

Current Effects of COVID19 on Profit Outlook as of December 2020

In December, although there were 16% more move-outs than in the same month of the previous year, as a result of taking measures to maintain and improve the occupancy rate, we achieved the same level of move-ins as move-outs, and the occupancy rate remained at 95.8% for the latest three months.

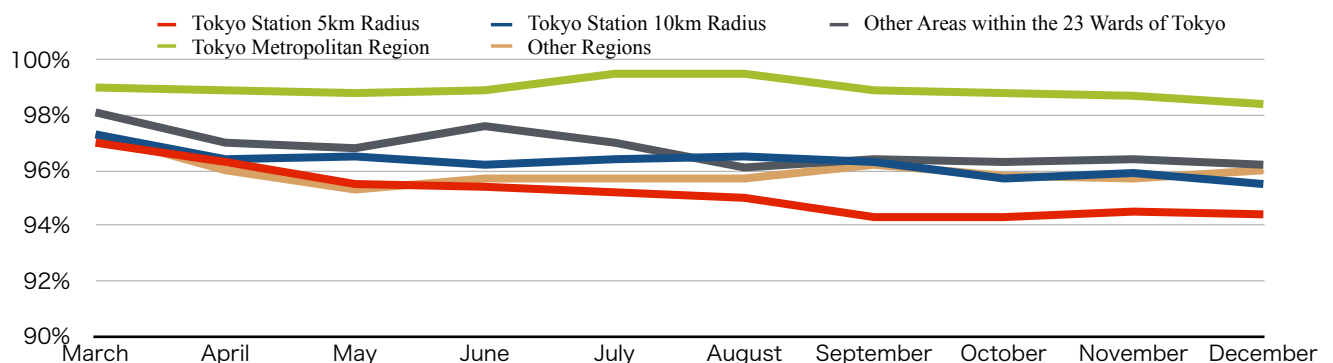
In January, we also expect the move-outs to be higher year over year. As the impact on the declaration of the state of emergency is expected, we will continue to take measures to maintain and improve the occupancy rate.

The temporary rent reduction to the one remaining commercial tenant has ended in the previous month.

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

1. Occupancy

| | 20 th FP | | | | | 21 st FP | | | | | Period Average (Aug to Sept) | Earning Guideline Assumption |
|-------------------|---------------------|-------|-------|-------|-------|---------------------|-------|-------|-------|-------|------------------------------|------------------------------|
| | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | | |
| 2020 | 97.5% | 96.5% | 96.1% | 96.2% | 96.3% | 96.2% | 96.1% | 95.8% | 95.8% | 95.8% | 95.9% | 96.0% |
| 2019 | 97.8% | 96.9% | 96.7% | 96.9% | 97.0% | 96.8% | 97.0% | 96.7% | 96.8% | 96.8% | 96.8% | 96.5% |
| difference | -0.3% | -0.4% | -0.6% | -0.7% | -0.7% | -0.6% | -0.9% | -0.9% | -1.0% | -1.0% | -0.9% | -0.5% |



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

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

| | 20 th FP | | | | | 21 st FP | | | | |
|--------------------------|---------------------|-------|--------|--------|-------|---------------------|-------|-------|--------|--------|
| | Mar | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec |
| 2020 | 498 | 338 | 228 | 311 | 336 | 262 | 300 | 286 | 332 | 334 |
| 2019 | 524 | 345 | 303 | 369 | 318 | 246 | 328 | 295 | 261 | 284 |
| difference | -26 | -7 | -75 | -58 | 18 | 16 | -28 | -9 | 71 | 50 |
| Percentage Change | -5.0% | -2.0% | -24.8% | -15.7% | +5.7% | +6.5% | -8.5% | -3.1% | +27.2% | +17.6% |

3. Changes in the number of monthly cancellations

| | 20 th FP | | | | | 21 st FP | | | | |
|--------------------------|---------------------|-------|-------|-------|--------|---------------------|--------|-------|--------|--------|
| | Mar | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec |
| 2020 | 425 | 545 | 323 | 296 | 329 | 329 | 320 | 377 | 311 | 347 |
| 2019 | 397 | 550 | 346 | 302 | 296 | 287 | 271 | 356 | 254 | 299 |
| difference | 28 | -5 | -23 | -6 | 33 | 42 | 49 | 21 | 57 | 48 |
| Percentage Change | +7.1% | -0.9% | -6.6% | -2.0% | +11.1% | +14.6% | +18.1% | +5.9% | +22.4% | +16.1% |

4. Changes in the number of monthly applications

| | 20 th FP | | | | | 21 st FP | | | | |
|--------------------------|---------------------|--------|--------|--------|--------|---------------------|--------|-------|--------|-------|
| | Mar | Apr | May | June | July | Aug | Sep | Oct | Nov | Dec |
| 2020 | 531 | 245 | 306 | 476 | 410 | 364 | 353 | 350 | 504 | 399 |
| 2019 | 614 | 422 | 444 | 563 | 490 | 419 | 532 | 356 | 416 | 392 |
| difference | -83 | -177 | -138 | -87 | -80 | -55 | -179 | -6 | 88 | 7 |
| Percentage Change | -13.5% | -41.9% | -31.1% | -15.5% | -16.3% | -13.1% | -33.6% | -1.7% | +21.2% | +1.8% |

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.

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