

March 24, 2020

To All Concerned Parties

REIT Issuer: Japan Rental Housing Investments Inc.  
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(Securities Code: 8986)  
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### **Notice Concerning Borrowing of Funds**

Japan Rental Housing Investments Inc. (hereinafter referred to as the "Investment Corporation") has hereby notify that we have decided to borrow funds to acquire new properties (hereinafter referred to as the "Finance") at the Board of Directors' Meeting held today, as follows.

#### I. The Finance

##### 1. Borrowing of Fund

###### (1) Reason for the Borrowing

This is to be appropriated to funds for acquisition of assets scheduled to be acquired as announced by Nippon Healthcare Investment Corporation (hereinafter referred to as "NHI") on November 19, 2019.

For the assets to be acquired, please refer to Nippon Healthcare Investment Corporation's press release, "Notice Concerning Acquisition and Leasing of Property" dated November 2019, 2019.

(Note) As stated in the "Notice Regarding Conclusion of Merger Agreement between Japan Rental Housing Investment Inc. and Nippon Healthcare Investment Corporation" announced on November 19, 2019, the Investment Corporation and NHI have decided to conduct an Absorption-Type Merger between the Investment Corporation as the surviving corporation and the NHI as the non-surviving corporation on April 1, 2020.

###### (2) Summary of Borrowings

The Investment Corporation has decided to borrow a total of JPY 27,300 million.

##### <Term Loan 1st >

(1) Scheduled Lender (Note1)	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited
(2) Amount of borrowing	JPY 4,500 million
(3) Scheduled drawdown date	April 2, 2020 (Note2)
(4) Due date	March 29, 2024
(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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.3375%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement ) to be concluded with the lenders specified in (1) above on March 26,2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

##### <Term Loan 2nd >

(1) Scheduled Lender (Note1)	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited
(2) Amount of borrowing	JPY 1,900 million
(3) Scheduled drawdown date	April 2, 2020 (Note2)
(4) Due date	March 31, 2027

(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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.4325%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement ) to be concluded with the lenders specified in (1) above on March 26,2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

<Term Loan 3rd>

(1) Scheduled Lender (Note1)	MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, Shinsei Bank, Limited, Resona Bank, Ltd.
(2) Amount of borrowing	JPY 9,400 million
(3) Scheduled drawdown date	April 2, 2020 (Note2)
(4) Due date	March 31, 2028
(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 in the next month, the business day immediately prior will be the interest payment date)
(6) Interest rate	1-month JBA Japanese Yen TIBOR+0.4825%
(7) Method	Borrowings under individual loan agreements (Term Loan Agreement ) to be concluded with the lenders specified in (1) above on March 26,2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

The 1-month JBA Japanese Yen TIBOR rate as of two business days prior to the immediately preceding interest payment date 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.

< Individual Term Loan >

(1) Scheduled Lender (Note1)	Mizuho Bank, Ltd.
(2) Amount of borrowing	JPY 5,500 million
(3) Scheduled drawdown date	April 2, 2020 (Note2)
(4) Due date	March 30, 2029
(5) Interest payment dates	First on June 30, 2020, and thereafter on the last day of each year in March, June, September and December of each year, and on the expiration date (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date).
(6) Interest rate	3-month JBA Japanese Yen TIBOR+0.5325%
(7) Method	Borrowings under individual loan agreements (Individual Loan Agreement) to be concluded with the lenders specified in (1) above on March 26,2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

(1) Scheduled Lender (Note1)	Mizuho Bank, Ltd.
(2) Amount of borrowing	JPY 5,000 million
(3) Scheduled drawdown date	April 2, 2020 (Note2)
(4) Due date	March 31, 2023
(5) Interest payment dates	First on June 30, 2020, and thereafter on the last day of each year in March, June, September and December of each year, and on the expiration date (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date).
(6) Interest rate	3-month JBA Japanese Yen TIBOR+0.2875%
(7) Method	Borrowings under individual loan agreements (Individual Loan Agreement) to be concluded with the lenders specified in (1) above on March 26,2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

(1) Scheduled Lender (Note1)	Sumitomo Mitsui Trust Bank
(2) Amount of borrowing	JPY 1,000 million
(3) Scheduled drawdown date	April 2, 2020 (Note2)
(4) Due date	March 29, 2024
(5) Interest payment dates	First on June 30, 2020, and thereafter on the last day of each year in March, June, September and December of each year, and on the expiration date (if not a business day, the next business day, and if the next business day falls in the next month, the business day immediately prior will be the interest payment date).
(6) Interest rate	3-month JBA Japanese Yen TIBOR+0.3375%
(7) Method	Borrowings under individual loan agreements (Individual Loan Agreement) to be concluded with the lenders specified in (1) above on March 26, 2020.
(8) Repayment conditions	Lump-sum repayment on the due date
(9) Collateral	Unsecured and unguaranteed

The 3-month JBA Japanese Yen TIBOR rate as of two business days prior to the immediately preceding interest payment date 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 3-month JBA Japanese Yen TIBOR information.

(Note1) The contracts have not yet been signed as of today. Therefore it is stated as “Scheduled”.

(Note2) As of April 1, 2020, the Investment Corporation will merge with NHI, and will borrow funds as Daiwa Securities Living Investment Corporation, which is the new trade name after the merger.

#### . Status of the Balance and Interest-bearing Debt Ratio Before and After the Financing

(Unit: JPY million)

	Before the Refinancing (Note 3) (April 1, 2020)	After the Early Repayment (April 2, 2020)	Change
Short-term borrowings (Note 1)	2,000	2,000	-
Long-term borrowings (Note 1)	111,587	138,887	27,300
(Long-term borrowings due within one year) (Note 2)	17,163	17,163	0
Total borrowings	113,587	140,887	27,300
Investment corporation bonds	11,800	11,800	-
Total interest-bearing debt	125,387	152,687	27,300

(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 borrowings due within one year from the respective dates indicated above.

(Note3) The balance after the merger with NHI is shown.

#### . Forecasts

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

#### . 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 December 19, 2019).

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