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For Immediate Release

Advance Residence Investment Corporation
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**Notice Concerning the Asset Management Company's
Shareholder Composition and Other Changes**

AD Investment Management Co., Ltd. (ADIM), the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets, announced that it resolved at the meeting of its board of directors held today, to approve the share transfer of ADIM held by NIPPON TOCHI-TATEMONO., Ltd. (NITTOCHI), and the change in the shareholder composition as described below.

In addition, following the approval of the share transfer, ADIM resolved at ADIM's Board of Directors Meeting held today, to sign an agreement to terminate "The Right of First Refusal and Other Agreements", a contract concerning property acquisition opportunities and information from NITTOCHI and its group company NIPPON TOCHI-TATEMONO HANBAI., Ltd. with a precondition that it will be also resolved at ADR's Board of Directors Meeting that will be held later today.

Furthermore, following the approval of the share transfer and the signing of the termination, a Non-Executive Director of ADIM will resign. Please refer to "4. The Effect of the Share Transfer and the Resignation of a Director of ADIM" for details.

Details

1. Background and Date of the Share Transfer

NITTOCHI will transfer all 1,200 shares of ADIM which it owns (19.42% of total shares issued), to the largest ADIM shareholder, ITOCHU Corporation (ITC) as of June 27, 2014. ADIM was requested by NITTOCHI to approve the above share transfer pursuant to Article 136 and Article 138-1 of *the Companies Act* and Article 10 of the Articles of Incorporation, and resolved to approve the share transfer at the Board of Directors Meeting held today.

2. Overview of the Parting Shareholder

i) Company Name	NIPPON TOCHI-TATEMONO., Ltd.
ii) Location of Headquarters	NITTOCHI Building 1-4-1 Kasumigaseki, Chiyoda-ku, Tokyo
iii) Representative	Takuro Yoshida, President
iv) Capital	17 billion yen
v) Main business	<ol style="list-style-type: none"> 1. Project development, planning, management, leasing, sales, end-tenant leasing of offices, commercials, logistics, apartments and detached house 2. Development of residential sites and properties 3. Corporate Real Estate (CRE) strategy support 4. Real Estate usage and investment consulting 5. Real estate appraisal, real estate analysis, inspection and due diligence

3. The Parting Shareholder's Number of Voting Rights and Ratio of Number of Voting Rights of the Total Shareholder Before and After the Share Transfer

	Before the Share Transfer (as of June 26, 2014)	After the share transfer
Number of voting rights (Number of Share held)	1,200 (1,200)	-
Ratio of number of voting rights of the total	19.42%	-
Shareholder ranking	Second	-

- The number of shares without voting rights deducted from the total number of shares issued: 0 shares
- The total number of shares issued as of June 26, 2014: 6,180 shares

(Reference) Shareholder Composition of ADIM before and after the share transfer (changes are indicated by the shaded cells)

Shareholder	Before the share transfer		After the share transfer	
	No. of Shares Held	%	No. of Shares Held	%
Total	6,180	100.00%	6,180	100.00%
ITOCHU Corporation	2,880	46.60%	4,080	66.02%
ITOCHU PROPERTY DEVELOPMENT, LTD.	1,200	19.42%	1,200	19.42%
NIPPON TOCHI-TATEMONO, Ltd.	1,200	19.42%	-	-
AOZORA BANK, LTD.	180	2.91%	180	2.91%
SUMITOMO MITSUI TRUST BANK, LIMITED	180	2.91%	180	2.91%
Mizuho Trust & Banking Co., Ltd.	180	2.91%	180	2.91%
Sumitomo Mitsui Banking Corporation	180	2.91%	180	2.91%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	180	2.91%	180	2.91%



4. The Effect of the Share Transfer and the Resignation of a Director of ADIM

With the said share transfer, all the ADIM shares held by NITTOCHI will be transferred to ITC. ITC has played a core role as a main sponsor of ADIM by supplying many properties to ADR. As a group company, ITOCHU Group has provided support to ADIM in diverse areas such providing property management services to many of ADR's properties. We expect that the relationship between ADR and ITOCHU will grow even stronger, as a result of this share transfer which will further increase ITOCHU's share holdings in ADIM.

Following the share transfer and the termination of "The Right of First Refusal and Other Agreements" NITTOCHI will cease to be ADIM's shareholder and ADR's sponsor or a support company. Therefore, current ADIM Director (non-executive), Nobuchika Goto who was assigned by NITTOCHI will resign from the board as of July 27, 2014.

5. Future Outlook

No impact is expected to ADR's performance due to the share transfer and termination of "The Right of First Refusal and Other Agreements".

Furthermore there are no revisions to the asset management agreement between ADR and ADIM, and to ADR's investment policy as of today.

Required filings and other procedures will be performed in relation to this matter, in compliance with *the Financial Instruments and Exchange Law, the Building Lots and Buildings Transaction Business Law* and other applicable laws, ordinances and regulations.

* The original Japanese version of this material is released today to the Kabuto Club (the press club of the Tokyo Stock Exchange), the ministry of Land, Infrastructure and Transport Press Club, and the Ministry of Land, Infrastructure and Transport Press Club for Construction Publications.

* URL: <http://www.adr-reit.com>

[Provisional Translation Only]

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