

January 9, 2009

To All Concerned Parties

Japan Single-residence REIT Inc.
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Akihiko Soga, Executive Director
(Securities code: 8970)

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Notice Concerning the Borrowing of Funds

Japan Single-residence REIT Inc. (“Japan Single-residence REIT”) hereby announces on this day its decision to borrow funds as follows:

Fund borrowing

(1) Reason for borrowing

To secure the funds need for refinancing of the following short-term loan coming due on January 15, 2009.

A) 12th short-term borrowing

Lender : Aozora Bank, Ltd.
Borrowing amount : ¥4,350,000,000
Drawdown date : July 14, 2008
Due date of principal repayment : January 15, 2009

B) 13th short-term borrowing

Lender : Aozora Bank, Ltd.
Borrowing amount : ¥1,780,000,000
Drawdown date : July 14, 2008
Due date of principal repayment : January 15, 2009

(2) Details of borrowing

1. Lender : Aozora Bank, Ltd.
2. Scheduled borrowing amount : ¥6,130,000,000
3. Interest rate applicable to the borrowing (per annum) : The interest rate will be announced separately when it is finalized. The interest rate will be the yen offered rate in Japan during the interest calculation period plus 2.00%.
4. Scheduled drawdown date : January 15, 2009
5. Borrowing method : Borrowing to be conducted in accordance with the Term Loan Agreement signed on January 13, 2009 with the above lender. As collateral for this borrowing, Japan Single-residence REIT plans to establish a first right of pledge on the trust beneficiary interest in a trust that holds Single-residence Waseda First-Square, Single-residence Waseda Second-Square, Single-residence Komazawa-koen, Single-residence Higashinakano,

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Single-residence Hisayaodori, and Single-residence Minami 5 Jyo. In addition, a subordinated revolving right of pledge is to be established on trust beneficiary interests in real estate consisting of the 16 real estate properties acquired by Japan Single-residence REIT on July 13, 2005 and July 15, 2005.

6. Principal repayment method : Lump-sum repayment date upon maturity
 7. Due date of principal repayment : March 16, 2009

[Reference]

Status of interest-bearing debt before and after the drawdown of the borrowings (as of January 15, 2009)

(Unit: million yen)

	Before drawdown	After drawdown	Change
Short-term borrowings	17,415	17,415	-
Term loan (long-term borrowings)	13,600	13,600	-
Total borrowings	31,015	31,015	-
Unitholders' equity	27,317	27,317	-
Loan-to-value ratio ^(Note)	53.2%	53.2%	- %

- (Note) Loan-to-value ratio
 = Interest-bearing debt ÷ (Interest-bearing debt + Unitholders' equity) × 100%;
 rounded to the nearest tenth (1 decimal places).