

Brief Summary of Kessan Tanshin (Financial Report)

Advance Residence Investment Corporation (ADR / Securities Code: 3269)

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

1. Summary of Key Financial Data

Operating Revenues	15,504 million yen	Total Assets	450,967 million yen
Operating Income	7,801 million yen	Net Assets	220,834 million yen
Ordinary Income	6,371 million yen	Net Assets per Unit	163,580 yen
Net Income	6,371 million yen	Net Asset Ratio	49.0 %
Earnings per Unit (EPU)*	4,771 yen	End-of-period LTV	49.6 %
ROE	3.0 %		
FFO per Share	6,640 yen		
Dividend per Unit (DPU)	4,979 yen		

* EPU is calculated by dividing the net profit by the average number of outstanding issued units during the fiscal period.

2. 13th Fiscal Period Highlights

- The DPU for the fiscal period is 4,979 yen, an increase of 120 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 0.3% compared to the initial forecast. The rent rose +0.37% for this period and the rent rose for the fifth consecutive periods.
- Acquired 2 properties (total 3,283 million yen) from ADR's sponsor ITOCHU Corporation and from a third party during the fiscal period to increase the earning potential of the portfolio. Even in a very competitive market ADR was able to acquire assets that are scarce for each of its location.
- Aiming mainly to lower LTV, ADR procured 12.7 billion yen through a premium priced equity offering. And ADR also continued to strengthen its financial position by reducing interest expense, diversifying debt maturities, maintaining duration and fixed rate interest debt ratio.

3. Earnings Forecasts

14th Fiscal Period Forecast
(February 1, 2017 to July 31, 2017)

Operating Revenues	15,755 million yen
Operating Income	7,819 million yen
Ordinary Income	6,480 million yen
Net Income	6,480 million yen
Earnings per Unit (EPU)	4,800 yen
Dividend per Unit (DPU)	5,049 yen
Outstanding no. of Issued Units	1.35 million units
Number of Properties	260
Average Period Occupancy	96.4 %

15th Fiscal Period Forecast
(August 1, 2017 to January 31, 2018)

Operating Revenues	15,709 million yen
Operating Income	7,787 million yen
Ordinary Income	6,480 million yen
Net Income	6,480 million yen
Earnings per Unit (EPU)	4,800 yen
Dividend per Unit (DPU)	5,049 yen
Outstanding no. of Issued Units	1.35 million units
Number of Properties	260
Average Period Occupancy	96.3 %

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.

Please contact below with any inquiries you may have on this report.

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