

(REIT) Financial Report for the Fiscal Period ended April 30, 2017 (The 2nd Period)

June 14, 2017

Name of REIT issuer: MIRAI Corporation Stock exchange listing: Tokyo Stock Exchange
 Security code: 3476 URL: <http://3476.jp>
 Representative: Michio Suganuma, Executive Director
 Name of asset manager: Mitsui Bussan & IDERA Partners Co.,Ltd.
 Representative: Michio Suganuma, Representative Director, President
 Contact: Takashi Ueno, Executive Director, CFO
 TEL:+81-3-6632-5950

Scheduled date for submission of securities report: July 28, 2017

Scheduled date for commencing dividend payments: July 5, 2017

IR Material: Will be posted on the website

IR Meeting: Will be held for institutional investors and security analysts

(Figures are rounded down to the nearest million yen)

1. Performance for the Fiscal Period ended April 2017 (The 2nd Period from November 1, 2016 to April 30, 2017)

(1) Operating Results (% represents change from the previous period)

Period ended	Operating revenue		Operating profit		Ordinary profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Apr. 30, 2017	2,395	-	1,279	-	1,037	-	1,036	-
Oct. 31, 2016	-	-	(14)	-	(78)	-	(78)	-

Period ended	Net profit per Unit	Net profit to Net Assets	Ordinary profit to Total Assets	Ordinary profit to Operating revenue
	Yen	%	%	%
Apr. 30, 2017	4,656	3.9	1.9	43.3
Oct. 31, 2016	(104,501)	(70.7)	(67.7)	-

(Note 1) The number of days for the Fiscal Period ended April 30, 2017 is 181 days from November 1, 2016 to April 30, 2017, but the actual asset management period is 136 days from December 16, 2016 to April 30, 2017.

(Note 2) Net profit per unit is calculated by dividing net profit by the daily weighted average number of investment units (For the Fiscal Period ended April 30, 2017: 222,523units / For the Fiscal Period ended October 31, 2016: 750units.). Also, assuming that the beginning of the period is December 16, 2016 which is the commencement of actual asset management, net profit per unit for this period is 3,527 yen using 293,750 units as the weighted average number of units.

(Note 3) Percentage figures for Operating Revenue, Operating Profit, Ordinary Profit and Net Profit are the ratios of increase / (decrease) from the previous period, but are not applicable for the period ended October 31, 2016, because of the first fiscal period.

(2) Distributions

Period ended	Distributions per Unit (excluding distributions in excess of earnings)	Total Distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Distributions in excess of earnings	Distributions per Unit (including distributions in excess of earnings)	Total Distributions (including distributions in excess of earnings)	Payout Ratio	Distributions to Net Assets
	Yen	Million yen	Yen	Million yen	Yen	Million yen		%
Apr. 30, 2017	2,524	741	736	216	3,260	957	71.5	1.8
Oct. 31, 2016	-	-	-	-	-	-	-	-

(Note 1) Distributions in excess of earnings per unit amounted Yen 736 for the Fiscal Period ended April 30, 2017 is made from the allowance for temporary different adjustment. There is no distributions by decreasing unitholders' capital on taxation.

(Note 2) Total Distributions (including distributions in excess of earning) for the Fiscal Period ended April 30, 2017 is composed of distributions of net assets deducting unitholders' capital (excluding distributions in excess of earnings) at period-end and distributions of the allowance for temporary different adjustment (distributions in excess of earning) as deferred losses on hedges.

(Note 3) Payout Ratio = Total Distributions (excluding distributions in excess of earnings) / Net Income * 100
 Payout Ratio for the Fiscal Period ended April 30, 2017 is 92.4% using the Total Distributions (including distributions in excess of earnings).

(Note 4) Distributions to Net Assets are calculated based on Total Distributions (excluding distributions in excess of earnings)

(3) Financial Position

	Total Asset	Net Asset	Net Assets to Total Assets	Net Assets per Unit
Period ended	Million yen	Million yen	%	Yen
Apr. 30, 2017	108,422	52,633	48.5	179,179
Oct. 31, 2016	80	71	88.6	95,499

(4) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Period
Period ended	Million yen	Million yen	Million yen	Million yen
Apr. 30, 2017	109	(99,080)	102,615	3,710
Oct. 31, 2016	(69)	(13)	150	67

2. Forecasts for the Fiscal Period ending October 2017 (The 3rd Period from May 1, 2017 to October 31, 2017) and the Fiscal Period ending April 2018 (The 4th Period from November 1, 2017 to April 30, 2018)

(% represents change from the previous period)

Period ended	Operating revenue		Operating profit		Ordinary profit		Net profit		Distributions per Unit (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
Oct. 31, 2017	3,397	41.8	1,641	28.2	1,499	44.5	1,498	44.6	5,100	-
Apr. 30, 2018	3,341	(1.6)	1,645	0.3	1,499	(0.0)	1,497	(0.0)	5,100	-

(Reference) Forecasted Net Income per Unit (Forecasted Net Income / Forecasted Unit at end of period)

The Fiscal Period ending October 2017:

Forecasted Unit at end of period 293,750 units Forecasted Net Income per Unit 5,100 yen

The Fiscal Period ending April 2018:

Forecasted Unit at end of period 293,750 units Forecasted Net Income per Unit 5,100 yen

Others

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements due to corrections of errors

- | | |
|--|------|
| (i) Changes in accounting policies due to revisions to accounting standards | None |
| (ii) Changes in accounting policies other than (i) | None |
| (iii) Changes in accounting estimates | None |
| (iv) Restatement of prior period financial statements due to corrections of errors | None |

(2) Number of investment units issued and outstanding

(i) Number of investment units (including treasury units) issued and outstanding at the end of each period

As of Apr. 30, 2017: 293,750 units As of Oct. 31, 2016: 750 units

(ii) Number of treasury units issued and outstanding at end of period

As of Apr. 30, 2017: 0 unit As of Oct. 31, 2016: 0 unit

* Explanation on the financial audit

Audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed as of June 14, 2017.

* Explanation on the appropriate use of forecasts and other notes

(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by MIRAI Corporation. (hereafter referred to as "MIRAI"), and the actual operating results, etc. may differ significantly from that anticipated by MIRAI due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "Assumptions Underlying Management Status Forecast for the Fiscal Period Ending October 31, 2017 and the Fiscal Period Ending April 30, 2018." on page 3.

Assumptions Underlying the Forecast for
the Fiscal Period Ending October 31, 2017 and the Fiscal Period Ending April 30, 2018.

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> The Fiscal Period Ending October 2017: May 1, 2017 to October 31, 2017 (184 days) The Fiscal Period Ending April 2018: November 1, 2017 to April 30, 2018 (181 days) 																					
Properties	<ul style="list-style-type: none"> The forecasts assume that MIRAI holds 15 properties as real estate trust beneficiaries (the “existing properties”) as of the date of this document and is to acquire one building under construction on the land of “miumiu Kobe”. No other acquisitions and sales of properties is assumed. In practice, this may change due to movements of investment assets. 																					
Total number of investment units issued	<ul style="list-style-type: none"> The forecasts assume 293,750 units outstanding as of the date of this document. 																					
Interest-bearing debt	<ul style="list-style-type: none"> The interest-bearing debt outstanding as of the date of this document was 51,000 million yen. MIRAI will repay 2,000 million yen of the short term debt by the end of the Fiscal Period Ending October 2017 by using consumption tax refund resulting from acquisition of the existing properties and payment of other various expenses. In addition, MIRAI will borrow new funds of 500 million yen for the acquisition of the building on the land of “miumiu Kobe”. The Interest-bearing debt outstanding as of the end of the Fiscal Period Ending October 2017 and the Fiscal Period Ending April 2018 is expected to be 49,500 million yen respectively. LTV as of the end of The Fiscal Period Ending October 2017 and The Fiscal Period Ending April 2018 is expected to be approx. 46% respectively. The following formula is used in the calculation of LTV. LTV = Total interest-bearing debt / total assets * 100 																					
Operating revenue	<ul style="list-style-type: none"> Revenue for leasing business of the existing properties is calculated taking into account of leasing contracts effective as of the date of this document and trends of real estates markets (vacancy rate and rent level, etc.). 																					
Operating expense	<ul style="list-style-type: none"> Expenses for leasing business other than depreciation are calculated based on past truck records considering variable factors. In reference to the engineering reports and the appraisals, repair expenses for buildings are calculated based on the repair plans formulated by the Asset Manager. However, actual repair expenses for each operating period may differ considerably from forecasts, mainly because unexpected repair expenses may be incurred due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one fiscal period to another, and repair expense, by nature, are not incurred on a regular basis. Depreciation including incidental expenses is calculated using the straight-line method. Breakdown of expenses for leasing business is as follows. <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">The Fiscal Period Ending October 2017</th> <th style="text-align: center;">The Fiscal Period Ending April 2018</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services :</td> <td style="text-align: right;">205 million yen</td> <td style="text-align: right;">203 million yen</td> </tr> <tr> <td>Utilities expenses :</td> <td style="text-align: right;">373 million yen</td> <td style="text-align: right;">365 million yen</td> </tr> <tr> <td>Taxes and dues :</td> <td style="text-align: right;">249 million yen</td> <td style="text-align: right;">241 million yen</td> </tr> <tr> <td>Repair expenses :</td> <td style="text-align: right;">100 million yen</td> <td style="text-align: right;">55 million yen</td> </tr> <tr> <td>Other expenses for leasing business :</td> <td style="text-align: right;">106 million yen</td> <td style="text-align: right;">116 million yen</td> </tr> <tr> <td>Depreciation :</td> <td style="text-align: right;">356 million yen</td> <td style="text-align: right;">364 million yen</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Other operating expenses (asset management fees, administrative servicing fees, etc.) are assumed at 363 million yen for the Fiscal Period Ending October 2017 and 347 million yen for the Fiscal Period Ending April 2018. 		The Fiscal Period Ending October 2017	The Fiscal Period Ending April 2018	Outsourcing services :	205 million yen	203 million yen	Utilities expenses :	373 million yen	365 million yen	Taxes and dues :	249 million yen	241 million yen	Repair expenses :	100 million yen	55 million yen	Other expenses for leasing business :	106 million yen	116 million yen	Depreciation :	356 million yen	364 million yen
	The Fiscal Period Ending October 2017	The Fiscal Period Ending April 2018																				
Outsourcing services :	205 million yen	203 million yen																				
Utilities expenses :	373 million yen	365 million yen																				
Taxes and dues :	249 million yen	241 million yen																				
Repair expenses :	100 million yen	55 million yen																				
Other expenses for leasing business :	106 million yen	116 million yen																				
Depreciation :	356 million yen	364 million yen																				
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and borrowing-related expenses are assumed at 142 million yen for the Fiscal Period Ending October 2017 and 146 million yen for the Fiscal Period Ending April 2018 																					
Distributions per unit (Excluding distributions in excess of earnings)	<ul style="list-style-type: none"> 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. 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, fluctuations in rent income caused by tenant movements, unexpected repairs incurred, interest rate fluctuations and so on. The estimate assumes derivative transactions (interest rate swaps) are continuously in place during the Period Ending October 2017 and the Period Ending April 2018. Accordingly, the deferred losses on hedges among the deductions from net assets are expected to be 216 million yen for both periods. The calculation thus is made assuming that there will be no change in the deductions from net assets that will affect distributions per unit (excluding distributions in excess of earnings). 																					
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> As described above, no change in the amount of deferred losses on hedges as a deduction from net assets is assumed in the Fiscal Period Ending October 2017 and the Fiscal Period Ending April 2018, and distributions in excess of earnings related to the allowance for temporary difference adjustment are not scheduled at present. 																					

Item	Assumptions
	<ul style="list-style-type: none"> • Distributions in excess of earnings by decreasing unitholders' capital on taxation are not scheduled at present.
Others	<ul style="list-style-type: none"> • It is assumed that no revisions which may have impacts on the above projections are made to laws, regulations, taxation, accounting standards, listing rules, the rules of the Investment Trust Association, Japan, or others. • Also, no unforeseeable significant changes in the general economic trends and real estate market conditions are assumed.

3. Financial Statements

(1) Balance Sheet

(Thousand yen)

	The Fiscal Period ended October 2016	The Fiscal Period ended April 2017
Assets		
Current assets		
Cash and deposits	67,364	2,149,050
Cash and deposits in trust	-	1,768,721
Operating accounts receivable	-	77,065
Prepaid expenses	-	61,240
Deferred tax assets	-	26
Consumption taxes receivable	-	1,794,514
Other	0	128
Total current assets	67,364	5,850,747
Non-current assets		
Property, plant and equipment		
Buildings in trust	-	22,008,596
Accumulated depreciation	-	(286,271)
Buildings in trust, net	-	21,722,324
Structures in trust	-	98,019
Accumulated depreciation	-	(3,275)
Structures in trust, net	-	94,744
Machinery and equipment in trust	-	130,465
Accumulated depreciation	-	(4,224)
Machinery and equipment in trust, net	-	126,241
Tools, furniture and fixtures in trust	-	1,276
Accumulated depreciation	-	(39)
Tools, furniture and fixtures in trust, net	-	1,237
Land in trust	-	80,325,654
Total property, plant and equipment	-	102,270,202
Intangible assets		
Software	-	2,935
Other	3,444	-
Total intangible assets	3,444	2,935
Investments and other assets		
Long-term prepaid expenses	-	278,083
Guarantee deposits	10,000	10,000
Other	-	10,510
Total investments and other assets	10,000	298,593
Total non-current assets	13,444	102,571,732
Total assets	80,808	108,422,479

(Thousand yen)

	The Fiscal Period ended October 2016	The Fiscal Period ended April 2017
Liabilities		
Current liabilities		
Operating accounts payable	-	196,438
Short-term loans payable	-	7,000,000
Accounts payable - other	8,615	233,610
Accrued expenses	-	1,927
Income taxes payable	241	1,142
Advances received	-	440,407
Deposits received	327	12,759
Total current liabilities	9,184	7,886,285
Non-current liabilities		
Long-term loans payable	-	44,000,000
Tenant leasehold and security deposits in trust	-	3,685,975
Derivatives liabilities	-	216,326
Total non-current liabilities	-	47,902,302
Total liabilities	9,184	55,788,588
Net assets		
Unitholders' equity		
Unitholders' capital	150,000	51,892,335
Surplus		
Unappropriated retained earnings (undisposed loss)	(78,375)	957,882
Total surplus	(78,375)	957,882
Total unitholders' equity	71,624	52,850,217
Valuation and translation adjustments		
Deferred gains or losses on hedges	-	(216,326)
Total valuation and translation adjustments	-	(216,326)
Total net assets	71,624	52,633,891
Total liabilities and net assets	80,808	108,422,479

(2) Statement of Income and Retained Earnings

(Thousand yen)

	The Fiscal Period ended October 2016	The Fiscal Period ended April 2017
Operating revenue		
Lease business revenue	-	1,948,569
Other lease business revenue	-	446,629
Total operating revenue	-	2,395,198
Operating expenses		
Expenses related to rent business	-	877,777
Asset management fee	-	198,717
Asset custody fee	1,080	2,700
Administrative service fees	4,952	7,784
Directors' compensations	5,750	3,000
Other operating expenses	2,761	25,265
Total operating expenses	14,544	1,115,244
Operating profit (loss)	(14,544)	1,279,954
Non-operating income		
Interest income	3	10
Other	-	428
Total non-operating income	3	438
Non-operating expenses		
Interest expenses	-	85,446
Borrowing related expenses	-	25,577
Organization expenses	59,592	-
Investment unit issuance expenses	-	126,992
Other offering costs associated with issuance of investment units	4,000	-
Other	-	5,000
Total non-operating expenses	63,592	243,016
Ordinary profit (loss)	(78,134)	1,037,376
Profit (loss) before income taxes	(78,134)	1,037,376
Income taxes - current	241	1,144
Income taxes - deferred	-	(26)
Total income taxes	241	1,117
Profit (loss)	(78,375)	1,036,258
Deficit brought forward	-	(78,375)
Unappropriated retained earnings (undisposed loss)	(78,375)	957,882

(3) Statement of Changes in Net Assets

The Fiscal Period ended October 2016 (The 1st Period from December 4, 2015 to October 31, 2016)

(Thousand yen)

	Unitholders' equity				Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	
		Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	-	-	-	-	-
Changes of items during period					
Issuance of new investment units	150,000			150,000	150,000
Profit (loss)		(78,375)	(78,375)	(78,375)	(78,375)
Total changes of items during period	150,000	(78,375)	(78,375)	71,624	71,624
Balance at end of current period	150,000	(78,375)	(78,375)	71,624	71,624

The Fiscal Period ended April 2017 (The 2nd Period from November 1, 2016 to April 30, 2017)

(Thousand yen)

	Unitholders' equity				Valuation and translation adjustments		Total net assets
	Unitholders' capital	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
		Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of current period	150,000	(78,375)	(78,375)	71,624	-	-	71,624
Changes of items during period							
Issuance of new investment units	51,742,335			51,742,335			51,742,335
Profit (loss)		1,036,258	1,036,258	1,036,258			1,036,258
Net changes of items other than shareholders' equity					(216,326)	(216,326)	(216,326)
Total changes of items during period	51,742,335	1,036,258	1,036,258	52,778,593	(216,326)	(216,326)	52,562,267
Balance at end of current period	51,892,335	957,882	957,882	52,850,217	(216,326)	(216,326)	52,633,891

(4) Distribution Information

(Yen)

	The Fiscal Period ended October 2016 (The 1st Period from December 4, 2015 to October 31, 2016)	The Fiscal Period ended April 2017 (The 2nd Period from November 1, 2016 to April 30, 2017)
I Unappropriated retained earnings (undisposed loss)	(78,375,643)	957,882,863
II Addition of distributions in excess of earnings	-	216,200,000
Temporary difference adjustments	-	216,200,000
III Distributions	-	957,625,000
[Distributions per unit]	-	[3,260]
Distributions of earnings	-	741,425,000
[Distributions of earnings per unit]	-	[2,524]
Temporary difference adjustments	-	216,200,000
[Distributions in excess of earnings per unit (attributable to temporary difference adjustment)]	-	[736]
IV Retained earnings to be carried forward (retained loss)	(78,375,643)	216,457,863
Method of calculation of distributions	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 36 (1) of the Articles of Incorporation of MIRAI, and shall exceed the amount equivalent to 90% of the distributable dividend amount of MIRAI provided in Article 67.15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, cash distribution is not scheduled for the first period due to the absence of the profit amount. Undisposed loss at the end of the period will be carried forward to the next period.</p>	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 36 (1) of the Articles of Incorporation of MIRAI, and shall exceed the amount equivalent to 90% of the distributable dividend amount of MIRAI provided in Article 67.15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, 741,425,000 yen, which is the amount of profit specified in Article 136, Paragraph (1) of the Act on Investment Trusts and Investment Corporations, excluding a fraction of one yen in distribution per investment unit, will be paid as profit distribution (not including distributions in excess of earnings).</p> <p>In addition, based on the policy of distributing an amount in excess of profit as specified in Article 36, Paragraph 2 of the Articles of Incorporation of MIRAI, distributions in excess of earnings are paid in the amount determined by MIRAI as an amount equivalent to deductions from net assets while taking into account the effect of deductions from net assets (those specified in Article 2, Paragraph (2), item (xxx), b of the Ordinance on Accountings of Investment Corporations) on distributions.</p> <p>For the period under review, 216,200,000 yen, from which a distribution in excess of earnings per unit is calculated, excluding a fraction of one yen, as an amount equivalent to deferred losses on hedges of 216,326,374 yen, will be distributed as distributions associated with the allowance for temporary difference adjustment (as specified in Article 2, Paragraph (2), item (xxx) of the Ordinance on Accounting of Investment Corporations). As a result, the amount of distributions for the period under review is 957,625,000 yen.</p>

(5) Statement of Cash Flows

(Thousands of yen)

	The Fiscal Period ended October 2016	The Fiscal Period ended April 2017
Cash flows from operating activities		
Profit (loss) before income taxes	(78,134)	1,037,376
Depreciation	—	294,076
Investment unit issuance expenses	—	126,992
Interest income	(3)	(10)
Interest expenses	—	85,446
Decrease (increase) in operating accounts receivable	—	(77,065)
Decrease (increase) in prepaid expenses	—	(61,240)
Decrease (increase) in consumption taxes refund receivable	—	(1,794,514)
Increase (decrease) in operating accounts payable	—	181,966
Increase (decrease) in accounts payable - other	8,615	224,995
Increase (decrease) in advances received	—	440,407
Decrease (increase) in long-term prepaid expenses	—	(278,083)
Other, net	327	12,546
Subtotal	(69,195)	192,892
Interest income received	3	10
Interest expenses paid	—	(83,519)
Income taxes paid	—	(243)
Net cash provided by (used in) operating activities	(69,191)	109,140
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	—	(102,549,540)
Payments for guarantee deposits	(10,000)	-
Repayments of tenant leasehold and security deposits in trust	—	(133,307)
Proceeds from tenant leasehold and security deposits in trust	—	3,819,283
Payments for restricted deposits held in trust	—	(1,005,854)
Proceeds from restricted deposits held in trust	—	799,058
Other payments	(3,444)	(10,510)
Net cash provided by (used in) investing activities	(13,444)	(99,080,870)
Cash flows from financing activities		
Increase in short-term loans payable	—	9,000,000
Decrease in short-term loans payable	—	(2,000,000)
Proceeds from long-term loans payable	—	44,000,000
Proceeds from issuance of investment units	150,000	51,615,342
Net cash provided by (used in) financing activities	150,000	102,615,342
Net increase (decrease) in cash and cash equivalents	67,364	3,643,612
Cash and cash equivalents at beginning of period	—	67,364
Cash and cash equivalents at end of period	67,364	3,710,976