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For Immediate Release

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Notice Concerning Execution of Interest Rate Swap Agreement

Comforia Residential REIT, Inc (“CRR”) announces today that it had executed the interest rate swap agreement regarding long-term loans (amount: 3,500 million yen, term: 6.5 years, variable interest rate) and long-term loans (amount: 3,395 million yen, term: 8.5 years, variable interest rate) about part of new borrowing described in “Notice Concerning Borrowing of Funds, Repayment of Loans and Early Repayment” released on March 14, 2019. Details are as follows:

Execution of the Interest Rate Swap Agreement

(1) Description of Execution of the Interest Rate Swap Agreement

Long-term loans (amount: 3,500 million yen, term: 6.5 years, variable interest rate)

Lender	Notional Principal (million yen)	Counterparty	Interest Rate		Commencement Date	Termination Date
			Fixed Payment	Variable Receipt		
Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation	3,500	Sumitomo Mitsui Trust Bank, Limited	0.45215%	JBA 1 month yen TIBOR +0.27%	March 25, 2019	September 30, 2025

(Note) Interest payments in both fixed payment and variable receipt will be made on April 26, 2019 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.)

Long-term loans (amount: 3,395 million yen, term: 8.5 years, variable interest rate)

Lender	Notional Principal (million yen)	Counterparty	Interest Rate		Commencement Date	Termination Date
			Fixed Payment	Variable Receipt		
Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation	3,395	Sumitomo Mitsui Trust Bank, Limited	0.60810%	JBA 1 month yen TIBOR +0.339%	March 25, 2019	September 30, 2027

(Note) Interest payments in both fixed payment and variable receipt will be made on April 26, 2019 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.)

By entering the interest rate swap agreement, the interest rate for the loans (principal amount of 3,500 million yen, 6.5 years) is to be basically fixed at 0.45215%, and the interest rate for the loans (principal amount of 3,395 million yen, 8.5 years) is to be basically fixed at 0.60810%.

(2) Reason for Executing the Interest Rate Swap Agreement

CRR decided to execute the interest rate swap agreement in order to hedge the risk of fluctuation in the interest rate of long-term loans: 3,500 million yen, and long-term loans: 3,395 million yen, which will be borrowed on March 25, 2019. (Note)

(Note) Refer to the "Notice Concerning Borrowing of Funds, Repayment of Loans and Early Repayment" released on March 14, 2019.

[Reference Material] Fixed-interest and variable-interest debt ratio

As of March 25, 2019

	Interest-bearing debt (million yen)	Ratio
Variable-interest debt	10,400	8.6%
Fixed-interest debt (Note)	110,330	91.4%

(Note) Fixed-interest debt includes Interest-bearing debt changed from variable-rate to fixed-rate through swap transactions.

*Website of CRR: <https://www.comforia-reit.co.jp/en/>