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For Immediate Release

Real Estate Investment Trust Securities Issuer:
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Notice Concerning Borrowing of Funds and Early Repayment

Comforia Residential REIT, Inc (“Investment Corporation”) announces that it decided today to proceed with the borrowing of funds and early repayment. Details are as follows:

1. Description of Borrowing of Funds

Description of New Borrowing

A Long-term Loans (Term : 1 year 1 month, variable interest rate)

- ① Lender : Sumitomo Mitsui Trust Bank, Ltd.
- ② Loan amount : 100 million yen
- ③ Interest rate : Basic interest rate (JBA 1 month yen TIBOR) +0.20% (Note 1)
- ④ Scheduled drawdown date : February 2, 2018
- ⑤ Borrowing method : Borrowing based on a loan agreement effective January 31, 2018, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on February 28, 2018 first, the last day of each month thereafter, and the principal repayment date (or the business day immediately preceding the concerned date if any concerned date is not a business day).
- ⑦ Principal repayment method : Lump-sum repayment on principal repayment date
- ⑧ Principal repayment date : February 28, 2019
- ⑨ Security : Unsecured and unguaranteed

B Long-term Loans (Term : 7 year, fixed rate)

- ① Lender : Development Bank of Japan Inc., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., The Bank of Tokyo Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation
- ② Loan amount : 2,860 million yen
- ③ Interest rate : To be determined (Note 2)



- ④ Scheduled drawdown date : February 2, 2018
- ⑤ Borrowing method : Borrowing based on a loan agreement effective January 31, 2018, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on February 28, 2018 first, the last day of each month thereafter, and the principal repayment date (or the business day immediately preceding the concerned date if any concerned date is not a business day).
- ⑦ Principal repayment method : Lump-sum repayment on principal repayment date
- ⑧ Principal repayment date : January 31, 2025
- ⑨ Security : Unsecured and unguaranteed

(Note 1) The base rate used for the calculation period for interest to be paid on interest payment dates is the 1-month Yen TIBOR announced by JBA TIBOR Administration (JBATA), two business days before the interest payment date immediately preceding each interest payment date. However, if the calculation period is less than one month, the base rate will be the one corresponding to the period that will be calculated based on a method provided for in the agreement.

After this, the Investment Corporation will not announce the interest rate decisions for its borrowings on a floating-rate basis.

For changes in the yen TIBOR of the JBA, the base rate, please check the website of JBATA. (<http://www.jbatibor.or.jp/english/>).

(Note 2) Funds will be borrowed at a fixed interest rate, which will be announced once it has been determined.

2. Early Repayment

Description of Early Repayment

Short-term Loans (Term : 1 year , variable interest rate)

- ① Lender : Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Ltd., The Bank of Tokyo Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation
- ② Loan amount : 1,130 million yen
- ③ Interest rate : Basic interest rate (JBA 1 month yen TIBOR) +0.20%
- ④ Scheduled drawdown date : August 1, 2017
- ⑤ Principal repayment date : February 2, 2018 (Note 1)

(Note 1) The maturity of the borrowing stated above is July 31, 2018.

(Note 2) For further details of the loans, please refer to the "Notice Concerning Borrowing of Funds" issued on July 27, 2017.

3. Reason for Borrowing of Funds and Early Repayment

The Investment Corporation will appropriate the funds to acquire the beneficial interest in real estate trust as described in the press release titled "Notice Concerning Acquisition of Investment Assets (COMFORIA UENOIRIYA, and other 3 assets)" issued on January 5, 2018 and to pay the expenses related to the acquisition and to repay the short-term loans as described in "2. Early Repayment".

4. Amount, Use, and Scheduled Time of Disbursement of Funds to Be Raised

(1) Amount of funds to be raised
A total of 2,960 million yen

(2) Specific use of funds to be raised
Funds will be used to acquire the beneficial interests in real estate trust described in 3., above, to repay early the short-term loans as described in 2., above, and to cover related expenses, etc.

(3) Scheduled time of disbursement
February 2, 2018

5. Status of Interest-Bearing Debt after the Borrowing

(million yen)

	Before the borrowing	After the borrowing	Change
Short-Term Loans (Note)	1,130	-	▲1,130
Current portion of long-term loans (to be repaid within one year or less)	14,400	14,400	-
Long-Term Loans (Note)	83,220	86,180	2,960
Total of Loans	98,750	100,580	1,830
Investment Corporation Bonds	6,000	6,000	-
Total of Loans and Investment Corporation Bonds	104,750	106,580	1,830
Other Interest-Bearing Debt	-	-	-
Total of Interest-Bearing Debt	104,750	106,580	1,830

(Note) 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 Investment Corporation: <http://comforia-reit.co.jp/english/>