

September 15, 2017

To All Concerned Parties

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Notice Concerning Refinancing and Early Repayment of Loans

Japan Rental Housing Investments Inc. (hereafter referred to as the “Investment Corporation”) announces that the Investment Corporation decided refinancing of the existing bank borrowings of JPY2.0 billion, which are due on September 21, 2017, (hereafter referred to as the “Refinancing”) at a meeting of its Board of Directors held today.

In addition, the Investment Corporation resolved today to make a prepayment of total of JPY4,570 million of bank borrowings of JPY7,570 million (of which, prepayment planned for JPY3,000 million on October 2, 2017 and JPY1,570 million on October 13, 2017) (hereafter referred to as the “Prepayment”) which is due on March 23, 2018. The source of the Prepayment is JPY2,974 million of the funds to be obtained from issuance of investment corporation bonds on September 21, 2017 and JPY26 million of cash on hand, as well as JPY1,570 million out of the funds obtained from the property disposition planned on September 28, 2017 (hereafter referred as the “Disposition of Asset”) (For details, please refer to the press release dated September 1, 2017, “Notice Concerning Issuance of Investment Corporation Bonds” and the press release separately announced today, “Notice Concerning Disposition of Asset”).

I. The Refinancing

1. Borrowing of Fund

(1) Reason for the Borrowing

The Investment Corporation has decided to refinance JPY 2 billion of existing loans, which is due on September 21, 2017.

(2) Summary of Borrowings

The Investment Corporation has decided to enter into a syndicated loan arrangement of JPY 2 billion in total (borrowing period of 5 years and 10 months), with The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Resona Bank, Limited.

<Term Loan Z>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Resona Bank, Limited
(2) Amount of borrowing	JPY 2,000 million
(3) Drawdown date	September 21, 2017
(4) Due date	June 30, 2023
(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+0.43%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement Z) to be concluded with the lenders specified in (1) above on September 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.

2. Summary of the Existing Borrowings Subject to the Refinancing

<Term Loan H>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Resona Bank, Limited, The Higashi-Nippon Bank, Limited
(2) Balance of borrowings	JPY 2,000 million
(3) Drawdown date	September 21, 2012
(4) Due date	September 21, 2017
(5) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%
(6) Repayment conditions	Lump-sum repayment on the due date

II. The Early Repayment

The existing borrowings subject to the Early Repayment are listed below.

<Term Loan D2>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, Resona Bank, Limited, Sumitomo Mitsui Banking Corporation, The Higashi-Nippon Bank, Limited, Aozora Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation
(2) Balance of borrowings	JPY 3,850 million
(3) Amount of repayment	JPY 2,323 million (JPY 1,525 million and JPY 798 million)
(4) Balance after the repayment	JPY 1,527 million
(5) Drawdown date	March 25, 2013
(6) Due date	March 23, 2018
(7) Repayment Date	October 2, 2017 and October 13, 2017
(8) Interest rate	1-month JBA Japanese Yen TIBOR+0.75%

<Term Loan EH1 2nd Term Loan>

(1) Lenders	The Bank of Tokyo-Mitsubishi UFJ, Ltd, The Higashi-Nippon Bank, Limited, Resona Bank, Limited,
(2) Balance of borrowings	JPY 2,550 million
(3) Amount of repayment	JPY 1,540 million (JPY 1,011 million and JPY 529 million)
(4) Balance after the repayment	JPY 1,010 million
(5) Drawdown date	October 18, 2013
(6) Due date	March 23, 2018
(7) Repayment Date	October 2, 2017 and October 13, 2017
(8) Interest rate	1-month JBA Japanese Yen TIBOR+0.70%

<Term Loan T 1st Term Loan>

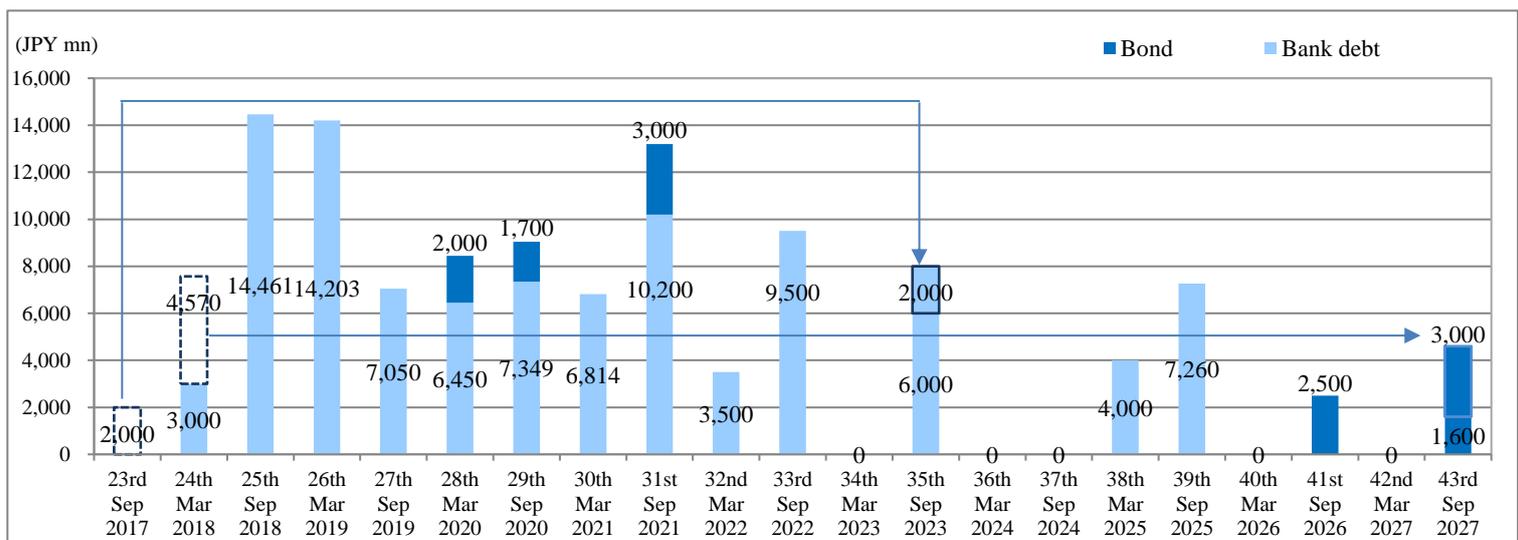
(1) Lenders	The Norinchukin Bank
(2) Balance of borrowings	JPY 1,170 million
(3) Amount of repayment	JPY 707 million (JPY 464 million and JPY 243 million)
(4) Balance after the repayment	JPY 463 million
(5) Drawdown date	March 22, 2016
(6) Due date	March 23, 2018
(7) Repayment Date	October 2, 2017 and October 13, 2017
(8) Interest rate	1-month JBA Japanese Yen TIBOR+0.35%

III. Outstanding Balance of Borrowings by Lenders

Lender	Before the Refinancing and the Early Repayment	The Refinancing (September 21, 2017)			Issuance of the Investment Corporation Bond (September 21, 2017)	The Early Repayment (October 2 and October 13, 2017)	After the Refinancing and the Early Repayment (October 13, 2017)	
	Balance (JPY million)	(A) Repayment amount (JPY million)	(B) Borrowing amount (JPY million)	(B) – (A) Change (JPY million)	Issuance amount (JPY million)	Repayment Amount (JPY million)	Balance (JPY million)	Share (%)
The Bank of Tokyo-Mitsubishi UFJ, Ltd	30,116	1,000	1,000	0	-	1,782	28,334	24.5
Sumitomo Mitsui Banking Corporation	19,315	-	-	-	-	241	19,074	16.5
Aozora Bank, Ltd.	13,578	-	-	-	-	181	13,397	11.6
Shinsei Bank, Limited	10,335	-	-	-	-	-	10,335	8.9
Resona Bank, Limited	9,898	500	1,000	500	-	935	9,463	8.2
Mitsubishi UFJ Trust and Banking Corporation	5,464	-	-	-	-	120	5,344	4.6
The Bank of Fukuoka, Ltd.	4,337	-	-	-	-	-	4,337	3.8
Development Bank of Japan Inc.	2,500	-	-	-	-	-	2,500	2.2
ORIX Bank Corporation	2,168	-	-	-	-	-	2,168	1.9
The Higashi-Nippon Bank, Limited	2,270	500	-	-500	-	604	1,166	1.0
The Hyakugo Bank, Ltd.	1,000	-	-	-	-	-	1,000	0.9
The Hiroshima Bank, Ltd.	1,000	-	-	-	-	-	1,000	0.9
The Norinchukin Bank	1,675	-	-	-	-	707	968	0.8
The Kagawa Bank, Ltd.	700	-	-	-	-	-	700	0.6
Mizuho Bank, Ltd.	500	-	-	-	-	-	500	0.4
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	106,357	2,000	2,000	0	-	4,570	101,787	88.1
Investment Corporation Bond	10,800	-	-	-	3,000	-	13,800	11.9
Total Balance of Interest Bearing Debt	117,157	2,000	2,000	0	120,157	4,570	115,587	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 (September 20, 2017)	After the Early Repayment (October 13, 2017)	Change
Short-term borrowings (Note 1)	-	-	-
Long-term borrowings (Note 1)	106,357	101,787	-4,570
(Long-term borrowings due within one year) (Note 2)	24,031	17,461	-6,570
Total borrowings	106,357	101,787	-4,570
Investment corporation bonds	10,800	13,800	+3,000
Total interest-bearing debt	117,157	115,587	-1,570
Interest-bearing debt ratio (Total asset based) (Note 3)	51.2%	50.5%	-0.7%
Interest-bearing debt ratio (Appraisal based) (Note 4)	46.5%	45.8%	-0.7%
Average borrowing remaining duration (Note 5)	3.3years	3.6years	+0.3years

(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 borrowings within one year from drawdown date of the "Refinancing"

(Note 3) Interest-bearing debt ratio (Total asset based) is calculated by dividing the balance of interest-bearing debt by the total asset amount posted on the balance sheet as of the end of the Fiscal Period ended on March 31, 2017 (22nd Fiscal Period) (JPY 228.9 billion) and then multiplying the amount by 100.

(Note 4) Interest-bearing debt ratio (Appraisal based) is calculated by dividing the balance of interest-bearing debt by the total amount of the appraisal value of 197 properties owned at the end of the Fiscal Period ended on March 31, 2017 (22nd Fiscal Period) priced as of March 31, 2017 and the appraisal value of the 3 properties acquired in the Fiscal Period ending on September 30, 2017 (23rd Fiscal period) as of the acquisition date, and then multiplying the amount by 100.

(Note 5) Average borrowing remaining duration is weighted by each borrowing amount.

VI. Forecasts

There is minimal impact from the Refinancing and the Prepayment 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). For the impact of Disposition of Asset, etc. on the asset management conditions, please refer to the press release separately announced today, "Notice Concerning Revision of Earnings and Distribution Forecasts for the Fiscal Period Ending September 30, 2017 (23rd Fiscal Period) and the Fiscal Period Ending March 31, 2018 (24th Fiscal Period)."

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 June 19, 2017).

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