日本賃貸住宅投資法人
Japan Rental Housing Investments Inc.

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

November 8, 2013

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.
Yutaka Higashino, President and Chief Executive Officer
Inquiries: Atsushi Chikamochi, Chief Financial Officer
Tel: +81-3-5425-5600

# Notice Concerning Issuance of New Investment Units and Secondary Offering

Japan Rental Housing Investment Inc. (the "Investment Corporation") hereby announces the following resolution decided at a meeting of its Board of Directors held on November 8, 2013 regarding the issuance of new investment units and secondary offering. Details are provided below.

1. Issuance of new investment units through public offering (primary offering through the Underwriters)
   (1) Total number of units to be offered
   131,200 units
   (2) Amount to be paid in (purchase price)
   To be determined
   The amount to be paid in (purchase price) shall be determined at a Board of Directors' meeting to be held on any day between November 19, 2013 (Tuesday) and November 22, 2013 (Friday) (the "Pricing Date").
   (3) Total amount to be paid in (total purchase price)
   To be determined
   (4) Offering method
   Investment units shall be offered through a primary offering, and all investment units shall be underwritten and purchased by SMBC Nikko Securities Inc. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (the "Joint Lead Managers") as well as by Daiwa Securities Co., Ltd., Nomura Securities Co., Ltd., Mizuho Securities Co., Ltd. and Merrill Lynch Japan Securities Co., Ltd. (together with the Joint Lead Managers, collectively the "Underwriters").
   The issue price (offer price) of the primary offering shall be determined at the Board of Directors' meeting to be held on the Pricing Date after taking into account conditions of demand and other factors by multiplying the closing price (if there was no closing price on said day, then the closing price of the day immediately preceding that day) of the Investment Corporation's investment units (the "Investment Units") in regular trading on the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") by between 0.90 to 1.00, and taking the resulting price (rounding all fractions down to the nearest yen) as a tentative price range, in accordance with the method stipulated in Article 25 of the Regulations Concerning Securities Underwriting, etc. of the Japan Securities Dealers Association (JSDA).
   (5) Underwriting agreement
   The Underwriters shall pay the Investment Corporation the total amount to be paid in (total purchase price) on the Payment Date indicated in (8) below and the aggregate amount of the difference between the total issue price (offer price) of the primary offering and the total amount to be paid in (total purchase price) shall be the proceeds for the Underwriters.
   (6) Offering unit
   One unit or more in multiples of one unit.
   (7) Offering period
   From the next business day of the Pricing Date to two business days following the Pricing Date.

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

(8) Payment date
Any of the days between November 26, 2013 (Tuesday) and November 29, 2013 (Friday), which shall be five business days after the Pricing Date.

(9) Delivery date
The business day following the Payment Date indicated in (8) above.

(10) The amount to be paid in (purchase price) and other necessary items concerning the issuance of new investment units shall be determined at a future Board of Directors' meeting.

(11) This primary offering shall be canceled upon the cancelation of offering through the Underwriters (secondary offering).

(12) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

2. Secondary offering (secondary offering through the Underwriters)

(1) Seller and the number of units to be offered

| | |
|---|---|
| Apple Ringo Holdings BV | 62,244 units |
| Ringo Residential TMK | 47,956 units |
| Japan Trustee Services Bank, Ltd. (trust account) | 21,000 units |

(2) Offer price
To be determined
The offer price shall be determined after taking into account conditions of demand and other factors by multiplying the closing price (if there was no closing price on said day, then the closing price of the day immediately preceding that day) of the Investment Units in regular trading on the Tokyo Stock Exchange by between 0.90 to 1.00, and taking the resulting price (rounding all fractions down to the nearest yen) as a tentative price range, in accordance with the method stipulated in Article 25 of the Regulations Concerning Securities Underwriting, etc. of the Japan Securities Dealers Association (JSDA). Furthermore, the offer price shall be the same as the issue price (offer price) of the primary offering.

(3) Total offer price
To be determined

(4) Offering method
The Investment Units shall be offered through the Underwriters and all Investment Units shall be purchased by the Underwriters. The Underwriters shall pay each seller the amount whereby the number of units the seller is offering is multiplied by the underwriting price on the delivery date. The difference between the total offer price and the total underwriting price shall be the proceeds of the Underwriters. The sellers shall not pay underwriting fees to the Underwriters. Furthermore, the underwriting price shall be the same as the issue price (offer price) of the primary offering.

(5) Offering unit
One unit or more in multiples of one unit.

(6) Offering period
The same period as the offering period for the primary offering indicated in 1. (7) above.

(7) Delivery date
The same period as the delivery date for the primary offering indicated in 1. (9) above.

(8) The offer price and other matters necessary for the secondary offering shall be determined at a future Board of Directors' meeting.

(9) The secondary offering through the Underwriters shall be canceled upon the cancelation of the primary offering.

(10) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

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

3. Secondary offering (through over-allotment)

(1) Seller

SMBC Nikko Securities Inc.

(2) Number of units to be offered

13, 200 units

The above number represents the maximum number of investment units to be offered through secondary offering through over-allotment. The number may decrease, or the secondary offering through over-allotment itself may be cancelled at all due to conditions of demand and other factors. The number of units to be offered will be determined at the Board of Directors' meeting to be held on the Pricing Date, taking into consideration of condition of demand and other factors.

(3) Offer price

To be determined

The offer price shall be determined at the Board of Directors' meeting to be held on the Pricing Date. The offer price shall be the same as the issue price (offer price) of the primary offering.

(4) Total offer price

To be determined

(5) Offering method

In consideration of the condition of demand of the primary offering and secondary offering through the Underwriters, SMBC Nikko Securities Inc. shall conduct a secondary offering separate from the primary offering and secondary offering through the Underwriters of up to 13,200 units that it will borrow from the Investment Corporation's unitholder Japan Trustee Services Bank, Ltd. (the "Borrowed Investment Units").

(6) Offering unit

One unit or more in multiples of one unit.

(7) Offering period

The same period as the offering period for the primary offering indicated in 1. (7) above.

(8) Delivery date

The same period as the delivery date for the primary offering indicated in 1. (9) above.

(9) The offer price and other matters necessary for the secondary offering through over-allotment shall be determined at a future Board of Directors' meeting.

(10) The secondary offering through over-allotment shall be canceled upon the cancelation of the primary offering or of the secondary offering through the Underwriters.

(11) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

4. Issuance of new investment units through third-party allotment

(1) Total number of units to be offered

13,200 units

(2) Amount to be paid in (purchase price)

To be determined

The amount to be paid in (purchase price) shall be determined at the Board of Directors' meeting to be held on the Pricing Date and shall be the same as the amount to be paid in (purchase price) for the primary offering.

(3) Allottee and number of units to be issued to the allottee

SMBC Nikko Securities Inc. 13,200 units

(4) Total amount to be paid in (total purchase price)

To be determined

(5) Offering unit

One unit or more in multiples of one unit.

(6) Offering period (offering date)

December 17, 2013 (Tuesday)

(7) Payment date

December 18, 2013 (Wednesday)

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

(8) If there is no subscription for investment units to be issued by the end of the offering period (offering date) in (6) above, issuance of such investment units shall be canceled.
(9) The amount to be paid in (purchase price) and other necessary items concerning the issuance of new investment units shall be determined at a future Board of Directors' meeting.
(10) The issuance of new investment units through over-allotment shall be canceled upon the cancelation of the primary offering or of the secondary offering through the Underwriters.
(11) The above items shall be subject to requisite completion of filing of the securities registration statement in accordance with the Financial Instruments and Exchange Act.

*URL: http://www.irhi.co.jp.en/

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

<Reference>

1. Details of the secondary offering through over-allotment, etc.

In consideration of the demand of the primary offering and secondary offering through the Underwriters, SMBC Nikko Securities Inc. may conduct a secondary offering (secondary offering through over-allotment) separate from the primary offering and secondary offering through the Underwriters of up to 13,200 units that it will borrow from the Investment Corporation's unitholder Japan Trustee Services Bank, Ltd. The number of investment units to be offered represents the maximum number and may be reduced or the secondary offering through over-allotment itself may be canceled entirely depending on conditions of demand and other factors.

In relation to the secondary offering through over-allotment, in order for SMBC Nikko Securities Inc. to obtain the Investment Units necessary to return the Borrowed Investment Units, the Investment Corporation resolved at its Board of Directors' meeting held on November 8, 2013 (Friday) to issue 13,200 new investment units through a third-party allotment (the "Third-Party Allotment") with SMBC Nikko Securities Inc. as the allottee and with December 18, 2013 (Wednesday) as the payment date.

In addition, for the purpose of returning the Borrowed Investment Units, SMBC Nikko Securities Inc. may purchase the Investment Units up to the number to be offered in the secondary offering through over-allotment on the Tokyo Stock Exchange (the "Syndicate Covering Transactions") during the period beginning on the day immediately following the last day of the offering period for the primary offering, secondary offering through the Underwriters and secondary offering through over-allotment and ending on December 12, 2013 (Thursday) (the "Syndicate Covering Transaction Period"). All units purchased by SMBC Nikko Securities Inc. through the Syndicate Covering Transaction shall be applied to the return of the Borrowed Investment Units. Even during the Syndicate Covering Transaction Period, SMBC Nikko Securities Inc. may, at its discretion, not conduct the Syndicate Covering Transactions at all or end the Syndicate Covering Transactions even if the number of units is less than the number of units to be sold in the secondary offering through over-allotment.

Furthermore, it is possible that SMBC Nikko Securities Inc. will conduct stabilizing transactions along with the primary offering, secondary offering through the Underwriters and secondary offering through over-allotment, and use the Investment Units purchased through such stabilizing transactions to return all or part of the Borrowed Investment Units.

Regarding the Investment Units for the secondary offering through over-allotment remaining after subtracting the units acquired through Stabilizing Transactions and Syndicate Covering Transactions to be used to return the Borrowed Investment Units, SMBC Nikko Securities Inc. intends to accept the allotment of the Third-Party Allotment and acquire the Investment Units. Therefore, if there is no subscription for part or all of the Investment Units to be issued in the Third-Party Allotment, the number of the Investment Units with respect to the Third-Party Allotment may be reduced to that extent due to forfeiture, or the issuance itself may be canceled entirely.

Whether the secondary offering through over-allotment takes place or not, or the number of the Investment Units to be offered if the secondary offering through over-allotment takes place shall be determined on the Pricing Date. If the secondary offering through the over-allotment does not take place, SMBC Nikko Securities Inc. will not borrow the Investment Units from the abovementioned unitholders of the Investment Corporation. Accordingly, as SMBC Nikko Securities Inc. will not accept the allotment of the Third-Party Allotment and subscribe, there will be no issuance of new investment units for the Third-Party Allotment due to forfeiture. There will also be no Syndicate Cover Transactions at the Tokyo Stock Exchange.

The above transaction shall be conducted by SMBC Nikko Securities Inc. after consultation with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

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

2. Total number of investment units issued after new issuance

| | |
|---|---|
| Total investment units issued (as of November 8, 2013) | 1,330,800 units |
| Increase in investment units by primary offering | 131,200 units |
| Total investment units issued after primary offering | 1,462,000 units |
| Increase in investment units by Third-Party Allotment | 13,200 units (Note) |
| Total investment units issued after third-party allotment | 1,475,200 units (Note) |

(Note) The number of investment units stated is for the case where SMBC Nikko Securities Inc. subscribes for all the investment units of the Third-Party Allotment and those investment units are subsequently issued.

3. Reason for and purpose of issuance

The issuance of new investment units was determined for the purpose of using the funds obtained from the issuance for the acquisition of new specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations; "Investment Trusts Act" the same follows), thereby expanding the asset size and improving the quality of the portfolio while considering factors such as securing acquisition capacity for agile acquisitions of specified assets in the future that will contribute to the Investment Corporation's growth in the medium to long term while securing financial stability, as well as real estate transaction market, market trends, the level of dividend per unit, LTV, etc. The Investment Corporation aims to improve the liquidity of the Investment Units through secondary offering through major unitholders of the Investment Corporation at the same time as the fund procurement through the issuance of new investment units.

(Note) For the details of the said specified assets, please refer to the press release "Notice Concerning Acquisition of Asset" dated today.

4. Total amount to be procured, use of funds and scheduled expenditure date

(1) Amount to be procured (approximate net amount to be obtained)

¥9,361,000,000 (maximum)

(Note) The amount represents the combined amount of ¥8,506,000,000 in proceeds the Investment Corporation will receive from the primary offering and the maximum amount of ¥855,000,000 the Investment Corporation will receive from the issuance of new investment units from the Third-Party Allotment. This sum is an estimate based on the closing price of the Investment Units in ordinary trading at the Tokyo Stock Exchange as of October 24, 2013 (Thursday).

(2) Particulars of use of funds and the scheduled expenditure date

The Investment Corporation will allot the ¥8,506,000,000 of proceeds from the primary offering as well as the maximum of ¥855,000,000 of proceeds from the issuance of new investment units through the Third-Party Allotment which was resolved on the same day as the primary offering to part of the funds for the acquisition of specified assets to be acquired indicated in the press release "Notice Concerning Acquisition of Assets" dated today.

(Note) The above figures are estimates based on the closing price of the Investment Units in ordinary trading at the Tokyo Stock Exchange as of October 24, 2013 (Thursday).

5. Designated destination of distribution

None

6. Forecast

The forecast is as stated in the Financial Report of the fifteenth fiscal period.

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

7. Operating status of past three fiscal periods and status of equity financing

(1) Operating status of past three fiscal periods

| | Thirteenth Fiscal Period | Fourteenth Fiscal Period | Fifteenth Fiscal Period (Note 4) |
|---|---|---|---|
| Net income per unit (Note 2) | 1,092 yen | 1,459 yen | 1,459 yen |
| Dividend per unit | 1,325 yen | 1,471 yen | 1,471 yen |
| Actual payout ratio (Note 3) | 121.3% | 100.8% | 100.0% |
| Net assets per unit | 64,686 yen | 64,736 yen | 64,847 yen |

(Note 1) Monetary amounts are rounded down to the nearest whole number and percentages are rounded to the nearest first decimal place.

(Note 2) Net income per unit is calculated by dividing net income by the average number of units issued during the fiscal period.

(Note 3) Actual payout ratio is calculated using the following formula.

Actual payout ratio = Total dividends ÷ Net income × 100

(Note 4) Figures for the fifteenth fiscal period have been audited by an independent auditor based on the provisions of Article 130 of the Investment Trusts Act and have not been audited based on the provisions of Article 193-2 Paragraph 1 of the Financial Instruments and Exchange Act of Japan.

(2) Recent status of investment unit price

1) Unit price for the last three fiscal periods

| | Thirteenth Fiscal Period | Fourteenth Fiscal Period | Fifteenth Fiscal Period |
|---|---|---|---|
| Opening price | 36,900 yen | 42,800 yen | 79,400 yen |
| High | 44,250 yen | 82,300 yen | 81,000 yen |
| Low | 34,000 yen | 42,500 yen | 58,600 yen |
| Closing price | 43,000 yen | 79,000 yen | 73,000 yen |

2) Unit price for last six months

| | June 2013 | July 2013 | August 2013 | September 2013 | October 2013 | November 2013 (Note) |
|---|---|---|---|---|---|---|
| Opening price | 69,000 yen | 70,200 yen | 67,200 yen | 65,600 yen | 71,500 yen | 71,000 yen |
| High | 70,800 yen | 71,100 yen | 68,900 yen | 73,500 yen | 72,400 yen | 71,900 yen |
| Low | 61,100 yen | 65,500 yen | 62,000 yen | 64,900 yen | 66,800 yen | 66,700 yen |
| Closing price | 70,700 yen | 66,800 yen | 65,000 yen | 73,000 yen | 71,800 yen | 67,300 yen |

(Note) The investment unit prices from November 1, 2013 to November 7, 2013 are indicated.

3) Unit price as of the previous business day of resolution date of issuance

| | November 7, 2013 |
|---|---|
| Opening price | 69,600 yen |
| High | 69,600 yen |
| Low | 66,700 yen |
| Closing price | 67,300 yen |

(3) Status of equity financing in the last three fiscal periods

None

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

8. Other (restrictions on sale, additional issuance, etc.)

1) Apple Ringo Holdings BV, one of the sellers, is a unitholder with 555,173 units of the Investment Units as of November 8, 2013. In connection with the public offering and secondary offering through the Underwriters, Apple Ringo Holdings BV agrees not to sell the Investment Units which it holds for the period beginning on the Pricing Date for the primary offering and secondary offering through the Underwriters and lasting for a period of 90 days after the delivery date, without obtaining the prior written consent of the Joint Lead Managers (however, excluding the secondary offering through the Underwriters and sale to Apple Ringo Ventures 1 Limited (wholly-owned subsidiary) under the condition that it commits to be subject to the same obligations as the restrictions regarding sale imposed on Apple Ringo Holdings BV).

2) Japan Trustee Services Bank, Ltd. (trust account), one of the sellers, is a unitholder with 114,819 units of the Investment Units as of November 8, 2013. In connection with the primary offering and secondary offering through the Underwriters, Japan Trustee Services Bank, Ltd. (trust account) agrees not to sell the Investment Units which it holds for the period beginning on the Pricing Date for the primary offering and secondary offering through the Underwriters and lasting for a period of 90 days after the delivery date, without obtaining the prior written consent of the Joint Lead Managers (however, excluding the secondary offering through the Underwriters).

3) The Asset Management Company is a unitholder with 606 units of the Investment Units as of November 8, 2013. In connection with the primary offering and secondary offering through the Underwriters, the Asset Management Company agrees not to sell the Investment Units which it holds for the period beginning on the Pricing Date for the primary offering and secondary offering through the Underwriters and lasting for a period of 90 days after the delivery date, without obtaining the prior written consent of the Joint Lead Managers.

4) In connection with the primary offering and secondary offering through the Underwriters, the Investment Corporation agrees not to additionally issue the Investment Units for the period beginning on the Pricing Date for the primary offering and secondary offering through the Underwriters and lasting for a period of 90 days after the Pricing Date, without obtaining the prior written consent of the Joint Lead Managers (however, excluding the primary offering, the Third-Party Allotment and issuance of the Investment Units accompanying the split of the Investment Units).

5) The Joint Lead Managers have the right to cancel all or part of or to shorten the period of the above restrictions in (1) through (4) above at their own discretion.