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To All Concerned Parties

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Notice Concerning Changes to Asset Management Guidelines

Mi-Casa Asset Management, Inc., the asset management company of Japan Rental Housing Investments Inc. (hereafter referred to as the “Investment Corporation”) resolved at its board of directors meeting held today to change the Asset Management Guidelines. Details are as follows.

I. Overview of Changes to Asset Management Guidelines

Regarding the classification of target investment areas stipulated in the asset management guideline, “The seven wards of central Tokyo” is changed to “23 wards of Tokyo,” and the investment ratios for each area classification are changed in accordance with the change in classification. In addition, the concept of investment ratio “based on number of units” used as a referential index is abolished (amendments are highlighted with an underline).

(Before the change)

< Investment ratio according to rental housing categories >

Rental apartment categories	Investment ratio based on acquisition price
Studio type	50 - 80%
Family type	20 - 50%

(Note) For formulation of investment ratio based on acquisition price, the following investment ratio based on number of units was used as the referential index.

< Investment ratio based on number of units >

<u>Rental apartment categories</u>	<u>Investment ratio based on number of units</u>
<u>Studio type</u>	<u>55 - 85%</u>
<u>Family type</u>	<u>15 - 45%</u>

(Note) When a building is comprised of residences in several rental apartment categories, the entire building will be classified under the category for which most of its units, based on number of units, fall under for calculation of investment ratio.

< Investment ratio according to target investment areas >

Target areas	Investment ratio based on acquisition price (Note4)
<u>The seven wards of central Tokyo</u> (Note1)	<u>10 - 50%</u>
<u>The three major metropolitan areas</u> (Note2)	<u>50 - 80%</u>
Other major cities (Note3)	0 - 25%



(Note1) The seven wards of central Tokyo include Chiyoda, Chuo, Minato, Shinjuku, Shibuya, Setagaya and Meguro wards.

(Note2) The three major metropolitan areas include the Kanto metropolitan area, excluding the seven wards of central Tokyo, the Chukyo metropolitan area, and the Kinki metropolitan area.

(Note3) Other major cities mean Sapporo, Sendai, Niigata, Shizuoka, Hamamatsu, Hiroshima, and Kitakyushu/Fukuoka metropolitan areas and cities with a population of 300,000 or more.

(Note4) For formulation of investment ratio based on acquisition price, the following investment ratio based on number of units was used as the reverential index.

< Investment ratio based on number of units >

Target areas	Investment ratio based on number of units
The seven wards of central Tokyo	Less than 30%
The three major metropolitan areas	50 - 90%
Other major cities	0 - 40%

(After the change)

< Investment ratio according to rental housing categories >

Rental apartment categories	Investment ratio based on acquisition price
Studio type	50 - 80%
Family type	20 - 50%

(Note) When a building is comprised of residences in several rental apartment categories, the entire building will be classified under the category for which most of its units fall under for calculation of investment ratio.

< Investment ratio according to target investment areas >

Target areas	Investment ratio based on acquisition price (Note4)
23 wards of central Tokyo	30 - 70%
The three major metropolitan areas (Kanto, excluding 23 wards of Tokyo, Chukyo and Kinki) (Note1)	30 - 60%
Other major cities (Note2)	0 - 25%

(Note1) The three major metropolitan areas (Kanto, excluding 23 wards of Tokyo, Chukyo and Kinki) include the Kanto metropolitan area, excluding 23 wards of central Tokyo, the Chukyo metropolitan area, and the Kinki metropolitan area.

(Note2) Other major cities mean Sapporo, Sendai, Niigata, Shizuoka/Hamamatsu, Okayama, Hiroshima, Kitakyushu/Fukuoka and Kumamoto metropolitan areas and cities with a population of 300,000 or more.

II. Reasons for the Change

The Investment Corporation has decided to make the changes mentioned above after considering the rationality and appropriateness of the classification of target investment areas and the concept of investment ratios in the asset management guidelines.

The Investment Corporation has submitted an Extraordinary Report to the Kanto Finance Bureau.