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For Immediate Release

Real Estate Investment Trust Securities Issuer:
Advance Residence Investment Corporation
(Securities Code : 3269)
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Notice Concerning Disposition of Real Estate in Japan(RESIDIA Tokugawa)

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

1. Summary of the Disposition

Property Name	RESIDIA Tokugawa
Type of Specified Asset	Real estate
Disposition Price	973 million yen
Appraisal value or survey price ^(Note1)	973 million yen
Book Value ^(Note2)	661 million yen
Difference between Disposition Price and Book Value	311 million yen
Counterparty	MIRAI Asset Co., Ltd
Broker Availability	Yes
Scheduled Contract Date	June 24, 2026
Scheduled Disposition Date	July 7, 2026 or a date to be separately agreed upon
Payment Method	Full payment on delivery

(Note 1) “Appraisal values or survey prices” is as of January 31, 2026.

(Note 2) “Book value” is the estimated amount as of anticipated disposition date.

2. Reason for the Disposition

ADR is promoting a capital policy aimed at optimizing capital efficiency and enhancing unitholder returns, taking into consideration the current capital market environment, such as capital costs and investment unit prices.

This disposition is intended to realize profits through the strategic sale of assets with unrealized gains and to enhance unitholder returns by allocating a portion of such profits to distributions.

The disposition price is 973 million yen, which exceeds the book value (661 million yen). Accordingly, this disposition is expected to generate a gain on sale of approximately 273 million yen^(Note 3).

The funds obtained from this disposition will be flexibly utilized for initiatives aimed at enhancing unitholder value, including allocation to future property acquisitions and repayment of borrowings.

(Note 3) Gain on sale is a reference figure calculated at the present time as the difference between the planned disposition price and the book value plus disposal-related expenses, and may differ from the actual gain on sale.

3. Details of Assets to be Disposed

Property Number	R-032
Property Name	RESIDIA Tokugawa
Location	2-8-5 Tokugawa, Higashi-ku, Nagoya City, Aichi
Land	
Type of Ownership	Ownership
Land Area	1,193.12 m ²
Zoning	Neighborhood Commercial Districts
FAR/Building Coverage Ratio	200%/80%
Building	
Type of Ownership	Ownership
Total Floor Space	2,427.39 m ²
Structure / Floors	Reinforced concrete structure with a flat roof, 9 stories
Use	Apartment
Construction Completion Date	December 2006
Lease Conditions	
Point in Time	As of May 31, 2026
Total Tenants	1
Leasable Units	27
Leased Units	25
Leasable Floor Area	2,282.49 m ²
Leased Area	2,104.31 m ²
Occupancy Rate (based on floor area)	92.2%
Total Monthly Rent	4,223 thousand yen
Deposits, Guarantees, etc.	3,480 thousand yen
Number of Units by Type (Excluding Operated Rental Residence)	
Single	0
Compact	0
Family	18
Large	9
Other	0
Number of Operated Rental Residences	-
Special affairs	None

4. Summary of the Counterparty

Name	MIRAI Asset Co., Ltd
Address	6-1 Ushijima-cho, Nishi-ku, Nagoya City, Aichi
Representative	Satoru Isobe, Representative Director
Principal business	Real Estate Transaction Business
Capital	400 million yen (as of June 15, 2026)
Data of establishment	December 1, 2004
Total assets	Non-disclosure
Total capital	Non-disclosure
Major shareholders and Shareholding ratio	MIRAI HOLDINGS Co., Ltd. (100%)
Relationship with ADR and IRM	
Capital relations	There are no noteworthy capital relations.
Personnel relations	There are no noteworthy personnel relations.
Business relations	There are no noteworthy business relations.
Related parties' status	This does not fall under the category of related parties of ADR or IRM.

5. Summary of the brokerage

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

6. Outlook

The impact of this disposition 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.

7. Summary of Appraisal Report or Survey Report

Property name	RESIDIA Tokugawa
Appraisal value or survey price, etc	973,000 thousand yen
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal date	as of January 31, 2026

(thousand yen)

Items	Value	Summary
Income Capitalization Approach Value	973,000	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))	984,000	
(1) Total Potential Income	57,808	
Total Potential Income	61,044	
Rental income	54,686	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	6,358	Recorded income from parking, motorcycle parking, renewal fees, key money, bicycle parking and internet usage fees.
Losses from Vacancies, etc.	3,236	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	15,217	
Maintenance and Management Fees	2,352	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	662	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	4,076	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	1,710	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	1,220	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	4,388	Assumed tax amounts were recorded based on actual figures, considering the burden level.
Insurance Premium	106	The insurance estimate was deemed appropriate, and the amount was recorded after verifying it against the premium levels of similar properties.
Other Expense	700	Internet costs and CATV costs were estimated and recorded based on actual expenditures and assessed amounts.
(3) Net Operating Income (NOI, (1)-(2))	42,590	
(4) Earnings from Deposits	40	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	3,272	Recorded based on the average annual renewal costs stated in the ER.
(6) Net Cash Flow DCF Price ((3)+(4)-(5))	39,359	
(7) Cap Rate	4.0%	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	968,000	
Discount Rate	3.8%	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	4.2%	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	832,000	The amount stated in the appraisal report as of July 31, 2025.
Land ratio	60.9%	The ratio stated in the appraisal report as of July 31, 2025.
Building Ratio	39.1%	The ratio stated in the appraisal report as of July 31, 2025.
Other items considered by the appraiser in the appraisal		None

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/>