

Current Effects of COVID19 on Profit Outlook as of May 2021

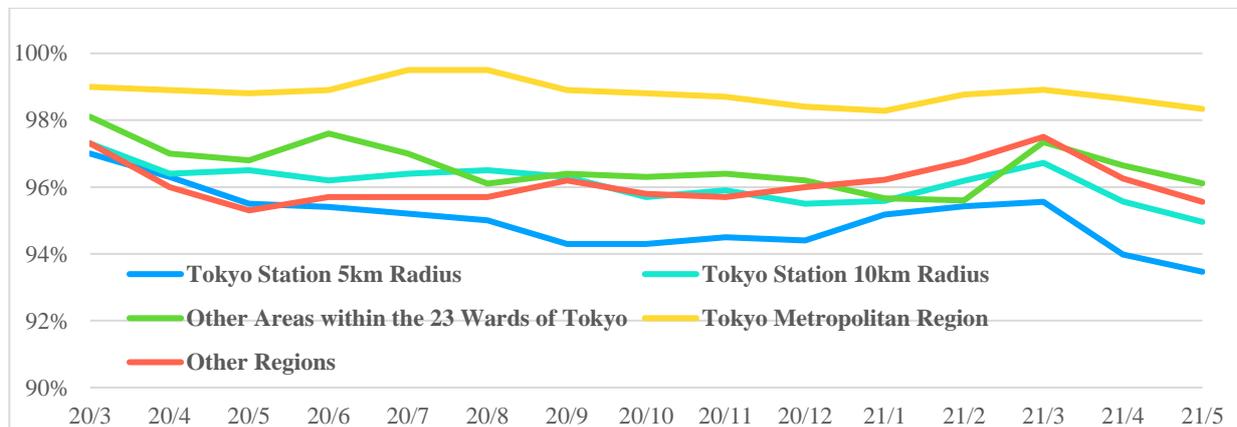
The occupancy rate was 95.2%, down 0.6% from the previous month in May 2021.

In May we usually see lower occupancy rates as in April. Out of all, the drop from the previous month was larger than last year.

The reason is that we could not steadily lease-up the vacancies. For details, **cancellation rate** increased by 0.4% year-over-year, on the other hand, **contract rate** increased by only 0.2% year-over-year.

We will continue to carefully grasp the trends in the rental housing market and take measures to maintain and improve the occupancy rate.

We will continue to disclose the effects of COVID19 till we see some end to the pandemic.



1. Occupancy

	21 th FP						22 nd FP					
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Period Average	Earning Guideline Assumption
Occupancy Rat	96.2%	96.1%	95.8%	95.8%	95.8%	96.0%	96.4%	97.0%	95.8%	95.2%	96.1%	96.4%
YoY Change	-0.6%	-0.9%	-0.9%	-1.0%	-1.0%	-1.0%	-0.9%	-0.5%	-0.7%	-0.9%	-0.8%	-

2. Changes in the number of monthly new contract rate* and new contracts**

	21 th FP						22 nd FP				
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Contract Rate	1.3%	1.4%	1.4%	1.4%	1.5%	1.6%	1.7%	2.5%	1.4%	1.2%	
YoY Change	+0.2%	-0.1%	-0.0%	+0.2%	+0.2%	+0.3%	+0.1%	+0.2%	-0.1%	+0.2%	

Contracts	262	300	286	332	334	375	403	601	327	271
YoY Rate of	+6.5%	-8.5%	-3.1%	+27.2%	+17.6%	+29.8%	+16.8%	+20.7%	-3.3%	+18.9%

3. Changes in the number of monthly cancellation rate* and cancellations**

	21 th FP						22 nd FP				
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	
Cancellation Rate	1.4%	1.5%	1.7%	1.4%	1.6%	1.4%	1.2%	1.9%	2.6%	1.8%	
YoY Change	+0.1%	+0.3%	+0.0%	+0.3%	+0.2%	+0.3%	+0.1%	-0.1%	+0.1%	+0.4%	

Cancellations	329	320	377	311	347	325	283	454	567	414
YoY Rate of	+14.6%	+18.1%	+5.9%	+22.4%	+16.1%	+30.0%	+9.3%	+6.8%	+4.0%	+28.2%

* The contract (cancellation) rate is calculated by dividing the contracted (canceled) area by the leasable area.

** Only applicable to pass-through contract units.

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest residential J-REIT, investing in over 270 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 450 billion yen). ADR can be expected have a stable dividend in the long-term and can be considered as a defensive J-REIT, on back of the stable income from residential assets and with the largest dividend reserve among J-REITs. ADR's website: <https://www.adr-reit.com/en/>