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**Notice on Introduction of Substantial Renewable Energy through Purchase of
FIT Non-fossil Fuel Certificate**

Advance Residence Investment Corporation (“ADR”) hereby announces that it has bought FIT non-fossil fuel certificates in the renewable energy value trading market and that as a result has substantially achieved full use of renewable energy for FY 2021 electric power usage in the common use areas of the properties owned by ADR (hereinafter “common use areas of the properties”).

1. Overview of Transaction

In order to contribute to the realization of a decarbonized society, ADR has “Managing and Reducing Energy and Water Usage, CO2 Emission, Waste Generation” as one of the top-priority initiatives (materiality) in relation to sustainability. As part of the efforts for this initiative, ADR took part in the FY 2021 4th auction of the renewable energy value trading market via a broker (Whole Energy, Inc.) and bought FY 2021 FIT non-fossil fuel certificates with tracking information .

With this purchase, the electric power consumption in the common use areas of the properties for FY 2021 (about 13.8 million kWhs) was substantially all sourced from renewable energy resources, and accordingly, ADR achieved reduction of about 6,902 tons of CO2 equivalent^{*1}, which is 100% of the greenhouse gas emission attributable to electric consumption in the common space areas of the properties (99% reduction in Scope 2^{*2} greenhouse gas emissions for FY2021).

*1...Product of electricity consumption in common use areas of the properties for FY2021 and the emission coefficient. Of the greenhouse gas emissions for FY 2021 from properties owned by ADR, ADR has received independent assurance report from Sustainability Accounting Co., Ltd. concerning Scope 1 emission of 169 tons and Scope 2 emission of 80 tons (market based) (both CO2 equivalent).

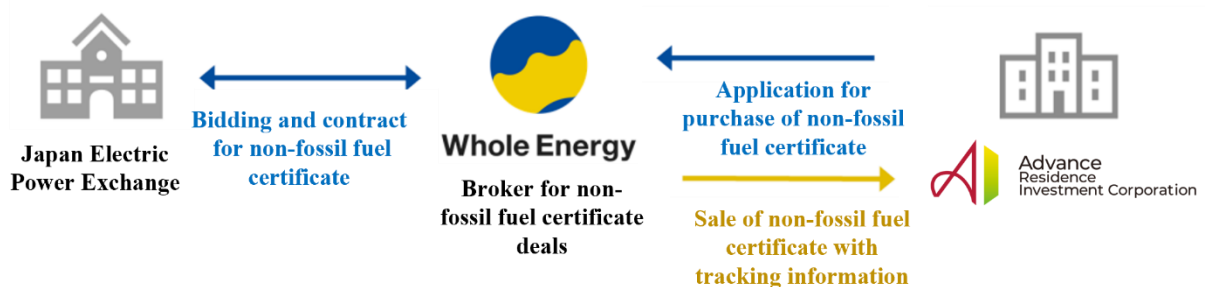
*2...The Scope 2 greenhouse gas emissions for FY 2021 of ADR refer to those originating from electricity and regional heating and cooling systems.

About FIT Non-fossil Fuel Certificate and Renewable Energy Value Trading Market

FIT stands for Feed-in Tariff, which is a system for purchasing renewable energy at a fixed price. The non-fossil fuel certificate represents the “non-fossil value” of the electric power derived from “non-fossil resources” as a means to generate electricity without the use of fossil fuels such as petroleum and coal.

Trading of the FIT non-fossil fuel certificate started from 2018. The renewable energy value trading market opened in November 2021 and enabled users to buy the renewable energy certificate for electric power at cheaper prices. The proceeds from the sale of non-fossil fuel certificates traded on the market are allocated to the renewable energy power generation promotion surcharge, and accordingly the FIT system is expected to lower the national burden.

Mechanism of Purchase of FIT Non-fossil Fuel Certificate



2. Initiatives of ADR and Asset Management Company in Future

ADR and its asset management company, Itochu REIT Management Co., Ltd., are aware that sustainability-related initiatives, with a focus on contribution to the realization of a decarbonized society, contribution to the regional societies, and further satisfaction of tenants, are essential for maintaining and enhancing the medium- to long-term asset value. The two companies are committed to further improving value for investors by promoting such initiatives in the future.

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest J-REIT specializing in residential properties and is managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group, investing in over 270 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 460 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.

"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/>