



October 23, 2015

To whom it may concern,

**Situation Concerning the Piling Works of
Advance Residence Investment Corporation's Properties**

There has been reports concerning defective piling works of a condominium in the city of Yokohama.

When Advance Residence Investment Corporation (ADR) acquires properties, it undertakes due diligence where visual examination are made. None of the properties that ADR acquired shows any tilting as found in the condominium reported. Additionally, as of today, ADR has not received any reports or complaints from its tenants, property managers and building managers concerning any tilt in buildings.

AD Investment Management Co., Ltd. (ADIM), the asset manager of ADR has sent a request to the concerned contractor group to disclose of any record of piling works on ADR's property (250 properties in total). If we discover any property that they have worked on in the disclosure which shows similar defects to the reported condominium, ADR will disclose the matter as needed.

Moreover, ADIM believes it is difficult to independently verify that all of ADR's properties have no defective piling and that it will improperly effect investment decisions if it disclosed information based on that insufficient verification. Therefore we would like to wait the concerned contractor's official report.

Sincerely,

Advance Residence Investment Corporation
AD Investment Management Co., Ltd.