

November 8, 2013

To All Concerned Parties

REIT Issuer:

Japan Rental Housing Investments Inc.

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**Notice Concerning Earnings and Distribution Forecasts  
for the Fiscal Period Ending March 31, 2014**

Japan Rental Housing Investments Inc. (the “Investment Corporation”) hereby announces its earnings and distribution forecast for the 16th Fiscal Period ending March 31, 2014 (October 1, 2013 to March 31, 2014). Details are provided below.

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distribution per Unit	Distribution in Excess of Earnings per Unit
Fiscal Period ending March 31, 2014	6,440 million yen	2,960 million yen	2,286 million yen	2,285 million yen	1,580 yen	0 yen

[Note]

1. The earnings and distribution forecast for the Fiscal Period ending March 31, 2014 are based on the preconditions mentioned in “Preconditions for Earnings Forecasts of the 16th Fiscal Period (October 1, 2013 to March 31, 2014)” provided below.
2. Number of total investment units issued: 1,475,200 units
3. “Distribution per Unit” includes portions from reversal of applied Distribution Reserve (JPY 31 per unit).
4. Amounts are rounded down to the nearest specified unit.
5. The abovementioned figures are indicative of current forecast calculated under certain assumptions. Actual figures for operating revenues, operating income, ordinary income, net income and distribution per unit may differ from the forecast depending on such factors as additional acquisitions or sale of real estate and other properties in the future, trends in the real estate market and changes in other conditions surrounding the Investment Corporation. In addition, these forecasts of the Investment Corporation do not guarantee any actual distribution amount.
6. The Investment Corporation will immediately announce if there arise any events that should cause the earnings and distribution forecasts for the Fiscal Period ending March 31, 2014 (October 1, 2013 to March 31, 2014) to be revised.

English Translation

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

(Reference) Performance for the Fiscal Period Ended September 31, 2013 (April 1, 2013 to September 30, 2013)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distribution per Unit	Distribution in Excess of Earnings per Unit
Fiscal Period ended September 31, 2013	5,932 million yen	2,681 million yen	1,957 million yen	1,957 million yen	1,471 yen	0 yen

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

(Reference)

Preconditions for Earnings Forecast of the 16th Fiscal Period (October 1, 2013 to March 31, 2014)

Item	Preconditions
Dates	- 16th Fiscal Period (from October 1, 2013 to March 31, 2014) (182 days)
Portfolio Assets	<p>- It is assumed that, aside from the portfolio assets the Investment Corporation owns as of the end of the 15th Fiscal Period (September 30, 2013) comprising 177 properties and silent partnership equity interest investing in real estate beneficiary interest in trust, the Investment Corporation will acquire the following 7 properties (hereafter, collectively called the “Assets Scheduled for Acquisition”) in addition to the already acquired 2 properties (Renaissance 21 Hakata acquired on October 4, 2013 and Serenite Koshien acquired on October 18, 2013). For the Assets Scheduled for Acquisition, the Investment Corporation has already executed real estate trust beneficiary interest sales agreements, with the delivery dates scheduled as follows:</p> <p>&lt;Scheduled for delivery on November 29, 2013&gt; The Residence Honmoku Yokohama Bayside and Cresidence Sapporo Minamiyonjo</p> <p>&lt;Scheduled for delivery on December 25, 2013&gt; Lieto Court Asakusabashi, Lieto Court Marunouchi, Lieto Court Yotsuya and Lieto Court Motoakasaka</p> <p>&lt;Scheduled for delivery on March 6, 2014&gt; Granpark Tenjin</p> <p>After acquiring the above Assets Scheduled for Acquisition, the Investment Corporation assumes there will be no change in the portfolio assets through the end of March 2014. In practice, there may be fluctuations due to other property acquisitions or sale, etc.</p>
Number of Investment Units	<p>- It is assumed there will be 1,475,200 investment units, comprising the 1,330,800 investment units issued as of the end of the 15th Fiscal Period (September 30, 2013) plus 131,200 new investment units to be additionally issued through public offering and 13,200 units through third-party allotment, which were resolved at the Board of Directors Meeting, held on November 8, 2013.</p> <p>- Afterward, it is assumed there will be no change in the number of investment units through March 31, 2014.</p>
Operating Revenue /Operating Expenses	<p>- Operating revenues and operating expenses are calculated under the above assumptions for portfolio assets.</p> <p>- Of the property-related expenses, which are major operating expenses, expenses other than depreciation are calculated based on past results at owned properties as well as materials provided by previous owners and reflect fluctuation factors of the expenses.</p> <p>- Maintenance fee is assumed to be approximately 400 million yen.</p> <p>- For the expenditures for repair of buildings, the amount required in the relevant fiscal period is estimated, and is assumed to be approximately 315 million yen. Please note, however, the actual expenditures for repair could differ significantly from the estimated amount due to unexpected expenditures for repair possibly arising and other factors.</p> <p>- Taxes are assumed to be approximately 361 million yen.</p> <p>- Depreciation is calculated using the straight line method, including incidental expenses and additional future capital expenditures, and is assumed to be approximately 1,237 million yen for the fiscal period ended March 2014 (16th fiscal period).</p>

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Non-operating Expenses	<p>- Non-operating expenses are assumed to be approximately 749 million yen under the assumptions for the “interest-bearing debt” below, and are broken down as follows:</p> <ul style="list-style-type: none"> <li>(1) Interest expenses: 457 million yen</li> <li>(2) Finance-related costs: 285 million yen</li> <li>(3) Amortization of issuance costs of new units: 4 million yen</li> <li>(4) Other: 1 million yen</li> </ul> <p>Furthermore, expenses related to issuance of new investment units are planned to be amortized in 36 months by using the straight line method.</p>
Interest-Bearing Debt	<p>- As of the end of the 15th Fiscal Period (September 30, 2013), the Investment Corporation had a balance of 75,942 million in interest-bearing debt. The amount is 79,292 million yen (1,385 million yen in short-term loans and 77,902 million yen in long-term loans) after adding 3,350 million yen borrowed upon Renaissance 21 Hakata and Serenite Koshien as mentioned above and after conducting borrowing of funds and early repayment of loans on October 22, 2013. No repayment dates will arrive in the 16th Fiscal Period. It is assumed that the Investment Corporation will borrow funds for 6,600 million yen on December 25, 2013 and 4,900 million yen on March 6, 2014 for the acquisition of the Assets Scheduled for Acquisition.</p>
Distribution per Unit	<p>- Distribution per unit is calculated based on the cash distribution policy set out in the Investment Corporation’s Articles of Incorporation. For the 16th Fiscal Period, it is assumed the Investment Corporation will make total distributions of 2,330 million yen (1,580 yen per unit) by utilizing 45 million yen in reserve for distributions (balance after this utilization; 7,020 million) to add to 2,285 million in net income, in consideration of the dilution as a result of issuing new investment units.</p>
Distribution in Excess of Earnings per Unit	<p>- At present, the Investment Corporation does not plan to make cash distribution in excess of earnings.</p>
Other	<p>- The forecast is based on the assumption that no revisions impacting the forecast figures above will be made to laws and regulations, the tax system, accounting standards, the listing rules, or the rules of the Investment Trusts Association, Japan, etc.</p> <p>- It is also assumed there will be no unexpected material change in general economic trends, the real estate market conditions, etc.</p>