

Current Effects of COVID19 on Profit Outlook as of January 2021

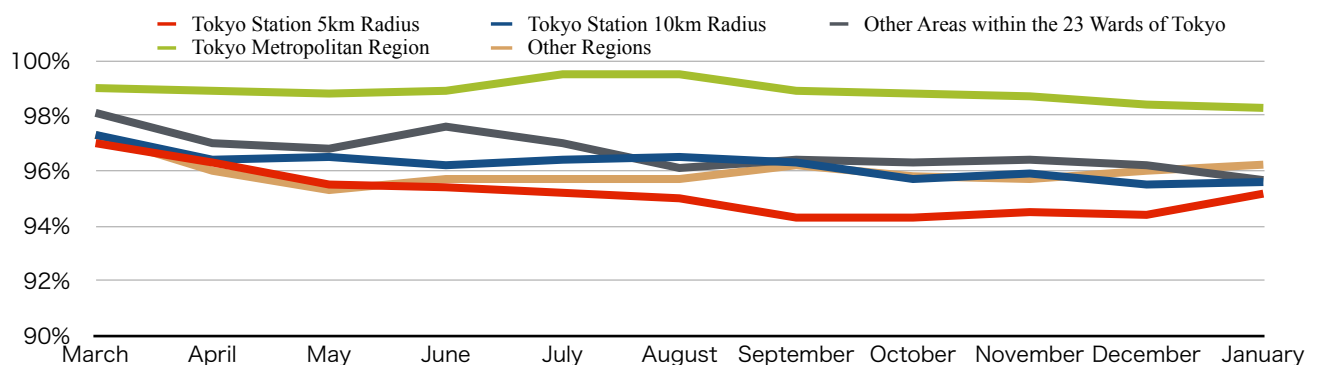
In January, the occupancy rate increased by 0.2 points from the previous month to 96.0%. Even though, move-outs has been about 20% higher YoY for the last few months, we were able to improve the occupancy rate this month because there were more the move-ins than move-outs. As a result, we were able to achieve an average of occupancy rate for the 21st FP (August 2020 to January 2021) of 95.9%, which was short by a hair of the earnings guidance of 96.0%.

As we enter the peak rental season in February, we are seeing steady increase in applications. Therefore, we expect the occupancy rate to continue to improve.

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 Jan)	Earning Guideline Assumption
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan		
2020~21	97.5%	96.5%	96.1%	96.2%	96.3%	96.2%	96.1%	95.8%	95.8%	95.8%	96.0%	95.9%	96.0%
YoY Change	-0.3%pt	-0.4%pt	-0.6%pt	-0.7%pt	-0.7%pt	-0.6%pt	-0.9%pt	-0.9%pt	-1%pt	-1%pt	-0.8%pt	-0.9%pt	-0.5%pt



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	Jan
2020~21	498	338	228	311	336	262	300	286	332	334	375
YoY	-26	-7	-75	-58	18	16	-28	-9	71	50	86
Percentage Change	-5.0%	-2.0%	-24.8%	-15.7%	+5.7%	+6.5%	-8.5%	-3.1%	+27.2%	+17.6%	+29.8%

3. Changes in the number of monthly cancellations

	20 th FP					21 st FP					
	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
2020~21	425	545	323	296	329	329	320	377	311	347	325
YoY	28	-5	-23	-6	33	42	49	21	57	48	75
Percentage Change	+7.1%	-0.9%	-6.6%	-2.0%	+11.1%	+14.6%	+18.1%	+5.9%	+22.4%	+16.1%	+30.0%

4. Changes in the number of monthly applications

	20 th FP					21 st FP					
	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan
2020~21	531	245	306	476	410	364	353	350	504	399	586
YoY	-83	-177	-138	-87	-80	-55	-179	-6	88	7	28
Percentage Change	-13.5%	-41.9%	-31.1%	-15.5%	-16.3%	-13.1%	-33.6%	-1.7%	+21.2%	+1.8%	+5.0%

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/>