

Brief Summary of Kessan Tanshin (Financial Report)

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

17th Fiscal Period (August 1, 2018 – January 31, 2019)

1. Summary of Key Financial Data

Operating Revenues	16,196 million yen	Total Assets	452,487 million yen
Operating Income	8,117 million yen	Net Assets	220,069 million yen
Ordinary Income	6,984 million yen	Net Assets per Unit	163,014 yen
Net Income	6,983 million yen	NAV per Unit	258,656 yen
Earnings per Unit (EPU)	5,173 yen	Net Asset Ratio	48.6 %
Dividend per Unit (DPU)	5,422 yen	End-of-period LTV	49.9 %
FFO per Unit	7,177 yen		
ROE (semi-annual)	6.3 %		

2. 17th Fiscal Period Highlights

- The DPU for the fiscal period came to 5,422 yen, an increase of 73 yen compared to initial forecast, mostly due to rent rise and occupancy rate being higher than expected. On the other hand, DPU fell 77yen compared to previous period due mostly on absence of profit on sales.
- The average portfolio occupancy for the period was a record high of 97.0%, same as the previous period and 0.5pt higher than initial forecast. The rent rose consecutively for the ninth period. The portfolio rent rose in average of 0.38%.
- Even though the market continues to be very competitive, ADR was able to acquire one property (420 million yen) during the period. The property, RESIDIA Kita-Nijyo-EastIII is located right next to our existing property, therefore there will be an opportunity in the future to redevelop and combine the two properties.
- ADR continued to strengthen its financial position by reducing interest expense, diversifying debt maturities, maintaining duration and increasing fixed interest rate debt ratio. During the period, ADR procured a total of 137.6 billion yen (at an average duration of 7.7 years, average interest rate of 0.52 %). As a result, the average interest rate of our interest bearing liabilities was lowered to 0.80%, at the end of the fiscal period.

3. Earnings Forecasts

18th Fiscal Period Forecast
(February 1, 2019 to July 31, 2019)

Operating Revenues	16,237 million yen
Operating Income	8,019 million yen
Ordinary Income	6,926 million yen
Net Income	6,925 million yen
Earnings per Unit (EPU)	5,130 yen
Dividend per Unit (DPU)	5,379 yen
Outstanding No. of Issued Units	1.35 million units
Number of Properties	264
Average Period Occupancy	96.6 %

19th Fiscal Period Forecast
(August 1, 2019 to January 31, 2020)

Operating Revenues	16,151 million yen
Operating Income	7,947 million yen
Ordinary Income	6,885 million yen
Net Income	6,885 million yen
Earnings per Unit (EPU)	5,100 yen
Dividend per Unit (DPU)	5,349 yen
Outstanding No. of Issued Units	1.35 million units
Number of Properties	264
Average Period Occupancy	96.5 %

- 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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