

August 7, 2014

To All Concerned Parties

REIT Issuer:
Japan Rental Housing Investments Inc.
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Notice Concerning Interest-Rate Swap Agreement

Japan Rental Housing Investments Inc. (the “Investment Corporation”) announces that the Investment Corporation executed an interest-rate swap agreement. Details are provided as follows.

I. Purpose of the Interest-Rate Swap Agreement

The Investment Corporation has executed an interest-rate swap agreement as a hedge against possible increase of the interest rates in future. This interest-rate swap agreement is not for the specific borrowing, is for the amount of 5 billion yen out of the entire borrowing.

II. Summary of the Interest-Rate Swap Agreement

Counterparty:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Notional Amount:	5 billion yen
Interest Rate:	Pay a fixed interest rate: 0.29700% Receive a floating interest rate: Base rate (JPY TIBOR for 1-month of JBA)
Commencement Date:	August 22, 2014
Termination Date:	July 22, 2020
Payment Date:	First interest payment on September 22, 2014, and at 22nd of every month (on the next business date, if 22nd is a non-business day)

Note1: Based on this interest-rate swap agreement, basically, the base rate for the amount of 5 billion yen out of the entire borrowing is fixed at 0.29700%.

Note2: The base rate shall be calculated based on JPY TIBOR for 1-month which Japanese Bankers Association (JBA) releases 2 business days prior to each payment date. JPY TIBOR appears on website of JBA (<http://www.jbatibor.or.jp/english/rate/>).

III. Forecast

There is minimal impact from this interest-rate swap agreement on asset management conditions for the fiscal period ending September 30, 2014 (April 1, 2014 to September 30, 2014).

[Reference]

Balance and Ratio of Floating-Rate and Fixed-Rate Interest-Bearing Borrowings

	Balance (million yen)	Ratio
Fixed-rate interest-bearing borrowings	65,000	67.0%
Floating-rate interest-bearing borrowings	32,039	33.0%
Total	97,039	100.0%

(Note) Amounts are rounded down to the nearest million yen. Percentage figures are rounded off to one decimal place.