

# MIRAI Corporation

## Investor Presentation (6<sup>th</sup> Fiscal Results)

November 1, 2018 to April 30, 2019

~794	~1868	1868~1926	1926~1989	1989~2019	2019
奈良時代	江戸時代	明治時代 大正時代	昭和時代	平成時代	令和時代
<p>710年 奈良(平城京)に都が移る</p> <p>729年 長屋王の变</p>	<p>1673年 三井高利(三井家開祖)が越後屋を創業</p>	<p>1876年 旧三井物産が創業</p>	<p>1945年 財閥解体が実施</p> <p>1959年 現在の三井物産が誕生</p>	<p>1989年 奈良そごう(後のミ・ナール)が長屋王邸跡にて創業</p> <p>2001年 イデラ キャピタルマネジメントが創業(注1)</p> <p>2016年 投資法人みらい、15物件、資産規模1,007億円で上場 三井物産・イデラパートナーズ誕生</p> <p>2017年</p> <p>2018年</p> <p>11月 MIUMIU神戸(建物)取得</p> <p>10月 東京フロントテラス、ミ・ナール取得</p> <p>6月 中期経営計画を策定</p> <p>2018年</p> <p>1月 投資口価格が上場時の公募価格を初めて上回る</p> <p>2月 伊勢シティホテルアネックス、コンフォートホテル北上、コンフォートホテル長野取得</p> <p>日宝本町ビル取得、品川シーサイドパークタワー(部売却)</p> <p>3月 R&amp;Iから格付A(安定的)を取得</p> <p>4月 投資主優待制度を開始</p> <p>5月 上場後初となる公募増資を実施</p> <p>6月 M1テラス名古屋伏見取得</p> <p>7月 本投資法人初の投資法人債を発行</p> <p>8月 オリコ博多駅南ビル取得</p> <p>11月 2期連続で公募増資を実施</p> <p>六甲アイランドDC、スマイルホテル那覇シティリゾート、スマイルホテル博多駅前、スマイルホテル名古屋栄、ホテルWBF淀屋橋南取得</p>	<p>2019年</p> <p>12月 中期経営計画を前倒し達成 新たに拡張版中期経営計画を発表</p> <p>11月 2期連続で公募増資を実施</p> <p>1月 JCR格付見通しがA+(ホジティブ)に変更</p> <p>5月 上場来高値を更新。セシなる成長へ... 投資口分割を実施(4分割)</p>



(注1) イデラ キャピタルマネジメントの前身であるエムケーキャピタルマネジメントが創業。

(注2) 本年表に掲載された内容は、資産運用会社である三井物産・イデラパートナーズ株式会社の調査に基づくものであり、過去の歴史的事実等について掲載された内容の正確性を保証するものではありません。

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# Section 1. 6<sup>th</sup> Fiscal Period Financial Summary & Forecasts

# Progress of Portfolio Growth

Achieved high-quality external growth through implementation of the mid-term management plan.  
Realized a highly stable portfolio with further risk diversification.

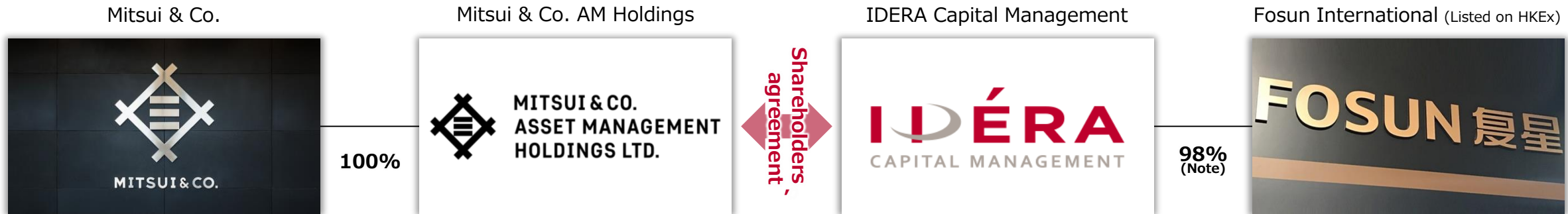
	2 <sup>nd</sup> FP (17/04)	5 <sup>th</sup> FP (18/10)	6 <sup>th</sup> FP (19/04)
<b>DPU</b> (Note 1)	815 yen	1,417 yen	1,436 yen
<b>NAV per unit</b> (Note 1) (Note 2)	45,640 yen	47,000 yen	47,920 yen
<b>Average investment unit price during the period</b> (Based on closing price) (Note 1) (Note 2)	41,740 yen	47,250 yen	47,400 yen
<b>Portfolio diversification</b> (Based on acquisition price)			
<b>Top 3 assets</b> (Based on acquisition price)	64.7%	43.6%	37.3%
<b>Number of tenants</b>	97	231	237
<b>Number of properties/AUM</b> (Based on acquisition price)	<div style="border: 1px solid black; background-color: #003366; color: white; padding: 5px; display: inline-block;">100 billion yen</div> 15	<div style="border: 1px solid black; background-color: #003366; color: white; padding: 5px; display: inline-block;">123 billion yen</div> 24	<div style="border: 1px solid black; background-color: #003366; color: white; padding: 5px; display: inline-block;">145 billion yen</div> 29
<b>Major assets acquired during the period</b>	Shinjuku Eastside Square Shinagawa Seaside Parktower	MI Terrace Nagoya-Fushimi Hotel Wing International Select Ueno/Okachimachi	Rokko Island DC Smile Hotel Naha City Resort

Note 1: MIRAI implemented a four-for-one investment unit split with April 30, 2019 as record date. Regarding results for the 6th fiscal period, figures after the split are stated from a comparison standpoint.

Note 2: Monetary amounts are rounded down to ten yen.

# Growth Support Fully Backed by Two Sponsors

Mitsui & Co AM Holdings and IDERA Capital Management offer growth support.



**Scale of business (Note 2)**

<b>Total Assets</b>	<b>Revenue</b>
<b>11.9</b> trillion yen	<b>6.95</b> trillion yen
<b>Profit</b>	
<b>414.2</b> billion yen	
<b>Number of offices</b>	<b>Number of employees</b>
<b>139</b>	<b>43,993</b>

50% 50%

**MIRAI**  
Corporation

Asset Manager  
(Mitsui Bussan & IDERA Partners)

**Scale of business (Note 2)**

<b>Total Assets</b>	<b>Revenue</b>
<b>10.1</b> trillion yen	<b>1.74</b> trillion yen
<b>Profit</b>	
<b>213.7</b> billion yen	
<b>Number of Major International bases</b>	<b>Number of employees</b>
<b>50</b>	<b>Approx. 63,000</b>

Note 1: As of end of May 2019. Fosun International owns stake in IDERA Capital Management indirectly.  
 Note 2: Total assets, revenue and profit are those for the fiscal period ended March 2019. Profit refers to profit attributable to owners of parent. The number of offices and the number of consolidated employees are as of April 1, 2019.  
 Note 3: Total assets, revenue and profit are those for the fiscal period ended December 2018. For convenience, the Chinese yuan is calculated by converting it into the yen at the closing price (1 yuan = 15.93 yen) on Yahoo! Finance on December 31, 2018. Major international bases are as of March 26, 2019. The number of consolidated employees is based on the Forbes 2019 GLOBAL 2000.

## Collaboration between the real estate business and asset management has been strengthened as a result of organizational restructuring of the Mitsui & Co. Group.

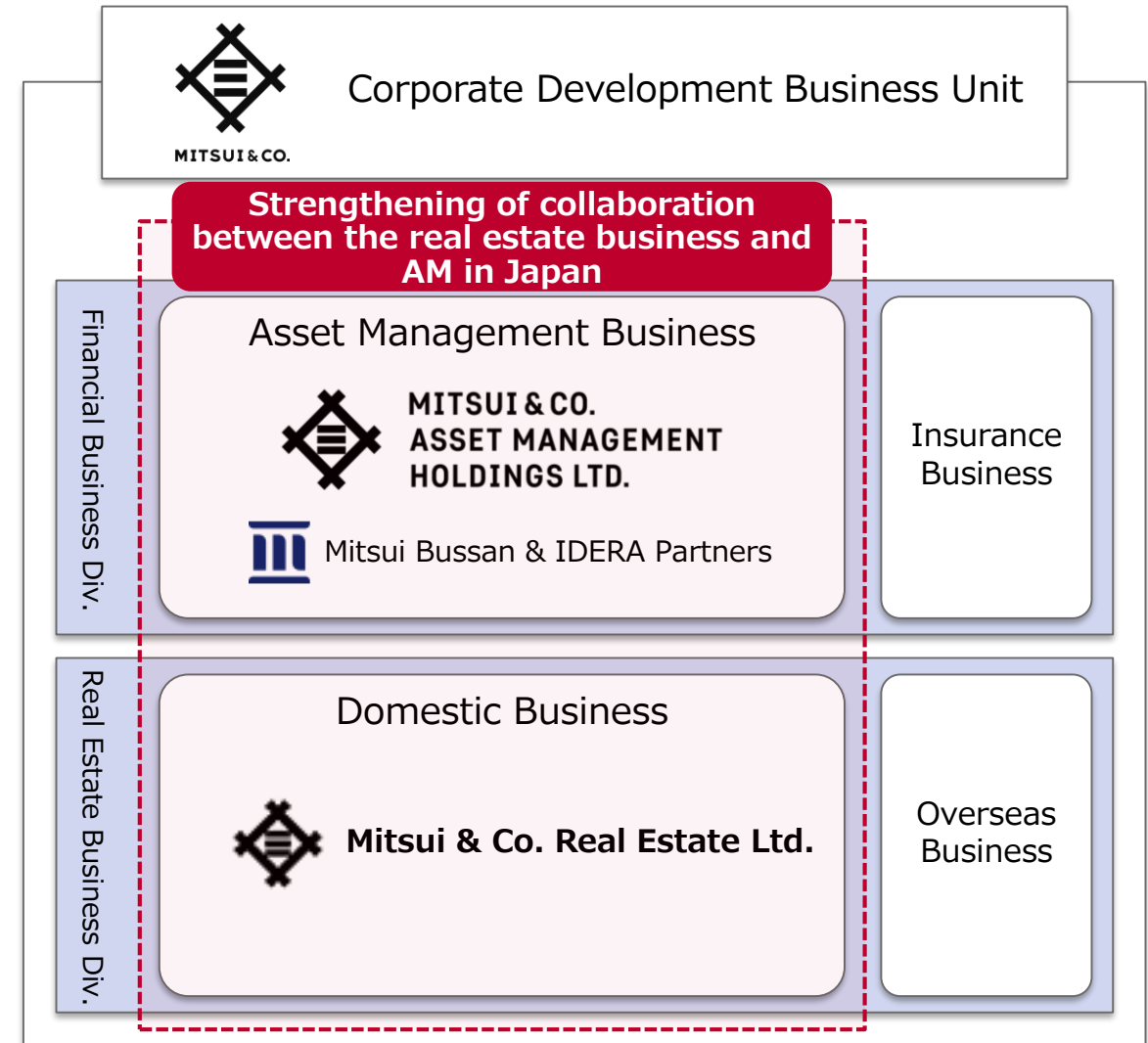
### Overview of Organizational Restructuring of Mitsui & Co. (Apr. 2019 -)

- The Real Estate Business Division has been integrated into the Corporate Development Business Unit, which works on strategic projects and the development of new business areas that will lead to the evolution of business categories of Mitsui & Co. leveraging on its expertise in finance and logistics-related business.
- By strengthening collaboration between the real estate business and asset management, the Group aims to create new business models, strategies and organizational structures to pursue development profit and investment returns, as well as to further improve profitability of the real estate business as a core business segment for the future.

### Collaboration with Mitsui & Co. Real Estate

- As part of the initiative to strengthen collaboration between the real estate business and asset management, a move toward collaboration between Mitsui & Co AM Holdings and Real Estate Business Division of Mitsui & Co./Mitsui & Co. Real Estate, a core subsidiary of the domestic real estate business, has begun.
- Mitsui & Co. Real Estate develops the building business mainly in the Nishi-Shimbashi area and has also entered the development business of office buildings in Kasumigaseki, Toranomon and Shimbashi areas, in addition to the development business of logistics properties in recent years.

Name	Mitsui & Co. Real Estate Ltd.
Head Office Address	1-13-1, Nishi-Shimbashi, Minato-ku, Tokyo
Date of Establishment	November 1, 2000
Shareholder	Mitsui & Co. (100%)
Stated Capital	3 billion yen
Business Description	Buying, selling, exchange, leasing and management of real estate Brokerage of leasing, buying and selling of real estate Planning, proposal and consulting business related to the effective use and development of real estate



**Property sourcing/tenant leasing leveraging on the Value-adding Capability for real estate makes steady progress. There are also signs of strengthening collaboration between Fosun and Mitsui & Co.**

## Track Record of Support Leveraging on the Value-adding Capability for Real Estate

- Property sourcing mainly for value enhancement projects that utilize the Construction Management Team and the Leasing Management Team, the two wheels supporting the value-adding Capability for real estate (Tokyo Front Terrace, etc.)
- In leasing, its capabilities are displayed not only in office buildings where it has demonstrated strength, but also community-based retail property projects with low tenant liquidity, contributing to the risk control of single-tenant properties.

### Track record of support after IPO

#### Deal sourcing

**45.9** billion yen / **13** properties

#### Tenant leasing

monthly rent **30** million yen / **13** tenants

## Japan-China Business Forum & Fosun Night 2019

- Fosun International, the parent company of IDERA Capital, aims to build a global ecosystem in the areas of health, happiness and wealth, and is also exploring new business opportunities with many candidates for business partners in Japan.
- In May 2019, the Japan-China Business Forum was hosted by Fosun and IDERA. A talk between the leaders, Chairman Guo of Fosun and President Yasunaga of Mitsui & Co., was held during the forum, showing signs of a stronger collaboration between the two groups in the future, triggered by the successful case between Mitsui & Co. and IDERA Partners.



**DPU increased by 77 yen from the previous period, achieving the historical high since IPO. The target in “Repower 2020” has been achieved due to the contribution of property acquired through PO.**

		Results (A) (5 <sup>th</sup> FP)	Results (B) (6 <sup>th</sup> FP)	Changes (B) – (A)
Operating revenue	(million yen)	4,417	4,959	542
Lease business revenue	(million yen)	3,256	4,023	767
Office	(million yen)	1,870	2,048	177
Retail	(million yen)	882	864	(18)
Hotel	(million yen)	502	850	347
Industrial	(million yen)	-	260	260
Other lease business revenue	(million yen)	1,160	935	(225)
Disposition Gain	(million yen)	1,456	1,446	(10)
Operating expenses	(million yen)	2,960	3,513	552
NOI	(million yen)	452	553	100
Depreciation	(million yen)	385	428	42
General administrative expenses	(million yen)	255	261	6
Non-operating expenses	(million yen)	1,922	2,271	349
Net Profit	(million yen)	<b>5,668</b>	<b>5,745</b>	<b>77</b>
<b>DPU</b>	<b>(yen)</b>	249	462	212
Capital expenditure	(million yen)	2,710	3,050	339
NCF	(million yen)	7,003	7,144	141
FFO per unit	(yen)	80.9	80.4	(0.5)
Payout ratio	%	24	29	5
Number of Properties		99.4	99.6	0.2
Occupancy rate as of the end of fiscal period	%	129,805	153,692	23,886
Unrealized gain margin	%	3.3	4.6	1.3
Outstanding interest-bearing debts	(million yen)	64,200	74,700	10,500
LTV (Note 2)	%	48.7	49.0	0.3
Total number of outstanding investment units	(unit)	339,210	395,410	56,200
BPS (Note 3)	(yen)	175,868	174,690	(1,178)
NAV per unit (Note 3)	(yen)	188,008	191,681	3,673

Note 1: Monetary amounts are rounded down to millions or thousands of yen. Percentage figures are rounded off to the nearest tenth. Hereinafter, the definition is the same in this material.

Note 2: LTV=Outstanding interest-bearing debt/Total assets. Hereinafter, the definition is the same in this material.

Note 3: BPS=Unitholders' capital/Total number of outstanding investment units. NAV=Unitholders' capital + Unrealized gain. Hereinafter, the definition is the same in this material.

## Major Topics

### Summary

- DPU (the highest stabilized DPU) +77 yen

### Office

- Full period contribution/ Expiry of free rent period\* (Nagoya) +171 million yen
- \*Payment for FR equivalent completed by sponsor (Other lease business revenue) (122) million yen
- Full period contribution (Hakata) +21 million yen
- Replacement of tenants (Others) (15) million yen

### Retail

- Full period contribution\* (Mi-Nara) +49 million yen
- Only tenant rents (rent guarantee not included)
- Replacement of tenants (Shibuya/Izumi) (68) million yen

### Hotel

- Variable rent (Niigata) +11 million yen
- New Acquisition (3 Smile Hotels & WBF) +328 million yen

	Results (A) (5 <sup>th</sup> FP)	Results (B) (6 <sup>th</sup> FP)	Changes (B) – (A)
Operating expenses	1,456	1,446	(10)
Outsourcing services	323	332	9
Utilities expenses	523	453	(70)
Taxes and dues	319	337	17
Repair expenses	53	66	13
Other	235	255	19



**Forecast DPU is 1,425 yen (5,700 yen before split), maintaining the target set in “Repower 2020-ER”.**

		6 <sup>th</sup> FP Results (A)	7 <sup>th</sup> FP Forecasts (Note 1) (B)	Changes (B) - (A)	8 <sup>th</sup> FP Forecasts (Note 1) (C)	Changes (C) - (B)
Operating revenue	(million yen)	4,959	5,072	112	4,993	(79)
Lease business revenue	(million yen)					
Office	(million yen)	4,023	4,178	154	4,189	10
Retail	(million yen)	2,048	2,113	65	2,142	28
Hotel	(million yen)	864	931	67	934	2
Industrial	(million yen)	850	872	22	851	(20)
Other lease business revenue	(million yen)	260	260	-	260	-
Disposition Gain	(million yen)	935	893	(41)	803	(89)
Operating expenses	(million yen)	1,446	1,512	66	1,425	(86)
NOI	(million yen)	3,513	3,559	46	3,567	7
Depreciation	(million yen)	553	564	10	576	12
General administrative expenses	(million yen)	428	496	68	494	(2)
Non-operating expenses	(million yen)	261	242	(19)	242	0
Net Profit	(million yen)	2,271	2,255	(16)	2,252	(2)
<b>DPU</b>	<b>(yen)</b>	<b>1,436</b>	<b>1,425</b>	<b>(11)</b>	<b>1,425</b>	<b>-</b>
Capital expenditure	(million yen)	462	293	(168)	510	216
NCF	(million yen)	3,050	3,265	214	3,056	(208)
FFO per unit (Note 2)	(yen)	1,786	1,782	(4)	1,789	7
Payout ratio	%	80.4	80.0	(0.5)	79.7	(0.3)
Number of Properties		29	29	-	29	-
Occupancy rate as of the end of fiscal period	%	99.6	99.7	0.1	99.9	0.2
Outstanding interest-bearing debts	(million yen)	74,700	74,700	-	74,700	-
LTV	%	49.0	48.9	(0.1)	48.9	-
Total number of outstanding investment units (Note 2)	(unit)	1,581,640	1,581,640	-	1,581,640	-

## Major Topics

### 7<sup>th</sup> FP (Oct. 2019)

#### Office

- Expiry of free rent period (Kawasaki) +36 million yen
- Escalation rent and other reasons (Shinjuku/Higashi-Shinjuku) +23 million yen

#### Retail

- Expiry of FR period (Izumi-Chuo) +45 million yen
- \*Decrease in penalty from previous tenant (Other lease business revenue) (99) million yen
- Replacement of tenants (Shibuya) +20 million yen

### 8<sup>th</sup> FP (Apr. 2020)

#### Office

- Expiry of free rent period (Kawasaki) +15 million yen
- Tenants moving in (Shinjuku) +16 million yen

#### Hotel

- Seasonal factor (3 Smile Hotels) (25) million yen

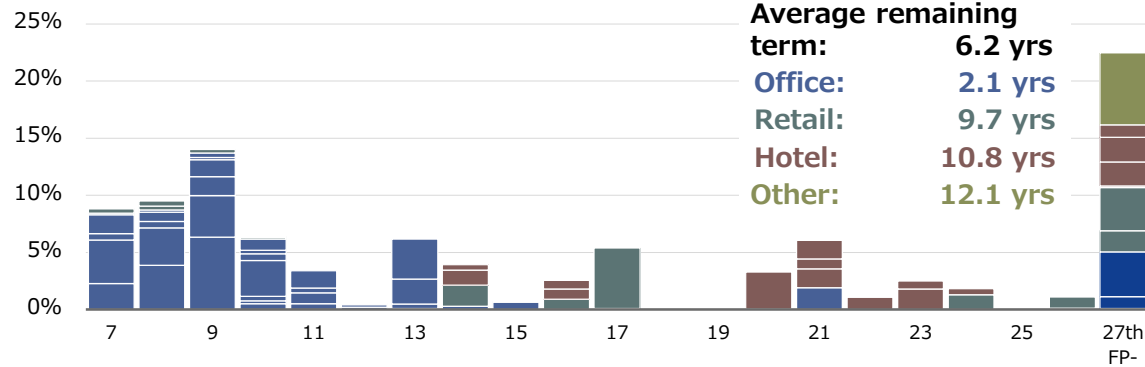
	6 <sup>th</sup> FP Results	7 <sup>th</sup> FP Forecasts	Changes	8 <sup>th</sup> FP Forecasts	Changes
Operating expenses	1,446	1,512	66	1,425	(86)
Outsourcing services	332	331	(1)	330	(1)
Utilities expenses	453	502	48	428	(73)
Taxes and dues	337	397	59	385	(11)
Repair expenses	66	60	(5)	66	5
Other	255	221	(33)	214	(6)

Note 1: This forecast is calculated based on certain assumptions as of June 14, 2019 and subject to change due to conditions such as change in rent income through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecast should not be construed as guarantee of DPU.

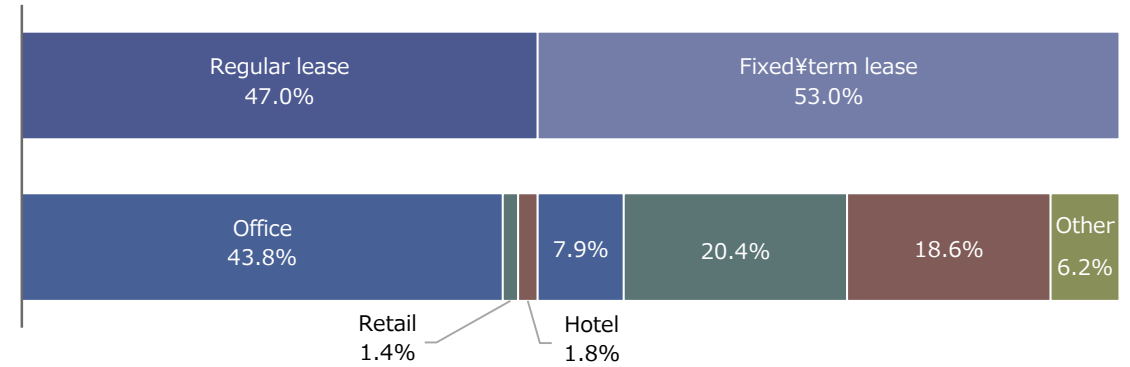
Note 2: MIRAI split its investment units at a rate of four units per every one unit, with April 30, 2019, as the record date. Regarding results for the 6th fiscal period, figures after the split are stated from a comparison standpoint.

Despite the departure of tenants in some large-scale offices, the portfolio is stable as succeeding tenants steadily move in.

## Diversification of Lease Maturity (based on rent)



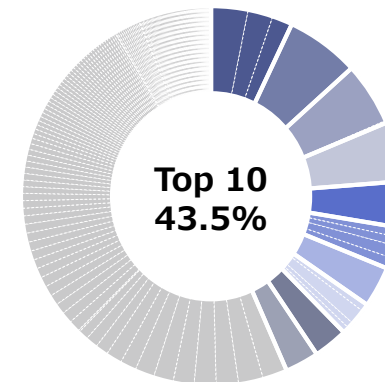
## Breakdown of Lease Contracts Type (based on rent)



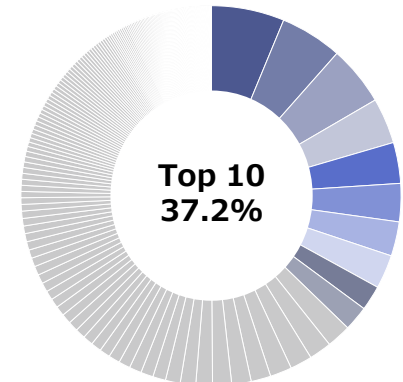
## Top 10 Tenants (Note) (based on rent)

Company name	Property	Ratio
1. Hospitality Operations	3 Smile Hotels (Naha, Hakata, Nagoya)	7.0%
2. HAVI Supply Chane Solutions Japan	Rokko Island DC	6.2%
3. AEON Retail	AEON Kasai/Shinagawa Seaside Parktower	-
4. NTT Comware	Shinagawa Seaside Parktower	-
5. PRADA Japan	MIUMIU Kobe	3.9%
6. Super Hotel	4 Super Hotels (Sendai, Osaka, Saitama and Kyoto)	3.6%
7. Chubu Telecom	MI Terrace Nagoya-Fushimi	-
8. Greens	Ise City Hotel Annex 3 Comfort Hotels (Shin-Yamaguchi, Kitakami, Nagano)	-
9. BIGLOBE	Shinagawa Seaside Parktower	-
10. (Not disclosed)	Kawasaki Tech Center	-

### Tenants diversification



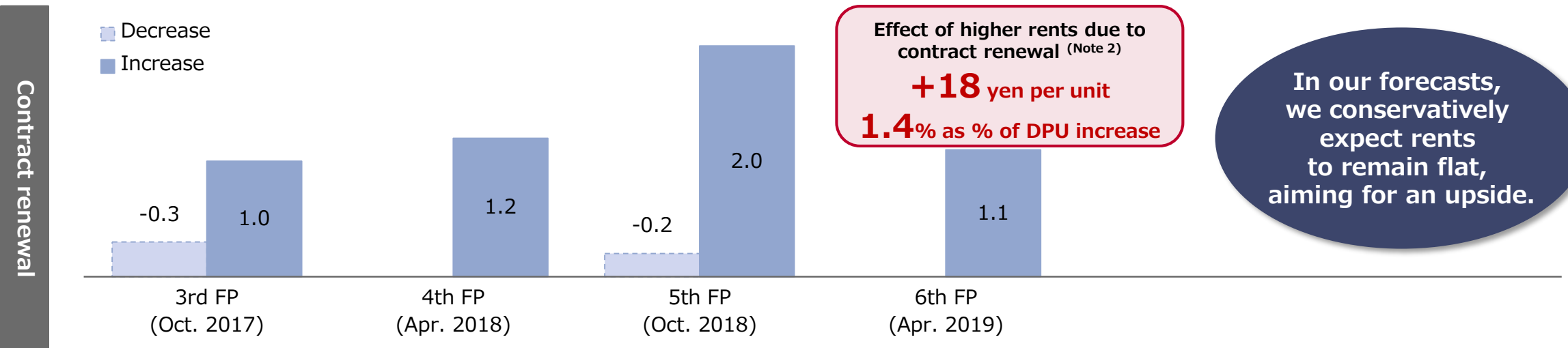
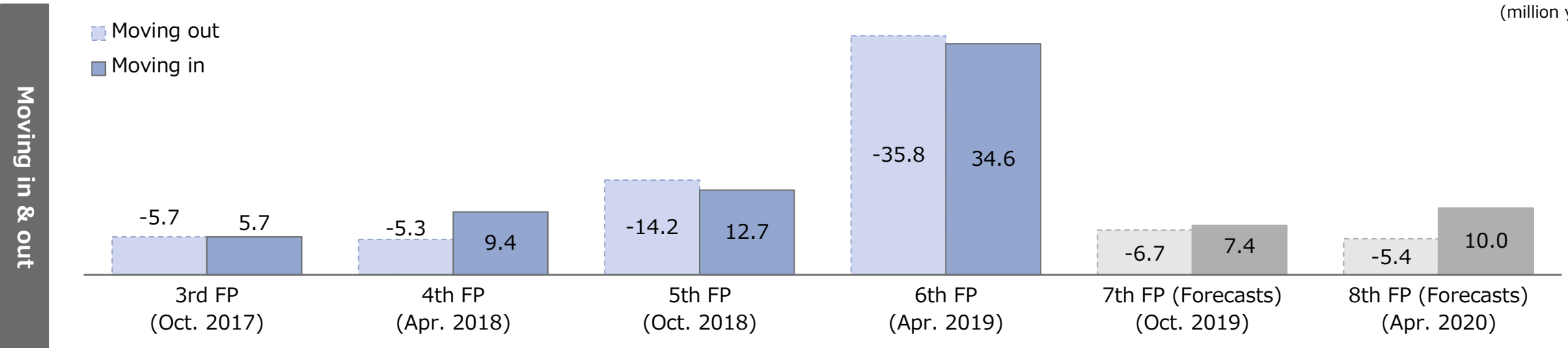
### Lease contracts diversification



Note: Based on lease contract in place with end tenants as of end of April 2019.

Success in rent increase in large-scale offices and continued solid internal growth contributed to a rise in DPU.

(million yen)








Note 1: Rent change is based on monthly rent.

Note 2: Effect of higher rents due to contract renewal = The amount of increase and decrease in monthly rents due to contract renewal since IPO to the end of the 6th fiscal period \* 6/Total number of outstanding investment units. For the contribution ratio to DPU, the ratio of the effect of higher rents due to contract renewal to forecast DPU for the 3rd fiscal period (ended October 2017), which was published at IPO.

There are opportunities for internal growth in large-scale offices and multi-tenant type urban retail properties. In Kawasaki and Shinjuku, steadily concluding contracts that close the rent gap.

Rent of Large-scale Offices/Multi-tenant Type Urban Retail Properties (monthly rent per tsubo) (Note 1)

	As of end of 6 <sup>th</sup> FP	Market rent (Note 2)	Rent gap	Contract renewal (recent 1 year)			Rate of increase/decrease in tenant replacements (recent 1 year) (Note 4)
				Number of Contract	Increase	Rate of Increase (Note 3)	
Shinagawa 	16,190 yen	16,900 yen	(4.4%)	9	22.2%	2.7%	1.6%
Kawasaki 	12,990 yen	13,830 yen	(6.4%)	9	11.1%	18.9%	14.2%
Shinjuku 	23,150 yen	26,220 yen	(13.3%)	7	71.4%	10.4%	9.7%
TFT 	17,180 yen	17,500 yen	(1.8%)	5	20.0%	2.9%	-
Shibuya 	29,120 yen	29,880 yen	(2.6%)	3	20.0%	10.0%	13.6%
Total			(5.6%)	33	30.3%	9.6%	10.5%

**DPU upside depending on success rate**

Success Rate **50%** **31 yen (+2.2%)**

Success Rate **100%** **63 yen (+4.4%)**

Note 1: Rents are rounded down to nearest 10 yen.

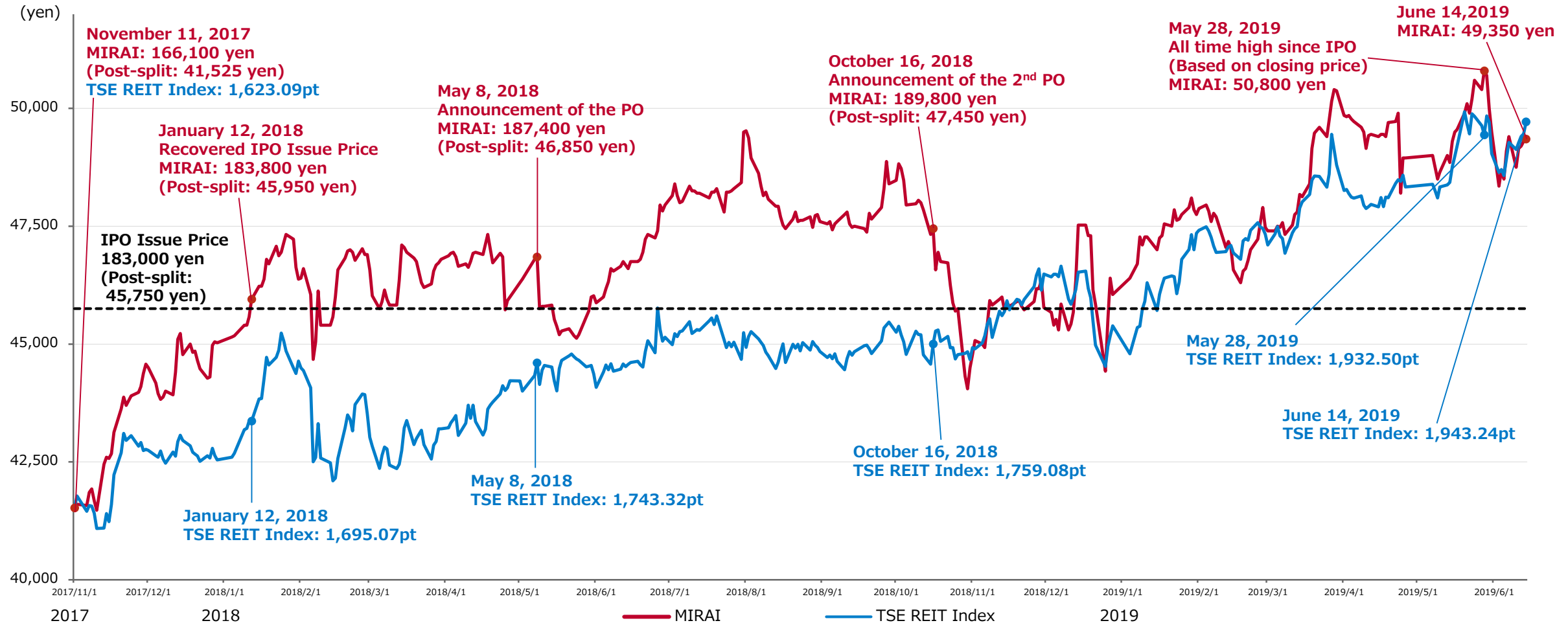
Note 2: Monthly rent per tsubo, which is a precondition of the capitalization method in the appraisal report with April 30, 2019, stated as the date of value estimate. For properties with multiple monthly unit prices, the weighted average using the rentable area is stated.

Note 3: The average value for the rates of increase and decrease in contracts with rent increase is stated.

Note 4: The comparison value between the monthly rents in new contracts and the monthly rents in contracts with previous tenants for the same spaces is stated. Short-term contracts and special contracts different from the original purpose are excluded.

Although investment unit price has seen some weakness following PO in October 2018, it is on recovery trend. All time high since IPO was recorded in May 2019 following split of investment units.

## Historical Investment Unit Price



Note: As of June 14, 2019, MIRAI split its investment units, with April 30, 2019, as the record date. So previous investment unit prices are figures after the split at a rate of four units per every one unit. Relative performance of TSE REIT Index is calculated based on investment unit price of MIRAI as of November 1, 2017.

## Asset

<b>Number of properties</b>	29
<b>AUM</b> (Based on acquisition price)	145 billion yen
<b>Appraisal value</b>	153.6 billion yen
<b>Unrealized gain</b> (Unrealized gain margin)	6.7 billion yen (+4.6%)
<b>Profitability</b> (Based on book value)	NOI yield: 4.8% NOI yield after depreciation: 4.1%
<b>Average property age</b> (Weighted averages based on acquisition price)	20.1 years
<b>Rentable area</b>	266 thousand m <sup>2</sup>
<b>Occupancy rate</b>	99.6%
<b>Asset type</b> (Based on acquisition price)	Office: 55.1% Retail: 18.8% Hotel: 20.1% Other: 6.0%

## Debt

<b>Outstanding interest-bearing debts</b>	74.7 billion yen
<b>LTV based on total assets</b>	49.0%
<b>LTV based on appraisal value</b> (Note 1)	46.9%
<b>Average interest rate</b>	0.53%
<b>Average remaining maturity</b>	5.4 years
<b>Rating</b>	JCR: A+ (positive) R&I: A (stable)

## Equity

<b>Market cap</b> (Note 2)	77.4 billion yen
<b>Investment unit price</b> (Note 2)	48,950 yen
<b>NAV per unit</b>	47,920 yen
<b>DPU</b>	1,436 yen (6 <sup>th</sup> FP result) (Note 3)
<b>DPU yield</b>	5.86%

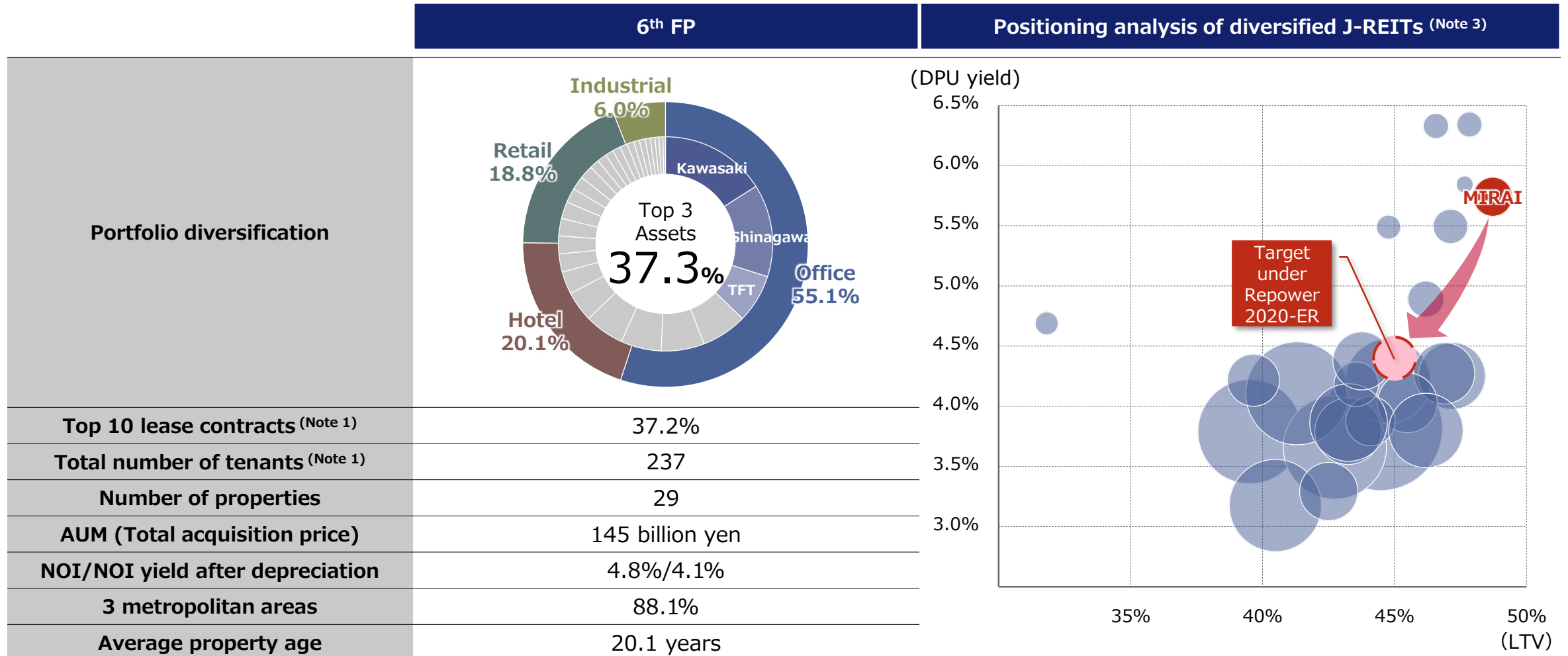
Note 1: LTV based on appraisal value=outstanding interest-bearing debts/(total assets + unrealized gain).

Note 2: Based on investment unit price of MIRAI as of the end of 6<sup>th</sup> FP.

Note 3: MIRAI split its investment units at a rate of four units per every one unit, with April 30, 2019, as the record date. DPU after the split are stated from a comparison standpoint with investment unit price.

## Section2. Expanded Mid-term Management Plan “Repower 2020-ER”

Risk diversification, which was inferior to that of other REITs at the time of listing, has already improved. We aim to improve our positioning to achieve “Repower 2020-ER”.



Note 1: Based on lease contract in place with end tenants as of end of April 2019.

Note 2: 6th FP result (Based on book value).

Note 3: This was prepared by the Asset Manager based on the disclosure materials of listed investment corporations as of the end of May 2019, and may be different from the actual situation. The circle size shows the market capitalization.



Average remaining  
Maturity (Note 1)

**5.3 years**  
4th/63

DPU yield (Note 2)

**5.7%**

J-REITs sponsored by Sogo-Shosha  
(general trading companies) average

**4.3%**

Diversified J-REITs average

**4.5%**

AA- rated J-REITs (Note 3)  
average

**3.9%**

Average  
interest rate (Note 1)

**0.53%**  
14th/63

Price to  
NAV ratio (Note 2)

**1.03x**

J-REITs sponsored by Sogo-Shosha  
(general trading companies) average

**1.10x**

Diversified J-REITs average

**1.06x**

AA- rated J-REITs (Note 3)  
average

**1.09x**

Note 1: Estimated by the Asset Manager based on the disclosed documents of each REIT as of end of May 2019 and may be different from actual.

Note 2: DPU yield is based on the closing price of May 31, 2019. Price to NAV=closing price of May 31, 2019 \* number of units issued/[net asset following payment of DPU (most recently announcement figure) + unrealized gain (property appraisal value - book value)].

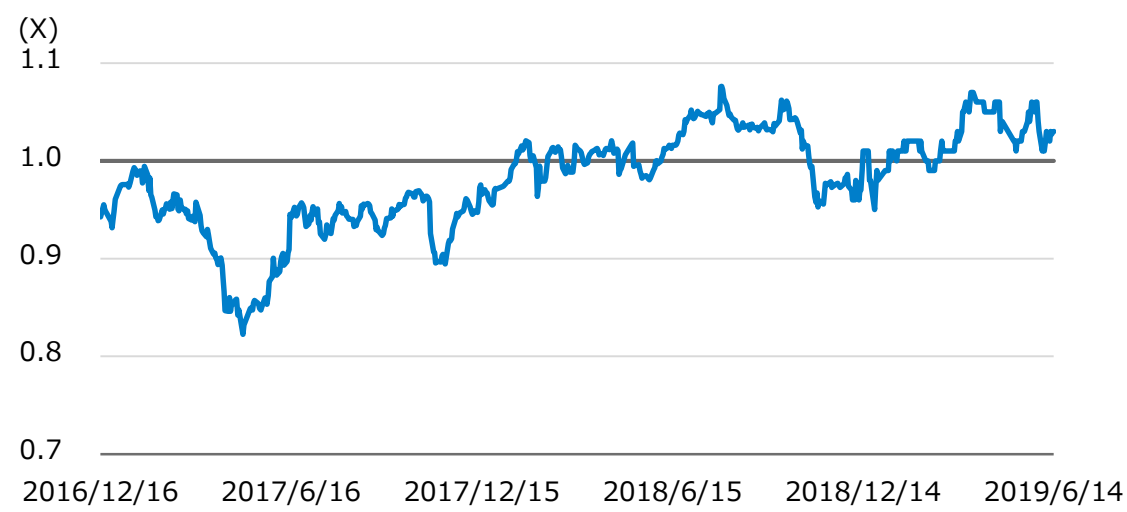
Note 3: J-REITs that obtained AA- credit rating from JCR.

Targets have been achieved thanks to strong sponsor support, property replacement and acquisition along with PO for the second consecutive period.

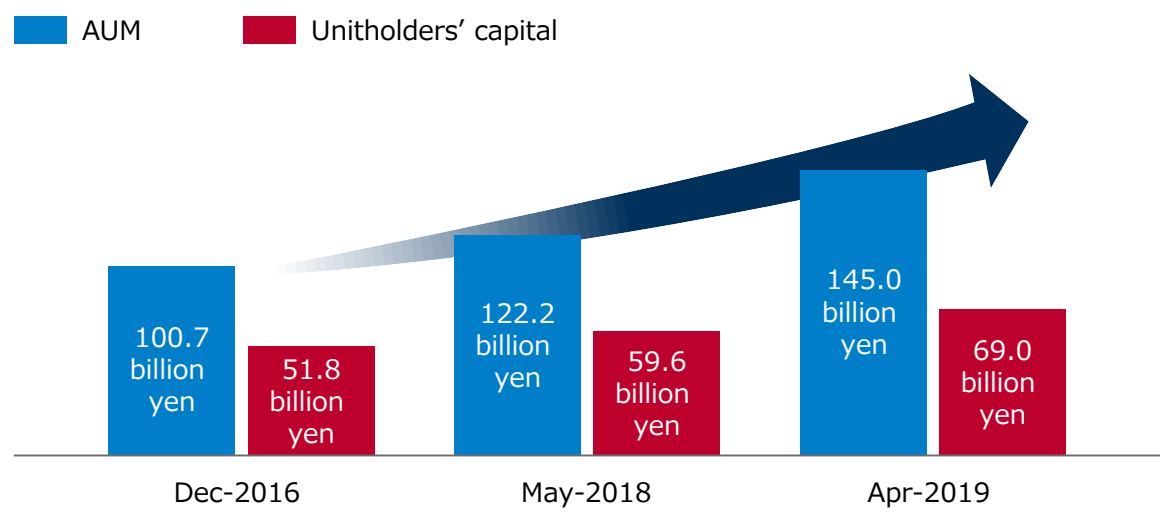
**Mid-term Management Plan Repower 2020**

Quantitative targets		6 <sup>th</sup> FP result	
DPU	(over 5,700 yen)	DPU	5,745 yen ✓
Top 3 assets	(up to 40%)	Top 3 assets	37.3% ✓
NOI yield after depreciation	(over 4.0%)	NOI yield after depreciation	4.1% ✓
LTV	(up to 50%)	LTV	49.0% ✓

**Improvement of P/NAV**



**Returned to Growth Path through PO**



To improve various quantitative KPIs through maintenance and improvement of DPU as well as reduction of risk premium.



Top 3 assets  
Up to 40%

AUM  
Over  
200 billion yen

NOI yield  
after depreciation  
Over 4.0%

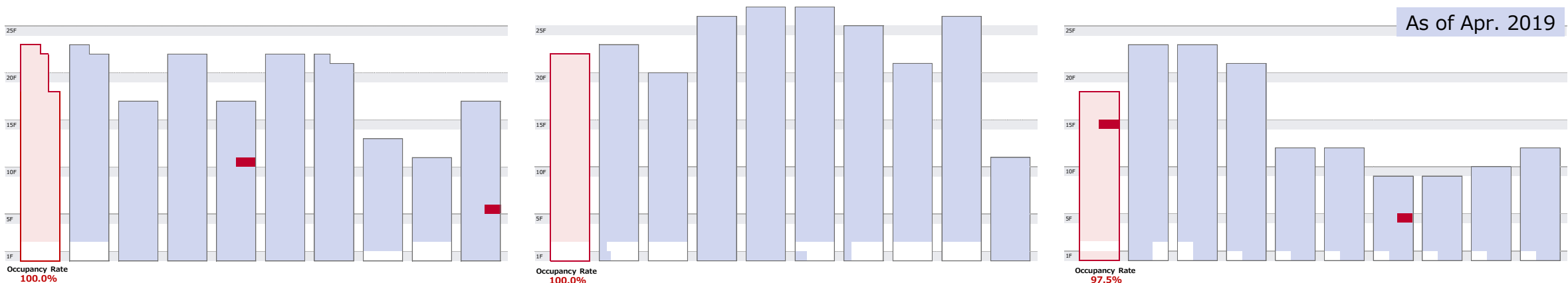
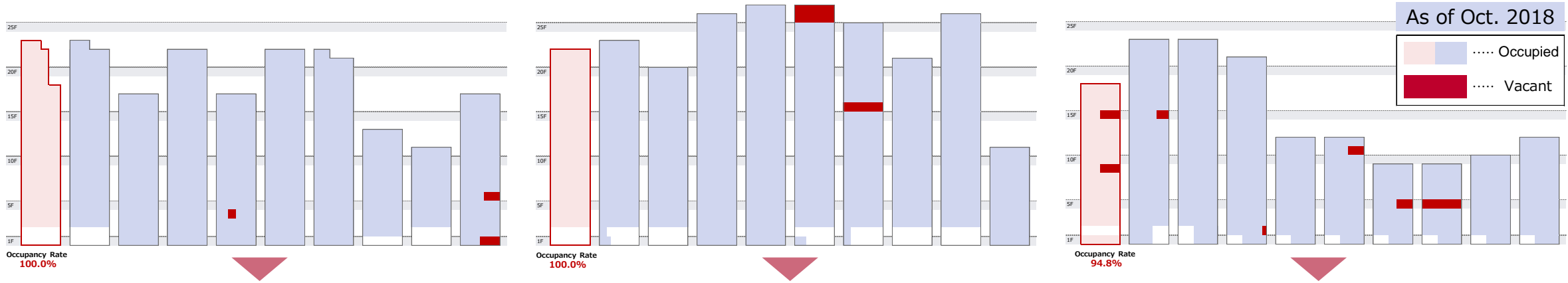
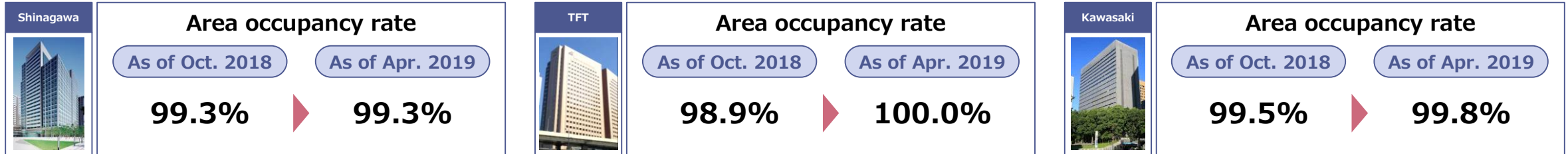
LTV  
Up to 45%

## Section 3. 6<sup>th</sup> FP Fiscal Period Highlights

**Fierce acquisition competition continues although starting to see some changes in attitude toward some areas and asset classes. Considering property replacement to take advantage of the strong market environment.**

	Office	Hotel	Retail (Sale of Goods/Service/F&B)
Topics of management	<ul style="list-style-type: none"> <li>Strong occupancy maintained, while making steady progress in upward revision of rent with existing tenants.</li> <li>Re-leasing of Kawasaki Tech Center made smooth progress. Negotiating with multiple potential tenants for remaining 0.5 floor.</li> <li>Leasing environment for office buildings MIRAI owns continues to be bullish due to mismatch between supply and demand. Internal expansion demand also strong.</li> </ul>	<ul style="list-style-type: none"> <li>While ADR and the occupancy rate remain weak in some areas due to an increased supply, the overall performance remains strong including regional cities.</li> <li>Performance of hotels with variable rent generally exceeds the budget.</li> <li>Operators in regional cities are performing well with the effect of inbound tourists spreading .</li> <li>Both environmental consideration and cost reduction are satisfied by implementing the renewal of facilities using subsidies.</li> </ul>	<ul style="list-style-type: none"> <li>At Shibuya WE, located in the strong market, profitability improved due to tenant replacement and rent increase.</li> <li>At Daiki Izumi-Chuo, revenue and tenant improved due to the completion of the switch to MEGA Don Quijote.</li> <li>At Mi-Nara, the pursuit for upside in variable rent is still incomplete although a year has passed since the opening. Implementing measures to increase sales at existing stores, tenant replacement, efforts to make it a tourist facility, as well as measures to increase recognition in Japan and overseas.</li> </ul>
Acquisition policy	<ul style="list-style-type: none"> <li>Need to be creative in acquisition due to continued unjustifiable level of absolute profitability of central Tokyo offices against the cost of capital.</li> <li>In order to maintain profitability and aim for an upside, focus mainly on grade B locations such as surrounding areas of the three major metropolitan areas and ordinance-designated cities.</li> </ul>	<ul style="list-style-type: none"> <li>Controlling the ratio of investment at around 20% to 25% of total assets by carefully selecting the location and operator.</li> <li>Continue to be cautious about areas where numerous development projects targeting inbound tourists are concentrated.</li> </ul>	<ul style="list-style-type: none"> <li>To forgo investments in retail properties that are mostly focused on sale of goods for the time being until significant changes in profitability can be seen.</li> <li>As solid demand for experience-based properties such as service and amusement is confirmed, we will consider investment in these properties if a future rise in the yield and real estate prices can be expected.</li> </ul>
Deal Sourcing conditions	<b>Tokyo area</b> Number of Projects : 172 Value per Property : 0.6-31 billion yen Yield : low 3% to mid 4%	<b>Tokyo area</b> Number of Projects : 40 Value per Property : 1-13.5 billion yen Yield : mid 3% to mid 4%	<b>Tokyo area</b> Number of Projects : 67 Value per Property : 0.7-27 billion yen Yield : 3% to mid 5%
	<b>Other</b> Number of Projects : 95 Value per Property : 0.5-16 billion yen Yield : 4% to mid 5%	<b>Other</b> Number of Projects : 160 Value per Property : 0.7-15 billion yen Yield : 4% to 6%	<b>Other</b> Number of Projects : 85 Value per Property : 0.5-12 billion yen Yield : 4% to 7%

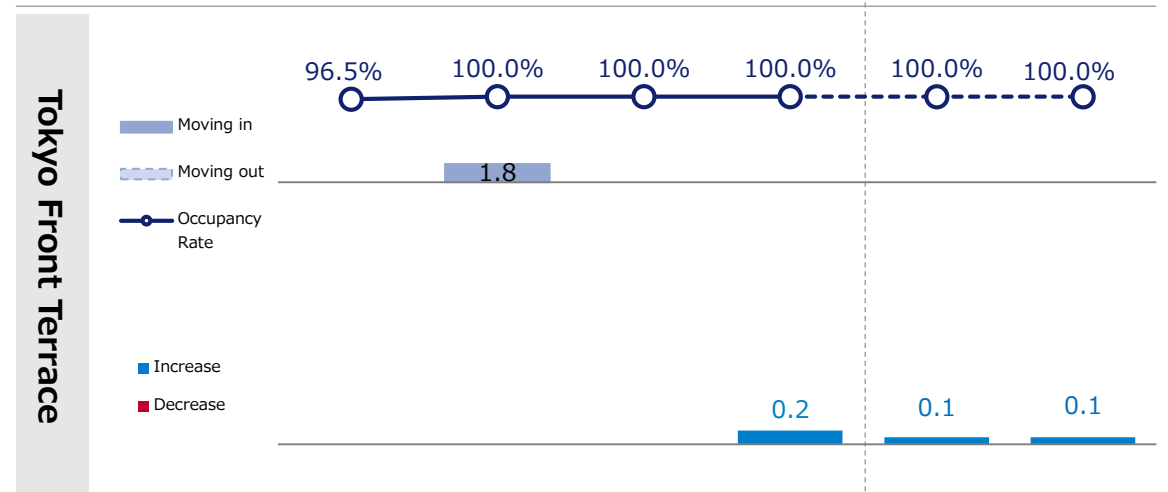
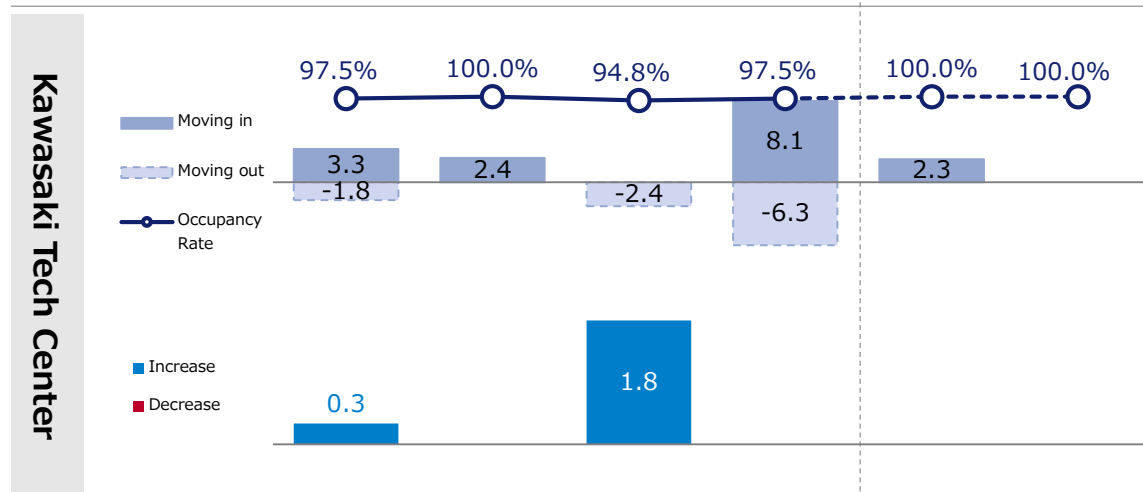
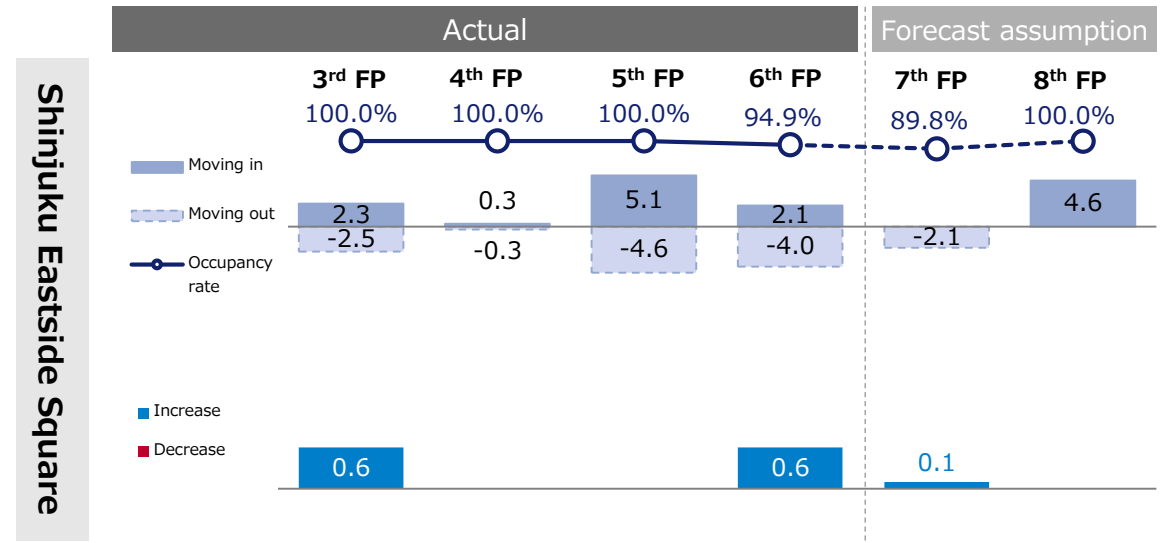
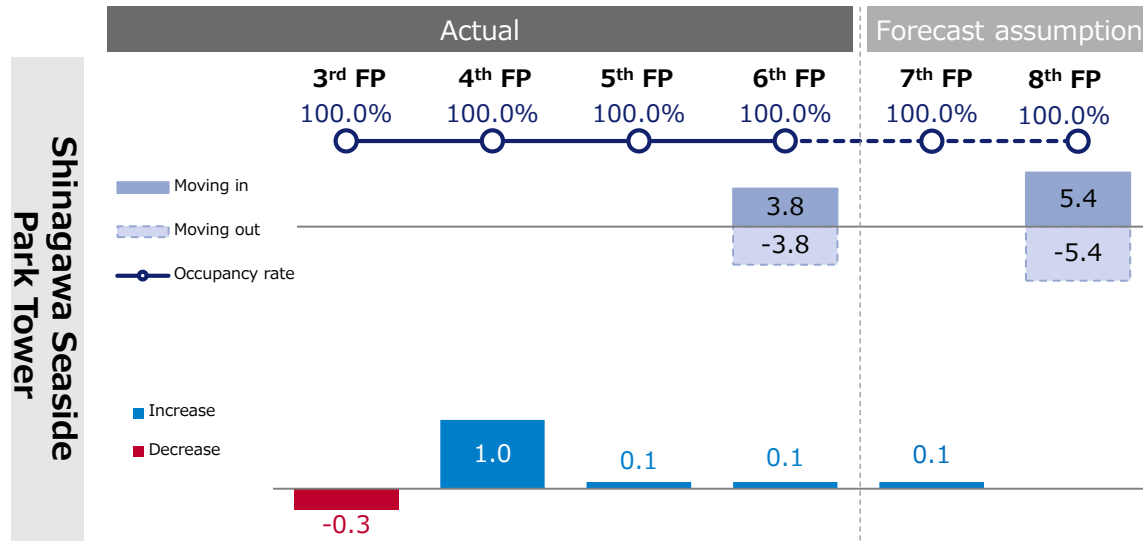
Vacancy continues to be low in all areas and the bullish leasing environment continues. In Kawasaki, where the occupancy rate temporarily declined, succeeding tenants have been secured.



Note: This figures show the comparison with the occupancy status of the competing properties in the same areas as the properties owned by MIRAI. Based on research by IDERA Capital Management and the Asset Manager and actual figures may be different.

Departures of tenants are expected in Shinagawa and Shinjuku, however, there is potential for rent increase with new contract given strong current market conditions.











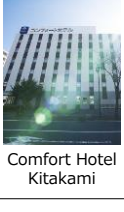

(million yen)

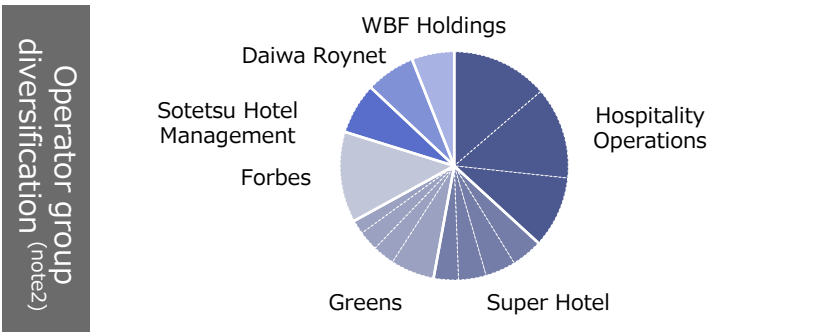
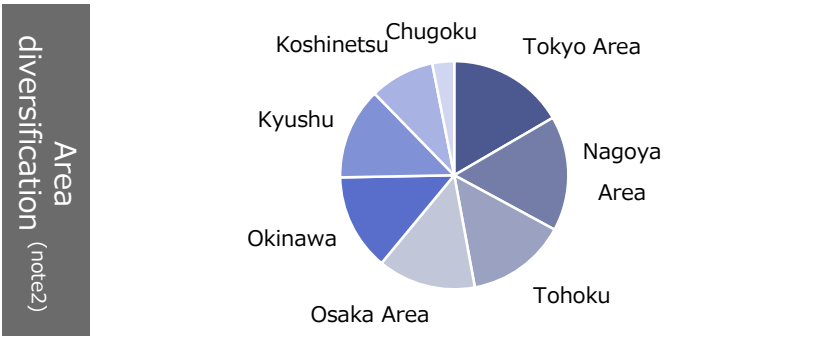


Note: Rent change is based on monthly rent.

Oversupply concern in greater Tokyo and greater Osaka areas has already been addressed through long-term fixed contracts. High occupancy continues in other areas supported by solid demand.

<b>Number of property</b>	<b>Guest rooms</b>
<b>15</b>	<b>2,224</b>
<b>AUM (Hotel)</b>	<b>Variable portion (note1)</b>
<b>29.1 billion yen</b>	<b>21.6 %</b>




<b>Tokyo area</b>	 <p>Hotel Wing International Select Ueno/Okachimachi</p>  <p>Super Hotel Saitama/Omiya</p>	<ul style="list-style-type: none"> <li>Attract both inbound tourists and business travelers.</li> <li>Continuously monitor the occupancy and the credit of operators.</li> <li>High occupancy is maintained in the portfolio properties despite large additional supply.</li> </ul>
<b>Osaka area</b>	 <p>Hotel WBF Yodoyabashi Minami</p>  <p>Super Hotel Osaka/Tennoji</p>  <p>Super Hotel Kyoto/Karasumagojo</p>	<ul style="list-style-type: none"> <li>Attract both inbound tourists and business travelers.</li> <li>Continuously monitor the occupancy and the credit of operators.</li> <li>ADR and the occupancy remain weak for some properties due to new supply (under discussion with operators to improve P/L).</li> </ul>
<b>Other</b>	 <p>Hotel sunroute Niigata<sup>(note3)</sup></p>  <p>Daiwa Roynet Hotel Akita</p>  <p>Super Hotel Sendai Hirose-dori</p>  <p>Comfort Hotel Shin-Yamaguchi</p>  <p>Ise City Hotel Annex</p>  <p>Comfort Hotel Kitakami</p>  <p>Comfort Hotel Nagano</p>	<ul style="list-style-type: none"> <li>Both ADR and the occupancy are on upward trend in many properties, reflecting solid business demand, in addition to little new supply.</li> <li>Further improvement in ADR and the occupancy is expected due to inbound demand getting into full swing.</li> <li>Super Hotel Sendai/Hirose-dori has strengthened competitiveness due to large scale renewal, including the addition of a large public bath.</li> </ul>



Note1: Based on results of 6<sup>th</sup> FP.  
 Note2: Based on acquisition price.  
 Note3: Although variable rent occurred in the 6<sup>th</sup> fiscal period, this property is classified as property with fixed rent, because the variable rent makes up less than 20% of the rent income.



Some properties performed worse than expected, but the overall portfolio performed firmly. Hoping for upside although expecting flattish YoY performance for the next fiscal period.


		6 <sup>th</sup> FP Forecasts	6 <sup>th</sup> FP Results	Achievement Rate	7 <sup>th</sup> FP Forecasts	8 <sup>th</sup> FP Forecasts	
Smile Hotel Naha City Resort	 <ul style="list-style-type: none"> <li>■ Solid demand, including inbound tourist demand, is secured by the guest rooms consisting mainly of twin rooms as well as high cost performance.</li> <li>■ As the market demand has changed to a full season demand from the summer only demand, stable occupancy is expected to continue in the future.</li> </ul> <p>Variable portion : <b>64%</b></p>	ADR	8,340 yen	<b>8,430 yen</b>	101%	8,820 yen	8,420 yen
		Occupancy rate	82%	<b>85%</b>	103%	86%	87%
		RevPAR	6,870 yen	<b>7,170 yen</b>	104%	7,580 yen	7,300 yen
		Operating revenue	122 million yen	<b>133 million yen</b>	108%	-	-
		ADR	8,860 yen	<b>9,050 yen</b>	102%	8,990 yen	8,900 yen
Smile Hotel Hakataeki-Mae	 <ul style="list-style-type: none"> <li>■ There is robust demand from both inbound tourists and business travelers in this area, and occupancy is stable, aided by the good location in front of the station.</li> <li>■ Solid performance is expected to continue, given there are no major concerns with newly constructed building.</li> </ul> <p>Variable portion : <b>70%</b></p>	Occupancy rate	94%	<b>92%</b>	98%	94%	95%
		RevPAR	8,340 yen	<b>8,350 yen</b>	100%	8,430 yen	8,430 yen
		Operating revenue	87 million yen	<b>87 million yen</b>	100%	-	-
		ADR	7,020 yen	<b>6,650 yen</b>	95%	7,010 yen	6,930 yen
		Occupancy rate	89%	<b>89%</b>	100%	91%	90%
Smile Hotel Nagoya-Sakae	 <ul style="list-style-type: none"> <li>■ It is in a highly convenient location as a business and sightseeing base, and the guest room structure centered on double rooms caters to both types of demand.</li> <li>■ While ADR is slightly lower than expected because of large new supply in surrounding areas, ADR is on an upward trend as a result of remedial measures taken in cooperation with the operator.</li> </ul> <p>Variable portion : <b>44%</b></p>	RevPAR	6,270 yen	<b>5,910 yen</b>	94%	6,350 yen	6,260 yen
		Operating revenue	70 million yen	<b>62 million yen</b>	89%	-	-
		ADR	7,020 yen	<b>6,650 yen</b>	95%	7,010 yen	6,930 yen
		Occupancy rate	89%	<b>89%</b>	100%	91%	90%
		RevPAR	6,270 yen	<b>5,910 yen</b>	94%	6,350 yen	6,260 yen

Average of 3 properties

Variable portion : **61%**

**Demand for stores focused on sale of goods is shrinking due to changes in consumption behavior. Considering -replacement with assets focused on consumption of experience such as service and amusement.**


Urban



### Shibuya World East Building

- A drugstore with strong inbound demand, despite being a tenant focused on sale of goods, has moved in as a result of the replacement of tenants on the 1st and 2nd floor. Rents increased including the upward revision of existing tenants due to higher evaluation of location and high demand for surrounding environment.
- A further rise in real estate prices is expected due to redevelopment in the area around Miyashita Park.


Community Based



### MIUMIU Kobe

- Kansai flagship store for MIUMIU, a sister brand of PRADA that is popular in Japan and overseas.
- As an important base to maintain the branding of the PRADA Group, PRADA Japan, the tenant, has a strong intention to use this property continuously.


Community Based



### AEON Kasai

- Developed a pioneering store strategy among AEON stores across Japan as a G.G (Grand Generation) mall for seniors.
- Long term demand expected to be stable due to increase of population of child-rearing generation on the back of overall convenience for living, such as distance to the city center and living costs.

Community Based



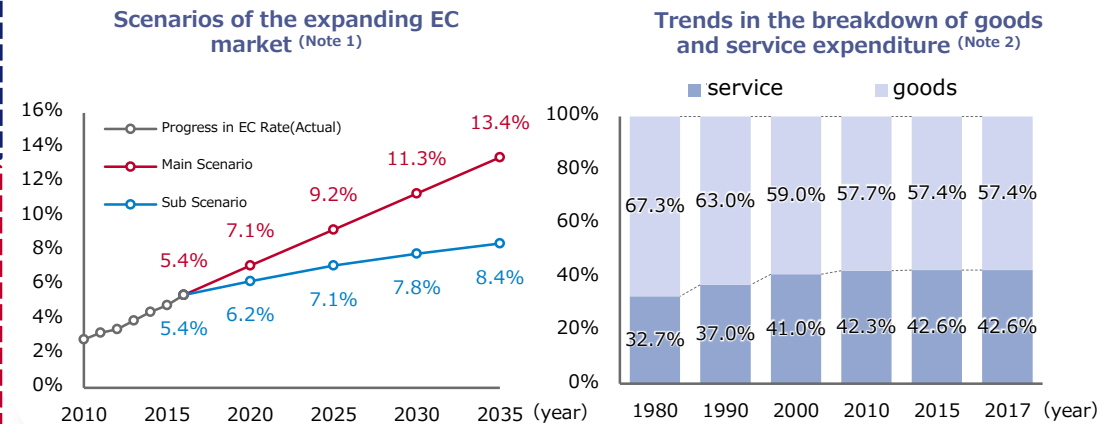
### MEGA Don Quijote Izumi-Chuo

- DCM, the previous tenant, exited, and the store was newly opened in February 2019.
- While there are many competitive stores, such as supermarkets and home improvement stores in this area, this property differentiates itself as a discount store due to the selection of goods and business hours, and sales after the opening has secured a certain level.

Mixture of sale of goods and experience-based consumption

Focusing on consumption of goods

(Reference) Changes in consumption behavior:  
Penetration of EC and a shift to experience-based consumption



Consider selling properties focused on sales of goods and replacing with properties focused on experience based consumption

(Points to consider in case of replacement)

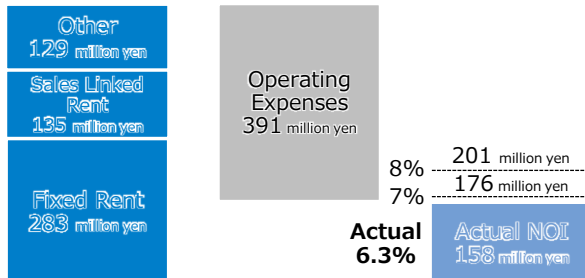
- Risk of ownership, operation and price fluctuations in the future
- Pursuit of a higher disposition price by seizing the opportunity in the strong property market
- Focus on intrinsic value of property
  - Room for a price hike as an area due to redevelopment in the surrounding area
  - Room for a price hike due to redevelopment of properties

Note1: Quoted from the "Long-Term Projection of Sales in Retail Properties: Impact of Aging Population and Low Birthrate and the Expanding E-Commerce Market on Sales in Retail Properties" on August 31, 2017, by NLI Research Institute.  
Note2: Prepared by the Asset Manager based on the "Status of Consumer Policies in Fiscal 2016" and the "Status of Consumer Policies in Fiscal 2017" by the Consumer Affairs Agency.

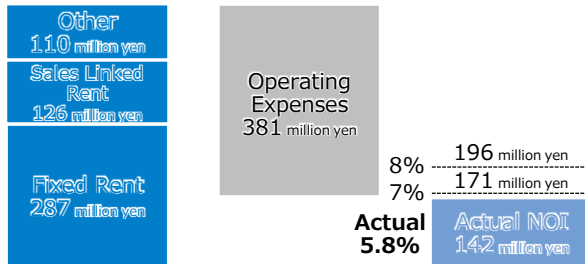
**A year has passed since the renewal opening. While sales fell short of the original plan, remedial measures are continued under the clear recognition of issues.**

## Performance since renewal opening

### 5th FP (May. 2018 to Oct. 2018)



### 6th FP (Nov. 2018 to Apr. 2019)



### Fluctuations in actual results

- While fixed rents remain firm due to a high retention rate, variable rents grow at a sluggish pace even a year after the opening, because of the continued challenge to attract customers.
- Sales promotion introduced during the 6th FP to support sales in the future.

### Sales improvement plan

- Response to tenants: Cooperation with core tenants (**the establishment of "Mi-Nara Day" (a discount day)** with KOHYO and a discount service to Round One users), **active consideration of merchandising restructuring** through invitation of potential core tenant candidate and relocation of tenants
- Sales promotion activities: Promotional activities such as stamp rally and original merchandise coupons to stimulate consumers to visit multiple stores, **the complete renewal of the website** and the introduction of a large digital signage

### Improvement of operation system

- Collaboration between AM and PM: A member of the Asset Manager regularly visits the site and **is involved in hands-on operation** in cooperation with the head office of PM and on-site managers who are in charge of sales promotion.
- Utilization of outside resources: Use business operators with a strong track record to strengthen leasing and sales promotion (**use ITOCHU Urban Community** as leasing support).

### Cooperation with local communities

- Local governments: Discuss and examine specific measures to attract tourists with **Nara City and Nara City Tourist Association** (promotion of traditional crafts and sales of indigenous products)
- Temples and shrines: Tours including Mi-Nara are being planned by directly contacting World Heritage Sites such as **Kofuku-ji Temple and Toshodai-ji Temple**.
- Local residents: Deepen relations with local communities through co-sponsorship of events and festivals such as To-Kae.

### Attraction of inbound tourists

#### Improvement of facilities and contents:

- Complete renewal of NARA SIGHT** (under consideration)
- New construction and expansion of large eating space (under consideration)
- Expansion of parking spaces for large buses

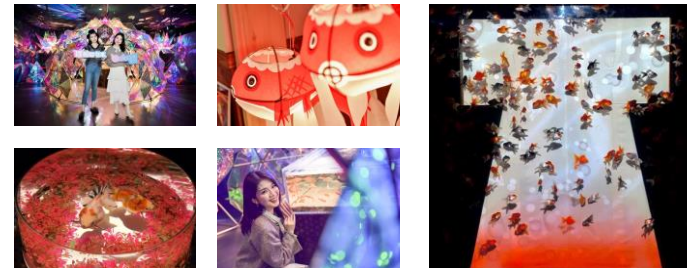
#### <Measures for inbound tourists>

Commenced visit by key opinion leaders (KOL) in China and the posting of information on China's largest viral site (dianping.com).

The ability to send information is steadily increasing, as indicated by the fact that the Kingyo (Goldfish) Museum was covered by a famous information program in Japan.

#### Strengthening of tools to attract customers:

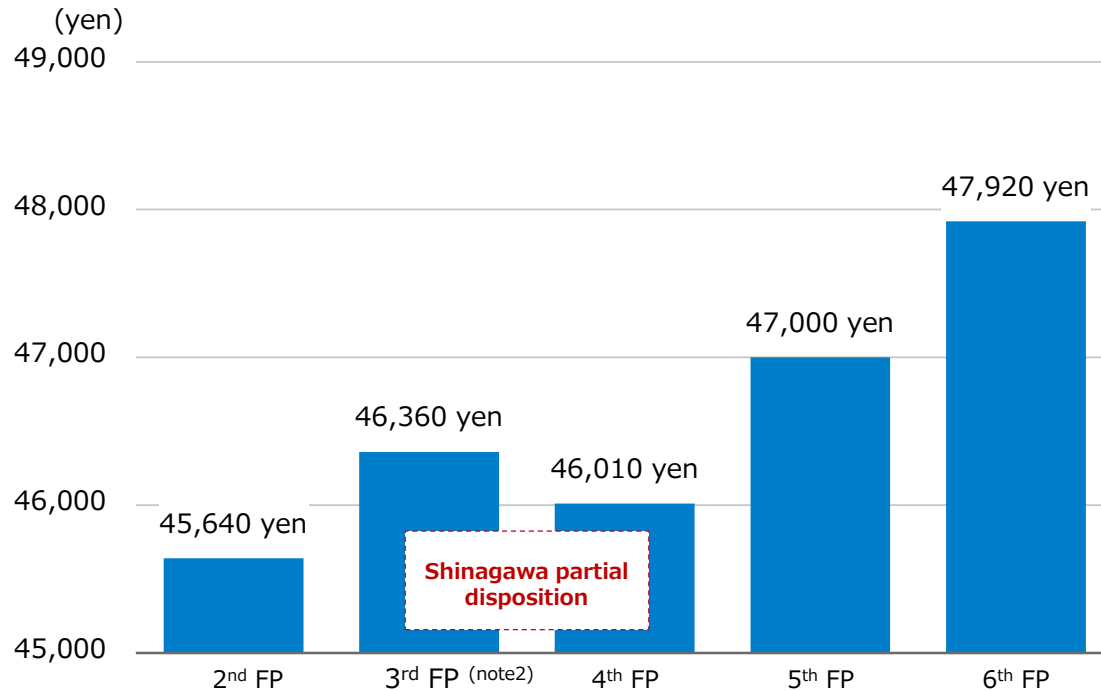
- Direct sales activities by travel agents
- Advertising in cooperation with **overseas key opinion leaders**



## Section4. Financial /IR /ESG Initiatives

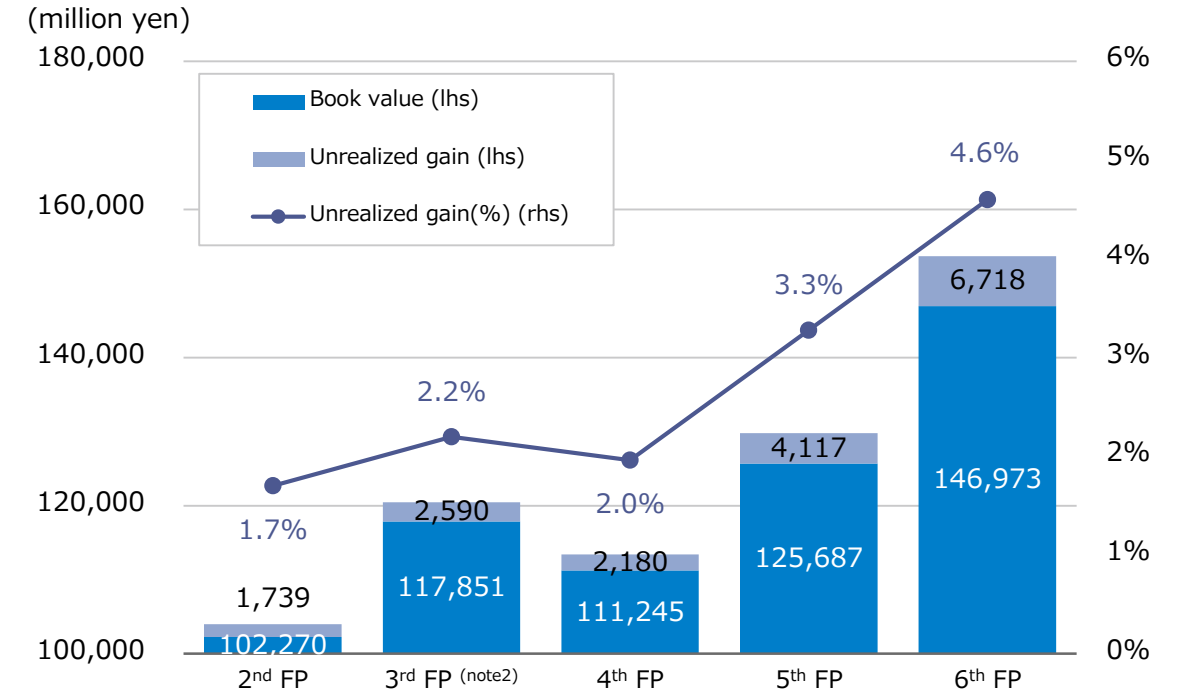
Cash flows from existing properties improved, and unrealized gains steadily increased as a result of revaluations.

### NAV Per Unit (Note 1)



<b>Unrealized gain per unit</b> <small>(Note 1)</small>	1,480	2,200	1,850	3,030	4,240
<b>BPS</b> <small>(note1)</small>	44,160	44,160	44,160	43,960	43,670
<b>Unrealized gain as % of NAV</b>	3.2%	4.8%	4.0%	6.5%	8.9%

### Appraisal Value/ Unrealized Gain



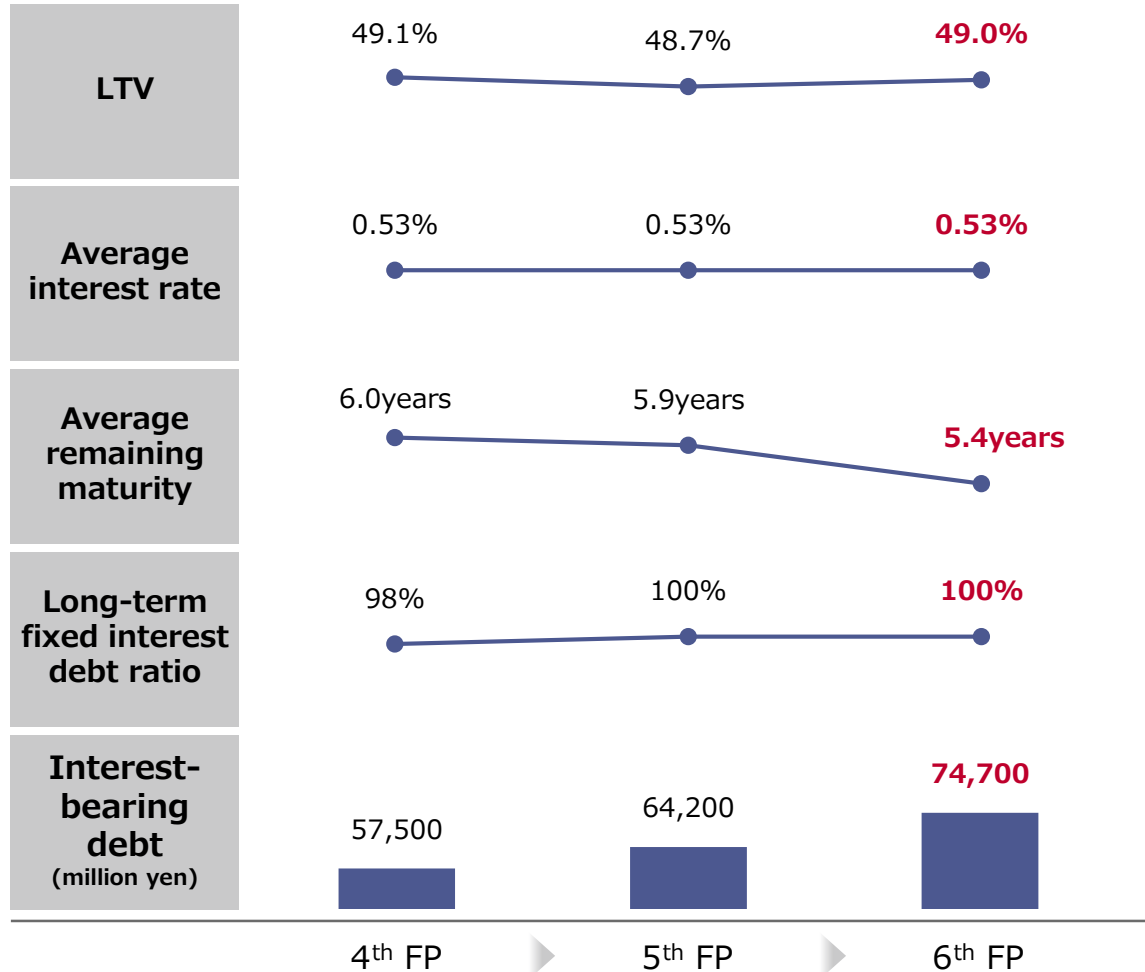
<b>Appraisal value</b>	104,010	120,442	113,426	129,805	153,692
<b>Unrealized gain</b>	1,739	2,590	2,180	4,117	6,718
<b>Unrealized gain (%)</b>	1.7%	2.2%	2.0%	3.3%	4.6%

Note 1: Per unit numbers are rounded down to nearest 10 yen. MIRAI implemented a four-for-one investment unit split with April 30, 2019 as record date. For the purpose of comparison, the 6th fiscal period figures are post split figures.

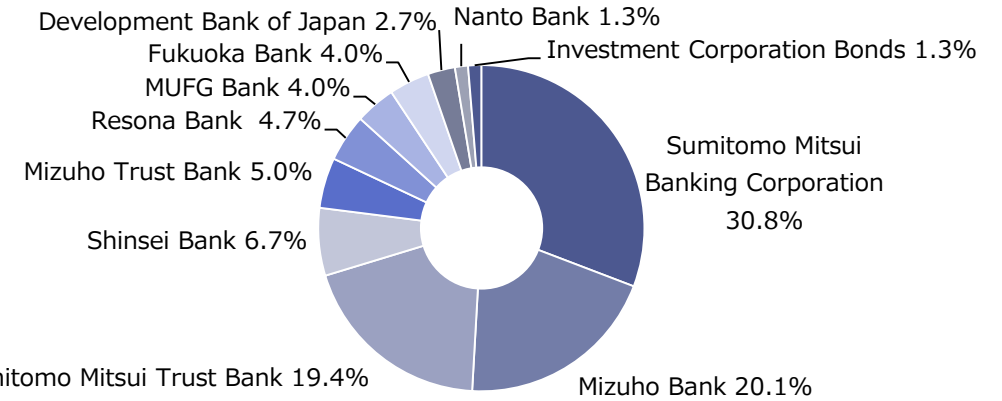
Note 2: Unrealized gain at the end of 3rd FP adds renewal investment of 844 million yen for Mi-Nara on the book value at the end of the FP.

**Stabilized financial base by establishing business relationship with mostly mega banks and major trust banks.  
No refinance required until 2021.**

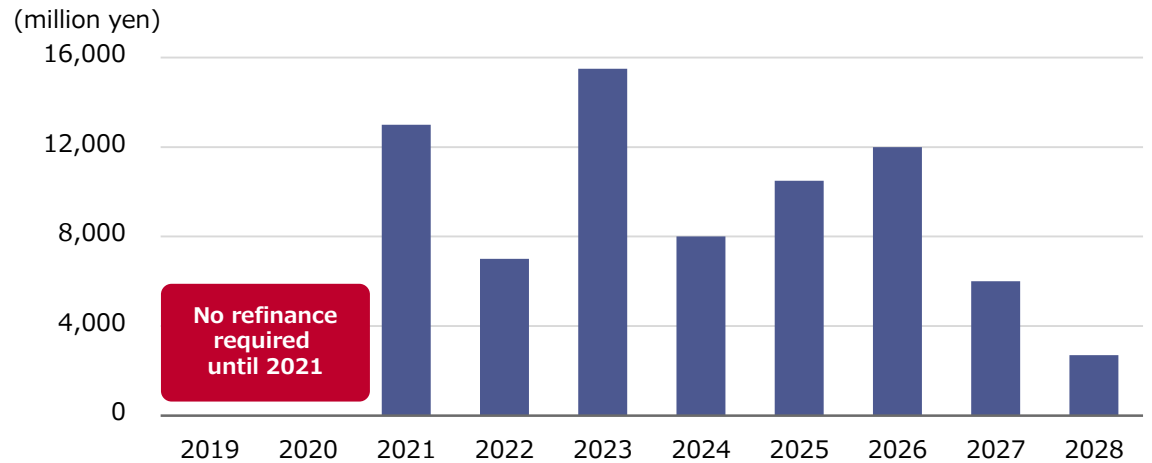
## Financial Highlights



## Diversified Funding Source



## Debt Maturity Ladder



**In January 2019, Japan Credit Rating Agency (JCR) changed its outlook to Positive. A healthy financial base is maintained with the aim of improving the rating to AA-.**

**Japan Credit Rating Agency, Ltd. (JCR)**

Long-term issuer rating : **A+** (positive)

**★Outlook Change from Stable to Positive in January, 2019**

**Rationale** (note 1)

- “Diversification of the portfolio in terms of asset types, properties and tenants as a result has **helped increase stability cash flows.**”
- “Constant growth both externally and internally **by taking advantage of the sponsors’ strengths indicates that such support system is functioning well.**”
- “JCR concludes that, given such factors as external growth achieved since listing, LTV controlled at a level not exceeding 50%, the upper limit of the normal range, through public offerings implemented for two fiscal terms in a row and the support system provided by the two sponsors, **MIRAI can expand the portfolio with financial discipline and keep stable portfolio performance.**”

**Rating and Investment Information, Inc.(R&I)**

Long-term issuer rating : **A** (stable)

**Rationale** (note 2)

- “Offices consist mainly of relatively large-scale properties. **With strong competitiveness in their respective locations, the occupancy rate of offices is kept high. Earnings from hotels, which are budget-type, limited service hotels located in the major cities of Japan, are stable thanks to long-term lease agreements with operators.**”
- “**Large-scale offices in the Tokyo area, the core of the portfolio, are expected to show solid performance for the foreseeable future, and earnings from other type properties, such as retail properties and hotels, are broadly stable.** R&I will keep an eye on developments in the REIT’s efforts to improve the quality and diversification of the portfolio through external growth. ”

Note1: Quoted from the “News Release” on January 17, 2019, by Japan Credit Rating Agency, Ltd.  
 Note2: Quoted from the “NEWS RELEASE” on April 12, 2019, by Rating and Investment Information, Inc.

## Next review

JCR

# Around January 2020

**Status of rating: JCR A+(Positive) (2015~)**

J-REIT	Acquisition of rating: A+ (positive)	Review of rating	Rating after review
Comforia Residential REIT, Inc	Mar. 2015	Mar. 2016	<b>AA- (stable)</b>
Huric REIT, Inc	Apr. 2015	Apr. 2016	<b>AA- (stable)</b>
Kendex Office Investment Corporation	Mar. 2016	Jan. 2017	<b>AA- (stable)</b>
MCUBS MidCity Investment Corporation	Apr. 2018	Mar. 2019	<b>AA- (stable)</b>
Invesco Office J-REIT, Inc	Nov. 2018	(NCW)	-

Continue to engage in pioneering IR activities such as introduction of video streaming and virtual reality technology with wide range of investor in mind.

## YouTube

### 6<sup>th</sup> FP Results



## Financial Summary Comic



## IR Event for Individual Investors

### Nomura IR Fair 2019



## VR Introducing Asset

### Mi-nara



## Upcoming Schedule

- **June** ■ Announcement of 6<sup>th</sup> FP results
  
- **July** ■ IR Overseas (Asia, Europe, North America)  
■ The 4<sup>th</sup> general meeting of unitholders  
■ IR presentation for individual investors (Tokyo)
  
- **Aug.** ■ IR presentation for individual investors (Osaka)
  
  
- **Sept.** ■ Mizuho Investment Conference Tokyo  
■ Merrill Lynch Japan Securities Japan Conference 2019
  
- **Oct.** ■ Period ended October 31, 2019



## Actively working to address ESG issues for global future (future = "MIRAI")

### "E"nvironment

#### Efforts to issue Green Bond

Considering the issuance of a green bond as part of ESG initiative. examining specific issuance scheme and working to obtain additional environmental certifications.

**Environmental certification:**  
**18.6%**(note)  
of assets obtained



MIUMIU Kobe



Shinagawa Seaside Parktower



#### Implementation of environment-responsive construction works utilizing subsidy

Property : Hotel Sunroute Niigata  
 Details : Renewal work of air-handling units  
 Name of subsidy :  
 Subsidy for project for reducing CO2 emissions (refurbishment support project to improve efficiency of facilities)  
 Amount of money granted: 20 million yen

### "S"ocial

#### Working with and contributing to local society



Nursery in Mi-Nara



IBSA Blind Soccer WGP2019 is co-sponsored by MIRAI



MOTTAINAI Campaign sponsored by Bureau of Environment of Tokyo Metropolitan Government (Shinagawa Seaside Parktower)



Summer festival is co-sponsored by MIRAI (Tokyo Front Terrace)



#### Nara To-Kae (co-sponsored by MIRAI)

Seasonal tradition in summer held in Nara City in early August. A fantastic and mystical atmosphere is created by lit candles in Nara Park.

### "G"overnance

#### Mitsui & Co., Group "Integrity"

As part of Mitsui & Co., group of companies, in order for the Asset Manager to become a truly trustworthy corporate group for society, the Asset Manager make serious efforts to heighten awareness among all officers and employees of the importance of upholding "Integrity". "Integrity" here means more than compliance with laws, regulations and rules, and it refers to an employee's ability to act honestly and ethically with a high degree of dignity and respectability, to use good judgement in connection with his/her business activities, and to behave with common courtesy and in accordance with business ethics and social norms.

#### 5つの基本精神

この行動指針はチームごとのパートに分かれており、各パートの基本精神に基づいて行われます。三井物産グループが考える"With Integrity"の核として、まず、この5つを心に留めてください。

- 01 法令を守り、最も高い倫理水準に基づき誠実に行動します。また、人権を尊重し、いかなる差別も行いません。
- 02 社員一人ひとりの個性と多様性を尊重し、自由闊達な風土を守り、育てます。
- 03 公正な事業活動を行い、社会からの信頼に、誠実に応じます。
- 04 地球環境を大切に、豊かで住み良い社会の実現のために積極的に貢献します。
- 05 何かおかしいと感じたとき、疑問に思ったときは、勇気を持って声を上げ、より良い会社をつくります。

#### 判断に迷ったときは？

この行動指針は、日本の事業において皆さんが直面する可能性のある状況すべてを網羅してはおりません。大切なのは、私たち一人ひとりが、自分や周囲の人たちの行動がインテグリティを伴うものかどうかを常に検証する姿勢を持つことです。判断に迷ったときは、次の質問を自分に問いかけてみてください。

**Q1**

誇りを持てますか？

**Q2**

人はどう思うでしょう？

**Q3**

法令、ルール、企業倫理や社会規範に沿ったものでしょうか？

その行動について、

#### Acquisition of investment units by employees of the Asset Manager (Accumulative investment system)

In order to create the same boat investment system for the Asset Manager and MIRAI, accumulative investment system under which employees can acquire investment units are introduced.

Note: Based on acquisition price.

## The Asset Manager formulated 'Basic policy of investment corporation-centric operation' in September 2018.

### 1. Offer best asset management service for the investment corporation

#### (1) Pursuit of best interest of the investment corporation

As an asset management company that is charged with the management of the investment corporation, the Asset Manager will aim for the best interest of the investment corporation through creativity and ingenuity with high level of expertise and ethics. In addition, as part of KPI of this strategy, the Asset Manager will formulate mid-term management plan of the investment corporation and work toward realizing the target.

- **Quantitative targets under the mid-term management plan "Repower 2020" have been achieved ahead of original schedule and expanded plan targeting the end of 2020 have been set.**

#### (2) Improvement of sustainability

The Asset Manager will work together with the investment corporation to aim for improvement of sustainability of the society through investment management activities. The Asset Manager will actively promote to address issues centering on ESG (Environmental, Social and Governance).

- **As part of the sustainability effort, update on ESG initiative are included in result presentation materials.**

#### (3) Appropriate management of conflict of interest

The Asset Manager will comply with the laws, regulations and internal rules and understand accurately the potential conflict of interest in relations to transactions. Where there is a potential of conflict of interest, due care is taken to manage the potential conflict properly such as deliberation by the compliance committee which has outside specialist prior to the transaction.

- **8 compliance committee meetings were hold during the 6th fiscal period. There is no transactions with potential conflict of interest.**

### 2. Measures to make important information easily understood

#### (1) Ensure transparency of asset management business

In order to ensure transparency of the asset management operation, the Asset Manager will do its best to disclose important information related to the investment corporation in a speedy, accurate, fair and easy to understand manner as much as possible.

- **Important information is quickly disclosed through TDnet and on the website of investment corporation for dissemination.**

#### (2) Improve disclosure of the investment corporation to the unitholders

The Asset Manager will actively disclose information that may impact the investment decision of investors through the website, result presentation materials and semi-annual reports in addition to legally required disclosures, always from the point of view of the investment corporation and its investors. In addition, the Asset Manager will strive to present materials that are easy to understand and friendly to those investors who have little knowledge and experience of finance and trading.

- **In addition to the conventional result presentation materials and semi-annual reports, the Asset Manager will pursue unique way to present information such as video streaming and utilization of virtual reality technologies for easier understanding.**

#### (3) Clarify fees

The Asset Manager will clearly state the fee structure to be paid by the investment corporation and will disclose the actual figures of each item in result announcement of the investment corporation.

- **Each item of the Asset Manager's fees is disclosed in the result presentation materials for clarification.**

### 3. Organization structure for investment corporation-centric operation

#### (1) Framework for appropriate motivation

In order for the Asset Manager to operate in a way that respects the interest of the investment corporation, the Asset Manager will introduce fee structure linked to the asset size and profit of the investment corporation and reflect properly to employees' personnel evaluations. In addition, the Asset Manager will strive to ensure that investment corporation-centric operation is established as corporate culture.

- **Fees of the Asset Manager will incorporate factors that links to the profitability of the investment corporation to align interest.**
- **Reflect contribution to the investment corporation as part of employees' personnel evaluations so as to establish investment corporation-centric operation on daily basis.**

#### (2) Improve education / training for employees

In order to train employees that can offer high level of operational service to the investment corporation, the Asset Manager will improve in-house training and push for acquisition of qualifications by employees. Further, the Asset Manager will improve in-house education and training so that the employees are aware of the social responsibility of the Asset Manager and act accordingly.

- **Promote employment and in-house training to improve capability of the Asset Manager.**
- **Work to train employees with strong individuality through supporting of self-development of employees.**
- **Promote compliance training mindful of "Integrity" as part of Mitsui & Co., group.**

# Appendix 1. Basic Information

## Portfolio Strategy

- The portfolio consists mainly of large-scale offices with middle-class rents, which feature stable supply and demand.
- For retail properties and hotels, emphasis is placed on stability through long-term fixed contracts.
- Pursues upside scenario through the inclusion of Growth Asset



## Mid-term Management Plan “Repower 2020”

- “Repower 2020”, which was formulated in June 2017, has been achieved a year and a half ahead of schedule with results for the fiscal period ended April 30, 2019.
- “Repower 2020-ER” has been formulated targeting the end of 2020 in preparation for the financial contraction.

7<sup>th</sup>/8<sup>th</sup> FP Forecast DPU

1,425 yen



DPU Target

Over 1,425 yen

Note: As of end of 6<sup>th</sup> FP.

## Financial Strategy

- Strong bank formation centering on the Mitsui Group
- Ranked among the highest of all J-REITs in terms of conditions for the debt procurement
- A+ (positive) from Japan Credit Rating Agency, Ltd. and A (stable) from Rating and Investment Information, Inc.

Average interest  
Rate (Note)

0.53%

Average remaining  
Maturity (Note)

5.4 years

JCR

**A+**  
(positive)

R&I

**A**  
(stable)

## Double Sponsorship

- Double sponsorship by Mitsui & Co. AM Holdings LTD. and IDERA CM
- The sponsors proactively support deal sourcing, fundraising and leasing activities
- Started co-ownership of properties with Mitsui & Co., Private REIT Inc. in February 2018



MITSUI & CO.  
ASSET MANAGEMENT  
HOLDINGS LTD.

**IDÉRA**  
CAPITAL MANAGEMENT

Portfolio centering on core assets in greater Tokyo area where stable cash flow can be expected.

## Core Assets

**Core Assets**  
utilizing the strengths of the sponsors  
in the real estate business

### Office



### Hotel

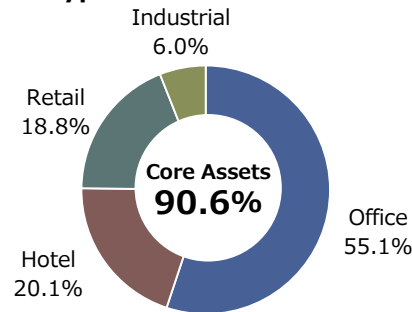


### Retail

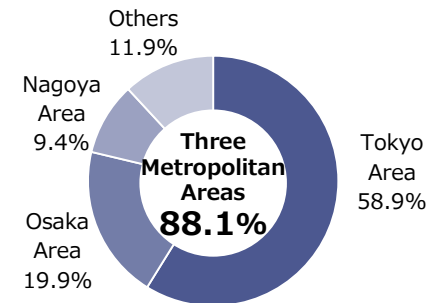


**Focus on the three major metropolitan areas of Japan** (Note 1)  
(Investment ratio: 70% or more)

### Ratio by asset type (Note2)



### Ratio by area (Note2)



## Growth Assets

**Limited Inclusion of Growth Assets**  
utilizing the competitive edge  
of the sponsors

### Core Plus

Assets targeting profitability improvement through upside achieved by leasing, renovation or conversion



**Mi-Nara**  
Acquisition price  
**4,944** million yen  
Appraisal NOI yield  
**9.2 %**

### New Type (Note3)

Assets in Blue ocean, with less acquisition competition and market expansion can be expected



**Rokko Island DC**  
Acquisition price  
**8,650** million yen  
Appraisal NOI yield  
**5.5 %**

Note1: "3 major metropolitan area" refers to greater Tokyo (Tokyo prefecture, Kanagawa prefecture, Chiba prefecture and Saitama prefecture), greater Osaka (Osaka prefecture, Kyoto prefecture, Hyogo prefecture, Nara prefecture, Wakayama prefecture and Shiga prefecture), and greater Nagoya (Aichi prefecture, Mie prefecture and Gifu prefecture). The same shall apply hereinafter.

Note2: Based on acquisition price for portfolio as of end of 6<sup>th</sup> FP.

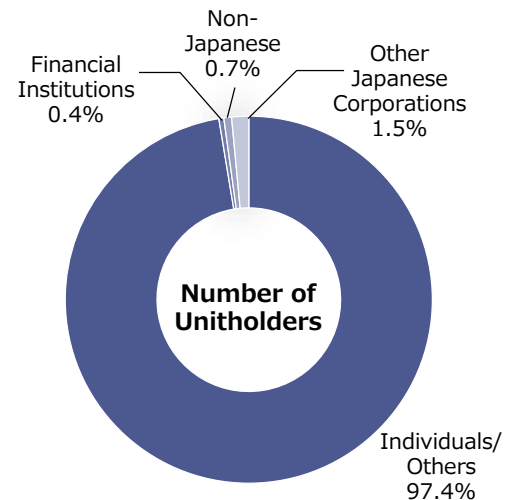
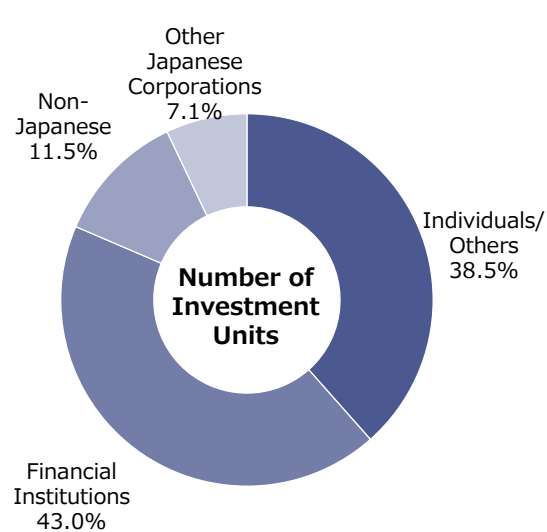
Note3: Acquisition of New Type Asset will be made when the Asset Manager's operational structure is ready (or when the legal framework is ready for some asset classes).

		Results of 5 <sup>th</sup> FP	Results of 6 <sup>th</sup> FP
<b>AM Fee I (based on AUM)</b>	Up to 0.5% per year x total assets <sup>(Note)</sup>	294 million yen	326 million yen
<b>AM Fee II (based on DPU)</b>	Up to 0.001% x DPU before AM Fee II x NOI after depreciation	31 million yen	38 million yen
<b>Acquisition Fees</b>	Up to 1.0% x the acquisition price	142 million yen	211 million yen
<b>Disposition Fees</b>	Up to 1.0% x the disposition price	None	None
<b>Merger Fees</b>	Up to 1.0% x the appraisal value of real estate related assets the counterparty of the merger holds at the time of merger to be transferred to and to be held by the new merged entity	None	None

Note: Daily calculation based on actual days in the period on 365 days a year basis, rounded down to the nearest yen.

## Number of Unitholders / Ownership by Investor Type

	Number of Investment Units	% of Total	vs. previous FP	Number of Unitholders	% of Total	vs. previous FP
Individuals /Others	152,089	38.5%	(4.4%)	19,550	97.4%	(0.1%)
Financial Institutions	169,943	43.0%	1.7%	88	0.4%	0.0%
Non-Japanese	45,485	11.5%	3.4%	136	0.7%	0.2%
Other Japanese Corporations	27,893	7.1%	(0.7%)	301	1.5%	(0.1%)
<b>Total</b>	<b>395,410</b>	<b>100.0%</b>	<b>-</b>	<b>20,075</b>	<b>100.0%</b>	<b>-</b>

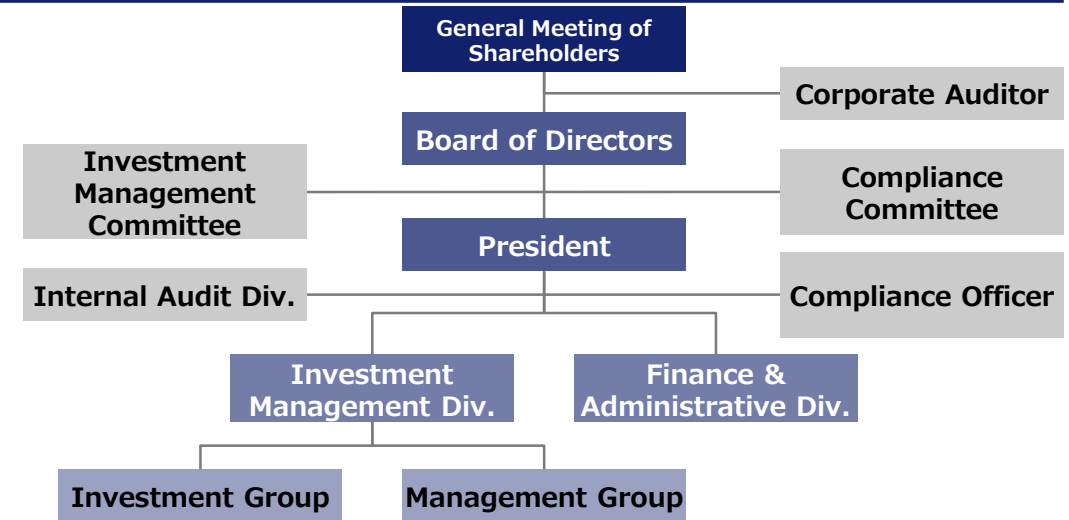


## Major Unitholders

Unitholders	Number of Investment Units	% of Total
The Master Trust Bank of Japan, Ltd. (Trust account)	52,572	13.3%
Japan Trustee Services Bank, Ltd. (Trust account)	42,229	10.7%
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	14,737	3.7%
Mizuho Trust & Banking Co., Ltd.	9,419	2.4%
Morgan Stanley MUFG Securities Co., Ltd.	6,181	1.6%
Trust & Custody Service Bank, Ltd. (Securities investment trust account)	5,977	1.5%
Mitsui&Co. Asset Management Holdings Ltd.	5,000	1.3%
IDERA Capital Management Ltd.	5,000	1.3%
The Hachijuni Bank, Ltd.	4,308	1.1%
Individual	3,980	1.0%
<b>Total</b>	<b>149,403</b>	<b>37.8%</b>

## Asset Manager

<b>Name</b>	<b>Mitsui Bussan &amp; IDERA Partners co., Ltd.</b>
<b>Address</b>	3-2-1 Nishi-kanda Chiyoda-ku, Tokyo 101-0065, Japan
<b>Management</b>	Representative Director, President/ Michio Suganuma Representative Director, Vice President CIO/ Hiroyuki Iwasaki Executive Director, CFO, Head of Finance & Administrative Division/ Shosaku Ikeda Executive Director, Investment Management Division/ Akira Nagahama Director (part-time)/ Tamotsu Hagino Director (part-time)/ Takuya Yamada Corporate Auditor (part-time)/ Ichiro Tsutsumi
<b>Shareholders</b>	Mitsui & Co. Asset Management Holdings Ltd.(50%) IDERA Capital Management Ltd.(50%)
<b>Paid-in capital</b>	¥ 200 million
<b>Registration &amp; Licenses</b>	Building lots and building transaction business; Tokyo Governor's Office license(1) No.98041 Discretionary transaction agent; Minister of Land, Infrastructure, and Transport Approval No.94 Financial Instruments Business Operator (Director of Kanto Finance Bureau(Kinsho) No.2876)



## Governance Structure of MIRAI



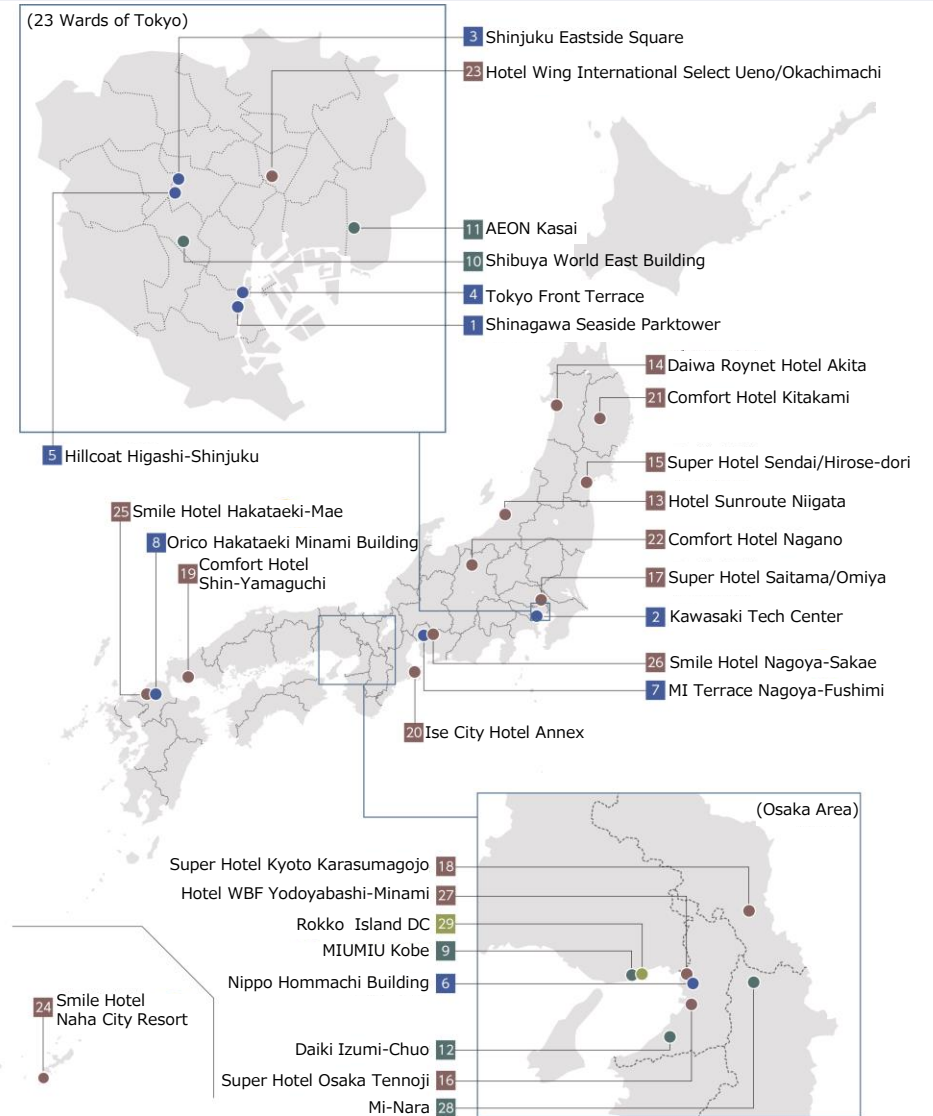
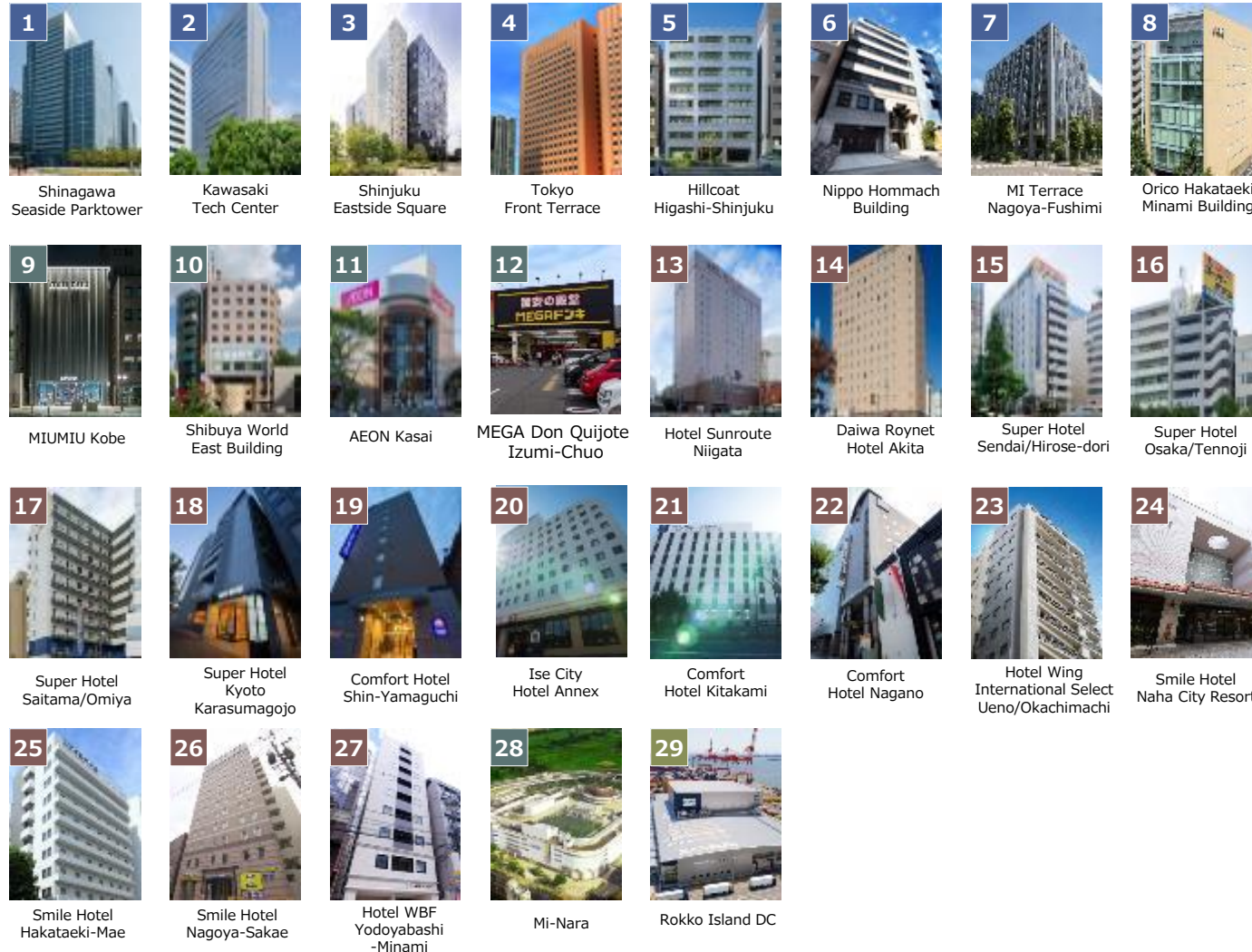
Note: Sponsor support agreements are entered into separately between each of the sponsor company and the Asset Management Company and MIRAI.



## Appendix 2. Portfolio in Detail

## Assets

■ Office ■ Retail ■ Hotel ■ Other



# Portfolio List (As of End of 6<sup>th</sup> FP)

	Asset Type	Property Name	Address	Date of Acquisition	Acquisition Price (million yen)	% of the Portfolio	Appraisal NOI Yield (Note1)	NOI Yield After Depreciation (Note2)	Occupancy Rate (Note3)	
Core Assets	Office	Large-Scale	Shinagawa Seaside Parktower	Shinagawa-ku, Tokyo	December 2016	20,288	14.0%	4.4%	3.5%	100.0%
			Kawasaki Tech Center	Kawasaki-shi, Kanagawa	December 2016	23,182	16.0%	5.1%	4.3%	97.5%
			Shinjuku Eastside Square	Shinjuku-ku, Tokyo	December 2016	10,000	6.9%	3.9%	3.2%	94.9%
			Tokyo Front Terrace	Shinagawa-ku, Tokyo	October 2017	10,592	7.3%	4.1%	3.7%	100.0%
		Mid-sized	Hillcoat Higashi-Shinjuku	Shinjuku-ku, Tokyo	December 2016	3,900	2.7%	4.2%	3.7%	100.0%
			Nippo Hommachi Building	Osaka-shi, Osaka	February 2018	1,465	1.0%	5.2%	4.5%	97.3%
			MI Terrace Nagoya-Fushimi	Nagoya-shi, Aichi	June 2018	8,886	6.1%	4.6%	4.1%	100.0%
			Orico Hakataeki Minami Building	Fukuoka-shi, Fukuoka	August 2018	1,680	1.2%	4.7%	4.1%	100.0%
			<b>Office (8 properties)</b>		-	<b>79,993</b>	<b>55.1%</b>	<b>4.5%</b>	<b>3.8%</b>	<b>98.8%</b>
	Retail	Urban	MIUMIU Kobe	Kobe-shi, Hyogo	December 2016	6,700	4.6%	4.7%	4.5%	100.0%
			Shibuya World East Building	Shibuya-ku, Tokyo	December 2016	3,200	2.2%	4.7%	4.5%	100.0%
		Community Based	AEON Kasai	Edogawa-ku, Tokyo	December 2016	9,420	6.5%	5.3%	4.7%	100.0%
			MEGA Don Quijote Izumi-Chuo	Izumi-shi, Osaka	December 2016	3,000	2.1%	4.5%	3.8%	100.0%
			<b>Retail (4 properties)</b>		-	<b>22,320</b>	<b>15.4%</b>	<b>4.9%</b>	<b>4.5%</b>	<b>100.0%</b>
	Hotel	Budget	Hotel Sunroute Niigata	Niigata-shi, Niigata	December 2016	2,108	1.5%	6.7%	4.8%	100.0%
			Daiwa Roynet Hotel Akita	Akita-shi, Akita	December 2016	2,042	1.4%	5.8%	4.0%	100.0%
			Super Hotel Sendai/Hirose-dori	Sendai-shi, Miyagi	December 2016	1,280	0.9%	5.9%	4.8%	100.0%
			Super Hotel Osaka/Tennoji	Osaka-shi, Osaka	December 2016	1,260	0.9%	5.4%	4.8%	100.0%
			Super Hotel Saitama/Omiya	Saitama-shi, Saitama	December 2016	1,123	0.8%	5.4%	4.1%	100.0%
			Super Hotel Kyoto/Karasumagojo	Kyoto-shi, Kyoto	December 2016	1,030	0.7%	5.4%	4.7%	100.0%
			Comfort Hotel Shin-Yamaguchi	Yamaguchi-shi, Yamaguchi	December 2016	902	0.6%	5.7%	4.0%	100.0%
			Ise City Hotel Annex	Ise-shi, Mie	March 2018	1,800	1.2%	5.5%	4.7%	100.0%
			Comfort Hotel Kitakami	Kitakami-shi, Iwate	March 2018	820	0.6%	5.3%	3.0%	100.0%
			Comfort Hotel Nagano	Nagano-shi, Nagano	March 2018	580	0.4%	5.8%	4.3%	100.0%
			Hotel Wing International Select Ueno/Okachimachi	Taito-ku, Tokyo	May 2018	3,720	2.6%	4.4%	3.8%	100.0%
			Smile Hotel Naha City Resort	Naha-shi, Okinawa	November 2018	4,000	2.8%	6.1%	5.7%	100.0%
			Smile Hotel Hakataeki-Mae	Fukuoka-shi, Fukuoka	November 2018	3,800	2.6%	4.6%	4.2%	100.0%
Smile Hotel Nagoya-Sakae			Nagoya-shi, Aichi	November 2018	2,950	2.0%	4.9%	4.4%	100.0%	
Hotel WBF Yodoyabashi-Minami			Osaka-shi, Osaka	November 2018	1,750	1.2%	4.6%	4.0%	100.0%	
		<b>Hotel (15 properties)</b>		-	<b>29,165</b>	<b>20.1%</b>	<b>5.3%</b>	<b>4.4%</b>	<b>100.0%</b>	
Growth Assets	Retail	Community Based	Mi-Nara	Nara-shi, Nara	October 2017	4,944	3.4%	9.2%	7.1%	100.0%
New Type	Industrial		Rokko Island DC	Kobe-shi, Hyogo	November 2018	8,650	6.0%	5.5%	4.2%	100.0%
<b>Total</b>						<b>145,072</b>	<b>100.0%</b>	<b>5.0%</b>	<b>4.2%</b>	<b>99.6%</b>

Note1: Calculated by dividing the "Appraisal NOI" by the acquisition price, rounded to the nearest tenth. "Appraisal NOI" refers to net operating income which is obtained by subtracting operating expenses from operating revenues stated in the appraisal reports. It is NOI before the depreciation and differs from Net Cash Flow which is derived by adding return on investment from security deposit to NOI and subtracting the capital expenditures. Above appraisal NOI is the first year NOI under DCF method (if there are any specific issues for the first year, it is the 2nd or the 3rd year). However, for real estate in trust that MIRAI has quasi-co-ownership of real estate trust beneficiary, value derived by multiplying the quasi-co-ownership stake to "Appraisal NOI" is used. The same shall apply hereinafter.

Note2: Calculated by dividing the value derived by subtracting the depreciation from "Appraisal NOI" by the acquisition price, rounded to the nearest tenth. Depreciation expense is tentatively calculated by the Asset Manager based on certain assumption utilizing straight-line method.

Note3: The land was acquired on December 16, 2016 and the building was acquired on November 9, 2017.

## Shinagawa Seaside Parktower (63.4% quasi-co-ownership) (Note 1)

Office

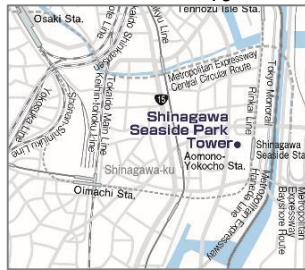


Acquisition Price (Note 1)

**20,288** million yen

Appraisal NOI yield

**4.4%**



<b>Address</b>	4-12-4, Higashi-Shinagawa, Shinagawa-ku, Tokyo
<b>Land area</b>	17,386.11m <sup>2</sup> (Note2) (the entire property)
<b>Floor area</b>	55,930.90m <sup>2</sup> (the entire property)(Note2)
<b>Structure</b>	① Parking SRC 1F ② Office/Shop SRC/RC/S B2/25F ③ Parking SRC 1F
<b>Occupancy rate (number of tenants)</b>	100.0%(23)
<b>Completion</b>	① September 2002 ②③ July 2003

## Kawasaki Tech Center

Office



Acquisition Price

**23,182** million yen

Appraisal NOI yield

**5.1%**



<b>Address</b>	580-16, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa
<b>Land area</b>	5,662.48m <sup>2</sup>
<b>Floor area</b>	47,036.44m <sup>2</sup>
<b>Structure</b>	S/RC/SRC B3/20F
<b>Occupancy rate (number of tenants)</b>	97.5%(26)
<b>Completion</b>	February 1988

## Shinjuku Eastside Square (5.0% quasi-co-ownership)

Office

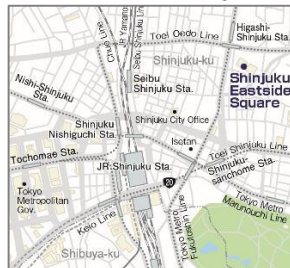


Acquisition Price

**10,000** million yen

Appraisal NOI yield

**3.9%**



<b>Address</b>	6-27-30, Shinjuku, Shinjuku-ku, Tokyo
<b>Land area</b>	25,320.28m <sup>2</sup> (the entire property)
<b>Floor area</b>	167,031.19m <sup>2</sup> (the entire property)
<b>Structure</b>	S/RC B2/20F
<b>Occupancy rate (number of tenants)</b>	94.9%(39)
<b>Completion</b>	March 2012

## Tokyo Front Terrace (50.2% quasi-co-ownership)

Office

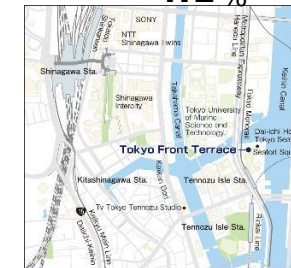


Acquisition Price

**10,592** million yen

Appraisal NOI yield

**4.1%**



<b>Address</b>	2-3-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo
<b>Land area</b>	17,189.24m <sup>2</sup> (Note3)
<b>Floor area</b>	146,697.51m <sup>2</sup> (Note4)
<b>Structure</b>	SRC B2/30F
<b>Occupancy rate (number of tenants)</b>	100.0%(23)
<b>Completion</b>	June 1992

Note1 : MIRAI has disposed of 36.6% quasi-co-ownership at the end of February 2018 and the ratio is calculated based on the figure after the disposition.

Note2 : MIRAI owns sectional ownership and part co-ownership of the property.

Note3 : The trust whose beneficiary interest MIRAI acquired holds the co-ownership interests concerning part of the entire site of "Sea Fort Square", including the site of the property. The proportion of the co-ownership interests is 3,675,562/10,000,000. Other sections of the entire site of "Sea Fort Square" are owned by third parties, with site usage right established under management agreement.

Note4 : The total floor area of the entire complex is presented. The trust whose beneficiary interests MIRAI acquired owns exclusive floor area equal to 28,954.48m<sup>2</sup> based on real estate register, corresponding to sectional ownership and co-ownership interest. MIRAI owns 50.2% of the quasi-co-ownership beneficiary interests of the trust.

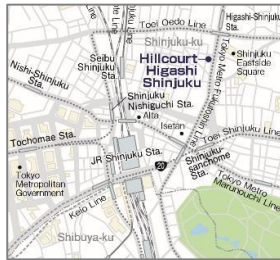
## Hillcoat Higashi-Shinjuku

Office



Acquisition Price  
**3,900** million yen

Appraisal NOI yield  
**4.2 %**



Address	2-2-15, Kabuki-cho, Shinjuku-ku, Tokyo
Land area	628.09㎡
Floor area	4,480.44㎡
Structure	SRC B1/8F
Occupancy rate (number of tenants)	100.0% (6)
Completion	July 1987

## Nippo Hommachi Building

Office



Acquisition Price  
**1,465** million yen

Appraisal NOI yield  
**5.2 %**



Address	2-4-6, Minami-Hommachi, chou-ku, Osaka-shi, Osaka
Land area	502.95㎡
Floor area	3,841.12㎡
Structure	SRC 11F
Occupancy rate (number of tenants)	97.3% (37)
Completion	August,1990

## MI Terrace Nagoya-Fushimi

Office



Acquisition Price  
**8,886** million yen

Appraisal NOI yield  
**4.6 %**



Address	1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi
Land area	1,980.56㎡
Floor area	14,481.95㎡
Structure	S 12F
Occupancy rate (number of tenants)	100.0%(9)
Completion	February 1993

## Orico Hakataeki Minami Building

Office



Acquisition Price  
**1,680** million yen

Appraisal NOI yield  
**4.7 %**



Address	3-7-30, Hakataeki-minami, Hakata-ku, Fukuoka-shi, Fukuoka
Land area	525.04㎡
Floor area	2,845.60㎡
Structure	S 7F
Occupancy rate (number of tenants)	100.0% (1)
Completion	August 2002

## MIUMIU Kobe

Retail



**Acquisition Price**  
**6,700** million yen

**Appraisal NOI yield**  
**4.7 %**



<b>Address</b>	18-1, Akashi-cho, Chuo-ku, Kobe-shi, Hyogo
<b>Land area</b>	383.83㎡
<b>Floor area</b>	874.03㎡
<b>Structure</b>	S 3F
<b>Occupancy rate (number of tenants)</b>	100.0% (1)
<b>Completion</b>	July 2017

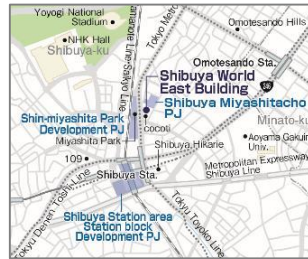
## Shibuya World East Building

Retail



**Acquisition Price**  
**3,200** million yen

**Appraisal NOI yield**  
**4.7 %**



<b>Address</b>	1-23-18, Shibuya, Shibuya-ku, Tokyo
<b>Land area</b>	267.99㎡
<b>Floor area</b>	1,880.68㎡
<b>Structure</b>	SRC 10F
<b>Occupancy rate (number of tenants)</b>	100.0%(8)
<b>Completion</b>	October 1984

## AEON Kasai

Retail



**Acquisition Price**  
**9,420** million yen

**Appraisal NOI yield**  
**5.3 %**



<b>Address</b>	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo
<b>Land area</b>	20,063.51㎡ (the entire property)
<b>Floor area</b>	38,454.66㎡
<b>Structure</b>	① Store RC 5F ② Parking SRC 6F ③ Office SRC 5F
<b>Occupancy rate (number of tenants)</b>	100.0%(1)
<b>Completion</b>	① November 1982 ② May 1983 ③ April 1983

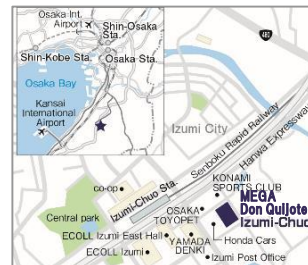
## MEGA Don Quijote Izumi-Chuo

Retail



**Acquisition Price**  
**3,000** million yen

**Appraisal NOI yield**  
**4.5 %**



<b>Address</b>	5-6-17, Ibuki-no, Izumi-shi, Osaka
<b>Land area</b>	9,712.37㎡
<b>Floor area</b>	6,891.87㎡
<b>Structure</b>	S 3F
<b>Occupancy rate (number of tenants)</b>	100.0%(1)
<b>Completion</b>	October 2008

## Hotel Sunroute Niigata

Hotel



**Acquisition Price**  
**2,108** million yen

**Appraisal NOI yield**  
**6.7** %



<b>Address</b>	1-11-25, Higashi-Odori, Chuo-ku, Niigata-shi, Niigata
<b>Land area</b>	1,402.51㎡
<b>Floor area</b>	8,255.81㎡
<b>Structure</b>	S/SRC/RC B1F/14F
<b>Number of rooms</b>	231
<b>Occupancy rate (number of tenants)</b>	100.0%(2)
<b>Completion</b>	August 1992

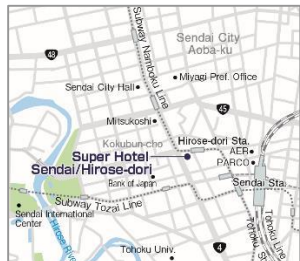
## Super Hotel Sendai/Hirose-dori

Hotel



**Acquisition Price**  
**1,280** million yen

**Appraisal NOI yield**  
**5.9** %



<b>Address</b>	2-9-23, Chuo, Aoba-ku, Sendai-shi, Miyagi
<b>Land area</b>	549.10㎡
<b>Floor area</b>	3,251.77㎡
<b>Structure</b>	RC 10F
<b>Number of rooms</b>	180
<b>Occupancy rate (number of tenants)</b>	100.0%(1)
<b>Completion</b>	January 2007

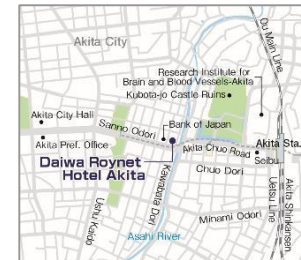
## Daiwa Roynet Hotel Akita

Hotel



**Acquisition Price**  
**2,042** million yen

**Appraisal NOI yield**  
**5.8** %



<b>Address</b>	2-2-41, Omachi, Akita-shi, Akita
<b>Land area</b>	1,540.15㎡
<b>Floor area</b>	7,439.36㎡
<b>Structure</b>	S 14F
<b>Number of rooms</b>	221
<b>Occupancy rate (number of tenants)</b>	100.0%(1)
<b>Completion</b>	June 2006

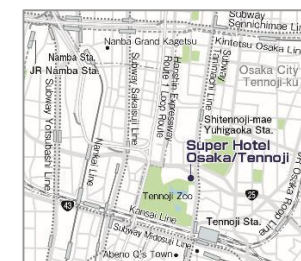
## Super Hotel Osaka/Tennoji

Hotel



**Acquisition Price**  
**1,260** million yen

**Appraisal NOI yield**  
**5.4** %



<b>Address</b>	2-3-3, Osaka, Tennoji-ku, Osaka-shi, Osaka
<b>Land area</b>	490.65㎡
<b>Floor area</b>	2,486.39㎡
<b>Structure</b>	RC 9F
<b>Number of rooms</b>	124
<b>Occupancy rate (number of tenants)</b>	100.0%(1)
<b>Completion</b>	January 2004

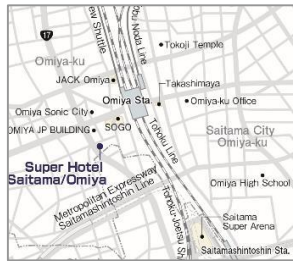
## Super Hotel Saitama/Omiya

Hotel



Acquisition Price  
**1,123** million yen

Appraisal NOI yield  
**5.4** %



Address	1-12-6, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama
Land area	597.25㎡
Floor area	2,946.55㎡
Structure	RC 10F
Number of rooms	157
Occupancy rate (number of tenants)	100.0%(1)
Completion	July 2006

## Super Hotel Kyoto/Karasumagojo

Hotel



Acquisition Price  
**1,030** million yen

Appraisal NOI yield  
**5.4** %



Address	396-3, Osaka-cho, Gojo-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi, Kyoto
Land area	337.23㎡
Floor area	2,144.02㎡
Structure	RC 10F
Number of rooms	108
Occupancy rate (number of tenants)	100%(1)
Completion	January 2004

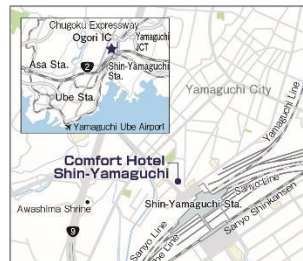
## Comfort Hotel Shin-Yamaguchi

Hotel



Acquisition Price  
**902** million yen

Appraisal NOI yield  
**5.7** %



Address	1255-1, Shimogou, Ogori, Yamaguchi-shi, Yamaguchi
Land area	754.06㎡
Floor area	2,999.01㎡
Structure	S 8F
Number of rooms	139
Occupancy rate (number of tenants)	100%(1)
Completion	August 2007

## Ise City Hotel Annex

Hotel



Acquisition Price  
**1,800** million yen

Appraisal NOI yield  
**5.5** %



Address	2-5-11, Fukiage, Ise-shi, Mie
Land area	1,587.58㎡
Floor area	4,099.31㎡
Structure	SRC 10F
Number of rooms	143
Occupancy rate (number of tenants)	100%(1)
Completion	November, 1991



## Comfort Hotel Kitakami

Hotel



**Acquisition Price**  
**820** million yen

**Appraisal NOI yield**  
**5.3 %**



<b>Address</b>	①(Hotel) 1-2-1, Kawagishi, Kitakami-shi, Iwate ②(Retail Store) 1-2-8, Kawagishi, Kitakami-shi, Iwate
<b>Land area</b>	2,809.93㎡
<b>Floor area</b>	①(Hotel) 2,775.65㎡ ②(Retail Store) 177.36㎡
<b>Structure</b>	①(Hotel) RC 6F ②(Retail Store) S 1F
<b>Number of rooms</b>	129
<b>Occupancy rate (number of tenants)</b>	100% (2)
<b>Completion</b>	①(Hotel) January 2009 ②(Retail Store) October 2008

## Comfort Hotel Nagano

Hotel



**Acquisition Price**  
**580** million yen

**Appraisal NOI yield**  
**5.8 %**



<b>Address</b>	1-12-4, Minami-chitose, Nagano-shi, Nagano
<b>Land area</b>	396.28㎡
<b>Floor area</b>	1,921.45㎡
<b>Structure</b>	S 8F
<b>Number of rooms</b>	76
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	August 1992

## Hotel Wing International Select Ueno/Okachimachi

Hotel



**Acquisition Price**  
**3,720** million yen

**Appraisal NOI yield**  
**4.4 %**



<b>Address</b>	2-18-4, Higashi-ueno, Taito-ku, Tokyo
<b>Land area</b>	359.09㎡
<b>Floor area</b>	3,053.09㎡
<b>Structure</b>	RC B1/15F
<b>Number of rooms</b>	141
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	April 2018

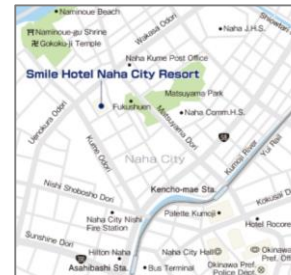
## Smile Hotel Naha City Resort

Hotel



**Acquisition Price**  
**4,000** million yen

**Appraisal NOI yield**  
**6.1 %**



<b>Address</b>	2-32-1, Kume, Naha-shi, Okinawa
<b>Land area</b>	2,343.96㎡
<b>Floor area</b>	9,698.44㎡
<b>Structure</b>	S/RC 11F
<b>Number of rooms</b>	227
<b>Occupancy rate (number of tenants)</b>	100.0% (1)
<b>Completion</b>	June 1988

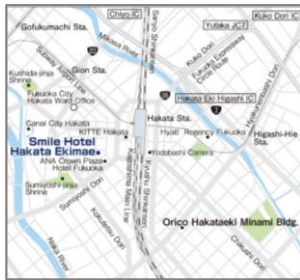
## Smile Hotel Hakataeki-Mae

Hotel



Acquisition Price  
**3,800** million yen

Appraisal NOI yield  
**4.6 %**



Address	3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka
Land area	384.84m <sup>2</sup>
Floor area	2,426.78m <sup>2</sup>
Structure	RC 11F
Number of rooms	118
Occupancy rate (number of tenants)	100% (1)
Completion	February 2017

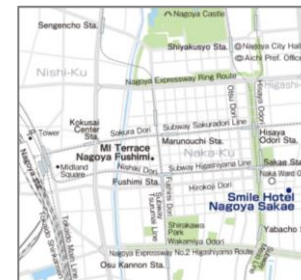
## Smile Hotel Nagoya-Sakae

Hotel



Acquisition Price  
**2,950** million yen

Appraisal NOI yield  
**4.9 %**



Address	4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi
Land area	583.70m <sup>2</sup>
Floor area	2,909.20m <sup>2</sup>
Structure	RC 13F
Number of rooms	141
Occupancy rate (number of tenants)	100.0% (1)
Completion	September 2008

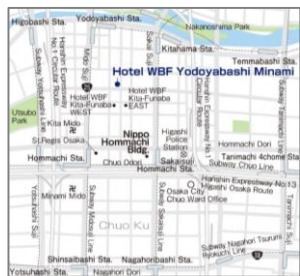
## Hotel WBF Yodoyabashi-Minami

Hotel



Acquisition Price  
**1,750** million yen

Appraisal NOI yield  
**4.6 %**



Address	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka
Land area	295.42m <sup>2</sup>
Floor area	1,821.56m <sup>2</sup>
Structure	S 9F
Number of rooms	96
Occupancy rate (number of tenants)	100% (1)
Completion	January 2017

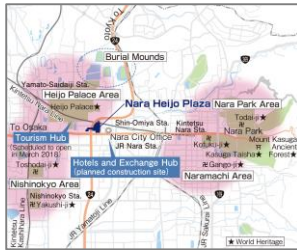
## Mi-Nara

Growth  
Retail



**Acquisition Price**  
**4,944** million yen

**Appraisal NOI yield**  
**9.2 %**



<b>Address</b>	1-3-1, Nijo-Oji-Minami, Nara-shi, Nara
<b>Land area</b>	53,214.66㎡
<b>Floor area</b>	① 72,944.41㎡ (Department store) ② 4,543.32㎡ (Parking space)
<b>Structure</b>	① SRC 7F ② S 3F
<b>Occupancy rate (number of tenants)</b>	100%(1)(Note)
<b>Completion</b>	① September 1989 ② June 2003

## Rokko Island DC

Growth  
Industrial



**Acquisition Price**  
**8,650** million yen

**Appraisal NOI yield**  
**5.5 %**



<b>Address</b>	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo
<b>Land area</b>	26,304.75㎡
<b>Floor area</b>	14,381.16㎡
<b>Structure</b>	S 2F
<b>Occupancy rate (number of tenants)</b>	100.0% (1)
<b>Completion</b>	May 2016

Note : The occupancy rate is calculated based on master lease agreement with GK Mi-Nara. The master lessee has entered into lease contracts with multiple end tenants.

## Appendix 3. Financials in Detail

## Statement of Income

Item	(million yen)	
	5th FP	6th FP
<b>Operating revenue</b>	<b>4,417</b>	<b>4,959</b>
Lease business revenue	3,256	4,023
Other lease business revenue	1,160	935
Operating expenses	-	-
<b>Operating expenses</b>	<b>2,295</b>	<b>2,427</b>
Expenses related to rent business	1,909	1,999
Asset management fee	326	364
Asset custody fee	5	7
Administrative service fees	12	14
Directors' compensations	3	3
Other operating expenses	36	38
<b>Operating profit</b>	<b>2,122</b>	<b>2,531</b>
<b>Non-operating income</b>	<b>0</b>	<b>0</b>
<b>Non-operating expenses</b>	<b>255</b>	<b>261</b>
Interest expenses, etc.	168	196
Borrowing related expenses, etc.	41	42
Investment unit issuance expenses	44	18
Other	-	3
<b>Ordinary profit</b>	<b>1,867</b>	<b>2,270</b>
<b>Extraordinary income</b>	<b>56</b>	<b>26</b>
<b>Extraordinary losses</b>	<b>-</b>	<b>24</b>
<b>Income taxes</b>	<b>0</b>	<b>0</b>
<b>Profit</b>	<b>1,922</b>	<b>2,271</b>
<b>Retained earnings (deficit) brought forward</b>	<b>61</b>	<b>0</b>
<b>Unappropriated retained earnings</b>	<b>1,984</b>	<b>2,271</b>

## Balance Sheet

Item	(million yen)	
	5th FP	6th FP
<b>Current assets</b>	<b>5,620</b>	<b>5,072</b>
Cash and deposits	2,958	2,227
Cash and deposits in trust	2,264	2,327
Consumption taxes receivable	151	230
Other	246	286
<b>Non-current assets</b>	<b>126,139</b>	<b>147,409</b>
Property, plant and equipment	125,687	146,973
Intangible assets/Other	451	435
<b>Deferred assets</b>	<b>11</b>	<b>11</b>
<b>Total assets</b>	<b>131,772</b>	<b>152,493</b>
<b>Current liabilities</b>	<b>1,340</b>	<b>1,376</b>
Operating accounts payable	405	338
Short-term loans payable	-	-
Accounts payable – other	385	409
Advances received	532	607
Other	18	20
<b>Non-current liabilities</b>	<b>68,840</b>	<b>80,262</b>
Investment corporation bonds	1,000	1,000
Long-term loans payable	63,200	73,700
Tenant leasehold and security deposits in trust	4,640	5,070
Derivatives liabilities	-	491
<b>Total liabilities</b>	<b>70,181</b>	<b>81,639</b>
<b>Unitholders' equity</b>	<b>61,579</b>	<b>71,346</b>
Unitholders' capital	59,595	69,074
Surplus	1,984	2,271
<b>Valuation and translation adjustments</b>	<b>11</b>	<b>(491)</b>
<b>Net assets</b>	<b>61,590</b>	<b>70,854</b>
<b>Total liabilities and net assets</b>	<b>131,772</b>	<b>152,493</b>

## Statement of Cash Flows

Item	(million yen)	
	5th FP	6th FP
<b>Cash flows from operating activities</b>	<b>2,307</b>	<b>2,775</b>
Profit before income taxes	1,923	2,272
Depreciation	453	553
Investment unit issuance expenses	44	18
Interest expenses	168	196
Loss on reduction of non-current assets	-	24
Decrease (increase) in operating accounts receivable	(26)	(17)
Decrease (increase) in accounts receivable - other	151	-
Decrease (increase) in prepaid expenses	5	(23)
Decrease (increase) in consumption taxes refund receivable	(151)	(78)
Increase (decrease) in operating accounts payable	(41)	(81)
Increase (decrease) in accounts payable - other	10	24
Increase (decrease) in accrued consumption taxes	(140)	-
Increase (decrease) in advances received	62	75
Decrease (increase) in long-term prepaid expenses	7	4
Decrease from sales of property, plant and equipment in trust	-	-
Other, net	11	(2)
Interest expenses paid	(171)	(192)
<b>Cash flows from investing activities</b>	<b>(14,762)</b>	<b>(21,419)</b>
Purchase of property, plant and equipment in trust	(15,355)	(21,849)
Other, payment	592	429
<b>Cash flows from financing activities</b>	<b>12,705</b>	<b>17,976</b>
Increase (decrease) in short-term loans payable	(1,000)	-
Proceeds from long-term loans payable	6,700	10,500
Proceeds from issuance of investment corporation bonds	987	-
Proceeds from issuance of investment units	7,719	9,399
Dividends paid	(1,701)	(1,922)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>250</b>	<b>(667)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>4,790</b>	<b>5,040</b>
<b>Cash and cash equivalents at end of period</b>	<b>5,040</b>	<b>4,373</b>

# Financial Summary by Property

53

(million yen)

Property Name	Shinagawa Seaside Parktower	Kawasaki Tech Center	Shinjuku Eastside Square	Tokyo Front Terrace	Hillcoat Higashi-Shinjuku	Nippo Hommachi Building	MI Terrace Nagoya-Fushimi	Orico Hakataeki Minami Building	MIUMIU Kobe	Shibuya World East Building
<b>Operating days</b>	181	181	181	181	181	181	181	181	181	181
<b>Operating revenue</b>	726	913	222	326	92	52	294	Not disclosed (Note 1)	162	76
Lease business revenue	637	483	196	296	85	41	264		162	70
Other lease business revenue	89	429	25	30	7	11	30		0	6
<b>Operating expense</b>	269	351	54	111	27	16	61		4	16
Outsourcing service expenses	57	81	18	18	8	5	25		0	5
Utilities expenses	101	170	15	27	6	4	18		-	4
Property and other taxes	61	52	17	37	8	2	10		3	5
Repair expenses	5	10	0	7	0	2	2		-	-
Other expenses related to lease business	43	36	2	21	3	1	4		0	1
<b>NOI</b>	457	561	167	215	65	35	232		40	158
Depreciation	83	93	38	19	8	5	20	4	5	3
<b>Income (loss) from real estate leasing business</b>	373	468	129	195	56	30	211	36	152	56
Capital expenditure	23	172	6	23	-	21	14	-	-	45
<b>NCF</b>	434	389	161	191	65	14	218	40	158	15
<b>Book value</b>	20,242	23,650	9,987	10,728	4,013	1,567	8,980	1,752	6,890	3,337
<b>NOI yield</b> <sup>(Note 2)</sup>	4.6%	4.8%	3.4%	4.0%	3.3%	4.6%	5.2%	4.7%	4.6%	3.6%
<b>NOI yield after depreciation</b> <sup>(Note 2)</sup>	3.7%	4.0%	2.6%	3.7%	2.9%	3.9%	4.8%	4.2%	4.5%	3.4%

Note1: Not disclosed because tenant's consent was not obtained.

Note2: Based on book value as of April 30, 2019.

# Financial Summary by Property

54

(million yen)

Property Name	AEON Kasai	MEGA Don Quijote Izumi-Chuo	Hotel Sunroute Niigata	Daiwa Roynet Hotel Akita	Super Hotel Sendai Hirose-dori	Super Hotel Osaka Tennoji	Super Hotel Saitama Omiya	Super Hotel Kyoto Karasumagojo	Comfort Hotel Shin-Yamaguchi	Ise City Hotel Annex
<b>Operating days</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>
<b>Operating revenue</b>	Not disclosed (Note 1)	Not disclosed (Note 1)	83	69	44	37	35	31	30	Not disclosed (Note 1)
Lease business revenue			83	69	44	37	35	31	29	
Other lease business revenue			0	-	-	-	-	0	0	
<b>Operating expense</b>			<b>8</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>6</b>	
Outsourcing service expenses			1	1	-	-	-	-	0	
Utilities expenses			-	-	-	-	-	-	-	
Property and other taxes			4	7	5	3	4	3	2	
Repair expenses			0	-	-	-	-	-	1	
Other expenses related to lease business			1	0	0	0	0	0	0	
<b>NOI</b>			<b>246</b>	<b>110</b>	<b>75</b>	<b>59</b>	<b>37</b>	<b>33</b>	<b>30</b>	
Depreciation	26	10	18	19	6	3	7	3	7	6
<b>Income (loss) from real estate leasing business</b>	<b>220</b>	<b>100</b>	<b>56</b>	<b>40</b>	<b>31</b>	<b>29</b>	<b>23</b>	<b>23</b>	<b>16</b>	<b>37</b>
Capital expenditure	1	23	75	-	-	-	-	-	-	6
<b>NCF</b>	<b>245</b>	<b>87</b>	<b>(0)</b>	<b>59</b>	<b>37</b>	<b>33</b>	<b>30</b>	<b>27</b>	<b>24</b>	<b>38</b>
<b>Book value</b>	<b>9,459</b>	<b>3,080</b>	<b>2,210</b>	<b>2,005</b>	<b>1,272</b>	<b>1,263</b>	<b>1,106</b>	<b>1,031</b>	<b>894</b>	<b>1,875</b>
<b>NOI yield</b> <sup>(Note 2)</sup>	<b>5.3%</b>	<b>7.3%</b>	<b>6.9%</b>	<b>6.0%</b>	<b>6.0%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>5.4%</b>	<b>5.5%</b>	<b>4.8%</b>
<b>NOI yield after depreciation</b> <sup>(Note 2)</sup>	<b>4.7%</b>	<b>6.6%</b>	<b>5.2%</b>	<b>4.1%</b>	<b>4.9%</b>	<b>4.8%</b>	<b>4.3%</b>	<b>4.7%</b>	<b>3.8%</b>	<b>4.0%</b>

Note1: Not disclosed because tenant's consent was not obtained.

Note2: Based on book value as of April 30, 2019.

# Financial Summary by Property

55

(million yen)

Property Name	Comfort Hotel Kitakami	Comfort Hotel Nagano	Hotel Wing International Select Ueno/Okachimachi	Smile Hotel Naha City Resort	Smile Hotel Hakataeki-Mae	Smile Hotel Nagoya-Sakae	Hotel WBF Yodoyabashi-Minami	Mi-Nara	Rokko Island DC	Portfolio
<b>Operating days</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>	<b>181</b>
<b>Operating revenue</b>				<b>133</b>	<b>87</b>	<b>62</b>		<b>524</b>		<b>4,959</b>
Lease business revenue				133	87	62		375		4,023
Other lease business revenue				-	-	-		149		935
<b>Operating expense</b>				<b>5</b>	<b>3</b>	<b>4</b>		<b>381</b>		<b>1,446</b>
Outsourcing service expenses	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	0	0	0	Not disclosed (Note 1)	96	Not disclosed (Note 1)	332
Utilities expenses				-	-	-		104		453
Property and other taxes				3	2	2		55		337
Repair expenses				-	-	0		7		66
Other expenses related to lease business				0	0	0		117		255
<b>NOI</b>	<b>25</b>	<b>16</b>	<b>87</b>	<b>128</b>	<b>83</b>	<b>58</b>	<b>42</b>	<b>142</b>	<b>242</b>	<b>3,513</b>
Depreciation	9	3	10	8	8	7	5	51	56	553
<b>Income (loss) from real estate leasing business</b>	<b>15</b>	<b>13</b>	<b>77</b>	<b>120</b>	<b>75</b>	<b>50</b>	<b>36</b>	<b>91</b>	<b>186</b>	<b>2,959</b>
Capital expenditure	-	38	-	-	-	4	-	6	-	462
<b>NCF</b>	<b>25</b>	<b>(21)</b>	<b>87</b>	<b>128</b>	<b>83</b>	<b>53</b>	<b>42</b>	<b>136</b>	<b>242</b>	<b>3,050</b>
<b>Book value</b>	<b>844</b>	<b>642</b>	<b>3,862</b>	<b>4,031</b>	<b>3,838</b>	<b>2,984</b>	<b>1,768</b>	<b>4,954</b>	<b>8,697</b>	<b>146,973</b>
<b>NOI yield (Note 2)</b>	<b>6.0%</b>	<b>5.3%</b>	<b>4.6%</b>	<b>6.4%</b>	<b>4.4%</b>	<b>3.9%</b>	<b>4.8%</b>	<b>5.8%</b>	<b>5.6%</b>	<b>4.8%</b>
<b>NOI yield after depreciation (Note 2)</b>	<b>3.8%</b>	<b>4.2%</b>	<b>4.0%</b>	<b>6.0%</b>	<b>3.9%</b>	<b>3.4%</b>	<b>4.2%</b>	<b>3.7%</b>	<b>4.3%</b>	<b>4.1%</b>

Note1: Not disclosed because tenant's consent was not obtained.

Note2: Based on book value as of April 30, 2019



# Appraisal Value Summary

56

(million yen)

Asset Type	Property Name	Book Value	Appraisal Value	Change		Value Calculated Using Cost Approach	Capitalization Method		DCF Method		
				(million yen)	(ratio)		Value (million yen)	Capitalization Rate	Value	Discount Rate	Terminal Capitalization Rate
Office	Shinagawa Seaside Parktower	20,242	21,175	932	4.6%	20,351	21,175	4.1%	21,112	3.7%	4.2%
	Kawasaki Tech Center	23,650	24,100	449	1.9%	17,000	24,400	4.4%	23,900	4.2%	4.6%
	Shinjuku Eastside Square	9,987	10,450	462	4.6%	10,250	10,650	3.8%	10,200	3.6%	4.0%
	Tokyo Front Terrace	10,728	10,893	165	1.5%	10,391	10,943	4.0%	10,793	3.7%	4.1%
	Hillcoat Higashi-Shinjuku	4,013	3,970	(43)	(1.1%)	3,960	4,010	4.1%	3,930	3.8%	4.2%
	Nippo Hommachi Building	1,567	1,570	2	0.2%	1,260	1,590	4.3%	1,540	4.1%	4.5%
	MI Terrace Nagoya-Fushimi	8,980	9,830	849	9.5%	9,320	10,000	4.0%	9,660	3.8%	4.2%
	Orico Hakataeki Minami Building	1,752	1,800	47	2.7%	1,620	1,810	4.2%	1,800	3.8%	4.4%
	<b>Office (8 properties)</b>	<b>80,923</b>	<b>83,789</b>	<b>2,865</b>	<b>3.5%</b>	<b>74,152</b>	<b>84,579</b>	<b>-</b>	<b>82,935</b>	<b>-</b>	<b>-</b>
Retail	MIUMIU Kobe	6,890	7,370	479	7.0%	3,720	7,520	4.2%	7,310	4.0%	4.4%
	Shibuya World East Building	3,337	4,090	752	22.5%	3,950	4,180	3.5%	4,000	3.3%	3.7%
	AEON Kasai	9,459	9,580	120	1.3%	9,670	9,610	5.1%	9,540	4.7%	5.3%
	MEGA Don Quijote Izumi-Chuo	3,080	2,580	(500)	(16.2%)	3,380	2,600	5.0%	2,570	4.8%	5.2%
	Mi-Nara	4,954	5,520	565	11.4%	7,470	5,380	5.8%	5,580	5.6%	6.0%
	<b>Retail (5 properties)</b>	<b>27,721</b>	<b>29,140</b>	<b>1,418</b>	<b>5.1%</b>	<b>28,190</b>	<b>29,290</b>	<b>-</b>	<b>29,000</b>	<b>-</b>	<b>-</b>
Hotel	Hotel Sunroute Niigata	2,210	2,290	79	3.6%	1,320	2,280	5.2%	2,290	5.0%	5.4%
	Daiwa Roynet Hotel Akita	2,005	2,230	224	11.2%	1,110	2,210	5.2%	2,240	5.0%	5.4%
	Super Hotel Sendai/Hirose-dori	1,272	1,570	297	23.4%	1,550	1,590	4.5%	1,550	4.3%	4.7%
	Super Hotel Osaka/Tennoji	1,263	1,580	316	25.0%	959	1,600	4.2%	1,560	4.0%	4.4%
	Super Hotel Saitama/Omiya	1,106	1,230	123	11.1%	1,130	1,240	4.6%	1,210	4.4%	4.8%
	Super Hotel Kyoto/Karasumagojo	1,031	1,290	258	25.1%	1,080	1,310	4.2%	1,260	3.9%	4.5%
	Comfort Hotel Shin-Yamaguchi	894	960	65	7.4%	485	957	5.2%	961	5.0%	5.4%
	Ise City Hotel Annex	1,875	1,840	(35)	(1.9%)	500	1,850	5.0%	1,830	4.8%	5.2%
	Comfort Hotel Kitakami	844	843	(1)	(0.2%)	664	844	5.1%	842	4.9%	5.3%
	Comfort Hotel Nagano	642	600	(42)	(6.5%)	296	598	4.9%	601	4.7%	5.1%
	Hotel Wing International Select Ueno/Okachimachi	3,862	4,130	267	6.9%	2,780	4,210	3.8%	4,090	3.6%	4.0%
	Smile Hotel Naha City Resort	4,031	4,330	298	7.4%	1,900	4,370	4.9%	4,310	4.7%	5.1%
	Smile Hotel Hakataeki-Mae	3,838	3,910	71	1.9%	1,600	3,970	4.2%	3,880	4.0%	4.4%
	Smile Hotel Nagoya-Sakae	2,984	3,120	135	4.6%	1,840	3,180	4.4%	3,090	4.2%	4.6%
	Hotel WBF Yodoyabashi-Minami	1,768	1,960	191	10.8%	1,090	2,000	4.1%	1,920	3.9%	4.3%
<b>Hotel (15 properties)</b>	<b>29,630</b>	<b>31,883</b>	<b>2,252</b>	<b>7.6%</b>	<b>18,304</b>	<b>32,209</b>	<b>-</b>	<b>31,634</b>	<b>-</b>	<b>-</b>	
Industrial	Rokko Island DC	8,697	8,880	182	2.1%	9,530	8,910	5.3%	8,840	5.1%	5.5%
<b>Total</b>		<b>146,973</b>	<b>153,692</b>	<b>6,718</b>	<b>4.6%</b>	<b>130,177</b>	<b>154,988</b>		<b>152,409</b>		

Note: Figures shown are amounts obtained by multiplying values listed on appraisal reports by quasi-co-ownership stakes for assets with quasi-co-ownership.

# Appraisal Value Summary (Changes from previous period)

Asset Type	Property Name	Appraisal Value			Capitalization Rate		Discount Rate		Terminal Capitalization Rate	
		(million yen)	Changes in Appraisal (amount)	Changes in Appraisal (ratio)		(change)		(change)		(change)
Office	Shinagawa Seaside Parktower	21,175	507	2.4%	4.1%	(0.1%)	3.7%	(0.1%)	4.2%	(0.1%)
	Kawasaki Tech Center	24,100	100	0.4%	4.4%	-	4.2%	-	4.6%	-
	Shinjuku Eastside Square	10,450	300	2.9%	3.8%	(0.1%)	3.6%	(0.1%)	4.0%	(0.1%)
	Tokyo Front Terrace	10,893	-	-	4.0%	-	3.7%	-	4.1%	-
	Hillcoat Higashi-Shinjuku	3,970	80	2.0%	4.1%	(0.1%)	3.8%	(0.1%)	4.2%	(0.1%)
	Nippo Hommachi Building	1,570	20	1.3%	4.3%	(0.1%)	4.1%	(0.1%)	4.5%	(0.1%)
	MI Terrace Nagoya-Fushimi	9,830	200	2.0%	4.0%	(0.1%)	3.8%	(0.1%)	4.2%	(0.1%)
	Orico Hakataeki Minami Building	1,800	-	-	4.2%	-	3.8%	-	4.4%	-
	<b>Office (8 properties)</b>	<b>83,789</b>	<b>1,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Retail	MIUMIU Kobe	7,370	-	-	4.2%	-	4.0%	-	4.4%	-
	Shibuya World East Building	4,090	230	5.6%	3.5%	(0.1%)	3.3%	(0.1%)	3.7%	(0.1%)
	AEON Kasai	9,580	-	-	5.1%	-	4.7%	-	5.3%	-
	MEGA Don Quijote Izumi-Chuo	2,580	80	3.1%	5.0%	(0.1%)	4.8%	(0.1%)	5.2%	(0.1%)
	Mi-Nara	5,520	-	-	5.8%	-	5.6%	-	6.0%	-
	<b>Retail (5 properties)</b>	<b>29,140</b>	<b>310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Hotel	Hotel Sunroute Niigata	2,290	30	1.3%	5.2%	-	5.0%	-	5.4%	-
	Daiwa Roynet Hotel Akita	2,230	30	1.3%	5.2%	(0.1%)	5.0%	(0.1%)	5.4%	(0.1%)
	Super Hotel Sendai/Hirose-dori	1,570	30	1.9%	4.5%	(0.1%)	4.3%	(0.1%)	4.7%	(0.1%)
	Super Hotel Osaka/Tennoji	1,580	30	1.9%	4.2%	(0.1%)	4.0%	(0.1%)	4.4%	(0.1%)
	Super Hotel Saitama/Omiya	1,230	20	1.6%	4.6%	(0.1%)	4.4%	(0.1%)	4.8%	(0.1%)
	Super Hotel Kyoto/Karasumagojo	1,290	30	2.3%	4.2%	(0.1%)	3.9%	(0.1%)	4.5%	(0.1%)
	Comfort Hotel Shin-Yamaguchi	960	-	-	5.2%	-	5.0%	-	5.4%	-
	Ise City Hotel Annex	1,840	-	-	5.0%	-	4.8%	-	5.2%	-
	Comfort Hotel Kitakami	843	(1)	(0.1%)	5.1%	-	4.9%	-	5.3%	-
	Comfort Hotel Nagano	600	-	-	4.9%	-	4.7%	-	5.1%	-
	Hotel Wing International Select Ueno/Okachimachi	4,130	-	-	3.8%	-	3.6%	-	4.0%	-
	Smile Hotel Naha City Resort	4,330	-	-	4.9%	-	4.7%	-	5.1%	-
	Smile Hotel Hakataeki-Mae	3,910	-	-	4.2%	-	4.0%	-	4.4%	-
	Smile Hotel Nagoya-Sakae	3,120	-	-	4.4%	-	4.2%	-	4.6%	-
	Hotel WBF Yodoyabashi-Minami	1,960	-	-	4.1%	-	3.9%	-	4.3%	-
<b>Hotel (15 properties)</b>	<b>31,883</b>	<b>169</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Industrial	Rokko Island DC	8,880	-	-	5.3%	-	5.1%	-	5.5%	-
<b>Total</b>		<b>153,692</b>	<b>1,686</b>							

# Overview of Loans (As of End of 6<sup>th</sup> FP)

	Debt Providers	Amount (million yen)	Interest Rate	Drawdown Date	Term	Maturity Date	Principal Repayment Method	Description
Long-term Loan	Sumitomo Mitsui Banking Corporation / Resona Bank, Limited.	8,000	0.75% (Note)	December 16, 2016	10 years	November 30, 2026	Bullet Repayment on Maturity	Unsecured and Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	5,000	0.59% (Note)		8 years	November 29, 2024		
	Sumitomo Mitsui Banking Corporation / The Bank of Fukuoka, LTD. Resona Bank, Limited.	10,000	0.50% (Note)		7 years	November 30, 2023		
	Development Bank of Japan Inc.	2,000	0.62%		6 years	November 30, 2022		
	Sumitomo Mitsui Trust Bank, Limited / Shinsei Bank, Limited	7,000	0.37% (Note)		5 years	November 30, 2021		
	Mizuho Bank, Ltd.	10,000	0.37%		7 years	April 30, 2024		
	Mizuho Trust & Banking Co., Ltd.	2,000	0.45%	October 26, 2017	7.8 years	July 31, 2025		
	Sumitomo Mitsui Trust Bank, Limited / Shinsei Bank, Limited	3,000	0.54% (Note)		9.8 years	July 30, 2027		
	The Nanto Bank, Ltd	1,000	0.54% (Note)		10 years	October 29, 2027		
	Resona Bank, Limited.	1,000	0.71% (Note)	March 1, 2018	7.9 years	January 30, 2026		
	Sumitomo Mitsui Banking Corporation / The Bank of Fukuoka, LTD.	5,000	0.73% (Note)		5.9 years	January 31, 2024		
	Shinsei Bank, Limited	1,000	0.57% (Note)		7.0 years	April 30, 2025		
	Resona Bank, Limited.	500	0.57% (Note)		2.9 years	April 30, 2021		
	Mizuho Bank, Ltd.	1,000	0.48%	May 15, 2018	10 years	July 31, 2028		
	Sumitomo Mitsui Banking Corporation	2,000	0.53% (Note)		8 years	October 30, 2026		
	Mizuho Bank, Ltd.	1,500	0.56%	November 1, 2018	7 years	October 31, 2025		
	MUFG Bank, Ltd.	1,500	0.31%		5 years	October 31, 2023		
	Mizuho Trust & Banking Co., Ltd.	1,700	0.62%		3 years	October 29, 2021		
	Mizuho Bank, Ltd.	2,500	0.68%		10 years	July 26, 2028		
	Sumitomo Mitsui Banking Corporation	3,000	0.57% (Note)		-	-		
Sumitomo Mitsui Trust Bank, Limited / Shinsei Bank, Limited	3,500	0.42% (Note)						
MUFG Bank, Ltd.	1,500	0.32%						
Unsecured Bond #1	1,000	0.64%	July 26, 2018	10 years	July 26, 2028	-		
<b>Total/Average</b>		<b>74,700</b>	<b>0.53%</b>		<b>7.2 years</b>			

Note: MIRAI signed an interest rate swap agreement. Accordingly, the interest rate provided above has been fixed under the terms of this agreement and will be used in repayment.

# Disclaimer

Monetary amounts are rounded down to billions, millions or thousands of yen.

Percentage figures are rounded off to the first decimal place.

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