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For Immediate Release

Advance Residence Investment Corporation
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Notice Concerning Change in Master Lessee and Property Manager

Advance Residence Investment Corporation (ADR) announced today its decision to change the master lessee (ML) and property manager (PM) for the property as detailed below.

1. Summary of the change

ADR decided to change the ML and PM for the property as listed below on January 1, 2016.

No.	Name	ML/PM	Currently	After the Change
C-35	RESIDIA Bunkyo-Otowa	ML PM	ABLE Hosho, Inc.	ITOCHE Urban Community Ltd.



2. Reason for the change

ADR consolidates property management of its properties to promote greater operational and managerial efficiency and stronger leasing capabilities, which will lead to better revenue-generating potential.

Following the above policy, ADR decided to change the ML and PM for the afore mentioned property, after reviewing whether to renew the contract with the current ML and PM. ADR evaluated that the new ML and PM has good track-record managing properties in the region where the property is located and can expect improved level of management and profitability if they managed the property.

The number of properties managed by ITOCHU Urban Community Ltd. which is a major master lessee and property manager for ADR are as listed below.

Under Management	As of December 31, 2015		As of January 1, 2016	
	IUC	Portfolio Share	IUC	Portfolio Share
No. of properties	137 properties	54.8%	138 properties	55.2%
No. of units	9,753 units	48.4%	9,857 units	48.9%

3. Profile of the new ML and PM profile

Trade name	ITOCHU Urban Community Ltd.
Head office location	2-7-1 Nihonbashi Hon-cho, Chuo-ku, Tokyo
Capital	JPY 310 million
Representative	Kunihiro Osada, President and Representative Director
Shareholder	ITOCHU Corporation
Principal business	Apartment management, Property management, Building management and Rental apartment management
Relationship with ADR or its asset management company	ITOCHU Urban Community Ltd. constitutes an interested party of the asset management company as defined in the Investment Trusts and Investment Corporations Law article no. 123. Therefore the asset management company chose ITOCHU Urban Community Ltd. as ML and PM according to procedures stipulated in the company bylaw titled "Related-Party Transaction Rules".

4. Future Outlook

ADR's management performance forecasts remain unchanged.

* The original Japanese version of this material is released today to the Kabuto Club (the press club of the Tokyo Stock Exchange), the ministry of Land, Infrastructure and Transport Press Club, and the Ministry of Land, Infrastructure and Transport Press Club for Construction Publications.

* URL: <http://www.adr-reit.com/en/>

[Provisional Translation Only]

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