

MIRAI Corporation

Semi Annual Report

For the Fiscal Period ended October 31, 2022 (The 13th Period)

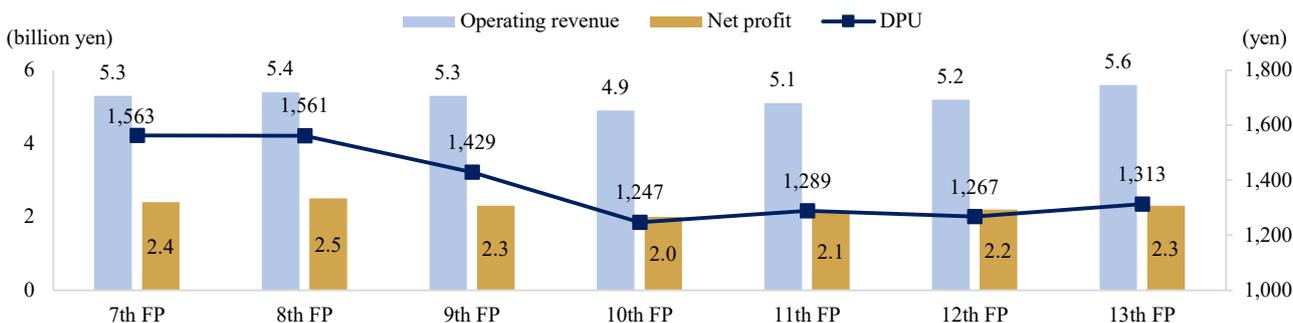
Primary Data

■ Distributions

The 13 th Period Actual distributions per unit (Start of cash distribution payment on January 13, 2023)	The 14 th Period Forecast distributions per unit (Note) (The Fiscal Period ending April 30, 2023)	The 15 th Period Forecast distributions per unit (Note) (The Fiscal Period ending October 31, 2023)
1,313 yen (Forecast: 1,285 yen)	1,285 yen	1,100 yen

(Note) These forecasts are calculated based on certain assumptions as of December 15, 2022 and subject to change due to conditions such as change in rent income through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecasts should not be construed as guarantee of distribution per unit (DPU).

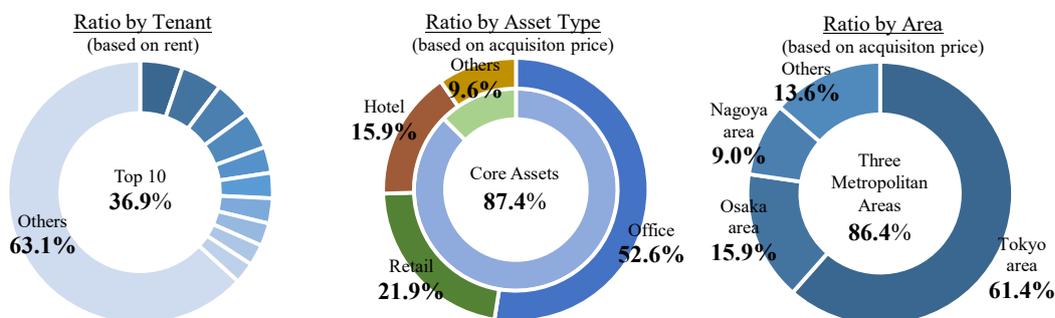
■ Financial Results



■ Portfolio (as of the End of October 2022)

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

Number of properties	: 37
Assets Under Management (AUM)	: 163.1 billion yen
Appraisal value	: 176.8 billion yen
Occupancy rate	: 98.1%
Net Operating Income (NOI) yield (13 th FP result)	: 4.5% *based on book value
Portfolio Probable Maximum Loss (PML)	: 2.9%



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

■ Finance (as of the End of October 2022)

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

Loan To Value (LTV) (based on total assets)	: 48.6%
Long-term fixed interest debt ratio	: 100.0%
Average interest rate	: 0.56%
Average remaining maturity	: 3.4 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
 - Continue to consider increasing the certification rate across the portfolio by acquiring additional environmental certifications in the future.
 - Ratio of Assets with Environmental Certifications: 74.3%
- GRESB Real Estate Assessment (ESG benchmark for real estate)
 - Received 3 Star and Green Star ratings of GRESB Real Estate Assessment in 2022, one rank higher than last year.
 - Evaluated points
 - ✓ Acquired third-party assurance for environmental performance data
 - ✓ Promoted green leasing and distributed sustainability guides
- Promotion of Sustainability Disclosure
 - MIRAI's first sustainability report was issued in October 2022.
 - Acquisition of third-party assurance for GHG emissions and other data.
- Ongoing Community Contribution Activities
 - Promoting community contribution activities through the organization and sponsorship of events.
 - Conducting various community support activities, mainly in response to COVID-19, in cooperation with local government.
 - ✓ Joint Event with a local sports team (in Nara-shi, Nara)
 - ✓ Providing as a recovery accommodation facility for patients with mild cases of COVID-19 and vaccination sites (in Naha-shi, Okinawa / Nara-shi, Nara)
- Promoting an easy-to-work-in environment for employees
 - Building a workplace environment in which Asset Manager employees can work comfortably
 - ✓ Communication space shared by group companies
 - ✓ Booths for web conferencing
 - Focus on developing a system that enables each employee to fully demonstrate his or her abilities through human resource development by providing training support, etc.
- Initiatives for tenants and facility users
 - Efficient installation and renovation of facilities to make property operations more comfortable for tenants and users
 - ✓ Renewal of facilities in each property (LED lighting in common areas, etc. in MI Terrace Nagoya Fushimi)
 - ✓ Energy saving measures with the cooperation of tenants and users in Shinjuku Eastside Square
 - Enhancing events and ESG-related information disclosure

1 Overview of Asset Management

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

Period		The 9 th Period From May 1, 2020 to Oct. 31, 2020	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
Operating revenue	(Million yen)	5,367	4,973	5,113	5,275	5,666
Operating expenses	(Million yen)	2,744	2,652	2,716	2,727	3,054
Operating income	(Million yen)	2,622	2,321	2,397	2,547	2,611
Ordinary income	(Million yen)	2,378	2,073	2,144	2,245	2,324
Net income	(Million yen)	2,376	2,072	2,143	2,244	2,324
Total assets	(Million yen)	159,222	161,815	161,226	171,982	172,792
[Changes from the previous period]	(%)	[(1.1)]	[1.6]	[(0.4)]	[6.7]	[0.5]
Net assets	(Million yen)	75,428	75,110	75,308	80,743	81,028
[Changes from the previous period]	(%)	[0.2]	[(0.4)]	[0.3]	[7.2]	[0.4]
Interest-bearing debt	(Million yen)	75,700	78,700	78,700	84,000	84,000
Unitholders' capital (Note 3)	(Million yen)	73,516	73,516	73,516	78,499	78,499
Total number of outstanding investment units	(Units)	1,662,240	1,662,240	1,662,240	1,771,440	1,771,440
Net assets per unit	(Yen)	45,377	45,186	45,305	45,580	45,741
Total distributions	(Million yen)	2,375	2,072	2,142	2,244	2,325
Distributions per unit	(Yen)	1,429	1,247	1,289	1,267	1,313
Of which, profit distribution per unit	(Yen)	1,429	1,238	1,289	1,267	1,313
Of which, distributions in excess of earnings per unit	(Yen)	-	9	-	-	-
Ordinary income to total assets (Note 4)	(%)	1.5	1.3	1.3	1.3	1.3
Net income to net assets (Note 4)	(%)	3.1	2.8	2.8	2.9	2.9
Net assets to total assets at end of period (Note 4)	(%)	47.4	46.4	46.7	46.9	46.9
[Changes from the previous period]	(%)	[0.4]	[(1.0)]	[0.3]	[0.2]	[(0.1)]
Payout ratio (Note 4)	(%)	99.9	99.3	100.0	100.0	100.1

(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 October 31, 2022, the total number of outstanding investment units are 1,771,440 and MIRAI owns 37 properties (total acquisition price of 163,134 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 showed signs of picking up as both COVID-19 infection control and economic activity progressed, despite the impact of rising energy prices. While the hotel sector was on a track to recovery, MIRAI was forced to deal with new downside risks, such as rising utilities expenses, especially for offices and retail facilities. In the retail sector, operational methods in COVID-19 crisis are becoming established, various measures to improve attractiveness had been effective at Mi-Nara, a retail complex in Nara Prefecture. With respect to the office leasing market, cancellations continued to increase due to changes in work styles, such as teleworking, and deterioration in corporate performance in some of the large-scale offices in Tokyo area, but on the other hand the vacant spaces were being backfilled.

Under such circumstances, MIRAI disposed “Comfort Hotel Nagano” (disposition price: 670 million yen) on May 31, 2022 and 50% quasi co-ownership of “Orico Hakataeki Minami Building” (disposition price: 1,000 million yen) on October 31, 2022. As a result, as

of the end of the 13th fiscal period, MIRAI had 37 properties under management, with a total acquisition price of 163,134 million yen, a total leasable area of 368,855.24 sqm, and occupancy rate of 98.1%.

(iii) Overview of Fund Procurement

During this fiscal period under review, MIRAI did not raise any funds. As a result, the balance of unitholders' capital as of the end of the 13th fiscal period was 78,499 million yen and the total number of outstanding investment units was 1,771,440 units. The balance of borrowings and investment corporation bonds as of the end of the 13th fiscal period was 84,000 million yen (of which 10,500 million yen was current portion of long-term borrowings, 67,300 million yen was long-term borrowings and 6,200 million yen was investment corporation bonds).

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

(iv) Operating Results and Distributions

As a result of the above operation, MIRAI recorded operating revenue of 5,666 million yen, operating income of 2,611 million yen, ordinary income of 2,324 million yen and net income of 2,324 million yen for the 13th fiscal period.

Profit distributions for the current fiscal period (excluding distributions in excess of earnings) shall be made in accordance with the distribution policy set forth in the Articles of MIRAI and in accordance with Article 67.15 of the Act on Special Measures Concerning Taxation (Law No. 26 of 1957, including subsequent amendments. hereinafter the "Act on Special Measures Concerning Taxation"), MIRAI decided to distribute 2,325,900,720 yen, which is the entire amount after deducting the reversal of the provision for adjustment of temporary differences, etc. (as defined in Article 2, Paragraph 2, Item 30 of the Rules of Account Settlement of Investment Corporations) from Unappropriated retained earnings, except for fractions of less than one yen, in an attempt to make profit distributions tax-deductible. As a result of the above, the distributions per investment units for the fiscal period under review (excluding distributions in excess of earnings) was 1,313 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 9 th Period From May 1, 2020 to Oct. 31, 2020	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
Maximum (Yen)	42,700 yen	53,500 yen	58,500 yen	56,100 yen	51,700 yen
Minimum (Yen)	33,050 yen	36,600 yen	47,400 yen	46,650 yen	46,550 yen

(4) Results of Distributions, etc.

In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, 2,325,900,720 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).

Period		The 9 th Period From May 1, 2020 to Oct. 31, 2020	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
Unappropriated retained earnings	(Thousand yen)	2,915,631	2,538,115	2,623,329	2,597,360	2,328,117
Retained earnings	(Thousand yen)	465,489	480,262	352,709	3,984	445
Total amount of cash distributions	(Thousand yen)	2,375,340	2,072,813	2,142,627	2,244,414	2,325,900
[Distributions per unit]	(Yen)	[1,429]	[1,247]	[1,289]	[1,267]	[1,313]
Of which, total amount of profit distributions	(Thousand yen)	2,375,340	2,057,853	2,142,627	2,244,414	2,325,900
[Profit distributions per unit]	(Yen)	[1,429]	[1,238]	[1,289]	[1,267]	[1,313]
Of which, total amount of investment refunds	(Thousand yen)	-	14,960	-	-	-
[Refund of investment per unit]	(Yen)	[-]	[9]	[-]	[-]	[-]
Total amount of distributions from the allowance for temporary differences out of the total amount of refunds of investments	(Thousand yen)	-	14,960	-	-	-
[Distribution of allowance for temporary differences per unit out of refund of investment per unit]	(Yen)	[-]	[9]	[-]	[-]	[-]
Total amount of distributions from distribution for reduction of investment, etc. under the tax law out of total amount of withdrawal of investment	(Thousand yen)	-	-	-	-	-
[Distribution from reduction of investment, etc. under the tax law out of the amount of refund of investment per unit]	(Yen)	[-]	[-]	[-]	[-]	[-]

(5) Future Management Policy and Other Issues

(i) Future Portfolio Management Environment

In the office leasing market, MIRAI needs to carefully consider the future outlook in light of rising energy prices and yen's depreciation in addition to the trends in corporate performance and changes in work styles that MIRAI has been paying attention for a while. 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, in addition to special factors such as providing as a recovery accommodation facility for patients with COVID-19, etc., hotels are showing signs of recovery. Variable rents were generated at some properties in October 2022 for the first time in the COVID-19 disaster, hence hotels are expected to serve as a growth driver from 2023 onward, 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

Disposition of an asset

MIRAI disposed the following asset after the end of the 13th Period (October 31, 2022).

Name of the Asset	Orico Hakataeki Minami Building (50% quasi co-ownership)
Type of Specified Asset	Real estate trust beneficiary
Address (Residential Address)	3-7-30, Hakataeki-Minami, Hakata-ku, Fukuoka-shi, Fukuoka
Agreement Date	October 28, 2022
Disposition Date	November 30, 2022
Buyer	RICOH LEASING COMPANY, LTD.
Disposition Price	1,000 million yen (Note)
Impact on Profit / Loss	MIRAI expects to record 114 million yen for the fiscal period ending April 30, 2023 in gain on sales of real estate properties (disposition gain) as operating revenue.

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

(Reference information)

Acquisition of an asset

MIRAI acquired the following asset after the end of the 13th Period (October 31, 2022).

Name of the Asset	MI Terrace Sendai Hirose-dori
Type of Specified Asset	Real estate trust beneficiary
Address (Residential Address)	1-6-9, Kokubuncho, Aoba-ku, Sendai-shi, Miyagi
Agreement Date	October 28, 2022
Acquisition Date	November 1, 2022
Buyer	Not disclosed (Note 1)
Acquisition Price	2,022 million yen (Note 2)

(Note 1) "Not disclosed" due to the absence of the buyer's consent.

(Note 2) "Acquisition Price" shows the sale and purchase value of the asset that is stated in the sale and purchase agreement. The sale and purchase value does not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen.

2 Overview of MIRAI

(1) Status of Unitholders' Capital

Period		The 9 th Period (Oct. 31, 2020)	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)
Total number of investment units authorized	(Units)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total number of investment units outstanding	(Units)	1,662,240	1,662,240	1,662,240	1,771,440	1,771,440
Total unitholders' capital	(Million yen)	73,516	73,516	73,516	78,499	78,499
Number of unitholders	(Persons)	32,081	33,837	32,599	33,485	36,015

(2) Matters Concerning Investment Units

Major unitholders as of October 31, 2022 are as follows:

Name	Number of units owned (Units)	Ratio to total units outstanding (%)
Custody Bank of Japan, Ltd. (Trust account)	233,643	13.19
The Master Trust Bank of Japan, Ltd. (Trust account)	226,308	12.78
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	80,866	4.56
STATE STREET BANK WEST CLIENT-TREATY 505234	26,786	1.51
The Hachijuni Bank, Ltd.	22,469	1.27
JP MORGAN CHASE BANK 385771	21,689	1.22
MITSUI & CO. ASSET MANAGEMENT HOLDINGS LTD.	20,000	1.13
IDERA Capital Management Ltd.	20,000	1.13
SSBTC CLIENT OMNIBUS ACCOUNT	19,330	1.09
STATE STREET BANK AND TRUST COMPANY 505103	16,724	0.94
Total	687,815	38.83

(3) Matters Concerning Officers, etc.

(i) The Executive Director, Supervisory Director and Accounting Auditor for the 13th period are as follows:

Title	Name	Major concurrent posts outside MIRAI (Note 1)	Total compensation or fee for six-month period ended October 31, 2022 (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	(Summary of insured accidents to be covered) MIRAI has concluded a directors' liability insurance policy with an insurance company as stipulated in Article 116-3, Paragraph 1 of the AITIC, and the policy will cover certain damages to be borne by the insured due to claims for damages arising from acts committed by the insured in the course of their duties as directors of MIRAI (Percentage of premiums paid) The policy includes an insurance rider pertaining to unitholders' representative lawsuits, and the premiums for the rider portion are borne by the insured, while other premiums are borne by MIRAI. (Measures to ensure that the appropriateness of the execution of duties is not compromised) The coverage does not apply to damages, etc. incurred by the insured due to criminal acts or acts committed while being aware of the violation of laws and regulations.

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

The asset management company, asset custodian and general administrators as of October 31, 2022 are as follows:

Business	Name
Asset management company	Mitsui Bussan & IDERA Partners Co., Ltd.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
Transfer agent	Sumitomo Mitsui Trust Bank, Limited
General administrator (institutional administration)	Mizuho Trust & Banking Co.
General administrator (accounting)	Reiwa Accounting Holdings Co., Ltd.
General administrator (tax payment)	Reiwakaikeisha Tax Corporation
General administrator related to investment corporation bonds	Sumitomo Mitsui Trust Bank, Limited, 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 12 th Period As of April 30, 2022		The 13 th Period As of October 31, 2022	
		Total amount held (Million yen)	Ratio to total assets (%)	Total amount held (Million yen)	Ratio to total assets (%)
Real estate	Office	2,237	1.3	2,242	1.3
	Industrial	2,418	1.4	2,423	1.4
	Total of real estate	4,656	2.7	4,665	2.7
Real estate in trust	Office	85,118	49.5	84,277	48.8
	Retail	36,723	21.4	36,651	21.2
	Hotel	26,509	15.4	25,783	14.9
	Industrial	9,241	5.4	9,189	5.3
	Educational	4,098	2.4	4,106	2.4
	Total of real estate in trust	161,690	94.0	160,007	92.6
Deposits and other assets		5,635	3.3	8,118	4.7
Total assets		171,982	100.0	172,792	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 October 31, 2022 is as follows:

Name of real estate, etc.	Book value (Million yen)	Leasable area (sqm) (Note 1)	Leased area (sqm) (Note 2)	Occupancy rate (%) (Note 3)	Portion of real estate leasing business revenue (%)	Primary use
Kawasaki Tech Center	23,725	22,737.07	22,737.07	100.0	18.4	Office
Shinagawa Seaside Parktower	20,004	22,205.78	21,564.68	97.1	13.5	Office
Tokyo Front Terrace	10,871	9,720.89	7,901.98	81.3	4.8	Office
Shinjuku Eastside Square	9,741	5,774.45	5,687.03	98.5	4.5	Office
AEON Kasai	9,585	28,338.45	28,338.45	100.0	Not disclosed (Note 4)	Retail
MI Terrace Nagoya Fushimi	8,921	11,625.38	11,625.38	100.0	5.5	Office
Rokko Island DC	7,674	15,563.37	15,563.37	100.0	Not disclosed (Note 4)	Industrial
Tsurumi Fuga 1	5,509	9,578.60	9,578.60	100.0	Not disclosed (Note 4)	Retail
Mi-Nara	5,089	43,329.82	39,664.89	91.5	9.4	Retail
Tokyo Eiseigakuen Senmongakko	4,106	4,220.46	4,220.46	100.0	Not disclosed (Note 4)	Educational
Total	105,230	173,094.27	166,881.91	96.4	70.7	

(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 October 31, 2022.

Name of real estate, etc.	Location (Note 1)	Type of ownership	Leasable area (sqm) (Note 2)	Book value at end of period (Million yen)	Appraisal value at end of period (Million yen) (Note 3)
Shinagawa Seaside Parktower	4-12-4, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	22,205.78	20,004	22,570
Kawasaki Tech Center	580-16, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficiaries	22,737.07	23,725	24,600
Shinjuku Eastside Square	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiaries	5,774.45	9,741	10,700
Tokyo Front Terrace	2-3-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	9,720.89	10,871	11,094
MI Terrace Nagoya Fushimi	1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	11,625.38	8,921	10,800
Orico Hakataeki Minami Building	3-7-10, Hakataeki-minami, hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	1,422.80	874	894
My Square Building	2-10-3, Azabu Juban, Minato-ku, Tokyo	Trust beneficiaries	1,795.74	2,945	3,060
Hiroshima Rijo-dori Building	3-1-9, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	3,611.85	2,344	2,540
BizMiiX Yodoyabashi	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiaries	1,020.82	2,008	2,240
TCA Building	2-3-19, Motomachi, Naniwa-ku, Osaka-shi, Osaka	Real estate	3,212.80	2,242	2,270
Ehime Building/Hiroshima	2-10, Naka-ku Mikawa-cho, Hiroshima-shi, Hiroshima	Trust beneficiaries	4,700.45	2,839	2,990
Shibuya World East Building	1-23-18, Shibuya, Shibuya-ku, Tokyo	Trust beneficiaries	1,701.55	3,367	5,250
THINGS Aoyama	4-10-15, Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiaries	997.62	2,944	3,240
MI Cube Sendai Clisroad	2-2-30, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	1,023.76	1,377	1,450
AEON Kasai	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo	Trust beneficiaries	28,338.45	9,585	9,550
MEGA Don Quijote Izumi-Chuo	5-6-17, Ibuki-no, Izumi-shi, Osaka	Trust beneficiaries	6,891.87	3,011	2,580
CAINZ MALL Hikone (land)	2-1-1, Bamba, Hikone-shi, Shiga	Trust beneficiaries	85,323.95	3,675	4,270
MaxValu Takatori (land)	3-16-18, Takatorikita, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	5,748.81	987	1,050
Tsurumi Fuga 1	2-1, Tsurumi-ku Toyooka-cho, Yokohama-shi, Kanagawa	Trust beneficiaries	9,578.60	5,509	5,800
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	2,132	2,260
Daiwa Roynet Hotel Akita	2-2-41, Omachi, Akita-shi, Akita	Trust beneficiaries	7,439.36	1,878	2,170
Super Hotel Sendai/Hirose-dori	2-9-23, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	3,283.95	1,226	1,670
Super Hotel Osaka/Tennoji	2-3-3, Osaka, Tennoji-ku, Osaka-shi, Osaka	Trust beneficiaries	2,486.39	1,239	1,590
Super Hotel Saitama/Omiya	1-12-6, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiaries	2,946.55	1,058	1,330
Super Hotel Kyoto/Karasumagojo	396-3, Osaka-cho, Gojo-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiaries	2,144.02	1,007	1,290
Ise City Hotel Annex	2-5-11, Fukiage, Ise-shi, Mie	Trust beneficiaries	4,099.31	1,898	1,880
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	784	833
Hotel Wing International Select Ueno/Okachimachi	2-18-4, Higashi-ueno, Taito-ku, Tokyo	Trust beneficiaries	3,079.33	3,790	4,050
Smile Hotel Naha City Resort	2-32-1, Kume, Naha-shi, Okinawa	Trust beneficiaries	9,698.44	4,022	4,000
Smile Hotel Hakataeki-Mae	3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,432.72	3,781	3,590
Smile Hotel Nagoya Sakae	4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	2,909.20	2,962	2,920
Mi-Nara	1-3-1, Nijo-ji-Minami, Nara-shi, Nara	Trust beneficiaries	43,329.82	5,089	3,760
Rokko Island DC	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiaries	15,563.37	7,674	8,880
Odawara Material Storage and Delivery Center (land)	2842-2 Sakaikyū, Kozu, Odawara-shi, Kanagawa	Real estate	16,529.10	2,423	2,570
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	4,106	4,290
Total			368,855.24	164,673	176,831

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

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

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

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

Name of real estate, etc.	The 12 th Period (From Nov. 1, 2021 to Apr. 30, 2022)				The 13 th Period (From May. 1, 2022 to Oct. 31, 2022)			
	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)
Shinagawa Seaside Parktower	23	96.3	740	14.0	22	97.1	749	13.5
Kawasaki Tech Center	27	100.0	979	18.6	27	100.0	1,024	18.4
Shinjuku Eastside Square	39	98.5	260	4.9	39	98.5	250	4.5
Tokyo Front Terrace	24	83.5	247	4.7	27	81.3	269	4.8
MI Terrace Nagoya Fushimi	8	100.0	293	5.6	8	100.0	304	5.5
Orico Hakataeki Minami Building	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
My Square Building	9	100.0	77	1.5	9	100.0	83	1.5
Hiroshima Rijo-dori Building	13	100.0	82	1.6	13	100.0	96	1.7
BizMiiX Yodoyabashi (Note 6)	26	58.9	21	0.4	34	80.2	44	0.8
TCA Building	7	100.0	66	1.3	8	100.0	75	1.4
Ehime Building/Hiroshima	21	100.0	58	1.1	20	98.6	106	1.9
Shibuya World East Building	8	100.0	114	2.2	8	100.0	110	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	34	0.6	3	100.0	36	0.7
AEON Kasai	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MEGA Don Quijote Izumi-Chuo	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
CAINZ MALL Hikone (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MaxValu Takatori (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Tsurumi Fuga 1	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	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	1.3
Daiwa Roynet Hotel Akita	1	100.0	69	1.3	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	39	0.7	1	100.0	37	0.7
Super Hotel Saitama/Omiya	1	100.0	35	0.7	1	100.0	35	0.6
Super Hotel Kyoto/Karasumagojo	1	100.0	31	0.6	1	100.0	31	0.6
Ise City Hotel Annex	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Comfort Hotel Kitakami	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Comfort Hotel Nagano (Note 5)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	-	-	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	171	3.2	1	100.0	154	2.8
Smile Hotel Hakataeki-Mae	1	100.0	34	0.6	1	100.0	28	0.5
Smile Hotel Nagoya Sakae	1	100.0	46	0.9	1	100.0	35	0.6
Mi-Nara	56	91.9	442	8.4	59	91.5	524	9.4
Rokko Island DC	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Odawara Material Storage and Delivery Center (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Yokohama-Daikokucho Maintenance Center (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Tokyo Eiseigakuen Senmongakko	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)

Name of real estate, etc.	The 12 th Period (From Nov. 1, 2021 to Apr. 30, 2022)				The 13 th Period (From May. 1, 2022 to Oct. 31, 2022)			
	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)
Total	290	98.1	5,275	100.0	302	98.1	5,553	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.

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

The outstanding contract amounts, etc. and current price of specified transactions as of October 31, 2022 is as follows:

Classification	Type	Contract amount, etc. (Thousand yen) (Note 1)		Market value (Thousand yen) (Note 2)
			Amount that exceeds 1 year	
Non-market transactions	Interest rate swap transactions Receive variable, pay fixed	63,100,000	52,600,000	201,852

(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 April 30, 2023 (14 th period)					
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work, compartment repair work, etc.	From November 2022 to April 2023	177,261	-	-
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Elevator renewal work, compartment repair work, electrical installation work, etc.	From November 2022 to April 2023	149,823	-	-
Ise City Hotel Annex (Ise-shi, Mie)	Renewal work, etc.	From January 2023 to April 2023	123,723	-	-
Mi-Nara (Nara-shi, Nara)	Compartment repair work, electrical installation work, etc.	From November 2022 to April 2023	92,866	-	-
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Lighting equipment installation, air-conditioning equipment work, etc.	From May 2022 to March 2023	84,053	-	-
Others	-	-	155,179	-	-

(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 495,581 thousand yen, and together with 90,139 thousand yen in repair expenses classified as expenses for the current fiscal period, a total of 585,721 thousand yen in construction work was conducted.

Name of real estate, etc. (Location)	Purpose	Construction period	Construction cost (Thousand yen)
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Automatic fire alarm equipment renewal work, compartment repair work, air-conditioning equipment work, etc.	From June 2020 to October 2022	138,035
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work, air-conditioning equipment work, etc.	From February 2022 to October 2022	98,639
Mi-Nara (Nara-shi, Nara)	Compartment repair work, lighting equipment installation, etc.	From April 2022 to October 2022	82,971
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Air-conditioning equipment work, electrical installation work, etc.	From May 2022 to October 2022	47,954
Orico Hakataeki Minami Building (Fukuoka-shi, Fukuoka)	Air-conditioning equipment work, etc.	From May 2022 to October 2022	27,599
Others	-	-	100,380
Total			495,581

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

5 Expenses

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

(Thousand yen)

Item	The 12 th Period From November 1, 2021 to April 30, 2022	The 13 th Period From May 1, 2022 to October 31, 2022
Asset management fee (Note)	434,547	469,384
Asset custody fee	8,916	9,291
Administrative service fees	18,588	18,211
Remuneration for directors	3,683	3,676
Other operating expenses	57,874	60,665
Total	523,610	561,229

(Note) In addition to the above, there are disposition fee of 16,700 thousand yen in the 13th fiscal period and acquisition fee of 106,500 thousand yen that are included in the book value of individual assets in the 12th 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)	Disposition date	Disposition price (Million yen) (Note 1)	Book value (Million yen)	Gain/loss on sale (Million yen) (Note 2)
Comfort Hotel Nagano	-	-	May 31, 2022	670	635	0
Orico Hakataeki Minami Building (50% quasi co-ownership)	-	-	October 31, 2022	1,000	874	113
Total	-	-	-	1,670	1,510	113

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

(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
Disposition	Comfort Hotel Nagano	May 31, 2022	Real estate trust beneficiary	670	588	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2021
	Orico Hakataeki Minami Building (50% quasi co-ownership)	October 31, 2022	Real estate trust beneficiary	1,000	890 (Note 3)	Daiwa Real Estate Appraisal Co., Ltd.	April 30, 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 disposition price does not include miscellaneous expenses, property tax, city planning tax, consumption tax and local consumption tax required for the acquisition of the relevant real estate, etc.

(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

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

Approval date	Item	Overview
August 25, 2022	Conclusion of memorandum of understanding regarding unitholders' register administration outsourcing agreement	In accordance with the revision of the Companies Act (start of electronic provision of unitholders' meeting materials), which will come into effect on September 1, 2022, a memorandum of understanding was signed to add the services of “Request for delivery of documents containing matters for electronic provision (including withdrawal) and acceptance of objections regarding the notice of termination of delivery of said documents” to the commission fees list of the “Unitholders' Register Administration Agreement” concluded by MIRAI with Sumitomo Mitsui Trust Bank, Limited..

(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 October 31, 2022, and the statements of income and retained earnings, changes in net assets, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2022, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

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

Other Information

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

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

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

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

We have nothing to report in this regard.



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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

January 27, 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 April 30, 2022	As of October 31, 2022
Assets		
Current assets		
Cash and deposits	2,050,206	4,508,815
Cash and deposits in trust	2,553,099	2,625,909
Operating accounts receivable	257,651	259,821
Prepaid expenses	147,320	145,581
Income taxes refund receivable	-	3
Consumption taxes receivable	92,266	-
Other	87	1,176
Total current assets	5,100,631	7,541,307
Non-current assets		
Property, plant and equipment		
Buildings	436,737	447,540
Accumulated depreciation	(16,131)	(22,313)
Buildings, net	420,605	425,226
Structures	564	564
Accumulated depreciation	(251)	(345)
Structures, net	313	219
Machinery and equipment	4,770	4,770
Accumulated depreciation	(39)	(278)
Machinery and equipment, net	4,730	4,491
Land	4,230,785	4,235,946
Buildings in trust	*1 37,118,626	*1 37,128,490
Accumulated depreciation	(5,133,371)	(5,690,612)
Buildings in trust, net	31,985,255	31,437,877
Structures in trust	318,733	317,976
Accumulated depreciation	(75,539)	(82,036)
Structures in trust, net	243,194	235,939
Machinery and equipment in trust	220,610	243,592
Accumulated depreciation	(69,918)	(77,643)
Machinery and equipment in trust, net	150,692	165,948
Tools, furniture and fixtures in trust	*1 281,097	*1 302,976
Accumulated depreciation	(67,601)	(91,388)
Tools, furniture and fixtures in trust, net	213,496	211,588
Land in trust	129,097,520	127,956,594
Construction in progress in trust	93,037	207
Total property, plant and equipment	166,439,632	164,674,040
Intangible assets		
Software	16,087	14,842
Other	231	231
Total intangible assets	16,318	15,073
Investments and other assets		
Long-term prepaid expenses	304,604	242,031
Deferred tax assets	18	-
Guarantee deposits	11,006	11,006
Other	56,134	257,986
Total investments and other assets	371,763	511,023
Total non-current assets	166,827,714	165,200,138
Deferred assets		
Investment corporation bond issuance costs	54,241	51,251
Total deferred assets	54,241	51,251
Total assets	171,982,587	172,792,696

(Thousands of yen)

	As of April 30, 2022	As of October 31, 2022
Liabilities		
Current liabilities		
Operating accounts payable	480,597	707,310
Distributions payable	10,503	11,505
Current portion of long-term borrowings	7,000,000	10,500,000
Accounts payable - other	502,516	548,634
Accrued expenses	3,471	1,157
Income taxes payable	981	605
Accrued consumption taxes	-	262,668
Advances received	660,487	667,075
Deposits received	5,001	606
Other	17,854	11,529
Total current liabilities	8,681,414	12,711,092
Non-current liabilities		
Investment corporation bonds	6,200,000	6,200,000
Long-term borrowings	70,800,000	67,300,000
Leasehold and guarantee deposits received	148,766	143,238
Leasehold and guarantee deposits received in trust	5,405,910	5,410,299
Derivatives liabilities	2,664	-
Total non-current liabilities	82,557,341	79,053,537
Total liabilities	91,238,755	91,764,630
Net assets		
Unitholders' equity		
Unitholders' capital	78,499,868	78,499,868
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*4 (350,732)	*4 (1,771)
Total deduction from unitholders' capital	(350,732)	(1,771)
Unitholders' capital, net	78,149,135	78,498,097
Surplus		
Unappropriated retained earnings (undisposed loss)	2,597,360	2,328,117
Total surplus	2,597,360	2,328,117
Total unitholders' equity	80,746,496	80,826,214
Valuation and translation adjustments		
Deferred gains or losses on hedges	(2,664)	201,852
Total valuation and translation adjustments	(2,664)	201,852
Total net assets	*3 80,743,832	*3 81,028,066
Total liabilities and net assets	171,982,587	172,792,696

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended April 30, 2022	For the six-month period ended October 31, 2022
Operating revenue		
Leasing business revenue	*1 4,452,612	*1 4,590,191
Other leasing business revenue	*1 822,390	*1 962,876
Gain on sales of real estate properties	-	*2 113,324
Total operating revenue	5,275,003	5,666,391
Operating expenses		
Expenses related to leasing business	*1 2,203,860	*1 2,493,283
Asset management fee	434,547	469,384
Asset custody fees	8,916	9,291
Administrative service fees	18,588	18,211
Remuneration for directors (and other officers)	3,683	3,676
Other operating expenses	57,874	60,665
Total operating expenses	2,727,470	3,054,513
Operating income	2,547,532	2,611,878
Non-operating income		
Interest income	23	21
Gain on forfeiture of unclaimed distributions	1,027	938
Interest on tax refund	284	350
Subsidy income	516	-
Total non-operating income	1,851	1,310
Non-operating expenses		
Interest expenses	202,668	212,922
Interest expenses on investment corporation bonds	22,586	23,300
Amortization of investment corporation bond issuance costs	2,990	2,990
Borrowing related expenses	46,740	49,220
Investment unit issuance expenses	25,756	-
Other	3,000	-
Total non-operating expenses	303,742	288,433
Ordinary income	2,245,641	2,324,755
Net income before income taxes	2,245,641	2,324,755
Income taxes - current	985	605
Income taxes - deferred	5	18
Total income taxes	990	623
Net income	2,244,651	2,324,132
Retained earnings brought forward	352,709	3,984
Unappropriated retained earnings (undisposed loss)	2,597,360	2,328,117

(3) Statement of Changes in Net Assets

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

(Thousands of yen)

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

(Thousands of yen)

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

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

(4) Statement of Cash Distributions

(Yen)

	Fiscal Period ended April 2022 (The 12 th period from November 1, 2021 to April 30, 2022)	Fiscal Period ended October 2022 (The 13 th period from May 1, 2022 to October 31, 2022)
I Unappropriated retained earnings (undisposed loss)	2,597,360,578	2,328,117,303
II Capitalization	348,961,200	1,771,440
Reversal of allowance for temporary difference adjustment	348,961,200	1,771,440
III Distributions	2,244,414,480	2,325,900,720
[Distributions per unit]	[1,267]	[1,313]
IV Retained earnings to be carried forward (retained loss)	3,984,898	445,143
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, 2,244,414,480 yen, which is the total amount of profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan after deduction of reversal of allowance for temporary difference adjustment (as stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).	In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, 2,325,900,720 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).

(5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended April 30, 2022	For the six-month period ended October 31, 2022
Cash flows from operating activities		
Net income before income taxes	2,245,641	2,324,755
Depreciation	641,351	660,719
Amortization of investment corporation bond issuance costs	2,990	2,990
Investment unit issuance expenses	25,756	-
Interest income	(23)	(21)
Interest expenses	225,254	236,222
Decrease (increase) in operating accounts receivable	(30,379)	(2,169)
Decrease (increase) in prepaid expenses	(15,536)	1,739
Decrease (increase) in consumption taxes receivable	(35,090)	92,266
Increase (decrease) in operating accounts payable	(110,213)	156,324
Increase (decrease) in accounts payable - other	(6,886)	46,117
Increase (decrease) in accrued consumption taxes	-	262,668
Increase (decrease) in advances received	35,423	6,587
Decrease (increase) in long-term prepaid expenses	(40,609)	62,573
Decrease in property, plant and equipment in trust due to sale	-	1,510,166
Other, net	20,682	(12,747)
Subtotal	2,958,361	5,348,192
Interest received	23	21
Interest paid	(227,166)	(238,536)
Income taxes paid	(1,100)	(984)
Net cash provided by (used in) operating activities	2,730,118	5,108,692
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(9,931)
Purchase of property, plant and equipment in trust	(11,455,784)	(322,431)
Refund of leasehold and guarantee deposits received	(3,486)	(5,528)
Proceeds from leasehold and guarantee deposits received	2,144	-
Refund of leasehold and guarantee deposits received in trust	(155,587)	(102,419)
Proceeds from leasehold and guarantee deposits received in trust	511,422	106,809
Payments for restricted bank deposits held in trust	(0)	(0)
Other payments	(4,254)	(1,297)
Net cash provided by (used in) investing activities	(11,105,547)	(334,800)
Cash flows from financing activities		
Proceeds from long-term borrowings	14,100,000	-
Repayments of long-term borrowings	(10,000,000)	-
Proceeds from issuance of investment corporation bonds	1,186,268	-
Proceeds from issuance of investment units	4,958,022	-
Distributions paid	(2,139,562)	(2,242,474)
Net cash provided by (used in) financing activities	8,104,728	(2,242,474)
Net increase (decrease) in cash and cash equivalents	(270,701)	2,531,418
Cash and cash equivalents at beginning of period	4,691,905	4,421,204
Cash and cash equivalents at end of period	*1 4,421,204	*1 6,952,622

(6) Notes to the financial statements

[Notes on Assumption of Going Concern]

Not applicable to the 13th 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 October 31, 2022, the numbers of investment units issued and outstanding are 1,771,440 units and MIRAI owns 37 properties (total acquisition price of 163,134 million yen).

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

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

[Basis of Presenting Financial Statements]

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

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

[Summary of Significant Accounting Policies]

<p>1. Depreciation method for non-current assets</p>	<p>A. Property, plant, and equipment (including trust assets) The straight-line method is used. The useful lives of property, plant and equipment are listed below.</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Buildings</td> <td>2 to 64 years</td> </tr> <tr> <td>Structures</td> <td>2 to 40 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>5 to 29 years</td> </tr> <tr> <td>Tool, furniture and fixtures</td> <td>2 to 15 years</td> </tr> </table> <p>B. Intangible assets As for software (for internal use), the straight-line method is used with an expected useful life of 5 years.</p> <p>C. Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 64 years	Structures	2 to 40 years	Machinery and equipment	5 to 29 years	Tool, furniture and fixtures	2 to 15 years
Buildings	2 to 64 years								
Structures	2 to 40 years								
Machinery and equipment	5 to 29 years								
Tool, furniture and fixtures	2 to 15 years								
<p>2. Accounting for deferred assets</p>	<p>A. Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized by the straight-line method over the period through redemption.</p> <p>B. Investment unit issuance expenses Investment unit issuance expenses are fully expensed as incurred.</p>								
<p>3. Accounting for income and expenses</p>	<p>A. Accounting for property taxes Property tax, city planning tax, depreciable asset tax, and the like levied on real estate assets and other properties are accounted for as expenses related to rent business at the amounts corresponding to the fiscal period. The amount of property tax, etc. paid to the seller as part of settlement for acquisition of real estate and real estate in trust is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. In the 12th Period, the property tax, etc. included in the acquisition cost of real estate was 49,924 thousand yen. In the 13th Period, the property tax, etc. included in the acquisition cost of real estate was not applicable.</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</p> <p>With regard to trust beneficiary right for real estate, etc. held as trust asset, all assets and liabilities as well as all revenue and expense items associated with trust assets are accounted for under the respective account items of the Balance Sheet and Statement of Income and Retained Earnings. Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the Balance Sheet.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, Structures in trust, Tools, furniture and fixtures in trust and Land in trust, Construction in progress in trust</p> <p>(c) Leasehold and guarantee deposits received in trust</p> <p>B. Method of accounting for consumption taxes unqualified for deduction</p> <p>Consumption taxes unqualified for deduction for tax purposes for noncurrent assets, etc. are included in acquisition cost for each asset.</p>
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[Notes to Significant Accounting Estimates]

(Evaluation of fixed assets)

1. Amount recorded in financial statements

(Thousands of yen)

	The 12 th Period (as of April 30, 2022)	The 13 th Period (as of October 31, 2022)
Property, plant and equipment	166,439,632	164,674,040
Loss on impairment	-	-

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

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

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

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

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

[Notes to Changes in Accounting Policies]

Not applicable.

[Additional Information]

[Notes to Allowance for Temporary Difference Adjustment]

The 12th Period (from November 1, 2021 to April 30, 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	348,961

2. Specific approach of reversal

Deferred gains or losses on hedges

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

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.

[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 12 th Period (as of April 30, 2022)	The 13 th Period (as of October 31, 2022)
Buildings in trust	213,030	213,030
Tools, furniture, and fixtures in trust	328	328

*2. Commitment line contracts

MIRAI has the commitment line contracts with the banks.

(Thousands of yen)

	The 12 th Period (as of April 30, 2022)	The 13 th Period (as of October 31, 2022)
Total amount specified in the commitment line contracts	3,000,000	3,000,000
Borrowing balance at end of period	-	-
Outstanding loan commitments at end of period	3,000,000	3,000,000

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

(Thousands of yen)

The 12 th Period (as of April 30, 2022)	The 13 th Period (as of October 31, 2022)
50,000	50,000

*4. Allowance for temporary difference adjustment

The 12th Period (from November 1, 2021 to April 30, 2022)

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

(Thousands of yen)

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

2. Specific approach of reversal

Deferred gains or losses on hedges

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

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.

[Notes to Statement of Income and Retained Earnings]

*1. Breakdown of income from real estate leasing business

(Thousands of yen)

	The 12 th Period (from November 1, 2021 to April 30, 2022)		The 13 th Period (from May 1, 2022 to October 31, 2022)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	4,081,001		4,191,450	
Land rents received	202,072		223,945	
Facility charges	169,539	4,452,612	174,794	4,590,191
Other lease business revenue				
Utilities charges	569,581		686,476	
Other operating income	252,809	822,390	276,399	962,876
Total real estate leasing business revenue		5,275,003		5,553,067
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Outsourcing service expenses	370,255		377,719	
Utilities expenses	456,817		634,557	
Taxes and dues	391,162		428,777	
Repair expenses	64,048		90,139	
Depreciation	640,320		659,742	
Other expenses related to rent business	281,255		302,346	
Total real estate leasing business expenses		2,203,860		2,493,283
(iii) Income from real estate leasing business (i - ii)		3,071,142		3,059,783

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

The 12th Period (from November 1, 2021 to April 30, 2022)

Not applicable.

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

Gain on sales of real estate properties 17

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

Gain on sales of real estate properties 113,307

[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 12 th Period (from November 1, 2021 to April 30, 2022)	The 13 th Period (from May 1, 2022 to October 31, 2022)
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 12 th Period (from November 1, 2021 to April 30, 2022)	The 13 th Period (from May 1, 2022 to October 31, 2022)
Cash and deposits	2,050,206	4,508,815
Cash and deposits in trust	2,553,099	2,625,909
Restricted deposits held in trust (Note)	(182,101)	(182,102)
Cash and cash equivalents	4,421,204	6,952,622

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

[Lease Transactions]

Operating lease transactions (as a lessor)

(Thousands of yen)

	The 12 th Period (from November 1, 2021 to April 30, 2022)	The 13 th Period (from May 1, 2022 to October 31, 2022)
Future lease payments receivable		
Due within one year	4,336,431	4,217,911
Due after one year	33,194,651	31,302,139
Total	37,531,082	35,520,051

[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 April 30, 2022 are as follows;

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

(Thousands of yen)

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

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	-

*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 April 30, 2022)

(Thousands of yen)

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

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

[Notes to Investment Securities]

The 12th Period (as of April 30, 2022)

Not applicable to the 12th Period.

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

Not applicable to the 13th Period.

[Notes to Derivatives]

The 12th Period (as of April 30, 2022)

1. Transactions not applicable to hedge accounting

Not applicable to the 12th Period.

2. Transactions applicable to hedge accounting

The 12th Period (from November 1, 2021 to April 30, 2022)

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

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

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

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

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	63,100,000	52,600,000	201,852	Based on prices and other conditions presented by financial institutions

[Notes to Retirement Benefits]

The 12th Period (as of April 30, 2022)

Not applicable to the 12th Period.

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

Not applicable to the 13th Period.

[Tax Effect Accounting]

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

(Thousands of yen)

	The 12 th Period (as of April 30, 2022)	The 13 th Period (as of October 31, 2022)
Deferred tax assets		
Enterprise tax not deductible	18	-
Deferred losses on hedges	838	-
Subtotal deferred tax assets	856	-
Valuation allowance	(838)	-
Total deferred tax assets	18	-
Deferred tax assets, net	18	-

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

	The 12 th Period (as of April 30, 2022)	The 13 th Period (as of October 31, 2022)
Effective statutory tax rate	31.46%	31.46%
(Adjustments)		
Deductible cash distributions	(31.44%)	(31.48%)
Other	0.03%	0.04%
Effective tax rate after applying tax effect accounting	0.04%	0.03%

[Notes to Equity in Earnings of Affiliates]

The 12th Period (as of April 30, 2022)

Not applicable to the 12th Period.

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

Not applicable to the 13th Period.

[Transactions with Related Parties]

1. Parent company and principal corporate unitholders

The 12th Period (from November 1, 2021 to April 30, 2022)

Not applicable to the 12th Period.

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

Not applicable to the 13th Period.

2. Subsidiaries and affiliates

The 12th Period (from November 1, 2021 to April 30, 2022)

Not applicable to the 12th Period.

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

Not applicable to the 13th Period.

3. Sister companies

The 12th Period (from November 1, 2021 to April 30, 2022)

Not applicable to the 12th Period.

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

Not applicable to the 13th Period.

4. Directors and principal individual unitholders

The 12th Period (from November 1, 2021 to April 30, 2022)

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

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

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

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

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.

[Notes to Asset retirement obligations]

The 12th Period (as of April 30, 2022)

Not applicable to the 12th Period.

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

Not applicable to the 13th Period.

[Notes to Lease Properties]

MIRAI holds offices, retails, hotels, 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 12 th Period (from November 1, 2021 to April 30, 2022)	The 13 th Period (from May 1, 2022 to October 31, 2022)
Amount on the balance sheet		
Balance at the beginning of the period	155,488,025	166,346,594
Changes during the period	10,858,568	(1,672,761)
Balance at the end of the period	166,346,594	164,673,833
Fair value at the end of the period	177,610,600	176,831,600

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

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

(Note 3) Of the amount of increase (decrease) of the lease properties during the 12th period, the reason of increase is mainly attributable to acquisition of 4 real estate trust beneficiary rights (10,997,213 thousand yen) and the reason of decrease is mainly attributable to depreciation (638,798 thousand yen). 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).

(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 13th 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 12th Period (from November 1, 2021 to April 30, 2022)

(Thousands of yen)

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

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

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).

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

The 12th Period (from November 1, 2021 to April 30, 2022)

As stated in the Summary of Significant Accounting Policies.

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

As stated in the Summary of Significant Accounting Policies.

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

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

	The 12 th Period (from November 1, 2021 to April 30, 2022)	The 13 th Period (from May 1, 2022 to October 31, 2022)
Receivables arising from contracts with customers (at beginning of fiscal period)	105,238 thousand yen	111,237 thousand yen
Receivables arising from contracts with customers (at end of fiscal period)	111,237 thousand yen	125,750 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

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.

[Segment Information]

(i) Segment information

The 12th Period (from November 1, 2021 to April 30, 2022)

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

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.

(ii) Related information

The 12th Period (from November 1, 2021 to April 30, 2022)

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

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

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.

[Per Unit Information]

	The 12 th Period (from November 1, 2021 to April 30, 2022)	The 13 th Period (from May 1, 2022 to October 31, 2022)
Net assets per unit	45,580 yen	45,741 yen
Net income per unit	1,291 yen	1,312 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 12 th Period (from November 1, 2021 to April 30, 2022)	The 13 th Period (from May 1, 2022 to October 31, 2022)
Net income	2,244,651	2,324,132
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	2,244,651	2,324,132
Average number of investment units during period	1,738,544 units	1,771,440 units

[Notes to Significant Subsequent Events]

Disposition of an asset

MIRAI disposed the following asset after the end of the 13th Period (October 31, 2022).

Name of the asset	Orico Hakataeki Minami Building (50% quasi co-ownership)
Type of specified assets	Real estate trust beneficiary
Address (lot number)	3-7-30, Hakataeki-Minami, Hakata-ku, Fukuoka-shi, Fukuoka
Agreement date	October 28, 2022
Disposition date	November 30, 2022
Buyer	RICOH LEASING COMPANY, LTD.
Disposition price	1,000 million yen (Note)
Impact on profit and loss	MIRAI expects to record 114 million yen for the fiscal period ending April 30, 2023 in gain on sales of real estate properties (disposition gain) as operating revenue.

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

[Annexed Table]

(i) Securities

Not applicable.

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

(Thousand yen)

Classification	Type of derivative transactions	Primary hedged items	Contract amount		Fair value	Method used to calculate the fair value
				Amount over one year		
Non-market transaction	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	63,100,000	52,600,000	201,852	Based on the amount provided by counterparty financial institutions.

(iii) Real Estate, etc.

(Thousand yen)

Type of assets		Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Accumulated depreciation		Net balance at end of period	Remarks
						or Accumulated amortization	Depreciation and amortization		
Total property, plant and equipment	Building	436,737	10,803	-	447,540	22,313	6,181	425,226	(Note)
	Structures	564	-	-	564	345	94	219	
	Machinery and equipment	4,770	-	-	4,770	278	238	4,491	
	Land	4,230,785	5,161	-	4,235,946	-	-	4,235,946	(Note)
	Building in trust	37,118,626	434,757	424,893	37,128,490	5,690,612	613,186	31,437,877	(Note)
	Structures in trust	318,733	-	757	317,976	82,036	6,962	235,939	(Note)
	Machinery and equipment in trust	220,610	22,981	-	243,592	77,643	7,725	165,948	(Note)
	Tools, furniture and fixtures in trust	281,097	21,878	-	302,976	91,388	23,787	211,588	(Note)
	Land in trust	129,097,520	-	1,140,926	127,956,594	-	-	127,956,594	(Note)
	Construction in progress in trust	93,037	207	93,037	207	-	-	207	(Note)
	Subtotal	171,802,485	495,788	1,659,615	170,638,658	5,964,617	658,176	164,674,040	
Intangible assets	Software	28,200	1,297	-	29,498	14,656	2,543	14,842	
	Other	231	-	-	231	-	-	231	
	Subtotal	28,431	1,297	-	29,729	14,656	2,543	15,073	
Total		171,830,917	497,086	1,659,615	170,668,388	5,979,274	660,719	164,689,114	

(Note) The increase in property, plant and equipment during the period is due to construction work, etc. that falls under capital expenditures. The decrease is due to the disposition of two properties.

(iv) Other Specified Assets

Not applicable.

(v) Investment Corporation Bonds

(Thousand yen)

Brand name	Issuance date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Interest rate (%)	Redemption date	Usage	Collateral
First Series of Unsecured Investment Corporation Bonds	July 26, 2018	1,000,000	-	-	1,000,000	0.640	July 26, 2028	Repayment of borrowings	(Note 1)
Second Series of Unsecured Investment Corporation Bonds	July 13, 2020	1,000,000	-	-	1,000,000	0.800	July 12, 2030	Repayment of borrowings	(Note 1)
Third Series of Unsecured Investment Corporation Bonds	September 28, 2021	2,000,000	-	-	2,000,000	0.700	September 26, 2031	Repayment of borrowings	(Note 1)
Fourth Series of Unsecured Investment Corporation Bonds	September 28, 2021	1,000,000	-	-	1,000,000	0.980	September 26, 2036	Repayment of borrowings	(Note 1)
Fifth Series of Unsecured Investment Corporation Bonds (Green bond)	November 30, 2021	1,200,000	-	-	1,200,000	0.700	November 28, 2031	Repayment of borrowings	(Note 1)
Total	-	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
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
	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			
	Shinsei Bank, Limited	November 1, 2018	-	1,000,000	-	1,000,000	0.42180	October 31, 2023			
	Subtotal		7,000,000	3,500,000	-	10,500,000					
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			
	Development Bank of Japan Inc.	December 16, 2016	2,000,000	-	-	2,000,000	0.62125	November 30, 2023			
	Mizuho Trust & Banking Co., Ltd.	April 28, 2017	2,000,000	-	-	2,000,000	0.45000	April 30, 2024			
	Sumitomo Mitsui Trust Bank, Limited	October 26, 2017	2,000,000	-	-	2,000,000	0.54375	July 31, 2025			
	Shinsei Bank, Limited	October 26, 2017	1,000,000	-	-	1,000,000	0.54375	July 31, 2025			
	The Nanto Bank, Ltd.	October 26, 2017	1,000,000	-	-	1,000,000	0.54375	July 31, 2025			
	Resona Bank, Limited	October 26, 2017	1,000,000	-	-	1,000,000	0.70900	July 30, 2027			
	Sumitomo Mitsui Banking Corporation	October 31, 2017	4,000,000	-	-	4,000,000	0.72750	October 29, 2027			
	The Bank of Fukuoka, Ltd.	October 31, 2017	1,000,000	-	-	1,000,000	0.72750	October 29, 2027			
	Shinsei Bank, Limited	March 1, 2018	1,000,000	-	-	1,000,000	0.57350	January 30, 2026			

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	Resona Bank, Limited	March 1, 2018	500,000	-	-	500,000	0.57350	January 30, 2026	Bullet repayment on maturity	(Note 3)	Unguaranteed/Unsecured
	Mizuho Bank, Ltd.	March 1, 2018	1,000,000	-	-	1,000,000	0.48000	January 31, 2024			
	Sumitomo Mitsui Banking Corporation	May 15, 2018	2,000,000	-	-	2,000,000	0.52770	April 30, 2025			
	Mizuho Bank, Ltd.	May 15, 2018	1,500,000	-	-	1,500,000	0.56000	April 30, 2025			
	Mizuho Trust & Banking Co., Ltd.	August 1, 2018	1,700,000	-	-	1,700,000	0.62000	July 31, 2028			
	Mizuho Bank, Ltd.	November 1, 2018	2,500,000	-	-	2,500,000	0.68000	October 30, 2026			
	Sumitomo Mitsui Banking Corporation	November 1, 2018	3,000,000	-	-	3,000,000	0.56800	October 31, 2025			
	Sumitomo Mitsui Trust Bank, Limited	November 1, 2018	2,500,000	-	2,500,000	-	0.42180	October 31, 2023			
	Shinsei Bank, Limited	November 1, 2018	1,000,000	-	1,000,000	-	0.42180	October 31, 2023			
	MUFG Bank, Ltd.	April 30, 2021	1,500,000	-	-	1,500,000	0.45000	April 30, 2024			
	MUFG Bank, Ltd.	October 29, 2021	1,500,000	-	-	1,500,000	0.38000	October 31, 2024			
	Mizuho Bank, Ltd.	November 30, 2021	1,500,000	-	-	1,500,000	0.39900	October 30, 2026			
	Mizuho Bank, Ltd.	November 30, 2021	3,300,000	-	-	3,300,000	0.46240	November 30, 2028			
	Mizuho Bank, Ltd. (Green Loan)	November 30, 2021	4,000,000	-	-	4,000,000	0.50900	November 30, 2029			
	MUFG Bank, Ltd.	January 12, 2022	1,000,000	-	-	1,000,000	0.38000	December 30, 2024			
	Sumitomo Mitsui Trust Bank, Limited	January 12, 2022	1,000,000	-	-	1,000,000	0.37950	December 30, 2026			
	Shinsei Bank, Limited	January 12, 2022	1,000,000	-	-	1,000,000	0.42950	December 30, 2026			
	Sumitomo Mitsui Banking Corporation	January 12, 2022	1,000,000	-	-	1,000,000	0.47850	December 29, 2028			
	Mizuho Bank, Ltd.	March 25, 2022	1,000,000	-	-	1,000,000	0.61500	February 28, 2029			
	Resona Bank, Limited	March 25, 2022	300,000	-	-	300,000	0.59500	February 28, 2029			
	Subtotal		70,800,000	-	3,500,000	67,300,000					
	Total		77,800,000	3,500,000	3,500,000	77,800,000					

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

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

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

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

(Thousand yen)

	Within 1 year	Over 1 year and within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	10,500,000	18,000,000	16,500,000	5,500,000	16,000,000	11,300,000