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**Notice Concerning Submission of Revised Shelf Registration Statement
for Issuance of Green Bonds**

Advance Residence Investment Corporation (ADR) announced today its decisions to submit a revised shelf registration statement (the original shelf registration statement was submitted on August 3, 2017) today for the issuance of green bonds as described below.

1. Purpose and Background of Issuance of Green Bonds

AD Investment Management Co., Ltd., the asset management company for ADR, established a Sustainability Policy in March 2015. ADR has conducted operations in accordance with this policy as it strives to contribute to creating a sustainable society and to further raise unitholders' value. As part of these efforts, ADR has conducted large-scale repairs and value-enhancement renovations to extend the lifespan of its properties and encouraged tenants to conserve energy usage by distributing sustainability guides. In addition, ADR is moving forward in acquiring environmental certification, such as, "DBJ Green Building Certification" and "BELS Certification" for its properties.

ADR's efforts concerning issues on ESG (environment, society and governance) has been highly rated by a third-party evaluation organization. ADR was designated as "Residential/Asia/Listed Sector Leader" which indicates that ADR earned the top score within the "Residential/Asia/Listed Sector of 2018 Global Real Estate Sustainability Benchmark (GRESB) Real Estate Assessment Rating and ADR has also been award a top "A" rating for its ESG disclosure.

ADR believes that the issuing of green bonds will further promote ESG considerations in its asset management and enhance our financing base by broadening our investor universe, especially for investors interested in ESG investment. It is with this belief that ADR today submitted a revised shelf registration statement for the issuance of green bonds.

2. ADR's Mechanism of Green Finance including Green Bonds

In order to implement green financing in line with the requirements of the Green Bond Principles 2018 of the International Capital Market Association (ICMA), Green Loan Principles of the Loan Market Association (LMA) and the Asia Pacific Loan Market Association (APLMA) and the 2017 Green Bond Guidelines of Ministry of the Environment of Japan, ADR has formulated a green finance framework. ADR shall implement, assess and manage the green financing based on the framework going forward.

Funds procured through green financing shall be allotted to fund the acquisition of assets which

meet the eligible criteria ¹ (hereinafter referred to as “Eligible Green Assets”), to fund renovation work which meets the eligible criteria ² or fund the repayment of loans or redemption of investment corporation bonds that initially funded such acquisitions or renovations.

Moreover, the total amount of funds procured through green bonds or green loans shall be managed so as not to exceed the Eligible Green Assets total acquisition price ³. There are 7 properties corresponding to Eligible Green Assets, and their total acquisition price is 64.9 billion yen.

As long as there are outstanding balance of green bonds or green loans, ADR plans to disclose annually, the allotment status of funds procured through the green financing, the balance of green financing, the total number and the total acquisition price of the Eligible Green Assets, number and total floor area of properties with third party environmental certification and the Eligible Green Assets’ quantitative environmental performance indices (energy consumption, CO2 emissions, water consumption, etc.) on our website.

Notes:

1. Assets meeting the eligible criteria (Eligible Green Assets) are assets that have acquired or are scheduled to acquire or to be rectified the following certifications.
 - 3-star, 4-star or 5-star ratings in DBJ Green Building Certification
 - B+, A or S rankings in CASBEE Certification
 - 3-star, 4-star or 5-star ratings in BELS Certification
2. Renovation works which meets the eligible criteria are works that aims to reduce energy consumption, CO2 emissions or water consumption by 10% or more.
3. ADR has been established on March 1st, 2010, with the merger between former Advance Residence Investment Corporation and Nippon Residential Investment Corporation. The acquisition price of assets formerly held by Nippon Residential Investment Corporation has been revalued at the time of the merger.

3. Assessment by External Institutions

Regarding the eligibility of the green finance framework, ADR has received a “Green 1 (F)” rating, the highest rating, in the JCR Green Finance Framework Evaluation ⁴ by the Japan Credit Rating Agency, Ltd. (JCR), an institution which assesses green finance. Furthermore, JCR, who will be supporting ADR’s planned issuance of green bonds by providing the third-party assessment, has been notified by the Green Finance Organization, that it will be able to receive a subsidy from a program, “2019 Financial Support Programme for Green Bond Issuance ⁵” by the Ministry of the Environment.

Notes:

4. The JCR Green Finance Framework Evaluation is a third-party evaluation by JCR on green bond issuers or green loan borrowers and their green bond issuing or borrowing policies, that are issued or borrowed in accordance with the Green Bond Principles, Green Loan Principles and the 2017 Green Bond Guidelines published by the Ministry of the Environment of Japan. It will evaluate the greens of projects, specifically, whether the projects to be funded which are listed in the green finance policy of the issuer or borrower, are actually green projects. In addition, operations and managements and transparency of the issuer or borrower will be evaluated. The JCR Green Finance Framework Evaluation rating will be is decided comprehensively taking these evaluations into account.
The JCR Green Finance Framework Evaluation of ADR can be seen at JCR’s website.
<https://www.jcr.co.jp/en/greenfinance/>
5. Financial Support Programme for Green Bond Issuance refers to a program providing subsidies for expenses incurred by registered issuance supporters that support companies, municipalities and other bodies who seek to

issue green bonds, by providing external review and consultation on establishing a green bond framework. To be eligible for the subsidy, the issued green bonds must use the full amount of proceeds for green projects and have to satisfy all the following at the time of issuance.

- (I) Must meet at least one of the following requirements at the time of issuance of the green bonds:
- 1) A project that contributes mainly to domestic decarbonization (renewable energy, energy efficiency, etc.)
 - Project for which half or more than half of proceeds, or of which half or more than half of the number of projects are for domestic decarbonization-related projects.
 - 2) Has a significant effect on decarbonization and vitalization of local economies.
 - Decarbonization: Those whose subsidy amount per ton of domestic CO2 reduction is less than the specified amount.
 - Local Community Vitalization: Projects in the ordinances or plans by the municipalities deem it to be contributing to vitalization of local economy in which the municipalities are expected to invest in.
- (II) The green bond framework has to be confirmed by an external review organization for compliance with the Green Bond Guidelines before issuance.
- (III) It is not a so-called green-wash bond.
- For details of Financial Support Program for Green Bond Issuance, please visit the following link.
Green Bond Issuance Promotion Platform website of the Ministry of the Environment:
<http://greenbondplatform.env.go.jp/en/support/subsidy-eligible-costs.html>

4. Issuing Schedule

Even though the issue date, amount and other terms of the green bond are yet to be determined, ADR is planning investigate the terms of issuance of the green bond through marketing.

For further information on ADR's ESG initiatives, please visit the website of ADR:
<https://www.adr-reit.com/en/company/sustain/>

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest residential J-REIT, investing in over 260 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 400 billion yen). ADR can be expected have a stable dividend in the long-term and can be considered as a defensive J-REIT, on back of the stable income from residential assets and with the largest dividend reserve among J-REITs.