

September 15, 2016

To All Concerned Parties

REIT Issuer:
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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 enter into new borrowings for purposes of refinancing the existing borrowings, total amount of 8 billion yen, which are due for repayment on September 20, 2016. For details on the repayment, please refer to “II. Summary of the Existing Debt Subject to the Refinancing.”

2. Summary of Borrowings

The Investment Corporation has decided to enter into new borrowings, amount of 8 billion yen, 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.

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(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited, Resona Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Bank of Fukuoka, Ltd., Development Bank of Japan Inc.
(2) Amount of borrowing	JPY 8,000 million
(3) Drawdown date	September 20, 2016
(4) Due date	September 22, 2022
(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+0.425%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement V) to be concluded with the lenders specified in (1) above on September 15, 2016.
(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

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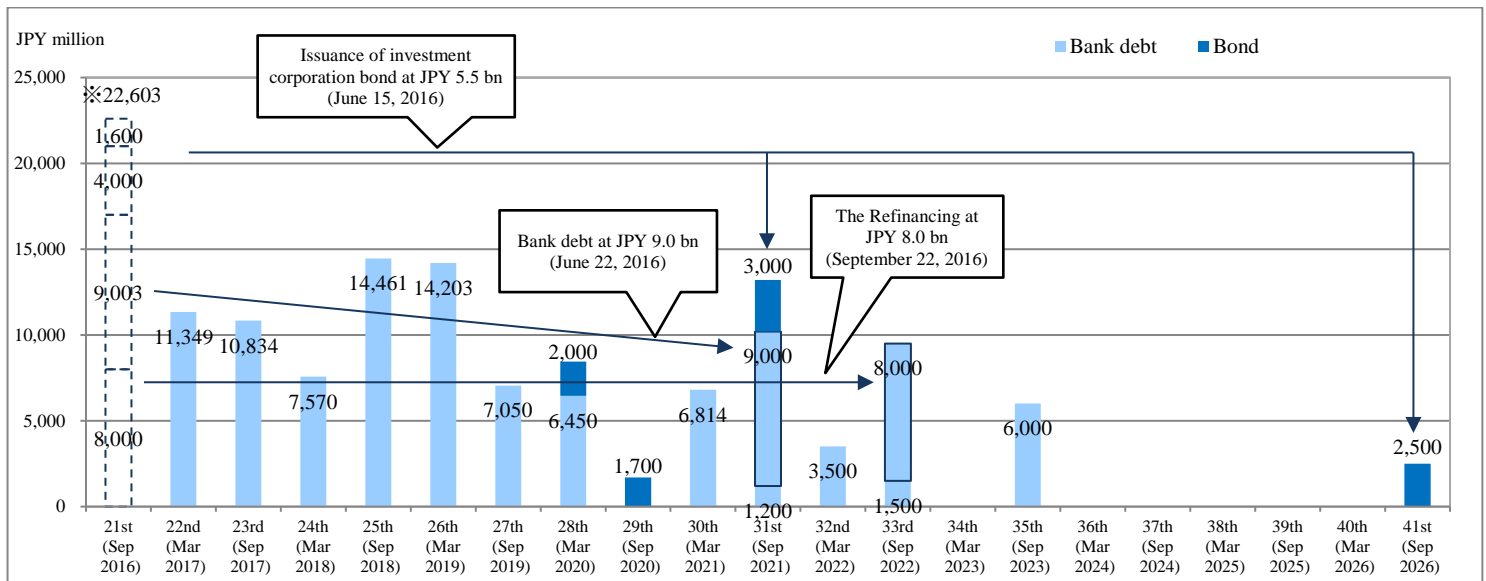
(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited, Resona Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Bank of Fukuoka, Ltd.
(2) Balance of borrowings	JPY 8,000 million
(3) Drawdown date	December 22, 2015
(4) Due date	September 20, 2016
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.325%
(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 (September 20, 2016)	
	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	31,619	3,500	2,000	▲1,500	30,119	25.7
Sumitomo Mitsui Banking Corporation	19,316	1,500	1,500	-	19,316	16.5
Aozora Bank, Ltd.	15,642	-	-	-	15,642	13.4
Shinsei Bank, Limited	10,340	1,000	1,000	-	10,340	8.8
Resona Bank, Limited	9,898	1,000	1,000	-	9,898	8.5
Mitsubishi UFJ Trust and Banking Corporation	5,464	500	500	-	5,464	4.7
The Bank of Fukuoka, Ltd.	4,337	500	500	-	4,337	3.7
Development Bank of Japan Inc.	1,000	-	1,500	+1,500	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
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	8,000	8,000	-	107,932	92.1
Investment Corporation Bond	9,200	-	-	-	9,200	7.9
Total Balance of Interest Bearing Debt	117,132	8,000	8,000	-	117,132	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



*Out of total bank borrowings of JPY 22,603 million due in the 21st Fiscal Period, JPY 22,500 million is refinanced with (funds procured through) the issuance of investment corporation bonds and (new) bank borrowings (the remaining JPY 103 million is repaid with cash on hand).

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)	8,000	—	-8,000
Long-term borrowings (Note 1)	99,932	107,932	8,000
(Long-term borrowings due within one year) (Note 2)	20,183	20,183	—
Total borrowings	107,932	107,932	—
Investment corporation bonds	9,200	9,200	—
Total interest-bearing debt	117,132	117,132	—
Interest-bearing debt ratio (Note 3)	51.2%	51.2%	—

(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 is calculated by dividing the balance of interest-bearing debt of JPY 117.1 billion by the total asset amount posted on the balance sheet as of the end of the 20th Fiscal Period (JPY 228.7 billion) and then multiplying the amount by 100.

(Note 4) 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 and Prepayment on asset management conditions for the fiscal period ending September 30, 2016 (April 1, 2016 to September 30, 2016) and the fiscal period ending March 31, 2017 (October 1, 2016 to March 31, 2017).

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 on June 20, 2016).