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For Immediate Release

Real Estate Investment Trust:
MIRAI Corporation
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Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2019 and Summary of Forecasts for the Fiscal Period Ending October 31, 2019

MIRAI Corporation (hereinafter "MIRAI") announces that it has revised its forecasts for the fiscal period ending April 30, 2019 (the 6th period from November 1, 2018 to April 30, 2019) that were previously published in "(REIT) Financial Report for the Fiscal Period ended April 30, 2018 (the 4th period)" on June 13, 2018.

In addition, MIRAI announces its new forecasts for the fiscal period ending October 31, 2019 (the 7th period from May 1, 2019 to October 31, 2019). Details are as follows. Please note, however, that, there is no revision to the forecasts for the fiscal period ending October 31, 2018 (the 5th period from May 1, 2018 to October 31, 2018).

1. Details of Revisions and New Forecasts

a) Revisions to the forecasts 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)	Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
Previous (A)	¥4,266m	¥2,105m	¥1,900m	¥1,899m	¥5,600	¥5,600	-
Revised (B)	¥4,979m	¥2,517m	¥2,254m	¥2,253m	¥5,700	¥5,700	-
Change in amount (B - A)	¥713m	¥412m	¥354m	¥354m	¥100	¥100	-
Percentage change	16.7%	19.6%	18.7%	18.7%	1.8%	1.8%	-

b) New forecasts for the fiscal period ending October 31, 2019 (the 7th 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 (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit
The fiscal period ending October 31, 2019	¥5,042m	¥2,497m	¥2,254m	¥2,253m	¥5,700	¥5,700	-

(Information)

The fiscal period ending April 30, 2019: The estimated number of investment units outstanding as of the end of the period: 395,410 units *

The fiscal period ending October 31, 2019: The estimated number of investment units outstanding as of the end of the period: 395,410 units *

* Please refer to the "Total number of investment units issued" shown in the attached "Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2019 and October 31, 2019" 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 April 30, 2019 and October 31, 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. Reasons for Revisions

MIRAI revised its forecasts for the fiscal period ending April 30, 2019 announced in "(REIT) Financial report for the fiscal period ended April 30, 2018 (The 4th Period)" dated June 13, 2018 due to an increase in operating revenue by over 10% 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 and Lease of Real Estate Trust Beneficiaries in Japan ("Smile Hotel Naha City Resort", "Smile Hotel Hakataeki-Mae", "Smile Hotel Nagoya-Sakae", "Hotel WBF Yodoyabashi-Minami" and "Rokko Island DC")". Accordingly, MIRAI announces new forecasts for the fiscal period ending October 31, 2019 based on the same assumptions as above.

(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 10/16/2018 "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units"

Dated 10/16/2018 "Notice Concerning Acquisition and Lease of Real Estate Trust Beneficiaries in Japan ("Smile Hotel Naha City Resort", "Smile Hotel Hakataeki-Mae", "Smile Hotel Nagoya-Sakae", "Hotel WBF Yodoyabashi-Minami" and "Rokko Island DC")"

Dated 10/16/2018 "Notice Concerning Borrowing of Funds"

Dated 10/16/2018 "Progress of Mid-term Management Plan -Supplementary Material for the Press Release Dated October 16, 2018-"

(Attachment)

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

(Attachment)

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

Items	Assumptions
Calculation period	・The Fiscal Period Ending April 30, 2019: from November 1, 2018 to April 30, 2019 (181 days) ・The Fiscal Period Ending October 31, 2019: from May 1, 2019 to October 31, 2019 (184 days)
Properties	・In addition to real estate trust beneficiary interests (total 24 properties, hereinafter "Portfolio Assets") owned by MIRAI as of today, MIRAI assumes acquisition of "Smile Hotel Naha City Resort", "Smile Hotel Hakataeki-Mae", "Smile Hotel Nagoya-Sakae", "Hotel WBF Yodoyabashi-Minami" and "Rokko Island DC" to be executed on November 1, 2018 (together hereinafter "Anticipated Acquisition"). Please refer to "Notice Concerning Acquisition and Lease of Real Estate Trust Beneficiaries in Japan ("Smile Hotel Naha City Resort", "Smile Hotel Hakataeki-Mae", "Smile Hotel Nagoya-Sakae", "Hotel WBF Yodoyabashi-Minami" and "Rokko Island DC")" announced today for details of the Anticipated Acquisition. ・The forecasts do not assume any changes (any acquisitions or sale) among the Portfolio Assets other than the Anticipated Acquisition. ・Changes may occur in reality due to changes in the Portfolio Assets.
Total number of investment units issued	・It is assumed that total number of investment units outstanding is 395,410 units which is comprised of 339,210 units outstanding as of today and 53,500 new units to be issued through public offering and 2,700 units through third-party allotment resolved at the Board of Directors meeting held today. ・The number of new investment units to be issued through third-party allotment is assumed as 2,700 units which is the maximum units to be issued. ・Other than described above, no changes in the number of investment units due to any issuances of new units are assumed until October 31, 2019.
Interest-bearing debt	・The balance of outstanding interest-bearing debt is 64,200 million yen as of today. There is no interest-bearing debt with maturity falling in the fiscal periods ending April 30, 2019 and October 31, 2019. ・It is assumed that MIRAI borrows long-term debt of 10,500 million yen to finance the acquisition of the Anticipated Acquisition on November 1, 2018. Please refer to "Notice Concerning Borrowing of Funds" announced today for details of this borrowing. ・The interest-bearing debt outstanding as of April 30, 2019 and October 31, 2019 is expected to be 74,700 million yen. ・The LTV (based on total assets) as of April 30, 2019 and October 31, 2019 is expected to be approximately 49%. ・The calculation of the LTV (based on total assets) uses the following formula. LTV (based on total assets) = total amount of interest-bearing debt outstanding / total assets
Operating revenue	・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.). 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., leasing contracts to be effective as of the scheduled date of acquisition of the Anticipated Acquisition, and trends in the real estate leasing market (vacancy rates, rent levels, etc.).
Operating expenses	・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. ・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. The total amount of the capitalized Fixed Asset and City Planning Taxes on "Hotel Wing International Select Ueno/Okachimachi" which was acquired on May 15, 2018, "MI Terrace Nagoya-Fushimi" which was acquired on June 1, 2018, "Orico Hakataeki Minami Building" which was acquired on August 1, 2018 and the Anticipated Acquisition is estimated to be 40 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 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

Items	Assumptions
	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. ・Depreciation including incidental expenses is calculated using the straight-line method. ・The breakdown of expenses for the lease business is as follows. Fiscal Period Ending April 30, 2019 / Fiscal Period Ending October 31, 2019 Outsourcing services: 340 million yen / 328 million yen Utilities: 458 million yen / 491 million yen Taxes and dues: 336 million yen / 396 million yen Repair expenses: 141 million yen / 77 million yen Other expenses for lease business: 208 million yen / 190 million yen Depreciation: 542 million yen / 560 million yen ・Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 434 million yen for the fiscal period ending April 30, 2019, and 499 million yen for the fiscal period ending October 31, 2019.
Non-operating expenses	・Interest expenses and borrowing-related expenses are estimated to be 243 million yen for the Fiscal Period Ending April 30, 2019, and 242 million yen for the Fiscal Period Ending October 31, 2019. ・One-off expenses of 19 million yen for the issuance of new investment units that was resolved at the Board of Directors meeting held on October 16, 2018 are expected for the fiscal period ending April 30, 2019.
Distributions per unit (excluding distributions in excess of earnings)	・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 periods ending April 30, 2019 and October 31, 2019. 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 61 million yen which is the same amount as the fiscal period ended April 30, 2018. It 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	・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 April 30, 2019 and fiscal period ending October 31, 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 under taxation are not scheduled at present.
Others	・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. ・The forecasts assume no unforeseeable significant changes in the general economic trends and real estate market conditions.

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

Quantitative Items	2th FP (Results)	3th FP (Results)	4th FP (Results)
Profitability (Average NOI Yield after Depreciation) (Note 1)	4.0%	3.9% (Note 4)	4.0%
Portfolio Diversification (Top 3 Assets) (Note 2)	64.7%	56.6%	49.3%
Financial Base (LTV) (Note 3)	47.0%	52.0%	49.1%

Quantitative Items	5th FP (Forecasts) (Note 6)	6th FP (Forecasts) (Note 7)	7th FP (Forecasts) (Note 7)
Profitability (Average NOI Yield after Depreciation) (Note 1)	3.9%	4.0%	4.0%
Portfolio Diversification (Top 3 Assets) (Note 2)	43.6%	37.3%	37.3%
Financial Base (LTV) (Note 3)	48.9%	49.0%	49.0%
NAV/U after the acquisition (Note 5)	-	¥185,850	

(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.

NOI Yield after Depreciation = Expected lease business income / Expected book value as of fiscal period-end / 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 5th FP (Forecasts) shows the LTV prior to the execution of the borrowings. Also, figures of the above 6th FP (Forecasts) and 7th FP (Forecasts) show the LTV following the execution of the borrowings.

(Note 4) It is the effective yield after adjusting the number of days of operation for the assets acquired during 3rd FP. Yield without such the adjusting is 3.4%.

(Note 5) NAV/U after the acquisition = NAV after the acquisition / total number of investment units outstanding following the Public Offering and the Third-Party Allotment

“Total number of investment units outstanding following the Public Offering and the Third-Party Allotment” is the sum of 1) total number of investment units outstanding as of end of June 2018, 2) 53,500 units to be issued the Public Offering and 3) 2,700 units which is the maximum of investment units to be issued through the Third-Party Allotment.

NAV after the acquisition = Unitholders’ paid-in capital as of end of June 2018 + Equity raised (Expected total paid-in amount through the Public Offering and the Third-Party allotment (*)) + Total appraisal value of portfolio assets after the acquisition (**) - Total book value of portfolio assets as of end of June 2018 - Total expected acquisition value of assets to be acquired

(*) “Expected total paid-in amount through the Public Offering and the Third-Party allotment” is the sum of 9,474,101,000 yen total paid-in amount through the Public Offering and 478,132,200 yen total paid-in amount through the Third-Party Allotment. Total paid-in amount through the Public Offering and total paid in amount through the Third-Party Allotment are based on estimated issue price of 177,086 per unit calculated from the closing price of the MIRAI’s investment units in a regular trading session at the Tokyo Stock Exchange, Inc. on September 28, 2018 (Friday). Moreover, it is assumed that Nomura Securities Co., Ltd. subscribes to all the investment units to be issued through the Third-Party Allotment and that they are paid in full. In case where the actual total paid-in amount through the Public Offering differs from the above estimate, or in case where the Third-Party Allotment is not paid in in whole or in part, the estimated net proceeds through the Public Offering and the Third-Party Allotment may change. Namely, if actual total paid-in amount through the Public Offering and the Third-Party Allotment is less than estimated amount, or if the Third-Party Allotment is not paid in whole or in part, actual NAV/U may be lower than the above estimate. On the other hand, if the total paid-in amount through the Public Offering exceeds the above estimate, actual NAV/U may be higher than the estimated NAV stated in above.

(**)“Total appraisal value of portfolio assets after the acquisition” is the sum of 1) the appraisal value as of March 1, 2018 for “MI Terrace Nagoya-Fushimi”, 2) the appraisal value as of April 1, 2018 for “Orico Hakataeki Minami Building”, 3) the appraisal values as of end of the July 2018 for assets to be acquired and 4) the appraisal values as of end of the April 2018 (the 4th fiscal period) for other assets.

(Note 6) Above forecasts have been calculated based on the assumptions described in “Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2018 and April 30, 2019” announced June 13, 2018 and reflecting acquisition of “Orico Hakataeki” Minami Building announced in “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“Orico Hakataeki Minami Building”)” announced July 27, 2018 as well as operating revenue, operating expenses and non-operating expenses recalculated as of today and are subject to change 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 performance or amount of DPU.

(Note 7) Above forecasts have been calculated based on the assumptions described in “Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2019 and October 31, 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.