

March 24, 2013

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: Atsushi Chikamochi, Chief Financial Officer  
Tel: +81-3-5425-5600

### Notice Concerning Borrowing of Funds and Repayment of Loans

Japan Rental Housing Investments Inc. (hereafter referred to as the “Investment Corporation”) hereby announces that today it executed contracts concerning refinancing (hereafter referred to as the “Refinancing”) total amount of approximately 15,140 million yen - due will be on June 23, 2014, amount of approximately 14,750 million yen and a part of borrowing due will be on June 22, 2015, amount of 390 million yen.

The existing borrowings including the Refinancing of the Investment Corporation became uncollateralized and unguaranteed as of March 26, 2014.

#### I. Borrowings

##### 1. Reason for the Prepayment

The prepayment was determined for the purpose of financial costs reduction and stabilizing the procurement of capital from beginning of 17th fiscal period (April 1, 2014 to September 30, 2014). For details on the prepayment, please refer to “II. Summary of the Prepayment.”

##### 2. Summary of the Refinancing

The Bank of Tokyo-Mitsubishi UFJ, Ltd. will be the arranger and agent to raise funds to be used for the Refinancing. The Investment Corporation has decided to make borrowing totaling 15,137 million yen from a combination of existing correspondent financial institutions as well as new financial institutions through a syndicated loan.

#### Term Loan J

(1) Lender	<p>1st Term Loan: The Norinchukin Bank</p> <p>2nd Term Loan: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd., Resona Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation, The Bank of Fukuoka, ORIX Bank Corporation, The Ashikaga Bank, Ltd.</p> <p>3rd Term Loan: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd, Shinsei Bank, Limited</p> <p>4th Term Loan: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd</p>
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(2) Amount of borrowing	Total Amount: JPY 15,137 million 1st Term Loan: JPY 1,170 million 2nd Term Loan: JPY 5,603 million 3rd Term Loan: JPY 4,000 million 4th Term Loan: JPY 4,364 million
(3) Drawdown date	March 26, 2014
(4) Due date	1st Term Loan: March 22, 2016 2nd Term Loan: December 25, 2018 3rd Term Loan: March 23, 2020 4th Term Loan: March 22, 2021
(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	1st Term Loan: 1-month JBA Japanese Yen TIBOR+0.30% 2nd Term Loan: 1-month JBA Japanese Yen TIBOR+0.60% 3rd Term Loan: 1-month JBA Japanese Yen TIBOR+0.75% 4th Term Loan: 1-month JBA Japanese Yen TIBOR+0.85%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement J) to be concluded with the lenders specified in (1) on March 24, 2014.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and 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. Summary of the Prepayment

### Term Loan I (18<sup>th</sup> Loan)

Lender	Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd, The Musashino Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited
Amount of borrowings	10,658 million yen
Interest rate	1-month JBA Japanese Yen TIBOR +1.75%
Drawdown date	June 30, 2010
Due date	June 23, 2014
Planning prepayment date	March 26, 2014
Amount of repayment	10,658 million yen

(Note) Amounts are rounded down to the nearest million yen; hereinafter the same.

### Term Loan I (20<sup>th</sup> Loan)

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Amount of borrowings	1,459 million yen
Interest rate	1-month JBA Japanese Yen TIBOR +1.75%
Drawdown date	July 2, 2010
Due date	June 23, 2014
Planning prepayment date	March 26, 2014
Amount of repayment	1,459 million yen

### Term Loan A5-2

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Amount of borrowings	585 million yen
Interest rate	1-month JBA Japanese Yen TIBOR +0.40%
Drawdown date	October 22, 2013
Due date	June 23, 2014
Planning prepayment date	March 26, 2014
Amount of repayment	585 million yen

### Term Loan A5 (1<sup>st</sup> Term Loan)

Lender	Mitsubishi UFJ Trust and Banking Corporation, The Norinchukin Bank
Amount of borrowings	2,047 million yen
Interest rate	1-month JBA Japanese Yen TIBOR +0.70%
Drawdown date	June 22, 2011
Due date	June 23, 2014
Planning prepayment date	March 26, 2014
Amount of repayment	2,047 million yen

### Term Loan A7

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Aozora Bank, Ltd, Resona Bank, Limited, Shinsei Bank, Limited, The Norinchukin Bank, The Musashino Bank
Amount of borrowings	7,920 million yen
Interest rate	1-month JBA Japanese Yen TIBOR +0.42%
Drawdown date	June 24, 2013
Due date	June 22, 2015
Planning prepayment date	March 26, 2014
Amount of repayment	390 million yen (Of the above lenders, The Musashino Bank)

### III. Outstanding Balance of Borrowing by Lender

Lender	Before the Refinancing	The Refinancing	After the Refinancing	
	Balance (JPY million)	Balance (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd (agent)	25,646	1,307	26,953	29.0
Sumitomo Mitsui Banking Corporation	16,964	499	17,463	18.8
Aozora Bank, Ltd.	19,143	-4,000	15,142	16.3
Resona Bank, Limited	8,562	500	9,062	9.8
Shinsei Bank, Limited	7,495	1,000	8,495	9.2
Mitsubishi UFJ Trust and Banking Corporation	4,047	417	4,464	4.8
The Bank of Fukuoka, Ltd.	2,837	500	3,337	3.6
ORIX Bank Corporation	2,647	500	3,147	3.4
The Higashi-Nippon Bank, Limited	2,270	-	2,270	2.4
The Norinchukin Bank	1,950	-0	1,950	2.1
The Ashikaga Bank, Ltd.	0	500	500	0.5
The Musashino Bank, Ltd	808	-808	0	0.0
Sumitomo Mitsui Trust Bank, Limited	418	-418	0	0.0
Total	92,792	-3 (Note 2)	92,789	100.0

(Note 1) Amounts are rounded down to the nearest million yen. Ratios are rounded off to one decimal place.

(Note 2) The repayment of the difference will be used as cash on hand.

### IV. Status of borrowings before and after the Refinancing

	Before the Refinancing (JPY million)	After the Refinancing (JPY million)	Difference (JPY million)
Short-term borrowings (Note 1)	1,385	800	-585
Long-term borrowings (Note 1)	91,407	91,989	581
(Long-term borrowings due within one year) (Note 2)	14,165	0	-14,165
Total borrowings	92,792	92,789	-3
Investment Corporation bonds	-	-	-
Total interest-bearing debt	92,792	92,789	-3
Interest-bearing debt ratio (Note 3)	48.7%	48.7%	-0.0%

(Note 1) The 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" refers to long-term debt that is due for repayment within one year from the 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 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.

## V. Forecasts

There is minimal impact from the Refinancing on asset management conditions for the fiscal period ending March 31, 2014 (October 1, 2013 to March 31, 2014), and we have thus left our forecasts unchanged. Impact for the fiscal period ending September 30, 2014 (April 1, 2014 to September 30, 2014) is currently being assessed and will be announced in the results for the fiscal period ending March 31, 2014.

## VI. Other

As for risks pertaining to the refinances, etc., 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/>