



September 9, 2013

For Immediate Release

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Notice Concerning Proposal to Change the Asset Management Fee Structure

Advance Residence Investment Corporation (ADR) announced today that it has proposed^(note1) to change the asset management structure, the fee which ADR pays to its asset management company, AD Investment Management Co., Ltd. (ADIM). The goal of the change is to have the asset management fee to be more inline with the unitholders' interest.

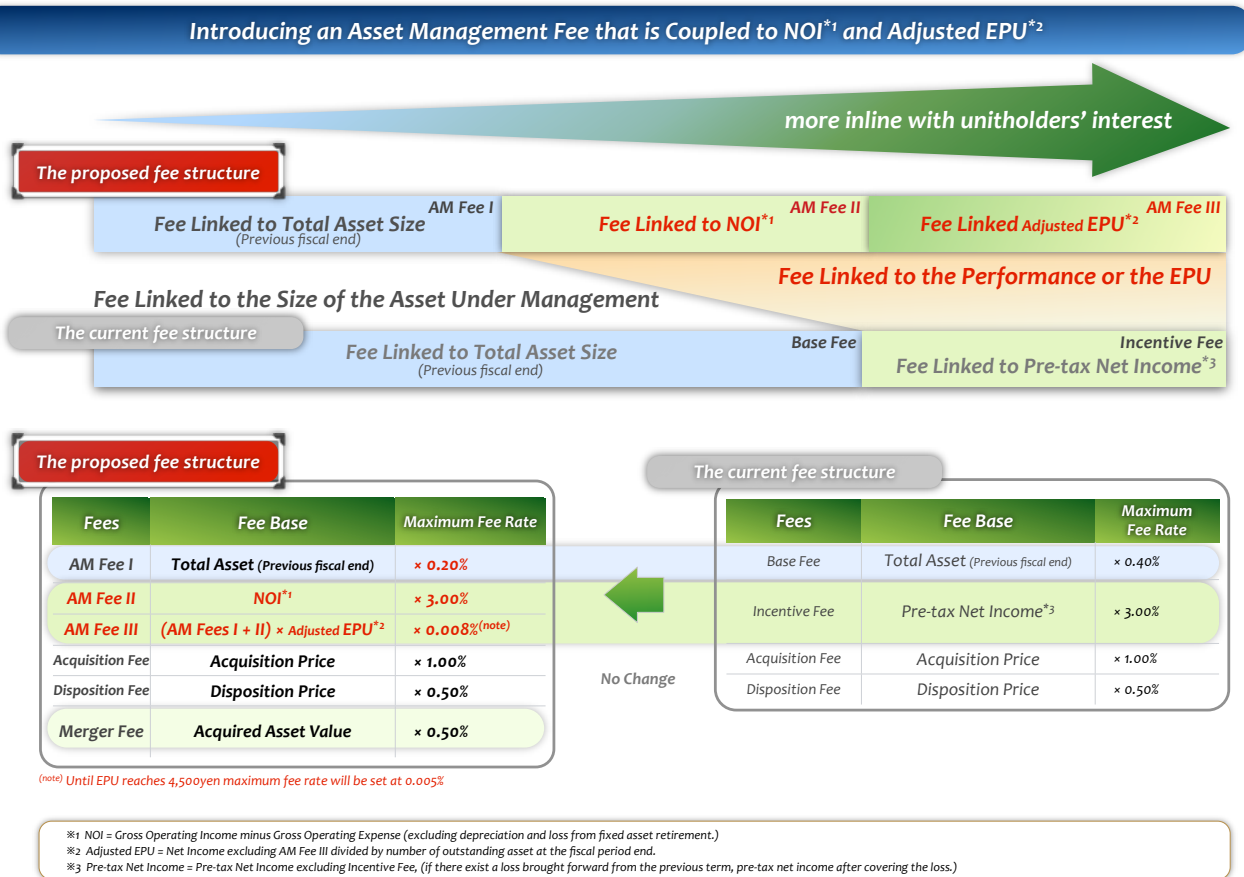
^(note1) As announced in the press release dated today, titled "Notice Concerning Changes in Articles of Incorporation and Appointment of Directors" ADR has decided to put the proposal to change the asset management fee to the vote at the 2nd General Unitholders' Meeting which is scheduled to be held on October 25, 2013.

1. Objective and Outline of the Change

ADR has been looking for ways to have the performance and the unitholders' interest to more reflect the asset management fee, because a large portion of the current asset management fee is linked to the size of the asset under management (AUM) which is not necessarily linked to the interest of ADR's unitholders.

In the proposed change ^(note2), the portion of the fee that is linked to the AUM will become smaller, the portion of the fee that is linked to the funds performance will be larger and ADR will be the first among residential J-REIT to introduce a portion which will be linked to earnings per unit (EPU) in its asset management fee structure. With this change, ADR believes it will show ADIM's strong commitment to its basic policy to maximize unitholder's interest.

The outline of the change^(note3) is as follows,



The change is subject to the approval by the ADR's unitholders' at the 2nd General Unitholders' Meeting which will be held on October 25, 2013. If the unitholders' approve of the change, it will become effective from the fiscal period ending July 31, 2014.

^(note2) In addition, to clarify the fee to be paid to the asset manager if ADR acquires assets through mergers, "Merger Fee" is added to the proposed change.

^(note3) Please refer to the press release dated today, titled "Notice Concerning Changes in Articles of Incorporation and Appointment of Directors" for the actual changes in the Articles of Incorporation.

2. The Future Outlook

The change will have no effect on the forecast for the fiscal period ending January 31, 2014 and the fiscal period ending July 31, 2014 announced today in the 6th Fiscal Period Tanshin Business Report.

- 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>

[Provisional Translation Only]

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