

### Brief Summary of Kessan Tanshin (Financial Report)

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

19th Fiscal Period (August 1, 2019 – January 31, 2020)

1.

Operating Revenues	17,175million yen	Total Assets	457,863million yen
Operating Income	8,964million yen	Net Assets	231,698million yen
Ordinary Income	7,945million yen	Net Assets per Unit	167,291yen
Net Income	7,945million yen	NAV per Unit	285,013yen
Earnings per Unit (EPU)	5,736yen	Net Asset Ratio	50.6%
Dividend per Unit (DPU)	5,620yen	End-of-period LTV	47.9%
FFO per Unit	7,267yen		
ROE (annualized)	6.7%		

### 2. Summary of Key Financial Data 19th Fiscal Period Highlights

- Carried out a sixth follow-on equity offering since the listing. As a result, total asset LTV is lowered to 47.9% (-2%pt) and borrowing capacity increased to 49.4 billion yen.
- Even with the increased investment units, EPU for the fiscal period came to 5,736 yen (+166 yen compared to forecast), a record high, mostly due to rent rise and gains from property disposition.
- ADR will distribute 5,620 yen per unit for the FP. A portion of the gain in sales of 105 yen and the periodic drawdown of 242 yen is included in the dividend. It is a 116 yen increase from the previous FP.
- The rent rose consecutively for the eleventh period. The tenant replacement and renewal rents rose 4.6% and 1.1% respectively, and overall portfolio rent rose an average of 0.51%.
- Of the nine properties that were decided to be acquired (total scheduled acquisition price 15.4 billion yen), a total of 5 properties (total acquisition price 9.4 billion yen) including two properties developed by sponsor ITOCHU Corporation (2.7 billion yen) and 3 properties (6.7 billion yen) in a bilateral transaction with a third party were acquired. In the next FP, ADR plan to complete the rest of the acquisition (6.0 billion yen) by April 20, 2020. The four properties are newly developed by the sponsor.
- During the period, ADR procured a total of 9.1 billion yen (at an average interest rate of 0.27%, average duration of 5.1 years, excluding short-term borrowings 8.5 years). As a result, the average interest rate of our interest bearing liabilities was lowered to 0.73%.

### 3. Earnings Forecasts

20th Fiscal Period Forecast  
(February 1, 2020 to July 31, 2020)

21th Fiscal Period Forecast  
(August 1, 2020 to January 31, 2021)

Operating Revenues	16,850million yen	Operating Revenues	16,815million yen
Operating Income	8,261million yen	Operating Income	8,297million yen
Ordinary Income	7,271million yen	Ordinary Income	7,313million yen
Net Income	7,271million yen	Net Income	7,312million yen
Earnings per Unit (EPU)	5,250yen	Earnings per Unit (EPU)	5,280yen
Dividend per Unit (DPU)	5,600yen	Dividend per Unit (DPU)	5,600yen
Outstanding No. of Issued Units	1.385million units	Outstanding No. of Issued Units	1.385million units
Number of Properties	273	Number of Properties	273
Average Period Occupancy	96.6%	Average Period Occupancy	96.5%

- 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](mailto:ir@adr-reit.com)