

## Current Effects of COVID19 on Profit Outlook as of November 2020

In November, although there were 22% more cancellations than in the same month of the previous year, because the applications exceeded the same month of the previous year for the first time since March, we were able to maintain the same occupancy rate of 95.8% as in the previous month.

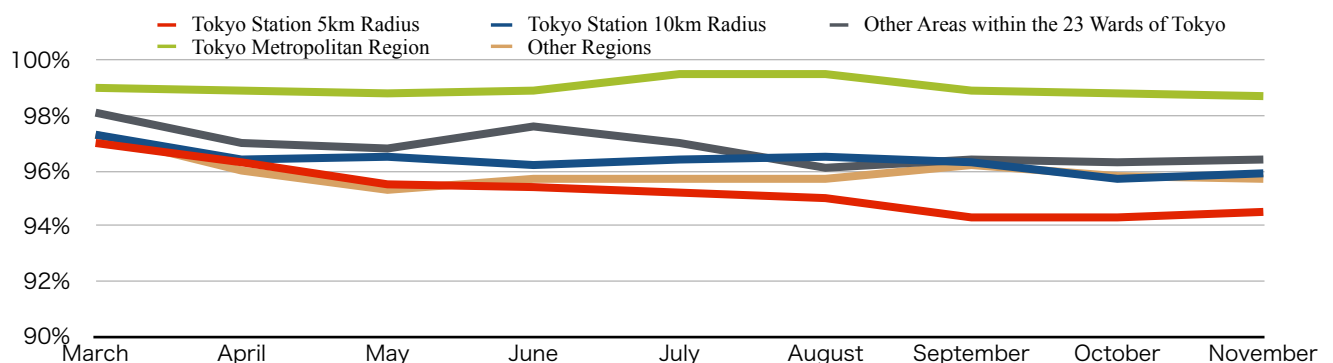
In December, we also expect the cancellations to be more year over year. On the other hand, since we are taking measures to maintain occupancy, we are seeing continued recovery in the number of applications.

The one remaining temporary rent reduction to a commercial tenant has ended this month.

We will continue to disclose the effects of COVID19 till we see some end to the pandemic.

### 1. Occupancy

	20 <sup>th</sup> FP					21 <sup>st</sup> FP					Period Average (Aug to Sept)	Earning Guideline Assumption
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov			
<b>2020</b>	97.5%	96.5%	96.1%	96.2%	96.3%	96.2%	96.1%	95.8%	95.8%	96.0%	96.0%	
<b>2019</b>	97.8%	96.9%	96.7%	96.9%	97.0%	96.8%	97.0%	96.7%	96.8%	96.8%	96.5%	
<b>difference</b>	-0.3%	-0.4%	-0.6%	-0.7%	-0.7%	-0.6%	-0.9%	-0.9%	-1.0%	-0.8%	-0.5%	



2. Changes in the number of new contracts concluded monthly \*

\* Only applicable to pass-through contract units. (same hereafter).

	20 <sup>th</sup> FP					21 <sup>st</sup> FP			
	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
<b>2020</b>	498	338	228	311	336	262	300	286	332
<b>2019</b>	524	345	303	369	318	246	328	295	261
<b>difference</b>	-26	-7	-75	-58	18	16	-28	-9	71
<b>Percentage Change</b>	-5.0%	-2.0%	-24.8%	-15.7%	+5.7%	+6.5%	-8.5%	-3.1%	+27.2%

3. Changes in the number of monthly cancellations

	20 <sup>th</sup> FP					21 <sup>st</sup> FP			
	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
<b>2020</b>	425	545	323	296	329	329	320	377	311
<b>2019</b>	397	550	346	302	296	287	271	356	254
<b>difference</b>	28	-5	-23	-6	33	42	49	21	57
<b>Percentage Change</b>	+7.1%	-0.9%	-6.6%	-2.0%	+11.1%	+14.6%	+18.1%	+5.9%	+22.4%

4. Changes in the number of monthly applications

	20 <sup>th</sup> FP					21 <sup>st</sup> FP			
	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
<b>2020</b>	531	245	306	476	410	364	353	350	504
<b>2019</b>	614	422	444	563	490	419	532	356	416
<b>difference</b>	-83	-177	-138	-87	-80	-55	-179	-6	88
<b>Percentage Change</b>	-13.5%	-41.9%	-31.1%	-15.5%	-16.3%	-13.1%	-33.6%	-1.7%	+21.2%

**About Advance Residence Investment Corporation**

Advance Residence Investment Corporation is the largest residential J-REIT, investing in over 270 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 450 billion yen). ADR can be expected have a stable dividend in the long-term and can be considered as a defensive J-REIT, on back of the stable income from residential assets and with the largest dividend reserve among J-REITs.

ADR's website: <https://www.adr-reit.com/en/>