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For Immediate Release

Real Estate Investment Trust Securities Issuer:
Comforia Residential REIT, Inc
21-1 Dogenzaka 1-chome, Shibuya-ku, Tokyo
Takehiro Izawa
Executive Director
(TSE Code: 3282)

Asset Management Company:
TLC REIT Management Inc.
Masaoki Kanematsu
President & CEO

Inquiries:
Daisuke Kawauchi
General Manager of Strategy Department
Comforia Management Division
(TEL: +81-3-6455-3388)

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 : 8 year, fixed rate)

- | | | |
|------------------------------|---|--|
| ① Lender | : | Development Bank of Japan Inc., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited., MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation. |
| ② Loan amount | : | 5,000 million yen |
| ③ Interest rate | : | To be determined (Note) |
| ④ Scheduled drawdown date | : | June 30, 2022 |
| ⑤ Borrowing method | : | Borrowing based on a loan agreement effective June 28, 2022, with the lender stated above. |
| ⑥ Interest payment dates | : | Interest payments will be made on July 29, 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 | : | June 30, 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 |

B Long-term Loans (Term : 7 year, fixed rate)

- ① Lender : Shinkin Central Bank, Daishi Hokuetsu Bank, Ltd., Mizuho Trust & Banking Co., Ltd., The 77 Bank, Ltd., The Nishi-Nippon City Bank, Ltd.
- ② Loan amount : 4,000 million yen
- ③ Interest rate : To be determined (Note)
- ④ Scheduled drawdown date : July 1, 2022
- ⑤ Borrowing method : Borrowing based on a loan agreement effective June 29, 2022, with the lender stated above.
- ⑥ Interest payment dates : Interest payments will be made on July 29, 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 : July 1, 2029
(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) 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 : 8 year, fixed rate)

- ① Lender : MUFG Bank, Ltd., Development Bank of Japan Inc., Mizuho Bank, Ltd., Sumitomo Mitsui Trust Bank, Limited., Sumitomo Mitsui Banking Corporation.
- ② Loan amount : 5,000 million yen
- ③ Interest rate : 0.90100% (Note)
- ④ Drawdown date : June 30, 2014
- ⑤ Principal repayment date : June 30, 2022

(Note) The interest rate denotes the fixed rate after an interest-rate swap agreement because the interest rate swap agreement was executed in order to hedge the risk of fluctuation.

2. Reasons for Borrowing and Repayment

CRR will appropriate the funds to repay loans (refer to 1.(2) shown above for details). Also CRR will appropriate the funds to acquire the investment asset as described in the press release titled “Notice Concerning Acquisition of Investment Asset (COMFORIA KITAZAWA)” issued on March 15, 2022 and to pay the expenses related to the acquisition.

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

(1) Amount of funds to be raised

A total of 9,000 million yen
 (Borrowing scheduled on June 30, 2022 : 5,000 million yen)
 (Borrowing scheduled on July 1, 2022 : 4,000 million yen)

(2) Specific use of funds to be raised

Funds will be used ① to repay loans (refer to 1.(2) shown above for details) , and ② to acquire the investment asset and to pay the expenses related to the acquisition (refer to 2. shown above for details). Funds raised by the borrowing scheduled on June 30, 2022 will be used to repay loans.

Funds raised by the borrowing scheduled on July 1, 2022 will be used to acquire the investment asset and to pay the expenses related to the acquisition .

(3) Scheduled time of disbursement

① June 30, 2022

② July 1, 2022

4. Status of Interest-Bearing Debt after the Borrowing

(million yen)

	Before the borrowing (As of June 24, 2022)	After the borrowing (As of July 1, 2022)	Change
Short-Term Loans (Note)	2,000	2,000	-
Current portion of long-term loans (to be repaid within one year or less)	18,460	13,460	- 5,000
Long-Term Loans (Note)	111,870	120,870	9,000
Total of Loans	132,330	136,330	4,000
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	148,430	152,430	4,000

(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.

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