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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, 2020 and Forecast of Financial Results for the Period Ending January 31, 2021

Comforia Residential REIT, Inc ("CRR") announces today that it has revised the forecast of financial results for the period ending July 31, 2020 (20th period: February 1, 2020 - July 31, 2020), which was announced on September 13, 2019. CRR also announces its forecast of financial results for the period ending January 31, 2021 (21st period: August 1, 2020 - January 31, 2021). Details are as follows:

There is no change in the forecast of financial results for the period ending January 31, 2020 (19th period: August 1, 2019 - January 31, 2020) announced on September 13, 2019.

1. The revision of the forecast of financial results for the period ending July 31, 2020 (20th period)

(1) Detail 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)	8,653	3,794	3,264	3,258	5,150	―
Revised Forecasts (B)	9,007	4,058	3,496	3,490	5,260	―
Changes (B－A)	354	263	231	232	110	―
Changes	4.1%	7.0%	7.1%	7.1%	2.1%	―

(Note) Excluding Cash Distribution in Excess of Profit

(Reference) Projected number of investment units issued as of the period-end: 671,624 units
Projected profit per unit as of the period-end: 5,197 yen

(2) Reason for Revision

<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, 2020 and the forecast of financial results for the period ending January 31, 2021, 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.

Considering the effect of the acquisition of assets as described in the "Notice Concerning Acquisition of Investment Assets (COMFORIA HIGASHISHINJUKU STATION FRONT and other 5 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, CRR has revised the forecast of financial results for the period ending July 31, 2020 due to the change in the assumptions for the forecast of financial results for the period ending July 31, 2020, which was announced on September 13, 2019.

2. The forecast of financial results for the period ending January 31, 2021 (21st 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	8,986	4,066	3,500	3,494	5,280	—

(Note) Excluding Cash Distribution in Excess of Profit

(Reference) Projected number of investment units issued as of the period-end: 671,624 units
Projected profit per unit as of the period-end: 5,203 yen

(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, 2020 and the Period Ending January 31, 2021". 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, 2020 (20th period) and January 31, 2021 (21st period) is calculated based on profit and the reversals of reserve for reduction entry of property totaling 42 million yen and 51 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.

*The original Japanese version of this press release has been distributed to the press club of TSE (Kabuto Club), the press club of the Ministry of Land, Infrastructure, Transport and Tourism and the press club of the construction trade newspaper of the Ministry of Land, Infrastructure, Transport and Tourism.
*Website of CRR: https://www.comforia-reit.co.jp/en/

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Exhibit Assumptions for Forecasts of Financial Result for the Period Ending July 31, 2020 and the Period Ending January 31, 2021

<table>
<tr><th>Item</th><th>Assumptions</th></tr>
<tr><td>Period</td><td>

Period ending July 31, 2020 (20th period)
(February 1, 2020 - July 31, 2020) (182 days)
Period ending January 31, 2021 (21st period)
(August 1, 2020 - January 31, 2021) (184 days)

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<tr><td>Investment Assets</td><td>

In addition to real estate and beneficial interests in real estate trust of 126 properties already owned by CRR (“Owned Assets”) as of today, CRR is to acquire additional beneficial interests in real estate trust of 6 properties (“Assets to be Acquired”) using the proceeds from the issuance of new investment units and borrowed funds. Subsequently, the portfolio is expected to be comprised of 132 properties in total. Assets to be Acquired will be acquired based on the following schedule
<table>
<tr><th>No</th><th>Property Name</th><th>Anticipated Date of Acquisition</th></tr>
<tr><td>1</td><td>COMFORIA TAKINOGAWA</td><td rowspan="3">February 3, 2020</td></tr>
<tr><td>2</td><td>COMFORIA HIGASHISHINJUKU STATION FRONT</td></tr>
<tr><td>3</td><td>COMFORIA ESAKAHIROSHIBACHO</td></tr>
<tr><td>4</td><td>COMFORIA KIBASHINSUIKOEN</td><td rowspan="3">March 2, 2020</td></tr>
<tr><td>5</td><td>COMFORIA NAKAOCHIAI</td></tr>
<tr><td>6</td><td>COMFORIA WASEDA DEUX</td></tr>
</table>

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, 2021 (21st period).
The assumptions may differ due to changes in the managed assets.

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<tr><td>Operating Revenue</td><td>

Leasing revenues from the Owned Assets are calculated based on actual performance for the period ended July 31, 2019 (18th 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 of today, and market trends, etc.
Operating Revenue assumes that tenants will pay their rents without delinquency.

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<tr><td>Operating Expenses</td><td>

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, 2019 (18th 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.
Although fixed property taxes and 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 2021 will be partially expensed starting from the period ending July 31, 2021 (22th period).
The annual total amount of fixed property taxes, city planning taxes, etc. on the Assets to be Acquired is assumed to be 42 million yen.
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.
Depreciation expenses including incidental costs, etc. are calculated by the straight-line method. They are assumed to be 1,347 million yen in the period ending July 31, 2020 (20th period) and 1,355 million yen in the period ending January 31, 2021 (21st period).

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Non-operating Expenses	● 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, 2020 (20th period), are assumed to be 15 million yen in the period ending July 31, 2020 (20th period) and 15 million yen in the period ending January 31, 2021 (21st period). ● For interest expenses and investment corporation bonds interest payable and other interest-bearing debt costs, 546 million yen and 551 million yen are anticipated in the period ending July 31, 2020 (20th period) and the period ending January 31, 2021 (21st period), respectively.
Interest-bearing Debt	● CRR has a total of 123,530 million yen in interest-bearing debt as of today. CRR will borrow 2,000 million yen for acquiring 3 properties (No.1-3) on February 3, 2020 and 3,710 million yen for acquiring 3 properties (No.4-6) on March 2, 2020, respectively, 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 129,240 million yen as of the end of the period ending July 31, 2020 (20th period) and that the balance will not change before the end of the period ending January 31, 2021 (21st period). ● Other than the above, it is assumed that the borrowings that will come due during the period ending July 31, 2020 (20th period) and the period ending January 31, 2021 (21st period), comprised of 6,000 million yen for the period ending July 31, 2020 (20th period), and 8,300 million yen for the period ending January 31, 2021 (21st period), will be refinanced. ● The above amount of interest-bearing debt may change depending upon the issue price of the investment units to be issued.
Investment Units	● The number of Investment Units is assumed based on in addition to the 640,834 investment units as of today, public offering of new investment units (29,330 units) and the third-party allotment (up to 1,460 units). ● Other than the above, it is assumed that no additional investment units will be issued before the end of the period ending January 31, 2021 (21st period). ● Cash distribution per unit for the periods ending July 31, 2020 (20th period) and January 31, 2021 (21st period) are calculated on the basis of 671,624 units, including the units which will be issued in the current offering.
Cash Distribution per Unit	● 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. ● Cash distribution per unit in the end of the periods ending July 31, 2020 (20th period) and January 31, 2021 (21st period) is calculated based on profit and the reversals of reserve for reduction entry of property totaling 42 million yen and 51 million yen, respectively. ● 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.
Cash Distribution in Excess of Profit per Unit	● 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.
Others	● 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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