

December 16, 2016

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

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(Securities Code: 3476)

Asset Management Company:

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Notice Concerning Borrowing of Funds and Setting of Interest Rate Swaps

MIRAI Corporation (hereinafter “MIRAI”) announces today that it has borrowed a total of 51 billion yen of funds and set interest rate swaps for long-term loans in floating rates. Details are as follows.

1. Details of the Borrowing of Funds (Borrowing Date: December 16, 2016)

Term (Note 1)	Lender	Borrowing amount	Interest rate	Maturity date	Interest payment date	Method of repayment	Remarks
Long term	Sumitomo Mitsui Banking Corporation/ Resona Bank, Limited	8.0 billion yen	Base rate (Note 2) +0.420%	November 30, 2026 (Period 10 years)	(Note 5)	Bullet repayment at maturity	Unsecured and unguaranteed
	Sumitomo Mitsui Trust Bank, Limited	5.0 billion yen	Base rate (Note 2) +0.340%	November 29, 2024 (Period 8 years)			
	Sumitomo Mitsui Banking Corporation/ The Bank of Fukuoka, Ltd./ Resona Bank, Limited	10.0 billion yen	Base rate (Note 2) +0.280%	November 30, 2023 (Period 7 years)			
	Development Bank of Japan Inc.	2.0 billion yen	0.62125% (Fixed rate)	(Note 6)			
	Sumitomo Mitsui Trust Bank, Limited/ Shinsei Bank, Limited	7.0 billion yen	Base rate (Note 2) +0.200%	November 30, 2022 (Period 6 years)	(Note 5)		
	Mizuho Bank, Ltd.	10.0 billion yen	0.370% (Fixed rate)	November 30, 2021 (Period 5 years)	(Note 6)		
Short term	Mizuho Bank, Ltd.	2.0 billion yen	Base rate (Note 3) +0.130%	November 30, 2017 (Period 1 years)	(Note 7)		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.0 billion yen					
	Mitsubishi UFJ Trust and Banking Corporation	1.0 billion yen					
	Sumitomo Mitsui Banking Corporation	5.0 billion yen					

Note: This press release is a document that is released publicly relating to the borrowing of funds and the setting of interest rate swaps by MIRAI, and is not prepared for the purpose of solicitation for investment.

(Note 1) “Short term” means loans with the period from the date of borrowing to the maturity date being one year or less. “Long term” means loans with the period from the date of borrowing to the maturity date being more than one year.

(Note 2) The base rates for long-term loans are the Japanese Bankers Association (JBA) three-month Japanese Yen TIBOR (If a period corresponding to the relevant interest period does not exist, an interest rate separately determined in the loan agreement). The initial base rate is 0.08022%. For long-term loans in floating rates, interest rates paid are fixed by an interest rate swap agreement. For details, please refer to “2. Details of Interest Rate Swaps” below.

(Note 3) The base rates for short-term loans are the JBA one-month Japanese Yen TIBOR. The initial base rate is 0.03%.

(Note 4) The base rate applied to the calculation period of each interest payment date will be determined two business days prior to the immediately preceding interest payment date. For the JBA Japanese Yen TIBORs, which are the base rates, please refer to the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/english/rate/>).

(Note 5) The initial interest payment date is set at the end of April 2017, and the subsequent interest payment dates are set at the end of January, April, July and October each year and the maturity date of the principal (however, if the relevant day is not a business day, the following business day, and if the relevant day is in the following month, the immediately preceding business day).

(Note 6) The initial interest payment date is set at the end of April 2017, and the subsequent interest payment dates are set at the end of April and October each year and the maturity date of the principal (however, if the relevant day is not a business day, the following business day, and if the relevant day is in the following month, the immediately preceding business day).

(Note 7) The initial interest payment date is set at the end of December 2017, and the subsequent interest payment dates are set at the end of each month and the maturity date of the principal (however, if the relevant day is not a business day, the following business day, and if the relevant day is in the following month, the immediately preceding business day)

(Note 8) If certain conditions are met, such that MIRAI makes a prior written notice before the maturity date after the borrowing of funds above, MIRAI is able to prepay part or all of the loans.

2. Details of Interest Rate Swaps

Lender	Notional principal of loans	Counterparty	Interest rate (Note 1)		Commencement date	Termination date
			Fixed rate paid	Floating rate received		
Sumitomo Mitsui Banking Corporation/ Resona Bank, Limited	8.0 billion yen	Nomura Securities Co., Ltd.	0.3250% (Note 2)	JBA three-month Japanese Yen TIBOR	December 16, 2016	November 30, 2026 (Period 10 years)
Sumitomo Mitsui Trust Bank, Limited	5.0 billion yen	Sumitomo Mitsui Trust Bank, Limited	0.2547% (Note 3)			November 29, 2024 (Period 8 years)
Sumitomo Mitsui Banking Corporation/ The Bank of Fukuoka, Ltd./ Resona Bank, Limited	10.0 billion yen	Sumitomo Mitsui Trust Bank, Limited	0.2196% (Note 4)			November 30, 2023 (Period 7 years)
Sumitomo Mitsui Trust Bank, Limited/ Shinsei Bank, Limited	7.0 billion yen	Nomura Securities Co., Ltd.	0.1725% (Note 5)			November 30, 2022 (Period 6 years)

(Note 1) The initial interest payment date is set at the end of April 2017, and the subsequent interest payment dates are set at the end of January, April, July and October each year and the termination date (however, if the relevant day is not a business day, the following business day, and if the relevant day is in the following month, the immediately preceding business day)

(Note 2) Interest rate for the loans is practically fixed at 0.7450% due to the setting of the interest rate swap.

(Note 3) Interest rate for the loans is practically fixed at 0.5947% due to the setting of the interest rate swap.

(Note 4) Interest rate for the loans is practically fixed at 0.4996% due to the setting of the interest rate swap.

(Note 5) Interest rate for the loans is practically fixed at 0.3725% due to the setting of the interest rate swap.

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3. Reasons for the Borrowing of Funds and the Setting of Interest Rate Swaps

The reason for the borrowing of funds is to appropriate the loans to part of funds to acquire the specified assets (a total of 15 properties) (hereinafter the “Acquired Assets”) stated in “Chapter 2 Information of the Fund, Section 1 Status of the Fund/ 2 Investment Policy/ (2) Investment Targets/ (iii) Overview of the Assets to be Acquired” in the securities registration statement submitted on November 11, 2016 and funds to pay their incidental expenses. The reason for the setting of interest rate swaps is to avoid the interest volatility risk by practically fixing the floating rates of long-term loans (a total of 30 billion yen).

(Note) For the overview of the Acquired Assets, please refer to the “Notice Concerning Completed Acquisition of Assets” published today.

4. Status of Loans, etc. after the Borrowing of Funds

(Unit: million yen)

	Before	After	Increase/ Decrease
Short-term borrowings	–	9,000	+9,000
Long-term borrowings	–	42,000	+42,000
Total borrowings	–	51,000	+51,000
Investment corporation bonds	–	–	–
Total of borrowings and investment corporation bonds	–	51,000	+51,000
Other interest-bearing debt	–	–	–
Total interest-bearing debt	–	51,000	+51,000

5. Other Necessary Matters for Investors to Understand and Judge the Information Appropriately

With respect to risks involved in the repayment of the funds borrowed, the description in “Chapter 2 Information of the Fund, Section 1 Status of the Funds/ 3 Investment Risks” in the securities registration statement submitted on November 11, 2016 remains unchanged.

(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.

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