

July 20, 2017

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

Investment Corporation has executed an interest-rate swap agreement to fix the interest rate for the JPY 4 billion yen (remaining loan period: 7 years and 8 months), which refinanced on March 22, 2017 (Please refer to the press release “Notice Concerning Refinancing of Loans” dated March 15, 2017), out of the existing bank borrowings as a hedge against possible increase of the interest rates in future.

II. Summary of the Interest-Rate Swap Agreement

Borrowing Loan:	Term Loan X
Counterparty:	Nomura Securities Co. LTD.
Notional Amount:	4,000 million yen
Interest Rate:	Pay a fixed interest rate: 0.1915% Receive a floating interest rate: Base rate (JPY TIBOR for 1-month of JBA)
Commencement Date:	July 24, 2017
Termination Date:	March 24, 2025
Payment Date:	First interest payment on August 22, 2017, and at 22nd of every month (on the next business day if the 22nd is a non-business day, and on the business day immediately prior if this business day falls into the next month)

(Note1) Based on this interest-rate swap agreement, basically, the interest rate is fixed at 0.7165%.

(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 fiscal period ending September 30, 2017 (April 1, 2017 to September 30, 2017) and the fiscal period ending March 31, 2018 (October 1, 2017 to March 31, 2018).