Advance Residence Investment Corporation

For Immediate Release

March 16, 2023

Advance Residence Investment Corporation
Securities Code：3269
1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo
Wataru Higuchi, Executive Director
Asset Management Company:
ITOCHU REIT Management Co., Ltd.
Junichi Shoji, Representative Director, President & CEO
Inquiries:
Isao Kudo, Executive Officer
TEL. +81-3-6821-5483 Mail. adr_ir@itc-rm.co.jp

Brief Summary of Kessan Tanshin (Financial Report)

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

25th Fiscal Period (August 1, 2022 – January 31, 2023)

1. Summary of Key Financial Data

Operating Revenues	17,868 million yen
Operating Income	8,950 million yen
Ordinary Income	8,074 million yen
Net Income	8,074 million yen
Earnings per Unit (EPU)	5,829 yen
Dividend per Unit (DPU)	5,840 yen
FFO per Unit	7,596 yen
ROE (semi-annual)	6.9 %

Total Assets	469,629 million yen
Net Assets	231,357 million yen
Net Assets per Unit	161,204 yen
NAV per Unit	347,010 yen
Net Asset Ratio	49.3 %
End-of-period LTV	49.3 %
Number of Properties	277
Average Occupancy	96.6 %

2. 25th Fiscal Period Highlights

- EPU was 5,829 yen, increased by 423 yen compared to the previous period due to increase in NOI due to acquisition of properties.
- DPU was 5,840 yen, including retained gain on sale generated in this period (369 yen per unit), drawdown of reverse (242 yen per unit) and distribution from retained earnings (137 yen per unit).
- As a result of ITOCHU REIT Management Co., Ltd., the asset management company of ADR efforts to properly collaborate with property management companies for management and operation, the average occupancy rate during the period under review was 96.6% (up 0.3 pt year-on-year).
- The previously implemented relaxation of leasing conditions for single-type units in the 23 wards of Tokyo was curbed, and solid demand for family-type units, including those in central Tokyo, allowed ADR to raise new contract rents one more level compared to the previous period. As a result, the rent fluctuation for replacement improved to +2.5% (+0.9pt. from the previous period).
- Acquired a total of 2 properties (total acquisition price: 4.5 billion yen) from third parties. In the next fiscal period, 1 property (acquisition price: 1.9 billion yen) is acquired from a third party as of February 1, 2023.
- Borrowed a total of 15.9 billion yen (average interest expense 0.69%, average procurement period 6.8 years). As a result, the average interest expense as of the end of the current period was 0.59%, which was the same level as 0.59% in the previous period. In addition, the remaining years changed from 5.1 years to 5.0 years.

3. Earnings Forecasts

26th Fiscal Period Forecast
(February 1, 2023 to July 31, 2023)

Operating Revenues	17,644 million yen
Operating Income	7,879 million yen
Ordinary Income	6,994 million yen
Net Income	6,994 million yen
Earnings per Unit (EPU)	5,049 yen
Dividend per Unit (DPU)	5,770 yen
Outstanding No. of Issued Units	1.385 million units
Number of Properties	278
Average Occupancy	96.4 %

27th Fiscal Period Forecast
(August 1, 2023 to January 31, 2024)

Operating Revenues	17,572 million yen
Operating Income	7,876 million yen
Ordinary Income	6,973 million yen
Net Income	6,972 million yen
Earnings per Unit (EPU)	5,034 yen
Dividend per Unit (DPU)	5,780 yen
Outstanding No. of Issued Units	1.385 million units
Number of Properties	278
Average 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 16, 2023.