



September 2, 2013

For Immediate Release

Real Estate Investment Trust Securities Issuer:
Comforia Residential REIT, Inc
1-16-3 Dogenzaka, Shibuya-ku, Tokyo
Hiroyuki Tohmata, Executive Director
(Code: 3282)

Asset Management Company:
TLC Comforia Investment Management INC.
Hiroyuki Tohmata, President & CEO
Inquires:
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Notice Concerning Execution of Interest Rate Swap Agreement

Comforia Residential REIT, Inc (“Investment Corporation”) announces that it decided today to execute the interest rate swap agreement as below.

1. Description of Execution of the Interest Rate Swap Agreement

| Lender | Notional Principal (million yen) | Counterparty | Interest Rate | | Agreement Date | Expiration Date |
|--|-------------------------------------|--|---------------|-----------------------|-------------------|-----------------|
| | | | Fixed Payment | Variable Receipt | | |
| Mitsubishi UFJ Trust and Banking Corporation | 2,000 | Mitsubishi UFJ Trust and Banking Corporation | 0.49500% | JBA 1 month yen TIBOR | September 4, 2013 | August 31, 2018 |

(Note) Interest payments in both fixed payment and variable receipt will be made on September 30, 2013 first, the last day of each month thereafter, and the repayment date. (If the repayment date is a non-business day, it will be the following business day. If the repayment date falls on the following month, it will be the immediately preceding business day.)

2 . Reason for Executing the Interest Rate Swap Agreement

The Investment Corporation decided to execute the interest rate swap agreement in order to hedge the risk of fluctuation in the interest rate of long-term loans of 2,000 million yen (variable interest rate)(Note), which will be borrowed on September 4, 2013.

(Note) Refer to the “Notice Concerning Borrowing of Funds” released on August 30, 2013.

3. Fixed Interest Payable after Executing the Interest Rate Swap Agreement

| Lender | Loan Amount (million yen) | Variable Interest Rate | Fixed Interest Payable | Borrowing Date | Principal Repayment Date |
|--|------------------------------|------------------------------------|------------------------|-------------------|--------------------------|
| Mitsubishi UFJ Trust and Banking Corporation | 2,000 | JBA 1 month yen TIBOR + 0.3% | 0.79500% | September 4, 2013 | August 31, 2018 |



*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/>