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For Immediate Release

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Notice Concerning Borrowing of Funds and Repayment of Loan

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

1. Description of New Borrowing and Repayment

(1) Description of New Borrowing

A Long-term Loans (Term : 1 year 6 month, variable interest rate)

- ① Lender : Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd.
- ② Loan amount : 1,800 million yen
- ③ Interest rate : Basic interest rate (JBA 1 month yen TIBOR) +0.135% (Note 1)
- ④ Scheduled drawdown date : March 29, 2022
- ⑤ Borrowing method : Borrowing based on a loan agreement effective March 25, 2022, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on April 28, 2022 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 : September 29, 2023
(If this date is not a business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.)
- ⑨ Security and guarantee : Unsecured and unguaranteed

B Long-term Loans (Term : 2 year, variable interest rate)

- ① Lender : Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation,

- ② Loan amount : 2,800 million yen
- ③ Interest rate : Basic interest rate (JBA 1 month yen TIBOR) +0.15% (Note 1)
- ④ Scheduled drawdown date : March 31, 2022
- ⑤ Borrowing method : Borrowing based on a loan agreement effective March 29, 2022, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on April 28, 2022 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, 2024
(If this date is not a business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.)
- ⑨ Security and guarantee : Unsecured and unguaranteed

C Short-term Loans (Term : 1 year, variable interest rate)

- ① Lender : Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd.
- ② Loan amount : 2,000 million yen
- ③ Interest rate : Basic interest rate (JBA 1 month yen TIBOR) +0.20% (Note 1)
- ④ Scheduled drawdown date : April 4, 2022
- ⑤ Borrowing method : Borrowing based on a loan agreement effective March 31, 2022, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on April 28, 2022 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 4, 2023
(If this date is not a business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.)
- ⑨ Security and guarantee : Unsecured and unguaranteed

D Long-term Loans (Term : 8 year, fixed rate)

- ① Lender : Development Bank of Japan Inc., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, Sumitomo Mitsui Banking Corporation, MUFG Bank, Ltd.
- ② Loan amount : 3,000 million yen
- ③ Interest rate : To be determined (Note 2)
- ④ Scheduled drawdown date : April 4, 2022
- ⑤ Borrowing method : Borrowing based on a loan agreement effective March 31, 2022, with the lender stated above.



- ⑥ Interest payment dates : Interest payments will be made on April 28, 2022 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 4, 2030
(If this date is not a business day, it shall be the following business day. If such day falls in the following month, it shall be the immediately preceding business day.)
- 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 not 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, CRR 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 Loan

Current portion of long-term loans (Term : 3 year, variable interest rate)

- ① Lender : Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation
- ② Loan amount : 2,800 million yen
- ③ Interest rate : Basic interest rate (JBA 1 month yen TIBOR) +0.18%
- ④ Drawdown date : March 25, 2019
- ⑤ Principal repayment date : March 31, 2022

2. Reason for Borrowing and Repayment

CRR will appropriate the funds to acquire the investment assets as described in the press release titled “Notice Concerning Acquisition of Investment Assets (COMFORIA SAKURAJOSUI, and other 5 assets)” issued on January 5, 2022 and to pay the expenses related to the acquisition. Also CRR will appropriate the funds 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 9,600 million yen

(Borrowing scheduled on March 29, 2022 : 1,800 million yen)

(Borrowing scheduled on March 31, 2022 : 2,800 million yen)

(Borrowing scheduled on April 4, 2022 : 5,000 million yen)

(2) Specific use of funds to be raised

Funds will be used ① to acquire the investment assets (refer to 2. shown above for details), and ② to repay loans (refer to 1.(2) shown above for details),

Funds raised by the borrowing scheduled on March 29, 2022 will be used to acquire the investment assets.

Funds raised by the borrowing scheduled on March 31, 2022 will be used to repay loans.

Funds raised by the borrowing scheduled on April 4, 2022 will be used to acquire the investment assets.

(3) Scheduled time of disbursement

- ① March 29, 2022 and April 4, 2022
- ② March 31, 2022

4. Status of Interest-Bearing Debt after the Borrowing

(million yen)

	Before the borrowing (As of March 23, 2022)	After the borrowing (As of April 4, 2022)	Change
Short-Term Loans (Note)	-	2,000	2,000
Current portion of long-term loans (to be repaid within one year or less)	14,360	18,460	4,100
Long-Term Loans (Note)	111,170	111,870	700
Total of Loans	125,530	132,330	6,800
Current portion of investment corporation bonds (to be redeemed within one year or less)	1,000	1,000	-
Investment Corporation Bonds	15,100	15,100	-
Total of Loans and Investment Corporation Bonds	141,630	148,430	6,800

(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 CRR: <https://www.comforia-reit.co.jp/en/>