

June 30, 2017

**For Immediate Release**

Advance Residence Investment Corporation  
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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 PM for the properties listed below on July 1, 2017 as follows.

No.	Name	Before(ML/PM)	After(ML/PM)
P-24	RESIDIA Azabujuban II	Mitsui Fudosan Residential Lease Co.,Ltd.	ITOCHU Urban Community Ltd.
P-25	RESIDIA Ebisu		
P-26	RESIDIA Meguro		
P-53	RESIDIA Roppongi-Hinokichokoen		
C-19	RESIDIA Shin-Nakano		
C-23	RESIDIA Sasazuka		
C-37	RESIDIA Bunkyo-Yushima		

## 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 / PM has good track-record managing properties in the region where the properties are 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 June 30, 2017		As of July 1, 2017	
	IUC	Portfolio Share	IUC	Portfolio Share
No. of properties	154 properties	59.2%	161 properties	61.9%
No. of units	10,735 units	51.5%	11,066 units	53.1%

## 3. Profile of the New ML and PM

Trade name	ITOCHU Urban Community Ltd.
Head office location	2-7-1 Nihonbashi Hon-cho, Chuo-ku, Tokyo
Capital	JPY 310 million
Representative	Koji Fukaki, 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.

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

[Provisional Translation Only]

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