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For Immediate Release

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**Notice Concerning Revision to Forecast of Financial Results for the Period Ending July 31, 2023  
and Forecast of Financial Results for the Period Ending January 31, 2024**

Comforia Residential REIT, Inc (“CRR”) announces today that it has revised the forecast of financial results for the period ending July 31, 2023 (26th period: February 1, 2023 - July 31, 2023), which was announced on September 15, 2022. CRR also announces its forecast of financial results for the period ending January 31, 2024 (27th period: August 1, 2023 - January 31, 2024). Details are as follows:

In addition, there is no change in the forecast of financial results for the period ending January 31, 2023 (25th period: August 1, 2022 - January 31, 2023) announced on September 15, 2022.

1. The revision of the forecast of financial results for the period ending July 31, 2023 (26th period)

(1) Details of Revision

	Operating Revenue (million yen)	Operating Profit (million yen)	Ordinary Profit (million yen)	Profit (million yen)	Cash Distribution per Unit (yen) (Note)	Cash Distribution in Excess of Profit per Unit (yen)
Previous Forecasts (A)	9,920	4,434	3,770	3,760	5,400	—
Revised Forecasts (B)	10,425	4,739	4,046	4,036	5,620	—
Changes (B – A)	504	304	276	276	220	—
Changes	5.1%	6.9%	7.3%	7.3%	4.1%	—

(Note) Excluding Cash Distribution in Excess of Profit

(Reference) Projected number of investment units issued as of the period-end: 736,982 units

Projected profit per unit as of the period-end: 5,477 yen

<Disclaimer> This document is a press release to make a public announcement of the revision to the forecast of financial results for the period ending July 31, 2023 and the forecast of financial results for the period ending January 31, 2024 and has not been prepared as a solicitation for investment. CRR 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 CRR before undertaking investments and that investments be made at their own discretion and responsibility.

(2) Reason for Revision

Considering the effect of the acquisition of assets as described in the “Notice Concerning Acquisition of Investment Assets (COMFORIA NIPPORI and other 6 assets)” and the issuance of new investment units as described in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units”, which were both announced today, the assumptions for the forecast of financial results for the period ending July 31, 2023, which was announced on September 15, 2022, have been changed. Therefore, CRR has revised the forecast of financial results with the revision of the outlook for the operational status considering current market trends for rental residences, etc.

2. The forecast of financial results for the period ending January 31, 2024 (27th period)

	Operating Revenue (million yen)	Operating Profit (million yen)	Ordinary Profit (million yen)	Profit (million yen)	Cash Distribution per Unit (yen) (Note)	Cash Distribution in Excess of Profit per Unit (yen)
Forecasts	10,319	4,682	3,953	3,943	5,650	—

(Note) Excluding Cash Distribution in Excess of Profit

(Reference) Projected number of investment units issued as of the period-end: 736,982 units

Projected profit per unit as of the period-end: 5,350 yen

(Note)

1. The forecasts in this material are as of the time of writing and are calculated based on the assumptions written in the exhibit “Assumptions for Forecast of Financial Results for the Period Ending July 31, 2023 and the Period Ending January 31, 2024”. Therefore, actual operating revenue, operating profit, ordinary profit, profit 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 amount of cash distribution.
2. Cash distribution per unit in the end of the periods ending July 31, 2023 (26th period) and January 31, 2024 (27th period) is calculated based on profit and the reversal of voluntary retained earnings totaling 105 million yen and 220 million yen, respectively.
3. The forecasts may be revised if a material difference from the forecasts above is anticipated.
4. Amounts are rounded down. The same applies below.

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

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Exhibit Assumptions for Forecast of Financial Results for the Period Ending July 31, 2023 and the Period Ending January 31, 2024

Item	Assumptions																											
Period	<ul style="list-style-type: none"> <li>Period ending July 31, 2023 (26th period) (February 1, 2023 - July 31, 2023) (181 days)</li> <li>Period ending January 31, 2024 (27th period) (August 1, 2023 - January 31, 2024) (184 days)</li> </ul>																											
Investment Assets	<ul style="list-style-type: none"> <li>In relation to real estate and beneficial interests in real estate trust of 148 properties already owned by CRR (“Owned Assets”) as of today, CRR is to dispose beneficial interests in real estate trust of COMFORIA NISHIOI (51% Quasi-co-ownership interests) on February 1, 2023 (“Assets to be Disposed”) and to acquire additional beneficial interests in real estate trust of 8 properties (“Assets to be Acquired”) in the table below using the proceeds from the issuance of new investment units, the borrowed funds and cash on hands. Subsequently, the portfolio is expected to be comprised of 155 properties in total. Assets to be Acquired will be acquired based on the following schedule.</li> </ul> <table border="1"> <thead> <tr> <th>No</th> <th>Property Name</th> <th>Anticipated Date of Acquisition</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>CAMPUS VILLAGE AKATSUKA-SHINMACHI</td> <td>April 5, 2023</td> </tr> <tr> <td>2</td> <td>NICHII HOME KAWAGUCHI</td> <td>February 1, 2023</td> </tr> <tr> <td>3</td> <td>COMFORIA KAWAGUCHI HONCHO</td> <td>February 1, 2023</td> </tr> <tr> <td>4</td> <td>COMFORIA NISHITENMA</td> <td>March 30, 2023</td> </tr> <tr> <td>5</td> <td>NEIGHBORS HIGASHI-JUJO</td> <td>March 30, 2023</td> </tr> <tr> <td>6</td> <td>COMFORIA NIPPORI</td> <td>April 5, 2023</td> </tr> <tr> <td>7</td> <td>CAMPUS VILLAGE KYOTO ICHIJOJI</td> <td>April 5, 2023</td> </tr> <tr> <td>8</td> <td>CAMPUS VILLAGE KYOTO SHIMOGAMOHIGASHI</td> <td>April 5, 2023</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>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, 2024 (27th period).</li> <li>The assumptions may differ due to changes in the managed assets.</li> </ul>	No	Property Name	Anticipated Date of Acquisition	1	CAMPUS VILLAGE AKATSUKA-SHINMACHI	April 5, 2023	2	NICHII HOME KAWAGUCHI	February 1, 2023	3	COMFORIA KAWAGUCHI HONCHO	February 1, 2023	4	COMFORIA NISHITENMA	March 30, 2023	5	NEIGHBORS HIGASHI-JUJO	March 30, 2023	6	COMFORIA NIPPORI	April 5, 2023	7	CAMPUS VILLAGE KYOTO ICHIJOJI	April 5, 2023	8	CAMPUS VILLAGE KYOTO SHIMOGAMOHIGASHI	April 5, 2023
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Operating Revenue	<ul style="list-style-type: none"> <li>Leasing revenues from the Owned Assets are calculated based on actual performance for the period ended July 31, 2022 (24th period) and market trend factors, 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 of today, and market trends, etc.</li> <li>Average occupancy rate is assumed to be 95.9% in the period ending July 31, 2023 (26th period) and 96.2% in the period ending January 31, 2024 (27th period).</li> <li>Operating Revenue assumes that tenants will pay their rents without delinquency.</li> </ul>																											
Operating Expenses	<ul style="list-style-type: none"> <li>Leasing business expenses are the principal 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, 2022 (24th period) and expense trends, etc. In addition, leasing business expenses, excluding depreciation expenses, of the Assets to be Acquired are calculated based on past performance figures while taking into account variable factors, based on information provided by the former owners of each property, etc.</li> <li>Although fixed property taxes, city planning taxes, etc. on the acquired assets are generally calculated on a pro-rata basis and settled at the time of acquisition with the former owners, the amount equivalent to the settlement money is not expensed in the year when the assets are acquired, as it is included in the acquisition cost. The total amount of fixed property taxes, city planning taxes, etc. on the Assets to be Acquired that will be included in the acquisition cost is assumed to be 34 million yen. Regarding the Assets to be Acquired, fixed property taxes, city planning taxes, etc. for fiscal year 2024 will be partially expensed starting from the period ending July 31, 2024 (28th period). The annual total amount of fixed property taxes, city planning taxes, etc. on the Assets to be Acquired is assumed to be 44 million yen.</li> <li>With respect to building repair expenses, the amount assumed to be necessary for each business period is anticipated based on the 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.</li> </ul>																											

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	<ul style="list-style-type: none"> <li>Depreciation expenses including incidental costs, etc. are calculated by the straight-line method. They are assumed to be 1,528 million yen in the period ending July 31, 2023 (26th period) and 1,548 million yen in the period ending January 31, 2024 (27th period).</li> </ul>
Non-operating Expenses	<ul style="list-style-type: none"> <li>Expenses related to the issuance of new investment units through public offering and third-party allotment and secondary offering of investment units, which will be implemented by the period ending July 31, 2023 (26th period), are assumed to be 11 million yen in the period ending July 31, 2023 (26th period) and 11 million yen in the period ending January 31, 2024 (27th period).</li> <li>For interest expenses and investment corporation bonds interest payable and other interest-bearing debt costs, 682 million yen and 718 million yen are anticipated in the period ending July 31, 2023 (26th period) and the period ending January 31, 2024 (27th period), respectively.</li> </ul>
Interest-bearing Debt	<ul style="list-style-type: none"> <li>CRR has a total of 155,029 million yen in interest-bearing debt as of today. The borrowing (3,410 million yen) that will come due on January 31, 2023, will be refinanced.</li> <li>CRR will borrow 5,320 million yen for acquiring 4 properties (No.1, 6-8) on April 5, 2023 from the qualified institutional investors defined in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act. Based on the above, it is assumed that the balance of interest-bearing debt will be 160,349 million yen as of the end of the period ending July 31, 2023 (26th period) and that the balance of the interest-bearing debt will not change as of the end of the period ending January 31, 2024 (27th period).</li> <li>Other than the above, it is assumed that the borrowings that will come due during the period ending July 31, 2023 (26th period) and the period ending January 31, 2024 (27th period), will be refinanced.</li> <li>The above amount of interest-bearing debt may change depending upon the issue price of the investment units to be issued.</li> </ul>
Investment Units	<ul style="list-style-type: none"> <li>The number of Investment Units is assumed based on in addition to the 715,982 investment units as of today, public offering of new investment units (20,000 units) and the third-party allotment (up to 1,000 units).</li> <li>Other than the above, it is assumed that no additional investment units will be issued before the end of the period ending January 31, 2024 (27th period).</li> <li>Cash distribution per unit for the periods ending July 31, 2023 (26th period) and January 31, 2024 (27th period) are calculated on the basis of 736,982 units, including the units which will be issued in the current offering.</li> </ul>
Cash Distribution per Unit	<ul style="list-style-type: none"> <li>Cash distribution per unit is calculated on the premise of the fund distribution policy that is provided in the Articles of the Incorporation of CRR.</li> <li>Cash distribution per unit at the end of the period ending July 31, 2023 (26th period) is calculated based on the presumptions that the reversal of reserve for reduction entry under special provisions for property replacement (253 million yen) caused by the disposition of Assets to be Disposed and part of the profit be reserved as the reserve for reduction entry (366 million yen), by utilizing the special provisions of taxation in case of the replacement of long-term held asset, and that the balance (105 million yen) from the reversal of part of the reserve for reduction entry (471 million yen) be distributed .</li> <li>Cash distribution per unit at the end of the period ending January 31, 2024 (27th period) is calculated based on profit and the reversal of reserve for reduction entry totaling 220 million yen.</li> <li>Cash distribution 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.</li> </ul>
Cash Distribution in Excess of Profit per Unit	<ul style="list-style-type: none"> <li>CRR does not intend to pay cash distributions in excess of net income (cash distributions in excess of profit per unit) at the time of writing.</li> </ul>
Others	<ul style="list-style-type: none"> <li>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.</li> <li>The corporate and other taxes are calculated by taking into consideration the taxes in relation to the amortization of term leasehold interest for buildings and asset retirement obligations.</li> <li>It is assumed that an unexpected significant change will not arise in general economic trends and real estate market conditions, etc.</li> </ul>

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