

March 19, 2018

To All Concerned Parties

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Notice Concerning Refinancing of Loans

Japan Rental Housing Investments Inc. (the “Investment Corporation”) hereby announces that the Investment Corporation decided at a meeting of its Board of Directors held today the refinancing of existing bank borrowings of JPY 3.0 billion due on March 23, 2018 and existing bank borrowings of JPY 14.4 billion due on June 22, 2018 (the “Refinancing”).

I. The Refinancing

1. Borrowing of Fund

(1) Reason for the Borrowing

The Investment Corporation has decided to refinance (①) JPY 3.0 billion of existing bank borrowings due on March 23, 2018 as well as (②) JPY 14.4 billion of existing bank borrowings due on June 22, 2018.

(2) Summary of Borrowings

The Investment Corporation has decided to enter into a syndicated loan arrangement of JPY 3.0 billion (Term Loan AA) on the due date for ① above with 7 financial institutions with which the Investment Corporation currently has outstanding borrowings; and on the due date for ② above, has decided to enter into a syndicated loan agreement of JPY 14.4 billion (Term Loan BB) with 8 financial institutions with which the Investment Corporation currently has outstanding borrowings, with The Bank of Tokyo-Mitsubishi UFJ, Ltd. as the arranger and agent.

<Term Loan AA>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Aozora Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Higashi-Nippon Bank, Limited, The Norinchukin Bank
(2) Amount of borrowing	JPY 3,000 million
(3) Drawdown date	March 23, 2018
(4) Due date	March 24, 2025
(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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.4625%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement AA) to be concluded with the lenders specified in (1) above on March 19, 2018.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

<Term Loan BB 1st Term Loan >

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd., The Nomura Trust and Banking Co., Ltd.
(2) Amount of borrowing	JPY 4,250 million
(3) Drawdown date	June 22, 2018
(4) Due date	June 24, 2024
(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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.4375%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement BB) to be concluded with the lenders specified in (1) above on March 19, 2018.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

<Term Loan BB 2nd Term Loan >

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd., Mizuho Bank, Ltd.
(2) Amount of borrowing	JPY 4,509 million
(3) Drawdown date	June 22, 2018
(4) Due date	March 23, 2026
(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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.5000%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement BB) to be concluded with the lenders specified in (1) above on March 19, 2018.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

<Term Loan BB 3rd Term Loan >

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd., Mizuho Bank, Ltd.
(2) Amount of borrowing	JPY 4,702 million
(3) Drawdown date	June 22, 2018
(4) Due date	June 22, 2026
(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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.5125%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement BB) to be concluded with the lenders specified in (1) above on March 19, 2018.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

The 1-month JBA Japanese Yen TIBOR rate as of two business days prior to the immediately preceding interest payment date 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.

<Term Loan BB 4th Term Loan >

(1) Lenders	Development Bank of Japan Inc.
(2) Amount of borrowing	JPY 1,000 million
(3) Drawdown date	June 22, 2018
(4) Due date	June 22, 2026
(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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	To be determined (Fixed interest rate)
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement BB) to be concluded with the lenders specified in (1) above on March 19, 2018.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

The interest rate of Term Loan BB is to be determined 2 business days prior to the drawdown date. The Investment Corporation will announce as soon as it has been determined.

2. Summary of the Existing Borrowings Subject to the Refinancing

<Term Loan D2>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Aozora Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Higashi-Nippon Bank, Limited
(2) Balance of borrowings	JPY 1,527 million
(3) Drawdown date	March 25, 2013
(4) Due date	March 23, 2018
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(6) Repayment conditions	Lump-sum repayment on the due date

<Term Loan EH1 2nd Term Loan>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Resona Bank, Limited, The Higashi-Nippon Bank, Limited,
(2) Balance of borrowings	JPY 1,010 million
(3) Drawdown date	October 18, 2013
(4) Due date	March 23, 2018
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.70%
(6) Repayment conditions	Lump-sum repayment on the due date

<Term Loan T 1st Term Loan>

(1) Lenders	The Norinchukin Bank
(2) Balance of borrowings	JPY 463 million
(3) Drawdown date	March 22, 2016
(4) Due date	March 23, 2018
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.35%
(6) Repayment conditions	Lump-sum repayment on the due date

<Term Loan I 1st Term Loan >

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd., ORIX Bank Corporation
(2) Balance of borrowings	JPY 14,461 million
(3) Drawdown date	June 24, 2013
(4) Due date	June 22, 2018
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(6) Repayment conditions	Lump-sum repayment on the due date

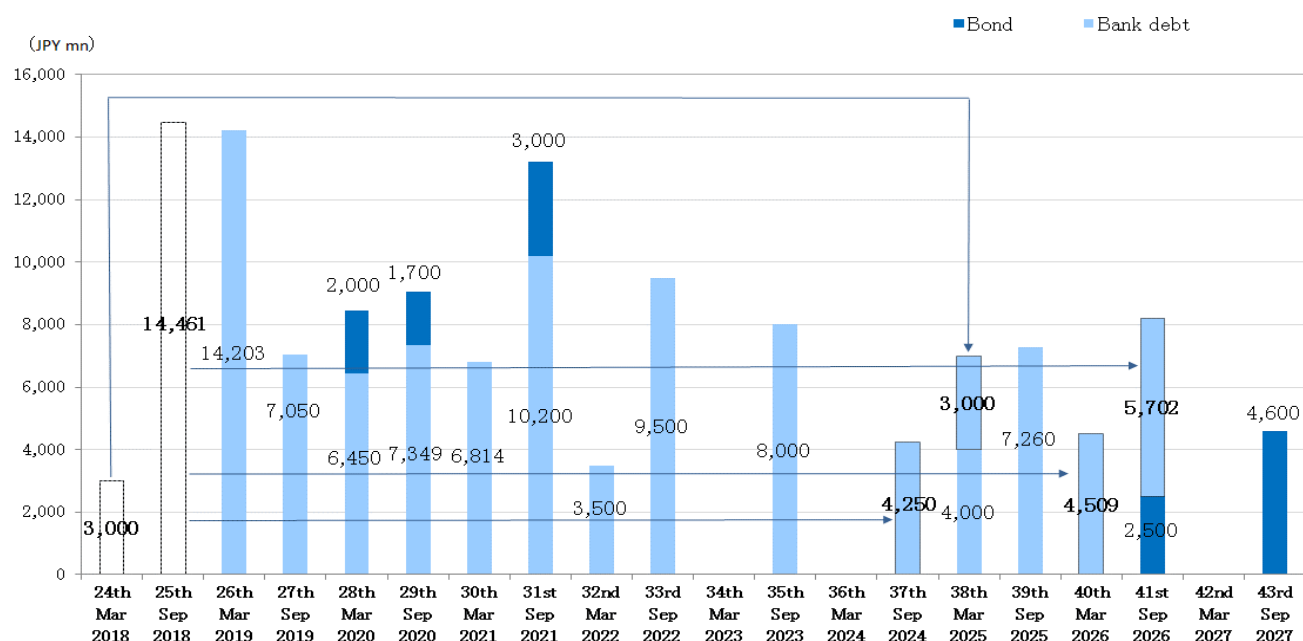
II. Outstanding Balance of Borrowings by Lenders

Lender	Before the Refinancing	The Refinancing (March 23, 2018)			Transfer of borrowings among MUFG Group (April 16, 2018)	The Refinancing (June 22, 2018)			After the Refinancing (June 22, 2018)	
	Balance (JPY million)	(A) Repayment amount (JPY million)	(B) Borrowing amount (JPY million)	(B) - (A) Change (JPY million)		(A) Repayment amount (JPY million)	(B) Borrowing amount (JPY million)	(B) - (A) Change (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd	28,334	1,168	1,168	-	5,344	1,459	1,459	0	33,678	29.1%
Sumitomo Mitsui Banking Corporation	19,074	159	159	-	-	4,612	4,612	0	19,074	16.5%
Resona Bank, Limited	9,463	615	781	166	-	-	840	840	10,469	9.1%
Shinsei Bank, Limited	10,335	-	-	-	-	-	-	-	10,335	8.9%
Aozora Bank, Ltd.	13,397	119	119	-	-	7,154	3,600	▲ 3,554	9,843	8.5%
The Bank of Fukuoka, Ltd.	4,337	-	-	-	-	837	1,350	512	4,850	4.2%
Development Bank of Japan Inc.	2,500	-	-	-	-	-	1,000	1,000	3,500	3.0%
ORIX Bank Corporation	2,168	-	-	-	-	398	-	▲ 398	1,770	1.5%
Mizuho Bank, Ltd.	500	-	-	-	-	-	1,000	1,000	1,500	1.3%
The Nomura Trust and Banking Co., Ltd.	500	-	-	-	-	-	600	600	1,100	1.0%
The Higashi-Nippon Bank, Limited	1,166	396	230	▲ 166	-	-	-	-	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 Norinchukin Bank	968	463	463	-	-	-	-	-	968	0.8%
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%
Mitsubishi UFJ Trust and Banking Corporation	5,344	80	80	-	▲ 5,344	-	-	-	-	-
Total Balance of Bank Debt	101,787	3,000	3,000	-	-	14,461	14,461	0	101,787	88.1%
Investment Corporation Bond	13,800	-	-	-	-	-	-	-	13,800	11.9%
Total Balance of Interest Bearing Debt	115,587	3,000	3,000	-	-	14,461	14,461	0	115,587	100.0%

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

Transfer of borrowings among MUFG Group means that the borrowings from Mitsubishi UFJ Trust and Banking Corporation will be integrated with the borrowings from The Bank of Tokyo-Mitsubishi UFJ, Ltd.

III. Borrowings by Repayment Date



IV. Status of the Balance and Interest-bearing Debt Ratio Before and After the Refinancing

(Unit: JPY million)

	Before the Refinancing (March 22, 2018)	After the Early Repayment (March 23, 2018)	After the Early Repayment (June 22, 2018)	Change
Short-term borrowings (Note 1)	-	-	-	-
Long-term borrowings (Note 1)	101,787	101,787	101,787	-
(Long-term borrowings due within one year) (Note 2)	31,664	28,664	14,203	▲ 17,461
Total borrowings	101,787	101,787	101,787	-
Investment corporation bonds	13,800	13,800	13,800	-
Total interest-bearing debt	115,587	115,587	115,587	-
Interest-bearing debt ratio (Total asset based) (Note 3)	49.9%	49.9%	49.9%	-
Interest-bearing debt ratio (Appraisal based) (Note 4)	45.5%	45.5%	45.5%	-
Average borrowing remaining duration (Note 5)	3.2years	3.4years	4.0years	+ 0.8years

(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 borrowings due within one year from the respective dates indicated above.

(Note 3) Interest-bearing debt ratio (Total asset based) is calculated by dividing the balance of interest-bearing debt by the total asset amount posted on the balance sheet as of the end of the Fiscal Period ended September 30, 2017 (23rd Fiscal Period) (JPY 231.8 billion) and then multiplying the amount by 100.

(Note 4) Interest-bearing debt ratio (Appraisal based) is calculated by dividing the balance of interest-bearing debt by the amount obtained by subtracting the appraisal value of the one property disposed in the Fiscal Period ending March 31, 2018 (24th Fiscal Period) from the appraisal value of 199 properties owned at the end of the Fiscal Period ended September 30, 2017 (23rd Fiscal Period) priced as of September 30, 2017, and then multiplying the number by 100.

(Note 5) Average borrowing remaining duration is weighted by each borrowing amount.

V. Forecasts

There is minimal impact from the Refinancing on asset management conditions for the fiscal period ending March 31, 2018 (October 1, 2017 to March 31, 2018) and the fiscal period ending September 30, 2018 (April 1, 2018 to September 30, 2018).

VI. 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 December 20, 2018).

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