

October 31, 2019

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation
Michio Suganuma, Executive Director
(Securities Code: 3476)

Asset Management Company:

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Notice Concerning Termination of Merger Agreement
by and between MIRAI Corporation and Sakura Sogo REIT Investment Corporation
and Withdrawal of Forecasts of Operating Results and Distributions Subsequent to Merger

MIRAI Corporation (hereinafter “MIRAI”) announces that regarding the merger (hereinafter “the Merger”) with Sakura Sogo REIT Investment Corporation (hereinafter “SAKURA”) effective November 1, 2019 announced in “Notice Concerning Execution of Merger Agreement by and between MIRAI Corporation and Sakura Sogo REIT Investment Corporation” on August 5, 2019, the merger agreement dated August 5, 2019 (hereinafter “the Merger Agreement”) is to be terminated as of November 1, 2019 which was the scheduled effective date of the Merger as the conditions are not met for the Merger Agreement to take effect as of the day. As a result, MIRAI withdraws the forecasts of operating results and distributions based on the conclusion of the Merger (hereinafter “the Forecast after the Merger”) announced in “Notice Concerning the Forecast of Operating Results and Distributions Subsequent to the Merger of MIRAI Corporation and Sakura Sogo REIT Investment Corporation for the Fiscal Periods Ending April 30, 2020 and October 31, 2020” on August 5, 2019.

There is no change to the forecast of MIRAI announced in “Notice Concerning Forecasts for the Fiscal Period Ending October 31, 2019 and April 30, 2020” dated September 9, 2019 if the Merger is not concluded. MIRAI announces the forecasts for the fiscal period ending October 31, 2019 (the 7th period from May 1, 2019 to October 31, 2019) and April 30, 2020 (the 8th period from November 1, 2019 to April 30, 2020) again.

1 Details of Forecasts

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions per unit (including distributions in excess of earnings)	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Fiscal period ending October 2019	¥5,400m	¥2,710m	¥2,468m	¥2,467m	¥1,560	-	-
Fiscal period ending April 2020	¥5,315m	¥2,726m	¥2,484m	¥2,483m	¥1,570	-	-

(Reference)

The Fiscal Period ending October 2019
The Fiscal Period ending April 2020

: Forecasted Unit at end of period 1,581,640 units
: Forecasted Unit at end of period 1,581,640 units

(Note 1) Each forecast is calculated as of today based on the assumptions stated in the attached “Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2019 and April 30, 2020” in “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending October 31, 2019 and April 30, 2020” dated on June 21, 2019. Actual operating revenue, operating profit, ordinary profit, net profit and distributions per unit (excluding distributions in excess of earnings) are subject to change due to various factors such as additional acquisition or sale of real estate in the future, changes in the real estate market, the actual number of new investment units to be issued as well as their issuance price, fluctuations of interest rate and any other changes in circumstances surrounding MIRAI. In addition, the forecasts are not a guarantee of any actual financial performances or amount of distributions.

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

(Note 3) Figures below each unit are rounded down while percentage figures are rounded to the nearest tenth.

2 Reason of Withdrawal of Forecasts and Outlook

As announced in the “Notice Concerning Resolution of the 3rd General Meeting of Unitholders of Sakura Sogo REIT Investment Corporation” on August 30, 2019 and “Notice Concerning Cancellation of General Meeting of Unitholders” on September 3, 2019, the Merger Agreement is considered terminated on November 1, 2019 which is the scheduled effective date of the Merger as the conditions are not met for the Merger Agreement to take effect as of the day. As a result of the termination of the Merger Agreement, MIRAI deems that the Merger with SAKURA is unattainable and withdraws the Forecast after the Merger.

As announced in the “Notice Concerning Notice of Termination of Merger Agreement by and between MIRAI Corporation and Sakura Sogo REIT Investment Corporation” on September 25, 2019, GALAXY JREIT PTY LIMITED (hereinafter “GALAXY”), a unitholder of SAKURA, has (i) filed suit for revocation of unitholders’ resolution passed during the general meeting of unitholders of SAKURA called by its minority unitholder and held on August 30, 2019 which elected Mr. Toru Sugihara (hereinafter “Mr. Sugihara”) as its executive director, and (ii) filed for provisional injunction to suspend Mr. Sugihara from executing his duties with Mr. Sugihara and SAKURA as the obligators. MIRAI may reconsider possible Merger with SAKURA depending on the outcome these judicial proceedings.

MIRAI will make timely announcement if there is any matter to be disclosed regarding the Merger with SAKURA due to progress of these judicial proceedings.

(End)

* URL: <http://3476.jp/en>

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

(Reference press release, etc.)

Dated 6/21/2019 “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending October 31, 2019 and April 30, 2020”

Dated 8/5/2019 “Notice Concerning the Forecast of Operating Results and Distributions Subsequent to the Merger of MIRAI Corporation and Sakura Sogo REIT Investment Corporation for the Fiscal Periods Ending April 30, 2020 and October 31, 2020”

Dated 9/9/2019 “Notice Concerning Forecasts for the Fiscal Period Ending October 31, 2019 and April 30, 2020”

Dated 9/25/2019 “Notice Concerning Notice of Termination of Merger Agreement by and between MIRAI Corporation and Sakura Sogo REIT Investment Corporation”