Japan Rental Housing Investments Inc.

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

November 8, 2013

REIT Issuer:
Japan Rental Housing Investments Inc.
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JRH News Release

Japan Rental Housing Investments Inc. Announces 15th Fiscal Period Results

Japan Rental Housing Investments Inc. (hereinafter "JRH", Securities Code: 8986) today announced its financial results for the 15th Fiscal Period, commencing April 1, 2013 and ending September 30, 2013.

(Unit; rounded down, %; rounded) *Percentages indicate changes over the previous fiscal period

1. Performance for the 15th Fiscal Period (April 1, 2013 to September 30, 2013)

(1) Operating Results

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Million yen	%*	Million yen	%*	Million yen	%*	Million yen	%*
15th Fiscal Period	5,932	(0.3)	2,681	(-2.1)	1,957	(0.7)	1,957	(0.7)
14th Fiscal Period	5,915	(2.1)	2,737	(21.4)	1,943	(33.6)	1,942	(33.6)

	Net Income per Unit	Return on Unitholders' Equity (ROE)	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
15th Fiscal Period	1,470	2.3	1.2	33.0
14th Fiscal Period	1,459	2.3	1.2	32.9

(2) Distributions

	Distribution per Unit	Total Distributions	Distribution in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Net Assets
	Yen	Million yen	Yen	Yen	%	%
15th Fiscal Period	1,471	1,957	0	0	100.1	2.3
14th Fiscal Period	1,471	1,957	0	0	100.8	2.3

(Note 1) The distribution amount for the fiscal period ended March 2013 is done by the appropriation of 14 million yen from distribution reserves, and differs from net earnings.

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(3) Financial Position

	Total Assets	Net Assets	Unitholders' Equity to Total Assets	Net Assets per Unit
	Million yen	Million yen	%	%
15th Fiscal Period	164,905	86,299	52.3	64,847
14th Fiscal Period	164,901	86,150	52.3	64,736

(4) Cash Flow Position

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Period
	Million yen	Million yen	Million yen	Million yen
15th Fiscal Period	2,662	-735	-1,957	11,151
14th Fiscal Period	3,510	-345	-1,958	11,182

(yen; rounded down, %; rounded) *Percentages indicate changes over the previous fiscal period

2. Forecast of Results for the 16th Fiscal Period (October 1, 2013 to March 31, 2014)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Distribution per Unit	Distribution in Excess of Earnings per Unit
	Million yen	%*	Million yen	%*	Million yen	%*	Million yen	%*	Yen	Yen
16th Fiscal Period	6,440	8.6	2,960	10.4	2,286	16.8	2,285	16.8	1,580	0

Reference: Estimated net income per unit for the fiscal period: 1,549 yen

3.Other

(1) Changes in Accounting Policies, Changes in Accounting Estimates, and Retrospective Restatement

(i) Changes in Accounting Policies accompanying Amendments to Accounting Standards: No
(ii) Changes in Accounting Policies accompanying other than (i): No
(iii) Changes in Accounting Estimates: No
(iv) Retrospective Restatement: No

(2) Number of Investment Units Issued and Outstanding

(i) The number of investment units issued and outstanding (including treasury investment units) was 1,330,800 units at the end of the 15th Fiscal Period and 1,330,800 units at the end of the 14th Fiscal Period.
(ii)The number of treasury investment units was 0 units at the end of the 15th Fiscal Period and 0 units at the end of the 14th Fiscal Period.

* Details of the status on implementation of audit procedures
This earnings summary does not fall under the purview of audit procedures as outlined under the Financial Instruments and Exchange Act. The disclosures made in this earnings summary are not complete as per the audit procedures outlined in the Financial Instruments and Exchange Act.

Descriptions with regard to future issues including the forecast of operating results are based on the current information held by JRH and certain assumptions deemed reasonable. The actual operating results may materially differ from the forecast for various reasons. The forecast is not intended to assure the amount of distributions to investors.

For details on the preconditions, please refer to the "Preconditions for Earnings Forecasts of the 16th Fiscal Periods".

Preconditions for Earnings Forecasts of the 16th Fiscal Periods (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	- 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: <Scheduled for delivery on November 29, 2013> The Residence Honmoku Yokohama Bayside and Cresidence Sapporo Minamiyonjo <Scheduled for delivery on December 25, 2013> Lieto Court Asakusabashi, Lieto Court Marunouchi, Lieto Court Yotsuya and Lieto Court Motoakasaka <Scheduled for delivery on March 6, 2014> Granpark Tenjin 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.
Number of Investment Units	- 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. - Afterward, it is assumed there will be no change in the number of investment units through March 31, 2014.
Operating Revenue /Operating Expenses	- Operating revenues and operating expenses are calculated under the above assumptions for portfolio assets. - 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. - Maintenance fee is assumed to be approximately 400 million yen. - 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. - Taxes are assumed to be approximately 361 million yen. - 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).

Non-operating Expenses	- 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: (1) Interest expenses: 457 million yen (2) Finance-related costs: 285 million yen (3)Amortization of issuance costs of new units: 4 million yen (4) Other: 1 million yen Furthermore, expenses related to issuance of new investment units are planned to be amortized in 36 months by using the straight line method.
Interest-Bearing Debt	- 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.
Distribution per Unit	- 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 to add to 2,285 million in net income, in consideration of the dilution as a result of issuing new investment units.
Distribution in Excess of Earnings per Unit	- At present, the Investment Corporation does not plan to make cash distribution in excess of earnings.
Other	- 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. - It is also assumed there will be no unexpected material change in general economic trends, the real estate market conditions, etc.

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1. Financial Statements

(1) Balance Sheets

(Thousand yen)

	14th Fiscal Period (as of March 31, 2013)	15th Fiscal Period (as of September 30, 2013)
Assets:		
Current assets:		
Cash and bank deposits	7,274,991	7,809,235
Cash and bank deposits in trust	3,907,443	3,342,558
Rental receivables	115,774	112,416
Prepaid expenses	355,632	481,848
Other current assets	1,300	1,294
Allowance for doubtful accounts	-31,448	-30,733
Total current assets	11,623,694	11,716,619
Fixed assets:		
Property and equipment:		
Buildings	17,281,206	17,658,452
Accumulated depreciation	-1,392,894	-1,629,532
Buildings, net	15,888,311	16,028,919
Structures	76,673	77,598
Accumulated depreciation	-12,862	-15,321
Structures, net	63,810	62,277
Machinery and equipment	52,387	61,454
Accumulated depreciation	-11,090	-15,247
Machinery and equipment, net	41,297	46,206
Tools, furniture and fixtures	46,207	51,811
Accumulated depreciation	-20,538	-24,558
Tools, furniture and fixtures, net	25,668	27,253
Land	15,176,149	15,675,310
Construction in progress	1,720	19,287
Buildings in trust	67,756,083	67,516,318
Accumulated depreciation	-8,556,586	-9,382,311
Buildings in trust, net	59,199,497	58,134,006
Structures in trust	258,399	260,277
Accumulated depreciation	-64,120	-71,979
Structures in trust, net	194,278	188,298
Machinery and equipment in trust	439,659	431,092
Accumulated depreciation	-91,931	-100,102
Machinery and equipment in trust, net	347,728	330,989
Tools, furniture and fixtures in trust	214,794	229,987
Accumulated depreciation	-86,233	-103,210
Tools, furniture and fixtures in trust, net	128,561	126,776
Land in trust	60,719,738	60,237,420
Construction in progress in trust	-	2,205
Total property and equipment	151,786,762	150,878,951

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(Thousand yen)

	14th Fiscal Period (as of March 31, 2013)	15th Fiscal Period (as of September 30, 2013)
Intangible assets:		
Right of using water facilities	109	103
Leasehold for land in trust	546,283	546,283
Right of using water facilities in trust	450	424
Trademark rights	973	899
Total intangible assets	547,817	547,711
Investments and other assets:		
Investment securities	-	520,000
Guaranteed securities deposited	9,361	9,417
Lease deposits	712	712
Long-term prepaid expenses	750,234	986,556
Derivatives	-	53,996
Reserve fund for repair	181,206	191,079
Total investments and other assets	941,515	1,761,762
Total fixed assets	153,276,095	153,188,425
Deferred assets:		
Issuance costs of new units	1,478	-
Total deferred assets	1,478	-
Total assets	164,901,269	164,905,044
Liabilities:		
Current liabilities:		
Accounts payable	222,295	210,074
Current portion of long-term debt	26,204,023	14,165,011
Other accounts payable	23,670	44,078
Accrued expenses	279,234	278,056
Income taxes payable	572	574
Consumption tax payable	19,122	7,132
Rents received in advance	636,572	627,409
Other current liabilities	17,420	15,802
Total current liabilities	27,402,910	15,348,140
Long-term liabilities:		
Long-term loans	49,738,203	61,777,111
Deferred tax liabilities	-	18,445
Leasehold and security deposits received	328,996	338,037
Leasehold and security deposits received in trust	1,166,924	1,124,113
Derivatives liabilities	113,391	-
Total long-term liabilities	51,347,515	63,257,708
Total liabilities	78,750,425	78,605,848

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(Thousand yen)

	14th Fiscal Period (as of March 31, 2013)	15th Fiscal Period (as of September 30, 2013)
Net assets:		
Unitholders' equity:		
Unitholders' capital	70,557,688	70,557,688
Surplus:		
Capital surplus	6,682,398	6,682,398
Reserves for distributions	7,080,430	7,065,809
Retained earnings	1,943,717	1,957,748
Total surplus	15,706,546	15,705,956
Total unitholders' equity	86,264,234	86,263,644
Valuation and translation adjustments		
Deferred gains or losses on hedges	-113,391	35,551
Total valuation and translation adjustments	-113,391	35,551
Total net assets	86,150,843	86,299,196
Total liabilities and net assets	164,901,269	164,905,044

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(2) Statements of Income

(Thousand yen)

	14th Fiscal Period (From October 1, 2012 to March 31, 2013)	15th Fiscal Period (From April 1 to September 30, 2013)
Operating revenues:		
Rental revenues	5,915,775	5,932,200
Total operating revenues	5,915,775	5,932,200
Operating expenses:		
Rental expenses	2,545,039	2,597,160
Losses from sales of properties	11,787	-
Asset management fees	389,100	391,100
Directors' remuneration	8,400	8,400
Asset custody fees	10,434	10,485
Administrative service fees	34,585	32,626
Auditor's fees	15,000	15,200
Provision for doubtful accounts	1,279	3,709
Write off of accounts receivable	164	-
Other operating expenses	162,396	192,380
Total operating expenses	3,178,186	3,251,063
Operating income	2,737,588	2,681,137
Non-operating income:		
Interest income	658	614
Miscellaneous income	3,327	8,029
Total non-operating income	3,986	8,644
Non-operating expenses:		
Interest expenses	548,451	483,215
Finance-related expenses	243,606	245,892
Amortization of issuance costs of new units	4,436	1,478
Other non-operating expenses	1,602	1,573
Total non-operating expenses	798,098	732,160
Ordinary income	1,943,476	1,957,621
Income before income taxes	1,943,476	1,957,621
Income taxes – current	605	605
Total income taxes	605	605
Net income	1,942,871	1,957,016
Retained earnings at beginning of the period	845	731
Unappropriated retained earnings	1,943,717	1,957,748

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(3) Statements of Changes in Net Assets

(Thousand yen)

	14th Fiscal Period (From October 1, 2012 to March 31, 2013)	15th Fiscal Period (From April 1 to September 30, 2013)
Unitholders' equity		
Unitholders' capital		
Balance at the beginning of the period	70,557,688	70,557,688
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of the period	70,557,688	70,557,688
Surplus		
Capital surplus		
Balance at the beginning of the period	6,682,398	6,682,398
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of the period	6,682,398	6,682,398
Reserves for distribution		
Balance at the beginning of the period	7,389,463	7,080,430
Changes of items during the period		
Reversal of reverse for distribution	-309,032	-14,620
Total changes of items during the period	-309,032	-14,620
Balance at the end of the period	7,080,430	7,065,809
Unappropriated retained earnings (accumulated deficit)		
Balance at the beginning of the period	1,455,123	1,943,717
Total changes of items during the period		
Reversal of reserve for distribution	309,032	14,620
Cash dividends paid	-1,763,310	-1,957,606
Net income	1,942,871	1,957,016
Total changes of items during the period	488,594	14,030
Balance at the end of the period	1,943,717	1,957,748
Total surplus		
Balance at the beginning of the period	15,526,984	15,706,546
Changes of items during the period		
Reversal of reserve for distribution	-	-
Cash dividends paid	-1,763,310	-1,957,606
Net income	1,942,871	1,957,016
Total changes of items during the period	179,561	-590
Balance at the end of the period	15,706,546	15,705,956

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(Thousand yen)

	14th Fiscal Period (From October 1, 2012 to March 31, 2013)	15th Fiscal Period (From April 1 to September 30, 2013)
Total unitholders' equity		
Balance at the beginning of the period	86,084,672	86,264,234
Changes of items during the period		
Cash dividends paid	-1,763,310	-1,957,606
Net income	1,942,871	1,957,016
Total changes of items during the period	179,561	-590
Balance at the end of the period	86,264,234	86,263,644
Deferred gains or losses on hedges		
Balance at the beginning of the period	-	-113,391
Changes of items during the period		
Net changes of items other than shareholders' equity	-113,391	148,943
Total changes of items during the period	-113,391	148,943
Balance at the end of the period	-113,391	35,551
Total valuation and translation adjustments		
Balance at the beginning of the period	-	-113,391
Changes of items during the period		
Net changes of items other than shareholders' equity	-113,391	148,943
Total changes of items during the period	-113,391	148,943
Balance at the end of the period	-113,391	35,551
Total net assets		
Balance at the beginning of the period	86,084,672	86,150,843
Changes of items during the period		
Cash dividends paid	-1,763,310	-1,957,606
Net income	1,942,871	1,957,016
Valuation and translation adjustments	-113,391	148,943
Total changes of items during the period	66,170	148,352
Balance at the end of the period	86,150,843	86,299,196

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(4) Statements of Cash Flows

(Thousand yen)

	14th Fiscal Period (From October 1, 2012 to March 31, 2013)	15th Fiscal Period (From April 1 to September 30, 2013)
Cash flows from operating activities:		
Income before income taxes	1,943,476	1,957,621
Depreciation	1,103,000	1,106,039
Amortization of long-term prepaid expenses	212,855	214,145
Amortization of issuance costs of new units	4,436	1,478
Interest income	-658	-614
Interest expenses	548,451	483,215
Increase (Decrease) in allowance for doubtful accounts	-7,539	-715
Decrease (Increase) in rental receivables	-1,616	3,358
Decrease (Increase) in prepaid expenses	30,541	-22,589
Increase (Decrease) in accounts payable	-9,755	-28,899
Increase (Decrease) in other accounts payable	-17,482	20,128
Increase (Decrease) in accrued expenses	13,423	2,486
Increase (Decrease) in rents received in advance	-5,525	-9,163
Decrease from sales of property and equipment in trust	334,436	-
Long-term prepaid expenses paid	-123,900	-554,093
Other – net	30,102	-23,454
Sub-total	4,054,248	3,148,942
Interest received	658	614
Interest paid	-543,612	-486,880
Income taxes paid	-597	-602
Net cash provided by operating activities	3,510,696	2,662,074
Cash flows from investing activities :		
Purchase of property and equipment	-137,912	-88,687
Purchase of property and equipment in trust	-195,504	-92,829
Purchase of investment securities	-	-520,000
Net increase (decrease) in leasehold and security deposits received	11,890	9,041
Net increase (decrease) in leasehold and security deposits received in trust	-24,228	-42,810
Net cash used in investing activities	-345,755	-735,286
Cash flows from financing activities:		
Proceeds from long-term loans	3,850,000	26,203,920
Repayment of long-term loans	-4,044,253	-26,204,023
Dividends paid	-1,763,859	-1,957,326
Net cash provided by (used in) financing activities	-1,958,113	-1,957,429
Net increase (decrease) in cash and cash equivalents	1,206,828	-30,641
Cash and cash equivalents at beginning of period	9,975,606	11,182,434
Cash and cash equivalents at end of period	11,182,434	11,151,793

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

This document contains translations of selected information described in the captioned report (Most recent financial statements).

This English language document was provided solely for the convenience of and reference by non-Japanese investors, and it neither corresponds to the original Japanese report nor is intended to constitute a disclosure document.

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The financial information of Japan Rental Housing Investments Inc. has been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP) which may materially differ in certain respect from generally accepted accounting principles in other jurisdictions.

Many provisions of this document contain forward-looking information. We base this information on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because this information reflects our current views concerning future events, this information involve known and unknown risks, uncertainties and assumptions. Our future performance could materially differ from those set out in this forward looking information. We do not undertake and will not undertake to release revision of forward looking information to reflect future events or circumstances or of any other information contained herein.