

For Immediate Release

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Notice Concerning A Replacement Transaction
Acquisitions of "RESIDIA Ichigaya II and Ichigaya-Sadohara"
And Disposition of "RESIDIA Higashi-Ginza"

AD Investment Management Co., Ltd. (ADIM) the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets announced its decision today to have ADR make a replacement transaction (the Transaction) as detailed below as part of ADR's growth strategy.

1. Details of the Transaction

ADIM decided on the following Transaction pursuant to the target and policy of asset management as stipulated in its Articles of Incorporation of ADR, to increase the asset under management and build a portfolio that earns stable income through diversified investment in all regions and in all apartment unit types.

| | Acquisition | | Disposition |
|---|--|---------------------------|--------------------------------|
| Property Name | RESIDIA Ichigaya II | RESIDIA Ichigaya-Sadohara | RESIDIA Higashi-Ginza |
| Location | Shinjuku-ku, Tokyo | | Chuo-ku, Tokyo |
| Type of Asset | Beneficiary Interests in Trust | | Beneficiary Interests in Trust |
| Acquisition / Disposition Price ¹ | 1,915 million yen | 4,085 million yen | 5,740 million yen |
| Appraisal Value ² | 2,120 million yen | 4,880 million yen | 5,740 million yen |
| NOI Yield ³ | 4.7% | 4.8% | 4.3% |
| Yield after Depreciation ⁴ | 4.2% | 4.3% | 3.7% |
| Book Value ⁵ | - | | 4,985 million yen |
| Difference Between Disposition Price and Book Value | - | | .754 million yen |
| Counterparty | Not disclosed ⁶ | | |
| Scheduled Contract Date | July 11, 2019 | | |
| Scheduled Settlement Date | September 26, 2019 or a date to be separately agreed upon with the Counterparty (no later than September 30, 2019) | | |
| Payment Method | full payment on delivery/ cash-on-hand(planned) | | full payment on delivery |

NOI yield and Yield after Depreciation for the asset to be disposed are calculated based on disposition price.

When calculated based on book value, NOI yield is 4.9%, and Yield after Depreciation are 4.2%.

(Note 1) “Acquisition Price” indicates the purchase price for the property entered in the real estate transaction agreement, which is exclusive of the various expenses required in the acquisition of the concerned property (taxes and public dues, etc.)

(Note 2) “Appraisal Value” of the asset to be acquired is as of May 1, 2019, and that of the asset to be disposed is the price as of the end of January 2019.

(Note 3) “NOI Yield” is calculated as follows.

Acquisition Assets’ NOI Yield = Annualized NOI Listed on the Appraisal ÷ Acquisition Price x 100

Disposition Asset’s NOI Yield = (FP 2018/7 Actual Annualized NOI + FP 2019/1 Actual Annualized NOI) ÷ Disposition Price x 100

(Note 4) “Yield after Depreciation” is calculated as follows.

“Acquisition Asset’s Yield after Depreciation” is calculated using the figures in the acquisition appraisal of asset-to-be-acquired. The calculation is as follows; “(Annualized NOI listed on the appraisal at the time of acquisition – depreciation) ÷ acquisition price × 100”.

The calculated yield is rounded at the second decimal point. Depreciation of the asset-to-be-acquired is calculated using same straight-line method as the portfolio and expect depreciation of 9,904 thousand yen per annum (RESIDIA Ichigaya II) and 21,845 thousand yen per annum (RESIDIA Ichigaya-Sadohara) .

Disposition Asset’s Yield after Depreciation = (FP 2018/7 Actual Annualized NOI + FP 2019/1 Actual Annualized NOI - FP 2018/7 Actual Annualized Depreciation - FP 2019/1 Actual Annualized Depreciation) ÷ Disposition Price x 100

(Note 5) “Book value” as of May 31, 2019.

(Note 6) The counterparty of this Transaction is a domestic company whose name and detail are not disclosed according to their wishes. The counterparty does not constitute parties having particular vested interest in ADR or ADIM.

ADIM judged that the Transaction contributes most in improving the unitholders value after the negotiation with the counterparty.

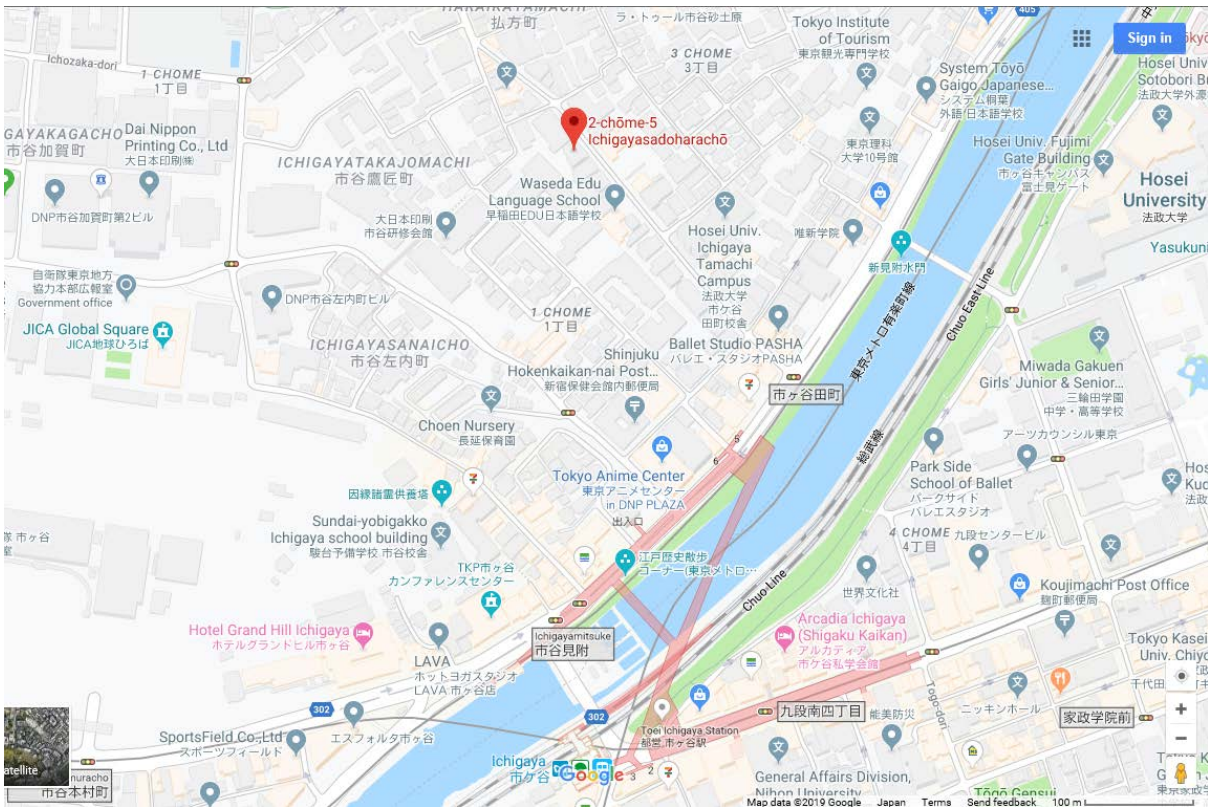
ADIM judged that the Transaction contributes most in improving the unitholders value for the following reasons.

- 1) A preparatory union for urban redevelopment has been formed for the area where the asset-to-be-disposed is located. If the redevelopment is carried out, ADIM believes that there will be considerable possibility of disruption in the earnings of the asset.
- 2) By making the transaction, ADR will be able to secure a stable income, while increasing the revenue from before the transaction.

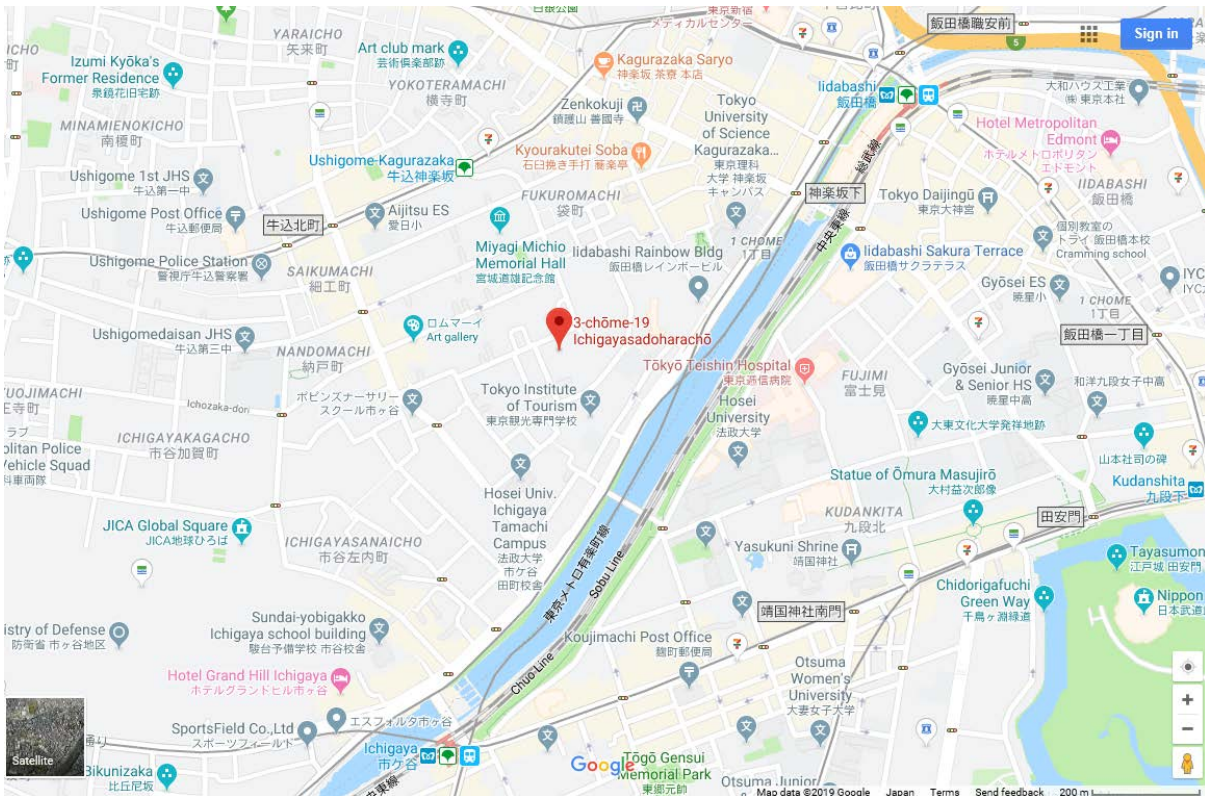
The profiles of the assets-to-be-acquired are as follows

| Property Name | Property Profile |
|---------------------------|--|
| RESIDIA Ichigaya II | The property has good access to public transportation. It is about 4 minute-walk to “Ichigaya” station which is a station for four train lines. The neighborhood is very convenient with many dining facilities as well as supermarkets and convenience stores. Therefore, the property can expect demands from singles commuting to city center. |
| RESIDIA Ichigaya-Sadohara | The property has good access to public transportation. It is about 6 minute-walk from Toei Oedo Line “Ushigome Kagurazaka” station and it is also within walking distance to “Ichigaya” station which is a station for four train lines including JR Chuo Line and JR Sobu Line. In addition, concierges are stationed in the property, and marble is used for the entrance, creating a sense of luxury. Private space is also equipped with a refrigerator and washing machine, which are fully equipped as luxury rental apartments. |

(1) P-111 RESIDIA Ichigaya II



(2) P-112 RESIDIA Ichigaya-Sadohara



2. Summary of the Assets-To-Be-Acquired

| No. | (1) | (2) |
|--|---|--|
| Property Number | P-111 | P-112 |
| Name of the Asset-To-Be-Acquired | RESIDIA Ichigaya II | RESIDIA Ichigaya-Sadohara |
| Address | 2-5 Ichigaya-sadohara, Shinjuku-ku, Tokyo | 3-19 Ichigaya-sadohara, Shinjuku-ku, Tokyo |
| Land | | |
| Type of Ownership | Proprietary ownership | Proprietary ownership |
| Site Area | 600.09m ² | 966.58m ² |
| Zoning | Neighboring commercial area, Second-class high-rise residential area | Class I residential area |
| FAR / Building Coverage Ratio | 400%/80% , 300%/60% | 300%/60% |
| Building | | |
| Type of Ownership | Proprietary ownership | Proprietary ownership |
| Total Floor Area | 2,358.12 m ² | 7,303.76m ² |
| Structure / Floors | RC with flat roof / 14 floors | RC with flat roof / 5F/B1F |
| Use | Multi-family housing | Multi-family housing |
| Construction Completion Date | September, 2007 | February, 2008 |
| Building Inspector | Japan ERI Co., Ltd. | Town Residency Evaluation Center Co., Ltd. |
| Building Designer | Taisei Corporation first-class architect office | Plantech Style Inc. |
| Structural Engineer | Taisei Corporation first-class architect office | Orimoto Structure Design Co., Ltd. |
| Construction Contractor | TOKAI KOGYO CO., LTD. | ASANUMA CORPORATION Tokyo head office |
| Trustee | Sumitomo Mitsui Trust Bank, Limited(planned) | Sumitomo Mitsui Trust Bank, Limited (planned) |
| Trust Contract Period | The end of September, 2029 (planned) | The end of September, 2029 (planned) |
| Property Manager | ITOCHU Urban Community Ltd. (planned) | Mitsui Fudosan Residential Lease (planned) |
| Master Lessee | ITOCHU Urban Community Ltd. (planned) | Mitsui Fudosan Residential Lease(planned) |
| Master Lease type | Pass-through | Pass-through |
| Summary of Building Conditions Investigation Report | | |
| Investigator | Tokio Marine & Nichido Risk Consulting Co., Ltd. | Tokio Marine & Nichido Risk Consulting Co., Ltd. |
| Investigation Date | April 18, 2019 | April 18, 2019 |
| Emergency Repair Costs | - | - |
| Short-term Repair Costs (within 1 year) | - | - |
| Long-term Repair Costs (next 12 years) | ¥60,982 thousand | ¥154,683 thousand |
| Building Replacement Price | ¥572,000 thousand | ¥1,667,000 thousand |
| Earthquake PML | 3.8% | 7.3% |
| Lease Conditions | | |
| Point in Time | as of June 30, 2019 | as of June 30, 2019 |
| Total Tenants | 1 | 1 |
| Leasable Units | 57 units | 28 units |
| Leased Units | 52 units | 26 units |
| Leasable Floor Area | 2,099.99 m ² | 4,957.62m ² |
| Leased Floor Area | 1,1916.36 m ² | 4,595.68m ² |
| Occupancy Rate (based on floor area) | 91.3% | 92.7% |
| Monthly Rent (including common service charges) | ¥8,090 thousand | ¥22,595 thousand |
| Deposits, Guarantees, etc. | ¥14,915 thousand | ¥72,925 thousand |
| Breakdown of Residential Unit Type | | |
| Single | 49 units | - |
| Compact | 8 units | - |
| Family | - | - |
| Large | - | 28 units |
| Dormitory | - | - |
| Other | - | - |
| Special Notation | | |
| | None | None |

* Please refer to “Notes and definitions on items on the tables in the press releases for asset acquisition” on ADR’s website for details on items on above table. (<https://www.adr-reit.com/en/financial/>)

3. Summary of Appraisal Report (monetary unit: thousand yen)

| Name of Property | RESIDIA Ichigaya II | | Appraisal Date | May 1, 2019 |
|---|-----------------------------|-----------------|--|-------------------|
| Appraiser | Japan Real Estate Institute | | Appraisal Value | 2,120,000,000 yen |
| Appraisal Items | | Appraised Value | Basis | |
| Income Capitalization Approach Value | | 2,120,000 | Income capitalization value is estimated using DCF method along with direct capitalization method for verification. | |
| Direct Capitalization Price | | 2,160,000 | | |
| Total Potential Income | | 117,117 | | |
| Rent Income | | 108,925 | Based on the current rent and the assumed rent when newly rented, estimated the rent that can be stably received over the medium to long term. | |
| Other Income | | 8,192 | Estimated key money, renewal fee income and antenna incom, basing on individual tenant contract term, and estimate on average tenant replacement rate and average turnover period. | |
| Total Effective Income | | 110,733 | | |
| Losses from Vacancies, etc. | | 6,384 | Referred to similar properties to estimate the medium to long-term stabilized vacancy rate. | |
| Bad Debts Losses | | 0 | Taking into account of tenant situation, no losses was assumed. | |
| Expenses from Rental Business | | 21,110 | | |
| Maintenance and Management Fees | | 3,426 | Estimated by referring to past fiscal year's figures and fees for similar properties and taking into account of property's specific characteristics. | |
| Utilities Costs | | 1,550 | Estimated by referring to past fiscal year's figures, cost of similar properties and taking into account of property's specific characteristics. | |
| Management Commission Fees | | 3,082 | Estimated by referring to planned contract fee terms, fees on similar properties and taking into account of property's specific characteristics. | |
| Taxes and Public Dues | | 5,293 | Estimated the property tax basing on FY2019 taxable value. Estimate on depreciable asset tax was based on submitted materials. | |
| Non-life Insurance Premiums | | 128 | Estimated basing on contract insurance premium for the property and referring to insurance premiums for similar properties. | |
| Leasing Expenses | | 4,553 | Administration fees on leasing, contract signing for new tenants and tenant renewals were estimated by referring to contract terms and fees in similar properties in the neighborhood. Leasing expenses were estimated by looking at how much is needed in leasing to new tenants and actual advertising cost for the past FY leasable. Renewal fees were estimated by looking at how much fee is paid at the time of renewal and considering the expected turnover rate and vacancy rate. | |
| Repair Costs (including restoration fees) | | 2,668 | Estimated repair costs by looking at the restitution cost per unit, percentage of cost borne by tenants, average expensing timing and level of restitution needed. Repair cost were estimated basing on actual figures for the past FY, cost in similar properties and referring to average annual repair and renewal costs listed in the engineering report. | |
| Other Expenses | | 410 | Cable TV useage fee. | |
| Net Operating Income | | 89,623 | | |
| Earnings from Deposits | | 162 | Assumed 1% per annum, by taking into consideration both investment yield and financing cost. | |
| Capital Expenditures | | 3,557 | Estimated by referring to the level of capital expenditures in similar properties, building age and annual average of restoration expense listed on the engineering report. | |
| Net Cash Flow | | 86,228 | | |
| Cap Rate | | 4.0% | The cap rate is estimated by adding the yield spread determined by locality, specifications and age of the building to the base yield as well as referring to actual cap rates in deals for similar properties. | |
| DCF Price | | 2,080,000 | | |
| Discount Rate | | 3.8% | The discount rate is estimated by comparing the discount rate used in actual deals for similar properties and reflecting the individual characteristics of the property. | |
| Terminal Cap Rate | | 4.2% | Estimated by comprehensively considering future trends in investment yield, risk factors of the property as an investment, general forecast on economic growth and general price trend in the real estate market. | |
| Cost approach value | | 1,930,000 | | |
| Land Ratio | | 80.9% | | |
| Building Ratio | | 19.1% | | |
| Other Matters of Consideration | | | | |
| None | | | | |

| Name of Property | RESIDIA Ichigaya-Sadohara | Appraisal Date | May 1, 2019 |
|---|-----------------------------|--|-------------------|
| Appraiser | Japan Real Estate Institute | Appraisal Value | 4,880,000,000 yen |
| Appraisal Items | Appraised Value | Basis | |
| Income Capitalization Approach Value | 4,880,000 | Income capitalization value is estimated using DCF method along with direct capitalization method for verification. | |
| Direct Capitalization Price | 4,950,000 | | |
| Total Potential Income | 289,597 | | |
| Rent Income | 289,067 | Based on the current rent and the assumed rent when newly rented, estimated the rent that can be stably received over the medium to long term. | |
| Other Income | 530 | Accrued trunk room income etc. | |
| Total Effective Income | 258,504 | | |
| Losses from Vacancies, etc. | 31,093 | Referred to similar properties to estimate the medium to long-term stabilized vacancy rate. | |
| Bad Debts Losses | 0 | Taking into account of tenant situation, no losses was assumed. | |
| Expenses from Rental Business | 62,161 | | |
| Maintenance and Management Fees | 16,500 | Estimated by referring to past fiscal year's figures and fees for similar properties and taking into account of property's specific characteristics. | |
| Utilities Costs | 4,400 | Estimated by referring to past fiscal year's figures, cost of similar properties and taking into account of property's specific characteristics. | |
| Management Commission Fees | 6,449 | Estimated by referring to planned contract fee terms, fees on similar properties and taking into account of property's specific characteristics. | |
| Taxes and Public Dues | 13,372 | Estimated the property tax basing on FY2019 taxable value. Estimate on depreciable asset tax was based on submitted materials. | |
| Non-life Insurance Premiums | 371 | Estimated basing on contract insurance premium for the property and referring to insurance premiums for similar properties. | |
| Leasing Expenses | 7,004 | Administration fees on leasing, contract signing for new tenants and tenant renewals were estimated by referring to contract terms and fees in similar properties in the neighborhood. Leasing expenses were estimated by looking at how much is needed in leasing to new tenants and actual advertising cost for the past FY leasable. Renewal fees were estimated by looking at how much fee is paid at the time of renewal and considering the expected turnover rate and vacancy rate. | |
| Repair Costs (including restoration fees) | 11,365 | Estimated repair costs by looking at the restitution cost per unit, percentage of cost borne by tenants, average expensing timing and level of restitution needed. Repair cost were estimated basing on actual figures for the past FY, cost in similar properties and referring to average annual repair and renewal costs listed in the engineering report. | |
| Other Expenses | 2,700 | Accrued internet usage fees etc. | |
| Net Operating Income | 196,343 | | |
| Earnings from Deposits | 645 | Assumed 1% per annum, by taking into consideration both investment yield and financing cost. | |
| Capital Expenditures | 9,023 | Estimated by referring to the level of capital expenditures in similar properties, building age and annual average of restoration expense listed on the engineering report. | |
| Net Cash Flow | 187,965 | | |
| Cap Rate | 3.8% | The cap rate is estimated by adding the yield spread determined by locality, specifications and age of the building to the base yield as well as referring to actual cap rates in deals for similar properties. | |
| DCF Price | 4,810,000 | | |
| Discount Rate | 3.6% | The discount rate is estimated by comparing the discount rate used in actual deals for similar properties and reflecting the individual characteristics of the property. | |
| Terminal Cap Rate | 4.0% | Estimated by comprehensively considering future trends in investment yield, risk factors of the property as an investment, general forecast on economic growth and general price trend in the real estate market. | |
| Cost approach value | 4,870,000 | | |
| Land Ratio | 80.2% | | |
| Building Ratio | 19.8% | | |
| Other Matters of Consideration | | | |
| None | | | |

4. Financial Impact on ADR in the Event of Failure to Fulfill Forward Commitment or Similar Agreement

Real estate sales transaction agreement (hereafter, “the Agreement 1”) for the assets-to-be-acquired and real estate sales transaction agreement (hereafter, “the Agreement 2”) for the asset-to-be-disposed might constitute a forward commitment or similar agreement ^(Note 7) by an investment corporation as stipulated in “*The Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.*” by the Financial Services Agency.

In the event of a violation of provisions in the Agreement by ADR or the seller, the counterparty shall have the right to terminate the Agreement and claim an amount equivalent to 20% of the purchase price of the property as penalty.

However, under the Agreement 1 there is a condition precedent whereby ADR is required to procure funds for acquiring the asset-to-be-acquired. Therefore, if ADR cannot procure the acquisition fund the Conveyance Agreement will be annulled or can be terminated by ADR notifying the seller, and except where ADR is at fault, ADR is not obliged to pay the penalty.

(Note 7)Refers to a postdated purchase and sales agreement under which payment and property delivery shall be made at least 1 month after the conclusion of the agreement, or any other agreement similar thereof.

5. Counterparty Profile

The Counterparty of the property is a domestic company whose name and detail are not disclosed according to their wishes. The Counterparty does not constitute parties having particular vested interest in ADR or ADIM.

6. Broker Profile

| | |
|-------------------------------|---|
| Trade name | Itochu Property Development, Ltd. |
| Head Office location | 2-9-11, Akasaka, Minato-ku, Tokyo |
| Representative | Norio Matsu, President and Chief Executive Officer |
| Capital | 10,225 million yen |
| Commission | 180,060 thousand yen (exclusive of consumption tax and local consumption tax) |
| Relationship with ADR or ADIM | Itochu Property Development, Ltd is a shareholder of ADIM and thus constitutes an interested party of the asset management company as defined in the Investment Trusts and Investment Corporations Law. |

7. Disclosures on ADIM’s Vested Interest Concerning the Asset-to-be-acquired and disposed

- (1) The procedures required in accordance with the provisions of the asset management company’s bylaws “Related-Party Transaction Rules” have been performed for the related-party transaction outlined in “6. Broker Profile” above.
- (2) ADR is scheduled to sign a master lease agreement and delegate property management services regarding the RESIDIA Ichigaya II to ITOCHU Urban Community Ltd. (IUC). IUC is a related party of ADIM. Accordingly, the transaction approval procedures stipulated in ADIM’s bylaws on “Rules Regarding Related Party Transaction” will be performed.

8. Matters Concerning Earthquake Resistance

The validity of structural calculation document on the assets have been examined by a third-party inspector. ADR has obtained the following inspection results stating that no intentional manipulations, falsifications or other corruptions in the structural calculation document were found and that the structural calculation is deemed to have been performed in accordance with the law.

ADR received the notification of structural engineering inspection for the assets to-be-acquired from the designated structural inspection institute following “the Building Standard Act” enforced on June 2007.

9. Summary of Asset-To-Be-Disposition Summary

| | |
|----------------------------------|----------------------------------|
| Property number | C-10 |
| Name of the asset-to-be-disposed | RESIDIA Higashi-Ginza |
| Address | 1-12-5, Tsukiji , Chuo-ku, Tokyo |
| Acquisition date | April 12, 2007 |
| Land | |
| Type of ownership | Proprietary ownership |
| Site area | 762.08 m ² |
| Zoning | Commercial area |
| FAR / Building coverage ratio | 600%/80% |

| | |
|------------------------------|----------------------------|
| Building | |
| Type of ownership | Proprietary ownership |
| Total floor area | 6,607.86m ² |
| Structure / Floors | RC with flat roof, 15F/B1F |
| Use | Multi-family housing |
| Construction completion date | September 2006 |

| | |
|---------------|-------------------------------------|
| Trustee | Sumitomo Mitsui Trust Bank, Limited |
| Contract Term | to February 28, 2027 |

| | |
|---|-------------------------|
| Lease Conditions | |
| Point in time | as of June 30, 2019 |
| Total Tenants | 1 |
| Leasable units | 169 units |
| Leased units | 158 units |
| Leasable floor area | 4,871.02 m ² |
| Leased floor area | 4,531.37 m ² |
| Occupancy rate (based on floor area) | 93.0% |
| Monthly rent (including common service charges) | ¥ 22,408 thousand |
| Deposits, guarantees, etc. | ¥ 16,676 thousand |

| | |
|---|----------|
| Breakdown of residential unit type | |
| Single | 99 units |
| Compact | 67 units |
| Family | 3 units |
| Large | - |
| Dormitory | - |
| Other | - |

| | |
|-------------------------|------|
| Special Notation | |
| | None |

10. Appraisal Report Summary (monetary unit: thousand yen)

| Real estate appraiser | Japan Real Estate Institute | Real estate appraisal value | 5,740,000,000 yen |
|--------------------------------------|-----------------------------|--|-------------------|
| Appraisal item | Appraised value | Basis | |
| Income capitalization approach value | 5,740,000 | Income capitalization value is estimated using DCF method along with direct capitalization method for verification. | |
| Direct capitalization price | 5,830,000 | | |
| Total potential profit | 315,236 | | |
| Rent income | 297,090 | Based on the current rent and the assumed rent when newly rented, estimated the rent that can be stably received over the medium to long term. | |
| Other income | 18,146 | Estimated key money, renewal fee income and antenna income, basing on individual tenant contract term, and estimate on average tenant replacement rate and average turnover period. | |
| Total effective profit | 292,281 | | |
| Losses from vacancies, etc. | 16,955 | Referred to similar properties to estimate the medium to long-term stabilized vacancy rate. | |
| Bad debts losses | 0 | Taking into account of tenant situation, no losses was assumed. | |
| Expenses from rental business | 55,389 | | |
| Maintenance and management fees | 5,257 | Estimated by referring to past fiscal year's figures and fees for similar properties and taking into account of property's specific characteristics. | |
| Utilities costs | 4,300 | Estimated by referring to past fiscal year's figures, cost of similar properties and taking into account of property's specific characteristics. | |
| Management commission fees | 7,026 | Estimated by referring to planned contract fee terms, fees on similar properties and taking into account of property's specific characteristics. | |
| Taxes and public dues | 12,145 | Estimated by taking into consideration the contents of the data on taxes and duties and the burden adjustment measures. | |
| Non-life insurance premiums | 352 | Estimated basing on contract insurance premium for the property and referring to insurance premiums for similar properties. | |
| Leasing expenses | 15,209 | Administration fees on leasing, contract signing for new tenants and tenant renewals were estimated by referring to contract terms and fees in similar properties in the neighborhood. Leasing expenses were estimated by looking at how much is needed in leasing to new tenants and actual advertising cost for the past FY leasable. Renewal fees were estimated by looking at how much fee is paid at the time of renewal and considering the expected turnover rate and vacancy rate. | |
| Repair costs | 9,680 | Estimated repair costs by looking at the restitution cost per unit, percentage of cost borne by tenants, average expensing timing and level of restitution needed. Repair cost were estimated basing on actual figures for the past FY, cost in similar properties and referring to average annual repair and renewal costs listed in the engineering report. | |
| Other expenses | 1,150 | Neighborhood fee, sports club facility use charges. | |
| Net Operating Income | 242,982 | | |
| Earnings from Deposits | 166 | Assumed 1% per annum, by taking into consideration both investment yield and financing cost. | |
| Capital expenditures | 9,692 | Estimated by referring to the level of capital expenditures in similar properties, building age and annual average of restoration expense listed on the engineering report. | |
| Net Cash Flow | 233,366 | | |
| Cap rate | 4.0% | The cap rate is estimated by adding the yield spread determined by locality, specifications and age of the building to the base yield as well as referring to actual cap rates in deals for similar properties. | |
| DCF Price | 5,650,000 | | |
| Discount rate | 3.8% | The discount rate is estimated by comparing the discount rate used in actual deals for similar properties and reflecting the individual characteristics of the property. | |
| Terminal cap rate | 4.2% | Estimated by comprehensively considering future trends in investment yield, risk factors of the property as an investment, general forecast on economic growth and general price trend in the real estate market. | |
| Other matters of consideration | | | |
| None | | | |

11. Future Outlook

The effect of the acquisitions and disposition on the management performance forecasts for fiscal periods ending January 2019, please refer to the ”_Notice Concerning the Revision of Management Performance Forecast and the Management Performance Forecast for Fiscal Period Ending January 2020 (FP19)” dated July 11, 2019.

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.

ADR’s website: <https://www.adr-reit.com/en/>

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes.

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