

October 8, 2015

To Our Unitholders

Advance Residence Investment Corporation  
1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo  
Kenji Kousaka, Executive Director

### Convocation Notice for 3rd General Unitholders' Meeting

It is with pleasure that we invite you to attend the 3rd General Unitholders' Meeting of ADR, which will be held as set out below.

**If you are unable to attend, you may exercise your voting rights in writing, so please consider the Reference Materials for General Unitholders' Meeting set out below, indicate your approval or disapproval on the enclosed *Form for Exercising Voting Rights*, and then return the form so that it arrives by no later than 5:00 P.M. on October 22, 2015 (Thursday).**

In accordance with Article 93, Paragraph 1, of the *Act on Investment Trusts and Investment Corporations* (Act No. 198 of 1951; as amended) (the "*Investment Trusts Act*"), ADR has made provision for 'deemed approval' in Article 14, Paragraph 1 and 2, of ADR's current Articles of Incorporation as set out below. **Please therefore note that if you are unable to attend the General Unitholders' Meeting and do not exercise your voting rights with the *Form for Exercising Voting Rights*, you will be deemed to have approved each of the proposals being discussed at the meeting.**

(Excerpt from ADR's current Articles of Incorporation)

#### Article 14 Deemed Approval

1. If a unitholder is not present at a general unitholders' meeting and does not exercise his or her voting rights, the unitholder will be deemed to have approved the proposals submitted to the general unitholders' meeting (excluding, if more than one proposal is submitted and the import of two or more proposals conflict with each other, all such proposals of conflicting import).
2. The number of voting rights represented by the unitholders who are deemed to have approved the proposals under the preceding Paragraph are counted in the number of voting rights represented by the unitholders present.

#### Meeting Details

1. **Time and Date**      October 23, 2015 (Friday)      10:00A.M.
2. **Location**              Station Conference Tokyo  
602, 6th Floor, Sapia Tower  
1-7-12 Marunouchi, Chiyoda-ku, Tokyo  
(Please see the *Map to General Unitholders' Meeting* at the end of this notice.)

#### 3. Matters that are the Purpose of the General Unitholders' Meeting

##### Matters for Resolution

- |                       |   |
|-----------------------|---|
| <b>Proposal No. 1</b> | Changes in Articles of Incorporation              |
| <b>Proposal No. 2</b> | Appointment of 1 Executive Director               |
| <b>Proposal No. 3</b> | Appointment of 1 Substitute Executive Director    |
| <b>Proposal No. 4</b> | Appointment of 2 Supervisory Directors            |
| <b>Proposal No. 5</b> | Appointment of 2 Substitute Supervisory Directors |

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- NB**
- ◎ On the day of the meeting, please submit the enclosed *Form for Exercising Voting Rights* to venue's reception.
  - ◎ If a proxy will attend in your place, please submit the power of proxy together with the *Form for Exercising Voting Rights* to venue's reception. However, in accordance with Article 12, Paragraph 1, of ADR's current Articles of Incorporation, the proxy must be one other ADR unitholder with voting rights.
  - ◎ After the closing of the General Unitholders' Meeting on the same day, a Management Performance Briefing will be held by ADR's asset management company AD Investment Management Co., Ltd. at the same venue. ADR kindly asks that you also attend the briefing.
  - ◎ How to find out about amendments to Reference Materials for General Unitholders' Meeting
- If it becomes necessary to amend matters that ought to be set out in the Reference Materials for General Unitholders' Meeting, the amended matters will be posted on ADR's website at <http://www.adr-reit.com/en/>.

## Reference Materials for General Unitholders' Meeting

### Proposals and Matters for Reference

#### **Proposal No. 1** Changes in Articles of Incorporation

##### 1. Reasons for Changes

- (1) In accordance with the revision of the Investment Trusts Act, provisions will be newly established and amended as follows.
  - i. A new provision is to be established with respect to convening general unitholders' meetings of ADR, thereby stipulating that such a meeting is to be convened on October 1, 2017 or thereafter without delay, and subsequently convened biennially on October 1 or thereafter without delay, and also convened from time to time as necessary (proposed change of Article 9, Paragraph 3).
  - ii. A new provision is to be established precluding the need for public notice with respect to general unitholders' meetings held up until 25 months have elapsed from the date of the immediately preceding general unitholders' meeting held in accordance with provisions set forth in the proposed change of the first sentence of Article 9, Paragraph 3 (proposed change of Article 9, Paragraph 4).
  - iii. With respect to terms of office of directors, a new provision is to be established that makes it possible to extend or shorten a term of office of a director by resolution of a general unitholders' meeting, to the extent stipulated by the laws and regulations (proposed change of Article 18, Paragraph 2).
- (2) In order to ensure compliance with tax system revisions (including related regulations) pertaining to tax burden issues involving tax accounting discrepancies of investment corporations, new provisions are to be established and necessary revisions and the like are to be made to related provisions with respect to allowing for distribution of funds in excess of profits with the objective of reducing ADR's tax burden (proposed changes of Article 32, Item 1-ii, and Article 32, Item 2).
- (3) Pursuant to revision of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations (Ordinance of the Prime Minister's Office No. 129 of 2000; as amended, the "Ordinance for Enforcement of the Investment Trusts Act"), the Articles of Incorporation must contain applicable wording in cases of managing investment mainly in real estate and other assets (meaning those provided for in Article 105, Item 1 of the Ordinance for Enforcement of the Investment Trusts Act). Accordingly, necessary revisions and the like are to be made to related provisions (proposed changes of the introductory paragraphs "Basic Policy of Asset Management" and "Targets of Asset Management," and of Paragraph 4, Item 2, in Attachment 1, Targets and Policies of Asset Management).
- (4) In accordance with the types of specified assets added pursuant to revision of the Enforcement Order of the Investment Trusts and Investment Corporations Act (Cabinet Order No. 480 of 2000; as amended), the specified assets targeted for investment are to explicitly include renewable energy power generation facilities (proposed change of Paragraph 3, Item 8 under "Targets of Asset Management" of Attachment 1, Targets and Policies of Asset Management).
- (5) Pursuant to revision of the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation (Ministry of Finance Regulation No. 15, 1957; as amended), provisions are to be deleted due to changes that have been made to requirements for investment corporations to receive special provisions for taxation (Current Articles of Incorporation, Item 6 under "Investment Stance" of Attachment 1, Targets and Policies of Asset Management).
- (6) Other necessary revisions are to be made including revisions to terminology and expressions, and deletion of provisions that are no longer necessary (Article 36 of the Current Articles of Incorporation, and the proposed changes of Article 31 and Article 32, Item 5, and Item 1 under "Investment Stance" of Attachment 1, Targets and Policies of Asset Management, and Paragraph 1, Item 10 and Paragraph 2, Item 2 of Attachment 2, Methods, Criteria and Reference Dates for Valuating Assets).

## 2. List of Changes

The changes is as follows: (Changes are underlined)

Current Articles of Incorporation	Proposed Changes
<p>Article 9 (Convocation)</p> <p>1. through 2. (no change)</p> <p style="text-align: right;">(new)</p> <p>3. To convene the general unitholders' meeting, public notice concerning the date of general meeting of unitholders must be given at least 2 months before the date of the general unitholders' meeting, and notice must be dispatched to each unitholder in writing or by electronic method in accordance with the laws or regulations at least 2 weeks before the date of the general unitholders' meeting.</p>	<p>Article 9 (Convocation)</p> <p>1. through 2. (no change)</p> <p>3. <u>The general unitholders' meeting must be convened on October 1, 2017 or thereafter without delay, and subsequently convened biennially on October 1 or thereafter without delay. Furthermore, the general unitholders' meeting may be held from time to time as necessary.</u></p> <p>4. To convene the general unitholders' meeting, public notice concerning the date of general meeting of unitholders must be given at least 2 months before the date of the general unitholders' meeting, and notice must be dispatched to each unitholder in writing or by electronic method in accordance with the laws or regulations at least 2 weeks before the date of the general unitholders' meeting. <u>However, such public notice is not required with respect to a general unitholders' meeting held prior to the date on which 25 months have elapsed from the date on which the immediately preceding general unitholders' meeting was held in accordance with the provisions of the first sentence of the preceding paragraph.</u></p>
<p>Article 18 (Election and Term of Office of Directors)</p> <p>1. (no change)</p> <p>2. The term of office of a Director shall be 2 years from his or her election. However, the term of office of a Director elected to fill a vacancy or for increase in the number of Directors shall be the remainder of the term of office of the Director being replaced or that of the Directors with whom office is held simultaneously.</p> <p>3. (no change)</p>	<p>Article 18 (Election and Term of Office of Directors)</p> <p>1. (no change)</p> <p>2. The term of office of a Director shall be 2 years from his or her election. However, <u>this shall not preclude extending or shortening such period by resolution of a general unitholders' meeting, to the extent stipulated by the laws and regulations. Also,</u> the term of office of a Director elected to fill a vacancy or for increase in the number of Directors shall be the remainder of the term of office of the Director being replaced or that of the Directors with whom office is held simultaneously.</p> <p>3. (no change)</p>
<p>Article 31 (Business Term and Accounts Closing Date)</p> <p>The business term of the Investment Corporation is from February 1 to the last day of July of each year and from August 1 of each year to the last day of January of the following year. <u>However, the first business term after the incorporation of the Investment Corporation is from the date of incorporation of the Investment Corporation to the last day of January 2011.</u></p>	<p>Article 31 (Business Term and Accounts Closing Date)</p> <p>The business term of the Investment Corporation is from February 1 to the last day of July of each year and from August 1 of each year to the last day of January of the following year.</p>

Current Articles of Incorporation	Proposed Changes
<p>Article 32 (Policy on Cash Distribution)</p> <p>(1) Distribution of profits</p> <p>(i) (no change)</p> <p>(ii) In principle, the amount of distribution is the amount determined by the Investment Corporation that exceeds 90% of the amount of profit available for dividend of the Investment Corporation as set out in Article 67-15, Paragraph 1, of the Special Taxation Measures Act (the “Amount of Profit Available for Dividend”). The Investment Corporation may accumulate a long-term repair reserve, payment reserve, dividend reserve, and any other similar reserve and allowance considered necessary for the maintenance or improvement of Managed Assets out of the Distributable Amount.</p> <p>(2) Distribution of cash exceeding profit</p> <p>If the Distributable Amount is less than 90% of the Amount of Profit Available for Dividend <u>or</u> if it is otherwise considered appropriate by the Investment Corporation, the Investment Corporation may distribute the amount determined by the Investment Corporation not exceeding the amount set out in the Regulations of the Investment Trusts Association, Japan (general incorporated association), as cash exceeding profit. However, in this case, if the amount of cash distribution does not satisfy the requirements set out in special rules for taxation on investment corporations, the Investment Corporation may distribute in cash the amount determined by the Investment Corporation for the purpose of satisfying those requirements.</p> <p>(3) through (4) (no change)</p> <p>(5) Regulations of the Investment Trusts Association, Japan</p> <p>The Investment Corporation shall make cash distributions in accordance with the Regulations and other rules established by the Investment Trusts Association, <u>Japan (general incorporated association)</u>, in addition to Items (1) through (4).</p>	<p>Article 32 (Policy on Cash Distribution)</p> <p>(1) Distribution of profits</p> <p>(i) (no change)</p> <p>(ii) In principle, the amount of distribution is the amount determined by the Investment Corporation that exceeds 90% of the amount of profit available for dividend of the Investment Corporation as set out in Article 67-15, Paragraph 1, of the Special Taxation Measures Act (the “Amount of Profit Available for Dividend”). The Investment Corporation may accumulate, <u>retain or otherwise process</u> a long-term repair reserve, payment reserve, dividend reserve and any other similar reserve, allowance <u>or other amount</u> considered necessary for the maintenance or improvement of Managed Assets out of the Distributable Amount.</p> <p>(2) Distribution of cash exceeding profit</p> <p>If the Distributable Amount is less than 90% of the Amount of Profit Available for Dividend, if it is otherwise considered appropriate by the Investment Corporation <u>or if it is possible to reduce the Investment Corporation's burden of corporate income tax and other taxes</u>, the Investment Corporation may distribute the amount determined by the Investment Corporation not exceeding the amount set out in the Regulations of the Investment Trusts Association, Japan (general incorporated association; <u>the “Investment Trusts Association”</u>), as cash exceeding profit. However, in this case, if the amount of cash distribution does not satisfy the requirements set out in special rules for taxation on investment corporations, the Investment Corporation may distribute in cash the amount <u>in excess of the Distributable Amount</u> determined by the Investment Corporation for the purpose of satisfying those requirements.</p> <p>(3) through (4) (no change)</p> <p>(5) Regulations of the Investment Trusts Association, Japan</p> <p>The Investment Corporation shall make cash distributions in accordance with the Regulations and other rules established by the Investment Trusts Association, in addition to Items (1) through (4).</p>

Current Articles of Incorporation	Proposed Changes
<p><u>Article 36 (Revision Effectuation)</u></p> <p><u>The revision described in the newly established Article 8-2 shall come into effect on the date that the revision of the Investment Trusts Act, that recognizes the investment corporation acquires own investment units for a consideration based on the agreement of unitholders, comes into effect. Note that should it be necessary for regulations concerning the acquisition of own investment units to be separately stipulated, the wording of the stipulations of Article 8-2 is to be changed after the modification in accordance with the stipulations of the Investment Trusts Act.</u></p>	<p>(deleted)</p>

Current Articles of Incorporation	Proposed Changes
<p>Attachment 1</p> <p>Targets and Policies of Asset Management</p> <p>Basic Policy of Asset Management</p> <p>The Investment Corporation seeks to maximize unitholder value, aiming to secure stable profits and achieve asset growth over the medium and long term by investing primarily in real estate used for residential purposes with a focus on diversifying its investments among regions.</p> <p>Targets of Asset Management</p> <p><u>The primary investment targets of the Investment Corporation are the following types of real estate, etc., and real-estate-backed securities:</u></p> <p>1. through 2. (no change)</p> <p>3. The Investment Corporation may invest in the following specified assets in addition to the real estate, etc., and real-estate-backed securities provided for in Paragraphs 1 and 2 above.</p> <p>(1) through (7) (no change)</p> <p style="padding-left: 100px;">(new)</p> <p>4. In investing in real estate, etc., the Investment Corporation may invest in the following assets if necessary.</p> <p>(1) (no change)</p> <p>(2) Shares (limited to shares of management companies and the like that manage real estate where the Investment Corporation acquires the shares incidental to investing in <u>specified</u> assets that are a primary invest target)</p> <p>(3) through (7) (no change)</p> <p>(5) (no change)</p>	<p>Attachment 1</p> <p>Targets and Policies of Asset Management</p> <p>Basic Policy of Asset Management</p> <p><u>The Investment Corporation shall invest mainly in real estate and other assets (meaning the assets set forth in Article 105, Item 1 of the Ordinance for Enforcement of the Act on Investment Trusts and Investment Corporations; the same applies throughout), of which it will invest in real estate, leasehold rights in real estate, surface rights and in beneficiary interests in trusts under which only such assets have been placed in trust. Furthermore,</u> the Investment Corporation seeks to maximize unitholder value, aiming to secure stable profits and achieve asset growth over the medium and long term by investing primarily in real estate <u>and other assets related to real estate</u> used for residential purposes with a focus on diversifying its investments among regions.</p> <p>Targets of Asset Management</p> <p><u>The Investment Corporation invests in the following types of real estate and the like, and real-estate-backed securities in accordance with the aforementioned Basic Policy of Asset Management:</u></p> <p>1. through 2. (no change)</p> <p>3. The Investment Corporation may invest in the following specified assets in addition to real estate and the like, and real-estate-backed securities provided for in Paragraphs 1 and 2 above.</p> <p>(1) through (7) (no change)</p> <p><u>(8) Renewable energy power generation facilities (meaning those specified in Article 3, Item 11 of the Enforcement Order of the Investment Trusts Act)</u></p> <p>4. In investing in real estate and the like, the Investment Corporation may invest in the following assets if necessary.</p> <p>(1) (no change)</p> <p>(2) Shares (limited to shares of management companies and the like that manage real estate where the Investment Corporation acquires the shares incidental to investing in <u>real estate and other assets</u> that are the primary investment target)</p> <p>(3) through (7) (no change)</p> <p>(5) (no change)</p>

Current Articles of Incorporation	Proposed Changes
<p>Investment Stance</p> <p>(1) In investing in real estate (which includes real estate that is a principal trust asset when investing in trust beneficiary interests; the same applies throughout), the Investment Corporation will invest in real estate the primary use of which is for rental housing (including <u>single</u> real estate <u>properties</u> for which the primary use is rental housing in cases in which multiple real estate properties were developed or used as a single entity; the same applies throughout) in a primary investment area of the 7 Major Tokyo Wards (which means Minato City, Chiyoda City, Shibuya City, Shinjuku City, Meguro City, Setagaya City, and Shinagawa City; the same applies throughout), Central Tokyo (which means the 23 wards in Tokyo other than the 7 Major Tokyo Wards; the same applies throughout), Tokyo Metropolitan Area (which means Tokyo, Kanagawa, Saitama, and Chiba; the same applies throughout), and Regional Cities (which means cities designated under government ordinance and cities similar to such cities).</p> <p>(2) through (5) (no change)</p> <p><u>(6) The Investment Corporation aims for the amount of real estate, etc. (which, in this paragraph, means real estate (which means assets listed in Article 37, Paragraph 3, Item 2 (a), (b) and (e), of the Regulations Concerning Accounting of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006; as amended); the same applies throughout this paragraph), leasehold rights in real estate, assets listed in (f) of said Item, surface rights, and servitudes; and beneficiary interests in trusts under which such assets have been placed in trust) to constitute 70% or more of the amount of specified assets held by the Investment Corporation.</u></p> <p>Investment Restrictions (no change)</p> <p>Purpose and Scope of Loaning of Assets Acquired (no change)</p>	<p>Investment Stance</p> <p>(1) In investing in real estate (which includes real estate that is a principal trust asset when investing in trust beneficiary interests; the same applies throughout), the Investment Corporation will invest in real estate the primary use of which is for rental housing (including multiple real estate where properties were developed as one project or in use as one entity in which the primary use is rental housing; the same applies throughout) in a primary investment area of the 7 Major Tokyo Wards (which means Minato City, Chiyoda City, Shibuya City, Shinjuku City, Meguro City, Setagaya City, and Shinagawa City; the same applies throughout), Central Tokyo (which means the 23 wards in Tokyo other than the 7 Major Tokyo Wards; the same applies throughout), Tokyo Metropolitan Area (which means Tokyo, Kanagawa, Saitama, and Chiba; the same applies throughout), and Regional Cities (which means cities designated under government ordinance and cities similar to such cities).</p> <p>(2) through (5) (no change) (deleted)</p> <p>Investment Restrictions (no change)</p> <p>Purpose and Scope of Loaning of Assets Acquired (no change)</p>

Current Articles of Incorporation	Proposed Changes
<p>Attachment 2 Methods, Criteria, and Reference Dates for Valuating Assets</p> <ol style="list-style-type: none"> <li>1. The Investment Corporation's methods and criteria for valuating assets are as follows depending on the type of assets targeted for investment:               <ol style="list-style-type: none"> <li>(1) through (9) (no change)</li> <li>(10) Others                   <p>Assets not provided for above will be valuated as appropriate under the Investment Trusts Act and the Valuation Rules of the Investment Trusts Association, <u>Japan (general incorporated association)</u>, or generally accepted accounting standards.</p> </li> </ol> </li> <li>2. If the Investment Corporation is to make a valuation by a method different from any method set out in section 1 above for the purpose of indicating a value into an asset management report or the like, it shall make the valuation as follows:               <ol style="list-style-type: none"> <li>(1) (no change)</li> <li>(2) Beneficiary interests in trust under which real estate, leasehold rights in real estate, and surface rights have been placed in trust; and equity interests in silent partnership that invests in real estate                   <p>If the assets constituting the trust are the assets described in paragraph 1 above, the Investment Corporation will value these assets based on the same paragraph. If the assets constituting the equity interests in silent partnership are the assets described in paragraph 1 above, the Investment Corporation will value these assets on such bases as the amount valuated as appropriate under the Valuation Rules of the Investment Trusts Association, <u>Japan (general incorporated association)</u>. If the assets constituting the trust or the silent partnership are financial assets, the Investment Corporation will value these assets:</p> <ul style="list-style-type: none"> <li>• first in accordance with generally accepted accounting standards, and</li> <li>• then subtracting from those total amounts the amount of liabilities of the trust or the silent partnership, and calculating the proportionate amount of beneficiary interests in the trust or equity interests in the silent partnership.</li> </ul> </li> </ol> </li> <li>3. (no change)</li> </ol>	<p>Attachment 2 Methods, Criteria, and Reference Dates for Valuating Assets</p> <ol style="list-style-type: none"> <li>1. The Investment Corporation's methods and criteria for valuating assets are as follows depending on the type of assets targeted for investment:               <ol style="list-style-type: none"> <li>(1) through (9) (no change)</li> <li>(10) Others                   <p>Assets not provided for above will be valuated as appropriate under the Investment Trusts Act and the Valuation Rules of the Investment Trusts Association, or generally accepted accounting standards.</p> </li> </ol> </li> <li>2. If the Investment Corporation is to make a valuation by a method different from any method set out in section 1 above for the purpose of indicating a value into an asset management report or the like, it shall make the valuation as follows:               <ol style="list-style-type: none"> <li>(1) (no change)</li> <li>(2) Beneficiary interests in trust under which real estate, leasehold rights in real estate, and surface rights have been placed in trust; and equity interests in silent partnership that invests in real estate                   <p>If the assets constituting the trust are the assets described in paragraph 1 above, the Investment Corporation will value these assets based on the same paragraph. If the assets constituting the equity interests in silent partnership are the assets described in paragraph 1 above, the Investment Corporation will value these assets on such bases as the amount valuated as appropriate under the Valuation Rules of the Investment Trusts Association. If the assets constituting the trust or the silent partnership are financial assets, the Investment Corporation will value these assets:</p> <ul style="list-style-type: none"> <li>• first in accordance with generally accepted accounting standards, and</li> <li>• then subtracting from those total amounts the amount of liabilities of the trust or the silent partnership, and calculating the proportionate amount of beneficiary interests in the trust or equity interests in the silent partnership.</li> </ul> </li> </ol> </li> <li>3. (no change)</li> </ol>



## Proposal No. 2 Appointment of 1 Executive Director

Executive Director Kenji Kousaka has submitted a request expressing the intention to once resign from the position of executive director of ADR at the closing of the General Unitholders' Meeting. We thus ask that an executive director be newly appointed. The term of office of the executive director in this proposal shall be from October 23, 2015, and until the conclusion of a general unitholders' meeting at which the election of an executive director is proposed, and that is held within 30 days from the day following the date on which two years have elapsed since the election, on the basis of Article 99, Paragraph 2 of the Investment Trusts Act, and the provision of the proviso of the first sentence of Article 18, Paragraph 2 of the Articles of Incorporation of the Investment Corporation subsequent to the changes set forth in Proposal No. 1. However, the application of such provisions of the Investment Trusts Act and the Articles of Incorporation subsequent to the changes is subject to approval of Proposal No. 1.

This proposal is a proposal that was submitted with the unanimous consent of the supervisory directors at the board of directors' meeting held on September 8, 2015.

The candidate for executive director is as follows.

Name (Date of Birth)	Brief Personal History
Kenji Kousaka (July 5, 1965)	April 1988 Joined ITOCHU Corporation Assigned to Osaka Construction & Realty Department No. 2
	April 1994 Assigned to Osaka Construction & Realty Department
	April 1999 Assigned to Real Estate Business Development Department
	July 2001 Appointed Deputy Manager of Osaka Construction Section No. 4, Osaka Construction & Realty Department
	October 2002 Appointed Deputy Manager of Construction Section No. 3, Construction & Realty Department
	April 2004 Appointed Manager of Construction Section No. 2, Construction & Realty Department and General Manager of Investment Advisory Office, Construction and Real Estate
	June 2005 Seconded to AD Investment Management Co., Ltd. Appointed Managing Director and General Manager of Acquisition Department
	February 2008 Appointed President and General Manager of Acquisition Department
	March 2008 Appointed Executive Director of Former Advance Residence Investment Corporation
	April 2008 Appointed President and Representative Director of AD Investment Management Co., Ltd.
	March 2010 Appointed Executive Director of ADR (currently serving)
	March 2010 Joined AD Investment Management Co., Ltd. Appointed President and Representative Director & Manager of Internal Auditing Office
	June 2013 Appointed President and Representative Director (currently serving)

- The candidate for executive director does not hold any investment units of ADR.
- The candidate for executive director concurrently serves as president of AD Investment Management Co., Ltd. (the "Asset Management Company") with which ADR has entered into an asset management agreement.

The Commissioner of the Financial Services Agency was notified of the concurrent holding of positions on March 5, 2008 pursuant to the provisions of Article 31-4, Paragraph 4, of the Financial Instruments and Exchange Act (Act No. 25 of 1948; as amended) (the "Financial Instruments and Exchange Act") prior to revision by the provisions of Article 1 of the Act for Partial Revision of the Financial Instruments and Exchange Act (Act No. 65 of 2008) (Article 31-4, Paragraph 1, of the Financial Instruments and Exchange Act as of the date of this document).

- Other than the above, there is no particular vested interest between the candidate for executive director and ADR.

### Proposal No. 3 Appointment of 1 Substitute Executive Director

In case a vacancy arises in the office of executive director or the number of executive directors falls below the quorum provided for under laws and regulations, we ask that one substitute executive director be appointed.

This proposal is a proposal that was submitted with the unanimous consent of the supervisory directors at the board of directors' meeting held on September 8, 2015.

The candidate for substitute executive director is as follows.

Name (Date of Birth)	Brief Personal History
Takeshi Takano (June 19, 1963)	January 1985 Joined Musashi-Fuchu Aoiro Incorporated Association
	November 1996 Joined Yamato Glass Co., Ltd. (currently, Yamato Material Co., Ltd.)
	May 2001 Joined Pacific Management Corporation (currently, Pacific Holdings, Inc. (company under reorganization))
	June 2004 Appointed Director of Pacific Investment Advisors Corporation
	February 2008 Appointed President and Chairman of the Board
	March 2010 Appointed Executive Director and Head of Investment & Asset Management Department of AD Investment Management Co., Ltd. (currently serving)

- The candidate for substitute executive director does not hold any investment units of ADR.
- The candidate for substitute executive director is an executive director of the Asset Management Company.
- Other than the above, there is no particular vested interest between the candidate for substitute executive director and ADR.
- In the event of appointment as executive director of ADR, notification shall be made to that effect without delay pursuant to the provisions of Article 31-4, Paragraph 1, of the Financial Instruments and Exchange Act.

#### Proposal No. 4 Appointment of 2 Supervisory Directors

Supervisory Directors Hidejiro Matsuda and Yoshiki Oshima have each submitted a request expressing the intention to once resign from the position of supervisory director of ADR at the closing of the General Unitholders' Meeting. We thus ask that two supervisory directors be newly appointed. The term of office of the supervisory directors in this proposal shall be from October 23, 2015, and until the conclusion of a general unitholders' meeting at which the election of supervisory directors are proposed, and that is held within 30 days from the day following the date on which two years have elapsed since the election, on the basis of the provision of the proviso of the first sentence of Article 18, Paragraph 2 of the Articles of Incorporation of the Investment Corporation subsequent to the changes set forth in Proposal No. 1. However, the application of such provisions of the Articles of Incorporation subsequent to the changes is subject to approval of Proposal No. 1.

The candidates for supervisory director are as follows.

Candidate No.	Name (Date of Birth)	Brief Personal History
1	Hidejiro Matsuda (April 17, 1938)	<p>June 1964 Joined Eisuke Ito Certified Accounting Offices</p> <p>December 1964 Joined PWC Accounting Offices</p> <p>April 1969 Opened Hidejiro Matsuda CPA Office as President (currently serving)</p> <p>June 1969 Joined IBM Japan, Ltd.</p> <p>March 1971 Joined Tohmatsu Awoki &amp; Co. (currently, Deloitte Touche Tohmatsu)</p> <p>May 1981 Joined Dow Chemical Japan Ltd. as Budget Management General Manager</p> <p>July 1981 Joined Triumph International (Japan) Ltd. as Director and CFO</p> <p>November 1984 Joined AMP Japan Inc. as CFO</p> <p>December 1992 Joined Molex Japan Co., Ltd. (currently, Molex Japan LLC.) as Financial Director in charge of North Asia and CFO</p> <p>October 1999 Joined TYO as Auditor (currently serving)</p> <p>June 2001 Appointed Auditor of Kao Corporation</p> <p>March 2005 Appointed Director of DREAMUSIC Inc.</p> <p>September 2005 Appointed Supervisory Director of Former Advance Residence Investment Corporation</p> <p>June 2006 Appointed Auditor of Akebono Brake Industry Co., Ltd.</p> <p>March 2010 Appointed Supervisory Director of ADR (currently serving)</p>
2	Yoshiki Oshima (February 28, 1946)	<p>October 1967 Passed bar exam</p> <p>April 1970 Registered as a practicing lawyer</p> <p>April 1978 Opened Akasaka Law Office L.P.C. as President (currently serving)</p> <p>September 2005 Appointed Supervisory Director of Former Advance Residence Investment Corporation</p> <p>March 2010 Appointed Supervisory Director of ADR (currently serving)</p>

- Neither candidate for supervisory director holds any investment units of ADR.
- There is no particular vested interest between either candidate for supervisory director and ADR.

## Proposal No. 5 Appointment of 2 Substitute Supervisory Directors

In case a vacancy arises in the office of supervisory director or the number of supervisory directors falls below the quorum provided for under laws and regulations, we ask that two substitute supervisory directors be appointed.

The candidates for substitute supervisory director are as follows.

Candidate No.	Name (Date of Birth)	Brief Personal History
1	Kesao Endo (November 28, 1951)	<p>September 1979 Joined Coopers &amp; Lybrand, Certified Public Accountants</p> <p>March 1984 Joined PriceWaterhouse Consulting</p> <p>March 1986 Joined Deloitte &amp; Touche, Certified Public Accountants Assigned to Los Angeles Office</p> <p>December 1989 Assigned to New York Office</p> <p>April 2000 Appointed Partner of Kasumigaseki Audit Corporation</p> <p>June 2006 Appointed Outside Corporate Auditor of Akebono Brake Industry Co., Ltd. (currently serving)</p> <p>July 2012 Appointed Partner of BDO Sanyu &amp; Co. (currently serving)</p>
2	Satoru Kobayashi (December 14, 1956)	<p>November 1982 Passed bar exam</p> <p>April 1985 Registered as a practicing lawyer</p> <p>October 2005 Opened Satoru Kobayashi Law Office as President (currently serving)</p>

- Neither candidate for substitute supervisory director holds any investment units of ADR.
- There is no particular vested interest between either candidate for substitute supervisory director and ADR.
- Kesao Endo is to be appointed as a substitute in the event that Hidejiro Matsuda is appointed as Supervisory Director based on Proposal No. 4, and Satoru Kobayashi is to be appointed as a substitute in the event that Yoshiki Oshima is appointed as Supervisory Director based on Proposal No. 4.

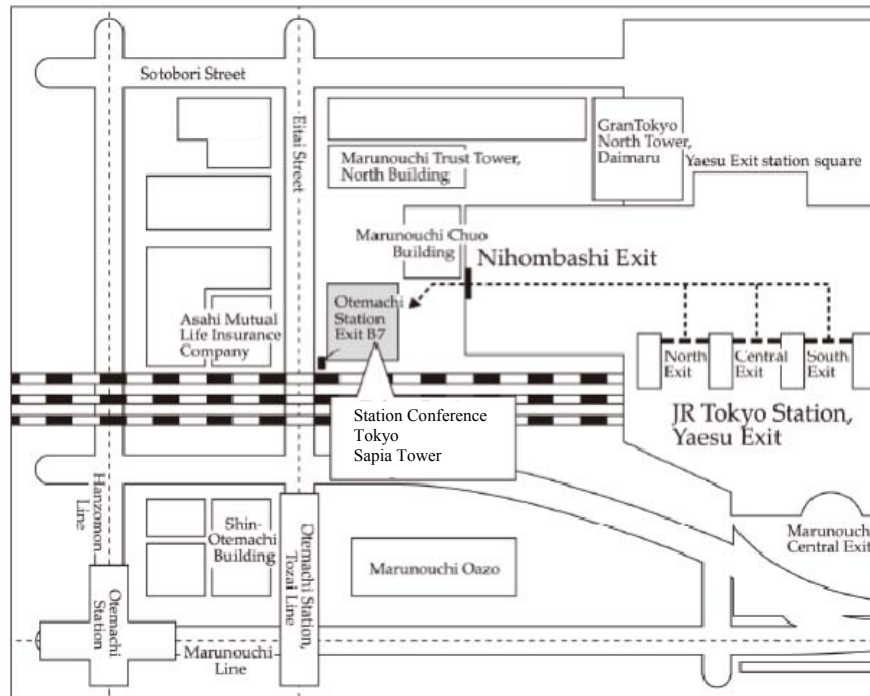
## Matter for Reference

If among the proposals submitted at the General Unitholders' Meeting there is a proposal the import of which conflicts with that of another proposal, the provisions governing "deemed approval" provided for in Article 93, Paragraph 1, of the Act on Investment Trusts and Investment Corporations and Article 14 of ADR's Articles of Incorporation will not apply to either proposal.

None of the proposals set out above as Proposal No. 1, Proposal No. 2, Proposal No. 3, Proposal No. 4 and Proposal No. 5 correspond to such a proposal of conflicting import.

### *Map to General Unitholders' Meeting*

Location: Station Conference Tokyo  
602, 6th Floor, Sapia Tower  
1-7-12 Marunouchi, Chiyoda-ku, Tokyo  
Phone: +81-3-6888-8080



#### Access by train

- 2 Minutes walk from JR Line “Tokyo Station” Yaesu North Ticket Gate.
- 1 Minute walk from Shinkansen “Tokyo Station” Nihonbashi Ticket Gate.
- Direct access to the building’s 1<sup>ST</sup> floor entrance from B7 exit of Tokyo Metro’s Hanzomon, Marunouchi and Chiyoda Line and Toei’s Mita Line “Otemachi station”.