



Questions and Answers at Advance Residence Investment Corporation 's Fiscal Period January 2019 Earnings Presentation

Date: From 15:30 to 16:00, Thursday, March 14, 2018

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- Advance Residence Investment Corporation is abbreviated as “ADR”.

Internal Growth Related Questions

Q1. Is key money income increasing?

A1. As shown on the blue bar chart on slide 30, key money is steadily increasing if compared between odd number or even number fiscal periods.

Q2. Does the rent rise differ depending on the tenants' income level or is it generally rising for all types of tenants?

A2. As shown on the upper right line chart on slide 8, the rate of rise differs between unit types.

Real Estate Market Related Questions

Q3. I recognize that there is a lack of supply for rental apartments at the moment. Hotel development which were in competition for land plots for development, are slowing due to oversupply and development of condominiums for sale is also becoming difficult due to the slowdown of the market caused by the high pricing. Do you think there will be any negative impact to ADR due to new supply coming from developers switching from developing condos-for-sale to developing rental apartments?

A3. We do not believe that supply of rental apartments will increase, because land costs and construction costs have not fallen enough for developers to switch and develop rental properties at a price that investors will invest

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