

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 Issuance of New Investment Units and Secondary Offering of Investment Units

MIRAI Corporation (hereinafter “MIRAI”) announces that a resolution was passed at a meeting of its Board of Directors held on May 8, 2018 to issue new investment units and conduct the secondary offering of investment units. Details are as follows.

1. Issue of new investment units (public offering)

(1) Number of investment units to be offered : 43,300 units

(2) Paid-in amount : Not yet determined

The amount will be determined at a meeting of the Board of Directors of MIRAI to be held on a date between May 16, 2018 (Wednesday) and May 22, 2018 (Tuesday) (hereinafter the “Pricing Date”) in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Marketable Securities stipulated by the Japan Securities Dealers Association.

(3) Total paid-in amount : Not yet determined

(4) Issue price : Not yet determined

(offer price)

The issue price (offer price) will be provisionally calculated by multiplying the closing price of the investment units of MIRAI (the “Investment Units”) in a regular trading session at the Tokyo Stock Exchange, Inc. on the Pricing Date (if the closing price is not available on such date, the closing price on the most recent day preceding that date) by a factor of 0.90 to 1.00 (amounts less than ¥1 to be rounded down), in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Marketable Securities stipulated by the Japan Securities Dealers Association, and then will be determined on the Pricing Date by taking into consideration of the demand conditions and other factors.

Note: This press release is a document that will be released publicly relating to the issue of new investment units of MIRAI and the sale of investment units 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.

- (5) Total amount of issue value : Not yet determined
(offer price)
- (6) Offering method : In the form of the public offering, all the Investment Units will be purchased and underwritten by underwriting companies (hereinafter the “Underwriters”), with Nomura Securities Co, Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co, Ltd., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as the joint lead managers (hereinafter the “Joint Lead Managers”). Nomura Securities Co, Ltd. and SMBC Nikko Securities Inc. are the joint book runners.
- (7) Details of the underwriting agreement : The Underwriters shall pay the same amount as the total paid-in amount in the public offering to MIRAI on the payment date stated in (10) below, and the difference between such amount and the total amount of issue value in the public offering will be the net proceeds of the Underwriters. MIRAI will not pay underwriting fees to the Underwriters.
- (8) Unit for subscription : one unit or more in multiples of one unit
- (9) Subscription period : From the business day immediately following the Pricing Date to the second business day following the Pricing Date
- (10) Payment date : Any date between May 23, 2018 (Wednesday) and May 29, 2018 (Tuesday). However, it shall be the fifth business day immediately following the Pricing Date.
- (11) Settlement date : The business day immediately following the payment date stated in (10) above.
- (12) The paid-in amount, the issue price and other matters necessary for the issue of new Investment Units will be determined at a meeting of the Board of Directors of MIRAI to be held in the future.
- (13) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.

2. Secondary offering of Investment Units by over-allotment (please see <Reference> 1. below)

- (1) Number of investment units to be offered : 2,160 units
The number of Investment Units for secondary offering shows the upper limit. The number of Investment Units for secondary offering will be determined at a meeting of the Board of Directors of MIRAI to be held on the Pricing Date, taking into consideration demand conditions of public offering and other factors. The number of Investment Units for secondary offering may be reduced depending on the status of demand for the public offering, etc., or the secondary offering by over-allotment itself may be cancelled entirely.
- (2) Seller : Nomura Securities Co., Ltd.
- (3) Selling price : Not yet determined
It will be determined on the Pricing Date. The secondary offering price shall be the same as the issue price in the public offering.
- (4) Total selling price : Not yet determined

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- (5) Selling method : Nomura Securities Co., Ltd, a book runner of the public offering, will carry out the secondary offering of the Investment Units that is to be borrowed from a unitholder of MIRAI with 2,160 units as the upper limit, taking into consideration of the demand conditions and other factors of the public offering.
- (6) Unit for subscription : one unit or more in multiples of one unit
- (7) Subscription period : Same as the subscription period for the public offering
- (8) Settlement date : Same as the Settlement date for the public offering
- (9) The selling price and other matters necessary for the secondary offering of Investment Units will be determined at a meeting of the Board of Directors of MIRAI.
- (10) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.

3. Issue of new Investment Units through a third-party allotment (please see <Reference> 1. below)

- (1) Number investment units to be offered : 2,160 units
- (2) Paid-in amount : Not yet determined
To be determined at a meeting of the Board of Directors of MIRAI to be held on the Pricing Date. The paid-in amount will be same as the paid-in amount of the public offering.
- (3) Total paid-in amount : Not yet determined
- (4) Allottee : Nomura Securities Co., Ltd.
- (5) Unit for subscription : One unit or more in multiples of one unit
- (6) Subscription period : June 11 (Monday), 2018
- (7) Payment date : June 12 (Tuesday), 2018
- (8) The issue of Investment Units for which no subscription is submitted by the subscription period stated in (6) above will be cancelled.
- (9) The paid-in amount and other matters necessary for the issue of new Investment Units will be determined at a meeting of the Board of Directors of MIRAI to be held in the future.
- (10) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.

(Reference)

1. Secondary offering by over-allotment, etc.

The secondary offering by over-allotment is the selling of the Investment Units that Nomura Securities Co., Ltd., a book runner of the public offering, borrows from a unitholder of MIRAI, with 2,160 units as the upper limit, taking into consideration of the demand conditions and other factors of the public offering. Although the number of Investment Units for secondary offering by over-allotment is planned to be 2,160, this number of Investment Units for secondary offering may be reduced or the secondary offering by over-allotment itself may be cancelled entirely, depending on the demand conditions and other factors. In relation to the secondary offering by over-allotment, in order to allow Nomura Securities Co., Ltd. to acquire the Investment Units needed to return the Investment Units borrowed from the above unitholder of MIRAI (the “Borrowed Investment Units”), MIRAI has

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resolved at its meeting of the Board of Directors held on May 8, 2018 (Tuesday) to issue new Investment Units for 2,160 units through third-party allotment (hereinafter the “Third-Party Allotment”) to Nomura Securities Co., Ltd. as the allottee with the payment date being June 12, 2018 (Tuesday).

For the purpose of returning the Borrowed Investment Units, Nomura Securities Co., Ltd. may purchase the Investment Units up to the number of units for the secondary offering by over-allotment at the Tokyo Stock Exchange, Inc. (hereinafter the “syndicated cover transaction”) during the period from the day following the close of the subscription period for the public offering and the secondary offering by over-allotment to June 5, 2018 (Tuesday) (the “syndicated cover transaction period.”) All the Investment Units purchased by Nomura Securities Co., Ltd. through the syndicated cover transaction shall be used to return the Borrowed Investment Units. There may be cases in which Nomura Securities Co., Ltd. does not conduct the syndicated cover transaction at all or ends the syndicated cover transaction with the number of Investment Units that are smaller than the number of the Investment Units offered through the secondary offering by over-allotment, at its sole discretion during the syndicated cover transaction period.

Moreover, Nomura Securities Co., Ltd. may conduct stabilizing transactions in correlation with the public offering and the secondary offering by over-allotment. The Investment Units purchased through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Investment Units.

Depending on the Third-Party Allotment, Nomura Securities Co., Ltd. intends to acquire the Investment Units corresponding to the number of Investment Units obtained by the secondary offering by over-allotment subtracting the number of Investment Units that are used to return the Borrowed Investment Units purchased through the stabilizing transactions and the syndicated cover transaction and used to return the Borrowed Investment Units. As a result, there may be cases in which there will be no subscription to the Investment Units offered by the Third-Party Allotment in whole or in part, and accordingly the final number of the Investment Units issued by the Third-Party Allotment may be reduced to that extent due to forfeiture of rights, or such issuance may be cancelled entirely. Nomura Securities Co., Ltd. shall conduct the transactions described above upon consultation with SMBC Nikko Securities Inc. ◦

2. Changes in the total number of Investment Units issued due to the issue of new Investment Units

Current total number of Investment Units outstanding	293,750 units	
Number of Investment Units to be issued through the public offering	43,300units	
Total number of Investment Units outstanding after the issuance of new Investment Units through the public offering	337,050units	
Number of Investment Units to be added associated with the Third-Party allotment	2,160units	(Note)
Total number of Investment Units outstanding after the Third-Party allotment	339,210units	(Note)

(Note) The number of units are based on the assumption that Nomura Securities Co., Ltd. subscribes to all the Investment Units to be issued through the Third-Party allotment and that they are issued in full.

3. Reason for and Purpose of New Issuance

MIRAI aims to achieve solid expansion and diversification of its portfolio as well as further strengthening of revenue base through the acquisition of the specified assets (as defined in the Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations; the same shall apply hereinafter). The decision to issue new Investment Units was made taking into consideration of the current LTV ratio (ratio of interest bearing debt to total asset), market trend as well as level of distribution and other factors.

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4. Amount of Funds to be Procured, Use of Proceeds and Scheduled Expenditure Date

(1) Amount of funds to be procured (approximate net proceeds)

¥7,823,711,460 (maximum)(Note) The amount represents the sum of ¥7,451,973,300 of net proceeds MIRAI will receive from the public offering and the maximum amount of ¥371,738,160 MIRAI will receive from the Third-Party Allotment. These amounts are estimated based on the closing price of the Investment Units in a regular trading session at the Tokyo Stock Exchange, Inc. as of April 25, 2018 (Wednesday).

(2) Specific use of the funds to be procured and scheduled date of fund usage

Net proceeds to be procured from the public offering will be used to fund part of the acquisition of “MI Terrace Nagoya Fushimi” which is a specified asset to be acquired listed in the press release “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“MI Terrace Nagoya-Fushimi” and “Hotel Wing International Select Ueno/Okachimachi”)” dated today. In case where residual cash occurs, such the cash will be retained with net proceeds from Third-Party Allotment Option resolved on the same day of the resolution for the public offering as cash reserve to fund part of acquisition of specified assets or repayment of loans in the future.

(Note) The proceeds will be deposited with financial institutions until the funds are to be expensed.

5. Designation of distributed parties

Not applicable

6. Future Outlook

Please refer to the “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” announced today.

7. Operating Results of the Past Three Fiscal Periods and Status of Equity Financing, etc.

(1) Operating results of the past three fiscal periods (Note1)

	Fiscal period ended Oct. 31, 2016 (1 st FP) (Note 2)	Fiscal period ended Apr. 30, 2017 (2 nd FP) (Note 2)	Fiscal period ended Oct. 31, 2017 (3 rd FP)
Net profit (loss) per unit (Note 3)	¥(104,501)	¥4,656	¥5,174
Distributions per unit	—	¥3,260	¥5,175
Of which, distributions of earnings	—	¥2,524	¥5,175
Of which, distributions in excess of earnings	—	¥736	—
Actual payout ratio (Note4)	—	71.5%	100.0%
Net assets per unit	¥95,499	¥179,179	¥181,424

(Note 1) Financial results for the most recent three fiscal periods shown in (1) above shows the financial results for fiscal period ended October 2016 (the 1st fiscal period), April 2017 (the 2nd fiscal period) and October 2017 (the 3rd fiscal period) respectively as the financial result for fiscal period ending April 2018 (the 4th fiscal period) has not been completed as of today.

(Note 2) Fiscal period covers 6 months each of every year from May 1st to October 31st, and from November 1st to April 30th of the following year respectively. However, fiscal period ended October 2016 (the 1st fiscal period) covers 333 days from the inception date of MIRAI (December 4, 2015) to the end of October 2016. In addition, the actual operational period for fiscal period ended April 2017 (the 2nd fiscal period) was 136 days starting from December 16, 2016 to April 30, 2017.

(Note 3) Net income/net loss per unit is calculated by dividing net income/net loss of the fiscal period by the weighted average of the daily number of units outstanding in each fiscal period. (750 units for fiscal period ended October

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2016 (the 1st fiscal period), 222,523 units for fiscal period ended April 2017 (the 2nd fiscal period), and 293,750 units for fiscal period ended October 2017 (the 3rd fiscal period.)

(Note 4) Actual payout ratio is calculated as below, rounded the second decimal place.

Actual payout ratio = total distribution (exclusive of distribution in excess of earnings) / net income of the fiscal period * 100

(2) Recent status of investment unit price

① Status in the last three fiscal periods (Note)

	Fiscal period ended April 2017 (2 nd FP)	Fiscal period ended October 2017 (3 rd FP)	Fiscal period ended April 2018 (4 th FP)
Opening price	¥176,000	¥150,100	¥165,800
Highest price	¥180,700	¥177,500	¥189,800
Lowest price	¥149,700	¥149,900	¥165,500
Closing price	¥150,100	¥165,400	¥184,000

(Note) MIRAI was listed in the Real Estate Investment Trust Market of the Tokyo Stock Exchange, Inc. on December 16, 2016 and there is no relevant unit price information prior to the date.

② Status in the last six months

	December 2017	January 2018	February	March	April	May (Note)
Opening price	¥178,100	¥180,200	¥185,900	¥187,100	¥187,500	¥184,300
Highest price	¥182,800	¥189,800	¥188,800	¥188,500	¥189,500	¥187,200
Lowest price	¥175,000	¥179,800	¥177,300	¥183,000	¥181,900	¥184,300
Closing price	¥180,100	¥185,500	¥187,600	¥187,200	¥184,000	¥187,200

(Note) Investment unit price as of May 7, 2018 is used on the above for May 2018.

③ Investment unit price on the business day immediately preceding day of resolution on issuance

	May 7, 2018
Opening price	¥185,800
Highest price	¥187,200
Lowest price	¥185,500
Closing price	¥187,200

(3) Status of equity financing conducted in the past three fiscal periods

• Public Offering

Issue date	December 15, 2016
Total procured amount	¥51,742,335,000
Paid-in amount	¥176,595
Number of Investment Units outstanding before the public offering	750 units
Number of Investment Units issued through the public offering	293,000 units
Number of Investment Units issued after the public offering	293,750 units
Initial fund usage at issue	Part of acquisition funds of new specified assets

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Original scheduled date of spending	December 15, 2016 or later
Current fund usage	Entire amount has been used on the above scheduled time of expenditure.

8. Lock-up

- (1) With respect to the public offering, Mitsui & Co. Asset Management Holdings Ltd. and IDERA Capital Management Ltd. have agreed with Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. that they will not sell the Investment Units (except for lending of the Investment Units in line with the secondary offering by over-allotment, etc.) starting from the Pricing Date to 180 days from the day following date of settlement of the Investment Units through the public offering without prior written consent of Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. have the authority to cancel all or part of the agreement at its sole discretion.
- (2) With respect to the public offering, MIRAI has agreed with Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. that it will not issue Investment Units (except for an issuance in the case of the public offering, the Third-Party Allotment and a split of Investment Units, etc.) and such for a period from the Pricing Date to 90 days from the day following date of settlement of the Investment Units through the public offering without prior written consent of Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. have the authority to cancel all or part of the agreement at its sole discretion even during the period specified above.

(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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