

October 16, 2018

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

Michio Suganuma, Executive Director

(Securities Code: 3476)

Asset Management Company:

Mitsui Bussan & IDERA Partners Co., Ltd.

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Notice Concerning Acquisition and Lease of Real Estate Trust Beneficiaries in Japan
(“Smile Hotel Naha City Resort”, “Smile Hotel Hakataeki-Mae”, “Smile Hotel Nagoya-Sakae”,
“Hotel WBF Yodoyabashi-Minami” and “Rokko Island DC”)

Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset Manager”), the asset management company of MIRAI Corporation (hereinafter “MIRAI”) announces that MIRAI has decided to make the acquisition (hereinafter “Acquisition”) and the start the lease of assets as follows.

1. Overview of the Acquisition

(1) Assets to be Acquired

Asset Category/ Asset Type (Note 1)		Name	Agreement Date (Note 2)	Acquisition Date	Sellers	Acquisition Price (million yen) (Note 3)
Core Asset	Hotel	Smile Hotel Naha City Resort	October 16, 2018	November 1, 2018	Not disclosed (Note 5)	4,000
Core Asset	Hotel	Smile Hotel Hakataeki-Mae			Not disclosed (Note 5)	3,800
Core Asset	Hotel	Smile Hotel Nagoya-Sakae			Not disclosed (Note 5)	2,950
Core Asset	Hotel	Hotel WBF Yodoyabashi-Minami			Not disclosed (Note 5)	1,750
Growth Asset (New Type Asset)	Industrial	Rokko Island DC (Distribution Center)	October 31, 2018	November 1, 2018 (Note 4)	TMK Rokko Investment (Specific Purpose Company)	8,650
Total						21,150

(Note 1) “Asset Category/Asset Type” is a classification based on the usage of assets. For details, please refer to Reference Material 3 “Descriptions of the details of assets to be acquired.”

(Note 2) “Agreement Date” is the expected signing date of the sale and purchase agreement with the seller.

(Note 3) “Acquisition Price” shows the purchase and sale value of each asset to be acquired that is stated in the sale and purchase agreement entered with the sellers. The purchase and sale values do not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. The same shall apply hereinafter.

Note: This press release is a document that will be released publicly relating to acquisition and lease of real estate trust beneficiaries in Japan 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.

(Note 4) The acquisition date of “Rokko Island DC” is subject to change depending on the changes in payment date of the new units to be issued announced in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today. The same shall apply hereinafter.

(Note 5) Since consent regarding disclosure has not been obtained from the sellers for an unavoidable reason, “Not disclosed” is stated. The sellers of each asset to be acquired are different.

(2) Funds for Acquisition: Proceeds from the issuance of new investment units, loans and own funds

(Note) For details of the issuance of new investment units and loans, please refer to the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Unit” and “Notice Concerning Borrowing of Funds” announced today.

(3) Payment Method:

The entire amount will be paid on the date of acquisition.

(4) Annual Rent: 1,189 million yen (Note)

MIRAI has determined that the tenants of the assets to be acquired conforms with the tenant selection criteria described in the “Report on the Operation System of Issuer of Real Estate Investment Trust Securities” submitted on July 31, 2018.

(Note) For the definition of annual rent, please refer to Reference Material 3 “Descriptions of the details of assets to be acquired”.

2. Reasons for Acquisition

Taking into comprehensive consideration of portfolio construction policy, real estate market trend and characteristics of the individual properties and so on, MIRAI has decided to acquire the assets so as to realize recovery and improvement of unitholders values with sustainable growth of DPU and strategic portfolio management based on mid-term management plan, “Repower 2020”, through portfolio expansion, risk diversification and increase of profitability.

(Reference) Overview of Repower 2020 (Note)

Sustainable Growth of DPU and Recovery / Improvement of Unitholder Value				
Quantitative Items	Distribution per Unit (DPU)	Profitability (NOI Yield after Depreciation)	Portfolio Diversification (Top 3 Assets)	Financial Base (LTV)
Prior Measures	Public Offering	Strategic Portfolio Restructuring	Further Portfolio Diversification	Effective Use of Low Interest Rate Debt

(Note) For specific details, please refer to “Progress of Mid-term Management Plan -Supplementary Material for the Press Release Dated October 16, 2018-” announced today.

Under the mid-term management plan “Repower 2020”, MIRAI aims to further diversify the portfolio risk and improve stability through external growth while controlling the portfolio NOI yield after depreciation as well as the LTV ratio within certain level. In addition, as a measure to improve profitability, MIRAI plans to incorporate growth asset. The acquisition of 4 hotel assets and an industrial asset will be in line with the above initiatives.

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(Reference) Profitability of Assets to be Acquired

Name	Acquisition Price (million yen)	Appraisal Value (million yen)	Appraisal NOI Yield (Note 1) (Note 3)	NOI Yield after Depreciation (Note 2) (Note 3)
Smile Hotel Naha City Resort	4,000	4,230	5.9%	5.5%
Smile Hotel Hakataeki-Mae	3,800	3,910	4.6%	4.1%
Smile Hotel Nagoya-Sakae	2,950	3,120	5.0%	4.5%
Hotel WBF Yodoyabashi-Minami	1,750	1,960	4.7%	4.0%
Rokko Island DC	8,650	8,710	5.5%	4.2%
Total / Average	21,150	21,930	5.3%	4.4%

(Note 1) “Appraisal NOI Yield” is calculated by dividing the appraisal NOI by the expected acquisition price rounding to the nearest tenth. Appraisal NOI refers to the net operating income (NOI) obtained by subtracting operating expenses from operating revenues stated in the appraisal report, and it is income before subtracting depreciation. It differs from net cash flow (NCF) which is derived by adding investment management profits on investment from security deposit and subtracting the capital expenditures. The above appraisal NOI means the 1st year NOI under DCF method (if any specific factors for the 1st year, it means the 2nd or the 3rd year NOI, and average NOI of 1st to 3rd year for assets whose variable rent contribution was above 20% of lease revenue in July 2018 (hereinafter the “Assets with Variable Rents”). The ratio of variable rent in the recent 12 months (from August 2017 to July 2018) for the Assets with Variable Rents are listed below.

Smile Hotel Naha City Resort : 62.8%

Smile Hotel Hakataeki-Mae : 70.3%

Smile Hotel Nagoya-Sakae : 53.4%

(Note 2) “NOI Yield after Depreciation” is calculated by subtracting depreciation from the appraisal NOI and dividing by the expected acquisition price rounding to the nearest tenth. Depreciation is estimated value calculated by the Asset Manager using straight-line method with certain assumptions. The same shall apply hereinafter.

(Note 3) The average of Appraisal NOI Yield and NOI Yield after Depreciation is calculated by weighted average of the Acquisition Price of each asset.

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3. Details of the Acquisition

<Smile Hotel Naha City Resort>

Property Name		Smile Hotel Naha City Resort		Asset Category		Core Asset	
				Asset Type		Hotel	
Overview of the Specified Asset							
Acquisition Date		November 1, 2018		Type of Specified Assets		Trust Beneficiaries	
Acquisition Price		4,000 million yen		Overview of Trust Beneficiaries	Trustee	Mizuho Trust & Banking Co., Ltd.	
Appraisal Value (Appraisal Date)		4,230 million yen (July 31, 2018)			Expiry Date of Trust	November 30, 2028	
Nearest Station		9-minute walk from “Prefectural Office” Station of Okinawa Urban Monorail (Yui Rail)					
Address (Residential Address)		2-32-1, Kume, Naha-shi, Okinawa					
Land	Lot Number	2-32-1, Kume, Naha-shi, Okinawa Other 1 parcel of land		Building	Date of Building	June 26, 1988	
	Building Coverage Ratio	90% (Note)			Structure	11-story flat roof steel-framed reinforced concrete structure	
	Floor Area Ratio	400%			Usage	Hotel	
	Use Districts	Commercial district			Gross Floor Area	9,698.44m ²	
	Site Area	2,343.96m ²			Number of Parking Spaces	27 (39 additional parking spaces are secured by the tenant off-site)	
	Ownership Structure	Ownership rights			Ownership Structure	Ownership rights	
PM Company		Building Management & Strategy Inc.		ML Company		MIRAI Corporation	
Special Comment							
Not applicable							
(Note) Specified building coverage ratio is 80% however, the building has received relaxation to 90% for a corner lot.							
Overview of Lease							
Total Rentable Area		9,698.44m ²		Occupancy Ratio		100%	
Principal Tenant		K.K. Hospitality Operations		Number of Tenants		1	
Annual Rent		Not disclosed (Note)		Guarantee Deposit		Not disclosed (Note)	
(Note) Not disclosed due to the absence of a tenant’s consent. Rent is comprised of minimum guarantee rent and variable rent. Variable rent is calculated as below. Variable rent = Monthly actual GOP – (minimum guarantee rent + amount equivalent to actual base fee + amount equivalent to actual incentive fee) * GOP (Gross Operating Profit) refers to hotel’s operating profit under Uniform System of Accounting for the Lodging Industry.							
Overview of Summary of Engineering Report							
Survey Company		Daiwa Real Estate Appraisal Co., Ltd		Urgent Repairs		-	
Date of the Report		September 2018		Long-term Repairs		29,805 thousand yen	
Overview of seismic risk analysis							
Survey Company		Tokio Marine & Nichido Risk Consulting Co., Ltd.		PML		2.5%	
Collateral		Not applicable					

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Overview of the Real Estate Appraisal Report	
Appraisal Value	4,230 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	July 31, 2018

(million yen)

Item	Details	Remarks, etc.
Valuation	4,230	
Value based on the direct capitalization method	4,270	
Operating revenues	Not disclosed (Note)	
Potential gross revenues: Sum of (a) through (d)		
(a) Rental revenues from rooms for rent including common area charges		
(b) Utilities revenues		
(c) Parking revenues		
(d) Other revenues		
Losses from vacancy, etc.		
Operating expenses		
Maintenance expenses		
Utilities expenses		
Repair expenses		
PM fees		
Advertisement and leasing expenses, etc.		
Taxes and public dues		
Property and casualty insurance premiums		
Other expenses		
Net operating income	247	
Investment gains on lump-sum payment	Not disclosed	
Capital expenditures	(Note)	
Net cash flow	209	
Capitalization rate	4.9%	Assessed based on comprehensive view of location, condition of the building and other factors.
Value based on DCF method	4,210	
Discount rate	4.7%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	5.1%	Assessed considering the cap rate and the marketability of the property at the end of analysis period.
Value based on cost approach	1,860	
Ratio of land	71.3%	
Ratio of building	28.7%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

(Note) The reason for "Not disclosed" shown above is that applicable items include information without consents from lessee for disclosure or information that could be used to deduce these amounts. Disclosure of these information could endanger maintenance of long-term lease contract due to the relationship with the lessee being damaged, and therefore may be detrimental to unitholder's value. Therefore, except in instances where it was deemed that no harm would result from disclosure, the information is not disclosed.

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Characteristics of the Property

<Location>

- The hotel is located nine-minute walk from Prefectural Office station of Okinawa Urban Monorail (Yui Rail) and 10 minutes away by car from Naha Airport.
- Although it is not located close to the nearby station, it has parking lot which offers high convenience for tourists traveling across Okinawa.
- The hotel is in Kume/Matsuyama area and Kokusai Dori Street which is the main shopping street in Okinawa is within walking distance. Located between airport district and downtown area, it is highly convenient for tourists especially traveling by cars.
- “Naminoue Umi-sora Park/Naminoue Beach”, which is the only beach in Naha city where swimming, snorkeling and diving can be enjoyed, is located five-minute walk from the hotel. It has good access to tourist attractions such as Shuri Castle.
- Neighboring area has many convenience stores and restaurants.

<Specifications>

- In 2016, the hotel operator has been changed and the hotel was rebranded as “Smile Hotel Naha City Resort”.
- Majority of the guest rooms are 20m² standard twin rooms while other types of guest rooms ranging from 16m² to 90m² (Japanese-Western style room) are also offered and it can cater for expanding tourist demand, ranging from business, family and inbound tourists.
- Through the renewal, the hotel has overall high class feel and spacious design. Compared to standard business hotels, the space for restaurants and gift shop offer better convenience to the guests.
- In 2008, the previous operator has completed renewal for entrance hall on the 1st floor, gift shop, hotel lobby and restaurant. The 11th floor of the hotel has been converted from restaurant to guest rooms.

<Others>

- Tourist demand in Okinawa prefecture is expanding with total visitor number growing from approximately 3 million in 1990 to over 8 million in 2016.
- Monthly visitor to Naha city in 2017 recorded year on year growth every month. The city is shifting from mainly a summer destination to a market that attracts tourists throughout the year.
- The number of foreign tourists is also showing annual increase. The number of overnight foreign visitor to Okinawa prefecture grew over tenfold from approximately 0.44 million in 2010 to approximately 4.6 million in 2017.
- MIRAI has signed a long-term lease agreement for the property. By introducing combination of minimum guarantee rent and variable rent, rent revenue increases and decreases based on the hotel’s operating profit.
- K.K Hospitality Operations, the operator of the hotel, operates “Smile Hotel” as its core brand and is a hotel operating arm of Hospitality Partners Group, which has strong track record related to management of various types of hotels from city hotel, resort hotel and business hotel nationwide utilizing approaches such as operator change and consultations for revitalization of hotels. Hospitality Partners Group operates total 60 hotels in Japan (as of October 5, 2018).

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<Smile Hotel Hakataeki-Mae>

Property Name		Smile Hotel Hakataeki-Mae		Asset Category		Core Asset	
				Asset Type		Hotel	
Overview of the Specified Asset							
Acquisition Date		November 1, 2018		Type of Specified Assets		Trust Beneficiaries (Note 1)	
Acquisition Price		3,800 million yen		Overview of Trust Beneficiaries	Trustee (expected)	Mitsubishi UFJ Trust and Banking Corporation	
Appraisal Value (Appraisal Date)		3,910 million yen (July 31, 2018)			Expiry Date of Trust (expected)	November 30, 2028	
Nearest Station		4-minute walk from “Hakata” Station of JR					
Address (Residential Address)		3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka					
Land	Lot Number	3-85, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka		Building	Date of Building	February 23, 2017	
	Building Coverage Ratio	100% (Note 2)			Structure	11-story flat roof reinforced concrete structure	
	Floor Area Ratio	600%			Usage	Hotel	
	Use Districts	Commercial district			Gross Floor Area	2,426.78m ²	
	Site Area	384.84m ²			Number of Parking Spaces	2 (2 additional parking spaces are secured by the tenant off-site)	
	Ownership Structure	Ownership rights			Ownership Structure	Ownership rights	
PM Company		Building Management & Strategy Inc.		ML Company		MIRAI Corporation	
Special Comment							
Not applicable							
(Note 1) Real estate trust is not established as of today. Upon MIRAI’s acquisition, the seller will entrust the real estate to Mitsubishi UFJ Trust and Banking Corporation and MIRAI will acquire real estate trust beneficiary interest whose main trust asset is the asset to be acquired.							
(Note 2) Specified building coverage ratio is 80% however, the building has received relaxation to 100% for fireproof building located in a fire prevention district.							
Overview of Lease							
Total Rentable Area		2,432.72m ²		Occupancy Ratio		100%	
Principal Tenant		K.K. Hospitality Operations		Number of Tenants		1	
Annual Rent		Not disclosed (Note)		Guarantee Deposit		Not disclosed (Note)	
(Note) Not disclosed due to the absence of a tenant’s consent. Rent is comprised of minimum guarantee rent and variable rent. Variable rent is calculated as below. Variable rent = Monthly actual GOP – (minimum guarantee rent + amount equivalent to actual base fee + amount equivalent to actual incentive fee) * GOP (Gross Operating Profit) refers to hotel’s operating profit under Uniform System of Accounting for the Lodging Industry.							
Overview of Summary of Engineering Report							
Survey Company		Daiwa Real Estate Appraisal Co., Ltd		Urgent Repairs		-	
Date of the Report		September 2018		Long-term Repairs		1,143 thousand yen	
Overview of seismic risk analysis							
Survey Company		Tokio Marine & Nichido Risk Consulting Co., Ltd.		PML		2.7%	
Collateral		Not applicable					

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Overview of the Real Estate Appraisal Report	
Appraisal Value	3,910 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	July 31, 2018

(million yen)

Item	Details	Remarks, etc.
Valuation	3,910	
Value based on the direct capitalization method	3,970	
Operating revenues	Not disclosed (Note)	
Potential gross revenues: Sum of (a) through (d)		
(a) Rental revenues from rooms for rent including common area charges		
(b) Utilities revenues		
(c) Parking revenues		
(d) Other revenues		
Losses from vacancy, etc.		
Operating expenses		
Maintenance expenses		
Utilities expenses		
Repair expenses		
PM fees		
Advertisement and leasing expenses, etc.		
Taxes and public dues		
Property and casualty insurance premiums		
Other expenses		
Net operating income	175	
Investment gains on lump-sum payment	Not disclosed	
Capital expenditures	(Note)	
Net cash flow	166	
Capitalization rate	4.2%	Assessed based on comprehensive view of location, condition of the building and other factors.
Value based on DCF method	3,880	
Discount rate	4.0%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	4.4%	Assessed considering the cap rate and the marketability of the property at the end of analysis period.
Value based on cost approach	1,480	
Ratio of land	56.0%	
Ratio of building	44.0%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

(Note) The reason for "Not disclosed" shown above is that applicable items include information without consents from lessee for disclosure or information that could be used to deduce these amounts. Disclosure of these information could endanger maintenance of long-term lease contract due to the relationship with the lessee being damaged, and therefore may be detrimental to unitholder's value. Therefore, except in instances where it was deemed that no harm would result from disclosure, the information is not disclosed.

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Characteristics of the Property

<Location>

- The hotel is in Hakata district of Hakata city, which is the biggest city in Kyushu and is located four-minute walk from JR Hakata station.
- The hotel is in area in front of Hakata station, which has many office buildings, city hotels and business hotels. It offers superior access to offices near Hakata Station, Canal City which is a large-scale commercial facility and Tenjin/Nakasu district, the biggest downtown area.

<Specifications>

- The hotel has 118 guest rooms. It will cater for both business and tourist demand by offering 97 single rooms, 10 double rooms, 10 twin rooms and 1 universal access room and is an efficient scale as a limited service hotel.
- Completed only approximately 1 year ago, it offers higher quality among the hotels in similar category in the surrounding area.
- The hotel will include convenient features such as breakfast area, coin laundry and adequate amenities as limited service hotel.

<Others>

- Fukuoka city is one of the major cities in Japan and the number of tourists is on increasing trend. Especially, overnight visitors to the city has been growing significantly at a pace of 7.6% to 15.2% annually. Fukuoka's gross overnight visitor was approximately 18 million in 2017 which ranked 10th nationwide and the gross number of foreign overnight visitor has approximately quadrupled in the last 7 years.
- In Fukuoka city, numerous meetings and academic conferences are held in a number of convention facilities scattered throughout the city every month and the number of international conventions held in Fukuoka prefecture from 2011 to 2016 was 2nd in the nation following Tokyo prefecture according to the Statistics Regarding International Conferences held in Japan in 2016 published by Japan National Tourism Organization (JNTO).
- In Fukuoka city, tourist events attracting over 1 million people are held several times each year, and many tourists visit from Korea and Taiwan as well as from Japan during these events.
- MIRAI has signed a long-term lease agreement for the property. By introducing combination of minimum guarantee rent and variable rent, rent revenue increases and decreases based on the hotel's operating profit.
- K.K Hospitality Operations, the operator of the hotel, operates "Smile Hotel" as its core brand and is a hotel operating arm of Hospitality Partners Group, which has strong track record related to management of various types of hotels from city hotel, resort hotel and business hotel nationwide utilizing approaches such as operator change and consultations for revitalization of hotels. Hospitality Partners Group operates total 60 hotels in Japan (as of October 5, 2018).

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<Smile Hotel Nagoya-Sakae>

Property Name		Smile Hotel Nagoya-Sakae		Asset Category		Core Asset	
				Asset Type		Hotel	
Overview of the Specified Asset							
Acquisition Date		November 1, 2018		Type of Specified Assets		Trust Beneficiaries	
Acquisition Price		2,950 million yen		Overview of Trust Beneficiaries	Trustee		Mitsubishi UFJ Trust and Banking Corporation
Appraisal Value (Appraisal Date)		3,120 million yen (July 31, 2018)			Expiry Date of Trust		November 30, 2028
Nearest Station		5-minute walk from “Sakae” Station of Nagoya Municipal Subway Line					
Address (Residential Address)		4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi					
Land	Lot Number	4-1004, Sakae, Naka-ku, Nagoya-shi, Aichi Other 1 parcel of land		Building	Date of Building	September 30, 2008	
	Building Coverage Ratio	100% (Note)			Structure	13-story flat roof reinforced concrete structure	
	Floor Area Ratio	500%			Usage	Hotel	
	Use Districts	Commercial district			Gross Floor Area	2,909.20m ²	
	Site Area	583.70m ²			Number of Parking Spaces	5	
	Ownership Structure	Ownership rights			Ownership Structure	Ownership rights	
PM Company		Building Management & Strategy Inc.		ML Company		MIRAI Corporation	
Special Comment							
Not applicable							
(Note) Specified building coverage ratio is 80% however, the building has received relaxation to 100% for fireproof building located in a fire prevention district.							
Overview of Lease							
Total Rentable Area		2,909.20m ²		Occupancy Ratio		100%	
Principal Tenant		K.K. Hospitality Operations		Number of Tenants		1	
Annual Rent		Not disclosed (Note)		Guarantee Deposit		Not disclosed (Note)	
(Note) Not disclosed due to the absence of a tenant’s consent. Rent is comprised of minimum guarantee rent and variable rent. Variable rent is calculated as below. Variable rent = Monthly actual GOP – (minimum guarantee rent + amount equivalent to actual base fee + amount equivalent to actual incentive fee) * GOP (Gross Operating Profit) refers to hotel’s operating profit under Uniform System of Accounting for the Lodging Industry.							
Overview of Summary of Engineering Report							
Survey Company		Daiwa Real Estate Appraisal Co., Ltd		Urgent Repairs		-	
Date of the Report		September 2018		Long-term Repairs		9,172 thousand yen	
Overview of seismic risk analysis							
Survey Company		Tokio Marine & Nichido Risk Consulting Co., Ltd.		PML		2.6%	
Collateral		Not applicable					

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Overview of the Real Estate Appraisal Report	
Appraisal Value	3,120 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	July 31, 2018

(million yen)

Item	Details	Remarks, etc.
Valuation	3,120	
Value based on the direct capitalization method	3,180	
Operating revenues	Not disclosed (Note)	
Potential gross revenues: Sum of (a) through (d)		
(a) Rental revenues from rooms for rent including common area charges		
(b) Utilities revenues		
(c) Parking revenues		
(d) Other revenues		
Losses from vacancy, etc.		
Operating expenses		
Maintenance expenses		
Utilities expenses		
Repair expenses		
PM fees		
Advertisement and leasing expenses, etc.		
Taxes and public dues		
Property and casualty insurance premiums		
Other expenses		
Net operating income	153	
Investment gains on lump-sum payment	Not disclosed	
Capital expenditures	(Note)	
Net cash flow	139	
Capitalization rate	4.4%	Assessed based on comprehensive view of location, condition of the building and other factors.
Value based on DCF method	3,100	
Discount rate	4.2%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	4.6%	Assessed considering the cap rate and the marketability of the property at the end of analysis period.
Value based on cost approach	1,740	
Ratio of land	74.7%	
Ratio of building	25.3%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

(Note) The reason for "Not disclosed" shown above is that applicable items include information without consents from lessee for disclosure or information that could be used to deduce these amounts. Disclosure of these information could endanger maintenance of long-term lease contract due to the relationship with the lessee being damaged, and therefore may be detrimental to unitholder's value. Therefore, except in instances where it was deemed that no harm would result from disclosure, the information is not disclosed.

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Characteristics of the Property

<Location>

- The hotel to be acquired offers convenient access, being located five-minute walk from Sakae station of Nagoya Municipal Subway.
- The hotel is in Sakae district, the central commercial district in Nagoya city, it is located in area with high convenience for both business and tourism as it is located only 2 stops from Nagoya station on subway.

<Specifications>

- In 2016, the hotel operator has been changed and the hotel was rebranded as “Smile Hotel NagoyaSakae”.
- The hotel has 141 guest rooms, majority of which are double rooms. It will cater for both business and tourist demand.
- The hotel will include convenient features such as breakfast area, coin laundry and adequate amenities as limited service hotel.

<Others>

- Nagoya is the major city of “Chukyo Industrial Area” and there are head offices and sales offices of many listed companies and strong demand from business travelers.
- The ratio of foreign tourists among visitors to Nagoya is increasing year by year after Great East Japan earthquake as one of the cities on Golden Route (Note). Therefore, demand for tourists as well as business travelers is expected.
- MIRAI has signed a long-term lease agreement for the property. By introducing combination of minimum guarantee rent and variable rent, rent revenue increases and decreases based on the hotel’s operating profit.
- K.K Hospitality Operations, the operator of the hotel, operates “Smile Hotel” as its core brand and is a hotel operating arm of Hospitality Partners Group, which has strong track record related to management of various types of hotels from city hotel, resort hotel and business hotel nationwide utilizing approaches such as operator change and consultations for revitalization of hotels. Hospitality Partners Group operates total 60 hotels in Japan (as of October 5, 2018).

(Note) “Golden Route” refers to the sightseeing tour route mainly for group tours and inbound tourists covering visits to Tokyo, Hakone, Mt. Fuji, Nagoya, Kyoto, and Osaka.

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<Hotel WBF Yodoyabashi-Minami>

Property Name		Hotel WBF Yodoyabashi-Minami		Asset Category		Core Asset	
				Asset Type		Hotel	
Overview of the Specified Asset							
Acquisition Date		November 1, 2018		Type of Specified Assets		Trust Beneficiaries	
Acquisition Price		1,750 million yen		Overview of Trust Beneficiaries	Trustee		Mitsubishi UFJ Trust and Banking Corporation
Appraisal Value (Appraisal Date)		1,960 million yen (July 31, 2018)			Expiry Date of Trust		November 30, 2028
Nearest Station		5-minute walk from “Yodoyabashi” Station of Osaka Metro					
Address (Residential Address)		3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka					
Land	Lot Number	3-17, Hirano-machi, Chuo-ku, Osaka-shi, Osaka		Building	Date of Building	January 26, 2017	
	Building Coverage Ratio	100% (Note)			Structure	9-story flat roof steel structure	
	Floor Area Ratio	600%			Usage	Hotel	
	Use Districts	Commercial district			Gross Floor Area	1,821.56m ²	
	Site Area	295.42m ²			Number of Parking Spaces	1	
	Ownership Structure	Ownership rights			Ownership Structure	Ownership rights	
PM Company		Building Management & Strategy Inc.		ML Company		MIRAI Corporation	
Special Comment							
Not applicable							
(Note) Specified building coverage ratio is 80% however, the building has received relaxation to 100% for fireproof building located in a fire prevention district.							
Overview of Lease							
Total Rentable Area		1,842.15m ²		Occupancy Ratio		100%	
Principal Tenant		White Bear Family Co., Ltd		Number of Tenants		1	
Annual Rent		Not disclosed (Note)		Guarantee Deposit		Not disclosed (Note)	
(Note) Not disclosed due to the absence of a tenant’s consent. In addition, rent type is fixed rent.							
Overview of Summary of Engineering Report							
Survey Company		Daiwa Real Estate Appraisal Co., Ltd		Urgent Repairs		-	
Date of the Report		September 2018		Long-term Repairs		1,218 thousand yen	
Overview of seismic risk analysis							
Survey Company		Tokio Marine & Nichido Risk Consulting Co., Ltd.		PML		5.7%	
Collateral		Not applicable					

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Overview of the Real Estate Appraisal Report	
Appraisal Value	1,960 million yen
Appraiser	JLL Morii Valuation & Advisory K.K.
Appraisal Date	July 31, 2018

(million yen)

Item	Details	Remarks, etc.
Valuation	1,960	
Value based on the direct capitalization method	1,990	
Operating revenues	Not disclosed (Note)	
Potential gross revenues: Sum of (a) through (d)		
(a) Rental revenues from rooms for rent including common area charges		
(b) Utilities revenues		
(c) Parking revenues		
(d) Other revenues		
Losses from vacancy, etc.		
Operating expenses		
Maintenance expenses		
Utilities expenses		
Repair expenses		
PM fees		
Advertisement and leasing expenses, etc.		
Taxes and public dues		
Property and casualty insurance premiums		
Other expenses		
Net operating income	82	
Investment gains on lump-sum payment	Not disclosed	
Capital expenditures	(Note)	
Net cash flow	81	
Capitalization rate	4.1%	Assessed by reflecting risk of fluctuations in profit and the capital value of the asset.
Value based on DCF method	1,920	
Discount rate	3.9%	Assessed based on interest rate trend of long term Japanese government bonds while taking into consideration comprehensive view of risk factors related to location and specific characteristics of the property as well as market trend
Terminal capitalization rate	4.3%	Assessed based on capitalization rate and reflecting prospect of future change in net profit, future degradation of the building and disposition risk.
Value based on cost approach	1,020	
Ratio of land	56.8%	
Ratio of building	43.2%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

(Note) The reason for "Not disclosed" shown above is that applicable items include information without consents from lessee for disclosure or information that could be used to deduce these amounts. Disclosure of these information could endanger maintenance of long-term lease contract due to the relationship with the lessee being damaged, and therefore may be detrimental to unitholder's value. Therefore, except in instances where it was deemed that no harm would result from disclosure, the information is not disclosed.

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Characteristics of the Property

<Location>

- The hotel offers convenient access, being located five-minute walk from Yodoyabashi station of Osaka Metro.
- Highly conveniently located as central business and commerce districts of Umeda (Kita-Shinchi), Hommachi and Shinsaibashi are all within walking distance or only a few stops by subway.
- There is Airport Limousine Bus Stop in Umeda near the property and it has access Kansai International Airport and Osaka International Airport.

<Specifications>

- The hotel has 96 guest rooms. It will cater for both business and tourist demand by offering 16 single rooms, 57 large single rooms, 15 twin rooms, 7 superior twin rooms and 1 universal access double room.
- The hotel was newly completed in January 2017 and offers high quality and clean feel compared to standard hotels in surrounding area.
- The hotel is equipped with adequate amenities as limited service hotel such as breakfast area on the first floor etc.

<Others>

- The number of gross overnight visitor to Osaka prefecture is 3rd in the nation following Tokyo prefecture and Hokkaido prefecture. The number grew by about 67% from approximately 19.61 million in 2010 to approximately 32.69 million in 2017. In addition, the number of gross foreign overnight visitor is second to Tokyo and grew by approximately 4 times during 7 years since 2010.
- In the past, most of the visitors were business travelers, however in recent years, tourist demand is increasing with inbound tourist from Asian countries and amusement facilities such as Universal Studios Japan attracting Japanese tourists as well.
- In Osaka, business demand and inbound demand has grown to similar level and the market has grown to become a second market after Tokyo.
- White Bear Family Co., Ltd., the operator, was established in 1977 and has track record in operating resort hotels and business hotels nationwide. It is a group company of WBF holdings, which has wide network in tourism industry from travel business, to hotel and rental car services operations. WBF Group operates total 29 hotels in Japan (as of August 10, 2018).

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<Rokko Island DC>

Property Name		Rokko Island DC		Asset Category		Growth Asset (New Type Asset)	
				Asset Type		Industrial	
Overview of the Specified Asset							
Acquisition Date		November 1, 2018		Type of Specified Assets		Trust Beneficiaries (Note 1)	
Acquisition Price		8,650 million yen		Overview of Trust Beneficiaries	Trustee (expected)		Mitsubishi UFJ Trust and Banking Corporation
Appraisal Value (Appraisal Date)		8,710 million yen (July 31, 2018)			Expiry Date of Trust (expected)		November 30, 2028
Nearest Station		21-minute walk from “Island Center” Station of Kobe New Transit					
Address (Residential Address)		6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo					
Land	Lot Number	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo		Building (Note 2)	Date of Building	May 6, 2016	
	Building Coverage Ratio	60%			Structure	2-story alloy plating steel sheet flat roof steel structure	
	Floor Area Ratio	200%			Usage	Warehouse	
	Use Districts	Quasi-industrial district			Gross Floor Area	14,381.16m ²	
	Site Area	26,304.75m ²			Number of Parking Spaces	63	
	Ownership Structure	Ownership rights			Ownership Structure	Ownership rights	
PM Company		XYMAX KANSAI Corporation		ML Company		MIRAI Corporation	
Special Comment							
<ul style="list-style-type: none">The land repurchase right is registered for this property with Kobe city being the registered holder of the right (expiry: January 9, 2025). The sales and purchase contract of the land concluded between the seller of the property and Kobe city stipulates that Kobe city has the right to repurchase the land of the property if the land was used for any purpose other than for those structures specified under the city’s “Ordinance regarding regulation of structures in subdistricts of harbor front area in port of Kobe”, or if the land was used for activities that are contrary to public order and morality such as usage by anti-social forces and their members during the 10 years starting from the date of the signing of the said sales and purchase contract (January 9, 2015). MIRAI will take over the agreement upon acquisition of the property.Under the sales and purchase contract of land concluded between the seller of the property and Kobe city, the seller must negotiate with Kobe city and obtain the city’s written approval if the seller wishes to change the tenant or the business carried out on the land for some unavoidable reason. In addition, the said sales and purchase agreement stipulates that Kobe city’s prior written consent must be obtained if the ownership, superficies right, rights by loan for use, leasehold and any other right for the purpose of using and profiting from the land are to be established or transferred the during the 10 years starting from the date of the signing of the said sales and purchase contract (January 9, 2015). MIRAI will take over the agreement upon acquisition of the property.The fixed-term building lease agreement related to the asset to be acquired concluded with the tenant stipulates that certain preferential negotiation right will be given to the lessee if the lessor intends to dispose of the asset to be acquired.The fixed-term building lease agreement related to the asset to be acquired concluded with the tenant stipulates that the lessee has the right to negotiate for acquisition of the asset for a specific period on anniversary of the lease agreement each year starting on May 31, 2016 for 3 years. During such negotiation, the lessor cannot negotiate for disposition of the asset with a third party in principal.							
(Note 1) Real estate trust is not established as of today. Upon MIRAI’s acquisition, the seller will entrust the real estate to Mitsubishi UFJ Trust and Banking Corporation and MIRAI will acquire real estate trust beneficiary interest whose main trust asset is the asset to be acquired.							
(Note 2) On the land of the of the asset to be acquired, there is another structure owned by the main tenant which is used as the office, cafeteria and rest areas for employees of the contractor of the tenant in addition to the building to be acquired.							

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Overview of Lease			
Total Rentable Area	16,834.36m ²	Occupancy Ratio	100%
Principal Tenant	HAVI Supply Chain Solutions Japan GK (Limited Liability Company)	Number of Tenants	1
Annual Rent	Not disclosed (Note)	Guarantee Deposit	Not disclosed (Note)
(Note) Not disclosed due to the absence of a tenant's consent. In addition, rent type is fixed rent.			
Overview of Summary of Engineering Report			
Survey Company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Urgent Repairs	-
Date of the Report	September 2018	Long-term Repairs	5,100 thousand yen
Overview of seismic risk analysis			
Survey Company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	PML	11.3%
Collateral	Not applicable		

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Overview of the Real Estate Appraisal Report	
Appraisal Value	8,710 million yen
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	July 31, 2018

(million yen)

Item	Details	Remarks, etc.
Valuation	8,710	
Value based on the direct capitalization method	8,740	
Operating revenues	Not disclosed (Note)	
Potential gross revenues: Sum of (a) through (d)		
(a) Rental revenues from rooms for rent including common area charges		
(b) Utilities revenues		
(c) Parking revenues		
(d) Other revenues		
Losses from vacancy, etc.		
Operating expenses		
Maintenance expenses		
Utilities expenses		
Repair expenses		
PM fees		
Advertisement and leasing expenses, etc.		
Taxes and public dues		
Property and casualty insurance premiums		
Other expenses		
Net operating income	473	
Investment gains on lump-sum payment	Not disclosed (Note)	
Capital expenditures		
Net cash flow	472	
Capitalization rate	5.4%	Assessed based on discount rate analysis under DCF method and taking into consideration for potential changes of net profit and disposition price which are not reflected in the discount rate and also taking into the consideration the yield of similar properties.
Value based on DCF method	8,680	
Discount rate	5.2%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	5.6%	Assessed considering the capitalization rate and characteristics of the real estate market at the end of holding period and potential of the asset to be acquired.
Value based on cost approach	9,870	
Ratio of land	65.1%	
Ratio of building	34.9%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

(Note) The reason for “Not disclosed” shown above is that applicable items include information without consents from lessee for disclosure or information that could be used to deduce these amounts. Disclosure of these information could endanger maintenance of long-term lease contract due to the relationship with the lessee being damaged, and therefore may be detrimental to unitholder’s value. Therefore, except in instances where it was deemed that no harm would result from disclosure, the information is not disclosed.

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Characteristics of the Property

<Location>

- Rokko Island is an artificial island and located at the mid-point between Osaka and Kobe. It was constructed with a view to create new cultural artificial island city under the leadership of the Kobe city. In the central part of the district, residences, commercial properties, offices and public service facilities are systematically located while concentration of manufacturing plants including food industry and operational warehouse for logistic companies are located in the outskirts.
- The asset to be acquired is located at about 2.5 km from Rokko Island North Exit (IC) of Route 5 Bayshore Line and there is also a bridge connecting the island to the mainland. It is a superior location in covering not only Hanshin area but overall western Japan area.

<Specifications>

- The asset is a large-scale logistics center with 3 temperature zones (frozen, chilled, room temperature) for a major restaurant chain and highly convenient for delivery as a facility dedicated for a tenant in food industry with automatic multi-level warehouse (room temperature and frozen) and storage and retrieval berths with dock shelter on both sides of the 1st floor.
- There is a spacious office area and staff cafeteria inside the building and it offers adequate office function as a regional headquarter.

<Others>

- In addition to 15-year long-term lease agreement, continuous usage of the property is expected as it serves as a core hub center in western Japan which will be an important function for the tenant.

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4. Overview of sellers

The sellers of “Smile Hotel Naha City Resort”, “Smile Hotel Hakataeki-Mae”, “Smile Hotel Nagoya-Sakae” and “Hotel WBF Yodoyabashi-Minami” are Japanese corporations (1 business corporation and 3 limited liability companies); however, the names are not disclosed because their consent has not been obtained. The undisclosed acquiring parties do not have capital relationships, human relationships or transactional relationships with MIRAI or the Asset Manager that should be disclosed. They are not deemed to be related parties, either. Other acquiring party is as follows:

<Rokko Island DC>

Name	TMK Rokko Investment (Specific Purpose Company)
Address	c/- Tokyo Kyodo Accounting Office, 3-1-1, Marunouchi, Chiyoda-ku, Tokyo
Representative	Director, Masakazu Hongo
Business Description	1. Receiving the transfer of specified assets according to asset securitization plan based on the Act on Securitization of Assets and its administration and disposal of such assets. 2. Any other affairs incidental to asset securitization of specified asset mentioned above.
Stated Capital	100 thousand yen
Date of Establishment	September 26, 2014
Net Assets	Not disclosed (Note)
Total Assets	Not disclosed (Note)
Major Shareholder	Mitsui & Co. Asset Management Holdings LTD. (hereinafter “MAH”)
Relationships between TMK Rokko Investment and MIRAI and the Asset Manager	
Capital	The company is the specific purpose company invested in by MAH, a major shareholder in the Asset Manager. As of today, MAH holds about 1.5% of the investment equity issued by MIRAI.
Personal	There is no personnel relationship to state between TMK Rokko Investment and MIRAI and the Asset Manager.
Business	There is no business relationship to state between TMK Rokko Investment and MIRAI and the Asset Manager.
Relevance to related party	The company does not fall under a related party of MIRAI or the Asset Manager. The company has entered into a specified asset management and disposition agreement with Mitsui & Co., Realty Management Ltd., that is 100% owned by MAH, a major shareholder in the Asset Manager, so it is deemed to be a stakeholder of the transaction rule of the Asset Manager.

(Note) Not disclosed due to the absence of the seller’s consent.

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5. Description of sellers

The seller of “Rokko Island DC” is a specific purpose company which has entered into an asset management consignment agreement (specified asset management and disposition agreement) with a subsidiary of the sponsor of the Asset Manager. The sellers of “Smile Hotel Naha City Resort”, “Smile Hotel Hakataeki-Mae”, “Smile Hotel Nagoya-Sakae” and “Hotel WBF Yodoyabashi-Minami” are not stakeholders in relation to MIRAI and the Asset Manager. The table below describes the seller of “Rokko Island DC” as follows: a. name of the party b. relationship with the party c. history of and reason for acquisition.

Property name (Address)	MIRAI	Previous Owner	Owner before the Previous Owner
※	c. Acquisition (disposition) price Date of Acquisition (disposition)	a. b. c. Acquisition (disposition) price Date of Acquisition (disposition)	a. b. c. Acquisition (disposition) price Date of Acquisition (disposition)
Rokko Island DC (6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo)	MIRAI acquires this property based on its judgement that it is a competitive property that can secure profitability over the medium to long term and is in line with the investment criteria of MIRAI. MIRAI has determined that the acquisition price is reasonable as it is less than the appraisal value (8,710 million yen) by Japan Valuers Co., Ltd.	a) TMK Rokko Investment (Specific Purpose Company) b) This is the specific purpose company that has entered into an asset management consignment contract (specified asset management and disposition agreement) with a subsidiary of sponsor of the Asset Manager. The above sponsor holds a portion of preferential of the specific purpose company. c) It acquired for the purpose of development and investment management.	A party that does not have any special interest
	8,650 million yen (exclusive of tax)	Omitted because the property was owned for more than a year.	-
	November 2018	January 2015	-

6. Overview of Brokerage

There is no corresponding item in respect of Assets to be Acquired.

7. Transactions with Interested Parties, etc.

The seller of “Rokko Island DC” is deemed to be an interested party under the stakeholder transaction rule of the Asset Manager. Therefore, the necessary discussions and resolutions have been made based on the said rule and other company rules.

8. Future Outlook

Please refer to “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2019 and Summary of Forecasts for the Fiscal Period Ending October 31, 2019” announced today regarding the impact to the operation from the acquisitions for the fiscal period ending April 2019 (the 6th fiscal period) and the fiscal period ending October 2019 (7th fiscal period).

(End)

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* URL: <http://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 10/16/2018 "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units"

Dated 10/16/2018 "Notice Concerning "Notice Concerning Borrowing of Funds

Dated 10/16/2018 "Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2019 and Summary of Forecast for the Fiscal Period Ending October 31, 2019"

Dated 10/16/2018 "Progress of Mid-term Management Plan -Supplementary Material for the Press Release Dated October 16, 2018-"

<Reference Materials >

Reference Material 1: Pictures and maps of the property

Reference Material 2: Portfolio List after the acquisition

Reference Material 3: Descriptions of the details of assets to be acquired

Note:	This press release is a document that will be released publicly relating to acquisition and lease of real estate trust beneficiaries in Japan 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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Reference Material 1: Pictures and maps of the property

<Smile Hotel Naha City Resort>

Pictures



Front desk



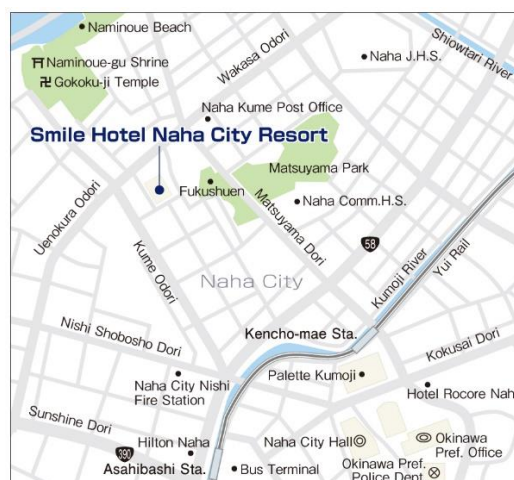
Lobby



Twin room



Map



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<Smile Hotel Hakataeki-Mae>

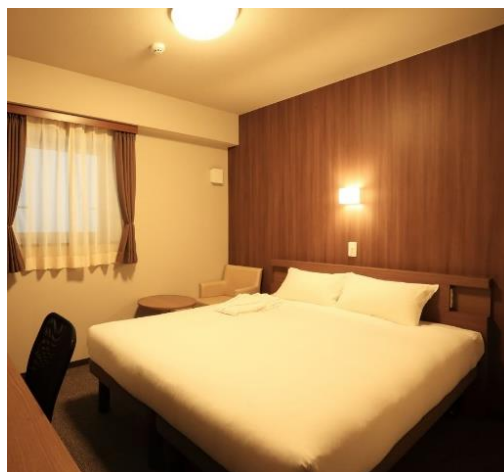
Pictures



Front desk



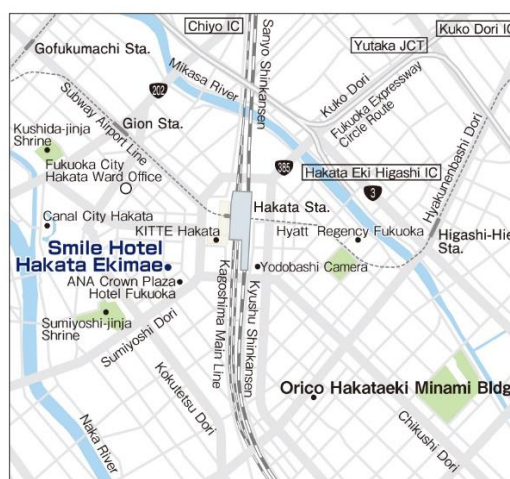
Double room



Twin room



Map



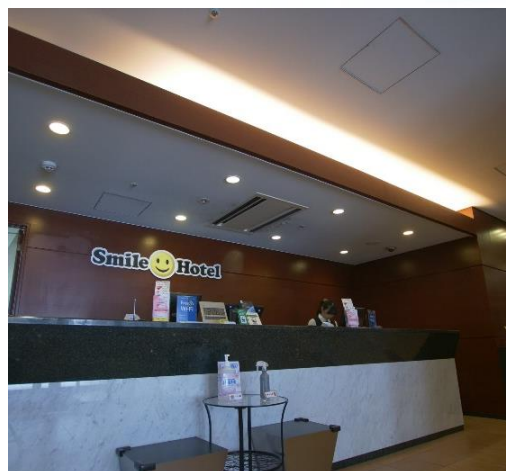
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<Smile Hotel Nagoya-Sakae>

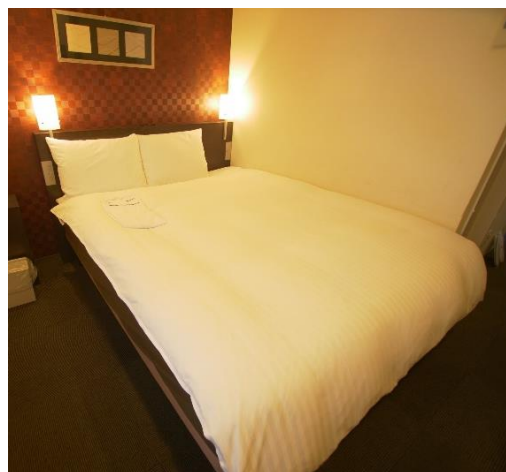
Pictures



Fron desk



Double room



Delux double room



Map



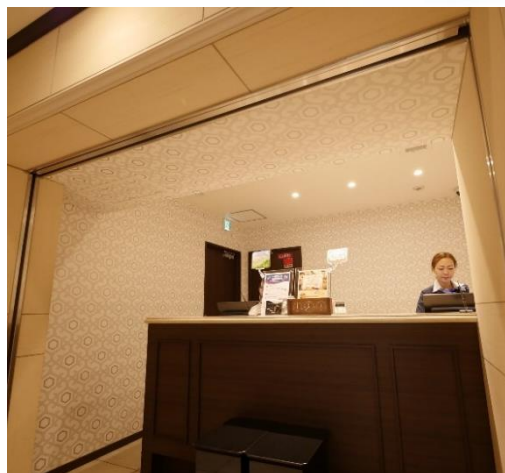
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<Hotel WBF Yodoyabashi-Minami>

Pictures



Front desk



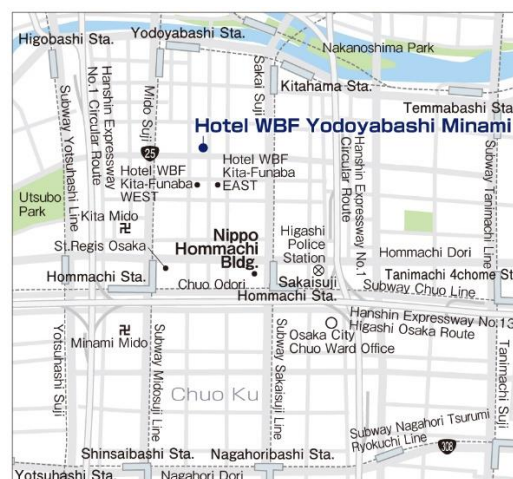
Single room



Breakfast area



Map



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<Rokko Island DC>

Pictures



Automated warehouse system

Truck berth



Staff cafeteria



Map



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Reference Material 2: Portfolio List after the acquisition

Asset Category/ Asset Type		Area	Property Name	Acquisition Price (million yen) (Note 1)	Ratio (%) (Note 2)	Acquisition Date
Core Asset	Office	Tokyo	Shinagawa Seaside Park Tower (quasi-co-ownership 63.4%) (Note 3)	20,288	14.0	December 16, 2016
	Office	Tokyo	Kawasaki Tech Center	23,182	16.0	December 16, 2016
	Office	Tokyo	Shinjuku Eastside Square (quasi-co-ownership 5%) (Note 3)	10,000	6.9	December 16, 2016
	Office	Tokyo	Tokyo Front Terrace (quasi-co-ownership 50.2%) (Note 3)	10,592	7.3	October 26, 2017
	Office	Tokyo	Hillcoat Higashi-Shinjuku	3,900	2.7	December 16, 2016
	Office	Osaka	Nippo Hommachi Building	1,465	1.0	February 28, 2018
	Office	Nagoya	MI Terrace Nagoya-Fushimi	8,886	6.1	June 1, 2018
	Office	Others	Orico Hakataeki Minami Building	1,680	1.2	August 1, 2018
	Retail	Osaka	MIUMIU Kobe	6,700	4.6	December 16, 2016 (land) November 9, 2017 (building)
	Retail	Tokyo	Shibuya World East Building	3,200	2.2	December 16, 2016
	Retail	Tokyo	AEON Kasai (Note 3)	9,420	6.5	December 16, 2016
	Retail	Osaka	DAIKI Izumi-Chuo	3,000	2.1	December 16, 2016
	Hotel	Others	Hotel Sunroute Niigata	2,108	1.5	December 16, 2016
	Hotel	Others	Daiwa Roynet Hotel Akita	2,042	1.4	December 16, 2016
	Hotel	Others	Super Hotel Sendai / Hirose-dori	1,280	0.9	December 16, 2016
	Hotel	Osaka	Super Hotel Osaka / Tennoji	1,260	0.9	December 16, 2016
	Hotel	Tokyo	Super Hotel Saitama / Omiya	1,123	0.8	December 16, 2016
	Hotel	Osaka	Super Hotel Kyoto Karasuma Gojo	1,030	0.7	December 16, 2016
	Hotel	Others	Comfort Hotel Shin-Yamaguchi	902	0.6	December 16, 2016
	Hotel	Nagoya	Ise City Hotel Annex	1,800	1.2	March 1, 2018
	Hotel	Others	Comfort Hotel Kitakami	820	0.6	March 1, 2018
	Hotel	Others	Comfort Hotel Nagano	580	0.4	March 1, 2018
	Hotel	Tokyo	Hotel Wing International Select Ueno/Okachimachi	3,720	2.6	May 15, 2018
	Hotel	Others	Smile Hotel Naha City Resort	4,000	2.8	November 1, 2018
	Hotel	Others	Smile Hotel Hakataeki-Mae	3,800	2.6	November 1, 2018
	Hotel	Nagoya	Smile Hotel Nagoya-Sakae	2,950	2.0	November 1, 2018
	Hotel	Osaka	Hotel WBF Yodoyabashi-Minami	1,750	1.2	November 1, 2018
Growth Asset (Core-plus Asset)	Retail	Osaka	Mi-Nara	4,944	3.4	October 26, 2017
Growth Asset (New Type Asset)	Industrial	Osaka	Rokko Island DC	8,650	6.0	November 1, 2018 (Note 4)
Total				145,072	100.0	—

(Note 1) "Acquisition Price" shows the purchase and sale value of each asset to be acquired that is stated in the sale and purchase agreement entered with the sellers. The purchase and sale values do not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. Although the acquisition price of "Mi-Nara" on its sales and purchase agreement is 4,100 million yen, the acquisition price is defined as total investment amount of 4,944 million yen including the additional investment made following the acquisition for the renewal of the property. For "Mi-Nara", the total investment including the additional investment of 4,944 million yen is defined as acquisition price.

(Note 2) "Ratio" is the ratio against the total of the acquisition price of each property, and the value is rounded off to the first decimal place.

(Note 3) Where the asset is owned by sectional ownership or is quasi-co-owned, the value in relation to the sectional ownership and quasi-co-ownership interest belonging to MIRAI is shown.

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(Note 4) The acquisition date of “Rokko Island DC” is subject to change depending on the changes in payment date of the new units to be issued announced in the “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” dated today.

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Reference Material 3: Descriptions of the details of assets to be acquired

Items (A) to (M) below explain the descriptions in “3. Details of assets to be acquired” above. If the date is not shown, the descriptions should be as of July 31, 2018.

A) “Asset Category/Asset Type”

- “Core Asset” means core assets of MIRAI’s portfolio. Specifically, it refers to traditional investment real estate such as offices, retail, hotels, residential and logistics facilities for which the utilization ratio is (or is likely to be) more than 80% and for which MIRAI judges that stable rent revenue can be expected.
- “Growth Asset (New Type Asset)” refers to assets with less real estate investment and management track record in the market compared to core assets and are less competitive and MIRAI determines that there is a potential for market expansion in the future.

B) “Nearest Station”

- The walking time required in the section “Nearest Station” is calculated on the assumption that one minute is required to walk 80 meters, and the calculated value is rounded up when a fraction beyond the first decimal point is included, based on the Fair Competition Rule on the indication of real property (Fair Trade Commission Notice No.23 in 2005) and the enforcement regulation on the Fair Competition Rule on the indication of real property (Approval No.107 by the Fair Trade Commission in 2005).

C) “Address (Residential Address)”

- “Address (Residential Address)” shows the residence indication of the property. If the residence indication is not implemented, the location or locations (any one of them) of the building on the registry is shown.

D) “Land”

- “Lot Number” is described based on the registry.
- “Building Coverage Ratio” and “Floor Area Ratio” are the values provided by relevant laws such as the Building Standards Act and the Urban Planning Act. Depending on the asset planned to be acquired, certain easing measures or restrictions may be applied to the “Building Coverage Ratio” and “Floor Area Ratio” in the table below.
- “Use Districts” describe the types of use districts under Section 8, subsection 1, paragraph 1 of the Urban Planning Act.
- “Site Area” is based on the description in the registry, and it may not match the current state. If asset to be acquired is a co-ownership stake of land, the entire parcel is shown.
- “Ownership Structure” describes the type of rights that a beneficiary of the trust on the asset to be acquired holds or will hold.

E) “Building”

- “Date of Building” describes the construction date in the registry.
- “Structure” is based on the description in the registry.
- “Usage” describes the main types of the buildings in the registry.
- “Gross Floor Area” is based on the description of the registry. If asset to be acquired is an exclusive ownership interest in a compartmentalized ownership building, the floor area of the exclusive ownership is shown. If asset to be acquired is a co-ownership, the total floor area of the entire building is shown.
- “Number of Parking Spaces” shows the number of cars the car park can accommodate. This car park is secured within the site (including the car park inside the building) of the asset to be acquired as of July 31, 2018. Where a co-owned share and sectional ownership will be acquired, the number of cars to be parked in relation to the entire asset to be acquired is shown.
- “Ownership Structure” describes the types of rights that a beneficiary of the trust on the asset to be acquired holds or will hold.

F) “PM Company”

- “PM Company” describes the companies that have entered or will enter into a valid property management contract as of November 1, 2018, the acquisition date, in relation to “Smile Hotel Naha City Resort”, “Smile Hotel Nagoya-Sakae” and “Hotel WBF Yodoyabashi-Minami”, and July 31, 2018 in relation to the others of the asset to be acquired.

G) “Master Lease Company”

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- “Master Lease Company” describes the companies that have entered or will enter into a valid master lease contract as of November 1, 2018, the acquisition date to be expected, in relation to the asset to be acquired.
- H) “Special Comment”
 - In principle, “Special Comment” describes items that are considered critical based on the information as of July 31, 2018.
 - a) in terms of the interests and use of each asset; and
 - b) in consideration of the impact on the appraisal value of the asset, profitability and ease of disposal
- I) “Overview of Lease”
 - For “Overview of Lease”, the content of an effective lease agreement, etc. as of July 31, 2018 for each asset to be acquired is stated based on the values and information provided by the current owners or trust beneficiary right holders of each asset to be acquired, etc., unless otherwise stated.
 - For “Total Rentable Area”, the area that is rentable based on the lease agreement or the building drawings of the building pertaining to each asset to be acquired as of July 31, 2018 is stated. In case of land asset, the area of the land is listed. However, the number of tenants of incidental areas such as parking lots and warehouses is not included. If asset to be acquired is a co-ownership or quasi-coownership, it is calculated based on the proportion of ownership.
 - For “Occupancy Ratio”, the ratio of the total leased area to the total rentable area of each asset to be acquired as of July 31, 2018 is stated, rounded off to one decimal place.
 - For “Principal Tenant”, the tenant with the largest leased area of the total leased area of each asset to be acquired as of July 31, 2018 is stated. For properties with a fixed-rent master lease under which MIRAI will receive a certain amount of rent regardless of changes in the rents of end tenants, the Master Lease Company under the agreement to be concluded on the asset to be acquired is stated. In addition, if consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated in the “Principal Tenant” column.
 - For “Number of Tenants,” the number of tenants of each asset to be acquired is stated based on the lease agreement of each asset to be acquired as of July 31, 2018 (limited to those who have already moved in as of this date). However, if a master lease agreement is concluded for the asset to be acquired, the total number of end tenants (limited to those who have already moved in as of this date) is stated for properties with a pass-through master lease in which MIRAI receives rents from the end tenants as they are, in principle. For properties with a fixed-rent master lease under which MIRAI will receive a certain amount of rent, regardless of changes in the rents of end tenants, only the Master Lease Company is stated as the tenant in the number of tenants, and the number of tenants based on the lease agreements between the Master Lease Company and the end tenants for the relevant asset to be acquired is stated in parentheses. In addition, if only land with leasehold is acquired, the total number of the land lessees is stated. However, the number of tenants of incidental areas such as parking lots and warehouses is not included.
 - For “Annual Rent,” the annualized amount calculated by multiplying the monthly rent (including rent for rooms and common area charges (if any) and excluding rent for incidental areas such as parking lots and warehouses) by 12 is stated for the building indicated in the lease agreement of each asset to be acquired as of July 31, 2018 (limited to those who have already moved in as of this date), rounded down to the nearest million yen. In this calculation, the Annual Rent is calculated based on the upper limit of fixed rent provided for in the agreement. However, for assets to be acquired which partially incorporates the variable rent (Smile Hotel Naha City Resort, Smile Hotel Hakataeki-Mae and Smile Hotel Nagoya-Sakae), the annual rent is based on total amount of rent paid by the tenant in the immediate 1 year up to end of July 2018 based on each of the lease agreement of each of as of end of July 2018 (only for those tenants who already occupies the premise) In addition, for properties in which The Master Lease Company becomes sublessor to tenants, the annualized amount that is calculated by multiplying the monthly rent in the lease agreement concluded with the end tenants by 12 is stated for properties with a pass-through master lease in which MIRAI receives rents from the end tenants as they are, in principle, while the annualized amount that is calculated by multiplying the monthly rent in the master lease agreement by 12 is stated for properties with a fixed-rent master lease in which MIRAI will receive a certain amount of rent, regardless of changes in the rents of end tenants. Free rent and rent holidays as of the same date are not taken into account. If consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated. If asset to be acquired is a

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- co-ownership or quasi-coownership, it is calculated based on the proportion of ownership.
 - For “Guarantee Deposits,” the total amount of guarantee deposits required under the lease agreement of each asset to be acquired as of July 31, 2018 (limited to those for tenants who have already moved in as of this date) is stated, rounded down to the nearest million yen. However, guarantee deposits for incidental areas such as parking lots and warehouses are not included. If a master lease agreement is concluded for the asset to be acquired, the total amount of guarantee deposits under the lease agreements concluded with the end tenants is stated, rounded down to the nearest million yen. If consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated. If asset to be acquired is a co-ownership or quasi-coownership, it is calculated based on the proportion of ownership.
 - For each of the assets to be acquired, lease agreements with end tenants are deemed to be in effect and are included in calculation for “Occupancy Ratio”, “Number of Tenants”, “Annual Rent”, “Guarantee Deposit” and others so long as the agreements are in effect at the end of July 2018 even if they may be cancelled or notice of cancellation may be submitted.
- J) “Overview of Summary of Engineering Report”
- For “Urgent Repairs,” expenses that are stated as repair and renewal expenses that are deemed to be necessary urgently or within approximately one year from the inspection date in the building condition inspection report are stated by rounding down to the nearest thousand yen.
 - For “Long-term Repairs,” the annual average amount or the amount converted to the annual average amount of expenses stated as repair and renewal expenses that are expected for 12 years from the inspection date in the building condition inspection report is stated by rounding down to the nearest thousand yen. If the asset to be acquired is a co-ownership interest or a quasi-co-ownership interest of the building, it is calculated according to ownership percentage.
- K) “Collateral”
- “None” is stated when the collateral is canceled after the acquisition of the property.
- L) “Overview of the Real Estate Appraisal Report”
- For “Overview of the Real Estate Appraisal Report,” the general description of the real estate appraisal reports (hereinafter “Appraisal Reports”) that were commissioned by MIRAI and prepared by Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Valuers Co., Ltd. to appraise each asset to be acquired based on the points to note for the appraisal of real estate under the Act on Investment Trusts and Investment Corporations as well as the Act on Real Property Appraisal (Act No. 152 of 1963 including subsequent amendments; hereinafter “Act on Real Property Appraisal”) and the real property appraisal standards are stated. The real estate appraisals are only the judgements and opinions of the appraisers at a certain point in time, and do not guarantee the adequacy or accuracy of their content or tradability at the Appraisal Value.
 - There is no special interest between MIRAI and the Asset Manager and Daiwa Real Estate Appraisal Co., Ltd., JLL Morii Valuation & Advisory K.K. and Japan Valuers Co., Ltd., which conducted the real estate appraisal.
 - Unless otherwise noted, amounts are rounded down to the nearest million yen. Values in percentages are rounded to one decimal place.
- M) “Characteristics of the Property”
- For “Characteristics of the Property,” it indicates the point of view for property acquisition of MIRAI. In principle, it is based on the description of “Hotel Market Report” prepared by Real Quality Co., Ltd. and “Analysis of logistic market for the specified assets” prepared by CBRE K.K. partially based on the material obtained by the Asset Manager to state the basic nature, characteristics, and features of the area in which each asset to be acquired is located. The reports are only the judgements and opinions of the external experts who created them at a certain point in time, and they do not guarantee the adequacy or accuracy of their content. Environmental changes, etc. after the reports were prepared are not reflected.

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