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For Immediate Release

Advance Residence Investment Corporation  
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Notice Concerning Changes in Operational Scheme of Its Asset (Life & Senior House Kohoku 2)

Advance Residence Investment Corporation (ADR) announced today its decision to change the operational scheme of its asset (S-22 Life & Senior House Kohoku 2) as detailed below.

**1. Summary of the Changes**

Property name: S-22 Life & Senior House Kohoku 2  
Effective Date: August 1, 2014

Changes	Before the Change	After the Change
MLPM*	ITOCHU Urban Community Ltd.	HASEKO LIVENET, Inc.
Tenant / Operator	Seikatsu Kagaku Un-Ei Co.,Ltd.	
Back-Up Service Agreement	GREEN LIFE HIGASHINIHON K.K. (formally, Care Link Co., Ltd.)	none

\* "MLPM" is an abbreviation of Master Lessee and Property Manager.

**2. Reason for the Changes**

The new MLPM company, HASEKO LIVENET, Inc. is a subsidiary of Haseko Corporation (Haseko), a construction company listed on First Section of the Tokyo Stock Exchange. As of today, HASEKO LIVENET, Inc. manages 39 ADR properties as MLPM.

The tenant and operator of Life & Senior House Kohoku II, Seikatsu Kagaku Un-Ei Co., Ltd. (SKU) has also become Haseko's subsidiary as of November 2013. Haseko has a rich experience, knowhow and track record in managing senior housing asset even before acquiring SKU, through its other subsidiary whose main line of business is management and consulting of senior housing.

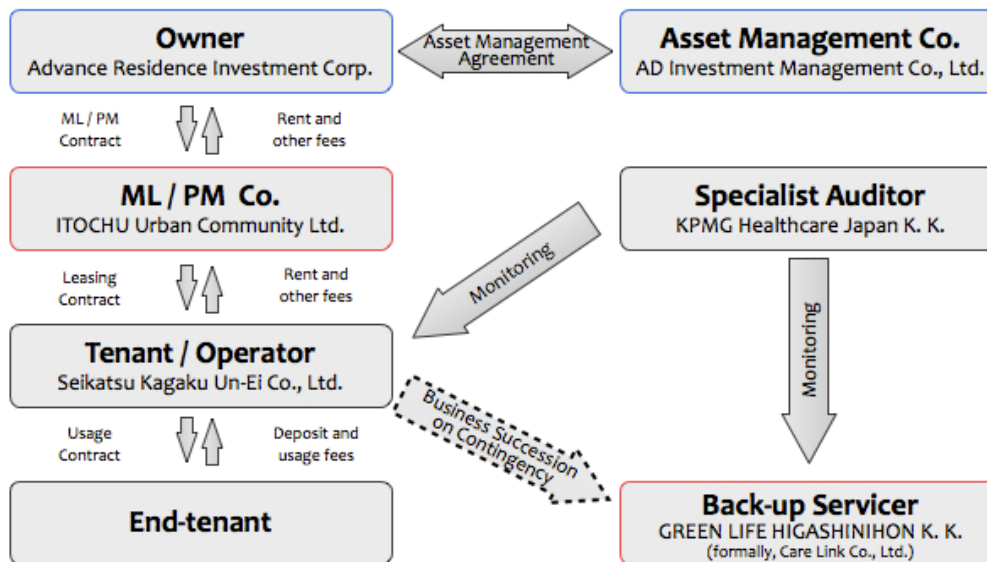
By changing the operational scheme, ADR expects that the management and operation of the asset will be maintained and improved and end-tenants satisfaction to improve. Although, there will be no back-up servicer in the new scheme, the operation and management of the asset will continue to be properly monitored by specialist auditor.

### 3. The New MLPM's Profile

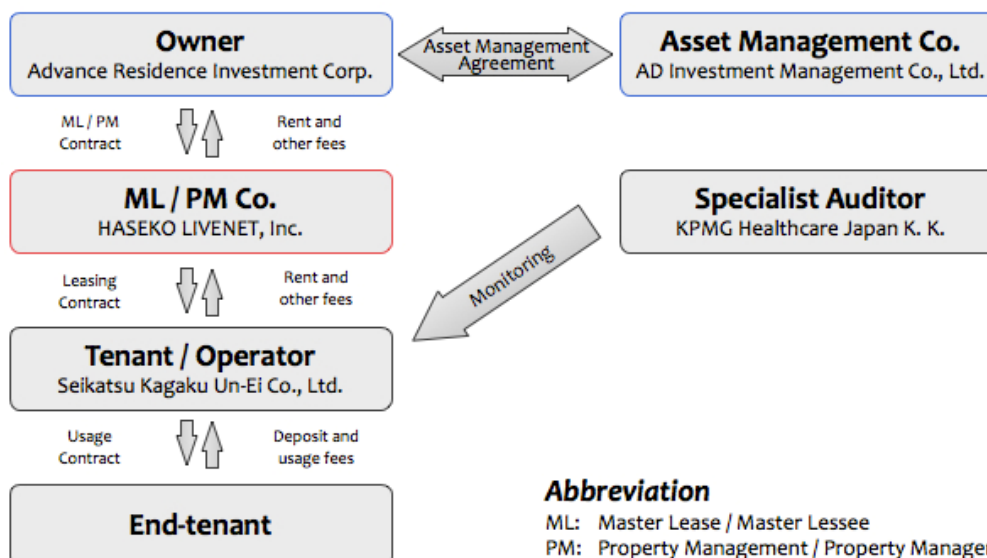
Trade name	HASEKO LIVENET, Inc.
Head office location	2-31-19 Shiba, Minato-ku, Tokyo
Capital	JPY 1,000 million
Representative	Kinoshita Hiroshi, Representative Director
Principal business	<ul style="list-style-type: none"> <li>• Rental property management and management consultancy</li> <li>• Property trading, leasing, brokering and property agent</li> <li>• Property information provider</li> </ul>
Relationship with ADR or its asset management company	N/A

### 4. Diagram of the Changes

(Before)



(After)



#### Abbreviation

ML: Master Lease / Master Lessee

PM: Property Management / Property Manager

## 5. Future Outlook

The management performance forecasts for the fiscal period ending July 2014 (from February 1, 2014 to July 31, 2014) and January 2015 (from August 1, 2014 to January 31, 2015) remain unchanged.

- \* 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]*

*This English translation of the original Japanese document is provided solely for informational purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.*