

MIRAI Corporation

Semi Annual Report

For the Fiscal Period ended April 30, 2023 (The 14th Period)

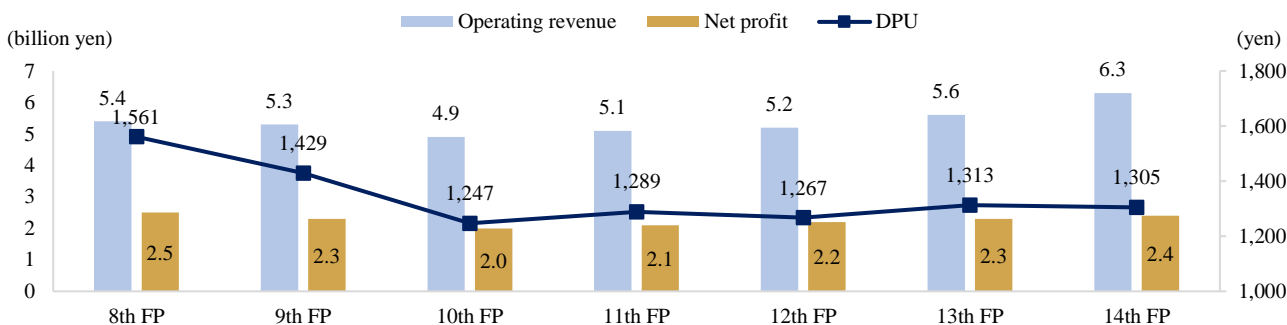
Primary Data

■ Distributions

The 14 th Period Actual distributions per unit (Start of cash distribution payment on July 7, 2023)	The 15 th Period Forecast distributions per unit (Note) (The Fiscal Period ending October 31, 2023)	The 16 th Period Forecast distributions per unit (Note) (The Fiscal Period ending April 30, 2024)
1,305 yen (Forecast: 1,285 yen)	1,150 yen	1,150 yen

(Note) These forecasts are calculated based on certain assumptions as of June 14, 2023 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 distribution per unit (DPU).

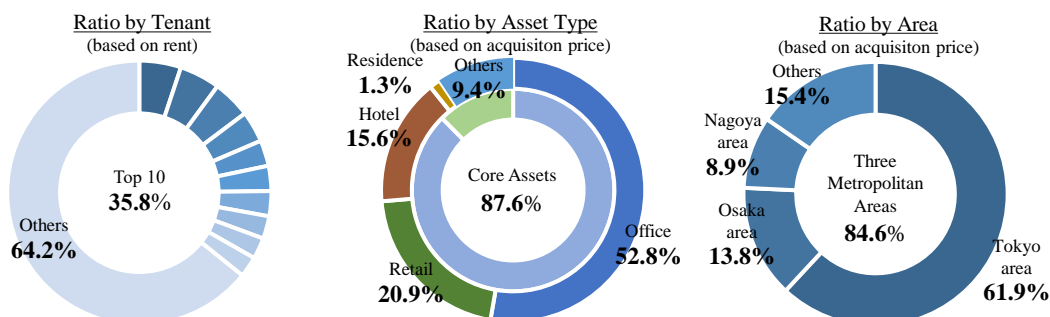
■ Financial Results



■ Portfolio (as of the End of April 2023)

Stability increased due to progress in MIRAI Mid-Term Management Plan 2025 “Smart Defense & Offense with Aligned Interest”.

Number of properties	: 38
Assets Under Management (AUM)	: 166.2 billion yen
Appraisal value	: 181.8 billion yen
Occupancy rate	: 98.2%
Net Operating Income (NOI) yield (14 th FP result)	: 4.4% *based on book value
Portfolio Probable Maximum Loss (PML)	: 2.8%



(Note) Ratio by tenant is based on lease contract in place with end tenants as of the end of April 2023.

■ Finance (as of the End of April 2023)

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

Loan To Value (LTV) (based on total assets)	: 49.0%
Long-term fixed interest debt ratio	: 98.2%
Average interest rate	: 0.59%
Average remaining maturity	: 3.3 years
Rating	: Japan Credit Rating Agency, Ltd. (JCR) / A+ (Stable) Rating and Investment Information, Inc. (R&I) / A (Stable)

■ ESG

- Ratio of assets with environmental certifications (as of June 14, 2023)
 - Continue to promote acquisition of environmental certification
 - Ratio of Assets with Environmental Certifications: 76.0% *based on total floor area excluding land assets
 - Newly certified assets:
 - ✓ BizMiiX Yodoyabashi
 - ✓ MI Terrace Sendai Hirose-dori
 - ✓ Ehime Building/Hiroshima

- Support for the TCFD (Task Force on Climate-related Financial Disclosures)
 - March 2023: Expressed support for the TCFD recommendations
 - Expanded climate-related disclosure on the website
 - In conjunction with supporting TCFD, joined the TCFD Consortium, a group of companies and organizations in Japan that support the TCFD

- Implementation of Energy Conservation Measures
 - Promote continuous energy conservation and CO₂ reduction efforts at properties owned
 - Annual Energy Savings (Note)
 - ✓ Kawasaki Tech Center: Renovation of heat source facilities
-3,243 MWh (-13% reduction)
 - ✓ Mi-Nara: LED lighting throughout the facility
-388MWh (-2% reduction)

(Note) Estimated values at the time of construction planning against the annual results of the previous year.

- Initiatives for Local Communities, Tenants and Employees
 - Initiatives for Local Communities and Tenants:
Promote community support activities by holding events at properties owned and sponsoring local events.
Focus on initiatives to make the assets more comfortable for tenants and users.
 - ✓ Providing an asset as an accommodation for patients with mild cases of COVID-19 in Naha-shi, Okinawa
 - ✓ Conduct tenant satisfaction surveys
 - Initiatives to improve and enhance the workplace environment:
Creating an easy-to-work-in work environment for asset management company's employees.
Focus on developing a system that enables each employee to fully demonstrate his/her abilities through human resource development by providing training support, etc.
 - ✓ Employee satisfaction survey newly conducted by an outside firm
 - ✓ Establishment of cashless unmanned concession stands for Group employees

1 Overview of Asset Management

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

Period		The 10 th Period From Nov. 1, 2020 to Apr. 30, 2021	The 11 th Period From May 1, 2021 to Oct. 31, 2021	The 12 th Period From Nov. 1, 2021 to Apr. 30, 2022	The 13 th Period From May 1, 2022 to Oct. 31, 2022	The 14 th Period From Nov. 1, 2022 to Apr. 30, 2023
Operating revenue	(Million yen)	4,973	5,113	5,275	5,666	6,308
Operating expenses	(Million yen)	2,652	2,716	2,727	3,054	3,488
Operating income	(Million yen)	2,321	2,397	2,547	2,611	2,820
Ordinary income	(Million yen)	2,073	2,144	2,245	2,324	2,521
Net income	(Million yen)	2,072	2,143	2,244	2,324	2,447
Total assets	(Million yen)	161,815	161,226	171,982	172,792	174,479
[Changes from the previous period]	(%)	[1.6]	[(0.4)]	[6.7]	[0.5]	[1.0]
Net assets	(Million yen)	75,110	75,308	80,743	81,028	81,077
[Changes from the previous period]	(%)	[(0.4)]	[0.3]	[7.2]	[0.4]	[0.1]
Interest-bearing debt	(Million yen)	78,700	78,700	84,000	84,000	85,500
Unitholders' capital (Note 3)	(Million yen)	73,516	73,516	78,499	78,499	78,499
Total number of outstanding investment units	(Units)	1,662,240	1,662,240	1,771,440	1,771,440	1,771,440
Net assets per unit	(Yen)	45,186	45,305	45,580	45,741	45,769
Total distributions	(Million yen)	2,072	2,142	2,244	2,325	2,311
Distributions per unit	(Yen)	1,247	1,289	1,267	1,313	1,305
Of which, profit distribution per unit	(Yen)	1,238	1,289	1,267	1,313	1,305
Of which, distributions in excess of earnings per unit	(Yen)	9	-	-	-	-
Ordinary income to total assets (Note 4)	(%)	1.3	1.3	1.3	1.3	1.5
Net income to net assets (Note 4)	(%)	2.8	2.8	2.9	2.9	3.0
Net assets to total assets at end of period (Note 4)	(%)	46.4	46.7	46.9	46.9	46.5
[Changes from the previous period]	(%)	[(1.0)]	[0.3]	[0.2]	[(0.1)]	[(0.4)]
Payout ratio (Note 4)	(%)	99.3	100.0	100.0	100.1	94.4

(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, 2023, the total number of outstanding investment units are 1,771,440 and MIRAI owns 38 properties (total acquisition price of 166,260 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 pick up, with corporate earnings remaining at a high level overall and personal consumption increasing moderately despite the impact of rising prices, despite the ongoing impact of rising energy prices. While there was a remarkable recovery in the hotel sector due to the effect of the government's nationwide travel support, etc. In addition, the downside risk of rising utility costs, mainly for offices and commercial facilities, was contained to a certain level due to the calming of energy prices. In the retail sector, operational methods in COVID-19 crisis are becoming established, preparations are underway to capture future tourism demand through the opening of a new hands-on facility at Mi-Nara, a retail complex in Nara Prefecture. In the office leasing market, ongoing leasing activities have begun to show steady results, including success in significantly raising occupancy rates at the large-scale office in Tokyo area.

Under such circumstances, MIRAI acquired four properties in total: “MI Terrace Sendai Hirose-dori” (acquisition price: 2,022 million yen) on November 1, 2022, “MI Terrace Kita-Ueno” (acquisition price: 3,557 million yen) and “MI Cube Machida East” (acquisition price: 1,977 million yen) on March 30, 2023, and “Fiel Johoku” (acquisition price: 2,210 million yen) on March 31, 2023. In addition, MIRAI disposed 50% quasi co-ownership of “Orico Hakataeki Minami Building” (disposition price: 1,000 million yen) on November 30, 2022, and “My Square Building” (disposition price: 3,600 million yen) and “MEGA Don Quijote Izumi-Chuo” (disposition price: 2,830 million yen) on March 28, 2023. As a result, as of the end of the 14th fiscal period, MIRAI had 38 properties under management, with a total acquisition price of 166,260 million yen, a total leasable area of 377,023.75 sqm, and occupancy rate of 98.2%.

(iii) Overview of Fund Procurement

During this fiscal period under review, MIRAI borrowed the long-term debt of 7,000 million yen on November 30, 2022 to repay 7,000 million yen in loans maturing on the same date. Furthermore, to fund the acquisition of “Fiel Johoku”, MIRAI borrowed the short-term debt of 1,500 million yen based on a commitment line on March 31, 2023. The balance of borrowings and investment corporation bonds as of the end of the 14th fiscal period was 85,500 million yen (of which 1,500 million yen was short-term debt, 20,000 million yen was current portion of long-term debt, 57,800 million yen was long-term debt 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 6,308 million yen, operating income of 2,820 million yen, ordinary income of 2,521 million yen and net income of 2,447 million yen for the 14th 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”), considering that 413,292,461 yen of gain/loss on sales of real estate properties was generated, 136,473,234 yen is retained internally to stabilize future distributions per unit, and 2,311,729,200 yen, which is the total amount of unappropriated retained earnings after deduction of the amount equivalent to internal reserves, as distributions from earnings, will be paid as distribution (exclusive of distributions in excess of earnings), 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 1,305 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 10 th Period From Nov. 1, 2020 to Apr. 30, 2021	The 11 th Period From May 1, 2021 to Oct. 31, 2021	The 12 th Period From Nov. 1, 2021 to Apr. 30, 2022	The 13 th Period From May 1, 2022 to Oct. 31, 2022	The 14 th Period From Nov. 1, 2022 to Apr. 30, 2023
Maximum (Yen)	53,500 yen	58,500 yen	56,100 yen	51,700 yen	48,350 yen
Minimum (Yen)	36,600 yen	47,400 yen	46,650 yen	46,550 yen	42,750 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, considering that 413,292,461 yen of gain/loss on sales of real estate properties was generated, 136,473,234 yen is retained internally to stabilize future distributions per unit, and 2,311,729,200 yen, which is the total amount of unappropriated retained earnings after deduction of the amount equivalent to internal reserves, as distributions from earnings, will be paid as distribution (exclusive of distributions in excess of earnings).

Period		The 10 th Period From Nov. 1, 2020 to Apr. 30, 2021	The 11 th Period From May 1, 2021 to Oct. 31, 2021	The 12 th Period From Nov. 1, 2021 to Apr. 30, 2022	The 13 th Period From May 1, 2022 to Oct. 31, 2022	The 14 th Period From Nov. 1, 2022 to Apr. 30, 2023
Unappropriated retained earnings	(Thousand yen)	2,538,115	2,623,329	2,597,360	2,328,117	2,448,202
Retained earnings	(Thousand yen)	480,262	352,709	3,984	445	136,473
Total amount of cash distributions	(Thousand yen)	2,072,813	2,142,627	2,244,414	2,325,900	2,311,729
[Distributions per unit]	(Yen)	[1,247]	[1,289]	[1,267]	[1,313]	[1,305]
Of which, total amount of profit distributions	(Thousand yen)	2,057,853	2,142,627	2,244,414	2,325,900	2,311,729
[Profit distributions per unit]	(Yen)	[1,238]	[1,289]	[1,267]	[1,313]	[1,305]
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, while MIRAI needs to continue to carefully consider the future outlook in light of rising energy prices and price increase in addition to the trends in corporate performance and changes in work styles, it is expected that the move to reevaluate the importance of attendance in post-COVID-19 will have a positive impact on occupancy. In hotel and retail sectors, rents for some assets are linked to tenants' performance. For retail assets, MIRAI will take relatively conservative forecasts with reference to past years' results, while considering a certain degree of renewal effects. On the other hand, Hotels have been generating variable rents on an ongoing basis, due in part to nationwide travel support, and are expected to serve as a growth driver in the second half of 2023 and beyond, including the reception of travelers from overseas.

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, under the theme of "Smart Defense & Offense with Aligned Interest".

(6) Significant Events after the Balance Sheet Date

Not applicable.

2 Overview of MIRAI

(1) Status of Unitholders' Capital

Period		The 10 th Period (Apr. 30, 2021)	The 11 th Period (Oct. 31, 2021)	The 12 th Period (Apr. 30, 2022)	The 13 th Period (Oct. 31, 2022)	The 14 th Period (Apr. 30, 2023)
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	1,771,440	1,771,440	1,771,440
Total unitholders' capital	(Million yen)	73,516	73,516	78,499	78,499	78,499
Number of unitholders	(Persons)	33,837	32,599	33,485	36,015	38,099

(2) Matters Concerning Investment Units

Major unitholders as of April 30, 2023 are as follows:

Name	Number of units owned (Units)	Ratio to total units outstanding (%)
Custody Bank of Japan, Ltd. (Trust account)	234,422	13.23
The Master Trust Bank of Japan, Ltd. (Trust account)	210,049	11.86
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	81,971	4.63
STATE STREET BANK WEST CLIENT-TREATY 505234	28,076	1.58
JP MORGAN CHASE BANK 385770	27,621	1.56
SMBC Nikko Securities Inc.	22,603	1.28
The Hachijuni Bank, Ltd.	22,469	1.27
JP MORGAN CHASE BANK 385781	22,464	1.27
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	20,796	1.17
MITSUI & CO. ASSET MANAGEMENT HOLDINGS LTD.	20,000	1.13
IDERA Capital Management Ltd.	20,000	1.13
Total	710,471	40.11

(3) Matters Concerning Officers, etc.

(i) The Executive Director, Supervisory Director and Accounting Auditor for the 14th period are as follows:

Title	Name	Major concurrent posts outside MIRAI (Note 1)	Total compensation or fee for six-month period ended April 30, 2023 (Thousand yen)
Executive Director	Michio Suganuma	Representative Director, Mitsui Bussan & IDERA Partners Co., Ltd.	-
Supervisory Directors	Takehiko Negishi	Lawyer, Vanderfalke Law Office	3,676
	Hidetomo Nishii	CEO of Accel Partners, Inc. Certified Public Accountant, Tax Accountant	
Accounting Auditor	Ernst & Young ShinNihon LLC	-	11,800

(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)</p> <p>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)</p> <p>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)</p> <p>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, 2023 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, 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 13 th Period As of October 31, 2022		The 14 th Period As of April 30, 2023	
		Total amount held (Million yen)	Ratio to total assets (%)	Total amount held (Million yen)	Ratio to total assets (%)
Real estate	Office	2,242	1.3	2,264	1.3
	Industrial	2,423	1.4	2,423	1.4
	Total of real estate	4,665	2.7	4,688	2.7
Real estate in trust	Office	84,277	48.8	86,232	49.4
	Retail	36,651	21.2	35,562	20.4
	Hotel	25,783	14.9	25,783	14.8
	Residence	-	-	2,308	1.3
	Industrial	9,189	5.3	9,136	5.2
	Educational	4,106	2.4	4,118	2.4
	Total of real estate in trust	160,007	92.6	163,143	93.5
Deposits and other assets		8,118	4.7	6,646	3.8
Total assets		172,792	100.0	174,479	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, 2023 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	23,761	22,737.07	22,074.79	97.1	18.7	Office
Shinagawa Seaside Parktower	20,006	22,205.78	20,192.36	90.9	12.6	Office
Tokyo Front Terrace	10,995	9,720.89	9,267.70	95.3	4.6	Office
Shinjuku Eastside Square	9,704	5,774.45	5,756.58	99.7	4.7	Office
AEON Kasai	9,543	28,338.45	28,338.45	100.0	Not disclosed (Note 4)	Retail
MI Terrace Nagoya Fushimi	8,899	11,625.38	11,625.38	100.0	5.4	Office
Rokko Island DC	7,622	15,563.37	15,563.37	100.0	Not disclosed (Note 4)	Industrial
Tsurumi Fuga 1	5,488	9,578.60	9,578.60	100.0	Not disclosed (Note 4)	Retail
Mi-Nara	5,077	43,329.82	40,504.66	93.5	8.8	Retail
Tokyo Eiseigakuen Senmongakko	4,118	4,220.46	4,220.46	100.0	Not disclosed (Note 4)	Educational
Total	105,220	173,094.27	167,122.35	96.5	68.9	

(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, 2023.

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	20,006	22,570
Kawasaki Tech Center	580-16, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficiaries	22,737.07	23,761	24,600
Shinjuku Eastside Square	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiaries	5,774.45	9,704	10,900
Tokyo Front Terrace	2-3-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	9,720.89	10,995	10,793
MI Terrace Nagoya Fushimi	1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	11,625.38	8,899	10,700
Hiroshima Rijo-dori Building	3-1-9, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	3,611.85	2,347	2,490
BizMiiX Yodoyabashi	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiaries	1,020.82	1,998	2,250
TCA Building	2-3-19, Motomachi, Naniwa-ku, Osaka-shi, Osaka	Real estate	3,212.81	2,264	2,270
Ehime Building/Hiroshima	2-10, Naka-ku Mikawa-cho, Hiroshima-shi, Hiroshima	Trust beneficiaries	4,700.45	2,869	2,990
MI Terrace Sendai Hirose-dori	1-6-9, Kokubuncho, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	3,804.07	2,043	2,320
MI Terrace Kita-Ueno	2-18-4, Kita-Ueno, Taito-ku, Tokyo	Trust beneficiaries	3,551.61	3,605	4,070
Shibuya World East Building	1-23-18, Shibuya, Shibuya-ku, Tokyo	Trust beneficiaries	1,701.55	3,361	5,420
THINGS Aoyama	4-10-15, Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiaries	997.62	2,943	3,240
MI Cube Sendai Clisroad	2-2-30, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	1,023.76	1,376	1,450
MI Cube Machida East	4-5-8, Haramachida, Machida-shi, Tokyo	Trust beneficiaries	2,176.15	2,005	2,250
AEON Kasai	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo	Trust beneficiaries	28,338.45	9,543	9,540
CAINZ MALL Hikone (land)	2-1-1, Bamba, Hikone-shi, Shiga	Trust beneficiaries	85,323.95	3,675	4,280
MaxValu Takatori (land)	3-16-18, Takatorikita, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	5,748.81	987	1,050
Tsurumi Fuga 1	2-1, Tsurumi-ku Toyooka-cho, Yokohama-shi, Kanagawa	Trust beneficiaries	9,578.60	5,488	5,810
BIGMOTOR Ginan (land)	7-12, Ginan-cho Yatsurugi, Hashima-gun, Gifu	Trust beneficiaries	6,544.89	1,101	1,200
Hotel Sunroute Niigata	1-11-25, Higashi-Odori, Chuo-ku, Niigata-shi, Niigata	Trust beneficiaries	8,254.80	2,126	2,300
Daiwa Roynet Hotel Akita	2-2-41, Omachi, Akita-shi, Akita	Trust beneficiaries	7,439.36	1,860	2,210
Super Hotel Sendai/Hirose-dori	2-9-23, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	3,283.95	1,220	1,670
Super Hotel Osaka/Tennoji	2-3-3, Osaka, Tennoji-ku, Osaka-shi, Osaka	Trust beneficiaries	2,486.39	1,236	1,590
Super Hotel Saitama/Omiya	1-12-6, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiaries	2,946.55	1,052	1,330
Super Hotel Kyoto/Karasumagojo	396-3, Osaka-cho, Gojo-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiaries	2,144.02	1,004	1,290
EN HOTEL Ise (Note 4)	2-5-11, Fukiage, Ise-shi, Mie	Trust beneficiaries	4,099.31	1,982	1,890
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	776	808
Hotel Wing International Select Ueno/Okachimachi	2-18-4, Higashi-ueno, Taito-ku, Tokyo	Trust beneficiaries	3,079.33	3,780	4,150
Smile Hotel Naha City Resort	2-32-1, Kume, Naha-shi, Okinawa	Trust beneficiaries	9,698.44	4,016	4,000
Smile Hotel Hakataeki-Mae	3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,432.72	3,773	3,670
Smile Hotel Nagoya Sakae	4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	2,909.20	2,954	2,960
Fiel Johoku	1-9-20, Johoku, Naka-ku, Hamamatsu-shi, Shizuoka	Trust beneficiaries	8,747.08	2,308	2,500
Mi-Nara	1-3-1, Nijo-ji-Minami, Nara-shi, Nara	Trust beneficiaries	43,329.82	5,077	3,780
Rokko Island DC	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiaries	15,563.37	7,622	9,070
Odawara Material Storage and Delivery Center (land)	2842-2 Sakaikyuu, Kozu, Odawara-shi, Kanagawa	Real estate	16,529.10	2,423	2,560
Yokohama-Daikokucho Maintenance Center (land)	36-19, Tsurumi-ku Daikoku-cho, Yokohama-shi, Kanagawa	Trust beneficiaries	3,499.83	1,514	1,600
Tokyo Eiseigakuen Senmongakko	4-1-1, Omorikita, Ota-ku, Tokyo	Trust beneficiaries	4,220.46	4,118	4,290
Total			377,023.75	167,832	181,861

(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.

(Note 4) Due to the termination of the lease agreement with the previous tenant on December 26, 2022, "Property Name" was changed from "Ise City Hotel Annex" to "EN HOTEL Ise", the current tenant's hotel brand, on December 27, 2022. The same applies hereinafter.

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

Name of real estate, etc.	The 13 th Period (From May. 1, 2022 to Oct. 31, 2022)				The 14 th Period (From Nov. 1, 2022 to Apr. 30, 2023)			
	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	22	97.1	749	13.5	23	90.9	715	12.6
Kawasaki Tech Center	27	100.0	1,024	18.4	26	97.1	1,062	18.7
Shinjuku Eastside Square	39	98.5	250	4.5	42	99.7	265	4.7
Tokyo Front Terrace	27	81.3	269	4.8	30	95.3	259	4.6
MI Terrace Nagoya Fushimi	8	100.0	304	5.5	8	100.0	309	5.4
Orico Hakataeki Minami Building (Note 5)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	-	-	Not disclosed (Note 4)	Not disclosed (Note 4)
My Square Building (Note 5)	9	100.0	83	1.5	-	-	66	1.2
Hiroshima Rijo-dori Building	13	100.0	96	1.7	13	100.0	89	1.6
BizMiiX Yodoyabashi	34	80.2	44	0.8	36	70.4	55	1.0
TCA Building	8	100.0	75	1.4	8	100.0	69	1.2
Ehime Building/Hiroshima	20	98.6	106	1.9	20	98.6	102	1.8
MI Terrace Sendai Hirose-dori	-	-	-	-	18	96.5	81	1.4
MI Terrace Kita-Ueno	-	-	-	-	7	100.0	16	0.3
Shibuya World East Building	8	100.0	110	2.0	8	100.0	114	2.0
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	36	0.7	3	100.0	38	0.7
MI Cube Machida East	-	-	-	-	10	100.0	11	0.2
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 (Note 5)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	-	-	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)	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)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Hotel Sunroute Niigata	1	94.6	70	1.3	1	94.6	70	1.2
Daiwa Roynet Hotel Akita	1	100.0	69	1.2	1	100.0	69	1.2
Super Hotel Sendai/Hirose-dori	1	100.0	44	0.8	1	100.0	44	0.8
Super Hotel Osaka/Tennoji	1	100.0	37	0.7	1	100.0	37	0.7
Super Hotel Saitama/Omiya	1	100.0	35	0.6	1	100.0	35	0.6
Super Hotel Kyoto/Karasumagojo	1	100.0	31	0.6	1	100.0	31	0.5
EN HOTEL Ise	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 (Note 5)	-	-	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	154	2.8	1	100.0	149	2.6
Smile Hotel Hakataeki-Mae	1	100.0	28	0.5	1	100.0	52	0.9
Smile Hotel Nagoya Sakae	1	100.0	35	0.6	1	100.0	48	0.9
Fiel Johoku	-	-	-	-	1	100.0	12	0.2
Mi-Nara	59	91.5	524	9.4	58	93.5	501	8.8

Name of real estate, etc.	The 13 th Period (From May. 1, 2022 to Oct. 31, 2022)				The 14 th Period (From Nov. 1, 2022 to Apr. 30, 2023)			
	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 (%)
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)	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)
Total	302	98.1	5,553	100.0	334	98.2	5,681	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.

(Note 5) MIRAI disposed Comfort Hotel Nagano on May 31, 2022, Orico Hakataeki Minami Building (50% quasi-co-ownership) on October 31, 2022, Orico Hakataeki Minami Building (50% quasi-co-ownership) on November 30, 2022 and My Square Building and MEGA Don Quijote Izumi-Chuo on March 28, 2023.

(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, 2023 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	49,600,000	129,904

(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
After Fiscal period ending October 31, 2023 (15 th period)					
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Cubicle renewal work, elevator renewal work, heat source facilities renewal work, compartment repair work, etc.	From May 2023 to October 2023	183,131	-	-
AEON Kasai (Edogawa-ku, Tokyo)	Tenant compartment construction, etc.	From May 2023 to October 2023	119,000	-	-
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Electrical installation work, lighting equipment installation, air-conditioning equipment work, compartment repair work, etc.	From December 2022 to October 2023	93,618	-	-
Mi-Nara (Nara-shi, Nara)	Compartment repair work, lighting equipment installation, etc.	From May 2023 to October 2023	74,440	-	-
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Air-conditioning equipment work, compartment repair work, etc.	From May 2023 to October 2023	70,544	-	-
Others	-	-	182,973	-	-

(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 680,250 thousand yen, and together with 216,701 thousand yen in repair expenses classified as expenses for the current fiscal period, a total of 896,952 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)	Elevator renewal work, water supply and drainage installation, electrical installation work, air-conditioning equipment work, etc.	From October 2022 to April 2023	162,508
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work, compartment repair work, air-conditioning equipment work, etc.	From June 2022 to April 2023	157,067
EN HOTEL Ise (Ise-shi, Mie)	Renewal work, etc.	From October 2022 to April 2023	93,162
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Lighting equipment installation, air-conditioning equipment work, disaster prevention equipment installation, etc.	From May 2022 to April 2023	71,451
Mi-Nara (Nara-shi, Nara)	Compartment repair work, electrical installation work, etc.	From November 2022 to April 2023	65,507
Ehime Building/Hiroshima (Hiroshima-shi, Hiroshima)	Compartment repair work, water supply and drainage installation, lighting equipment installation, etc.	From December 2022 to April 2023	37,721
Others	-	-	92,832
Total			680,250

(3) Reserve for Long-Term Repair Plan

Not applicable.

5 Expenses

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

(Thousand yen)

Item	The 13 th Period From May 1, 2022 to October 31, 2022	The 14 th Period From November 1, 2022 to April 30, 2023
Asset management fee (Note)	469,384	466,526
Asset custody fee	9,291	9,291
Administrative service fees	18,211	19,294
Remuneration for directors	3,676	3,676
Other operating expenses	60,665	88,439
Total	561,229	587,228

(Note) In addition to the above, there are disposition fee of 16,700 thousand yen in the 13th fiscal period and 74,300 thousand yen in the 14th fiscal period, and acquisition fee of 97,660 thousand yen that are included in the book value of individual assets in the 14th 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 1)	Disposition date	Disposition price (Million yen) (Note 1)	Book value (Million yen)	Gain/loss on sales (Million yen) (Note 2)
MI Terrace Sendai Hirose-dori	November 1, 2022	2,022	-	-	-	-
Orico Hakataeki Minami Building (50% quasi co-ownership)	-	-	November 30, 2022	1,000	874	115
My Square Building	-	-	March 28, 2023	3,600	2,940	512
MEGA Don Quijote Izumi-Chuo	-	-	March 28, 2023	2,830	3,003	(214)
MI Terrace Kita-Ueno	March 30, 2023	3,557	-	-	-	-
MI Cube Machida East	March 30, 2023	1,977	-	-	-	-
Fiel Johoku	March 31, 2023	2,210	-	-	-	-
Total	-	9,766	-	7,430	6,818	413

(Note 1) The acquisition/disposition price does not include miscellaneous expenses, property tax, city planning tax, consumption tax and local consumption tax required for the acquisition/disposition of the relevant real estate, etc.

(Note 2) Gain/loss on sale is the amount after deducting book value and other sales expenses from the disposition price.

(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	MI Terrace Sendai Hirose-dori	November 1, 2022	Real estate trust beneficiary	2,022	2,310	Daiwa Real Estate Appraisal Co., Ltd.	September 30, 2022
	MI Terrace Kita-Ueno	March 30, 2023	Real estate trust beneficiary	3,557	4,070	Tanizawa Sogo Appraisal Co., Ltd.	March 1, 2023
	MI Cube Machida East	March 30, 2023	Real estate trust beneficiary	1,977	2,250	Tanizawa Sogo Appraisal Co., Ltd.	March 1, 2023
	Fiel Johoku	March 31, 2023	Real estate trust beneficiary	2,210	2,500	Japan Valuers Co., Ltd.	February 28, 2023
Disposition	Orico Hakataeki Minami Building (50% quasi co-ownership)	November 30, 2022	Real estate trust beneficiary	1,000	894 (Note 3)	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2022
	My Square Building	March 28, 2023	Real estate trust beneficiary	3,600	3,060	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2022
	MEGA Don Quijote Izumi-Chuo	March 28, 2023	Real estate trust beneficiary	2,830	2,580	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2022

(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/disposition price does not include miscellaneous expenses, property tax, city planning tax, consumption tax and local consumption tax required for the acquisition/disposition of the relevant real estate, etc.

(Note 3) The amount is calculated by multiplying the appraisal value for the entire property by the quasi-co-ownership (50%) in the property to be disposed of.

(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

Not applicable.

(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, 2023, 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, 2023, 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.



- 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 28, 2023

Shuji Kaneko
Designated Engagement Partner
Certified Public Accountant

Hiroto Inoue
Designated Engagement Partner
Certified Public Accountant

Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of October 31, 2022	As of April 30, 2023
Assets		
Current assets		
Cash and deposits	4,508,815	3,040,495
Cash and deposits in trust	2,625,909	2,663,616
Operating accounts receivable	259,821	287,999
Prepaid expenses	145,581	151,367
Income taxes refund receivable	3	-
Other	1,176	8,414
Total current assets	7,541,307	6,151,893
Non-current assets		
Property, plant and equipment		
Buildings	447,540	477,586
Accumulated depreciation	(22,313)	(29,177)
Buildings, net	425,226	448,409
Structures	564	564
Accumulated depreciation	(345)	(440)
Structures, net	219	124
Machinery and equipment	4,770	4,770
Accumulated depreciation	(278)	(516)
Machinery and equipment, net	4,491	4,253
Land	4,235,946	4,235,946
Buildings in trust	*1 37,128,490	*1 38,577,033
Accumulated depreciation	(5,690,612)	(6,162,729)
Buildings in trust, net	31,437,877	32,414,304
Structures in trust	317,976	259,388
Accumulated depreciation	(82,036)	(68,693)
Structures in trust, net	235,939	190,695
Machinery and equipment in trust	243,592	232,397
Accumulated depreciation	(77,643)	(85,174)
Machinery and equipment in trust, net	165,948	147,222
Tools, furniture and fixtures in trust	*1 302,976	*1 358,897
Accumulated depreciation	(91,388)	(116,743)
Tools, furniture and fixtures in trust, net	211,588	242,154
Land in trust	127,956,594	130,149,310
Construction in progress in trust	207	-
Total property, plant and equipment	164,674,040	167,832,421
Intangible assets		
Software	14,842	14,018
Other	231	231
Total intangible assets	15,073	14,249
Investments and other assets		
Long-term prepaid expenses	242,031	228,864
Deferred tax assets	-	6,597
Guarantee deposits	11,006	11,006
Other	257,986	186,038
Total investments and other assets	511,023	432,506
Total non-current assets	165,200,138	168,279,178
Deferred assets		
Investment corporation bond issuance costs	51,251	48,260
Total deferred assets	51,251	48,260
Total assets	172,792,696	174,479,332

(Thousands of yen)

	As of October 31, 2022	As of April 30, 2023
Liabilities		
Current liabilities		
Operating accounts payable	707,310	781,916
Distributions payable	11,505	10,766
Short-term borrowings	-	1,500,000
Current portion of long-term borrowings	10,500,000	20,000,000
Accounts payable - other	548,634	541,912
Accrued expenses	1,157	3,740
Income taxes payable	605	80,303
Accrued consumption taxes	262,668	59,494
Advances received	667,075	687,371
Deposits received	606	3,218
Other	11,529	2,850
Total current liabilities	12,711,092	23,671,574
Non-current liabilities		
Investment corporation bonds	6,200,000	6,200,000
Long-term borrowings	67,300,000	57,800,000
Leasehold and guarantee deposits received	143,238	147,499
Leasehold and guarantee deposits received in trust	5,410,299	5,520,440
Other	-	61,842
Total non-current liabilities	79,053,537	69,729,782
Total liabilities	91,764,630	93,401,357
Net assets		
Unitholders' equity		
Unitholders' capital	78,499,868	78,499,868
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*4 (1,771)	*4 -
Total deduction from unitholders' capital	(1,771)	-
Unitholders' capital, net	78,498,097	78,499,868
Surplus		
Unappropriated retained earnings (undisposed loss)	2,328,117	2,448,202
Total surplus	2,328,117	2,448,202
Total unitholders' equity	80,826,214	80,948,070
Valuation and translation adjustments		
Deferred gains or losses on hedges	201,852	129,904
Total valuation and translation adjustments	201,852	129,904
Total net assets	*3 81,028,066	*3 81,077,975
Total liabilities and net assets	172,792,696	174,479,332

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended October 31, 2022	For the six-month period ended April 30, 2023
Operating revenue		
Leasing business revenue	* ₁ 4,590,191	* ₁ 4,652,516
Other leasing business revenue	* ₁ 962,876	* ₁ 1,028,489
Gain on sales of real estate properties	* ₂ 113,324	* ₂ 627,957
Total operating revenue	5,666,391	6,308,963
Operating expenses		
Expenses related to leasing business	* ₁ 2,493,283	* ₁ 2,687,067
Loss on sales of real estate properties	-	* ₃ 214,665
Asset management fee	469,384	466,526
Asset custody fees	9,291	9,291
Administrative service fees	18,211	19,294
Remuneration for directors (and other officers)	3,676	3,676
Other operating expenses	60,665	88,439
Total operating expenses	3,054,513	3,488,961
Operating income	2,611,878	2,820,002
Non-operating income		
Interest income	21	25
Gain on forfeiture of unclaimed distributions	938	1,030
Interest on tax refund	350	-
Total non-operating income	1,310	1,055
Non-operating expenses		
Interest expenses	212,922	220,462
Interest expenses on investment corporation bonds	23,300	23,300
Amortization of investment corporation bond issuance costs	2,990	2,990
Borrowing related expenses	49,220	49,836
Other	-	3,000
Total non-operating expenses	288,433	299,590
Ordinary income	2,324,755	2,521,467
Net income before income taxes	2,324,755	2,521,467
Income taxes - current	605	80,307
Income taxes - deferred	18	(6,597)
Total income taxes	623	73,710
Net income	2,324,132	2,447,757
Retained earnings brought forward	3,984	445
Unappropriated retained earnings (undisposed loss)	2,328,117	2,448,202

(3) Statement of Changes in Net Assets

The Fiscal Period ended October 2022 (The 13th period from May 1, 2022 to October 31, 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	78,499,868	(350,732)	(350,732)	78,149,135
Changes during period				
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		348,961	348,961	348,961
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	348,961	348,961	348,961
Balance at end of period	*1 78,499,868	(1,771)	(1,771)	78,498,097

(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	2,597,360	2,597,360	80,746,496	(2,664)	(2,664)	80,743,832
Changes during period						
Dividends of surplus	(2,244,414)	(2,244,414)	(2,244,414)			(2,244,414)
Reversal of allowance for temporary difference adjustments	(348,961)	(348,961)	-			-
Net income	2,324,132	2,324,132	2,324,132			2,324,132
Net changes in items other than unitholders' equity				204,516	204,516	204,516
Total changes during period	(269,243)	(269,243)	79,717	204,516	204,516	284,234
Balance at end of period	2,328,117	2,328,117	80,826,214	201,852	201,852	81,028,066

The Fiscal Period ended April 2023 (The 14th period from November 1, 2022 to April 30, 2023)

(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	78,499,868	(1,771)	(1,771)	78,498,097
Changes during period				
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		1,771	1,771	1,771
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	1,771	1,771	1,771
Balance at end of period	*1 78,499,868	-	-	78,499,868

(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	2,328,117	2,328,117	80,826,214	201,852	201,852	81,028,066
Changes during period						
Dividends of surplus	(2,325,900)	(2,325,900)	(2,325,900)			(2,325,900)
Reversal of allowance for temporary difference adjustments	(1,771)	(1,771)	-			-
Net income	2,447,757	2,447,757	2,447,757			2,447,757
Net changes in items other than unitholders' equity				(71,947)	(71,947)	(71,947)
Total changes during period	120,085	120,085	121,856	(71,947)	(71,947)	49,908
Balance at end of period	2,448,202	2,448,202	80,948,070	129,904	129,904	81,077,975

(4) Statement of Cash Distributions

(Yen)

	Fiscal Period ended October 2022 (The 13 th period from May 1, 2022 to October 31, 2022)	Fiscal Period ended April 2023 (The 14 th period from November 1, 2022 to April 30, 2023)
I Unappropriated retained earnings (undisposed loss)	2,328,117,303	2,448,202,434
II Capitalization	1,771,440	-
Reversal of allowance for temporary difference adjustment	1,771,440	-
III Distributions	2,325,900,720	2,311,729,200
[Distributions per unit]	[1,313]	[1,305]
IV Retained earnings to be carried forward (retained loss)	445,143	136,473,234
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, 2,325,900,720 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, considering that 413,292,461 yen of gain/loss on sales of real estate properties was generated, 136,473,234 yen is retained internally to stabilize future distributions per unit, and 2,311,729,200 yen, which is the total amount of unappropriated retained earnings after deduction of the amount equivalent to internal reserves, as distributions from earnings, 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, 2022	For the six-month period ended April 30, 2023
Cash flows from operating activities		
Net income before income taxes	2,324,755	2,521,467
Depreciation	660,719	682,796
Amortization of investment corporation bond issuance costs	2,990	2,990
Interest income	(21)	(25)
Interest expenses	236,222	243,762
Decrease (increase) in operating accounts receivable	(2,169)	(28,178)
Decrease (increase) in prepaid expenses	1,739	(5,785)
Decrease (increase) in consumption taxes receivable	92,266	-
Increase (decrease) in operating accounts payable	156,324	42,759
Increase (decrease) in accounts payable - other	46,117	(6,722)
Increase (decrease) in accrued consumption taxes	262,668	(203,173)
Increase (decrease) in advances received	6,587	20,295
Decrease (increase) in long-term prepaid expenses	62,573	13,166
Decrease in property, plant and equipment in trust due to sale	1,510,166	6,818,443
Other, net	(12,747)	(8,692)
Subtotal	5,348,192	10,093,103
Interest received	21	25
Interest paid	(238,536)	(241,179)
Income taxes paid	(984)	(605)
Net cash provided by (used in) operating activities	5,108,692	9,851,344
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,931)	(29,483)
Purchase of property, plant and equipment in trust	(322,431)	(10,539,241)
Refund of leasehold and guarantee deposits received	(5,528)	-
Proceeds from leasehold and guarantee deposits received	-	4,261
Refund of leasehold and guarantee deposits received in trust	(102,419)	(371,903)
Proceeds from leasehold and guarantee deposits received in trust	106,809	482,044
Payments for restricted bank deposits held in trust	(0)	(0)
Other payments	(1,297)	(1,805)
Net cash provided by (used in) investing activities	(334,800)	(10,456,128)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	1,500,000
Proceeds from long-term borrowings	-	7,000,000
Repayments of long-term borrowings	-	(7,000,000)
Distributions paid	(2,242,474)	(2,325,609)
Other payments	-	(219)
Net cash provided by (used in) financing activities	(2,242,474)	(825,828)
Net increase (decrease) in cash and cash equivalents	2,531,418	(1,430,613)
Cash and cash equivalents at beginning of period	4,421,204	6,952,622
Cash and cash equivalents at end of period	*1 6,952,622	*1 5,522,009

(6) Notes to the financial statements

[Notes on Assumption of Going Concern]

Not applicable to the 14th 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, 2023, the numbers of investment units issued and outstanding are 1,771,440 units and MIRAI owns 38 properties (total acquisition price of 166,260 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 style="text-align: right;">2 to 64 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">2 to 40 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">5 to 29 years</td> </tr> <tr> <td>Tool, furniture and fixtures</td> <td style="text-align: right;">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. Leased assets Leased assets related to finance lease transactions that transfer ownership The same depreciation method is applied as that applied to owned fixed assets.</p> <p>D. 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 13th Period, the property tax, etc. included in the acquisition cost of real estate was not applicable. In the 14th Period, the property tax, etc. included in the acquisition cost of real estate was 22,133 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>								

6. Other significant basis for preparation of financial statements	<p>A. Accounting for trust beneficiary right for real estate, etc. as trust asset 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 (b) Buildings in trust, Structures in trust, Tools, furniture and fixtures in trust and Land in trust, Construction in progress in trust (c) Leasehold and guarantee deposits received in trust</p> <p>B. Method of accounting for consumption taxes unqualified for deduction 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 13 th Period (as of October 31, 2022)	The 14 th Period (as of April 30, 2023)
Property, plant and equipment	164,674,040	167,832,421
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.

[Additional Information]

[Notes to Allowance for Temporary Difference Adjustment]

The 13th Period (from May 1, 2022 to October 31, 2022)

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	1,771

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 14th Period (from November 1, 2022 to April 30, 2023)

Not applicable.

[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 13 th Period (as of October 31, 2022)	The 14 th Period (as of April 30, 2023)
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 13 th Period (as of October 31, 2022)	The 14 th Period (as of April 30, 2023)
Total amount specified in the commitment line contracts	3,000,000	3,000,000
Borrowing balance at end of period	-	1,500,000
Outstanding loan commitments at end of period	3,000,000	1,500,000

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

(Thousands of yen)

The 13 th Period (as of October 31, 2022)	The 14 th Period (as of April 30, 2023)
50,000	50,000

*4. Allowance for temporary difference adjustment

The 13th Period (from May 1, 2022 to October 31, 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 13 th period	Allowance	Reversal	The balance at the ending of the 13 th period	Reason for occurrence of reversal
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	491,890	350,732	-	348,961	1,771	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.

The 14th Period (from November 1, 2022 to April 30, 2023)

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 14 th period	Allowance	Reversal	The balance at the ending of the 14 th period	Reason for occurrence of reversal
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	491,890	1,771	-	1,771	-	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 13 th Period (from May 1, 2022 to October 31, 2022)		The 14 th Period (from November 1, 2022 to April 30, 2023)	
A. Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	4,191,450		4,222,248	
Land rents received	223,945		249,044	
Facility charges	174,794	4,590,191	181,223	4,652,516
Other lease business revenue				
Utilities charges	686,476		740,350	
Other operating income	276,399	962,876	288,138	1,028,489
Total real estate leasing business revenue		5,553,067		5,681,005
B. Real estate leasing business expenses				
Expenses related to rent business				
Outsourcing service expenses	377,719		389,311	
Utilities expenses	634,557		671,973	
Taxes and dues	428,777		440,191	
Repair expenses	90,139		216,701	
Depreciation	659,742		681,819	
Other expenses related to rent business	302,346		287,069	
Total real estate leasing business expenses		2,493,283		2,687,067
C. Income from real estate leasing business (A - B)		3,059,783		2,993,938

*2. Breakdown of gain on sales of real estate properties

The 13th Period (from May 1, 2022 to October 31, 2022)

(Thousands of yen)

Comfort Hotel Nagano	
Sales of real estate properties revenue	670,000
Sales of real estate properties cost	635,209
Other sales expenses	34,773
<u>Gain on sales of real estate properties</u>	<u>17</u>

Orico Hakataeki Minami Building (50% quasi co-ownership)	
Sales of real estate properties revenue	1,000,000
Sales of real estate properties cost	874,956
Other sales expenses	11,736
<u>Gain on sales of real estate properties</u>	<u>113,307</u>

The 14th Period (from November 1, 2022 to April 30, 2023)

(Thousands of yen)

Orico Hakataeki Minami Building (50% quasi co-ownership)	
Sales of real estate properties revenue	1,000,000
Sales of real estate properties cost	874,518
Other sales expenses	10,374
<u>Gain on sales of real estate properties</u>	<u>115,107</u>

My Square Building	
Sales of real estate properties revenue	3,600,000
Sales of real estate properties cost	2,940,780
Other sales expenses	146,369
<u>Gain on sales of real estate properties</u>	<u>512,850</u>

*3. Breakdown of loss on sales of real estate properties

The 13th Period (from May 1, 2022 to October 31, 2022)

Not applicable.

The 14th Period (from November 1, 2022 to April 30, 2023)

(Thousands of yen)

MEGA Don Quijote Izumi-Chuo	
Sales of real estate properties revenue	2,830,000
Sales of real estate properties cost	3,003,144
Other sales expenses	41,521
<u>Loss on sales of real estate properties</u>	<u>214,665</u>

[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 13 th Period (from May 1, 2022 to October 31, 2022)	The 14 th Period (from November 1, 2022 to April 30, 2023)
Total number of investment units authorized	20,000,000 units	20,000,000 units
Total number of investment units issued and outstanding	1,771,440 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 13 th Period (from May 1, 2022 to October 31, 2022)	The 14 th Period (from November 1, 2022 to April 30, 2023)
Cash and deposits	4,508,815	3,040,495
Cash and deposits in trust	2,625,909	2,663,616
Restricted deposits held in trust (Note)	(182,102)	(182,102)
Cash and cash equivalents	6,952,622	5,522,009

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

[Lease Transactions]

1. Finance lease transactions (as a lessee)

Finance lease transactions that transfer ownership

(i) Details of leased assets

It is mainly Buildings in trust.

(ii) Depreciation method

The depreciation method for such assets is the same as the depreciation method applied to proprietary fixed assets.

2. Operating lease transactions (as a lessor)

(Thousands of yen)

	The 13 th Period (from May 1, 2022 to October 31, 2022)	The 14 th Period (from November 1, 2022 to April 30, 2023)
Future lease payments receivable		
Due within one year	4,217,911	4,114,386
Due after one year	31,302,139	27,817,352
Total	35,520,051	31,931,739

[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, 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	10,500,000	10,500,000	-
(ii) Investment corporation bonds	6,200,000	6,003,200	(196,800)
(iii) Long-term borrowings	67,300,000	67,285,205	(14,794)
Total liabilities	84,000,000	83,788,405	(211,594)
(iv) Derivative transactions *	201,852	201,852	-

Amounts on the Balance Sheet, fair value and their difference as of April 30, 2023 are as follows;

The fair values of “Cash and deposits”, “Cash and deposits in trust” and “Short-term borrowings” 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	20,000,000	20,001,543	1,543
(ii) Investment corporation bonds	6,200,000	5,963,960	(236,040)
(iii) Long-term borrowings	57,800,000	57,788,952	(11,047)
Total liabilities	84,000,000	83,754,455	(245,544)
(iv) Derivative transactions *	129,904	129,904	-

*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, 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	10,500,000	18,000,000	16,500,000	5,500,000	16,000,000	11,300,000
Total	10,500,000	18,000,000	16,500,000	5,500,000	16,000,000	17,500,000

Repayment schedule for borrowings and Investment corporation bonds after the closing date (as of April 30, 2023)

(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	20,000,000	11,000,000	8,500,000	14,000,000	13,000,000	11,300,000
Total	20,000,000	11,000,000	8,500,000	14,000,000	13,000,000	17,500,000

[Notes to Investment Securities]

The 13th Period (as of October 31, 2022)

Not applicable to the 13th Period.

The 14th Period (as of April 30, 2023)

Not applicable to the 14th Period.

[Notes to Derivatives]

The 13th Period (as of October 31, 2022)

1. Transactions not applicable to hedge accounting

Not applicable to the 13th Period.

2. Transactions applicable to hedge accounting

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	52,600,000	201,852	Based on prices and other conditions presented by financial institutions

The 14th Period (as of April 30, 2023)

1. Transactions not applicable to hedge accounting

Not applicable to the 14th Period.

2. Transactions applicable to hedge accounting

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	49,600,000	129,904	Based on prices and other conditions presented by financial institutions

[Notes to Retirement Benefits]

The 13th Period (as of October 31, 2022)

Not applicable to the 13th Period.

The 14th Period (as of April 30, 2023)

Not applicable to the 14th Period.

[Tax Effect Accounting]

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

	(Thousands of yen)	
	The 13 th Period (as of October 31, 2022)	The 14 th Period (as of April 30, 2023)
Deferred tax assets		
Enterprise tax not deductible	-	6,597
Deferred losses on hedges	-	-
Subtotal deferred tax assets	-	6,597
Valuation allowance	-	-
Total deferred tax assets	-	6,597
Deferred tax assets, net	-	6,597

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 13 th Period (as of October 31, 2022)	The 14 th Period (as of April 30, 2023)
Effective statutory tax rate	31.46%	34.59%
(Adjustments)		
Deductible cash distributions	(31.48%)	(31.71%)
Other	0.04%	0.05%
Effective tax rate after applying tax effect accounting	0.03%	2.92%

[Notes to Equity in Earnings of Affiliates]

The 13th Period (as of October 31, 2022)

Not applicable to the 13th Period.

The 14th Period (as of April 30, 2023)

Not applicable to the 14th Period.

[Transactions with Related Parties]

1. Parent company and principal corporate unitholders

The 13th Period (from May 1, 2022 to October 31, 2022)

Not applicable to the 13th Period.

The 14th Period (from November 1, 2022 to April 30, 2023)

Not applicable to the 14th Period.

2. Subsidiaries and affiliates

The 13th Period (from May 1, 2022 to October 31, 2022)

Not applicable to the 13th Period.

The 14th Period (from November 1, 2022 to April 30, 2023)

Not applicable to the 14th Period.

3. Sister companies

The 13th Period (from May 1, 2022 to October 31, 2022)

Not applicable to the 13th Period.

The 14th Period (from November 1, 2022 to April 30, 2023)

Not applicable to the 14th Period.

4. Directors and principal individual unitholders

The 13th Period (from May 1, 2022 to October 31, 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)	486,084 (Note 3)	Accounts payable - other	527,322

(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 disposition fee of 16,700 thousand yen.

The 14th Period (from November 1, 2022 to April 30, 2023)

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)	638,486 (Note 3)	Accounts payable - other	513,178

(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 disposition fee of 74,300 thousand yen and acquisition fee of 97,660 thousand yen, which were included in the book value of the acquired properties.

[Notes to Asset retirement obligations]

The 13th Period (as of October 31, 2022)

Not applicable to the 13th Period.

The 14th Period (as of April 30, 2023)

Not applicable to the 14th Period.

[Notes to Lease Properties]

MIRAI holds offices, retails, hotels, a residence, industrial assets 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 13 th Period (from May 1, 2022 to October 31, 2022)	The 14 th Period (from November 1, 2022 to April 30, 2023)
Amount on the balance sheet		
Balance at the beginning of the period	166,346,594	164,673,833
Changes during the period	(1,672,761)	3,158,588
Balance at the end of the period	164,673,833	167,832,421
Fair value at the end of the period	176,831,600	181,861,400

(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 13th period, the reason of increase is mainly attributable to capital expenditure (495,581 thousand yen) and the reasons of decrease are mainly attributable to disposition of real estate trust beneficiary rights (1,510,166 thousand yen) and depreciation (658,176 thousand yen). the 14th period, the reason of increase is mainly attributable to acquisition of 4 real estate trust beneficiary rights (9,976,947 thousand yen) and the reason of decrease is mainly attributable to disposition of 3 real estate trust beneficiary rights (6,818,443 thousand yen) depreciation (680,167 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 14th 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 13th Period (from May 1, 2022 to October 31, 2022)

(Thousands of yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Disposition of real estate, etc. (Note 2)	1,670,000	113,324
Utility revenue	686,476	686,476
Others	-	4,866,590
Total	2,356,476	5,666,391

(Note 1) 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.

(Note 2) The amount of proceeds from dispositions of real estate, etc. less costs of sales of real estate, etc. and other expenses on sales of real estate, etc., is stated as gain (loss) on sales of real estate, etc. in the statement of income, in accordance with Article 48, Paragraph 2 of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006).

The 14th Period (from November 1, 2022 to April 30, 2023)

(Thousands of yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Disposition of real estate, etc. (Note 2)	4,600,000	627,957
Utility revenue	740,350	740,350
Others	-	4,940,655
Total	5,340,350	6,308,963

(Note 1) 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.

(Note 2) The amount of proceeds from dispositions of real estate, etc. less costs of sales of real estate, etc. and other expenses on sales of real estate, etc., is stated as gain (loss) on sales of real estate, etc. in the statement of income, in accordance with Article 48, Paragraph 2 of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006). MIRAI records gain on sales of real estate properties as operating revenue and loss on sales of real estate properties as operating expenses. Therefore, only gain on sales of real estate properties are shown in the table above.

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

The 13th Period (from May 1, 2022 to October 31, 2022)

As stated in the Summary of Significant Accounting Policies.

The 14th Period (from November 1, 2022 to April 30, 2023)

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 13 th Period (from May 1, 2022 to October 31, 2022)	The 14 th Period (from November 1, 2022 to April 30, 2023)
Receivables arising from contracts with customers (at beginning of fiscal period)	111,237 thousand yen	125,750 thousand yen
Receivables arising from contracts with customers (at end of fiscal period)	125,750 thousand yen	143,415 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

The 13th Period (from May 1, 2022 to October 31, 2022)

As of October 31, 2022, the total transaction price allocated to the remaining performance obligation for the disposition of real estate, etc. was 1,000,000 thousand yen for real estate, etc. for which a sale agreement was signed on October 28, 2022. It is expected to recognize revenue for this residual performance obligation in the fiscal period ending April 30, 2023, as delivery of the real estate, etc. was completed on November 30, 2022.

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.

The 14th Period (from November 1, 2022 to April 30, 2023)

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 13th Period (from May 1, 2022 to October 31, 2022)

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

The 14th Period (from November 1, 2022 to April 30, 2023)

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

(ii) Related information

The 13th Period (from May 1, 2022 to October 31, 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.

The 14th Period (from November 1, 2022 to April 30, 2023)

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 13 th Period (from May 1, 2022 to October 31, 2022)	The 14 th Period (from November 1, 2022 to April 30, 2023)
Net assets per unit	45,741 yen	45,769 yen
Net income per unit	1,312 yen	1,381 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 13 th Period (from May 1, 2022 to October 31, 2022)	The 14 th Period (from November 1, 2022 to April 30, 2023)
Net income	2,324,132	2,447,757
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	2,324,132	2,447,757
Average number of investment units during period	1,771,440 units	1,771,440 units

[Notes to Significant Subsequent Events]

Not applicable.

[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	49,600,000	129,904	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	447,540	30,046	-	477,586	29,177	6,863	448,409	(Note)
	Structures	564	-	-	564	440	94	124	
	Machinery and equipment	4,770	-	-	4,770	516	238	4,253	
	Land	4,235,946	-	-	4,235,946	-	-	4,235,946	
	Building in trust	37,128,490	2,697,148	1,248,604	38,577,033	6,162,729	631,741	32,414,304	(Note)
	Structures in trust	317,976	7,711	66,299	259,388	68,693	6,815	190,695	(Note)
	Machinery and equipment in trust	243,592	-	11,194	232,397	85,174	8,589	147,222	(Note)
	Tools, furniture and fixtures in trust	302,976	57,566	1,644	358,897	116,743	25,824	242,154	(Note)
	Land in trust	127,956,594	7,864,726	5,672,010	130,149,310	-	-	130,149,310	(Note)
	Construction in progress in trust	207	-	207	-	-	-	-	(Note)
	Subtotal	170,638,658	10,657,198	6,999,960	174,295,896	6,463,474	680,167	167,832,421	
Intangible assets	Software	29,498	1,805	-	31,304	17,285	2,629	14,018	
	Other	231	-	-	231	-	-	231	
	Subtotal	29,729	1,805	-	31,535	17,285	2,629	14,249	
Total		170,668,388	10,659,004	6,999,960	174,327,432	6,480,760	682,796	167,846,671	

(Note) The increase in property, plant and equipment during the period is due to the acquisition of four properties, etc. The decrease is due to the disposition of three properties, etc.

(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	-	6,200,000	-	-	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.	March 31, 2023	-	1,500,000	-	1,500,000	0.56264	March 31, 2024	Bullet repayment on maturity	(Note 3)	Unguaranteed/Unsecured
	Subtotal		-	1,500,000	-	1,500,000					
Current portion of long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	December 16, 2016	5,000,000	-	5,000,000	-	0.37250	November 30, 2022	Bullet repayment on maturity	(Note 3)	Unguaranteed/Unsecured
	SBI Shinsei Bank, Limited	December 16, 2016	2,000,000	-	2,000,000	-	0.37250	November 30, 2022			
	Sumitomo Mitsui Trust Bank, Limited	November 1, 2018	2,500,000	-	-	2,500,000	0.42180	October 31, 2023			
	SBI Shinsei Bank, Limited	November 1, 2018	1,000,000	-	-	1,000,000	0.42180	October 31, 2023			
	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			
	Development Bank of Japan Inc.	December 16, 2016	-	2,000,000	-	2,000,000	0.62125	November 30, 2023			
	Mizuho Bank, Ltd.	March 1, 2018	-	1,000,000	-	1,000,000	0.48000	January 31, 2024			
	Mizuho Trust & Banking Co., Ltd.	April 28, 2017	-	2,000,000	-	2,000,000	0.45000	April 30, 2024			
	MUFG Bank, Ltd.	April 30, 2021	-	1,500,000	-	1,500,000	0.45000	April 30, 2024			
	Subtotal		10,500,000	16,500,000	7,000,000	20,000,000					
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			

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	Development Bank of Japan Inc.	December 16, 2016	2,000,000	-	2,000,000	-	0.62125	November 30, 2023	Bullet repayment on maturity	(Note 3)	Unguaranteed/Unsecured
	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			
	SBI 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			
	SBI Shinsei Bank, Limited	March 1, 2018	1,000,000	-	-	1,000,000	0.57350	January 30, 2026			
	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			
	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				

Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	January 12, 2022	1,000,000	-	-	1,000,000	0.37950	December 30, 2026	Bullet repayment on maturity (Note 3)	Unguaranteed/Unsecured
	SBI 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		
	Sumitomo Mitsui Trust Bank, Limited	November 30, 2022	-	3,500,000	-	3,500,000	0.72000	November 30, 2027		
	SBI Shinsei Bank, Limited	November 30, 2022	-	2,000,000	-	2,000,000	0.72000	November 30, 2027		
	The Juhachi-Shinwa Bank	November 30, 2022	-	1,500,000	-	1,500,000	0.72000	November 30, 2027		
	Subtotal		67,300,000	7,000,000	16,500,000	57,800,000				
Total		77,800,000	25,000,000	23,500,000	79,300,000					

(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	20,000,000	11,000,000	8,500,000	14,000,000	13,000,000	11,300,000