

## Current Effects of COVID19 on Profit Outlook as of February 2021

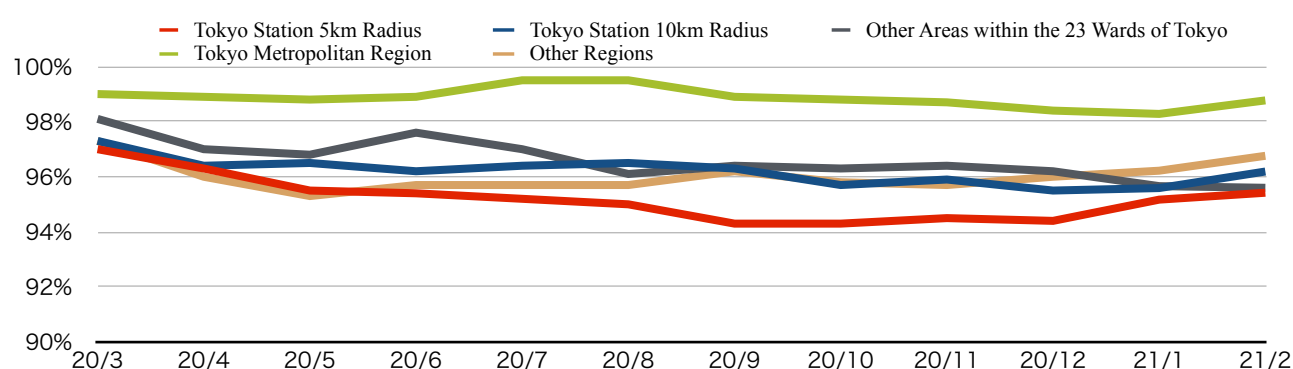
In February, the occupancy rate increased by 0.4 points from the previous month to 96.4%. Although, we are seeing about the same level of move-outs as last year, since move-ins have been about 20% higher YoY, we were able to improve the occupancy rate.

We have entered the peak leasing season in February. We are seeing the same level of interest from corporate clients compared to February last year when the market was not yet affected by the COVID19 pandemic, although there are some shades depending on the type of industry the corporations belong. But, since we have been able to secure around the same number of contracts from major corporations as the previous year, we expect the occupancy rate will continue to improve.

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

### 1. Occupancy

	21 <sup>th</sup> FP						22 <sup>nd</sup> FP		
	Aug	Sep	Oct	Nov	Dec	Jan	Aug	Period Average (Aug to Jan)	Earning Guideline Assumption
2020~21	96.2%	96.1%	95.8%	95.8%	95.8%	96.0%	96.4%	96.4%	96.4%
YoY Change	-0.6%pt	-0.9%pt	-0.9%pt	-1%pt	-1%pt	-1%pt	-0.9%pt	-0.9%pt	-0.2%pt



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

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

	21st FP						22nd FP
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
2020~21	262	300	286	332	334	375	403
YoY	16	-28	-9	71	50	86	69
Percentage Change	+6.5%	-8.5%	-3.1%	+27.2%	+17.6%	+29.8%	+20.7%

3. Changes in the number of monthly cancellations

	21st FP						22nd FP
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
2020~21	329	320	377	311	347	325	283
YoY	42	49	21	57	48	75	25
Percentage Change	+14.6%	+18.1%	+5.9%	+22.4%	+16.1%	+30.0%	+9.7%

4. Changes in the number of monthly applications

	21st FP						22nd FP
	Aug	Sep	Oct	Nov	Dec	Jan	Feb
2020~21	364	353	350	504	399	586	694
YoY	-55	-179	-6	88	7	28	63
Percentage Change	-13.1%	-33.6%	-1.7%	+21.2%	+1.8%	+5.0%	+10.0%

**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/>