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**For Immediate Release**

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**Notice Concerning Achievement of 100% Offsetting of Greenhouse Gas (GHG) Scope2 Emissions**

Advance Residence Investment Corporation ("ADR") has purchased FIT Non-Fossil Certificates with Tracking ("FIT Non-Fossil Certificates") and Green Heat Certificates. The amount of electricity and heat energy consumption in common areas of the properties owned by ADR ("common areas of the properties") in fiscal 2022 was supplied by substantial renewable energy. As a result, ADR announced that ADR have achieved 100% offsetting of greenhouse gas ("GHG") Scope 2<sup>Note 1</sup> emissions for FY2022.

1. Outline of the Project

In order to contribute to the realization of the 2050 Net Zero goal, ADR has set "Managing and Reducing Energy and Water Usage, CO2 Emission, Waste Generation" as one of the top-priority initiatives (materiality) in relation to sustainability. As part of the efforts for this initiative, through an intermediary (Whole Energy, Inc.), ADR purchased FIT Non-Fossil Certificates in the renewable energy value trading market, and the amount of electricity used in common areas of the properties in FY2022 was, derived from virtually 100% renewable energy continued from FY2021.

In addition, ADR has newly purchased Green Heat Certificates from a certificate issuing company (Japan Natural Energy Company Limited) this time, and the amount of heat energy used in the common areas of Pacific Royal Court Minatomirai Ocean Tower owned by ADR in FY2022 derived from district heating and cooling is now 100% substantial renewable energy.

As a result, 100% offsetting of GHG Scope2 emissions<sup>Note 2</sup> (reduction of 100% of GHG emissions from electricity and heat in common areas of the property, i.e., approximately 7,000 tons<sup>Note 3</sup>) in FY2022 was achieved for the properties owned by ADR.

Note 1 Refers to electricity and heat derived from common areas of the properties in ADR's FY2022 GHG emissions.

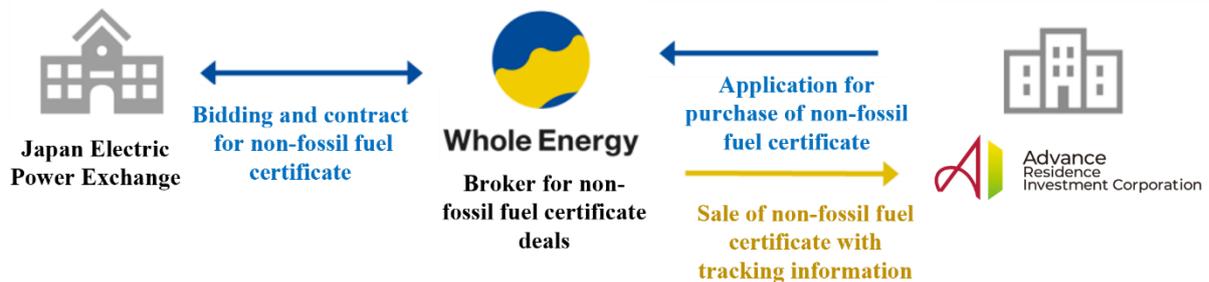
Note 2 For Scope 1 and Scope 2 (market-based) of GHG emissions in FY2022, we have received a third-party assurance report from Sustainability Accounting Co., Ltd.

Note 3 Calculated based on the amount of electricity and heat consumption in common areas of the properties in FY2022 x each emission factor (market basis).

### About FIT Non-fossil Fuel Certificate

FIT stands for Feed-in Tariff, which is a system for purchasing renewable energy at a fixed price. The non-fossil fuel certificate represents the “non-fossil value” of the electric power derived from “non-fossil resources” to generate electricity without the use of fossil fuels such as petroleum and coal. FIT Non-Fossil Certificates are traded on the renewable energy value trading market managed by the Japan Electric Power Exchange (JEPX).

### Mechanism of Purchase of FIT Non-fossil Fuel Certificate



### About a Green Heat Certificate

A Green Heat Certificate is a certificate ("Green Heat Certificate") that represents the "environmental value" of green heat generated from renewable energy sources. By purchasing a Green Heat Certificate, we are contributing to the spread of renewable energy, and the heat we use is considered to have been supplied by renewable energy.



Mark certifying the use of green heat (Japan Natural Energy) by Japan Natural Energy Company Limited

## 2. Initiatives of ADR and Asset Management Company in Future

ADR and its asset management company, ITOCHU REIT Management Co., Ltd., are aware that sustainability-related initiatives, with a focus on contribution to the realization of a decarbonized society, contribution to the regional societies, and further satisfaction of tenants, are essential for maintaining and enhancing the medium- to long-term asset value. The two companies are committed to further improving value for investors by promoting such initiatives in the future.

#### **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 270 rental apartments located mostly in central Tokyo and in other major cities throughout Japan (AUM over 470 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/>