



August 30, 2013

For Immediate Release

Real Estate Investment Trust Securities Issuer:
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Hiroyuki Tohmata, Executive Director
(Code: 3282)

Asset Management Company:
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Notice Concerning Borrowing of Funds

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

1. Description of borrowing

Long-term Loans (Term : 5 years, variable interest rate)

- ① Lender : Mitsubishi UFJ Trust and Banking Corporation
- ② Loan amount : 2,000 million yen
- ③ Interest rate : Basic interest rate (JBA 1 month yen TIBOR) +0.3% (Note)

- ④ Scheduled drawdown date : September 4, 2013
- ⑤ Borrowing method : Borrowing based on a loan agreement effective September 2, 2013, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on the last day of September 2013 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 : August 31, 2018
- ⑨ Security : Unsecured and unguaranteed

(Note) The base rate used for the calculation period for interest to be paid on interest payment dates is the 1-month yen TIBOR of the Japanese Bankers Association (“JBA”), 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 the JBA (<http://www.zenginkyo.or.jp/en/tibor/>).

2. Reason for Borrowing

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 Asset (COMFORIA SHIN-OSAKA)” issued on August 30, 2013 and to pay the expenses related to the acquisition.

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

- (1) Amount of funds to be raised
A total of 2,000 million yen
- (2) Specific use of funds to be raised
Funds will be used to acquire a part of the aforementioned beneficial interests in real estate trust.
- (3) Time of disbursement
September 4, 2013

4 . Status of Borrowings and Investment Corporation Bonds 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)	6,000	6,000	—
Long-Term Loans (Note)	34,720	36,720	2,000
Total of Loans	40,720	42,720	2,000
Investment Corporation Bonds	—	—	—
Total of Loans and Investment Corporation Bonds	40,720	42,720	2,000
Other Interest-Bearing Debt	—	—	—
Total of Interest-Bearing Debt	40,720	42,720	2,000

(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.

*The original Japanese version of this press release has been distributed to the press club of TSE (Kabuto Club), the Ministry of Land, Infrastructure, Transport and Tourism, and to the press club of the construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.

*Website of Investment Corporation: <http://www.comforia-reit.co.jp/english/>