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For Immediate Release

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Notice Concerning Forecast of Financial Results for the Periods Ending July 31, 2015
and January 31, 2016

Comforia Residential REIT, Inc (“Investment Corporation”) announces today its forecast of financial results for the period ending July 31, 2015 (February 1, 2015 - July 31, 2015) and the period ending January 31, 2016 (August 1, 2015 - January 31, 2016). Details are as follows:

There is no change in the forecast of financial results for the period ending January 31, 2015 (August 1, 2014 - January 31, 2015) released on September 12, 2014 as of the date of this document.

	Operating Revenues (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Cash Distribution per Unit (excluding Cash Distribution in Excess of Net Income) (yen)	Cash Distribution in Excess of Net Income per Unit (yen)
Period Ending Jul. 31, 2015 (10th Period)	4,915	2,556	2,072	2,071	4,350	—
Period Ending Jan. 31, 2016 (11th Period)	4,893	2,488	2,000	1,999	4,200	—

(Reference)

Period Ending July 31, 2015

Projected number of investment units issued as of the period-end: 476,148 units

Projected net income per unit as of the period-end: 4,358 yen

Period Ending January 31, 2016

Projected number of investment units issued as of the period-end: 476,148 units

Projected net income per unit as of the period-end: 4,200 yen

<Disclaimer> This document is a press release to make a public announcement of the forecast of financial results, and has not been prepared as a solicitation for investment. Investment Corporation cautions investors to ensure that they refer to the prospectus for notification of the issuance of new investment units and secondary offering of investment units as well as amendments thereto prepared by Investment Corporation (if such have been prepared) before undertaking investments and investments be made at their own discretion and responsibility.

(Note)

1. The forecasts in this material are as at the time of writing, and are calculated based on the assumptions written in the exhibit “Assumptions for Forecasts of Financial Result for the Period Ending July 31, 2015 and the Period Ending January 31, 2016.” Therefore, actual operating revenues, operating income, ordinary income, net income, and cash distribution per unit may differ due to acquisitions and/or sales of assets, trends in the real estate market, and changes in circumstances. The forecasts do not guarantee the payment of the amount.
2. The forecasts may be revised if a material difference from the forecasts above is anticipated.
3. Amounts are rounded down. The same applies below.

*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 the Investment Corporation: <http://comforia-reit.co.jp/english/>

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Exhibit Assumptions for Forecasts of Financial Result for the Period Ending July 31, 2015
and the Period Ending January 31, 2016

Item	Assumptions
Period	<ul style="list-style-type: none"> Period ending July 31, 2015 (10th period) (February 1, 2015 - July 31, 2015) (181 days) Period ending January 31, 2016 (11th period) (August 1, 2015 - January 31, 2016) (184 days)
Investment Assets	<ul style="list-style-type: none"> In addition to real estate and beneficial interests in real estate trust of 82 properties already owned by the Investment Corporation ("Owned Assets") as at the time of writing, the Investment Corporation is to acquire additional beneficial interests in real estate trust of 12 properties ("Assets to Be Acquired") on February 3, 2015, using the proceeds from the issuance of new investment units and borrowed funds. Subsequently, the portfolio is expected to be comprised of 94 properties in total. For the forecast of financial results, it is assumed that there will be no changes in managed assets (acquisitions of new properties and/or sales of existing assets, etc.) after acquiring the Assets to Be Acquired until the end of the period ending January 31, 2016 (11th period) The assumptions may differ due to changes in the managed assets.
Operating Revenues	<ul style="list-style-type: none"> Leasing revenues from the Owned Assets are calculated based on actual performance for the period ended July 31, 2014 (8th period) and market trends, etc. In addition, leasing revenues from Assets to Be Acquired are calculated based on information provided by the former owners of each property, etc., effective lease contracts as at the time of writing, and market trends, etc. Operating Revenues assume that tenants will pay their rents without delinquency. Distribution from the anonymous partnership equity interests is estimated by assuming that the properties under management will maintain a stable occupancy.
Operating Expenses	<ul style="list-style-type: none"> Leasing business expenses are the principle expenses of operating expenses. Leasing business, expenses, excluding depreciation expenses, of the Owned Assets are based on actual performance for the period ended July 31, 2014 (8th period) and expense trends, etc. In addition, leasing business expenses, excluding depreciation expenses, of the Assets to Be Acquired are calculated based on information provided by the former owners of each property, etc., effective lease contracts as at the time of writing, and market trends, etc. Although fixed property taxes and city planning taxes on the acquired assets are generally calculated on a pro-rata basis with the former owners and settled at the time of acquisition, the amount equivalent to the settlement money is not expensed in the period when the assets are acquired, as it is included in the acquisition cost. The total amount of fixed property taxes, city planning taxes and depreciable property taxes on the Assets to Be Acquired that are included in the acquisition cost is assumed to be 68 million yen. Regarding the Assets to Be Acquired, fixed property taxes, city planning taxes and depreciable property taxes for fiscal 2016 will be expensed starting from the period ending July 31, 2016 (12th period). The annual total amount of fixed property taxes, city planning taxes and depreciable property taxes on these 12 properties is assumed to be 76 million yen. With respect to building repair expenses, the amount assumed to be necessary for each business period is expensed based on a medium- to long-term repair plan prepared by the asset management company. However, repair expenses in each business period may be substantially different from the expected amount for reasons including: (i) Repair expenses could suddenly arise due to damage to buildings, etc. from certain unexpected factors; (ii) The amount of repair expenses generally varies considerably from year to year; and (iii) Repair expenses are not incurred regularly. Depreciation expenses including incidental costs, etc. are calculated by the straight-line method. They are assumed to be 818 million yen in the period ending July 31, 2015 (the 10th period) and 818 million yen in the period ending January 31, 2016 (the 11th period).

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Non-Operating Expenses	<ul style="list-style-type: none"> According to the board of directors' meeting held today, non-operating expenses of 7 million yen are anticipated in each of the periods ending July 31, 2015 (10th period) and January 31, 2016 (11th period) related to the issuance of new investment units through public offering and third-party allotment and secondary offering of investment units. For interest expenses and investment corporation bonds interest expenses and other interest-bearing debt costs, 460 million yen and 464 million yen are anticipated in the period ending July 31, 2015 (10th period) and the period ending January 31, 2016 (11th period), respectively.
Interest-bearing Debt	<ul style="list-style-type: none"> The Investment Corporation has a total of 71,970 million yen in interest-bearing debt as at the time of writing. It is assumed that a total 13,170 million yen will be borrowed today from the qualified institutional investors defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act. In addition, the Investment Corporation will repay 5,350 million yen of existing borrowings using the funds from new borrowings above. Based on these, it is assumed that the balance of interest-bearing debt will be 79,790 million yen as of the end of the period ending July 31, 2015 (10th period) and that the balance will not change before the end of the period ending January 31, 2016 (11th period). However, the above amount of interest-bearing debt may change depending upon the issue price of the additionally issued investment units.
Investment Units	<ul style="list-style-type: none"> Investment Units is assumed based on in addition to the 402,648 investment units as at the time of writing, public offering of new investment units (70,000 units) and the third-party allotment (up to 3,500 units). It is assumed that no additional investment units will be issued before the end of the period ending January 31, 2016 (11th period). Cash distributions per unit in the end of the period ending July 31, 2015 (10th period) and January 31, 2016 (11th period) are calculated on the basis of 476,148 units, including the units being issued in the current offering.
Cash Distributions per Unit	<ul style="list-style-type: none"> Cash Distributions per unit are calculated on the premise of the fund distribution policy that is provided in the Articles of the Incorporation of the Investment Corporation. Cash Distributions per unit may differ due to various factors including changes in the managed assets and changes in rent revenues attributable to changes in tenants, etc., as well as the occurrence of unexpected repairs, etc.
Cash Distributions in Excess of Net Income per Unit	<ul style="list-style-type: none"> The Investment Corporation does not intend to pay cash distributions in excess of net income (cash distributions in excess of net income per unit) at this time.
Others	<ul style="list-style-type: none"> It is assumed that a reversion that will have an impact on the forecast above will not be made in the laws and ordinances, tax systems, accounting standards, listing rules, or the rules of the Investment Trust Association, Japan, etc. It is assumed that an unexpected significant change will not arise in general economic trends and real estate market conditions, etc.

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