

June 27, 2014

To All Concerned Parties

REIT Issuer:
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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 fund (hereinafter referred to as the “Borrowing”). Details are provided below.

I. Borrowing of Fund

1. Reason for the Borrowing

The Investment Corporation has decided to make new borrowing. The borrowing to be used as a part of fund (excluding acquisition related costs) to acquire “Forest Hill SendaiAoba”, amount is 2.75 billion yen, to be acquired on July 1, 2014 (hereinafter referred to as the “Real Estate” and for details, please refer to the press release “Notice Concerning Acquisition and Disposition of Assets”).

2. Summary of Borrowings

The Investment Corporation has decided to make new borrowings totaling 2.75 billion yen (loan period of approximately 5 years) from a combination of total of 4 correspondent financial institutions, including 3 new correspondent financial institutes, 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 L

(1) Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd, The Hyakugo Bank, Ltd., The Kagawa Bank, Ltd., The Hiroshima Bank, Ltd.
(2) Amount of borrowing	JPY 2,750 million
(3) Drawdown date	July 1, 2014
(4) Due date	June 28, 2019
(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+0.60%
(7) Method	Borrowing under Term Loan Agreement (L) to be concluded with the lender specified in (1) on June 27, 2014.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured, Unguaranteed

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 Borrowing	Amount of the Borrowing	After the Borrowing	
	Balance (JPY million)	Balance (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd (agent)	28,453	550	29,003	29.9
Sumitomo Mitsui Banking Corporation	17,463	-	17,463	18.0
Aozora Bank, Ltd.	15,142	-	15,142	15.6
Resona Bank, Limited	9,062	-	9,062	9.3
Shinsei Bank, Limited	8,495	-	8,495	8.8
Mitsubishi UFJ Trust and Banking Corporation	4,464	-	4,464	4.6
The Bank of Fukuoka, Ltd.	3,337	-	3,337	3.4
ORIX Bank Corporation	3,147	-	3,147	3.2
The Higashi-Nippon Bank, Limited	2,270	-	2,270	2.3
The Norinchukin Bank	1,950	-	1,950	2.0
The Hyakugo Bank, Ltd.	-	1,000	1,000	1.0
The Kagawa Bank, Ltd.	-	700	700	0.7
The Ashikaga Bank, Ltd.	500	-	500	0.5
The Hiroshima Bank, Ltd.	-	500	500	0.5
Total	94,289	2,750	97,039	100.0

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

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

(Unit: JPY million)

	Before the Borrowing	After the Borrowing	Change
Short-term borrowings (Note 1)	2,300	2,300	-
Long-term borrowings (Note 1)	91,989	94,739	2,750
(Long-term borrowings due within one year) (Note 2)	11,352	11,352	-
Total borrowings	94,289	97,039	2,750
Investment corporation bonds	-	-	-
Total interest-bearing debt	94,289	97,039	2,750
Interest-bearing debt ratio (Note 3)	48.9%	49.6%	0.7%

(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 Gran Casa Urasando (acquired on May 26, 2014) and the Real Estate to the total asset amount posted on the balance sheet as of the end of the 16th 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.

IV. Forecasts

For details on the impact of the borrowing on management performance for the fiscal period ending September 30, 2014 (April 1, 2014 to September 30, 2014), please refer to the press release “Notice Concerning Revision of Earnings and Distribution Forecasts for the Fiscal Period Ending September 30, 2014 (17th Fiscal Period)” dated today.

V. 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/>