

March 18, 2013

To All Concerned Parties

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Notice Concerning Borrowing of Funds and Repayment of Loans

Japan Rental Housing Investments Inc. (the “Investment Corporation”) announces that the Investment Corporation concluded contracts concerning refinancing of the existing borrowings which are due for repayment on June 24, 2013 and amount of approximately 26.2 billion yen (the “Refinancing”) at a meeting of its Board of Directors held today in order to finalize refinancing conditions at an early date.

I. Overview of the Refinancing

The Investment Corporation has concluded to refinance on the repayment due date mentioned above through the syndicated loans with 10 existing correspondent financial institutions, with The Bank of Tokyo-Mitsubishi UFJ, Ltd as the arranger and the agent. Tenure is 2 years (approximately 11.7 billion yen) and 5 years (approximately 14.4 billion yen), and outstanding balance is equalized (ceiling at approximately 15 billion yen) and financial cost is reduced.

The details below show the Investment Corporation’s balance of borrowing by lender before and after the Refinancing.

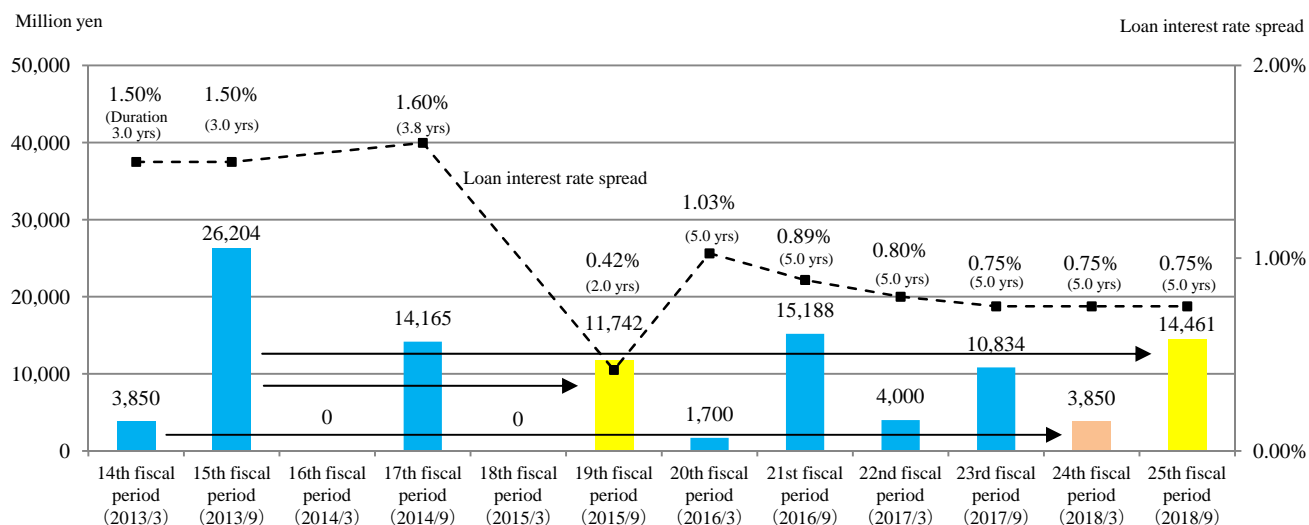
(1) Change in balance of borrowings by lender

Lender	Before the Refinancing	The Refinancing			After the Refinancing	
	Amount (million yen)	(A) Repayment amount (million yen)	(B) Balance of borrowing (million yen)	(B) – (A) Change (million yen)	Amount (million yen)	Share
The Bank of Tokyo-Mitsubishi UFJ, Ltd (agent)	19,701	2,629	2,629	-0	19,701	25.9%
Aozora Bank, Ltd	18,343	8,324	8,324	-0	18,343	24.2%
Sumitomo Mitsui Banking Corporation	14,964	7,430	7,430	-0	14,964	19.7%
Resona Bank, Limited	6,035	1,053	2,030	977	7,012	9.2%
Shinsei Bank, Limited	4,520	938	1,913	975	5,495	7.2%
Mitsubishi UFJ Trust and Banking Corporation	1,959	882	1,469	587	2,547	3.4%
The Norinchukin Bank	1,950	780	780	-0	1,950	2.6%
ORIX Bank Corporation	1,877	398	398	-0	1,877	2.5%
The Bank of Fukuoka, Ltd	500	0	837	837	1,337	1.8%
Sumitomo Mitsui Trust Bank, Limited	3,182	2,178	0	-2,178	1,003	1.3%
HIGASHI-NIPPON BANK,LTD	900	0	0	0	900	1.2%
The Musashino Bank,Ltd	2,007	1,588	390	-1,198	808	1.1%
Total	75,942	26,204	26,203	-0	75,942	100.0%

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

(Note) The difference between “(A) Repayment amount” and “(B) Balance of borrowing”, amount of 103,242 yen, is planned to be repaid using cash on hand.

(2) Borrowings by repayment date



(Note) Figures denote the weighted average for loan interest spreads and duration of borrowings in each fiscal period

(3) Status of borrowings before and after the Refinancing

All borrowings are long-term debt (Including the borrowings that are due for repayment within one year).

(Unit: Million yen)

	Before the Refinancing	After the Refinancing	Difference
Short-term borrowings (Note1)	-	-	-
Long-term borrowings (Note1)	75,942	75,942	-
(Long-term borrowings due within one year) (Note2)	26,204	14,165	12,039
Total borrowings	75,942	75,942	-
Investment Corporation bonds	-	-	-
Total interest-bearing debt	75,942	75,942	-
Interest-bearing debt ratio (%) (Note3)	47.3%	47.3%	-

(Note1) The periods for short-term borrowings are within one year and long-term borrowings are over one year.

(Note2) "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 23, 2014). The amount of the refinancing announced by the press release "Notice Concerning Borrowing of Funds and Repayment of Loans" on December 27, 2012 is calculated as long-term borrowings.

(Note3) 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 Refinancing, the average duration of overall borrowings made by the Investment Corporation will be extended to 4.1 years after the Refinancing as compared to 4.3 years prior to the Refinancing. It will also result in an increase in the long-term interest bearing debt ratio, from 65.5% to 81.3% (not including long-term borrowings due within one year).

II. Borrowings of Funds

(1) Reason for Borrowings

The Investment Corporation has made the decision to borrow approximately 26.2 billion 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 A7>

(i)	Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Aozora Bank, Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Shinsei Bank, Limited, The Norinchukin Bank, The Musashino Bank, Ltd
(ii)	Amount of borrowings	7,920 million yen
(iii)	Interest rate	1-month JBA Japanese Yen TIBOR+0.42%
(iv)	Drawdown date	June 24, 2013
(v)	Method	Borrowings based on Term Loan Agreement for A7 signed on March 18, 2013, with the lenders mentioned above in (i)
(vi)	Due date	June 22, 2015
(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 ^(Note1) 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 ^(Note3) of joint collateral for Term Loan A5, A6, A7, B4, BC1, BC2 and C4.

(Note1): Properties for which fixed mortgages or fixed pledges are established

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

<Term Loan BC2>

(i)	Lender	Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation
(ii)	Amount of borrowings	3,822 million yen
(iii)	Interest rate	1-month JBA Japanese Yen TIBOR+0.42%
(iv)	Drawdown date	June 24, 2013
(v)	Method	Borrowings based on Term Loan Agreement for BC2 signed on March 18, 2013, with the lenders mentioned above in (i)
(vi)	Due date	June 22, 2015
(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 ^(Note2) 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 ^(Note3) of joint collateral for Term Loan A5, A6, A7, B4, BC1, BC2 and C4.

(Note2): Properties for which fixed mortgages or fixed pledges are established

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

(Note3): Joint mortgage properties (fixed pledges or fixed mortgages) for Term Loans A5, A6, A7, B4, BC1, BC2 and C4.

Property Number	Property name	Property Number	Property name	Property Number	Property name
O-2-065	Grand Mason Shichifuku	O-5-082	willDo Yokkaichi Unomori	O-6-083	willDo Sannomiya East
O-5-063	willDo Inaei	O-6-029	Grand Mer Higashi Yodogawa	O-6-084	willDo Kamishinjo wI
O-5-081	willDo Matsubara	O-6-044	willDo Dainichi	F-4-036	Lofty Hirai

<Term Loan I1>

(i)	Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, ORIX Bank Corporation, The Bank of Fukuoka, Ltd.
(ii)	Amount of borrowings	14,461 million yen
(iii)	Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(iv)	Drawdown date	June 24, 2013
(v)	Method	Borrowings based on Term Loan Agreement for I1 signed on March 18, 2013, with the lenders mentioned above in (i)
(vi)	Due date	June 22, 2018
(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 ^(Note4) existing trust beneficiary interests in real estate and properties.

(Note4): Properties for which fixed mortgages or fixed pledges are established

Property Number	Property name	Property Number	Property name	Property Number	Property name
O-1-090	Sky Hills N15	O-5-110	Dome Yotsuya	F-4-048	Prospect Hatsudai
O-1-091	Sky Hills Sakaemachi	O-6-111	Abreast Shin-Osaka	F-4-050	Prospect Machiya
O-1-092	Domy Chitose	O-6-112	Abreast Sakuragawa	F-4-051	Prospect Kiyosumi-Teien
O-1-093	Sky Hills Takadai I	O-6-113	Prospect Bishoen	F-4-052	Prospect Morishita
O-2-094	Living Stage Higashi-Sendai	O-6-114	Prospect Nakanoshima	F-4-053	Prospect Onshi-Koen
O-4-095	Prospect Nihonbashi-Honcho	O-6-116	Prospect Toyonaka Hattori	F-4-054	BELNOS 34
O-4-096	Maison de Ville Takanawa Gyoranzaka	O-6-117	Prospect Shimogamo	F-4-055	SK Residence
O-4-097	Roppongi Rise House	O-6-118	Prospect Kawaramachi-Gojo	F-4-056	Angel Heim Nishi-Rokugo No.2
O-4-098	TK Flats Shibuya	F-1-041	Palais d'or Maruyama	F-4-057	Deim-Hashimoto
O-4-099	Maison de Ville Naka-Meguro	F-2-042	Living Stage Minami-Sendai	F-4-058	Prospect Kawasaki
O-4-100	Prospect KALON Minowa	F-2-043	Takasagoseki Nibankan	F-4-059	Prospect Urawa-Tokiwa
O-4-101	Prospect Shinonomebashi	F-4-044	Prospect Nihonbashikoamicho	F-5-060	Gran Casa Daikan-Cho
O-4-105	Prospect Omori-Kaigan	F-4-045	Park Terrace Ebisu	F-5-061	Gran Casa Gokis
O-4-106	Prospect Musashi-Shinjo	F-4-046	Prospect Dogenzaka	F-6-062	Crown Heim Nishi-Tanabe
O-4-107	Fragrance Kawasaki	F-4-047	Prospect Glarsa Hiroo	F-6-063	Prospect Katsura
O-5-109	Dome Takamine				

Interest payment dates for the aforementioned borrowings fall on the 22nd of each month. JBA 1 month Japanese 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, March 18, 2013: 0.16000%). 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/en/tibor/>) for JBA Japanese Yen TIBOR details.

III. Repayment of Loans

<Term Loan A4>

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd., The Norinchukin Bank, Sumitomo Mitsui Trust Bank, Limited, The Musashino Bank, Ltd.
Drawdown date	June 22, 2010
Amount of borrowings	6,981 million yen
Due date	June 24, 2013
Amount of repayment	6,981 million yen
Repayment conditions	Lump-sum repayment on the due date

<Term Loan A11>

Lender	Shinsei Bank, Limited
Drawdown date	June 22, 2010
Amount of borrowings	938 million yen
Due date	June 24, 2013
Amount of repayment	938 million yen
Repayment conditions	Lump-sum repayment on the due date

<Term Loan B3>

Lender	Sumitomo Mitsui Trust Bank, Limited
Drawdown date	June 22, 2010
Amount of borrowings	1,175 million yen
Due date	June 24, 2013
Amount of repayment	1,175 million yen
Repayment conditions	Lump-sum repayment on the due date

<Term Loan C3>

Lender	Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation
Drawdown date	June 22, 2010
Amount of borrowings	2,647 million yen
Due date	June 24, 2013
Amount of repayment	2,647 million yen
Repayment conditions	Lump-sum repayment on the due date

<17th New Property Loan>

Lender	Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, The Musashino Bank, Ltd.
Drawdown date	June 30, 2010
Amount of borrowings	10,658 million yen
Due date	June 24, 2013
Amount of repayment	10,658 million yen
Repayment conditions	Lump-sum repayment on the due date

<19th New Property Loan>

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation
Drawdown date	July 2, 2010
Amount of borrowings	3,404 million yen
Due date	June 24, 2013
Amount of repayment	3,404 million yen
Repayment conditions	Lump-sum repayment on the due date

<21st New Property Loan>

Lender	ORIX Bank Corporation
Drawdown date	September 15, 2010
Amount of borrowings	398 million yen
Due date	June 24, 2013
Amount of repayment	398 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 report (submitted on December 20, 2012).

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