

June 20, 2012

To All Concerned Parties

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### Notice Concerning Borrowing of Funds and Repayment of Loans

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

#### I. Overview of refinancing

The Investment Corporation has made the decision to refinance debt of approximately 8.9 billion debt which is due for repayment on June 22, 2012. The syndicated loans, with The Bank of Tokyo-Mitsubishi UFJ, Ltd as the arranger and agent, are for a five-year period with a spread of 0.75%. The Investment Corporation’s balance of borrowing by lender over the last two years (from before the merger with the former Prospect Reit Investment Corporation till the latest Refinancing) is outlined below.

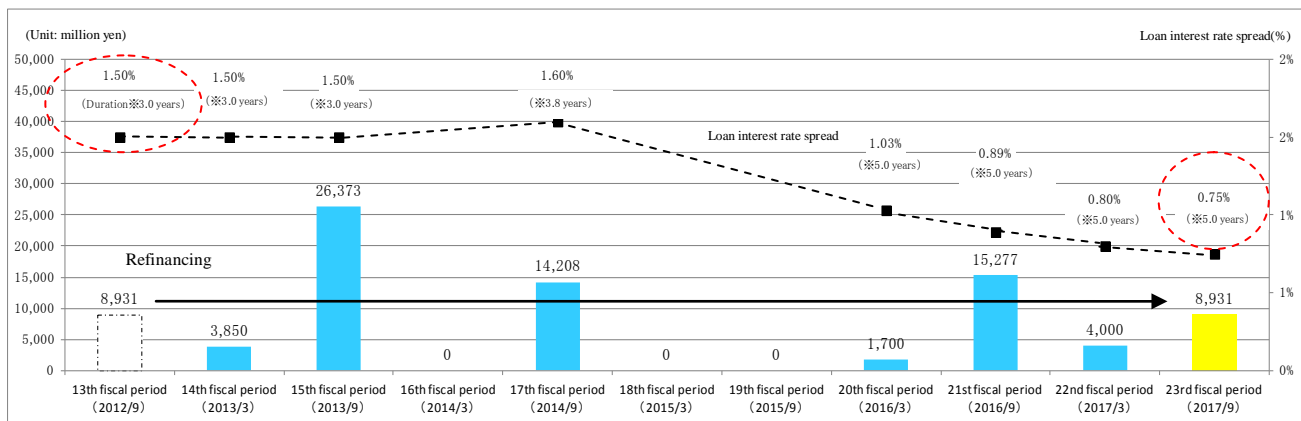
##### (1) Trend in balance of borrowings by lender

Lender	June 22,2010 (Reference) Balance before merger with PRI (Note 1) (million yen)	July 2,2010 (Reference) Balance after merger with PRI (Note 1) (million yen)	Before Refinanci ng Amount (million yen)	Refinancing			June 22,2012 After Refinancing	
				① Repaymen t amount (million yen)	② Balance of borrowing (million yen)	②-① (million yen)	Amount (million yen)	Share
The Bank of Tokyo-Mitsubishi UFJ, Ltd (agent )	10,238	13,167	18,013	2,620	3,374	754	18,768	25.2%
Aozora Bank, Ltd.	8,868	23,225	18,394	2,590	2,590	0	18,394	24.7%
Sumitomo Mitsui Banking Corporation	4,323	11,626	13,916	566	1,266	700	14,616	19.7%
Resona Bank, Ltd.	4,423	4,423	5,589	1,000	1,000	0	5,589	7.5%
Shinsei Bank, Limited	3,050	3,050	3,885	0	700	700	4,585	6.2%
Sumitomo Mitsui Trust Bank, Limited	5,293	6,133	4,207	0	0	0	4,207	5.7%
The Musashino Bank, Ltd.	1,682	2,522	2,032	0	0	0	2,032	2.7%
The Norinchukin Bank	5,443	5,443	4,146	2,154	0	▲2,154	1,991	2.7%
ORIX Bank Corporation	0	0	1,877	0	0	0	1,877	2.5%
Mitsubishi UFJ Trust and Banking Corporation	2,161	2,161	1,778	0	0	0	1,778	2.4%
The Bank of Fukuoka, Ltd.	0	0	500	0	0	0	500	0.7%
Others (3 companies)	900	3,901	0	0	0	0	0	0.0%
<b>Total</b>	<b>46,385</b>	<b>75,656</b>	<b>74,341</b>	<b>8,931</b>	<b>8,931</b>	<b>▲0</b>	<b>74,341</b>	<b>100.0%</b>

Note 1: This refers to the purchase acquisition of the former PRI on July 1, 2010.

Note 2: Amounts are rounded down to the nearest million yen. Percentage figures are rounded off to one decimal place

## (2) Borrowings by repayment date



Note: Figures denote the weighted average for loan interest spreads and loan period for borrowings in each fiscal period

(3) Status of borrowings before and after the Refinancing All borrowings are long-term debt (however, this also includes borrowings that are due for repayment within one year)

(Unit : million yen)

	Before Refinancing	After Refinancing	Difference
Short-term borrowings (Note 1) (Note 3)	1,566	0	▲ 1,566
Long-term borrowings (Note 1) (Note 3)	72,775	74,341	1,565
(Long-term borrowings due within one year) (Note 2) (Note 3)	11,215	3,850	▲ 7,365
Total borrowings (Note 3)	74,341	74,341	▲ 0
Investment Corporation bonds (Note 3)	-	-	-
Total interest-bearing debt (Note 3)	74,341	74,341	▲ 0
Interest-bearing debt ratio (%) (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 (i.e. by June 21, 2013).

(Note 3) Amounts are rounded down to the nearest million yen

(Note 4) Interest-bearing debt ratio = Total interest-bearing debt / (Total interest-bearing debt + Unitholders' capital + Investment surplus + Negative goodwill from the previous fiscal period) × 100. The interest-bearing debt ratio is rounded off to the first decimal place.

As a result of the five-year period Refinancing, the average loan period for overall borrowings made by the Investment Corporation will be extended to 4.0 years after the Refinancing as compared to 3.7 years prior to the Refinancing. It will also result in an increase in the long-term interest bearing debt ratio, from 82.8% to 94.8% (not including long-term borrowings due within one year).

Moreover, as part of the Refinancing the Investment Corporation has reviewed the establishment of both first and second mortgages or pledges on collateral properties and has, upon agreement with the required financial institutions, revised this to only first mortgages or pledges.

## II. Borrowings of Funds

### 1. Reason for Borrowings

The Investment Corporation has made the decision to borrow 8,931 million yen from 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 A6

(i)	Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited
(ii)	Amount of borrowings	4,650 million yen
(iii)	Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(iv)	Drawdown date	June 22, 2012
(v)	Method	Borrowings based on Term Loan Agreement for A6 signed on June 22, 2012, with the lenders mentioned above in (i)
(vi)	Due date	June 22, 2017
(vii)	Repayment conditions	Lump-sum repayment on the due date
(viii)	Collateral	The first right of fixed pledge or fixed mortgage is established on a part of <sup>(Note 1)</sup> existing trust beneficiary interests in real estate and properties. In addition, primary fixed pledges or fixed mortgages are established on a part of existing trust beneficiary interests in real estate and properties <sup>(Note 3)</sup> of joint collateral for Term Loan A4, A5, and A6, and for Credit Line Loan A, B3, B4, C3, C4, and BC1.

(Note 1): Properties for which fixed mortgages or fixed pledges are established

Property number	Property name	Property number	Property name
O-1-001	Satella Kita 34-jo	O-6-017	Maison Flora
O-1-004	Satella Nagayama	O-6-018	Wind Four Minami-Honmachi
O-4-005	willDo Koshigaya	O-9-053	willDo Nakasu
O-4-006	Joyful Sayama	F-2-001	Royal Garden Shinrin Koen
O-4-007	Lumiere Hachioji	F-2-002	Green Park Komatsujima
O-4-008	willDo Kiyosumi	F-2-003	Dia Palace Izumizaki
O-4-009	Turkey's Denen-Chofu No.2	F-2-004	willDo Takasago
O-4-010	willDo Honchiba	F-4-005	Johanna Mansion
O-4-011	willDo Yokohama Minami	F-4-006	Iruma-ekimae Building
O-4-012	Site Pia	F-4-007	Iruma-ekimae Building No.II
O-4-039	Toshin Shoto Mansion	F-4-008	Serenio Omiya
O-4-069	College Square Kitaikebukuro	F-4-009	Suzuran-kan
O-4-070	College Square Tobu Nerima	F-4-010	Bonheur Tokiwa
O-4-071	College Square Akatsuka	F-4-011	Profit Link Takenotsuka
O-4-072	College Square Higashikurume	F-4-013	Dream Heights
O-4-073	College Square Waseda II	F-4-014	Green Hills Asukayama
O-4-074	College Square Myogadani	F-4-015	Oji Heights
O-4-075	College Square Shinkoiwa	F-4-016	Sakagami Royal Heights No. II
O-4-076	College Square Kiba	F-4-017	willDo Todoroki
O-4-077	College Square Kinshicho	F-4-018	Chez Moi Sakuragaoka
O-4-078	College Square Waseda	F-4-019	Libest Nishi-chiba
O-4-124	Gran Casa Motoazabu	F-4-020	Corinne Tsudanuma
O-4-125	Gran Casa Roppongi	F-4-022	Chigasaki Daikan Plaza
O-4-127	Storia Jingumae	F-5-023	willDo Temmacho
O-5-013	willDo Kanayama masaki	F-5-024	Grace Mansion Fuji
O-6-014	willDo Ichioka	F-6-026	willDo Nishi akashi
O-6-015	willDo Ebie	F-9-027	Image Kirigaoka
O-6-016	willDo Imafuku nishi		

**Term Loan BC1**

(i)	Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.
(ii)	Amount of borrowings	4,281 million yen
(iii)	Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(iv)	Drawdown date	June 22, 2012
(v)	Method	Borrowings based on Term Loan Agreement for BC1 signed on June 22, 2012, with the lenders mentioned above in (i)
(vi)	Due date	June 22, 2017
(vii)	Repayment conditions	Lump-sum repayment on the due date
(viii)	Collateral	The first right of fixed pledge or fixed mortgage is established on a part of <sup>(Note 2)</sup> existing trust beneficiary interests in real estate and properties. In addition, primary fixed pledges or fixed mortgages are established on a part of existing trust beneficiary interests in real estate and properties <sup>(Note 3)</sup> of joint collateral for Term Loan A4, A5, and A6, and for Credit Line Loan A, B3, B4, C3, C4, and BC1.

(Note 2): Properties for which fixed mortgages or fixed pledges are established

Property number	Property name	Property number	Property name
O-1-034	s13w9 h+	O-5-086	willDo Daikancho
O-1-035	s9w12 h+	O-6-046	willDo Tsukamoto
O-2-037	willDo Nishishitadai cho	O-6-047	willDo Tenmabashi
O-2-054	willDo Kamisugi 3chome	O-6-048	willDo Sakaisuji honmachi
O-4-024	VISTA Supreme	O-6-049	willDo Tanimachi
O-4-025	Joy Oyamadai	O-6-050	willDo Nanba w II
O-4-031	willDo Otsuka	O-6-051	willDo Nanba w I
O-4-038	willDo Niiza	O-6-052	Zekubenten
O-4-055	Harmony Kamikitazawa	O-6-059	willDo Hamasaki dori
O-4-062	willDo Minami Urawa	O-6-060	willDo Minamimori-machi
O-4-126	Gran Casa Minami Aoyama	O-6-067	willDo Shin-Osaka
O-5-026	Excelsior Sakae	F-3-034	Ark Heim Niigata
O-5-027	willDo Hibino	F-4-028	Winbell Chorus Hiratsuka No.13
O-5-040	willDo Chiyoda	F-4-029	Libest Higashi Nakayama
O-5-041	willDo Taiko dori	F-4-031	MGA Kanamachi
O-5-042	willDo Kanayama	F-4-038	Colonnade Kasuga
O-5-043	willDo Kanayama sawashita	F-5-032	Stellato City Sakurayama
O-5-056	willDo Kachigawa	F-5-037	willDo Kurokawa
O-5-057	Stagea Kogane	F-6-033	La Vita Nipponbashi
O-5-066	willDo Higashibetsuin		

(Note 3): Joint mortgage properties (fixed pledges or fixed mortgages) for Term Loans A4, A5, and A6, and Credit Line Loans A, B3, B4, C3, C4, and BC1

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 Kamishinjyo wI
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, June 20, 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 A3

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Aozora Bank, Ltd.,
Drawdown date	June 22, 2009
Amount of borrowings	2,496 million yen
Due date	June 22, 2012
Amount of repayment	2,496 million yen
Repayment conditions	Lump-sum repayment on the due date

#### Term Loan B5

Lender	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.
Drawdown date	May 1, 2012
Amount of borrowings	1,566 million yen
Due date	June 22, 2012
Amount of repayment	1,566 million yen
Repayment conditions	Lump-sum repayment on the due date

#### Credit Line Loan A9

Lender	The Norinchukin Bank
Drawdown date	June 22, 2009
Amount of borrowings	2,154 million yen
Due date	June 22, 2012
Amount of repayment	2,154 million yen
Repayment conditions	Lump-sum repayment on the due date

#### Credit Line Loan B6

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd
Drawdown date	June 22, 2009
Amount of borrowings	1,372 million yen
Due date	June 22, 2012
Amount of repayment	1,372 million yen
Repayment conditions	Lump-sum repayment on the due date

#### Credit Line Loan C4

Lender	Aozora Bank, Ltd.,
Drawdown date	June 22, 2009
Amount of borrowings	1,342 million yen
Due date	June 22, 2012
Amount of repayment	1,342 million yen
Repayment conditions	Lump-sum repayment on the due date

### 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 June 20, 2012).

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