

July 28, 2015

To All Concerned Parties

REIT Issuer:
Japan Rental Housing Investments Inc.
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Notice Concerning Completion of Payment for Second Investment Corporation Bond
of Japan Rental Housing Investments Inc. and Prepayment of Loans

Japan Rental Housing Investments Inc. (the “Investment Corporation”) hereby announces that payment was completed today for the issuance of the second investment corporation bond of Japan Rental Housing Investments Inc. as described in “Notice Concerning Issuance of Investment Corporation Bonds” dated July 22, 2015, and that it has resolved to prepay JPY 1.7 billion due on March 25, 2016 with the paid-in funds and cash on hand as detailed below.

1. Summary of the Prepayment

<Term Loan E >

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Amount of borrowings	JPY 1,700 million
Interest rate	1-month JBA Japanese Yen TIBOR +1.025%
Drawdown date	March 25, 2011
Due date	March 25, 2016
Planning prepayment date	August 11, 2015
Amount of prepayment	JPY 1,700 million

Note: Amounts are rounded down to the nearest million yen; hereinafter the same shall apply.

Please refer to the JBA TIBOR Administration website (<http://www.jbatibor.or.jp/english/rate/>) for 1-month JBA Japanese Yen TIBOR details.

2. Status of Interest-Bearing Debt after the Issuance of Investment Corporation Bonds

(Unit: JPY million)

	Before the issuance of investment corporation bonds (as of July 22, 2015)	After the issuance of investment corporation bonds and the prepayment (Note 4) (as of August 11, 2015)	Difference
Short-term borrowings (Note 1)	1,200	1,200	—
Long-term borrowings (Note 1)	106,035	104,335	(1,700)
(Long-term borrowings due within one year) (Note 2)	14,673	12,973	(1,700)
Total borrowings	107,235	105,535	(1,700)
Investment corporation bonds	2,000	3,700	1,700
Total interest-bearing debt	109,235	109,235	—
Interest-bearing debt ratio (%) (Note 3)	49.5%	49.5%	—

(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" after the issuance of investment corporation bonds refers 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 109.2 billion yen before the issuance of investment corporation bonds for before the issuance of investment corporation bonds, the balance of interest-bearing debt of 109.2 billion yen after the issuance of investment corporation bonds for after the issuance of investment corporation bonds and the prepayment by the amount arrived by respectively adding a total of borrowings made on June 1, 2015 (3.2 billion yen) and total paid-in amount (12.1 billion yen) from the issuance of new investment units stated in "Notice Concerning Determination of Price for Issuance of New Investment Units and Secondary Offering of Investment Units" dated May 20, 2015 to the total asset amount posted on the balance sheet as of the end of the 18th Fiscal Period (205 billion yen) and subtracting the difference (3 million yen) between the repayment amount at the time of refinancing described in "Notice Concerning Borrowing of Funds and Repayment of Loans" dated March 17, 2015 and the borrowing amount, and then multiplying the amount by 100. Therefore, it is different from the total asset LTV (=interest-bearing debt/total asset).

(Note 4) Amounts indicated are the amounts after conducting the prepayment on August 11, 2015 with procured funds from issuing investment corporation bonds, etc.

(Note 5) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.

3. Forecasts

There is minimal impact from the prepayment on asset management conditions for the fiscal period ending September 31, 2015 (April 1, 2015 to September 30, 2015), and we have thus left our forecasts unchanged.

4. Other

As for risks pertaining to the prepayment, etc. of the loans, there are no important changes to the "Investment risks" mentioned in the 18th fiscal period semiannual securities report submitted on June 19, 2015.

5. (Reference) Outstanding Balance of Borrowing by Lender after the Prepayment

Lender	Before the prepayment	Prepayment (Difference)	After the prepayment	
	Balance (JPY million)	Balance (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	31,378	(1,700)	29,678	28.1
Sumitomo Mitsui Banking Corporation	19,063	—	19,063	18.1
Aozora Bank, Ltd.	15,642	—	15,642	14.8
Resona Bank, Limited	10,062	—	10,062	9.5
Shinsei Bank, Limited	9,495	—	9,495	9.0
Mitsubishi UFJ Trust and Banking Corporation	4,964	—	4,964	4.7
The Bank of Fukuoka, Ltd.	3,837	—	3,837	3.6
ORIX Bank Corporation	3,647	—	3,647	3.5
The Higashi-Nippon Bank, Limited	2,270	—	2,270	2.2
The Norinchukin Bank	1,675	—	1,675	1.6
Development Bank of Japan Inc.	1,000	—	1,000	1.0
The Hyakugo Bank, Ltd.	1,000	—	1,000	1.0
The Hiroshima Bank, Ltd.	1,000	—	1,000	1.0
The Kagawa Bank, Ltd.	700	—	700	0.7
The Ashikaga Bank, Ltd.	500	—	500	0.5
The Senshu Ikeda Bank, Ltd.	500	—	500	0.5
The Nomura Trust and Banking Co., Ltd.	500	—	500	0.5
Total	107,235	(1,700)	105,535	100.0

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