

January 28, 2016

To All Concerned Parties

REIT Issuer:  
Japan Rental Housing Investments Inc.  
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Minato-ku, Tokyo 105-0004  
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### **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 for the specific borrowing hereunder.

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

:Borrowing Loan	Term Loan P (Please refer to the press release “Notice Concerning Borrowing of Funds” dated January 29, 2015)
Counterparty:	Mitsubishi UFJ Trust and Banking Corporation
Notional Amount:	3.5 billion yen
Interest Rate:	Pay a fixed interest rate: 0.1980% Receive a floating interest rate: Base rate (JPY TIBOR for 1-month of JBA)
Commencement Date:	February 22, 2016
Termination Date:	February 28, 2022
Payment Date:	First interest payment on March 22, 2016, 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 3.5 billion yen out of the entire borrowing is fixed at 0.8980%.

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 minimal impact from this interest-rate swap agreement on asset management conditions for the 20th fiscal period (ending March 31, 2016; from October 1, 2015 to March 31, 2016) and the 21st fiscal period (ending September 30, 2016; from April 1, 2016 to September 30, 2016).