

December 18, 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 Borrowing to be used as a part of fund to acquire the properties that the Investment Corporation announced today, amount of JPY 8.54 billion (total anticipated acquisition price of JPY 7.85 billion and acquisition related costs of JPY 0.69 billion. 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 8.0 billion yen (loan period of approximately 9 months) from a combination of 6 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 S

(1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Shinsei Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Bank of Fukuoka, Ltd.
(2) Amount of borrowing	JPY 8,000 million
(3) Drawdown date	December 22, 2015
(4) Due date	September 9, 2016
(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+0.325%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement S) to be concluded with the lenders specified in (1).
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

(Note 1) All Borrowings are subject to the condition that the term loan agreements will be agreed upon with each of the anticipated lenders to their reasonable satisfaction and that all separately agreed-upon conditions to the loans are fulfilled.

(Note 2) “Anticipated drawdown date” and “Anticipated principal repayment date” is the anticipated date as of today and may change before the actual drawdown date.

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. The Investment Corporation will not place the announcements regarding the interest rates applicable on the Borrowing. 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	29,678	3,500	33,178	29.2
Sumitomo Mitsui Banking Corporation	19,063	1,500	20,563	18.1
Aozora Bank, Ltd.	15,642	-	15,642	13.8
Resona Bank, Limited	10,062	1,000	11,062	9.7
Shinsei Bank, Limited	9,495	1,000	10,495	9.2
Mitsubishi UFJ Trust and Banking Corporation	4,964	500	5,464	4.8
The Bank of Fukuoka, Ltd.	3,837	500	4,337	3.8
ORIX Bank Corporation	3,647	-	3,647	3.2
The Higashi-Nippon Bank, Limited	2,270	-	2,270	2.0
The Norinchukin Bank	1,675	-	1,675	1.5
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	0.6
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	105,535	8,000	113,535	100.0
Investment Corporation Bond	3,700	—	3,700	—
Total Balance of Interest Bearing Debt	109,235	8,000	117,235	—

(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)	1,200	9,200	+8,000
Long-term borrowings (Note 1)	104,335	104,335	-
(Long-term borrowings due within one year) (Note 2)	15,773	15,773	-
Total borrowings	105,535	113,535	+8,000
Investment corporation bonds	3,700	3,700	-
Total interest-bearing debt	109,235	117,235	+8,000
Interest-bearing debt ratio (Note 3)	49.5%	51.3%	1.8%

(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 the amount of the Borrowed to the total asset amount posted on the balance sheet as of the end of the 19th 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/>