

June 1, 2017

To All Concerned Parties

REIT Issuer:  
Japan Rental Housing Investments Inc.  
6-16-12 Shinbashi Minato-ku, Tokyo 105-0004  
Masaki Yamane, Executive Director  
(Securities Code: 8986)  
Asset Manager: Mi-Casa Asset Management Inc.  
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### Notice Concerning Issuance of Investment Corporation Bonds

Japan Rental Housing Investments Inc. (hereafter referred to as the “Investment Corporation”) hereby announces that it has decided to issue investment corporation bonds (hereafter “Investment Corporation Bonds”), based on the general resolution on bond issuance at the Investment Corporation’s Board of Directors’ Meeting held on May 13, 2016. Details are provided below.

#### 1. Outline of the Investment Corporation Bonds

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|---|---|--|
| (1) Name of the Investment Corporation Bonds          | : | Fifth Unsecured Investment Corporation Bond of Japan Rental Housing Investments Inc.<br>(with special pari passu conditions among specified investment corporate bonds)  |
| (2) Total amount to be paid in                        | : | JRY 1.6 billion  |
| (3) Form of bond certificate                          | : | Under the Act on Book-Entry of Company Bonds, Shares, etc., bond certificates for the Investment Corporation Bonds will not be issued.   |
| (4) Issue price                                       | : | 100% of the denomination of each Investment Corporation Bond   |
| (5) Redemption price                                  | : | 100% of the denomination of each Investment Corporation Bond   |
| (6) Interest rate                                     | : | 0.660% per annum   |
| (7) Denomination of each Investment Corporation Bond  | : | JPY 100 million  |
| (8) Offering method                                   | : | Public offering  |
| (9) Offering period                                   | : | June 1, 2017 (Thursday)  |
| (10) Payment date                                     | : | June 9, 2017 (Friday)  |
| (11) Collateral/Security                              | : | No security or guarantee is applicable to, and no assets are specifically reserved as collateral for, the Investment Corporation Bonds.  |
| (12) Method and date of redemption                    | : | All of the Investment Corporation Bonds will be redeemed on June 9, 2027. Redemption by purchase of the Investment Corporation Bonds can be made any time starting the day after the payment date, unless specified otherwise by the transfer agency described hereafter (16). |
| (13) Interest payment date                            | : | December 9, 2017 is the first payment day and after that, June 9 and December 9 of each year (If the interest payment date is a bank holiday, then the bank business day preceding it shall be deemed as the interest payment date)  |
| (14) Financial covenants                              | : | A negative pledge clause is attached.  |
| (15) Rating   | : | A + (Japan Credit Rating Agency, Ltd.)   |
| (16) Transfer Agency                                  | : | Japan Securities Depository Center, Inc.   |
| (17) Financial agent, issuing agent, and paying agent | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd.   |
| (18) Underwriter                                      | : | Daiwa Securities Co., Ltd., SMBC Nikko Securities, Inc. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.   |

#### 2. Reason for Issuance

To allocate the funds from issuance of the Investment Corporation Bonds for the repayment of existing bank loans.

### 3. Total Amount to be Procured, Use of Funds and Scheduled Expenditure Date

(1) Amount to be procured (approximate net amount to be obtained Amounts are rounded down to the nearest million yen)  
JPY 1,580 million

(2) Particulars of use of funds and the scheduled expenditure date

Scheduled to allocate for a part of the funds for repayment of long-term borrowings of JPY 8,834 million which will be due on June 22, 2017 (scheduled repayment date: June 22, 2017; cash on hand will be allocated to cover the difference of JPY 20 million from the total repayment amount of JPY 1,600 million).

(3) Summary of the repayment

<Term Loan A6>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Shinsei Bank, Limited
(2) Amount of borrowing	JPY 4,650 million
(3) Amount of repayment	JPY 1,600 million
(4) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(5) Drawdown date	June 22, 2012
(6) Due date	June 22, 2017

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

(Unit: JPY million)

	Before the issuance of the Investment Corporation Bonds (as of June 1, 2017)	After the issuance of the Investment Corporation Bonds and the repayment (prospective balance)		Difference
		as of June 9, 2017	as of June 22, 2017	
Short-term borrowings (Note 1)	0	0	0	-
Long-term borrowings (Note 1)	107,932	107,932	106,332	-1,600
(Long-term borrowings due within one year) (Note 2)	18,404	18,404	31,266	+12,862
Total borrowings	107,932	107,932	106,332	-1,600
Investment Corporation bonds	9,200	10,800	10,800	+1,600
Total interest-bearing debt	117,132	118,732	117,132	-
Interest-bearing debt ratio (%) (Note 3)	51.2%	51.9%	51.2%	-

(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 each date.

(Note 3) Interest-bearing debt ratio before the issuance of the Investment Corporation Bonds is calculated by dividing the balance of interest-bearing debt before the issuance of the Investment Corporation Bonds (JPY 117.1 billion), and interest-bearing debt ratio after the issuance of the Investment Corporation Bonds and the repayment is calculated by dividing the balance of interest-bearing debt, each as of June 9, 2017 (JPY 118.7 billion), and as of June 22, 2017 (JPY 117.1 billion) by the amount recorded as the total asset on the balance sheet as of the end of the 22nd Fiscal Period (Fiscal Period ended on March 31, 2017) (JPY 228.9 billion) and multiplying by 100.

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

### 5. Other Mandatory Items for Investors to Appropriately Understand/Judge the Concerned Information

As for risks regarding issuance, redemption, etc. of the Investment Corporation Bonds, there are no material changes from the "Investment risks" mentioned in the semiannual securities report for the 21st Fiscal Period (submitted on December 20, 2016).

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