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For Immediate Release

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Notice Concerning Changes in Master Lessee and Property Manager

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

1. Summary of the change

ADR decided to change the ML and the PM for the properties listed below on May 1, 2016 as follows.

No.	Name	ML/ PM	Before	After
P-31	RESIDIA Komazawadaigaku	ML	ITOCHU Urban Community Ltd.	ITOCHU Urban Community Ltd.
		PM	Leavelife21	
P-32	RESIDIA Yoyogi	ML	ITOCHU Urban Community Ltd.	ITOCHU Urban Community Ltd.
		PM	Leavelife21	
P-33	RESIDIA Nishi-Shinjuku	ML	ITOCHU Urban Community Ltd.	ITOCHU Urban Community Ltd.
		PM	Leavelife21	
P-34	RESIDIA Kyodo	ML	ITOCHU Urban Community Ltd.	ITOCHU Urban Community Ltd.
		PM	Leavelife21	
C-48	RESIDIA Nihonbashi- Bakurocho	ML	Leavelife21	ITOCHU Urban Community Ltd.
		PM		
S-14	RESIDIA Yokohama-Kannai	ML	ITOCHU Urban Community Ltd.	HASEKO LIVENET, Inc.
		PM	Leavelife21	

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 properties, 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 properties is located and can expect improved level of management and profitability if they managed the properties.

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

Under Management	As of April 30, 2016		As of May 1, 2016	
	IUC	Portfolio Share	IUC	Portfolio Share
No. of properties	142 properties	55.7%	147 properties	57.6%
No. of units	10,076 units	49.3%	10,276 units	50.2%

3. Profile of the new ML and PM

- P-31) RESIDIA Komazawadaigaku
- P-32) RESIDIA Yoyogi
- P-33) RESIDIA Nishi-Shinjuku
- P-34) RESIDIA Kyodo
- C-48) RESIDIA Nihonbashi-Bakurocho

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".

S-14) RESIDIA Yokohama-Kannai

Trade name	HASEKO LIVENET, Inc.
Head office location	2-31-19 Shiba, Minato-ku, Tokyo
Capital	JPY 1,000 million
Representative	Shoji Nagatani, Representative Director
Principal business	<ul style="list-style-type: none"> • Rental property management and management consultancy • Property trading, leasing, brokering and property agent • Property information provider
Relationship with ADR or its asset management company	N/A

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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