

May 8, 2018

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 Revisions to Forecasts for the Fiscal Periods Ending April 30 & October 31, 2018
and Summary of Forecasts for the Fiscal Period Ending April 30, 2019

MIRAI Corporation (hereinafter “MIRAI”) announces that it has revised its forecasts for the fiscal periods ending April 30, 2018 (the 4th period from November 1, 2017 to April 30, 2018) and October 31, 2018 (the 5th period from May 1, 2018 to October 31, 2018) that were previously published in “(REIT) Financial Report for the Fiscal Period ended October 31, 2017 (the 3rd period)” on December 11, 2017. In addition, MIRAI announces its new forecast for the fiscal period ending April 30, 2019 (the 6th period from November 1, 2018 to April 30, 2019). Details are as follows.

1. Details of Revisions and New Forecasts

① Revisions to the forecast for the fiscal period ending April 30, 2018 (the 4th period from November 1, 2017 to April 30, 2018)

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions per unit (including distributions in excess of earnings)	Distributions	Distributions in excess of earnings per unit
						Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Previous (A)	¥3,759m	¥1,843m	¥1,646m	¥1,645m	¥5,600	¥5,600	-
Revised (B)	¥3,937m	¥1,876m	¥1,667m	¥1,674m	¥5,700	¥5,700	-
Change in amount (B - A)	¥178m	¥32m	¥21m	¥29m	¥100	¥100	-
Change in rate	4.7%	1.8%	1.3%	1.8%	1.8%	1.8%	-
(Information) Result for the 3rd FP	¥3,375m	¥1,662m	¥1,520m	¥1,520m	¥5,175	¥5,175	-

Note: This press release is a document that will be released publicly relating to revisions to forecasts for the fiscal periods ending April 30 and October 31, 2018 and summary of forecasts for the fiscal period ending April 30, 2019, 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.

② Revisions to the forecast for the fiscal period ending October 31, 2018 (the 5th period from May 1, 2018 to October 31, 2018)

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions		
					per unit (including distributions in excess of earnings)	per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Previous (A)	¥3,760m	¥1,825m	¥1,645m	¥1,644m	¥5,600	¥5,600	-
Revised (B)	¥4,269m	¥2,087m	¥1,900m	¥1,899m	¥5,600	¥5,600	-
Change in amount (B - A)	¥509m	¥261m	¥254m	¥254m	-	-	-
Change in rate	13.5%	14.3%	15.5%	15.5%	-	-	-

③ New Forecast for the fiscal period ending April 30, 2019 (the 6th period from November 1, 2018 to April 30, 2019)

	Operating revenue	Operating profit	Ordinary profit	Net profit	Distributions		
					per unit (including distributions in excess of earnings)	per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
The fiscal period ending April 30, 2019	¥4,266m	¥2,106m	¥1,900m	¥1,899m	¥5,600	¥5,600	-

(Information)

The fiscal period ending April 30, 2018 : The number of investment units outstanding as of the end of the period: 293,750 units

The fiscal period ending October 31, 2018: The estimated number of investment units outstanding as of the end of the period: 339,210 units

(previous forecast: 293,750 units) *

The fiscal period ending April 30, 2019 : The estimated number of investment units outstanding as of the end of the period: 339,210 units *

* Please refer to the “Investment Units” shown in the attached “Assumptions Underlying the Forecast for the Fiscal Periods Ending April 30, October 31, 2018 and April 30, 2019” for details.

(Note 1) Each forecasted number is calculated as of today based on the assumptions stated in the attached “Assumptions Underlying the Forecast for the Fiscal Periods Ending April 30, October 31, 2018 and April 30, 2019”. Also, an actual operating revenue, an operating profit, an ordinary profit, a net profit and distributions per unit (excluding distributions in excess of earnings) are subject to change due to differences between assumptions and actuals resulted from various factors occurred such as the additional purchase or sale of real estate in the future, changes in the real estate market, the number of new investment units with associated issue prices to be decided actually, fluctuations of interest rate and any other changes in circumstances surrounding MIRAI. In addition, this forecast does not guarantee any actual financial performances or amount of distributions.

(Note 2) If a deviation beyond a certain extent from the forecasts above is expected, they may be revised.

(Note 3) Figures below certain units are rounded down and indicated.

2. Reasons for Revisions

MIRAI revised its forecasts for the fiscal period ending April 30, 2018 previously announced in “(REIT) Financial report for the fiscal period ended October 31, 2017 (The 3rd Period)” dated December 11, 2017 since the operating revenue will become higher from the last announcement due to almost fixing the result of operational status of the period. In addition, MIRAI revised its forecasts for the fiscal period ending October 31, 2018 announced in “(REIT) Financial report for the fiscal period ended October 31, 2017 (The 3rd Period)” dated December 11, 2017 due to changes in operational assumptions for the period resulting from the issuance of new investment units announced today in “Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units” and acquisition of assets announced today in “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“MI Terrace Nagoya-Fushimi” and “Hotel Wing International Select Ueno/Okachimachi”)”. Accordingly, MIRAI announces new forecasts for the fiscal period ending April 30, 2019 based on the same assumptions as above.

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(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 Acquisition of Real Estate Trust Beneficiaries in Japan ("MI Terrace Nagoya-Fushimi" and "Hotel Wing International Select Ueno/Okachimachi")"

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

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

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

(Attachment)

"Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, October 31, 2018 and April 30, 2019"

Note: This press release is a document that will be released publicly relating to revisions to forecasts for the fiscal periods ending April 30 and October 31, 2018 and summary of forecasts for the fiscal period ending April 30, 2019, 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.

Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, October 31, 2018 and April 30, 2019

Items	Assumptions
Calculation period	<ul style="list-style-type: none"> • The Fiscal Period Ending April 30, 2018: from November 1, 2017 to April 30, 2018 (181 days) • The Fiscal Period Ending October 31, 2018: from May 1, 2018 to October 31, 2018 (184 days) • The Fiscal Period Ending April 30, 2019: from November 1, 2018 to April 30, 2019 (181 days)
Properties	<ul style="list-style-type: none"> • In addition to real estate trust beneficiary interests (total 21 properties, hereinafter “Portfolio Assets”) owned by MIRAI as of today, MIRAI assumed acquisitions of “Hotel Wing International Select Ueno/Okachimachi” to be executed on May 15, 2018 and “MI Terrace Nagoya-Fushimi” to be executed on June 1, 2018 (together hereinafter “Anticipated Acquisition”). Please refer to “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“MI Terrace Nagoya-Fushimi” and “Hotel Wing International Select Ueno/Okachimachi”)” announced today for details of Anticipated Acquisition. • The forecasts do not assume any movements (any acquisitions or dispositions) among existing properties other than Anticipated Acquisition. • In practice, this may change due to change of Portfolio Assets.
Total number of investment units issued	<ul style="list-style-type: none"> • It is assumed that total number of investment units outstanding is 339,100 units which is composed of the investment units outstanding of 293,750 units as of today and new investment units of 43,300 units through public offering and 2,160 units through a third-party allotment resolved at the Board of Directors meeting held on today. • The number of new investment units to be issued through a third-party allotment is assumed 2,160 units which is an maximum to the limit. • Other than described above, no changes in number of investment units due to any issuances of new units are assumed until April 30, 2019.
Interest-bearing debt	<ul style="list-style-type: none"> • The balance of outstanding interest-bearing debt is 57,500 million yen as of today. MIRAI assumed that short-term debt of 1,000 million yen would be refinanced into long-term debt at the maturity which comes in the fiscal period ending October 2018. • It is assumed that MIRAI borrows long-term debt of 5,000 million yen to finance the acquisition of the Anticipated Acquisition on May 15, 2018 and on June 1, 2018. Please refer to “Notice Concerning Borrowing of Funds” announced today for details of this borrowing • The interest-bearing debt outstanding as of October 31, 2018 and April 30, 2019 is expected to be 62,500 million yen. • The LTV as of October 31, 2018 and April 30, 2019 is expected to be approximately mid-48%. • The calculation of the LTV uses the following formula. $\text{LTV} = \text{total amount of interest-bearing debt outstanding} / \text{total assets} \times 100$
Operating revenue	<ul style="list-style-type: none"> • Revenue from the lease of Portfolio Assets held is calculated primarily by taking into account leasing contracts effective as of today and trends in the real estate market (vacancy rates, rent levels, etc.). Revenue from the lease of the Anticipated Acquisition is calculated primarily by taking into account information on trends in lease contracts provided by the current owner, etc. of the property, leasing contracts to be effective as of the scheduled date of acquisition of the Anticipated Acquisition, and trends in the real estate lease market (vacancy rates, rent levels, etc.).
Operating expenses	<ul style="list-style-type: none"> • Expenses for the lease business other than depreciation reflect any variable factors taking past actuals and information provided by the current owners, etc. of the properties into consideration. • In principle, the fixed asset tax, city planning tax, and depreciable property tax (the “Fixed Asset and City Planning Taxes”) of acquired assets within the fiscal year will be settled at the acquisition date with a current owner in proportion to holding period for the assets. Such the costs are to be capitalized without hitting any profit and/or loss in the fiscal period which belongs to the acquisition date. The total amount of the capitalized Fixed Asset and City Planning Taxes on “Ise City Hotel Annex”, “Comfort Hotel Kitakami”, Comfort Hotel Nagano and the Anticipated Acquisition is estimated to be 38 million yen. • Total repair expenses for buildings are calculated based on the repair plans developed by Mitsui Bussan & IDERA Partners Co., Ltd., the asset manager of MIRAI, and are accrued in each business period properly, taking into account the engineering reports and appraisals. It should be noted, however, that the actual repair expenses in each fiscal period may differ considerably from the estimates, mainly due to repair expenses for

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	<p>any damages of assets incurred urgently 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.</p> <ul style="list-style-type: none"> · Depreciation including incidental expenses is calculated using the straight-line method. · The breakdown of expenses for the lease business is as follows. <table border="1" data-bbox="443 376 1394 629"> <thead> <tr> <th></th> <th>Fiscal Period Ending April 2018</th> <th>Fiscal Period Ending October 2018</th> <th>Fiscal Period Ending April 2019</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td>223 million yen</td> <td>324 million yen</td> <td>324 million yen</td> </tr> <tr> <td>Utilities:</td> <td>341 million yen</td> <td>394 million yen</td> <td>376 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td>268 million yen</td> <td>322 million yen</td> <td>316 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td>207 million yen</td> <td>87 million yen</td> <td>69 million yen</td> </tr> <tr> <td>Other expenses for lease business:</td> <td>186 million yen</td> <td>212 million yen</td> <td>192 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>411 million yen</td> <td>451 million yen</td> <td>463 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 422 million yen for the Fiscal Period Ending April 2018, 389 million yen for the Fiscal Period Ending October 2018, and 416 million yen for the Fiscal Period Ending April 2019. 		Fiscal Period Ending April 2018	Fiscal Period Ending October 2018	Fiscal Period Ending April 2019	Outsourcing services:	223 million yen	324 million yen	324 million yen	Utilities:	341 million yen	394 million yen	376 million yen	Taxes and dues:	268 million yen	322 million yen	316 million yen	Repair expenses:	207 million yen	87 million yen	69 million yen	Other expenses for lease business:	186 million yen	212 million yen	192 million yen	Depreciation:	411 million yen	451 million yen	463 million yen
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Non-operating expenses	<ul style="list-style-type: none"> · Interest expenses and borrowing-related expenses are assumed at 209 million yen for the Fiscal Period Ending April 2018, 204 million yen for the Fiscal Period Ending October 2018 and 205 million yen for the Fiscal Period Ending April 2019. · As temporary expenses, expenses of 37 million yen for the issuance of new investment units that were resolved at the Board of Directors meeting held on May 8, 2018 are expected for the fiscal period ending October 31, 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, changes in rent income caused by tenant relocations, unexpected repairs incurred, and interest rate fluctuations. · Derivatives transactions (interest rate swaps transaction) will be continuously in place during the fiscal period ending October 31, 2018 and April 30, 2019. It is assumed that deferred losses on hedges as a deduction from net assets through such the transaction (those specified in Item 30-B, Clause 2, Article 2 of the Calculation Rules for Investment Corporations) is 119 million yen that is the same amount in the fiscal period ended October 31, 2017, which is calculated based on the assumption that there is no change in the market value of interest rate swaps. 																												
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 31, 2018 and fiscal period ending April 2019, and distributions in excess of earnings related to the allowance for temporary difference adjustment are not scheduled at present. · Distributions in excess of earnings by decreasing unitholders' capital on taxation are not scheduled at present. 																												
Others	<ul style="list-style-type: none"> · The forecasts assume that no revisions that may have impacts on the above projections will be made to laws, regulations, taxation, accounting standards, listing rules, the rules of the Investment Trust Association, Japan, or others. · The forecasts assume no unforeseeable significant changes in the general economic trends and real estate market conditions. 																												

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(Reference) Progress of Mid-term Management Plan “Repower 2020”

Quantitative Items	4 th FP (Forecast)	5 th FP (Forecast)	6 th FP (Forecast)
Profitability (Average NOI Yield after Depreciation) (Note 1)	3.9%	4.0%	4.1%
Portfolio Diversification (Top 3 Assets) (Note 2)	49.3%	44.2%	44.2%
Financial Base (LTV) (Note 3)	49.0%	48.1%	48.1%

(Note 1) “Average NOI Yield after Depreciation” is the weighted average of “NOI Yield after depreciation” by expected book value of each asset as of the end of each fiscal period, rounded to the nearest tenth. “NOI Yield after depreciation” is calculated by dividing expected lease business income of each fiscal period by expected book value as of each fiscal period-end

$$\text{NOI Yield after Depreciation} = \text{Expected lease business income} / \text{Expected book value as of fiscal period-end} / \text{number of days of operation} * 365$$

(Note 2) “Top 3 Assets” is the percentage of the total expected acquisition price of 3 highest asset in each fiscal period against the total expected acquisition price of the whole portfolio.

(Note3) “LTV” means the LTV to total asset which is derived by dividing the total interest-bearing debt by total asset. For details and a calculation method, please refer to “Notice Concerning Borrowing of Funds” announced today. A figure of the above 4th FP (Forecast) shows the LTV prior to the execution of the borrowings. Also, figures of the above 5th FP (Forecast) and 6th FP (Forecast) show the LTV following the execution of the borrowings.

(Note 4) Above forecasts have been calculated based on the assumptions described in “Assumptions Underlying Forecasts for the Fiscal Period Ending April 30, October 31, 2018 and April 30, 2019” announced today. These forecasts may fluctuate due to changes in rent revenue resulting from tenant turnover, future acquisitions or dispositions of assets, additional issuances of investments units and so on. Also, the forecasts should not be construed as guarantee of financial actuals or DPU.

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