

June 20, 2016

To All Concerned Parties

REIT Issuer:
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Notice Concerning Refinancing and Early Repayment of Loans

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) announces the Investment Corporation resolved to reduce existing bank borrowings of JPY 10.6 billion due on Jun 22, 2016 to JPY 9.0 billion and refinance (hereinafter referred to as the “Refinancing”) at a meeting of its Board of Directors held today.

In addition, the Investment Corporation resolved to make a prepayment of JPY 4.0 billion of bank borrowings of JPY 12 billion on June 30, 2016 (hereinafter referred to as the “Prepayment”) which is due on September 20, 2016.

I. Refinancing

1. Borrowing of Fund

(1) Reason for the Borrowing

The Investment Corporation has decided to refinance JPY 9.0 billion of existing loans of approximately JPY 10.6 billion, which is due on June 22, 2016. In addition, approximately JPY 1.6 billion, the difference between the borrowings of approximately JPY 10.6 billion and the Refinancing, is procured through the issuance of the third and fourth investment corporation bonds on June 15, 2016. (Please refer to the “Notice Concerning Issuance of Investment Corporation Bonds” dated Jun 7, 2016 for details. Hereinafter referred to as the “Investment Corporation Bond”)

(2) Summary of Borrowings

The Investment Corporation has decided to enter into new borrowings, amount of JPY 9.0 billion, from a combination of 4 financial institutions with which the Investment Corporation currently has outstanding borrowings through a syndicated loan. The Bank of Tokyo-Mitsubishi UFJ, Ltd. will be the arranger and agent.

<Term Loan U>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Shinsei Bank, Limited
(2) Amount of borrowing	JPY 9,000 million
(3) Drawdown date	June 22, 2016
(4) Due date	June 22, 2021
(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+0.4%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement U) to be concluded with the lenders specified in (1) above on June 20, 2016.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

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



2. Summary of the Existing Borrowings Subject to the Refinancing (JPY 9.0 billion of total amount approximately JPY 10.6 billion)

<Term Loan A5 2nd Term Loan>

(1) Lenders	Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Shinsei Bank, Limited
(2) Balance of borrowings	JPY 3,581 million
(3) Drawdown date	June 22, 2011
(4) Due date	June 22, 2016
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.90%
(6) Repayment conditions	Lump-sum repayment on the due date

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

<Term Loan B4>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, ORIX Bank Corporation
(2) Balance of borrowings	JPY 2,610 million
(3) Drawdown date	June 22, 2011
(4) Due date	June 22, 2016
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.90%
(6) Repayment conditions	Lump-sum repayment on the due date

<Term Loan C4>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation
(2) Balance of borrowings	JPY 4,411 million
(3) Drawdown date	June 22, 2011
(4) Due date	June 22, 2016
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.90%
(6) Repayment conditions	Lump-sum repayment on the due date

II. Prepayment

Funds for repayment will be procured through the issuance of Investment Corporation Bond paid on June 15, 2016 and cash on hand. In addition, the subject of the prepayment is as follows.

<Term Loan F>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, ORIX Bank Corporation
(2) Balance of borrowings	JPY 4,000 million
(3) Drawdown date	September 20, 2011
(4) Due date	September 20, 2016
(5) Repayment Date	June 30, 2016
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.85%
(7) Repayment conditions	Lump-sum repayment on the due date



III. Reference

1. Outstanding Balance of Interest Bearing Debt after the Refinancing and the Prepayment

Lenders	(A) Before the Refinancing (June 15, 2016)	After the Refinancing (June 22, 2016)	(B) After the Prepayment (June 30, 2016)		Change (B) – (A)
	Amount (JPY million)	Amount (JPY million)	Amount (JPY million)	Share (%)	Amount (JPY million)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	33,178	32,619	31,619	29.3	-1,559
Sumitomo Mitsui Banking Corporation	20,563	20,316	19,316	17.9	-1,246
Aozora Bank, Ltd.	15,642	15,642	15,642	14.5	-
Shinsei Bank, Limited	10,495	10,340	10,340	9.6	-154
Resona Bank, Limited	11,062	10,898	9,898	9.2	-1,164
Mitsubishi UFJ Trust and Banking Corporation	5,464	5,464	5,464	5.1	-
The Bank of Fukuoka, Ltd.	4,337	4,337	4,337	4.0	-
The Higashi-Nippon Bank, Limited	2,270	2,270	2,270	2.1	-
ORIX Bank Corporation	3,647	3,168	2,168	2.0	-1,478
The Norinchukin Bank	1,675	1,675	1,675	1.6	-
Development Bank of Japan Inc.	1,000	1,000	1,000	0.9	-
The Hyakugo Bank, Ltd.	1,000	1,000	1,000	0.9	-
The Hiroshima Bank, Ltd.	1,000	1,000	1,000	0.9	-
The Kagawa Bank, Ltd.	700	700	700	0.6	-
The Ashikaga Bank, Ltd.	500	500	500	0.5	-
The Senshu Ikeda Bank, Ltd.	500	500	500	0.5	-
The Nomura Trust and Banking Co., Ltd.	500	500	500	0.5	-
Total Balance of Bank Debt	113,535	111,932	107,932	100	-5,603
Investment Corporation Bond	9,200	9,200	9,200	-	-
Total Balance of Interest Bearing Debt	122,735	121,132	117,132	-	-5,603

(Note 1) As for JPY 5,603 million, the difference between the outstanding balance before the Refinancing and after the Prepayment, JPY 103 million is to be paid with cash on hand, excluding JPY 5,500 million that is to be procured through the issuance of investment corporation bonds.

(Note 2) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.



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

(Unit: JPY million)

	(A) Before the Refinancing (June 15, 2016)	After the Refinancing (June 22, 2016)	(B) After the Repayment (June 30, 2016)	Change (B)-(A)
Short-term borrowings (Note 1)	8,000	8,000	8,000	-
Long-term borrowings (Note 1)	105,535	103,932	99,932	-5,603
(Long-term borrowings due within one year) (Note 2)	25,952	15,349	20,183	-5,769
Total borrowings	113,535	111,932	107,932	-5,603
Investment corporation bonds	9,200	9,200	9,200	-
Total interest-bearing debt	122,735	121,132	117,132	-5,603
Interest-bearing debt ratio (Note 3)	53.7%	53.0%	51.2%	-2.5%

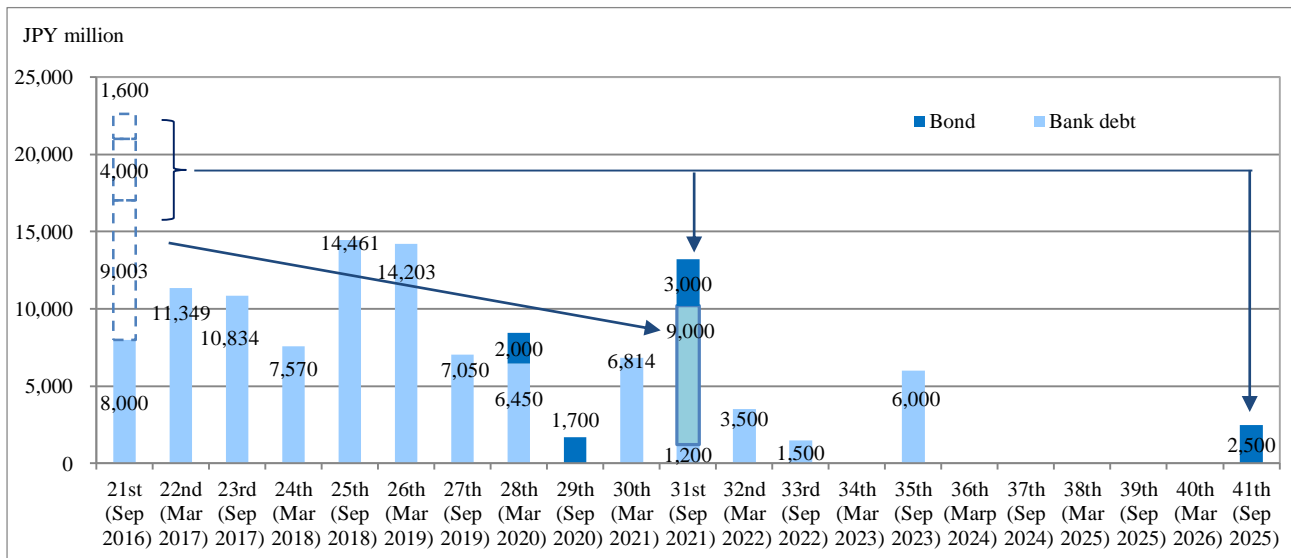
(Note 1) The debt periods for short-term borrowings are within one year and long-term borrowings are over one year.

(Note 2) "Long-term borrowings due within one year" after the issuance of investment corporation bonds refer to long-term borrowings that are due for repayment within one year from each indicated date.

(Note 3) Interest-bearing debt ratio is calculated by dividing the balance of interest-bearing debt of JPY 122.7 billion before the Refinancing, the balance of interest-bearing debt of JPY 121.1 billion after the Refinancing, and balance of interest-bearing debt of JPY 117.1 billion after the Prepayment, by the total asset amount posted on the balance sheet as of the end of the 20th Fiscal Period (JPY 228.7 billion) and then multiplying the amount by 100.

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

3. Borrowing by Repayment Date



IV. Forecasts

There is minimal impact from the Refinancing and Prepayment on asset management conditions for the fiscal period ending September 30, 2016 (April 1, 2016 to September 30, 2016) and the fiscal period ending March 31, 2017 (October 1, 2016 to March 31, 2017).

V. Other

As for risks pertaining to the Refinancing and the Prepayment, there are no material changes from the "Investment risks" stated in the semiannual securities report for the 20th Fiscal Period (submitted today).