

February 20, 2014

To All Concerned Parties

REIT Issuer:
Japan Rental Housing Investments Inc.
6-16-12 Shinbashi
Minato-ku, Tokyo 105-0004
Toshiya Kuroda, Executive Director
(Securities Code: 8986)
Asset Manager: Mi-Casa Asset Management Inc.
Yutaka Higashino, President and Chief Executive Officer
Inquiries: Atsushi Chikamochi, Chief Financial Officer
Tel: +81-3-5425-5600

Notice Concerning Interest-Rate Swap Agreement

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

I. Purpose of the Interest-Rate Swap Agreement

The Investment Corporation has decided to conclude 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: 0.29170% Receive a floating interest rate: Base rate (JPY TIBOR for 1-month of JBA)
Commencement Date:	February 24, 2014
Termination Date:	January 22, 2019
Payment Date:	First interest payment on March 24, 2014, and at 22 nd of every month (on the next business date, if 22 nd 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 0.29170%.

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.zenginkyo.or.jp/en/tibor/>).

III. Forecast

The impact from this interest-rate swap agreement on the accounts for 16th fiscal period (the fiscal period ending in March 2014; from October 1, 2013 to March 31, 2014) is nominal. Thus, the forecast of the fiscal results on 16th fiscal period has not been changed.

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

[Reference]

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

	Balance (million yen)	Ratio
Fixed-rate interest-bearing borrowings	45,000	51.2%
Floating-rate interest-bearing borrowings	42,892	48.8%
Total	87,892	100.0%

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