

September 24, 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:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Notional Amount:	5 billion yen
Interest Rate:	Pay a fixed interest rate: 0.25490% Receive a floating interest rate: Base rate (JPY TIBOR for 1-month of JBA)
Commencement Date:	October 22, 2014
Termination Date:	September 24, 2019
Payment Date:	First interest payment on November 25, 2014, and at 22nd of every month (on the next business date, if 22nd 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 0.25490%.

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.jbatibor.or.jp/english/rate/>).

#### III. Forecast

There is no impact from this interest-rate swap agreement on asset management conditions for the fiscal period ending September 30, 2014 (April 1, 2014 to September 30, 2014).

[Reference]

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

	Balance (million yen)	Ratio
Fixed-rate interest-bearing borrowings	71,000	71.7%
Floating-rate interest-bearing borrowings	28,039	28.3%
Total	99,039	100.0%

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