

May 25, 2015

To All Concerned Parties

REIT Issuer:  
Japan Rental Housing Investments Inc.  
6-16-12 Shinbashi Minato-ku, Tokyo 105-0004  
Toshiya Kuroda, Executive Director  
(Securities Code: 8986)  
Asset Manager: Mi-Casa Asset Management Inc.  
Yutaka Higashino, President and Chief Executive Officer  
Inquiries: Shuji Nakamura, Chief Financial Officer  
Tel: +81-3-5425-5600

Notice Concerning Determination of Details of Borrowing of Funds

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) hereby announces that the Investment Corporation has decided the details of the borrowings of funds described in the press release as of May 8, 2015 “Notice concerning Borrowing of Funds” (hereinafter referred to as the “Borrowings”) and entered into the related agreements concerning the Borrowings. Details are provided below.

I. Summary of the Borrowings

<Term Loan R>

(1) Lender	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) Amount of borrowings	JPY 3,200 million (aggregate) 1st Term Loan : JPY 2,000 million 2nd Term Loan : JPY 1,200 million
(3) Scheduled drawdown date	June 1, 2015
(4) Scheduled 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 lenders specified in (1) above
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Security	None (Unsecured and unguaranteed)

(Note) The maximum anticipated amount of borrowings under the 2nd Term Loan described in the press release as of May 8, 2015 “Notice Concerning Borrowing of Funds” was JPY 2,000 million. Considering an amount of the proceeds from the issuance of new investment units, the Investment Corporation has determined to borrow an amount of JPY 1,200 million under the 2nd Term Loan. Accordingly, the amount of total borrowings will be JPY 3,200 million, compared with the maximum anticipated amount of total borrowings of JPY 4,000 million described in the press release as of May 8, 2015 “Notice concerning Borrowing of Funds”.

Note: This English language notice is a translation of the Japanese-language notice released on May 25, 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.

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. Outstanding Balance of Borrowing by Lender

Lender	Before the Borrowings	The Borrowings	After the Borrowings (As of June 1, 2015)	
	Balance (JPY million)	Balance (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	30,003	1,100	31,103	29.0
Sumitomo Mitsui Banking Corporation	17,963	1,100	19,063	17.8
Aozora Bank, Ltd	15,642	-	15,642	14.6
Resona Bank, Limited.	9,562	500	10,062	9.4
Shinsei Bank, Limited	8,995	500	9,495	8.9
Mitsubishi UFJ Trust and Banking Corporation	4,964	-	4,964	4.6
The Bank of Fukuoka, Ltd.	3,837	-	3,837	3.6
ORIX Bank Corporation	3,647	-	3,647	3.4
The Higashi-Nippon Bank, Limited	2,270	-	2,270	2.1
The Norinchukin Bank	1,950	-	1,950	1.8
Development Bank of Japan Inc.	1,000	-	1,000	0.9
The Hyakugo Bank, Ltd.	1,000	-	1,000	0.9
The Hiroshima Bank, Ltd.	1,000	-	1,000	0.9
The Kagawa Bank, Ltd.	700	-	700	0.7
The Ashikaga Bank, Ltd.	500	-	500	0.5
The Senshu Ikeda Bank, Ltd.	500	-	500	0.5
The Nomura Trust and Banking Co., Ltd.	500	-	500	0.5
Total Balance of Bank Debt	104,039	3,200	107,239	100.0
Investment Corporation Bond	2,000	-	2,000	-
Total Balance of Interest Bearing Debt	106,039	3,200	109,239	-

(Note) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place. The same shall apply hereunder.

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### III. Status of the Balance Before and After the Borrowings (interest-bearing debt ratio)

(Unit: JPY million)

	Before the Borrowings	After the Borrowings	Change
Short-term borrowings (Note 1)	-	1,200	1,200
Long-term borrowings (Note 1)	104,039	106,039	2,000
(Long-term borrowings due within one year) (Note 2)	14,222	14,222	-
Total borrowings	104,039	107,239	3,200
Investment corporation bonds	2,000	2,000	-
Total interest-bearing debt	106,039	109,239	3,200
Interest-bearing debt ratio (Note 3)	51.7%	49.5%	-2.2%

(Note 1) The periods for the short-term borrowings (the periods between drawdown date and repayment date) will be due within one year and the long-term borrowings will be due over one year.

(Note 2) “The Long-term borrowings due within one year” refers to the long-term debt due no later than May 31, 2016.

(Note 3) Interest-bearing debt ratio before the Borrowings is calculated by dividing the balance of interest-bearing debt before the Borrowings (JPY 106.0 billion) by the total asset on the balance sheet as of the end of the 18th Fiscal Period (JPY 205.0 billion), and then multiplying the amount by 100.

Interest-bearing debt ratio after the Borrowings is calculated by dividing the balance of interest-bearing debt after the Borrowings (JPY 109.2 billion) by the amount composed of the above mentioned total asset (JPY 205.0 billion), the total amount of the Borrowings (JPY 3.2 billion) and the amount of the proceeds from the issuance of new investment units described in the press release “Notice Concerning Determination of Price for Issuance of New Investment Units and Secondary Offering of Investment Units” dated on May 20, 2015 (JPY 12.1 billion), and then multiplying the amount by 100.

Therefore, it is different from the total asset LTV (=interest-bearing debt/total asset).

### IV. Forecast

There is no material impact from the Borrowings on the financial forecasts for the fiscal periods ending September 30, 2015 (April 1, 2015 to September 30, 2015) and March 31, 2016 (October 1, 2015 to March 31, 2016).

### V. Other

With regard to the risks pertaining to the Borrowings, there are no important changes to the “Investment risks” stated in the security registration statement filed on May 8, 2015.

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

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