

May 8, 2018

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

Michio Suganuma, Executive Director

(Securities Code: 3476)

Asset Management Company:

Mitsui Bussan & IDERA Partners Co., Ltd.

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Notice Concerning Borrowing of Funds

MIRAI Corporation (hereinafter “MIRAI”) announces that MIRAI has decided to borrow of funds. Detail are as follows.

1. Reason for Borrowing

MIRAI announces that it has decided to execute borrowing of total 5.0 billion yen as fund for acquisition of real estate beneficiary interest and part of expenses pertaining to the acquisition as announced in “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“MI Terrace Nagoya-Fushimi” and “Hotel Wing International Select Ueno/Okachimachi”) dated today.

2. Details of Loan

Lender	Borrowing amount	Interest rate	Borrowing date	Maturity date	Term of Maturity	Interest payment	Remarks
Sumitomo Mitsui Banking Corporation	2.0 billion yen	Base rate (Note 2) +0.300%	May 15,2018	April 30, 2025	7 years (Note 5)	(Note 6)	(Note 8) (Note 9) (Note 10)
Mizuho Bank, Ltd	1.5 billion yen	Fixed rate (Note 3)				(Note 7)	
MUFG Bank, Ltd	1.5 billion yen	Fixed rate (Note 4)	June 1, 2018	April 30, 2021	2 years 11 months		(Note 8) (Note 9) (Note 11)

(Note 1) It is condition that the loan agreements for the borrowings whose contents reasonably satisfy lenders are concluded and every conditions precedent set forth separately can be met.

(Note2) The base rates are three-month Japanese yen TIBOR rates at two business days before every interest payment date published by the TIBOR Administration of the Japanese Banker Association (JBA). For fluctuations in JBA Japanese yen TIBOR rates, please check the website of the JBA TIBOR Administration (<http://www.jbatibor.or.jp/rate/>). We are planning to fix the interest rates by executing interest swap agreements and will announce the details when they are determined.

(Note 3) The applicable interest rate will be decided and announced on May 11, 2018.

(Note 4) The applicable interest rate will be decided and announced on May 30, 2018

(Note 5) Term of Maturity is rounded up to less than one month.

(Note 6) The initial interest payment date is set at the end of July 2018 and subsequent interest payment dates are set at the end of January, April, July and October each year and on the principal maturity date (if each payment date is not a business day, the following business day, and if the payment date falls in the following month, the immediately preceding business day shall be applied).

Note: This press release is a document that will be released publicly relating to borrowing of funds 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.

(Note 7) The initial interest payment date is set at the end of October 2018 and subsequent interest payment dates are set at the end of April and October each year and on the principal maturity date (if each payment date is not a business day, the following business day, and if the payment date falls in the following month, the immediately preceding business day shall be applied).

(Note 8) Unsecured an unguaranteed, bullet repayment at maturity.

(Note 9) The proceeds will be used for a part of the acquisition cost of real estate trust beneficiaries and related expenses announced today in "Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan ("MI Terrace Nagoya-Fushimi" and "Hotel Wing International Select Ueno/Okachimachi")"

(Note 10) For the period from the execution of the borrowing to the maturity, MIRAI is able to make a prepayment of the borrowings partially or in full if certain conditions such as prior written notice by MIRAI are met.

(Note 11) MIRAI is able to make a prepayment of the borrowings partially or in full if certain conditions such as consents of the lenders under unavoidable circumstances are met.

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

(Unit : million yen)

	Before	After	Increase/ Decrease
Short-term borrowings	1,000	1,000	±0
Long-term borrowings	56,500	61,500	+5,000
Total borrowings	57,500	62,500	+5,000
Investment corporation bonds	-	-	-
Total of borrowings and investment corporation bonds	57,500	62,500	+5,000
Other interest-bearing debt	-	-	-
Total interest-bearing debt	57,500	62,500	+5,000
LTV (based on total assets) (Note)	49.0%	48.1%	(0.9%)

(Note) LTV (based on total assets) = Total interest-bearing debt / Total assets.

LTV before the execution of above borrowings = Total interest-bearing debt before the execution of above borrowings / (Total asset (as of end of February 2018*) + Total acquisition price of the 3 hotel assets acquired on March 1, 2018 ("Ise City Hotel Annex", "Comfort Hotel Kitakami" and "Comfort Hotel Nagano"))**

LTV after the execution of above borrowings = Total interest-bearing debt after the execution of above borrowings / (Total asset (as of end of February 2018) + Total acquisition price of the 3 hotel assets acquired on March 1, 2018 + Additional renewal investment for "Mi-Nara" which was paid after March 1, 2018 (526 million yen out of total additional investment of 833 million yen***) + Total expected acquisition price of "MI Terrace Nagoya Fushimi" and "Hotel Wing International Select Ueno/Okachimachi").

* "Total asset (as of end of February 2018)" is 113,720 million yen which is the amount derived by subtracting both (1) book value equal to the transferred beneficiary interest in Shinagawa Seaside Parktower (36.6% quasi-co-ownership) and (2) total distribution amount for the 3rd fiscal period (1,520 million yen) from total asset on the balance sheet as of end of October 2017 (end of the 3rd fiscal period) adding (1) profit and / (or) loss from lease business from November 1, 2017 to the end of February 2018 (1,801 million yen), (2) total acquisition price of "MIUMIU Kobe (building)" and "Nippo Hommachi Building" and (3) additional renewal investment for "Mi-Nara" which was paid before the end of February 2018 (307 million yen out of total additional investment of 833 million yen). The same shall apply hereinafter.

** "acquisition price" means the purchase and sale value of each asset that is stated in the sale and purchase agreement with IDERA Capital Management, Ltd., as a seller or an initial buyer. The purchase and sale values do not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. The same shall apply hereinafter.

*** As for an additional investment amount for "Mi-Nara", if any capitalized payments other than such the additional investment, total additional investment including capital expenditures spent by MIRAI may exceed 833 million yen.

4. Other Matters Required for Investors to Understand and Assess the Information Provided Appropriately

The risks associated with the repayment of the Borrowing, etc. remain unchanged from the description in Section 2 Supplementary information, Part 2 Additional information for supplementary documents, 4 Investment risk" of the security registration statement on May 8, 2018.

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(End)

* Homepage address for MIRAI: <http://3476.jp/en>

This press release is 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 Issuance of New Investment Units and Secondary Offering of Investment Units"

Dated 5/8/2018 "Notice Concerning Revisions to Forecasts for the Fiscal Periods Ending April 30, 2018 & Forecasts for the Fiscal Periods Ending October 31, 2018 and Summary of Result for the Fiscal Period Ending April 30, 2019"

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

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