

Brief Summary of Kessan Tanshin (Financial Report)

Advance Residence Investment Corporation (ADR / Securities Code: 3269)

22th Fiscal Period (February 1, 2021 – July 31, 2021)

1. Summary of Key Financial Data

Operating Revenues	16,884 million yen	Total Assets	459,211 million yen
Operating Income	8,224 million yen	Net Assets	230,491 million yen
Ordinary Income	7,294 million yen	Net Assets per Unit	166,420 yen
Net Income	7,294 million yen	NAV per Unit	307,372 yen
Earnings per Unit (EPU)	5,266 yen	Net Asset Ratio	50.3 %
Dividend per Unit (DPU)	5,646 yen	End-of-period LTV	48.2 %
FFO per Unit	7,313 yen		
ROE (semi-annual)	6.4 %		

2. 22th Fiscal Period Highlights

- EPU of 5,266 yen decreased by 184 yen compared to the previous period due to the lack of gain on sales, decrease of interest expense, etc., and although NOI was almost at the same level as the previous period due to the maintenance of the occupancy rate.
- We will distribute 5,646 yen per unit for the FP. A portion of the retained earnings of 137 yen and the periodic drawdown of 242 yen is included in the dividend. It is a 46 yen increase from the previous period, and it is a record high.
- In March, busy seasons, the occupancy rate reached 97.0% mainly by capturing the transfer demand of corporations, but it was difficult to back up the move-outs that increased in April and May. As the range of decline in occupancy rate became large in June and July, we worked to recover the occupancy rate mainly by relaxing the conditions for recruiting single-person dwelling units in central Tokyo. As a result, the average occupancy rate during the period was 95.9% (down 0.7pt from the same period of the previous year).
- There was steady demand for family-type dwelling units, including in central Tokyo, and we were able to raise new contract rents at the same level each year. Combined with the relaxation of the above recruitment conditions, the rent fluctuation rate at the time of replacement was + 1.3%, which was + 0.1pt from the previous period.
- We acquired RESIDIA Kyoto-Mibu at an acquisition price of 614 million yen. The property is a compact type (1DK approx. 30 m²) rental housing located in Kyoto City, which has excellent transportation convenience and is a good property with convenient living facilities in the surrounding area.
- Even in the COVID19 pandemic, there was no change in the lending attitude of financial institutions to ADR, and we were able to borrow a total of 14.7 billion yen (average interest expense 0.34%, average procurement period 8.2 years). As a result, the average interest expense as of the end of the current period was 0.66%, which was a reduction from 0.69% in the previous period. In addition, the remaining years were extended from 4.8 years to 4.9 years, and we were able to further strengthen our financial base.

3. Earnings Forecasts

23rd Fiscal Period Forecast
(August 1, 2021 to January 31, 2022)

Operating Revenues	17,212 million yen
Operating Income	8,577 million yen
Ordinary Income	7,676 million yen
Net Income	7,675 million yen
Earnings per Unit (EPU)	5,542 yen
Dividend per Unit (DPU)	5,600 yen
Outstanding No. of Issued Units	1.385 million units
Number of Properties	270
Average Period Occupancy	95.9 %

24th Fiscal Period Forecast
(February 1, 2022 to July 31, 2022)

Operating Revenues	16,922 million yen
Operating Income	8,102 million yen
Ordinary Income	7,244 million yen
Net Income	7,243 million yen
Earnings per Unit (EPU)	5,230 yen
Dividend per Unit (DPU)	5,600 yen
Outstanding No. of Issued Units	1.385 million units
Number of Properties	270
Average Period Occupancy	96.1 %

- The above forecasts employ figures that have been calculated based on number of assumptions. The actual net profit and the dividend may vary due to changes in those assumptions or in other conditions. Therefore, these forecasts do not in no way guarantee the dividend amounts for the respective periods.



Please contact below with any inquiries you may have on this report.

AD Investment Management Co., Ltd.

TEL: +81-3-3518-0480 FAX: +81-3-3518-0481

ir@adr-reit.com

This document is an English-language summary of the Japanese financial report “Kessan Tanshin” disclosed in Japanese on September 16, 2021.