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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 Management Company:
Mi-Casa Asset Management Inc.
Yutaka Higashino, President and Chief Executive Officer
Inquiries: Tetsu Kasuga, Chief Financial Officer
Tel: +81-3-5425-5600

Notice Concerning Transfer of Assets

Japan Rental Housing Investments Inc. (hereafter referred to as the “Investment Corporation”) hereby announces that it has decided at a meeting of its Board of Directors held earlier today to sell the following eight assets under management (hereafter, the “Transfer”). Details are provided below.

1. Basic Policy

It is the goal of the Investment Corporation to raise profitability for the purpose of distributing profits stably over the long term to all our unitholders. In order to achieve this, we aim to improve the quality of the portfolio and continuously expand the asset scale through (1) the acquisition of new properties in the metropolitan areas particularly in the 23 wards of Tokyo, and (2) efforts to sell some small-sized properties (asset value of under 500 million yen per property) located in areas other than the metropolitan areas, and acquiring new top-class properties in the area.

2. Reason for Transfer

Based on the above mentioned policy, the Investment Corporation has judged that transferring these eight properties (which include seven low-profitability properties) would be the most appropriate course for the Investment Corporation after having comprehensively considered profitability prospects through factors such as portfolio composition and operational efficiency, NOI yield trends and ownership costs. We have thereupon arrived at decision on the Transfer. We are projecting to post a loss and expenses (approximately 667 million yen) from this Transfer, but by utilizing the reserves for distribution (approximately 8 billion yen as of the end of 11th Fiscal Period) from negative goodwill we expect the Transfer will not impact distributions.

3. Outlook for the current Fiscal Period

For details on the projected impact of the Transfer on management performance for the Fiscal Period Ending March 31, 2012 (October 1, 2011 to March 31, 2012), refer to the release “Notice Concerning Revision of Earnings and Distribution Forecasts for the Fiscal Period Ending March 31, 2012 (12th Fiscal Period)” dated March 2, 2012.

4. List of assets for Transfer

Property No.	Property Name	Location	Book Value (as of the end of September 2011) (A) (thousands of yen)	NOI in the 11th Fiscal Period (①) (Note 2) (thousands of yen)	NOI yield (%) / (① × 2 ÷ (A))	Transfer Price (Planned) (B) (thousands of yen)	Difference between Transfer Price (Planned) and Book Value (B)- (A) (thousands of yen)	Appraisal Value (as of the end of September 2011) (C) (thousands of yen)	Difference between the Transfer Price (Planned) and Appraisal Value (B)- (C) (thousands of yen)
O-1-002	Carrera 2.9	Sapporo	278,617	6,626	4.8%	217,000	-61,617	172,000	45,000
O-1-003	Sapporo Hills	Sapporo	280,854	5,495	3.9%	225,000	-55,854	188,000	37,000
O-1-023	willDo Minami 12 jo	Sapporo	453,525	8,995	4.0%	337,000	-116,525	332,000	5,000
O-9-019	Stars Uchiyama	Kitakyushu	162,210	3,408	4.2%	96,500	-65,710	61,300	35,200
O-9-020	Uchiyama-Minami Kokura-ekimae Building	Kitakyushu	550,776	10,846	3.9%	265,000	-285,776	346,000	-81,000
O-9-021	willDo Tojin-machi	Fukuoka	210,657	3,948	3.7%	170,070	-40,587	126,000	44,070
O-9-022	Stream Line Ohori	Fukuoka	390,597	12,123	6.2%	410,000	19,402	364,000	46,000
O-9-061	willDo Gofuku-machi	Fukuoka	231,542	5,048	4.4%	208,300	-23,242	177,000	31,300
Total			2,558,780	53,180	4.4%	1,928,870	-629,910	1,766,300	162,570

(Note 1) Transfer Price (Planned) excludes sales expenses, fixed asset tax and city planning tax adjustments as well as consumption tax and local consumption tax; hereinafter the same.

(Note 2) For Stars Uchiyama, owing to one-time factors such as repairs during the 11th Fiscal Period, we have used the figures from the 10th Fiscal Period

(Note 3) Amounts are rounded down to the indicated unit; hereinafter the same.



5. Details regarding assets for Transfer

O-1-002 Carrera 2.9

Asset to be Transferred		Real estate
Location		9-999-27, Minami-nijo-nishi, Chuo-ku, Sapporo-shi, Hokkaido
Land	Type of Ownership	Proprietary ownership
	Land Area	262.53 m ²
	Area Classification	Commercial district
	FAR / Building Coverage Ratio	400%/80%
Building	Type of Ownership	Proprietary ownership
	Use	Apartment complex
	Type of Structure/No. of floors	RC, 9-story building with flat roof
	Floor Space	1,107.91 m ²
	Completion Date	2004/3/12
Book Value (as of the end of September 2011)		JPY 278,617 thousand
Transfer Price		JPY 217,000 thousand (excluding national and local consumption tax)
Transfer Price – Book Value		JPY -61,617 thousand
Appraisal Value (as of the end of September 2011)		JPY 172,000 thousand
Appraiser		Japan Real Estate Institute
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	JPY 10,570 thousand (rental business revenue during the Fiscal Period ending September 30, 2011)
	Lease Deposits and Guarantee Deposits	JPY 1,243 thousand (as of end-January 2012)
	Total Leasable Area	956.31 m ²
	Total Leased Area	883.53 m ² (as of end-January 2012)

O-1-003 Sapporo Hills

Asset to be Transferred		Trust beneficiary interests in real estate
Location		2-8-6, Kita-yojo-higashi, Chuo-ku, Sapporo-shi Hokkaido
Land	Type of Ownership	Proprietary ownership
	Land Area	264.46 m ²
	Area Classification	Commercial district
	FAR / Building Coverage Ratio	600%/80%
Building	Type of Ownership	Proprietary ownership
	Use	Apartment complex
	Type of Structure/No. of floors	RC, 10-story building with flat roof
	Floor Space	1,340.95 m ²
	Completion Date	2003/10/25
Book Value (as of the end of September 2011)		JPY 280,854 thousand
Transfer Price		JPY 225,000 thousand (excluding national and local consumption tax)
Transfer Price – Book Value		JPY - 55,854 thousand
Appraisal Value (as of the end of September 2011)		JPY 188,000 thousand
Appraiser		Japan Real Estate Institute
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	JPY 11,469 thousand (rental business revenue during the Fiscal Period ending September 30, 2011)
	Lease Deposits and Guarantee Deposits	JPY 1,487 thousand (as of end-January 2012)
	Total Leasable Area	1,197.83 m ²
	Total Leased Area	1,083.08 m ² (as of end-January 2012)



O-1-023 willDo Minami 12 jo

Asset to be Transferred		Trust beneficiary interests in real estate
Location (residential indication)		12-1-39, Minami 12-jo Nishi, Chuo-ku,Sapporo-shi, Hokkaido
Land	Type of Ownership	Proprietary ownership
	Land Area	845.19 m ²
	Area Classification	Type 1 residential district
	FAR / Building Coverage Ratio	200%/60%
Building	Type of Ownership	Proprietary ownership
	Use	Apartment complex
	Type of Structure/No. of floors	RC, 9-story building with flat roof
	Floor Space	1,905.20 m ²
	Completion Date	2006/1/26
Book Value (end of September 2011)		JPY 453,525 thousand
Transfer Price		JPY 337,000 thousand (excluding national and local consumption tax)
Transfer Price - Book Value		JPY -116,525 thousand
Appraisal Value (end of September 2011)		JPY 332,000 thousand
Appraiser		Japan Real Estate Institute
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	JPY 16,767 thousand (rental business revenue during the Fiscal Period ending September 30, 2011)
	Lease Deposits and Guarantee Deposits	JPY 1,672 thousand (as of end-January 2012)
	Total Leasable Area	1,637.76 m ²
	Total Leased Area	1,570.03 m ² (as of end-January 2012)

O-9-019 Stars Uchiyama

Asset to be Transferred		Real estate
Location (residential indication)		3-1-28, Kimachi, Kokura-kita-ku,Kitakyushu-shi, Fukuoka
Land	Type of Ownership	Proprietary ownership
	Land Area	176.29 m ²
	Area Classification	Commercial district
	FAR / Building Coverage	400%/80%
Building	Type of Ownership	Proprietary ownership
	Use	Apartment complex, stores, garages
	Type of Structure/No. of floors	RC, 8-story building with flat roof
	Floor Space	609.74 m ²
	Completion Date	1995/11/27
Book Value (end of September 2011)		JPY 162,210 thousand
Transfer Price		JPY 96,500 thousand (excluding national and local consumption tax)
Transfer Price - Book Value		JPY -65,710 thousand
Appraisal Value (end of September 2011)		JPY 61,300 thousand
Appraiser		Daiwa Real Estate Appraisal Co.,Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	JPY 6,073 thousand (rental business revenue during the Fiscal Period ending September 30, 2011)
	Lease Deposits and Guarantee Deposits	JPY 34 thousand (as of end-January 2012)
	Total Leasable Area	567.19 m ²
	Total Leased Area	528.11 m ² (as of end-January 2012)



O-9-020 Uchiyama-Minami Kokura-ekimae Building

Asset to be Transferred		Trust beneficiary interests in real estate
Location (residential indication)		5-2, Benten-machi, Kokura-kita-ku, Kitakyushu-shi, Fukuoka
Land	Type of Ownership	Proprietary ownership
	Land Area	916.08 m ²
	Area Classification	Commercial district
	FAR / Building Coverage	400%/80%
Building	Type of Ownership	Proprietary ownership
	Use	Apartment complex, parking lots, offices, retail stores
	Type of Structure/No. of floors	SRC, 13-story building with flat roof
	Floor Space	4,065.76 m ²
	Completion Date	1992/12/3
Book Value (end of September 2011)		JPY 550,776 thousand
Transfer Price		JPY 265,000 thousand (excluding national and local consumption tax)
Transfer Price - Book Value		JPY -285,776 thousand
Appraisal Value (end of September 2011)		JPY 346,000 thousand
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	JPY 22,578 thousand (rental business revenue during the Fiscal Period ending September 30, 2011)
	Lease Deposits and Guarantee Deposits	JPY 2,672 thousand (as of end-January 2011)
	Total Leasable Area	3,347.48 m ²
	Total Leased Area	3,216.90 m ² (as of end-January 2012)

O-9-021 willDo Tojin-machi

Asset to be Transferred		Real estate
Location (residential indication)		1-6-2 Jigyo, Chuo-ku, Fukuoka-shi, Fukuoka
Land	Type of Ownership	Proprietary ownership
	Land Area	144.20 m ²
	Area Classification	Commercial district
	FAR / Building Coverage	400%/80%
Building	Type of Ownership	Proprietary ownership
	Use	Apartment complex
	Type of Structure/No. of floors	RC, 9-story building with flat roof
	Floor Space	754.26 m ²
	Completion Date	2005/3/19
Book Value (end of September 2011)		JPY 210,657 thousand
Transfer Price		JPY 170,070 thousand (excluding national and local consumption tax)
Transfer Price - Book Value		JPY -40,587 thousand
Appraisal Value (end of September 2011)		JPY 126,000 thousand
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Tenant Profile		
	Number of Tenants	1
	Total Rental Revenue	JPY 7,426 thousand (rental business revenue during the Fiscal Period ending September 30, 2011)
	Lease Deposits and Guarantee Deposits	JPY 379 thousand (as of end-January 2012)
	Total Leasable Area	538.00 m ²
	Total Leased Area	516.28 m ² (as of end-January 2012)



O-9-022 Stream Line Ohori

Asset to be Transferred		Real estate
Location (residential indication)		1-4-40, Torikai, Chuo-ku, Fukuoka-shi, Fukuoka
Land	Type of Ownership	Proprietary ownership
	Land Area	469.02 m ²
	Area Classification	Neighborhood commercial zone, Type 1 residential district
	FAR / Building Coverage	300%/80%, 200%/60%
Building	Type of Ownership	Proprietary ownership
	Use	Apartment complex
	Type of Structure/No. of floors	RC, 9-story building with flat roof
	Floor Space	1,627.55 m ²
Completion Date		2006/3/23
Book Value (end of September 2011)		JPY 390,597 thousand
Transfer Price		JPY 410,000 thousand (excluding national and local consumption tax)
Transfer Price - Book Value		JPY 19,402 thousand
Appraisal Value (end of September 2011)		JPY 364,000 thousand
Appraiser		Daiwa Real Estate Appraisal Co.,Ltd.
Tenant Profile		
Number of Tenants		1
Total Rental Revenue		JPY 17,377 thousand (rental business revenue during the Fiscal Period ending September 30, 2011)
Lease Deposits and Guarantee Deposits		JPY 151 thousand (as of end-January 2012)
Total Leasable Area		1,249.52 m ²
Total Leased Area		1,178.99 m ² (as of end-January 2012)

O-9-061 willDo Gofuku-machi

Asset to be Transferred		Trust beneficiary interests in real estate
Location (residential indication)		1-12 Naka-Gofuku-machi, Hakata-ku, Fukuoka-shi, Fukuoka
Land	Type of Ownership	Proprietary ownership
	Land Area	204.12 m ²
	Area Classification	Commercial district
	FAR / Building Coverage	400%/80%
Building	Type of Ownership	Proprietary ownership
	Use	Apartment complex
	Type of Structure/No. of floors	RC, 8-story building with flat roof
	Floor Space	714.21 m ²
Completion Date		2006/2/20
Book Value (end of September 2011)		JPY 231,542 thousand
Transfer Price		JPY 208,300 thousand (excluding national and local consumption tax)
Transfer Price - Book Value		JPY -23,242 thousand
Appraisal Value (end of September 2011)		JPY 177,000 thousand
Appraiser		Daiwa Real Estate Appraisal Co.,Ltd.
Tenant Profile		
Number of Tenants		1
Total Rental Revenue		JPY 9,001 thousand (rental business revenue during the Fiscal Period ending September 30, 2011)
Lease Deposits and Guarantee Deposits		JPY 223 thousand (as of end-January 2012)
Total Leasable Area		666.36 m ²
Total Leased Area		617.22 m ² (as of end-January 2012)

6. Profile of Buyers

The buyers (planned) for the various properties are domestic business companies, but the details including name are undisclosed as per the request of the buyer (planned) (the buyer is the same for Sapporo Hills and willDo Minami 12 jo).

There are no capital, personnel, business relationships required to mention between the Investment Corporation or the asset management company and the said company, nor is the company an affiliated party of either the Investment Corporation or the asset management company. Furthermore, the said company is neither classified as an interested party, etc. under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, nor defined as an interested party, etc. under the internal rules on dealings with interested parties of the asset management company.

7. Profile of Brokerage

O-1-002 Carrera 2.9

The proposed broker is a domestic real estate transaction company. However, we are not disclosing further details, including the name of the company, as per the request of the counterparty. The broker is neither classified as an interested party, etc. under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, nor defined as an interested party, etc. under the internal rules on dealings with interested parties of the asset management company.

O-1-003 Sapporo Hills, O-1-023 willDo Minami 12 jo

Company name	Mitsubishi Real Estate Service Co., Ltd.
Head office location (residential indication)	2-2-1 Otemachi, Chiyoda ku, Tokyo
Representative	President and CEO Yuzuru Shibagaki
Core business	Real estate brokerage, management and leasing of real estate
Paid-in capital	JPY 2.4 billion
Date of establishment	December 20, 1972
Relationship between the company and the Investment Corporation or the asset management company	The broker is neither classified as an interested party, etc. under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, nor defined as an interested party, etc. under the internal rules on dealings with interested parties of the asset management company.
Brokerage fees	(Note)

(Note) Undisclosed as per the request of the counterparty



O-9-019 Stars Uchiyama, O-9-061 willDo Gofuku-machi

Brokerage by the following two companies

Company name	Chuo Mitsui Trust and Banking Company, Ltd.
Head Office Location (residential indication)	3-33-1 Shiba, Minato-ku, Tokyo
Representative	President and CEO Jun Okuno
Core business	Trust banking Trust and fiduciary business, banking, others Finance-related and others Securities, credit guarantee, credit cards business
Paid-in capital	JPY 399.6 billion(as of September 30, 2011)
Date of establishment	May 26, 1962
Relationship between the company and the Investment Corporation or the asset management company	The broker is neither classified as an interested party, etc. under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, nor defined as an interested party, etc. under the internal rules on dealings with interested parties of the asset management company.
Brokerage fees	(Note)

(Note) Undisclosed as per the request of the counterparty

Company name	Chuo Mitsui Trust Realty Co., Ltd.
Head Office Location (residential indication)	3-4-4 Nihonbashi Muromachi, Chuo-ku, Tokyo
Representative	President and CEO Tetsuji Ohta
Core business	Brokerage services for real estate sales and purchases and exchange, brokerage for trust beneficiary rights for trust assets (predominantly depositions and real estate) and all business that may be related or ancillary to this.
Paid-in capital	JPY 300 million
Date of establishment	February 5, 1988
Relationship between the company and the Investment Corporation or the asset management company	The broker is neither classified as an interested party, etc. under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, nor defined as an interested party, etc. under the internal rules on dealings with interested parties of the asset management company.
Brokerage fees	(Note)

(Note) Undisclosed as per the request of the counterparty

O-9-020 Uchiyama-Minami. Kokura-ekimae Building; O-9-021 willDo Tojin-machi; O-9-022 Stream Line Ohori

Company name	Kyushu-REP Corporation
Head Office Location (residential indication)	4-10-10Watanabe Dori, Chuo-ku, Fukuoka
Representative	President and CEO Mitsunori Shirasuna
Core business	Real-estate securitization business, brokerage business, rentals and real estate management
Paid-in capital	JPY 10 million
Date of establishment	May 21, 1989
Relationship between the company and the Investment Corporation or the asset management company	The broker is neither classified as an interested party, etc. under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, nor defined as an interested party, etc. under the internal rules on dealings with interested parties of the asset management company.
Brokerage fees	(Note)

(Note) Undisclosed as per the request of the counterparty

The Investment Corporation will receive the deposit soon after the signing of the transfer agreement, with the remainder of the settlement to be conducted when the transaction is executed.

9. Use of Transfer Proceeds

The proceeds that the Investment Corporation will receive from the Transfer will be allocated for the partial repayment of borrowings in order to release collateral and for other purposes. At the same time, they will serve as funds for properties that are scheduled to be newly acquired in continuation.

10. Schedule of Transfer

Property No.	Property Name	Scheduled date of transfer Signing date of transfer agreement	Payment date Delivery date	
O-1-002	Carrera 2.9	March 2, 2012	March 19, 2012	
O-1-003	Sapporo Hills			
O-1-023	willDo Minami 12 jo			
O-9-019	Stars Uchiyama		March 2, 2012	March 21, 2012
O-9-020	Uchiyama-Minami Kokura-ekimae Building			March 26, 2012
O-9-022	Stream Line Ohori			March 27, 2012
O-9-021	willDo Tojin-machi			
O-9-061	willDo Gofuku-machi			

Reference materials

- Number of portfolio units by type and area following the change to portfolio (increase/decrease indicated within parentheses)

(Unit: Residential units)

	Studio apartments	Family-type apartments	Premium apartments	Total by area
Seven Central Wards of Tokyo	646	368	91	1,105
Three Major Metropolitan Areas	4,489	2,008	0	6,497
Other major cities	1,606 (-275)	455	0	2,061 (-275)
Type Total	6,741 (-275)	2,831	91	9,663 (-275)

(Note 1) The seven central wards of Tokyo mean Chiyoda, Chuo, Minato, Shinjuku, Shibuya, Setagaya, and Meguro wards.

(Note 2) The three major metropolitan areas mean Kanto metropolitan area excluding the seven central wards of Tokyo, Chukyo metropolitan area, and Kinki metropolitan area.

(Note 3) The 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.

- Situation of the Portfolio after Property Transfer

Asset Scale (Acquisition Price)	JPY 152.6 billion yen
Number of Owned Properties	176
Total Number of Leasable Units	9,663

■ (Supplementary materials) Comparison of asset portfolio before and after transfer of assets

Number of portfolio properties

	Before transfer of assets	8 assets for transfer (-)	After transfer of assets
Number of properties	184	8	176
Number of leasable units	9,938	275	9,663
Total leasable area	387,801.05 m ²	10,160.45 m ²	377,640.60 m ²
Average age of building (Note)	10.61 years	10.17 years	10.62 years

(Note) Calculated by deriving the weighted average using the current value of each property to the acquisition price

Asset scale etc.

	Before transfer of assets	8 assets for transfer (-)	After transfer of assets
Asset scale (a) (Note 1)	JPY 155.2 billion	JPY 2.5 billion	JPY 152.6 billion
Total appraisal value (b) (Note 2)	JPY 140.6 billion	JPY 1.7 billion	JPY 138.8 billion
Ratio (a) ÷ (b) × 100%	110.4%	146.8%	109.9%
Asset scale per property (Note 1)	JPY 843 million	JPY 324 million	JPY 867 million
NOI yield (Note 3)	5.43%	4.10%	5.45%

(Note 1) Asset scale is based on the acquisition price.

(Note 2) Appraisal value: For acquired properties the value is as of January 2012, for all others the figure is as of end of September 2011

(Note 3) NOI Yield is NOI/acquisition price. Figures for prior to acquisition of properties were calculated using actual results of the 11th fiscal period, and those for acquired properties calculated using appraisal

Investment amount and ratio according to apartment category (acquisition price base)

	Before transfer of assets	8 assets for transfer (-)	After transfer of assets
Studio Type	JPY 88.8 billion (57.2%)	JPY 2.5 billion	JPY 86.2 billion (56.5%)
Family Type	JPY 57.3 billion (36.9%)	—	JPY 57.3 billion (37.6%)
Premium Type	JPY 9.0 billion (5.8%)	—	JPY 9.0 billion (5.9%)

Investment amount and ratio by region (acquisition price base)

	Before transfer of assets	8 assets for transfer (-)	After transfer of assets
Seven Central Wards of Tokyo	JPY 36.8 billion (23.8%)	—	JPY 36.8 billion (24.2%)
Three Major Metropolitan Areas	JPY 98.0 billion (63.2%)	—	JPY 98.0 billion (64.3%)
Other Major Cities	JPY 20.2 billion (13.0%)	JPY 2.5 billion	JPY 17.6 billion (11.6%)

(Reference)

Total in the 23 wards of Tokyo	JPY 78.8 billion (50.8%)	—	JPY 78.8 billion (51.6%)
Total in the Kanto Metropolitan Area	JPY 99.2 billion (63.9%)	—	JPY 99.2 billion (65.0%)

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

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.