

March 17, 2015

To All Concerned Parties

REIT Issuer:  
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### **Notice Concerning Borrowing of Funds and Repayment of Loans**

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) announces that the Investment Corporation concluded contracts concerning refinancing of the existing borrowings of approximately 11.3 billion yen, which are due for repayment on June 22, 2015 (the “Refinancing”) at a meeting of its Board of Directors held today based on a determination that fixing the refinancing conditions early would contribute to the stable management of the Investment Corporation.

#### 1. Borrowing of Fund

##### (1) Reason for the Borrowing

The Investment Corporation has decided to enter into new borrowings for purposes of refinancing the existing borrowings (approximately 11.3 billion yen) which are due for repayment on June 22, 2015. For details on the repayment, please refer to “2. Summary of the Existing Debt Subject to the Refinancing.”

##### (2) Summary of Borrowings

The Investment Corporation has decided to enter into new borrowings totaling from a combination of 7 financial institutions with which the Investment Corporation currently has outstanding borrowings through a syndicated loan. The Bank of Tokyo-Mitsubishi UFJ, Ltd. will be the arranger and agent. As a result of the Refinancing, the average duration of borrowings of the Investment Corporation will be extended to 5.1 years (average remaining period: 3.2 years) after the Refinancing as compared to 4.9 years (average remaining period: 2.7 years) prior to the Refinancing. The long-term interest bearing debt ratio is also expected to increase, from 86.3% to 97.2% (not including long-term borrowings due within one year).

Term Loan Q 1st Term Loan

(1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Resona Bank, Limited, Shinsei Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank
(2) Amount of borrowing	JPY 7,349 million
(3) Drawdown date	June 22, 2015
(4) Due date	March 22, 2017
(5) Interest payment dates	On the 22nd of each month. (if not a business day, the next business day, and if the next business day falls under the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.275%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement Q) to be concluded with the lenders specified in (1) above on March 17, 2015.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

Term Loan Q 2nd Term Loan

(1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Resona Bank, Limited, Shinsei Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation
(2) Amount of borrowing	JPY 4,000 million
(3) Drawdown date	June 22, 2015
(4) Due date	June 30, 2023
(5) Interest payment dates	On the 22nd of each month. (if not a business day, the next business day, and if the next business day falls under the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.750%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement Q) to be concluded with the lenders specified in (1) above on March 17, 2015.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

1-month JBA Japanese Yen TIBOR rate as of two business days prior to the immediately preceding interest payment dates will be used as the base rate to calculate the applicable interest rate for the interest calculation periods. Please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>) for 1-month JBA Japanese Yen TIBOR information.

## 2. Summary of the Existing Borrowings Subject to the Refinancing

### <Term Loan A7>

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Resona Bank, Ltd., Shinsei Bank, Limited, The Norinchukin Bank
Drawdown date	June 24, 2013
Amount of borrowings	7,530 million yen
Due date	June 22, 2015
Amount of repayment	7,530 million yen
Repayment conditions	Lump-sum repayment on the due date

### <Term Loan BC2>

Lender	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation
Drawdown date	June 24, 2013
Amount of borrowings	3,822 million yen
Due date	June 22, 2015
Amount of repayment	3,822 million yen
Repayment conditions	Lump-sum repayment on the due date

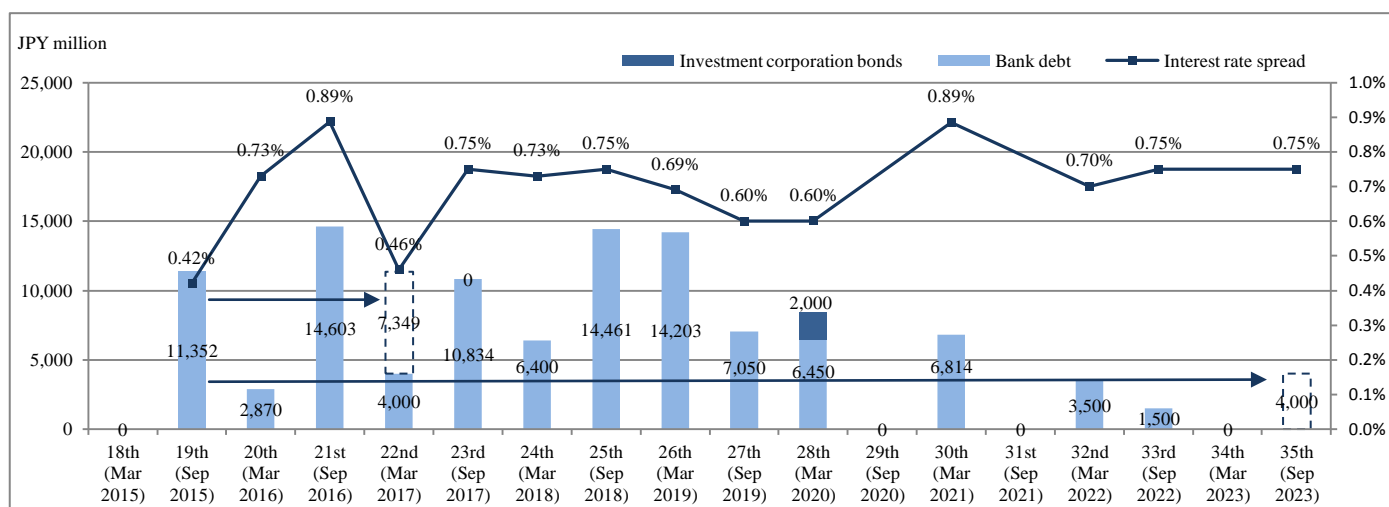
### 3. Outstanding Balance of Borrowing by Lender

Lender	Before the Refinancing	The Refinancing			After the Refinancing (June 22, 2015)	
	Balance (JPY million)	(A) Repayment amount (JPY million)	(B) Balance of Borrowing (JPY million)	(B) – (A) Change (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd	30,003	1,170	1,445	274	30,278	29.1
Sumitomo Mitsui Banking Corporation	17,963	2,817	2,817	-0	17,963	17.3
Aozora Bank, Ltd.	15,642	1,170	1,170	-0	15,642	15.0
Resona Bank, Limited	9,562	2,030	2,030	-0	9,562	9.2
Shinsei Bank, Limited	8,995	1,913	1,913	-0	8,995	8.6
Mitsubishi UFJ Trust and Banking Corporation	4,964	1,469	1,469	-0	4,964	4.8
The Bank of Fukuoka, Ltd.	3,837	-	-	-	3,837	3.7
ORIX Bank Corporation	3,647	-	-	-	3,647	3.5
The Higashi-Nippon Bank, Limited	2,270	-	-	-	2,270	2.2
The Norinchukin Bank	1,950	780	505	-275	1,675	1.6
Development Bank of Japan Inc.	1,000	-	-		1,000	1.0
The Hyakugo Bank, Ltd.	1,000	-	-		1,000	1.0
The Hiroshima Bank, Ltd.	1,000	-	-		1,000	1.0
The Kagawa Bank, Ltd.	700	-	-		700	0.7
The Ashikaga Bank, Ltd.	500	-	-		500	0.5
The Senshu Ikeda Bank, Ltd.	500	-	-		500	0.5
The Nomura Trust and Banking Co., Ltd.	500	-	-		500	0.5
Total Balance of Bank Debt	104,039	11,352	11,349	-3	104,035	100.0
Investment Corporation Bond	2,000	-	-	-	2,000	-
Total Balance of Interest Bearing Debt	106,039	11,352	11,349	-3	106,035	-

(Note1) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.

(Note2) The difference between “(A) Repayment amount” and “(B) Balance of borrowing”, the amount of which is JPY 3,260,000, is planned to be repaid using cash on hand.

#### 4. Borrowings by Repayment Date



(Note) The interest rate spread for each fiscal period is based on the weighted average of the borrowings that become due in such fiscal period.

#### 5. Status of the Balance and Interest-bearing Debt Ratio Before and After the Refinancing

(Unit: JPY million)

	Before the Refinancing	After the Refinancing	Change
Short-term borrowings (Note 1)	-	-	-
Long-term borrowings (Note 1)	104,039	104,035	-3
(Long-term borrowings due within one year) (Note 2)	14,222	2,870	-11,352
Total borrowings	104,039	104,035	-3
Investment corporation bonds	2,000	2,000	-
Total interest-bearing debt	106,039	106,035	-3
Interest-bearing debt ratio (Note 3)	51.7%	51.7%	-

(Note 1) The debt periods for short-term borrowings are within one year and long-term borrowings are over one year.

(Note 2) "Long-term borrowings due within one year" for "After the Refinancing" refers to long-term debt that is due for repayment within one year from the date of the Refinancing (i.e. by June 21, 2016).

(Note 3) Interest-bearing debt ratio of "Before the Refinancing" is calculated by dividing the balance of interest-bearing debt before the Refinancing by the amount obtained by adding borrowed amount in the 18th fiscal period for new property acquisitions and issue amount of the investment corporation bonds to the total asset amount posted on the balance sheet as of the end of the 17th fiscal period, and then multiplying the amount by 100. Interest-bearing debt ratio of "After the Refinancing" is calculated by dividing the balance of interest-bearing debt after the Refinancing by the amount obtained by adding borrowed amount in the 18th fiscal period for new property acquisitions and issue amount of the investment corporation bonds to the total asset amount posted on the balance sheet as of the end of the 17th fiscal period, and then multiplying the amount by 100. Therefore, the figures are different from the total asset LTV (=the amount of interest-bearing debt/total asset).

#### 6. Forecasts

There is no material impact from the Refinancing on asset management conditions for the fiscal period ending March 31, 2015 (October 1, 2014 to March 31, 2015.)

## 7. Other

As for risks pertaining to the Refinancing, there are no material changes to the “Investment risks” stated in the most recent semiannual securities report (submitted on December 15, 2014).

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