

November 18, 2014

To All Concerned Parties

REIT Issuer:
Japan Rental Housing Investments Inc.
6-16-12 Shinbashi, Minato-ku, Tokyo 105-0004
Toshiya Kuroda, Executive Director
(Securities Code: 8986)
Asset Manager: Mi-Casa Asset Management Inc.
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Notice Concerning Change in Major Shareholder, Etc. at the Asset Manager

Japan Rental Housing Investments Inc. (the “Investment Corporation”) hereby announces that Mi-Casa Asset Management Inc. (the “Asset Manager”), the asset manager of the Investment Corporation, approved at a meeting of the Board of Directors held today the transfer of some of the shares that the Asset Manager’s largest shareholder AppleRingo Ventures 1 Limited (“ARV”) holds in the Asset Manager to Daiwa Securities Group Inc. (the “Transfer of Shares”).

1. Background of the Transfer of Shares

ARV and AppleRingo Investments B.V. (“ARI”) (ARV and ARI hereinafter collectively referred to as the “Large Shareholders”), which hold 98% of the shares issued and outstanding of the Asset Manager, have taken a stake in the Investment Corporation and the Asset Manager since August 2008 and have been supporting the Investment Corporation, mainly financially, through such means as subscribing for the capital increases by way of third-party allotment for the purpose of redemption of investment corporation bonds between 2009 and 2010 and partial repayment of loans (Real Estate Market Stabilization Fund) of former Prospect Reit Investment Corporation at the time of the merger with said investment corporation (July 2010). During this period, the Asset Manager has realized such performance as steady external growth through new property acquisitions, improvement of portfolio quality through property replacements, achievement of high occupancy rates, building of a solid bank formation centering on the Bank of Tokyo-Mitsubishi UFJ, Ltd, unsecured loans and reduction of costs.

Recently, the Asset Manager received a notice from the Large Shareholders to the effect that the Transfer of Shares to Daiwa Securities Group Inc. (Daiwa Securities Group Inc. and its subsidiaries hereinafter collectively referred to as the “Daiwa Securities Group”) will be conducted in light of the stable asset management conditions of the Investment Corporation. In addition, in correlation, the Asset Manager received a notice to the effect that, of the investment units that ARV holds in the Investment Corporation, 36,877 units (approximately 2.5% of the total number of investment units issued and outstanding) will be transferred to Daiwa Securities Group Inc. (the “Transfer of Investment Units”). The Asset Manager believes that medium- to long-term stability of the Investment Corporation can be expected through the Daiwa Securities Group joining the Large Shareholders with their new stake in the Investment Corporation and the Asset Manager and such. Furthermore, the Large Shareholders still hold approximately 68% of the shares of the Asset Manager and approximately 30.9% of the investment units of the Investment Corporation even after the Transfer of Shares and the Transfer of Investment Units, and the Asset Manager has received from the Large Shareholders intent to the effect that they will continue to provide operational support to the Investment Corporation and the Asset Manager.

2. Outline of the Transfer of Shares

The Asset Manager's largest shareholder ARV will transfer 9,305 shares (approximately 30.0% of the total number of shares issued and outstanding) of the 27,119 shares that it holds in the Asset Manager to Daiwa Securities Group Inc. on November 28, 2014. The Transfer of Shares will make Daiwa Securities Group Inc. the second largest shareholder of the Asset Manager and thus fall under the category of major shareholder of the Asset Manager.

3. Profile of Transferee in the Transfer of Shares

Name	Daiwa Securities Group Inc.
Head office location	1-9-1 Marunouchi, Chiyoda-ku, Tokyo
Name and title of representative	Takashi Hibino, President and CEO
Main business	Holds, manages and controls shares of companies engaged in such businesses as the financial instruments and exchange business
Paid-in capital	JPY 247.3 billion (as of end of September 2014)

4. Shareholder Composition Before and After Change in Major Shareholder Resulting from the Transfer of Shares

	Before change	After change
Number of voting rights (Number of share held)	-	9,305 (9,305)
Percentage of voting rights outstanding (Note)	-	30.0%
Shareholder ranking	-	2nd

Number of non-voting rights shares deducted from the total number of shares issued: 0 shares

Total number of shares issued as of November 18, 2014: 31,019 shares

(Note) Ratio is the number of shares held expressed as a percentage of the total number of shares issued and outstanding, rounded off to one decimal place.

(Reference) Composition of Shareholders before and after the Change of Shareholders

Shareholder	Before change		After change	
	Number of shares held (shares)	Ratio (%) (Note)	Number of shares held (shares)	Ratio (%) (Note)
AppleRingo Ventures I Limited (ARV)	27,119	87.4	17,814	57.4
AppleRingo Investments B.V. (ARI)	3,300	10.6	3,300	10.6
Daiwa Securities Group Inc.	—	—	9,305	30.0
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	300	1.0	300	1.0
Sumitomo Mitsui Banking Corporation	300	1.0	300	1.0
Total	31,019	100.0	31,019	100.0

(Note) Ratio is the number of shares held expressed as a percentage of the total number of shares issued and outstanding, rounded off to one decimal place.

5. Outline of Related Transactions

The Investment Corporation also announces that, in addition to the Transfer of Shares, the Large Shareholders have informed to the effect that the following related agreements will be signed with the Daiwa Securities Group.

(1) Grant of Call Option on Additional Acquisition of Shares in the Asset Manager by the Daiwa Securities Group

The Large Shareholders will grant a call option to Daiwa Securities Group Inc. for the 21,114 shares in total that the Large Shareholders hold in the Asset Manager after the Transfer of Shares. Furthermore, the call option shall be one that may be exercised in the case where the loan taken out on November 28, 2014 by ARV's wholly-owned subsidiary R Investment GK from Daiwa Securities Group Inc.'s subsidiary Daiwa PI Partners Co. Ltd. with the investment units that ARV holds in the Investment Corporation as collateral becomes due for repayment on the scheduled repayment date (the date corresponding to three years from the drawdown date; provided, however, that there may be cases of extension by up to six months) and certain other cases. As a result, there is the possibility in the future of Daiwa Securities Group Inc. or its subsidiaries acquiring from the Large Shareholders all of the shares that the Large Shareholders hold in the Investment Corporation and thereby becoming a parent company holding approximately 98% of the total number of shares issued and outstanding of the Asset Manager.

(2) Transfer of Investment Units of the Investment Corporation

As stated in 1. above, at the same time as the Transfer of Shares, ARV will transfer 36,877 units (approximately 2.5% of the total number of investment units issued and outstanding) of the 492,929 units that it holds in the Investment Corporation to Daiwa Securities Group Inc.

(3) Appointment of Officers at the Asset Manager

The Transfer of Shares will be accompanied by one outside director and one outside auditor designated by Daiwa Securities Group Inc. being dispatched to the Asset Manager. The concerned director and auditor are scheduled to be appointed at the extraordinary shareholders' meeting of the Asset Manager to be held on November 26, 2014. Please refer to the press release "Notice Concerning Appointment of Director and Auditor at the Asset Manager" separately announced today for details.

6. Schedule of Change, Etc.

November 18, 2014 Signing of agreement on the Transfer of Shares, agreement on the Transfer of Investment Units and other related agreements between the Large Shareholders and the Daiwa Securities Group

November 18, 2014 Approval and resolution for the Transfer of Shares at meeting of the Board of Directors of the Asset Manager

November 26, 2014 Resolution at extraordinary shareholders' meeting (appointment of officers)

November 28, 2014 Execution of the Transfer of Shares and execution of the Transfer of Investment Units

7. Forecasts

There is no impact from the Transfer of Shares, etc. on asset management conditions for the fiscal period ending March 31, 2015 (October 1, 2014 to March 31, 2015).

In addition, there are no revisions to the asset management agreement between the Investment Corporation and the Asset Manager, and to the investment policy of the Investment Corporation as of today. The Investment Corporation will promptly announce further information if there are any items that should be disclosed concerning the business operations of the Investment Corporation and the Asset Manager.

English Translation

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

In compliance with the Financial Instruments and Exchange Law, Building Lots and Buildings Transaction Business Law and other applicable laws, ordinances and regulations, the required filing and other procedures will be performed in relation to this matter.

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