

[TRANSLATION]

March 26, 2010

To All Concerned Parties:

REIT Issuer
Japan Rental Housing Investments Inc.
Clover Shibakoen Bldg.
1-3-12 Shiba-Koen
Minato-ku, Tokyo, Japan
Takao Sakuma, Executive Director
(Securities Code: 8986)
Asset Management Company
Mi-Casa Asset Management Inc.
Yutaka Higashino, President and Chief Executive Officer
Inquiries: Aki Sadahiro, Manager
TEL: +81-3-5425-5600

REIT Issuer
Prospect Reit Investment Corporation
2-2-1 Marunouchi
Chiyoda-ku, Tokyo, Japan
Takeo Nishiyoshi, Executive Director
(Securities Code: 8969)
Asset Management Company
Prospect Reit Advisors, Co., Ltd.
Akio Tsukishima, President and Chief Executive Officer
Inquiries: Shinji Takase, General Manager, Finance Department
TEL: +81-3-5221-8080

Notice Concerning Execution of Agreement regarding Integration of Asset Management Companies

Japan Rental Housing Investments Inc.(hereinafter referred to as “**JRH**”); Mi-Casa Asset Management Inc. (hereinafter referred to as “**MAM**”), which is an asset management company of JRH; Prospect Reit Investment Corporation (hereinafter referred to as “**PRI**”); Prospect Reit Advisors, Co., Ltd. (hereinafter referred to as “**PRA**”), which is an asset management company of PRI; and K.K. Prospect (hereinafter referred to as “**KKP**”), which is the sole shareholder of PRA, entered into the Letter of Intent regarding the integration of MAM and PRA (hereinafter referred to as the “**AM Integration**”), as announced in “Notice Concerning Execution of Letter of Intent regarding Integration of Asset Management Companies” released on February 26, 2010 and continued discussion thereafter.

As a result, MAM and PRA hereby announce that they have both decided, at their respective board of directors’ meetings held on March 26, 2010, to execute a Share Transfer Agreement (hereinafter referred to as the “**AM Share Transfer Agreement**”) and a Merger Agreement (hereinafter referred to as the “**AM Merger Agreement**”).

1. Purpose of Integration

As separately announced in “Notice Regarding Execution of Merger Agreement between Japan Rental Housing

Investment Inc. and Prospect Reit Investment Corporation,” as of today, JRH and PRI have entered into a Merger Agreement (the merger between JRH and PRI is hereinafter referred to as the “**REIT Merger**”). The new investment corporation resulting from such merger will be one of the largest domestic REITs specializing in residential property in Japan. The purpose of the AM Integration is to achieve the smooth transfer of asset management businesses under the REIT Merger and to accomplish the effective asset management of JRH after the REIT Merger, as announced in “Notice Concerning Execution of Letter of Intent regarding Integration of Asset Management Companies” as of February 26, 2010.

2. Outline of the AM Share Transfer Agreement and the AM Merger Agreement

It is agreed, among others, that an absorption-type merger (hereinafter referred to as the “**AM Merger**”), where MAM shall be the surviving corporation and PRA shall be the absorbed corporation, shall be implemented on the conditions that (i) the REIT Merger shall be in effect as of its effective date, (ii) KKP shall transfer all issued shares of PRA to MAM (hereinafter referred to as the “**Share Transfer**”) under the condition, among others, that the pledge established on such shares has been released by lenders, and (iii) the Share Transfer has been completed.

In addition, with respect to the conditions precedent of the REIT Merger, please refer to “Notice Regarding Execution of Merger Agreement between Japan Rental Housing Investment Inc. and Prospect Reit Investment Corporation” announced as of today. With respect to the establishment of a pledge on PRA’s shares, please refer to “Notice Regarding Conclusion of Agreement on the Establishment of Collateral” announced as of March 15, 2010 by PRI and PRA.

(Note) The transfer price of shares has been determined from a comprehensive standpoint, such as outlook for profit and net asset value.

3. Overview of Conflicts of Interest

There are no special capital ties between MAM and PRA. Since the Share Transfer shall take place among independent parties, there is no conflict of interest.

The Share Transfer and the AM Merger will take effect upon, among others, the condition that the REIT Merger becomes effective. Until the effective date of the REIT Merger, MAM and PRA shall each continue to act as the asset management company of their respective investment corporation, and the AM Merger and the REIT Merger will take place on the same day. Therefore, it is not conceivable that there shall be any conflict of interest between JRH and PRI from the date hereof until the consummation of the Share Transfer and the AM Merger and the period afterward.

4. Summary of the AM Integration

(1) Schedule

Meetings of Boards of Directors to Approve the Share Transfer Agreement	March 26, 2010
Execution Date of the Share Transfer Agreement	March 26, 2010
Meetings of Boards of Directors to Approve the AM Merger Agreement	March 26, 2010
Execution Date of the AM Merger Agreement	March 26, 2010

Date of General Meeting of Shareholders of PRA	Middle of June, 2010 (Scheduled)
Closing of the Share Transfer	July 1, 2010 (Scheduled)
Effective Date of the AM Merger	July 1, 2010 (Scheduled)
Date of Registration of the AM Merger	Early July, 2010 (Scheduled)

(2) Method of the AM Merger

The AM Merger will be an absorption-type merger, with MAM as the surviving corporation and PRA will be dissolved.

(3) Contents of Allotment

On the effective date of the AM Merger, MAM will hold 100% shares of PRA. Therefore, the allotment of shares shall not be made under the AM Merger.

5. Overview of Related Parties

	Surviving Corporation	Absorbed Corporation
(1) Name	Mi-Casa Asset Management Inc.	Prospect Reit Advisors, Co., Ltd.
(2) Location	1-3-12 Shiba-Koen, Minato-ku, Tokyo	2-2-1 Marunouchi, Chiyoda-ku, Tokyo
(3) Title and Name of Representative	President and CEO Yutaka Higashino	President and CEO Akio Tsukishima
(4) Main Business	(i)Asset Management (ii)Property Management (iii)Real Estate Transaction (iv)Other business related to the above	(i)Asset Management (ii)Property Management (iii)Real Estate Transaction (iv)Other business related to the above
(5) Capital Amount	380 million yen	200 million yen
(6) Date of Establishment	2005/2/25	2004/9/7
(7) Net Asset Value	175 million yen	216 million yen
(8) Total Asset Value	569 million yen	226 million yen
(9) Major Shareholders and Ratio of Holding Shares	AppleRingo Holdings BV 57.6% AppleRingo Investments BV 35.8% The Bank of Tokyo-Mitsubishi UFJ, Ltd. 3.2% Sumitomo Mitsui Banking Corporation 3.2%	K.K. Prospect (100%)
(10) Relationship among Investment Corporation and Asset Management Company		
Capital Relationship	There are no capital ties between JRH or MAM and PRA. Also, there are no capital ties between affiliates of JRH or MAM and affiliates of PRI or PRA.	
Human Resources	There are no personnel ties between JRH or MAM and PRA. Also, there are no personnel ties between affiliates of JRH or MAM and affiliates of PRI or PRA.	
Business Relationship	There are no business ties between JRH or MAM and PRA. Also, there are no business ties between affiliates of JRH or MAM and affiliates of PRI or PRA.	

	Related Parties	There are no related parties between JRH or MAM and PRA. Also, there are no related parties between affiliates of JRH or MAM and affiliates of PRI or PRA.					
(11)	Management Performance and Financial Conditions for the last 3 years (Unit: million yen, except otherwise indicated)						
	Fiscal Period	MAM			PRA		
		2007/3	2008/3	2009/3	2007/3	2008/3	2009/3
	Net Asset Value	437	444	175	191	236	216
	Total Asset Value	763	1,176	570	256	331	226
	Net Asset Value/Unit (yen)	72,844	73,941	19,058	47,844	58,933	54,105

(Note) Management Performance of Prospect Reit Advisors for the last 3 years (2007/3, 2008/3 and 2009/3) shall be as follows; (Unit: million yen, except otherwise indicated) (Operating Income) 295, 413, 293, (Ordinary Income) 25, 112, -40, (Current Net Income) 26, 64, -44, (Current Net Income per Unit (yen)) 6,513, 15,912, -10,998

6. Post-merger Status

	Surviving Corporation
(1) Name	Mi-Casa Asset Management Inc.
(2) Location	1-3-12 Shiba-Koen, Minato-ku, Tokyo
(3) Title and Name of Representative	President and CEO Yutaka Higashino
(4) Main Business	(i)Asset Management (ii)Property Management (iii)Real Estate Transactions (iv)Other business related to the above
(5) Capital Amount	380 million yen
(6) Fiscal Year Ended	March
(7) Net Asset Value	391 million yen (calculated by simply adding Net Asset Value as of March 31, 2009, of both corporations)
(8) Total Asset Value	795 million yen (calculated by simply adding Total Asset Value as of March 31, 2009, of both corporations)

7. Outlook

(1) Amendment to Asset Management Agreement with Investment Corporation

The asset management agreement signed between PRI and PRA shall be terminated as of the effective date of the REIT Merger, and MAM will serve as the asset management company of JRH after the REIT Merger.

(2) Amendment to the Organization of the Asset Management Company

TBD

(3) Amendment to Formation of Investment Decision-making

TBD

(4) Amendment to Rules on Compliance/Interested Parties, etc.

TBD

(5) Amendment to Investment Policy

TBD

- (6) Amendment to Agreements entered into with Sponsors, etc.

TBD

- (7) Expectations of Continuance of Listing of Investment Corporation

The REIT Merger is expected to be an absorption-type merger, whereby JRH is the surviving corporation and PRI is dissolved in accordance with article 143 of the Investment Trust Law. The investment units issued by PRI are expected to be delisted on June 28, 2010, three business days prior to the effective date of the REIT Merger, in accordance with the criteria for delisting set out by the Tokyo Stock Exchange, Inc.

- (8) Others

For these transactions, necessary filings and any other actions shall be taken in accordance with the Financial Instrument and Exchange Act, the Building Lots and Buildings Transaction Business Act (*Takuchi-Tatemono-Torihikigyō Hou*), and other applicable laws and rules.

End

HP of both investment corporations

JRH <http://www.jrhi.co.jp/>

PRI <http://www.prospect-reit.co.jp/>