

August 27, 2014

To All Concerned Parties

REIT Issuer:
Japan Rental Housing Investments Inc.
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Notice Concerning Borrowing of Funds

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) hereby announces that today it decided to borrow fund (hereinafter referred to as the “Borrowing”). Details are provided below.

I. Borrowing of Fund

1. Reason for the Borrowing

The Investment Corporation has decided to make new borrowing. The borrowing to be used as a part of fund (excluding acquisition related costs) to acquire “Gran Casa Ginza East”, amount is 2 billion yen, to be acquired on September 1, 2014 (hereinafter referred to as the “Real Estate” and please refer to the press release “Notice Concerning Acquisition of Asset”) for details.

2. Summary of Borrowings

The Investment Corporation has decided to make new borrowings totaling 2 billion yen (loan period of approximately 5 years) through a syndicated loan from four financial institutions, including the Hiroshima Bank, Ltd., the Senshu Ikeda Bank, Ltd. and the Nomura Trust and Banking Co., Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd. will be the arranger and agent for the syndicated loan to raise funds for property acquisition.

Term Loan M

(1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, The Hiroshima Bank, Ltd., The Senshu Ikeda Bank, Ltd., The Nomura Trust and Banking Co., Ltd.
(2) Amount of borrowing	JPY 2,000 million
(3) Drawdown date	September 1, 2014
(4) Due date	August 30, 2019
(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+0.60%
(7) Method	Borrowing under Term Loan Agreement (M) to be concluded with the lender specified in (1) on August 27, 2014.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured, Unguaranteed

JBA 1 month yen TIBOR rate of two business days prior to the interest payment dates will be used as the base rate to calculate the applicable interest rate for the calculation periods. Please refer to the JBA website (<http://www.jbatibor.or.jp/english/rate/>) for JPY TIBOR details.

II. Outstanding Balance of Borrowing by Lender

Lender	Before the Borrowing	Amount of the Borrowing	After the Borrowing	
	Balance (JPY million)	Balance (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd	29,003	500	29,503	29.8
Sumitomo Mitsui Banking Corporation	17,463	-	17,463	17.6
Aozora Bank, Ltd.	15,142	-	15,142	15.3
Resona Bank, Limited	9,062	-	9,062	9.2
Shinsei Bank, Limited	8,495	-	8,495	8.6
Mitsubishi UFJ Trust and Banking Corporation	4,464	-	4,464	4.5
The Bank of Fukuoka, Ltd.	3,337	-	3,337	3.4
ORIX Bank Corporation	3,147	-	3,147	3.2
The Higashi-Nippon Bank, Limited	2,270	-	2,270	2.3
The Norinchukin Bank	1,950	-	1,950	2.0
The Hyakugo Bank, Ltd.	1,000	-	1,000	1.0
The Hiroshima Bank, Ltd.	500	500	1,000	1.0
The Kagawa Bank, Ltd.	700	-	700	0.7
The Ashikaga Bank, Ltd.	500	-	500	0.5
The Senshu Ikeda Bank, Ltd.	-	500	500	0.5
The Nomura Trust and Banking Co., Ltd.	-	500	500	0.5
Total	97,039	2,000	99,039	100.0

(Note) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place. The Senshu Ikeda Bank, Ltd. and The Nomura Trust and Banking Co., Ltd. are the new lenders.

III. Status of the Balance Before and After the Borrowing (interest-bearing debt ratio)

(Unit: JPY million)

	Before the Borrowing	After the Borrowing	Change
Short-term borrowings (Note 1)	2,300	2,300	-
Long-term borrowings (Note 1)	94,739	96,739	2,000
(Long-term borrowings due within one year) (Note 2)	11,352	11,532	-
Total borrowings	97,039	99,039	2,000
Investment corporation bonds	-	--	--
Total interest-bearing debt	97,039	99,039	2,000
Interest-bearing debt ratio (Note 3)	49.6%	50.1%	0.5%

(Note 1) The periods for short-term borrowings are within one year and long-term borrowings are over one year.

(Note 2) Long-term borrowing due within one year represents the borrowing due within one year from drawdown date of the Borrowings.

(Note 3) Interest-bearing debt ratio is calculated by dividing the balance of interest-bearing debt after the borrowing by the amount arrived by adding the acquisition prices of Gran Casa Urasando (acquired on May 26, 2014), Forest Hill SendaiAoba (Acquired on July 1, 2014) and the Real Estate to the total asset amount posted on the balance sheet as of the end of the 16th Fiscal Period, and then multiplying the amount by 100. Therefore, it is different from the total asset LTV (=interest-bearing debt/total asset).

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

IV. Forecasts

There is minimal impact from the Borrowing on asset management conditions for the fiscal period ending September 30, 2014 (April 1, 2014 to September 30, 2014.)

V. Other

As for risks pertaining to the repayment, etc. of the Borrowings, there are no important changes to the “Investment risks” mentioned in the most recent semiannual securities report (submitted on June 27, 2014.)

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