

February 2, 2016

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 for the specific borrowing hereunder.

II. Summary of the Interest-Rate Swap Agreement

:Borrowing Loan	Term Loan J 4th Term Loan(Please refer to the press release “Notice Concerning Borrowing of Funds and Repayment of Loans” dated March 24, 2014)
Counterparty:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Notional Amount:	4,364 million yen
Interest Rate:	Pay a fixed interest rate: 0.9025% Receive a floating interest rate: Base rate (JPY TIBOR for 1-month of JBA) + 0.85%
Commencement Date:	February 22, 2016
Termination Date:	March 22, 2021
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 4,364 million yen out of the entire borrowing is fixed at 0.9025%.

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).