

June 19, 2017

To All Concerned Parties

REIT Issuer: Japan Rental Housing Investments Inc.  
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### **Notice Concerning Refinancing of Loans**

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) announces that the Investment Corporation decided refinancing of the existing borrowings (hereinafter referred to as the “Refinancing”) at a meeting of its Board of Directors held today.

#### I. The Refinancing

##### 1. Reason for the Borrowing

The Investment Corporation has decided to refinance JPY 7.26 billion of existing loans of JPY 8.83 billion, which is due on June 22, 2017. In addition, the difference of JPY 1.57 billion is scheduled to be repaid with the funds procured through the issuance of the fifth unsecured investment corporation bonds on June 9, 2017. (Please refer to the “Notice Concerning Issuance of Investment Corporation Bonds” dated June 1, 2017 for details.)

##### 2. Summary of Borrowings

The Investment Corporation has decided to enter into a syndicated loan arrangement of 7.26 billion yen in total (borrowing period of 8 years), with 5 financial institutions with which the Investment Corporation currently has outstanding borrowings and Mizuho Bank, Ltd., with which the Investment Corporation will be transacting for the first time, with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as the arranger and agent.

##### <Term Loan Y>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Shinsei Bank, Limited, Aozora Bank, Ltd., Mizuho Bank, Ltd.
(2) Amount of borrowing	JPY 7,260 million
(3) Drawdown date	June 22, 2017
(4) Due date	June 23, 2025
(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+0.5125%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement Y) to be concluded with the lenders specified in (1) above on June 19, 2017.
(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.

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

### <Term Loan A6 >

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited
(2) Balance of borrowings	JPY 4,553 million
(3) Drawdown date	June 22, 2012
(4) Due date	June 22, 2017
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(6) Repayment conditions	Lump-sum repayment on the due date

### <Term Loan BC1 >

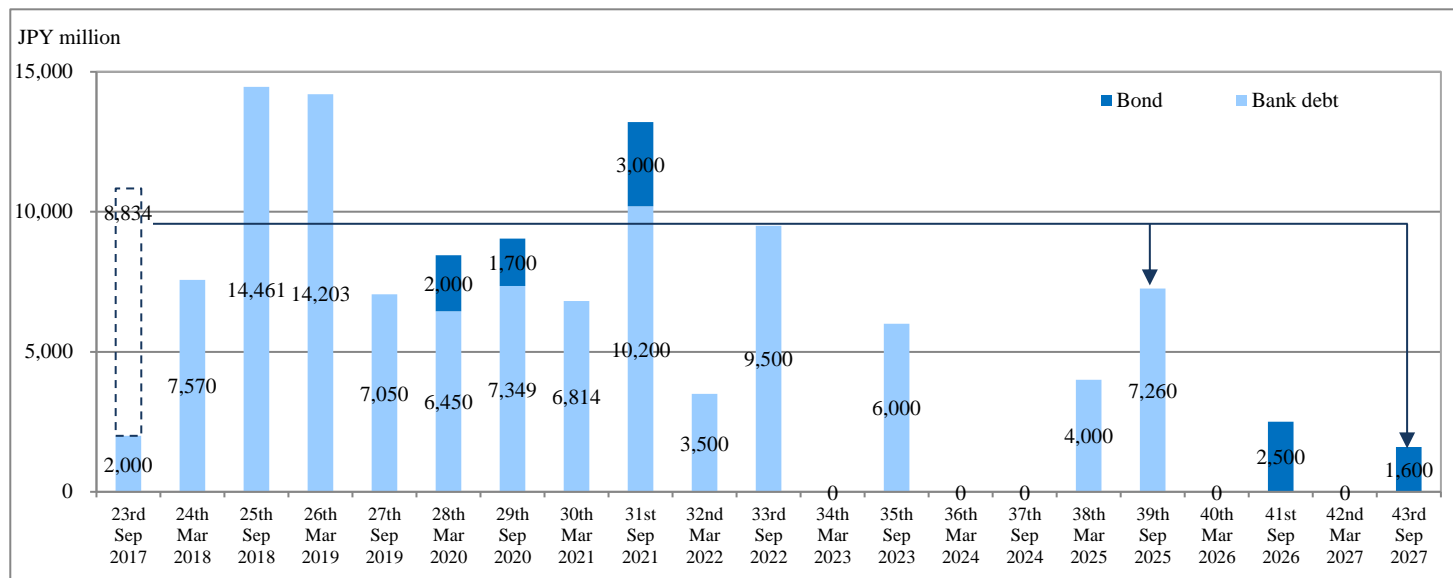
(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Aozora Bank, Ltd., Resona Bank, Limited, Sumitomo Mitsui Banking Corporation
(2) Balance of borrowings	JPY 4,281 million
(3) Drawdown date	June 22, 2012
(4) Due date	June 22, 2017
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(6) Repayment conditions	Lump-sum repayment on the due date

## III. Outstanding Balance of Borrowings by Lenders

Lender	Before the Refinancing	The Refinancing			After the Refinancing (June 22, 2017)	
	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	30,119	3,333	3,330	-3	30,116	25.7
Sumitomo Mitsui Banking Corporation	19,316	1,251	1,250	-1	19,315	16.5
Aozora Bank, Ltd.	15,642	2,564	500	-2,064	13,578	11.6
Shinsei Bank, Limited	10,340	685	680	-5	10,335	8.8
Resona Bank, Limited	9,898	1,000	1,000	-	9,898	8.4
Mitsubishi UFJ Trust and Banking Corporation	5,464	-	-	-	5,464	4.7
The Bank of Fukuoka, Ltd.	4,337	-	-	-	4,337	3.7
Development Bank of Japan Inc.	2,500	-	-	-	2,500	2.1
The Higashi-Nippon Bank, Limited	2,270	-	-	-	2,270	1.9
ORIX Bank Corporation	2,168	-	-	-	2,168	1.9
The Norinchukin Bank	1,675	-	-	-	1,675	1.4
The Hyakugo Bank, Ltd.	1,000	-	-	-	1,000	0.9
The Hiroshima Bank, Ltd.	1,000	-	-	-	1,000	0.9
The Kagawa Bank, Ltd.	700	-	-	-	700	0.6
Mizuho Bank, Ltd.	0	-	500	500	500	0.4
The Ashikaga Bank, Ltd.	500	-	-	-	500	0.4
The Senshu Ikeda Bank, Ltd.	500	-	-	-	500	0.4
The Nomura Trust and Banking Co., Ltd.	500	-	-	-	500	0.4
Total Balance of Bank Debt	107,932	8,834	7,260	-1,574	106,357	90.8
Investment Corporation Bond	10,800	-	-	-	10,800	9.2
Total Balance of Interest Bearing Debt	118,732	8,834	7,260	-1,574	117,157	100.0

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

#### IV. Borrowings by Repayment Date



#### V. 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)	107,932	106,357	-1,574
(Long-term borrowings due within one year) (Note 2)	18,404	9,570	-8,834
Total borrowings	107,932	106,357	-1,574
Investment corporation bonds	10,800	10,800	-
Total interest-bearing debt	118,732	117,157	-1,574
Interest-bearing debt ratio (Total asset based) (Note 3)	51.9%	51.2%	-0.7%
Interest-bearing debt ratio (Appraisal based) (Note 4)	47.1%	46.5%	-0.6%
Average borrowing remaining duration (Note 5)	3.0 years	3.5 years	0.5 years

(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 represent the borrowing within one year from drawdown date of the "Refinancing"

(Note 3) Interest-bearing debt ratio (Total asset based) is calculated by dividing the balance of interest-bearing debt by the total asset amount posted on the balance sheet as of the end of the Fiscal Period ended on March 31, 2017 (22nd Fiscal Period) (JPY 228.9 billion) and then multiplying the amount by 100.

(Note 4) Interest-bearing debt ratio (Appraisal based) is calculated by dividing the balance of interest-bearing debt by the total amount of the appraisal value of 197 properties owned at the end of the Fiscal Period ended on March 31, 2017 (22nd Fiscal Period) priced as of March 31, 2017 and the appraisal value of the 3 properties acquired in the Fiscal Period ending on September 30, 2017 (23rd Fiscal period) as of the acquisition date, and then multiplying the amount by 100.

(Note 5) Average borrowing remaining duration is weighted by each borrowing amount.

(Note 6) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.

#### VI. Forecasts

There is minimal impact from the Refinancing on asset management conditions for the fiscal period ending September 30, 2017 (April 1, 2017 to September 30, 2017) and the fiscal period ending March 31, 2018 (October 1, 2017 to March 31, 2018).



## VII. 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 today).

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