

December 19, 2014

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

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 “Serenite ShinOsaka Nibankan”, amount is 3.51 billion yen, to be acquired on December 24, 2014 (hereinafter referred to as the “Real Estate” and please refer to the press release “Notice Concerning Acquisition of Asset”) for details.

2. Summary of Borrowings

The Investment Corporation has decided to make new borrowings totaling 3.5 billion yen (loan period of approximately 0.5 years and 7.5 years) through a syndicated loan from the Bank of Tokyo-Mitsubishi UFJ, Ltd. and Resona Bank, Limited. The Bank of Tokyo-Mitsubishi UFJ, Ltd. will be the arranger and agent for the syndicated loan to raise funds for property acquisition.

Term Loan O

(1) Lender	1st Term Loan: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Resona Bank, Limited 2nd Term Loan: The Bank of Tokyo-Mitsubishi UFJ, Ltd., Resona Bank, Limited
(2) Amount of borrowing	Total Amount: JPY 3,500 million 1st Term Loan: JPY 2,000 million 2nd Term Loan: JPY 1,500 million
(3) Drawdown date	December 24, 2014
(4) Due date	1st Term Loan: June 22, 2015 2nd Term Loan: June 30, 2022
(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+0.45% 2nd Term Loan: 1-month JBA Japanese Yen TIBOR+0.75%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement O) to be concluded with the lenders specified in (1) on December 19, 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.jbatibor.or.jp/english/rate/>) 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	28,503	2,500	31,003	30.2
Sumitomo Mitsui Banking Corporation	17,463	-	17,463	17.0
Aozora Bank, Ltd.	15,142	-	15,142	14.8
Resona Bank, Limited	9,062	1,000	10,062	9.8
Shinsei Bank, Limited	8,495	-	8,495	8.3
Mitsubishi UFJ Trust and Banking Corporation	4,464	-	4,464	4.4
The Bank of Fukuoka, Ltd.	3,337	-	3,337	3.3
ORIX Bank Corporation	3,147	-	3,147	3.1
The Higashi-Nippon Bank, Limited	2,270	-	2,270	2.2
The Norinchukin Bank	1,950	-	1,950	1.9
Development Bank of Japan Inc.	1,000	-	1,000	1.0
The Hyakugo Bank, Ltd.	1,000	-	1,000	1.0
The Hiroshima 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 Senshu Ikeda Bank, Ltd.	500	-	500	0.5
The Nomura Trust and Banking Co., Ltd.	500	-	500	0.5
Total	99,039	3,500	102,539	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)	-	2,000	2,000
Long-term borrowings (Note 1)	99,039	100,539	1,500
(Long-term borrowings due within one year) (Note 2)	11,352	11,352	-
Total borrowings	99,039	102,539	3,500
Investment corporation bonds	-	-	-
Total interest-bearing debt	99,039	102,539	3,500
Interest-bearing debt ratio (Note 3)	50.0%	50.9%	0.9%

(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 amount of the borrowing to the total asset amount posted on the balance sheet as of the end of the 17th 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

There is minimal impact from the Borrowing on asset management conditions for the fiscal period ending March 31, 2015 (October 1, 2014 to March 31, 2015.)

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 15, 2014.)

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