

March 10, 2023

For Immediate Release

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Notice Concerning Acquisition of SBT Certification
for Greenhouse Gas Emission Reduction Targets

Advance Residence Investment Corporation (ADR) announced that ADR is the first residential J-REIT^{Note 1} to be certified by the SBT Initiative ("SBTi"), an international initiative, regarding the greenhouse gas (GHG) emission reduction targets set by ADR.

1. Overview of SBT Certification

SBT (Science Based Targets: emission reduction targets based on scientific evidence) is GHG emission reduction targets set by companies that are consistent with the levels required by the Paris Agreement (which aims to limit the global temperature increase to well below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C). The SBTi is an international initiative of CDP, the United Nations Global Compact (UNGC), the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) to certify companies that set SBT.

2. Obtaining Certification

In order to contribute to the realization of a decarbonized society, ADR has set "Managing and Reducing Energy and Water Usage, CO2 Emission, Waste Generation" as one of its important sustainability-related issues (materiality). As part of efforts to increase the effectiveness of it, as announced in our press release dated October 18, 2022, "Determination of Sustainability Targets and KPIs and Raising of Target Values to Achieve Carbon Neutrality by 2050," ADR has set a target for CO2 emissions (GHG) Scope 1 and 2 by "reducing the total amount by 51% from the FY 2018 level by FY 2030".

ADR is the first residential J-REIT to have this target certified by SBTi as an SBT (Near Term Target^{Note 2}) consistent with the level required by the Paris Agreement. Going forward, We will continue to steadily promote initiatives aimed at decarbonization.

Note1 A "Residential J-REIT" means an investment corporation listed on the Real Estate Investment Trust Securities Market of the Tokyo Stock Exchange whose principal investment is in residential properties and whose portfolio investment ratio in residential properties is 50% or more. Based on information disclosed on SBTi's website(<https://sciencebasedtargets.org/>) as of March 10, 2023.

Note2 The SBT-certified route for small or medium enterprise applied for by ADR includes a near-term target, which refers to achieving reductions in the medium term through FY2030, and a net-zero target, which aims for 100% reductions in Scope 1-3, ideally by FY2050.



3. Future Initiatives of the Investment Corporation and Asset Management Company

ADR and ITOCHU REIT Management Co., Ltd, (IRM) the asset management company to which ADR entrusts the management of its assets recognizes the importance of sustainability through environmental consideration, social contributions and improving its tenants' satisfaction to maintain and add value to ADR's assets in the medium to long term. We will continue to promote these activities to further raise our unitholder's value going forward.

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 470 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/>