

English Translation

The following is an English translation summary of the Japanese original press release and is being provided for information purposes only.

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To All Concerned Parties

REIT Issuer:
Japan Rental Housing Investments Inc.
Clover Shibakoen Bldg.
1-3-12 Shibakoen
Minato-ku, Tokyo 105-0001
Takao Sakuma, Executive Director
(Securities Code : 8986)
Asset Management Company:
Mi-Casa Asset Management Inc.
Yutaka Higashino, President and Chief Executive Officer
Inquiries: Aki Sadahiro, Manager
Tel: +81-3-5425-5600

Notice Concerning Impact of Third-Party Allotment of Investment Units on Business Performance Forecasts for Fiscal Period Ending March 31, 2010

On August 21, 2009, Japan Rental Housing Investments Inc. (the “Investment Corporation”) issued a press release regarding its decision to issue new investment units by way of third-party allotment (for details, refer to related press release as of August 21, 2009, “Notice Concerning Third-Party Allotment of Investment Units” and October 2, 2009, “Notice Concerning Completion of Capital increase by way of the Third-Party Allotment”). Having identified the expected impact of Third-Party Allotment on the business performance forecasts for the eighth fiscal period ending March 31, 2010 (from October 1, 2009 to March 31, 2010), the Investment Corporation announces today the performance forecasts for the above fiscal period.

In addition, results for the fiscal period ending September 30, 2009 (the seventh fiscal period from April 1, 2009 to September 30, 2009) are scheduled to be announced on November 24, 2009.

1. Reason for disclosure

As stated in the press release of August 21, 2009, “Notice Concerning Third-Party Allotment of Investment Units” that performance forecasts for the eighth fiscal period ending March 31, 2010 will be disclosed as soon as it is available, the Investment Corporation announces its forecasts through this notice today.

2. Performance forecasts for the eighth fiscal period (ending March 31, 2010)

	Operating Revenues (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Profit (million yen)	Distribution per Unit (yen)	Distribution in Excess of Earnings per Unit
Fiscal period ending March 31, 2010	3,554	1,277	659	657	2,800	—

(note 1) Number of total investment units issued as of the end of the fiscal period: 233,340 units

(note 2) Above figures are forecasts as of today. Actual operating revenues, operating income, ordinary income, net profit, and distribution per unit may change. The Investment Corporation does not guarantee payment of projected distribution per unit.

(note 3) The Investment Corporation reserves the right to revise the forecasts in case of a marked deviation from the aforementioned figures.

(note 4) Figures are rounded down to the nearest million yen. Distribution per unit is rounded down to the nearest 100 yen.

This press release includes forward-looking statements about the Investment Corporation. These forward-looking statements express the current intentions of the Investment Corporation, some of which are based on assumptions and beliefs of the Investment Corporation. Accordingly, they are subject to known and unknown risks, uncertainties and other factors. Such risks, uncertainties and other factors may cause the Investment Corporation's actual actions, results, performance or financial position to be materially different from any future actions, results, performance or financial position expressed or implied by these forward-looking statements.

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Preconditions and assumptions to business performance forecasts for the eighth fiscal period
(October 1, 2009 to March 31, 2010)

Item	Assumptions
Period	• Eighth fiscal period (October 1, 2009 to March 31, 2010) (182 days)
Portfolio assets	• Operating forecasts are calculated based on 131 properties as of the end of the seventh fiscal period (ending September 30, 2009). Actual numbers may change due to the future acquisitions and/or disposals of existing properties.
Number of investment units issued	• The number of total investment units issued is 233,340 units as of October 2, 2009. It is assumed that there will be no additional issue until the end of the eighth fiscal period.
Operating revenues/expenses	<ul style="list-style-type: none"> • Operating revenues and operating income are based on the aforementioned operating assets. • Among property-related expenses, which are the principal operating expenses, those other than depreciation are calculated based on historical data, while taking into consideration variable expenses based on documents provided by previous holders. • It is assumed that management fees will be approximately JPY 257 million in the eighth fiscal period. • Regarding property tax, city planning tax and other imposts relating to the properties owned by the Investment Corporation (hereinafter called "Property Taxes"), the portion allocated to the eight fiscal period, which will be approximately JPY 243 million, will be posted to property-related expenses. However, in case of acquiring new properties and being allocated between sellers and buyers on a pro-rate basis at the time of acquisition settlement, an amount of those taxes equivalent to the portion to the buyer is not booked as property expenses but is included in the acquisition price of the properties. • Repair expenses are calculated based on the Asset Management Company's estimates as necessary. It is assumed that the related expenses in the eight fiscal period will be approximately JPY 129 million. However, those expenses could differ significantly from the estimated amounts due to various reasons. • Depreciation is calculated based on the straight-line method including associated costs related to the property acquisition and expected additional capital expenditures. It is assumed that depreciation for the eight fiscal period will be approximately JPY 764 million.
Non-operating expenses	• It is assumed that non-operating expenses for the eight fiscal period will be approximately JPY 619 million.
Interest-bearing debt	• The total interest-bearing debt, including investment corporation bonds, stood at JPY 50,335 million at the end of the seventh fiscal period. It is assumed that during the eight fiscal period, the Investment Corporation will retire bonds for the face amount of JPY 4,000 million in November 2009 and JPY 3,800 million in February 2010. The Investment Corporation will apply a part of the proceeds of the Third Party Allotment completed on October 2, 2009 and cash on hand to the retirement of investment corporation bonds. There is no borrowings that will reach due date of repayment during the eight fiscal period.
Distribution per unit	• Distribution per unit is based on the assumption that distribution will comply with the monetary distribution policy stipulated in the Articles of Incorporation of the Investment Corporation.
Distribution in excess of earnings per unit	• Distribution in excess of earnings per unit is not planned at this point.
Others	<ul style="list-style-type: none"> • It is assumed that there will be no revision to laws, tax regulations, accounting principles, stock exchange regulations or the rules of the Investment Trusts Association, Japan that will affect the above forecasts. • It is also assumed that there will be no unexpected material change in general economic trends, the real estate market, etc.

- URL : <http://www.jrhi.co.jp/>

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