

December 24, 2014

To All Concerned Parties

REIT Issuer:  
Japan Rental Housing Investments Inc.  
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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 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: 0.19950% Receive a floating interest rate: Base rate (JPY TIBOR for 1-month of JBA)
Commencement Date:	January 22, 2015
Termination Date:	December 24, 2019
Payment Date:	First interest payment on February 23, 2015, 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 0.19950%.

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 18th fiscal period (ending March 31, 2015; from October 1, 2014 to March 31, 2015).

[Reference]

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

	Balance (million yen)	Ratio
Fixed-rate interest-bearing borrowings	76,000	74.1%
Floating-rate interest-bearing borrowings	26,539	25.9%
Total	102,539	100.0%

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