

May 8, 2015

To All Concerned Parties

REIT Issuer:
Japan Rental Housing Investments Inc.
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Notice Concerning Borrowing of Funds

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) hereby announces that it has resolved a new borrowing of funds for the acquisition of two new properties (hereinafter referred to as the “Borrowings”) at the Board of Directors’ meeting held today. Details are provided below.

I. Borrowing of Funds

1. Reason for the Borrowing

The Investment Corporation has resolved a new borrowing of up to 4 billion yen to be used as a part of the funds for the acquisition of “Gran Casa Kita3jo” and “Serenite Honmachi Grande” (for a total anticipated acquisition price of approximately 5.5 billion yen), as part of the anticipated acquisition of seven properties. Please refer to the press release “Notice Concerning Acquisition of Assets” dated May 8, 2015 for details regarding these properties.

Upon the determination of the amount of proceeds from the issuance of new investment units announced on May 8, 2015 (please refer to the press release “Notice Concerning Issuance of New Investment Units and Secondary Offering” dated May 8, 2015 for details), the Investment Corporation will enter into loan agreements and the related agreements concerning the Borrowings and the Investment Corporation will announce information regarding the amount of the Borrowings, the outstanding balance for each lender, the change in the status of interest-bearing debt before and after the Borrowings and other related matters.

2. Summary of the Borrowings

The Investment Corporation may borrow up to 4 billion yen through a syndicated loan led by the Bank of Tokyo-Mitsubishi UFJ, Ltd., as the arranger and the agent and the lender, and three other existing lenders, consisting of 2 billion yen (1st Term Loan: tenor of approximately 8 years and one month) and up to another 2 billion yen (2nd Term Loan: tenor of approximately 10 months).

Note: This English language notice is a translation of the Japanese-language notice released on May 8, 2015 and was prepared solely for the convenience of, and reference by, non-Japanese investors. It is not intended as an inducement or solicitation for investment. We caution readers to undertake investment decisions based on their own investigation and responsibility. This translation of the original Japanese-language notice is provided for informational purposes only, and no warranties or assurances are given regarding the accuracy or completeness of this English translation. Readers are advised to read the original Japanese-language notice. In the event of any discrepancy between this translation and the Japanese original, the latter shall prevail in all respects.

Term Loan R

(1) Anticipated lenders	1st Term Loan: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited., Shinsei Bank, Limited. 2nd Term Loan: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation
(2) Anticipated amount of borrowings	JPY 4,000 million (aggregate) 1st Term Loan: JPY 2,000 million 2nd Term Loan: JPY 2,000 million
(3) Anticipated drawdown date	June 1, 2015
(4) Anticipated principal repayment date	1st Term Loan: June 30, 2023 2nd Term Loan: March 25, 2016
(5) Interest payment date	On the 22nd of each month (if not a business day, the next business day, and if the next business day falls within the next month, the business day immediately prior)
(6) Interest rate	1st Term Loan: 1-month JBA Japanese Yen TIBOR + 0.75% 2nd Term Loan: 1-month JBA Japanese Yen TIBOR + 0.40%
(7) Method	Borrowings under individual term loan agreements (Term Loan Agreement R) to be concluded with the anticipated lenders specified in (1) above
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Security	None (Unsecured and unguaranteed)

(Note 1) All Borrowings are subject to the condition that the term loan agreements will be agreed upon with each of the anticipated lenders to their reasonable satisfaction and that all separately agreed-upon conditions to the loans are fulfilled.

(Note 2) “Anticipated amount of borrowings” is the maximum amount of the Borrowings anticipated as of today. The actual amount of the Borrowings may differ, after taking into consideration the amount of funds raised by the issuance of new investment units, announced today by the Investment Corporation.

(Note 3) “Anticipated drawdown date” and “Anticipated principal repayment date” is the anticipated date as of today and may change before the actual drawdown date.

1-month JBA Japanese Yen TIBOR rate as of two business days prior to the drawdown date or the immediately preceding interest payment dates will be used as the base rate to calculate the applicable interest rate for each interest calculation period. Please refer to the website of Ippan Shadan Hojin JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>) for 1-month JBA Japanese Yen TIBOR information.

II. Forecasts

Please refer to the press release “Notice Concerning Forecasts of Operating Results and Distributions for the Fiscal Periods Ending September 30, 2015 (19th Fiscal Period) and March 31, 2016 (20th Fiscal Period)” announced today for a forecast of our result of operations for the fiscal periods ending September 30, 2015 and March 31, 2016.

III. Other

As for risks pertaining to the repayment, etc. of the Borrowings, please refer to the “Investment risks” stated in the securities registration statement filed today.

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

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