

January 28, 2014

To All Concerned Parties

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### **Notice Concerning Borrowing of Funds**

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) hereby announces that today it decided to borrow funds (hereinafter referred to as the “Borrowings”). Details are provided below.

#### I. Borrowings of Funds

##### 1. Reason for Borrowings

The Investment Corporation has decided to make new borrowings. The borrowings to be used as a part of fund (excluding acquisition related costs) to acquire “Gran Casa Kamimaezu”, amount is 2.05 billion yen, to be acquired on January 31, 2014 (hereinafter referred to as the “Real Estate” and for details, please refer to the press release “Notice Concerning Acquisition of Asset”).

## 2. Summary of Borrowings

The Investment Corporation has decided to make new borrowings totaling 2 billion yen (loan period of approximately 4 years 11 months) from a combination of 6 existing correspondent financial institutions through a syndicated loan. The Bank of Tokyo-Mitsubishi UFJ, Ltd. will be the arranger and agent to raise funds to be used for acquiring.

### Term Loan A9

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, Shinsei Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Bank of Fukuoka, Ltd
(2) Amount of borrowings	JPY 2,000 million
(3) Drawdown date	January 31, 2014
(4) Due date	December 25, 2018
(5) Interest payment dates	On the 22nd of each month. (if not a business day, the next business day, and if the next business day falls under the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(7) Method	Borrowings under Term Loan Agreement (A9) to be concluded with the lenders specified in (1) on January 28, 2014.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	The first right of fixed mortgage is established on the Real Estate. The Real Estate is addition to the Existing Term Loan (A5, A5-2, A6, A7 and A8.) In addition, the Borrowings will be secured credits of the existing collateral (Note1)(Note2) that has been the first right of fixed pledge or fixed mortgage.

(Note1) Mortgage properties (fixed pledges or fixed mortgages) for Term Loans A5, A5-2, A6, A7 and A8.

Property Number	Property name	Property Number	Property name	Property Number	Property name
O-1-001	Satella Kita 34-jo	O-4-077	College Square Kinshicho	F-4-007	Iruma-ekimae Building No.II
O-1-004	Satella Nagayama	O-4-078	College Square Waseda	F-4-008	Sereno Omiya
O-1-132	Cresidence Sapporo Minami4jo	O-4-125	Gran Casa Roppongi	F-4-009	Suzuran-kan
O-4-005	willDo Koshigaya	O-4-127	Storia Jingumae	F-4-010	Bonheur Tokiwa
O-4-006	Joyful Sayama	O-4-133	Lietocourt Yotsuya	F-4-011	Profit Link Takenotsuka
O-4-007	Lumiere Hachioji	O-4-134	Lietocourt Motoakasaka	F-4-013	Dream Heights
O-4-008	willDo Kiyosumi	O-5-013	willDo Kanayama masaki	F-4-014	Green Hills Asukayama
O-4-009	Turkey's Denen-Chofu No.2	O-6-014	willDo Ichioka	F-4-015	Oji Heights
O-4-010	willDo Honchiba	O-6-015	willDo Ebie	F-4-016	Sakagami Royal Heights No.II
O-4-011	willDo Yokohama Minami	O-6-016	willDo Imafuku nishi	F-4-017	willDo Todoroki
O-4-012	Site Pia	O-6-017	Maison Flora	F-4-018	Chez Moi Sakuragaoka
O-4-039	Toshin Shoto Mansion	O-6-018	Wind Four Minami-Honmachi	F-4-019	Libest Nishi-chiba
O-4-069	College Square Kitaikebukuro	O-9-053	willDo Nakasu	F-4-020	Corinne Tsudanuma
O-4-070	College Square Tobu Nerima	O-9-135	Granpark Tenjin (*)	F-4-022	Chigasaki Daikan Plaza
O-4-071	College Square Akatsuka	F-2-001	Royal Garden Shinrin Koen	F-4-065	The Residence Honmoku Yokohama Bayside
O-4-072	College Square Higashikurume	F-2-002	Green Park Komatsujima	F-4-066	Lietocourt Asakusabashi
O-4-073	College Square WasedaII	F-2-003	Dia Palace Izumizaki	F-5-023	willDo Temmacho
O-4-074	College Square Myogadani	F-2-004	willDo Takasago	F-5-024	Grace Mansion Fuji
O-4-075	College Square Shinkoiwa	F-4-005	Johanna Mansion	F-5-067	Lietocourt Marunouchi
O-4-076	College Square Kiba	F-4-006	Iruma-ekimae Building	F-6-026	willDo Nishi Akashi

(\*) Property number O-9-135 Granpark Tenjin is scheduled to be acquired on March 6, 2014, and scheduled to become a mortgage property on the same date. For details, please refer to the press release "Notice Concerning Borrowing of Funds" dated December 2, 2013.

(Note2) Joint mortgage properties (fixed pledges or fixed mortgages) for Term Loans A5, A5-2, A6, A7, A8, 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

JBA 1 month yen TIBOR rate of two business days prior to the interest payment dates will be used as the base rate to calculate the applicable interest rate for the calculation periods. Please refer to the JBA website

(<http://www.zenginkyo.or.jp/en/tibor/>) for JPY TIBOR details.

## II. Outstanding Balance of Borrowing by Lender

Lender	Before the Borrowings (Note)	Amount of the Borrowings	After the Borrowings (March 6, 2014)	
	Balance (JPY million)	Balance (JPY million)	Balance (JPY million)	Share
The Bank of Tokyo-Mitsubishi UFJ, Ltd (agent)	25,016	630	25,646	27.6%
Aozora Bank, Ltd.	19,143	-	19,143	20.6%
Sumitomo Mitsui Banking Corporation	16,734	230	16,964	18.3%
Resona Bank, Limited	8,332	230	8,562	9.2%
Shinsei Bank, Limited	7,265	230	7,495	8.1%
Mitsubishi UFJ Trust and Banking Corporation	3,707	340	4,047	4.4%
The Bank of Fukuoka, Ltd.	2,497	340	2,837	3.1%
ORIX Bank Corporation	2,647	-	2,647	2.9%
The Higashi-Nippon Bank, Limited	2,270	-	2,270	2.4%
The Norinchukin Bank	1,950	-	1,950	2.1%
The Musashino Bank, Ltd	808	-	808	0.9%
Sumitomo Mitsui Trust Bank, Limited	418	-	418	0.5%
Total	90,792	2,000	92,792	100.0%

(Note) Amount before the borrowings is calculated including the total amount of scheduled borrowings of 4,900 million yen from Term Loan A8 (second and third borrowings) scheduled to be borrowed on March 6, 2014. For details concerning borrowings based on Term Loan A8 (second and third borrowings), please refer to the press release "Notice Concerning Borrowing of Funds" dated December 2, 2013.

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

(Unit: JPY million)

	Before (however, includes 4.9 billion yen scheduled to be borrowed in March: Note5)	After (and includes 4.9 billion yen scheduled to be borrowed in March)	Change
Short-term borrowings (Note 1)	1,385	1,385	-
Long-term borrowings (Note 1)	89,407	91,407	2,000
(Long-term borrowings due within one year) (Note 2)	14,165	14,165	-
Total borrowings	90,792	92,792	2,000
Investment corporation bonds	-	-	-
Total interest-bearing debt	90,792	92,792	2,000
Interest-bearing debt ratio (Note 3)	48.2%	48.7%	0.5%

(Note 1) The periods for short-term borrowings are within one year and long-term borrowings are over one year.

(Note 2) Long-term borrowing due within one year represents the borrowing due within one year from drawdown date of the Borrowings.

(Note 3) Interest-bearing debt ratio is calculated by dividing the balance of interest-bearing debt after the borrowing by the amount arrived by adding the acquisition prices of properties acquired in the 16th Fiscal Period, properties scheduled to be acquired and the Real Estate to the total asset amount posted on the balance sheet as of the end of the 15th Fiscal Period, and then multiplying the amount by 100. Therefore, it is different from the total asset LTV (=interest-bearing debt/total asset).

(Note 4) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.

(Note 5) Amount before the borrowings is calculated including the balance of interest-bearing debt after the borrowing of 4,900 million yen from Term Loan A8 (second and third borrowings) scheduled to be borrowed on March 6, 2014.

#### IV. Other

As for risks pertaining to the repayment, etc. of the Borrowings, there are no important changes to the “Investment risks” mentioned in the most recent semiannual securities report (submitted on December 20, 2013).

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