

春風や

稼働賃料

満ちるかな

Spring breeze ~  
rent and room  
in full bloom

Advance Residence Investment Corporation

17<sup>th</sup> Fiscal Period Results  
Aug 1, 2018 ~ January 31, 2019

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# Executive Summary

**DPU, EPU +73 yen from Forecast**  
by maintaining high occupancy

Earnings Per Unit (EPU) **5,173** yen  
Dividend Per Unit (DPU) **5,422** yen

## Internal Growth

### Steady Rise in Occupancies & Rents

Period Avg. Occupancy

**97.0%**

chg. from forecast **+0.5%**

chg. from previous period **±0.0%**

Rise in Rent

**0.38%**

## External Growth

### Disciplined Acquisition

Acquired RESIDIA Kita-Nijyo East III

- Centrally located single's unit apartment
- Located adjacent to RESIDIA Kita-Nijyo East
- NOI Yield 5.5%
- Yield after Depreciation 4.2%



## Finance

Credit Rating Upgrade from R&I

**A+**  
outlook: POSITIVE



**AA-**  
outlook: STABLE





# Results for Fiscal Period ended Jan. 2019

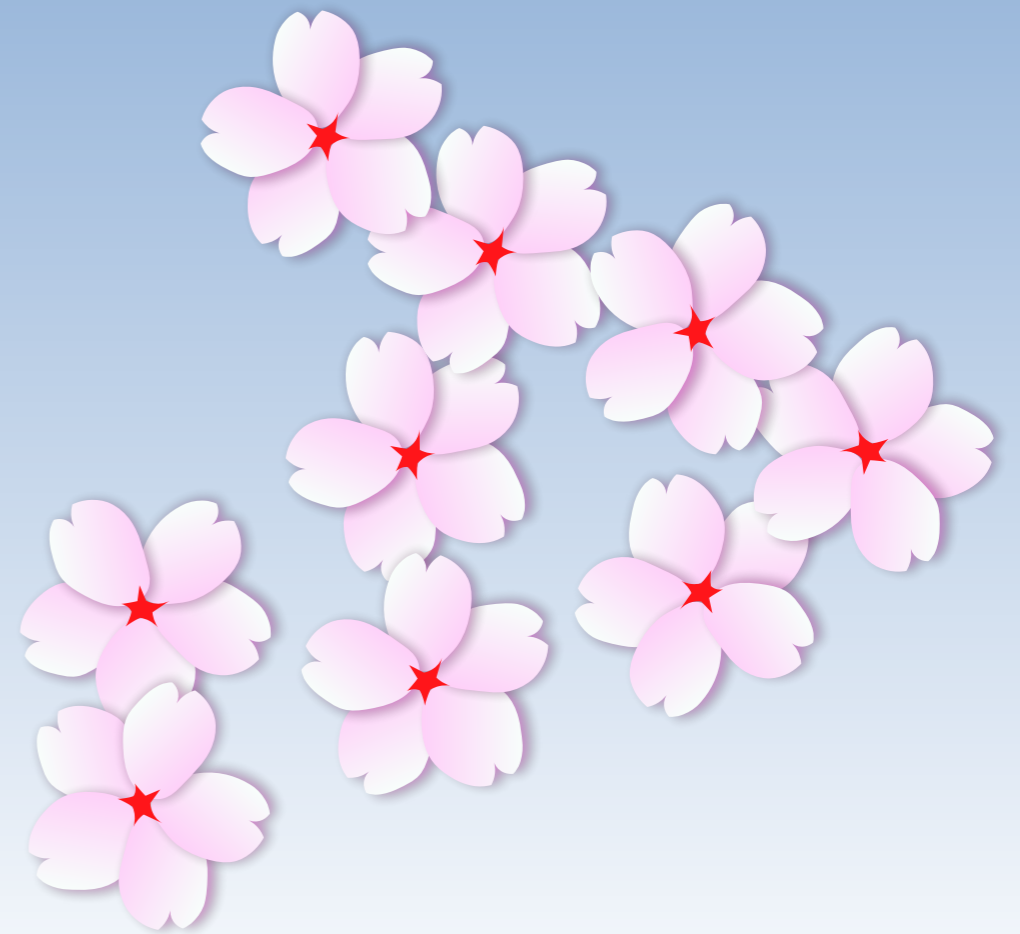
Aug. 1, 2018 - Jan. 31, 2019

	(1) 17 <sup>th</sup> FP Forecast	(2) 17 <sup>th</sup> FP Results	(2)-(1)			(3) 16 <sup>th</sup> FP Results	(2)-(3)			in million yen
	Initial Forecast as of Sept. 10, 2018	Results for FP Jan. 2019	Changes	Notes	Chgs	Results for FP July 2018	Changes	Notes	Chgs	
<b>Revenue</b>	<b>16,084</b> (264 properties) Period avg. occupancy <b>96.5%</b>	<b>16,196</b> (264 properties) Period avg. occupancy <b>97.0%</b>	<b>+111</b>	<b>Rental Revenue</b> Increases from higher occupancy & higher rents <b>Other Revenue</b> Increases in key money & other revenues	<b>+94</b> <b>+15</b>	<b>16,302</b> (263 properties) Period avg. occupancy <b>97.0%</b>	<b>-106</b>	<b>Asset Acquisitions</b> No profit from sales of assets Increase in revenue from acquisition <b>Same Store</b> Increase from rise in rents Decrease in key money revenue	<b>-135</b> <b>+63</b> <b>+49</b> <b>-83</b>	
<b>Operating Income</b>	<b>8,028</b> (Depreciation: 2,701) (Property taxes: 870)	<b>8,117</b> (Depreciation: 2,705) (Property taxes: 871)	<b>+89</b>	<b>Leasing Expenses</b> Increases in repair costs Increases in utility costs <b>G &amp; A Expenses</b> Decrease in Cons. tax settlement loss due to acquisition	<b>-20</b> <b>-7</b> <b>+5</b>	<b>8,272</b> (Depreciation: 2,682) (Property taxes: 865)	<b>-154</b>	<b>Leasing Expenses</b> Increases in costs due to incrs in assets Off-season decreases in fees Increases in other expenses Increase in depreciation <b>G &amp; A Expenses</b> Increase in consumption tax settlement loss Increases in other expenses	<b>-10</b> <b>+62</b> <b>-15</b> <b>-18</b> <b>-19</b> <b>-40</b>	
<b>Ordinary Income</b>	<b>6,885</b> (Funding cost*: 1,136)	<b>6,984</b> (Funding cost*: 1,129)	<b>+98</b>	Damage compensation Decrease in funding costs	<b>+2</b> <b>+6</b>	<b>7,088</b> (Funding cost*: 1,196)	<b>-103</b>	Less compensation from lease cancellation Decrease due to lower interest rate	<b>-17</b> <b>+67</b>	
<b>Net Income</b>	<b>6,885</b>	<b>6,983</b>	<b>+98</b>			<b>7,087</b>	<b>-103</b>			
<b>EPU (yen)</b>	<b>5,100</b>	<b>5,173</b>	<b>+73</b>	Units issued and outstanding <b>1,350,000 units</b>		<b>5,250</b>	<b>-77</b>	Units issued and outstanding <b>1,350,000 units</b>		
<b>Per Unit Drawdown of Reserve** (yen)</b>	<b>249</b>	<b>249</b>	<b>-</b>	Reserve** after dividend: <b>31.8 bn yen</b>		<b>249</b>	<b>-</b>			
<b>Dividend per unit (yen)</b>	<b>5,349</b>	<b>5,422</b>	<b>+73</b>			<b>5,499</b>	<b>-77</b>			
<b>Total Asset LTV</b>	<b>49.9%</b>	<b>49.9%</b>	<b>-</b>			<b>49.9%</b>	<b>-</b>			

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

\*\* "Reserve" means "Temporary Difference Adjustment Reserve".

# *Internal Growth*



# Rent Trends by Region

## 23 Wards of Tokyo

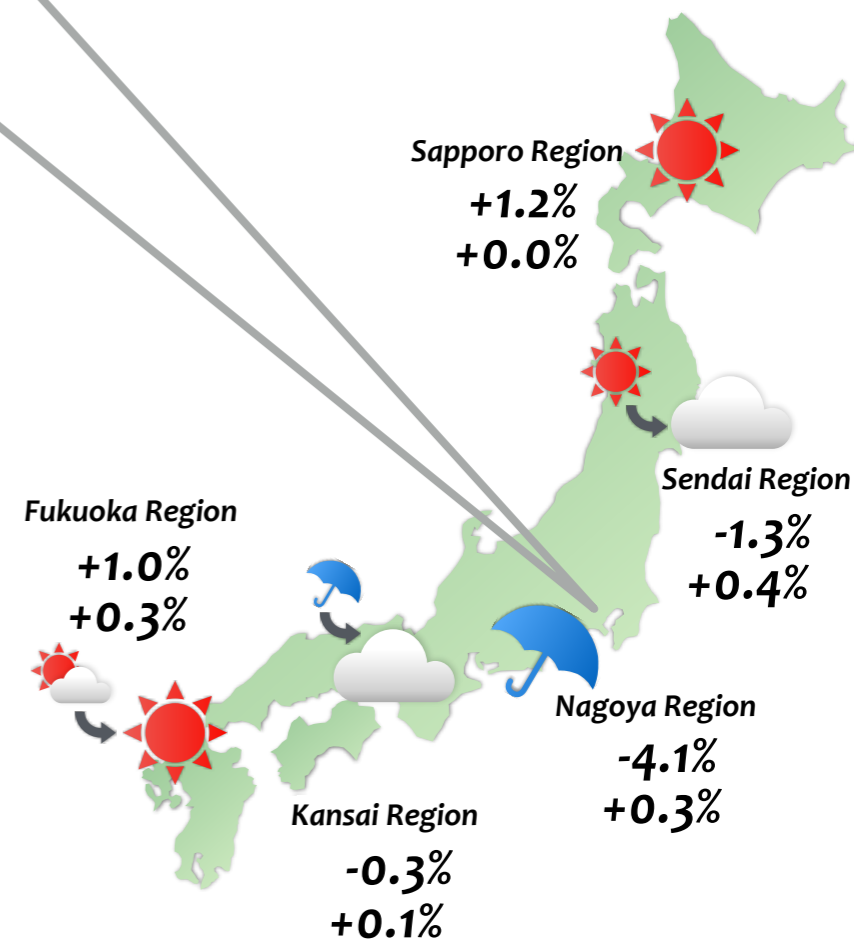
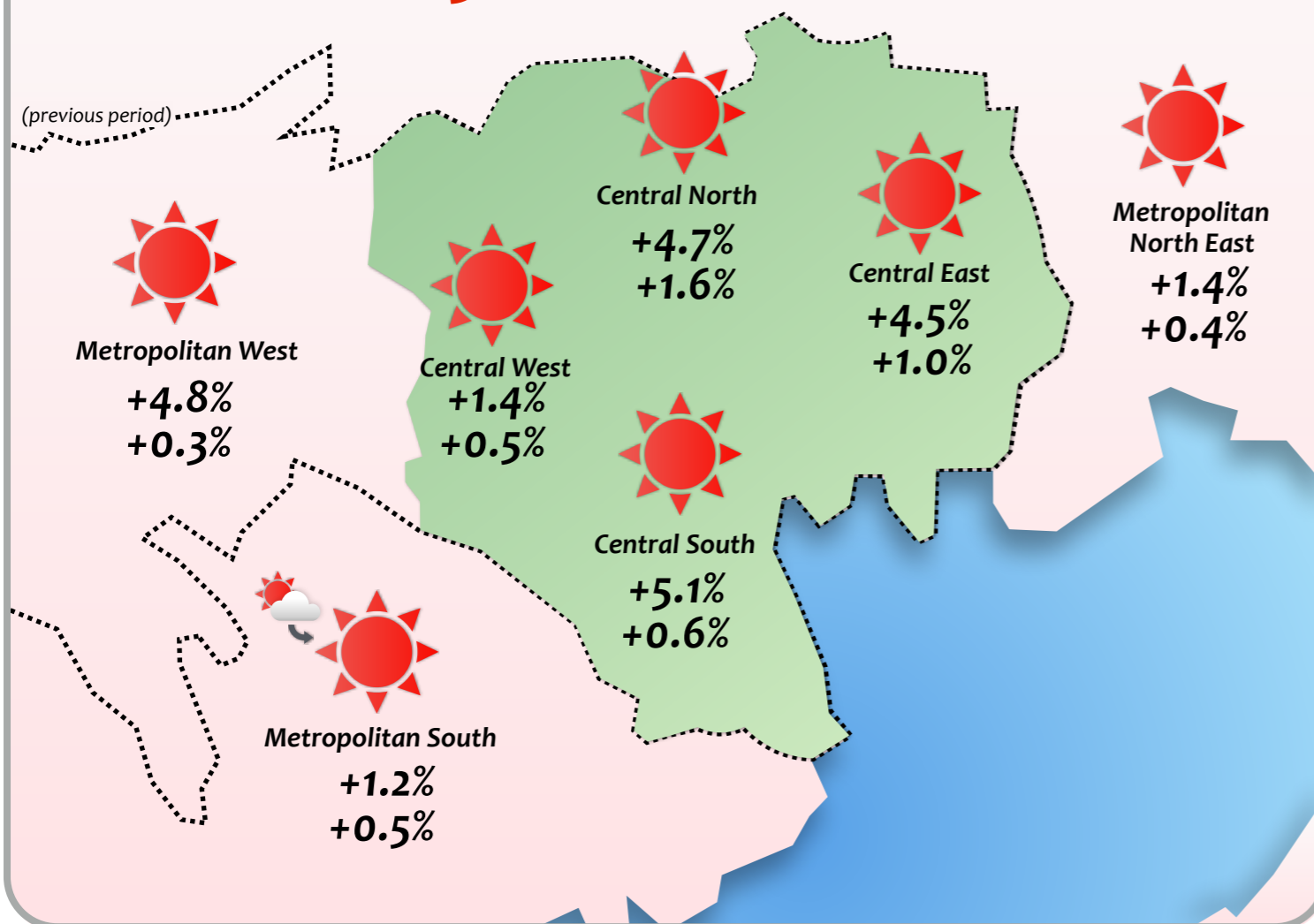
Replacements **+4.1%**  
Renewals **+0.9%**

## Metropolitan Area

Replacements **+4.0%**  
Renewals **+0.8%**

## Total Rent Changes in Replacements and Renewals

Replacements **+3.0%**  
Renewals **+0.7%**



\* 23 wards of Tokyo are grouped in four regions as below

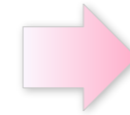
Central East (Chiyoda, Chuo, Taito, Sumida, Koto, Katsushika, Edogawa), Central West (Shinjuku, Shibuya, Suginami, Nakano)  
Central South (Minato, Shinagawa, Meguro, Ota, Setagaya), Central North (Bunkyo, Toshima, Kita, Itabashi, Nerima, Arakawa, Adachi)

\*\* Changes in unit rents from the start of the FP to the end of the FP for all units held for the entire period.

# Strong Rent Trend

Replacements **+3.05%**

Renewals **+0.70%**



Portfolio Total **+0.38%**

## FP17 Rent Change Details

### Replacements

million yen / month

	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	1,065 units	62.2%	142	150	+8.0	+5.67%
Unchanged	304 units	17.7%	31	31	-	-
Decrease	344 units	20.1%	37	35	-1.6	-4.38%
<b>Total</b>	<b>1,713 units</b>	<b>100.0%</b>	<b>211</b>	<b>217</b>	<b>+6.4</b>	<b>+3.05%</b>

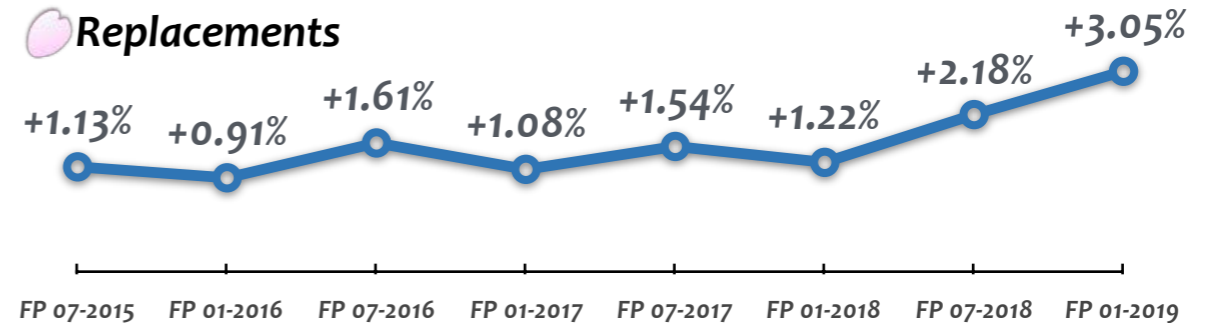
### Renewals

million yen / month

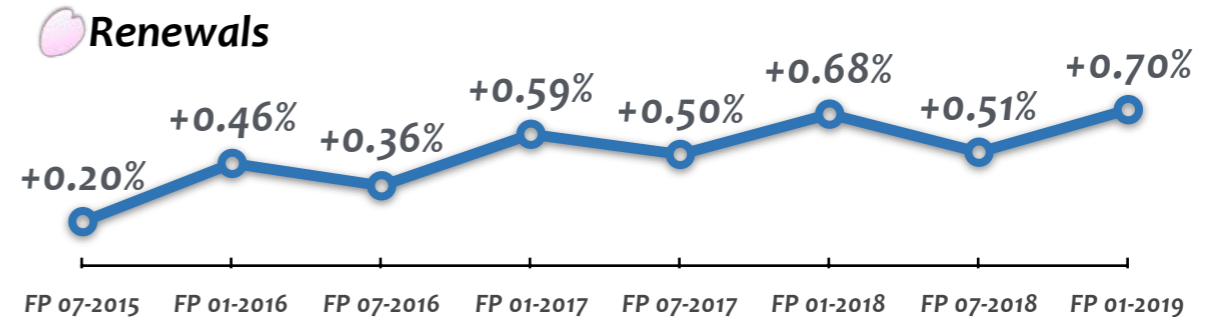
	No. of Units	Ratio	Old Rent	New Rent	Difference	% Change
Increase	648 units	25.7%	90	92	+2.1	+2.41%
Unchanged	1,868 units	74.1%	219	219	-	-
Decrease	5 units	0.2%	0.6	0.5	-0.01	-2.31%
<b>Total</b>	<b>2,521 units</b>	<b>100.0%</b>	<b>310</b>	<b>312</b>	<b>+2.1</b>	<b>+0.70%</b>

## FP17 Rent Change Details

### Replacements

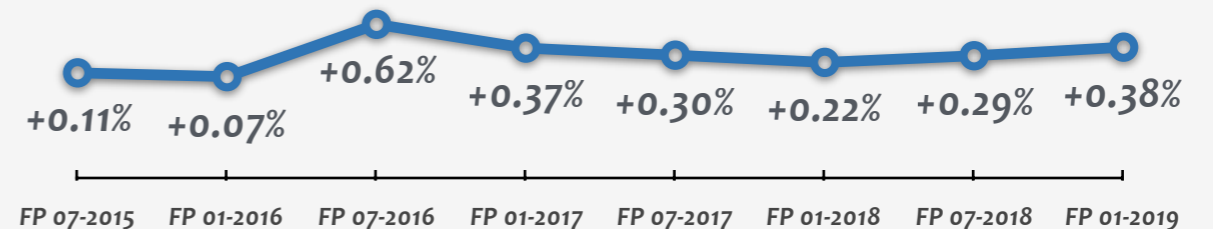


### Renewals



### Portfolio Total

Rent Rise of **+2.37%** in 8 Fiscal Periods, Adding **+240** yen to EPU

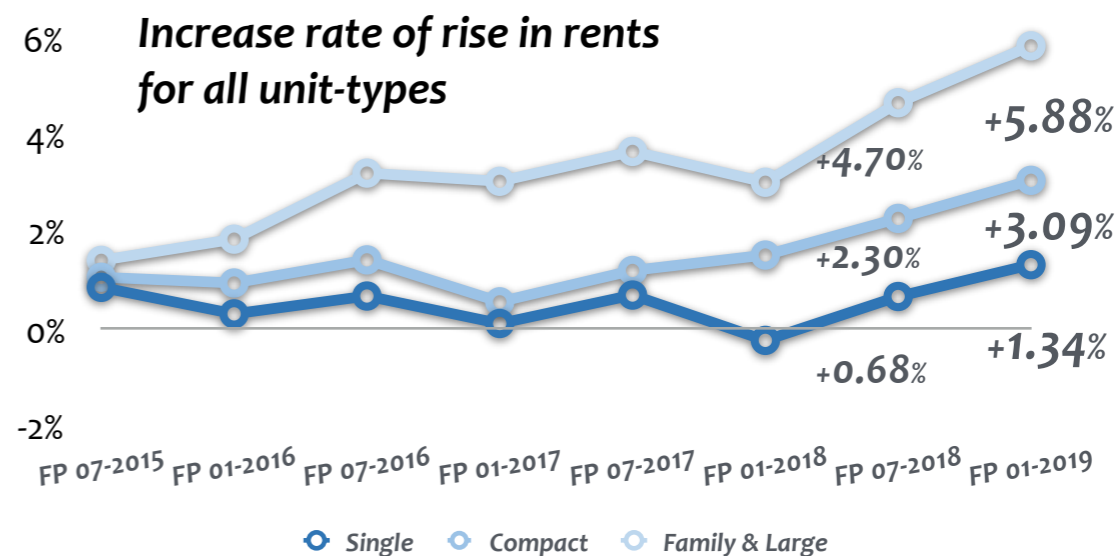
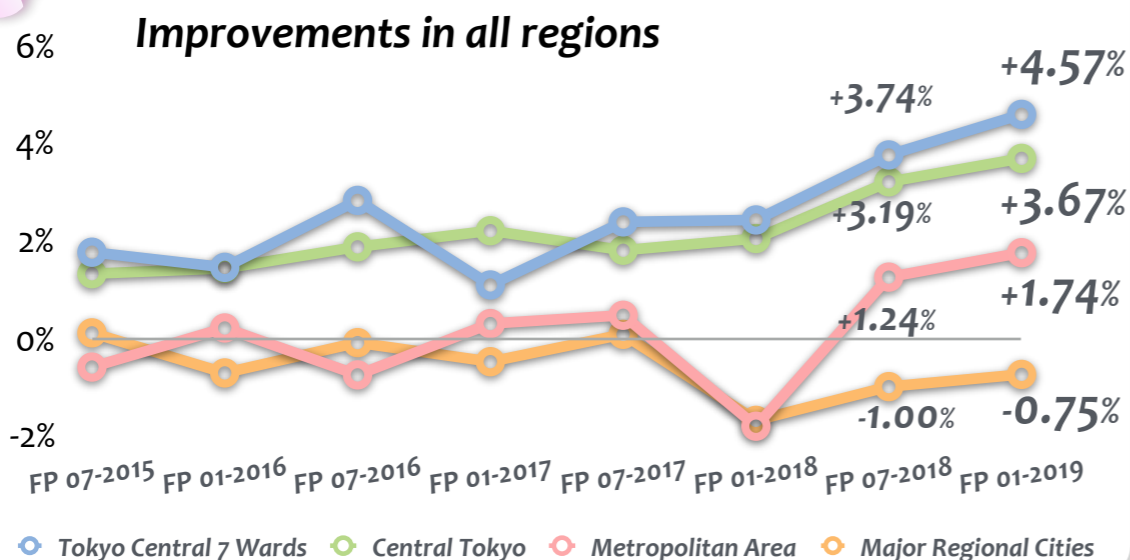


\* Rent change for pass-through units that went through replacement or renewal during the period.



# Increasing Rent Rise Potential

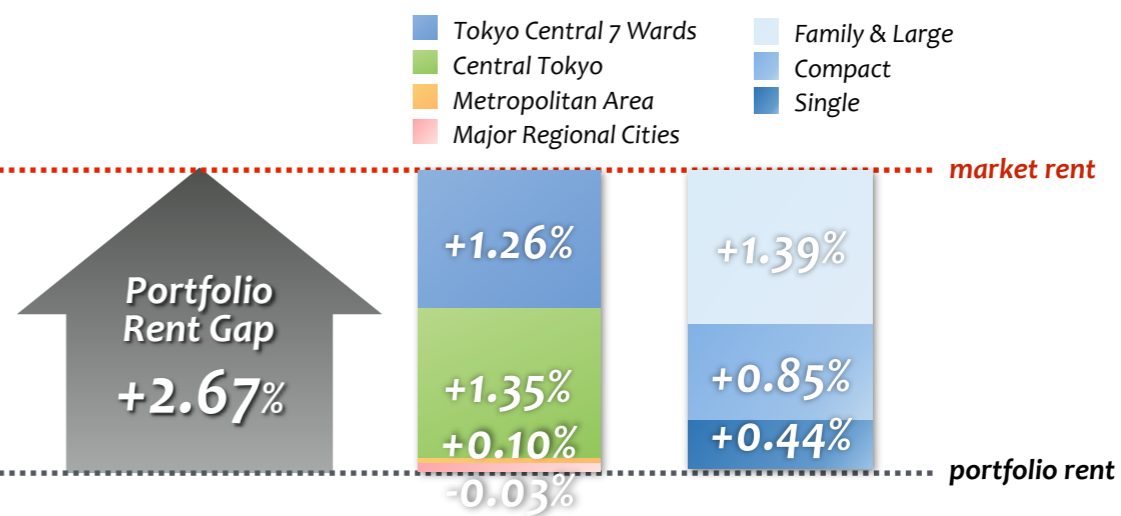
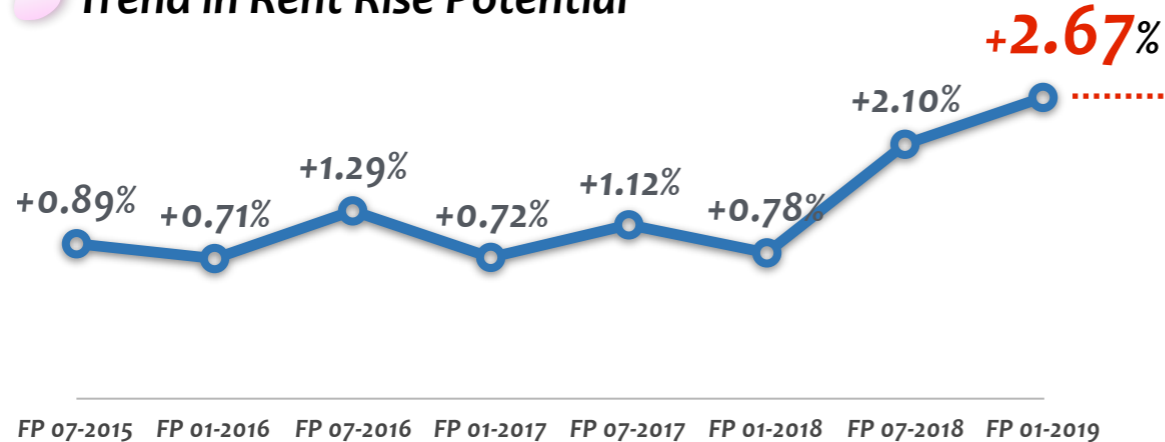
## Portfolio Rent Rise \*



## Portfolio Rent Increase Potential \*

EPU Rise of **+210~250** yen Expected

### Trend in Rent Rise Potential



\* The portfolio rent increase potential is estimated by calculating the gap between the unit rent of new tenants of FP Jan. 2019 (treating the rents as approximation of market rent) and unit rent of existing tenants, aggregated for the whole portfolio for leasing contracts that are pass-throughs. The calculation is made on each property and by each unit type for properties held at the end of FP Jan. 2019.



# Maintaining the Competitiveness of Properties

## Value Enhancement (VE) Works

In value enhancement works, floor plans, kitchens and bathrooms and are renovated to current taste, thereby making it possible to aggressively pursue rent increases

Track Record  
Since the Merger

No. of Value Enhanced Units:	<b>316</b> units
No. of Units Leased-out*:	<b>294</b> units
% Increase in Rents*:	<b>15.5%</b>

## Large-scale Repairs

Repair works are carried out at around 15 years intervals on roofings, exteriors and entrances to maintain the basic functionality of the buildings

Track Record  
Since the Merger

No. of Properties:	<b>39</b> properties
Total Investment:	<b>2,463</b> million
Ave. Cost per Property:	<b>63</b> million yen

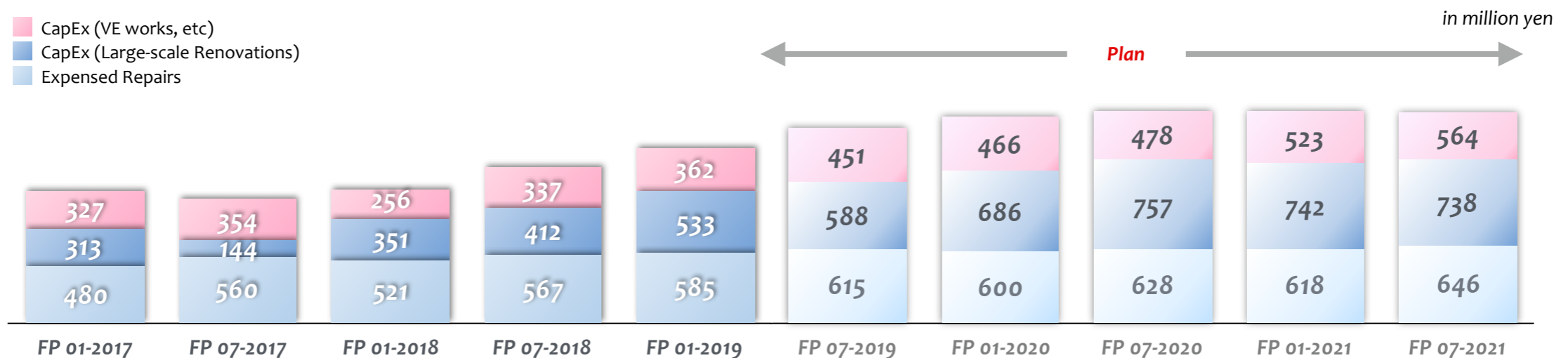
## Daily Maintenance

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

## Registered as First Class Architect Office

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

- CapEx (VE works, etc)
- CapEx (Large-scale Renovations)
- Expensed Repairs



\* Average percentage rise in rents, comparing rents before the VE works and rents of the first lease after the VE works for the 290 leased out units (as of Feb. 28, 2019).



# Large-Scale Repairs

Examples of Repairs Completed During FP January 2019

Properties Repaired during FP Jan. 2019 **5** properties    Total Expenditure **487** million yen

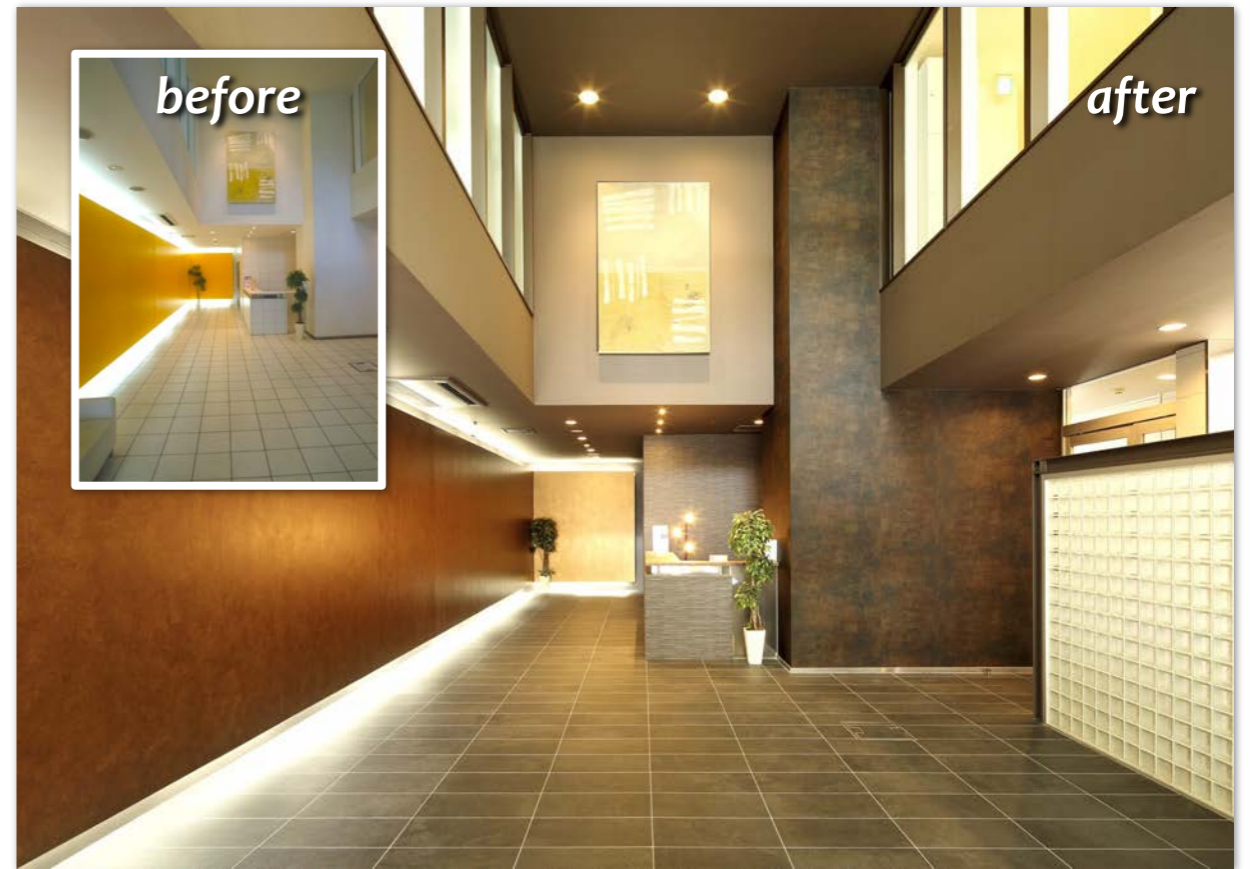
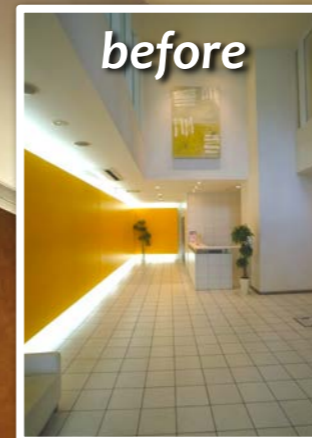
RESIDIA Tower Nogizaka (Tokyo Central 7) 14 yrs old

Anti-peeling coating on exterior wall tile  
Added richness to the sparse looking inner hall



RESIDIA Higashi-Sakura II (Nagoya) 13 yrs old

Entrance hall upgrade







# Value Enhancement Works

Examples of Works Completed During FP January 2019

No. of Value Enhancements **26** units in **14** properties

Avg. Increase in Monthly Rent\* **22.2%**

## RESIDIA Shinkawa II (Central Tokyo)



**Floor Plan** 2LDK

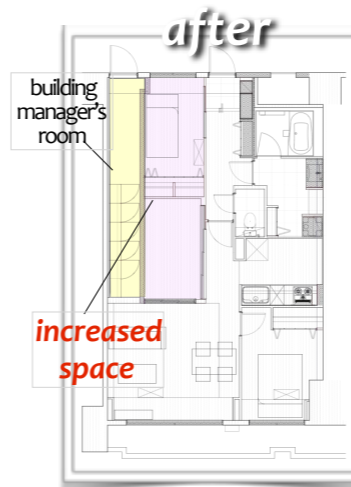
**Construction Cost** 3.0 million yen

**Increase in Monthly Rent** +32.4%

**Projected Recuperation Period\*\*** 12 years



## RESIDIA Mejiro (Central Tokyo)



Increase rental unit's floor space by moving the wall between the rental unit and the managers room

**Floor Plan (floor space)** 1LDK 55.55m<sup>2</sup> → 3LDK 69.25m<sup>2</sup>

**Construction Cost** 5.6 million yen

**Increase in Monthly Rent** +60.3%

**Projected Recuperation Period\*\*** 8 years



\* Increase in monthly rents are calculated for the 19 units leased out as of February 28, 2019 dividing the newly contracted monthly rent by the previous rent.

\*\* Projected Recuperation Periods are periods projected to recuperate the value enhancement cost, which is calculated as total cost minus renovation costs and equipment replacements due to aging.

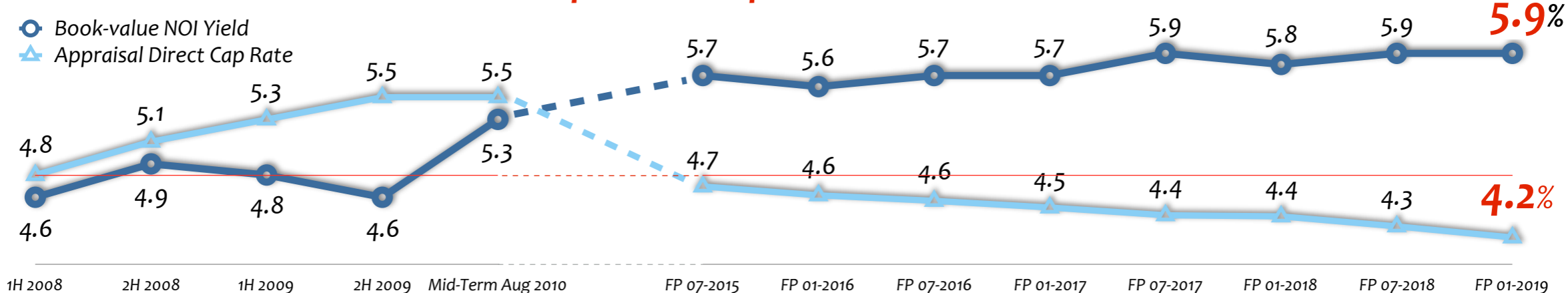




# Appraisal Value

## Appraisal Direct Cap Rate Trend

### Cap Rate Compression Continues



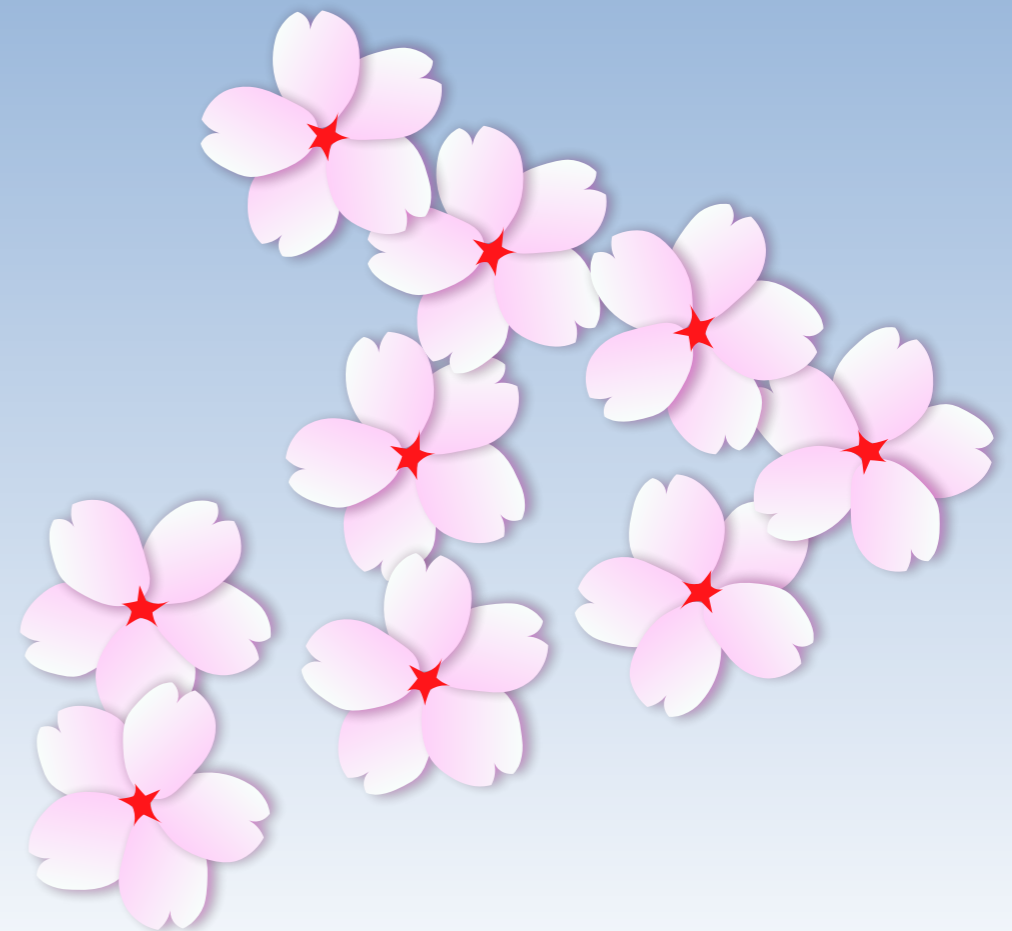
## Appraisal Summary of FP Jan. 2019

Unrealized profit of **136.4** billion yen (32.1% of total book-value)

	Appraisal (in million yen)		Appraisal NCF (in million yen)				Direct Cap Rate (%)		Unrealized Profit and Loss (million yen)		
	End of FP Jan. '19	diff vs last FP	End of FP Jan. '19	diff vs last FP	Itemized diff**		End of FP Jan. '19	diff vs last FP	Book Value (a)	Diff. from the appraisal (b)	(b)/(a)
					rent rev	ER re-appraisal					
Tokyo Central 7 Wards	209,728	+5,446	8,490	+30	+52	-22	3.98%	-0.1pt	161,364	48,363	30.0%
Central Tokyo ex. 7 Wards	192,477	+4,627	8,059	+4	+31	-27	4.13%	-0.1pt	142,725	49,751	34.9%
<b>Tokyo 23 Wards Total</b>	<b>402,205</b>	<b>+10,073</b>	<b>16,549</b>	<b>+34</b>	<b>+83</b>	<b>-49</b>	<b>4.05%</b>	<b>-0.1pt</b>	<b>304,090</b>	<b>98,114</b>	<b>32.3%</b>
Tokyo Metropolitan	49,560	+590	2,335	-8	-7	0	4.65%	-0.1pt	37,730	11,829	31.4%
Major Regional Cities	109,796	+1,590	5,268	-31	-14	-16	4.74%	-0.1pt	83,303	26,492	31.8%
<b>Portfolio Total</b>	<b>561,561</b>	<b>+12,253</b>	<b>24,152</b>	<b>-4</b>	<b>+61</b>	<b>-66</b>	<b>4.24%</b>	<b>-0.1pt</b>	<b>425,124</b>	<b>136,436</b>	<b>32.1%</b>

\* For assets acquired during the FP Jan. 2019, appraisal value at the time of acquisition is used as the previous appraisal value. \*\* In the "Itemized Diff", difference from the previous FP in appraisal NOI minus repair costs are listed in "rent rev" and differences in repair costs and capital expenditures due to engineering report re-appraisal are listed in "ER re-appraisal".

# *External Growth*



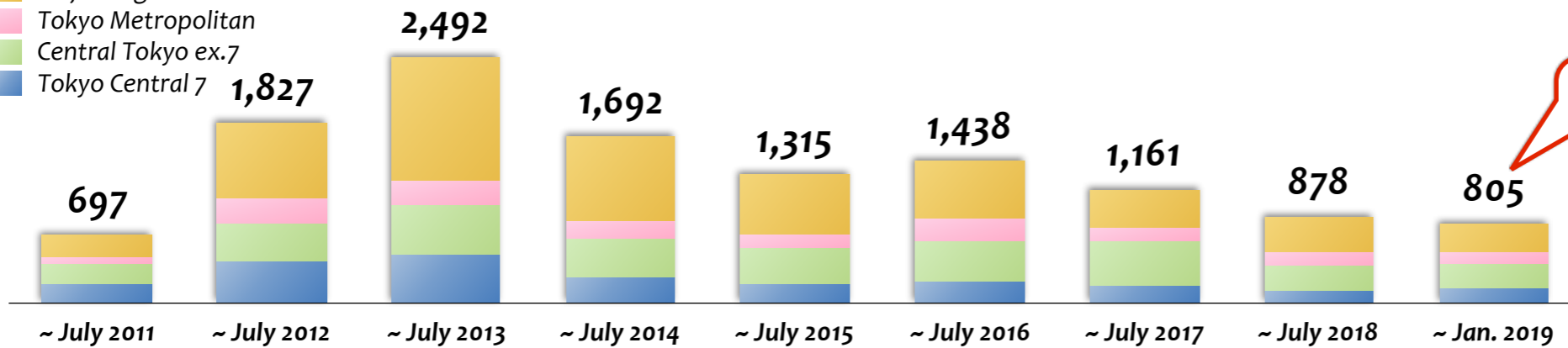
# External Growth Policy

## Acquisition Leads

### Number of Leads in Last Six Month Approaches Annual

No. of Leads / year

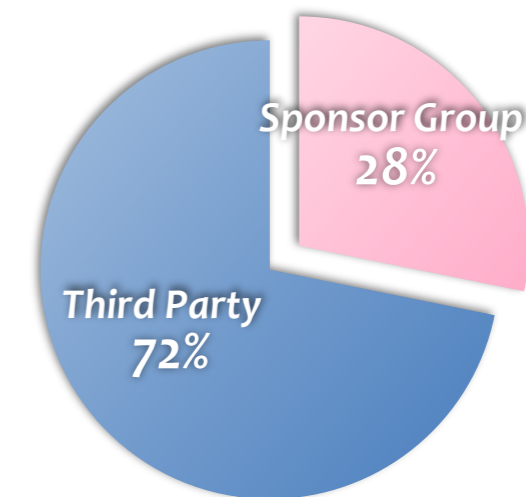
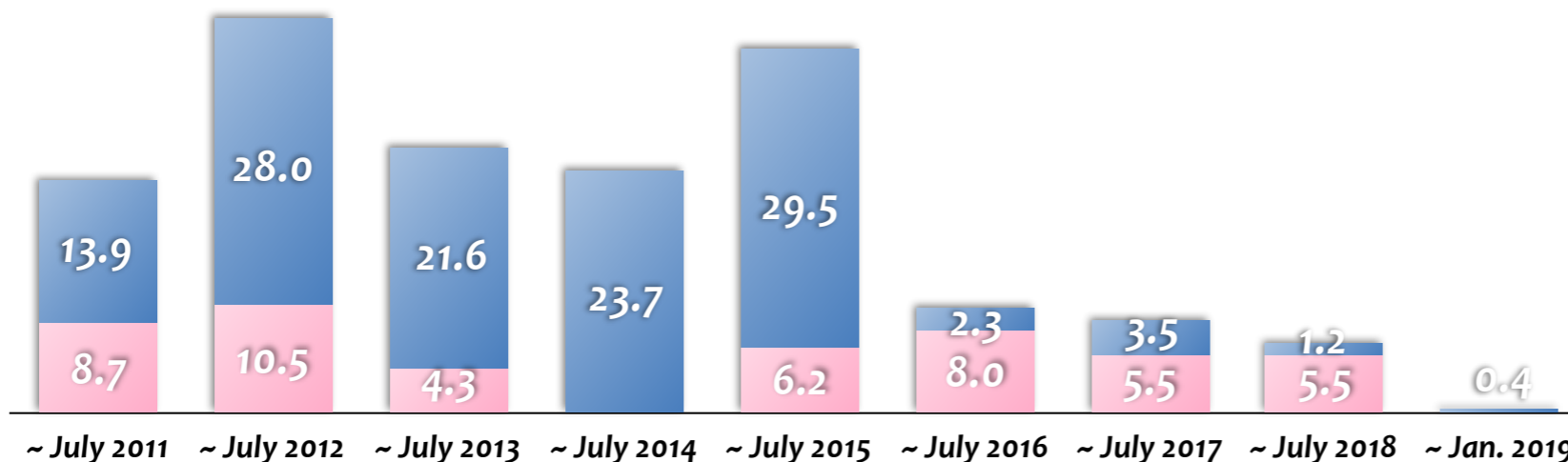
- Major Regional Cities
- Tokyo Metropolitan
- Central Tokyo ex.7
- Tokyo Central 7



## Sourcing Track Record

### Maintain Discerning Acquisition Policy

billion yen





# Assets in the Pipeline

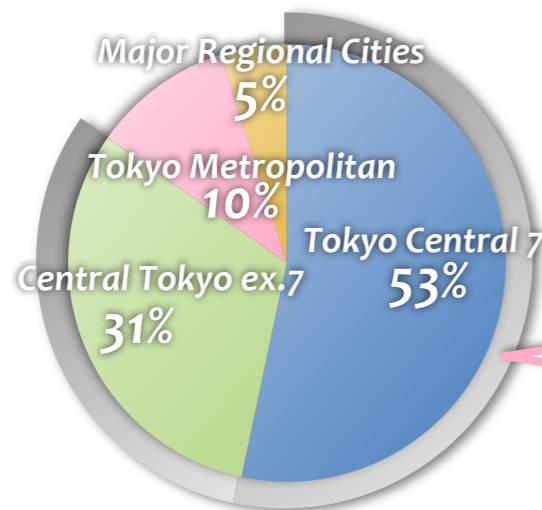
as of Jan. 2019

**Sponsor Pipeline** **30** properties **49.0** billion yen (of which **35.6** billion yen is completed)

## Properties Developed by Itochu Group

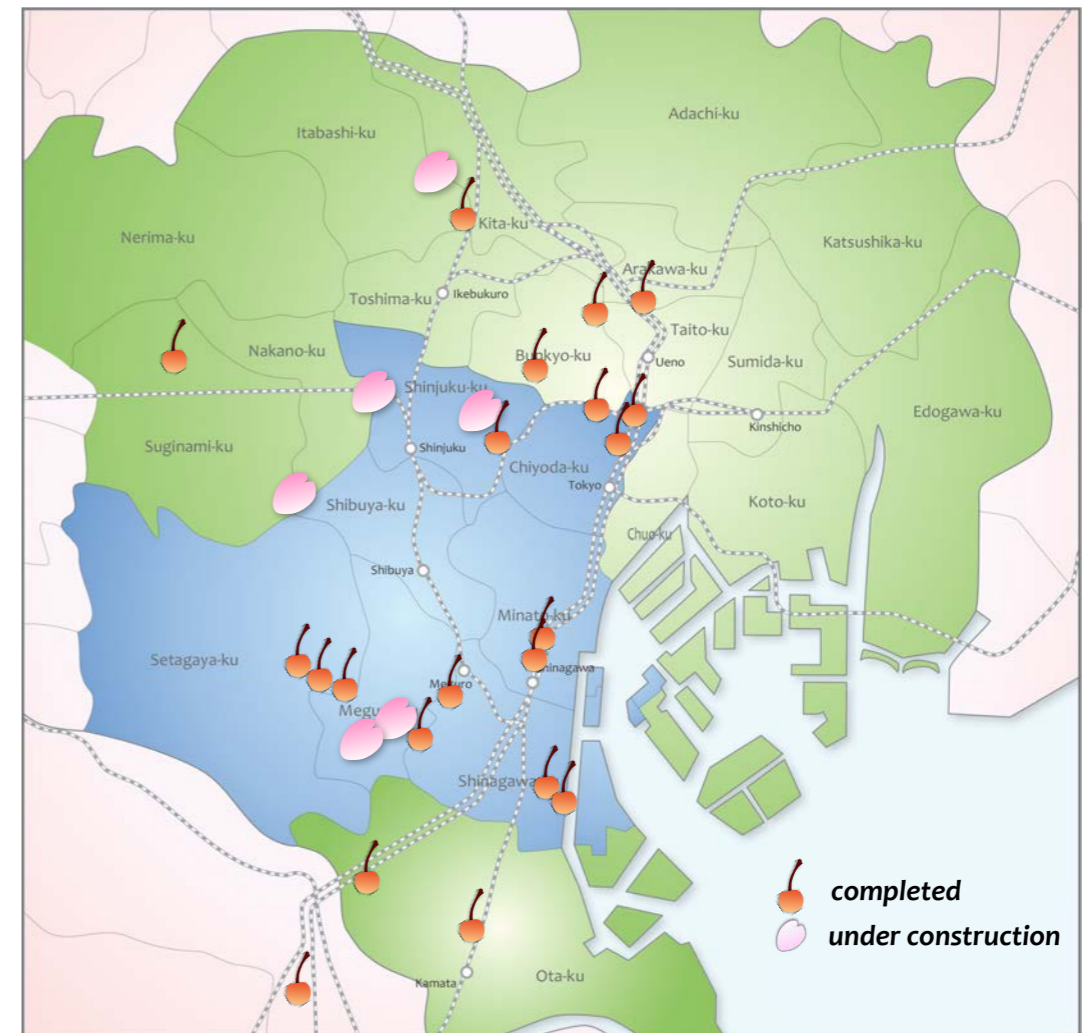
### Pipeline for ADR

	No. of Properties	No. of Units	Expected Size	Completed
Tokyo Central 7	15 properties	935 units	26.1 bn yen	18.6 bn yen
Central Tokyo ex.7	11 properties	472 units	15.3 bn yen	11.8 bn yen
Tokyo Metropolitan	2 properties	439 units	5.1 bn yen	5.1 bn yen
Major Regional Cities	2 properties	185 units	2.4 bn yen	-
<b>Total</b>	<b>30</b> properties	<b>2,031</b> units	<b>49.0</b> bn yen	



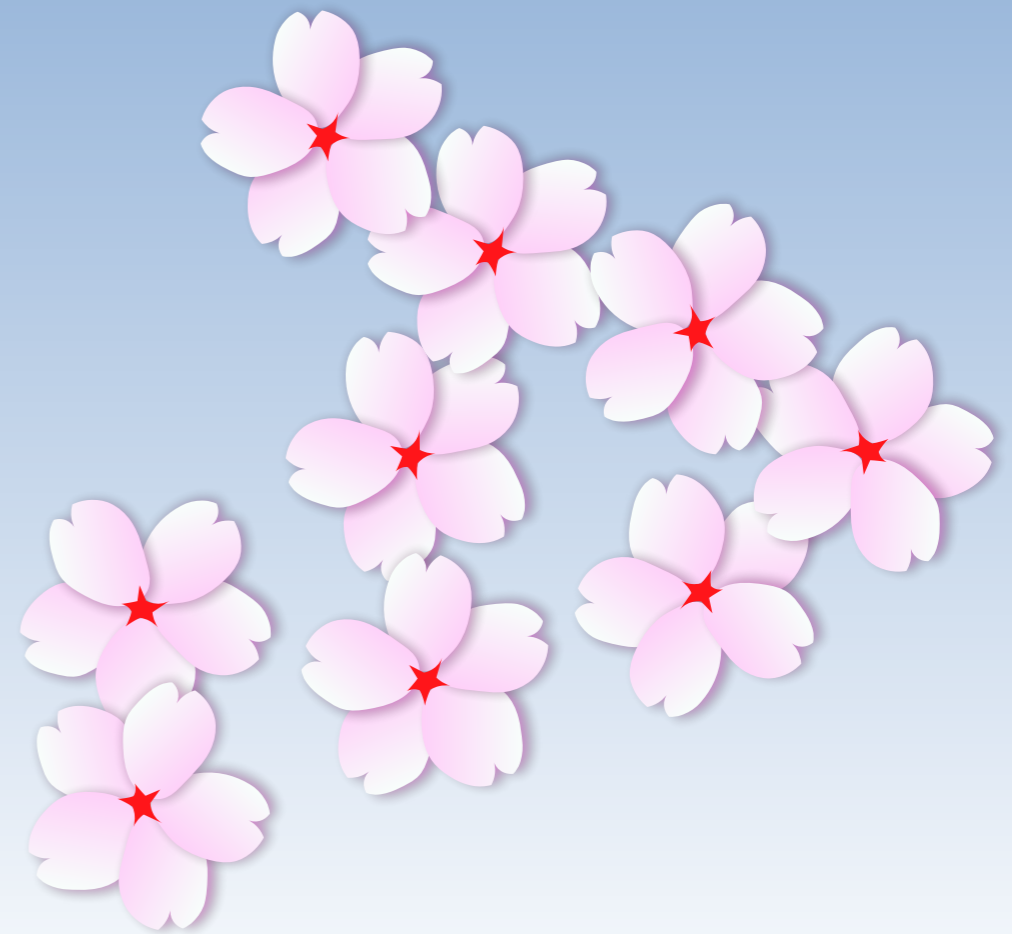
Tokyo 23 Wards  
**84%**

### Locations





# *Finance*





# Building a Stable Financial Base

## Key Figures on Debts

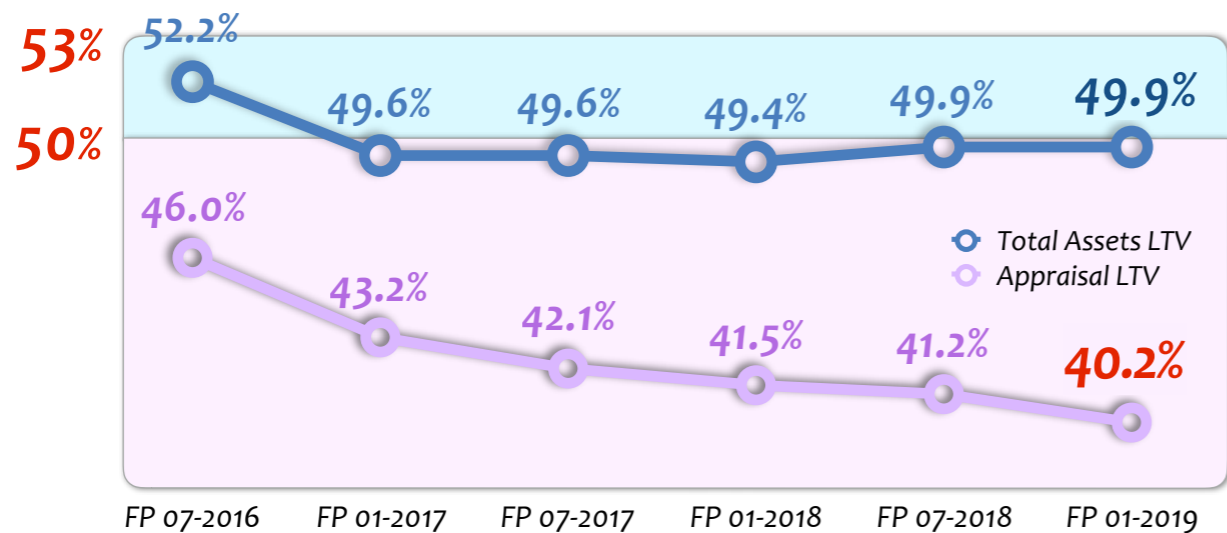
JCR **AA** (Stable) R&I **AA-** (Stable)

	FP July 2018	FP January 2019	change
Loans	196.9 bn yen	196.9 bn yen (87.2%)	-
Bonds	29.0 bn yen	29.0 bn yen (12.8%)	-
Total	225.9 bn yen	225.9 bn yen (100.0%)	-

## FP Jan. 2019 Debt Financing

	Repayment	Procurement
Total	13.7 bn yen	13.7 bn yen
Avg. Interest Rate	1.10%	0.52%
Avg. Initial Duration	5.3 yrs	7.7 yrs

## LTV Management



## Maximum Leverage

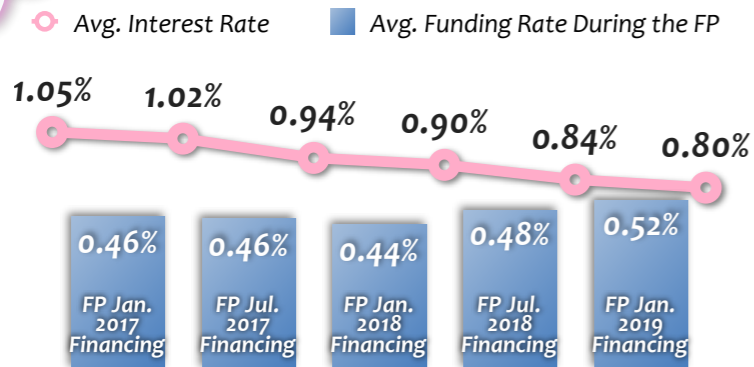
Appraisal LTV **50%** Total Assets LTV **53%**

## Acquisition Capacity

**30.0** billion yen  
at Total Asset LTV of **53%**

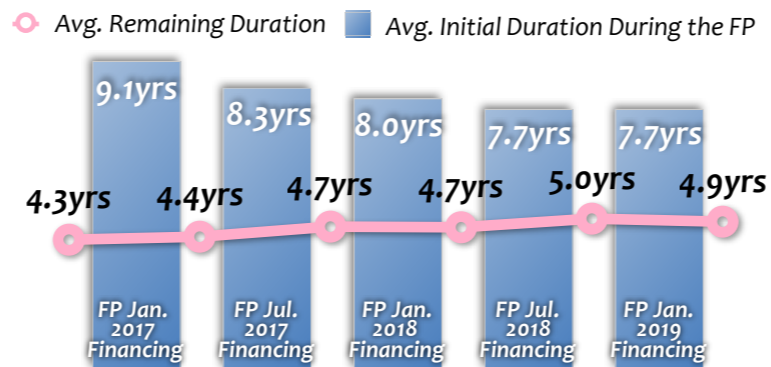
# Aiming for Long-term Stability

## Lowering Interest Rate



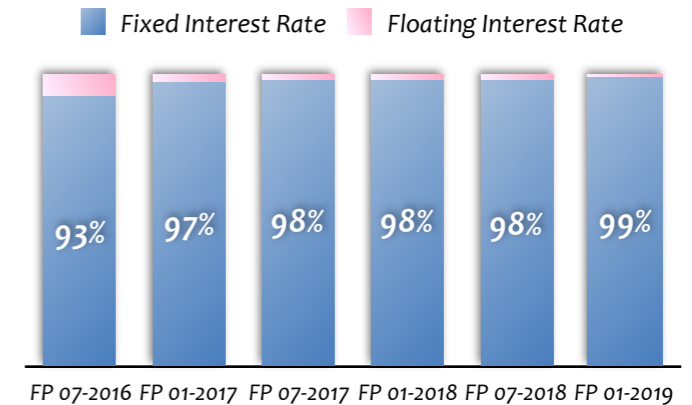
FP 07-2016 FP 01-2017 FP 07-2017 FP 01-2018 FP 07-2018 FP 01-2019  
 \* In Calculating the average interest rate for financing during the periods, amount outstanding and interest rate applicable at the end of each period is used.

## Extending Duration



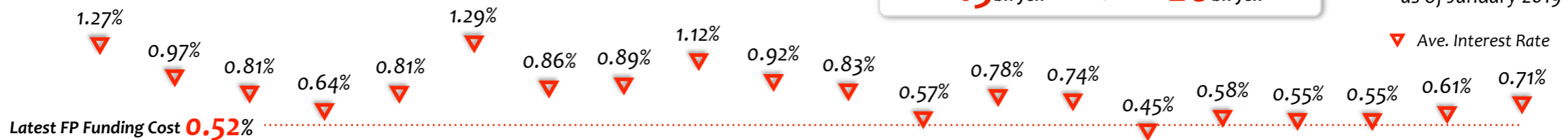
FP 07-2016 FP 01-2017 FP 07-2017 FP 01-2018 FP 07-2018 FP 01-2019  
 \* In Calculating the average debt duration for financing during the periods, amount outstanding at the end of each period is used to calculate the weighted average.

## Fixing Interest Rate



\* Short-term loans are excluded.

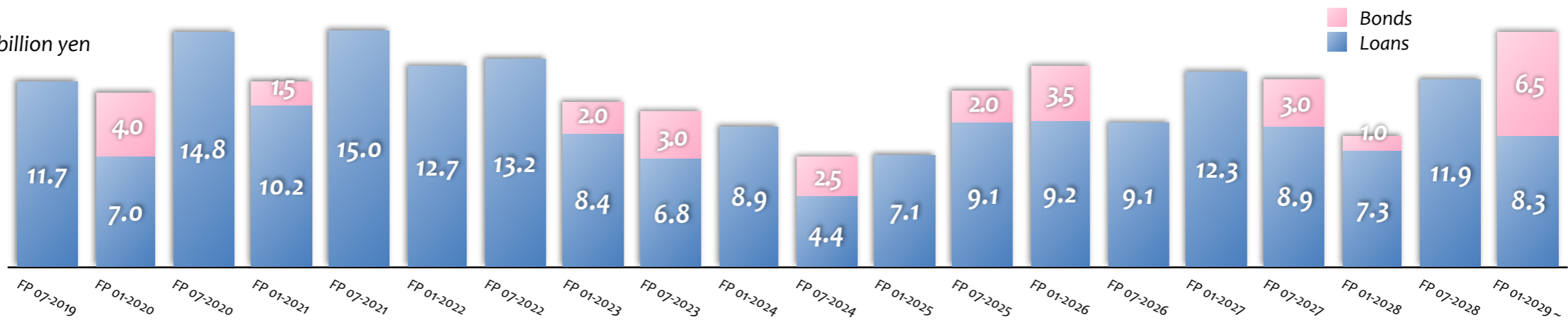
## Diversifying Duration



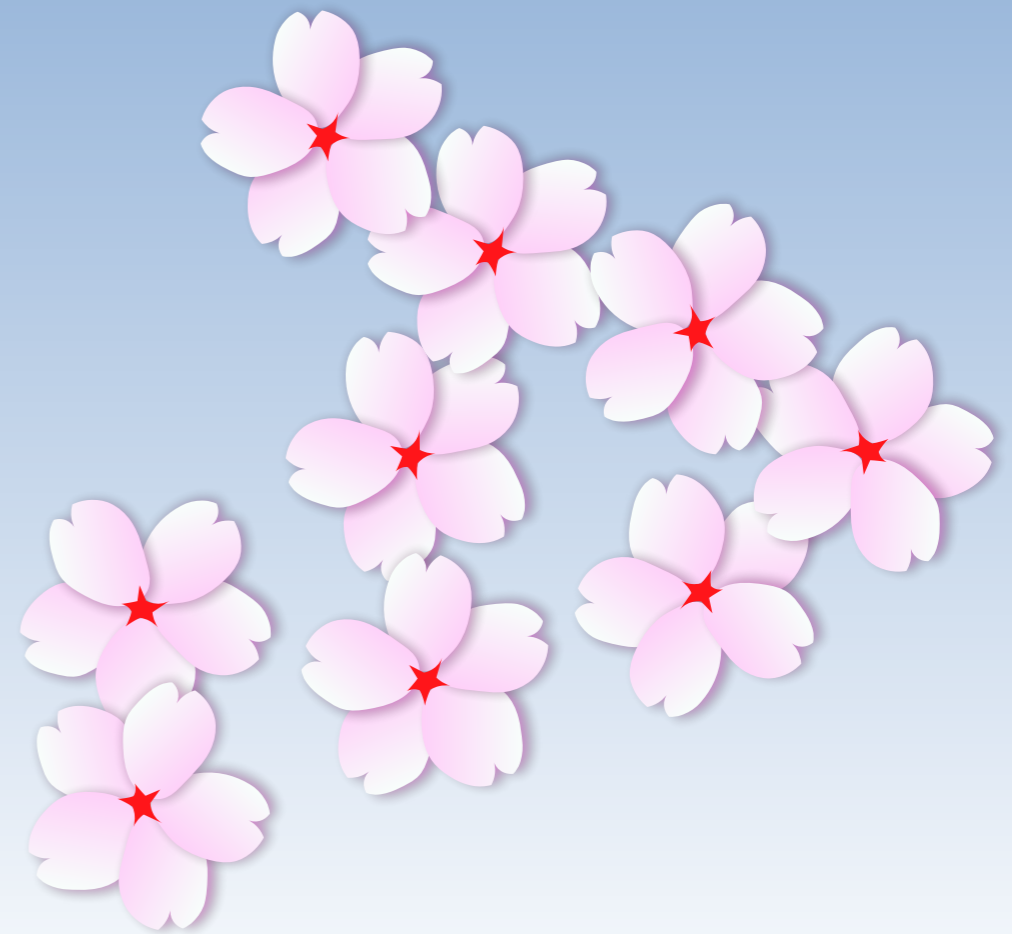
Max. repayment per FP **15**bn yen < Committed line of credit **20**bn yen

as of January 2019

billion yen



# *Guidance and DPU Target*





# Earnings Guidance

	(1) 17 <sup>th</sup> FP Results	(2) 18 <sup>th</sup> FP Forecast	(2)-(1)		(3) 19 <sup>th</sup> FP Forecast	(3)-(2)		in million yen
	Results for FP Jan. 2019	Forecast for FP Jul. 2019 (announced Mar. 12, 2019)	Changes	Notes	Forecast for FP Jan. 2020 (announced Mar. 12, 2019)	Changes	Notes	
<b>Revenue</b>	<b>16,196</b> (264 properties) Period avg. occupancy <b>97.0%</b>	<b>16,237</b> (264 properties) Period avg. occupancy <b>96.6%</b>	<b>+41</b>	<b>Same Store</b> Decrease due to lower occupancy assumption -62 Increase due to rent rise +24 Peak season increase in key money & renewal fee income +79	<b>16,151</b> (264 properties) Period avg. occupancy <b>96.5%</b>	<b>-86</b>	<b>Same Store</b> Decrease due to lower occupancy assumption -15 Increase due to rent rise +22 Off-peak decrease in key money & renewal fee income -93	
<b>Operating Income</b>	<b>8,117</b> (Depreciation: 2,705) (Property taxes: 871)	<b>8,019</b> (Depreciation: 2,713) (Property taxes: 877)	<b>-98</b>	<b>Leasing Expenses</b> Peak season increase in expenses -116 Increase in repair costs -9 Increase in other costs -15 <b>G &amp; A Expenses</b> Decrease in mgmt. fees +18 Cons. tax settlement increase -10 Increase in other expenses -6	<b>7,947</b> (Depreciation: 2,726) (Property taxes: 884)	<b>-71</b>	<b>Leasing Expenses</b> Off-peak decrease in expenses +90 Increase in depreciation -13 <b>G &amp; A Expenses</b> Tax hike cons. tax settlement increase -37 Decrease in other expenses -24	
<b>Ordinary Income</b>	<b>6,985</b> (Funding cost*: 1,129)	<b>6,926</b> (Funding cost*: 1,090)	<b>-58</b>	Decrease in interest payment +40	<b>6,885</b> (Funding cost*: 1,051)	<b>-40</b>	Decrease in interest payment +38 Increase in other non-op expenses -7	
<b>Net Income</b>	<b>6,983</b>	<b>6,925</b>	<b>-58</b>		<b>6,885</b>	<b>-40</b>		
<b>EPU (yen)</b>	<b>5,173</b>	<b>5,130</b>	<b>-43</b>	Units issued and outstanding <b>1,350,000 units</b>	<b>5,100</b>	<b>-30</b>	Units issued and outstanding <b>1,350,000 units</b>	
<b>Per Unit Drawdown of Reserve** (yen)</b>	<b>249</b>	<b>249</b>	-	Reserve** after dividend: <b>31.5 bn yen</b>	<b>249</b>	-	Reserve** after dividend: <b>31.1 bn yen</b>	
<b>Dividend per unit (yen)</b>	<b>5,422</b>	<b>5,379</b>	<b>-43</b>		<b>5,349</b>	<b>-30</b>		
<b>Total Asset LTV</b>	<b>49.9%</b>	<b>50.0%</b>	<b>+0.1p</b>		<b>50.1%</b>	<b>+0.1p</b>		

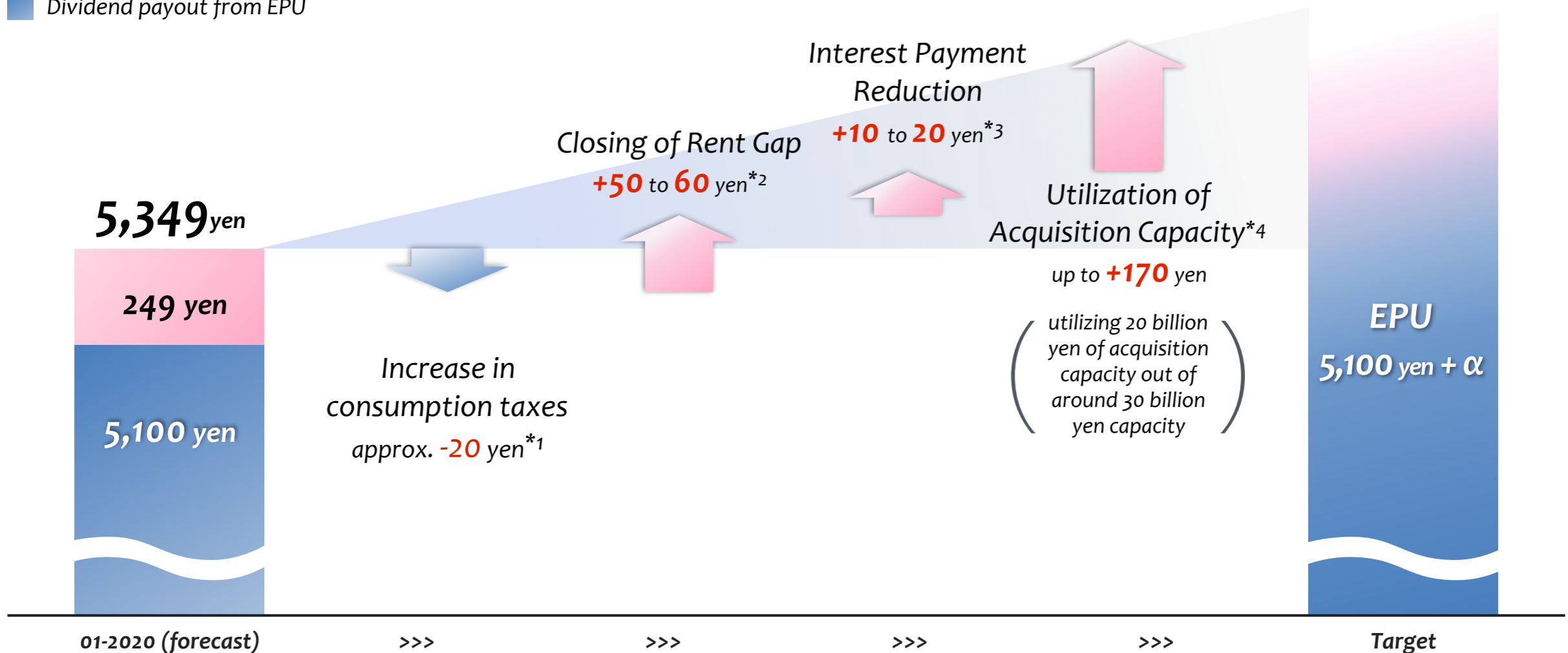
\* Funding costs include interest payments for loans and bonds as well as other finance fees.  
\*\* "Reserve" means "Temporary Difference Adjustment Reserve".

# 1 to 2 Year DPU Target

Total DPU growth of **~220 yen**

- Dividend payout from drawdown of reserve
- Dividend payout from EPU

DPU **5,500 yen** ~



Assumptions are that the issued and outstanding amount of 1,350,000 ADR units will be unchanged, and that the amount of effects of various events on EPU and DPU are estimated using assumptions listed below.

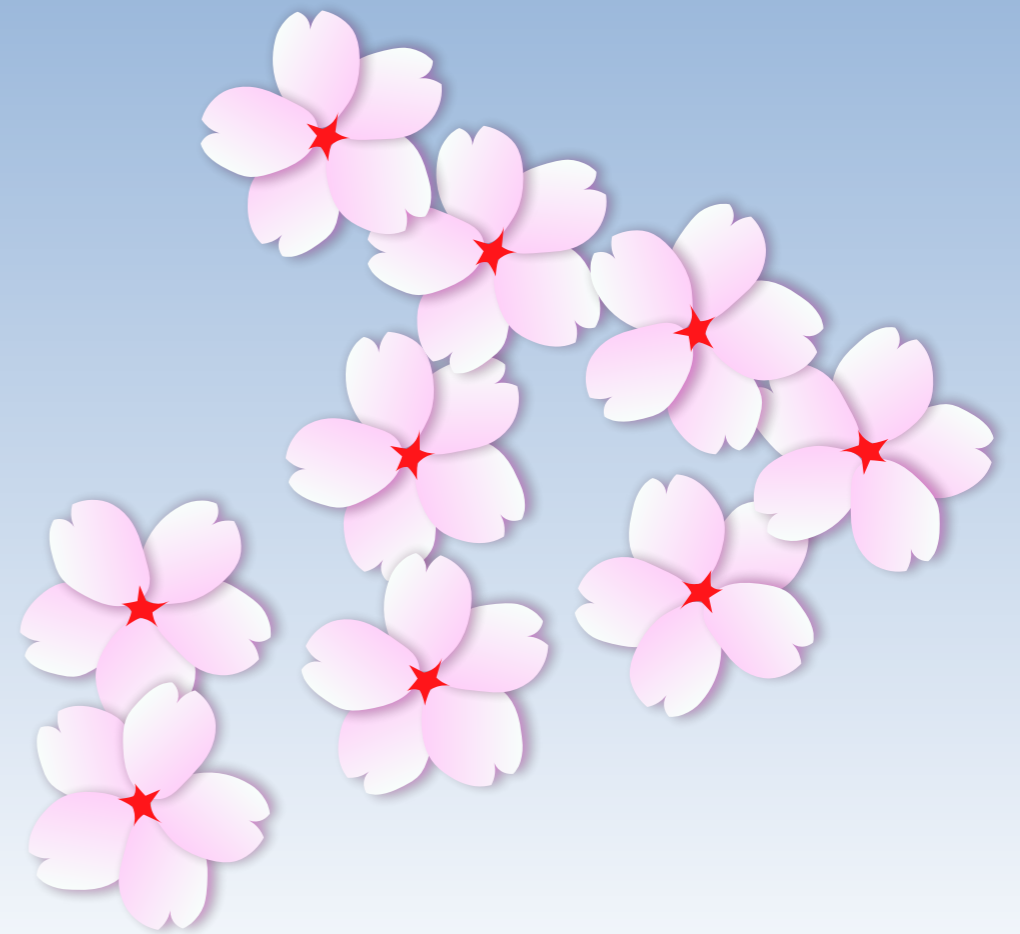
<sup>\*1</sup> Calculation on consumption tax during FP Jan. 2019, is made on assumption that, from Aug. 2019 to Sept. 2019, the consumption tax rate will be 8%, and from Oct. 2019 to Jan. 2020 the rate will be raised to 10%.

<sup>\*2</sup> Assumption of EPU/DPU growth from the effect of the closing the rent gap is made referring to rent gap, turnover figure, lease contract term leasing costs of FP01-2019 within the time horizon of FP 01-2021.

<sup>\*3</sup> Interest payment reduction is based on the assumption that debts maturing by FP01-2021 will be refinanced with an average interest rate of 0.8%.

<sup>\*4</sup> The estimate is made using forecast figures of total assets and outstanding interest bearing debts for FP01-2019. Also the estimate is based on around two year worth of acquisition of 20.0 billion yen and assumed funding cost.

# *Appendix*





# Advance Residence's Strength

## Defensive with Stable Dividend

as of March 12, 2019

### ASSET

Holds the **Largest** AUM  
Among Residential J-REITs

**448.1** billion yen

### DEBT

**Stable** Financial Foundation

Long-term × Fixed Rate

× Diversified Maturity

JCR **AA** R&I **AA-**

### EQUITY

Holds the **Largest**  
Reserve Among All J-REITs

**31.8** billion yen

(the outstanding after FP January 2019 dividend payout)

\* According to data collected by ADIM from the latest disclosures made by each residential J-REITs as of March. 12, 2019.

# The Largest\* Portfolio Among Residential J-REITs

as of January 31, 2019

Number of Properties

**264** properties

Total Leasable Area

**790,646** m<sup>2</sup>

Leasable units

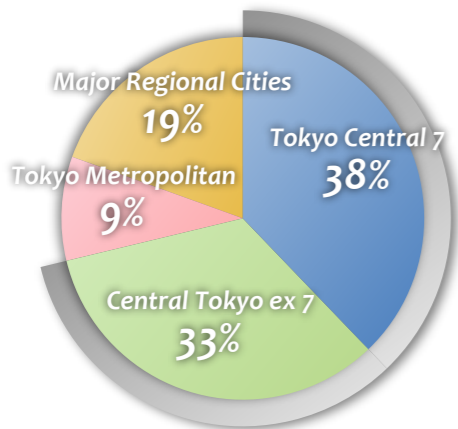
**21,286** units

Assets Under Management  
(acquisition price)

**448.1** billion yen

## Investment Location

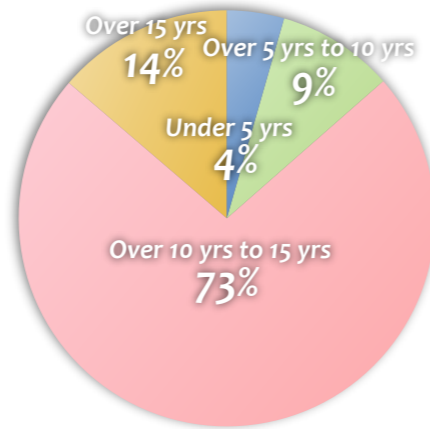
(by acquisition price)



Tokyo 23 Wards **71%**

## Building Age

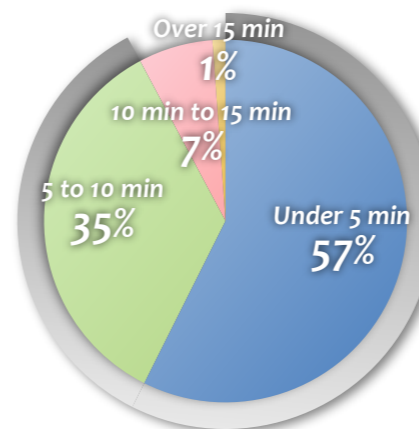
(by acquisition price)



Weighted Average Age **12.6** yrs

## Walking Minutes to Train Station

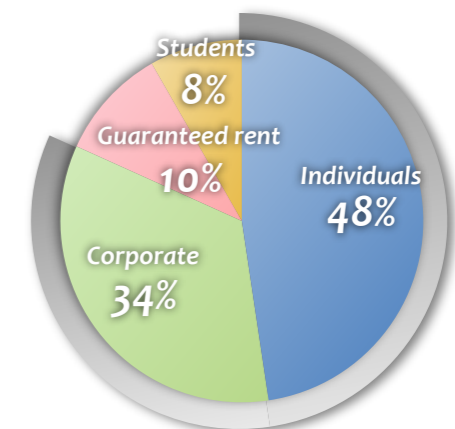
(by acquisition price)



Under 10 min **92%**

## Tenant Category

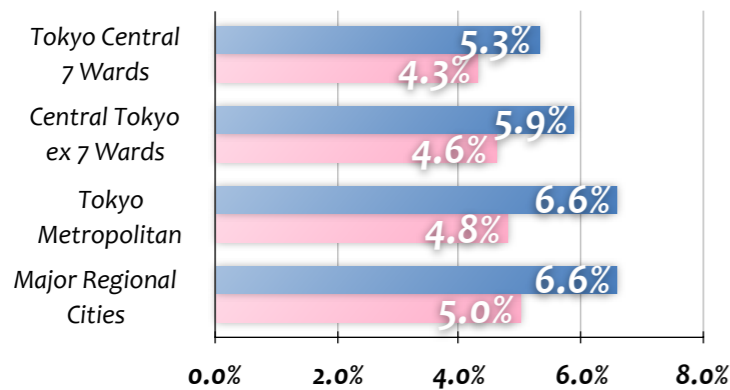
(by no. of units, as of Jan. 31, 2019)



Pass-through contract tenants **82%**

## NOI Yields (%) \*\*

(as of Jan. 31, 2019)



## Portfolio Yield

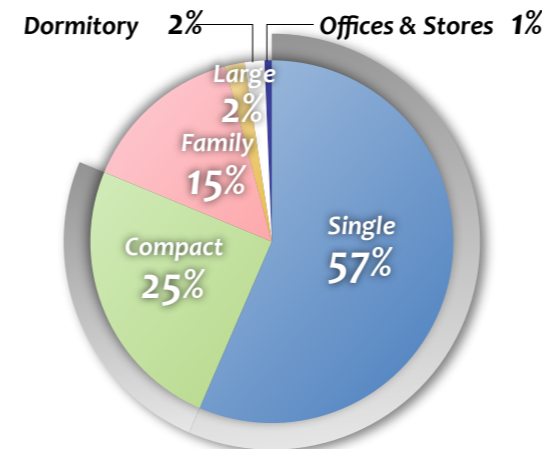
Book value NOI yield **5.9%**

Yield after Depreciation **4.6%**

■ Book value NOI yield  
■ Yield after Depreciation

## Unit type

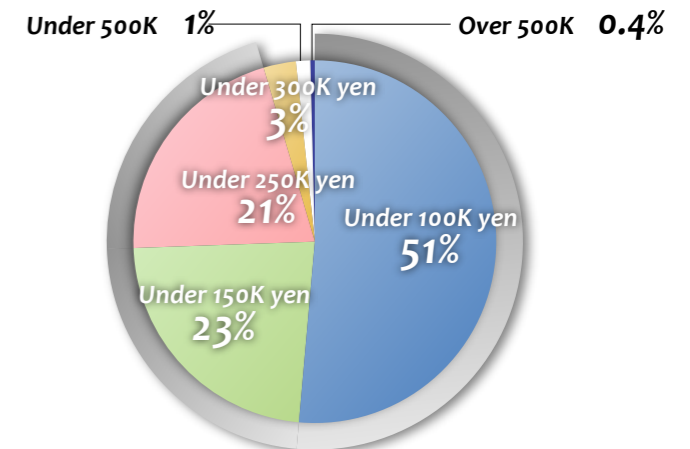
(as of Jan. 31, 2019)



Single & Compact type units **81%**

## Rents

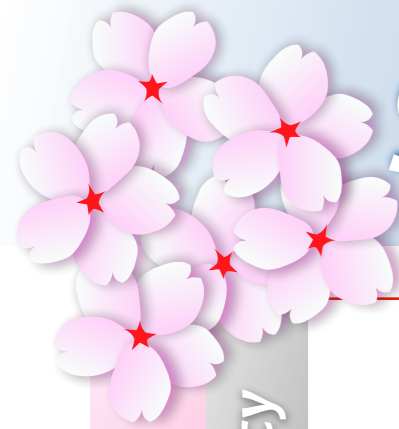
(by no. of units, as of Jan. 31, 2019)



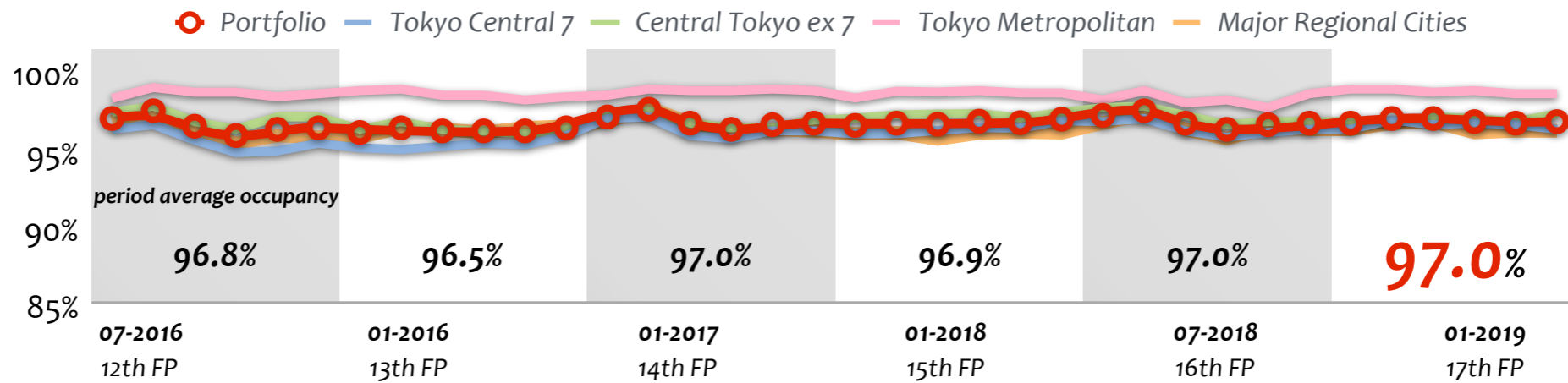
Unit rents under 250K yen **74%**

\* According to data collected by ADIM from the latest disclosures made by each residential J-REITs as of March 12, 2019.  
\*\* Book value NOI is calculated as "annualized NOI" ÷ "book value at the end of FP2019/1".  
Yield after Depreciation is calculated as (annualized NOI - depreciation) ÷ book value as of end of FP2019/1.

# Solid Growth, Solid Track Record



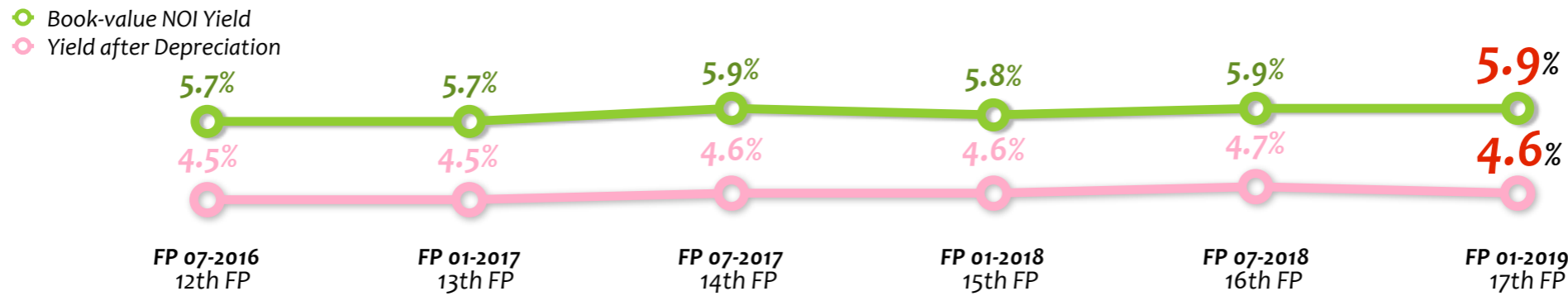
Occupancy



Maintained High Occupancy

Assets

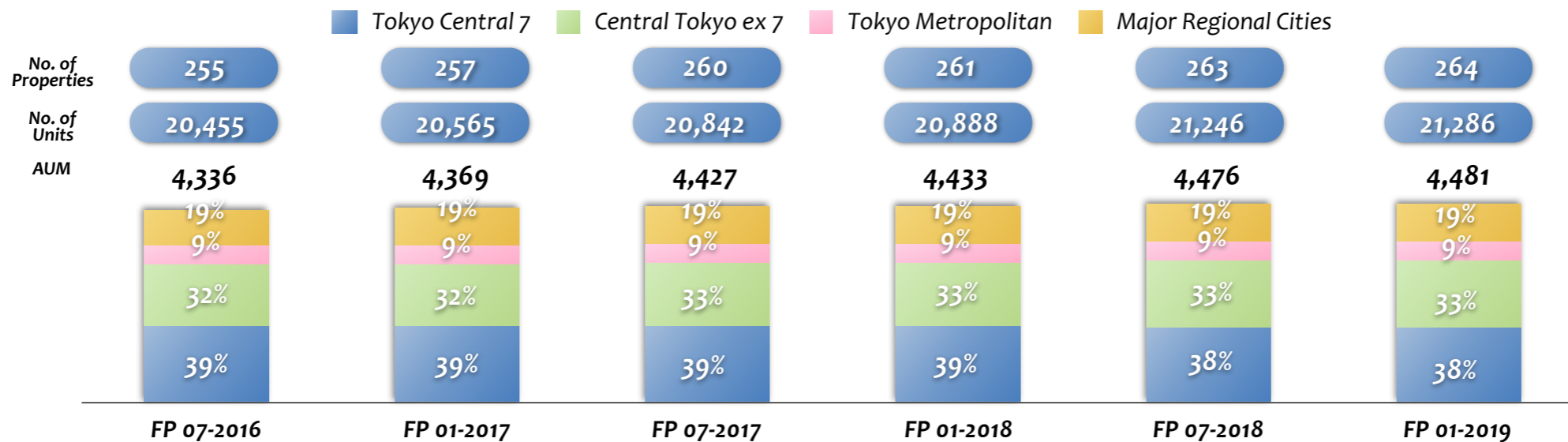
Yield



Stable Yield

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

AUM



The Largest Portfolio Among Residential J-REITs

Topping 440 bn yen



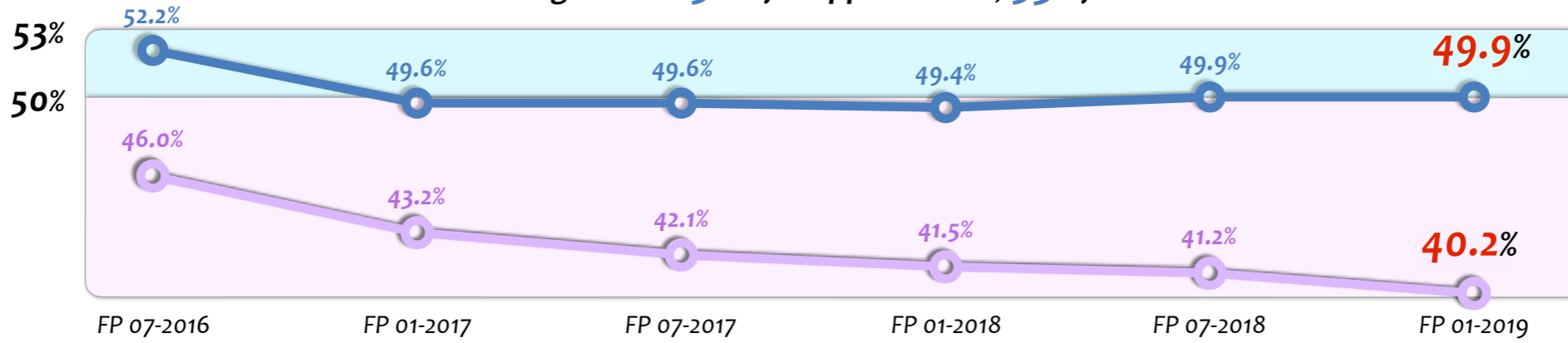


# Debts

## LTV

- Total Assets LTV
- Appraisal LTV

maximum leverage will be **50%** for appraisal LTV, **53%** for Total Assets LTV



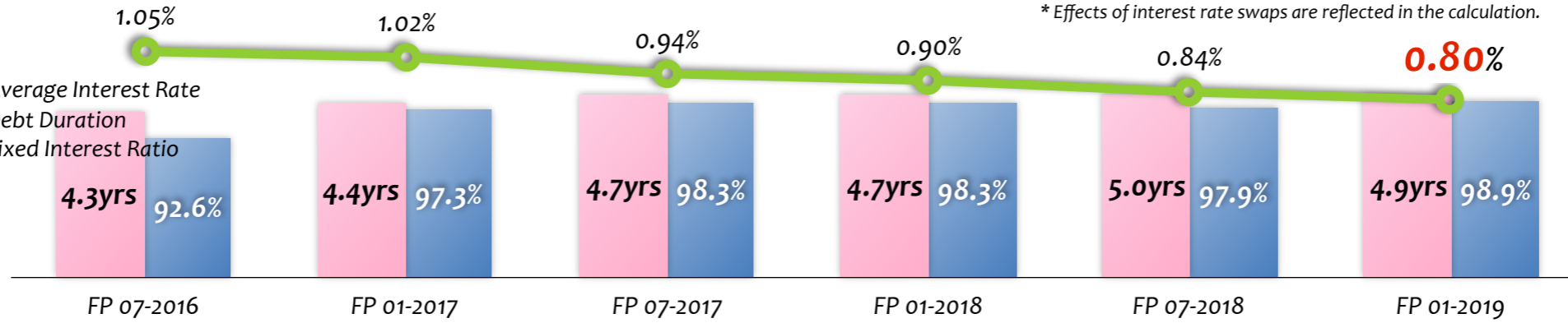
Lowered LTV Range to Maintain Flexibility in Preparation for Future Volatility

Acquisition Capacity (@ Total Assets LTV of 53%) of around **30.0 bn yen** (as of FP ending Jan.2019)

## Debts

- Average Interest Rate
- Debt Duration
- Fixed Interest Ratio

\* Effects of interest rate swaps are reflected in the calculation.



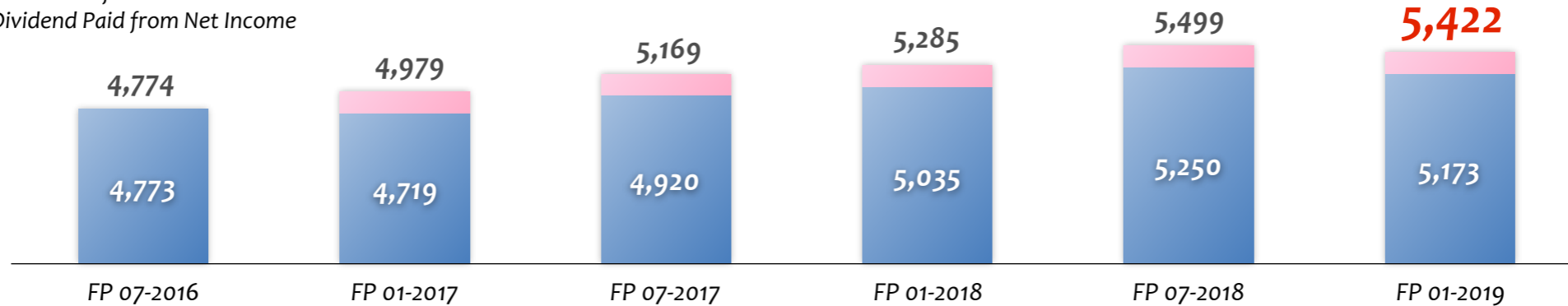
Lowered Interest Rate While Maintaining a Stable Base

# Equities

## Dividends

- Drawdown from Dividend Reserve
- Dividend Paid from Net Income

in yen / unit

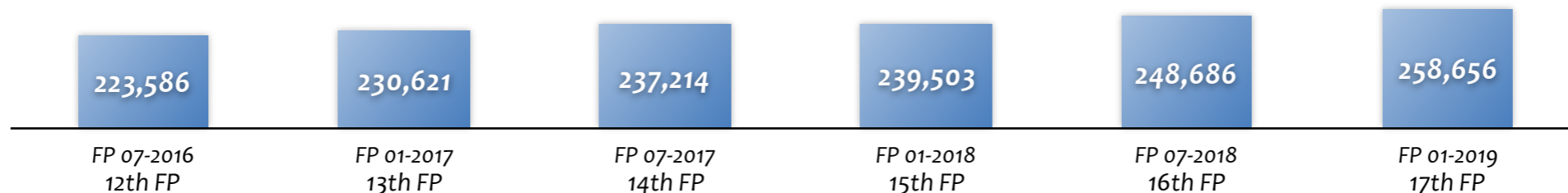


DPU topping 5,000 yen Outstanding Dividend Reserve **32.1 bn yen** (after FP Jan. 2019 dividend payout)

## Unit-holders' Value

- NAV / Unit

in yen / unit

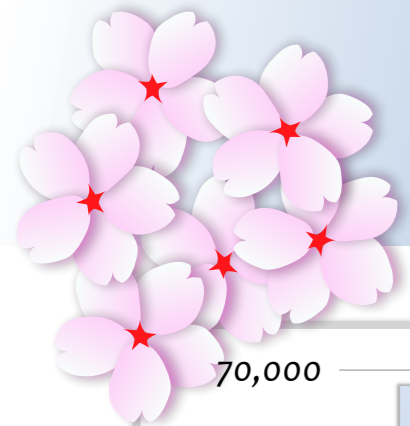


\* NAV / Unit is calculated as follows. (FP end net asset + FP end unrealized gain or loss - dividend amount for the FP) ÷ FP end number of issued and outstanding units.

Continued Increase in NAV per Unit



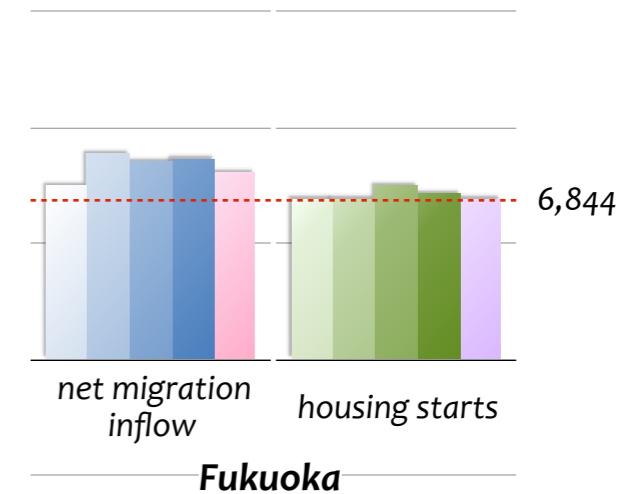
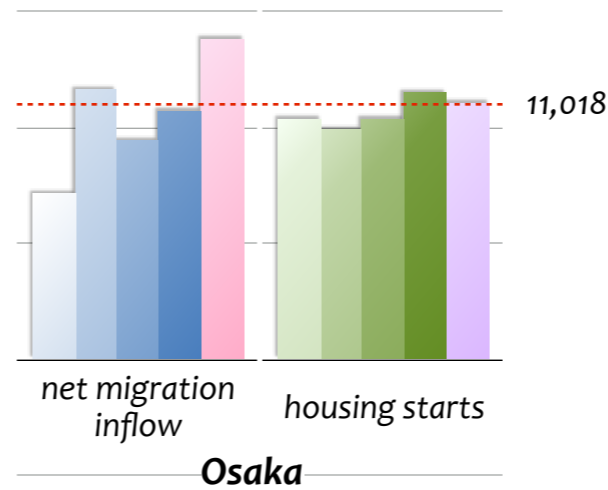
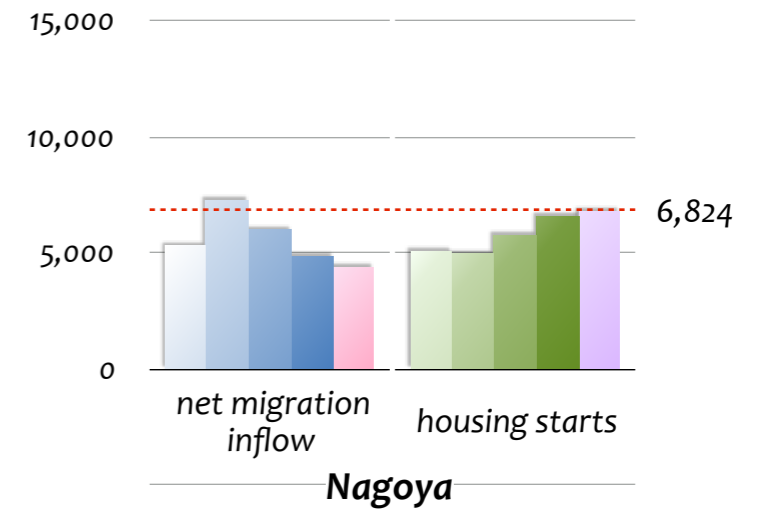
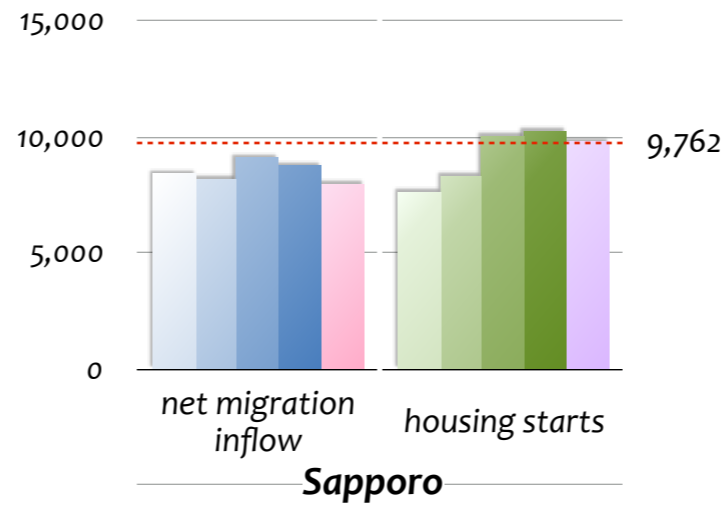
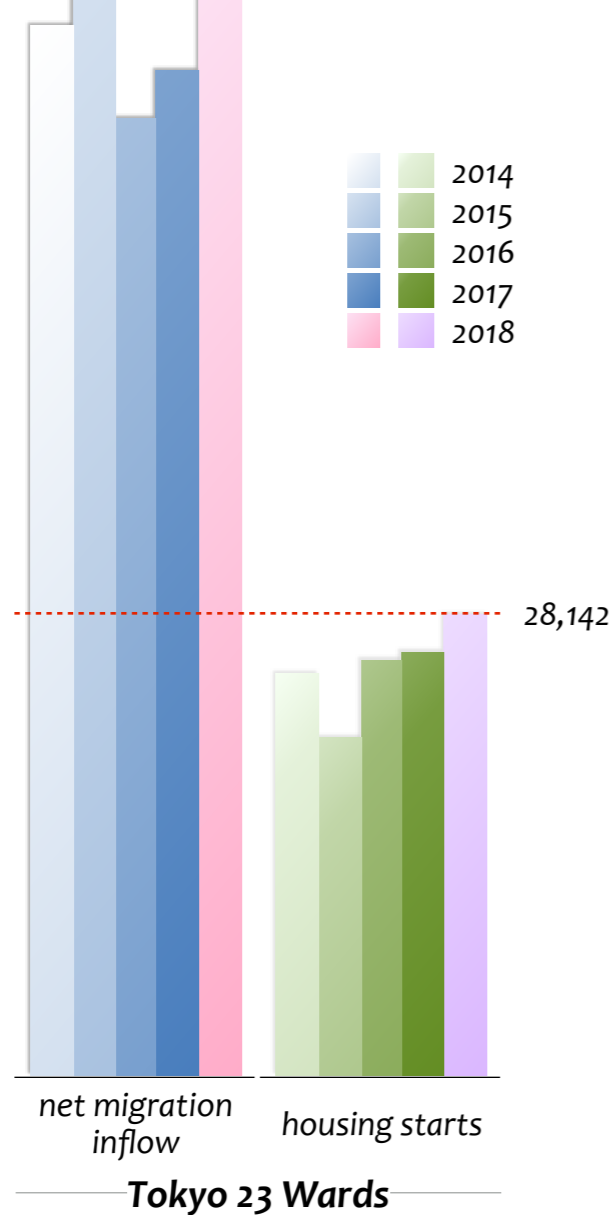
# Demand Supply Stats I



70,000

## Tokyo 23 Wards' See the Most Shortage in Supply

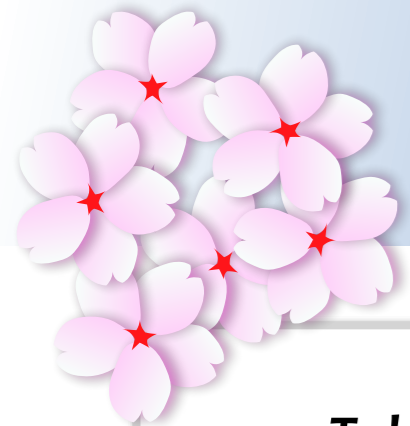
no. of persons, units



Source: "2018 Report on Internal Migration in Japan", Statistics Division, Statistics Bureau, Ministry of Internal Affairs and Communications  
 "Housing Starts" (RC and SRC Construction Rented Collective Housing) (2018), Construction Statistics Office, Information Policy Division, Policy Bureau, Ministry of Land, Infrastructure, Transportation and Tourism

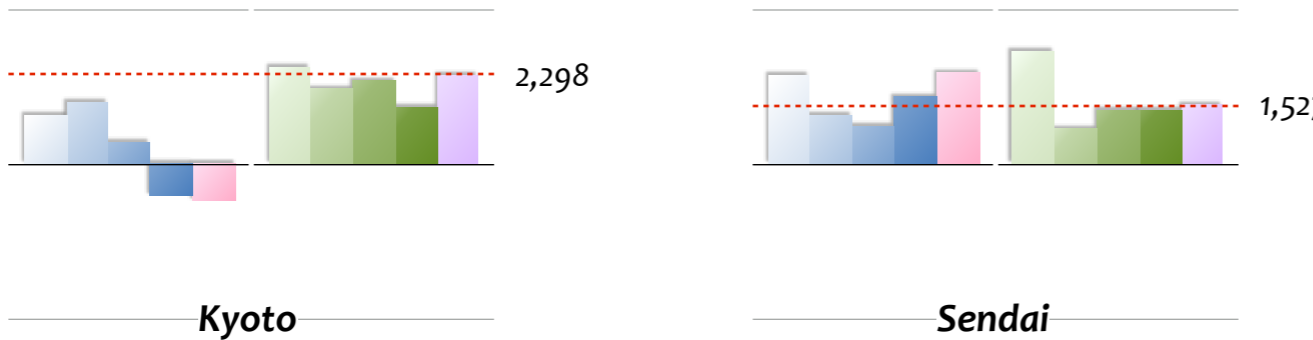
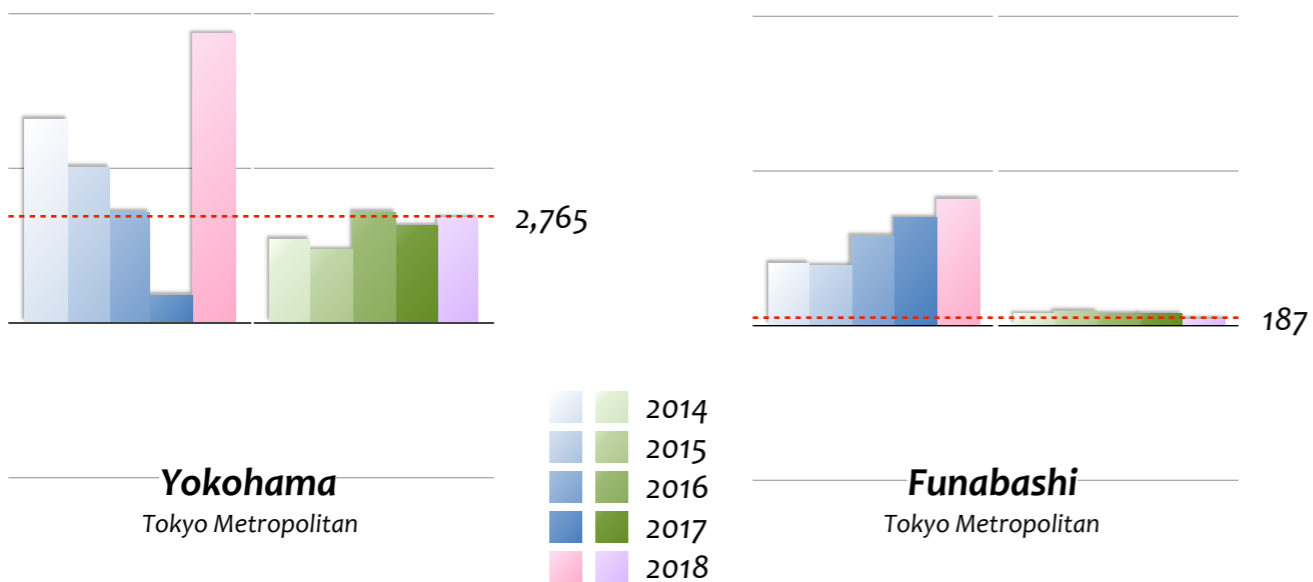


# Demand Supply Stats II



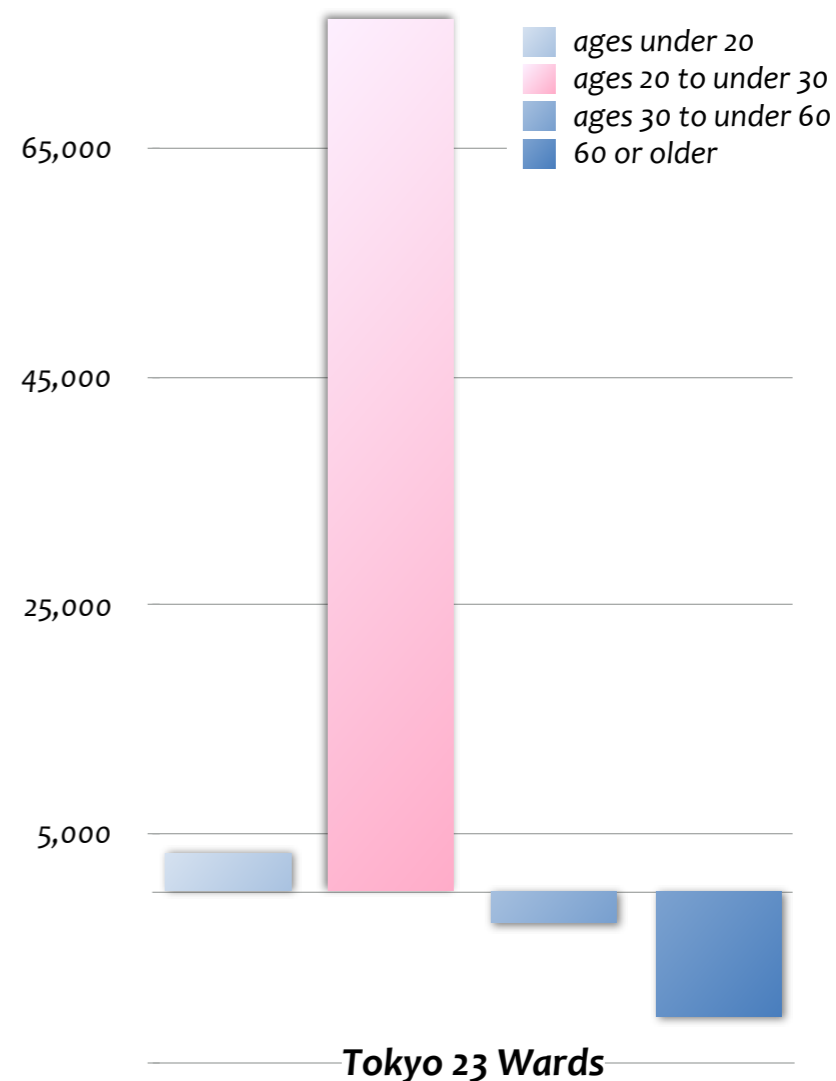
## Tokyo Metropolitan Area Also Are in Short Supply

no. of persons, units



## Migration Inflow Mainly from Twenties

no. of persons



Source: "2018 Report on Internal Migration in Japan", Statistics Division, Statistics Bureau, Ministry of Internal Affairs and Communications

"Housing Starts" (RC and SRC Construction Rented Collective Housing) (2018), Construction Statistics Office, Information Policy Division, Policy Bureau, Ministry of Land, Infrastructure, Transportation and Tourism

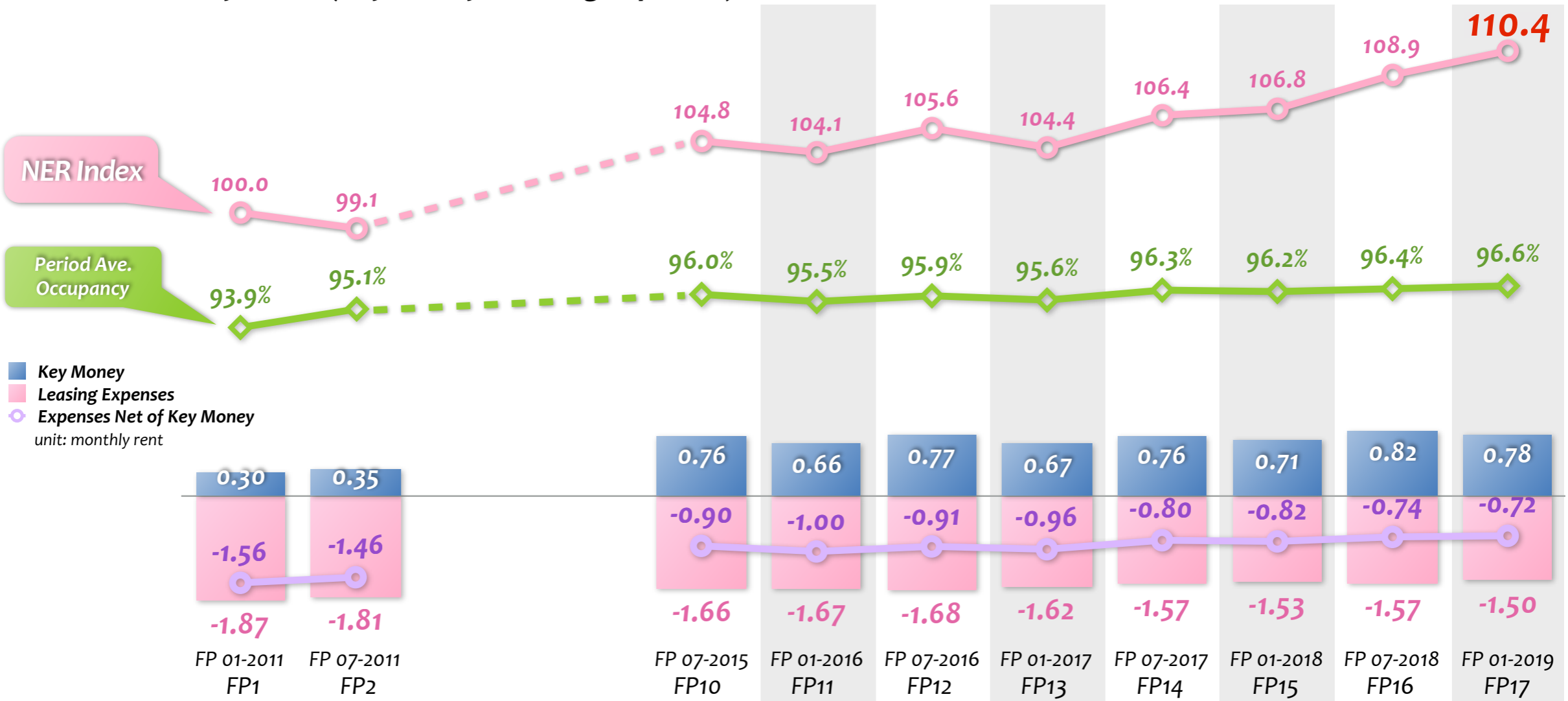




# Strong Growth in NER

## Net Effective Rent (NER)

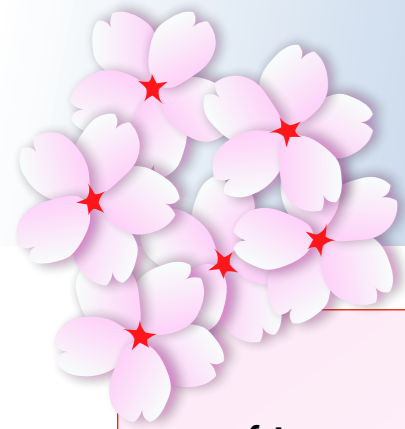
**NER** = Monthly Rent + (Key Money - Leasing Expenses) ÷ 24 month



- ▶ Net Effective Rent Index is calculated as monthly rental of new contracts and common fees plus key Money Income divided by 24 month, minus leasing related expenses divided by 24 month and weighted averaged by each 114 properties rentable space for each fiscal period and indexed by using the FP01-2011 figure as 100.
- ▶ The 114 properties that are included in above charts are properties held since the start of the FP01-2011. Following properties are excluded from the calculation. 1) Properties with guaranteed rent or properties where the whole building is let to one tenant. This is because fluctuation in "key money" and 'leasing related expenses do not effect ADR's rental income from those properties. 2) Properties targeted for Expats, where there are no key money practices.
- ▶ Number of new contracts for each fiscal period is as follows, FP01-2011) 1,744, FP07-2011) 1,070, FP07-2015) 916, FP01-2016) 784, FP07-2016) 917, FP01-2017) 783, FP07-2017) 968, FP01-2018) 752, FP07-2018) 871, FP01-2019) 713.



# Senior Housing



	<b>No. of Properties</b>	<b>Asset Size</b> (Acquisition Price Total)	<b>Investment Ratio</b>	<b>Leasable Units</b>	<b>Occupancy</b> (Guaranteed Rent Contract)	<b>Bookvalue NOI Yield</b>
as of Jan. 31, 2019	<b>2</b> properties	<b>2.7</b> billion yen	<b>0.6%</b>	<b>163</b> units	<b>100 %</b>	<b>7.4%</b>

## Investment Policy

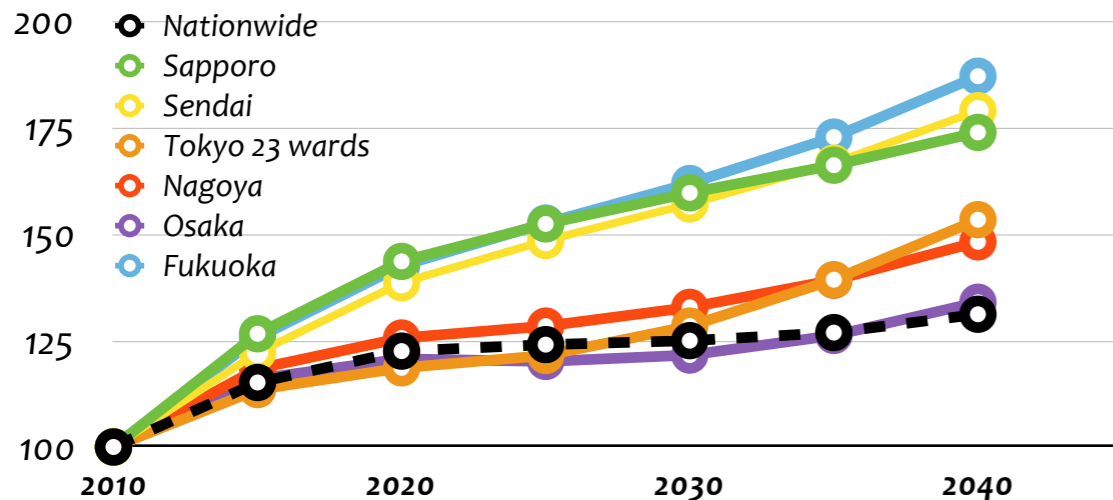
### Continue Search for Good Investment

- Targeted Asset** Assets that can be expected to have continued demand. Equivalent locational requirements with good access to public transportation.
- Expected Yield** To insure future liquidity there should be some premium over normal residential assets.

#### Population trend of 65 years or older

(Indexed using 2010 figure as 100)

Population of Seniors Will Grow In Every Major Cities



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

## Holdings

### S-22 Life & Senior House Kohoku 2

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



### S-29 Cocofump Hiyoshi

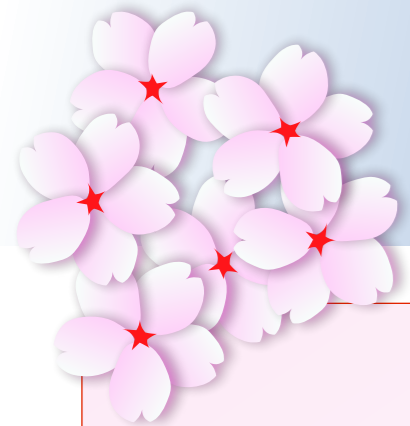
Located 8 min. walk away from Hiyoshi Honcho Station. Day service center and home nursing center is also located in the property. On the commercial space, a medical clinic and a drugstore can be found.



Prop. No.	Property Name	Location	Built	NOI Yield
1 S-22	Life & Senior House Kohoku 2	Yokohama, Kanagawa	2003/10	7.6%
2 S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	2010/01	7.0%



# Student Housing



	No. of Properties	Asset Size (Acquisition Price Total)	Investment Ratio	Leasable Units	Occupancy (Guaranteed Rent Contract)	Bookvalue NOI Yield
as of Jan. 31, 2019	<b>19</b> properties	<b>18.0</b> billion	<b>4.0</b> %	<b>1,709</b> units	<b>100</b> %	<b>6.4</b> %

## Dormitories

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

S-23 College Court Tanashi



Property No.	Property Name	Location	Built	Book Value NOI Yield	
1	S-11	Tokyo • Student House Wako	Wako, Saitama	04/1990	6.8%
2	S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	02/2010	8.0%

## Student Apartments

Student apartments are normal apartments tenants are exclusively students.



R-8 RESIDIA Kobe Port Island



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

Property No.	Property Name	Location	Built	Book Value NOI Yield	
1	P-3	RESIDIA Nakameguro	Meguro, Tokyo	02/2005	6.3%
2	P-85	RESIDIA Komazawa	Setagaya, Tokyo	10/2008	6.3%
3	C-28	RESIDIA Oji	Kita, Tokyo	02/2005	6.5%
4	C-50	RESIDIA Shin-Itabashi	Itabashi, Tokyo	08/2009	6.5%
5	C-66	RESIDIA Takashimadaira	Itabashi, Tokyo	02/2007	5.6%
6	C-67	RESIDIA Shimurasakaue	Itabashi, Tokyo	02/2007	5.3%
7	C-68	RESIDIA Shimurasakaue II	Itabashi, Tokyo	03/2007	5.6%
8	C-69	RESIDIA Shimurasakaue III	Itabashi, Tokyo	03/2007	5.4%
9	C-74	RESIDIA Nerima	Nerima, Tokyo	03/2005	5.6%
10	C-77	RESIDIA Ogikubo II	Suginami, Tokyo	03/2007	5.0%
11	S-15	RESIDIA Okurayama	Yokohama, Kanagawa	03/1998	6.1%
12	S-30	RESIDIA Sagamihara	Sagamihara, Kanagawa	05/2004	6.7%
13	R-2	RESIDIA Imadegawa	Kyoto, Kyoto	02/1999	6.7%
14	R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	09/2007	6.5%
15	R-38	RESIDIA Hirose-dori	Sendai, Miyagi	02/2010	8.2%
16	R-60	RESIDIA Okayama-Ekimae	Okayama, Okayama	03/2004	6.9%
17	R-61	RESIDIA Kyoto-Okazaki	Kyoto, Kyoto	03/2005	5.8%



# Portfolio Diversification Policy

Investment Regions* <sup>1</sup>	Investment ratio* <sup>2</sup>
<b>Tokyo 23 Wards</b>	70 ~ 100%
Tokyo Central 7 Wards	
Central Tokyo ex 7 Wards	
<b>Other Regions</b>	0 ~ 30%
Tokyo Metropolitan (ex. Tokyo 23 Wards)	
Major Regional Cities	

Unit types	Investment ratio* <sup>3</sup>
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* <sup>3</sup>
Dormitory	up to 20%

## \*Note

1. Of the Tokyo 23 Wards, Chiyoda, Shibuya, Shinjuku, Meguro, Setagaya and Shinagawa wards are classified as Tokyo Central 7 Wards and the remaining wards are classified as Central Tokyo. Other Regions are Tokyo Metropolitan Area (Tokyo Metropolis excluding the Tokyo 23 Wards, prefectures of Kanagawa, Saitama and Chiba) and Major Regional Cities.
2. Investment ratios are calculated based on acquisition price.
3. Investment ratios are calculated based on leasable area.

## Unit-type Definition

Floor Plan	~30m <sup>2</sup>	~40m <sup>2</sup>	~50m <sup>2</sup>	~60m <sup>2</sup>	~70m <sup>2</sup>	~80m <sup>2</sup>	~90m <sup>2</sup>	over 90m <sup>2</sup>
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

<b>Studio</b>	1R, 1K, STUDIO
<b>1Bedroom</b>	1DK, 1LDK
<b>2Bedroom</b>	2DK, 2LDK, 1LDK+S
<b>3Bedroom</b>	3DK, 3LDK, 2LDK+S
<b>4Bedroom ~</b>	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

<b>S = Single Type Units</b>	mostly for singles
<b>C = Compact Type Units</b>	mostly for singles, couples or small families
<b>F = Family Type Units</b>	mostly for families
<b>L = Large Type Units</b>	mostly for foreign executives



# Building a High Quality Portfolio

as of January 31, 2019

## Acquisitions and Dispositions Since the Merger

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

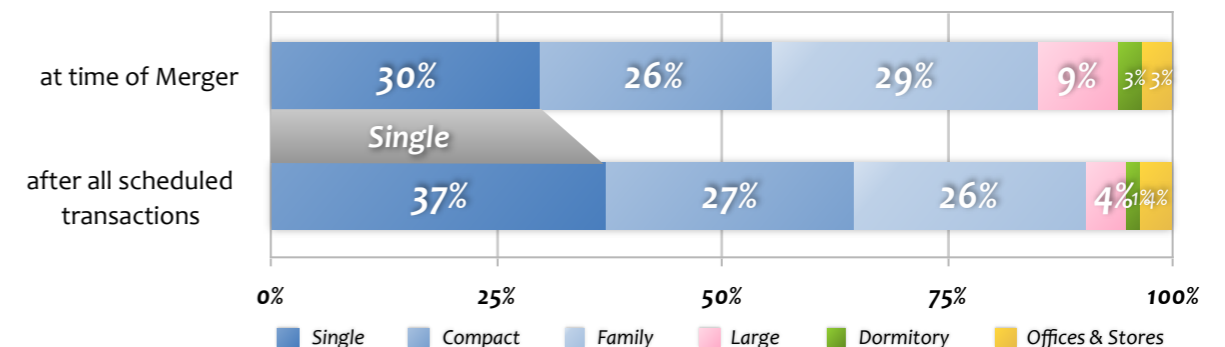
## Acquisition Focused on Single-type Units

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

## Improving Yield and Reducing Average Age

	at the time of merger	after the transactions
Book Value NOI Yield	5.2%	5.9%* <sub>4</sub>
Building Age	15.2 yrs* <sub>5</sub>	12.6 yrs

## Unit type Investment Ratio (by leasable area)



## Balanced and Diversified Acquisition Sources

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

\*<sub>1</sub> Weighted average NOI yield of acquisitions

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

\*<sub>2</sub> Weighted average NOI yield of dispositions = Total actual annual NOI ÷ Total of the historical acquisition prices × 100

\*<sub>3</sub> Weighted average building age is acquisition price weighted average as of the time of acquisition or disposition.

\*<sub>4</sub> The following figures are used to calculate the Book Value NOI Yield. Annualized NOI ÷ FP2019/1 end book value, where the NOI is annualized using the actual days in operation during the FP2019/1

\*<sub>5</sub> Weighted Average age of buildings held at the time of merger as of January 31, 2019.

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

\*<sub>7</sub> Bridge Funds are property funds which are often TK and where ADR has a right of first refusal on the assets under management.



# Measures to Reduce Rent Declines Caused by Aging

## Rents Decline due to Aging

- Supply of new properties
- Equipments become obsolete
- Quality decline due to wearing
- Change in tenants' needs

Gradual Decline in Competitiveness

## Measures taken to prevent or reduce rent declines

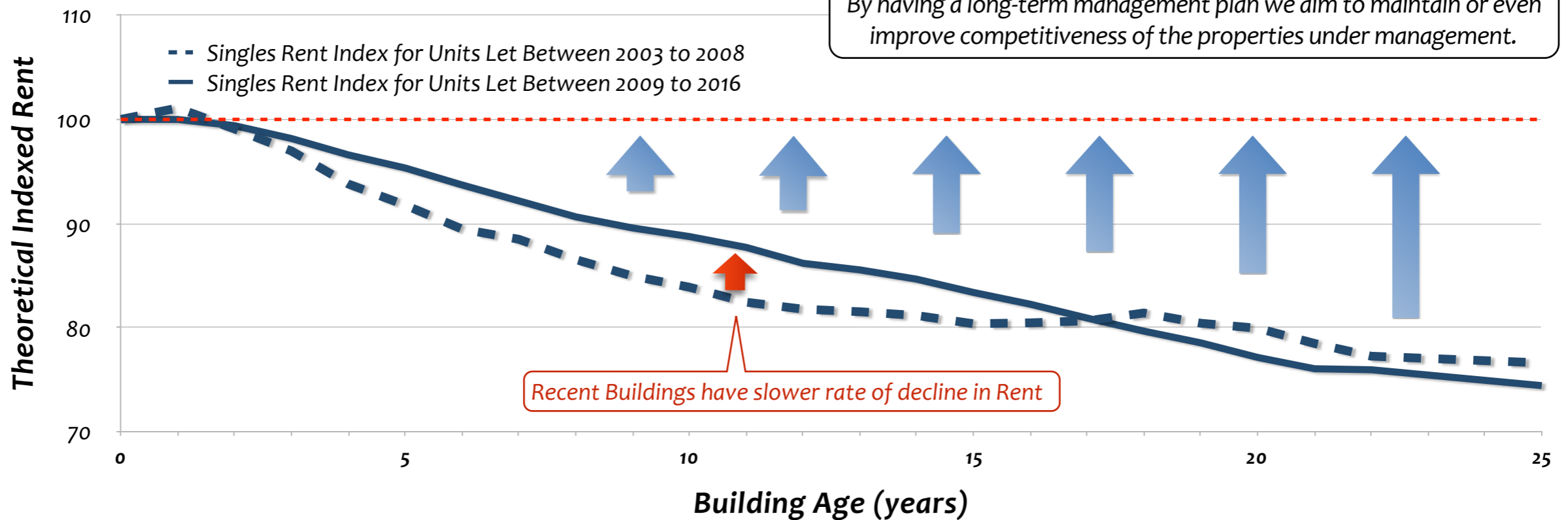
### Building Maintenance

- Daily Cleaning
- Daily Repairs
- Equipment Maintenance

### Timely Capital Expenditures

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

Providing living environments that satisfy 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 on rent data from single-type units (18m<sup>2</sup> to 30m<sup>2</sup>) of apartments in 23 wards of Tokyo.

# Examples of Rents Maintained by Renovation

By taking proper measures competitiveness can be maintained

## P-73 RESIDIA Shibaura

Common area renovation  
Cost: 123 million yen

before



Building age 27 years



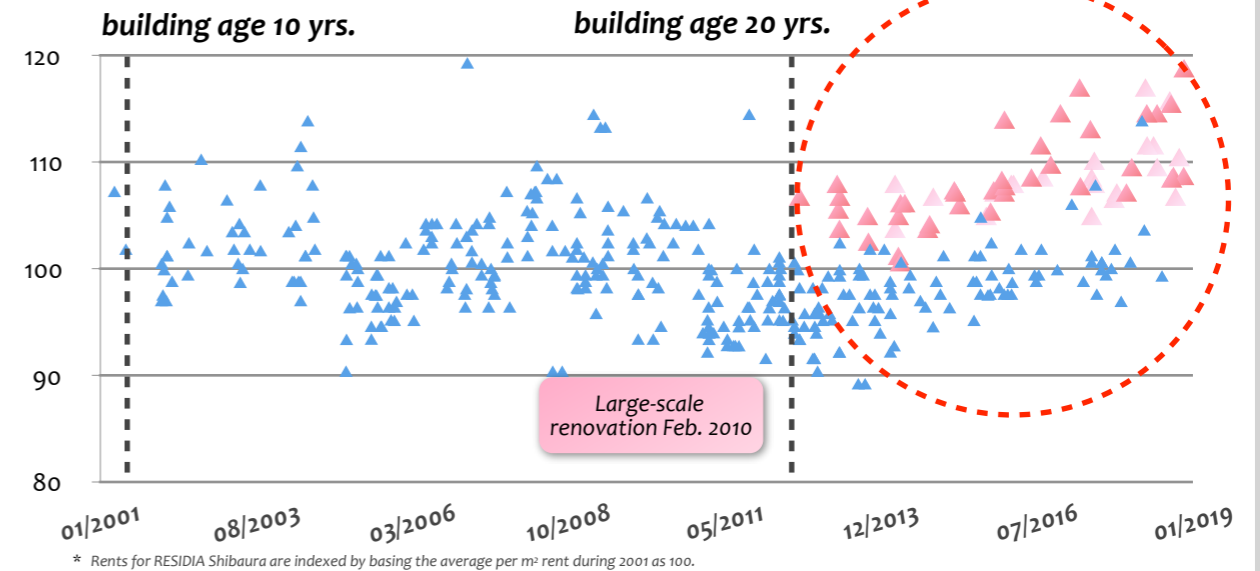
after

Individual apartment unit upgrading renovations  
Cost: 3,824 thousand yen/unit

before



after



## S-19 RESIDIA Kichijoji

Common area renovation  
Cost: 30 million yen

before



Building age 23 years



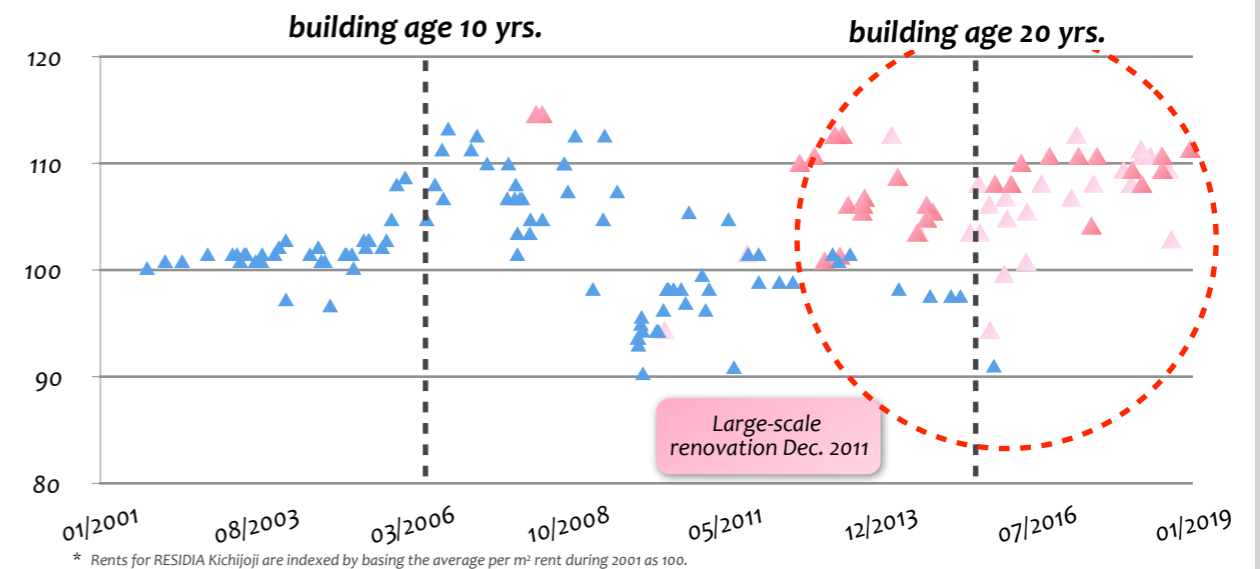
after

Individual apartment unit upgrading renovations  
Cost: 3,581 thousand yen/unit

before



after



▲ Units w/ standard restoration work ▲ Units went under VE works ▲ Units having t/o more than twice after VE work<sup>cs</sup>



# Measures to Ensure Sustainability

## Multiple Measures to Ensure Sustainability and Retain & Increase Asset Value

### Environmental Considerations

- Installation of LED Lightings
- Putting up awareness posters to promote energy conservation
- Timely execution of large-scale repairs



Neighborhood Clean-up

Example of Installation of LED Lightings



### Measures to Improve Governance

- Established a framework for compliance and risk management
- Asset management fee structure having a same boat incentive
- Timely and active disclosures

more inline with unitholders' interest

Asset Management Fee I Fee Linked to Total Asset Size	Asset Management Fee II Fee Linked to NOI *1	Asset Management Fee III Fee Linked Adjusted EPU *2
Previous fiscal end asset size x 0.20%	NOI x 3.00%	(AM Fees I + II) x Adjusted EPU x 0.008%

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

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

### Social Considerations

#### 1) Improving Tenant Satisfaction

- Rich menu of tenant services
- Posting of emergency maps in properties
- Distributing emergency kits to tenants

Emergency Kits



#### 2) Contribution to the Community

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

AED



#### 3) Human Capital Development and Employee Satisfaction

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

Training Seminars





# Measures to Ensure Sustainability

## Sustainability Measures Taken by the Asset Management Company

### Employee Investment Unit Ownership Program

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

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



### Business Continuity Planning

**ADIM ensures BCP through following measures**

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



Jinbocho Mitsui Building which ADIM resides

### Resilience Certification\*

**First J-REIT asset management company to be certified**



\* The certification is given to parties recognized as contributing to improve the resilience of society at large by Association for Resilience Japan.

### Acquired DBJ BCM Rating\*

**First and only J-REIT asset management company to acquire the rating**



Rated by DBJ (Development Bank of Japan) as a leading company executing measures in contingency planning, disaster prevention and mitigation

# Recognitions for Sustainability Measures

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

## Participated in GRESB Survey

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

Rated as

**Green Star**

three years running



2018 Asia Listed Residential Sector

**Sector Leader**

GRESB is an industry-driven organization committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the globe. The dynamic benchmark is used by institutional investors to engage with their investments with the aim to improve the sustainability performance of their investment portfolio, and the global property sector at large.

## ESG Ratings

MUFG ESG Rating for J-REIT supported by JCR

Acquired the highest rating of

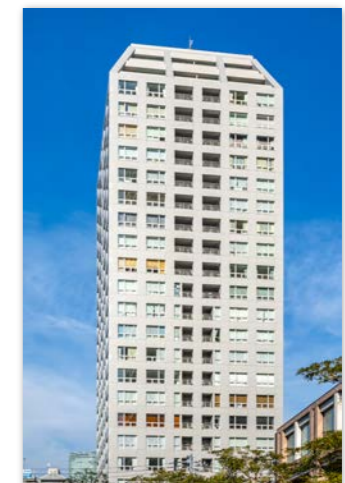
**S Rank**

Funding executed using ESG assessment loan on November 2018.

## DBJ Green Building Certification

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

P-62 RESIDIA Tower  
Azabujuban



\* The seven properties are P-50 RESIDIA Nishi-Azabu, P-55 RESIDIA Tower Meguro-Fudomae, P-62 RESIDIA Tower Azabujuban, P-76 Park Tower Shibaura Bayward Urban Wing, C-65 RESIDIA Tower Kami-Ikebukuro and S-20 Pacific Royal Court Minato Mirai Ocean Tower, R-30 RESIDIA Izumi.



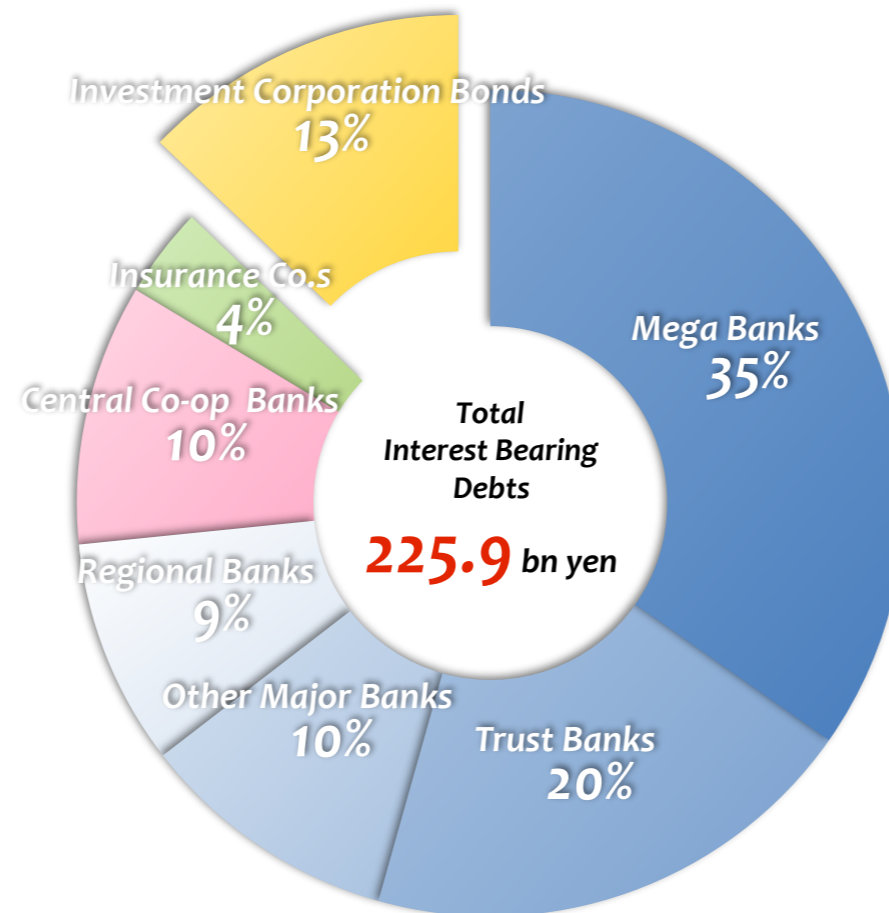
# Debt Structure

## Stable Financial Base with Multiple Funding Source

as of January 31, 2019

### Investment Corporation Bonds

	Issue Date	Duration	Amount
Bond #18	09/2012	7.0 yrs	4.0
Bond #19	04/2013	10.0 yrs	3.0
Bond #20	11/2013	12.0 yrs	2.0
Bond #21	04/2014	10.0 yrs	2.5
Bond #22	04/2015	10.0 yrs	2.0
Bond #23	10/2015	5.0 yrs	1.5
Bond #24	10/2015	10.0 yrs	1.5
Bond #25	06/2016	15.0 yrs	3.0
Bond #26	02/2017	5.5 yrs	2.0
Bond #27	07/2017	10.0 yrs	3.0
Bond #28 (private placement)	11/2017	10.0 yrs	1.0
Bond #29	04/2018	12.0 yrs	1.5
Bond #30	10/2018	10.0 yrs	2.0
<b>Total</b>			<b>29.0</b>



Lenders	Loan Outstanding (bn yen)	% share
MUFG Bank	42.7	21.7
Sumitomo Mitsui Trust Bank	32.2	16.4
Mizuho Bank	19.1	9.7
Sumitomo Mitsui Banking Corporation	16.5	8.4
Development Bank of Japan	14.6	7.4
Mizuho Trust & Banking	12.1	6.1
Aozora Bank	10.6	5.4
Resona Bank	8.1	4.2
The Norinchukin Bank	7.0	3.6
The Bank of Fukuoka	6.0	3.0
The Nishi-Nippon City Bank	4.5	2.3
Shinsei Bank	4.2	2.1
The Yamaguchi Bank	3.0	1.5
Taiyo Life Insurance	3.0	1.5
The Iyo Bank	2.0	1.0
Nippon Life Insurance	2.0	1.0
Shinkin Central Bank	1.5	0.8
Tokio Marine & Nichido Fire Insurance	1.0	0.5
Mitsui Sumitomo Insurance	1.0	0.5
The Gunma Bank	1.0	0.5
The 77 Bank	1.0	0.5
The Chugoku Bank	1.0	0.5
The Bank of Kyoto	1.0	0.5
JAPAN POST INSURANCE	1.0	0.5
Kiraboshi Bank	0.5	0.3
<b>Total</b>	<b>196.9</b>	<b>100</b>

### Credit Ratings

JCR

**AA** (Stable)

R&I

**AA-** (Stable)

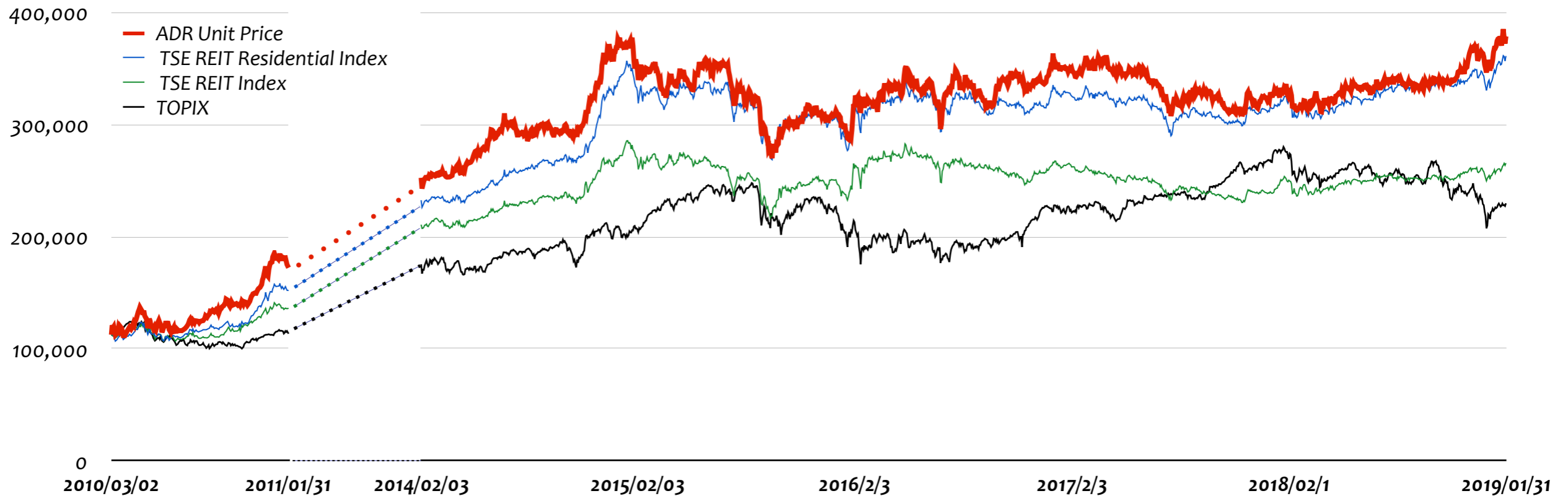


# Unit Price Chart

\*NAV and BPS are ex-dividend figures

Key Figures	FP 01-2011
Market capitalization	168.8 bn yen @172,300
Daily Average Trading volume	0.44 bn yen 3,247 units
LTV (Total assets base)	52.4%
NAV per Unit (yen)	152,749
BPS (yen)	159,564
Implied CAP rate	5.3%

FP 07-2014	FP 01-2015	FP 07-2015	FP 01-2016	FP 07-2016	FP 01-2017	FP 07-2017	FP 01-2018	FP 07-2018	FP 01-2019
319.1 bn yen @245,500	391.9 bn yen @301,500	351.6 bn yen @270,500	338.6 bn yen @260,500	369.9 bn yen @284,600	402.1 bn yen @297,900	363.6 bn yen @269,400	378.0 bn yen @280,000	392.7 bn yen @290,900	434.7 bn yen @322,000
0.62 bn yen 2,684 units	0.81 bn yen 2,922 units	0.92 bn yen 3,181 units	0.85 bn yen 3,344 units	1.26 bn yen 4,512 units	1.25 bn yen 4,389 units	0.93 bn yen 3,225 units	0.77 bn yen 2,827 units	0.86 bn yen 3,116 units	0.92 bn yen 3,087 units
51.0%	50.1%	51.6%	51.4%	52.2%	49.6%	49.6%	49.4%	49.9%	49.9%
182,367	198,261	207,281	216,739	223,586	230,621	237,214	239,503	248,686	258,656
155,220	155,160	155,161	155,161	155,161	158,601	158,353	158,103	157,852	157,592
4.3%	3.8%	4.1%	4.2%	4.1%	4.0%	4.4%	4.2%	4.2%	3.9%



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

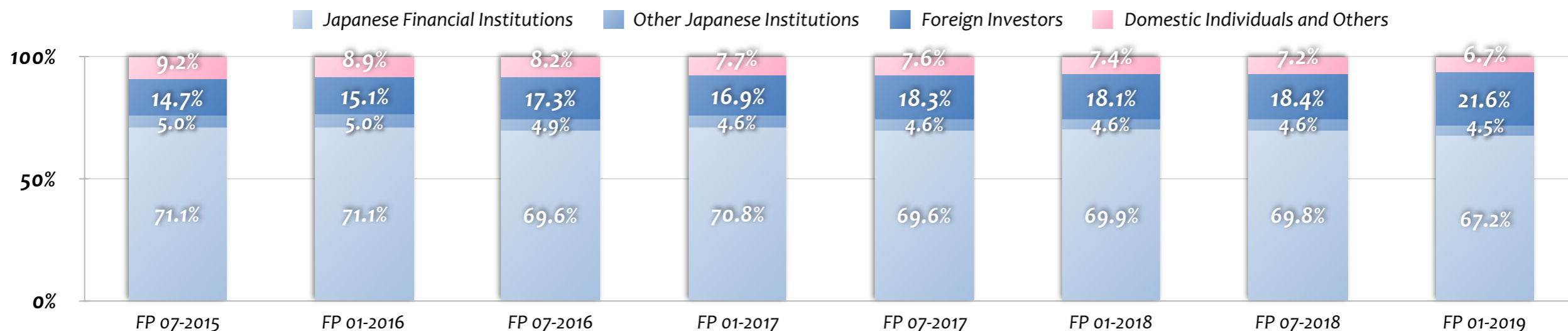


# Major Unitholders

## Significant Increase in Foreign Institutional Holdings

	Number of Unitholders		Number of Units		
	Unit-holders	diff	Units	diff	(%)
<b>Japanese Financial Institutions</b>	<b>187</b>	<b>-11</b>	<b>906,830</b>	<b>-36,027</b>	<b>67.2%</b>
Trust Banks	13	0	650,591	-10,486	48.2%
Regional Banks	49	-1	114,472	-19,468	8.5%
Life Insurance	10	0	38,822	+1,266	2.9%
Securities Companies	17	-2	52,620	-588	3.9%
Casualty Insurance	7	+1	6,969	+846	0.5%
Credit Unions & Co-ops	46	-3	26,919	-4,846	2.0%
Shinkin Banks	45	-6	16,437	-2,751	1.2%
City Banks	0	-	0	-	0.0%
<b>Other Japanese Corporations</b>	<b>231</b>	<b>-10</b>	<b>60,815</b>	<b>-818</b>	<b>4.5%</b>
<b>Foreign Corporations and Individuals</b>	<b>275</b>	<b>+18</b>	<b>291,429</b>	<b>+43,474</b>	<b>21.6%</b>
Domestic Individuals and Others	13,988	-895	90,926	-6,629	6.7%
<b>Total</b>	<b>14,681</b>	<b>-898</b>	<b>1,350,000</b>	<b>-</b>	<b>100.0%</b>

Top 10 Unitholders	Holdings (units)	% share of issued and outstanding
Japan Trustee Services Bank, Ltd. (Tr. Acc.)	310,110	23.0%
The Master Trust Bank of Japan, Ltd. (Tr. Acc.)	202,611	15.0%
The Nomura Trust and Banking Co., Ltd. (Inv. Tr. Acc.)	57,852	4.3%
Trust & Custody Services Bank, Ltd. (Securities Inv. Tr. Acc.)	41,698	3.1%
ITOCHU Corporation	34,800	2.6%
Mizuho Securities Co., Ltd.	20,753	1.5%
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	20,353	1.5%
State Street Bank - West Client - Treaty 505234	16,984	1.3%
The Bank of New York Mellon 140044	15,619	1.2%
State Street Bank and Trust Company 505001	14,320	1.1%
<b>Total</b>	<b>735,100</b>	<b>54.5%</b>



# Balance Sheet

in thousand yen

## Fiscal Period Ending January 31, 2019

Assets	
Current assets	
Cash and deposits	14,553,947
Cash and deposits in trust	9,765,681
Operating accounts receivables	188,117
Prepaid expenses	345,318
Other	10,599
Allowance for doubtful accounts	-6455
Current assets	24,857,208
Fixed assets	
Property, plant and equipment	
Buildings	62,356,184
Structures	16,068
Machinery and equipment	68,779
Tools, furniture and fixtures	180,185
Land	74,407,327
Construction in progress	85,671
Buildings in trust	127,904,290
Structures in trust	86,471
Machinery and equipment in trust	73,346
Tools, furniture and fixtures in trust	327,426
Land in trust	157,508,159
Construction in progress	170,322
Property, plant and equipment	423,184,234
Intangible assets	
Leasehold right in trust	1,940,516
Other	15
Intangible assets	1,940,532
Investments and other assets	
Long-term prepaid expenses	786,705
Guarantee deposits	556,653
Guarantee deposits in trust	1,038,903
Other	1,168
Investments and other assets	2,383,430
Fixed assets	427,508,197
Deferred assets	
Investment unit issuance expenses	1,619
Investment corporation bond issuance costs	120,548
Deferred assets	122,168
<b>Total Assets</b>	<b>452,487,574</b>

## Fiscal Period Ending January 31, 2019

Liabilities	
Current liabilities	
Operating accounts payable	378,449
Current portion of short-term loans payable	1,000,000
Current portion of investment corporation bond	4,000,000
Current portion of long-term loans payable	17,700,000
Accounts payable-other	1,389,839
Accrued expenses	109,203
Accrued consumption taxes	10,934
Advances received	69,778
Other	18,794
Current liabilities	24,676,999
Long-term liabilities	
Investment corporation bond	25,000,000
Long-term loans payable	178,218,000
Tenant leasehold and security deposits	1,239,315
Tenant leasehold and security deposits in trust	3,265,660
Derivatives liabilities	18,187
Long-term liabilities	207,741,163
<b>Liabilities</b>	<b>232,418,162</b>
Net assets	
Unitholders' equity	
Unitholders' capital, gross	127,690,098
Surplus	
Capital surplus	53,220,279
Reserve for dividend	32,193,397
Unappropriated retained earnings (undisposed loss)	6,983,823
Surplus	92,397,500
Unitholders' equity	220,087,598
Valuation and translation adjustments	-18187
<b>Net assets</b>	<b>220,069,411</b>
<b>Liabilities and net assets</b>	<b>452,487,574</b>



# Profit and Loss Statement

in thousand yen

## Fiscal Period Ending January 31, 2019 (from August 1, 2018 to January 31, 2019)

## Fiscal Period Ending January 31, 2019 (from August 1, 2018 to January 31, 2019)

<b>Operating revenue</b>	
Rent revenue-real estate	16,196,049
Gain on sales of real estate properties	16,196,049
<b>Operating revenue</b>	
<b>Operating expenses</b>	
Expenses related to rent business	6,333,386
Asset management fee	1,196,544
Asset custody fee	9,780
Administrative service fees	58,424
Directors' compensations	3,600
Taxes and dues	275,837
Provision of allowance for doubtful accounts	345
Bad debt expenses	115
Other operating expenses	200,114
<b>Operating expenses</b>	<b>8,078,149</b>
<b>Operating income</b>	<b>8,117,899</b>
<b>Non-operating income</b>	
Interest income	6,769
Claim compensation income	1,984
Reversal of distributions payable	1,089
Other	1,334
<b>Non-operating income</b>	<b>11,178</b>
<b>Non-operating expenses</b>	
Interest expenses	808,186
Interest expenses on investment corporation bonds	127,294
Amortization of investment unit issuance expenses	1,388
Amortization of corporation bonds issuance expenses	10,548
Borrowing related expenses	194,009
Other	3,222
<b>Non-operating expenses</b>	<b>1,144,649</b>
<b>Ordinary income</b>	<b>6,984,428</b>
<b>Income before income taxes</b>	<b>6,984,428</b>
Income taxes-current	605
Income taxes	605
<b>Net income</b>	<b>6,983,823</b>
Retained earnings brought forward	-
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>6,983,823</b>

<b>A. Revenue from Property Leasing</b>	
<b>Rental</b>	
Rent income	14,373,693
Facility charge	799,508
Parking fee	436,471
<b>Subtotal</b>	<b>15,609,674</b>
<b>Other revenues related to property leasing</b>	
Income from leasing rights, etc.	82,032
Miscellaneous income	504,342
<b>Subtotal</b>	<b>586,374</b>
<b>Total revenues from property leasing</b>	<b>16,196,049</b>

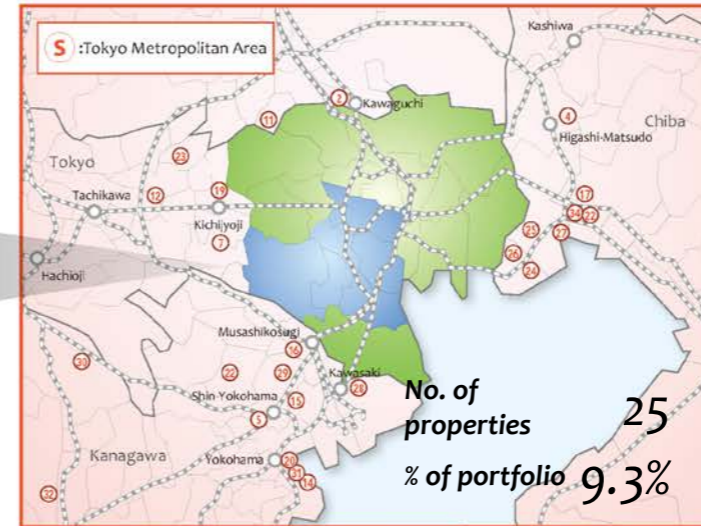
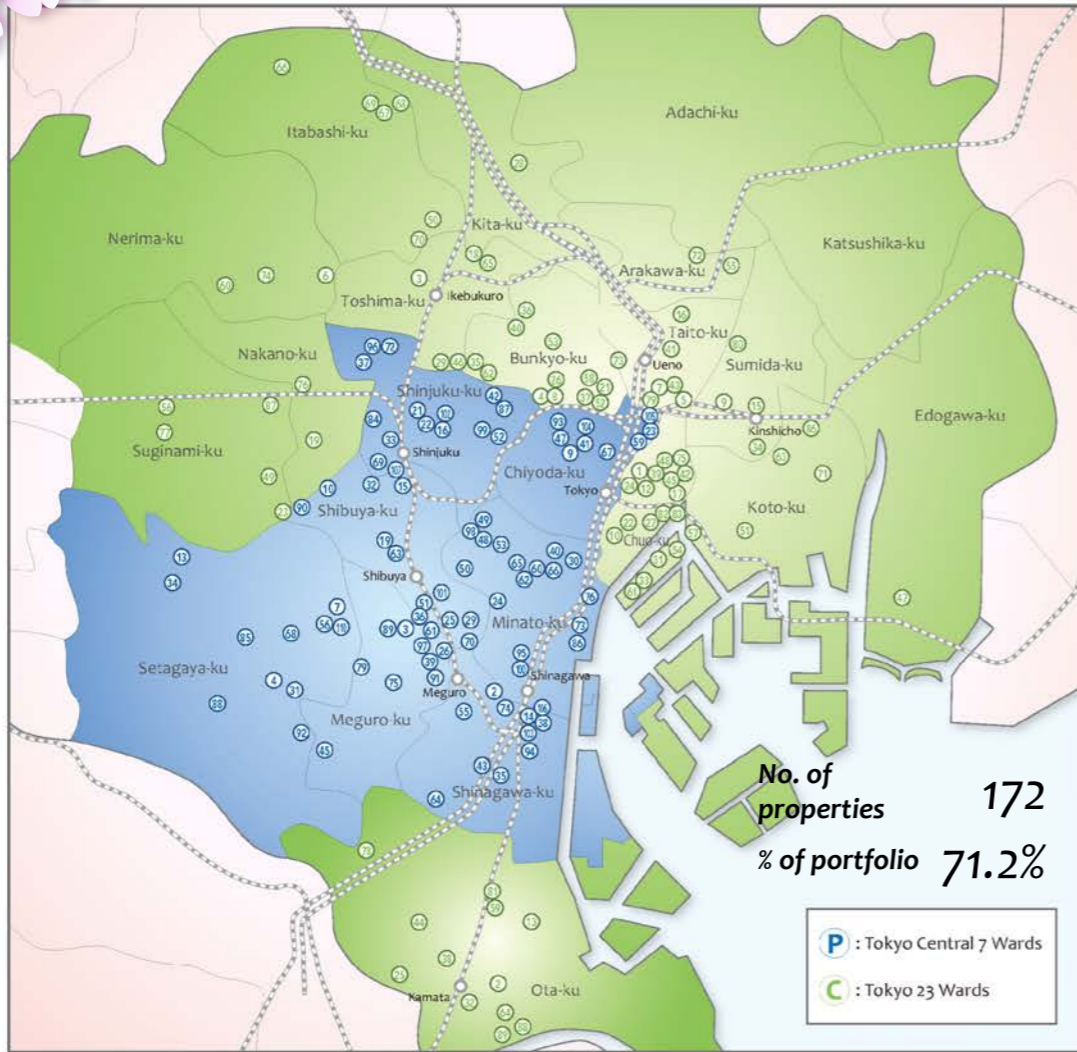
<b>B. Rental Expenses</b>	
Taxes and Duties	871,119
Property management fees	1,107,235
Utilities	261,826
Repairs and maintenance	585,228
Insurance	25,950
Trust fee	69,564
Other rental expenses	706,795
Depreciation and amortization	2,705,666
<b>Total rental expenses</b>	<b>6,333,386</b>

<b>C. Operating Income from Property Leasing Activities (A-B)</b>	<b>9,862,662</b>
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# Portfolio Map

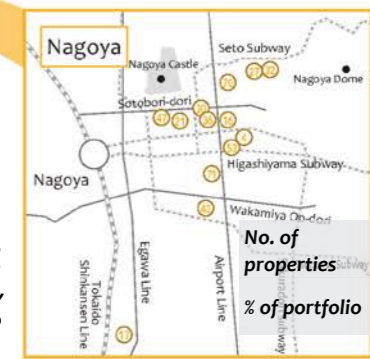
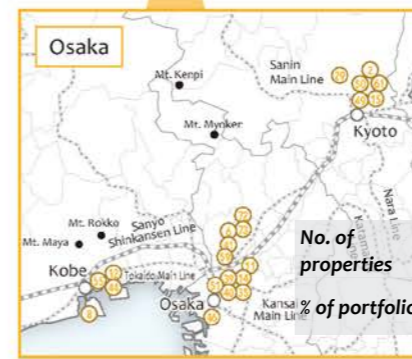
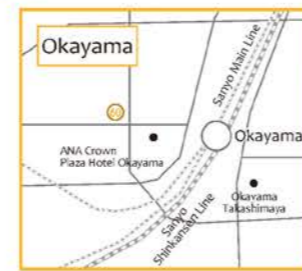
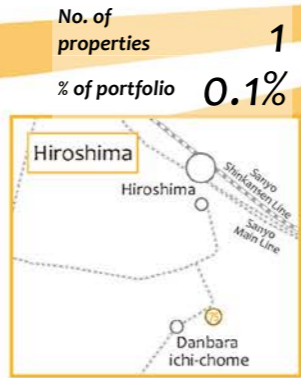
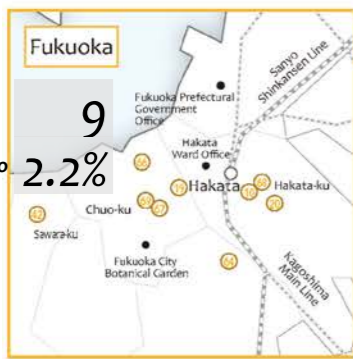
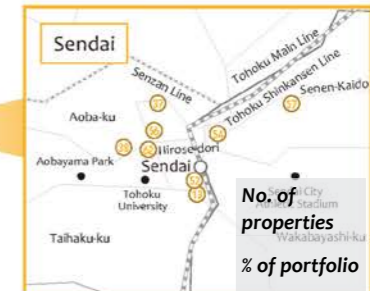
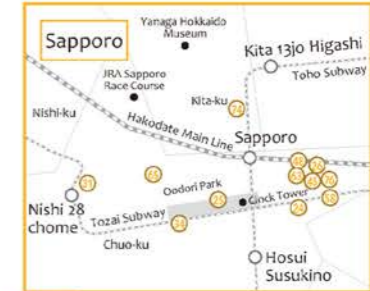
as of January 31, 2019

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



**No. of Properties 264**

**R** : Major Regional Cities





# Portfolio

as of January 31, 2019

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
P-2	RESIDIA Shimazuyama	Shinagawa-ku, Tokyo	12-2004	115	2,860	0.6%	3,370	2,327	44.8%	4.3%	98.7%
P-3	RESIDIA Nakameguro	Meguro-ku, Tokyo	2-2005	88	1,730	0.4%	2,150	1,387	54.9%	2.6%	100.0%
P-4	RESIDIA Setagaya-Tsurumaki	Setagaya-ku, Tokyo	3-2002	28	1,229	0.3%	1,300	1,160	12.1%	7.3%	95.5%
P-7	RESIDIA Ikejirihashi	Setagaya-ku, Tokyo	8-2005	42	1,230	0.3%	1,460	1,144	27.6%	3.1%	100.0%
P-9	RESIDIA Kudanshita	Chiyoda-ku, Tokyo	3-2004	86	2,270	0.5%	2,690	2,064	30.3%	2.9%	97.3%
P-10	RESIDIA Hatagaya	Shibuya-ku, Tokyo	2-2006	35	1,130	0.3%	1,280	1,056	21.2%	7.3%	95.4%
P-13	RESIDIA Sakurajosui	Setagaya-ku, Tokyo	7-2006	39	1,120	0.2%	1,330	1,051	26.5%	7.0%	94.6%
P-14	RESIDIA Kita-Shinagawa	Shinagawa-ku, Tokyo	2-2007	120	2,720	0.6%	3,140	2,507	25.2%	4.3%	100.0%
P-15	RESIDIA Yoyoginomori	Shibuya-ku, Tokyo	3-2007	22	732	0.2%	742	701	5.8%	4.4%	91.2%
P-16	RESIDIA Shinjuku-East III	Shinjuku-ku, Tokyo	2-2009	39	750	0.2%	936	712	31.4%	4.3%	100.0%
P-19	Leopalace Udagawacho Mansion	Shibuya-ku, Tokyo	8-2001	30	588	0.1%	760	559	35.9%	8.2%	100.0%
P-21	RESIDIA Shinjuku-East II	Shinjuku-ku, Tokyo	2-2004	54	1,380	0.3%	1,810	1,389	30.2%	4.8%	96.4%
P-22	RESIDIA Shinjuku-East	Shinjuku-ku, Tokyo	8-2000	48	941	0.2%	1,230	924	33.1%	5.3%	91.7%
P-23	RESIDIA Kanda-Iwamotocho	Chiyoda-ku, Tokyo	2-2004	65	1,520	0.3%	2,150	1,383	55.4%	4.1%	98.1%
P-24	RESIDIA Azabujuban II	Minato-ku, Tokyo	2-2001	37	874	0.2%	1,110	886	25.2%	3.1%	92.6%
P-25	RESIDIA Ebisu	Shibuya-ku, Tokyo	1-2001	26	554	0.1%	727	568	27.9%	3.0%	92.3%
P-26	RESIDIA Meguro	Shinagawa-ku, Tokyo	10-1999	20	722	0.2%	748	734	1.9%	6.2%	92.1%
P-29	RESIDIA Hiroo II	Shibuya-ku, Tokyo	11-2005	76	1,660	0.4%	2,230	1,506	48.0%	2.9%	100.0%
P-30	Pianetta Shiodome	Minato-ku, Tokyo	2-2005	67	1,950	0.4%	2,350	1,780	32.0%	5.3%	96.8%
P-31	RESIDIA Komazawadaigaku	Setagaya-ku, Tokyo	10-2004	18	333	0.1%	402	306	31.0%	8.5%	100.0%
P-32	RESIDIA Yoyogi	Shibuya-ku, Tokyo	2-2005	16	326	0.1%	408	306	33.1%	11.0%	87.3%
P-33	RESIDIA Nishi-Shinjuku	Shinjuku-ku, Tokyo	2-2005	19	363	0.1%	451	342	31.8%	9.9%	91.3%
P-34	RESIDIA Kyodo	Setagaya-ku, Tokyo	2-2005	15	286	0.1%	348	263	32.2%	10.6%	93.8%
P-35	RESIDIA Oimachi	Shinagawa-ku, Tokyo	12-2005	48	947	0.2%	1,170	858	36.3%	4.3%	93.8%

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
P-36	RESIDIA Ebisu II	Shibuya-ku, Tokyo	1-2006	61	2,280	0.5%	2,920	2,209	32.1%	3.4%	97.4%
P-37	RESIDIA Kamiochiai	Shinjuku-ku, Tokyo	9-2006	70	1,180	0.3%	1,500	1,084	38.4%	4.8%	92.9%
P-38	RESIDIA Higashi-Shinagawa	Shinagawa-ku, Tokyo	8-2006	122	2,040	0.5%	2,490	1,900	31.0%	4.0%	95.9%
P-39	RESIDIA Meguro II	Meguro-ku, Tokyo	1-2006	34	1,190	0.3%	1,420	1,137	24.8%	6.5%	97.1%
P-40	RESIDIA Toranomom	Minato-ku, Tokyo	9-2006	63	1,320	0.3%	1,700	1,231	38.1%	3.3%	98.4%
P-41	RESIDIA Shin-Ochanomizu	Chiyoda-ku, Tokyo	3-2006	52	1,160	0.3%	1,580	1,090	44.8%	2.8%	98.4%
P-42	RESIDIA Kagurazaka	Shinjuku-ku, Tokyo	8-2006	52	918	0.2%	1,120	859	30.3%	2.1%	100.0%
P-43	RESIDIA Oimachi II	Shinagawa-ku, Tokyo	7-2007	40	1,050	0.2%	1,330	982	35.3%	4.8%	97.5%
P-45	RESIDIA Jiyugaoka	Meguro-ku, Tokyo	3-2002	28	1,050	0.2%	1,320	1,019	29.5%	7.3%	94.2%
P-47	RESIDIA Suidobashi	Chiyoda-ku, Tokyo	12-2004	65	2,310	0.5%	2,830	2,128	32.9%	2.3%	100.0%
P-48	RESIDIA TOWER Nogizaka	Minato-ku, Tokyo	8-2004	68	3,660	0.8%	4,230	3,533	19.7%	3.5%	96.8%
P-49	RESIDIA Akasaka	Minato-ku, Tokyo	5-2004	37	1,180	0.3%	1,480	1,093	35.3%	8.3%	90.5%
P-50	RESIDIA Nishi-Azabu	Minato-ku, Tokyo	7-2004	125	6,780	1.5%	8,410	6,519	29.0%	2.8%	94.6%
P-51	RESIDIA Daikanyama	Shibuya-ku, Tokyo	7-2004	42	2,150	0.5%	2,290	1,974	16.0%	4.0%	95.7%
P-52	RESIDIA Ichigaya	Shinjuku-ku, Tokyo	8-2004	85	2,500	0.6%	3,210	2,410	33.2%	3.6%	96.5%
P-53	RESIDIA Roppongi-Hinokichokoen	Minato-ku, Tokyo	9-1999	89	3,570	0.8%	4,830	3,598	34.2%	6.8%	97.2%
P-55	RESIDIA TOWER Meguro-Fudomae	Shinagawa-ku, Tokyo	1-2007	358	16,500	3.7%	19,000	14,805	28.3%	1.8%	100.0%
P-56	RESIDIA Sangenjaya	Setagaya-ku, Tokyo	1-2005	78	2,760	0.6%	3,640	2,498	45.7%	2.7%	97.3%
P-59	RESIDIA Kanda-Higashi	Chiyoda-ku, Tokyo	10-2003	64	1,620	0.4%	2,200	1,535	43.2%	3.4%	96.2%
P-60	RESIDIA Higashi-Azabu	Minato-ku, Tokyo	4-2006	31	1,430	0.3%	1,540	1,357	13.4%	3.2%	100.0%
P-61	RESIDIA Ebisu-Minami	Shibuya-ku, Tokyo	3-2007	39	2,020	0.5%	2,270	1,928	17.7%	7.1%	97.6%
P-62	RESIDIA TOWER Azabujuban	Minato-ku, Tokyo	1-2003	113	6,190	1.4%	7,390	6,120	20.7%	0.7%	94.2%
P-63	RESIDIA Shibuya	Shibuya-ku, Tokyo	6-2006	40	1,250	0.3%	1,630	1,202	35.5%	3.5%	95.7%
P-64	RESIDIA Nakanobu	Shinagawa-ku, Tokyo	11-2005	65	1,880	0.4%	2,440	1,747	39.7%	3.4%	94.2%





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P-65	RESIDIA Azabudai	Minato-ku, Tokyo	2-2006	47	1,610	0.4%	1,910	1,537	24.2%	4.6%	97.5%
P-66	RESIDIA Shibadaimon II	Minato-ku, Tokyo	8-2006	48	1,740	0.4%	2,010	1,667	20.6%	3.3%	91.7%
P-67	RESIDIA Kanda	Chiyoda-ku, Tokyo	6-2006	43	1,140	0.3%	1,520	1,084	40.2%	4.9%	96.8%
P-68	RESIDIA Sangenjaya II	Setagaya-ku, Tokyo	3-2006	34	1,280	0.3%	1,540	1,210	27.2%	4.4%	100.0%
P-69	RESIDIA Nishi-Shinjuku II	Shinjuku-ku, Tokyo	5-2007	74	1,830	0.4%	2,220	1,696	30.8%	10.9%	97.0%
P-70	RESIDIA Hiroo-Minami	Shibuya-ku, Tokyo	8-2007	26	923	0.2%	1,070	866	23.5%	2.8%	100.0%
P-72	RESIDIA Mejiro-Otomeyama	Shinjuku-ku, Tokyo	12-2002	19	974	0.2%	1,180	974	21.0%	4.9%	100.0%
P-73	RESIDIA Shibaura	Minato-ku, Tokyo	9-1991	153	4,670	1.0%	6,130	4,370	40.3%	2.8%	93.0%
P-74	RESIDIA Gotenyama	Shinagawa-ku, Tokyo	1-2007	16	930	0.2%	1,010	875	15.4%	7.9%	93.9%
P-75	RESIDIA Yutenji	Meguro-ku, Tokyo	8-2006	118	5,260	1.2%	6,270	5,023	24.8%	7.8%	97.5%
P-76	Park Tower Shibaura Bayward Urban Wing	Minato-ku, Tokyo	5-2005	191	9,570	2.1%	11,800	8,847	33.4%	3.6%	98.0%
P-79	RESIDIA Kamimeguro	Meguro-ku, Tokyo	1-1993	16	878	0.2%	1,100	847	29.8%	7.7%	87.9%
P-84	RESIDIA Kita-Shinjuku	Shinjuku-ku, Tokyo	2-1997	26	1,460	0.3%	1,670	1,361	22.7%	8.8%	92.3%
P-85	RESIDIA Komazawa	Setagaya-ku, Tokyo	10-2008	59	870	0.2%	1,250	818	52.8%	10.0%	100.0%
P-86	RESIDIA Shibaura KAIGAN	Minato-ku, Tokyo	1-2010	72	2,400	0.5%	3,110	2,304	34.9%	4.4%	95.1%
P-87	RESIDIA Ichigaya-Yakuoji	Shinjuku-ku, Tokyo	8-2008	98	2,070	0.5%	2,660	1,970	35.0%	3.0%	97.4%
P-88	RESIDIA Yoga	Setagaya-ku, Tokyo	6-2008	66	1,523	0.3%	1,920	1,533	25.2%	10.3%	94.4%
P-89	RESIDIA TOWER Nakameguro	Meguro-ku, Tokyo	3-2007	70	3,300	0.7%	4,750	3,303	43.8%	2.4%	92.9%
P-90	RESIDIA Sasazuka II	Shibuya-ku, Tokyo	1-2011	167	3,760	0.8%	4,760	3,673	29.6%	4.2%	97.0%
P-91	RESIDIA Meguro III	Meguro-ku, Tokyo	1-2010	31	950	0.2%	1,370	950	44.2%	2.6%	100.0%
P-92	RESIDIA Jiyugaoka II	Setagaya-ku, Tokyo	10-2007	17	778	0.2%	1,000	777	28.7%	5.4%	100.0%
P-93	RESIDIA Kudanshita II	Chiyoda-ku, Tokyo	1-2012	48	1,240	0.3%	1,750	1,222	43.2%	2.6%	98.4%
P-94	RESIDIA Omori II	Shinagawa-ku, Tokyo	3-2012	90	1,620	0.4%	2,240	1,591	40.8%	2.2%	99.0%
P-95	RESIDIA Shirokane-Takanawa	Minato-ku, Tokyo	3-2012	53	1,480	0.3%	2,060	1,461	41.0%	6.7%	94.6%

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
P-96	RESIDIA Nakaochiai	Shinjuku-ku, Tokyo	3-2008	187	3,656	0.8%	4,440	3,767	17.9%	A 2.9% B 2.9% C 3.0%	91.4%
P-97	RESIDIA Nakameguro II	Meguro-ku, Tokyo	8-2006	50	1,119	0.2%	1,490	1,112	33.9%	2.7%	89.9%
P-98	ARTIS COURT Minamiaoyama	Minato-ku, Tokyo	7-2008	23	1,720	0.4%	1,910	1,726	10.6%	3.9%	97.0%
P-99	RESIDIA Yotsuya-Sanchome	Shinjuku-ku, Tokyo	5-2009	90	2,090	0.5%	2,830	2,073	36.5%	3.8%	99.2%
P-100	RESIDIA Takanawa-Katsurazaka	Minato-ku, Tokyo	3-2006	45	900	0.2%	1,140	941	21.1%	5.4%	97.9%
P-101	RESIDIA Ebisu III	Shibuya-ku, Tokyo	3-2006	26	611	0.1%	786	648	21.2%	3.3%	94.0%
P-102	RESIDIA Shinjukuogyoen	Shinjuku-ku, Tokyo	10-2006	38	687	0.2%	962	720	33.6%	5.2%	97.5%
P-103	RESIDIA Minami-Shinagawa	Shinagawa-ku, Tokyo	10-2013	50	1,177	0.3%	1,500	1,195	25.5%	8.7%	95.7%
P-104	Chester Court Ochanomizu	Chiyoda-ku, Tokyo	3-2007	118	3,117	0.7%	3,890	3,165	22.9%	2.4%	97.6%
P-105	RESIDIA Kanda-Iwamotocho II	Chiyoda-ku, Tokyo	4-2007	48	1,280	0.3%	1,680	1,297	29.5%	2.8%	100.0%
P-106	RESIDIA Shinagawa	Shinagawa-ku, Tokyo	6-2007	36	980	0.2%	1,300	995	30.6%	4.0%	89.5%
P-107	RESIDIA Yoyogi II	Shibuya-ku, Tokyo	1-2008	31	839	0.2%	982	894	9.7%	8.4%	100.0%
P-108	RESIDIA Nakanobu II	Shinagawa-ku, Tokyo	4-2014	44	917	0.2%	1,110	937	18.4%	3.9%	98.0%
P-109	RESIDIA Ochanomizu II	Chiyoda-ku, Tokyo	3-2015	28	821	0.2%	996	840	18.5%	4.1%	96.8%
P-110	RESIDIA Mishuku	Shinagawa-ku, Tokyo	4-2015	42	1,159	0.3%	1,350	1,185	13.8%	4.1%	86.6%
C-1	RESIDIA Mitsukoshimae	Chuo-ku, Tokyo	2-2005	105	1,920	0.4%	2,690	1,536	75.1%	3.3%	95.9%
C-2	RESIDIA Kamata	Ota-ku, Tokyo	3-2005	166	2,640	0.6%	3,710	2,060	80.0%	4.7%	98.4%
C-3	RESIDIA Ikebukuro	Toshima-ku, Tokyo	3-2005	60	1,520	0.3%	1,840	1,379	33.4%	7.1%	98.6%
C-4	RESIDIA Bunkyo-Hongo	Bunkyo-ku, Tokyo	7-2005	65	1,680	0.4%	2,360	1,541	53.1%	4.6%	97.0%
C-5	RESIDIA Asakusabashi	Taito-ku, Tokyo	8-2005	47	1,060	0.2%	1,510	919	64.2%	2.9%	96.1%
C-6	Maison Clairee Ekoda	Nerima-ku, Tokyo	3-1993	94	953	0.2%	1,130	898	25.7%	9.2%	96.8%
C-7	RESIDIA Ueno-Okachimachi	Taito-ku, Tokyo	2-2006	127	3,160	0.7%	3,880	2,818	37.7%	2.1%	99.3%
C-8	RESIDIA Bunkyo-Hongo II	Bunkyo-ku, Tokyo	1-2006	70	1,623	0.4%	2,050	1,520	34.8%	3.6%	100.0%
C-9	RESIDIA Ryogoku	Sumida-ku, Tokyo	2-2006	48	913	0.2%	1,270	838	51.5%	9.1%	98.5%



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C-10	RESIDIA Higashi-Ginza	Chuo-ku, Tokyo	9-2006	169	5,251	1.2%	5,740	4,997	14.9%	4.3%	97.9%
C-12	RESIDIA Nihonbashi-Ningyocho II	Chuo-ku, Tokyo	1-2007	137	3,180	0.7%	3,980	2,924	36.1%	4.6%	98.7%
C-13	RESIDIA Omori-Higashi	Ota-ku, Tokyo	8-2007	81	1,980	0.4%	2,130	1,810	17.6%	3.8%	95.8%
C-15	RESIDIA Kinshicho	Sumida-ku, Tokyo	11-2007	157	4,200	0.9%	4,690	3,968	18.2%	7.2%	98.6%
C-16	RESIDIA Negishi	Taito-ku, Tokyo	12-2005	28	856	0.2%	985	802	22.8%	7.7%	96.3%
C-17	RESIDIA Shinkawa	Chuo-ku, Tokyo	2-2003	83	1,880	0.4%	2,480	1,798	37.9%	5.3%	93.6%
C-18	RESIDIA Kamiikebukuro	Toshima-ku, Tokyo	12-2001	44	558	0.1%	723	532	35.7%	6.4%	93.8%
C-19	RESIDIA Shin-nakano	Nakano-ku, Tokyo	6-2002	24	352	0.1%	523	347	50.7%	3.8%	93.4%
C-21	RESIDIA Bunkyo-Yushima II	Bunkyo-ku, Tokyo	3-2004	63	1,010	0.2%	1,220	910	34.0%	5.3%	98.5%
C-22	RESIDIA Tsukiji	Chuo-ku, Tokyo	12-2005	54	1,460	0.3%	1,960	1,306	50.1%	3.4%	98.2%
C-23	RESIDIA Sasazuka	Suginami-ku, Tokyo	3-2000	96	1,800	0.4%	2,250	1,785	26.0%	6.9%	95.8%
C-24	RESIDIA Kyobashi	Chuo-ku, Tokyo	1-2005	52	1,220	0.3%	1,560	1,104	41.2%	3.4%	100.0%
C-25	RESIDIA Tamagawa	Ota-ku, Tokyo	9-2004	98	1,300	0.3%	1,690	1,157	46.0%	5.9%	99.0%
C-26	RESIDIA Korakuen	Bunkyo-ku, Tokyo	10-2004	31	603	0.1%	791	540	46.2%	3.5%	100.0%
C-27	RESIDIA Ginza-Higashi	Chuo-ku, Tokyo	9-2004	94	2,000	0.4%	2,620	1,870	40.1%	4.0%	92.6%
C-28	RESIDIA Oji	Kita-ku, Tokyo	2-2005	61	867	0.2%	1,060	778	36.1%	3.2%	100.0%
C-29	RESIDIA Mejiro II	Toshima-ku, Tokyo	7-2005	63	1,050	0.2%	1,280	966	32.4%	2.3%	91.0%
C-31	RESIDIA Tsukishima	Chuo-ku, Tokyo	2-2006	40	1,100	0.2%	1,320	1,005	31.2%	6.8%	100.0%
C-32	RESIDIA Kamata II	Ota-ku, Tokyo	9-2006	78	1,360	0.3%	1,720	1,261	36.3%	4.0%	94.1%
C-33	RESIDIA Tsukishima II	Chuo-ku, Tokyo	9-2006	105	2,440	0.5%	3,080	2,295	34.2%	3.8%	93.7%
C-34	RESIDIA Kinshicho II	Sumida-ku, Tokyo	1-2008	99	2,380	0.5%	2,700	2,217	21.8%	4.7%	98.5%
C-35	RESIDIA Bunkyo-Otowa	Bunkyo-ku, Tokyo	8-2003	104	3,380	0.8%	4,160	3,089	34.7%	4.7%	99.4%
C-36	RESIDIA Bunkyo-Sengoku	Bunkyo-ku, Tokyo	2-2003	33	707	0.2%	933	660	41.3%	5.0%	90.9%
C-37	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	2-2003	39	1,050	0.2%	1,410	994	41.8%	6.9%	98.1%

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C-38	RESIDIA Ikegami	Ota-ku, Tokyo	7-2003	19	378	0.1%	429	340	25.9%	8.5%	100.0%
C-39	RESIDIA Nihonbashi-Ningyocho	Chuo-ku, Tokyo	3-2004	25	557	0.1%	798	493	61.7%	5.6%	89.1%
C-40	RESIDIA Bunkyo-Sengoku II	Bunkyo-ku, Tokyo	4-2005	45	1,440	0.3%	1,770	1,336	32.4%	4.1%	90.8%
C-41	RESIDIA Iriya	Taito-ku, Tokyo	12-2004	49	990	0.2%	1,180	863	36.6%	5.4%	98.3%
C-42	RESIDIA Nihonbashi-Hamacho	Chuo-ku, Tokyo	8-2006	45	1,310	0.3%	1,620	1,240	30.6%	4.5%	97.9%
C-43	RESIDIA Shin-Okachimachi	Taito-ku, Tokyo	3-2007	69	1,860	0.4%	2,150	1,748	23.0%	3.0%	98.8%
C-44	RESIDIA Chidoricho	Ota-ku, Tokyo	9-2006	60	1,290	0.3%	1,460	1,194	22.2%	5.0%	96.8%
C-45	RESIDIA Shinkawa II	Chuo-ku, Tokyo	2-2003	36	1,320	0.3%	1,670	1,255	33.0%	3.9%	96.9%
C-46	RESIDIA Mejiro	Toshima-ku, Tokyo	1-1999	162	6,280	1.4%	8,220	6,033	36.2%	2.6%	97.6%
C-47	RESIDIA Kasai	Edogawa-ku, Tokyo	1-2000	29	683	0.2%	852	652	30.6%	7.0%	89.5%
C-48	RESIDIA Nihonbashi-Bakurocho	Chuo-ku, Tokyo	2-2007	132	5,500	1.2%	7,490	5,047	48.4%	2.4%	97.4%
C-49	RESIDIA Suginami-Honancho	Suginami-ku, Tokyo	2-2009	194	3,834	0.9%	5,580	3,572	56.2%	4.3%	96.1%
C-50	RESIDIA Shin Itabashi	Itabashi-ku, Tokyo	8-2009	67	888	0.2%	1,250	838	49.0%	8.6%	100.0%
C-51	RESIDIA Kiba	Koto-ku, Tokyo	3-2008	155	1,950	0.4%	3,120	1,866	67.1%	7.2%	99.4%
C-52	RESIDIA Bunkyo-Yushima	Bunkyo-ku, Tokyo	12-2008	52	1,129	0.3%	1,600	1,080	48.1%	4.4%	100.0%
C-53	RESIDIA Bunkyo-Honkomagome	Bunkyo-ku, Tokyo	3-2008	98	2,340	0.5%	3,130	2,255	38.8%	3.5%	97.9%
C-54	RESIDIA Tsukishima III	Chuo-ku, Tokyo	2-2008	119	2,570	0.6%	3,770	2,439	54.5%	4.0%	98.1%
C-55	RESIDIA Minamisenju	Arakawa-ku, Tokyo	3-2007	175	2,580	0.6%	3,640	2,363	54.0%	5.3%	98.0%
C-56	RESIDIA Ogikubo	Suginami-ku, Tokyo	3-2003	101	1,710	0.4%	2,380	1,791	32.8%	4.5%	97.0%
C-57	RESIDIA Monzennakacho	Koto-ku, Tokyo	2-2005	68	970	0.2%	1,390	954	45.6%	7.6%	100.0%
C-58	RESIDIA Ochanomizu	Bunkyo-ku, Tokyo	9-2005	80	2,090	0.5%	3,000	2,014	48.9%	4.2%	96.5%
C-59	RESIDIA Omori	Ota-ku, Tokyo	3-2006	75	1,150	0.3%	1,530	1,111	37.6%	1.8%	98.7%
C-60	RESIDIA Nakamurabashi	Nerima-ku, Tokyo	2-2008	66	1,075	0.2%	1,410	1,025	37.4%	4.5%	98.7%
C-61	RESIDIA Kachidoki	Chuo-ku, Tokyo	2-2008	55	1,805	0.4%	2,540	1,736	46.2%	4.9%	100.0%



# Portfolio

as of January 31, 2019

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
C-62	RESIDIA Bunkyo-Otowa II	Bunkyo-ku, Tokyo	2-2008	89	2,268	0.5%	3,140	2,262	38.8%	4.0%	97.8%
C-63	RESIDIA Kinshicho III	Koto-ku, Tokyo	2-2005	51	651	0.1%	871	641	35.7%	9.6%	100.0%
C-64	RESIDIA Kamata III	Ota-ku, Tokyo	3-2007	53	948	0.2%	1,290	924	39.6%	3.5%	95.2%
C-65	RESIDIA Tower Kami-Ikebukuro	Toshima-ku, Tokyo	3-2009	472	8,250	1.8%	11,900	7,729	54.0%	Twr 2.9% Prk 5.4% Anx 5.7%	97.3%
C-66	RESIDIA Takashimadaira	Itabashi-ku, Tokyo	2-2007	45	502	0.1%	627	519	20.7%	4.8%	100.0%
C-67	RESIDIA Shimurasakaue	Itabashi-ku, Tokyo	2-2007	44	580	0.1%	721	603	19.4%	3.4%	100.0%
C-68	RESIDIA Shimurasakaue II	Itabashi-ku, Tokyo	3-2007	94	1,093	0.2%	1,400	1,123	24.7%	5.6%	100.0%
C-69	RESIDIA Shimurasakaue III	Itabashi-ku, Tokyo	3-2007	36	411	0.1%	511	428	19.1%	5.4%	100.0%
C-70	RESIDIA Ikebukuro West	Itabshi-ku, Tokyo	10-2007	72	1,115	0.2%	1,390	1,104	25.8%	3.0%	95.3%
C-71	RESIDIA Ojima	Koto-ku, Tokyo	11-2007	87	1,282	0.3%	1,630	1,266	28.7%	6.1%	96.6%
C-72	RESIDIA Machiya	Arakawa-ku, Tokyo	8-2009	55	1,168	0.3%	1,400	1,177	18.9%	3.2%	97.6%
C-73	RESIDIA Ueno-Ikenohata	Taito-ku, Tokyo	2-2004	71	1,700	0.4%	2,130	1,786	19.2%	3.8%	98.8%
C-74	RESIDIA Nerima	Nerima-ku, Tokyo	3-2005	34	502	0.1%	676	511	32.0%	3.9%	100.0%
C-75	RESIDIA Higashi-Nihonbashi	Chuo-ku, Tokyo	4-2006	22	378	0.1%	506	396	27.7%	5.8%	100.0%
C-76	RESIDIA Nakano	Nakano-ku, Tokyo	11-2006	30	652	0.1%	843	689	22.3%	4.1%	95.0%
C-77	RESIDIA Ogikubo II	Suginami-ku, Tokyo	3-2007	36	460	0.1%	578	486	18.8%	5.1%	100.0%
C-78	RESIDIA Minamiyukigaya	Ota-ku, Tokyo	3-2008	58	1,299	0.3%	1,600	1,350	18.4%	4.4%	98.8%
C-79	RESIDIA Akihabara	Taito-ku, Tokyo	4-2007	40	977	0.2%	1,230	990	24.2%	5.1%	100.0%
C-80	RESIDIA Asakusa-Azumabashi	Sumida-ku, Tokyo	9-2007	60	876	0.2%	1,160	887	30.7%	3.5%	100.0%
C-81	RESIDIA Oomori III	Ota-ku, Tokyo	12-2012	65	1,395	0.3%	1,700	1,412	20.3%	3.1%	93.5%
C-82	RESIDIA Nihonbashi-Bakurocho II	Chuo-ku, Tokyo	4-2014	77	1,975	0.4%	2,550	2,006	27.1%	3.8%	97.3%
C-83	RESIDIA Nihonbashi-Bakurocho III	Chuo-ku, Tokyo	3-2008	55	1,833	0.4%	2,350	1,853	26.8%	3.7%	98.5%
C-84	RESIDIA Bunkyo-Hongo III	Bunkyo-ku, Tokyo	7-2014	48	1,655	0.4%	1,990	1,687	17.9%	4.7%	96.0%
C-85	RESIDIA Shin-Okachimachi II	Taito-ku, Tokyo	3-2015	100	4,650	1.0%	5,590	4,747	17.8%	1.9%	99.1%

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
C-86	RESIDIA Kameido	Chiyoda-ku, Tokyo	10-2013	129	2,988	0.7%	3,450	3,066	12.5%	5.9%	98.5%
C-87	RESIDIA Koenji	Bunkyo-ku, Tokyo	3-2015	58	1,380	0.3%	1,610	1,418	13.5%	3.9%	95.5%
C-88	RESIDIA Kamata V	Ota-ku, Tokyo	1-2013	110	2,283	0.5%	2,560	2,372	7.9%	6.4%	95.0%
C-89	RESIDIA KamataIV	Ota-ku, Tokyo	2-2014	149	3,268	0.7%	3,650	3,378	8.1%	4.7%	99.4%
S-2	Chester House Kawaguchi	Kawaguchi, Saitama	3-1991	39	770	0.2%	746	692	7.7%	5.5%	97.4%
S-4	RESIDIA Higashi-Matsudo	Matsudo, Chiba	4-2007	44	1,100	0.2%	1,230	1,003	22.6%	4.6%	100.0%
S-5	RESIDIA Shin-Yokohama	Yokohama, Kanagawa	1-2007	131	1,920	0.4%	2,070	1,744	18.7%	5.6%	100.0%
S-7	RESIDIA Chofu	Chofu, Tokyo	3-2007	41	1,143	0.3%	1,200	1,057	13.5%	5.0%	97.3%
S-11	TOKYO Student-House Wako	Wako, Saitama	4-1990	127	675	0.2%	730	657	11.0%	10.2%	100.0%
S-12	RESIDIA Kokubunji	Kokubunji, Tokyo	2-2003	33	518	0.1%	663	493	34.2%	2.9%	97.0%
S-14	RESIDIA Yokohama-Kannai	Yokohama, Kanagawa	8-2004	102	1,700	0.4%	1,900	1,495	27.1%	8.4%	92.5%
S-15	RESIDIA Okurayama	Yokohama, Kanagawa	3-1998	64	755	0.2%	944	706	33.6%	5.3%	100.0%
S-16	RESIDIA Musashikosugi	Kawasaki, Kanagawa	2-2007	68	1,580	0.4%	1,980	1,474	34.3%	7.2%	98.0%
S-17	RESIDIA Funabashi I and II	Funabashi, Chiba	3-2007	172	2,730	0.6%	3,280	2,507	30.8%	(I)3.6% (II)3.4%	100.0%
S-19	RESIDIA Kichijoji	Musashino, Tokyo	3-1995	48	1,380	0.3%	1,820	1,430	27.2%	9.1%	91.9%
S-20	Pacific Royal Court Minato Mirai Ocean Tower	Yokohama, Kanagawa	11-2007	416	14,000	3.1%	15,700	11,404	37.7%	4.5%	100.0%
S-22	Life & Senior House Kohoku II	Yokohama, Kanagawa	10-2003	78	1,670	0.4%	2,200	1,625	35.3%	6.4%	100.0%
S-23	College Court Tanashi	Nishi-Tokyo, Tokyo	2-2010	91	810	0.2%	1,160	753	54.0%	7.7%	100.0%
S-24	RESIDIA Urayasu	Urayasu, Chiba	9-2009	146	2,115	0.5%	2,950	2,044	44.3%	6.7%	97.7%
S-25	RESIDIA Minami-Gyotoku	Ichikawa, Chiba	2-2005	85	823	0.2%	1,080	806	33.9%	6.6%	98.8%
S-26	RESIDIA Urayasu II	Urayasu, Chiba	2-2005	74	802	0.2%	1,070	787	35.9%	7.5%	100.0%
S-27	RESIDIA Gyotoku	Ichikawa, Chiba	2-2005	75	761	0.2%	992	744	33.2%	6.1%	93.3%
S-28	RESIDIA Kawasaki	Kawasaki, Kanagawa	3-2007	104	1,670	0.4%	2,270	1,598	42.0%	4.7%	98.1%
S-29	Cocofump Hiyoshi	Yokohama, Kanagawa	1-2010	85	1,050	0.2%	1,170	980	19.4%	7.5%	100.0%





# Portfolio

as of January 31, 2019

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
S-30	RESIDIA Sagamihara	Sagamihara, Kanagawa	5-2004	111	1,050	0.2%	1,330	1,042	27.5%	6.8%	100.0%
S-31	RESIDIA Yokohama-Bashamichi	Yokohama, Kanagawa	9-2005	28	735	0.2%	1,030	772	33.4%	11.5%	100.0%
S-32	RESIDIA Hon-Atugi	Atugi, Kanagawa	1-2008	49	606	0.1%	724	635	14.0%	11.0%	90.6%
S-33	RESIDIA Funabashi III	Funabashi, Chiba	10-2006	43	620	0.1%	720	662	8.6%	5.0%	100.0%
S-34	RESIDIA Funabashi IV	Funabashi, Chiba	10-2008	43	567	0.1%	601	609	-1.4%	5.2%	93.0%
R-2	RESIDIA Imadegawa	Kyoto, Kyoto	2-1999	154	1,671	0.4%	1,660	1,493	11.1%	10.9%	100.0%
R-4	RESIDIA Higashi-Sakura	Nagoya, Aichi	2-2006	91	1,290	0.3%	1,440	1,000	43.9%	3.4%	90.3%
R-5	RESIDIA Kameyama	Kameyama, Mie	2-2007	182	1,610	0.4%	1,160	1,502	-22.8%	4.2%	98.3%
R-6	RESIDIA Ryokuchi Koen	Toyonaka, Osaka	5-2007	44	979	0.2%	944	873	8.0%	5.7%	100.0%
R-8	RESIDIA Kobe Port Island	Kobe, Hyogo	9-2007	404	3,740	0.8%	4,230	3,369	25.5%	South*Center 6.8% North 6.7%	100.0%
R-10	RESIDIA Hakata	Fukuoka, Fukuoka	3-2002	155	1,220	0.3%	1,500	1,242	20.7%	3.4%	97.5%
R-11	RESIDIA Tenjinbashi	Osaka, Osaka	2-2000	78	871	0.2%	1,190	829	43.5%	8.3%	98.4%
R-12	RESIDIA Sannomiya-Higashi	Kobe, Hyogo	11-2005	161	2,220	0.5%	2,900	1,920	51.0%	3.2%	99.0%
R-13	KC21 Building	Sendai, Miyagi	3-1997	79	900	0.2%	933	855	9.1%	2.4%	98.1%
R-14	RESIDIA Utubokoen	Osaka, Osaka	1-2006	94	1,170	0.3%	1,570	1,029	52.5%	6.6%	98.0%
R-15	RESIDIA Kyoto-ekimae	Kyoto, Kyoto	2-2006	116	1,970	0.4%	2,550	1,753	45.5%	9.9%	95.6%
R-16	RESIDIA Takaoka	Nagoya, Aichi	8-2007	198	2,330	0.5%	3,290	2,117	55.4%	3.5%	91.4%
R-17	RESIDIA Hibino	Nagoya, Aichi	4-1992	124	1,340	0.3%	1,490	1,113	33.9%	3.9%	97.6%
R-19	RESIDIA Tenjin-Minami	Fukuoka, Fukuoka	1-2004	56	936	0.2%	1,100	859	28.0%	4.9%	94.6%
R-20	RESIDIA Hakataeki-Minami	Fukuoka, Fukuoka	1-2003	39	324	0.1%	405	311	30.0%	2.7%	97.4%
R-21	RESIDIA Hisaya-Odori II	Nagoya, Aichi	2-2005	38	685	0.2%	821	593	38.3%	5.0%	97.4%
R-24	RESIDIA Minami-Ichijo	Sapporo, Hokkaido	12-2006	179	1,640	0.4%	1,990	1,434	38.8%	0.9%	99.7%
R-25	RESIDIA Odori-Nishi	Sapporo, Hokkaido	12-2006	103	1,320	0.3%	1,410	1,181	19.3%	1.1%	97.2%
R-26	RESIDIA Kita-Sanjo	Sapporo, Hokkaido	1-2007	100	1,130	0.3%	1,430	983	45.5%	1.4%	98.0%

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	Period End Occupancy
R-27	RESIDIA Shirakabe-Higashi	Nagoya, Aichi	5-2005	33	831	0.2%	949	743	27.7%	4.1%	91.8%
R-29	RESIDIA Uzumasa	Kyoto, Kyoto	1-2000	48	701	0.2%	769	660	16.4%	13.5%	98.1%
R-30	RESIDIA Izumi	Nagoya, Aichi	11-2005	122	3,700	0.8%	4,410	3,273	34.7%	3.1%	97.5%
R-31	RESIDIA Maruyama Kita-Gojo	Sapporo, Hokkaido	2-2007	56	1,050	0.2%	1,250	935	33.6%	1.2%	92.9%
R-32	RESIDIA Tokugawa	Nagoya, Aichi	12-2006	27	751	0.2%	891	709	25.6%	3.9%	96.3%
R-34	RESIDIA Odori-Koen	Sapporo, Hokkaido	8-2007	109	2,010	0.4%	2,550	1,810	40.8%	0.9%	96.0%
R-35	RESIDIA Tanimachi	Osaka, Osaka	8-2008	108	1,100	0.2%	1,640	1,076	52.4%	7.5%	91.1%
R-36	RESIDIA Hisaya-Odori	Nagoya, Aichi	2-2007	57	652	0.1%	970	627	54.6%	4.8%	88.7%
R-37	RESIDIA Sendai-Miyamachi	Sendai, Miyagi	1-2008	67	529	0.1%	768	497	54.5%	2.5%	100.0%
R-38	RESIDIA Hirose-dori	Sendai, Miyagi	2-2010	63	494	0.1%	682	466	46.3%	2.8%	100.0%
R-39	RESIDIA Edbori	Osaka, Osaka	2-2007	127	1,400	0.3%	1,860	1,377	35.0%	8.7%	96.9%
R-40	RESIDIA Kyomachibori	Osaka, Osaka	3-2007	84	1,000	0.2%	1,390	989	40.4%	7.8%	94.5%
R-41	RESIDIA Esaka	Suita, Osaka	7-2007	68	989	0.2%	1,300	1,004	29.5%	4.8%	98.7%
R-42	RESIDIA Nishijin	Fukuoka, Fukuoka	1-2008	173	2,380	0.5%	3,180	2,225	42.9%	2.6%	98.7%
R-43	RESIDIA Tsurumai	Nagoya, Aichi	2-2008	122	1,206	0.3%	1,700	1,139	49.1%	3.6%	92.2%
R-44	RESIDIA Kobe-Isogami	Kobe, Hyogo	3-2008	196	2,740	0.6%	3,780	2,571	47.0%	3.6%	95.5%
R-45	RESIDIA Kita-Nijyo-East	Sapporo, Hokkaido	3-2006	56	894	0.2%	1,110	851	30.3%	1.1%	91.6%
R-46	RESIDIA Shinsaibashi West	Osaka, Osaka	2-2007	97	1,921	0.4%	2,530	1,864	35.7%	9.1%	93.8%
R-47	RESIDIA Marunouchi	Nagoya, Aichi	1-2007	86	972	0.2%	1,220	937	30.2%	2.8%	84.9%
R-48	RESIDIA Sapporo-Ekimae	Sapporo, Hokkaido	2-2007	168	1,483	0.3%	2,190	1,411	55.1%	0.7%	95.5%
R-49	RESIDIA Gosyo-Higashi	Kyoto, Kyoto	9-2007	57	1,227	0.3%	1,600	1,191	34.3%	8.9%	95.5%
R-50	RESIDIA Raku-hoku	Kyoto, Kyoto	3-2008	75	874	0.2%	1,060	849	24.7%	12.4%	98.7%
R-51	RESIDIA Miyakojima I & II	Osaka, Osaka	9-2006	178	3,232	0.7%	4,940	3,203	54.2%	7.1%	99.5%
R-52	RESIDIA TOWER Sendai	Sendai, Miyagi	1-2008	67	1,705	0.4%	2,000	1,716	16.5%	2.3%	91.8%

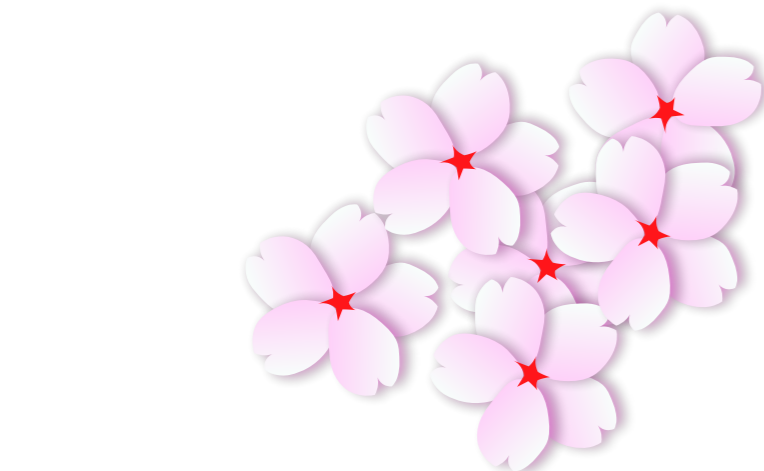


# Portfolio

as of January 31, 2019

No.	Property Name	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)	Unrealized Profit and Loss (%)	PML	Period End Occupancy
R-53	RESIDIA Higashizakura II	Nagoya, Aichi	2-2006	127	2,862	0.6%	3,620	2,936	23.3%	3.1%	92.1%
R-54	RESIDIA Tsutsujigaoka	Sendai, Miyagi	11-2006	168	1,796	0.4%	2,420	1,735	39.4%	EAST)2.6% WEST)2.7%	98.9%
R-55	RESIDIA Kobe-Motomachi	Kobe, Hyogo	6-2007	85	1,052	0.2%	1,350	1,029	31.1%	5.8%	96.6%
R-56	RESIDIA Sendai-Honcho	Sendai, Miyagi	6-2007	105	1,117	0.2%	1,640	1,086	50.9%	2.3%	95.8%
R-57	RESIDIA Sendai-Haranomachi	Sendai, Miyagi	9-2007	72	593	0.1%	876	569	53.7%	2.1%	97.2%
R-58	RESIDIA Minami-Ichijo East	Sapporo, Hokkaido	1-2008	85	1,062	0.2%	1,390	1,034	34.3%	1.1%	89.5%
R-59	RESIDIA Shin-Osaka	Osaka, Osaka	2-2014	208	2,644	0.6%	3,720	2,740	35.7%	6.2%	99.1%
R-60	RESIDIA Okayama-ekimae	Okayama, Okayama	3-2004	108	772	0.2%	1,050	829	26.6%	1.7%	100.0%
R-61	RESIDIA Kyoto-Okazaki	Kyoto, Kyoto	3-2005	23	227	0.1%	322	233	37.8%	14.1%	100.0%
R-62	RESIDIA Sendai-Ichibancho	Sendai, Miyagi	3-2006	103	1,083	0.2%	1,420	1,083	31.1%	2.4%	100.0%
R-63	RESIDIA Kita-Nijyo East II	Sapporo, Hokkaido	2-2007	51	538	0.1%	765	539	41.7%	1.2%	91.6%
R-64	RESIDIA Takamiya	Fukuoka, Fukuoka	2-2007	51	488	0.1%	575	494	16.2%	6.1%	100.0%

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	Period End Occupancy
R-65	RESIDIA Soen	Sapporo, Hokkaido	2-2007	60	384	0.1%	567	387	46.5%	1.4%	96.7%
R-66	RESIDIA Tenjin	Fukuoka, Fukuoka	5-2007	88	1,122	0.3%	1,300	1,129	15.1%	3.4%	97.7%
R-67	RESIDIA Yakuin-Odori	Fukuoka, Fukuoka	6-2007	91	1,123	0.3%	1,310	1,133	15.6%	4.5%	98.9%
R-68	RESIDIA Hakata II	Fukuoka, Fukuoka	9-2007	124	1,358	0.3%	1,570	1,365	15.0%	1.8%	97.4%
R-69	RESIDIA Kego	Fukuoka, Fukuoka	1-2008	86	834	0.2%	1,130	838	34.8%	2.3%	94.3%
R-70	RESIDIA Shirakabe	Nagoya, Aichi	3-2008	70	907	0.2%	1,130	941	20.0%	4.4%	88.6%
R-71	RESIDIA Sakae	Nagoya, Aichi	12-2007	77	868	0.2%	961	932	3.0%	4.2%	89.6%
R-72	RESIDIA Senri-Fujishirodai	Suita, Osaka	2-2017	90	1,430	0.3%	1,700	1,531	11.0%	5.2%	100.0%
R-73	RESIDIA Senri-Banpakukoen	Suita, Osaka	10-2005	68	2,124	0.5%	2,370	2,240	5.8%	5.2%	100.0%
R-74	RESIDIA Sapporo-eki North	Sapporo, Hokkaido	2-2003	46	679	0.2%	706	744	-5.2%	1.5%	91.3%
R-75	RESIDIA Hijiyama Koen	Hiroshima, Hiroshima	2-1997	81	663	0.1%	723	694	4.2%	5.9%	94.2%
R-76	RESIDIA Kita-Nijyo East III	Sapporo, Hokkaido	10-2007	40	420	0.1%	429	450	-4.8%	1.2%	94.9%
<b>Total 264 properties</b>				<b>21,286</b>	<b>448,118</b>	<b>100.0%</b>	<b>561,561</b>	<b>425,124</b>	<b>32.1%</b>	<b>2.4%</b>	<b>97.0%</b>



No.	Region	Location	Completion Date	Rentable Units	Acquisition Price (mil yen)	Share of Investment (%)	Appraisal Price (mil yen)	Book Value (mil yen)
P	Tokyo Central 7 Wards	87	5,412	169,532	37.8%	209,728	161,364	30.0%
C	Central Tokyo ex 7 wards	85	6,831	149,693	33.4%	192,477	142,725	34.9%
S	Tokyo Metropolitan	25	2,297	41,552	9.3%	49,560	37,730	31.4%
R	Major Regional Cities	67	6,746	87,340	19.5%	109,796	83,303	31.8%
<b>Total</b>		<b>264</b>	<b>21,286</b>	<b>448,118</b>	<b>100.0%</b>	<b>561,561</b>	<b>425,124</b>	<b>32.1%</b>





# Asset Management Company Profile

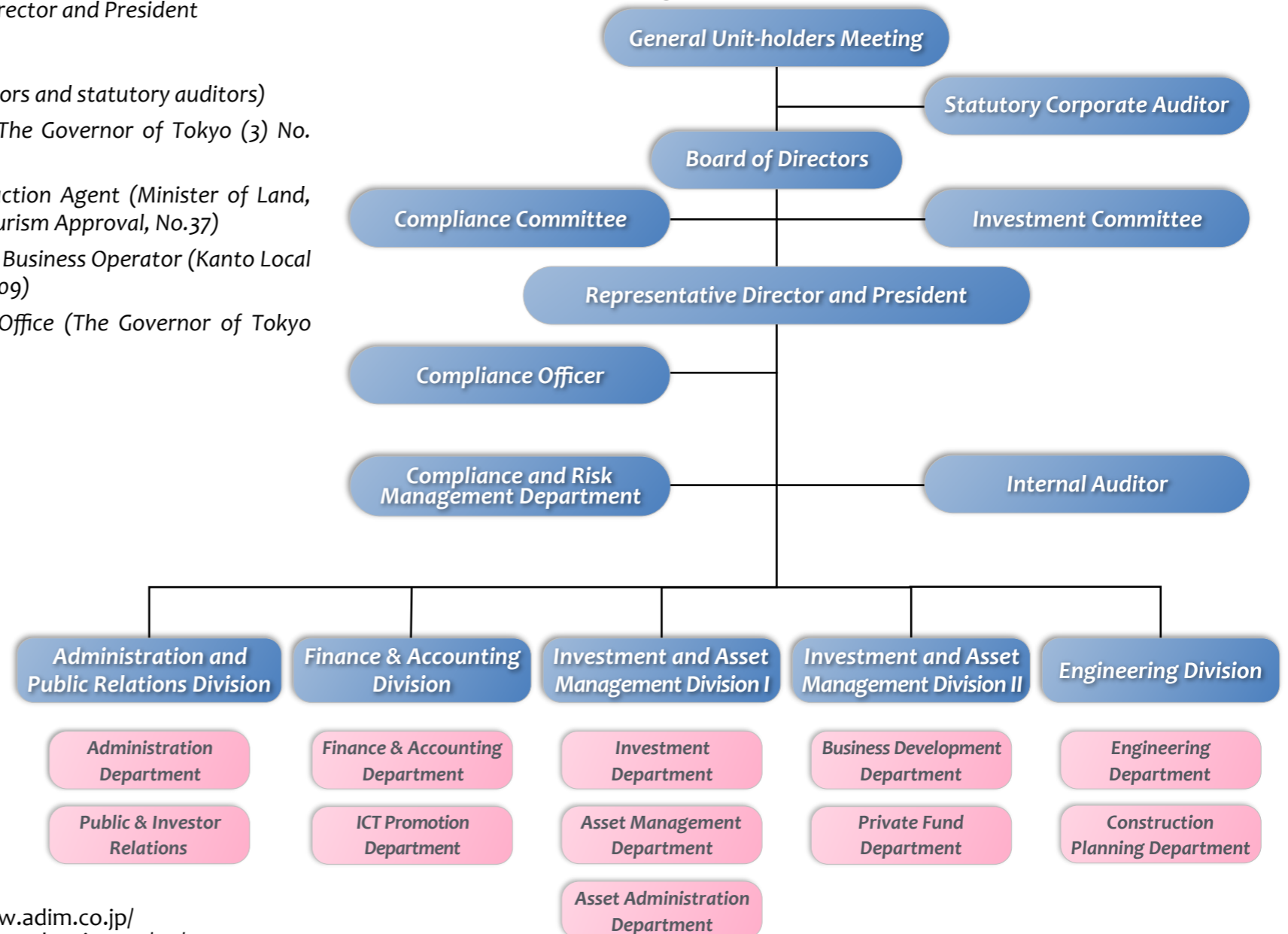


**AD Investment Management Co., Ltd.**

as of April 1, 2019

**Address:** 17F Jimbocho Mitsui Bldg., 1-105 Kanda-Jimbocho, Chiyoda-ku, Tokyo  
**Company Representative:** Kenji Kousaka, Representative Director and President  
**Amount of Capital:** 300 million yen  
**Type of Business:** Asset Management  
**Number of Employees:** 73 (excluding independent directors and statutory auditors)  
**Registrations and Licenses:** Real Estate Brokerage License (The Governor of Tokyo (3) No. 84325)  
 Discretionary Real Estate Transaction Agent (Minister of Land, Infrastructure, Transport and Tourism Approval, No.37)  
 Registered Financial Instruments Business Operator (Kanto Local Finance Bureau registration No.309)  
 Registered First-Class-Architect Office (The Governor of Tokyo No. 58856)

## Organizational Chart



### Major Initiatives By the Asset Management Co.

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

AD Investment Management Co., Ltd.  
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<https://www.adim.co.jp/>  
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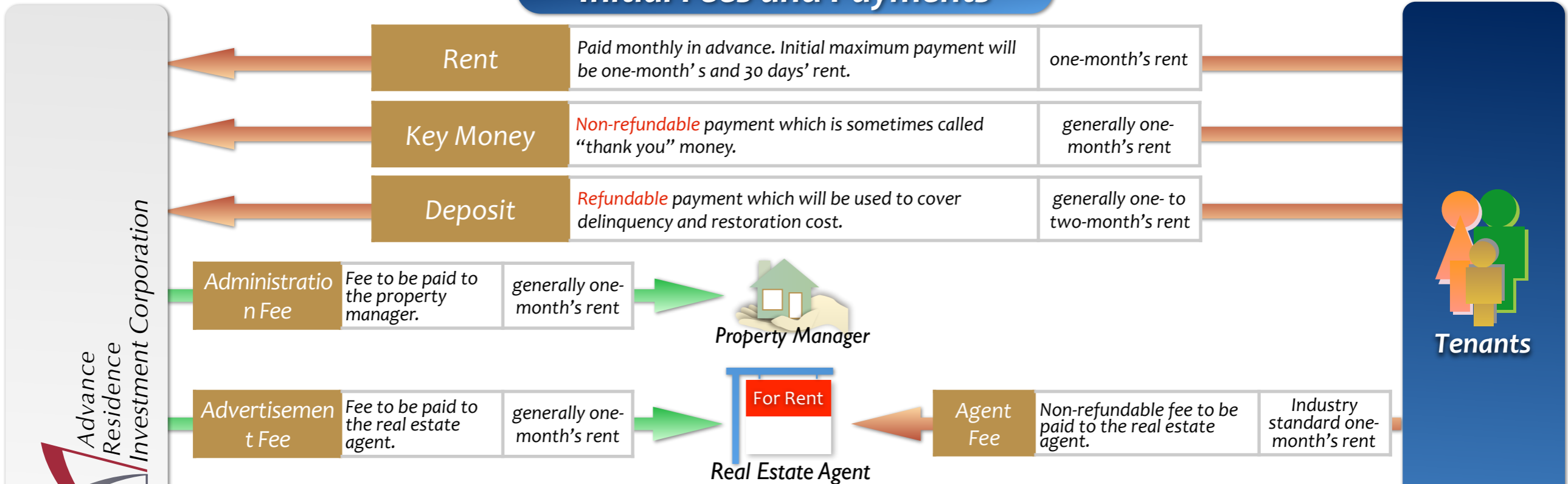




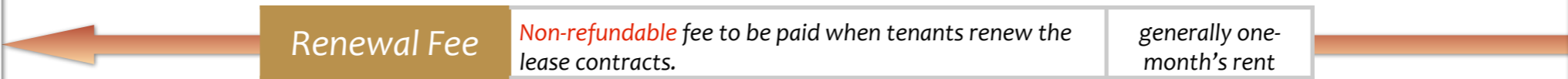
# Japanese Real Estate Leasing Contract Practices

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

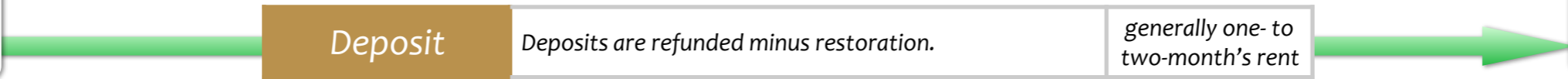
## Initial Fees and Payments



## Fees and Payments at Renewal



## Payments at Termination



# Disclaimer

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*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.*

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*(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 [<https://www.adr-reit.com/en/financial/en/financial/sonota/>].*

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# *Advance Residence Investment Corporation*

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