

Brief Summary of Kessan Tanshin

Advance Residence Investment Corporation (Securities Code: 3269)

11th Fiscal Period (August 1, 2015 – January 31, 2016) Performance

1. Summary of Key Financial Data

Operating revenues	15,082 million yen
Operating income	7,489 million yen
Ordinary income	5,951 million yen
Net income	5,951 million yen
Earnings per share (EPU)*	4,577 yen
ROE	2.9 %
FFO per share	6,524 yen
Dividend per unit (DPU)	4,578 yen

Total assets	440,108 million yen
Net assets	207,661 million yen
Net assets per unit	159,733 yen
Net asset ratio	47.2 %
End-of-period LTV	51.4 %

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

2. 11th Fiscal Period Highlights

- The DPU for the fiscal period is 4,578 yen, an increase of 48 yen compared to the initial forecast. The increase was mostly due to increase in occupancy and reduction in interest expense.
- The average portfolio occupancy for the period was 96.5% up 0.2% compared to the initial forecast. The rent increased 0.13% following the last fiscal period's 0.12% increase.
- Aiming to increase the earning potential of the portfolio, the fund acquired 2 properties, with an average yield after depreciation that are higher than the existing properties in the portfolio, for 13,610 million yen for this period.
- The fund continued to strengthen its financial position by reducing interest expense, lowering LTV, diversifying debt maturities, maintaining duration and fixed rate interest debt ratio.
- The fund has decided to draw down at least 335 million yen per fiscal period the reserve based on the earnings from negative goodwill and payout as additional dividend starting from the dividend for Fiscal Period January 2017. The reserve with an outstanding of 33.5 billion yen will in theory be completely drawn down in 50 years' time.

3. Earnings Forecasts

12th Fiscal Period Forecast  
(February 1, 2016 to July 31, 2016)

Operating revenues	15,363 million yen
Operating income	7,509 million yen
Ordinary income	5,967 million yen
Net income	5,967 million yen
Earnings per share (EPU)	4,590 yen
Dividend per unit (DPU)	4,590 yen
Outstanding no. of issued units	1.30 million units
Number of properties	255
Average period occupancy	96.5 %

13th Fiscal Period Forecast  
(August 1, 2016 to January 31, 2017)

Operating revenues	15,296 million yen
Operating income	7,493 million yen
Ordinary income	5,980 million yen
Net income	5,980 million yen
Earnings per share (EPU)	4,600 yen
Dividend per unit (DPU)	4,859 yen
Outstanding no. of issued units	1.30 million units
Number of properties	255
Average period occupancy	96.4 %

\* 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 11, 2016. The direct translation of title of the original report is “Kessan Tanshin” for the Financial Period Ending January 2016 (August 1, 2015 – January 31, 2016).

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