

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

May 28, 2026

For Immediate Release

Real Estate Investment Trust Securities Issuer:
Advance Residence Investment Corporation
(Securities Code : 3269)
1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo
Representative: Wataru Higuchi, Executive Director

Asset Management Company:
ITOCHU REIT Management Co., Ltd.
Representative: Junichi Shoji, Representative Director,
President & CEO
Inquiries: Isao Kudo, Managing Executive Officer
(TEL. +81-3-6821-5483)

Notice Concerning Acquisition of Real Estate in Japan (RESIDIA Musashi-koyama)

ITOCHU REIT Management Co., Ltd. (IRM), the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets, announced its decision today to have ADR acquire an asset located in Japan (hereafter, the “Acquisition”) as detailed below as part of ADR’s growth strategy.

1. Summary of the Acquisition

Property Name ^(Note 1) (Type of asset)	RESIDIA Musashi-koyama (Real estate) ^(Note 2)
Acquisition Price ^(Note 3) (Price / Appraisal ratio)	690 million yen (95.7%)
Appraisal Value ^(Note 4)	721 million yen
NOI Yield ^(Note 5)	3.8%
Yield after Depreciation ^(Note 6)	3.2%
Building Age ^(Note 7)	7.3 years
Seller	Not disclosed
Broker Availability	None
Scheduled Contract Date	May 28, 2026
Scheduled Acquisition Date	June 30, 2026 or a date to be separately agreed upon with the seller
Acquisition Financing (Payment Method)	Borrowings and cash on hand (Lump-sum payment on delivery)

(Note 1) The name of the asset-to-be-acquired is scheduled to be changed after acquisition by ADR, and the names after the change are stated. The name of the property as of today is “Harmony Gracia Musashi-koyama”.

(Note 2) The property will be acquired in the form of beneficiary interests in trust and, on the same day, the trust agreement will be terminated and the asset will thereafter be held as real estate.

(Note 3) “Acquisition Price” is the amount stated in the real estate transaction contract for the acquired asset (excluding various expenses required for acquisition (brokerage fees, taxes and public dues, etc.)).

(Note 4) “Appraisal Value” of the asset-to-be-acquired is as of April 1, 2026.

(Note 5) “NOI Yield” is calculated as follows: annualized NOI written in the appraisal document at the time of the acquisition of the asset-to-be acquired and calculated using direct capitalization method / acquisition price x 100. The calculated yield is rounded at the second decimal point.

(Note 6) “Yield after Deprecation” is calculated as follows: (annualized NOI written in the appraisal document at the time of the acquisition of the asset-to-be-acquired and calculated using direct capitalization method – annual depreciation cost) / acquisition price x 100. The calculated yield is rounded at the second decimal point. As in the case with the existing portfolio of ADR, the depreciation cost of the assets-to-be-acquired is calculated by ADR, using the straight-line method under certain assumptions and estimated at 4,074 thousand yen a year.

(Note 7) “Building Age” represents the age of the building as of the acquisition date and is rounded at the second decimal point.

2. Reason for the Acquisition

IRM decided on the following acquisition pursuant to the target and policy of asset management as stipulated in the Articles of Incorporation of ADR, for steady increase in asset size and diversification and enhancement of the portfolio. The decision to acquire this property was based on an evaluation of Features of the Property, etc., as stated in “3. Summary of the Asset-To-Be-Acquired”.

3. Summary of the Asset-To-Be-Acquired

Property Name		RESIDIA Musashi-koyama	Property Number	T-197	
Type of asset		Real estate			
Address		1-7-7 Nishi-Nakanobu, Shinagawa-ku, Tokyo			
Land	Type of Ownership	Ownership	Zoning	neighborhood commercial districts	
	Land Area	226.93 m ²	FAR / Building Coverage Ratio	300%/80%	
Building	Structure / Floors	Reinforced concrete structure with a flat roof, 4 stories			
	Type of Ownership	Ownership	Use	Apartment	
	Total Floor Space	602.11 m ²	Construction Completion Date	April 2019	
	Building Designer	HYUGA KOUHATSU. Architects & Engineers CORPORATION			
	Structural Engineer	UKOU Architectural Design Ltd.			
	Construction Contractor	HYUGA KOUHATSU. CORPORATION			
	Building Certification Agency	J ARCHITECTURE INSPECTION CENTER			
	Building Inspection Agency	J ARCHITECTURE INSPECTION CENTER			
Collateral	None				
Appraisal value	721,000 thousand yen	Appraisal date	as of April 1, 2026		
Appraiser	JLL Morii Valuation & Advisory K.K.				
Property Management Company	ITOCHU Urban Community Co., Ltd. (planned)				
Master Lessee	ITOCHU Urban Community Co., Ltd. (planned)	Master Lease type	Pass-through		
Lease Conditions					
Total Tenants	1	Point in Time	As of April 30, 2026		
Leasable Units	19				
Leased Units	18				
Leasable Floor Area	540.30 m ²	Occupancy Rate (based on floor area)	95.9%		
Leased Area	518.41 m ²				
Total Monthly Rent	2,297 thousand yen				
Deposits, Guarantees, etc.	484 thousand yen				
Number of Units by Type (Excluding Operated Rental Residence)	Single	Compact	Family	Large	Other
	12	7	0	0	0

Number of Operated Rental Residence	0		
Features of the Property			
<ul style="list-style-type: none"> • This property is located an 8-minute walk from Ebara-nakanobu Station on the Tokyu Ikegami Line and a 15-minute walk from Musashi-koyama Station and Nishi-koyama Station on the Tokyu Meguro Line, offering convenient access to three stations on two train lines. • The area around Musashi-koyama Station features the Musashi-koyama Shopping Street, which is home to a wide variety of shops, providing a highly convenient living environment. 			
Special affairs			
None			
Summary of Building Conditions Investigation Report			
Investigator	Tokio Marine dR Co., Ltd.	Investigation Report Date	May 11, 2026
Emergency Repair Costs	-		
Short-term Repair Costs (within 1 year)	-		
Long-term Repair Costs (within 12 years)	12,824 thousand yen		
Building Replacement Price	185,000 thousand yen		
Summary of Earthquake Risk Analysis			
Investigator	Tokio Marine dR Co., Ltd.	Investigation Report Date	May 11, 2026
Probable Maximum Loss Ratio (PML)	7.1%		
Matters concerning Earthquake Resistance, etc.			
The results of a third-party investigation into the validity of the structural calculation documents confirmed that no intentional alteration, forgery, or other fraudulent activities were found, and that the structural calculations were performed in compliance with relevant laws.			

Please refer to “Notes and definitions on items on the tables in the press releases for asset acquisition” on ADR’s website for details on items on the above table. (<https://www.adr-reit.com/en/ir/news/>)

4. Financial Impact on ADR in the Event of Failure to Fulfill Forward Commitment, etc.

The Beneficiary Interests in Trust Sales and Purchase Agreement pertaining to this transaction (hereafter, the “Agreement”) constitutes a forward commitment, etc. ^(Note 8) by an investment corporation defined in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. published by the Financial Services Agency.

The Agreement provides that if ADR or the counterparty violates a provision of the Agreement, the non-breaching party has the right to terminate the Agreement and claim an amount equivalent to 20% of the transaction price of the beneficiary interest for which the agreement was terminated as a penalty. Furthermore, even if damages exceeding such penalty arise due to the termination of the Agreement, neither party can claim any amount beyond the penalty from the other. Likewise, if the damages are less than the penalty amount, neither party can claim a reduction of the penalty.

However, ADR is not obliged to pay penalties to the counterparty for the expiration or cancellation of the Agreement except where ADR is at fault.

(Note 8) Agreement refers to a postdated sales agreement under which payment and property delivery shall be made at least one month after the conclusion of such agreement, or any other agreement similar thereto.

5. Summary of the Seller

The seller of the asset to be acquired is a domestic special purpose company (SPC). However, we are unable to disclose further details as we have not obtained consent from the seller. Please note that this company is not a party with special interests in relation to our investment corporation or our asset management company.

6. Status of seller

Omitted since the acquisition is not from a specially interested party.

7. Transactions with Interested Parties, etc.

ITOCHU Urban Community Co., Ltd., which is scheduled to be the master lease and property management company for the asset-to-be-acquired, falls under the category of an interested party under the IRM's internal rules. Therefore, IRM has gone through the necessary deliberation, resolution and other procedures as stipulated in the internal rules.

8. Summary of the brokerage

Not applicable.

9. Outlook

The impact of this Acquisition 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.

10. Summary of the Appraisal Report

Property name	RESIDIA Musashi-koyama
Appraisal Value	721,000 thousand yen
Appraiser	JLL Morii Valuation & Advisory K.K
Appraisal date	as of April 1, 2026

(thousand yen)

Items	Value	Summary
Income Capitalization Approach Value	721,000	The income value is estimated by correlating the price derived from the DCF method with the price derived from the direct capitalization method.
Direct Capitalization Price ((6)/(7))	753,000	
(1) Total Potential Income	31,709	
Total Potential Income	33,003	
Rental income	32,361	Rental income is assessed based on current conditions and expected mid-to-long-term stability.
Other income	642	Recorded income from renewal fees.
Losses from Vacancies, etc.	1,294	The assessment considers standard vacancy rates, supply-demand balance, and the unique characteristics of the subject property.
Losses from Delinquencies	0	Amounts secured by deposits and similar instruments are excluded from calculations.
(2) Expenses from rental business	5,374	
Maintenance and Management Fees	1,187	Assessed with reference to the levels of comparable properties and actual performance.
Utilities Costs	98	Assessed with reference to the levels of comparable properties and actual performance.
Repair Costs	642	Restoration costs are determined by considering comparable properties, actual costs, and turnover rates. Additionally, repair and renewal costs are assessed based on the annual average amount stated in the engineering report.
Property Manager Fees	621	The proposed contract terms are evaluated with reference to the levels of comparable properties and are adopted as appropriate.
Leasing Expenses	917	Tenant replacement costs are assessed based on regional practices and the turnover rate of the subject property.
Taxes and Public Dues	1,427	Land: Assessed based on actual performance, with consideration of land price trends and fluctuation rates. Building: Evaluated using actual performance as a basis, factoring in age-related depreciation and reference to age-based depreciation adjustment rates. Depreciable assets: Assessed with consideration of age-related depreciation.
Insurance Premium	41	Insurance premiums are recorded based on reasonable judgments derived from the insurance contract.
Renewal fee	321	Turnover rates are considered in the assessment.
Other Expenses	120	A contingency reserve is recorded.
(3) Net Operating Income (NOI, (1)-(2))	26,335	
(4) Earnings from Deposits	12	The valuation of security deposits is determined by deducting the amount corresponding to vacant units from the total deposit amount under full occupancy, then applying a specified yield.
(5) Capital Expenditures	748	Repair and renewal costs are recorded based on the annual average amount stated in the engineering report.
(6) Net Cash Flow DCF Price ((3)+(4)-(5))	25,599	
(7) Cap Rate	3.4%	The discount rate is determined by incorporating the risks associated with income and capital fluctuations.
DCF price	707,000	
Discount Rate	3.2%	The base cap rate is assessed comprehensively, considering market trends and risk factors related to the regional and unique characteristics of the subject property.
Terminal Cap Rate	3.6%	The terminal cap rate is determined by incorporating uncertainties in future net income fluctuations, building deterioration, and disposition risks, while considering the spread relative to the capitalization rate.
Cost Approach Value	586,000	
Land ratio	80.8%	
Building Ratio	19.2%	
Other items considered by the appraiser in the appraisal		None

Appendix

Appendix 1. Photos of the Asset-To-Be-Acquired



Appendix 2. Map of the Asset-To-Be-Acquired: 1-7-7 Nishi-Nakanobu, Shinagawa-ku, Tokyo



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/>