

Brief Summary of Kessan Tanshin

Advance Residence Investment Corporation (Securities Code: 3269)

Ninth Fiscal Period (August 1, 2014 – January 31, 2015) Performance

1. Summary of Key Financial Data

Operating revenues	15,633 million yen
Operating income	8,158 million yen
Ordinary income	6,591 million yen
Net income	6,591 million yen
Earnings per share*	5,070 yen
ROE	3.2 %
FFO per share	6,504 yen
Dividend per unit	5,130 yen

Total assets	430,509 million yen
Net assets	208,378 million yen
Net assets per unit	160,290 yen
Net asset ratio	48.4 %
End-of-period LTV	50.1 %

* The earnings per share is calculated by dividing the net profit by the average number of outstanding issued units during the fiscal period.

2. Ninth Fiscal Period Highlights

- The dividend for the fiscal period is 5,130 yen, an increase of 630 yen compared to the initial forecast. The dividend was increased because earning per unit* (EPU) had beaten the initial earnings guideline substantially.
- Aiming to increase the earning potential of the portfolio, the fund acquired 25 properties for 22,235 million yen for this period, and disposed 6 properties (25,917 million yen on historical acquisition price). And the fund include 654 million yen of gain on sales.
- The average portfolio occupancy for the period was 96.1%. The fiscal period saw rent increase of 0.5% for the first time since the merger.
- The fund continued to strengthen its financial position by lowering LTV, reducing interest expense, lengthening and diversifying debt maturities, and increasing the ratio of fixed rate interest debts. Issuer credit rating from JCR was upgraded from AA- to AA.
- The fund is expected to sustain an EPU above 4,500 yen going forward. Therefore the new dividend policy will be for the dividend to mirror the EPU for the fiscal period if the EPU is exceed 4,500 yen. And use the dividend reserve to supplement the dividend when the EPU falls short of 4,500 yen.

* The earnings per unit is calculated by dividing the net profit by the number of outstanding issued units at the end of the fiscal period.

3. Earnings Forecasts

Tenth Fiscal Period Forecast (February 1, 2015 to July 31, 2015)

Operating revenues	14,928 million yen
Operating income	7,470 million yen
Ordinary income	5,902 million yen
Net income	5,902 million yen
Earnings per share	4,540 yen
Dividend per unit	4,540 yen
Outstanding no. of issued units	1.30 million units
Number of properties	249
Average period occupancy	96.2 %

Eleventh Fiscal Period Forecast (August 1, 2015 to January 31, 2016)

Operating revenues	14,938 million yen
Operating income	7,444 million yen
Ordinary income	5,863 million yen
Net income	5,863 million yen
Earnings per share	4,510 yen
Dividend per unit	4,510 yen
Outstanding no. of issued units	1.30 million units
Number of properties	249
Average period occupancy	96.2 %



- * 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.

This document is an English-language summary of the Japanese financial report “Kessan Tanshin” disclosed in Japanese on March 12, 2015. The direct translation of title of the original report is “Kessan Tanshin” for the Financial Period Ending January 2015 (August 1, 2014 – January 1, 2015).

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