

June 21, 2019

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

Michio Suganuma, Executive Director

(Securities Code: 3476)

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Notice Concerning Revisions to Forecasts for the Fiscal Period Ending October 31, 2019 and April 30, 2020

MIRAI Corporation (hereinafter “MIRAI”) announces that it has revised its forecasts for the fiscal period ending October 31, 2019 (the 7<sup>th</sup> period from May 1, 2019 to October 31, 2019) and April 30, 2020 (the 8<sup>th</sup> period from November 1, 2019 to April 30, 2020) that were previously published in “(REIT) Financial Report for the Fiscal Period ended April 30, 2019 (the 6<sup>th</sup> Period)” on June 14, 2019.

1. Details of Revisions

a) Revisions to the forecasts for the fiscal period ending October 31, 2019 (the 7<sup>th</sup> period from May 1, 2019 to October 31, 2019)

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions per unit (including distributions in excess of earnings)	Distributions per unit	Distributions in excess of earnings per unit
						(excluding distributions in excess of earnings)	(excluding distributions in excess of earnings)
Previous (A)	¥5,072m	¥2,498m	¥2,256m	¥2,255m	¥1,425	-	-
Revised (B)	¥5,400m	¥2,710m	¥2,468m	¥2,467m	¥1,560	-	-
Change in amount (B - A)	¥328m	¥212m	¥212m	¥212m	¥135	-	-
Percentage change	6.5%	8.5%	9.4%	9.4%	9.5%	-	-

b) Revisions to the forecasts for the fiscal period ending April 30, 2020 (the 8<sup>th</sup> period from November 1, 2019 to April 30, 2020)

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions		
					per unit (including distributions in excess of earnings)	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Previous (A)	¥4,993m	¥2,496m	¥2,253m	¥2,252m	¥1,425	-	-
Revised (B)	¥5,315m	¥2,726m	¥2,484m	¥2,483m	¥1,570	-	-
Change in amount (B - A)	¥322m	¥230m	¥230m	¥230m	¥145	-	-
Percentage change	6.5%	9.2%	10.2%	10.2%	10.2%	-	-

(Information)

The fiscal period ending October 31, 2019: The estimated number of investment units outstanding as of the end of the period: 1,581,640 units \*

The fiscal period ending April 30, 2020: The estimated number of investment units outstanding as of the end of the period: 1,581,640 units \*

\* Please refer to the “Total number of investment units issued” shown in the attached “Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2019 and April 30, 2020” for details.

(Note 1) Each forecast is calculated as of today based on the assumptions stated in the attached “Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2019 and April 30, 2020”. 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. Reasons for Revisions

MIRAI revised its forecasts for the fiscal period ending October 31, 2019 and April 30, 2020 announced in “(REIT) Financial Report for the Fiscal Period ended April 30, 2019 (The 6<sup>th</sup> Period)” dated June 14, 2019 due to an increase in distribution per units by over 5% changes in operational assumptions for the period resulting from the disposition of an asset announced today in “Notice Concerning Disposition of Real Estate Beneficiary in Japan (MIUMIU Kobe)”. MIRAI aims to realize stable DPU in medium to long term and plans to utilize part of the disposition gain being recognized over 3 fiscal periods to improve profitability of retail assets and hotels with variable rent under management in the medium term while achieving short term growth of DPU from the disposition gain.

(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 this English translation.**

(Reference press release, etc.)

Dated 21/16/2019 “Notice Concerning Disposition of Real Estate Beneficiary in Japan (MIUMIU Kobe)”

Dated 21/16/2019 “Disposition of MIUMIU Kobe -Supplementary Material for the Press Release Dated June 21, 2019-”

(Attachment)

“Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2019 and April 30, 2020”

Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2019 and April 30, 2020

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> <li>The Fiscal Period Ending October 31, 2019: from May 1, 2019 to October 31, 2019 (184 days)</li> <li>The Fiscal Period Ending April 30, 2020: from November 1, 2019 to April 30, 2020 (182 days)</li> </ul>																					
Portfolio Assets	<ul style="list-style-type: none"> <li>Of the real estate trust beneficiaries MIRAI owns as of today (total 29 assets, hereinafter the “Portfolio Assets”), it is assumed that MIUMIU Kobe (hereinafter the “Assets to be Disposed”) will be disposed (hereinafter the “Anticipated Disposition”) of as below. Please refer to “Notice Concerning Disposition of Real Estate Beneficiary in Japan (MIUMIU Kobe)” announced on June 21, 2019.</li> <li>Fiscal period ending October 2019: quasi co-ownership interest 29% (scheduled disposition date: June 28, 2019)</li> <li>Fiscal period ending April 2020: quasi co-ownership interest 33% (scheduled disposition date: November 29, 2019)</li> <li>The forecasts do not assume any changes (any acquisitions or sale) among the Portfolio Assets other than the Anticipated Disposition.</li> <li>Changes may occur in reality due to changes in the Portfolio Assets.</li> </ul>																					
Total number of investment units issued	<ul style="list-style-type: none"> <li>The forecasts assume 1,581,640 units.</li> <li>No changes in the number of investment units due to any issuances of new units are assumed until April 30, 2020.</li> </ul>																					
Interest-bearing debt	<ul style="list-style-type: none"> <li>The balance of outstanding interest-bearing debt is 74,700 million yen as of today.</li> <li>The interest-bearing debt outstanding as of October 31, 2019 and April 30, 2020 is expected to be 74,700 million yen.</li> <li>The LTV (based on total assets) as of October 31, 2019 and April 30, 2020 is expected to be approximately 49%.</li> <li>The calculation of the LTV (based on total assets) uses the following formula.  <math display="block">\text{LTV (based on total assets)} = \frac{\text{total amount of interest-bearing debt outstanding}}{\text{total assets}}</math> </li> </ul>																					
Operating revenue	<ul style="list-style-type: none"> <li>Lease business revenue from the Portfolio Assets is calculated primarily by taking into account leasing contracts effective as of today and trends in the real estate leasing market (vacancy rates, rent levels, etc.).</li> <li>MIRAI plans to dispose the Asset to be Disposed among the above “Portfolio Assets” by the end of the Fiscal Period Ending October 31, 2019 and April 30, 2020. It expects to receive 360 million yen for the Fiscal Periods Ending October 31, 2019 and 415 million yen for the Fiscal Periods Ending April 30, 2020 in gain on sales of real estate properties (disposition gain).</li> </ul>																					
Operating expenses	<ul style="list-style-type: none"> <li>Expenses for the lease business other than depreciation are based on past records and information provided by the current owners, etc. while reflecting other variable factors into consideration.</li> <li>In principle, the fixed asset tax, city planning tax, and depreciation asset tax (the “Fixed Asset and City Planning Taxes”) of assets to be acquired during a fiscal year will be settled on the acquisition date with current owners in proportion to holding period for the assets. Such costs are to be capitalized without having any impact to profit and/or loss in the fiscal period of the acquisition.</li> <li>Total repair expenses for buildings are calculated based on the repair plans developed by the Asset Manager and takes into account the engineering reports and appraisal reports, and are accrued in each fiscal period. It should be noted, however, that the actual repair expenses in each fiscal period may differ considerably from the estimates, mainly due to urgent repair expenses for any damages of assets arising from unexpected factors, significant yearly fluctuations in the amount of repair expenses and the nature of repair expenses whereby they do not arise on a regular basis.</li> <li>Depreciation including incidental expenses is calculated using the straight-line method.</li> <li>The breakdown of expenses for the lease business is as follows.</li> </ul> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Fiscal Period Ending October 31, 2019</th> <th>Fiscal Period Ending April 30, 2020</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td>331 million yen</td> <td>329 million yen</td> </tr> <tr> <td>Utilities:</td> <td>502 million yen</td> <td>428 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td>396 million yen</td> <td>383 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td>60 million yen</td> <td>66 million yen</td> </tr> <tr> <td>Other expenses for lease business:</td> <td>321 million yen</td> <td>289 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>563 million yen</td> <td>573 million yen</td> </tr> </tbody> </table>		Fiscal Period Ending October 31, 2019	Fiscal Period Ending April 30, 2020	Outsourcing services:	331 million yen	329 million yen	Utilities:	502 million yen	428 million yen	Taxes and dues:	396 million yen	383 million yen	Repair expenses:	60 million yen	66 million yen	Other expenses for lease business:	321 million yen	289 million yen	Depreciation:	563 million yen	573 million yen
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Item	Assumptions
	<ul style="list-style-type: none"> <li>• Other expenses for leasing business includes 100 million yen for the Fiscal Period Ending October 2019 and 75 million yen for the Fiscal Period Ending April 2020 as expenses related to measures to improve profitability of the Portfolio Assets in the medium term.</li> <li>• Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 514 million yen for the Fiscal Period Ending October 31, 2019, and 517 million yen for the Fiscal Period Ending April 30, 2020.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>• Interest expenses and borrowing-related expenses are estimated to be 242 million yen for the Fiscal Period Ending October 31, 2019, and 242 million yen for the Fiscal Period Ending April 30, 2020.</li> </ul>
Distributions per unit (excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>• Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy described in the Articles of Incorporation of MIRAI.</li> <li>• The amount of distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors such as acquisitions and sales of assets, changes in rent income caused by tenant relocations, unexpected repairs incurred, and interest rate fluctuations.</li> <li>• Derivatives transactions (interest rate swaps transaction) will be continuously in place during the Fiscal Periods Ending October 31, 2019 and April 30, 2020. It is estimated that deferred losses on hedges as deduction from net assets (as specified in Item 30-B, Clause 2, Article 2 of the Calculation Rules for Investment Corporations) is 491 million yen which is the same amount as the Fiscal Period Ended April 30, 2019. It is calculated based on the assumption that there is no change in the market value of interest rate swaps.</li> </ul>
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• As described above, no change in the amount of deferred losses on hedges as deduction from net assets is assumed in the Fiscal Period Ending October 31, 2019 and April 30, 2020, and distributions in excess of earnings related to the allowance for temporary difference adjustment are not scheduled at present.</li> <li>• Distributions in excess of earnings by decreasing unitholders' capital under taxation are not scheduled at present.</li> </ul>
Others	<ul style="list-style-type: none"> <li>• The forecasts assume that no revisions that may impact the above projections will be made to laws and regulations, taxation, accounting standards, listing rules, the rules of the Investment Trust Association, Japan, or others.</li> <li>• The forecasts assume no unforeseeable significant changes in the general economic trends and real estate market conditions.</li> </ul>