

May 13, 2010

Dear Unitholders:

1-3-12 Shiba-Koen, Minato-ku, Tokyo
Japan Rental Housing Investments Inc.
Takao Sakuma, Executive Director

Convocation Notice of The 8th General Meeting of Unitholders

This is to inform you that the 8th General Meeting of Unitholders of Japan Rental Housing Investments Inc. (“JRH”) will be held as described below. You are cordially invited to attend the General Meeting of Unitholders.

Please note that you may exercise your voting rights via the voting rights exercise form if you are unable to attend the General Meeting of Unitholders in person. In such case, you are sincerely requested to carefully examine the attached “Reference Documents Concerning the General Meeting of Unitholders” and, after indicating your votes for or against each agenda on the enclosed voting rights exercise form, to send such form to us, ensuring that the form reaches us by no later than 6:00 p.m. on Thursday, May 27, 2010.

In accordance with Article 93, Paragraph 1 of the Law Concerning Investment Trusts and Investment Corporations, JRH has set out the provisions concerning “Deemed Approval” in Article 24 of the current Articles of Incorporation.

Accordingly, please be aware that if you are not present at the General Meeting of Unitholders and do not exercise your voting rights via the voting rights exercise form, your voting rights will be included in the number of voting rights of the unitholders in attendance and JRH will deem that you have voted in favor of each agenda submitted to the General Meeting of Unitholders.

(Extract from the Current Articles of Incorporation of JRH)
Article 24 (Deemed Approval)

1. Any unitholder who does not attend a general meeting of unitholders and does not exercise his/her voting rights shall be deemed to be in favor of any proposal submitted to such general meeting of unitholders (provided, however, that in cases where two or more proposals are submitted and any such proposal is in conflict in its nature with another proposal, both of such proposals shall be excluded from such deemed approval).
2. The number of voting rights owned by the unitholder deemed to be in favor of a proposal in accordance with the preceding paragraph shall be included in the number of voting rights of the unitholders in attendance.

- 1. Date and Time:** May 28, 2010 (Friday) at 1:00 p.m.
- 2. Place:** 1-18-1 Shimbashi, Minato-ku, Tokyo
Koku Kaikan 7th Floor Large Hall
(Please refer to the “Directions to the 8th General Meeting of Unitholders” at the

end of this document. Please note that the venue is different from that of the last General Meeting of Unitholders.)

3. Purpose of the General Meeting of Unitholders:

Agenda to be Resolved

- Item 1:** Amendment to the Articles of Incorporation
- Item 2:** Appointment of Three (3) Executive Directors
- Item 3:** Appointment of Four (4) Supervisory Directors

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- * If you attend the General Meeting of Unitholders in person, please submit the enclosed voting rights exercise form to the receptionist at the venue.
 - * If you choose to exercise your voting rights by proxy, you may appoint another unitholder with voting rights to attend the General Meeting of Unitholders as your proxy. In such case, such proxy shall submit your voting rights exercise form together with a document certifying the status of the proxy.
 - * After the conclusion of the General Meeting of Unitholders, the “Session of Asset Management Report” will be held at the same venue by Mi-Casa Asset Management Inc., the asset management company of JRH.
 - * Method of publicizing in the case of revision of the Reference Documents Concerning the General Meeting of Unitholders:
Please note that any revisions that are required to be made, by the date preceding the date of the General Meeting of Unitholders, to the matters included in the Reference Documents Concerning the General Meeting of Unitholders will be posted on JRH’s Web Site (<http://www.jrhi.co.jp/>).

Reference Documents Concerning the General Meeting of Unitholders

Agenda and References

Item 1: Amendment to the Articles of Incorporation

1. Reason for Amendments to the Articles of Incorporation

Amendments to be effective on May 28, 2010

- (1) Aiming to secure steady growth and stable income from its investment assets for the medium and long-term in accordance with its investment policy of asset management, types of the Specified Assets to be invested in will be added.
- (2) In accordance with the amendments made to the Special Taxation Measures Law (Law No. 26 of 1957, as amended; hereinafter the same), necessary revisions of wording will be made.
- (3) Associated with the above amendments, other necessary amendments such as renumbering of articles or paragraphs and other revisions of wording will be made.

Amendments to be effective subject to the absorption-type merger with Prospect Reit Investment Corporation becoming effective

- (1) The number of authorized units will be increased because (i) the increase of the number of outstanding units of JRH will be increased due to an absorption-type merger between JRH and Prospect Reit Investment Corporation (hereinafter referred to as the “Merger”) and the implementation of the unit split prior to the Merger and (ii) such amendment will enable JRH to raise new capital smoothly for business expansion in the future.
- (2) In accordance with the Special Taxation Measures Law, new clause will be added to enable JRH to select special method so that JRH can adjust the amount of negative goodwill at the time of calculating the distributable amount upon the Merger.
- (3) The amendments described in (1) and (2) above shall be subject to the Merger becoming effective. Therefore, such condition will be described as a supplementary provision.
- (4) Associated with the above amendments, other necessary amendments such as renumbering of articles or paragraphs and revisions of wording will be made.

2. Details of Amendments to the Articles of Incorporation

The details of the amendments are as follows:

Amendments to be effective on May 28, 2010

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>Article 11 (Specified Assets Targeted for Asset Management)</p> <p>4. The Company may make an investment in any of the following Items, if necessary:</p> <p>(Newly Established)</p> <p>(5) (Omitted)</p> <p>Article 15 (Cash Distribution Policies)</p> <p>The Company shall make distributions, in principle, in accordance with the following policies:</p> <p>(2) If monetary distribution is conducted with the limit of the amount of profit, distribution amounts shall be determined by the Company and such distribution amounts shall exceed 90% of the <u>income</u> available for distribution of the Company as provided for in Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, as amended) <u>and in Article 39-32-3 of the Enforcement Order concerning Special Taxation Measures Law (Cabinet Order No. 43 of 1957, as amended; hereinafter the “Enforcement Order concerning Special Taxation Measures Law”).</u> The Company may accumulate reserves that are deemed to be necessary for maintaining its Investment Assets or improving the value thereof such as the long-term reserve for maintenance, payment reserve, reserve for distribution, and other similar reserves and accounts.</p> <p>(3) (Omitted)</p> <p>(4) When the Company makes monetary distribution in excess of profits, the distribution amount shall be limited to the amount obtained by aggregating the amount of profit concerning the relevant Settlement Date and the amount corresponding to depreciation for the relevant fiscal period; provided, however, that if such amount does not exceed 90% of the distributable amount set forth in Article 39-32-3 of the Enforcement Order concerning Special Taxation Measures Law, the Company may make monetary distribution in excess of distributable amount, up to the amount equivalent to 91% of the</p>	<p>Article 11 (Specified Assets Targeted for Asset Management)</p> <p>4. The Company may make an investment in any of the following Items, if necessary:</p> <p><u>(5) Movables under the Civil Code</u></p> <p>(6) (Unchanged)</p> <p>Article 15 (Cash Distribution Policies)</p> <p>The Company shall make distributions, in principle, in accordance with the following policies:</p> <p>(2) If monetary distribution is conducted with the limit of the amount of profit, distribution amounts shall be determined by the Company and such distribution amounts shall exceed 90% of the <u>profits</u> available for distribution of the Company as provided for in Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, as amended) <u>(in case of any change in calculation of such amounts due to an amendment to any laws and ordinances, etc., the distribution amounts after such change).</u> The Company may accumulate reserves that are deemed to be necessary for maintaining its Investment Assets or improving the value thereof such as the long-term reserve for maintenance, payment reserve, reserve for distribution, and other similar reserves and accounts.</p> <p>(3) (Unchanged)</p> <p>(4) When the Company makes monetary distribution in excess of profits, the distribution amount shall be limited to the amount obtained by aggregating the amount of profit concerning the relevant Settlement Date and the amount corresponding to depreciation for the relevant fiscal period; provided, however, that if such amount does not exceed 90% of the distributable amount set forth in Article 39-32-3 of the Enforcement Order concerning Special Taxation Measures Law <u>(Cabinet Order No. 43 of 1957, as amended),</u> the Company may make monetary</p>

Current Articles of Incorporation	Proposed Amendments
distributable amount.	distribution in excess of distributable amount, up to the amount equivalent to 91% of the distributable amount.

Amendments to be effective subject to the Merger becoming effective

(Amendments are underlined)

Current Articles of Incorporation	Proposed Amendments
<p>CHAPTER 2 INVESTMENT UNITS</p> <p>Article 5 (Total Number of Investment Units Authorized to Be Issued by the Company)</p> <p>1. The total number of units authorized to be issued by the Company shall be <u>2</u> million units.</p> <p>CHAPTER 3 ASSET MANAGEMENT OBJECTIVES, POLICIES AND CALCULATION</p> <p>Article 10 (Investment Policy)</p> <p>(Newly Established)</p> <p><u>7.</u> (Omitted)</p> <p><u>8.</u> (Omitted)</p> <p>(Newly Established)</p>	<p>CHAPTER 2 INVESTMENT UNITS</p> <p>Article 5 (Total Number of Investment Units Authorized to Be Issued by the Company)</p> <p>1. The total number of units authorized to be issued by the Company shall be <u>5</u> million units.</p> <p>CHAPTER 3 ASSET MANAGEMENT OBJECTIVES, POLICIES AND CALCULATION</p> <p>Article 10 (Investment Policy)</p> <p><u>7. The Company shall maintain the ratio of the value of its real estate, etc. (meaning, in this paragraph, the real estate (meaning the assets as set forth in (a), (b) and (e) of Article 37, Paragraph 3, Item 2 of the Ordinance for the Account of the Investment Trust Corporation (Cabinet Office Ordinance No. 47 of 2006, as amended); hereinafter the same shall apply), leaseholds of real estate, assets as set forth in (f) of the said Item, surface rights and easements and the beneficial interests of trusts formed by entrustment of these assets) to the aggregate amount of the assets held by the Company at not less than 70%.</u></p> <p><u>8.</u> (Unchanged)</p> <p><u>9.</u> (Unchanged)</p> <p>(Supplementary Provision) <u>The amendments to these Articles of Incorporation as set forth in Article 5 and Article 10 shall be effective conditional upon the effectuation of the absorption-type merger between the Corporation, as the surviving corporation, and Prospect Reit Investment Corporation, as the absorbed corporation, in accordance with the merger agreement dated March 26, 2010 executed between the Corporation and Prospect Reit Investment Corporation, on and after the effective date of such merger. This supplementary provision shall be deleted after such effective date.</u></p>

Item 2: Appointment of Three (3) Executive Directors

The term of office of Executive Directors Takao Sakuma, Robert Zulkoski and Toshiya Kuroda is until January 20, 2011. However, the three Executive Directors have conveyed their wish to resign upon conclusion of the General Meeting of Unitholders. Therefore, JRH shall propose their reappointment as Executive Directors as of May 28, 2010.

In this agenda, pursuant to the provision of Article 28 of the current Articles of Incorporation, the term of office of the Executive Directors shall be two years starting from May 28, 2010, the date on which the Executive Directors are elected to their offices.

This agenda is submitted at the General Meeting of Unitholders upon the resolution of the Board of Directors held on April 28, 2010, with the consents of all Supervisory Directors of JRH,.

The candidates for Executive Director are as follows:

Number of Candidates	Name (Date of Birth)	Biography	
1	Takao Sakuma (November 19, 1932)	April, 1955 January, 1979 November, 1981 May, 1983 September, 1984 July, 1989 March, 1995 February, 2005 October, 2005 July, 2006 December, 2007	The Dai-Ichi Bank President, The Dai-Ichi Kangyo Bank Nederland Chairman, Hawaii Omori Corporation (Secoded post) Branch Manager of Hibiya Branch, The Dai-Ichi Kangyo Bank Managing Director, Seiko Epson Co., Ltd. Managing Director, Tokyo Branch , Kidder Peabody Securities, Ltd. CEO, TS Planning incorporated CEO, re-plus REIT management inc. (currently, Mi-Casa Asset Management Inc.) Executive Director, re-plus residential investment inc. (currently, Japan Rental Housing Investments Inc.) (present) Chairman, re-plus REIT management inc. (currently, Mi-Casa Asset Management Inc.) Director (part-time), re-plus REIT management inc. (currently, Mi-Casa Asset Management Inc.)
2	Robert Zulkoski (March 18, 1961)	April, 1983 April, 1989 November, 1996 May, 1998 May, 2004 October, 2007 August, 2008 January, 2009	Vice President of the Real Estate Capital Market Group, Kidder Peabody Securities, Ltd. Managing Director of the Asia Commercial Real Estate Financing and Service Group, General Electric Capital Corporation Executive Director of Asia Pacific & Europe, Oakwood Asia Pacific Founding Partner and Chief Executive Officer, Colony Capital Asia Pacific Chairman and CEO, Pangaea Capital Management Managing Director and Representative of the Asia Real Estate and Special Situations Group, Oaktree Capital Management L.P. (present) Director (part-time), re-plus REIT management inc. (currently, Mi-Casa Asset Management Inc.) Executive Director, Japan Rental Housing Investments Inc. (present)
3	Toshiya Kuroda (April 10, 1960)	May, 1994 August, 1994 February, 1999 April, 2001 May, 2005 December, 2006 January, 2009	Registered as lawyer in the State of New York, U.S.A. Vice President of Los Angeles Branch, The Sakura Bank, Limited Senior Manager of Real Estate Consulting Department (Los Angeles), KPMG LLP Senior Vice President, Oaktree Japan Co., Ltd. Director, KW Investment Co., LTD. Senior Vice President, Oaktree Japan Co., Ltd. (present) Executive Director, Japan Rental Housing Investments Inc. (present)

1. The above candidates for Executive Director do not own investment units of JRH.
2. The above candidates for Executive Director execute the general business of JRH as the current Executive Directors of JRH.
3. The above candidates for Executive Director have no special interest with JRH.
4. Among the above candidates for Executive Director, Robert Zulkoski is concurrently the Managing Director and Representative of the Asia Real Estate and Special Situations Group of Oaktree Capital Management L.P., and Toshiya Kuroda is concurrently the Senior Vice President of Oaktree Japan Co., Ltd.

Item 3: Appointment of Four (4) Supervisory Directors

The term of office of Supervisory Directors Kouhei Yabuta, Jun Nagamine, Danforth Thomas and Kiyohiko Tsukada is until January 20, 2011. However, the four Supervisory Directors have conveyed their wish to resign upon conclusion of the General Meeting of Unitholders. Therefore, JRH shall propose their reappointment as Supervisory Directors as of May 28, 2010.

In this agenda, pursuant to the provision of Article 28 of the current Articles of Incorporation, the term of office of the Supervisory Directors shall be two years starting from May 28, 2010, the date on which the Supervisory Directors are elected to their offices.

The candidates for Supervisory Director are as follows:

Number of Candidates	Name (Date of Birth)	Biography	
1	Kouhei Yabuta (December 24, 1961)	March, 1991 April, 1991 April, 1997 January, 2006	Finalized the Legal Research and Training institute of the Supreme Court of Japan (the 43rd term) Bar admission (Daiichi Tokyo Bar Association) Joined HASHIDATE LAW OFFICE Partner lawyer at HASHIDATE LAW OFFICE (present) Supervisory Director, re-plus residential investment inc. (currently, Japan Rental Housing Investments Inc.) (present)
2	Jun Nagamine (March 10, 1957)	September, 1980 September, 1983 September, 1987 September, 1987 September, 1989 February, 1990 October, 2001 March, 2008 January, 2009 March, 2009	Tohmatsu Awoki & Co. Tohmatsu Touche Ross Consulting Co., Ltd. Registered as a certified public accountant Bankers Trust Company Opened Nagamine Accounting Office as a representative (present) Registered as a certified public tax accountant President and CEO, TPI Limited Co. (present) Auditor, GCA Savvian Group corp. (present) Supervisory Director, Japan Rental Housing Investments Inc. (present) Partner, Nagamine Mishima Accounting Office (present)
3	Danforth Thomas (September 8, 1957)	May, 1982 December, 1986 May, 1989 February, 1993 October, 1994 March, 1996 July, 2000 October, 2000 November, 2003 March, 2006 June, 2006 June, 2007 October, 2008 January, 2009 April, 2009	CS First Boston Vice President, Goldman Sachs Manager, IVEX International K.K. President, Cheyenne Software President, Chipcom Japan Representative Director, International Investment Consultants Ltd. (present) Representative Director, Top Layer Networks Japan (present) Manager, Japan Venture Partners, LLC (present) Director (Part-time), Fabri-Kal Corporation (present) Director (Part-time), Stryker Japan Holding K.K. (present) Representative Director, Belkin Japan (present) Representative Director, WISECOM K.K. (present) Director (Part-time), Mirapoint Japan, K.K. (present) Supervisory Director, Japan Rental Housing Investments Inc. (present) Director (Part-time), WISECOM K.K. (present)
4	Kiyohiko Tsukada (April 5, 1958)	April, 1981 September, 1999 November, 2001 January, 2005 February, 2007 January, 2009	Long-Term Credit Bank of Japan The Norinchukin Bank Director of Business Development Department, GE Capital Leasing Corp. Executive Director and Managing Director of Business Development Department Managing Director, Oaktree Japan Co., Ltd. (present) Supervisory Director, Japan Rental Housing Investments Inc. (present)

1. The above candidates for Supervisory Director do not own investment units of JRH.

2. The above candidates for Supervisory Director, as the current Supervisory Directors of JRH, supervise the execution of duties of the Executive Directors.
3. The above candidates for Supervisory Director have no special interest with JRH.
4. Among the above candidates for Supervisory Director, Kouhei Yabuta is concurrently the partner lawyer of HASHIDATE LAW OFFICE, Jun Nagamine is concurrently the president and CEO of TPI Limited Co. and the partner of Nagamine Mishima Accounting Office, Danforth Thomas is concurrently the representative director of International Investment Consultants Ltd., Top Layer Networks Japan, Belkin Japan and WISECOM K.K and the manager of Japan Venture Partners, LLC, and Kiyohiko Tsukada is concurrently Managing Director of Oaktree Japan Co., Ltd.

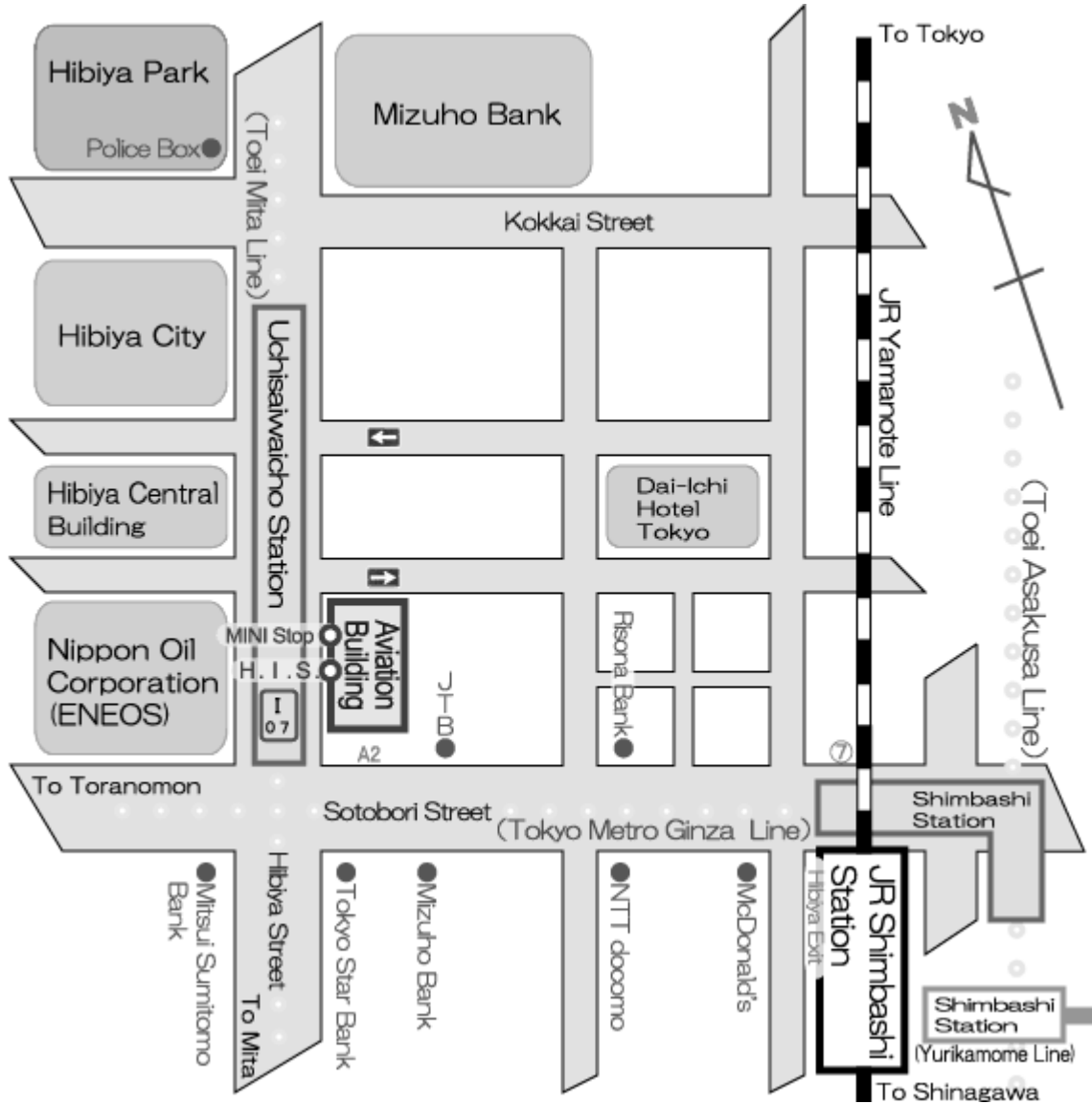
Reference Matters:

In the case where any agenda submitted to the General Meeting of Unitholders is considered to be in conflict with other agendas, the provisions regarding “Deemed Approval,” as set forth in Article 24 of the current Articles of Incorporation of JRH, in accordance with Article 93, Paragraph 1 of the Law Concerning Investment Trusts and Investment Corporations, shall not apply to any of such agenda. None of the foregoing agenda, Item 1 through Item 3, falls under an agenda in conflict with other agendas.

End of Document

Directions to the 8th General Meeting of Unitholders

Venue: Aviation Building (Large Conference Room on the 7th Floor)
 18-1, Shimbashi 1-chome, Minato-ku, Tokyo
 Telephone: 03-3501-1272



Access	JR Shimbashi Station	Hibiya Exit	5-minute walk
	Toei Mita Line Uchisaiwaicho Station	A2 Exit	1-minute walk
	Tokyo Metro Ginza Line Shimbashi Station	7 Exit	5-minute walk
	Toei Asakusa Line Shimbashi Station	7 Exit	5-minute walk

(Note) There is no parking available. We kindly ask you not to come by your car.