

March 25, 2014

To All Concerned Parties

REIT Issuer:  
Japan Rental Housing Investments Inc.  
6-16-12 Shinbashi  
Minato-ku, Tokyo 105-0004  
Toshiya Kuroda, Executive Director  
(Securities Code: 8986)  
Asset Manager: Mi-Casa Asset Management Inc.  
Yutaka Higashino, President and Chief Executive Officer  
Inquiries: Atsushi Chikamochi, Chief Financial Officer  
Tel: +81-3-5425-5600

### **Notice Concerning Interest-Rate Swap Agreement**

Japan Rental Housing Investments Inc. (the “Investment Corporation”) announces that the Investment Corporation executed an interest-rate swap agreement. Details are provided as follows.

#### **I. Purpose of the Interest-Rate Swap Agreement**

The Investment Corporation has executed an interest-rate swap agreement as a hedge against possible increase of the interest rates in future. This interest-rate swap agreement is not for the specific borrowing, is for the amount of 5 billion yen out of the entire borrowing.

#### **II. Summary of the Interest-Rate Swap Agreement**

Counterparty:	Mitsubishi UFJ Trust and Banking Corporation
Notional Amount:	5 billion yen
Interest Rate:	Pay a fixed interest rate: 0.31500% Receive a floating interest rate: Base rate (JPY TIBOR for 1-month of JBA)
Commencement Date:	April 22, 2014
Termination Date:	March 22, 2019
Payment Date:	First interest payment on May 22, 2014, and at 22 <sup>nd</sup> of every month (on the next business date, if 22 <sup>nd</sup> is a non-business day)

Note1: Based on this interest-rate swap agreement, basically, the base rate for the amount of 5 billion yen out of the entire borrowing is fixed at 0.31500%.

Note2: The base rate shall be calculated based on JPY TIBOR for 1-month which Japanese Bankers Association (JBA) releases 2 business days prior to each payment date. JPY TIBOR appears on website of JBA (<http://www.zenginkyo.or.jp/en/tibor/>).

#### **III. Forecast**

Since the commencement date is in 17<sup>th</sup> fiscal period, there is no impact from this interest-rate swap agreement on the accounts for 16<sup>th</sup> fiscal period (the fiscal period ending in March 2014; from October 1, 2013 to March 31, 2014.)

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

[Reference]

Balance and Ratio of Floating-Rate and Fixed-Rate Interest-Bearing Borrowings

	Balance (million yen)	Ratio
Fixed-rate interest-bearing borrowings	60,000	64.7%
Floating-rate interest-bearing borrowings	32,789	35.3%
Total	92,789	100.0%

Note 1: Balance is forecast for the end of March, 2014. For the details, please see the press release “Notice Concerning Borrowing of Funds and Repayment of Loans” dated March 24, 2014.

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