

September 1, 2017

To All Concerned Parties

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(Correction) Notice Concerning Issuance of Investment Corporation Bonds

Japan Rental Housing Investments Inc. has made the following corrections to the press release “Notice Concerning Issuance of Investment Corporation Bonds” announced today, with the corrected parts underlined.

P2 “IV. Status of Interest-Bearing Debt after the Issuance of Investment Corporation Bonds”
(Before Correction)

(Unit: JPY million)

	Before the issuance of the Investment Corporation Bonds (as of September 1, 2017)	After the issuance of the Investment Corporation Bonds and the repayment (prospective balance)		Difference
		as of September 21, 2017	as of October 2, 2017	
Short-term borrowings (Note 1)	0	0	0	—
Long-term borrowings (Note 1)	106,357	106,357	103,357	-3,000
(Long-term borrowings due within one year) (Note 2)	24,031	<u>24,031</u>	19,031	-5,000
Total borrowings	106,357	106,357	103,357	-3,000
Investment Corporation bonds	10,800	13,800	13,800	+3,000
Total interest-bearing debt	117,157	120,157	117,157	—
Interest-bearing debt ratio (%) (Note 3)	51.2%	52.5%	51.2%	—

(Note 1) The 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” refers to long-term debt that is due for repayment within one year from each date.

(Note 3) Interest-bearing debt ratio before the issuance of the Investment Corporation Bonds is calculated by dividing the balance of interest-bearing debt before the issuance of the Investment Corporation Bonds (JPY 120.1 billion), and interest-bearing debt ratio after the issuance of the Investment Corporation Bonds and the repayment is calculated by dividing the balance of interest-bearing debt, each as of September 21, 2017 (JPY 120.1 billion), and as of October 2, 2017 (JPY 117.1 billion) by the amount recorded as the total asset on the balance sheet as of the end of the 22nd Fiscal Period (Fiscal Period ended on March 31, 2017) (JPY 228.9 billion) and multiplying by 100.

(Note 4) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.

(After Correction)

(Unit: JPY million)

	Before the issuance of the Investment Corporation Bonds (as of September 1, 2017)	After the issuance of the Investment Corporation Bonds, <u>refinancing (Note 4)</u> and the repayment (prospective balance)		Difference
		as of September 21, 2017	as of October 2, 2017	
Short-term borrowings (Note 1)	0	0	0	—
Long-term borrowings (Note 1)	106,357	106,357	103,357	-3,000
(Long-term borrowings due within one year) (Note 2)	24,031	<u>22,031</u> (Note4)	19,031 (Note4)	-5,000
Total borrowings	106,357	106,357	103,357	-3,000
Investment Corporation bonds	10,800	13,800	13,800	+3,000
Total interest-bearing debt	117,157	120,157	117,157	—
Interest-bearing debt ratio (%) (Note 3)	51.2%	52.5%	51.2%	—

(Note 1) The 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" refers to long-term debt that is due for repayment within one year from each date.

(Note 3) Interest-bearing debt ratio before the issuance of the Investment Corporation Bonds is calculated by dividing the balance of interest-bearing debt before the issuance of the Investment Corporation Bonds (JPY 120.1 billion), and interest-bearing debt ratio after the issuance of the Investment Corporation Bonds and the repayment is calculated by dividing the balance of interest-bearing debt, each as of September 21, 2017 (JPY 120.1 billion), and as of October 2, 2017 (JPY 117.1 billion) by the amount recorded as the total asset on the balance sheet as of the end of the 22nd Fiscal Period (Fiscal Period ended on March 31, 2017) (JPY 228.9 billion) and multiplying by 100.

(Note 4) It is assumed that current bank debt of JPY 2,000 million, to be due on September 21, 2017, will be refinanced with long-term borrowings. Details will be announce when the Investment Corporation resolved.

(Note 5) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.