

April 26, 2012

To All Concerned Parties

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Notice Concerning Borrowing of Funds and Repayment of Loans

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) announces that the Investment Corporation today decided on the refinancing of existing loans (hereinafter referred to as the “Refinancing”). Details are as follows.

I . Overview of refinancing

The Refinancing is for loans of 1,566 million yen for which the original repayment date was May 1, 2012. Following the Refinancing, the repayment date now falls on June 22, 2012. In addition, the repayment date for a separate loan worth 7,365 million yen also falls on June 22, 2012. The Investment Corporation plans to initiate a refinancing for the combined sum of 8,931 million yen through once again lengthening of the loan period for this debt.

II . Borrowings of Funds

1. Reason for Borrowings

The Investment Corporation has made the decision to borrow 1,566 million yen from two existing correspondent financial institutions, with The Bank of Tokyo-Mitsubishi UFJ, Ltd as the arranger and agent, with the objective of raising funds for refinancing existing debt that is close to repayment.

2. Summary of Borrowings

Term Loan B5

(i)	Lender	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.,
(ii)	Amount of borrowings	1,566 million yen
(iii)	Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(iv)	Drawdown date	May 1, 2012
(v)	Method	Borrowings under Term Loan Agreement (B5) to be concluded with the lender specified in (i) on April 26, 2012
(vi)	Due date	June 22, 2012
(vii)	Repayment conditions	Lump-sum repayment on the due date
(viii)	Collateral	First ^(Note 1) and second ^(Note 2) pledges are established on a part of existing trust beneficiary interests in real estate. In addition, junior pledges or mortgages are established on a part of existing trust beneficiary interests in real estate and properties ^(Note 3) for properties set as joint collateral for Credit Line Loans A9, B6, and C4 (first pledge) and Term Loans A3, A4, A5, B3, B4, B5, C3 and C4 (second pledge).

(Note 1) Properties for which first pledges are established

Property number	Property name	Property number	Property name
O-4-024	VISTA Supreme	F-4-028	Winbell Chorus Hiratsuka No.13
O-4-025	Joy Oyamadai	F-4-029	Libest Higashi Nakayama
O-4-031	willDo Otsuka	F-5-032	Stellato City Sakurayama
O-5-026	Excelsior Sakae	F-6-033	La Vita Nipponbashi
O-5-041	willDo Taiko dori	P-4-006	Gran Casa Minami Aoyama

(Note 2) Properties for which second pledges are established

Property number	Property name	Property number	Property name
O-5-066	willDo Higashibetsuin	O-6-067	willDo Shin-Osaka
O-5-086	willDo daikancho		

(Note 3) Properties set as joint collateral

Property number	Property name	Property number	Property name
O-2-065	Grand Mason Shichifuku	O-6-044	willDo Dainichi
O-5-063	willDo Inaei	O-6-083	willDo Sannomiya East
O-5-081	willDo Matsubara	O-6-084	willDo Kamishinryo w I
O-5-082	willDo Yokkaichi Unomori	F-4-036	Lofty Hirai
O-6-029	Grand Mer Higashi Yodogawa		

Interest payment dates for the aforementioned borrowings fall on the 22nd of each month. JBA 1 month yen TIBOR rate of two business days prior to the latest interest payment date will be used as the base rate to calculate the applicable interest rate for the current calculation period (1-month JBA Japanese Yen TIBOR rate as of today, April 26, 2012: 0.18000%). If the calculation period is less than 1 month, the accrued interest will be calculated using the base rate applicable and according to the method described in the contract.

Please refer to the JBA website (<http://www.zenginkyo.or.jp/tibor/>) for JPY TIBOR details.

III. Repayment of Loans

Term Loan (B), The 2nd Term Loan

Lender	Resona Bank, Ltd., Mitsui Sumitomo Insurance Company, Limited
Drawdown date	May 1, 2007
Amount of borrowings	1,566 million yen
Due date	May 1, 2012
Amount of repayment	1,566 million yen
Repayment conditions	Lump-sum repayment on the due date

(Note 1) For details of the loan, please refer to “Notice of Borrowing of Funds and Repayment of Borrowing” dated April 25, 2007, “Notice Concerning Borrowings and Repayments of Existing Loans including Partial Prepayment” dated June 18, 2009, as well as the multiple notices titled “Notice Concerning Completion of Asset Transfer and Prepayment of Loans” dated March 16, 2011, March 17, 2011, and March 19, 2012.

(Note 2) Amounts are rounded down to the nearest million yen.

IV. Others

As for risks pertaining to the repayment, etc. of the abovementioned borrowings, there are no important changes to the “Investment risks” mentioned in the most recent semiannual securities report (submitted on December 20, 2011).

[For reference 1]

Balance of outstanding borrowings before and after the Refinancing (million yen), interest-bearing debt ratio

	Before Refinancing	After Refinancing	Difference
Short-term borrowings (Note 1) (Note 4)	-	-	-
Long-term borrowings (Note 1) (Note 4)	74,342	74,341	▲0
(Long-term borrowings due within one year) (Note 2) (Note 4)	12,782	12,781	▲0
Total borrowings (Note 4)	74,342	74,341	▲0
Investment Corporation bonds (Note 4)	-	-	-
Total interest-bearing debt (Note 4)	74,342	74,341	▲0
Interest-bearing debt ratio (%)(Note 3) (Note 4)	46.6%	46.6%	▲0.0%

(Note 1) The 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” refers to long-term debt that is due for repayment within one year from the date of the Borrowings.

(Note 3) Interest-bearing debt ratio = Total interest-bearing debt / (Total interest-bearing debt + Unitholders’ capital + Investment surplus + Negativegoodwill from the previous fiscal period) × 100. The interest-bearing debt ratio is rounded off to the first decimal place.

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

[For reference 2]

Balance of outstanding borrowings by lender before and after the Refinancing

Lender	①As of March 31,2012 (end of the 12 th Fiscal Period)		②As of May 1,2012 (After the Refinancing)		②-①
	Outstanding balance of borrowing (million yen)	Share	Outstanding balance of borrowing (million yen)	Share	
The Bank of Tokyo-Mitsubishi UFJ, Ltd (agent)	18,013	24.2%	18,013	24.2%	0
Aozora Bank, Ltd.	18,394	24.7%	18,394	24.7%	0
Sumitomo Mitsui Banking Corporation	13,350	18.0%	13,916	18.7%	566
Resona Bank, Ltd.	5,372	7.2%	5,589	7.5%	216
Sumitomo Mitsui Trust Bank, Limited	4,207	5.7%	4,207	5.7%	0
The Norinchukin Bank	4,146	5.6%	4,146	5.6%	0
Shinsei Bank, Limited	3,885	5.2%	3,885	5.2%	0
The Musashino Bank,Ltd.	2,032	2.7%	2,032	2.7%	0
ORIX Bank Corporation	1,877	2.5%	1,877	2.5%	0
Mitsubishi UFJ Trust and Banking Corporation	1,778	2.4%	1,778	2.4%	0
Mitsui Sumitomo Insurance Co., Ltd.	783	1.1%	0	0.0%	▲ 783
The Bank of Fukuoka, Ltd.	500	0.7%	500	0.7%	0
Total	74,342	100.0%	74,341	100.0%	▲ 0

(Note 1) Amounts are rounded down to the nearest million yen. Percentage figures are rounded off to one decimal place

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