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## JRH News Release

### Japan Rental Housing Investments Inc. Announces Thirteenth Fiscal Period Results

Japan Rental Housing Investments Inc. (hereinafter “JRH”, Securities Code: 8986) today announced its financial results for the Thirteenth Fiscal Period, commencing April 1, 2012 and ending September 30, 2012).

(Unit; rounded down, %; rounded) \*Percentages indicate changes over the previous fiscal period

#### 1. Performance for the Thirteenth Fiscal Period (April 1, 2012 to September 30, 2012)

##### (1) Operating Results

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Million yen	%*	Million yen	%*	Million yen	%*	Million yen	%*
Thirteenth Fiscal Period	5,792	(0.5)	2,255	(23.0)	1,454	(44.5)	1,454	(44.6)
Twelfth Fiscal Period	5,763	(2.3)	1,833	(-19.8)	1,006	(-30.5)	1,005	(-31.4)

  

	Net Income per Unit	Return on Unitholders'	Ordinary Income to	Ordinary Income to
	Yen	Equity (ROE) %	Total Assets %	Operating Revenues %
Thirteenth Fiscal Period	1,092	1.7	0.9	25.1
Twelfth Fiscal Period	755	1.2	0.6	17.5

##### (2) Distributions

	Distribution per Unit	Total Distributions	Distribution in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Net Assets
	Yen	Million yen	Yen	Yen	%	%
Thirteenth Fiscal Period	1,325	1,763	0	0	121.3	2.0
Twelfth Fiscal Period	1,263	1,680	0	0	167.1	1.9

(Note 1) The distribution amount for the fiscal period ending March 2012 is done by the appropriation of 674 million Japanese yen from distribution reserves, and differ from net earnings.

(Note 2) The distribution amount for the fiscal period ending September 2012 is done by the appropriation of 309 million Japanese yen from distribution reserves, and differ from net earnings.

### (3) Financial Position

	Total Assets Million yen	Net Assets Million yen	Unitholders' Equity to Total Assets %	Net Assets per Unit %
Thirteenth Fiscal Period	165,004	86,084	52.2	64,686
Twelfth Fiscal Period	163,507	86,311	52.8	64,856

### (4) Cash Flow Position

	Cash Flows from Operating Activities Million yen	Cash Flows from Investing Activities Million yen	Cash Flows from Financing Activities Million yen	Cash and Cash Equivalents at the End of the Period Million yen
Thirteenth Fiscal Period	2,854	-4,060	112	9,975
Twelfth Fiscal Period	4,750	-3,016	-1,363	11,069

(yen; rounded down, %; rounded) \*Percentages indicate changes over the previous fiscal period

## 2. Forecast of Results for the Fourteenth Fiscal Period (October 1, 2012 to March 31, 2013)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Distribution per Unit	Distribution in Excess of Earnings per Unit
	Million yen	%*	Million yen	%*	Million yen	%*	Million yen	%*	Yen	Yen
Fourteenth Fiscal Period	5,872	(1.4)	2,596	(15.1)	1,797	(23.5)	1,796	(23.5)	1,350	0

Reference: Estimated net income per unit for the fiscal period: 1,349 yen

## 3. Other

### (1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

- |  |    |
|--|----|
| (i) Changes accompanying Amendments to Accounting Standards: | No |
| (ii) Changes other than (i):                                 | No |
| (iii) Changes in Accounting Estimates:                       | No |
| (iv) Retrospective Restatement:                              | No |

### (2) Number of Investment Units Issued and Outstanding

- (i) The number of investment units issued and outstanding (including treasury investment units) was 1,330,800 units at the end of the Thirteenth Fiscal Period and 1,330,800 units at the end of the Twelfth Fiscal Period.
- (ii) The number of treasury investment units was 0 units at the end of the Thirteenth Fiscal Period and 0 units at the end of the Twelfth Fiscal Period.

\* Details of the status on implementation of audit procedures

This earnings summary does not fall under the purview of audit procedures as outlined under the Financial Instruments and Exchange Act. The disclosures made in this earnings summary are not complete as per the audit procedures outlined in the Financial Instruments and Exchange Act.

Descriptions with regard to future issues including the forecast of operating results are based on the current information held by JRH and certain assumptions deemed reasonable. The actual operating results may materially differ from the forecast for various reasons. The forecast is not intended to assure the amount of distributions to investors.

For details on the preconditions, please refer to the “Preconditions for Earnings Forecasts of the Fourteenth Fiscal Periods”.

Preconditions for Earnings Forecasts of the Fourteenth Fiscal Periods (October 1, 2012 to March 31, 2013)

Item	Preconditions						
Dates	Fourteenth Fiscal Period: October 1, 2012 to March 31, 2013 (182 days)						
Portfolio Assets	It is assumed that there will be no change from the current portfolio (178 properties) as of the end of the 13th Fiscal Period (ending September 30, 2012) until the end of the 14th Fiscal Period.						
Number of Investment Units	The number of total investment units issued is 1,330,800 units as of the end of the 13th Fiscal Period (ending September 30, 2012). It is assumed that there will be no change to this until the end of the 14th Fiscal Period.						
Operating Revenue /Operating Expenses	<ul style="list-style-type: none"> <li>- Operating revenues and operating income are based on the aforementioned operating assets.</li> <li>- Among rental 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.</li> <li>- It is assumed that management fees will be approximately 376 million yen during the 13th fiscal period.</li> <li>- Repair expenses are calculated based on estimates as necessary for the various operating periods, and we forecast total related expenses of approximately 311 million yen. However, actual expenses could differ significantly from the estimated amounts due to various reasons, including the possibility of the occurrence of unforeseeable repair expenses.</li> <li>- Regarding taxes and public dues, the forecast figure is approximately 342 million yen.</li> <li>- Depreciation is calculated based on the straight-line method including associated costs and expected future capital expenditures. It is assumed that depreciation for the 14th fiscal period will be approximately 1,103 million yen.</li> </ul>						
Non-operating Expenses	<p>It is assumed that non-operating expenses will be approximately 804 million yen, including the following:</p> <table style="margin-left: 40px; border: none;"> <tr> <td>(1) Interest payments</td> <td style="text-align: right;">550 million yen</td> </tr> <tr> <td>(2) Finance-related expenses</td> <td style="text-align: right;">247 million yen</td> </tr> <tr> <td>(3) Other expenses</td> <td style="text-align: right;">6 million yen</td> </tr> </table>	(1) Interest payments	550 million yen	(2) Finance-related expenses	247 million yen	(3) Other expenses	6 million yen
(1) Interest payments	550 million yen						
(2) Finance-related expenses	247 million yen						
(3) Other expenses	6 million yen						
Interest-Bearing Debt	The total interest-bearing debt stood at 76,136 million yen at the end of the 13th Fiscal Period. It is assumed that this figure will remain unchanged until the end of the 14th 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. For the 13th Fiscal Period, losses and expenses arising from the disposition of assets were distributed by utilizing the dividend reserves established. There is no assumption regarding utilize of the dividend reserves established from gains on negative goodwill for the 14th Fiscal Period.						
Distribution in Excess of Earnings per Unit	Not planned at this point						
Other	<ul style="list-style-type: none"> <li>- The performance forecasts are based on the assumption that revisions impacting the forecast figures above will not be made to laws and ordinances, the tax system, accounting standards, listing rules, rules of the Investment Trusts Association, Japan, etc.</li> <li>- The performance forecasts are also based on the assumption that there will be no unexpected material change in general economic trends, real estate market conditions, etc.</li> </ul>						

## 1. Financial Statements

### (1) Balance Sheets

	(Thousand yen)	
	Twelfth Fiscal Period (as of March 31, 2012)	Thirteenth Fiscal Period (as of September 30, 2012)
Assets:		
Current assets:		
Cash and bank deposits	6,647,084	5,909,355
Cash and bank deposits in trust	4,422,301	4,066,251
Rental receivables	124,809	114,158
Prepaid expenses	426,220	441,026
Consumption tax receivable	--	26,432
Other current assets	1,825	2,120
Allowance for doubtful accounts	-45,162	-38,988
Total current assets	<u>11,577,077</u>	<u>10,520,356</u>
Fixed assets:		
property and equipment;:		
Buildings	11,879,343	16,719,611
Accumulated depreciation	-863,943	-1,156,143
Buildings, net	<u>11,015,399</u>	<u>15,563,467</u>
Structures	49,724	66,118
Accumulated depreciation	-6,705	-8,978
Structures, net	<u>43,018</u>	<u>57,139</u>
Machinery and equipment	39,504	50,361
Accumulated depreciation	-6,577	-9,247
Machinery and equipment, net	<u>32,927</u>	<u>41,113</u>
Tools, furniture and fixtures	27,209	42,596
Accumulated depreciation	-10,655	-16,869
Tools, furniture and fixtures, net	<u>16,553</u>	<u>25,727</u>
Land	7,966,267	14,154,400
Buildings in trust	71,172,981	68,171,994
Accumulated depreciation	-7,073,089	-7,747,685
Buildings in trust, net	<u>64,099,891</u>	<u>60,424,309</u>
Structures in trust	269,993	267,539
Accumulated depreciation	-50,647	-57,881
Structures in trust, net	<u>219,345</u>	<u>209,658</u>
Machinery and equipment in trust	450,515	439,659
Accumulated depreciation	-72,005	-81,546
Machinery and equipment in trust, net	<u>378,510</u>	<u>358,113</u>
Tools, furniture and fixtures in trust	186,844	191,772
Accumulated depreciation	-58,208	-70,103
Tools, furniture and fixtures in trust, net	<u>128,635</u>	<u>121,668</u>
Land in trust	66,688,712	62,011,420
Total property and equipment;	<u>150,589,263</u>	<u>152,967,019</u>

	(Thousand yen)	
	Twelfth Fiscal Period (as of March 31, 2012)	Thirteenth Fiscal Period (as of September 30, 2012)
Intangible assets:		
Right of using water facilities	121	115
Leasehold for land in trust	546,283	546,283
Right of using water facilities in trust	502	476
Trademark rights	1,121	1,047
Total intangible assets	548,029	547,923
Investments and other assets:		
Guaranteed securities deposited	9,250	9,306
Lease deposits	950	712
Long-term prepaid expenses	609,112	784,337
Reserve fund for repair	158,548	168,490
Total investments and other assets	777,862	962,847
Total fixed assets	151,915,155	154,477,790
Deferred assets:		
Issuance costs of new units	14,974	5,915
Total deferred assets	14,974	5,915
Total assets	163,507,207	165,004,062
Liabilities:		
Current liabilities:		
Accounts payable	246,232	275,430
Current portion of long-term debt	12,782,449	30,136,352
Other accounts payable	33,912	48,078
Accrued expenses	310,638	287,484
Income taxes payable	567	564
Consumption tax payable	48,584	--
Rents received in advance	694,866	642,097
Other current liabilities	20,527	20,993
Total current liabilities	14,137,778	31,411,002
Long-term liabilities:		
Long-term loans	61,559,888	46,000,127
Leasehold and security deposits received	184,769	317,105
Leasehold and security deposits received in trust	1,313,470	1,191,152
Total long-term liabilities	63,058,129	47,508,386
Total liabilities	77,195,907	78,919,389

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

	(Thousand yen)	
	Twelfth Fiscal Period (as of March 31, 2012)	Thirteenth Fiscal Period (as of September 30, 2012)
Net assets:		
Unitholders' equity:		
Unitholders' capital	70,557,688	70,557,688
Surplus:		
Capital surplus	6,682,398	6,682,398
Reserves for distributions	8,064,383	7,389,463
Retained earnings	1,006,830	1,455,123
Total surplus	15,753,612	15,526,984
Total unitholders' equity	86,311,300	86,084,672
Total net assets	86,311,300	86,084,672
Total liabilities and net assets	163,507,207	165,004,062

(2) Statements of Income

	(Thousand yen)	
	Twelfth Fiscal Period (From October 1,2011 to March 31,2012)	Thirteenth Fiscal Period (From April 1,2012 to September 30,2012)
Operating revenues:		
Rental revenues	5,758,152	5,792,267
Gain from sales of properties	5,737	--
Total operating revenues	<u>5,763,889</u>	<u>5,792,267</u>
Operating expenses:		
Rental expenses	2,606,252	2,594,696
Losses from sales of properties	660,400	305,302
Asset management fees	408,500	372,700
Directors' remuneration	10,800	9,400
Asset custody fees	10,408	10,412
Administrative service fees	35,205	33,906
Auditor's fees	15,800	15,400
Provision for doubtful accounts	--	3,333
Write off of accounts receivable	1,453	447
Other operating expenses	181,519	191,139
Total operating expenses	<u>3,930,338</u>	<u>3,536,739</u>
Operating income	<u>1,833,550</u>	<u>2,255,527</u>
Non-operating income:		
Interest income	761	809
Miscellaneous income	31,149	29,953
Total non-operating income	<u>31,910</u>	<u>30,763</u>
Non-operating expenses:		
Interest expenses	586,472	554,491
Finance-related expenses	260,902	266,387
Amortization of issuance costs of new units	9,059	9,059
Other non-operating expenses	2,544	1,573
Total non-operating expenses	<u>858,978</u>	<u>831,512</u>
Ordinary income	<u>1,006,482</u>	<u>1,454,778</u>
Income before income taxes	<u>1,006,482</u>	<u>1,454,778</u>
Income taxes – current	605	605
Total income taxes	<u>605</u>	<u>605</u>
Net income	<u>1,005,877</u>	<u>1,454,173</u>
Retained earnings at beginning of period	953	950
Unappropriated retained earnings	1,006,830	1,455,123

(3) Statements of Changes in Net Assets

	(Thousand yen)	
	Twelfth Fiscal Period (From October 1,2011 to March 31,2012)	Thirteenth Fiscal Period (From April 1,2012 to September 30,2012)
Unitholders' equity		
Unitholders' capital		
Balance at the beginning of the period	70,557,688	70,557,688
Changes of items during the period		
Total changes of items during the period	--	--
Balance at the end of the period	70,557,688	70,557,688
Surplus		
Capital surplus		
Balance at the beginning of the period	6,682,398	6,682,398
Changes of items during the period		
Total changes of items during the period	--	--
Balance at the end of the period	6,682,398	6,682,398
Reserves for distribution		
Balance at the beginning of the period	8,064,383	8,064,383
Changes of items during the period		
Reversal of reverse for distribution	--	-674,920
Total changes of items during the period	--	-674,920
Balance at the end of the period	8,064,383	7,389,463
Unappropriated retained earnings (accumulated deficit)		
Balance at the beginning of the period	1,466,164	1,006,830
Total changes of items during the period		
Reverse of reserve for distribution	--	674,920
Cash dividends paid	-1,465,210	-1,680,800
Net income	1,005,877	1,454,173
Total changes of items during the period	-459,333	448,292
Balance at the end of the period	1,006,830	1,455,123
Total surplus		
Balance at the beginning of the period	16,212,945	15,753,612
Changes of items during the period		
Reverse of distribution deposits	--	--
Cash dividends paid	-1,465,210	-1,680,800
Net income	1,005,877	1,454,173
Total changes of items during the period	-459,333	-226,627
Balance at the end of the period	15,753,612	15,526,984

English Translation  
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	(Thousand yen)	
	Twelfth Fiscal Period (From October 1,2011 to March 31,2012)	Thirteenth Fiscal Period (From April 1,2012 to September 30,2012)
<b>Total unitholders' equity</b>		
Balance at the beginning of the period	86,770,633	86,311,300
Changes of items during the period		
Cash dividends paid	-1,465,210	-1,680,800
Net income	1,005,877	1,454,173
Total changes of items during the period	-459,333	-226,627
Balance at the end of the period	86,311,300	86,084,672
<b>Total net assets</b>		
Balance at the beginning of the period	86,770,633	86,311,300
Changes of items during the period		
Cash dividends paid	-1,465,210	-1,680,800
Net income	1,005,877	1,454,173
Total changes of items during the period	-459,333	-226,627
Balance at the end of the period	86,311,300	86,084,672

(4) Statements of Cash Flows

	(Thousand yen)	
	Twelfth Fiscal Period (From October 1,2011 to March 31,2012)	Thirteenth Fiscal Period (From April 1,2012 to September 30,2012)
Cash flows from operating activities:		
Income before income taxes	1,006,482	1,454,778
Depreciation	1,086,939	1,084,653
Amortization of long-term prepaid expenses	236,199	222,475
Amortization of issuance costs of new units	9,059	9,059
Interest income	-761	-809
Interest expenses	586,472	554,491
Increase (Decrease) in allowance for doubtful accounts	-21,874	-6,174
Increase (Decrease) in allowance for disaster losses	-3,820	--
Decrease (Increase) in rental receivables	8,311	10,650
Decrease (Increase) in prepaid expenses	2,095	-15,366
Increase (Decrease) in accounts payable	-74,128	2,787
Increase (Decrease) in other accounts payable	-3,724	11,729
Increase (Decrease) in accrued expenses	5,468	-18,691
Increase (Decrease) in rents received in advance	21,002	-52,768
Decrease from sales of property and equipment	1,032,023	--
Decrease from sales of property and equipment in trust	1,503,138	651,474
Long-term prepaid expenses paid	-147,000	-397,140
Other – net	93,721	-84,769
Sub-total	5,339,606	3,426,381
Interest received	761	809
Interest paid	-589,241	-572,447
Income taxes paid	-608	-607
Net cash provided by operating activities	4,750,518	2,854,136
Cash flows from investing activities :		
Purchase of property and equipment	-2,702,194	-3,955,699
Purchase of property and equipment in trust	-350,305	-115,312
Net increase (decrease) in leasehold and security deposits received	75,520	132,336
Net increase (decrease) in leasehold and security deposits received in trust	-39,521	-122,317
Other – net	277	237
Net cash used in investing activities	-3,016,223	-4,060,755
Cash flows from financing activities:		
Proceeds from Short-term loans	--	1,566,000
Repayment of Short-term loans	--	-1,566,000
Proceeds from long-term loans	4,000,000	10,931,719
Repayment of long-term loans	-3,897,579	-9,137,577
Dividends paid	-1,465,760	-1,681,302

(Thousand yen)

	Twelfth Fiscal Period (From October 1,2011 to March 31,2012)	Thirteenth Fiscal Period (From April 1,2012 to September 30,2012)
Net cash provided by (used in) financing activities	-1,363,340	112,839
Net increase (decrease) in cash and cash equivalents	370,954	-1,093,778
Cash and cash equivalents at beginning of period	10,698,431	11,069,385
Cash and cash equivalents at end of period	11,069,385	9,975,606

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