

June 26, 2019

To All Concerned Parties

REIT Issuer: Japan Rental Housing Investments Inc.
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Notice Concerning Interest-Rate Swap Agreements

Japan Rental Housing Investments Inc. (the “Investment Corporation”) hereby announces that the Investment Corporation executed interest-rate swap agreements. Details are provided as follows.

I. Purpose of the Interest-Rate Swap Agreements

The Investment Corporation has executed interest-rate swap agreements to fix the interest rate for the JPY 1,250 million yen borrowings at floating interest rate out of the total JPY 2,750 million borrowings to be refinanced on June 28, 2019 as a hedge against possible increase of the interest rates in future.

II. Summary of the Interest-Rate Swap Agreements

Borrowing Loan:	Term Loan DD 1st Term Loan (Please refer to the press release “Notice Concerning Refinancing of Loans” dated June 25, 2019)
Counterparty:	Mizuho Bank, Ltd.
Notional Amount:	550 million yen
Interest Rate:	Fixed interest rate payable: 0.106% Floating interest rate receivable: Base rate (1-month JBA Japanese Yen TIBOR)
Commencement Date:	June 28, 2019
Termination Date:	June 30, 2027
Payment Date:	First interest payment on July 22, 2019, and on the 22nd of each month (if not a business day, the next business day, and if the next day falls in the next month, the business day next preceding will be the interest payment date).

(Note1) Based on this interest-rate swap agreement, basically, the interest rate is fixed at 0.5885%.

(Note2) The base rate shall be calculated based on JPY TIBOR for 1-month which Japanese Bankers Association (JBA) releases two business days preceding the first day of each interest calculation period. JPY TIBOR appears on website of JBA (<http://www.jbatibor.or.jp/english/rate/>). (The same shall apply hereinafter.)

Borrowing Loan:	Term Loan DD 2nd Term Loan (Please refer to the press release “Notice Concerning Refinancing of Loans” dated June 25, 2019)
Counterparty:	Mizuho Bank, Ltd.
Notional Amount:	700 million yen
Interest Rate:	Fixed interest rate payable: 0.075% Floating interest rate receivable: Base rate (1-month JBA Japanese Yen TIBOR)
Commencement Date:	June 28, 2019
Termination Date:	June 30, 2026
Payment Date:	First interest payment on July 22, 2019, and on the 22nd of each month (if not a business day, the next business day, and if the next day falls in the next month, the business day next preceding will be the interest payment date).

(Note1) Based on this interest-rate swap agreement, basically, the interest rate is fixed at 0.5325%.

English Translation

The following is an English translation of the original Japanese press release and is being provided for informational purposes only.

III. Forecast

There is minimal impact from these interest-rate swap agreements on asset management conditions for the fiscal period ending September 30, 2019 (April 1, 2019 to September 30, 2019) and the fiscal period ending March 31, 2020 (October 1, 2019 to March 31, 2020).

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