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For Immediate Release

Real Estate Investment Trust Securities Issuer:
Advance Residence Investment Corporation
(Securities Code : 3269)
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Notice Concerning Disposition of Domestic Real Estate Trust Beneficiary Interest(RESIDIA Bunkyo-Yushima II)

ITOCHU REIT Management Co., Ltd. (IRM), the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets, today announced its decision to dispose of assets (hereafter, the “Disposition”) as detailed below.

1. Summary of the Disposition

Property Name	RESIDIA Bunkyo-Yushima II
Type of Specified Asset	Beneficiary interests in trust
Disposition Price	1,617 million yen
Appraisal value or survey price ^(Note1)	1,560 million yen
Book Value ^(Note2)	868 million yen
Difference between Disposition Price and Book Value	748 million yen
Counterparty	Taisei-Yuraku Real Estate Co., Ltd
Broker Availability	None
Scheduled Contract Date	February 24, 2026
Scheduled Disposition Date	July 1, 2026
Payment Method	Full payment on delivery

(Note 1) “Appraisal values or survey prices” is as of January 31, 2026.

(Note 2) “Book value” is the estimated amount as of each anticipated disposition date.

2. Reason for the Disposition

ADR is promoting a capital policy aimed at optimizing capital efficiency and enhancing unitholder returns, taking into consideration the current capital market environment, such as capital costs and investment unit prices.

This disposition is intended to realize profits through the strategic sale of assets with unrealized gains and to enhance unitholder returns by allocating a portion of such profits to distributions.

The disposition price is 1,617 million yen, which exceeds the book value (868 million yen). Accordingly, this disposition is expected to generate a gain on sale of approximately 736 million yen^(Note 3).

The funds obtained from this disposition will be flexibly utilized for initiatives aimed at enhancing unitholder value, including allocation to future property acquisitions and repayment of borrowings.

(Note 3) Gain on sale is a reference figure calculated at the present time as the difference between the planned disposition price and the book value plus disposal-related expenses, and may differ from the actual gain on sale.

3. Details of Assets to be Disposed

Property Number	T-108
Property Name	RESIDIA Bunkyo-Yushima II
Location	3-33-8 Yushima, Bunkyo-ku, Tokyo
Land	
Type of Ownership	Ownership
Land Area	246.30 m ²
Zoning	Commercial Districts
FAR/Building Coverage Ratio	600%/80%
Building	
Type of Ownership	Ownership
Total Floor Space	1,752.45 m ²
Structure / Floors	Steel-framed reinforced concrete (SRC) structure with a flat roof; 12 stories.
Use	Residential
Construction Completion Date	March 2004
Trustee	Sumitomo Mitsui Trust Bank, Limited
Trust Contract Period	Until March 31, 2031
Lease Conditions	
Point in Time	As of January 31, 2026
Total Tenants	1
Leasable Units	63
Leased Units	62
Leasable Floor Area	1,368.01 m ²
Leased Area	1,346.72 m ²
Occupancy Rate (based on floor area)	98.4%
Total Monthly Rent	6,416 thousand yen
Deposits, Guarantees, etc.	4,096 thousand yen
Number of Units by Type (Excluding Operated Rental Residence)	
Single	63
Compact	-
Family	-
Large	-
Other	-
Number of Operated Rental Residences	-
Special affairs	None

4. Financial Impact on ADR in the Event of Failure to Fulfill Forward Commitment, etc.

The Beneficiary Interests in Trust Sales and Purchase Agreement pertaining to this transaction (hereafter, the “Agreement”) constitutes a forward commitment, etc^(Note4), by an investment corporation defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. published by the Financial Services Agency.

The Agreement provides that if this Investment Corporation or the counterparty violates a provision of the Agreement, the non-breaching party has the right to terminate the Agreement and claim an amount equivalent to 20% of the transaction price of the beneficiary interest for which the agreement was terminated as a penalty. Furthermore, even if damages exceeding such penalty arise due to the termination of the Agreement, neither party can claim any amount beyond the penalty from the other. Likewise, if the damages are less than the penalty amount, neither party can claim a reduction of the penalty.

However, this Investment Corporation is not obliged to pay penalties to the counterparty for the expiration or cancellation of the Agreement except where this Investment Corporation is at fault.

(Note 4) Refers to a postdated sales agreement under which payment and property delivery shall be made at least one month after the conclusion of the agreement, or any other agreement similar thereto.

5. Summary of the Counterparty

Name	Taisei-Yuraku Real Estate Co., Ltd	
Address	3-13-1, Kyobashi, Chuo-ku, Tokyo	
Representative	Takeshi Uekusa, President and Representative Director	
Principal business	Businesses related to Real estate development, leasing, brokerage, appraisal, and consulting, as well as building maintenance and management.	
Capital	10,000 million yen (as of March 31, 2025)	
Data of establishment	October 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

6. Outlook

The impact of this transfer on the forecast of operating results for the 32nd fiscal period (from February 1, 2026 to July 31, 2026), as announced in the Brief Summary of Financial Results for the fiscal period ended July 2025 dated September 16, 2025, will be negligible, and no changes will be made to this forecast.

7. Summary of Appraisal Report or Survey Report

Property name	RESIDIA Bunkyo-Yushima II
Appraisal value or survey price, etc	1,560,000 thousand yen
Appraiser	Japan Real Estate Institute
Appraisal date	as of January 31, 2026

(thousand yen)

Items	Value	Summary
Income Capitalization Approach Value	1,560,000	Estimated the income value of the subject property by relating the income value obtained by the DCF method to the income value obtained by the direct capitalization method.
Direct Capitalization Price ((6)/(7))	1,570,000	
(1) Total Potential Income	75,365	
Total Potential Income	78,476	
Rental income	75,489	Calculated the standardized estimated rental income and common area fee income of the subject property based on the rent level of the current contract, the new rent level of similar properties in the same demand/supply zone and its trend and taking into account the subject property's competitiveness in the medium to long term.
Other income	2,987	After assessing, for each tenant, the number of months collected as well as the tenant's average annual turnover rate and average contract term, we recorded the resulting key money and renewal fee income, and also recorded vending machine placement fee income and the like as other income.
Losses from Vacancies, etc.	3,111	Based on the occupancy conditions and supply-demand trends of comparable properties that are in a substitute/competitive relationship in similar areas within the same demand/supply zone, as well as the subject property's past occupancy performance and expected future trends, we assessed a medium- to long-term stable occupancy rate and recorded vacancy and other losses based on that assessment.
Losses from Delinquencies	0	Considering the situation of the lessee and other factors, the Company decided not to record a bad debt loss.
(2) Expenses from rental business	18,732	
Maintenance and Management Fees	3,497	Maintenance and Management Fees are recorded with reference to actual amounts from previous years and similar properties, and taking into consideration the individual characteristics of the subject property.
Utilities Costs	700	Utilities Costs are recorded with reference to actual amounts from previous years and similar properties, and taking into consideration the individual characteristics of the subject property.
Repair Costs	3,789	Restoration and repair costs were estimated and recorded based on typical tenant-turnover costs, the landlord's share and timing, historical results, comparable property benchmarks, and the engineering report's average annual repair and replacement estimates.
Property Manager Fees	2,174	Recorded in consideration of the individual characteristics of the subject property with reference to the remuneration rates based on the contract terms and conditions, etc., and with reference to the remuneration rates at similar properties.
Leasing Expenses	3,774	Administrative fees related to marketing and leasing to new tenants, lease execution, and renewals were recorded with reference to contract terms and leasing conditions for comparable nearby properties. Leasing-related costs include brokerage commissions required for tenant acquisition and advertising and promotion expenses estimated based on prior-year actuals. Renewal fees were recorded by taking into account the remuneration paid to outsourced service providers for renewal contract execution, as well as the average annual tenant turnover rate and occupancy rate.
Taxes and Public Dues	4,148	Land: Taxes and Public Dues are recorded by taking into consideration the data related to taxes and public dues, etc., and the details of the burden adjustment measures. Building: Taxes and Public Dues are recorded by taking into consideration the data related to taxes and public dues, etc., and factors such as the age-related depreciation adjustment rate.
Insurance Premium	84	Depreciable Assets: Taxes and Public Dues are recorded based on the data related to taxes and public dues. Recorded in consideration of premiums based on insurance policies and premium rates for similar properties.
Other Expense	566	Neighborhood association fees and internet usage fees are recorded as other expenses.
(3) Net Operating Income (NOI, (1)-(2))	56,633	
(4) Earnings from Deposits	55	Recorded the number of months of stable deposit over the medium term based on the number of months of deposit under the current lease terms, and multiply this amount by the Occupancy rate, and then multiply the result by the investment yield to assess and appraise the investment income on the lump-sum payment.
(5) Capital Expenditures	4,978	Appraised and recorded, taking into account the level of Capital Expenditures of similar properties, Building Age, and the average annual amount of repair and renewal expenses in the engineering report, etc.
(6) Net Cash Flow DCF Price ((3)+(4)-(5))	51,710	
(7) Cap Rate	3.3%	Appraised by adding/subtracting the spread that attributes to the subject property's location, building conditions, and other conditions to the standard yield, and also by taking into account future uncertainties and transaction yields on similar properties, etc.
DCF price	1,540,000	
Discount Rate	3.1%	Appraised by comprehensively taking into account the individual characteristics of the subject property, etc., with reference to the investment cap rate, etc. of similar properties.

	Terminal Cap Rate	3.4%	Appraised by comprehensively taking into account future trends in investment yields, riskiness of the subject property, general forecasts of future economic growth rates, and trends in real estate prices and rents, etc., with reference to the transaction yields of similar properties.
	Cost Approach Value	1,140,000	The amount stated in the appraisal report as of July 31, 2025.
	Land ratio	81.0%	The ratio stated in the appraisal report as of July 31, 2025.
	Building Ratio	19.0%	The ratio stated in the appraisal report as of July 31, 2025.
	Other items considered by the appraiser in the appraisal		None

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/>