

May 8, 2018

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

Michio Suganuma, Executive Director

(Securities Code: 3476)

Asset Management Company:

Mitsui Bussan & IDERA Partners Co., Ltd.

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**Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan**  
**(“MI Terrace Nagoya-Fushimi” and “Hotel Wing International Select Ueno/Okachimachi”)**

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

**1. Overview of the Acquisition**

**(1) Assets to be Acquired**

Asset Category/ Asset Type (Note 1)		Name	Agreement Date (Note 2)	Acquisition Date	Sellers	Acquisition Price (million yen) (Note 3)
Core Asset	Office	MI Terrace Nagoya-Fushimi	May 8, 2018	June 1, 2018	GK Fushimi First (Limited Liability Company)	8,886
	Hotel	Hotel Wing International Select Ueno/Okachimachi	May 8, 2018	May 15, 2018	Global L-Seed Corporation	3,720
Total						12,606

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

(Note 2) “Agreement Date” is the expected signing date of the sale and purchase agreement with the seller or the agreement between the initial buyer, IDERA Capital Management Ltd. (hereinafter “ICM”) and MIRAI regarding the transfer of status as the buyer regarding the assets to be acquired (hereinafter “the contractual status transfer agreement”).

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

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

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

**Note:** This press release is a document that will be released publicly relating to acquisition of real estate trust beneficiaries in Japan and is not prepared for the purpose of solicitation for investment. Before initiating investments, MIRAI asks investors to ensure that they refer to the prospectus for the issuance of new investment units and the secondary offering of investment units and amendments thereto prepared by MIRAI, and that they undertake investment at their own discretion and responsibility.

### (3) Payment Method:

For “MI Terrace Nagoya-Fushimi”, the entire amount will be paid on the date of acquisition. For “Hotel Wing International Select Ueno/Okachimachi”, MIRAI will pay ICM the equivalent of the advance deposit: 186 million yen (5% of the acquisition price) borne by ICM and commission of the contractual status transfer: 11,160,000 yen (not including national or local consumption tax) at the time of contract. In addition, MIRAI will pay ICM the residual value of the purchase price deducting the advance deposit.

## 2. Reasons for Acquisition

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

(Reference) Overview of Repower 2020 (Note)

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

(Note) For specific details, please refer to “Progress of Mid-term Management Plan -Supplementary Material for the Press Release Dated May 8, 2018-” announced today.

Based on mid-term management plan “Repower 2020”, MIRAI includes portfolio NOI yield after depreciation as one of the quantitative item in external growth and targets to achieve further profitability improvement. MIRAI believes acquisition of assets to be acquired, namely a medium-sized office in Nagoya area and a budget type hotel in Tokyo metropolitan area, at average NOI yield of 4.0% after depreciation will further improve risk diversification and stability of the portfolio.

\*budget hotel refers to hotels that are in areas with high customer traffic such as station front, tourist destinations, business districts and downtown districts and near key transport points such as terminal stations and highway interchanges and offers limited or minimum on-site amenities and offer mainly or only accommodations.

(Reference) Profitability of Assets to be Acquired

Name	Acquisition Price (million yen)	Appraisal Value (million yen)	Appraisal NOI Yield (Note 1) (Note 3)	NOI Yield after Depreciation (Note 2) (Note 3)
MI Terrace Nagoya-Fushimi	8,886	9,130	4.6%	4.1%
Hotel Wing International Select Ueno/Okachimachi	3,720	4,130	4.4%	3.8%
Total / Average	12,606	13,260	4.5%	4.0%

(Note 1) “Appraisal NOI Yield” is calculated by dividing the appraisal NOI by the expected acquisition price rounding to the nearest tenth. Appraisal NOI refers to the net operating income (NOI) obtained by subtracting operating expenses from operating revenues stated in the appraisal

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report, and it is income before subtracting depreciation. It differs from net cash flow (NCF) which is derived by adding management profits on investment from security deposit and subtracting the capital expenditures. The above appraisal NOI means the 1<sup>st</sup> year NOI under DCF method (if any specific factors for the 1<sup>st</sup> year, it means the 2<sup>nd</sup> or the 3<sup>rd</sup> year NOI).

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

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

(Reference) Progress of the acquisition of properties that contribute to improving the profitability of the portfolio and the Mid-term Management Plan "Repower 2020" through portfolio replacement.

		IPO	After the Acquisition
Profitability	NOI Yield after Depreciation	4.0% ▶	4.1%
Portfolio Diversification	Top 3 Assets (Based on acquisition price)	64.7% ▶	44.2%
Financial Base	LTV	47.0% ▶	48.1%
Unitholders' Value	NAV/U	182,570 yen ▶	186,710 yen

(Note 1) The figures of IPO calculated by based on result for the fiscal period ended April 30, 2017, that MIRAI listed on the Tokyo Stock Exchange.

(Note 2) "New Acquisition Assets" refers to "Ise City Hotel Annex", "Comfort Hotel Kitakami", "Comfort Hotel Nagano" and the abovementioned new assets to be acquired. "After the Acquisition" means the point following the completion of the issuance of new investment units through public offering (hereinafter the "Public Offering") announced today in "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" as well as the completion of the acquisition of all the assets to be acquired. The same shall apply hereinafter.

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

(Note 4) "Top 3 Assets" is the percentage of the total expected acquisition price of 3 highest asset against the total expected acquisition price of the whole portfolio.

(Note 5) "LTV Level" means the LTV to the total asset which is derived by dividing the total interest-bearing debt by total asset. Figures at IPO are as of April 30, 2017, and figures of "After the Acquisition" are ones after the execution of the borrowings. For details and a calculation method of LTV, please refer to "Notice Concerning Borrowing of Funds" announced today.

(Note 6) "NAV" means a net asset value (appraisal base) and "NAV/U" is calculated by following formula (rounded down to less than 10 yen).

NAV/U at IPO = (unitholders' paid-in capital at IPO + Total appraisal value at IPO - total book value at IPO) / total number of investment units outstanding at IPO.

NAV/U after the acquisition = {unitholders' paid-in capital as of end of February 2018 + (Total appraisal value of portfolio assets after the acquisition (\*) - total book value of portfolio assets as of end of February 2018 - total expected acquisition value of New Acquisition Assets + equity raised (\*\*)(expected total paid-in amount through the Public Offering and the third-party allotment (hereinafter the "Third-Party Allotment"))} / total number of investment units outstanding following the Public Offering and the Third-Party Allotment (\*\*\*)

\* "Total appraisal value of portfolio assets after the acquisition" is the sum of 1) the appraisal values as of end of April 2017 for "Nippo Hommachi Building", "Ise City Hotel Annex", "Comfort Hotel Kitakami" and "Comfort Hotel Nagano", 2) the appraisal value as of March 1, 2018 for "MI Terrace Nagoya-Fushimi", 3) the appraisal values as of end of April 2018 for "Hotel Wing International Select Ueno/Okachimachi" and 4) the appraisal values as of end of the October 2017 (the 3<sup>rd</sup> fiscal period) for other assets.

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\*\* “equity raised” is the sum of 7,451,973,300 of yen total paid-in amount through the Public Offering and 371,738,160 yen of total paid-in amount through the Third-Party Allotment. Total paid-in amount through the Public Offering and total paid in amount through the Third-Party Allotment is based on estimated the issue price of 172,101 per unit of MIRAI respectively calculated from the closing price of the investment units in a regular trading session at the Tokyo Stock Exchange, Inc. as of April 25, 2018 (Wednesday). Also, the Third-Party Allotment is assumed that Nomura Securities Co., Ltd. subscribes to all the investment units to be issued and pays in full. In case where the actual total paid-in amount through the Public Offering differs from the above estimate, or in case where the Third-Party Allotment is not paid in full or partially, the estimated net proceeds through the Public Offering and the Third-Party Allotment may change. Namely, if actual total paid-in amount through the Public Offering and the Third-Party Allotment is less than estimated amount, or if the Third-Party Allotment is not paid in full or partially, actual NAV/U may be lower than the above estimate. On the other hand, if the total paid-in amount through the Public Offering exceeds the above estimate, actual NAV/U may be higher than the estimated NAV stated in above.

\*\*\* “Total number of investment units outstanding following the Public Offering and the Third-Party Allotment” is the sum of 1) total number of investment units outstanding as of end of February 2018, 2) 43,300 units of total number of investment units to be issued through the Public Offering and 3) 2,160 units of the maximum number of investment units to be issued through the Third-Party Allotment.

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### 3. Details of Assets to Be Acquired

#### <MI Terrace Nagoya-Fushimi>

Property Name	MI Terrace Nagoya-Fushimi		Asset Category		Core Asset
			Asset Type		Office
Overview of the Specified Asset					
Acquisition Date		June 1, 2018	Type of Specified Assets		Trust Beneficiaries
Acquisition Price		8,886 million yen	Overview of Trust Beneficiaries	Trustee	Mitsubishi UFJ Trust and Banking Corporation
Appraisal Value (Appraisal Date)		9,130 million yen (March 1, 2018)		Expiry Date of Trust	December 31, 2028
Nearest Station		2-minute walk from “Fushimi” Station and 5-minute walk from “Marunouchi” Station of Nagoya Municipal Subway Line			
Address (Residential Address)		1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi			
Land	Lot Number	1-1001, Nishiki, Naka-ku, Nagoya-shi, Aichi Other 2 parcels of land	Building	Date of Building	February 19, 1993
	Building Coverage Ratio	100% (Note 1)		Structure	12-story flat roof steel structure
	Floor Area Ratio	749.05% (Note 2)		Usage	Office
	Use Districts	Commercial district		Gross Floor Area	14,481.95㎡
	Site Area	1,980.56㎡		Number of Parking Spaces	44
	Ownership Structure	Ownership rights		Ownership Structure	Ownership rights
PM Company		XYMAX ALPHA Corporation	ML Company		- (Note 3)
Special Comment					
Not applicable					
(Note 1) Specified building coverage ratio is 80% however, the building has received relaxation to 100% for fireproof building located in a fire prevention district.					
(Note 2) Specified floor area ratio is 600% and 800% however, the building has received relaxation to 749.05% for comprehensive design system.					
(Note 3) Master lessee is not listed as the master lease agreement in place as of today is expected to be cancelled upon acquisition by MIRAI.					
Overview of Lease					
Total Rentable Area		11,625.38㎡	Occupancy Ratio		95.4%
Principal Tenant		Chubu Telecommunications Co., Inc.	Number of Tenants		8
Annual Rent		503 million yen	Guarantee Deposit		376 million yen
Overview of Summary of Engineering Report					
Survey Company		Tokio Marine & Nichido Risk Consulting Co., Ltd.	Urgent Repairs		-
Date of the Report		March 2018	Long-term Repairs		35,346 thousand yen
Overview of seismic risk analysis					
Survey Company		Tokio Marine & Nichido Risk Consulting Co., Ltd.	PML		4.9%
Collateral		Not applicable			

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Overview of the Real Estate Appraisal Report		
Appraisal Value	9,130 million yen	
Appraiser	The Japan Real Estate Institute	
Appraisal Date	March 1, 2018	
(million yen)		
Item	Details	Remarks, etc.
Valuation	9,130	
Value based on the direct capitalization method	9,280	
Operating revenues	572	
Potential gross revenues: Sum of (a) through (d)	602	
(a)Rental revenues from rooms for rent including common area charges	545	Recorded based on assessment of average rent and other revenue receivable for medium- to long-term in consideration of the average rent under the current lease contract, expected rent for new lease contract, as well as attributes of the tenants.
(b)Utilities revenues	37	
(c)Parking revenues	17	
(d)Other revenues	1	
Losses from vacancy, etc.	30	Recorded based on assessment of occupancy status of similar properties and supply and demand trend in similar area, as well as past occupancy of the asset.
Operating expenses	151	
Maintenance expenses	49	Recorded based on past results and similar properties.
Utilities expenses	35	Recorded based on past results and in consideration of occupancy level, etc.
Repair expenses	10	Recorded based on property management and operation plan, similar properties and engineering report while making references to past results.
PM fees	8	Recorded based on similar properties and the individual characteristics of the asset while making references to the fee rate under the contract.
Advertisement and leasing expenses, etc.	4	Assessed based on expenses required such as brokerage and advertisement at the time of leasing.
Taxes and public dues	43	Assessed based on standard tax amount according to related materials.
Property and casualty insurance premiums	0	Recorded based on insurance premium in insurance contract.
Other expenses	0	Neighborhood association fee is recorded
Net operating income	420	
Investment gains on lump-sum payment	3	Assessed by 1) estimating the medium- to long-term stable number of months of security deposit to be charged based on the current lease contract terms and security deposit charged to new tenants, 2) multiplying 1) by occupancy rate to estimate lump sum payment amount to be received and 3) applying investment yield to 2).
Capital expenditures	25	Assessed based on the engineering report and capital expenditures for similar properties, etc.
Net cash flow	398	
Capitalization rate	4.3%	Assessed based on location of the asset, future uncertainty, and transaction yield of similar properties, etc.
Value based on DCF method	8,970	
Discount rate	4.0%	Assessed based on comprehensive view of individual characteristics of the asset etc., taking into consideration the yield of similar properties.
Terminal capitalization rate	4.4%	Assessed based on comprehensive view of transaction yield of similar properties.
Value based on cost approach	9,010	
Ratio of land	85.1%	
Ratio of building	14.9%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

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## Characteristics of the Property

### <Location>

- The property is located two-minute walk from Fushimi station of Nagoya Municipal Subway Toyama line and Tsurumai line. The location offers high convenience as Fushimi station serves both Higashiyama line and Tsurumai line and it is also only 5-minute walk from Marunouchi station on Sakura-dori line.
- The property is in Fushimi district, which is one of the central business districts in Nagoya city with high concentration of financial institutions and major corporations.
- Fushimi district has long developed as business district due to high concentration of financial institutions as Nagoya branch of Bank of Japan is located on Fushimi street.
- The neighboring Sakae district is the major commercial district in Nagoya and is convenient to shops and restaurants.

### <Specifications>

- The property offers high flexibility in internal layout due to regular shaped space without columns with 300 tsubo of space on standard floors and is able to meet various demands of tenants.
- Renewal work for common areas such as elevator halls, hallways, and bathrooms have been carried out in stages since 2015 and other environmentally conscientious renovations such as updating the zone air-conditioning system and introduction of LED lighting were carried out. The property is competitive as it has updated air-conditioning control system and security system to cater for multi-tenants.
- There is spacious open area and it has superior visibility from Fushimi street where there are numerous office buildings. Furthermore, it has high grade facade as well as entrance hall that gives luxurious feeling.

### <Tenants>

- Tenants include a head quarter for a large information and telecommunication company, manufacturing company, governmental office and transportation company, achieving diverse tenant mix.

### <Others>

- A bridge fund set up by Mitsui & Co. group and invested by both the sponsors acquired the property in order to carry out thorough improvement project following the departure of tenant from the single tenant building. Through the collaboration of the two sponsors in adding value and converting the property to multi-tenant building, significant improvement of occupancy was achieved, which resulted in realization of core asset for MIRAI. MIRAI will acquire the property from the fund managed by the sponsor.
- The occupancy of the property is stable at 95.4% as of end of February 2018. In order for MIRAI to enjoy high rental revenue from high occupancy from the onset of the acquisition, ICM, which is one of the investor in the silent partnership which is the seller of the property, will assume the responsibility of paying the amount equal to the free rent for part of the tenants who have already moved into the building.

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<Hotel Wing International Select Ueno/Okachimachi>

Property Name		Hotel Wing International Select Ueno/Okachimashi		Asset Category		Core Asset	
				Asset Type		Hotel	
Overview of the Specified Asset							
Acquisition Date		May 15, 2018		Type of Specified Assets		Trust Beneficiaries	
Acquisition Price		3,720 million yen		Overview of Trust Beneficiaries	Trustee		Mitsubishi UFJ Trust and Banking Corporation
Appraisal Value (Appraisal Date)		4,130 million yen (April 30, 2018)			Expiry Date of Trust		May 31, 2028
Nearest Station		5-minute walk from “Ueno” station and “Okachimachi” station of JR 2-minute walk from “Ueno” station of Tokyo Metro					
Address (Residential Address)		2-18-4, Higahi-ueno, Taito-ku, Tokyo					
Land	Lot Number	2-13-3, Higahi-ueno, Taito-ku, Tokyo Other 5 parcels of land		Building	Date of Building	April 2, 2018	
	Building Coverage Ratio	100% (Note)			Structure	15-story, 1 floor underground flat roof reinforced concrete structure	
	Floor Area Ratio	800%			Usage	Hotel	
	Use Districts	Commercial district			Gross Floor Area	3,053.09㎡	
	Site Area	359.09㎡			Number of Parking Spaces	7	
	Ownership Structure	Ownership rights			Ownership Structure	Ownership rights	
PM Company		Building Management & Strategy Inc.		ML Company		-	
Special Comment							
Not applicable							
(Note 1) Specified building coverage ratio is 80% however, the building has received relaxation to 100% for fireproof building located in a fire prevention district.							
Overview of Lease							
Total Rentable Area		3,079.33㎡		Occupancy Ratio		100% (Note1)	
Principal Tenant		FORBES CO., LTD (Note1)		Number of Tenants		1 (Note1)	
Annual Rent		Not disclosed (Note2)		Guarantee Deposit		Not disclosed (Note2)	
(Note1) The Occupancy Ratio, Principal Tenant and Number of Tenants are as of May 1,2018 which is the first day of the lease.							
(Note2) Not disclosed due to the absence of a tenant’s consent. In addition, rent type is fixed rent.							
Overview of Summary of Engineering Report							
Survey Company		Daiwa Real Estate Appraisal Co., Ltd		Urgent Repairs		-	
Date of the Report		April 2018		Long-term Repairs		1,934 thousand yen	
(Note) There is the possibility that the engineering report may not reflect the condition of the building properly since an evaluation of the building was performed prior to the completion of the construction							
Overview of seismic risk analysis							
Survey Company		Tokio Marine & Nichido Risk Consulting Co., Ltd.		PML		2.4% (Note)	
Collateral		Not applicable					
(Note) Based on the detailed investigations (Phase 2).							

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Overview of the Real Estate Appraisal Report	
Appraisal Value	4,130 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	April 30, 2018

(million yen)

Item	Details	Remarks, etc.
Valuation	4,130	
Value based on the direct capitalization method	4,210	
Operating revenues	Not disclosed	
Potential gross revenues: Sum of (a) through (d)		
(a) Rental revenues from rooms for rent including common area charges		
(b) Utilities revenues		
(c) Parking revenues		
(d) Other revenues		
Losses from vacancy, etc.		
Operating expenses		
Maintenance expenses		
Utilities expenses		
Repair expenses		
PM fees		
Advertisement and leasing expenses, etc.		
Taxes and public dues		
Property and casualty insurance premiums		
Other expenses		
Net operating income	161	
Investment gains on lump-sum payment	Not disclosed	
Capital expenditures	Not disclosed	
Net cash flow	159	
Capitalization rate	3.8%	
Value based on DCF method	4,090	
Discount rate	3.6%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	4.0%	Assessed considering the cap rate and the marketability of the property at the end of analysis period.
Value based on cost approach	2,660	
Ratio of land	65.7%	
Ratio of building	34.3%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

(Note) The reason for “Not disclosed” shown in above is that applicable items include information without consents from lessee for disclosure or information enabling to identify hidden numbers. In case that such the information is disclosed, it may finally cause disadvantage to unitholders’ interest through damages causing from an impossibility to maintain leasing contracts due to destruction of relationship with lessee. Numbers disclosed in above are free from such disadvantages.

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Characteristics of the Property
<p>&lt;Location&gt;</p> <ul style="list-style-type: none"> <li>- It is located 5-minute walk from Ueno Station and Okachimachi station on JR line, 2-minute walk from Ueno Station on Ginza line and Hibiya line of Tokyo Metro and is convenient as it is served by multiple train routes.</li> <li>- Ueno station has long developed as the major terminal stations in Japan and JR lines connecting Tokyo and Kita Kanto region are served. In addition, it serves as 'gateway to the north' for Tokyo as arrival and departure station of Shinkansen as well as other conventional lines to Tohoku and Joshin-etsu region.</li> <li>- Neighboring area has many office buildings and commercial buildings and there is strong demand from business travelers.</li> <li>- It offers superior access for tourists as well. Akihabara where many tourists visit for electronics shopping is located 1.3km in straight line distance, downtown Ueno which is a tourist destination is within walking distance and Asakusa, another tourist destination is located 1.8km in straight line distance.</li> </ul> <p>&lt;Specifications&gt;</p> <ul style="list-style-type: none"> <li>- The hotel was completed in April 2018. Demand from both domestic and foreign travelers as well as both business travelers and tourists can be expected.</li> <li>- The hotel will have mainly single rooms totaling 141 guest rooms. It will cater for both business and tourist demand by offering 95 single rooms, 29 double rooms, 16 twin rooms and 1 universal access room.</li> <li>- The hotel will include convenient features such as breakfast area and coin laundry.</li> </ul> <p>&lt;Others&gt;</p> <ul style="list-style-type: none"> <li>- The tenant and operator FORBES CO., LTD operates 25 hotels across Japan under "Hotel Wing International" brand (as of end of April 2018).</li> </ul>

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#### 4. Overview of sellers

##### <MI Terrace Nagoya-Fushimi>

Name	GK Fushimi first (Limited Liability Company)
Address	Sakura Sogo Office, 1-11, Jinbo-cho, Chiyoda-ku, Tokyo
Representative	Representative Partner, Association Fushimi Property
Business Description	<ol style="list-style-type: none"> <li>1. Accepting silent partnership investment</li> <li>2. Acquisition, holding and disposition of real estate</li> <li>3. Leasing and management of real estate</li> <li>4. Acquisition, holding and disposition of real estate trust beneficiary interest</li> <li>5. All other businesses incidental or related to the above</li> </ol>
Stated Capital	100 thousand yen
Date of Establishment	November 22, 2016
Net Assets	Not disclosed (Note)
Total Assets	Not disclosed (Note)
Major Shareholder	Mitsui & Co. Asset Management Holdings Ltd. (hereinafter “MAH”) and ICM
Relationships between GK Fushimi first and MIRAI and the Asset Manager	
Capital	GK Fushimi first is a GK invested jointly by MAH and ICM who are the major shareholders of the Asset Manager. MAH holds about 1.7% of issued investment units of MIRAI as of today and ICM holds about 1.7% of issued investment units of MIRAI as of today.
Personal	There is no personnel relationship to state between GK Fushimi first and MIRAI and the Asset Manager.
Business	There is no business relationship to state between GK Fushimi first and MIRAI and the Asset Manager.
Relevance to related party	GK Fushimi first does not fall under a related party of MIRAI and the Asset Manager. GK Fushimi first has entered into a discretionary investment contract with a subsidiary of MAH (Mitsui & Co., Realty Management Ltd.), which is a major shareholder of the Asset Manager. It is therefore deemed to be an interested party in the stakeholder transaction rule of the Asset Manager.

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

##### <Hotel Wing International Select Ueno/Okachimachi>

Name	Global L-Seed Corporation
Address	2-4-1, Nishi-shinjuku, Shinjuku-ku, Tokyo
Representative	Representative Director, Yasuo Nagashima
Business Description	<ol style="list-style-type: none"> <li>1. Sale and purchase, leasing, management, brokerage, intermediary and appraisal of real estate and acting as agents for the aforementioned activities and consulting.</li> <li>2. Consulting in relation to asset management, business management and finances.</li> <li>3. Research, collection of data, and provision of information in relation to marketing research and business information and planning, production and agency in relation to advertisement.</li> <li>4. Operating architectural firm.</li> <li>5. Building contractor</li> <li>6. All other businesses incidental or related to the above</li> </ol>
Stated Capital	100 million yen
Date of Establishment	Not disclosed (Note)
Net Assets	Not disclosed (Note)
Total Assets	November 16, 2001
Major Shareholder	The Global Ltd.
Relationships between Global L-Seed Corporation and MIRAI and the Asset Manager	
Capital	There is no capital relationship to state between Global L-Seed Corporation and MIRAI and the Asset Manager.
Personal	There is no personnel relationship to state between Global L-Seed Corporation and MIRAI and the Asset Manager.
Business	There is no business relationship to state between Global L-Seed Corporation and MIRAI and the Asset Manager.
Relevance to related party	Global L-Seed Corporation does not fall under a related party of MIRAI and the Asset Manager.

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

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## 5. Description of sellers

The seller of “MI Terrace Nagoya-Fushimi” is a limited liability company which has entered into an asset management consignment agreement (discretionary investment contract) with a subsidiary of the sponsor of the Asset Manager. The seller of “Hotel Wing International Select Ueno-Okachimashi” is not a stakeholder in relation to MIRAI and the Asset Manager. The table below describes the seller of “MI Terrace Nagoya-Fushimi” as follows: a. name of the party b. relationship with the party c. history of and reason for acquisition.

Property name (Address)	MIRAI	Previous Owner	Owner before the Previous Owner
※	c. Acquisition (disposition) price Date of Acquisition (disposition)	a. b. c. Acquisition (disposition) price Date of Acquisition (disposition)	a. b. c. Acquisition (disposition) price Date of Acquisition (disposition)
MI Terrace Nagoya-Fushimi (1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi)	MIRAI acquires this property based on its judgement that it is a competitive property that can secure profitability over the medium to long term and is in line with the investment criteria of MIRAI. MIRAI has determined that the acquisition price is reasonable as it is less than the appraisal value (9,130 million yen) by the Japan Real Estate Institute,.	a) GK Fushimi first (Limited Liability Company) b) This is the limited liability company that has entered into an asset management contract (discretionary investment contract) with a subsidiary of sponsor of the Asset Manager. The above sponsor holds more than 50% interest of the silent partnership of the limited liability company. c) The acquisition was made to offer warehousing function as part of sponsor support agreement.	A party that does not have any special interest
	8,886 million yen (exclusive of tax)	Omitted because the property was owned for more than a year.	-
	June 2018	December 2016	-

## 6. Overview of Brokerage

There is no corresponding item in respect of “MI Terrace Nagoya-Fushimi”. The table below shows the broker of “Hotel Wing International Select Ueno/Okachimashi”

<Hotel Wing International Select Ueno/Okachimachi>

Name	CBRE K.K
Address	2-1-1, Marunouchi, Chiyoda-ku, Tokyo
Representative	Representative Director, President & CEO Eiji Sakaguchi
Business Description	Property management, leasing management, construction management, real estate brokerage, and real estate consulting
Stated Capital	771 million yen
Date of Establishment	February 21, 1970
Major Shareholder	Not disclosed (Note)
Relationships between CBRE K.K and MIRAI and the Asset Manager	
Capital	There is no capital relationship to state between CBRE K.K and MIRAI and the Asset Manager.
Personal	There is no personnel relationship to state between CBRE K.K and MIRAI and the Asset Manager.
Business	Property management contracts are in place with CBRE K.K for some assets held by MIRAI as of the fiscal period ended October 31, 2017 (the 3 <sup>rd</sup> FP)
Relevance to related party	CBRE K.K does not fall under a related party of MIRAI and the Asset Manager.
Brokerage Fee	Not disclosed (Note)

(Note) Not disclosed due to the absence of the broker’s consent regarding any names of shareholder and an amount of brokerage fee.

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7. Transactions with Interested Parties, etc.

The seller of “MI Terrace Nagoya-Fushimi” is deemed to be an interested party under the stakeholder transaction rule of the Asset Manager. Therefore, the necessary discussions and resolutions have been made based on the said rule and other company rules. Moreover, acquisition of “Hotel Wing International Select Ueno/Okachimachi” was also discussed and approved in accordance with the abovementioned rules and other company rules as commission (11,160,000 yen (not including national or local consumption tax)) will be paid to ICM who is a major shareholder of the Asset Manager in return for the transfer of contractual status. ICM falls under the interested party defined in the law concerning investment trusts and investment corporations (Law No. 198 of 1954, including subsequent revisions, hereinafter referred to as the “Investment Trust Law”), and therefore a prior approval from the Board of Directors of MIRAI have been obtained. This was exercised as a means to support MIRAI by ICM under its support agreement with MIRAI. MIRAI assessed the fee level to be appropriate considering the risk ICM took, the bridge fund cost if the asset was warehoused by a bridge fund instead, the fee level being within the level of brokerage fee set by law, and the sum of the acquisition price and the fee being within the appraisal value (4,130 million yen).

8. Future Outlook

Please refer to “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30 & October 31, 2018 and Summary of Forecasts for the Fiscal Period Ending April 30, 2019” announced today regarding the impact to the operation from the acquisitions for the fiscal period ending October 2018 (the 5<sup>th</sup> fiscal period) and the fiscal period ending April 2019 (6<sup>th</sup> fiscal period).

(End)

\* Homepage address for MIRAI: <http://3476.jp/en>

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

(Reference press release, etc.)

Dated 5/8/2018 “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units”

Dated 5/8/2018 “Notice Concerning “Notice Concerning Borrowing of Funds

Dated 5/8/2018 “Notice Concerning Revisions to Forecasts for the Fiscal Periods Ending April 30, & October 31, 2018 and Summary of Forecast for the Fiscal Period Ending April 30, 2019”

Dated 5/8/2018 “Progress of Mid-term Management Plan -Supplementary Material for the Press Release Dated May 8, 2018-”

<Reference Materials >

Reference Material 1: Pictures and maps of the property

Reference Material 2: Portfolio List after the acquisition

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

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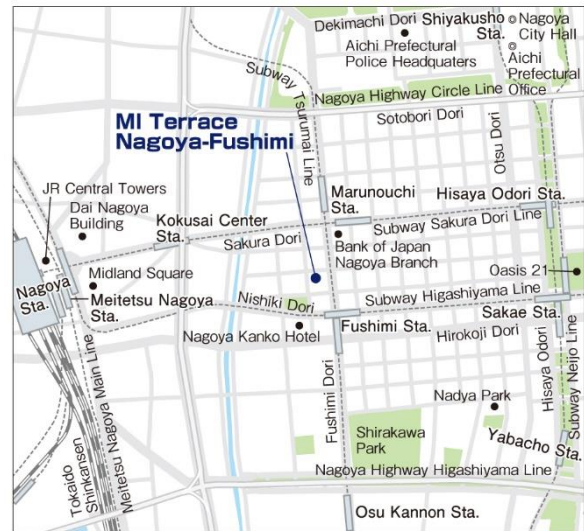


Reference Material 1: Pictures and maps of the property  
<MI Terrace Nagoya-Fushimi>

Pictures



Map



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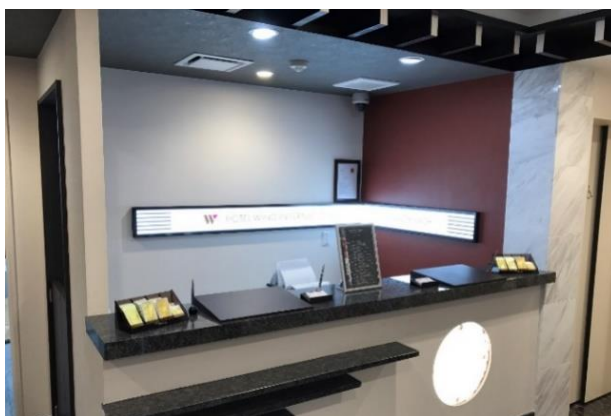


# <Hotel Wing International Select Ueno/Okachimachi>

## Pictures



## Map



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## Reference Material 2: Portfolio List after the acquisition

Reference Material 2-1 Others Listed after the acquisition						
Asset Category/ Asset Type		Area	Property Name	Acquisition Price (million yen) (Note 1)	Ratio (%) (Note 2)	Acquisition Date
Core Asset	Office	Tokyo	Shinagawa Seaside Park Tower (quasi-co-ownership 63.4%) (Note3)	20,288	16.6	December 16, 2016
	Office	Tokyo	Kawasaki Tech Center	23,182	19.0	December 16, 2016
	Office	Tokyo	Shinjuku Eastside Square (quasi-co-ownership 5%) (Note 3)	10,000	8.2	December 16, 2016
	Office	Tokyo	Tokyo Front Terrace (quasi-co-ownership 50.2%) (Note 3)	10,592	8.7	October 26, 2017
	Office	Tokyo	Hillcoat Higashi-Shinjuku	3,900	3.2	December 16, 2016
	Office	Osaka	Nippo Hommachi Building	1,465	1.2	February 28, 2018
	Office	Nagoya	MI Terrace Nagoya-Fushimi	8,886	7.3	June 1, 2018
	Retail	Osaka	MIUMIU Kobe	6,700	5.5	December 16, 2016 (land) November 9, 2017 (building)
	Retail	Tokyo	Shibuya World East Building	3,200	2.6	December 16, 2016
	Retail	Tokyo	AEON Kasai (Note 3)	9,420	7.7	December 16, 2016
	Retail	Osaka	DAIKI Izumi-Chuo	3,000	2.5	December 16, 2016
	Hotel	Others	Hotel Sunroute Niigata	2,108	1.7	December 16, 2016
	Hotel	Others	Daiwa Roynet Hotel Akita	2,042	1.7	December 16, 2016
	Hotel	Others	Super Hotel Sendai / Hirose-dori	1,280	1.0	December 16, 2016
	Hotel	Osaka	Super Hotel Osaka / Tennoji	1,260	1.0	December 16, 2016
	Hotel	Tokyo	Super Hotel Saitama / Omiya	1,123	0.9	December 16, 2016
	Hotel	Osaka	Super Hotel Kyoto Karasuma Gojo	1,030	0.8	December 16, 2016
	Hotel	Others	Comfort Hotel Shin-Yamaguchi	902	0.7	December 16, 2016
	Hotel	Nagoya	Ise City Hotel Annex	1,800	1.5	March 1, 2018
	Hotel	Others	Comfort Hotel Kitakami	820	0.7	March 1, 2018
	Hotel	Others	Comfort Hotel Nagano	580	0.5	March 1, 2018
	Hotel	Tokyo	Hotel Wing International Select Ueno/Okachimachi	3,720	3.0	May 15, 2018
Growth Asset (Core-plus Asset)	Retail	Osaka	Mi-Nara	4,933	4.0	October 26, 2017
Total				122,231	100.0	—

(Note 1) "Acquisition Price" shows the purchase and sale value of each asset to be acquired that is stated in the sale and purchase agreement entered with the sellers and in the contractual status transfer agreement entered with ICM, which is the initial buyer or MIRAI regarding the transfer of the position of the buyer regarding the assets to be acquired. The purchase and sale values do not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. The purchase and sale values do not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. Although the acquisition price of "Mi-Nara" on its sales and purchase agreement is 4,100 million yen, the acquisition price is defined as total investment amount of 4,933 million yen including the additional investment made following the acquisition for the renewal of the property. For "Mi-Nara", the total investment including the additional investment of 4,933 million yen is defined as acquisition price. As for an additional investment amount for "Mi-Nara", if any capitalized payments other than such the additional investment, acquisition price of "Mi-Nara" including capital expenditures spent by MIRAI may exceed 4,933 million yen.

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

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

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

Items (A) to (M) below explain the descriptions in “3. Details of assets to be acquired” above. If the date is not shown, the descriptions should be as of February 28, 2018.

- A) “Asset Category/Asset Type”
- “Core Asset” means core assets of MIRAI’s portfolio. Specifically, it refers to traditional investment real estate such as offices, retail, hotels, residential and logistics facilities for which the utilization ratio is (or is likely to be) more than 80% and for which MIRAI judges that stable rent revenue can be expected.
- B) “Nearest Station”
- The walking time required in the section “Nearest Station” is calculated on the assumption that one minute is required to walk 80 meters, and the calculated value is rounded up when a fraction beyond the first decimal point is included, based on the Fair Competition Rule on the indication of real property (Fair Trade Commission Notice No.23 in 2005) and the enforcement regulation on the Fair Competition Rule on the indication of real property (Approval No.107 by the Fair Trade Commission in 2005).
- C) “Address (Residential Address)”
- “Address (Residential Address)” shows the residence indication of the property. If the residence indication is not implemented, the location or locations (any one of them) of the building on the registry is shown.
- D) “Land”
- “Lot Number” is described based on the registry.
  - “Building Coverage Ratio” and “Floor Area Ratio” are the values provided by relevant laws such as the Building Standards Act and the Urban Planning Act. Depending on the asset planned to be acquired, certain easing measures or restrictions may be applied to the “Building Coverage Ratio” and “Floor Area Ratio” in the table below.
  - “Use Districts” describe the types of use districts under Section 8, subsection 1, paragraph 1 of the Urban Planning Act.
  - “Site Area” is based on the description in the registry, and it may not match the current state.
  - “Ownership Structure” describes the type of rights that a beneficiary of the trust on the asset to be acquired holds or will hold.
- E) “Building”
- “Date of Building” describes the construction date in the registry.
  - “Structure” is based on the description in the registry.
  - “Usage” describes the main types of the buildings in the registry.
  - “Gross Floor Area” is based on the description of the registry.
  - “Number of Parking Spaces” shows the number of cars the car park can accommodate. This car park is secured within the site (including the car park inside the building) of the asset to be acquired as of February 28, 2018. Where a co-owned share and sectional ownership will be acquired, the number of cars to be parked in relation to the entire asset to be acquired is shown.
  - “Ownership Structure” describes the types of rights that a beneficiary of the trust on the asset to be acquired holds or will hold.
- F) “PM Company”
- “PM Company” describes the companies that have entered or will enter into a valid property management contract as of February 28, 2018 in relation to the asset to be acquired.
- G) “Master Lease Company”
- “Master Lease Company” describes the companies that have entered or will enter into a valid master lease contract as of February 28, 2018 in relation to the asset to be acquired.
- H) “Special Comment”
- In principle, “Special Comment” describes items that are considered critical based on the information as of February 28, 2018.
    - a) in terms of the interests and use of each asset; and
- I) in consideration of the impact on the appraisal value of the asset, profitability and ease of “Overview of Lease”
- For “Overview of Lease”, the content of an effective lease agreement, etc. as of February 28, 2018

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for each asset to be acquired is stated based on the values and information provided by the seller of each asset to be acquired, etc., unless otherwise stated.

- For “Total Rentable Area”, the area that is rentable based on the lease agreement or the building drawings of the building pertaining to each asset to be acquired as of February 28, 2018 is stated. However, the number of tenants of incidental areas such as parking lots and warehouses is not included.
- For “Occupancy Ratio”, the ratio of the total leased area to the total rentable area of each asset to be acquired as of February 28, 2018 is stated, rounded off to one decimal place.
- For “Principal Tenant”, the tenant with the largest leased area of the total leased area of each asset to be acquired is stated. For properties with a fixed-rent master lease under which MIRAI will receive a certain amount of rent regardless of changes in the rents of end tenants, the Master Lease Company under the agreement to be concluded on the asset to be acquired is stated. Status of end tenants is shown for “MI Terrace Nagoya Fushimi” as fixed rent master lease agreement in place as of February 28, 2018 is expected to be cancelled following the acquisition by MIRAI. In addition, if consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated in the “Principal Tenant” column.
- For “Number of Tenants,” the number of tenants of each asset to be acquired is stated based on the lease agreement of each asset to be acquired as of February 28, 2018 (limited to those who have already moved in as of this date). However, if a master lease agreement is concluded for the asset to be acquired, the total number of end tenants (limited to those who have already moved in as of this date) is stated for properties with a pass-through master lease in which MIRAI receives rents from the end tenants as they are, in principle. For properties with a fixed-rent master lease under which MIRAI will receive a certain amount of rent, regardless of changes in the rents of end tenants, only the Master Lease Company is stated as the tenant in the number of tenants, and the number of tenants based on the lease agreements between the Master Lease Company and the end tenants for the relevant asset to be acquired is stated in parentheses. In addition, if only land with leasehold is acquired, the total number of the land lessees is stated. However, the number of tenants of incidental areas such as parking lots and warehouses is not included.
- For “Annual Rent,” the annualized amount calculated by multiplying the monthly rent (including rent for rooms and common area charges (if any) and excluding rent for incidental areas such as parking lots and warehouses) by 12 is stated for the building indicated in the lease agreement of each asset to be acquired as of February 28, 2018 (limited to those who have already moved in as of this date), rounded down to the nearest million yen. In this calculation, the Annual Rent is calculated based on the upper limit of fixed rent provided for in the agreement. In addition, for properties in which the The Master Lease Company becomes sublessor to tenants, the annualized amount that is calculated by multiplying the monthly rent in the lease agreement concluded with the end tenants by 12 is stated for properties with a pass-through master lease in which MIRAI receives rents from the end tenants as they are, in principle, while the annualized amount that is calculated by multiplying the monthly rent in the master lease agreement by 12 is stated for properties with a fixed-rent master lease in which MIRAI will receive a certain amount of rent, regardless of changes in the rents of end tenants. Free rent and rent holidays as of February 28, 2018 are not taken into account. If consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated.
- For “Guarantee Deposits,” the total amount of guarantee deposits required under the lease agreement of each asset to be acquired as of February 28, 2018 (limited to those for tenants who have already moved in as of this date) is stated, rounded down to the nearest million yen. However, guarantee deposits for incidental areas such as parking lots and warehouses are not included. If a master lease agreement is concluded for the asset to be acquired, the total amount of guarantee deposits under the lease agreements concluded with the end tenants is stated, rounded down to the nearest million yen. If consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated. In addition, even if the termination or cancellation of the lease agreement is notified by an end tenant, “Occupancy Rate,” “Number of Tenants,” “Annual Rent” and “Guarantee Deposit” are stated based on the assumption that the lease agreement with the end tenant exists if the agreement continues as of February 28, 2018

J) “Overview of Summary of Engineering Report”

- For “Urgent Repairs,” expenses that are stated as repair and renewal expenses that are deemed to be

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- necessary urgently or within approximately one year from the inspection date in the building condition inspection report are stated by rounding down to the nearest thousand yen.
- For “Long-term Repairs,” the annual average amount or the amount converted to the annual average amount of expenses stated as repair and renewal expenses that are expected for 12 years from the inspection date in the building condition inspection report is stated by rounding down to the nearest thousand yen. If the asset to be acquired is a co-ownership interest or a quasi-co-ownership interest of the building, it is calculated according to ownership percentage.
- K) “Collateral”
- “None” is stated when the collateral is canceled after the acquisition of the property.
- L) “Overview of the Real Estate Appraisal Report”
- For “Overview of the Real Estate Appraisal Report,” the general description of the real estate appraisal reports (hereinafter “Appraisal Reports”) that were commissioned by MIRAI and prepared by Daiwa Real Estate Appraisal Co., Ltd. and The Japan Real Estate Institute to appraise each asset to be acquired based on the points to note for the appraisal of real estate under the Act on Investment Trusts and Investment Corporations as well as the Act on Real Property Appraisal (Act No. 152 of 1963 including subsequent amendments; hereinafter “Act on Real Property Appraisal”) and the real property appraisal standards are stated. The real estate appraisals are only the judgements and opinions of the appraisers at a certain point in time, and do not guarantee the adequacy or accuracy of their content or tradability at the Appraisal Value.
  - There is no special interest between MIRAI and the Asset Manager and Daiwa Real Estate Appraisal Co., Ltd. and The Japan Real Estate Institute, which conducted the real estate appraisal.
  - Unless otherwise noted, amounts are rounded down to the nearest million yen. Values in percentages are rounded to one decimal place.
- M) “Characteristics of the Property”
- For “Characteristics of the Property,” it indicates the point of view for property acquisition of MIRAI. In principle, it is based on the description of “Hotel Market Report” prepared by Real Quality Co., Ltd. and “Market Research Report prepared by CBRE K.K partially based on the material obtained by the Asset Manager to state the basic nature, characteristics, and features of the area in which it is located of each asset to be acquired. The reports are only the judgements and opinions of the external experts who created them at a certain point in time, and they do not guarantee the adequacy or accuracy of their content. Environmental changes, etc. after the reports were prepared are not reflected.

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