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For Immediate Release

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Notice Concerning Acquisition of Investment Asset (RESIDIA Shirokitakoen-dori)

AD Investment Management Co., Ltd. (ADIM) the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets announced its decision today to have ADR acquire an asset located in Japan (hereafter, the “Acquisition”) as detailed below as part of ADR’s growth strategy.

1. Details of the Acquisition

ADIM decided on the following acquisition pursuant to the target and policy of asset management as stipulated in the Articles of Incorporation of ADR, to build a portfolio that earns stable income through diversified investment in all regions and in all apartment unit types.

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| Name of The Asset-To-Be-Acquired | RESIDIA Shirokitakoen-dori (Beneficiary Interests in Trust) |
| Proposed Acquisition Price (Price / Appraisal ratio) (Note 1) | 1,220 million yen (90.4%) |
| Real Estate Appraisal Value (Note 2) | 1,350 million yen |
| NOI Yield (Note 3) | 5.2% |
| Yield after Depreciation (Note 4) | 4.2% |
| Building Age (Note 5) | 11.7year |
| Seller | Not disclosed |
| Scheduled Contract Date | November 25, 2020 |
| Scheduled Acquisition Date | November 26, 2020 or a date to be separately agreed upon with the Counterparty |
| Acquisition Financing (Payment Method) | Cash-on-hand (Full payment on delivery) |
| Collateral | None |

(Note 1) “Proposed acquisition price” indicates the purchase price for the property entered in the real estate transaction agreement, which is exclusive of the various expenses required in the acquisition of the property (taxes and public dues, etc)

(Note 2) Appraisal Date is October 1, 2020

(Note 3) The “NOI Yield” is calculated using the figures in the acquisition appraisal of the asset-to-be-acquired. The calculation is as follows; “Total annualized NOI ÷ Total acquisition price × 100”. The calculated yields are rounded at the second decimal point.

(Note 4) The “Yield after depreciation” is calculated using the figures in the acquisition appraisal of asset-to-be-acquired. The calculation is as follows; “(Annualized NOI listed on the appraisal at the time of acquisition – depreciation) ÷ acquisition price × 100”. The calculated yield is rounded at the second decimal point. Depreciation of the asset-to-be-acquired is calculated using same straight-line method as the portfolio and expect depreciation of 11,284 thousand yen per annum.

(Note 5) The building age is the age of the building as of today, rounded at the second decimal point.

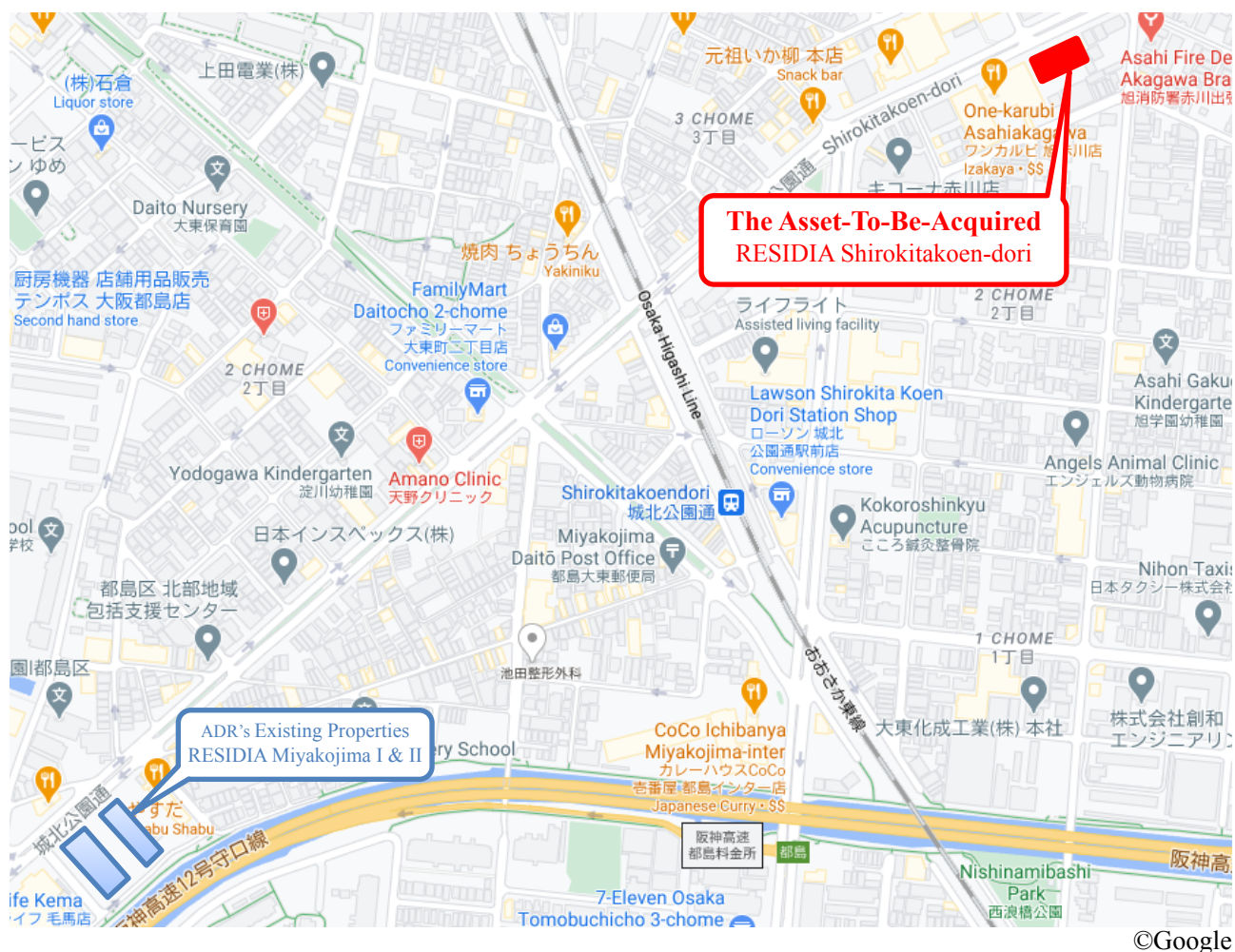
The real estate acquisition market continues to be very competitive with prices inflated and new supply of good quality properties in good location limited, especially, for centrally located properties in major cities where stable rental demands can be expected.

Under such an environment, by using ADIM's own sourcing network, ADR has succeeded in deciding to acquire a property in the city of Osaka with predominantly compact type units. Moreover, the property will be acquired at 9.6% discount to the appraisal value and at NOI yield of 5.2%.

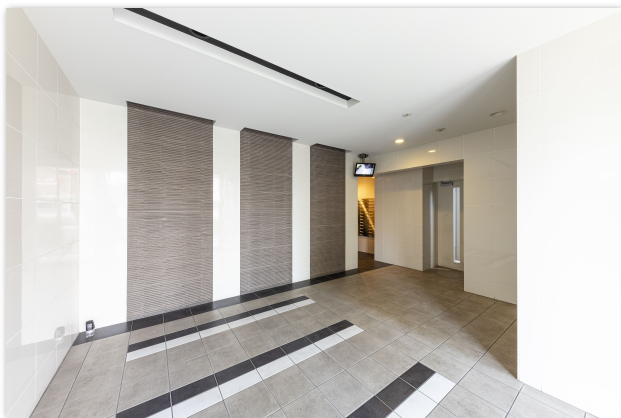
On deciding to acquire the asset, ADR highly rated the attributes of the asset as listed below.

- The proximity to convenient living facilities such as supermarkets, convenience stores, restaurants, drugstores and medical malls in the surrounding area making the area a good residential neighborhood.
- The good accessibility with the bus stop located about 3 minutes on foot from the property. By taking the bus one can reach the terminal station, "Osaka" station in about 19 minutes. Also the property is a 6-minute walk from JR West Osaka East Line "Shirokita Koendori" station (opened in March 2019) which is about 8 minutes to the terminal station, "Shin-Osaka" station.

2. Map of the Asset-To-Be-Acquired (2-5-13Akagawa, Asahi-ku, Osaka, Osaka)



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



4. Summary of The Asset-To-Be-Acquired

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| Property Number | R-80 |
| Name of The Asset-To-Be-Acquired | RESIDIA Shirokitakoen-dori |
| Address | 2-5-13Akagawa, Asahi-ku, Osaka-shi, Osaka |

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|-------------------------------|-----------------------------|
| Land | |
| Type of Ownership | Proprietary ownership |
| Site Area | 1,074.81m ² |
| Zoning | Neighboring commercial area |
| FAR / Building Coverage Ratio | 300% / 80% |

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| Building | |
| Type of Ownership | Proprietary ownership |
| Total Floor Area | 3,115.49 m ² |
| Structure / Floors | Reinforced concrete with flat roof / 10 floors |
| Use | Multi-family housing |
| Construction Completion Date | March, 2009 |
| Building Inspector | Comprehensive Confirmation Inspection Organization Co., Ltd. |
| Building Designer | Seiwa Construction Co., Ltd. First-class Architect Office |
| Structural Engineer | First-class architect office Yamagami structural planning |
| Construction Contractor | Seiwa Construction Co., Ltd. |

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| Trustee | Sumitomo Mitsui Trust Bank, Limited(planned) |
| Trust Contract Period | From November 26, 2020 to November 30, 2030 (Planned) |
| Property Manager | HASEKO LIVENET, Inc. (Planned) |
| Master Lessee | HASEKO LIVENET, Inc. (Planned) |
| Master Lease type | Pass-through |

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| Summary of Building Conditions Investigation Report | |
| Investigator | Tokio Marine & Nichido Risk Consulting Co., Ltd. |
| Investigation Date | October 1, 2020 |
| Emergency Repair Costs | - |
| Short-term Repair Costs (within 1 year) | - |
| Long-term Repair Costs (next 12 years) | ¥ 71,903 thousand |
| Building Replacement Price | ¥ 723,000 thousand |

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| Earthquake PML | 8.7% |
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| Lease Conditions | |
| Point in Time | as of October 31, 2020 |
| Total Tenants | 1 |
| Leasable Units | 62 |
| Leased Units | 60 |
| Leasable Floor Area | 2,893.34 m ² |
| Leased Floor Area | 2,822.10 m ² |
| Occupancy Rate (based on floor area) | 97.5 % |
| Monthly Rent (including common service charges) | ¥ 5,670 thousand |
| Deposits, Guarantees, etc. | ¥ 3,115 thousand |

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| Number of Units by Type | |
| Single | 18 |
| Compact | 41 |
| Family | 0 |
| Large | 1 |
| Dormitory | 0 |
| Other | 2 |

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| Special Notation | |
| | None |

* 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/financial/bukken/>)

5. Appraisal Report Summary

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|--------------------------------------|-------------------------------------|-----------------|---|
| Name of Property | RESIDIA Shirokitakoen-dori | Appraisal Date | October 1, 2020 |
| Appraiser | JLL Morii Valuation & Advisory K. K | Appraisal Value | 1,350,000 thousand yen |
| Appraisal Items | | Appraised Value | Basis |
| Income Capitalization Approach Value | | 1,350,000 | Income capitalization approach value was appraised using both DCF method and direct capitalization method. |
| Direct Capitalization Price | | 1,400,000 | |
| Total Potential Income | | 83,380 | |
| Rent Income | | 81,564 | Estimated from average rent based on the current lease agreement and from mid to long-term stabilized rent. |
| Other Income | | 1,816 | Estimated using historical figures. |
| Total Effective Income | | 79,105 | |
| Losses from Vacancies, etc. | | 4,275 | Estimated using standard vacancy rate but adjusted for specific characteristics of the property. |
| Losses from Delinquencies | | - | Not applicable. Secured through guarantee deposit. |
| Expenses from Rental Business | | 16,211 | |
| Maintenance and Management Fees | | 2,640 | Estimated using estimation and by referring to the cost of comparable property. |
| Utilities Costs | | 735 | Estimated using historical figures and by referring to the cost of comparable property. |
| Management Commission Fees | | 2,178 | Estimated using submitted materials and by referring to the cost of comparable property. |
| Taxes and Public Dues | | 4,587 | Estimated by referring to the historical Figures and the fluctuation rate is taken into consideration for land part. Assessed in consideration of depreciation over time for the building part. |
| Non-life Insurance Premiums | | 187 | Estimated using submitted materials. |
| Leasing Expenses | | 2,303 | Referred to regional practices, turnover rate of the property and estimated by looking at how much is needed in leasing to new tenants. |
| Repair Costs | | 3,547 | Repair costs are estimated as 30% of repair fees assumed in the engineering report. Restoration fees are estimated using historical figures and turnover rated and referring to the level of expenditures in comparable properties. |
| Other Expenses | | 25 | Electricity pole usage fee |
| Net Operating Income | | 62,894 | |
| Earnings from Deposits | | 78 | Assessed by multiplying the amount equivalent to the vacant room by the yield of 1.0% from the amount of the deposit when the room is full. |
| Capital Expenditures | | 4,194 | 70% of normalized capital expenditure estimated in the engineering report. |
| Net Cash Flow DCF Price | | 58,778 | |
| Cap Rate | | 4.2% | Calculated by adding the risk of fluctuations in profits and principal to the discount rate. |
| DCF Price | | 1,330,000 | |
| Discount Rate | | 4.0% | Estimated by taking account of market trend, locality and specific feature of the property and referring to the investment yield of similar real estate. |
| Terminal Cap Rate | | 4.4% | Assessed by adding the uncertainty of the forecast of fluctuations in net income at a future point in time, the deterioration of buildings in the future, and the disparity rate with the capitalization rate in consideration of the risk of sale. |
| Cost Approach Value | | 815,000 | |
| Land Ratio | | 63.6% | |
| Building Ratio | | 36.4% | |
| Other Matters of Consideration | | | |
| None | | | |

6. Seller Profile

The Counterparty of the property is a domestic company whose name and detail are not disclosed according to their wishes. The Counterparty does not constitute parties having particular vested interest in ADR or ADIM.

7. Property Titleholder (for transactions with parties with special interest)

Omitted. Property is not acquired from parties with special interest.

8. Matters Concerning Earthquake Resistance

The validity of structural calculation document on the asset-to-be-acquired has been examined by a third-party inspector, Tokio Marine & Nichido Risk Consulting Co., Ltd. ADR has obtained the inspection results stating that no intentional manipulations, falsifications or other corruptions in the structural calculation document were found and that the structural calculation is deemed to have been performed in accordance with the law.

9. Broker Profile

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| Broker Name | Nomura Real Estate Development Co., Ltd. |
| Head Office Location | 1-26-2, Nishishinjuku, Shinjuku-ku, Tokyo |
| Representative | Seiichi Miyajima, President and Representative Director |
| Capital | 2,000 million yen |
| Brokerage Fee | Not disclosed according to their wishes. |
| Relationship with ADR or ADIM | None |

10. Future Outlook

The effect of the Acquisition on the management performance forecasts for fiscal periods ending January 2021 and July 2021 are negligible. Therefore, the forecasts remain unchanged.

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/>