



March 27, 2018

For Immediate Release

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### Notice Concerning Borrowing of Funds and Repayment of Loans

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

#### 1. Description of Borrowing and Repayment

##### (1) Description of New Borrowing

###### A Long-term Loans (Term : 1 year 1 month, 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 : 2,790 million yen
- ③ Interest rate : Basic interest rate (JBA 1 month yen TIBOR) +0.20% (Note 1)
- ④ Scheduled drawdown date : March 30, 2018
- ⑤ Borrowing method : Borrowing based on a loan agreement effective March 28, 2018, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on April 27, 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 : April 30, 2019
- ⑨ Security and guarantee : Unsecured and unguaranteed

###### B Long-term Loans (Term : 5 year, fixed rate)

- ① Lender : Shinkin Central Bank, The Norinchukin Bank, The Bank of Fukuoka, Ltd., Mizuho Trust & Banking Co., Ltd.

- ② Loan amount : 4,900 million yen
- ③ Interest rate : To be determined (Note 2)
- ④ Scheduled drawdown date : March 30, 2018
- ⑤ Borrowing method : Borrowing based on a loan agreement effective March 28, 2018, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on April 27, 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 : March 31, 2023
- ⑨ Security and guarantee : Unsecured and unguaranteed

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

- ① Lender : Mizuho Bank, Ltd., The Bank of Tokyo Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation
- ② Loan amount : 4,650 million yen
- ③ Interest rate : To be determined (Note 2)
- ④ Scheduled drawdown date : March 30, 2018
- ⑤ Borrowing method : Borrowing based on a loan agreement effective March 28, 2018, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on April 27, 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 : March 31, 2025
- ⑨ Security and guarantee : 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) Description of Repayment of Loans

##### A Current portion of long-term loans (Term : 3 year 2 month, fixed rate)

- ① Lender : Shinkin Central Bank, The Norinchukin Bank, The Bank of Fukuoka, Ltd.
- ② Loan amount : 2,250 million yen
- ③ Interest rate : 0.30820% (Note 3)
- ④ Scheduled drawdown date : February 3, 2015
- ⑤ Principal repayment date : March 30, 2018

B Current portion of long-term loans (Term : 4 year 6 month, fixed rate)

- ① Lender : Mizuho Bank, Ltd., The Bank of Tokyo Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation
- ② Loan amount : 4,650 million yen
- ③ Interest rate : 0.67075%(Note 3)
- ④ Scheduled drawdown date : September 30, 2013
- ⑤ Principal repayment date : March 30, 2018

(Note 3) The interest rate denotes the fixed rate after an interest-rate swap agreement because the interest rate swap agreement was executed in order to hedge the risk of fluctuation.

2. Reason for Borrowing and Repayment

The Investment Corporation will appropriate the funds to acquire the investment assets as described in the press release titled “Notice Concerning Acquisition and Sale of Investment Assets” issued on March 14, 2018 and to pay the expenses related to the acquisition and to repay loans (refer to 1.(2) shown above for details).

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

- (1) Amount of funds to be raised  
A total of 12,340 million yen
- (2) Specific use of funds to be raised  
Funds will be used to acquire the investment assets described in 2., above, to repay loans (refer to 1.(2) shown above for details).
- (3) Scheduled time of disbursement  
March 30, 2018

4. Status of Interest-Bearing Debt after the Borrowing

(million yen)

	Before the borrowing	After the borrowing	Change
Short-Term Loans (Note)	-	-	-
Current portion of long-term loans (to be repaid within one year or less)	26,995	20,095	▲6,900
Long-Term Loans (Note)	73,585	85,925	12,340
Total of Loans	100,580	106,020	5,440
Investment Corporation Bonds	6,000	6,000	-
Total of Loans and Investment Corporation Bonds	106,580	112,020	5,440
Other Interest-Bearing Debt	-	-	-
Total of Interest-Bearing Debt	106,580	112,020	5,440

(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/>