

Brief Summary of Kessan Tanshin (Financial Report)

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

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

1. Summary of Key Financial Data

Operating Revenues	15,918 million yen
Operating Income	7,968 million yen
Ordinary Income	6,642 million yen
Net Income	6,642 million yen
Earnings per Unit (EPU)	4,920 yen
ROE(Semiannual)	6.1 %
FFO per Share	6,869 yen
Dividend per Unit (DPU)	5,169 yen

Total Assets	450,479 million yen
Net Assets	220,754 million yen
Net Assets per Unit	163,521 yen
Net Asset Ratio	49.0 %
End-of-period LTV	49.6 %

2. 14th Fiscal Period Highlights

- The DPU for the fiscal period came to 5,169 yen, an increase of 120 yen compared to the initial forecast and a record high since the merger. The increase was mostly due to increase in occupancy.
- The average portfolio occupancy for the period was also a record high 97.0% up 0.6% compared to the initial forecast. The rent rose +0.30% for this period and the rent rose for the sixth consecutive periods.
- Three properties (total 5,798 million yen) were acquired 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.
- ADR continued to strengthen its financial position by reducing interest expense, diversifying debt maturities, maintaining duration and fixed rate interest debt ratio.

3. Earnings Forecasts

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

Operating Revenues	15,742 million yen
Operating Income	7,839 million yen
Ordinary Income	6,615 million yen
Net Income	6,615 million yen
Earnings per Unit (EPU)	4,900 yen
Dividend per Unit (DPU)	5,149 yen
Outstanding No. of Issued Units	1.35 million units
Number of Properties	260
Average Period Occupancy	96.5 %

16th Fiscal Period Forecast
(February 1, 2018 to July 31, 2018)

Operating Revenues	15,868 million yen
Operating Income	7,811 million yen
Ordinary Income	6,615 million yen
Net Income	6,615 million yen
Earnings per Unit (EPU)	4,900 yen
Dividend per Unit (DPU)	5,149 yen
Outstanding No. of Issued Units	1.35 million units
Number of Properties	260
Average Period Occupancy	96.6 %

- 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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