

January 29, 2015

To All Concerned Parties

REIT Issuer:  
Japan Rental Housing Investments Inc.  
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(Securities Code: 8986)  
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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 Sendai Itsutsubashi” and “Gran Casa UmedaKita”, amount is 4.15 billion yen, to be acquired on February 2, 2015 (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 3.5 billion yen (loan period of approximately 7 years) from a combination of 7 existing correspondent financial institutions through a syndicated loan. The Bank of Tokyo-Mitsubishi UFJ, Ltd. will be the arranger and agent to raise funds to be used for acquiring.

#### Term Loan P

(1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Shinsei Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Bank of Fukuoka, Ltd., ORIX Bank Corporation
(2) Amount of borrowing	JPY 3,500 million
(3) Drawdown date	February 2, 2015
(4) Due date	February 28, 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+0.70%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement P) to be concluded with the lenders specified in (1) on January 29, 2015.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and 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	31,003	500	31,503	29.7
Sumitomo Mitsui Banking Corporation	17,463	500	17,963	16.9
Aozora Bank, Ltd.	15,142	500	15,642	14.8
Resona Bank, Limited	10,062	-	10,062	9.5
Shinsei Bank, Limited	8,495	500	8,995	8.5
Mitsubishi UFJ Trust and Banking Corporation	4,464	500	4,964	4.7
The Bank of Fukuoka, Ltd.	3,337	500	3,837	3.6
ORIX Bank Corporation	3,147	500	3,647	3.4
The Higashi-Nippon Bank, Limited	2,270	-	2,270	2.1
The Norinchukin Bank	1,950	-	1,950	1.8
Development Bank of Japan Inc.	1,000	-	1,000	0.9
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	0.7
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	102,539	3,500	106,039	100.0

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

### 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)	2,000	2,000	-
Long-term borrowings (Note 1)	100,539	104,039	3,500
(Long-term borrowings due within one year) (Note 2)	11,352	11,352	-
Total borrowings	102,539	106,039	3,500
Investment corporation bonds	-	-	-
Total interest-bearing debt	102,539	106,039	3,500
Interest-bearing debt ratio (Note 3)	50.9%	51.7%	0.8%

(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 borrowed amount in the 18th fiscal period and amount of the borrowing to the total asset amount posted on the balance sheet as of the end of the 17th 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 March 31, 2015 (October 1, 2014 to March 31, 2015.)

### 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 December 15, 2014.)

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