



April 28, 2011

**For Immediate Release**

Advance Residence Investment Corporation  
Securities Code : 3269  
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Notice Concerning Changes in Master Lessees and Property Managers

Advance Residence Investment Corporation (ADR) today announced its decision to make changes in master lessees (ML) and property managers (PM) as detailed below.

1. Summary of the changes

The ML and PM for 7 properties will be changed as follows on May 1, 2011.

	Name	Former		New	
		ML	PM	ML	PM
P-6	RESIDIA Shibuya-Daikanyama	ITOCHU Urban Community Ltd.	HASEKO LIVENET, Inc.	ITOCHU Urban Community Ltd.	
P-30	Pianetta Shiodome	HASEKO LIVENET, Inc.		ITOCHU Urban Community Ltd.	
C-2	RESIDIA Kamata	ITOCHU Urban Community Ltd.	HASEKO LIVENET, Inc.	ITOCHU Urban Community Ltd.	
C-9	RESIDIA Ryogoku	ITOCHU Urban Community Ltd.	HASEKO LIVENET, Inc.	ITOCHU Urban Community Ltd.	
C-15	RESIDIA Kinshicho	ITOCHU Urban Community Ltd.	HASEKO LIVENET, Inc.	ITOCHU Urban Community Ltd.	



	Name	Former		New	
		ML	PM	ML	PM
R-1	RESIDIA Nishihonmachi	ITOCHU Urban Community Ltd.		HASEKO LIVENET, Inc.	
R-4	RESIDIA Higashi-Sakura	ITOCHU Urban Community Ltd.		HASEKO LIVENET, Inc.	

## 2. Reason for the changes

As announced in the notice titled “Notice Concerning Merger of Major Master Lessees” dated September 1, 2010, by consolidating the property management of ADR’s properties to Itochu Urban Community (IUC hereafter) which is the major property manager of ADR, it will create a robust collaborative structure between ADR and IUC. Furthermore, it will promote greater operational management efficiency and stronger leasing capability, and lead to better revenue-generating potential.

The changes announced today follows the above mentioned policy and ADR believes it will help realize the synergy effect of the earlier merger between the former ADR and Nippon Residential Investment Corporation. ADR will continue the consolidation of ML and PM companies according to the characteristics of the consigned property and the regional strength of the ML and PM companies to achieve higher operational management quality and efficiency in the long-term.

Changes in number of property managed by ADR’s major property manager IUC are listed below.

Under Management	As of April 30, 2011		As of May 1, 2011	
	ITOCHU Urban Community Ltd.	Portfolio Share	ITOCHU Urban Community Ltd.	Portfolio Share
No. of buildings	90buildings	49.7%	93buildings	51.4%
No. of units	6,674units	46.6%	7,021units	49.0%



### 3. New ML&PM profile

#### 1) ITOCHU Urban Community Ltd.

Trade name	ITOCHU Urban Community Ltd.
Head office location	2-7-1 Nihonbashi Hon-cho, Chuo-ku, Tokyo
Capital	JPY 310 million
Representative	Shigeo Inokuma, President and Representative Director
Large shareholders	ITOCHU Corporation
Principal business	Apartment management, building management and rental apartment management.
Relationship with ADR or its asset management company	IUC constitutes an interested party of the asset management company as defined in the Investment Trusts and Investment Corporations Law article no. 123. Therefore the asset management company chose IUC as ML and PM according to procedures stipulated in the company bylaw titled "Related-Party Transaction Rules".

#### 2) HASEKO LIVENET, Inc.

Trade name	HASEKO LIVENET, Inc.
Head office location	2-31-19 Shiba, Minato-ku, Tokyo
Capital	JPY 1,000 million
Representative	Kinoshita Hiroshi, Representative Director
Principal business	<ul style="list-style-type: none"> <li>• Rental property management and management consultancy</li> <li>• Property trading, leasing, brokering and property agent</li> <li>• Property information provider</li> </ul>
Relationship with ADR or its asset management company	N/A

\* 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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