



September 6, 2017

For Immediate Release

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:
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Corporate Management Department

Notice Concerning Changes in Articles of Incorporation and Appointment of Directors

Advance Residence Investment Corporation (ADR) announced that it resolved at a meeting of its board of directors today to submit changes in the Articles of Incorporation and appointment of directors as an agenda for discussion and approval at the 4th General Unitholders' Meeting (the "General Unitholders' Meeting") scheduled for October 26, 2017. Details are as outlined below.

The proposals shall become effective when they are voted on and approved at the General Unitholders' Meeting.

1. Main Contents and Reasons for Changes in Articles of Incorporation

(1) The Articles of Incorporation allows ADR to mainly invest in real estate related assets, in which the real estates are used for residential purposes. Amendments will be made to the relevant portions of the Articles to allow ADR to invest, in addition to the assets mentioned above, in real estates that are used in providing lodging but can possibly be used for residential purposes. (Proposed Amendment Attachment 1. Targets and Policies of Asset Management: Basic Policy of Asset Management).

(2) When ADR invests in securities and monetary claims, ADR places emphasis on stability and convertibility. Amendments will be made to the relevant portions of the Articles such that, in cases where the purpose is other than surplus fund management, ADR will be able to invest in securities and monetary claims that are related to real estate and real estate backed securities (Proposed Amendment Attachment 1. Targets and Policies of Asset Management: Investment Restrictions).

(Please refer to the attached "Convocation Notice for 4th General Unitholders' Meeting" for details on the changes to the Articles of Incorporation.)

2. Appointment of Directors

Because the term of office of Executive Director Kenji Kousaka, Supervisory Directors Hidejiro Matsuda and Yoshiki Oshima will expire at the conclusion of the General Unitholders' Meeting, the proposal is submitted to reappoint the executive director and the supervisory directors.

In addition, a proposal to reappoint the substitute executive director and the substitute supervisory directors shall be submitted. Substitute directors are to be appointed in case the number of executive directors or supervisory directors falls below the quorum provided for under laws and regulations.

- (1) Candidate for executive director
Kenji Kousaka (reappointment)
- (2) Candidates for supervisory director
Yoshiki Oshima (reappointment)
Yoshitsugu Oba (new appointment)
- (3) Candidate for substitute executive director
Takeshi Takano (reappointment)
- (4) Candidate for Substitute supervisory director
Satoru Kobayashi (reappointment)
Kesao Endo (reappointment)

(Please refer to the attached "Convocation Notice for 4th General Unitholders' Meeting" for details on the reappointment of directors.)

3. Schedule of the General Unitholders' Meeting

September 6, 2017:	Board of directors' approval of proposals for 4th General Unitholders' Meeting
October 11, 2017:	Delivery of Convocation Notice for 4th General Unitholders' Meeting (planned)
October 26, 2017:	Holding of 4th General Unitholders' Meeting (planned)

(Attachment) Convocation Notice for 4th General Unitholders' Meeting

* *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, Transport and Tourism Press Club, and the Ministry of Land, Infrastructure, Transport and Tourism Press Club for Construction Publications.*

* URL: <http://www.adr-reit.com/en/>

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

October 11, 2017

To Our Unitholders

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

Convocation Notice for 4th General Unitholders' Meeting

It is with pleasure that we invite you to attend the 4th 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 25, 2017 (Wednesday).

In accordance with Article 93, Paragraph 1, of the *Act on Investment Trusts and Investment Corporations* (Act No. 198 of 1951 as amended, hereafter; the "*Investment Trusts Act*"), ADR has made provision for 'deemed approval' in Article 14, Paragraph 1 and 2, of ADR's 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 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 26, 2017 (Thursday) 10:00A.M.
2. **Location** Station Conference Tokyo
501, 5th 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

- Proposal No. 1** Changes in Articles of Incorporation
- Proposal No. 2** Appointment of 1 Executive Director
- Proposal No. 3** Appointment of 1 Substitute Executive Director
- Proposal No. 4** Appointment of 2 Supervisory Directors
- Proposal No. 5** Appointment of 2 Substitute Supervisory Directors

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 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) The Articles of Incorporation allows ADR to mainly invest in real estate related assets, in which the real estates are used for residential purposes. Amendments will be made to the relevant portions of the Articles to allow ADR to invest, in addition to the assets mentioned above, in real estates that are used in providing lodging but can possibly be used for residential purposes. (Proposed Amendment Attachment 1. Targets and Policies of Asset Management: Basic Policy of Asset Management).
- (2) When ADR invests in securities and monetary claims, ADR places emphasis on stability and convertibility. Amendments will be made to the relevant portions of the Articles such that, in cases where the purpose is other than surplus fund management, ADR will be able to invest in securities and monetary claims that are related to real estate and real estate backed securities (Proposed Amendment Attachment 1. Targets and Policies of Asset Management: Investment Restrictions).

2. List of Changes

The changes is as follows: (Changes are underlined)

Current Articles of Incorporation	Proposed Changes
<p>Attachment 1 Targets and Policies of Asset Management Basic Policy of Asset Management 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. Furthermore, 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 and other assets related to real estate <u>used for residential purposes</u> with a focus on diversifying its investments among regions</p> <p>Targets of Asset Management (no change)</p> <p>Investment Stance (no change)</p> <p>Investment Restrictions (1) Restrictions relating to securities and monetary claims The Investment Corporation will place importance on stability and convertibility of investments into securities and monetary claims, and it will not make investments aimed only at <u>gaining positive management profits</u>.</p> <p>(2) to (4) (no change)</p> <p>Purpose and Scope of Loaning of Assets Acquired (no change)</p>	<p>Attachment 1 Targets and Policies of Asset Management Basic Policy of Asset Management 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. Furthermore, 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 and other assets related to real estate, <u>used or that can be used</u> for residential purposes (“<u>Rental Housing</u>”) with a focus on diversifying its investments among regions.</p> <p>Targets of Asset Management (no change)</p> <p>Investment Stance (no change)</p> <p>Investment Restrictions (1) Restrictions relating to securities and monetary claims The Investment Corporation will place importance on stability and convertibility of investments into securities and monetary claims <u>when managing surplus funds</u>, and in other instances, <u>shall take into consideration the relationship with real estate and real estate backed securities</u>.</p> <p>(2) to (4) (no change)</p> <p>Purpose and Scope of Loaning of Assets Acquired (no change)</p>

Proposal No. 2 Appointment of 1 Executive Director

The term of office of Executive Director Kenji Kousaka will expire at the conclusion of the General Unitholders' Meeting, and the Investment Corporation requests that an executive director be elected. Pursuant to Article 99, Paragraph 2 of the Investment Trusts Act, and the proviso of the first sentence of Article 18, Paragraph 2 of the Articles of Incorporation of the Investment Corporation, the term of office of the executive director elected pursuant to this resolution shall be from October 26, 2017 until the conclusion of a General Unitholders' Meeting, at which the election of an executive director is proposed, that is held within 30 days from the day following the date on which two years have elapsed since the election.

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 6, 2017.

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
	March 2008 Appointed President and General Manager of Acquisition Department
	Appointed Executive Director of Former Advance Residence Investment Corporation
	April 2008
	March 2010 Appointed President and Representative Director of AD Investment Management Co., Ltd.
March 2010 Appointed Executive Director of ADR (currently serving)	
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 6, 2017.

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 June 2004 Appointed Director of Pacific Investment Advisors Corporation February 2008 Appointed Representative Director 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

The terms of office of Supervisory Directors Hidejiro Matsuda and Yoshiki Oshima will expire at the conclusion of the General Unitholders' Meeting, and the Investment Corporation requests that two supervisory directors be elected. Pursuant to provision of the proviso of the first sentence of Article 18, Paragraph 2 of the Articles of Incorporation of the Investment Corporation, the term of office of the supervisory directors elected pursuant to this resolution shall be from October 26, 2017 until the conclusion of a General Unitholders' Meeting, at which the election of an executive director is proposed, that is held within 30 days from the day following the date on which two years have elapsed since the election.

The candidates for supervisory director are as follows.

Candidate No.	Name (Date of Birth)	Brief Personal History
1	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>
2	Yoshitsugu Oba (October 7, 1953)	<p>November 1975 Joined Tohmatsu Awoki & Co.</p> <p>June 1990 Partner, Tohmatsu & Co.</p> <p>October 2010 Quality Control Division Manager, Deloitte Touche Tohmatsu</p> <p>November 2010 Managing Member, Deloitte Touche Tohmatsu</p> <p>June 2016 Audit & Supervisory Board member, Mitsubishi Motors Corporation (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	Satoru Kobayashi (December 14, 1956)	November 1982 Passed bar exam April 1985 Registered as a practicing lawyer October 2005 Opened Satoru Kobayashi Law Office as President (currently serving)
2	Kesao Endo (November 28, 1951)	September 1979 Joined Coopers & Lybrand, Certified Public Accountants March 1984 Joined PriceWaterhouse Consulting March 1986 Joined Deloitte & Touche, Certified Public Accountants Assigned to Los Angeles Office December 1989 Assigned to New York Office April 2000 Appointed Partner of Kasumigaseki Audit Corporation June 2006 Appointed Outside Corporate Auditor of Akebono Brake Industry Co., Ltd. (currently serving) July 2012 Appointed Partner of BDO Sanyu & Co. October 2015 Branch Manager, Endo Tax Firm (currently serving) May 2016 Outside director, Careerlink Co., Ltd. (currently serving) November 2016 Representative member, ABS Audit Corporation (currently serving)

- 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.
- Satoru Kobayashi is to be appointed as a substitute in the event that the position of Yoshiaki Oshima, elected pursuant to Proposal No. 4, becomes vacant, and Kesao Endo is to be appointed as a substitute in the event that the position of Yoshitsugu Oba, elected pursuant to Proposal No. 4, becomes vacant.

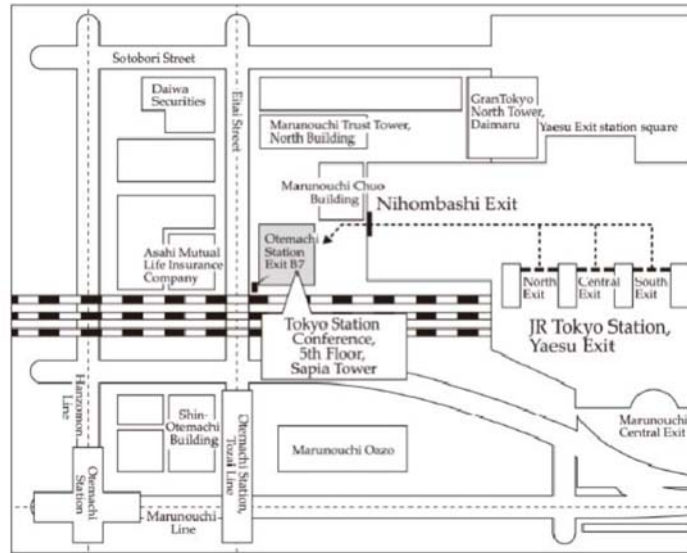
Matter for Reference

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
501, 5th 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.
- Direct access to the building’s 1ST floor entrance from B7 exit of Tokyo Metro’s Tozai, Hanzomon, Marunouchi and Chiyoda Lines and Toei’s Mita Line “Otemachi station”.

The Purpose of Revision of Article of Incorporation

Responding to the case where properties are used for lodging

Back ground

Spread of lodging business
(New law for lodging business enacted)

Purpose

The revision enables acquisition of residential properties which might be providing lodging services

	Residential Properties	Properties providing lodging	Hotel, other accommodation properties
Present Article			
List of Changed Article	