



August 30, 2018

**For Immediate Release**

**Issuer Name**

Advance Residence Investment Corporation  
(Securities Code: 3269)  
1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo  
Kenji Kousaka, Executive Director

**Asset Management Company**

AD Investment Management Co., Ltd.  
Kenji Kousaka, President

**Inquiries**

Tomoyuki Kimura, Director, and Deputy CFO  
Corporate Management Department  
Tel. +81-3-3518-0480

**Notice Concerning the Introduction of Employee Investment Unit Ownership Program**

AD Investment Management Co., Ltd. (ADIM), the asset management company to which Advance Residence Investment Corporation (ADR) entrusts the management of its assets, announced its decision to introduce an employee investment unit ownership program, a first for a J-REIT asset management company at the meeting of its board of directors held today.

1. The Reason for the Introduction

The number one management policy at ADIM is to place priority on ADR's investment unit-holder's interest and to endeavor to achieve long-term growth in investment unit-holders' value.

To realize this policy:

- (1) ADIM has made the asset management fee, which it receives from ADR, to be linked not only to the AUM and revenue but also to net profit per unit, thereby strengthening the alignment of interest between ADR and ADIM.
- (2) It has also encouraged employees of ADIM to be a holder of ADR's investment units to align each individual employees' interest to ADR's unit-holders' interest.

On the other hand, ADIM has not been able to introduce any employee investment unit ownership program to make it easier for employees to invest in ADR's investment units. This is due to the fact that specific rules and procedures on starting a program have not been decided by authorities, even-though starting a program has been legally possible since June 2013 when *the Financial Instrument and Exchange Act* was revised.



However, on May 17, 2018, Japan Securities Dealers Association announced it had finally formalized the guideline on starting and managing a program and made it actually possible for companies to start. Taking this opportunity, ADIM's board of directors decided today to introduce an investment unit ownership program for its employees.

## 2. Outline of the Program

Name	ADIM Employee Investment Unit Ownership Program
Objective of the Program	To align ADIM employees' interest to ADR's unit-holders' interest. To improve the level of company benefits of ADIM employees.
Qualification	full-time employees of ADIM (excluding employee directors)
Schedule	The program will commence in August 2018; purchasing of ADR investment units will start in September 2018.

## 3. Future Outlook

The establishment of the employee investment unit ownership program will have no effect on ADR's performance.

\* URL of ADR's website: <https://www.adr-reit.com/en/>