

Disclaimer

This document has been prepared solely for the purpose of providing U.K. and Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) (the “AIFMD”) as implemented in their respective jurisdictions. Accordingly, you should not use this document for any other purpose.

Netherlands

The units of Advance Residence Investment Corporation (“ADR” or the “AIF”) are being marketed in the Netherlands under Section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the “Wft”). In accordance with this provision, AD Investment Management Co., Ltd. (the “AIFM”) has submitted a notification with the Dutch Authority for the Financial Markets. The units of ADR will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft, and as a consequence neither the AIFM nor ADR is subject to the license requirement pursuant to the Wft. Consequently, neither the AIFM nor ADR is subject to supervision of the Dutch Central Bank (*De Nederlandsche Bank*, “DNB”) or the Netherlands Authority for Financial Markets (*Autoriteit Financiële Markten*, the “AFM”) and this Article 23 AIFMD Prospectus is not subject to approval by the AFM. No approved prospectus is required to be published in the Netherlands pursuant to Article 3 of the Regulation (EU) 2017/1129 (the “Prospectus Regulation”) as amended and applicable in the Netherlands. The AIFM is solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

United Kingdom

Units of ADR are being marketed in the United Kingdom pursuant to Article 59 of the United Kingdom Alternative Investment Fund Managers Regulations 2013. In accordance with this provision, the AIFM has notified the Financial Conduct Authority (the “FCA”) of its intention to offer these units in the United Kingdom.

For the purposes of the United Kingdom Financial Services and Markets Act 2000 (“FSMA”), ADR is an unregulated collective investment scheme which has not been authorized by the FCA.

Accordingly, any communication of an invitation or inducement to invest in ADR may only be made to (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the “Order”; or (ii) high net worth companies falling within Articles 49(2)(a) to (d) of the Order and other persons to whom it may lawfully be communicated (all such persons referred to under (i) and (ii) of this paragraph, together being referred to as “Relevant Persons”).

In the United Kingdom, this document and its contents are directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. The transmission of this document and its contents in the United Kingdom to any person other than a Relevant Person is unauthorized and may contravene the FSMA and other United Kingdom securities laws and regulations.

Prohibition of Sales to UK Retail Investors

In addition to the restrictions under the AIFMD, as retained by the United Kingdom in its domestic laws, the Units of ADR are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes of this provision, a “retail investor” means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129, as it forms part of domestic law by virtue of the EUWA; and the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the international units to be offered so as to enable an investor to decide to purchase or subscribe the international units.

Consequently no key information document required by Regulation (EU) No 1286/2014, as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”), for offering or selling the international units or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the international units or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

European Economic Area

In addition to the restrictions under the AIFMD, the units of ADR are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU, as amended, (the “MiFID II”); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation, as amended. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the units of ADR or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the units of ADR or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

| Article 23 (1)(a) | |
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| Objectives of the AIF | Advance Residence Investment Corporation seeks to maximize unitholder value, aiming to secure stable profits and achieve asset growth over the medium and long term by investing in Japanese domestic real estate primarily used for residential purposes with a focus on diversifying its investments among regions. |
| Investment strategy | ADR's investment strategy is to maximize unitholders' value by utilizing ITOCHU Group's and other supporting companies' networks, knowledge and human resources in areas concerning leasing, property sourcing and facility management. |
| Types of assets the AIF may invest in | Real estate, trust beneficiary interests in real estate, real estate securities, specified assets and other assets. |
| Techniques it may employ and all associated risks | <p>ADR focuses on investing in residential properties which ADR anticipates will provide steady rental revenue especially in Tokyo and other urban areas where there will be continued population growth even though the population as a whole is expected to decline.</p> <p>The principal risks with respect to investment in ADR are as follows:</p> <ul style="list-style-type: none"> • any adverse conditions in the Japanese economy could adversely affect ADR; • ADR may not be able to acquire properties to execute the growth and investment strategy in a manner that is accretive to earnings; • illiquidity in the real estate market may limit the ability to grow or adjust the portfolio; • the past experience of the asset manager (the "AIFM") in the Japanese real estate market is not an indicator or guarantee of the future results; • ADR's reliance on ITOCHU Group, the AIFM and other third party service providers could have a material adverse effect on business; • the AIFM operating a real estate private investment fund • there are potential conflicts of interest between ADR and ITOCHU Group as well as the AIFM; • ADR's revenues largely comprise leasing revenues from the portfolio properties, which may be negatively affected by vacancies, decreases in rent, and late or missed payments by tenants; • ADR faces significant competition in seeking tenants and it may be difficult to find replacement tenants; • increases in interest rates may increase the interest expense and may result in a decline in the market price of the units; • ADR may suffer large losses if any of the properties incurs damage from a natural or man-made disaster; |

- most of the properties in the portfolio are concentrated in Tokyo metropolitan area;
- any inability to obtain financing for future acquisitions could adversely affect the growth of the portfolio;
- ADR's failure to satisfy a complex series of requirements pursuant to Japanese tax regulations would disqualify ADR from certain taxation benefits and significantly reduce the cash distributions to the unitholders; and
- the ownership rights in some of the properties may be declared invalid or limited.

In addition, we are subject to the following risks:

- risks related to increasing operating costs;
- risks related to ADR's dependence on the efforts of the AIFM's key personnel;
- risks related to the restrictive covenants under debt financing arrangement;
- risks related to entering into forward commitment contracts;
- risks related to third party leasehold interests in the land underlying ADR's properties;
- risks related to holding the property in the form of stratified ownership (*kubun shoyū*) interests or co-ownership interests (*kyōyū-mochibun*);
- risks related to holding the property through trust beneficiary interests;
- risks related to properties not in operation (including properties under development);
- risks related to the defective title, design, construction or other defects or problems in the properties;
- risks related to affect by infectious diseases and plagues;
- risks related to suffering impairment losses relating to the properties;
- risks related to decreasing tenant leasehold deposits and/or security deposits;
- risks related to tenants' default as a result of financial difficulty or insolvency;
- risks related to the insolvency of master lessor;
- risks related to relying on expert appraisals and engineering, environmental and seismic reports as well as industry and market data;
- risks related to the presence of hazardous or toxic substances in the properties, or the failure to properly remediate such substances;
- risks related to the strict environmental liabilities for the properties;
- risks related to the insider trading regulations;
- risks related to the amendment of the applicable administrative laws and local ordinances;
- risks related to infringing third party's intellectual property right;
- risks related to holding interests in properties through preferred shares of special purpose companies (*tokutei mokuteki kaisha*);

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| | <ul style="list-style-type: none"> • risks related to holding Japanese anonymous association (<i>tokumei kumiai</i>) interests; • risks related to investments in trust beneficiary interest; • risks related to the tight supervision by the regulatory authorities and compliance with applicable rules and regulations; • risks related to the tax authority disagreement with the AIFM’s interpretations of the Japanese tax laws and regulations; • risks related to being unable to benefit from reductions in certain real estate taxes enjoyed by qualified J-REITs; • risks related to changes in Japanese tax laws; and • risk of dilution as a result of further issuances of units. |
| Any applicable investment restrictions | <p>ADR is subject to investment restrictions under Japanese laws and regulations (e.g., the Act on Investment Trusts and Investment Corporations (the “ITA”), the Financial Instruments and Exchange Act (the “FIEA”)) as well as its articles of incorporation.</p> <p>ADR must invest primarily in specified assets as defined in the ITA. Specified assets include, but are not limited to, securities, real estate, leaseholds of real estate, surface rights (<i>chijō-ken</i>) (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary interests for securities or real estate, leaseholds of real estate or surface rights.</p> <p>A listed J-REIT must invest substantially all of its assets in real estate, real estate-related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leaseholds of real estate, surface rights, and trust beneficiary interests for these assets, and real estate-related assets in this context include, but are not limited to, anonymous association (<i>tokumei kumiai</i>) interests for investment in real estate.</p> <p>Pursuant to the ITA, investment corporations may not independently develop land for housing or to construct buildings, but may outsource such activities in certain circumstances.</p> <p>Investment restrictions ADR places in its articles of incorporation are as follows:</p> <p>(1) Restrictions relating to securities and monetary claims</p> <p style="padding-left: 40px;">ADR will place importance on stability and convertibility of investments into securities and monetary claims, and it will not make investments aimed only at gaining positive management profits.</p> <p>(2) Restrictions relating to derivatives transactions</p> |

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| | <p>ADR will place importance on stability and convertibility of investments into securities and monetary claims when managing surplus funds, and in other instances, shall take into consideration the relationship with real estate and real estate backed securities.</p> <p>(3) ADR will restrict its real estate investment targets to real estate located in Japan.</p> <p>(4) ADR will not invest in assets denominated in a foreign currency.</p> |
| Circumstances in which the AIF may use leverage | ADR may take out loans or issue long-term or short-term corporate bonds for the purpose of investing in properties, conducting repairs and related work, paying cash distributions, repaying obligations (including repayment of tenant leasehold or security deposits, and obligations related to loans or long-term or short-term corporate bonds) and other activities. |
| The types and sources of leverage permitted and associated risks | Loans or corporate bonds. ADR currently does not have any outstanding guarantees and may be subject to restrictive covenants in connection with any future indebtedness that may restrict the operations and limit the ability to make cash distributions to unitholders, to dispose of the properties or to acquire additional properties. Furthermore, ADR may violate restrictive covenants contained in the loan agreements ADR executes, such as the maintenance of debt service coverage or loan-to-value ratios, which may entitle the lenders to require ADR to collateralize the properties or demand that the entire outstanding balance be paid. Further, in the event of an increase in interest rates, to the extent that ADR has any debt with unhedged floating rates of interest or ADR incurs new debt, interest payments may increase, which in turn could reduce the amount of cash available for distributions to unitholders. Higher interest rates may also limit the capacity for short- and long-term borrowings, which would in turn limit the ability to acquire properties, and could cause the market price of the units to decline. |
| Any restrictions on leverage | The maximum amount of each loan and corporate bond issuance will be one trillion yen, and the aggregate amount of all such debt will not exceed one trillion yen. |
| Any restrictions on collateral and asset reuse arrangements | No applicable arrangements. |
| Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF | ADR has set an upper limit of 60% as a general rule for its loan-to-value, or LTV, ratio in order to operate with a stable financial condition. ADR may, however, temporarily exceed such levels as a result of property acquisitions or other events. |
| Article 23(1) (b) | |
| Procedure by which the AIF may change its | Amendment of the articles of incorporation. Amendment requires a quorum of a majority of the total issued units and at least a two-thirds vote of the voting rights represented at the meeting. Unitholders should note, however that under the ITA and our articles of |

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| investment strategy / investment policy | <p>incorporation, unitholders who do not attend and exercise their voting rights at a general meeting of unitholders are deemed to be in agreement with proposals submitted at the meeting, except in cases where contrary proposals are also being submitted.</p> <p>Additionally, the guidelines of the AIFM, which provide more detailed policies within ADR's overall investment strategy and policy, can be modified without such formal amendment of the articles of incorporation</p> |
| Article 23(1) (c) | |
| Description of the main legal implications of the contractual relationship entered into for the purpose of investment, including jurisdiction, applicable law, and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established | <p>ADR has entered into a sponsor support agreement with ITOCHU Corporation and ITOCHU Property Development Co., Ltd governed by Japanese law.</p> <p>ADR is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.</p> |
| Article 23(1) (d) | |
| The identity of the AIFM, AIF's depository, auditor and any other service providers and a description of their duties and the investors' rights thereto | <ul style="list-style-type: none"> • AIFM (Asset Manager): AD Investment Management Co., Ltd. • Auditor: Deloitte Touche Tohmatsu LLC • Custodian and Transfer Agent: Mizuho Trust and Banking Co., Ltd. • General Administrators: Sumitomo Mitsui Trust Bank, Limited and AD Investment Management Co., Ltd. <p>Service providers owe contractual obligations under their respective agreements with the AIF or AIFM, as the case may be. In addition, the FIEA provides that the Asset Manager owes the AIF a fiduciary duty and must conduct its activities as the asset manager in good faith.</p> <p>The FIEA also prohibits the Asset Manager from engaging in certain specified conduct, including entering into transactions outside the ordinary course of business or with related parties of the Asset Manager that are contrary to or violate the AIF's interests. Pursuant to the ITA, the unitholders have the right to approve the execution or termination of the asset management agreement at a general meeting of unitholders.</p> |
| Article 23(1) (e) | |

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| Description of how the AIFM complies with the requirements to cover professional liability risks (own funds / professional indemnity insurance) | Not applicable. |
| Article 23(1) (f) | |
| Description of any delegated management function such as portfolio management or risk management and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations | <p>Not applicable.</p> <p>There is no delegation of such functions beyond the AIFM, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities.</p> |
| Article 23(1) (g) | |
| Description of the AIF's valuation procedure and pricing methodology, including the methods used in valuing hard-to-value assets | <p>ADR makes investment decisions based on the valuation of properties, upon consideration of the property appraisal value.</p> <p>ADR shall evaluate assets in accordance with its Article of Incorporation. The methods and standards that ADR uses for the evaluation of assets shall be based on the Regulations Concerning the Calculations of Investment Corporations, as well as the Regulations Concerning Real Estate Investment Trusts and Real Estate Investment Corporations and other regulations stipulated by ITA, in addition to Japanese GAAP.</p> <p>J-REITs may only use the valuation methods prescribed in the rules of the Investment Trusts Association, Japan, which emphasize market price valuation.</p> <p>Please refer to ADR's "Article of Incorporation of Investment Corporation, Attachment 2" (https://www.adr-reit.com/files/uploads/Articles%20of%20Incorporation20200203.pdf).</p> |
| Article 23(1) (h) | |

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| <p>Description of the AIF's liquidity risk management, including redemption rights in normal and exceptional circumstances and existing redemption arrangements with investors</p> | <p>ADR seeks to manage its capital resources and liquidity sources to provide adequate funds for current and future financial obligations and other cash needs and acquisitions.</p> <p>ADR manages liquidity risk by preparing monthly cash management plans and by acquiring committed lines of credit from its major lenders.</p> <p>As ADR is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.</p> |
| <p>Article 23(1) (i)</p> | |
| <p>Description of all fees, charges and expenses and a maximum amount which is directly / indirectly borne by the investors</p> | <p><u>Compensation</u>: The articles of incorporation provide that ADR may pay its executive officer up to one million yen per month and each of its supervisory officers up to 500 thousand yen per month. The board of officers is responsible for determining a reasonable compensation amount for the executive officer and each of the supervisory officers.</p> <p><u>Asset Manager</u>:</p> <ul style="list-style-type: none"> • Asset Management Fee: ADR will pay the Asset Manager an asset management fee as follows: <ul style="list-style-type: none"> ○ Asset Management Fee 1 <p>ADR will pay, within 2 months after the closing of accounting term, an amount not exceeding the amount calculated by multiplying the total of real estate rental business income (if invested assets include equity interests in silent partnerships or real estate-backed securities involving real estate, including the dividends relating to these invested assets or other forms of income) after subtracting the total of the real estate rental business expenses (excluding depreciation expenses and losses on the sale or retirement of non-current assets) for the relevant accounting term by 7.0%.</p> ○ Asset Management Fee 2 <p>An amount not exceeding the amount calculated by the following method shall be paid within 3 months after the closing of accounting term.</p> <p>[Calculation formula]</p> <p>Asset Management Fee 1 for the relevant accounting term) x Adjusted FFO per Unit × 0.005%</p> |

(Note)

Where the adjusted FFO per Unit is to be calculated $A \div B$

A: Net profit for the relevant accounting term before deduction of the amount for Asset Management Fee 2 plus an amount equivalent to depreciation expenses, impairment losses, and losses on transfer of real estate, etc. and real-estate-backed securities minus an amount equivalent to gains on transfer of real estate, etc. and real-estate-backed securities and profit on negative goodwill

B: Number of investment units issued as of the closing date of the accounting term

(Note) From the first day of the accounting term during which the application of Asset Management Fee 2 commences, the following are to apply:

(i) if investment units of the Investment Corporation are divided by a ratio of 1:X, the amount calculated through the formula above for Asset Management Fee 2 shall be multiplied by X for accounting terms following the relevant accounting term; and

(ii) if the investment units of the Investment Corporation are merged at a ratio of Y:1, the amount calculated through the formula above for Asset Management Fee 2 shall be divided by Y for accounting terms following the relevant accounting term.

- Acquisition Fee

When real estate, etc., or real-estate-backed securities are newly acquired, the Investment Corporation will pay, by the end of the month of the following month of the acquisition date, an amount not exceeding the amount calculated by multiplying the purchase price of that asset acquired by 1.0%. The “purchase price” is the amount set out in the purchase agreement and excludes expenses associated with the purchase and consumption tax and local consumption tax.

- Disposal Fee

When real estate, etc., or real-estate-backed securities are disposed of, the Investment Corporation will pay, by the end of the month of the following month of the disposal date, an amount not exceeding the amount calculated by multiplying the sales price of that asset by 0.50%; provided, however, that the disposal fee shall not be paid if there is a loss on the disposal.. The “sales price” is the amount set out in the purchase agreement and excludes expenses associated with the sales and consumption tax and local consumption tax. Further, a loss on disposal is where the sale price at the time of the disposal was less than the book value.

- **Merger Fee**

If the asset management company conducts a survey or valuation of the assets held by a possible merger partner for the Investment Corporation and the Investment Corporation inherits these assets held by the merger partner through a merger, an amount multiplied by a rate not exceeding 0.5% of assets including real estate, real estate-backed securities, specified bonds, and real estate-related loans on the merger effectuation date shall be paid within 3 months from the end of month which the merger effectuation date falls.

Custodian:

- **Custodian Fee:** ADR will pay the Custodian a monthly fee calculated as follows:
The amount of total assets as indicated on the prior month-end trail balance x 0.03% ÷12

General Administrators:

- **General Administrators Fee:** ADR will pay the General Administrators a monthly fee calculated as follows:
The amount of total assets as indicated on the prior month-end trial balance x 0.09% ÷12

Transfer Agent:

- **Transfer Agent Fee (Standard Fee):**
Standard transfer agent fees are for services such as preparation, maintenance and storage of ADR's unitholder register; preparation and reporting of the end-of-period unitholders register and unitholder statistical data.
The monthly standard fees will be the total of the amount calculated using the following table divided by 6, with a minimum monthly fee of 200,000 yen.

| Number of Unitholders | Fees per Unitholder |
|-------------------------|---------------------|
| first 5,000 unitholders | 480 yen |
| over 5,000 to 10,000 | 420 yen |
| over 10,000 to 30,000 | 360 yen |
| over 30,000 to 50,000 | 300 yen |
| over 50,000 to 100,000 | 260 yen |
| over 100,000 | 225 yen |

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| | <p><u>Auditor:</u></p> <ul style="list-style-type: none"> • Auditor Fee: ADR may pay the independent auditor up to 20 million yen per fiscal period. The board of officers is responsible for determining the actual compensation amount. <p>The AIF may also incur other miscellaneous fees in connection with the issuance of units, and the operation, acquisition or disposition of properties.</p> |
| Article 23(1) (j) | |
| Description of the AIFM's procedure to ensure fair treatment of investors and details of any preferential treatment received by investors, including detailing the type of investors and their legal or economic links with the AIF or AIFM | Under Article 77 paragraph 4 of <i>the Act on Investment Trusts and Investment Corporations of Japan</i> , which applies the requirements of Article 109 paragraph 1 of <i>the Companies Act to investment corporations</i> , investment corporations are required to treat unitholders equally depending on the number and content of units held. In addition, upon liquidation, the allotment of residual assets to unitholders is required to be made equally depending on the number units held under Article 77 paragraph 2 item 2 and Article 158 of the ITA. |
| Article 23(1) (k) | |
| The latest annual report referred to in Article 22(1) | Additional information may be found in our most recent semi-annual report prepared in accordance with Article 22 of the AIFMD, which is available at the Asset Manager's office located at 17 th Floor, Jinbocho Mitsui Building, 1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo. |
| Article 23(1) (l) | |
| The procedure and conditions for the issue and sale of the units | ADR is authorized under the articles of incorporation to issue up to 6,000,000 units. Its units have been listed on the Tokyo Stock Exchange since March 2, 2010. Secondary market sales and transfers of units will be conducted in accordance with the rules of the Tokyo Stock Exchange. Unit prices on the Tokyo Stock Exchange are determined on a real-time basis by the equilibrium between bids and offers. The Tokyo Stock Exchange sets daily price limits, which limit the maximum range of fluctuation within a single trading day. Daily price limits are set according to the previous day's closing price or special quote. |
| Article 23(1) (m) | |

| Latest net asset value of the AIF or latest market price of the unit or share of the AIF | ADR's unit's latest market price is publicly available at the Tokyo Stock Exchange or from financial information vendors (including Reuters, which can be viewed at http://www.reuters.com/finance/stocks/overview?symbol=3269.T). | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|-----------------------------------|--|-----------------------------------|--|--|---------|---------|---------|---|---------|---------|---------|--|----------|---------|---------|---|---------|---------|---------|--|---------|---------|---------|
| Article 23(1) (n) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Details of the historical performance of the AIF, where available | <p>The units of ADR were listed on the Tokyo Stock Exchange on March 2, 2010.</p> <p>The most recent five fiscal period performance of the units is as follows.</p> <table border="1" data-bbox="411 528 1495 1400"> <thead> <tr> <th data-bbox="411 528 743 674">Fiscal period</th> <th data-bbox="746 528 986 674">Total Assets (JPY million)</th> <th data-bbox="989 528 1228 674">Total Net Assets (JPY million)</th> <th data-bbox="1232 528 1495 674">Total unitholders' equity per unit (base value) (JPY)</th> </tr> </thead> <tbody> <tr> <td data-bbox="411 678 743 824">17th Fiscal Period (August 1, 2018 to January 31, 2018)</td> <td data-bbox="746 678 986 824">452,487</td> <td data-bbox="989 678 1228 824">220,069</td> <td data-bbox="1232 678 1495 824">163,014</td> </tr> <tr> <td data-bbox="411 828 743 974">18th Fiscal Period (February 1, 2019 to July 31, 2019)</td> <td data-bbox="746 828 986 974">451,589</td> <td data-bbox="989 828 1228 974">219,837</td> <td data-bbox="1232 828 1495 974">162,842</td> </tr> <tr> <td data-bbox="411 978 743 1124">19th Fiscal Period (August 1, 2019 to January 31, 2020)</td> <td data-bbox="746 978 986 1124">457,863,</td> <td data-bbox="989 978 1228 1124">231,698</td> <td data-bbox="1232 978 1495 1124">167,291</td> </tr> <tr> <td data-bbox="411 1128 743 1274">20th Fiscal Period (February 1, 2020 to July 31, 2020)</td> <td data-bbox="746 1128 986 1274">457,568</td> <td data-bbox="989 1128 1228 1274">231,225</td> <td data-bbox="1232 1128 1495 1274">166,950</td> </tr> <tr> <td data-bbox="411 1279 743 1400">21st Fiscal Period (August 1, 2020 to January 31, 2021)</td> <td data-bbox="746 1279 986 1400">458,579</td> <td data-bbox="989 1279 1228 1400">230,966</td> <td data-bbox="1232 1279 1495 1400">166,763</td> </tr> </tbody> </table> | Fiscal period | Total Assets (JPY million) | Total Net Assets (JPY million) | Total unitholders' equity per unit (base value) (JPY) | 17th Fiscal Period (August 1, 2018 to January 31, 2018) | 452,487 | 220,069 | 163,014 | 18th Fiscal Period (February 1, 2019 to July 31, 2019) | 451,589 | 219,837 | 162,842 | 19th Fiscal Period (August 1, 2019 to January 31, 2020) | 457,863, | 231,698 | 167,291 | 20th Fiscal Period (February 1, 2020 to July 31, 2020) | 457,568 | 231,225 | 166,950 | 21st Fiscal Period (August 1, 2020 to January 31, 2021) | 458,579 | 230,966 | 166,763 |
| Fiscal period | Total Assets (JPY million) | Total Net Assets (JPY million) | Total unitholders' equity per unit (base value) (JPY) | | | | | | | | | | | | | | | | | | | | | | |
| 17th Fiscal Period (August 1, 2018 to January 31, 2018) | 452,487 | 220,069 | 163,014 | | | | | | | | | | | | | | | | | | | | | | |
| 18th Fiscal Period (February 1, 2019 to July 31, 2019) | 451,589 | 219,837 | 162,842 | | | | | | | | | | | | | | | | | | | | | | |
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| 21st Fiscal Period (August 1, 2020 to January 31, 2021) | 458,579 | 230,966 | 166,763 | | | | | | | | | | | | | | | | | | | | | | |
| Article 23(1) (o) | | | | | | | | | | | | | | | | | | | | | | | | | |
| Identity of the prime broker, any material arrangements of the AIF with its prime brokers, how conflicts of interest are managed with the prime broker and the provision in the contract with the depositary on the possibility of transfer | No applicable prime broker. | | | | | | | | | | | | | | | | | | | | | | | | |

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| and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist | |
| Article 23(1) (p) | |
| Description of how and when periodic disclosures will be made in relation to leverage, liquidity and risk profile of the assets, pursuant to Articles 23(4) and 23(5) | The AIFM will disclose the matters described in Articles 23(4) and 23(5) periodically through the AIF Internet website and other public disclosures. |
| Article 23(2) | |
| The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depository to contractually discharge itself of liability in accordance with Article 21(13) | Not applicable. |
| The AIFM shall also inform investors of any changes with respect to depository liability without delay | Not applicable. |
| Article 23(4)(a) | |
| Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to | There are no assets that are subject to special arrangements arising from their illiquid nature. |

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| special arrangements divided by the net asset value of the AIF concerned | |
| Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements | There are no such special arrangements. |
| Valuation methodology applied to assets which are subject to such arrangements | There are no such special arrangements. |
| How management and performance fees apply to such assets | There are no such special arrangements. |
| Article 23(4)(b) | |
| Any new arrangements for managing the liquidity of the AIF | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of Regulation (EU) No 231/2013 (ie. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF). | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |

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| Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| Overview of changes to liquidity arrangements, even if not special arrangements | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| Terms of redemption and circumstances where management discretion applies, where relevant | ADR is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment. |
| Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included | There are no voting or other restrictions on the rights attaching to units. |
| Article 23(4)(c) | |
| The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks | <p>The appropriateness and effectiveness of the risk management structure are regularly evaluated and enhanced by the AIFM.</p> <p>Deposits are exposed to risks of failure of the financial institution holding the deposit and other credit risks, but such risks are controlled by striving to diversify the financial institutions holding the deposits.</p> <p>Funds from debts and investment corporation bonds are mainly used for asset acquisition or debt repayment, etc. These are exposed to liquidity risk at the time of repayment, but the liquidity risk is controlled through such measures as striving to maintain and strengthen the capacity to procure funds from the capital market via capital raising, along with securing several fund procurement sources and diversifying repayment deadlines, executing commitment lines of credit which provide credit facilities with major financial lenders, and also preparing monthly cash management plans.</p> <p>Debt with a floating interest rate is exposed to interest rate fluctuation risks, but the impact that interest rate rises have on the operations is limited by keeping the appraisal LTV at low levels, maintaining the proportion of debt that is long-term fixed-rate debt at high levels, and setting a procurement limit depending on the economic and financial</p> |

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| | <p>environment, terms of lease agreements with tenants, asset holding period and other factors.</p> <p>Furthermore, derivative transactions (interest rate swap transactions) are utilized as hedging instruments to mitigate the risks of rises in floating interest rates.</p> <p>Tenant leasehold and security deposits are deposits from tenants and are exposed to liquidity risks arising from tenants moving out of properties, but the liquidity risk is controlled through such measures as preparing monthly cash management plans.</p> |
| Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed | No such measures have been implemented. |
| If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken | No such situation has occurred. |
| Article 23(5)(a) | |
| Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of Regulation (EU) No 231/2013,, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF. | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |

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| Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted | No such right or guarantee exists. |
| Details of any change in service providers relating to the above. | Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time. |
| Article 23(5)(b) | |
| Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods | The aggregate amount of debt with interest is JPY 220,788 million as of April 30, 2021. |