

March 15, 2017

To All Concerned Parties

REIT Issuer:
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Notice Concerning Refinancing of Loans

Japan Rental Housing Investments Inc. (hereinafter referred to as the “Investment Corporation”) announces that the Investment Corporation decided refinancing of the existing borrowings (hereinafter referred to as the “Refinancing”) at a meeting of its Board of Directors held today.

I. The Refinancing

1. Reason for the Borrowing

The Investment Corporation has decided to enter into new borrowings for purposes of refinancing the existing borrowings of 7.3 billion yen (borrowing period of 1 year and 9 months) and 4 billion yen (borrowing period of 5 years), totaling 11.3 billion yen, which are due for repayment on March 22, 2017. For details on the repayment, please refer to “II. Summary of the Existing Debt Subject to the Refinancing.”

2. Summary of Borrowings

The Investment Corporation has decided to enter into new borrowings of 7.3 billion yen (borrowing period of 3 years and 4 months) and 4 billion yen (borrowing period of 8 years), totaling 11.3 billion yen, from a combination of 8 financial institutions with which the Investment Corporation currently has outstanding borrowings through a syndicated loan. The Bank of Tokyo-Mitsubishi UFJ, Ltd. will be the arranger and agent.

<Term Loan W>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Shinsei Bank, Limited, Resona Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank
(2) Amount of borrowing	JPY 7,349 million
(3) Drawdown date	March 22, 2017
(4) Due date	July 22, 2020
(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+0.320%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement W) to be concluded with the lenders specified in (1) above on March 15, 2017.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

<Term Loan X>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Shinsei Bank, Limited, The Bank of Fukuoka, Ltd.
(2) Amount of borrowing	JPY 4,000 million
(3) Drawdown date	March 22, 2017
(4) Due date	March 24, 2025
(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+0.525%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement X) to be concluded with the lenders specified in (1) above on March 15, 2017.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

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

II. Summary of the Existing Borrowings Subject to the Refinancing

<Term Loan G >

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Shinsei Bank, Limited, The Bank of Fukuoka, Ltd.
(2) Balance of borrowings	JPY 4,000 million
(3) Drawdown date	March 22, 2012
(4) Due date	March 22, 2017
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.800%
(6) Repayment conditions	Lump-sum repayment on the due date

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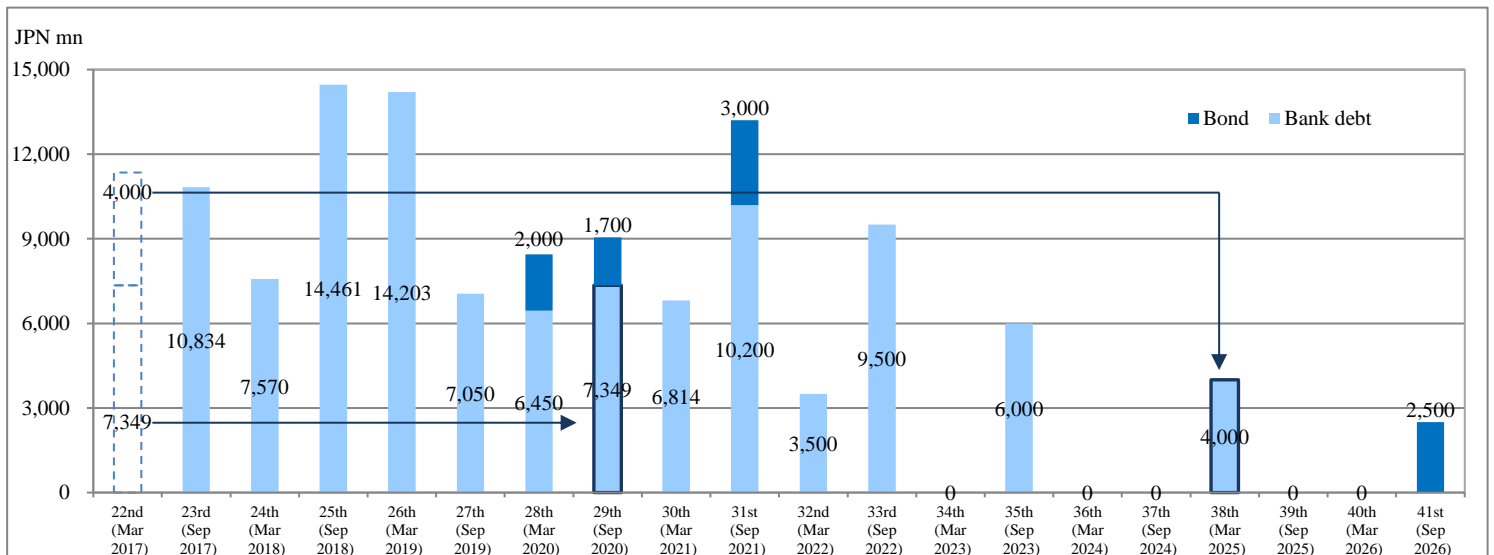
(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Shinsei Bank, Limited, Resona Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank
(2) Balance of borrowings	JPY 7,349 million
(3) Drawdown date	June 22, 2015
(4) Due date	March 22, 2017
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.275%
(6) Repayment conditions	Lump-sum repayment on the due date

III. Outstanding Balance of Borrowings by Lenders

Lender	Before the Refinancing	The Refinancing			After the Refinancing (September 20, 2016)	
	Balance (JPY million)	(A) Repayment amount (JPY million)	(B) Balance of Borrowing (JPY million)	(B) – (A) Change (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd	30,119	2,757	2,757	0	30,119	25.7
Sumitomo Mitsui Banking Corporation	19,316	1,824	1,824	0	19,316	16.5
Aozora Bank, Ltd.	15,642	758	758	0	15,642	13.4
Shinsei Bank, Limited	10,340	2,739	2,739	0	10,340	8.8
Resona Bank, Limited	9,898	1,315	1,315	0	9,898	8.5
Mitsubishi UFJ Trust and Banking Corporation	5,464	951	951	0	5,464	4.7
The Bank of Fukuoka, Ltd.	4,337	500	500	0	4,337	3.7
Development Bank of Japan Inc.	2,500	-	-	-	2,500	2.1
The Higashi-Nippon Bank, Limited	2,270	-	-	-	2,270	1.9
ORIX Bank Corporation	2,168	-	-	-	2,168	1.9
The Norinchukin Bank	1,675	505	505	0	1,675	1.4
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	0.6
The Ashikaga Bank, Ltd.	500	-	-	-	500	0.4
The Senshu Ikeda Bank, Ltd.	500	-	-	-	500	0.4
The Nomura Trust and Banking Co., Ltd.	500	-	-	-	500	0.4
Total Balance of Bank Debt	107,932	11,349	11,349	0	107,932	92.1
Investment Corporation Bond	9,200	-	-	-	9,200	7.9
Total Balance of Interest Bearing Debt	117,132	11,349	11,349	0	117,132	100.0

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

IV. Borrowings by Repayment Date



V. Status of the Balance and Interest-bearing Debt Ratio Before and After the Refinancing

(Unit: JPY million)

	Before the Refinancing	After the Refinancing	Change
Short-term borrowings (Note 1)	—	—	—
Long-term borrowings (Note 1)	107,932	107,932	—
(Long-term borrowings due within one year) (Note 2)	22,183	10,834	-11,349
Total borrowings	107,932	107,932	—
Investment corporation bonds	9,200	9,200	—
Total interest-bearing debt	117,132	117,132	—
Interest-bearing debt ratio (Total asset based) (Note 3)	51.2%	51.2%	—
Interest-bearing debt ratio (Appraisal based) (Note 4)	48.0%	48.2%	+0.2%
Average borrowing remaining duration (Note 5)	2.6 years	3.1 years	+0.5 years

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

(Note 2) Long-term borrowings due within one year represent the borrowing within one year from drawdown date of the “Refinancing”

(Note 3) Interest-bearing debt ratio is calculated by dividing the balance of interest-bearing debt of JPY 117.1 billion by the total asset amount posted on the balance sheet as of the end of the 21st Fiscal Period (JPY 228.6 billion) and then multiplying the amount by 100.

(Note 4) Interest-bearing debt ratio (appraisal based) before the Refinancing is calculated by dividing the balance of interest-bearing debt of JPY 117.1 billion by the total amount of the appraisal value of 201 properties owned at the end of the 21st Fiscal Period priced as of September 30, 2016 and the appraisal value of the properties acquired in the 22nd Fiscal period as of the acquisition date, and then multiplying the amount by 100. The expected interest-bearing debt ratio after the Refinancing is calculated by dividing the balance of interest-bearing debt of JPY 117.1 billion by the amount obtained by subtracting the appraisal value of five properties decided to be transferred today from the total appraisal value indicated above, and then multiplying the amount by 100.

(Note 5) Average borrowing remaining duration is the average remaining borrowing period as of March 21, 2017 for Before the Refinancing, and as of March 22, 2017 for After the Refinancing, weighted by each borrowing amount.

(Note 6) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.

VI. Forecasts

There is minimal impact from the Refinancing on asset management conditions for the fiscal period ending March 31, 2017 (October 1, 2016 to March 31, 2017) and the fiscal period ending September 30, 2017 (April 1, 2017 to September 30, 2017). The forecasts of management conditions have been revised as of today due to the impact of favorable operation and disposition of properties of the current fiscal period. For details, please refer to the “Notice Concerning Revision of Earnings and Distribution Forecasts for the Fiscal Period Ending March 31, 2017 (22nd Fiscal Period) and the Fiscal Period Ending September 30, 2017 (23rd Fiscal Period)” and “Notice Concerning Disposition of Assets” separately announced today.

VII. Other

As for risks pertaining to the Refinancing, there are no material changes to the “Investment risks” stated in the most recent semiannual securities report (submitted on December 20, 2016).

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