

September 29, 2016

## For Immediate Release

Advance Residence Investment Corporation  
Securities Code : 3269  
1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo  
Kenji Kousaka, Executive Director

Asset Management Company:  
AD Investment Management Co., Ltd.  
Kenji Kousaka, President

Inquiries:  
Tomoyuki Kimura, Director and General Manager  
Corporate Management Department  
TEL. +81-3-3518-0480

## Notice Concerning Changes in Property Manager

Advance Residence Investment Corporation (ADR) announced today its decision to change the property manager (PM) for the properties listed below.

### 1. Summary of the Change

ADR decided to change the PM for the properties listed below on October 1, 2016 as follows.

No.	Name	ML/ PM	Before	After
P-58	RESIDIA Minami-Aoyama	ML	ITOCHU Urban Community Ltd.	ITOCHU Urban Community Ltd.
		PM	JOINT PROPERTY CO., LTD	
P-81	Windsor House Hiroo	ML	ITOCHU Urban Community Ltd.	ITOCHU Urban Community Ltd.
		PM	JOINT PROPERTY CO., LTD	
C-10	RESIDIA Higashi-Ginza	ML	ITOCHU Urban Community Ltd.	ITOCHU Urban Community Ltd.
		PM	JOINT PROPERTY CO., LTD	
C-45	RESIDIA Shinkawa II	ML	ITOCHU Urban Community Ltd.	ITOCHU Urban Community Ltd.
		PM	JOINT PROPERTY CO., LTD	

(ML: Master Lessee)

### 2. Reason for the Change

ADR consolidates property management of its properties to promote greater operational and managerial efficiency and stronger leasing capabilities, which will lead to better revenue-generating potential.

Following the above policy, ADR decided to change the ML and PM for the afore mentioned properties, after reviewing whether to renew the contract with the current ML and PM. ADR evaluated that the new ML / PM has good track-record managing properties in the region where the properties are located and can expect improved level of management and profitability if they managed the properties.

The number of properties managed by ITOCHU Urban Community Ltd. (IUC) which is a major master

lessee and property manager for ADR are as listed below.

Under Management	As of September 30, 2016		As of October 1, 2016	
	IUC	Portfolio Share	IUC	Portfolio Share
No. of properties	147 properties	57.6%	151 properties	59.2%
No. of units	10,276 units	50.2%	10,506 units	51.4%

### 3. Profile of the ML and New PM

P-58) RESIDIA Minami-Aoyama

P-81) Windsor House Hiroo

C-10) RESIDIA Higashi-Ginza

C-45) RESIDIA Shinkawa II

Trade name	ITOCHU Urban Community Ltd.
Head office location	2-7-1 Nihonbashi Hon-cho, Chuo-ku, Tokyo
Capital	JPY 310 million
Representative	Koji Fukaki, President and Representative Director
Shareholder	ITOCHU Corporation
Principal business	Apartment management, Property management, Building management and Rental apartment management
Relationship with ADR or its asset management company	ITOCHU Urban Community Ltd. constitutes an interested party of the asset management company as defined in the Investment Trusts and Investment Corporations Law article no. 123. Therefore the asset management company chose ITOCHU Urban Community Ltd. as ML and PM according to procedures stipulated in the company bylaw titled "Related-Party Transaction Rules".

### 4. Future Outlook

ADR's management performance forecasts remain unchanged.

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

[Provisional Translation Only]

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Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.