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September 30, 2011

To All Concerned Parties

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### **Notice Concerning Change of Property Management and Master Lease Companies**

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) hereby announces that it has decided to make a change in its property management companies (hereinafter “PM Companies”) and master lease companies (hereinafter “ML Companies”)

#### 1. Overview of the change

Property number	Property name	PM and ML Companies before change	PM Companies after change	ML Companies after change
O-4-096	Maison de Ville Takanawa Gyoranzaka	Mitsui Fudosan Housing Lease Co. Ltd.	Shimizu Comprehensive Development Corporation	GK Japan Rental Housing
O-4-099	Maison de Ville Naka-Meguro			
O-4-105	Prospect Omori-Kaigan*			
F-4-045	Park Terrace Ebisu			
F-4-051	Prospect Kiyosumi-Teien*			
F-4-056	Angel Heim Nishi-Rokugo No.2			

Note 1 Properties marked with an asterisk (\*) indicate changes that were implemented on July 1, 2011. For all others the changes will be implemented on October 1, 2011

Note 2 The PM and ML Companies after the change are not classified as interested parties, etc. under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, nor are they defined as interested parties, etc. under the internal rule on dealings with interested parties of the Asset Management Company to whom the Investment Corporation entrusts its asset management.

#### 2. Reasons for the change

Since its merger with Prospect Reit Investment Corporation (hereinafter “PRI”) the Investment Corporation has been undertaking measures aimed at restructuring the PM Companies framework in order to achieve greater business efficiencies and cuts to PM fees (for the background, reasons, etc. of the restructuring of the PM Companies framework, please refer to the press release “Notice Concerning Change of Property Management Company and Master Lease Company” dated May 31, 2011). The above changes are being implemented with the same objectives. As part of its PM Companies selection process, the Investment Corporation invited proposals from a number of companies by leveraging the advantage of being an independent entity that is not tied to a particular group. The final selection is based on a comprehensive and comparative evaluation that takes into account various aspects such as specific details, policy on business

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management, and PM fee levels as outlined in the proposal. As a result of the above, the number of PM service providers will have been decreased from 19 at the time of merger with PRI to 11 as of October 1, 2011.

Furthermore, at the Investment Corporation, the SPC GK Japan Rental Housing was used as the ML Companies in order to buffer and protect the Investment Corporation from the array of risks associated with earnings and rental deposits. The contract with the ML Companies is signed by the Investment Corporation or the trust depositary company, based on which the former conducts subleasing of units to end-user tenants. With regard to the 51 properties added with the merger with PRI, as the PM Companies were also functioning as ML Companies, measures have been implemented to change the ML Companies to GK Japan Rental Housing. With the above changes, all 51 properties would have completed the change.

### 3. Future projections

The change is not expected to have an impact on the management performance of the Eleventh Fiscal Period (April 1, 2011 to September 30, 2011).

\*URL: <http://www.jrhi.co.jp/>