

For Immediate Release

Real Estate Investment Trust Securities Issuer:
Advance Residence Investment Corporation
(Securities Code : 3269)
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Brief Summary of Kessan Tanshin (27th Financial Report)

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

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

1. Summary of Key Financial Data

Operating Revenues	18,689 million yen	Total Assets	480,599 million yen
Operating Income	8,925 million yen	Net Assets	246,110 million yen
Ordinary Income	8,029 million yen	Net Assets per Unit	165,844 yen
Net Income	8,029 million yen	NAV per Unit	350,872 yen
Earnings per Unit (EPU)	5,603 yen	Net Asset Ratio	51.2 %
Dividend per Unit (DPU)	5,900 yen	End-of-period LTV	47.3 %
FFO per Unit	7,405 yen	Number of Properties	283
ROE (semi-annual)	6.5 %	Average Occupancy	96.7 %

2. 27th Fiscal Period Highlights

- Compared to the previous FP, net income increased due to the contribution of newly acquired properties to earnings. On the other hand, EPU decreased by 129 yen from the previous FP to 5,603 yen due to the impact of an increase in the number of investment units as a result of a public offering, etc.
- DPU was 5,900 yen, including a portion of the gain on sales generated this FP (611 yen per unit) retained, a reversal of the reserve for temporary difference adjustment (582 yen per unit), and a distribution from retained earnings (325 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 this FP was 96.7%.
- In addition, the supply-demand environment for rental apartments was favorable, backed by the normalization of socioeconomic activities after the relaxation of behavioral restrictions due to COVID-19 and the increase in the number of excess transfers in the Tokyo 23 ward, and ADR actively raised rents at the time of tenant replacement and renewal. As a result, the replacement rent increase for the entire portfolio was +5.0% (+1.0 pt. FP-on-FP), and the renewal rent increase was +1.2% (+0.4 pt. FP-on-FP), the highest level ever.
- Of the units that underwent remodeling projects under review, 136 units for which new lease contracts were signed by January 31, 2024, increased rent by an average of 20.7% compared to the previous rent, effectively contributing to internal growth through the remodeling projects.
- During this FP, ADR acquired 5 properties which was developed by the sponsor group (acquisition price: 8.6 billion yen) and acquired 2 properties through a third party (acquisition price: 1.8 billion yen). These are the 12 properties (total planned acquisition price: 24.7 billion yen) for which the decision to acquire properties was made after the end of the previous FP and up to the date of this document. In the next FP ending July 31, 2024, we plan to acquire 5 properties developed by the sponsor group (planned acquisition price: 14.2 billion yen), which we have already decided to acquire, on April 18, 2024. In addition, ADR sold RESIDIA Azabudai (51% quasi co-ownership interest) for a disposition price of 1.6 billion yen, resulting in a total gain on sales of 0.8 billion yen. In the next FP ending July 31, 2024, ADR plans to sell RESIDIA Kitashinagawa, which was decided to be sold in this FP, on April 1, 2024 at an planned sales price of 2.9 billion yen.
- Borrowed a total of 7.3 billion yen (average interest rate 0.78%, average procurement period 5.3 years). As a result, the average interest rate as of the end of this FP was 0.57%, which was the same level as the previous FP. In addition, the remaining years changed from 4.8 years to 4.6 years.

3. Earnings Forecasts

28th Fiscal Period Forecast (February 1, 2024 to July 31, 2024)

Operating Revenues	18,685 million yen
Operating Income	8,608 million yen
Ordinary Income	7,695 million yen
Net Income	7,695 million yen
Earnings per Unit (EPU)	5,370 yen
Dividend per Unit (DPU)	5,905 yen
Outstanding No. of Issued Units	1,433,000 units
Number of Properties	287
Average Occupancy	96.3 %

29th Fiscal Period Forecast (August 1, 2024 to January 31, 2025)

Operating Revenues	18,297 million yen
Operating Income	8,179 million yen
Ordinary Income	7,203 million yen
Net Income	7,202 million yen
Earnings per Unit (EPU)	5,026 Yen
Dividend per Unit (DPU)	5,910 Yen
Outstanding No. of Issued Units	1,433,000 units
Number of Properties	287
Average Occupancy	96.2 %

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 14, 2024.