

# **MIRAI Corporation**

## **Semi Annual Report**

For the Fiscal Period ended April 30, 2022 (The 12<sup>th</sup> Period)

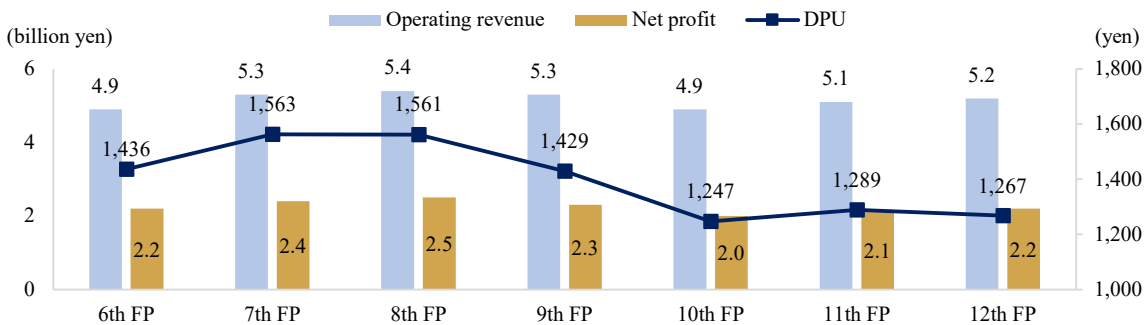
## Primary Data

### ■ Distributions

The 12 <sup>th</sup> Period Actual distributions per unit (Start of cash distribution payment on July 14, 2022)	The 13 <sup>th</sup> Period Forecast distributions per unit (Note) (The Fiscal Period ending October 31, 2022)	The 14 <sup>th</sup> Period Forecast distributions per unit (Note) (The Fiscal Period ending April 30, 2023)
1,267 yen (Forecast: 1,260 yen)	1,285 yen	1,285 yen

(Note) These forecasts are calculated based on certain assumptions as of June 14, 2022 and subject to change due to conditions such as change in rent income through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecasts should not be construed as guarantee of DPU.

### ■ Financial Results

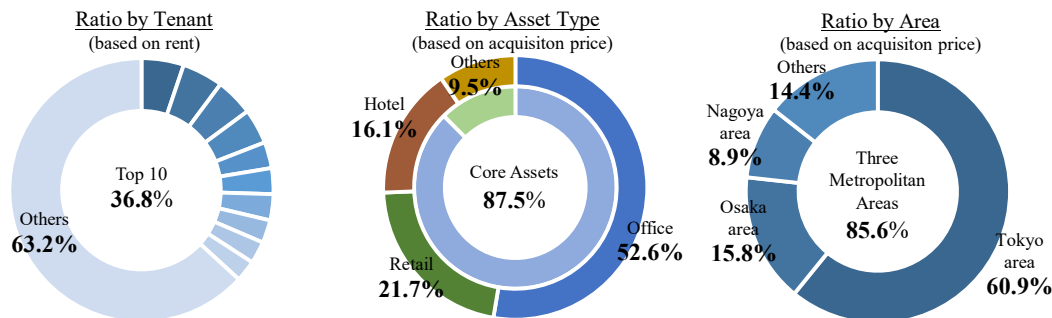


(Note) MIRAI implemented a four-for-one investment unit split with April 30, 2019 as record date. For the purpose of comparison, the figures before 6<sup>th</sup> FP are post-split figures.

### ■ Portfolio (as of the End of April 2022)

Acquired 4 new properties worth 10.6 billion yen from the end of the fiscal period ended October 31, 2021.

Number of properties	: 38
AUM	: 164.5 billion yen
Appraisal value	: 177.6 billion yen
Occupancy rate	: 98.1%
NOI yield (12 <sup>th</sup> FP result)	: 4.5% *based on book value
Portfolio PML	: 2.9%



(Note) Ratio by tenant is based on lease contract in place with end tenants as of the end of April 2022.

### ■ Finance (as of the End of April 2022)

Stable financial base maintained on the back of Mitsui & Co.'s credit.

LTV (based on total assets)	: 48.8%
Long-term fixed interest debt ratio	: 100.0%
Average interest rate	: 0.56%
Average remaining maturity	: 3.9 years
Rating	: Japan Credit Rating Agency, Ltd. (JCR) / A+ (Stable) Rating and Investment Information, Inc. (R&I) / A (Stable)

■ ESG

- Increase ratio of assets with environmental certifications
  - April 2022: Obtained DBJ Green Building Certification at Mi-Nara (first retail facility owned by MIRAI)  
Aim to increase ratio of assets with environmental certifications through acquisition of new certifications and maintenance and improvement of existing certifications
  - Ratio of Assets with Environmental Certifications (Note): 60.9% ▶ 74.4%  
(Note) Based on total floor area excluding land with leasehold interest.
- GRESB Real Estate Assessment (ESG benchmark for real estate)
  - First participation in 2021(2 star)
  - Multiple improvement measures are being implemented for the 2022 rating upgrade  
Obtain third-party assurance on environmental data / Tenant Engagement Measures
  - 2021: 2 star / Green star ▶ Aiming to improve the rating in 2022
- Contributions to the Local Community
  - Cycle & Bus Rides (Mi-Nara)  
Participation in a demonstration experiment of health-enhancing and environmentally friendly measures promoted by a regional local transportation company
  - Recovery accommodation facility for patients with mild cases of COVID-19  
Continued to provide as a recovery accommodation facility  
(from October 11, 2021 to October 31, 2022 (scheduled))
- Strengthening Sustainability Disclosure
  - Disclosed the GRI Standards Reference Table, an international disclosure standard for sustainability report on MIRAI's website  
Plans to enhance sustainability-related disclosures in the future
  - Future Initiatives  
ESG Report: Publication of ESG reports to further enhance sustainability information disclosure  
TCFD Disclosures: Prepare for TCFD, a framework for addressing climate-related disclosure  
Third-party Assurance for Environmental Data: Obtain third-party assurance to ensure objectivity of disclosed environmental data

## 1 Overview of Asset Management

### (1) Operating Results of MIRAI Corporation (hereinafter “MIRAI”)

Period		The 8 <sup>th</sup> Period From Nov. 1, 2019 to Apr. 30, 2020	The 9 <sup>th</sup> Period From May 1, 2020 to Oct. 31, 2020	The 10 <sup>th</sup> Period From Nov. 1, 2020 to Apr. 30, 2021	The 11 <sup>th</sup> Period From May 1, 2021 to Oct. 31, 2021	The 12 <sup>th</sup> Period From Nov. 1, 2021 to Apr. 30, 2022
Operating revenue	(Million yen)	5,448	5,367	4,973	5,113	5,275
Operating expenses	(Million yen)	2,583	2,744	2,652	2,716	2,727
Operating income	(Million yen)	2,865	2,622	2,321	2,397	2,547
Ordinary income	(Million yen)	2,595	2,378	2,073	2,144	2,245
Net income	(Million yen)	2,594	2,376	2,072	2,143	2,244
Total assets	(Million yen)	161,027	159,222	161,815	161,226	171,982
[Changes from the previous period]	(%)	[5.2]	[(1.1)]	[1.6]	[(0.4)]	[6.7]
Net assets	(Million yen)	75,572	75,428	75,110	75,308	80,743
[Changes from the previous period]	(%)	[6.6]	[0.2]	[(0.4)]	[0.3]	[7.2]
Interest-bearing debt	(Million yen)	77,700	75,700	78,700	78,700	84,000
Unitholders' capital (Note 3)	(Million yen)	73,516	73,516	73,516	73,516	78,499
Total number of outstanding investment units	(Units)	1,662,240	1,662,240	1,662,240	1,662,240	1,771,440
Net assets per unit	(Yen)	45,464	45,377	45,186	45,305	45,580
Total distributions	(Million yen)	2,594	2,375	2,072	2,142	2,244
Distributions per unit	(Yen)	1,561	1,429	1,247	1,289	1,267
Of which, profit distribution per unit	(Yen)	1,561	1,429	1,238	1,289	1,267
Of which, distributions in excess of earnings per unit	(Yen)	-	-	9	-	-
Ordinary income to total assets (Note 4)	(%)	1.7	1.5	1.3	1.3	1.3
Net income to net assets (Note 4)	(%)	3.5	3.1	2.8	2.8	2.9
Net assets to total assets at end of period (Note 4)	(%)	46.9	47.4	46.4	46.7	46.9
[Changes from the previous period]	(%)	[0.6]	[0.4]	[(1.0)]	[0.3]	[0.2]
Payout ratio (Note 4)	(%)	100.0	99.9	99.3	100.0	100.0

(Note 1) The fiscal period of MIRAI is six months from May 1 to October 31 and from November 1 to April 30 of the following year.

(Note 2) Unless otherwise stated, all figures are rounded down to the nearest million yen, and percentages are rounded to the first decimal place.

(Note 3) Unitholders' capital does not take into account changes in unitholders' capital due to the implementation of distributions in excess of earnings related to the reserve for adjustment of temporary differences, etc.

(Note 4) Calculated based on the following formula.

Ordinary income to total assets	$\text{Ordinary income} / \{(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2\} * 100$
Net income to net assets	$\text{Net income} / \{(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2\} * 100$
Net assets to total assets at end of period (%)	$\text{Net assets at end of period} / \text{Total assets at end of period} * 100$
Payout ratio	$\text{Total distributions (excluding distributions in excess of earnings)} / \text{Net income} * 100$

### (2) Summary of Operating Results for the Fiscal Period under Review

#### (i) Main History of MIRAI

MIRAI is diversified J-REIT. Based on the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951; including revisions enforced thereafter) (hereinafter “AITIC”), MIRAI was founded on December 4, 2015 with a capital contribution of 150 million yen (750 units), by Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset manager”) as the founding planner and was listed on the REIT section of the Tokyo Stock Exchange on December 16, 2016 (securities code: 3476). During the fiscal period under review, MIRAI conducted a public offering in December 2021 and a third-party allotment in January 2022. As of April 30, 2022, the total number of outstanding investment units are 1,771,440 and MIRAI owns 38 properties (total acquisition price of 164,554 million yen).

MIRAI positions assets located in the three major metropolitan areas of Japan with high population concentrations as its main investment targets and aims to obtain mid-to-long term stable cash flows and sustained growth in unitholders' value by building a portfolio centered on its "Core Assets" (Note).

(Note) "Core Assets" means the assets that constitute the core of MIRAI's portfolio. Specifically, among traditional investment properties such as offices, retail properties, hotels, residential and logistics properties. Occupancy rates of 80% or more must be secured in principle (including cases where such occupancy rates are expected) with MIRAI to determine a stable rental income to be expected.

#### (ii) Operating Environment and Business Performance

During the fiscal period under review, the Japanese economy continued to be affected by COVID-19. Occupancy rates in the hotel sector have been affected by the spread of infection, MIRAI must continue to monitor the future trend. In the retail sector, although operational methods in COVID-19 crisis are becoming established, the negative impact of the increasing number of infections continues. Even in this environment, various measures to improve attractiveness have been effective at Mi-Nara, a retail complex in Nara Prefecture. In the office leasing market, cancellations due to changes in work styles, such as teleworking, and deterioration in corporate performance continue to be apparent in some properties, while the vacant spaces are being backfilled.

Under such circumstances, MIRAI acquired 4 properties in total: “Ehime Building/Hiroshima (acquisition price: 2,780 million yen)”, “Tsurumi Fuga 1 (acquisition price: 5,300 million yen)”, “BIGMOTOR Ginan (land) (acquisition price: 1,080 million yen)” on January 12, 2022, and “Yokohama-Daikokucho Maintenance Center (land) (acquisition price: 1,490 million yen)” on March 25, 2022. As a result,

as of the end of the 12<sup>th</sup> fiscal period, MIRAI had 38 properties under management, with a total acquisition price of 164,554 million yen, a total leasable area of 372,290.09 sqm, and occupancy rate of 98.1%.

### (iii) Overview of Fund Procurement

During this fiscal period under review, MIRAI raised 4,746 million yen by issuance of new investment units through a public offering (104,000 units) on December 24, 2021 and 237 million yen by a third-party allotment (5,200 units) on January 25, 2022. As a result, the balance of unitholders' capital as of the end of the 12<sup>th</sup> fiscal period was 78,499 million yen and the total number of outstanding investment units was 1,771,440 units. MIRAI borrowed long-term borrowings of 8,800 million yen and issued #5<sup>th</sup> Investment Corporation Bond of 1,200 million yen on November 30, 2021 to repay borrowings of 10,000 million yen maturing on the same day. In addition, MIRAI borrowed 4,000 million yen in long-term borrowings on January 12, 2022 and 1,300 million yen in long-term borrowings on March 25, 2022 to fund the acquisition of real estate trust beneficiaries. The balance of borrowings and investment corporation bonds as of the end of the 12<sup>th</sup> fiscal period was 84,000 million yen (of which 7,000 million yen was current portion of long-term borrowings, 70,800 million yen was long-term borrowings, and 6,200 million yen was investment corporation bonds).

For the purpose of securing flexible and stable fund procurement and structuring an even stronger financial base, MIRAI has established a commitment line with a maximum borrowing amount of 3,000 million yen (the balance of unexercised credit line as of the date of this document is 3,000 million yen).

### (iv) Operating Results and Distributions

As a result of the above operation, MIRAI recorded operating revenue of 5,275 million yen, operating income of 2,547 million yen, ordinary income of 2,245 million yen, and net income of 2,244 million yen for the 12<sup>th</sup> fiscal period.

Profit distributions for the current fiscal period (excluding distributions in excess of earnings) shall be made in accordance with the distribution policy set forth in the Articles of MIRAI and in accordance with Article 67.15 of the Act on Special Measures Concerning Taxation (Law No. 26 of 1957, including subsequent amendments. hereinafter the "Act on Special Measures Concerning Taxation"), MIRAI decided to distribute 2,244,414,480 yen, which is the entire amount after deducting the reversal of the provision for adjustment of temporary differences, etc. (as defined in Article 2, Paragraph 2, Item 30 of the Rules of Account Settlement of Investment Corporations) from the income as defined in Article 136, Paragraph 1 of the AITIC, except for fractions of less than one yen, in an attempt to make profit distributions tax-deductible. As a result of the above, the distributions per investment units for the fiscal period under review (excluding distributions in excess of earnings) was 1,267 yen.

### (3) Status of Capital Increase, etc.

Changes in the total number of outstanding investment units and unitholders' capital over the past five years are as follows.

Date	Summary	Total number of outstanding investment units (units)		Unitholders' capital (Thousand yen) (Note 1)		Remarks
		Changes	Balance	Changes	Balance	
May 23, 2018	Capital increase through public offering	43,300	337,050	7,395,250	59,287,585	(Note 2)
June 12, 2018	Capital increase through third-party allotment	2,160	339,210	368,908	59,656,493	(Note 3)
November 1, 2018	Capital increase through public offering	53,500	392,710	8,965,583	68,622,077	(Note 4)
November 27, 2018	Capital increase through third-party allotment	2,700	395,410	452,468	69,074,546	(Note 5)
May 1, 2019	Split of investment units	1,186,230	1,581,640	-	69,074,546	(Note 6)
December 24, 2019	Capital increase through public offering	76,500	1,658,140	4,215,609	73,290,155	(Note 7)
January 21, 2020	Capital increase through third-party allotment	4,100	1,662,240	225,934	73,516,089	(Note 8)
December 24, 2021	Capital increase through public offering	104,000	1,766,240	4,746,456	78,262,545	(Note 9)
January 25, 2022	Capital increase through third-party allotment	5,200	1,771,440	237,322	78,499,868	(Note 10)

(Note 1) Changes in unitholders' capital due to the implementation of distributions in excess of earnings related to the reserve for adjustment of temporary differences, etc. have not been taken into account.

(Note 2) New investment units were issued at the price of 176,962 yen per unit (paid-in amount: 170,791 yen) through a public offering for the acquisition of new properties, etc.

(Note 3) New investment units were issued at the price of 170,791 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

(Note 4) New investment units were issued at the price of 173,452 yen per unit (paid-in amount: 167,581 yen) through a public offering for the acquisition of new properties, etc.

(Note 5) New investment units were issued at the price of 167,581 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

(Note 6) MIRAI conducted a four-for-one unit split with April 30, 2019 as the record date and May 1, 2019 as the effective date.

(Note 7) New investment units were issued at the price of 57,037 yen per unit (paid-in amount of 55,106 yen) through a public offering for the acquisition of new properties, etc.

(Note 8) New investment units were issued at the price of 55,106 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

(Note 9) New investment units were issued at the price of 47,238 yen per unit (paid-in amount of 45,639 yen) through a public offering for the acquisition of new properties, etc.

(Note 10) New investment units were issued at the price of 45,639 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

#### <Changes in Market Prices of Investment Securities>

The market price of MIRAI's investment securities listed on the Tokyo Stock Exchange REIT Market changed during each fiscal period as follows:

Period	The 8 <sup>th</sup> Period From Nov. 1, 2019 to Apr. 30, 2020	The 9 <sup>th</sup> Period From May 1, 2020 to Oct. 31, 2020	The 10 <sup>th</sup> Period From Nov. 1, 2020 to Apr. 30, 2021	The 11 <sup>th</sup> Period From May 1, 2021 to Oct. 31, 2021	The 12 <sup>th</sup> Period From Nov. 1, 2021 to Apr. 30, 2022
Maximum (Yen)	63,800 yen	42,700 yen	53,500 yen	58,500 yen	56,100 yen
Minimum (Yen)	28,160 yen	33,050 yen	36,600 yen	47,400 yen	46,650 yen

#### (4) Results of Distributions, etc.

In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, 2,244,414,480 yen, which is the total amount of unappropriated retained earnings after deduction of reversal of allowance for temporary difference adjustment (as stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), from the amount of earnings as stipulated in Article 136, Paragraph 1 of the AITIC, excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).

Period	The 8 <sup>th</sup> Period From Nov. 1, 2019 to Apr. 30, 2020	The 9 <sup>th</sup> Period From May 1, 2020 to Oct. 31, 2020	The 10 <sup>th</sup> Period From Nov. 1, 2020 to Apr. 30, 2021	The 11 <sup>th</sup> Period From May 1, 2021 to Oct. 31, 2021	The 12 <sup>th</sup> Period From Nov. 1, 2021 to Apr. 30, 2022
Unappropriated retained earnings (Thousand yen)	3,216,858	2,915,631	2,538,115	2,623,329	2,597,360
Retained earnings (Thousand yen)	539,082	465,489	480,262	352,709	3,984
Total amount of cash distributions (Thousand yen)	2,594,756	2,375,340	2,072,813	2,142,627	2,244,414
[Distributions per unit] (Yen)	[1,561]	[1,429]	[1,247]	[1,289]	[1,267]
Of which, total amount of profit distributions (Thousand yen)	2,594,756	2,375,340	2,057,853	2,142,627	2,244,414
[Profit distributions per unit] (Yen)	[1,561]	[1,429]	[1,238]	[1,289]	[1,267]
Of which, total amount of investment refunds (Thousand yen)	-	-	14,960	-	-
[Refund of investment per unit] (Yen)	[-]	[-]	[9]	[-]	[-]
Total amount of distributions from the allowance for temporary differences out of the total amount of refunds of investments (Thousand yen)	-	-	14,960	-	-
[Distribution of allowance for temporary differences per unit out of refund of investment per unit] (Yen)	[-]	[-]	[9]	[-]	[-]
Total amount of distributions from distribution for reduction of investment, etc. under the tax law out of total amount of withdrawal of investment (Thousand yen)	-	-	-	-	-
[Distribution from reduction of investment, etc. under the tax law out of the amount of refund of investment per unit] (Yen)	[-]	[-]	[-]	[-]	[-]

#### (5) Future Management Policy and Other Issues

##### (i) Future Portfolio Management Environment

In the office leasing market, MIRAI needs to carefully consider the future outlook based on trends in corporate performance and changes in work styles. In hotel and retail sectors, rents for some assets are linked to tenants' performance. MIRAI does not take variable rents into consideration for hotels excluding special factors, such as providing as a recovery accommodation facility for patients with mild cases of COVID-19, etc. For retail assets, MIRAI will take relatively conservative forecasts with reference to past years' results, while considering a certain degree of renewal effects. As almost all of the interest-bearing debt procured by MIRAI is long-term and fixed, MIRAI recognizes that the impact of changes in the financial environment and interest rate fluctuations on its operation results will be minor, and MIRAI will continue to maintain sound financial management.

##### (ii) Future Management Policy and Other Issues

MIRAI has implemented specific measures, such as strategic asset replacements and acquisition of Growth Assets with high profitability and land assets with defensiveness, with the aim of increasing unitholders' value based on sustainable growth in distributions per unit and strategic management of the portfolio. MIRAI plans to promote measures going forward that will contribute to the future growth with an eye on the post-COVID-19 era, while continuing to be conscious of progress in risk diversification and securing profitability and stability.

## (6) Significant Events after the Balance Sheet Date

### Disposition of assets

MIRAI disposed the following asset after the end of the 12<sup>th</sup> Period (April 30, 2022).

Name of the Asset	Comfort Hotel Nagano
Type of Specified Asset	Real estate trust beneficiary
Address (Residential Address)	1-12-4, Minami-chitose, Nagano-shi, Nagano
Agreement Date	May 25, 2022
Disposition Date	May 31, 2022
Buyer	Ichigo Hotel REIT Investment Corporation
Disposition Price	670 million yen (Note)
Impact on Profit / Loss	MIRAI expects to record 0 million yen for the fiscal period ending October 31, 2022 in gain on sales of real estate properties (disposition gain) as operating revenue.

(Note) "Disposition Price" shows the sale and purchase value of the asset that is stated in the sale and purchase agreement. The sale and purchase value does not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen.

## 2 Overview of MIRAI

### (1) Status of Unitholders' Capital

Period		The 8 <sup>th</sup> Period (Apr. 30, 2020)	The 9 <sup>th</sup> Period (Oct. 31, 2020)	The 10 <sup>th</sup> Period (Apr. 30, 2021)	The 11 <sup>th</sup> Period (Oct. 31, 2021)	The 12 <sup>th</sup> Period (Apr. 30, 2022)
Total number of investment units authorized	(Units)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total number of investment units outstanding	(Units)	1,662,240	1,662,240	1,662,240	1,662,240	1,771,440
Total unitholders' capital	(Million yen)	73,516	73,516	73,516	73,516	78,499
Number of unitholders	(Persons)	29,020	32,081	33,837	32,599	33,485

### (2) Matters Concerning Investment Units

Major unitholders as of April 30, 2022 are as follows:

Name	Number of units owned (Units)	Ratio to total units outstanding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	253,997	14.34
Custody Bank of Japan, Ltd. (Trust account)	180,605	10.20
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	74,299	4.19
Custody Bank of Japan, Ltd. (Securities investment trust account)	65,669	3.71
The Hachijuni Bank, Ltd.	27,469	1.55
STATE STREET BANK WEST CLIENT-TREATY 505234	25,532	1.44
SSBTC CLIENT OMNIBUS ACCOUNT	20,462	1.16
MITSUI & CO. ASSET MANAGEMENT HOLDINGS LTD.	20,000	1.13
IDERA Capital Management Ltd.	20,000	1.13
JP MORGAN CHASE BANK 385771	19,857	1.12
Total	707,890	39.96

(3) Matters Concerning Officers, etc.

(i) The Executive Director, Supervisory Director and Accounting Auditor for the 12<sup>th</sup> period are as follows:

Title	Name	Major concurrent posts outside MIRAI (Note 1)	Total compensation or fee for six-month period ended April 30, 2022 (Thousand yen)
Executive Director	Michio Suganuma	Representative Director, Mitsui Bussan & IDERA Partners Co. Ltd.	-
Supervisory Directors	Takehiko Negishi	Lawyer, Vanderfalke Law Office	3,683
	Hidetomo Nishii	CEO of Accel Partners, Inc. Certified Public Accountant, Tax Accountant	
Accounting Auditor	Ernst & Young ShinNihon LLC	-	17,000

(Note 1) The Executive Director and Supervisory Directors do not own investment units of MIRAI under their own name or other names.

(Note 2) Supervisory Directors may be directors of other corporations not listed above, but do not have any interest in MIRAI including the above.

(Note 3) Remuneration for the accounting auditor includes remuneration for audit of financial statements in English and remuneration for the preparation of the comfort letter in connection with the issuance of investment corporation bonds.

(ii) Policy on Dismissal and Non-reappointment of the Accounting Auditor

The dismissal of the accounting auditor shall be in accordance with the provisions of the AITIC, and the non-reappointment of the accounting auditor shall be considered by the Board of Directors of MIRAI in comprehensive consideration of the quality of the audit, the amount of audit fees and other various circumstances.

(4) Matters Concerning Directors' Liability Insurance Contracts

The directors' liability insurance policies that MIRAI has in place are as follows:

Scope of Insured	Summary of Contract
Executive Director and Supervisory Directors	<p>(Summary of insured accidents to be covered) MIRAI has concluded a directors' liability insurance policy with an insurance company as stipulated in Article 116-3, Paragraph 1 of the AITIC, and the policy will cover certain damages to be borne by the insured due to claims for damages arising from acts committed by the insured in the course of their duties as directors of MIRAI</p> <p>(Percentage of premiums paid) The policy includes an insurance rider pertaining to unitholders' representative lawsuits, and the premiums for the rider portion are borne by the insured, while other premiums are borne by MIRAI.</p> <p>(Measures to ensure that the appropriateness of the execution of duties is not compromised) The coverage does not apply to damages, etc. incurred by the insured due to criminal acts or acts committed while being aware of the violation of laws and regulations.</p>

(5) Asset Management Company, Asset Custodian and General Administrators

The asset management company, asset custodian and general administrators as of April 30, 2022 are as follows:

Business	Name
Asset management company	Mitsui Bussan & IDERA Partners Co. Ltd.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
Transfer agent	Sumitomo Mitsui Trust Bank, Limited
General administrator (institutional administration)	Mizuho Trust & Banking Co.
General administrator (accounting)	Reiwa Accounting Holdings Co., Ltd.
General administrator (tax payment)	Reiwakaikeisha Tax Corporation
General administrator related to investment corporation bonds	Sumitomo Mitsui Trust Bank, Limited and MUFG Bank, Ltd. and Mizuho Bank, Ltd.



### 3 Status of MIRAI's Assets under Management

#### (1) Composition of Assets of MIRAI

Asset type	Category	The 11 <sup>th</sup> Period As of October 31, 2021		The 12 <sup>th</sup> Period As of April 30, 2022	
		Total amount held (Million yen)	Ratio to total assets (%)	Total amount held (Million yen)	Ratio to total assets (%)
Real estate	Office	2,239	1.4	2,237	1.3
	Industrial	2,418	1.5	2,418	1.4
	Total of real estate	4,657	2.9	4,656	2.7
Real estate in trust	Office	82,323	51.1	85,118	49.5
	Retail	30,046	18.6	36,723	21.4
	Hotel	26,581	16.5	26,509	15.4
	Industrial	7,779	4.8	9,241	5.4
	Educational	4,098	2.5	4,098	2.4
	Total of real estate in trust	150,830	93.6	161,690	94.0
	Deposits and other assets	5,738	3.6	5,635	3.3
Total assets	161,226	100.0	171,982	100.0	

(Note 1) Total amount held is based on the balance sheet carrying amount (book value after depreciation in the case of real estate in trust) as of the end of the period.

(Note 2) Construction in progress in trust is not included in the real estate in trust.

#### (2) Major Assets

The outline of major assets owned by MIRAI (top 10 assets in terms of book value) as of April 30, 2022 is as follows:

Name of real estate, etc.	Book value (Million yen)	Leasable area (sqm) (Note 1)	Leased area (sqm) (Note 2)	Occupancy rate (%) (Note 3)	Portion of real estate leasing business revenue (%)	Primary use
Kawasaki Tech Center	23,800	22,737.07	22,737.07	100.0	18.6	Office
Shinagawa Seaside Parktower	19,934	22,205.78	21,379.97	96.3	14.0	Office
Tokyo Front Terrace	10,801	9,705.59	8,106.59	83.5	4.7	Office
Shinjuku Eastside Square	9,775	5,774.45	5,685.22	98.5	4.9	Office
AEON Kasai	9,626	28,338.45	28,338.45	100.0	Not disclosed (Note 4)	Retail
MI Terrace Nagoya-Fushimi	8,943	11,625.38	11,625.38	100.0	5.6	Office
Rokko Island DC	7,727	15,563.37	15,563.37	100.0	Not disclosed (Note 4)	Industrial
Tsurumi Fuga 1	5,530	9,578.60	9,578.60	100.0	Not disclosed (Note 4)	Retail
Mi-Nara	5,081	43,435.72	39,918.08	91.9	8.4	Retail
Tokyo Eiseigakuen Senmongakko	4,098	4,220.46	4,220.46	100.0	Not disclosed (Note 4)	Educational
Total	105,319	173,184.87	167,153.19	96.5	70.3	

(Note 1) For "Leasable area", the area that is rentable based on the lease contract or the building drawings of the building pertaining to each asset is stated. In case of land asset, the area of the land is listed. However, the area of incidental areas such as parking lots and warehouses is not included.

(Note 2) For "Leased area" is the total area actually leased for each asset. However, the area of incidental areas such as parking lots and warehouses is not included.

(Note 3) "Occupancy rate" is calculated based on the formula of leased area divided by leasable area. The figures are rounded to one decimal place.

(Note 4) Not disclosed due to the absence of a tenant's consent.

### (3) Details of Real Estate and Other Assets

The following is a summary of the assets owned by MIRAI as of April 30, 2022.

Name of real estate, etc.	Location (Note 1)	Type of ownership	Leasable area (sqm) (Note 2)	Book value at end of period (Million yen)	Appraisal value at end of period (Million yen) (Note 3)
Shinagawa Seaside Parktower	4-12-4, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	22,205.78	19,934	22,570
Kawasaki Tech Center	580-16, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficiaries	22,737.07	23,800	24,600
Shinjuku Eastside Square	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiaries	5,774.45	9,775	10,650
Tokyo Front Terrace	2-3-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	9,705.59	10,801	11,094
MI Terrace Nagoya-Fushimi	1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	11,625.38	8,943	10,600
Orico Hakataeki Minami Building	3-7-10, Hakataeki-minami, hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,845.60	1,727	1,780
My Square Building	2-10-3, Azabu Juban, Minato-ku, Tokyo	Trust beneficiaries	1,795.74	2,942	3,050
Hiroshima Rijo-dori Building	3-1-9, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	3,611.85	2,341	2,540
BizMiiX Yodoyabashi	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiaries	1,020.82	2,018	2,210
TCA Building	2-3-19, Motomachi, Naniwa-ku, Osaka-shi, Osaka	Real estate	3,212.80	2,237	2,270
Ehime Building/Hiroshima	2-10, Naka-ku Mikawa-cho, Hiroshima-shi, Hiroshima	Trust beneficiaries	4,700.45	2,832	2,980
Shibuya World East Building	1-23-18, Shibuya, Shibuya-ku, Tokyo	Trust beneficiaries	1,701.55	3,373	5,000
THINGS Aoyama	4-10-15, Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiaries	997.62	2,946	3,240
MI Cube Sendai Clisroad	2-2-30, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	1,023.76	1,378	1,450
AEON Kasai	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo	Trust beneficiaries	28,338.45	9,626	9,580
MEGA Don Quijote Izumi-Chuo	5-6-17, Ibuki-no, Izumi-shi, Osaka	Trust beneficiaries	6,891.87	3,020	2,570
CAINZ MALL Hikone (land)	2-1-1, Bamba, Hikone-shi, Shiga	Trust beneficiaries	85,323.95	3,675	4,270
MaxValu Takatori (land)	3-16-18, Takatorikita, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	5,748.81	987	1,040
Tsurumi Fuga 1	2-1, Tsurumi-ku Toyooka-cho, Yokohama-shi, Kanagawa	Trust beneficiaries	9,578.60	5,530	5,800
BIGMOTOR Ginan (land)	7-12, Ginan-cho Yatsurugi, Hashima-gun, Gifu	Trust beneficiaries	6,544.89	1,101	1,190
Hotel Sunroute Niigata	1-11-25, Higashi-Odori, Chuo-ku, Niigata-shi, Niigata	Trust beneficiaries	8,254.80	2,141	2,260
Daiwa Roynet Hotel Akita	2-2-41, Omachi, Akita-shi, Akita	Trust beneficiaries	7,439.36	1,895	2,170
Super Hotel Sendai/Hirose-dori	2-9-23, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	3,283.95	1,232	1,670
Super Hotel Osaka/Tennoji	2-3-3, Osaka, Tennoji-ku, Osaka-shi, Osaka	Trust beneficiaries	2,486.39	1,242	1,590
Super Hotel Saitama/Omiya	1-12-6, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiaries	2,946.55	1,065	1,330
Super Hotel Kyoto/Karasumagojo	396-3, Osaka-cho, Gojo-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiaries	2,144.02	1,010	1,290
Ise City Hotel Annex	2-5-11, Fukiage, Ise-shi, Mie	Trust beneficiaries	4,099.31	1,905	1,810
Comfort Hotel Kitakami	(1) (Hotel) 1-2-1 Kawagishi, Kitakami-shi, Iwate (2) (Retail Store) 1-2-8, Kawagishi, Kitakami-shi, Iwate	Trust beneficiaries	2,961.06	794	828
Comfort Hotel Nagano	1-12-4, Minami-chitose, Nagano-shi, Nagano	Trust beneficiaries	1,921.45	635	588
Hotel Wing International Select Ueno/Okachimachi	2-18-4, Higashi-ueno, Taito-ku, Tokyo	Trust beneficiaries	3,079.33	3,800	4,050
Smile Hotel Naha City Resort	2-32-1, Kume, Naha-shi, Okinawa	Trust beneficiaries	9,698.44	4,024	3,990
Smile Hotel Hakataeki-Mae	3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,432.72	3,789	3,580
Smile Hotel Nagoya-Sakae	4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	2,909.20	2,969	2,920
Mi-Nara	1-3-1, Nijo-ji-Minami, Nara-shi, Nara	Trust beneficiaries	43,435.72	5,081	3,750
Rokko Island DC	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiaries	15,563.37	7,727	8,880
Odawara Material Storage and Delivery Center (land)	2842-2 Sakaikyuu, Kozu, Odawara-shi, Kanagawa	Real estate	16,529.10	2,418	2,560
Yokohama-Daikokucho Maintenance Center (land)	36-19, Tsurumi-ku Daikoku-cho, Yokohama-shi, Kanagawa	Trust beneficiaries	3,499.83	1,514	1,580
Tokyo Eiseigakuen Senmongakko	4-1-1, Omorikita, Ota-ku, Tokyo	Trust beneficiaries	4,220.46	4,098	4,280
Total			372,290.09	166,346	177,610

(Note 1) "Location" shows the residence indication of the property.

(Note 2) For "Leasable area", the area that is rentable based on the lease contract or the building drawings of the building pertaining to each asset is stated. The area of incidental areas such as parking lots and warehouses is not included. If Asset to be Acquired is a co-ownership or quasi-co-ownership, it is calculated based on the proportion of ownership.

(Note 3) "Appraisal value at end of period" is the appraisal value provided by Daiwa Real Estate Appraisal Co., Ltd., JLL Mori Valuation & Advisory K.K., Japan Real Estate Institute, Japan Valuers Co., Ltd. and Tanizawa Sogo Appraisal Co., Ltd. in accordance with the Article of MIRAI and the rules set forth by The Investment Trusts Association, Japan.

The leasing status of real estate properties owned by MIRAI is as follows:

Name of real estate, etc.	The 11 <sup>th</sup> Period (From May. 1, 2021 to Oct. 31, 2021)				The 12 <sup>th</sup> Period (From Nov. 1, 2021 to Apr. 30, 2022)			
	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)
Shinagawa Seaside Parktower	23	98.0	759	14.8	23	96.3	740	14.0
Kawasaki Tech Center	27	100.0	949	18.6	27	100.0	979	18.6
Shinjuku Eastside Square	40	98.5	268	5.3	39	98.5	260	4.9
Tokyo Front Terrace	23	85.0	262	5.1	24	83.5	247	4.7
MI Terrace Nagoya-Fushimi	8	97.1	301	5.9	8	100.0	293	5.6
Orico Hakataeki Minami Building	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
My Square Building	9	100.0	86	1.7	9	100.0	77	1.5
Hiroshima Rijo-dori Building	12	96.3	80	1.6	13	100.0	82	1.6
BizMiiX Yodoyabashi (Note 6)	19	28.5	13	0.3	26	58.9	21	0.4
TCA Building	8	100.0	69	1.4	7	100.0	66	1.3
Ehime Building/Hiroshima	-	-	-	-	21	100.0	58	1.1
Shibuya World East Building	8	100.0	117	2.3	8	100.0	114	2.2
THINGS Aoyama	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MI Cube Sendai Clisroad	3	100.0	33	0.7	3	100.0	34	0.6
AEON Kasai	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MEGA Don Quijote Izumi-Chuo	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
CAINZ MALL Hikone (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MaxValu Takatori (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Tsurumi Fuga 1	-	-	-	-	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
BIGMOTOR Ginan (land)	-	-	-	-	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Hotel Sunroute Niigata	1	94.6	75	1.5	1	94.6	70	1.3
Daiwa Roynet Hotel Akita	1	100.0	69	1.3	1	100.0	69	1.3
Super Hotel Sendai/Hirose-dori	1	100.0	54	1.1	1	100.0	44	0.8
Super Hotel Osaka/Tennoji	1	100.0	46	0.9	1	100.0	39	0.7
Super Hotel Saitama/Omiya	1	100.0	44	0.9	1	100.0	35	0.7
Super Hotel Kyoto/Karasumagojo	1	100.0	38	0.8	1	100.0	31	0.6
Ise City Hotel Annex	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Comfort Hotel Kitakami	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Comfort Hotel Nagano	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Hotel Wing International Select Ueno/Okachimachi	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Smile Hotel Naha City Resort	1	100.0	67	1.3	1	100.0	171	3.2
Smile Hotel Hakataeki-Mae	1	100.0	36	0.7	1	100.0	34	0.6
Smile Hotel Nagoya-Sakae	1	100.0	45	0.9	1	100.0	46	0.9
Mi-Nara	53	90.6	465	9.1	56	91.9	442	8.4
Rokko Island DC	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Odawara Material Storage and Delivery Center (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Yokohama-Daikokucho Maintenance Center (land)	-	-	-	-	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Tokyo Eiseigakuen Senmongakko	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)

Name of real estate, etc.	The 11 <sup>th</sup> Period (From May. 1, 2021 to Oct. 31, 2021)				The 12 <sup>th</sup> Period (From Nov. 1, 2021 to Apr. 30, 2022)			
	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)
Total	256	97.8	5,113	100.0	290	98.1	5,275	100.0

(Note 1) The figures are as of the end of the period.

(Note 2) "Occupancy rate" is calculated based on the formula of leased area divided by leasable area. The figures are rounded to one decimal place.

(Note 3) "Real estate leasing business revenue [during the period]" indicates the leasing business revenue of each asset for the period, rounded down to the nearest million yen.

(Note 4) Not disclosed due to the absence of a tenant's consent.

#### (4) Outstanding Contract Amounts, etc. and Current Price of Specified Transactions

The outstanding contract amounts, etc. and current price of specified transactions as of April 30, 2022 is as follows:

Classification	Type	Contract amount, etc. (Thousand yen) (Note 1)		Market value (Thousand yen) (Note 2)
			Amount that exceeds 1 year	
Non-market transactions	Interest rate swap transactions Receive variable, pay fixed	63,100,000	56,100,000	(2,664)

(Note 1) The contract amount, etc. is based on the notional principal.

(Note 2) The market value is calculated based on the price provided by the financial institutions with which MIRAI has transactions.

#### (5) Other Assets

As of the end of the current fiscal period, there are no other specified assets as investment targets other than those listed in (3) Details of Real Estate and Other Assets.

#### (6) Assets in Overseas

There is no asset investment outside Japan.

### 4 Capital Expenditure

#### (1) Schedule of Capital Expenditure

The following is a list of major scheduled capital expenditures for renovations, etc. planned with respect to the assets owned by MIRAI as of the end of the current fiscal period. Please note that some portions of the scheduled construction amount may be classified as expenses for accounting purposes as a result.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction cost (Thousand yen)		
			Total amount	Payment for the current period	Total amount paid
Fiscal period ending October 31, 2022 (13 <sup>th</sup> period)					
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Automatic fire alarm equipment renewal work, disaster prevention equipment renewal work, compartment repair work, air-conditioning equipment work, etc.	From June 2020 to October 2022	156,646	24,860	74,580
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work, compartment repair work, etc.	From February 2022 to October 2022	152,821	-	-
Mi-Nara (Nara-shi, Nara)	Compartment repair work, electrical installation work, etc.	From May 2022 to October 2022	62,877	10,000	10,000
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Air-conditioning equipment work, electrical installation work, etc.	From May 2022 to October 2022	41,258	-	-
Orico Hakataeki Minami Building (Fukuoka-shi, Fukuoka)	Air-conditioning equipment work, etc.	From May 2022 to October 2022	29,386	-	-
Others	-	-	126,603	-	-
After Fiscal period ending April 30, 2023 (14 <sup>th</sup> period)					
Ise City Hotel Annex (Ise-shi, Mie)	Renewal work	From January 2023 to February 2023	110,935	-	-
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Elevator renewal work	From November 2022 to April 2023	88,561	-	-
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work	From November 2022 to April 2023	76,954	-	-

#### (2) Capital Expenditure for the Current Fiscal Period

The following is a summary of major construction work, etc. that fell under the category of capital expenditure conducted during the current fiscal period with respect to the assets owned by MIRAI as of the end of the current fiscal period. The total amount of construction works applicable to capital expenditures for all assets owned during the current fiscal period was 500,153 thousand yen, and together

with 64,048 thousand yen in repair expenses classified as expenses for the current fiscal period, a total of 564,201 thousand yen in construction work was conducted.

Name of real estate, etc. (Location)	Purpose	Construction period	Construction cost (Thousand yen)
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Electrical installation work, air-conditioning equipment work, etc.	From November 2021 to April 2022	97,850
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Escalator renewal work, etc.	From September 2021 to April 2022	96,231
Mi-Nara (Nara-shi, Nara)	Air-conditioning equipment work, water supply pump equipment construction, compartment repair work, etc.	From November 2021 to March 2022	88,277
AEON Kasai (Edogawa-ku, Tokyo)	Disaster prevention equipment renewal work	From February 2021 to March 2022	86,915
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Steam generator renewal work, construction of security equipment, electrical installation work, etc.	From November 2021 to April 2022	27,541
Others	-	-	103,337
Total			500,153

(3) Reserve for Long-Term Repair Plan  
Not applicable.

## 5 Expenses

(1) Details of Expenses Related to Asset Management, etc.

(Thousand yen)

Item	The 11 <sup>th</sup> Period From May 1, 2021 to October 31, 2021	The 12 <sup>th</sup> Period From November 1, 2021 to April 30, 2022
Asset management fee (Note)	441,548	434,547
Asset custody fee	8,499	8,916
Administrative service fees	20,827	18,588
Remuneration for directors	3,696	3,683
Other operating expenses	49,641	57,874
Total	524,213	523,610

(Note) In addition to the above, there are acquisition fee of 106,500 thousand yen that are included in the book value of individual assets in the 12<sup>th</sup> fiscal period.

## 6 Trading during the Fiscal Period under Review

(1) Status of Real Estate, Asset-Backed Securities, Infrastructure Assets and Infrastructure-Related Assets etc.

Name of real estate, etc.	Acquisition		Disposition			
	Acquisition date	Acquisition price (Million yen) (Note)	Disposition date	Disposition price (Million yen)	Book value (Million yen)	Gain/loss on sale (Million yen)
Ehime Building/Hiroshima	January 12, 2022	2,780	-	-	-	-
Tsurumi Fuga 1	January 12, 2022	5,300	-	-	-	-
BIGMOTOR Ginan (land)	January 12, 2022	1,080	-	-	-	-
Yokohama-Daikokucho Maintenance Center (land)	March 25, 2022	1,490	-	-	-	-
Total	-	10,650	-	-	-	-

(Note) The acquisition price do not include miscellaneous expenses, property tax, city planning tax, consumption tax and local consumption tax required for the acquisition of the relevant real estate, etc.

(2) Other Assets  
Not applicable.

(3) Investigation of the Price of Specified Assets

(i) Real Estate, etc.

Acquisition/ Disposition	Name of Real Estate, etc.	Transaction date	Type of assets	Acquisition/ Disposition price (Million yen)	Appraisal value (Million yen)	Appraiser	Appraisal date
Acquisition	Ehime Building/Hiroshima	January 12, 2022	Real estate trust beneficiaries	2,780	2,950	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2021
	Tsurumi Fuga 1	January 12, 2022	Real estate trust beneficiaries	5,300	5,800	Tanizawa Sogo Appraisal Co., Ltd.	November 1, 2021
	BIGMOTOR Ginan (land)	January 12, 2022	Real estate trust beneficiaries	1,080	1,190	Tanizawa Sogo Estate Appraisal Co., Ltd.	November 1, 2021

	Yokohama-Daikokucho Maintenance Center (land)	March 25, 2022	Real estate trust beneficiaries	1,490	1,570	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2021
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(Note 1) For transactions that require appraisal of real estate, etc. pertaining to specified assets in accordance with Article 201, Paragraph 1 of the AITIC, the appraisal is conducted in accordance with Chapter 3, "Appraisal of the Value of Real Estate Subject to Securitization" of the respective sections of the Real Estate Appraisal Standards, and MIRAI has been notified of the results of such appraisal.

(Note 2) The acquisition price do not include miscellaneous expenses, property tax, city planning tax, consumption tax and local consumption tax required for the acquisition of the relevant real estate, etc.

(ii) Others

Not applicable.

(4) Status of Transactions with Interested Parties, etc.

(i) Sales and Purchases with Interested Parties, etc.

Not applicable.

(ii) Amount of fees to be paid

Not applicable.

(5) Status of Transactions with the Asset Manager Pertaining to Its Business Other than Asset Management

As of the end of the current fiscal period, the Asset Manager concurrently engages in the business of building lots and buildings transaction, but there are no applicable transactions.

## 7 Status of Accounting

(1) Status of Assets, Liabilities, Principal, Profit and Loss, etc.

Please refer to "Balance Sheet", "Statements of Income", "Statements of Changes in Net Assets", "Notes" and "Distribution Information" below.

(2) Change in the Method of Calculating Depreciation

Not applicable.

(3) Change in Valuation Method for Real Estate and Infrastructure Assets, etc.

Not applicable.

## 8 Disclosures Related to Beneficiary Certificates of Investment Trusts, etc. Established by MIRAI

Not applicable.

## 9 Disclosure Regarding Overseas Real Estate Holding Corporation

Not applicable.

## 10 Disclosure Regarding Real Estate Held by Overseas Real Estate Holding Corporation

Not applicable.

## 11 Others

(1) Notice

(i) General Meeting of Unitholders

Not applicable.

(ii) Board of Directors

The following is a summary of the major agreements and amendments approved by the Board of Directors of MIRAI during the current fiscal period.

Approval date	Item	Overview
December 13, 2021	Execution of new investment unit underwriting agreement, etc.	With respect to the issuance of new investment units and secondary offering of investment units approved at the Board of Directors meeting held on the same day, MIRAI executed a certificate of agreement for underwriting new investment units between Nomura Securities Co, Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co, Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co, Ltd.

(2) Fractional Amounts and Percentages

In this document, unless otherwise stated, figures less than the stated amount are rounded down to the nearest million yen and percentages are rounded to the nearest million yen.

## Independent Auditor's Report

The Board of Directors  
MIRAI Corporation

### **Opinion**

We have audited the accompanying financial statements of MIRAI Corporation (the "Company"), which comprise the balance sheet as at April 30, 2022, and the statements of income and retained earnings, changes in net assets, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2022, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Information**

The other information comprises the information included in Semi Annual Report that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. Supervisory Director is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **Responsibilities of Management and Supervisory Director for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.





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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

July 29, 2022

金子 秀嗣

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Shuji Kaneko  
Designated Engagement Partner  
Certified Public Accountant

井上 裕人

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Hiroto Inoue  
Designated Engagement Partner  
Certified Public Accountant

## Financial Statements

## (1) Balance Sheet

(Thousands of yen)

	As of October 31, 2021	As of April 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	2,542,119	2,050,206
Cash and deposits in trust	2,331,887	2,553,099
Operating accounts receivable	227,272	257,651
Prepaid expenses	131,784	147,320
Consumption taxes receivable	57,176	92,266
Other	28	87
Total current assets	5,290,266	5,100,631
Non-current assets		
Property, plant and equipment		
Buildings	436,737	436,737
Accumulated depreciation	(10,017)	(16,131)
Buildings, net	426,720	420,605
Structures	564	564
Accumulated depreciation	(157)	(251)
Structures, net	407	313
Machinery and equipment	-	4,770
Accumulated depreciation	-	(39)
Machinery and equipment, net	-	4,730
Land	4,230,785	4,230,785
Buildings in trust	*1 35,077,401	*1 37,118,626
Accumulated depreciation	(4,536,603)	(5,133,371)
Buildings in trust, net	30,540,797	31,985,255
Structures in trust	318,733	318,733
Accumulated depreciation	(68,533)	(75,539)
Structures in trust, net	250,199	243,194
Machinery and equipment in trust	207,051	220,610
Accumulated depreciation	(62,426)	(69,918)
Machinery and equipment in trust, net	144,625	150,692
Tools, furniture and fixtures in trust	*1 218,425	*1 281,097
Accumulated depreciation	(46,316)	(67,601)
Tools, furniture and fixtures in trust, net	172,109	213,496
Land in trust	119,722,380	129,097,520
Construction in progress in trust	54,691	93,037
Total property, plant and equipment	155,542,717	166,439,632
Intangible assets		
Software	18,640	16,087
Other	231	231
Total intangible assets	18,872	16,318
Investments and other assets		
Long-term prepaid expenses	263,995	304,604
Deferred tax assets	23	18
Guarantee deposits	11,006	11,006
Other	56,134	56,134
Total investments and other assets	331,159	371,763
Total non-current assets	155,892,749	166,827,714
Deferred assets		
Investment corporation bond issuance costs	43,500	54,241
Total deferred assets	43,500	54,241
Total assets	161,226,516	171,982,587

(Thousands of yen)

	As of October 31, 2021	As of April 30, 2022
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	514,683	480,597
Distributions payable	8,466	10,503
Current portion of long-term borrowings	10,000,000	7,000,000
Accounts payable - other	509,857	502,516
Accrued expenses	5,383	3,471
Income taxes payable	1,096	981
Advances received	625,064	660,487
Deposits received	948	5,001
Other	137	17,854
Total current liabilities	11,665,638	8,681,414
Non-current liabilities		
Investment corporation bonds	5,000,000	6,200,000
Long-term borrowings	63,700,000	70,800,000
Leasehold and guarantee deposits received	150,109	148,766
Leasehold and guarantee deposits received in trust	5,050,075	5,405,910
Derivatives liabilities	352,076	2,664
Total non-current liabilities	74,252,261	82,557,341
Total liabilities	85,917,899	91,238,755
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	73,516,089	78,499,868
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*4 (478,725)	*4 (350,732)
Total deduction from unitholders' capital	(478,725)	(350,732)
Unitholders' capital, net	73,037,364	78,149,135
Surplus		
Unappropriated retained earnings (undisposed loss)	2,623,329	2,597,360
Total surplus	2,623,329	2,597,360
Total unitholders' equity	75,660,693	80,746,496
Valuation and translation adjustments		
Deferred gains or losses on hedges	(352,076)	(2,664)
Total valuation and translation adjustments	(352,076)	(2,664)
Total net assets	*3 75,308,617	*3 80,743,832
Total liabilities and net assets	161,226,516	171,982,587

## (2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended October 31, 2021	For the six-month period ended April 30, 2022
Operating revenue		
Leasing business revenue	*1 4,262,183	*1 4,452,612
Other leasing business revenue	*1 851,598	*1 822,390
Total operating revenue	5,113,781	5,275,003
Operating expenses		
Expenses related to leasing business	*1 2,192,292	*1 2,203,860
Asset management fee	441,548	434,547
Asset custody fees	8,499	8,916
Administrative service fees	20,827	18,588
Remuneration for directors (and other officers)	3,696	3,683
Other operating expenses	49,641	57,874
Total operating expenses	2,716,506	2,727,470
Operating income	2,397,275	2,547,532
Non-operating income		
Interest income	22	23
Gain on forfeiture of unclaimed distributions	2,711	1,027
Interest on tax refund	-	284
Subsidy income	-	516
Total non-operating income	2,733	1,851
Non-operating expenses		
Interest expenses	203,041	202,668
Interest expenses on investment corporation bonds	9,351	22,586
Amortization of investment corporation bond issuance costs	1,607	2,990
Borrowing related expenses	41,859	46,740
Investment unit issuance expenses	-	25,756
Other	-	3,000
Total non-operating expenses	255,859	303,742
Ordinary income	2,144,149	2,245,641
Net income before income taxes	2,144,149	2,245,641
Income taxes - current	1,099	985
Income taxes - deferred	(16)	5
Total income taxes	1,083	990
Net income	2,143,066	2,244,651
Retained earnings brought forward	480,262	352,709
Unappropriated retained earnings (undisposed loss)	2,623,329	2,597,360

## (3) Statement of Changes in Net Assets

The Fiscal Period ended October 2021 (The 11<sup>th</sup> period from May 1, 2021 to October 31, 2021)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net
Allowance for temporary difference adjustment		Total deduction from unitholders' capital		
Balance at beginning of period	73,516,089	(463,764)	(463,764)	73,052,324
Changes during period				
Dividends of surplus				
Distributions in excess of earnings from allowance for temporary difference adjustments		(14,960)	(14,960)	(14,960)
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	(14,960)	(14,960)	(14,960)
Balance at end of period	*1 73,516,089	(478,725)	(478,725)	73,037,364

(Thousands of yen)

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	2,538,115	2,538,115	75,590,440	(480,108)	(480,108)	75,110,331
Changes during period						
Dividends of surplus	(2,057,853)	(2,057,853)	(2,057,853)			(2,057,853)
Distributions in excess of earnings from allowance for temporary difference adjustments			(14,960)			(14,960)
Net income	2,143,066	2,143,066	2,143,066			2,143,066
Net changes in items other than unitholders' equity				128,032	128,032	128,032
Total changes during period	85,213	85,213	70,253	128,032	128,032	198,285
Balance at end of period	2,623,329	2,623,329	75,660,693	(352,076)	(352,076)	75,308,617

The Fiscal Period ended April 2022 (The 12<sup>th</sup> period from November 1, 2021 to April 30, 2022)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net
Allowance for temporary difference adjustment		Total deduction from unitholders' capital		
Balance at beginning of period	73,516,089	(478,725)	(478,725)	73,037,364
Changes during period				
Issuance of new investment units	4,983,778			4,983,778
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		127,992	127,992	127,992
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	4,983,778	127,992	127,992	5,111,771
Balance at end of period	*1 78,499,868	(350,732)	(350,732)	78,149,135

(Thousands of yen)

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	2,623,329	2,623,329	75,660,693	(352,076)	(352,076)	75,308,617
Changes during period						
Issuance of new investment units			4,983,778			4,983,778
Dividends of surplus	(2,142,627)	(2,142,627)	(2,142,627)			(2,142,627)
Reversal of allowance for temporary difference adjustments	(127,992)	(127,992)	-			-
Net income	2,244,651	2,244,651	2,244,651			2,244,651
Net changes in items other than unitholders' equity				349,412	349,412	349,412
Total changes during period	(25,968)	(25,968)	5,085,802	349,412	349,412	5,435,214
Balance at end of period	2,597,360	2,597,360	80,746,496	(2,664)	(2,664)	80,743,832

## (4) Statement of Cash Distributions

(Yen)

	Fiscal Period ended October 2021 (The 11 <sup>th</sup> period from May 1, 2021 to October 31, 2021)	Fiscal Period ended April 2022 (The 12 <sup>th</sup> period from November 1, 2021 to April 30, 2022)
I Unappropriated retained earnings (undisposed loss)	2,623,329,217	2,597,360,578
II Capitalization	127,992,480	348,961,200
Reversal of allowance for temporary difference adjustment	127,992,480	348,961,200
III Distributions	2,142,627,360	2,244,414,480
[Distributions per unit]	[1,289]	[1,267]
IV Retained earnings to be carried forward (retained loss)	352,709,377	3,984,898
Method of calculation of distributions	In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, 2,142,627,360 yen, which is the total amount of unappropriated retained earnings after deduction of reversal of allowance for temporary difference adjustment (as stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).	In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, 2,244,414,480 yen, which is the total amount of unappropriated retained earnings after deduction of reversal of allowance for temporary difference adjustment (as stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).

## (5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended October 31, 2021	For the six-month period ended April 30, 2022
<b>Cash flows from operating activities</b>		
Net income before income taxes	2,144,149	2,245,641
Depreciation	610,859	641,351
Amortization of investment corporation bond issuance costs	1,607	2,990
Investment unit issuance expenses	-	25,756
Interest income	(22)	(23)
Interest expenses	212,392	225,254
Decrease (increase) in operating accounts receivable	(110,073)	(30,379)
Decrease (increase) in prepaid expenses	1,574	(15,536)
Decrease (increase) in consumption taxes receivable	(57,176)	(35,090)
Increase (decrease) in operating accounts payable	11,423	(110,213)
Increase (decrease) in accounts payable - other	24,998	(6,886)
Increase (decrease) in accrued consumption taxes	(314,647)	-
Increase (decrease) in advances received	26,510	35,423
Decrease (increase) in long-term prepaid expenses	54,513	(40,609)
Other, net	(5,958)	20,682
Subtotal	2,600,151	2,958,361
Interest received	22	23
Interest paid	(208,138)	(227,166)
Income taxes paid	(755)	(1,100)
Net cash provided by operating activities	2,391,279	2,730,118
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(12,351)	-
Purchase of property, plant and equipment in trust	(650,724)	(11,455,784)
Refund of leasehold and guarantee deposits received	-	(3,486)
Proceeds from leasehold and guarantee deposits received	6,798	2,144
Refund of leasehold and guarantee deposits received in trust	(278,365)	(155,587)
Proceeds from leasehold and guarantee deposits received in trust	58,053	511,422
Payments for restricted deposits held in trust	(0)	(0)
Other payments	-	(4,254)
Net cash used in investing activities	(876,589)	(11,105,547)
<b>Cash flows from financing activities</b>		
Repayments of short-term borrowings	(3,000,000)	-
Proceeds from long-term borrowings	1,500,000	14,100,000
Repayments of long-term borrowings	(1,500,000)	(10,000,000)
Proceeds from issuance of investment corporation bonds	2,975,530	1,186,268
Proceeds from issuance of investment units	-	4,958,022
Distributions paid	(2,072,850)	(2,139,562)
Net cash provided by (used in) financing activities	(2,097,319)	8,104,728
Net decrease in cash and cash equivalents	(582,630)	(270,701)
Cash and cash equivalents at beginning of period	5,274,535	4,691,905
Cash and cash equivalents at end of period	*1 4,691,905	*1 4,421,204



(6) Notes to the financial statements

[Notes on Assumption of Going Concern]

Not applicable to the 12<sup>th</sup> Period.

[Organization]

MIRAI Corporation (hereinafter “MIRAI”) is diversified REIT. Based on AITIC, MIRAI was founded on December 4, 2015 with a capital contribution of 150 million yen (750 units), by Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset manager”) as the founding planner and was listed on the REIT section of the Tokyo Stock Exchange on December 16, 2016 (securities code: 3476). As of April 30, 2022, the numbers of investment units issued and outstanding are 1,771,440 units and MIRAI owns 38 properties (total acquisition price of 164,554 million yen).

MIRAI positions assets located in the three major metropolitan areas of Japan with high population concentrations as its main investment targets and aims to obtain mid-to-long term stable cash flows and sustained growth in unitholders’ value by building a portfolio centered on its “Core Assets” (Note).

(Note) “Core Assets” means the assets that constitute the core of MIRAI’s portfolio, which is composed by specifically traditional investment properties such as offices, retail properties, hotels, residential and logistics properties. Occupancy rates of 80% or more must be secured in principle (including cases where such occupancy rates are expected) with MIRAI to determine a stable rental income to be expected.

[Basis of Presenting Financial Statements]

MIRAI maintains its accounting records and prepares its financial statements in accordance with the Japanese Generally Accepted Accounting Principles (Japanese GAAP), including provisions set forth in the Financial Instrument and Exchange Act of Japan, the AITIC, the Companies Act of Japan and the related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are prepared from the Japanese financial statements of MIRAI, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of MIRAI filed with the Kanto Local Finance Bureau of the Ministry of Finance. The amounts in the financial statements originally prepared in Japanese have been rounded off to the nearest thousand in the accompanying financial statements unless otherwise specified. MIRAI does not prepare consolidated financial statements as MIRAI has no subsidiaries.

[Summary of Significant Accounting Policies]

<p>1. Depreciation method for non-current assets</p>	<p>A. Property, plant, and equipment (including trust assets) The straight-line method is used. The useful lives of property, plant and equipment are listed below.</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Buildings</td> <td>2 to 64 years</td> </tr> <tr> <td>Structures</td> <td>2 to 40 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>5 to 29 years</td> </tr> <tr> <td>Tool, furniture and fixtures</td> <td>2 to 15 years</td> </tr> </table> <p>B. Intangible assets As for software (for internal use), the straight-line method is used with an expected useful life of 5 years.</p> <p>C. Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 64 years	Structures	2 to 40 years	Machinery and equipment	5 to 29 years	Tool, furniture and fixtures	2 to 15 years
Buildings	2 to 64 years								
Structures	2 to 40 years								
Machinery and equipment	5 to 29 years								
Tool, furniture and fixtures	2 to 15 years								
<p>2. Accounting for deferred assets</p>	<p>A. Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized by the straight-line method over the period through redemption.</p> <p>B. Investment unit issuance expenses Investment unit issuance expenses are fully expensed as incurred.</p>								
<p>3. Accounting for income and expenses</p>	<p>A. Accounting for property taxes Property tax, city planning tax, depreciable asset tax, and the like levied on real estate assets and other properties are accounted for as expenses related to rent business at the amounts corresponding to the fiscal period. The amount of property tax, etc. paid to the seller as part of settlement for acquisition of real estate and real estate in trust is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. In the 11<sup>th</sup> Period, the property tax, etc. included in the acquisition cost of real estate was not applicable. In the 12<sup>th</sup> Period, the property tax, etc. included in the acquisition cost of real estate was 49,924 thousand yen.</p> <p>B. Accounting standards for revenue The main performance obligations related to revenue arising from MIRAI's contracts with customers and when it typically satisfies its performance obligations (the ordinary time at which revenue is recognized) are as follows.</p> <p>(a) Disposition of real estate assets and other properties For disposition of real estate assets and other properties, MIRAI recognizes revenue when the customer-buyer obtains control of the real estate and other assets by fulfilling the delivery obligations stipulated in the sales and purchase agreement.</p> <p>(b) Utility revenue Utility revenue is recognized based on the supply of electricity, water, etc. to the customer-lessee in accordance with the real estate lease contract and related agreements. As to utilities charges in cases where MIRAI is acting as an agent, the net amount derived by deducting the amount to be paid to other parties supplying the electricity, gas, etc. from the amount received by MIRAI as utilities charges from the customer is recognized as revenue.</p>								
<p>4. Hedge accounting method</p>	<p>A. Hedge accounting method Deferred hedge accounting is applied.</p> <p>B. Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on borrowings</p> <p>C. Hedging policy MIRAI utilizes derivative transactions to hedge the risks specified in the Articles of Incorporation of the Investment Corporation based on its risk management policy.</p> <p>D. Method of assessing hedge effectiveness Hedge effectiveness is assessed by making a comparison between the cumulative total of cash flow fluctuations attributable to hedged items and the cumulative total of cash flow fluctuations attributable to hedging instruments, and examining the ratio of these totals of fluctuations.</p>								
<p>5. Scope of cash and cash equivalents in the statement of cash flows</p>	<p>Cash and cash equivalents consist of cash on hand, cash in trust, deposits and deposits in trust withdrawable on demand, and short-term investments, which are easily convertible into cash, with low risk of price fluctuation and with a maturity of less than three months.</p>								
<p>6. Other significant basis for preparation of</p>	<p>A. Accounting for trust beneficiary right for real estate, etc. as trust asset</p>								

financial statements	<p>With regard to trust beneficiary right for real estate, etc. held as trust asset, all assets and liabilities as well as all revenue and expense items associated with trust assets are accounted for under the respective account items of the Balance Sheet and Statement of Income and Retained Earnings. Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the Balance Sheet.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, Structures in trust, Tools, furniture and fixtures in trust and Land in trust, Construction in progress in trust</p> <p>(c) Leasehold and guarantee deposits received in trust</p> <p>B. Method of accounting for consumption taxes unqualified for deduction</p> <p>Consumption taxes unqualified for deduction for tax purposes for noncurrent assets, etc. are included in acquisition cost for each asset.</p>
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[Notes to Significant Accounting Estimates]  
(Evaluation of fixed assets)

1. Amount recorded in financial statements

	(Thousands of yen)	
	The 11 <sup>th</sup> Period (as of October 31, 2021)	The 12 <sup>th</sup> Period (as of April 30, 2022)
Property, plant and equipment	155,542,717	166,439,632
Loss on impairment	-	-

2. Information on the contents of significant accounting estimates for identified items

In accordance with the accounting standard for impairment of fixed assets, MIRAI assesses the necessity of recognizing impairment losses on Fixed assets when there is an indication that impairment may have occurred, considering each property owned by MIRAI as one asset group.

The estimated undiscounted future cash flows are used to determine whether an impairment loss should be recognized. If it is determined that an impairment loss should be recognized, the carrying amount is reduced to the recoverable amount, and the amount of the reduction is recorded as an impairment loss.

In estimating future cash flows, MIRAI has assumed that the impact of COVID-19 outbreak will continue for the time being, but that the recovery trend will continue over a certain period of time thereafter.

Since it is difficult to accurately predict the timing of the settlement of COVID-19 outbreak and the extent of its impact, changes in the aforementioned assumptions may affect the financial position, operating results and cash flow status of MIRAI if it is determined that an impairment loss needs to be recorded.

[Notes to Changes in Accounting Policies]  
Not applicable.

[Additional Information]

[Notes to Allowance for Temporary Difference Adjustment]

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

1. Reason for occurrence of reversal, assets identified and reversal of allowance

(Thousands of yen)

Assets identified	Reason for occurrence of reversal	Reversal of allowance for temporary difference adjustment
Deferred gains or losses on hedges	Changes in fair value of the derivative transactions	127,992

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

1. Reason for occurrence of provision, assets identified and allowance

(Thousands of yen)

Assets identified	Reason for occurrence of provision	Reversal of allowance for temporary difference adjustment
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	348,961

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

[Notes to Balance Sheet]

\*1. The reduction entry amount of the tangible fixed assets

The reduction entry amount of the tangible fixed assets acquired by government subsidies

(Thousands of yen)

	The 11 <sup>th</sup> Period (as of October 31, 2021)	The 12 <sup>th</sup> Period (as of April 30, 2022)
Buildings in trust	213,030	213,030
Tools, furniture, and fixtures in trust	328	328

\*2. Commitment line contracts

MIRAI has the commitment line contracts with the banks.

(Thousands of yen)

	The 11 <sup>th</sup> Period (as of October 31, 2021)	The 12 <sup>th</sup> Period (as of April 30, 2022)
Total amount specified in the commitment line contracts	3,000,000	3,000,000
Borrowing balance at end of period	-	-
Outstanding loan commitments at end of period	3,000,000	3,000,000

\*3. Minimum amount of net assets prescribed in Article 67, Item 4 of the Investment Trusts Act

(Thousands of yen)

The 11 <sup>th</sup> Period (as of October 31, 2021)	The 12 <sup>th</sup> Period (as of April 30, 2022)
50,000	50,000

\*4. Allowance for temporary difference adjustment

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

1. Reason for occurrence of provision and reversal, assets identified and the allowance

(Thousands of yen)

Assets identified	Reason for occurrence of allowance	Initial amount	The balance at the beginning of the 11 <sup>th</sup> period	Allowance	Reversal	The balance at the ending of the 11 <sup>th</sup> period	Reason for occurrence of reversal
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	491,890	463,764	14,960	-	478,725	-

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

1. Reason for occurrence of provision and reversal, assets identified and the allowance

(Thousands of yen)

Assets identified	Reason for occurrence of allowance	Initial amount	The balance at the beginning of the 12 <sup>th</sup> period	Allowance	Reversal	The balance at the ending of the 12 <sup>th</sup> period	Reason for occurrence of reversal
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	491,890	478,725	-	127,992	350,732	Changes in fair value of the derivative transactions

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

[Notes to Statement of Income and Retained Earnings]

\*1. Breakdown of income from real estate leasing business

(Thousands of yen)

	The 11 <sup>th</sup> Period (from May 1, 2021 to October 31, 2021)		The 12 <sup>th</sup> Period (from November 1, 2021 to April 30, 2022)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	3,912,631		4,081,001	
Land rents received	188,400		202,072	
Facility charges	161,152	4,262,183	169,539	4,452,612
Other lease business revenue				
Utilities charges	582,390		569,581	
Other operating income	269,207	851,598	252,809	822,390
Total real estate leasing business revenue		5,113,781		5,275,003
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Outsourcing service expenses	369,829		370,255	
Utilities expenses	462,215		456,817	
Taxes and dues	398,204		391,162	
Repair expenses	61,149		64,048	
Depreciation	609,599		640,320	
Other expenses related to rent business	291,293		281,255	
Total real estate leasing business expenses		2,192,292		2,203,860
(iii) Income from real estate leasing business (i - ii)		2,921,489		3,071,142

[Notes to Statement of Changes in Net Assets]

\*1. Total number of investment units authorized and total number of investment units issued and outstanding

	The 11 <sup>th</sup> Period (from May 1, 2021 to October 31, 2021)	The 12 <sup>th</sup> Period (from November 1, 2021 to April 30, 2022)
Total number of investment units authorized	20,000,000 units	20,000,000 units
Total number of investment units issued and outstanding	1,662,240 units	1,771,440 units

[Notes to Statement of Cash Flows]

\*1. Relationship between cash and cash equivalents at end of period and the amount on the balance sheet

(Thousands of yen)

	The 11 <sup>th</sup> Period (from May 1, 2021 to October 31, 2021)	The 12 <sup>th</sup> Period (from November 1, 2021 to April 30, 2022)
Cash and deposits	2,542,119	2,050,206
Cash and deposits in trust	2,331,887	2,553,099
Restricted deposits held in trust (Note)	(182,100)	(182,101)
Cash and cash equivalents	4,691,905	4,421,204

(Note) These are deposits that are reserved for the return of security deposits from tenants.

[Lease Transactions]

Operating lease transactions (as a lessor)

(Thousands of yen)

	The 11 <sup>th</sup> Period (from May 1, 2021 to October 31, 2021)	The 12 <sup>th</sup> Period (from November 1, 2021 to April 30, 2022)
Future lease payments receivable		
Due within one year	4,215,486	4,336,431
Due after one year	28,072,837	33,194,651
Total	32,288,324	37,531,082

[Financial Instruments]

1. Matters concerning the status of financial instruments

A. Policies on financial instruments

MIRAI procures funds mainly by additionally issuing investment units, borrowing funds, or issuing investment corporation bonds for the purpose of securing funds required for acquisition of assets, repair and other maintenance costs, payments of dividends, and operation of MIRAI or repayment of debts.

With respect to borrowing of funds and issuance of investment corporation bonds, we consider the balance between flexibility of financing and financial stability. Specifically, we consider, among other things, the long-term ratio, fixed interest ratio, diversification of maturities, financing method (borrowings and/or investment corporation bonds) and establishment of commitment lines.

MIRAI uses derivative transactions for the purpose of hedging interest rate fluctuation risk and other risks and does not enter into derivative transactions for speculative or trading purpose.

MIRAI invests surplus funds in securities and monetary claims with a focus on safety and liquidity, and does not engage into speculative investment.

B. Description of financial instruments and associated risks, and the risk management system

Deposits are one means of investing the surplus funds of MIRAI and are exposed to credit risk such as the bankruptcy of deposit financial institutions. MIRAI carefully manages deposits by limiting the term of deposits to a short period of time, taking into consideration safety, liquidity, and other factors, and giving due consideration to the financial environment and cash flow.

Borrowings and investment corporation bonds are used primarily for acquisition of assets and repayments of debts, and are exposed to liquidity risk at the time of repayment/redemption. MIRAI strives to mitigate liquidity risk by diversifying lenders, repayment periods, and means of funds procurement and by securing liquidity on hand by setting commitment lines and manages liquidity risk by preparing cash flow management sheet and other methods. Variable interest rate borrowings are exposed to the risk of interest rate fluctuations. Derivative transactions are used to hedge the risk of fluctuations in the interest rate payable for a portion of the borrowings. See “4. Hedge accounting method” above under “Summary of Significant Accounting Policies” for details about the hedging instruments, hedged items, hedging policy, and method of assessing hedge effectiveness, etc. in hedge accounting.

C. Description of financial instruments

Fair value of financial instruments comprises value based on market prices or rationally calculated value in the case the market prices are not available. As certain assumptions are applied in performing calculation of such value, the value may differ if different assumptions are used. In addition, the contract value of derivative transactions, which is presented in the following section entitled “Notes to Derivatives” is not an exact representation of market risk attributable to derivative transactions.

2. Matters concerning fair value, etc. of financial instruments

Amounts on the Balance Sheet, fair value and their difference as of October 31, 2021 are as follows;

The fair values of “Cash and deposits” and “Cash and deposits in trust” are omitted because their fair value approximates their book value due to cash and short term maturities.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(i) Current portion of long-term borrowings	10,000,000	10,000,379	379
(ii) Investment corporation bonds	5,000,000	4,947,500	(52,500)
(iii) Long-term borrowings	63,700,000	63,724,722	24,722
Total liabilities	78,700,000	78,672,602	(27,397)
(iv) Derivative transactions *	[352,076]	[352,076]	-

Amounts on the Balance Sheet, fair value and their difference as of April 30, 2022 are as follows;

The fair values of “Cash and deposits” and “Cash and deposits in trust” are omitted because their fair value approximates their book value due to cash and short term maturities.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(i) Current portion of long-term borrowings	7,000,000	7,000,000	-
(ii) Investment corporation bonds	6,200,000	6,059,460	(140,540)
(iii) Long-term borrowings	70,800,000	70,787,192	(12,807)
Total liabilities	84,000,000	83,846,652	(153,347)
(iv) Derivative transactions *	[2,664]	[2,664]	-

\*Net amounts are shown for credits and liabilities attributable to derivative transactions, and the total of the items that constitute net liabilities is shown in [].

(Note 1) Matters concerning the method of calculating the Fair value of financial instruments and derivative transactions.

(i) Current portion of long-term borrowings and (iii) Long-term borrowings

The fair value of these is calculated by discounting such borrowings at rates that would be applied if new borrowings with the same amount are made under similar terms and conditions.

(ii) Investment corporation bonds

The fair value of these is based on the reference values disclosed by the Japan Securities Dealers Association.

(iv) Derivative transactions

See “Notes to Derivatives” below.

(Note 2) Leasehold and guarantee deposits received and leasehold and guarantee deposits received in trust are omitted due to immateriality.

(Note 3) Repayment schedule for borrowings and Investment corporation bonds after the closing date (as of October 31, 2021)

(Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years
Investment corporation bonds	-	-	-	-	-	5,000,000
Long-term borrowings	10,000,000	10,500,000	18,000,000	15,500,000	4,000,000	15,700,000
Total	10,000,000	10,500,000	18,000,000	15,500,000	4,000,000	20,700,000



Repayment schedule for borrowings and Investment corporation bonds after the closing date (as of April 30, 2022)

(Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years
Investment corporation bonds	-	-	-	-	-	6,200,000
Long-term borrowings	7,000,000	20,000,000	11,000,000	8,500,000	14,000,000	17,300,000
Total	7,000,000	20,000,000	11,000,000	8,500,000	14,000,000	23,500,000

[Notes to Investment Securities]

The 11<sup>th</sup> Period (as of October 31, 2021)

Not applicable to the 11<sup>th</sup> Period.

The 12<sup>th</sup> Period (as of April 30, 2022)

Not applicable to the 12<sup>th</sup> Period.

[Notes to Derivatives]

The 11<sup>th</sup> Period (as of October 31, 2021)

1. Transactions not applicable to hedge accounting

Not applicable to the 11<sup>th</sup> Period.

2. Transactions applicable to hedge accounting

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	50,000,000	50,000,000	(352,076)	Based on prices and other conditions presented by financial institutions

The 12<sup>th</sup> Period (as of April 30, 2022)

1. Transactions not applicable to hedge accounting

Not applicable to the 12<sup>th</sup> Period.

2. Transactions applicable to hedge accounting

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	63,100,000	56,100,000	(2,664)	Based on prices and other conditions presented by financial institutions

[Notes to Retirement Benefits]

The 11<sup>th</sup> Period (as of October 31, 2021)

Not applicable to the 11<sup>th</sup> Period.

The 12<sup>th</sup> Period (as of April 30, 2022)

Not applicable to the 12<sup>th</sup> Period.

[Tax Effect Accounting]

1. Breakdown of major causes of deferred tax assets and deferred tax liabilities

(Thousands of yen)

	The 11 <sup>th</sup> Period (as of October 31, 2021)	The 12 <sup>th</sup> Period (as of April 30, 2022)
Deferred tax assets		
Enterprise tax not deductible	23	18
Deferred losses on hedges	110,763	838
Subtotal deferred tax assets	110,787	856
Valuation allowance	(110,763)	(838)
Total deferred tax assets	23	18
Deferred tax assets, net	23	18

2. Breakdown by major cause of material difference between the effective statutory tax rate and the effective tax rate after applying tax effect accounting

	The 11 <sup>th</sup> Period (as of October 31, 2021)	The 12 <sup>th</sup> Period (as of April 30, 2022)
Effective statutory tax rate	31.46%	31.46%
(Adjustments)		
Deductible cash distributions	(31.44%)	(31.44%)
Other	0.03%	0.03%
Effective tax rate after applying tax effect accounting	0.05%	0.04%

[Notes to Equity in Earnings of Affiliates]

The 11<sup>th</sup> Period (as of October 31, 2021)

Not applicable to the 11<sup>th</sup> Period.

The 12<sup>th</sup> Period (as of April 30, 2022)

Not applicable to the 12<sup>th</sup> Period.

[Transactions with Related Parties]

1. Parent company and principal corporate unitholders

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

Not applicable to the 11<sup>th</sup> Period.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

Not applicable to the 12<sup>th</sup> Period.

2. Subsidiaries and affiliates

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

Not applicable to the 11<sup>th</sup> Period.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

Not applicable to the 12<sup>th</sup> Period.

3. Sister companies

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

Not applicable to the 11<sup>th</sup> Period.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

Not applicable to the 12<sup>th</sup> Period.

4. Directors and principal individual unitholders

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of relationship		Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
						Concurrent posts	Business relationship				
Director or the close relative	Michio Suganuma	-	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	Asset management company of MIRAI	Payments of asset management fee to Mitsui Bussan & IDERA Partners Co., Ltd. (Note 1) (Note 2)	441,548	Accounts payable - other	485,703

(Note 1) This is a transaction executed by Michio Suganuma as President of a third party (Mitsui Bussan & IDERA Partners Co., Ltd.), and the fee is in line with the Articles of Incorporation of MIRAI.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of relationship		Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
						Concurrent posts	Business relationship				
Director or the close relative	Michio Suganuma	-	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	Asset management company of MIRAI	Payments of asset management fee to Mitsui Bussan & IDERA Partners Co., Ltd. (Note 1) (Note 2)	541,047 (Note 3)	Accounts payable - other	478,001

(Note 1) This is a transaction executed by Michio Suganuma as President of a third party (Mitsui Bussan & IDERA Partners Co., Ltd.), and the fee is in line with the Articles of Incorporation of MIRAI.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

(Note 3) Asset management fee includes acquisition fee of 106,500 thousand yen, which were included in the book value of the acquired properties.

[Notes to Asset retirement obligations]

The 11<sup>th</sup> Period (as of October 31, 2021)

Not applicable to the 11<sup>th</sup> Period.

The 12<sup>th</sup> Period (as of April 30, 2022)

Not applicable to the 12<sup>th</sup> Period.

[Notes to Lease Properties]

MIRAI holds offices, retails, hotels, an industrial asset and an educational asset in Tokyo and other regions. The amounts on the Balance Sheet changes during the fiscal period, and fair value of lease properties are as follows.

(Thousands of yen)

	The 11 <sup>th</sup> Period (from May 1, 2021 to October 31, 2021)	The 12 <sup>th</sup> Period (from November 1, 2021 to April 30, 2022)
Amount on the balance sheet		
Balance at the beginning of the period	155,657,198	155,488,025
Changes during the period	(169,172)	10,858,568
Balance at the end of the period	155,488,025	166,346,594
Fair value at the end of the period	165,350,600	177,610,600

(Note 1) The amount on the balance sheet is acquisition cost less accumulated depreciation.

(Note 2) The amount on the balance sheet does not include the amount of the construction in progress in trust.

(Note 3) Of the amount of increase (decrease) of the lease properties during the 11<sup>th</sup> period, the reason of increase is mainly attributable to capital expenditure (439,221 thousand yen) and the reasons of decrease are mainly attributable to depreciation (608,393 thousand yen). During the 12<sup>th</sup> period, the reason of increase is mainly attributable to acquisition of 4 real estate trust beneficiary rights (10,997,213 thousand yen) and the reason of decrease is mainly attributable to depreciation (638,798 thousand yen).

(Note 4) The fair value at the end of the fiscal period is the appraisal value provided by an outside real estate appraiser.

The income concerning lease properties, etc. for the 12<sup>th</sup> Periods is indicated under “Notes to Statement of Income and Retained Earnings” above.

[Notes to Revenue Recognition]

1. Disaggregated information on revenue from contracts with customers  
The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

(Thousands of yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Disposition of real estate, etc.	-	-
Utility revenue	582,390	582,390
Others	-	4,531,390
Total	582,390	5,113,781

(Note) Leasing business revenue, etc. subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” is not included in “Revenue from Contracts with Customers” as it is not subject to the Accounting Standard for Revenue Recognition. The main revenue from contracts with customers is from the gain on sale from real estate properties and utility revenue.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

(Thousands of yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Disposition of real estate, etc.	-	-
Utility revenue	569,581	569,581
Others	-	4,705,421
Total	569,581	5,275,003

(Note) Leasing business revenue, etc. subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” is not included in “Revenue from Contracts with Customers” as it is not subject to the Accounting Standard for Revenue Recognition. The main revenue from contracts with customers is from the gain on sale from real estate properties and utility revenue.

2. Information that provides a basis for understanding revenue from contracts with customers

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

As stated in the Summary of Significant Accounting Policies.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

As stated in the Summary of Significant Accounting Policies.

3. Information on relationship between the fulfillment of performance obligations under contracts with customers and cash flows from such contracts and the amount and timing of revenue expected to be recognized from contracts with customers that exist at the end of the current period in the subsequent period

(1) Balance of contract assets and contract liabilities, etc.

	The 11 <sup>th</sup> Period (from May 1, 2021 to October 31, 2021)	The 12 <sup>th</sup> Period (from November 1, 2021 to April 30, 2022)
Receivables arising from contracts with customers (at beginning of fiscal period)	90,358 thousand yen	105,238 thousand yen
Receivables arising from contracts with customers (at end of fiscal period)	105,238 thousand yen	111,237 thousand yen
Contract assets (at beginning of fiscal period)	- thousand yen	- thousand yen
Contract assets (at end of fiscal period)	- thousand yen	- thousand yen
Contract liabilities (at beginning of fiscal period)	- thousand yen	- thousand yen
Contract liabilities (at end of fiscal period)	- thousand yen	- thousand yen

(2) Transaction price allocated to remaining performance obligations

Not applicable.

In accordance with Paragraph 19 of the Guidance on Accounting Standard for Revenue Recognition, MIRAI recognizes utility revenues at the amount it has the right to charge, because MIRAI has the right to receive from the customer the amount of consideration that directly corresponds to the value to the customer, the lessee, of the portion of the performance completed by the end of the fiscal period. Accordingly, MIRAI has applied the provisions of paragraph 80-22(2) of the Accounting Standard for Revenue Recognition and has not included in the notes the transaction price allocated to the remaining performance obligations.

[Segment Information]

(i) Segment information

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

Description is omitted as MIRAI engages in a single segment of the real estate leasing business.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

Description is omitted as MIRAI engages in a single segment of the real estate leasing business.

(ii) Related information

The 11<sup>th</sup> Period (from May 1, 2021 to October 31, 2021)

A. Information by product and service

Description is omitted as net sales for external customers in a single product/service category exceed 90% of the operating revenue on Statement of Income and Retained Earnings.

B. Information by region

(a) Net sales

Description is omitted as net sales for external customers in Japan exceed 90% of the operating revenue on the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the Balance Sheet.

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

The 12<sup>th</sup> Period (from November 1, 2021 to April 30, 2022)

A. Information by product and service

Description is omitted as net sales for external customers in a single product/service category exceed 90% of the operating revenue on Statement of Income and Retained Earnings.

B. Information by region

(a) Net sales

Description is omitted as net sales for external customers in Japan exceed 90% of the operating revenue on the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the Balance Sheet.

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

[Per Unit Information]

	The 11 <sup>th</sup> Period (from May 1, 2021 to October 31, 2021)	The 12 <sup>th</sup> Period (from November 1, 2021 to April 30, 2022)
Net assets per unit	45,305 yen	45,580 yen
Net income per unit	1,289 yen	1,291 yen

(Note 1) Net income per unit was calculated by dividing net income by average number of investment units during period.

Diluted net income per unit is not stated as there are no dilutive investment units.

(Note 2) The calculation of net income per unit is based on the following.

(Thousands of yen)

	The 11 <sup>th</sup> Period (from May 1, 2021 to October 31, 2021)	The 12 <sup>th</sup> Period (from November 1, 2021 to April 30, 2022)
Net income	2,143,066	2,244,651
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	2,143,066	2,244,651
Average number of investment units during period	1,662,240 units	1,738,544 units

[Notes to Significant Subsequent Events]

Disposition of an asset

MIRAI disposed the following asset after the end of the 12<sup>th</sup> Period (April 30, 2022).

Name of the asset	Comfort Hotel Nagano
Type of specified assets	Real estate trust beneficiary
Address (lot number)	1-12-4, Minami-chitose, Nagano-shi, Nagano
Agreement date	May 25, 2022
Disposition date	May 31, 2022
Buyer	Ichigo Hotel REIT Investment Corporation
Disposition price	670 million yen (Note)
Impact on profit and loss	MIRAI expects to record 0 million yen for the fiscal period ending October 31, 2022 in gain on sales of real estate properties (disposition gain) as operating revenue.

(Note) "Disposition Price" shows the sale and purchase value of the asset that is stated in the sale and purchase agreement. The sale and purchase value does not include national or local consumption tax or expenses necessary for the disposition, and it is rounded down to the nearest million yen.

[Annexed Table]

(i) Securities

Not applicable.

(ii) Contract Amount and Fair Value of Derivative Transactions and Forward Exchange Contracts

(Thousand yen)

Classification	Type of derivative transactions	Primary hedged items	Contract amount		Fair value	Method used to calculate the fair value
				Amount over one year		
Non-market transaction	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	63,100,000	56,100,000	(2,664)	Based on the amount provided by counterparty financial institutions.

(iii) Real Estate, etc.

(Thousand yen)

Type of assets		Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Accumulated depreciation		Net balance at end of period	Remarks
						or Accumulated amortization	Depreciation and amortization		
Total property, plant and equipment	Building	436,737	-	-	436,737	16,131	6,114	420,605	
	Structures	564	-	-	564	251	94	313	
	Machinery and equipment	-	4,770	-	4,770	39	39	4,730	
	Land	4,230,785	-	-	4,230,785	-	-	4,230,785	
	Building in trust	35,077,401	2,041,225	-	37,118,626	5,133,371	596,767	31,985,255	(Note)
	Structures in trust	318,733	-	-	318,733	75,539	7,005	243,194	
	Machinery and equipment in trust	207,051	13,559	-	220,610	69,918	7,491	150,692	
	Tools, furniture and fixtures in trust	218,425	62,671	-	281,097	67,601	21,284	213,496	
	Land in trust	119,722,380	9,375,139	-	129,097,520	-	-	129,097,520	(Note)
	Construction in progress in trust	54,691	38,345	-	93,037	-	-	93,037	
	Subtotal	160,266,772	11,535,712	-	171,802,485	5,362,852	638,798	166,439,632	
Intangible assets	Software	28,200	-	-	28,200	12,112	2,553	16,087	
	Other	231	-	-	231	-	-	231	
	Subtotal	28,431	-	-	28,431	12,112	2,553	16,318	
Total		160,295,204	11,535,712	-	171,830,917	5,374,965	641,351	166,455,951	

(Note) The increase in property, plant and equipment is due to the acquisition of four properties.

(iv) Other Specified Assets

Not applicable.



## (v) Investment Corporation Bonds

(Thousand yen)

Brand name	Issuance date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Interest rate (%)	Redemption date	Usage	Collateral
First Series of Unsecured Investment Corporation Bonds	July 26, 2018	1,000,000	-	-	1,000,000	0.640	July 26, 2028	Repayment of borrowings	(Note 1)
Second Series of Unsecured Investment Corporation Bonds	July 13, 2020	1,000,000	-	-	1,000,000	0.800	July 12, 2030	Repayment of borrowings	(Note 1)
Third Series of Unsecured Investment Corporation Bonds	September 28, 2021	2,000,000	-	-	2,000,000	0.700	September 26, 2031	Repayment of borrowings	(Note 1)
Fourth Series of Unsecured Investment Corporation Bonds	September 28, 2021	1,000,000	-	-	1,000,000	0.980	September 26, 2036	Repayment of borrowings	(Note 1)
Fifth Series of Unsecured Investment Corporation Bonds (Green bond)	November 30, 2021	-	1,200,000	-	1,200,000	0.700	November 28, 2031	Repayment of borrowings	(Note 1)
Total	-	5,000,000	1,200,000	-	6,200,000	-	-	-	-

(Note 1) With special pari passu conditions among the specified investment corporation bond.

(Note 2) The total scheduled repayment amount of the investment corporation bonds after the balance sheet date is as follows.

(Thousand yen)

	Within 1 year	Over 1 year and within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Investment corporation bonds	-	-	-	-	-	6,200,000

## (vi) Borrowings

(Thousand yen)

Classification	Lender	Drawdown date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Average interest rate (Note 1) (Note 2)	Repayment date	Repayment method	Usage	Description
Short-term borrowings	Mizuho Bank, Ltd.	December 16, 2016	10,000,000	-	10,000,000	-	0.37000	November 30, 2021	Bullet repayment on maturity	(Note 3)	Unguaranteed/Unsecured
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2016	-	5,000,000	-	5,000,000	0.37250	November 30, 2022			
	Shinsei Bank, Limited	December 16, 2016	-	2,000,000	-	2,000,000	0.37250	November 30, 2022			
	Subtotal		10,000,000	7,000,000	10,000,000	7,000,000					
Long-term borrowings	Sumitomo Mitsui Banking Corporation	December 16, 2016	7,500,000	-	-	7,500,000	0.74500	November 30, 2026	Bullet repayment on maturity	(Note 3)	Unguaranteed/Unsecured
	Resona Bank, Limited.	December 16, 2016	500,000	-	-	500,000	0.74500	November 30, 2026			
	Sumitomo Mitsui Banking Corporation	December 16, 2016	6,500,000	-	-	6,500,000	0.49960	November 30, 2023			
	Resona Bank, Limited.	December 16, 2016	1,500,000	-	-	1,500,000	0.49960	November 30, 2023			
	The Bank of Fukuoka, Ltd.	December 16, 2016	2,000,000	-	-	2,000,000	0.49960	November 30, 2023			
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2016	5,000,000	-	-	5,000,000	0.59470	November 29, 2024			
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2016	5,000,000	-	5,000,000	-	0.37250	November 30, 2022			
	Shinsei Bank, Limited	December 16, 2016	2,000,000	-	2,000,000	-	0.37250	November 30, 2022			
	Development Bank of Japan Inc.	December 16, 2016	2,000,000	-	-	2,000,000	0.62125	November 30, 2023			
	Mizuho Trust & Banking Co., Ltd.	April 28, 2017	2,000,000	-	-	2,000,000	0.45000	April 30, 2024			
	Sumitomo Mitsui Trust Bank, Limited	October 26, 2017	2,000,000	-	-	2,000,000	0.54375	July 31, 2025			
	Shinsei Bank, Limited	October 26, 2017	1,000,000	-	-	1,000,000	0.54375	July 31, 2025			
	The Nanto Bank, Ltd.	October 26, 2017	1,000,000	-	-	1,000,000	0.54375	July 31, 2025			
	Resona Bank, Limited	October 26, 2017	1,000,000	-	-	1,000,000	0.70900	July 30, 2027			
	Sumitomo Mitsui Banking Corporation	October 31, 2017	4,000,000	-	-	4,000,000	0.72750	October 29, 2027			
	The Bank of Fukuoka, Ltd.	October 31, 2017	1,000,000	-	-	1,000,000	0.72750	October 29, 2027			

Classification	Lender	Drawdown date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Average interest rate (Note 1) (Note 2)	Repayment date	Repayment method	Usage	Description
Long-term borrowings	Shinsei Bank, Limited	March 1, 2018	1,000,000	-	-	1,000,000	0.57350	January 30, 2026	Bullet repayment on maturity	(Note 3)	Unguaranteed/Unsecured
	Resona Bank, Limited	March 1, 2018	500,000	-	-	500,000	0.57350	January 30, 2026			
	Mizuho Bank, Ltd.	March 1, 2018	1,000,000	-	-	1,000,000	0.48000	January 31, 2024			
	Sumitomo Mitsui Banking Corporation	May 15, 2018	2,000,000	-	-	2,000,000	0.52770	April 30, 2025			
	Mizuho Bank, Ltd.	May 15, 2018	1,500,000	-	-	1,500,000	0.56000	April 30, 2025			
	Mizuho Trust & Banking Co., Ltd.	August 1, 2018	1,700,000	-	-	1,700,000	0.62000	July 31, 2028			
	Mizuho Bank, Ltd.	November 1, 2018	2,500,000	-	-	2,500,000	0.68000	October 30, 2026			
	Sumitomo Mitsui Banking Corporation	November 1, 2018	3,000,000	-	-	3,000,000	0.56800	October 31, 2025			
	Sumitomo Mitsui Trust Bank, Limited	November 1, 2018	2,500,000	-	-	2,500,000	0.42180	October 31, 2023			
	Shinsei Bank, Limited	November 1, 2018	1,000,000	-	-	1,000,000	0.42180	October 31, 2023			
	MUFG Bank, Ltd.	April 30, 2021	1,500,000	-	-	1,500,000	0.45000	April 30, 2024			
	MUFG Bank, Ltd.	October 29, 2021	1,500,000	-	-	1,500,000	0.38000	October 31, 2024			
	Mizuho Bank, Ltd.	November 30, 2021	-	1,500,000	-	1,500,000	0.39900	October 30, 2026			
	Mizuho Bank, Ltd.	November 30, 2021	-	3,300,000	-	3,300,000	0.46240	November 30, 2028			
	Mizuho Bank, Ltd. (Green Loan)	November 30, 2021	-	4,000,000	-	4,000,000	0.50900	November 30, 2029			
	MUFG Bank, Ltd.	January 12, 2022	-	1,000,000	-	1,000,000	0.38000	December 30, 2024			
	Sumitomo Mitsui Trust Bank, Limited	January 12, 2022	-	1,000,000	-	1,000,000	0.37950	December 30, 2026			
	Shinsei Bank, Limited	January 12, 2022	-	1,000,000	-	1,000,000	0.42950	December 30, 2026			
	Sumitomo Mitsui Banking Corporation	January 12, 2022	-	1,000,000	-	1,000,000	0.47850	December 29, 2028			
	Mizuho Bank, Ltd.	March 25, 2022	-	1,000,000	-	1,000,000	0.61500	February 28, 2029			
Resona Bank, Limited	March 25, 2022	-	300,000	-	300,000	0.59500	February 28, 2029				
	Subtotal		63,700,000	14,100,000	7,000,000	70,800,000					
	Total		73,700,000	21,100,000	17,000,000	77,800,000					

(Note 1) The average interest rate indicates a weighted average of interest rates for the period by the number of days.

(Note 2) MIRAI enters into interest rate swaps to avoid the risk of interest rate fluctuations, and the interest rate after taking into account the effect of the interest rate swaps (fixing the interest rate) is stated.

(Note 3) The funds were used for the purchase of real estate and trust beneficiary rights of real estate, refinancing of borrowings, working capital, etc.

(Note 4) The total scheduled repayment amount of long-term borrowings after the balance sheet date is as follows.

(Thousand yen)

	Within 1 year	Over 1 year and within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	7,000,000	20,000,000	11,000,000	8,500,000	14,000,000	17,300,000