

October 16, 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.

Michio Suganuma, Representative Director, President

Contact: Takashi Ueno, Executive Director, CFO

TEL: +81-3-6632-5950

### Notice Concerning Borrowing of Funds

MIRAI Corporation (hereinafter "MIRAI") announces that it has decided to borrow funds. Detail are as follows.

#### 1. Reason for Borrowing

MIRAI announces that it has decided to execute borrowing of total 10.5 billion yen as funds for acquisition of real estate trust beneficiaries (hereinafter "Assets to be acquired") and part of expenses pertaining to the acquisition as announced 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")" dated today.

#### 2. Details of Loan

Lender	Borrowing amount (Note 2)	Interest rate	Borrowing date	Maturity date	Term of maturity	Interest payment	Remarks
Mizuho Bank, Ltd	2.5 billion yen	Fixed rate (Note 3)	November 1, 2018	October 30, 2026	8 years	(Note 5)	(Note 7) (Note 8) (Note 9)
Sumitomo Mitsui Banking Corporation	3.0 billion yen	Base rate (Note 4) +0.30%		October 31, 2025	7 years	(Note 6)	
Sumitomo Mitsui Trust Bank, Limited Shinsei Bank, Limited	3.5 billion yen	Base rate (Note 4) +0.23%		October 31, 2023	5 years		
MUFG Bank, Ltd	1.5 billion yen	Fixed rate (Note 3)		October 29, 2021	3 years	(Note 5)	

(Note 1) It is conditional upon conclusion of loan agreements that reasonably satisfy lenders and all the preconditions of the loans set forth separately being met.

(Note 2) "Borrowing amount" may change by the borrowing date by taking into the amount of proceed from primary offering described in "Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units" announced today.

(Note 3) The applicable interest rate will be set and announced on October 30, 2018.

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 4) The base rates are three-month Japanese yen TIBOR two business days prior to 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/english/rate/>). MIRAI plans to fix the interest rates by executing interest swap agreements and will announce the details when they are determined.
- (Note 5) The initial interest payment date is set at the end of April 2019 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 6) The initial interest payment date is set at the end of January 2019 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 7) Unsecured, an unguaranteed, bullet repayment at maturity.
- (Note 8) The proceeds will be used for a part of the acquisition cost of the Assets to be acquired.
- (Note 9) During the period following the execution of the borrowing and the maturity, MIRAI can make a prepayment of the borrowings partially or in full if certain conditions such as prior written notice by MIRAI are met.
- (Note 10) 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	-	-	-
Long-term borrowings	63,200	73,700	+10,500
Total borrowings	63,200	73,700	+10,500
Investment corporation bonds	1,000	1,000	±0
Total of borrowings and investment corporation bonds	64,200	74,700	+10,500
Other interest-bearing debt	-	-	-
Total interest-bearing debt	64,200	74,700	+10,500
LTV (based on total assets) (Note)	48.9%	49.0%	+0.1%

(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 assets on the balance sheet at the end of April 2018 (end of the 4<sup>th</sup> fiscal period) (117,022 million yen) + Total acquisition price\* of “Hotel Wing International Select Ueno/Okachimachi”, “MI Terrace Nagoya-Fushimi” and “Orico Hakataeki Minami Building” (14,286 million yen))

LTV after the execution of above borrowings = Total interest-bearing debt after the execution of above borrowings / (Total assets on the balance sheet at the end of April 2018 (end of the 4<sup>th</sup> fiscal period) (117,022 million yen) + Total acquisition price of “Hotel Wing International Select Ueno/Okachimachi”, “MI Terrace Nagoya-Fushimi” and “Orico Hakataeki Minami Building” (14,286 million yen) + Total expected acquisition price\* of the Assets to be acquired (21,150 million yen) )

\*” acquisition price” or “expected acquisition price” means the purchase and sale value of each asset that is stated in the sale and purchase agreement.

The purchase and sale value 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.

### 4. Other Matters Necessary for Investors to Understand and Judge the Information 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 October 16, 2018.

(End)

\* URL: <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.**

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(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 Revisions to Forecasts for the Fiscal Period Ending April 30, 2019 and Summary of Forecasts for the Fiscal Period Ending October 31, 2019”

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

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