

October 29, 2025

For Immediate Release

Real Estate Investment Trust Securities Issuer:
Advance Residence Investment Corporation
(Securities Code : 3269)
1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo
Representative: Wataru Higuchi, Executive Director

Asset Management Company:
ITOCHU REIT Management Co., Ltd.
Representative: Junichi Shoji, Representative Director,
President & CEO
Inquiries: Isao Kudo, Managing Executive Officer
(TEL. +81-3-6821-5483)

Notice Concerning Acquisition of Real Estate Trust Beneficiary Interests in Japan **(RESIDIA Gakugeidaigaku and RESIDIA Takadanobaba)**

ITOCHU REIT Management Co., Ltd. (IRM), the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets, announced today its decision to acquire assets (hereinafter, the "Acquisition") as detailed below.

1. Summary of the Acquisition

Property Name ^(Note 1) (Type of asset)	RESIDIA Gakugeidaigaku (Beneficiary Interests in Trust)	RESIDIA Takadanobaba (Beneficiary Interests in Trust)
Acquisition Price ^(Note 2) (Price / Appraisal ratio)	2,500 million yen (91.9%)	1,830 million yen (91.5%)
Appraisal Value ^(Note 3)	2,720 million yen	2,000 million yen
NOI Yield ^(Note 4)	4.2%	3.9%
Yield after Depreciation ^(Note 5)	3.6%	3.3%
Building Age ^(Note 6)	23.7 years	1.7 years
Seller	Taisei-Yuraku Real Estate Co.,Ltd.	
Broker Availability	Yes	
Scheduled Contract Date	October 29, 2025	
Scheduled Acquisition Date	October 30, 2025 or a date to be separately agreed upon with the seller	
Acquisition Financing (Payment Method)	cash on hand (Lump-sum payment on delivery)	

- (Note 1) The property names of the acquired assets are planned to be changed after their acquisition by the Investment Corporation. For this reason, the post-change names are stated in this document. Please note that their current names as of today are "Literas Gakugeidaigaku" and "Terrace Takadanobaba West", respectively.
- (Note 2) "Acquisition Price" refers to the purchase price written in the beneficiary transfer agreements for the asset-to-be-acquired and does not include various expenses needed for the acquisition such as taxes and public dues.
- (Note 3) "Appraisal Value" of the asset-to-be-acquired is as of September 1, 2025.
- (Note 4) "NOI Yield" is calculated as follows: annualized NOI written in the appraisal document at the time of the acquisition of the asset-to-be acquired and calculated using direct capitalization method / acquisition price x 100. The calculated yield is rounded at the second decimal point. The appraisal figure for annualized NOI for RESIDIA Gakugeidaigaku assumes that the exclusively owned area is to be renovated.
- (Note 5) "Yield after Depreciation" is calculated as (annualized NOI from the appraisal document at the time of acquisition of the acquired assets, calculated using the direct capitalization method – annual depreciation cost) / acquisition price x 100, with the calculated yield rounded to the second decimal point, where the annual depreciation cost is an estimated value calculated by ADR using the straight-line method under certain assumptions, similar to ADR's existing portfolio at each acquisition date, and is expected to be 14,439 thousand yen annually for RESIDIA Gakugeidaigaku and 11,248 thousand yen annually for RESIDIA Takadanobaba.
- (Note 6) The age of the building as of the scheduled acquisition date is rounded at the second decimal point.
- (Note 7) The acquisition was negotiated and processed as an inseparable and integrated transaction.

2. Reason for the Acquisition

ADR decided on this acquisition pursuant to the target and policy of asset management as stipulated in its Articles of Incorporation, for the purpose of securing stable long-term earnings. The decision to acquire this property was made after evaluating the Features of the Property, etc., as described in "3. Summary of the Asset-To-Be-Acquired".

Furthermore, the acquisition funds for this property will be sourced from the sales proceeds obtained from previously announced property dispositions. The acquisition funds for the property will be sourced from the proceeds obtained through the disposition of properties already announced.

3. Summary of the Asset-To-Be-Acquired

(1) RESIDIA Gakugeidaigaku

Property Name		RESIDIA Gakugeidaigaku	Property Number	T-193
Type of asset		Beneficiary Interests in Trust		
Trustee		Mizuho Trust & Banking Co., Ltd.		
Trust Contract Period		From October 30, 2025 to September 30, 2035 (planned)		
Address		1-3-14, Chuo-cho, Meguro-ku, Tokyo		
Land	Type of Ownership	Ownership	Zoning	Neighborhood commercial district Quasi-industrial districts
	Land Area	1,187.15 m ²	FAR / Building Coverage Ratio	300%/80% 200%/60%, 300%/60%
Building	Structure / Floors	Reinforced concrete structure with flat roof / 7 floors above ground, 1 basement		
	Type of Ownership	Ownership	Use	Apartment, Parking
	Total Floor Space	3,169.25 m ²	Construction Completion Date	February, 2002
	Building Designer	Tokyu Architects & Engineers INC		
	Structural Engineer	Tokyu Architects & Engineers INC		
	Construction Contractor	Hazama Corporation Tokyo Branch Office		
	Building Certification Agency	JAPAN ERI CO., LTD		
	Building Inspection Agency	JAPAN ERI CO., LTD		
Collateral		None		
Appraisal value		2,720,000 thousand yen	Appraisal date	as of September, 1, 2025
Appraiser		JLL Morii Valuation & Advisory K.K		
Property Management Company		ITOCHU Urban Community Co., Ltd.(planned)		
Master Lessee		ITOCHU Urban Community Co., Ltd. (planned)	Master Lease type	Pass-through
Lease Conditions				
	Total Tenants	1	Point in Time	As of September, 30, 2025
	Leasable Units	36		
	Leased Units	35		
	Leasable Floor Area	1,975.81 m ²	Occupancy Rate (based on floor area)	95.5%
	Leased Area	1,885.92 m ²		

	Total Monthly Rent	7,219 thousand yen				
	Deposits, Guarantees, etc.	9,911 thousand yen				
Number of Units by Type (Excluding Operated Rental Residence)	Single	Compact	Family	Large	Other	
	0	14	22	0	0	
Number of Operated Rental Residence	0					
Features of the Property						
<div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div></div></div><div><div><div><div><div></div><div></div></div><div><div></div><div></div></div></div><div><div><div><div></div><div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div></div>						

Please refer to “Notes and definitions on items on the tables in the press releases for asset acquisition” on ADR’s website for details on items on the above table.
[\(https://www.adr-reit.com/en/ir/news/\)](https://www.adr-reit.com/en/ir/news/)

(2) RESIDIA Takadanobaba

Property Name		RESIDIA Takadanobaba		Property Number	T-194	
Type of asset		Beneficiary Interests in Trust				
Trustee		Sumitomo Mitsui Trust Bank, Limited (planned)				
Trust Contract Period		From October 30, 2025 to October 31, 2035 (planned)				
Address		4-40-29, Takadanobaba ,Shinjuku-ku, Tokyo				
Land	Type of Ownership	Ownership	Zoning	Category 1 residential districts		
	Land Area	571.07 m ²	FAR / Building Coverage Ratio	400%/60%		
Building	Structure / Floors	Reinforced concrete with flat roof / 6 floors				
	Type of Ownership	Ownership	Use	Apartment		
	Total Floor Space	1,632.87 m ²	Construction Completion Date	February, 2024		
	Building Designer	JIMS Architects & Associates Ltd.				
	Structural Engineer	Space Design Solution Inc.				
	Construction Contractor	Nara Construction Co., Ltd				
	Building Certification Agency	House Plus Confirmation & Inspection Co., Ltd.				
	Building Inspection Agency	House Plus Confirmation & Inspection Co., Ltd.				
Collateral		None				
Appraisal value		2,000,000 thousand yen	Appraisal date	As of September, 1, 2025		
Appraiser		JLL Morii Valuation & Advisory K.K				
Property Management Company		ITOCHU Urban Community Co., Ltd.(planned)				
Master Lessee		ITOCHU Urban Community Co., Ltd. (planned)	Master Lease type	Pass-through		
Lease Conditions						
	Total Tenants	1	Point in Time	As of September, 30, 2025		
	Leasable Units	40				
	Leased Units	40				
	Leasable Floor Area	1,278.52 m ²	Occupancy Rate (based on floor area)	100.0%		
	Leased Area	1,278.52 m ²				
	Total Monthly Rent	6,907 thousand yen				
	Deposits, Guarantees, etc.	7,076 thousand yen				
Number of Units by Type (Excluding Operated Rental Residence)		Single	Compact	Family	Large	Other
		0	40	0	0	0
Number of Operated Rental Residence		0				
Features of the Property						
	<div>• The property is situated approximately a 12-minute walk from Takadanobaba Station, which serves the JR Yamanote Line, Tokyo Metro Tozai Line, and Seibu Shinjuku Line. This highly convenient location offers direct access to major terminal stations such as Shinjuku and Shibuya via the JR Yamanote Line, and to key business districts including Otemachi and Nihombashi via the Tokyo Metro Tozai Line. In addition, the Otakibashi bus stop, located just about a 4-minute walk from the property, provides access to Takadanobaba-ekimae bus stop in approximately 4 minutes, further enhancing transportation convenience..</div> <div>• The vicinity of Takadanobaba Station is well-equipped with a wide array of amenities, including restaurants, convenience stores, and drugstores, offering superior daily living convenience.</div>					
Special affairs						
	None					

Summary of Building Conditions Investigation Report			
Investigator	Tokio Marine dR Co., Ltd.	Investigation Report Date	September 29, 2025
Emergency Repair Costs	-		
Short-term Repair Costs (within 1 year)	-		
Long-term Repair Costs (within 12 years)	17,143 thousand yen		
Building Replacement Price	448,000 thousand yen		
Summary of Earthquake Risk Analysis			
Investigator	Tokio Marine dR Co., Ltd.	Investigation Report Date	September 29, 2025
Probable Maximum Loss Ratio (PML)	3.9%		
Matters concerning Earthquake Resistance, etc.			
This property has been notified of the structural calculation conformity assessment by the designated structural calculation inspection institute in accordance (Japan Building Inspection Association Co., Ltd.) with the revision of the Building Standard Act that came into effect in June 2007.			

Please refer to “Notes and definitions on items on the tables in the press releases for asset acquisition” on ADR’s website for details on items on the above table.
[\(https://www.adr-reit.com/en/ir/news/\)](https://www.adr-reit.com/en/ir/news/)

4. Summary of the Seller

Name	Taisei-Yuraku Real Estate Co.,Ltd.
Address	3-13-1 Kyobashi, Chuo-ku, Tokyo
Representative	Uekusa Takeshi
Principal business	Real estate development, leasing, brokerage, appraisal, and consulting; building maintenance and management; as well as management and consulting related to real estate investment.
Capital	10,000 million yen (as of March 31, 2025)
Data of establishment	October 1, 1971
Total assets	200,285 million yen (as of March 31, 2025)
Total capital	113,776 million yen (as of March 31, 2025)
Major shareholders and Shareholding ratio	TAISEI CORPORATION (100%)
Relationship with ADR and IRM	
Capital relations	None
Personnel relations	None
Business relations	None
Related parties' status	None

5. Summary of the brokerage

The brokerage is not considered a party with a special interest in ADR or IRM; therefore, the disclosure is omitted.

6. Transactions with Interested Parties, etc.

ITOCHU Urban Community Co., Ltd., which is scheduled to be the master lease and property management company for the asset-to-be-acquired, falls under the category of an interested party under the IRM's internal rules. Therefore, IRM has gone through the necessary deliberation, resolution and other procedures as stipulated in the internal rules.

7. Outlook

The impact of this Acquisition on the earnings forecasts for the 31st fiscal period (from August 1, 2025 to January 31, 2026) and the 32nd fiscal period (from February 1, 2026 to July 31, 2026), published in the Brief Summary of Financial Results dated September 16, 2025, will be negligible, and no change will be made to the forecast.

8. Summary of the Appraisal Report

(1) RESIDIA Gakugeidaigaku

Property name	RESIDIA Gakugeidaigaku
Appraisal Value	2,720,000 thousand yen
Appraiser	JLL Morii Valuation & Advisory K.K
Appraisal date	as of September, 1, 2025

(thousand yen)

Items	Value	Summary
Income Capitalization Approach Value	2,720,000	The income value is estimated by giving primary weight to the price derived from the DCF method, while taking the price from the direct capitalization method into account for comparison.
Direct Capitalization Price ((6)/(7))	2,880,000	After capitalizing the net income using the capitalization rate, the appraisal value was determined by taking into account the present value of renovation costs for the exclusive-use area.
(1) Total Potential Income	125,694	
Total Potential Income	131,195	
Rental income	121,929	Rental income is assessed based on current conditions and expected mid-to-long-term stability after the renovation work for the exclusive-use area..
Other income	9,266	The actual performance is deemed reasonable and recorded accordingly.
Losses from Vacancies, etc.	5,501	The assessment considers standard vacancy rates, supply-demand balance, and the unique characteristics of the subject property.
Losses from Delinquencies	0	Amounts secured by deposits and similar instruments are excluded from calculations.
(2) Expenses from rental business	21,433	
Maintenance and Management Fees	2,945	Assessed with reference to the levels of comparable properties and actual performance.
Utilities Costs	2,008	Assessed with reference to the levels of comparable properties and actual performance.
Repair Costs	4,086	Restoration costs are determined by considering comparable properties, actual costs, and turnover rates. Additionally, repair and renewal costs are assessed based on the annual average amount stated in the engineering report.
Property Manager Fees	2,454	The contract was assessed and determined to be reasonable.
Leasing Expenses	2,961	Tenant replacement costs are assessed based on regional practices and the turnover rate of the subject property.
Taxes and Public Dues	5,111	Land: Assessed based on actual performance, with consideration of land price trends and fluctuation rates. Building: Evaluated using actual performance as a basis, factoring in age-related depreciation and reference to age-based depreciation adjustment rates.
Insurance Premium	203	Depreciable assets: Assessed with consideration of age-related depreciation. Insurance premiums are recorded based on reasonable judgments derived from the insurance contract.
Renewal Fee	1,485	Turnover rates are considered in the assessment.
Other Expenses	180	A contingency reserve is recorded.
(3) Net Operating Income (NOI, (1)-(2))	104,261	
(4) Earnings from Deposits	99	The valuation of security deposits is determined by deducting the amount corresponding to vacant units from the total deposit amount under full occupancy, then applying a specified yield.
(5) Capital Expenditures	5,768	Repair and renewal costs are recorded based on the annual average amount stated in the engineering report.
(6) Net Cash Flow DCF Price ((3)+(4)-(5))	98,592	
(7) Cap Rate	3.3%	The discount rate is determined by incorporating the risks associated with income and capital fluctuations.
DCF price	2,650,000	Rental income was assessed taking into account the rent after the renovation work for the exclusive-use area, as well as the period and cost required for the renovation.
Discount Rate	3.0%	The base cap rate is assessed comprehensively, considering market trends and risk factors related to the regional and unique characteristics of the subject property.
Terminal Cap Rate	3.4%	The terminal cap rate is determined by incorporating uncertainties in future net income fluctuations, building deterioration, and disposition risks, while considering the spread relative to the capitalization rate.
Cost Approach Value	2,360,000	
Land ratio	92.5%	
Building Ratio	7.5%	
Other items considered by the appraiser in the appraisal		None

(2) RESIDIA Takadanobaba

Property name	RESIDIA Takadanobaba
Appraisal Value	2,000,000 thousand yen
Appraiser	JLL Morii Valuation & Advisory K.K
Appraisal date	as of September, 1, 2025

(thousand yen)

Items	Value	Summary
Income Capitalization Approach Value	2,000,000	The income value is estimated by placing primary emphasis on the price derived from the DCF method, while considering the price from the direct capitalization method for comparison.
Direct Capitalization Price ((6)/(7))	2,050,000	
(1) Total Potential Income	85,343	
Total Potential Income	88,814	
Rental income	86,787	Rental income is assessed based on current conditions and expected mid-to-long-term stability.
Other income	2,027	The actual performance is deemed reasonable and recorded accordingly.
Losses from Vacancies, etc.	3,471	The assessment considers standard vacancy rates, supply-demand balance, and the unique characteristics of the subject property.
Losses from Delinquencies	0	Amounts secured by deposits and similar instruments are excluded from calculations.
(2) Expenses from rental business	14,571	
Maintenance and Management Fees	2,446	Assessed with reference to the levels of comparable properties and actual performance.
Utilities Costs	975	Assessed with reference to the levels of comparable properties and actual performance.
Repair Costs	962	Restoration costs are determined by considering comparable properties, actual costs, and turnover rates. Additionally, repair and renewal costs are assessed based on the annual average amount stated in the engineering report.
Property Manager Fees	1,666	The contract was assessed and determined to be reasonable.
Leasing Expenses	2,021	Tenant replacement costs are assessed based on regional practices and the turnover rate of the subject property.
Taxes and Public Dues	4,207	Land: Assessed based on actual performance, with consideration of land price trends and fluctuation rates. Building: Evaluated using actual performance as a basis, factoring in deductions for newly constructed buildings, age-related depreciation and reference to age-based depreciation adjustment rates.
Insurance Premium	104	Depreciable assets: Assessed with consideration of age-related depreciation. Insurance premiums are recorded based on reasonable judgments derived from the insurance contract.
Renewal Fee	1,014	Turnover rates are considered in the assessment.
Other Expenses	1,176	A contingency reserve and internet expenses is recorded.
(3) Net Operating Income (NOI, (1)-(2))	70,772	
(4) Earnings from Deposits	65	The valuation of security deposits is determined by deducting the amount corresponding to vacant units from the total deposit amount under full occupancy, then applying a specified yield.
(5) Capital Expenditures	1,000	Repair and renewal costs are recorded based on the annual average amount stated in the engineering report.
(6) Net Cash Flow DCF Price ((3)+(4)-(5))	69,837	
(7) Cap Rate	3.4%	The discount rate is determined by incorporating the risks associated with income and capital fluctuations.
DCF price	1,950,000	
Discount Rate	3.2%	The base cap rate is assessed comprehensively, considering market trends and risk factors related to the regional and unique characteristics of the subject property.
Terminal Cap Rate	3.6%	The terminal cap rate is determined by incorporating uncertainties in future net income fluctuations, building deterioration, and disposition risks, while considering the spread relative to the capitalization rate.
Cost Approach Value	1,850,000	
Land ratio	77.2%	
Building Ratio	22.8%	
Other items considered by the appraiser in the appraisal		None

Appendix

Appendix 1. Photos of the Asset-To-Be-Acquired

(1) RESIDIA Gakugeidaigaku



(2) RESIDIA Takadanobaba



Appendix 2. Map of the Asset-To-Be-Acquired

(1) RESIDIA Gakugeidaigaku (1-3-14, Chuo-cho, Meguro-ku, Tokyo)



(2) RESIDIA Takadanobaba (4-40-29, Takadanobaba, Shinjuku-ku, Tokyo)



About Advance Residence Investment Corporation

Advance Residence Investment Corporation is one of the largest J-REITs specializing in residential properties, managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group. It owns rental properties nationwide, primarily in the 23 wards of Tokyo. By leveraging the stability of residential assets and the largest reserve among J-REITs, ADR is expected to provide long-term, stable dividends, making it a highly defensive J-REIT.

"Advance" is the common brand name of the real estate investment corporation managed by ITOCHU REIT Management Co., Ltd.

ADR's website: <https://www.adr-reit.com/en/>

IRM's website: <https://www.itc-rm.co.jp/en/>