, etc.		50,519
Miscellaneous income		479,705
Subtotal		530,224
Total revenues from property leasing		14,590,450
B. Rental Expenses		
Taxes and Duties		705,517
Property management fees		1,023,492
Utilities		269,552
Repairs and maintenance		451,538
Insurance		26,559
Trust fee		65,122
Other rental expenses		753,611
Depreciation and amortization		2,454,095
Total rental expenses		5,749,489
C. Operating Income from Property Leasing Activities (A-B)		8,840,961

Cash Flow Statement

Fiscal Period Ending July 31, 2014 (from February 1, 2014 to July 31, 2014)		in thousands yen
Net cash provided by (used in) operating activities		
Income before income taxes		5,880,645
Depreciation and amortization		2,457,120
Amortization of investment unit issuance expenses		5,684
Amortization of investment corporation bond issuance costs		18,047
Other offering costs associated with the issuance of investment units		11,587
Increase (decrease) in allowance for doubtful accounts		13,079
Interest income		-13,462
Interest expenses		1,145,316
Interest expenses on investment corporation bonds		204,167
Decrease (increase) in operating accounts receivables		7,994
Decrease (increase) in consumption tax receivables		-
Decrease (increase) in prepaid expenses		-118,460
Increase (decrease) in accrued consumption taxes		-22,127
Increase (decrease) in operating accounts payable		4,264
Increase (decrease) in accounts payable-other		98,402
Increase (decrease) in accrued expenses		-19,712
Increase (decrease) in advances received		12,229
Decrease (increase) in long-term prepaid expenses		-140,705
Other		1,901
Subtotal		9,545,973
Interest income received		6,911
Interest expenses paid		-1,345,693
Income taxes paid		-9,442
Net cash provided by (used in) operating activities		8,197,748

Fiscal Period Ending July 31, 2014 (from February 1, 2014 to July 31, 2014)		in thousands yen
Net cash provided by (used in) investing activities		
Payments into time deposits		-4,001,500
Proceeds from withdrawal of time deposits		5,000,000
Purchase of short-term investment securities		-8,000,000
Proceeds from sales of short-term investment securities		-
Purchase of property, plant and equipment		-62,725
Purchase of property, plant and equipment in trust		-16,784,737
Proceeds from tenant leasehold and security deposits		3,164
Proceeds from tenant leasehold and security deposits in trust		166,278
Purchase of Securities Investment		-
Proceeds from withdrawal of investment securities		478,436
Repayments of long-term deposits received		-4,300
Net cash provided by (used in) investing activities		-23,205,384
Net cash provided by (used in) financing activities		
Increase in short-term loans payable		3,850,000
Repayment of short-term loans payable		-6,410,000
Proceeds from long-term loans payable		20,880,000
Repayment of long-term loans payable		-17,134,499
Proceeds from investment corporation bond issuance		2,500,000
Payments for investment corporation bond issuance costs		-16,713
Proceeds from issuance of investment units		12,379,680
Payments for investment unit issuance expenses		-8,158
Other offering costs associated with the issuance of investment units		-17,679
Repayments of finance lease obligations		-2,721
Dividends paid		-5,723,844
Net cash provided by (used in) financing activities		10,296,023
Net increase (decrease) in cash and cash equivalents		-4,711,612
Fiscal period start cash and cash equivalents		16,437,238
Fiscal period end cash and cash equivalents		11,725,625



Appendix on External Growth

Building a High Quality Portfolio

as of Aug. 1, 2014

Acquisitions and Dispositions Since the Merger

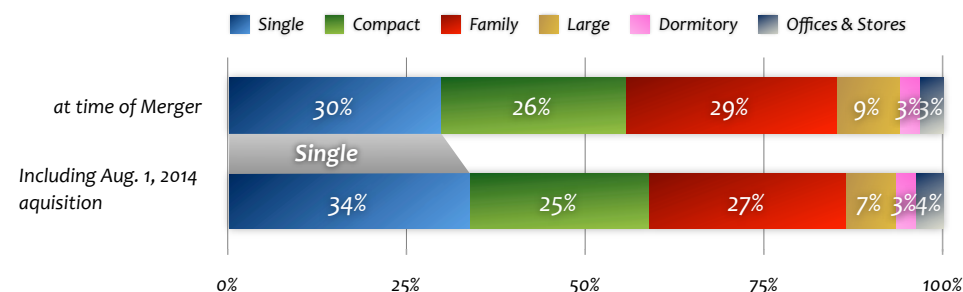
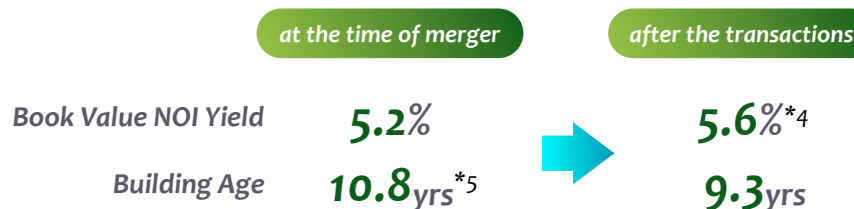
	Acquisitions	Dispositions
No. of Properties	70	36
Total Value (Acquisition Price)	113.7 bn yen	39.3 bn yen
Weighted Average NOI Yield	6.1%* ¹	4.9%* ²
Weighted Average Building Age* ³	4.3 yrs	9.9 yrs

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	+485	-20	-25	-54	0	+10	+396
Central Tokyo ex 7	+1,265	+478	+370	+11	0	+8	+2,132
Tokyo Metropolitan	+241	-18	-72	0	+172	-2	+321
Major Regional Cities	+1,390	+522	+236	+55	0	-2	+2,201
Total	+3,381	+962	+509	+12	+172	+14	+5,050

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	33	70
Total Acquisition Value (bn yen)	23.6	33.1	56.9	113.7
Share of Sources	20.8%	29.2%	50.1%	100.0%

The figures in this slide are all based on data as of August 1, 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 ÷ FP 07-2014 end book value, where the NOI is annualized using the actual days in operation during the FP 07-2014. For the asset acquired between after FP 07-2014 end and August 1, 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 August 1, 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.

New Acquisitions in FP July 2014

(includes asset acquired in FP January 2015 RESIDIA Shin-Osaka)

	Total	Tokyo Central 7 Wards	Central Tokyo ex 7	Major Regional Cities
Properties	12	3	2	7
Acquisition price (million yen)	18,452	4,929	2,397	11,126
Share	100.0%	26.7%	13.0%	60.3%
Weighted average NOI yield	6.2%	5.4%	5.6%	6.7%
Weighted average building age (as of acquired date)	5.7yrs	5.6yrs	6.2yrs	5.6yrs
No. of rentable units	1,172	163	159	850

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-70 RESIDIA Ikebukuro West

Source: Bridge Fund



Area	Central Tokyo ex 7
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 ex 7
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-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

- * 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%

New Acquisitions in FP July 2014

(includes asset acquired in FP January 2015 RESIDIA Shin-Osaka)

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

Acquired in FP January 2015

R-59 RESIDIA Shin-Osaka

Source: Market



Area	Major Regional Cities
Location	Osaka-shi, Osaka
Acquisition price	2,644million yen
Appraisal price	3,060million yen
NOI yield	6.3%
No. of rentable units	208units
Completion date	February 2014

* Names of properties will be changed to the listed names.

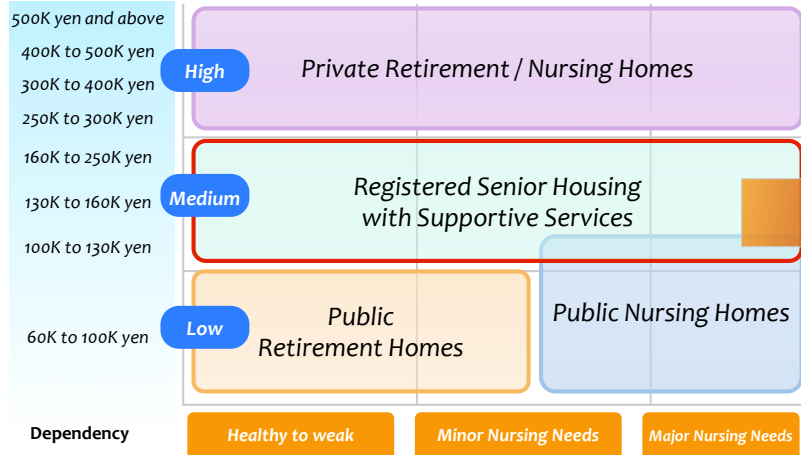
* Acquisition prices are rounded down to the nearest million. The appraisal price at the time of acquisition is listed.

* 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

FP 07-2014 Actual NOI Yield **6.8%**



Area	Tokyo Metropolitan
Location	Yokohama-shi, 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

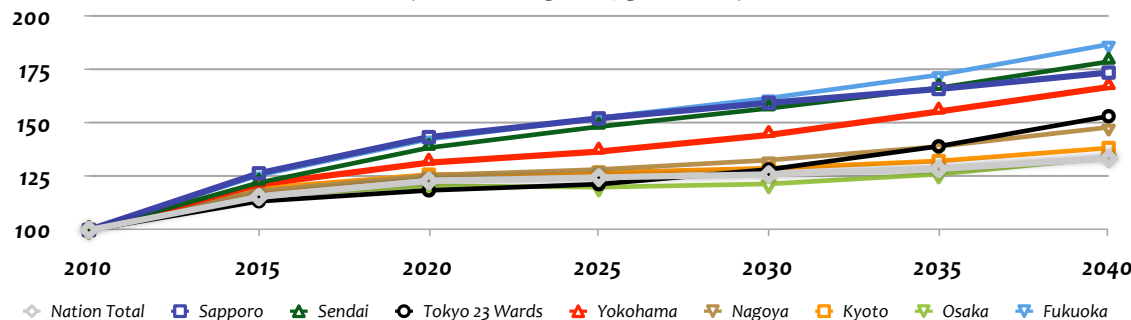
Gakken Cocofump Corporation is a leading operator of Registered Senior Housing with Supportive Services (RSHSS). It has a solid track record from operating **45** (as of Sept. 1, 2014) RSHSS mainly within the Tokyo metropolitan region.

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 expect 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

FP 07-2014 Actual NOI Yield **7.7%**



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

Dormitories and Student Apartments

No. of properties

15 properties

as of Aug. 1, 2014

Actual NOI yield

7.1%

Occupancy
(Residential portion)

100%

* due to guaranteed rent contracts

No of rentable units

2,317 units

Total of acquisition price

18,506 million yen

Investment ratio of
portfolio

4.4%

* Actual NOI yield = FP 07-2014 actual annualized NOI ÷ book value × 100%.

Dormitories*¹

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

S-1 TOKYO Student-House Hiyoshidai

* Quake-proofing renovation in 2002



Actual NOI yield 11.0%

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 6.6%



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

S-23 College Court Tanashi

Actual NOI yield 7.6%



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

P-3 RESIDIA Nakameguro

Actual NOI yield 5.9%



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 6.1%



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 6.2%



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

C-50 RESIDIA Shin Itabashi

Actual NOI yield 6.3%



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 5.8%



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 5.5%



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 5.8%



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 5.8%



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 6.6%



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 7.5%



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

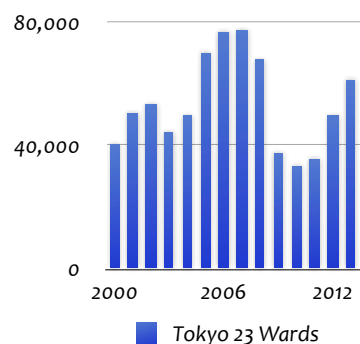
Internal Migration Statistics

Population Inflow to Central Tokyo and Major Regional Cities Continues

Migration Statistics of Major Cities in Japan

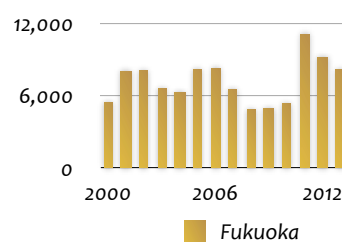
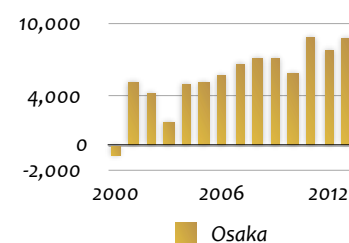
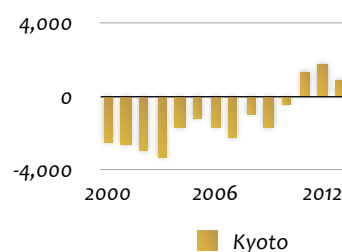
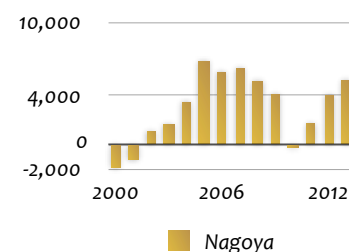
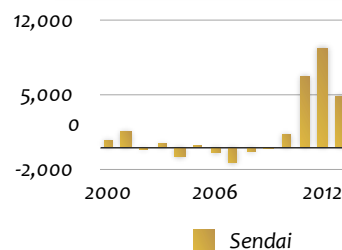
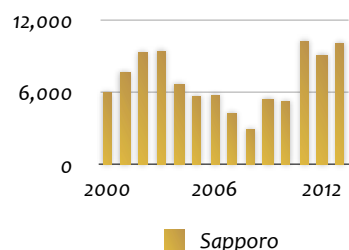
Tokyo 23 Wards

ADR's Investment Ratio 73%



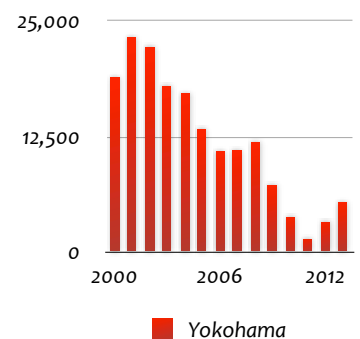
Major Regional Cities

ADR's Investment Ratio 17%



Cities in Tokyo Metropolitan Area

ADR's Investment Ratio 10%



Net Inflow is Pre-dominantly Younger Generation

Tokyo's Population Inflow by Age Group

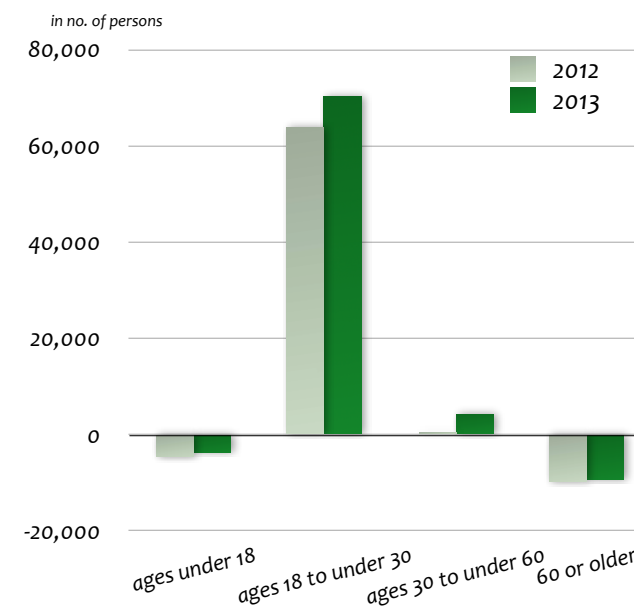
Tokyo Prefecture

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

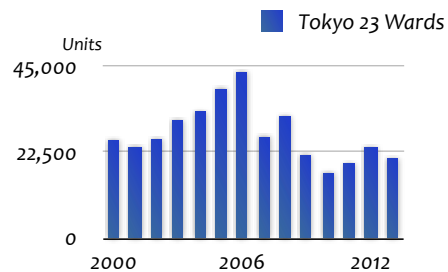


Source: "Report on Internal Migration in Japan" Statistics Bureau, Ministry of Internal Affairs and Communications(2013); "Report on Internal Migration" Statistics Division, Bureau of General Affairs, Tokyo Metropolitan (2013)

Housing Starts

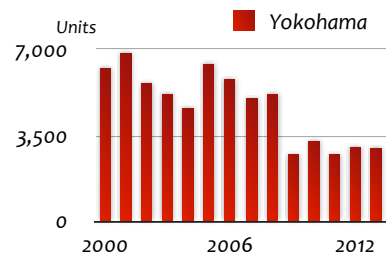
Housing Starts Halved from the Peak since Lehman Shock

Tokyo 23 Wards



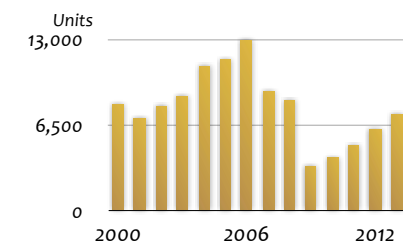
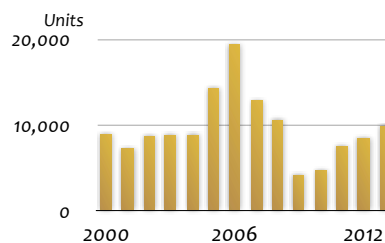
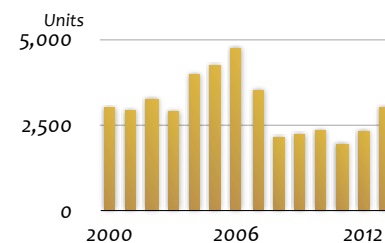
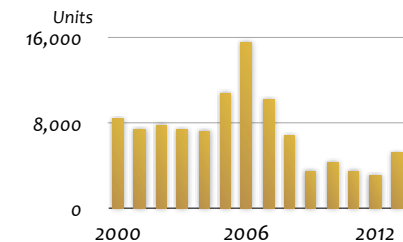
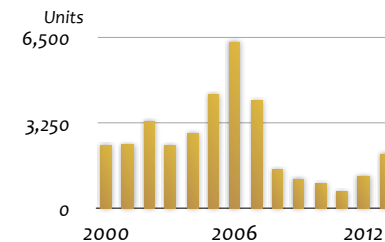
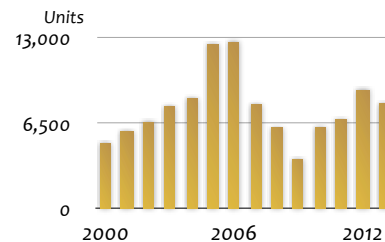
ADR's Investment Ratio in the Region
73%

Tokyo Metropolitan Area



ADR's Investment Ratio in the Region
10%

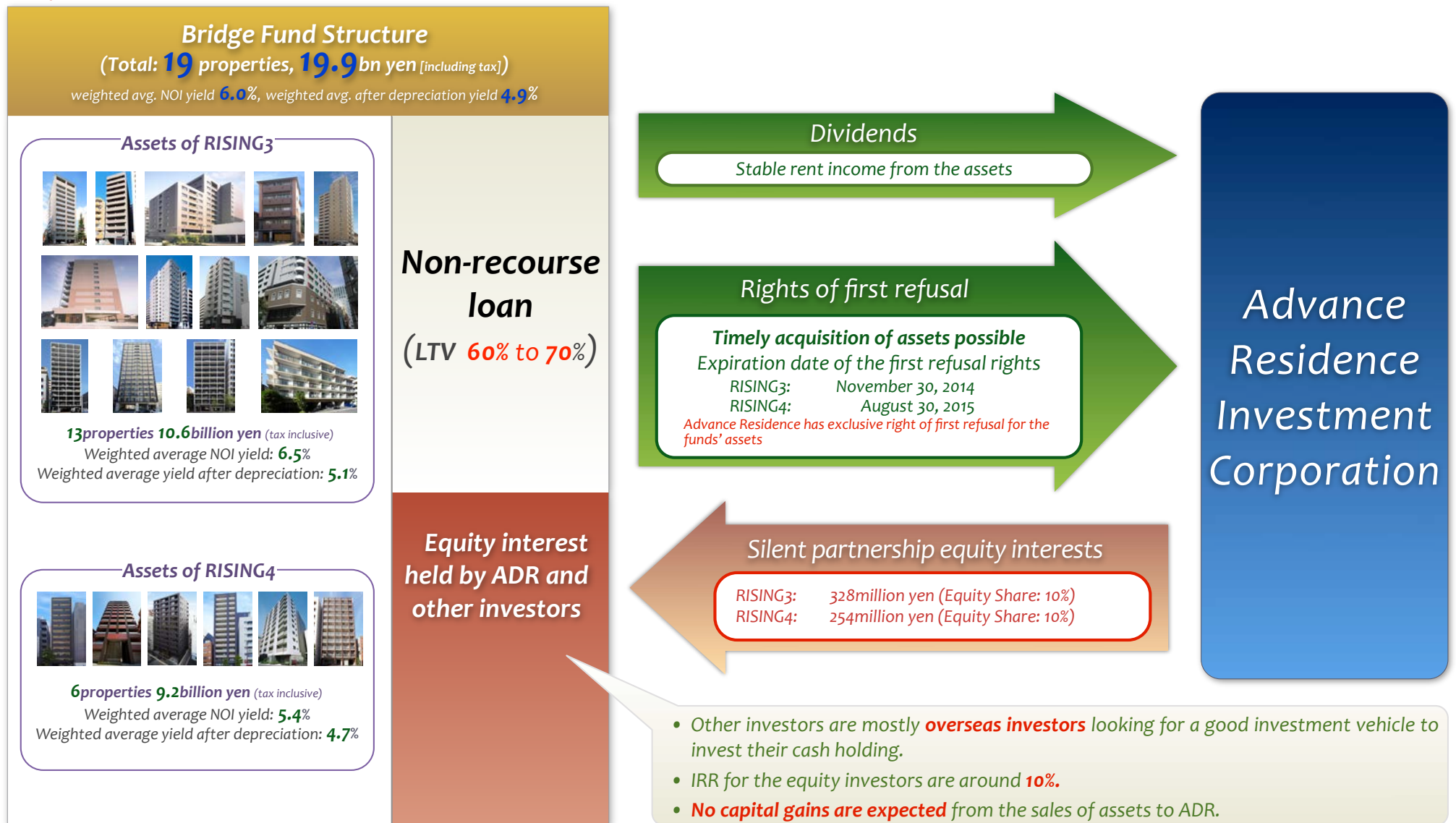
Major Regional Cities



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) (2013)

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



Appendix on Internal Growth

Lowering Costs through Economy of Scale

Total cost reduction since the merger
FP July 2014 cost reduction

293 million yen / annum
11 million yen / annum

in million yen / annum

■ Property Management Fees

total	76
FP 07-2014	-
Previous FPs	76

■ Custodial Fees

total	40
FP 07-2014	2
Previous FPs	37

■ Appraisal Fees

total	51
FP 07-2014	-
Previous FPs	51

■ Electricity Bill for Shared Spaces ■ LED Lighting

total	52
FP 07-2014	9
Previous FPs	43

■ Building Management Fees

total	60
FP 07-2014	-
Previous FPs	60

■ Property Insurance Fees ■ Internet Provider

total	11
FP 07-2014	-
Previous FPs	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

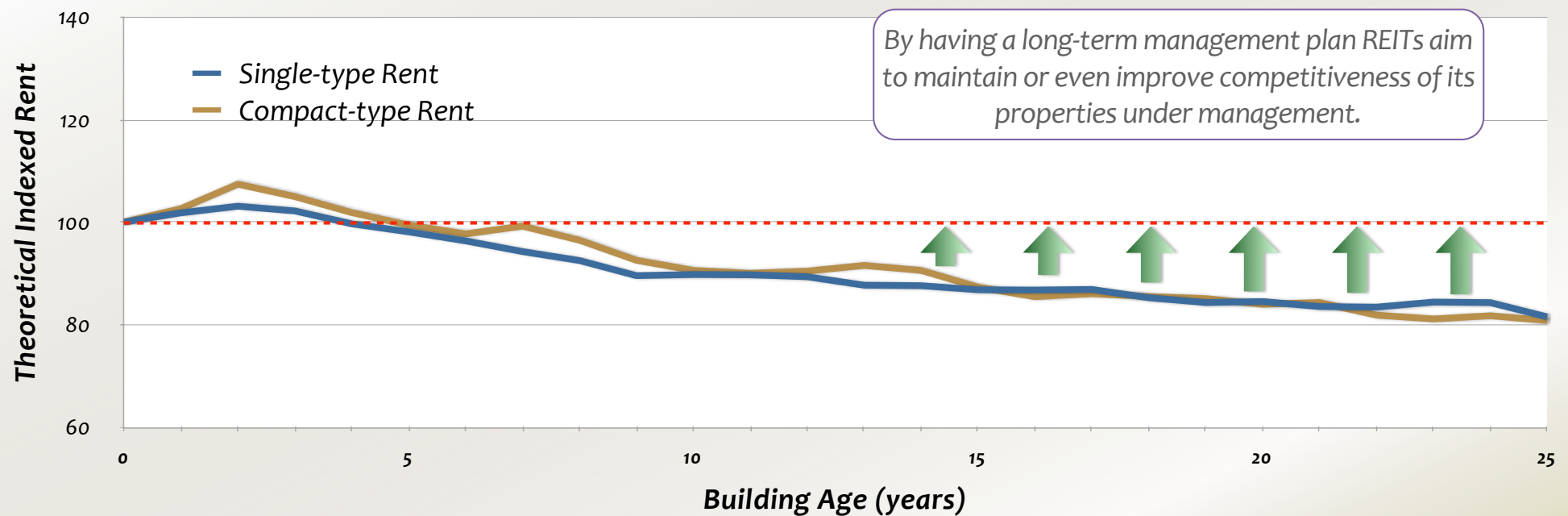
Daily Repairs

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 23 years

Common area renovation
Cost: 128 million yen

before



after

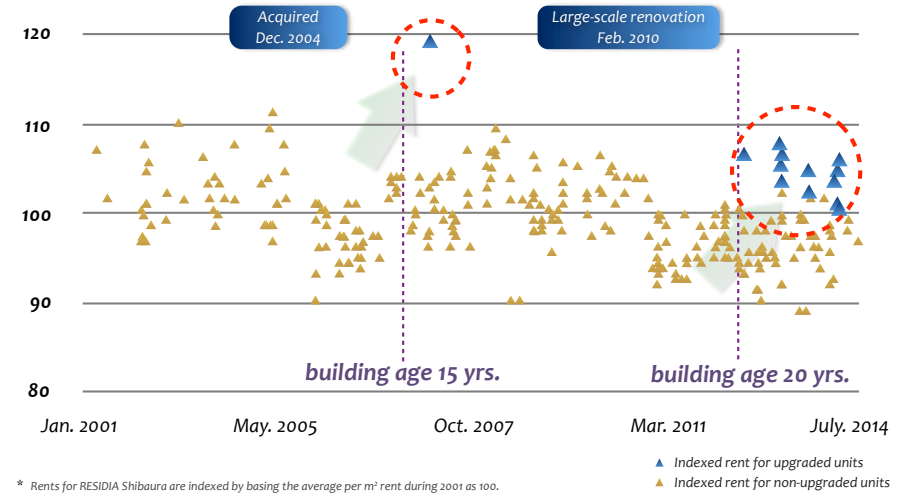
Individual apartment unit
upgrading renovations
Cost: 3,490 thousand yen/unit
(of which 887 thousand yen
is for the upgrade)

before



after

Impact of the measures taken



S-19 RESIDIA Kichijoji

Building age 19 years

Common area renovation
Cost: 32 million yen

before



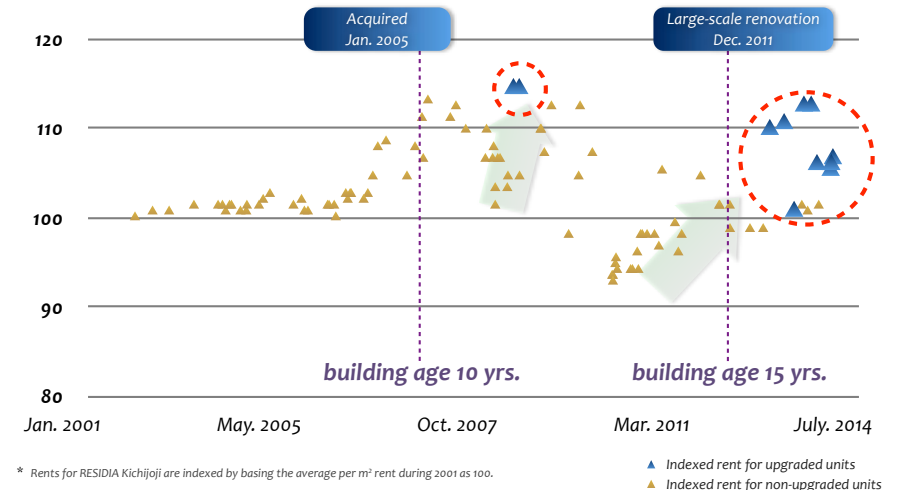
after

Individual apartment unit
upgrading renovations
Cost: 3,680 thousand yen/unit
(of which 1,097 thousand
yen is for the upgrade)

before



after



Brand Strategy

The Brand

RESIDIA

Residia is composed from the following words

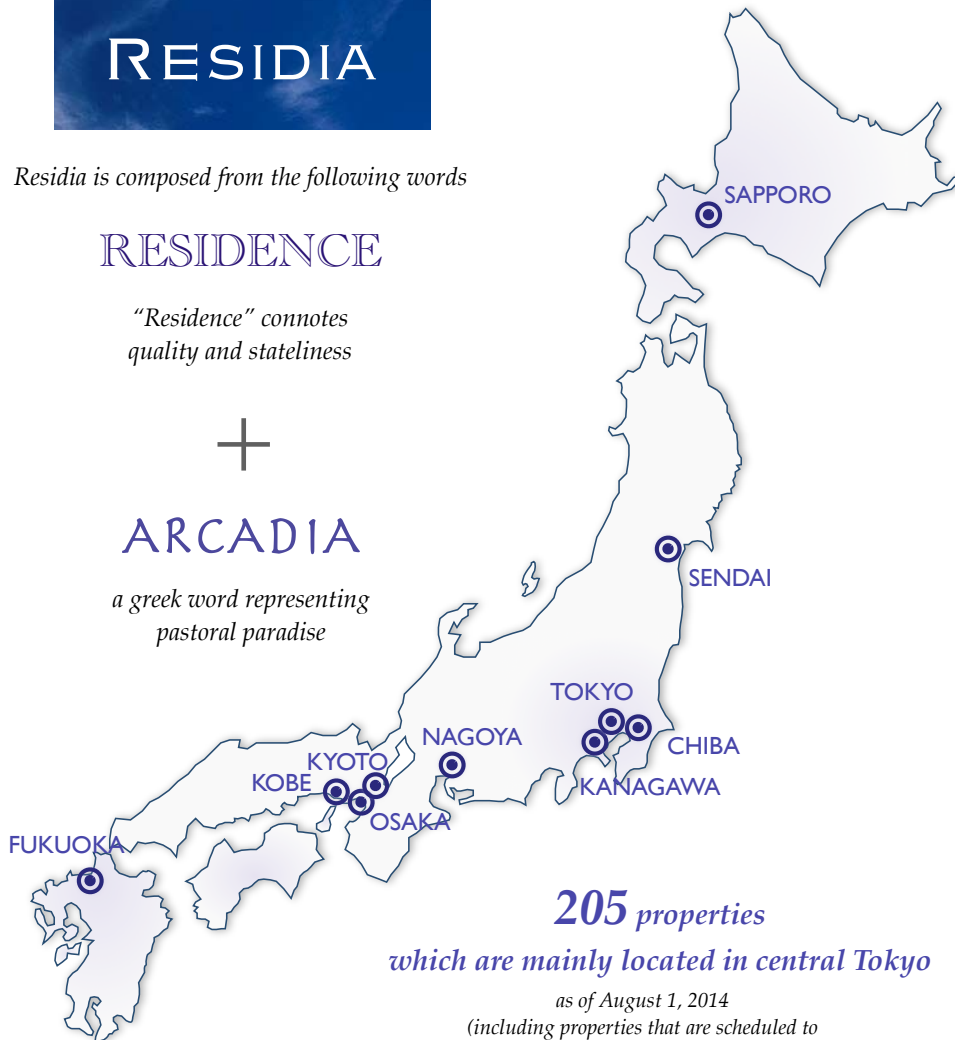
RESIDENCE

*"Residence" connotes
quality and stateliness*

+

ARCADIA

*a greek word representing
pastoral paradise*



205 properties

which are mainly located in central Tokyo

*as of August 1, 2014
(including properties that are scheduled to
have their names changed to RESIDIA)*

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



RESIDIA Shibuya Building Sign



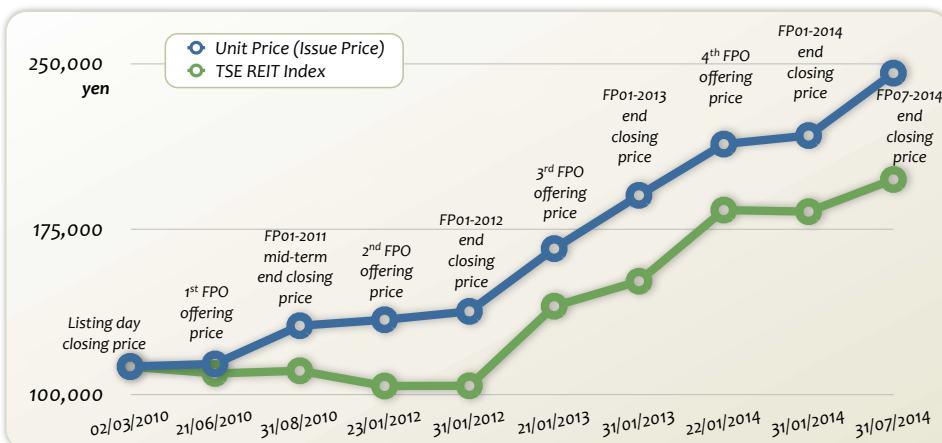
Appendix on Finance

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 FP 01-2013 (before the 3 rd offering)	End of FP 01-2014 (before the 4 th offering)	End of FP 07-2014 (after the 4 th offering)
Appraisal Loan-to-value	56.0%	52.3%	50.1%
NAV per unit yen	158,313	171,850	182,367
Net income per unit yen	4,255	4,415	4,523
FFO per unit yen	6,152	6,298	6,413
Dividend per unit yen	4,505	4,615	4,593
No. of outstanding issued Units	1,100,000	1,240,000	1,300,000

* NAVs are ex-dividend figures.

Lender Line-up

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

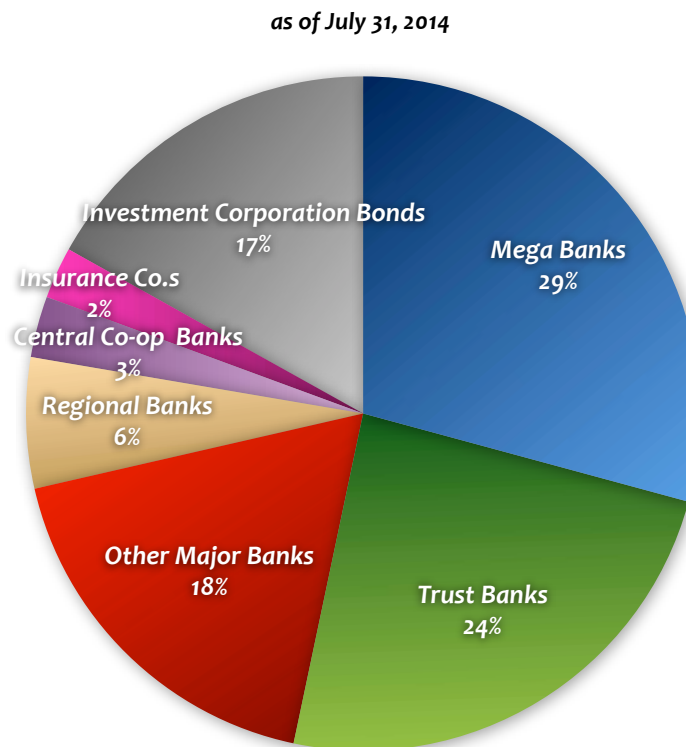
* Lease liabilities are excluded from the debts in this slide.

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
ADR Bond #21	2.5
Total	37.5

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



Total Interest Bearing Debt **221.7** billion yen

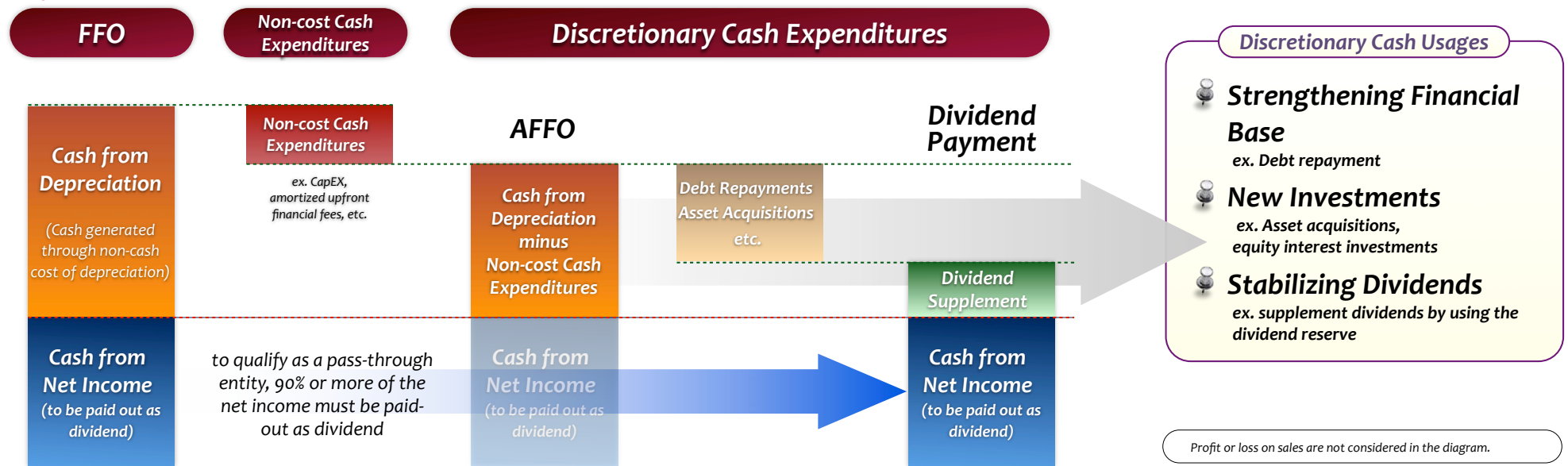
Loans

Lenders	Loan Outstanding (bn yen)	% share
Sumitomo Mitsui Trust Bank	28.1	15.3
The Bank of Tokyo-Mitsubishi UFJ	27.8	15.1
Mizuho Bank	18.5	10.0
Sumitomo Mitsui Banking Corporation	18.4	10.0
Mitsubishi UFJ Trust & Banking	15.6	8.5
Development Bank of Japan	14.0	7.6
Aozora Bank	11.7	6.4
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 Yamaguchi Bank	2.0	1.1
The Nishi-Nippon City Bank	1.8	1.0
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	184.2	100.0

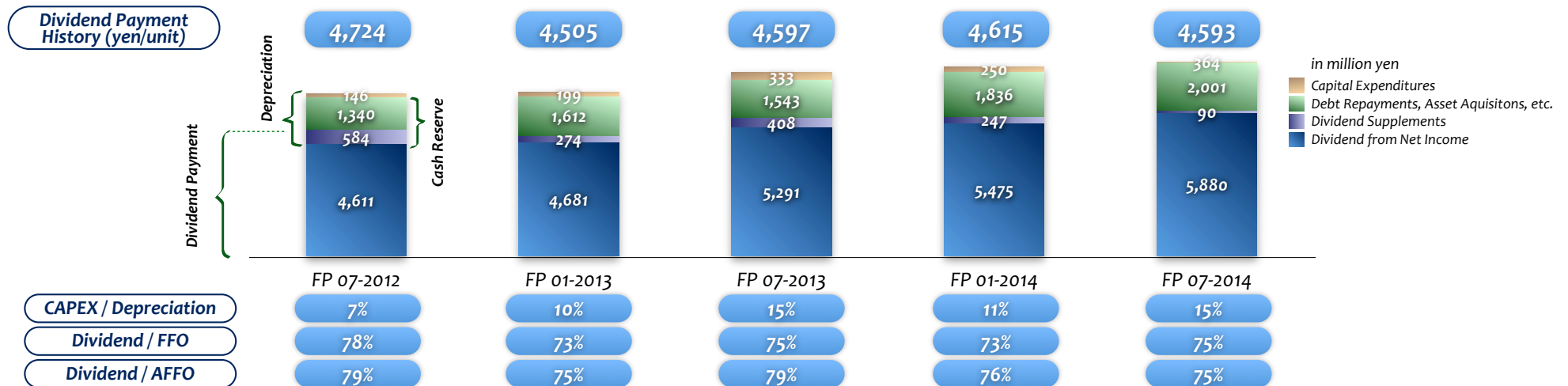


Other Reference Materials

Cash Management



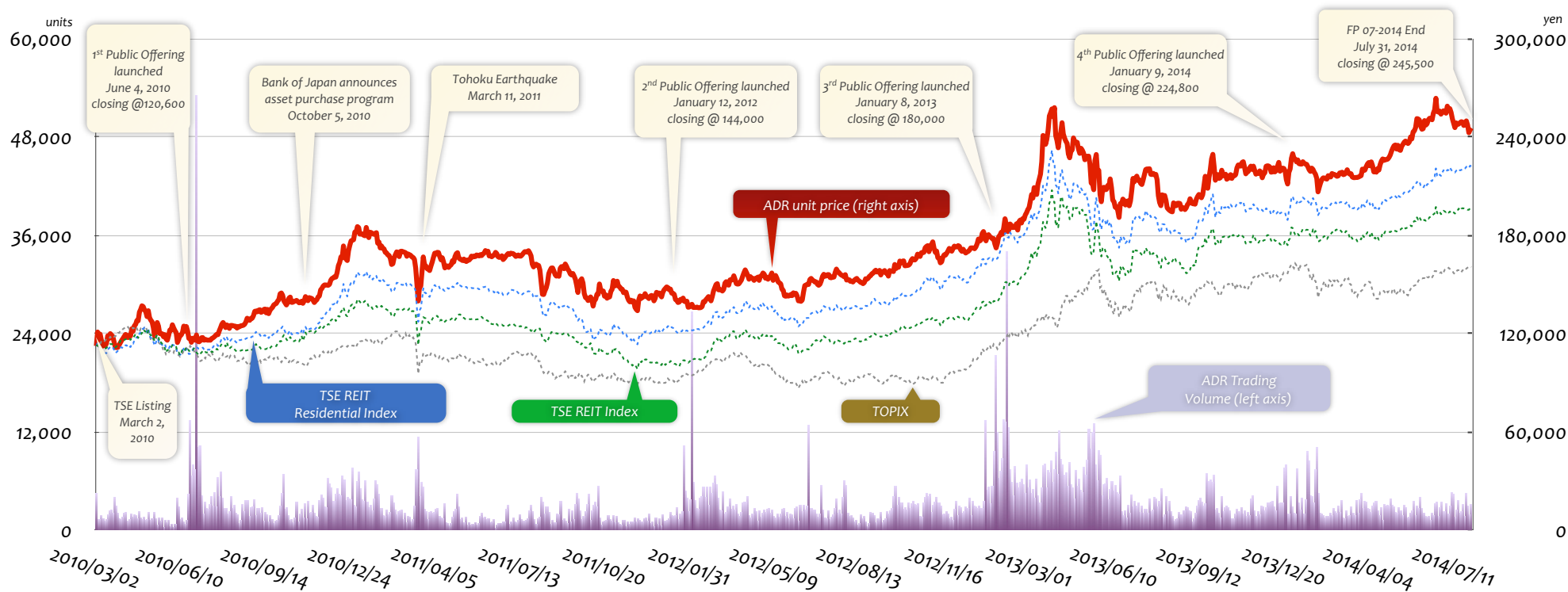
Stable Dividend Of 4,500yen Or More Has Been Paid Through Optimal Cash Management



Unit Price Chart

Key Figures	FP 01-2011	FP 07-2011	FP 01-2012	FP 07-2012	FP 01-2013	FP 07-2013	FP 01-2014	FP 07-2014
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	319.1 bn yen Jul. 31, 2014 closing @245,500
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	0.68bn yen / day 3,174units	0.62bn yen / day 2,684units
LTV (Total assets base)	52.4%	53.5%	54.6%	53.7%	53.8%	51.2%	52.1%	51.0%
NAV per Unit (yen)	152,749	154,360	156,459	155,966	158,313	164,311	171,850	182,367
ex Dividend Payment Reserve (yen)	113,307	117,984	120,504	124,465	127,061	136,917	144,656	156,497
BPS (yen)	159,564	156,548	156,140	152,689	152,440	153,020	152,821	155,220
ex Dividend Payment Reserve (yen)	120,122	120,172	120,185	121,188	121,188	125,626	125,626	129,351
Implied CAP rate	5.1%	5.2%	5.3%	5.2%	4.6%	4.6%	4.3%	4.2%

*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.

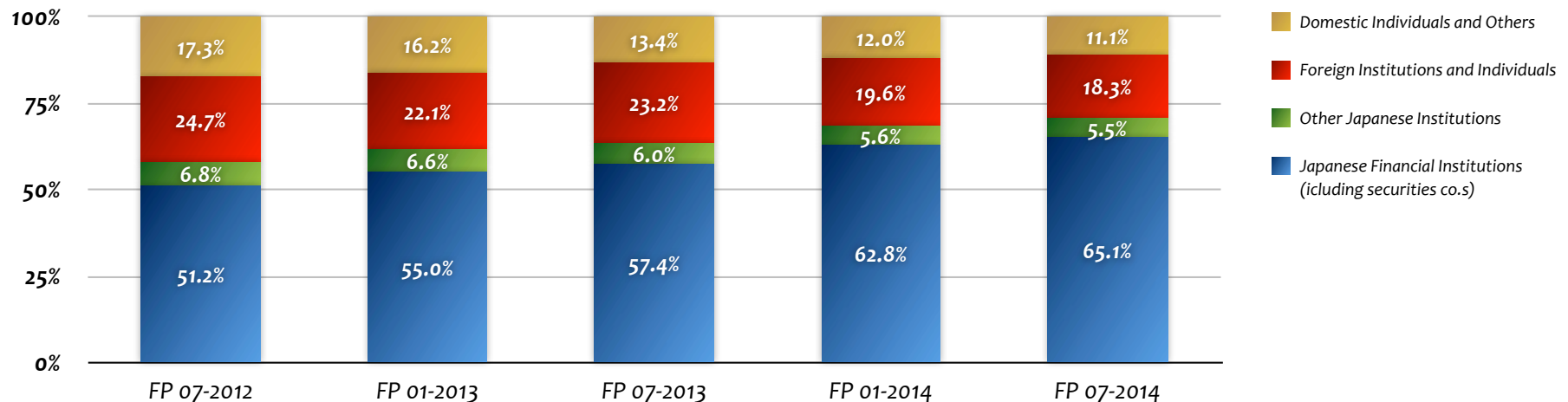
Major Unitholders

Increase in Japanese Financial Institutions' Holdings

as of July 31, 2014

	Number of Units		Number of Unitholders	
	Units	(%)	Unit-holders	(%)
Japanese Financial Institutions (including securities cos.)	846,339	65.1%	175	0.8%
Other Japanese Corporations	71,045	5.5%	322	1.5%
Foreign Corporations and Individuals	238,312	18.3%	244	1.1%
Domestic Individuals and Others	144,304	11.1%	21,377	96.6%
Total	1,300,000	100.0%	22,118	100.0%

Name of Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	341,278	26.3%
The Master Trust Bank of Japan, Ltd (Tr. Acc.)	102,676	7.9%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	69,475	5.3%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	58,622	4.5%
ITOCHU Corporation	34,800	2.7%
NOMURA BANK (LUXEMBOURG) S.A.	23,802	1.8%
Mizuho Trust & Banking Co., Ltd.	18,464	1.4%
Trust & Custody Services Bank, Ltd. (Cash in Tr. Taxable Acc.)	16,991	1.3%
Pictet & Cie (Europe) S.A.	13,329	1.0%
The Fuji Fire and Marine Insurance Co., Ltd.	13,278	1.0%



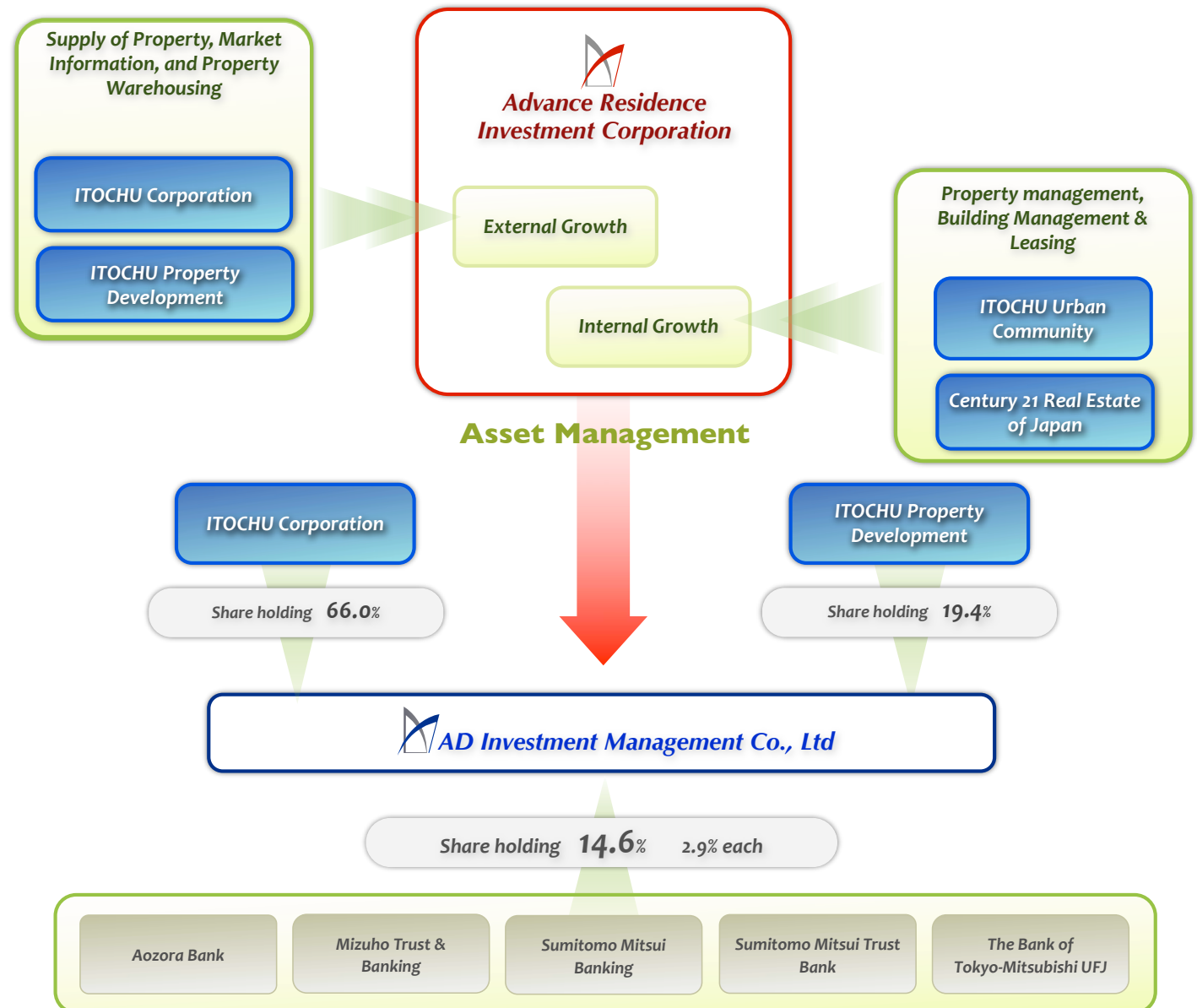
Sponsor Support

Support from ITOCHU Group

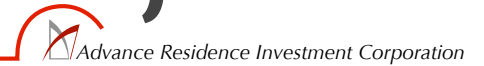
Being a member of a major conglomerate trading house, the ITOCHU Group, AD Investment Management Co., Ltd., the asset management company, utilizes the support of ITOCHU Group to maximize the asset of Advance Residence through external and internal growth.

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 July 31, 2014

AD Investment Management Co., Ltd.

Advance Residence Investment Corporation

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

<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

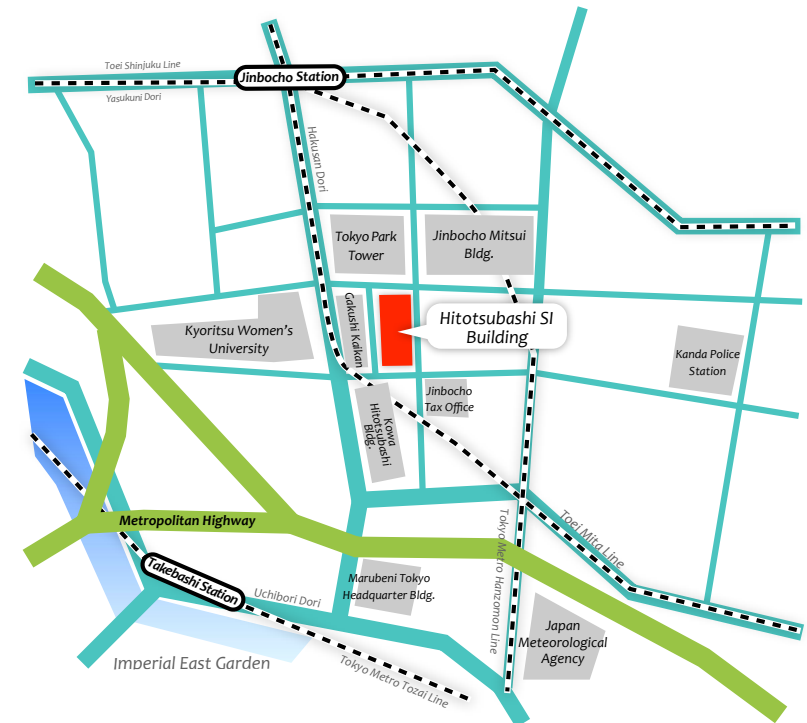
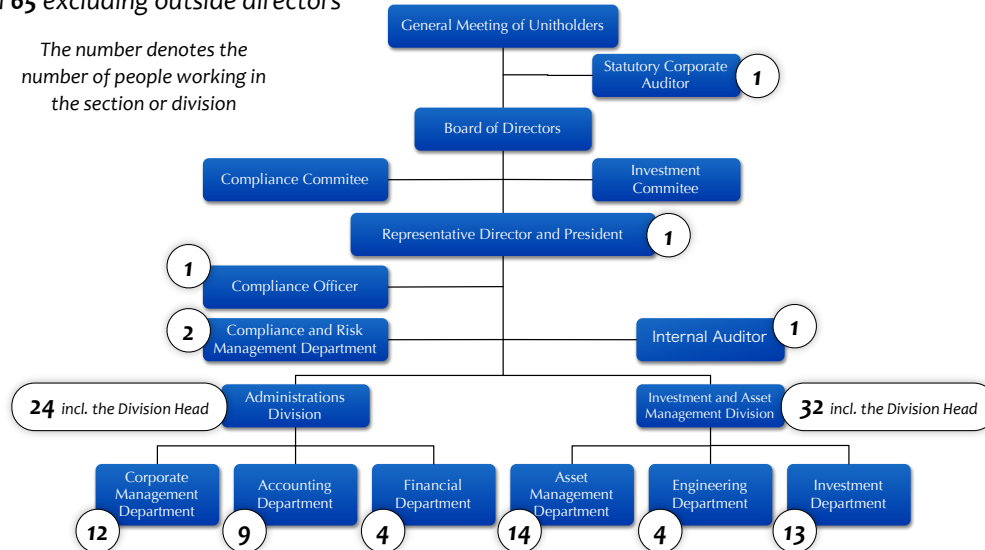
History: March 1, 2010 Merges with Pacific Residential Corporation
May 17, 2005 Company name is changed to AD Investment Management Co., Ltd.
February 2, 2005 Established as Japan Residential Management Co., Ltd.

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)
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 July 31, 2014

Total 65 excluding outside directors

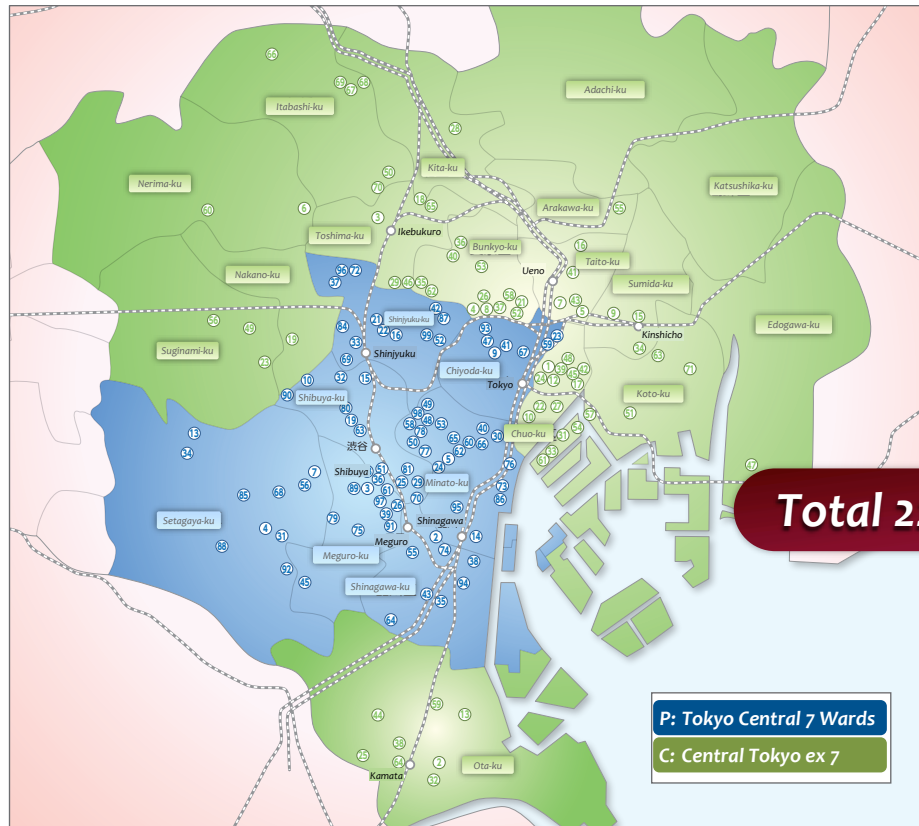
The number denotes the number of people working in the section or division



Portfolio Map

as of August 1, 2014

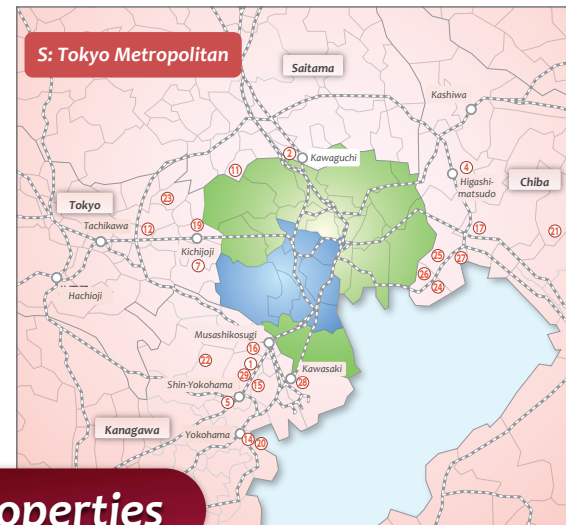
Advance Residence Investment Corporation



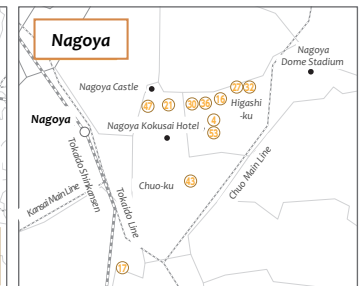
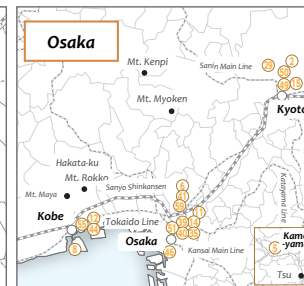
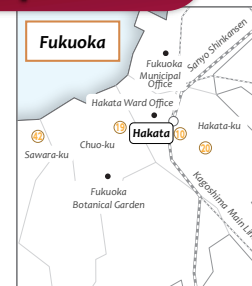
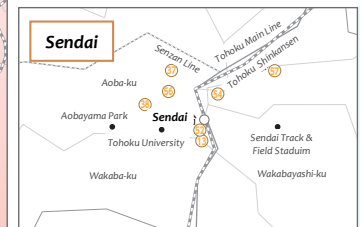
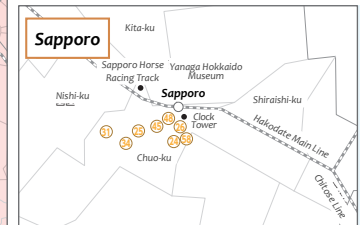
Total 222 properties

P: Tokyo Central 7 Wards

C: Central Tokyo ex 7



R: Major Regional Cities



- | | | | | |
|----------------------------------|-------------------------------------|---|---------------------------------|--------------------------------------|
| P-2 RESIDIA Shimazuyama | P-34 RESIDIA Kyodo | P-61 RESIDIA Ebisu-Minami | P-84 RESIDIA Kita-Shinjuku | C-8 RESIDIA Bunkyo-Hongo II |
| P-3 RESIDIA Nakameguro | P-35 RESIDIA Oimachi | P-62 RESIDIA TOWER Azabujuban | P-85 RESIDIA Ryogoku | C-9 RESIDIA Ryogoku |
| P-4 RESIDIA Setagaya-Tsurumaki | P-36 RESIDIA Ebisu II | P-63 RESIDIA Shibuya | P-86 RESIDIA Shibaura KACAN | C-10 RESIDIA Higashi-Ginza |
| P-5 RESIDIA Azabujuban | P-37 RESIDIA Kamiyochi | P-64 RESIDIA Nakanobu | P-87 RESIDIA Ichigaya-Yakuji | C-12 RESIDIA Nihonbashi-Ningyocho II |
| P-7 RESIDIA Ikejirihashi | P-38 RESIDIA Higashi-Shingawa | P-65 RESIDIA Azabudai | P-88 RESIDIA Yogo | C-13 RESIDIA Omori-Higashi |
| P-9 RESIDIA Kudamata | P-39 RESIDIA Meguro II | P-66 RESIDIA Shibadaimon II | P-89 RESIDIA TOWER Nakameguro | C-15 RESIDIA Kinshicho |
| P-10 RESIDIA Hatagaya | P-40 RESIDIA Toranomon | P-67 RESIDIA Kanda | P-90 RESIDIA Sasazuka | C-16 RESIDIA Negishi |
| P-13 RESIDIA Sakurajousi | P-41 RESIDIA Shin-Ochanomizu | P-68 RESIDIA Sangenjaya II | P-91 RESIDIA Meguro II | C-17 RESIDIA Shinkawa |
| P-14 RESIDIA Kita-Shingawa | P-42 RESIDIA Kojinazaka | P-69 RESIDIA Nishi-Shinjuku II | P-92 RESIDIA Jyugakko II | C-18 RESIDIA Kamikibukuro |
| P-15 RESIDIA Yoyoginomori | P-43 RESIDIA Oimachi II | P-70 RESIDIA Hiroo-Minami | P-93 RESIDIA Kudamata II | C-19 RESIDIA Shin-nakano |
| P-16 RESIDIA Shinjuku-East III | P-45 RESIDIA Jyugakko | P-72 RESIDIA Meiji-Otomeyama | P-94 RESIDIA Omori I | C-21 RESIDIA Bunkyo-Yushima II |
| P-19 Leoplace Udagawacho Mansion | P-47 RESIDIA Suidobashi | P-73 RESIDIA Shibaura | P-95 RESIDIA Shirakane-Takanawa | C-22 RESIDIA Tsukiji |
| P-21 RESIDIA Shinjuku-East II | P-48 RESIDIA TOWER Nogizaka | P-74 RESIDIA Gotenyama | P-96 RESIDIA Nakachiai | C-23 RESIDIA Sasazuka |
| P-22 RESIDIA Shinjuku-East | P-49 RESIDIA Akasaka | P-75 RESIDIA Yutenji | P-97 RESIDIA Nakameguro II | C-24 RESIDIA Kyobashi |
| P-23 RESIDIA Kanda-Iwamotocho | P-50 RESIDIA Dalkanyama | P-76 Park Tower Shibaura Bayward Urban Wing | P-98 ARTS COURT Minamioyama | C-25 RESIDIA Tamagawa |
| P-24 RESIDIA Azabujuban II | P-51 RESIDIA Dalkanyama | | P-99 RESIDIA Yotsuya-Sanchome | C-26 RESIDIA Korakuen |
| P-25 RESIDIA Ebisu | P-52 RESIDIA Ichigaya | | P-100 RESIDIA Ginza-Higashi | C-27 RESIDIA Ginza-Higashi |
| P-26 RESIDIA Meguro | P-53 RESIDIA Roppongi-Hinokichokoen | | P-101 RESIDIA Oji | C-28 RESIDIA Oji |
| P-29 RESIDIA Hiroo II | P-54 RESIDIA TOWER Meguro-Fudome | | P-102 RESIDIA Meiji II | C-29 RESIDIA Meiji II |
| P-30 Planetta Shiodome | P-56 RESIDIA Sangenjaya | | P-103 RESIDIA Tsukishima | C-31 RESIDIA Tsukishima |
| P-31 RESIDIA Komazawadai | P-58 RESIDIA Minami-Aoyama | | P-104 RESIDIA Kamata II | C-32 RESIDIA Kamata II |
| P-32 RESIDIA Yoyogi | P-59 RESIDIA Kanda-Higashi | | P-105 RESIDIA Tsukishima II | C-33 RESIDIA Tsukishima II |
| P-33 RESIDIA Nishi-Shinjuku | P-60 RESIDIA Higashi-Azabu | | P-106 RESIDIA Kinshicho II | C-34 RESIDIA Kinshicho II |

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|-----------------------------------|-----------------------------------|------------------------------------|---------------------------------|
| C-35 RESIDIA Bunkyo-Otowa | C-58 RESIDIA Ochanomizu | S-16 RESIDIA Musashikosugi | R-13 KC21 Building |
| C-36 RESIDIA Bunkyo-Sengoku | C-59 RESIDIA Omori | S-17 RESIDIA Funabashi I and II | R-14 RESIDIA Utsubokoen |
| C-37 RESIDIA Bunkyo-Yushima | C-60 RESIDIA Nakamurabashi | S-18 RESIDIA Kichijoji | R-15 RESIDIA Kyoto-ekimae |
| C-38 RESIDIA Ikegami | C-61 RESIDIA Kachidoki | S-19 RESIDIA Kichijoji | R-16 RESIDIA Takakura |
| C-39 RESIDIA Nihonbashi-Ningyocho | C-62 RESIDIA Bunkyo-Otowa II | S-20 Pacific Royal Court | R-17 RESIDIA Hibino |
| C-40 RESIDIA Bunkyo-Sengoku II | C-63 RESIDIA Kinshicho III | S-21 Maison Yachiyoda | R-18 RESIDIA Tenjin-Minami |
| C-41 RESIDIA Iriya | C-64 RESIDIA Kamata III | S-22 Life & Senior House Kohoku II | R-19 RESIDIA Shinsabashi West |
| C-42 RESIDIA Nihonbashi-Hamacho | C-65 RESIDIA TOWER Kami-Ikebukuro | S-23 College Court Tanashi | R-20 RESIDIA Hakatake-Minami |
| C-43 RESIDIA Suganami-Honcho | C-66 RESIDIA Takashimadaira | S-24 RESIDIA Urayasu | R-21 Mare |
| C-44 RESIDIA Chidori | C-67 RESIDIA Shimurasaoka | S-25 RESIDIA Minami-Gyotoku | R-22 RESIDIA Minami-ichijo |
| C-45 RESIDIA Shinkawa II | C-68 RESIDIA Higashi-Matsudo | S-26 RESIDIA Urayasu II | R-23 RESIDIA Odori-Nishi |
| C-46 RESIDIA Meiji | C-69 RESIDIA Shimurasaoka III | S-27 RESIDIA Gyotoku | R-24 RESIDIA Kita-Sanjo |
| C-47 RESIDIA Kasai | C-70 RESIDIA Ikebukuro West | S-28 RESIDIA Kawasaki | R-25 RESIDIA Shirakabe-Higashi |
| C-48 RESIDIA Nihonbashi-Bakurocho | C-71 RESIDIA Ojima | S-29 Cocofarm Hiyaishi | R-26 RESIDIA Izumi |
| C-49 RESIDIA Suganami-Honcho | C-72 Hyoshida Student Heights | R-2 RESIDIA Imadegawa | R-27 RESIDIA Maruyama Kita-Gojo |
| C-50 RESIDIA Shin Itabashi | S-2 Chester House Kawaguchi | R-3 RESIDIA Higashi-Sakura | R-28 RESIDIA Tokugawa |
| C-51 RESIDIA Kiba | S-3 RESIDIA Higashi-Matsudo | R-4 RESIDIA Ryokuchi Koen | R-29 RESIDIA Odori-Koen |
| C-52 RESIDIA Bunkyo-Yushima | S-4 RESIDIA Shin-Yokohama | R-5 RESIDIA Kameyama | R-30 RESIDIA Tanimachi |
| C-53 RESIDIA Bunkyo-Honkomagome | S-5 RESIDIA Chofu | R-6 RESIDIA Hiroya-Odori | R-31 RESIDIA Hisaya-Odori |
| C-54 RESIDIA Tsukishima III | S-6 Wako Student Heights | R-7 RESIDIA Kobe Port Island | R-32 RESIDIA Sendai-Miyamachi |
| C-55 RESIDIA Minamisenju | S-7 RESIDIA Kokubunji | R-8 RESIDIA Hakata | R-33 RESIDIA Hiroseodori |
| C-56 RESIDIA Ogikubo | S-8 RESIDIA Yokohama-Kannai | R-9 RESIDIA Tenjinbashi | R-34 RESIDIA Edobori |
| C-57 RESIDIA Monzennakacho | S-9 RESIDIA Okurayama | R-10 RESIDIA Sannomiya-Higashi | R-35 RESIDIA Kyomachibori |

- | | |
|---------------------------------|---------------------------------|
| R-36 RESIDIA Esaka | R-41 RESIDIA Esaka |
| R-37 RESIDIA Nishijin | R-42 RESIDIA Nishijin |
| R-38 RESIDIA Tsurumai | R-43 RESIDIA Tsurumai |
| R-39 RESIDIA Kobe-Ikuta | R-44 RESIDIA Kobe-Ikuta |
| R-40 RESIDIA Kita-Nijo-East | R-45 RESIDIA Kita-Nijo-East |
| R-41 RESIDIA Shinsabashi West | R-46 RESIDIA Shinsabashi West |
| R-42 RESIDIA Marunouchi | R-47 RESIDIA Marunouchi |
| R-43 RESIDIA Sapporo-Ekimae | R-48 RESIDIA Sapporo-Ekimae |
| R-44 RESIDIA Goshu-Higashi | R-49 RESIDIA Goshu-Higashi |
| R-45 RESIDIA Rakuhoku | R-50 RESIDIA Rakuhoku |
| R-46 RESIDIA Miyajima I and II | R-51 RESIDIA Miyajima I and II |
| R-47 RESIDIA Tower Sendai | R-52 RESIDIA Tower Sendai |
| R-48 RESIDIA Higashizakura II | R-53 RESIDIA Higashizakura II |
| R-49 RESIDIA Tsutsujigakko | R-54 RESIDIA Tsutsujigakko |
| R-50 RESIDIA Kobe-Motomachi | R-55 RESIDIA Kobe-Motomachi |
| R-51 RESIDIA Sendai-Honcho | R-56 RESIDIA Sendai-Honcho |
| R-52 RESIDIA Sendai-Haranomachi | R-57 RESIDIA Sendai-Haranomachi |
| R-53 RESIDIA Minami-ichijo East | R-58 RESIDIA Minami-ichijo East |
| R-54 RESIDIA Shin-Osaka | R-59 RESIDIA Shin-Osaka |

The property was bought after the FP 07-2014 end.

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
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	2004/12/24	115	2,860	0.7%	2,910	2,486	17.0%	4.3%
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2005/2/10	88	1,730	0.4%	1,850	1,502	23.1%	2.6%
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	2002/3/11	28	1,229	0.3%	1,150	1,169	-1.6%	7.3%
P-5	RESIDIA Azabujuban	Minato-ku, Tokyo	1999/11/29	44	1,987	0.5%	1,840	1,972	-6.7%	4.2%
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	2005/8/19	42	1,230	0.3%	1,250	1,203	3.8%	3.1%
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	2004/3/9	86	2,270	0.5%	2,250	2,115	6.3%	2.9%
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2006/2/9	35	1,130	0.3%	1,070	1,091	-2.0%	7.3%
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	2006/7/7	39	1,120	0.3%	1,170	1,090	7.3%	7.0%
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2007/2/23	120	2,720	0.6%	2,720	2,628	3.5%	4.3%
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	2007/3/8	22	732	0.2%	620	723	-14.3%	4.4%
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2009/2/23	39	750	0.2%	753	747	0.8%	4.3%
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	2001/8/7	30	588	0.1%	650	574	13.1%	8.2%
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2004/2/6	54	1,380	0.3%	1,500	1,335	12.3%	4.8%
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	2000/8/1	48	941	0.2%	973	907	7.2%	5.3%
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2004/2/12	65	1,520	0.4%	1,830	1,454	25.8%	4.1%
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2001/2/14	37	874	0.2%	912	844	8.0%	3.1%
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	2001/1/31	26	554	0.1%	605	558	8.4%	3.0%
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	1999/10/13	20	722	0.2%	694	731	-5.2%	6.2%
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	2005/11/1	76	1,660	0.4%	1,850	1,586	16.6%	2.9%
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2005/2/18	67	1,950	0.5%	2,040	1,864	9.4%	5.3%
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	2004/10/22	18	333	0.1%	363	320	13.4%	8.5%
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2005/2/24	16	326	0.1%	355	316	12.1%	11.0%
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2005/2/18	19	363	0.1%	391	352	10.8%	9.9%
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2005/2/23	15	286	0.1%	306	275	11.1%	10.6%
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	2005/12/16	48	947	0.2%	992	903	9.8%	4.3%
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	2006/1/31	61	2,280	0.5%	2,560	2,233	14.6%	3.4%
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	2006/9/5	70	1,180	0.3%	1,300	1,132	14.8%	4.8%
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	2006/8/1	122	2,040	0.5%	2,230	1,971	13.1%	4.0%
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	2006/1/31	34	1,190	0.3%	1,250	1,163	7.4%	6.5%
P-40	RESIDIA Toranomon	Minato-ku, Tokyo	2006/9/22	63	1,320	0.3%	1,400	1,275	9.8%	3.3%
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	2006/3/17	52	1,160	0.3%	1,230	1,127	9.1%	2.8%
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	2006/8/4	52	918	0.2%	956	891	7.2%	2.1%
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	2007/7/2	40	1,050	0.2%	1,170	1,017	15.0%	4.8%
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	2002/3/19	28	1,050	0.2%	1,090	1,010	7.9%	7.3%
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	2004/12/22	65	2,310	0.5%	2,400	2,222	8.0%	2.3%
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	2004/8/31	68	3,660	0.9%	3,410	3,536	-3.6%	3.5%
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	2004/5/21	37	1,180	0.3%	1,220	1,139	7.1%	8.3%
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	2004/7/15	125	6,780	1.6%	6,750	6,555	3.0%	2.8%
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	2004/7/23	42	2,150	0.5%	1,930	2,053	-6.0%	4.0%
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	2004/8/20	85	2,500	0.6%	2,660	2,405	10.6%	3.6%
P-53	RESIDIA Roppongi-Hinokicho	Minato-ku, Tokyo	1999/9/16	88	3,570	0.8%	3,740	3,537	5.7%	6.8%
P-55	RESIDIA TOWER Meguro-Fudome	Shinagawa-ku, Tokyo	2007/1/7	358	16,500	3.9%	16,900	15,659	7.9%	1.8%
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	2005/1/11	78	2,760	0.7%	3,080	2,631	17.1%	2.7%

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-58	RESIDIA Minami-Aoyama	Minato-ku, Tokyo	2005/3/14	13	728	0.2%	492	722	-31.9%	2.0%
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	2003/10/29	64	1,620	0.4%	1,800	1,550	16.1%	3.4%
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	2006/4/17	31	1,430	0.3%	1,320	1,381	-4.4%	3.2%
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	2007/3/6	39	2,020	0.5%	1,980	1,977	0.1%	7.1%
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	2003/1/9	113	6,190	1.5%	5,560	6,072	-8.4%	0.7%
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	2006/6/22	40	1,250	0.3%	1,360	1,224	11.0%	3.5%
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	2005/11/16	65	1,880	0.4%	2,110	1,813	16.4%	3.4%
P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2006/2/28	47	1,610	0.4%	1,650	1,572	4.9%	4.6%
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	2006/8/24	48	1,740	0.4%	1,680	1,693	-0.8%	3.3%
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	2006/6/1	43	1,140	0.3%	1,250	1,111	12.4%	4.9%
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	2006/3/13	34	1,280	0.3%	1,350	1,245	8.4%	4.4%
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	2007/5/16	74	1,830	0.4%	1,980	1,764	12.2%	10.9%
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	2007/8/30	26	923	0.2%	917	894	2.6%	2.8%
P-72	RESIDIA Meiji-Otomeyama	Shinjuku-ku, Tokyo	2002/12/10	19	974	0.2%	998	941	6.0%	4.9%
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	1991/9/30	154	4,670	1.1%	5,020	4,501	11.5%	2.8%
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	2007/1/29	16	930	0.2%	839	902	-7.0%	7.9%
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	2006/8/24	118	5,260	1.3%	5,470	5,137	6.5%	7.8%
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	2005/5/24	191	9,570	2.3%	9,970	9,212	8.2%	3.6%
P-77	Motoazabu Place	Minato-ku, Tokyo	2001/2/5	41	8,430	2.0%	6,110	8,298	-26.4%	9.7%
P-78	RESIDIA TOWER Roppongi	Minato-ku, Tokyo	2006/2/28	83	7,040	1.7%	5,790	6,816	-15.1%	1.5%
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1993/1/27	16	878	0.2%	881	871	1.1%	7.7%
P-80	RESIDIA Yoyogikoen	Shibuya-ku, Tokyo	1998/7/15	6	1,100	0.3%	752	1,065	-29.4%	5.1%
P-81	Windsor House Hiroo	Shibuya-ku, Tokyo	2003/6/13	12	1,750	0.4%	1,340	1,686	-20.5%	4.8%
P-83	RESIDIA Daikanyama-Sarugakuchō / Daikanyama Parkside Village	Shibuya-ku, Tokyo	1998/1/14	77	7,360	1.8%	6,040	7,234	-16.5%	6.7%
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	1997/2/26	26	1,460	0.3%	1,450	1,414	2.5%	8.8%
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	2008/10/17	59	870	0.2%	1,080	865	24.8%	10.0%
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	2010/1/6	72	2,400	0.6%	2,930	2,417	21.2%	4.4%
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	2008/8/19	98	2,070	0.5%	2,360	2,075	13.7%	3.0%
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	2008/6/3	66	1,523	0.4%	1,720	1,603	7.3%	10.3%
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	2007/3/30	70	3,300	0.8%	3,790	3,435	10.3%	2.4%
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	2011/1/21	166	3,760	0.9%	4,020	3,822	5.2%	4.2%
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	2010/1/29	31	950	0.2%	1,090	983	10.8%	2.6%
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	2007/10/31	17	778	0.2%	924	796	16.0%	5.4%
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	2012/1/6	48	1,240	0.3%	1,440	1,272	13.2%	2.6%
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	2012/3/2	90	1,620	0.4%	1,870	1,663	12.4%	2.2%
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	2012/3/15	53	1,480	0.4%	1,760	1,518	15.9%	6.7%
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	2008/3/3	187	3,656	0.9%	4,040	3,844	5.1%	A:2.9% B:2.9% C:3.0%
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	2006/8/10	50	1,119	0.3%	1,230	1,149	7.0%	2.7%
P-98	ARTIS COURT Minamiaoyama	Minato-ku, Tokyo	2008/7/30	23	1,720	0.4%	1,790	1,757	1.8%	3.9%
P-99	RESIDIA Yotsuya-Sanchome	Shinjuku-ku, Tokyo	2009/5/8	90	2,090	0.5%	2,480	2,154	15.1%	3.8%
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2005/2/7	105	1,920	0.5%	2,220	1,672	32.7%	3.3%

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-2	RESIDIA Kamata	Ota-ku, Tokyo	2005/3/9	166	2,640	0.6%	3,190	2,283	39.7%	4.7%
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	2005/3/15	60	1,520	0.4%	1,620	1,441	12.4%	7.1%
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	2005/7/23	65	1,680	0.4%	1,920	1,604	19.7%	4.6%
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	2005/8/27	47	1,060	0.3%	1,250	979	27.6%	2.9%
C-6	Maison Eclairée Ekoda	Nerima-ku, Tokyo	1993/3/31	93	953	0.2%	975	935	4.2%	9.2%
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2006/2/20	127	3,160	0.8%	3,350	2,972	12.7%	2.1%
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	2006/1/27	70	1,623	0.4%	1,640	1,590	3.1%	3.6%
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2006/2/10	48	913	0.2%	1,000	877	13.9%	9.1%
C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	2006/9/1	169	5,251	1.2%	5,050	5,147	-1.9%	4.3%
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	2007/1/17	137	3,180	0.8%	3,340	3,065	8.9%	4.6%
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	2007/8/6	81	1,980	0.5%	1,810	1,911	-5.3%	3.8%
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	2007/11/13	157	4,200	1.0%	3,990	4,120	-3.2%	7.2%
C-16	RESIDIA Negishi	Taito-ku, Tokyo	2005/12/2	28	856	0.2%	832	850	-2.1%	7.7%
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2003/2/10	83	1,880	0.4%	1,950	1,812	7.6%	5.3%
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	2001/12/21	44	558	0.1%	641	528	21.3%	6.4%
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	2002/6/7	24	352	0.1%	430	335	28.0%	3.8%
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	2004/3/1	63	1,010	0.2%	1,080	966	11.8%	5.3%
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	2005/12/6	54	1,460	0.3%	1,620	1,383	17.1%	3.4%
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	2000/3/15	96	1,800	0.4%	1,910	1,731	10.3%	6.9%
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	2005/1/18	52	1,220	0.3%	1,330	1,160	14.6%	3.4%
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	2004/9/29	98	1,300	0.3%	1,470	1,230	19.4%	5.9%
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	2004/10/18	31	603	0.1%	663	572	15.9%	3.5%
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	2004/9/7	94	2,000	0.5%	2,240	1,906	17.5%	4.0%
C-28	RESIDIA Oji	Kita-ku, Tokyo	2005/2/15	61	867	0.2%	950	817	16.3%	3.2%
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	2005/7/13	63	1,050	0.2%	1,090	1,008	8.1%	2.3%
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2006/2/27	40	1,100	0.3%	1,180	1,054	11.9%	6.8%
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	2006/9/3	78	1,360	0.3%	1,480	1,312	12.7%	4.0%
C-33	RESIDIA Tsukishima II	Bunkyo-ku, Tokyo	2006/9/22	105	2,440	0.6%	2,710	2,358	14.9%	3.8%
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	2008/1/29	99	2,380	0.6%	2,410	2,300	4.7%	4.7%
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	2003/8/4	104	3,380	0.8%	3,520	3,177	10.8%	4.7%
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2003/2/19	33	707	0.2%	780	665	17.1%	5.0%
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2003/2/20	39	1,050	0.2%	1,160	995	16.6%	6.9%
C-38	RESIDIA Ikegami	Ota-ku, Tokyo	2003/7/2	19	378	0.1%	375	359	4.2%	8.5%
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	2004/3/3	25	557	0.1%	664	527	25.8%	5.6%
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	2005/4/15	45	1,440	0.3%	1,500	1,388	8.1%	4.1%
C-41	RESIDIA Iriya	Taito-ku, Tokyo	2004/12/8	49	990	0.2%	1,080	928	16.3%	5.4%
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	2006/8/31	45	1,310	0.3%	1,440	1,276	12.8%	4.5%
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	2007/3/16	69	1,860	0.4%	1,890	1,801	4.9%	3.0%
C-44	RESIDIA Chidori-cho	Ota-ku, Tokyo	2006/9/5	60	1,290	0.3%	1,320	1,244	6.1%	5.0%
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2003/2/26	36	1,320	0.3%	1,350	1,249	8.1%	3.9%
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1999/1/12	162	6,280	1.5%	6,410	6,066	5.7%	2.6%
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	2000/1/18	29	683	0.2%	729	645	12.9%	7.0%

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-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2007/2/15	132	5,500	1.3%	6,280	5,274	19.1%	2.4%
C-49	RESIDIA Suginami-Honanchou	Suginami-ku, Tokyo	2009/2/26	194	3,834	0.9%	4,840	3,790	27.7%	4.3%
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	2009/8/4	67	888	0.2%	1,090	885	23.1%	8.6%
C-51	RESIDIA Kiba	Koto-ku, Tokyo	2008/3/13	155	1,950	0.5%	2,570	1,987	29.3%	7.2%
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2008/12/18	52	1,129	0.3%	1,360	1,133	20.0%	4.4%
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	2008/3/6	98	2,340	0.6%	2,700	2,379	13.4%	3.5%
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2008/2/25	119	2,570	0.6%	3,230	2,580	25.2%	4.0%
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	2007/3/3	175	2,580	0.6%	3,350	2,640	26.9%	5.3%
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	2003/3/7	101	1,710	0.4%	2,020	1,801	12.1%	4.5%
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2005/2/24	68	970	0.2%	1,150	1,011	13.7%	7.6%
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	2005/9/7	80	2,090	0.5%	2,520	2,125	18.5%	4.2%
C-59	RESIDIA Omori	Ota-ku, Tokyo	2006/3/15	75	1,150	0.3%	1,330	1,167	13.9%	1.8%
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2008/2/21	66	1,075	0.3%	1,240	1,088	13.9%	4.5%
C-61	RESIDIA Kachidoki	Bunkyo-ku, Tokyo	2008/2/25	55	1,805	0.4%	2,140	1,828	17.0%	4.9%
C-62	RESIDIA Bunkyo-Otowa II	Chuo-ku, Tokyo	2008/2/26	89	2,268	0.5%	2,610	2,364	10.4%	4.0%
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2005/2/21	51	651	0.2%	773	681	13.4%	9.6%
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	2007/3/2	53	948	0.2%	1,090	964	13.0%	3.5%
C-65	RESIDIA Tower Kami-Ikebukuro	Toshima-ku, Tokyo	2009/3/26	472	8,250	2.0%	9,760	8,702	12.2%	Twr:2.9% Pfc:5.4% Annx:5.7%
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2007/2/22	45	502	0.1%	574	535	7.3%	4.8%
C-67	RESIDIA Shimurasakaue	Itabashi-ku, Tokyo	2007/2/28	44	580	0.1%	646	615	5.0%	3.4%
C-68	RESIDIA Shimurasakaue II	Itabashi-ku, Tokyo	2007/3/6	94	1,093	0.3%	1,270	1,154	10.0%	5.6%
C-69	RESIDIA Shimurasakaue III	Itabashi-ku, Tokyo	2007/3/6	36	411	0.1%	464	438	5.9%	5.4%
C-70	RESIDIA Ikebukuro West	Itabashi-ku, Tokyo	2007/10/31	72	1,115	0.3%	1,210	1,155	4.7%	3.0%
C-71	RESIDIA Ojima	Koto-ku, Tokyo	2007/11/20	87	1,282	0.3%	1,380	1,328	3.9%	6.1%
S-1	TOKYO Student-House Hiyoishidai	Yokohama, Kanagawa	1969/3/31	920	3,420	0.8%	3,800	2,974	27.7%	7.1%
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	1991/3/7	39	770	0.2%	705	738	-4.5%	5.5%
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	2007/4/23	44	1,100	0.3%	1,080	1,077	0.3%	4.6%
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	2007/1/30	131	1,920	0.5%	1,840	1,843	-0.2%	5.6%
S-7	RESIDIA Chofu	Chofu, Tokyo	2007/3/7	41	1,143	0.3%	1,100	1,111	-1.0%	5.0%
S-11	TOKYO Student-House Wako	Wako, Saitama	1990/4/30	127	675	0.2%	697	714	-2.5%	10.2%
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2003/2/10	33	518	0.1%	547	489	11.8%	2.9%
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	2004/8/17	102	1,700	0.4%	1,760	1,597	10.1%	8.4%
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	1998/3/2	64	755	0.2%	849	745	13.9%	5.3%
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2007/2/26	68	1,580	0.4%	1,670	1,526	9.4%	7.2%
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	2007/3/1	172	2,730	0.6%	2,860	2,614	9.4%	13.6% II:3.4%
S-19	RESIDIA Kichijoji	Musashino, Tokyo	1995/3/20	48	1,380	0.3%	1,470	1,442	1.9%	9.1%
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	2007/11/6	416	14,000	3.3%	14,800	12,711	16.4%	4.5%
S-21	Maison Yachiyo-dai	Yachiyo, Chiba	1989/8/7	39	882	0.2%	819	833	-1.7%	5.4%
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	2003/10/31	78	1,670	0.4%	1,790	1,597	12.1%	6.4%
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2010/2/18	91	810	0.2%	1,010	803	25.6%	7.7%
S-24	RESIDIA Urayasu	Urayasu, Chiba	2009/9/18	146	2,115	0.5%	2,510	2,168	15.8%	6.7%
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2005/2/16	85	823	0.2%	980	858	14.1%	6.6%

Portfolio

(as of July 31, 2014)

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S-26	RESIDIA Urayasu II	Urayasu, Chiba	2005/2/25	74	802	0.2%	947	838	13.0%	7.5%
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2005/2/25	75	761	0.2%	902	793	13.6%	6.1%
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	2007/3/6	104	1,670	0.4%	1,960	1,697	15.5%	4.7%
S-29	Cocofump Hi-yoshi	Yokohama, Kanagawa	2010/1/29	85	1,050	0.2%	1,120	1,077	3.9%	7.5%
R-2	RESIDIA Imadegawa	Kyoto, Kyoto	1999/2/26	154	1,671	0.4%	1,550	1,565	-1.0%	10.9%
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2006/2/20	91	1,290	0.3%	1,280	1,128	13.5%	3.4%
R-5	RESIDIA Kameyama	Kameyama, Mie	2007/2/20	182	1,610	0.4%	1,150	1,587	-27.6%	4.2%
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	2007/5/7	44	979	0.2%	885	932	-5.1%	5.7%
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	2007/9/1	404	3,740	0.9%	3,640	3,605	1.0%	South: 6.8% Center: 6.8% North: 6.7%
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	2002/3/12	155	1,220	0.3%	1,240	1,178	5.2%	3.4%
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2000/2/15	78	871	0.2%	993	820	21.0%	8.3%
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	2005/11/7	161	2,220	0.5%	2,510	2,068	21.3%	3.2%
R-13	KC21 Building	Sendai, Miyagi	1997/3/12	79	900	0.2%	1,020	919	11.0%	2.4%
R-14	RESIDIA Utubokoen	Osaka, Osaka	2006/1/11	94	1,170	0.3%	1,350	1,102	22.5%	6.6%
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2006/2/28	116	1,970	0.5%	2,210	1,861	18.7%	9.9%
R-16	RESIDIA Takaoka	Nagoya, Aichi	2007/8/20	198	2,330	0.6%	2,740	2,223	23.2%	3.5%
R-17	RESIDIA Hibino	Nagoya, Aichi	1992/4/10	124	1,340	0.3%	1,390	1,229	13.0%	3.9%
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	2004/1/15	56	936	0.2%	1,040	879	18.3%	4.9%
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	2003/1/14	39	324	0.1%	356	300	18.6%	2.7%
R-21	Mare	Nagoya, Aichi	2005/2/2	38	685	0.2%	741	638	16.0%	5%
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	2006/12/19	179	1,640	0.4%	1,810	1,539	17.6%	0.9%
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	2006/12/5	103	1,320	0.3%	1,290	1,260	2.3%	1.1%
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	2007/1/25	100	1,130	0.3%	1,230	1,055	16.5%	1.4%
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	2005/5/25	33	831	0.2%	848	788	7.5%	4.1%
R-29	RESIDIA Uzunasa	Kyoto, Kyoto	2000/1/17	48	701	0.2%	710	674	5.3%	13.5%
R-30	RESIDIA Izumi	Nagoya, Aichi	2005/11/17	122	3,700	0.9%	3,890	3,491	11.4%	3.1%
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2007/2/2	56	1,050	0.2%	1,070	995	7.5%	1.2%
R-32	RESIDIA Tokugawa	Nagoya, Aichi	2006/12/19	27	751	0.2%	792	717	10.4%	3.9%
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	2007/8/2	109	2,010	0.5%	2,250	1,910	17.8%	0.9%
R-35	RESIDIA Tanimachi	Osaka, Osaka	2008/8/22	108	1,100	0.3%	1,470	1,154	27.3%	7.5%
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2007/2/1	57	652	0.2%	840	661	27.0%	4.8%
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	2008/1/30	67	529	0.1%	697	536	30.0%	2.5%
R-38	RESIDIA Hirose-dori	Sendai, Miyagi	2010/2/22	63	494	0.1%	615	502	22.3%	2.8%
R-39	RESIDIA Edobori	Osaka, Osaka	2007/2/11	127	1,400	0.3%	1,740	1,463	18.9%	8.7%
R-40	RESIDIA Kyomachibori	Osaka, Osaka	2007/3/6	84	1,000	0.2%	1,220	1,053	15.8%	7.8%
R-41	RESIDIA Esaka	Suita, Osaka	2007/7/31	68	989	0.2%	1,180	1,008	17.0%	4.8%
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	2008/1/22	173	2,380	0.6%	2,820	2,407	17.1%	2.6%
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2008/2/7	122	1,206	0.3%	1,490	1,224	21.7%	3.6%
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	2008/3/17	196	2,740	0.7%	3,390	2,774	22.2%	3.6%
R-45	RESIDIA Kita-Niyo-East	Sapporo, Hokkaido	2006/3/1	56	894	0.2%	1,020	921	10.7%	1.1%
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2007/2/21	97	1,921	0.5%	2,230	1,967	13.3%	9.1%
R-47	RESIDIA Marunouchi	Nagoya, Aichi	2007/1/16	86	972	0.2%	1,110	1,001	10.8%	2.8%
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2007/2/8	168	1,483	0.4%	1,900	1,528	24.3%	0.7%
R-49	RESIDIA Gosyo-Higashi	Kyoto, Kyoto	2007/9/4	57	1,227	0.3%	1,370	1,258	8.9%	8.9%
R-50	RESIDIA Rakuohoku	Kyoto, Kyoto	2008/3/19	75	874	0.2%	922	898	2.6%	12.4%
R-51	RESIDIA Miyakojima I & II	Osaka, Osaka	2006/9/3	178	3,232	0.8%	3,920	3,354	16.9%	7.1%
R-52	RESIDIA TOWER Sendai	Sendai, Miyagi	2008/1/25	67	1,705	0.4%	1,790	1,815	-1.4%	2.3%

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-53	RESIDIA Higashizakura II	Nagoya, Aichi	2006/2/27	127	2,862	0.7%	3,420	2,975	14.9%	3.1%
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	2006/11/11	168	1,796	0.4%	2,080	1,872	11.1%	(EAST)2.6% (WEST)2.7%
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	2007/1/31	85	1,052	0.3%	1,230	1,097	12.1%	5.8%
R-56	RESIDIA Sendai-Honcho	Sendai, Miyagi	2007/6/20	105	1,117	0.3%	1,390	1,167	19.1%	2.3%
R-57	RESIDIA Sendai-Haranomachi	Sendai, Miyagi	2007/9/12	72	593	0.1%	742	626	18.5%	2.1%
R-58	RESIDIA Minami-Ichijo East	Sapporo, Hokkaido	2008/1/22	85	1,062	0.3%	1,200	1,117	7.3%	1.1%
Total 221 properties				19,078	417,637	100.0%	443,096	407,805	8.7%	2.7%

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	83	5,182	185,439	44.4%	186,953	180,789	3.4%
C	Central Tokyo ex 7 wards	67	5,633	120,253	28.8%	133,156	117,895	12.9%
S	Tokyo Metropolitan	22	2,982	42,274	10.1%	45,216	40,256	12.3%
R	Major Regional Cities	49	5,281	69,670	16.7%	77,771	68,864	12.9%
Total		221	19,078	417,637	100.0%	443,096	407,805	8.7%

(as of August 1, 2014)

Portfolio after Including the Property Acquired After the FP 07-2014 End

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Appraisal Price (mil yen)
R-58	RESIDIA Shin-Osaka	Osaka-shi, Osaka	2014/2/16	208	2,644	3,060

	Area	No. of Properties	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)
P	Tokyo Central 7 Wards	83	5,182	185,439	44.1%
C	Central Tokyo ex 7 wards	67	5,633	120,253	28.6%
S	Tokyo Metropolitan	22	2,982	42,274	10.1%
R	Major Regional Cities	50	5,489	72,314	17.2%
Total 222 properties		222	19,286	420,281	100.0%

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.