

December 13, 2021

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

Michio Suganuma, Executive Director

(Securities Code: 3476)

Asset Management Company:

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Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2022  
and Summary of Forecasts for the Fiscal Period Ending October 31, 2022

MIRAI Corporation (hereinafter “MIRAI”) announces that it has revised its forecasts for the fiscal period ending April 30, 2022 (the 12<sup>th</sup> period from November 1, 2021 to April 30, 2022) that were previously published in “(REIT) Financial Report for the Fiscal Period ended April 30, 2021 (The 10<sup>th</sup> Period)” on June 15, 2021.

In addition, MIRAI announces its new forecasts for the fiscal period ending October 31, 2022 (the 13<sup>th</sup> period from May 1, 2022 to October 31, 2022). Details are as follows.

1. Details of Revisions

a) Revisions to the forecasts for the fiscal period ending April 30, 2022 (the 12<sup>th</sup> period from November 1, 2021 to April 30, 2022)

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions per unit (including distributions in excess of earnings)	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Previous (A)	¥ 5,026m	¥ 2,375m	¥ 2,094m	¥ 2,093m	¥ 1,260	¥ 1,260	-
Revised (B)	¥ 5,178m	¥ 2,539m	¥ 2,233m	¥ 2,232m	¥ 1,260	¥ 1,260	-
Change in amount (B - A)	¥ 151m	¥ 164m	¥ 138m	¥ 138m	-	-	-
Percentage change	3.0%	6.9%	6.6%	6.6%	-	-	-

b) New forecasts for the fiscal period ending October 31, 2022 (the 13<sup>th</sup> period from May 1, 2022 to October 31, 2022)

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions per unit (including distributions in excess of earnings)	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
The fiscal period ending October 31, 2022	¥ 5,366m	¥ 2,564m	¥ 2,276m	¥ 2,275m	¥ 1,285	¥ 1,285	-

(Information)

The fiscal period ending April 30, 2022: The estimated number of investment units outstanding as of the end of the period: 1,771,440 units \*

The fiscal period ending October 31, 2022: The estimated number of investment units outstanding as of the end of the period: 1,771,440 units \*

Note: This press release is a document that will be released publicly relating to revisions to forecasts for the fiscal period ending April 30, 2022 and summary of forecasts for the fiscal period ending October 31, 2022 and is not prepared for the purpose of solicitation for investment. Before initiating investments, MIRAI asks investors to ensure that they refer to the prospectus for the issuance of new investment units and the secondary offering of investment units and amendments thereto prepared by MIRAI, and that they undertake investment at their own discretion and responsibility.

\* Please refer to the “Total number of investment units issued” shown in the attached “Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2022 and October 31, 2022” for details.

(Note 1) Each forecast is calculated as of today based on the assumptions stated in the attached “Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2022 and October 31, 2022”. Actual operating revenue, operating profit, ordinary profit, net profit and distributions per unit (excluding distributions in excess of earnings) are subject to change due to various factors such as additional acquisition or sale of real estate in the future, changes in the real estate market, the actual number of new investment units to be issued as well as their issuance price, fluctuations of interest rate and any other changes in circumstances surrounding MIRAI. In addition, the forecasts are not a guarantee of any actual financial performances or amount of distributions.

(Note 2) MIRAI may revise the forecasts if a significant deviation is expected.

(Note 3) Figures below each unit are rounded down while percentage figures are rounded to the nearest tenth. There same shall apply hereinafter.

## 2. Reasons for Revisions

The assumptions for forecasts of operating results for fiscal period ending April 30, 2022 announced in “(REIT) Financial Report for the Fiscal Period ended April 30, 2021 (The 10<sup>th</sup> Period)” on June 15, 2021 have changed due to the issuance of new investment units and acquisition of assets announced under “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” and “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“Ehime Building/Hiroshima”, “Tsurumi Fuga 1”, “BIGMOTOR Ginan (land)” and “Yokohama-Daikokucho Maintenance Center (land)”)” announced today. Revised forecasts for fiscal period ending April 30, 2022 and new forecasts of operating results and DPU for fiscal period ending October 31, 2022 based on the assumption following the revision are hereby announced.

(End)

\* URL: <https://3476.jp/en/>

**This press release is the English translation of the announcement in Japanese on MIRAI’s website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.**

(Reference press release, etc.)

Dated 12/13/2021 “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units”

Dated 12/13/2021 “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“Ehime Building/Hiroshima”, “Tsurumi Fuga 1”, “BIGMOTOR Ginan (land)” and “Yokohama-Daikokucho Maintenance Center (land)”)”

Dated 12/13/2021 “Notice Concerning Borrowing of Funds”

<Attached materials>

(Attachment)

Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2022 and October 31, 2022

(Reference information)

Estimated DPU after adjustment excluding temporary factors in the actual figure for the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) and the forecast for the fiscal period ending October 31, 2022 (The 13<sup>th</sup> Period)

Note:	This press release is a document that will be released publicly relating to revisions to forecasts for the fiscal period ending April 30, 2022 and summary of forecasts for the fiscal period ending October 31, 2022 and is not prepared for the purpose of solicitation for investment. Before initiating investments, MIRAI asks investors to ensure that they refer to the prospectus for the issuance of new investment units and the secondary offering of investment units and amendments thereto prepared by MIRAI, and that they undertake investment at their own discretion and responsibility.
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Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2022 and October 31, 2022

Items	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>The Fiscal Period Ending April 30, 2022: from November 1, 2021 to April 30, 2022 (181 days)</li> <li>The Fiscal Period Ending October 31, 2022: from May 1, 2022 to October 31, 2022 (184 days)</li> </ul>
Portfolio assets	<ul style="list-style-type: none"> <li>In addition to the real estate trust beneficiaries that MIRAI owns (total 34, hereinafter the “Portfolio assets”), it assumes that MIRAI will acquire “Ehime Building/Hiroshima”, “Tsurumi Fuga 1” and “BIGMOTOR Ginan (land)” on January 12, 2022 and “Yokohama-Daikokucho Maintenance Center (land)” on March 25, 2022 (together the “Assets to be Acquired”). For details of the acquisition, please refer to “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“Ehime Building/Hiroshima”, “Tsurumi Fuga 1”, “BIGMOTOR Ginan (land)” and “Yokohama-Daikokucho Maintenance Center (land)”)” announced today.</li> <li>It assumes that there is no movement of the “Portfolio assets” (acquisition of new assets and/or dispositions of assets) other than the above “Assets to be Acquired”.</li> <li>Changes may occur in reality due to changes in the “Portfolio assets”.</li> </ul>
Total number of investment units issued	<ul style="list-style-type: none"> <li>It is assumed that total number of investment units outstanding is 1,771,440 units which is comprised of 1,662,240 units outstanding as of today and 104,000 new units to be issued through public offering and 5,200 units through third-party allotment resolved at the Board of Directors meeting held today.</li> <li>The number of new investment units to be issued through third-party allotment is assumed as 5,200 units which is the maximum units to be issued.</li> <li>Other than described above, no changes in the number of investment units due to any issuances of new units are assumed until October 31, 2022.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>Of the interest-bearing debt of 78,700 million yen, there is no interest-bearing debt that matures during fiscal periods ending April 2022 and October 2022.</li> <li>The interest-bearing debt outstanding as of April 30, 2022 and October 31, 2022 is expected to be 84,000 million yen.</li> <li>The LTV (based on total assets) as of April 30, 2022 and as of October 31, 2022 is expected to be approximately mid 48%.</li> <li>The calculation of the LTV (based on total assets) uses the following formula.  <math display="block">\text{LTV (based on total assets) (\%)} = \frac{\text{total amount of interest-bearing debt outstanding}}{\text{total assets}}</math> </li> </ul>
Operating revenue	<ul style="list-style-type: none"> <li>Lease business revenue from the “Portfolio Assets” is calculated primarily by taking into account leasing contracts effective as of today, trends in the real estate leasing market (vacancy rates, rent levels, etc.) and status of negotiation with tenants. Revenue from the lease of the Acquisition is calculated primarily by taking into account information on trends in lease contracts provided by the previous owner, etc., leasing contracts to be effective as of the scheduled date of acquisition of the Acquisition, and trends in the real estate leasing market (vacancy rates, rent levels, etc.).</li> <li>It is assumed that hotels with variable rent (“Smile Hotel Naha City Resort”, “Smile Hotel Hakataeki-Mae” and “Smile Hotel Nagoya-Sakae”) will not incur variable rent until the end of October 2022, excluding the period during which “Smile Hotel Naha City Resort” is provided as a recovery accommodation facility for patients with minor illnesses of COVID-19 (contract period: October 11, 2021 to March 31, 2022 (scheduled)).</li> </ul>
Operating expenses	<ul style="list-style-type: none"> <li>Expenses for the lease business other than depreciation are based on past records and information provided by the previous owners, etc. while reflecting other variable factors into consideration.</li> <li>In principle, the fixed asset tax, city planning tax, and depreciation asset tax (the “Fixed Asset and City Planning Taxes”) of “Assets to be Acquired” during a fiscal year will be settled on the acquisition date with previous owners in proportion to holding period for the assets. Such costs are to be capitalized without having any impact to profit and/or loss in the fiscal period of the acquisition. The total amount of the capitalized Fixed Asset and City Planning Taxes on the Assets to be Acquired is estimated to be 49 million yen.</li> <li>Total repair expenses for buildings are calculated based on the repair plans developed by Mitsui Bussan &amp; IDERA Partners Co., Ltd., the asset manager of MIRAI and takes into account the engineering reports and appraisal reports, and are accrued in each fiscal period. It should be noted, however, that the actual repair expenses in each fiscal period may differ considerably from the estimates, mainly due to urgent repair expenses for any damages of assets arising from unexpected factors, significant yearly fluctuations in the amount of repair expenses and the nature of repair expenses whereby they do not arise on a regular basis.</li> <li>Depreciation including incidental expenses is calculated using the straight-line method.</li> </ul>

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Items	Assumptions																					
	<ul style="list-style-type: none"> <li>The breakdown of expenses for the lease business is as follows. <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Fiscal Period Ending April 30, 2022</th> <th style="text-align: center;">Fiscal Period Ending October 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td style="text-align: right;">392 million yen</td> <td style="text-align: right;">386 million yen</td> </tr> <tr> <td>Utilities:</td> <td style="text-align: right;">356 million yen</td> <td style="text-align: right;">470 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td style="text-align: right;">390 million yen</td> <td style="text-align: right;">423 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td style="text-align: right;">67 million yen</td> <td style="text-align: right;">64 million yen</td> </tr> <tr> <td>Other expenses for lease business:</td> <td style="text-align: right;">263 million yen</td> <td style="text-align: right;">237 million yen</td> </tr> <tr> <td>Depreciation:</td> <td style="text-align: right;">635 million yen</td> <td style="text-align: right;">660 million yen</td> </tr> </tbody> </table> </li> <li>Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 531 million yen for the fiscal period ending April 30, 2022, and 559 million yen for the fiscal period ending October 31, 2022.</li> </ul>		Fiscal Period Ending April 30, 2022	Fiscal Period Ending October 31, 2022	Outsourcing services:	392 million yen	386 million yen	Utilities:	356 million yen	470 million yen	Taxes and dues:	390 million yen	423 million yen	Repair expenses:	67 million yen	64 million yen	Other expenses for lease business:	263 million yen	237 million yen	Depreciation:	635 million yen	660 million yen
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Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses and borrowing-related expenses are estimated to be 278 million yen for the fiscal period ending April 30, 2022, and 288 million yen for the fiscal period ending October 31, 2022.</li> <li>One-off expenses of 27 million yen for the issuance of new investment units that was resolved at the Board of Directors meeting held on December 13, 2021 are expected for the fiscal period ending April 30, 2022.</li> </ul>																					
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy described in the Articles of Incorporation of MIRAI.</li> <li>The amount of distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors such as acquisitions and sales of assets, changes in rent income caused by tenant relocations, unexpected repairs incurred, and interest rate fluctuations.</li> <li>Derivatives transactions (interest rate swaps transaction) will be continuously in place during the fiscal periods ending April 30, 2022 and October 31, 2022. It is estimated that deferred losses on hedges as deduction from net assets (as specified in Item 30-B, Clause 2, Article 2 of the Calculation Rules for Investment Corporations) is 352 million yen which is the same amount as the fiscal period ended October 31, 2021. It is calculated based on the assumption that there is no change in the market value of interest rate swaps.</li> </ul>																					
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>As described above, no change in the amount of deferred losses on hedges as deduction from net assets is assumed in the fiscal periods ending April 30, 2022 and October 31, 2022, and distributions in excess of earnings related to the allowance for temporary difference adjustment are not scheduled at present.</li> <li>Distributions in excess of earnings by decreasing unitholders' capital under taxation are not scheduled at present.</li> </ul>																					
Others	<ul style="list-style-type: none"> <li>Excludin above, it is assumed that impact of spread of COVID-19 will not be significantly wider than current estimate and that the epidemic will not last longer. In reality, potential for the impact of spread of COVID-19 continuing to expand and becoming prolonged cannot be ruled out.</li> <li>The forecasts assume that no revisions that may impact the above projections will be made to laws and regulations, taxation, accounting standards, listing rules, the rules of the Investment Trust Association, Japan, or others.</li> <li>The forecasts assume no unforeseeable significant changes in the general economic trends and real estate market conditions.</li> </ul>																					

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(Reference information)

Estimated DPU after adjustment excluding temporary factors in the actual figure for the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) and the forecast for the fiscal period ending October 31, 2022 (The 13<sup>th</sup> Period)

This reference information shows the estimated DPU after adjustment of the actual figure for the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) and the forecast for the fiscal period ending October 31, 2022 (The 13<sup>th</sup> Period) announced today, excluding one-off income due to tenant move-outs, impact of the Fixed Asset and City Planning Taxes and temporary factors due to step-up rents, etc., for the Assets to be Acquired. NAV per unit as of the end of the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) and after acquisition of the Assets to be Acquired are also shown.

	The fiscal period ended October 31, 2021 (The 11 <sup>th</sup> Period) (Actual)	The fiscal period ending October 31, 2022 (The 13 <sup>th</sup> Period) (Forecast)
DPU	1,289 yen	1,285 yen
One-off income due to tenant move-outs (Note 1)	(16 yen)	-
Impact of the Fixed Asset and City Planning Taxes (Note 2)	(15 yen)	(14 yen)
Step-up rents, etc., for the Assets to be Acquired (Note 3)	-	+14 yen
<b>DPU after adjustment (estimated)</b>	<b>(Before PO) 1,257 yen</b>	<b>(After PO) 1,285 yen</b>

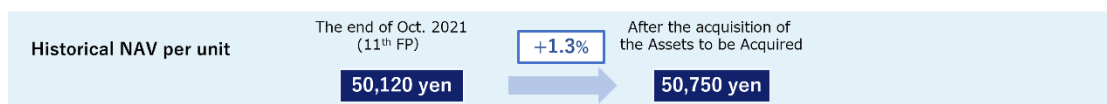
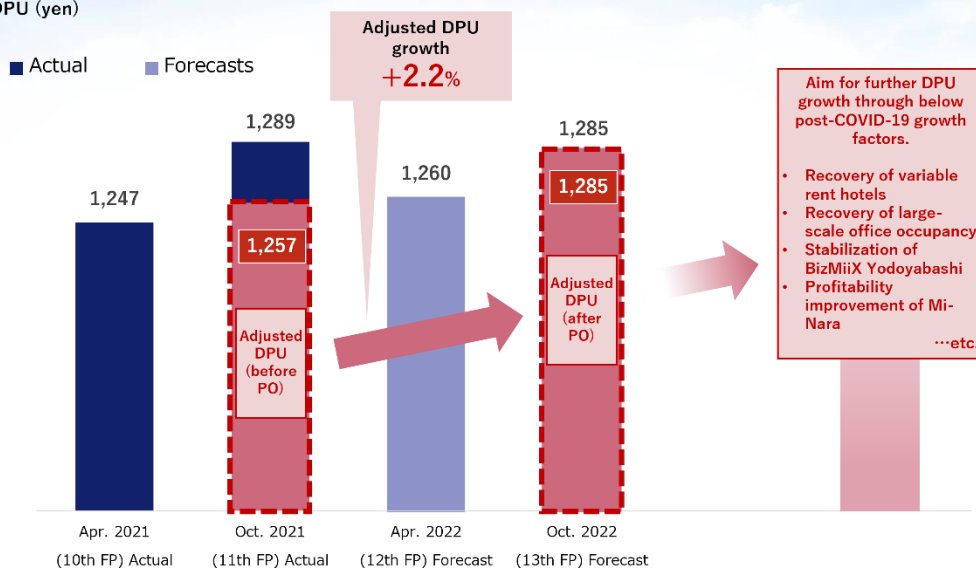
(Note 1) The adjustment assumes that there is no one-off income (restoration costs, etc.) due to tenant move-outs received in the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period).

(Note 2) In the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period), the adjustment assumes that the Fixed Asset and City Planning Taxes for the assets acquired in the 10<sup>th</sup> Period, such as “TCA Building”, “CAINZ MALL Hikone (land)”, “Maxvalu Takatori (land)” and “Odawara Material Storage and Delivery Center (land)”, was recorded as expenses for the full fiscal period. In the fiscal period ending October 31, 2022 (The 13<sup>th</sup> Period), adjustments have been made assuming that the Fixed Asset and City Planning Taxes for the Assets to be Acquired will be recorded as expenses for the full fiscal period.

(Note 3) Of the Assets to be Acquired, “BIGMOTOR Ginan (land)” and “Yokohama-Daikokucho Maintenance Center (land)” have agreements (step-up) whereby the tenants will each pay rent reduced by a certain percentage for a specified period and after the expiration of such period, they will pay the full monthly rent stipulated in the lease agreements. In the fiscal period ending October 31, 2022 (The 13<sup>th</sup> Period), lease business revenue from “BIGMOTOR Ginan (land)” and “Yokohama-Daikokucho Maintenance Center (land)” are adjusted as if they will accrue from the beginning of the fiscal period based on the rent after the step-up. For details of the above-mentioned rent agreements, please refer to the “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“Ehime Building/Hiroshima”, “Tsurumi Fuga 1”, “BIGMOTOR Ginan (land)” and “Yokohama-Daikokucho Maintenance Center (land)”)” announced today.

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## Historical DPU (yen)



(Note) The calculation of the “NAV per unit” uses the following formula (rounded down to the nearest 10 yen). There same shall apply hereinafter.

- NAV per unit as of the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) = NAV as of the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) / the number of investment units outstanding as of October 31, 2021 (The 11<sup>th</sup> Period)
- NAV as of the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) = unitholders’ capital as of the end of the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) + total appraisal value of assets held as of the end of the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period) - total book value of assets held as of the end of the fiscal period ended October 31, 2021 (The 11<sup>th</sup> Period)
- NAV per unit after after the acquisition of the Assets to be Acquired = NAV after after acquisition of the Assets to be Acquired / the number of investment units outstanding after acquisition of the Assets to be Acquired (\*)

\* “The number of investment units outstanding after acquisition of the Assets to be Acquired” is the sum of the number of investment units outstanding as of the end of November 2021, 104,000 units, which is the number of investment units to be issued through the public offering (hereinafter the “public offering”), and 5,200 units, which is the maximum number of investment units to be issued through a third-party allotment (hereinafter the “Third-Party Allotment”; collectively with the public offering, the “PO”) announced in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today.

NAV after after acquisition of the Assets to be Acquired = unitholders’ capital as of the end of the fiscal period ended October 31, 2021 + amount of equity raised from the PO (estimated total paid-in amount through the public offering and the Third-Party Allotment (\*\*)) + (total appraisal value of assets held after acquisition of the Assets to be Acquired (\*\*\*) - total book value of assets held as of October 31, 2021 - total acquisition price of the Assets to be Acquired

\*\* The “estimated total of paid-in amount through the public offering and the Third-Party Allotment” is the sum of the total paid-in amount for the public offering of 5,456,568,000 yen and the total paid-in amount for the Third-Party Allotment of 272,828,400 yen.

Both the total paid-in amount for the public offering and the total paid-in amount for the Third-Party Allotment are estimated amounts calculated based on the assumption that the paid-in amount is 52,467 yen per investment unit based on the closing price of the regular trading of the investment units on the Tokyo Stock Exchange as of November 26, 2021 (Friday). The Third-Party Allotment is assumed that all of the investment units offered are subscribed for and paid for by Nomura Securities Co., Ltd.

If the actual total paid-in amount in the public offering and the Third-Party Allotment differs from the above-mentioned estimated amount, or if the Third-Party Allotment is not paid in whole or in part, the estimated amount of proceeds from the public offering and the Third-Party Allotment may also vary. In other words, if the actual total paid-in amount in the public offering and the Third-Party Allotment is less than the above-mentioned estimated amount, or if all or part of the Third-Party Allotment is not paid, the actual NAV per unit may be lower than the figure in the above table by such amount. In addition, in the event that the actual total paid-in amount in the public offering and the Third-Party Allotment is larger than the above-mentioned estimated amount, the actual NAV per unit may be higher than the figure shown in the table by that amount.

\*\*\* The “total appraisal value of assets held after the acquisition of the Assets to be Acquired” refers to the sum of the appraisal values as of November 1, 2021 for “Tsurumi Fuga 1” and “BIGMOTOR Ginan (land), and as of October 31, 2021 for the other Assets to be Acquired and Portfolio assets.

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