

August 5, 2024

For Immediate Release

Real Estate Investment Trust Securities Issuer:
Advance Residence Investment Corporation
(Securities Code : 3269)
1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo
Representative: Wataru Higuchi, Executive Director

Asset Management Company:
ITOCHU REIT Management Co., Ltd.
Representative: Junichi Shoji, Representative Director,
Phodent & CEO
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**Notice Concerning Execution of the Absorption-type Company Split Agreement
between Asset Management Company ITOCHU REIT Management Co., Ltd.
and Mitsui Fudosan Logistics REIT Management Co., Ltd.**

We announce that ITOCHU REIT Management Co., Ltd. (“IRM”), the asset management company to which Advance Residence Investment Corporation (“ADR”) entrusts its asset management, at the Board of Directors’ Meeting held today, respectively resolved to undertake an absorption-type company split as described below, with November 1, 2024 as the effective date of the absorption-type company split, whereby Mitsui Fudosan Logistics REIT Management Co., Ltd. (“MFLM”) the asset management company to which Mitsui Fudosan Logistics Park Inc. (“MFLP-REIT”) entrusts its asset management, is to be the successor company in the absorption-type company split will take over the asset management business related to logistics facilities etc., which are entrusted to IRM by ADL, from IRM that is to be the splitting company in the absorption-type company split (the “Company Split”), in alignment with the execution of the merger agreement between MFLP-REIT and Advance Logistics Investment Corporation (“ADL”), and MFLM and IRM entered into a absorption-type company split agreement (the “Company Split Agreement”) today.

The Company Split pertains to MFLM and IRM. It does not pertain to either of the Investment Corporations that entrust their asset management to MFLM or IRM.

1. Objective of the Company Split

The Company Split is to be implemented in alignment with the Merger that is scheduled to undertake an absorption-type merger, with November 1, 2024 as the effective date of the merger, whereby MFLP-REIT will be the surviving corporation and ADL will be the dissolving corporation in the merger (the “Merger”). As of the effective date of the Merger and the Company Split, the asset management agreement between ADL and IRM will be taken over from ADL to MFLP-REIT upon the Merger, and from IRM to MFLM upon the Company Split.

As a result of the Merger and the Company Split, IRM will acquire MFLM’s shares as consideration for the company split and become a shareholder of MFLM (with 23% voting rights), and MFLP-REIT (i.e., MFLP-REIT after the Merger of MFLP-REIT and ADL) will entrust its asset management to MFLM.

2. About conflicts of interest

As stated above, IRM will become MFLM’s shareholder after the Company Split. IRM is entrusted with asset management by Advance Residence Investment Corporation (“ADR”), which is a listed investment corporation whose main investment target is rental residence, and Advance Private Investment Corporation (“ADP”), which is a

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diversified private REIT whose investment targets are not limited to real estate for specified uses. In addition, IRM is entrusted with asset management and investment advisory operations by real estate private placement funds other than investment corporations (“IRM Private Placement Funds”; and collectively with ADR and ADP, “IRM Fiduciary Funds, etc.”). Although the main investment targets of MFLP-REIT after the Merger, logistics facilities, will be different from the main investment target of ADR, rental residence, there will be a competitive relationship with ADP and the IRM Private Placement Funds for investment targets. In addition, as IRM plans to hold shares of MFLM after the Company Split, there is the possibility of a conflict of interest for property acquisitions, etc. with MFLP-REIT after the Merger. Therefore, MFLM and IRM will discuss the establishment of appropriate information management systems at each of MFLM and IRM in order to ensure that information held by MFLM on the asset management of MFLP-REIT and information held by IRM on the asset management and investment advice of ADP and IRM Private Placement Funds are used appropriately from the perspective of preventing such conflicts of interest. In alignment with the Merger, MFLM has entered into an agreement related to preferential information provision with each ITOCHU Corporation (“ITOCHU”), which is IRM’s parent company, as well as with ITOCHU Property Development, Ltd. (“ITOCHU Property Development”), which is ITOCHU’s subsidiary company and IRM’s shareholder, with the Merger in effect as a condition precedent (for details about this agreement, please refer to “4. Prospects / (6) Changes to agreements with sponsors and other parties”). Pursuant to this agreement, while ITOCHU and ITOCHU Property Development will be providing information, etc. about properties to MFLP-REIT, ITOCHU and ITOCHU Property Development will, in principle, provide MFLM with information, etc. on real estate that meets the investment targets in the MFLP-REIT’s asset management guidelines and investment criteria set out therein in preference to IRM Fiduciary Funds, etc.

Since IRM will not be providing information about properties to MFLM or MFLP-REIT, there will be no conflict of interest pertaining to the distribution of information about properties between MFLP-REIT and IRM Fiduciary Funds, etc. in IRM.

With their independence from each other maintained in their asset management, MFLM and IRM will prevent any conflict of interest between MFLP-REIT and IRM Fiduciary Funds, etc. after the Merger and the Company Split as stated above.

3. Overview of the Company Split

(1) Schedule of the Company Split

MFLM

Meeting of the Board of Directors to approve the Company Split	August 5, 2024
Date of execution of the Company Split Agreement	
Date of shareholders’ approval of the Company Split Agreement	August 23, 2024 (scheduled)
Effective date of the Company Split	November 1, 2024 (scheduled)
Date of registration of absorption-type company split	Early November 2024 (scheduled)
Date of notification submitted to Prime Minister	Early November 2024 (scheduled)

IRM

Meeting of the Board of Directors to approve the Company Split	August 5, 2024
Date of execution of the Company Split Agreement	
Effective date of the Company Split	November 1, 2024 (scheduled)
Date of registration of absorption-type company split	Early November 2024 (scheduled)
Date of notification submitted to Prime Minister	Early November 2024 (scheduled)

(Note 1) The schedule of the Company Split is subject to change based on agreement between MFLM and IRM if necessary, depending on the progress of the procedures for the Company Split. Any change in the schedule will be announced as soon as it is made.

(Note 2) IRM plans to implement the Company Split using the simplified procedure for the absorption-type Company Split that does not require approval by a resolution at a general meeting of shareholders pursuant to the provision of Article 784, paragraph (2) of the Companies Act.

(2) How the Company Split is implemented and other details

(i) How the Company Split is implemented

In the Company Split, IRM is to be the splitting company in the absorption-type company split and MFLM to be the successor company in the absorption-type company split. To implement the Company Split, IRM plans to use the simplified procedure for the absorption-type company split that does not require approval by a resolution at a general meeting of shareholders pursuant to the provision of Article 784, paragraph (2) of the

Companies Act, and MFLM plans to receive approval for the Company Split Agreement by a resolution at the general meeting of shareholders to be held on August 23, 2024 (including a resolution in writing pursuant to the provision of Article 319, paragraph (1) of the Companies Act). The effective date will be November 1, 2024.

(ii) Details of allotment pertaining to the Company Split

When the Company Split is implemented, MFLM is to issue 2,389 common shares, all of which will be allotted to IRM in exchange for the business MFLM is to take over through the Company Split.

(iii) Capital that is to increase/decrease due to the Company Split

The Company Split will not cause any increase or decrease in IRM's capital.

(iv) Summary of the business, rights and obligations taken over by the succeeding company

MFLM is to take over from IRM the rights and obligations specified in the Company Split Agreement that are among the assets, liabilities, agreements, and other rights and obligations related to the asset management business pertaining to logistics facilities etc., which are entrusted to IRM by ADL. IRM is to continue business related to asset management for rental residence, etc. and other businesses after the Company Split.

(3) Profile of the parties to the Company Split

	Company Splitting	Company Succeeding
(1) Name	ITOCHU REIT Management Co., Ltd.	Mitsui Fudosan Logistics REIT Management Co., Ltd.
(2) Address	1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo	6-8-7 Ginza, Chuo-ku, Tokyo
(3) Name and official position of representative	Junichi Shoji, President and Chief Executive Officer	Shinobu Sakanoshita, President and Chief Executive Officer
(4) Business	Investment management business etc.	Investment management business
(5) Capital	300 million yen	200 million yen
(6) Established	February 2, 2005	August 24, 2015
(7) Net assets	3,599 million yen (as of March 31, 2024)	2,779 million yen (as of March 31, 2024)
(8) Total assets	5,143 million yen (as of March 31, 2024)	3,226 million yen (as of March 31, 2024)
(9) Major shareholders and Shareholding ratio	ITOCHU Corporation (80%) ITOCHU Property Development, Ltd. (20%)	Mitsui Fudosan Co., Ltd. (100%)
(10) Relationships between the parties to the Company Split		
Capital relationship	There is no capital relationship between the parties to the Company Split	
Personal relationship	There is no personal relationship between the parties to the Company Split	
Business relationship	There is no business relationship between the parties to the Company Split	
Applicability to related parties	There is no applicability to related parties between the parties to the Company Split	
(11) Operating results and financial status over the last one year		
Fiscal year-end	March 2024	March 2024
Net assets	3,599 million yen	2,779 million yen
Total assets	5,143 million yen	3,226 million yen
Net sales	5,121 million yen	2,377 million yen
Operating income	2,505 million yen	1,756 million yen
Ordinary income	2,517 million yen	1,759 million yen
Net income	1,758 million yen	1,222 million yen

(millions of yen, unless otherwise noted)

(4) Post-split state of the asset management company

The profile of IRM after the Company Split is as shown below.

(1) Name	ITOCHU REIT Management Co., Ltd.
(2) Address	1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo
(3) Name and official position of representative	Junichi Shoji, President and Chief Executive Officer
(4) Business	Investment management business etc.
(5) Capital	300 million yen
(6) Net assets	TBD
(7) Total assets	TBD
(8) Fiscal year-end	March

4. Prospects

(1) Changes to the investment corporations' asset management agreements

No amendment to the current asset management agreements in force between ADR and IRM is scheduled prior to the termination.

(2) Changes in the organizations of the asset management company

Before the Company Split takes effect, IRM plans to determine changes to make in the organizations of itself after the Company Split. Specific details of such changes will be announced as soon as they are determined.

(3) Changes in the decision-making body for investment management

Changes will be announced, if any, as soon as they are determined.

(4) Changes in rules about compliance and stakeholders, etc.

There are no scheduled to change the rules about compliance and stakeholders, etc. because of the Company Split.

(5) Changes in the investment policy

There is no change in ADR's investment policy because of the Company Split.

(6) Changes to agreements with sponsors

The existing sponsor agreements that ADL and IRM have entered into with their sponsors, namely ITOCHU and ITOCHU Property Development, as of the date this document is published, will be terminated on the effective date of the Merger, on the condition that the Merger be in effect.

There is no scheduled change to the agreements that ADR and IRM have with its sponsors, etc. as of the date this document is published.

(7) Future plans and others

For the Company Split, we will complete the procedures, including required notifications, in accordance with the Financial Instruments and Exchange Act (Act No. 25 of 1948, including any revisions thereafter), the Real Estate Brokerage Act (Act No. 176 of 1952, including any revisions thereafter), and the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, including any revisions thereafter), and other applicable laws and regulations as well as rules. Of the matters that have not been determined at the present moment, those that must be disclosed will be disclosed as soon as they are determined.

About Advance Residence Investment Corporation

Advance Residence Investment Corporation is the largest J-REIT specializing in residential properties and is managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group, investing in over 280 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 490 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.

"Advance" is the common brand name of the real estate investment corporation managed by ITOCHU REIT Management Co., Ltd.

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

IRM's website : <https://www.itc-rm.co.jp/en/>

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