Advance Residence Investment Corporation

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May 19, 2026

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, President & CEO
Inquiries: Isao Kudo, Managing Executive Officer
(TEL. +81-3-6821-5483)

Notice Concerning Acquisition of Real Estate and Real Estate Trust Beneficiary Interest in Japan

(RESIDIA Shoin-jinja-mae and RESIDIA Tokiwadai)

ITOCHU REIT Management Co., Ltd. (IRM), the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets, announced today its decision to acquire assets (hereafter, the "Acquisition") as detailed below.

1. Summary of the Acquisition

Property Name (Note 1) (Type of asset)	RESIDIA Shoin-jinja-mae (Real estate)	RESIDIA Tokiwadai (Beneficiary Interest in Trust)
Acquisition Price (Note 2) (Price / Appraisal ratio)	2,843 million yen (94.8%)	1,221 million yen (94.7%)
Appraisal Value (Note 3)	3,000 million yen	1,290 million yen
NOI Yield (Note 4)	3.7%	3.9%
Yield after Depreciation (Note 5)	3.2%	3.1%
Building Age (Note 6)	8.4 years	2.6 years
Seller	ITOCHU Property Development, Ltd.	Not disclosed
Broker Availability	None	Yes
Scheduled Contract Date	May 19, 2026	
Scheduled Acquisition Date	May 27, 2026 or a date to be separately agreed upon with the seller	May 28, 2026 or a date to be separately agreed upon with the seller
Acquisition Financing (Payment Method)	Borrowings and cash on hand (Lump-sum payment on delivery)	

(Note 1) The name of the asset-to-be-acquired is scheduled to be changed after acquisition by ADR, and the names after the change are stated. As of today, the names are "CREVIA RXE Setagaya Shoin-jinja-mae" for RESIDIA Shoin-jinja-mae and "URBANLINK Tokiwadai" for RESIDIA Tokiwadai.

(Note 2) "Acquisition Price" is the amount stated in the real estate transaction contract and beneficiary transfer agreement for the acquired asset (excluding various expenses required for acquisition (brokerage fees, taxes and public dues, etc.)).

(Note 3) "Appraisal Value" of the asset-to-be-acquired is as of April 1, 2026 for RESIDIA Shoin-jinja-mae, and as of April 20, 2026 for RESIDIA Tokiwadai.

(Note 4) "NOI Yield" is calculated as follows: annualized NOI written in the appraisal document at the time of the acquisition of the asset-to-be acquired and calculated using direct capitalization method / acquisition price x 100. The calculated yield is rounded at the second decimal point.

(Note 5) "Yield after Deprecation" is calculated as follows: (annualized NOI written in the appraisal document at the time of the acquisition of the asset-to-be-acquired and calculated using direct capitalization method – annual depreciation cost) / acquisition price x 100. The calculated yield is rounded at the second decimal point. As in the case with the existing portfolio of ADR, the depreciation cost of the assets-to-be-acquired is calculated by ADR, using the straight-line method under certain assumptions and estimated at 14,794 thousand yen a year for RESIDIA Shoin-jinja-mae and 9,886 thousand yen a year for RESIDIA Tokiwadai.

(Note 6) "Building Age" represents the age of the building as of the acquisition date and is rounded at the second decimal point.

2. Reason for the Acquisition

IRM decided on the following acquisition pursuant to the target and policy of asset management as stipulated in the Articles of Incorporation of ADR, for steady increase in asset size and diversification and enhancement of the portfolio. The decision to acquire this property was based on an evaluation of Features of the Property, etc., as stated in "3. Summary of the Asset-To-Be-Acquired".

Additionally, ITOCHU Property Development, Ltd. (Note 7), the seller in this transaction, is not currently a major shareholder of the IRM, but was granted preferential negotiation rights with respect to the property.

(Note 7) ITOCHU Property Development, Ltd. no longer qualified as a major shareholder of the IRM as of April 1, 2026.
Please refer to the "Notice Concerning Changes in Major Shareholders of the Asset Management Company" dated March 31, 2026 for details.

3. Summary of the Asset-To-Be-Acquired

(1) RESIDIA Shoin-jinja-mae

Property Name		RESIDIA Shoin-jinja-mae	Property Number	T-195
Type of asset		Real estate		
Address		4-14-27 Setagaya, Setagaya-ku, Tokyo		
Land	Type of Ownership	Ownership	Zoning	category 2 residential districts
	Land Area	606.00 ㎡	FAR / Building Coverage Ratio	300%/60%
Building	Structure / Floors	Reinforced concrete structure with a flat roof, 9 stories		
	Type of Ownership	Ownership	Use	Apartment, store
	Total Floor Space	2,136.25 ㎡	Construction Completion Date	January 2018
	Building Designer	KAWAMURA KOUEI Architects & Engineers Co., Ltd.		
	Structural Engineer	T & A Associates Co., Ltd.		
	Construction Contractor	KAWAMURA KOUEI Co.,Ltd		
	Building Certification Agency	Kakunin Service Inc.		
	Building Inspection Agency	Kakunin Service Inc.		
Collateral		None		
Appraisal value		3,000,000 thousand yen	Appraisal date	as of April 1, 2026
Appraiser		Japan Real Estate Institute		
Property Management Company		ITOCHU Urban Community Co., Ltd. (planned)		
Master Lessee		ITOCHU Urban Community Co., Ltd. (planned)	Master Lease type	Pass-through
Lease Conditions				
	Total Tenants	1	Point in Time	As of March 31, 2026
	Leasable Units	51		
	Leased Units	51		
	Leasable Floor Area	1,764.19 ㎡	Occupancy Rate (based on floor area)	100%
	Leased Area	1,764.19 ㎡		

	Total Monthly Rent	9,493 thousand yen				
	Deposits, Guarantees, etc.	27,474 thousand yen				
Number of Units by Type (Excluding Operated Rental Residence)		Single	Compact	Family	Large	Other
		43	1	6	0	1
Number of Operated Rental Residence		0				
Features of the Property						
	・This property is located within a 3-minute walk from Shoin-jinja-mae Station on the Tokyu Setagaya Line and 7 minutes to Sangenjaya Station from the nearest station, and with excellent transportation convenience at approximately 20 minutes to Shibuya Station, steady rental demand can be expected, particularly among those who prioritize living close to their workplaces. ・The area surrounding the property is well equipped with convenient daily amenities such as supermarkets and clinics, providing an excellent living environment.					
Special affairs						
	None					
Summary of Building Conditions Investigation Report						
	Investigator	Tokio Marine dR Co., Ltd.		Investigation Report Date	April 3, 2026	
	Emergency Repair Costs	-				
	Short-term Repair Costs (within 1 year)	-				
	Long-term Repair Costs (within 12 years)	45,468 thousand yen				
	Building Replacement Price	645,000thousand yen				
Summary of Earthquake Risk Analysis						
	Investigator	Tokio Marine dR Co., Ltd.		Investigation Report Date	April 3, 2026	
	Probable Maximum Loss Ratio (PML)	4.3%				
Matters concerning Earthquake Resistance, etc.						
	This property has received notification of structural calculation conformity assessment from a designated structural calculation inspection body (the Public Interest Incorporated Foundation for Disaster Prevention and Building and Urban Development Center of Tokyo) in accordance with the revision of the Building Standard Act that came into effect in June 2007.					

(2) RESIDIA Tokiwadai

Property Name		RESIDIA Tokiwadai	Property Number	T-196
Type of asset		Beneficiary Interest in Trust		
Trustee		Sumitomo Mitsui Trust Bank, Limited		
Trust Contract Period		From May 28, 2026 to the end of May 2036 (planned)		
Address		28-9 Higashiyamacho, Itabashi-ku, Tokyo		
Land	Type of Ownership	Ownership	Zoning	neighborhood commercial districts
	Land Area	444.77 ㎡	FAR / Building Coverage Ratio	300%/80%
Building	Structure / Floors	Reinforced concrete structure with a flat roof, 8 stories		
	Type of Ownership	Ownership	Use	Apartment

	Total Floor Space	1,413.04 ㎡	Construction Completion Date	October 2023
	Building Designer	DAIWA HOUSE INDUSTRY CO., LTD. Mid- and High-Rise Building Architects & Engineers Office		
	Structural Engineer	DAIWA HOUSE INDUSTRY CO., LTD. Tokyo Structural Architects & Engineers Office		
	Construction Contractor	DAIWA HOUSE INDUSTRY CO., LTD. Tokyo Head Office		
	Building Certification Agency	URBAN HOUSING EVALUATION CENTER		
	Building Inspection Agency	URBAN HOUSING EVALUATION CENTER		
Collateral		None		
Appraisal value		1,290,000 thousand yen	Appraisal date	as of April 20, 2026
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.		
Property Management Company		ITOCHU Urban Community Co., Ltd. (planned)		
Master Lessee		ITOCHU Urban Community Co., Ltd. (planned)	Master Lease type	Pass-through
Lease Conditions				
	Total Tenants	1	Point in Time	As of March 31, 2026
	Leasable Units	38		
	Leased Units	36		
	Leasable Floor Area	1,279.14 ㎡	Occupancy Rate (based on floor area)	93.4%
	Leased Area	1,195.28 ㎡		
	Total Monthly Rent	4,345 thousand yen		
	Deposits, Guarantees, etc.	37 thousand yen		

Number of Units by Type (Excluding Operated Rental Residence)	Single	Compact	Family	Large	Other
	30	0	8	0	0

Number of Operated Rental Residence	0

Features of the Property

・This property is located within a 12-minute walk from Tokiwadai Station on the Tobu Tojo Line. From the nearest station, the terminal station Ikebukuro Station is accessible in approximately 12 minutes. In addition, bus routes operate in the vicinity of the property, offering excellent transportation convenience.

・The Tokiwadai Ginza Shopping Street is located near Tokiwadai Station, and the area is well equipped with convenience stores and supermarkets, providing excellent living convenience.

Special affairs

None

Summary of Building Conditions Investigation Report

Investigator	Tokio Marine dR Co., Ltd.	Investigation Report Date	April 20, 2026
Emergency Repair Costs	-		
Short-term Repair Costs (within 1 year)	-		
Long-term Repair Costs (within 12 years)	16,943 thousand yen		
Building Replacement Price	419,000 thousand yen		

Summary of Earthquake Risk Analysis

Investigator	Tokio Marine dR Co., Ltd.	Investigation Report Date	April 20, 2026

	Probable Maximum Loss Ratio（PML)	5.7%
Matters concerning Earthquake Resistance, etc.		
	This property has received notification of structural calculation conformity assessment from a designated structural calculation inspection body (the General Incorporated Foundation Housing Loan Progress Association) in accordance with the revision of the Building Standard Act that came into effect in June 2007.	

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 the above table. (https://www.adr-reit.com/en/ir/news/)

4. Summary of the Seller

(1) RESIDIA Shoin-jinja-mae

Name	ITOCHU Property Development, Ltd.
Address	2-9-11 Akasaka, Minato-ku, Tokyo
Representative	Norio Matsu, President
Principal business	Apartment and house construction and sales, real estate operation, management, and consulting, etc.
Capital	10,698 million yen
Data of establishment	December 1, 1997
Total assets	Non-disclosure
Total capital	Non-disclosure
Major shareholders and Shareholding ratio	ITOCHU Corporation (100%)
Relationship with ADR and IRM	
Capital relations	None
Personnel relations	As of today, two IRM's executives and employees is seconded from the said company.
Business relations	The following is a summary of specified asset sales transactions, etc. for the fiscal period ended January 31, 2026 Bought amount 0 million yen Sold amount 0 yen
Related parties' status	The said company is not a related party of ADR. The said company is the subsidiary of parent company ITOCHU Corporation (100%) and falls under the category of a related party.

(2) RESIDIA Tokiwadai

The seller of the asset to be acquired is a domestic special purpose company (SPC). However, we are unable to disclose further details as we have not obtained consent from the seller. Please note that this company is not a party with special interests in relation to our investment corporation or our asset management company.

5. Status of seller

(1) RESIDIA Shoin-jinja-mae

Status of Property Owners, etc.	Previous owner, etc.	The time before last owner, etc.
Name	ITOCHU Property Development, Ltd.	Other than those with a special interest
Special Interests Relationship with a certain person	Interested party as defined in the internal rules of IRM	-
Background and reason for acquisition, etc.	Rental residence development objectives	-
Acquisition Price	Omitted for development purposes	-
Acquisition period	(Land) March 2016 (Building) January 2018	-

(2) RESIDIA Tokiwadai

Omitted since the acquisition is not from a specially interested party.

6. Transactions with Interested Parties, etc.

(1) RESIDIA Shoin-jinja-mae

ITOCHU Property Development, Ltd., the seller described in 5. Status of seller (Special Interests Relationship with a certain person) above, and ITOCHU Urban Community Co., Ltd., which is scheduled to be the master lease and property management company for the asset-to-be-acquired, falls under the category of an interested party under the IRM's internal rules. Therefore, IRM has gone through the necessary deliberation, resolution and other procedures as stipulated in the internal rules.

(2) RESIDIA Tokiwadai

ITOCHU Urban Community Co., Ltd., which is scheduled to be the master lease and property management company for the asset-to-be-acquired, falls under the category of an interested party under the IRM's internal rules. Therefore, IRM has gone through the necessary deliberation, resolution and other procedures as stipulated in the internal rules.

7. Summary of the brokerage

(1) RESIDIA Shoin-jinja-mae

Not applicable.

(2) RESIDIA Tokiwadai

The brokerage is not considered a party with a special interest in ADR or IRM; therefore, the disclosure is omitted.

8. Outlook

The impact of this Acquisition on the earnings forecasts for the 32nd fiscal period (from February 1, 2026 to July 31, 2026) and the 33rd fiscal period (from August 1, 2026 to January 31, 2027), published in the Brief Summary of Financial Results dated March 17, 2026, will be negligible, and no change will be made to the forecast.

9. Summary of the Appraisal Report

(1) RESIDIA Shoin-jinja-mae

Property name	RESIDIA Shoin-jinja-mae
Appraisal Value	3,000,000 thousand yen
Appraiser	Japan Real Estate Institute
Appraisal date	as of April 1, 2026

(thousand yen)

Items	Value	Summary
Income Capitalization Approach Value	3,000,000	The income capitalization approach based on the direct capitalization method and the income capitalization approach based on the DCF method are correlated to estimate the income approach value of the subject property.
Direct Capitalization Price ((6)/(7))	3,040,000	
(1) Total Potential Income	124,359	
Total Potential Income	129,922	
Rental income	126,770	The unit rent level sustainably collectible over the medium to long term was assessed and accounted for, based on the average rent under existing lease agreements, the prospective new rent levels assuming the subject property were newly leased, and the attributes of the current tenants.
Other income	3,152	Recorded income from parking, motorcycle parking, bicycle parking, key money and renewal fees.
Losses from Vacancies, etc.	5,563	Recorded after assessing a stable mid- to long-term Occupancy rate level based on the occupancy status and supply-demand trends of similar properties, as well as the occupancy status and future trends for the subject property.
Losses from Delinquencies	0	The Company determined that no recording is required, taking into account the situation of the lessee and other factors.
(2) Expenses from rental business	18,483	
Maintenance and Management Fees	2,800	The amount is recorded in consideration of the individual characteristics of the subject property, with reference to past performance figures and the level of similar properties.
Utilities Costs	810	The amount is recorded in consideration of the individual characteristics of the subject property, with reference to past performance figures and the level of similar properties.
Repair Costs	1,823	Restoration costs were accounted for based on the typical level of reinstatement expenses and the landlord's share of responsibility. Additionally, repair costs were calculated considering historical data, typical levels for comparable properties, and the annual average of repair and renewal expenses as per the building condition survey report.
Property Manager Fees	2,186	Recorded with reference to the remuneration rate based on the terms of the scheduled contract, etc., and taking into consideration the remuneration rate for similar properties and the individual characteristics of the subject property.
Leasing Expenses	2,796	Administrative fees required when recruiting new tenants, with reference to contract terms and lease terms of similar properties, and advertising expenses, etc., assessed based on actual results of previous years, were accounted for.
Taxes and Public Dues	5,611	Recorded based on tax and public dues related documents, etc.
Insurance Premium	133	Insurance premiums were accounted for, taking into consideration both the premiums stipulated by existing insurance contracts and the premium rates for comparable buildings.
Renewal fee	1,424	Turnover rates and occupancy rates are considered in the assessment.
Other Expenses	900	Recorded the internet connection fees.
(3) Net Operating Income (NOI, (1)-(2))	105,876	
(4) Earnings from Deposits	276	Appraised by multiplying the amount obtained by multiplying the occupancy rate by the number of months of stable security deposits over the medium to long term, and then by a certain investment yield.
(5) Capital Expenditures	2,652	The appraisal was made based on the assumption that the expected future expenditures would be accumulated on average each period, taking into account the level of Capital Expenditures of similar properties, Building Age, and the average annual amount of repair and renewal expenses in the engineering report, etc.
(6) Net Cash Flow DCF Price ((3)+(4)-(5))	103,500	
(7) Cap Rate	3.4%	Appraised by adding/subtracting the spread resulting from the subject property's location, building conditions, and other conditions to/from the standard yield of each area, and also by taking into account future uncertainties and transaction yields on similar properties, etc.
DCF price	2,960,000	
Discount Rate	3.2%	Appraised by comprehensively taking into account the individual characteristics of the subject property, etc., with reference to the investment yields, etc., in transactions with similar properties.
Terminal Cap Rate	3.5%	Appraised by comprehensively considering future trends of investment yields, riskiness of the subject property as an investment, general forecasts of future economic growth rates, and trends of real estate prices and rents, etc., with reference to the transaction yields of similar properties.
Cost Approach Value	2,690,000	
Land ratio	82.1%	
Building Ratio	17.9%	
Other items considered by the appraiser in the appraisal		None

(2) RESIDIA Tokiwadai

Property name	RESIDIA Tokiwadai
Appraisal Value	1,290,000 thousand yen
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal date	as of April 20, 2026

(thousand yen)

Items	Value	Summary
Income Capitalization Approach Value	1,290,000	The income value was estimated by also verifying the price determined by the DCF method against the price determined by the direct capitalization method.
Direct Capitalization Price ((6)/(7))	1,320,000	
(1) Total Potential Income	58,786	
Total Potential Income	61,418	
Rental income	60,138	Based on the current rent level under the existing lease agreement, the rent levels and trends of similar properties in the same supply-demand area, and the mid- to long-term competitiveness of the subject property, standardized assumed rental income and common area maintenance (CAM) income for the subject property were recorded.
Other income	1,279	Recorded income from parking, motorcycle parking and renewal fees.
Losses from Vacancies, etc.	2,631	Vacancy loss is recorded after assessing the vacancy rate for rental income and common area maintenance (CAM) income and parking income, based on the actual vacancy rates of the subject property and the standard vacancy rates of similar properties, considering the competitiveness of the subject property. This assessment reflects a stable mid- to long-term vacancy rate deemed appropriate.
Losses from Delinquencies	0	The Company determined that no recording is required, because the security deposit is deemed to be secured by a security deposit, etc.
(2) Expenses from rental business	11,304	
Maintenance and Management Fees	2,801	The building management tasks outlined in the planned contract are deemed generally standard, and the amount is recorded based on the contract amount, after verifying it against the maintenance costs level of similar properties.
Utilities Costs	557	The amount is recorded with reference to the actual results of past fiscal years and taking into consideration the level of similar properties and the individual characteristics of the subject property.
Repair Costs	1,358	The annual average amount of repair and maintenance costs for the medium to long term stated in the engineering report was deemed appropriate and recorded. In addition, maintenance costs for leased space upon tenant turnover were estimated and recorded, taking into consideration the tenant turnover rate and vacancy rate.
Property Manager Fees	1,164	The building management tasks outlined in the scheduled contract are deemed generally standard, and the amount is recorded based on the scheduled contract, after verifying it against the property management (PM) fee level of similar properties.
Leasing Expenses	1,643	For rental units, tenant recruitment costs, etc., were recorded for the turnover portion based on the assumed turnover rate, considering past actual figures and assessed with reference to the level of similar properties.
Taxes and Public Dues	3,185	Assumed tax amounts were recorded based on actual figures, considering the burden level.
Insurance Premium	94	The insurance estimate was deemed appropriate, and the amount was recorded after verifying it against the premium levels of similar properties.
Other Expenses	500	Internet costs, and miscellaneous expenses were estimated and recorded based on actual expenditures and assessed amounts.
(3) Net Operating Income (NOI, (1)-(2))	47,481	
(4) Earnings from Deposits	43	Appraised by assessing the operational yield from both operational and procurement perspectives regarding the management of lump-sum funds, and then applying this yield to the assumed security deposits, etc., to determine the resulting amount.
(5) Capital Expenditures	1,173	Verification was conducted based on the level of renewal costs for similar properties, and a certain percentage of the building replacement cost was appraised and recorded accordingly.
(6) Net Cash Flow DCF Price ((3)+(4)-(5))	46,352	
(7) Cap Rate	3.5%	Appraised by using the method based on comparisons with transaction examples of similar properties as a standard, and taking into account individual factors and feedback from investors.
DCF price	1,270,000	
Discount Rate	3.3%	Appraised by combining the method based on comparisons with transaction examples of similar properties and the method incorporating the individual characteristics of the property into the investment yields of financial assets, and also considering feedback from investors.
Terminal Cap Rate	3.7%	Appraised by referencing the transaction yields of similar properties, and comprehensively considering the potential increase in capital expenditures due to the property's aging and the uncertainties in the sales market trends.
Cost Approach Value	1,480,000	
Land ratio	70.9%	
Building Ratio	29.1%	
Other items considered by the appraiser in the appraisal		None

Appendix 1. Photos of the Asset-To-Be-Acquired

(1) RESIDIA Shoin-jinja-mae







(2) RESIDIA Tokiwadai





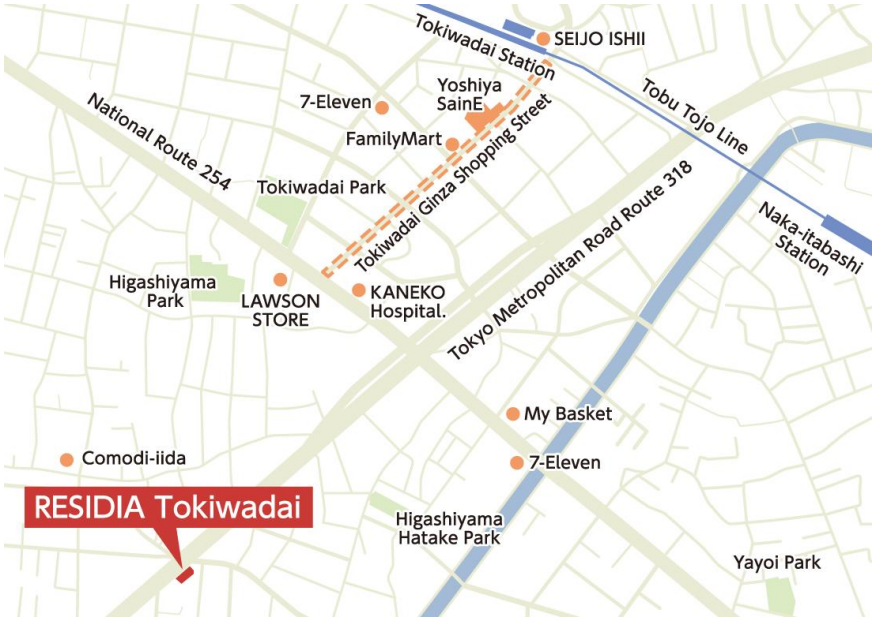


Appendix 2. Map of the Asset-To-Be-Acquired

(1) RESIDIA Shoin-jinja-mae (4-14-27 Setagaya, Setagaya-ku, Tokyo)



(2) RESIDIA Tokiwadai (28-9 Higashiyamacho Itabashi-ku, Tokyo)



About Advance Residence Investment Corporation

Advance Residence Investment Corporation is one of the largest J-REITs specializing in residential properties, managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group. It owns rental properties nationwide, primarily in the 23 wards of Tokyo. By leveraging the stability of residential assets and the largest negative goodwill among J-REITs, ADR is expected to provide long-term, stable dividends, making it a highly defensive J-REIT.

"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/