Advance Residence Investment Corporation

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For Immediate Release

Real Estate Investment Trust Securities Issuer:
Advance Residence Investment Corporation
(Securities Code：3269)
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Notice Concerning Partial Disposition of Real Estate in Japan Pertaining to Land Expropriation (RESIDIA Azabujuban II)

ITOCHU REIT Management Co., Ltd. (IRM), the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets, today announced its decision to dispose of assets ("the Disposition").

1. Summary of the Disposition

Property Name	RESIDIA Azabujuban II ("the Property")
Type of Asset (Note 1)	Real Estate (part of the land, "the Asset to be Disposed")
Disposition Price (Note 2)	155 million yen
Book Value (Note 3)	71 million yen
Difference between Disposition Price and Book Value	84 million yen
Counterparty	Minato-ku, Tokyo
Broker Availability	None
Contract Date (Scheduled Date of Transfer of Ownership)	February 26, 2025
Scheduled Disposition Date (Note 4)	From August 1, 2025 to September 30, 2025
Payment Method	The disposition price will be paid after the completion of the transfer of ownership registration by the transferee, Minato-ku, Tokyo.

(Note 1) The Property is held as beneficiary interests in trust with Mitsubishi UFJ Trust and Banking Corporation as the trustee, but the trust agreement will be terminated as of the contract date for the portion of the Asset to be Disposed, and it will be disposed as real estate.

(Note 2) ADR plans to receive 29 million yen in compensation for the transfer of the Asset to be Disposed, which will be used to pay for the relocation of structures, etc. (The amounts are rounded down to the nearest unit. The same applies below.)

(Note 3) The Book Value is the amount calculated by proportionally dividing the Book Value of the land of the Property on the date of disposition by the area of the Asset to be Disposed.

(Note 4) After the contract date, ADR will carry out work to relocate structures such as removing interlocking and planting, and will deliver the Asset to be Disposed after clearing the land.

2. Reason for the Disposition

The land to be disposed is located within the area targeted for the "Tokyo City Planning Road Project: Main Road Auxiliary Road No. 7 Expansion and Improvement Project", which was approved as an urban planning project in 2015. IRM has decided to dispose of the land because discussions with Minato-ku, Tokyo, which plans to expropriate the land, have been finalized.

3. Summary of the Disposition

Type of asset	Real Estate		
Address	1-3-9 Minami-Azabu, Minato-ku, Tokyo		
Zoning	Neighborhood commercial district		
Type of Ownership	Ownership		
Land Area (Note 5)	45.08 ㎡		
Appraisal value	147 million yen	Appraisal date	as of February 15, 2025
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.		

(Note 5) This is the actual measured area of the disposed asset.

4. Summary of the Counterparty

Name	Minato-ku, Tokyo
Relationship with ADR and IRM	
Capital relations	None
Personnel relations	None
Business relations	None
Related parties' status	None

5. Impact of the Disposition

(1) Profitability and Appraisal Value of the Property

The Asset to be disposed is part of the land of the Property but does not include the land on which the building stands. Therefore, there will be no impact on rental income from the Disposition, and the amount of taxes and public dues payable will decrease, resulting in an increase in the appraisal value of the Property after the Disposition.

	Appraisal value	Appraisal date	Appraiser
Before the Disposition	1,280 million yen	January 31, 2025	DAIWA REAL ESTATE APPRAISAL CO., LTD.
After the Disposition	1,290 million yen	February 15, 2025	

(2) Legal Compliance

Although the land area will decrease because of the Disposition, it will not exceed the standard floor area ratio or the standard building coverage ratio, and it will not be a factor that prevents the construction of a building of the same size as the current building in the event of future expansion or renovation.

6. Outlook

The impact of the Disposition on the earnings forecasts for the 30th fiscal period (from February 1, 2025 to

July 31, 2025), published in the Brief Summary of Financial Results dated September 17, 2024, will be negligible, and no change will be made to the forecast.

Appendix: the Asset to be Disposed (red frame)



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/