



June 8, 2018

For Immediate Release

Real Estate Investment Trust Securities Issuer:  
Comforia Residential REIT, Inc  
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Executive Director  
(Code: 3282)

Asset Management Company:  
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### Notice Concerning Issuance of Investment Corporation Bonds

Comforia Residential REIT, Inc ("CRR") announces that it decided today to issue investment corporation bonds, based on the comprehensive resolution for the issuing of investment corporation bonds passed at the Board of Directors meeting held on April 27, 2018. Details are as follows:

#### 1. Summary of the Investment Corporation Bonds

##### A 4th unsecured bonds

- |  |   |  |
|--|---|--|
| (1) Name                                 | : | Comforia Residential REIT, Inc 4th unsecured bonds (with pari passu clause among specified investment corporation bonds)   |
| (2) Total amount of bonds                | : | 1,000 million yen  |
| (3) Form of bonds Certificate            | : | Under the Act on Book-Entry Transfer of Company Bonds, Shares, etc., there are no bond certificates.   |
| (4) Issue price                          | : | 100 yen per 100 yen of each bond   |
| (5) Redemption price                     | : | 100 yen per 100 yen of each bond   |
| (6) Coupon rate                          | : | 0.230% per annum   |
| (7) Denomination price                   | : | 100 million yen  |
| (8) Offering method                      | : | Public offering  |
| (9) Offering period                      | : | June 8, 2018 (Friday)  |
| (10) Payment date                        | : | June 14, 2018 (Thursday)   |
| (11) Collateral/Guarantee                | : | Neither collateral nor guarantee is provided for bonds, and no assets are reserved as security specifically for the bonds.   |
| (12) Redemption method and date          | : | The entire principal shall be redeemed on December 14, 2023. The bonds may be purchased and cancelled at any time on or after the day following the payment date unless otherwise stipulated by the depository.            |
| (13) Interest payment date               | : | June 14 and December 14 every year (The first payment date is December 14, 2018. If the interest payment date is a bank holiday, then the bank business day preceding it shall be deemed to be the interest payment date.) |
| (14) Financial Covenants                 | : | Negative pledge among unsecured bonds  |
| (15) Credit rating                       | : | AA- (Japan Credit Rating Agency, Ltd.)   |
| (16) Depository                          | : | Japan Securities Depository Center, Inc.   |
| (17) Financial, issuing and paying agent | : | MUFG Bank, Ltd.  |
| (18) Underwriters                        | : | Mizuho Securities Co., Ltd.<br>Daiwa Securities Co. Ltd.<br>SMBC Nikko Securities Inc.   |



Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

**B 5th unsecured bonds**

- |   |   |  |
|---|---|--|
| (1) Name                                | : | Comforia Residential REIT, Inc 5th unsecured bonds (with pari passu clause among specified investment corporation bonds)   |
| (2) Total amount of bonds               | : | 1,500 million yen  |
| (3) Form of bonds Certificate           | : | Under the Act on Book-Entry Transfer of Company Bonds, Shares, etc., there are no bond certificates.   |
| (4) Issue price                         | : | 100 yen per 100 yen of each bond   |
| (5) Redemption price                    | : | 100 yen per 100 yen of each bond   |
| (6) Coupon rate                         | : | 0.950% per annum   |
| (7) Denomination price                  | : | 100 million yen  |
| (8) Offering method                     | : | Public offering  |
| (9) Offering period                     | : | June 8, 2018 (Friday)  |
| (10) Payment date                       | : | June 14, 2018 (Thursday)   |
| (11) Collateral/Guarantee               | : | Neither collateral nor guarantee is provided for bonds, and no assets are reserved as security specifically for the bonds.   |
| (12) Redemption method and date         | : | The entire principal shall be redeemed on June 14, 2033. The bonds may be purchased and cancelled at any time on or after the day following the payment date unless otherwise stipulated by the depository.                |
| (13) Interest payment date              | : | June 14 and December 14 every year (The first payment date is December 14, 2018. If the interest payment date is a bank holiday, then the bank business day preceding it shall be deemed to be the interest payment date.) |
| (14) Financial Covenants                | : | Negative pledge among unsecured bonds  |
| (15) Credit rating                      | : | AA- (Japan Credit Rating Agency, Ltd.)   |
| (16) Depository                         | : | Japan Securities Depository Center, Inc.   |
| (17) Financial,issuing and paying agent | : | MUFG Bank, Ltd.  |
| (18) Underwriters                       | : | Mizuho Securities Co., Ltd.<br>SMBC Nikko Securities Inc.<br>Daiwa Securities Co. Ltd.<br>Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.   |

**2. Reasons for the Issuance**

CRR has decided to issue investment corporation bonds, to extend the debt maturity, to diversify repayment dates, and to vary the financing methods.

**3. Amount, Use, and Time of Disbursement of Funds to Be Raised**

- (1) Amount of funds to be raised (estimated amount of net proceeds)  
2,478 million yen

- (2) Specific use of funds to be raised and time of disbursement

On June 22, 2018 CRR will appropriate the funds for part of the early repayment of loans (2,790 million yen) that will come due on April 30, 2019.

(Note) Please refer to the press release titled "Notice Concerning Early Repayment" issued today.

4. Status of Borrowings and Investment Corporation Bonds after the Issuance of the Investment Corporation Bonds

(million yen)

	Before the issuance (As of June 8, 2018)	After the issuance (As of June 22, 2018) (Note 1)	Change
Short-Term Loans (Note 2)	—	—	—
Current portion of long-term loans (to be repaid within one year or less)	22,885	20,095	▲2,790
Long-Term Loans (Note 2)	83,135	83,135	—
Total of Loans	106,020	103,230	▲2,790
Investment Corporation Bonds	6,000	8,500	2,500
Total of Loans and Investment Corporation Bonds	112,020	111,730	▲290
Other Interest-Bearing Debt	—	—	—
Total of Interest-Bearing Debt	112,020	111,730	▲290

(Note 1) The calculation of the outstandings is based on the assumption that the early repayment of the Current portion of long-term loans (to be repaid within one year or less) (2,790 million yen) is executed on June 22, 2018.

(Note 2) Short-term loans are loans that will come due within one year, while long-term loans are loans that will come due after one year.

\*Website of CRR: <http://comforia-reit.co.jp/english/>