

December 19, 2018

To All Concerned Parties

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Notice Concerning Refinancing of Loans

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) announces that the Investment Corporation decided refinancing of the existing borrowings (hereinafter referred to as the “Refinancing”) at a meeting of its Board of Directors held today.

I. The Refinancing

1. Borrowing of Fund

(1) Reason for the Borrowing

The Investment Corporation has decided to enter into new borrowings for purposes of refinancing the existing borrowings of totaling 14,203 million yen, which are due for repayment on December 25, 2018. For details on the repayment, please refer to “2. Summary of the Existing Debt Subject to the Refinancing.”

(2) Summary of Borrowings

The Investment Corporation has decided to enter into syndicated loan arrangements of JPY 14,203 million in total with 8 financial institutions with which the Investment Corporation currently has outstanding borrowings as well as with Nippon Life Insurance Company with which the Investment Corporation will be transacting for the first time, with MUFG Bank, Ltd. as the arranger and agent.

<Term Loan CC 1st Term Loan >

(1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation
(2) Amount of borrowing	JPY 2,000 million
(3) Drawdown date	December 25, 2018
(4) Due date	December 30, 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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.3375%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement CC) to be concluded with the lenders specified in (1) above on December 19, 2018.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

<Term Loan CC 2nd Term Loan >

(1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Ltd., Resona Bank, Limited, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd., Mizuho Bank, Ltd., The Ashikaga Bank, Ltd.
(2) Amount of borrowing	JPY 5,540 million
(3) Drawdown date	December 25, 2018
(4) Due date	March 29, 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+0.3700%

(7) Method	Borrowings under individual loan agreements (Term Loan Agreement CC) to be concluded with the lenders specified in (1) above on December 19, 2018.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

<Term Loan CC 3rd Term Loan >

(1) Lenders	MUFG Bank, Ltd., Shinsei Bank, Ltd., Resona Bank, Limited, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd., Mizuho Bank, Ltd.
(2) Amount of borrowing	JPY 6,163 million
(3) Drawdown date	December 25, 2018
(4) Due date	December 30, 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+0.4825%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement CC) to be concluded with the lenders specified in (1) above on December 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 CC 4th Term Loan >

(1) Lenders	Nippon Life Insurance Company
(2) Amount of borrowing	JPY 500 million
(3) Drawdown date	December 25, 2018
(4) Due date	December 30, 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	0.8000% (Fixed interest rate)
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement CC) to be concluded with the lenders specified in (1) above on December 19, 2018.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

2. Summary of the Existing Borrowings Subject to the Refinancing

<Term Loan A8 1st Term Loan >

(1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Ltd., Resona Bank, Limited, The Bank of Fukuoka, Ltd., ORIX Bank Corporation, The Higashi-Nippon Bank, Limited
(2) Balance of borrowings	JPY 6,600 million
(3) Drawdown date	December 25, 2013
(4) Due date	December 25, 2018
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(6) Repayment conditions	Lump-sum repayment on the due date

<Term Loan A9>

(1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Ltd., Resona Bank, Limited, The Bank of Fukuoka, Ltd.
(2) Balance of borrowings	JPY 2,000 million
(3) Drawdown date	January 31, 2014
(4) Due date	December 25, 2018
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%

(6) Repayment conditions	Lump-sum repayment on the due date
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<Term Loan J 2nd Term Loan>

(1) Lenders	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Aozora Bank, Ltd., The Bank of Fukuoka, Ltd., ORIX Bank Corporation, The Ashikaga Bank, Ltd.
(2) Balance of borrowings	JPY 5,603 million
(3) Drawdown date	March 26, 2014
(4) Due date	December 25, 2018
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.60%
(6) Repayment conditions	Lump-sum repayment on the due date

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

(Unit: JPY million)

	Before the Refinancing (December 24, 2018)	After the Early Repayment (December 25, 2018)	Change
Short-term borrowings (Note 1)	-	-	-
Long-term borrowings (Note 1)	101,787	101,787	-
(Long-term borrowings due within one year) (Note 2)	21,253	7,050	▲ 14,203
Total borrowings	101,787	101,787	-
Investment corporation bonds	13,800	13,800	-
Total interest-bearing debt	115,587	115,587	-

(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.

III. Forecasts

There is minimal impact from the Refinancing on asset management conditions for the fiscal period ending March 31, 2018 (October 1, 2018 to March 31, 2019) and the fiscal period ending September 30, 2019 (April 1, 2019 to September 30, 2019).

IV. 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 today).

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