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To All Concerned Parties

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**Notice Concerning Revision of Earnings and Distribution Forecasts
for the Fiscal Period Ending March 31, 2012 (12th Fiscal Period)**

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) had previously issued its earnings forecast for the 12th Fiscal Period (October 1, 2011 to March 31, 2012) at the time of the financial results announcement for the 11th Fiscal Period (ending September 30, 2011) on November 15, 2011. Following the decision at a meeting of the Board of Directors held earlier today to sell eight assets under management (hereafter, the “Transfer.” For details, refer to the release “Notice Concerning Transfer of Assets” dated March 2, 2012) and in view of the earnings in the current Fiscal Period, the Investment Corporation is revising its earnings and distribution forecasts. Details are provided below. Since the expected losses and expenses arising from the Transfer are expected to be provided for by utilizing the reserves for distribution from gains on negative goodwill, the Transfer will thus not impact distributions.

1. Revision of earnings and distribution forecast for the Fiscal Period ending March 31, 2012 (12th Fiscal Period)

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit	Distribution in excess of earnings per unit
Previously announced forecast (A)	5,733 million yen	2,355 million yen	1,530 million yen	1,530 million yen	1,150 yen	0 yen
Revised forecast (B)	5,733 million yen	1,780 million yen	943 million yen	942 million yen	1,210 yen	0 yen
Difference (B-A)	0 million yen	- 575 million	- 587 million	- 587 million	60 yen	0 yen
Percentage change	0.0%	- 24.4%	- 38.4%	- 38.4%	5.2%	—

(Note 1) Number of total investment units issued: 1,330,800 units

(Note 2) The aforementioned figures are indicative of current forecasts. Accordingly, there is a possibility of a change in the actual operating revenues, operating income, ordinary income, net income, and distribution per unit. We do not guarantee payment of the forecast cash distribution per unit.

(Note 3) Percentages are rounded to the first decimal place

(Reference) Earnings forecast for the 12th Fiscal Period (ending March 2012) not including the proposed Transfer

	Operating revenues	Operating income	Ordinary income	Net income	Distribution per unit	Distribution in excess of earnings per unit
Previously announced forecast	5,733 million yen	2,355 million yen	1,530 million yen	1,530 million yen	1,150 yen	0 yen
Revised forecast (B)	5,733 million yen	2,410 million yen	1,582 million yen	1,581 million yen	1,189 yen	0 yen
Difference (B-A)	0 million yen	55 million yen	51 million yen	51 million yen	39 yen	0 yen
Percentage change	0.0%	2.4%	3.4%	3.4%	3.4%	—

2. Reasons for revision of earnings and distribution forecasts

Excluding the scheduled Transfer of assets, management performance so far in the current fiscal period has been trending largely in line with estimates. Given this, the Transfer and the consequent decline in recurring costs (*1) in the form of lower sales and general administrative expenses are expected to boost operating income by 55 million yen, and ordinary income and net income by 51 million yen compared to the original forecast. However, the Transfer is also expected to result in transfer-related losses and costs amounting to approximately 667 million yen (*2), as well as a decline of approximately 28 million yen in recurring expenses (*3) as a result of lower asset management fees to the asset management company and non-deductible consumption taxes. Based on all these factors, the revised forecast for the current Fiscal Period calls for a decline in operating income of 575 million yen from the previous forecast to 1,780 million yen, ordinary income decline of 587 million yen to 943 million yen, and net income decline of 587 million yen to 942 million yen.

With regards to distribution per investment unit, for losses arising from the Transfer and other related expenses (*2 above), the Investment Corporation plans to utilize the reserves for distribution (approximately 8 billion yen as of the end of 11th Fiscal Period) from negative goodwill. Thus, combined with the aforementioned decline in recurring expenses (*1 and *3), the distribution per unit is expected to rise by 60 yen from the November 15, 2011 forecast of 1,150 yen to 1,210 yen.

After utilization of reserves for distribution for losses arising from the Transfer, the outstanding balance of the reserve is expected to come to approximately 7.3 billion yen.

*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.