

March 27, 2020

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

Michio Suganuma, Executive Director

(Securities Code: 3476)

Asset Management Company:

Mitsui Bussan & IDERA Partners Co., Ltd.

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Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan  
(“Hiroshima Rijo-dori Building” and “MI Cube Sendai Clisroad”)

Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset Manager”), the asset management company of MIRAI Corporation (hereinafter “MIRAI”) announces that MIRAI has decided to make the acquisition (hereinafter “Acquisition”) of assets as follows.

1. Overview of the Acquisition

(1) Assets to be Acquired

Asset Category/ Asset Type (Note 1)		Name	Agreement Date (Note 2)	Acquisition Date	Seller	Acquisition Price (million yen) (Note 3)
Core Asset	Office	Hiroshima Rijo-dori Building	March 31, 2020	March 31, 2020	Bestland Co., Ltd.	2,250
	Retail	MI Cube Sendai Clisroad				1,330
Total						3,580

(Note 1) “Asset Category/Asset Type” is a classification based on the usage of assets. For details, please refer to Reference Material 3 “Descriptions of the details of assets to be acquired.”

(Note 2) “Agreement Date” is the expected signing date of the sale and purchase agreement with the seller.

(Note 3) “Acquisition Price” shows the purchase and sale value of each asset to be acquired that is stated in the sale and purchase agreement entered with the sellers. The purchase and sale values do not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. The same shall apply hereinafter.

(2) Funds for Acquisition: Loans and own funds

(Note) For details of the loans, please refer to the “Notice Concerning Borrowing of Funds” announced today.

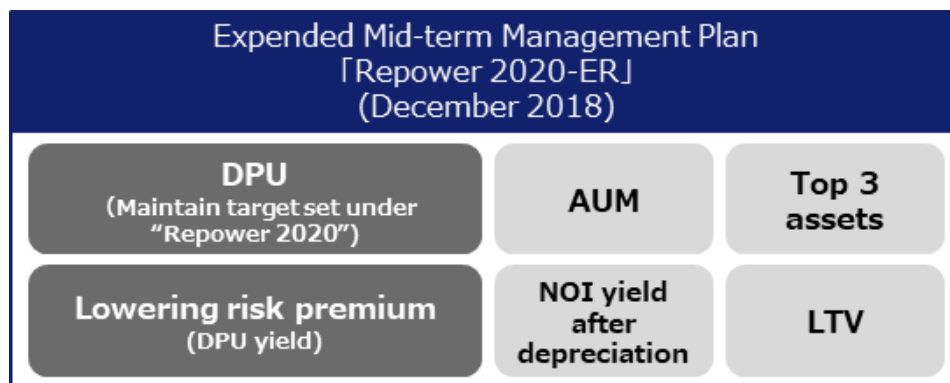
(3) Payment Method:

The entire amount will be paid on the date of acquisition.

## 2. Reasons for Acquisition

Taking into comprehensive consideration of portfolio construction policy, real estate market trend and characteristics of the individual properties and so on, MIRAI has decided to acquire the assets so as to realize improvement of unitholders values with sustainable growth of DPU and strategic portfolio management based on expanded mid-term management plan, “Repower 2020-ER”, through portfolio expansion, risk diversification and increase of profitability.

(Reference) Overview of Repower 2020-ER



Under “Repower 2020-ER”, MIRAI has set of 1) lowering risk premium and 2) maintaining DPU at the same level as the “Repower 2020” as its two targets and manages the portfolio with 4 quantitative standards in mind, namely AUM, NOI yield after depreciation, concentration of top 3 assets and LTV ratio, in order to further diversify and lower total risk of the portfolio. Under acquisition strategy of each asset class, MIRAI focuses on office assets with potential upside and retail assets with scarcity value in terms of location and upside to intrinsic value of asset. The assets to be acquired match this management policy.

(Reference) Profitability of Assets to be Acquired

Name	Acquisition Price (million yen)	Appraisal Value (million yen)	Appraisal NOI Yield (Note 1)	NOI Yield after Depreciation (Note 2)
Hiroshima Rijo-dori Building	2,250	2,450	5.3%	4.7%
MI Cube Sendai Clisroad	1,330	1,450	5.0%	4.8%
Total/Average	3,580	3,900	5.2%	4.7%

(Note 1) “Appraisal NOI Yield” is calculated by dividing the appraisal NOI by the Acquisition Price rounding to the nearest tenth. “Appraisal NOI Yield” in the “Total/Average” shows “Average Appraisal NOI Yield”. The “Average Appraisal NOI yield” is weighted average of “Appraisal NOI Yield” by the Acquisition Price of each asset. Appraisal NOI refers to the net operating income (NOI) obtained by subtracting operating expenses from operating revenues stated in the appraisal report, and it is income before subtracting depreciation. It differs from net cash flow (NCF) which is derived by adding investment management profits on investment from security deposit and subtracting the capital expenditures. The above appraisal NOI means the 1<sup>st</sup> year NOI under DCF method (if any specific factors for the 1<sup>st</sup> year, it means the 2<sup>nd</sup> or the 3<sup>rd</sup> year NOI).

(Note 2) “NOI Yield after Depreciation” is calculated by subtracting depreciation from the appraisal NOI and dividing by the expected Acquisition Price rounding to the nearest tenth. “NOI Yield after Depreciation” in the “Total/Average” shows “Average NOI Yield after Depreciation”. “Average NOI Yield after Depreciation” is weighted average of “NOI Yield after Depreciation” by the Acquisition Price of each asset. Depreciation is estimated value calculated by the Asset Manager using straight-line method with certain assumptions. The same shall apply hereinafter.

### 3. Details of the Acquisition

#### <Hiroshima Rijo-dori Building>

Property Name	Hiroshima Rijo-dori Building		Asset Category		Core Asset
			Asset Type		Office
Overview of the Specified Asset					
Acquisition Date	March 31, 2020		Type of Specified Assets		Trust Beneficiaries
Acquisition Price	2,250 million yen		Overview of Trust Beneficiaries	Trustee	Sumitomo Mitsui Trust Bank, Limited
Appraisal Value (Appraisal Date)	2,450 million yen (February 29, 2020)			Expiry Date of Trust	
Nearest Station	1-minute walk from “Chuden-mae” Station of Hiroshima Electric Railway Ujina Line				
Address (Residential Address)	3-1-9, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima				
Land	Lot Number	3-1-11, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima Other 4 parcel of land	Building	Date of Building	May 21, 1993
	Building Coverage Ratio	100% (Note)		Structure	A) (Office/Garage) 10-story flat roof steel structure B) (Parking space) 1-story flat roof steel structure
	Floor Area Ratio	800%		Usage	A) Office/Garage B) Parking space
	Use Districts	Commercial district		Gross Floor Area	A) 4,891.01 sqm B) 77.30 sqm
	Site Area	674.76 sqm		Number of Parking Spaces	58
	Ownership Structure	Ownership rights		Ownership Structure	Ownership rights
PM Company	CBRE K.K.		ML Company (expected)	MIRAI Corporation	
Special Comment					
Not applicable					
(Note) Specified building coverage ratio is 80%. However, the building has received relaxation to 100% for fireproof building located in a fire prevention district.					
Overview of Lease					
Total Rentable Area	3,611.85 sqm		Occupancy Ratio	87.7%	
Principal Tenant	Not disclosed (Note)		Number of Tenants	12	
Annual Rent	118 million yen		Guarantee Deposit	72 million yen	
(Note) Not disclosed due to the absence of a tenants' consent.					
Overview of Summary of Engineering Report					
Survey Company	Daiwa Real Estate Appraisal Co., Ltd		Urgent Repairs	-	
Date of the Report	February 2020		Long-term Repairs	17,517 thousand yen	
Overview of seismic risk analysis					
Survey Company	Tokio Marine & Nichido Risk Consulting Co., Ltd.		PML	5.0% (Note)	
(Note) Detailed investigation (Phase 2).					
Collateral	Not applicable				

Overview of the Real Estate Appraisal Report	
Appraisal Value	2,450 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	February 29, 2020

(million yen)

Item	Details	Remarks, etc.
Valuation	2,450	
Value based on the direct capitalization method	2,520	
Operating revenues	173	
Potential gross revenues: Sum of (a) through (d)	182	
(a) Rental revenues from rooms for rent including common area charges	148	Reported based on current rent, new rent and its trend for similar properties in the same market while giving consideration to medium- to long-term competitiveness of the property.
(b) Utilities revenues	13	Assessed based on actual amount from previous years while giving consideration to occupancy level.
(c) Parking revenues	19	Reported based on current rent, actual cases and trend of rent in surrounding area, while giving consideration to medium- to long-term competitiveness of the property.
(d) Other revenues	1	Reported based on the contracted and actual amount from previous years.
Losses from vacancy, etc.	9	Assessed based on the actual vacancy and average level of vacancy of similar properties while giving considerations to the competitiveness of the property.
Operating expenses	45	
Maintenance expenses	8	Assessed with reference to maintenance expenses of similar properties and quotations.
Utilities expenses	13	Assessed with reference to actual amount from previous years.
Repair expenses	4	Reported based on repair expenses in the engineering report.
PM fees	2	Assessed with reference to quotations.
Advertisement and leasing expenses, etc.	1	Assessed with reference to leasing expenses of similar properties.
Taxes and public dues	13	Assessed based on the actual amount of FY2019.
Property and casualty insurance premiums	0	
Other expenses	0	
Net operating income	127	
Investment gains on lump-sum payment	1	Assessed based on comprehensive view of the management status of lump-sum payment from both investment management and funding aspects.
Capital expenditures	12	Reported based renewal expenses on engineering report which was judged reasonable while giving consideration to construction management fee.
Net cash flow	116	
Capitalization rate	4.6%	Assessed based on comprehensive view of location, condition of the building and other factors.
Value based on DCF method	2,420	
Discount rate	4.4%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	4.8%	Assessed considering the cap rate and the marketability of the property at the end of analysis period.
Value based on cost approach	2,270	
Ratio of land	80.1%	
Ratio of building	19.9%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

### Characteristics of the Property

#### <Location>

- The property is located within 1-minute walk from “Chuden-mae” station of Hiroshima Electric Railway. Hiroshima city has substantial bus network and multiple routes are available at the bus stop located at 1-minute walk from the property and hence it is highly valued for its location even within the “Otemachi zone” where the property is located.
- Hiroshima city office, Naka-ku office and Hiroshima central post office are located in “Otemachi zone” and hence demand as branch offices for public institutions as well as demand from companies with business relationship with them can be expected.
- Facing Rijo-dori which intersects with major arterial roads such as Heiwaodori and National route 2, it is highly convenient as field offices that use cars. In addition, there is high concentration of businesses including government offices such as Hiroshima prefectural office and Hiroshima city office, as well as offices of major corporations, financial institutions and broadcasting stations.

#### <Specifications>

- There are many relatively small- to mid-sized offices in “Otemachi zone”. The property is average sized with approximately 120 tsubo per standard floor and is in the main segment of the area.
- The specification of the building stands out from surrounding properties as entrance has highly stylish pilotis and aluminum curtain wall is used for the front of the building.
- Renovation was performed for air-conditioning equipment, common corridors, bathrooms and entrance area over multiple years and therefore it has superior competitiveness against the surrounding properties.
- The property offers standard specification for the area with two elevators, ceiling height of 2,500 mm without columns, individual air-conditioning and raised floors. It is possible to divide the floor into smaller sections and it can cater for wide range of demand in terms of size.
- It has multi story car park with capacity of 58 vehicles and meets the demand of tenants who drives.

#### <Others>

- Occupancy as of end of February 2020 is 87.7% however, according to a survey by CBRE, office vacancy in Hiroshima area is on declining trend (1.9% as of 4<sup>th</sup> quarter 2019) and demand for office in “Otemachi zone” where the property is located is deemed to be strong.
- As of end of February 2020, multiple potential tenants have viewed the vacant spaces (3 lots) and MIRAI will aim to improve occupancy at earliest possible time upon acquisition.

<MI Cube Sendai Clisroad>

Property Name	MI Cube Sendai Clisroad		Asset Category		Core Asset
			Asset Type		Retail
Overview of the Specified Asset					
Acquisition Date	March 31, 2020		Type of Specified Assets		Trust Beneficiaries
Acquisition Price	1,330 million yen		Overview of Trust Beneficiaries	Trustee	Sumitomo Mitsui Trust Bank, Limited
Appraisal Value (Appraisal Date)	1,450 million yen (February 29, 2020)			Expiry Date of Trust	
Nearest Station	2-minutes walk from "Sendai" Station of Sendai Subway Nanboku Line and "Aoba-dori" Station of JR Sengoku Line 7-minutes walk from "Sendai" Station of JR Tohoku Shinkansen and Tohoku Line				
Address (Residential Address)	2-2-30, Chuo, Aoba-ku, Sendai-shi, Miyagi				
Land	Lot Number	2-2-24, Chuo, Aoba-ku, Sendai-shi, Miyagi Other 1 parcel of land		Date of Building	March 4, 1991 (Note 3)
	Building Coverage Ratio	100% (Note 1)		Structure	10-story flat roof steel structure
	Floor Area Ratio	646.8% (Note 2)		Usage	Shop/Office
	Use Districts	Commercial district		Gross Floor Area	1,186.30 sqm
	Site Area	347.16 sqm		Number of Parking Spaces	-
	Ownership Structure	Ownership rights		Ownership Structure	Ownership rights
PM Company	REI Corporation		ML Company (expected)	MIRAI Corporation	
Special Comment Not applicable					
(Note 1) Specified building coverage ratio is 80%. However, the building has received relaxation to 100% for fireproof building located in a fire prevention district.					
(Note 2) The specified floor area ratio is 700% but is limited to 646.8% by the width of the front road.					
(Note 3) There is no date recorded on the registration certificate and hence the date is shown based on the inspection certificate.					
Overview of Lease					
Total Rentable Area	1,023.76 sqm		Occupancy Ratio	100%	
Principal Tenant	Not disclosed (Note)		Number of Tenants	3	
Annual Rent	75 million yen		Guarantee Deposit	70 million yen	
(Note) Not disclosed due to the absence of a tenant's consent.					
Overview of Summary of Engineering Report					
Survey Company	Daiwa Real Estate Appraisal Co., Ltd		Urgent Repairs	-	
Date of the Report	February 2020		Long-term Repairs	2,974 thousand yen	
Overview of seismic risk analysis					
Survey Company	Tokio Marine & Nichido Risk Consulting Co., Ltd.		PML	3.2% (Note)	
(Note) Detailed investigation (Phase 2).					
Collateral	Not applicable				

Overview of the Real Estate Appraisal Report	
Appraisal Value	1,450 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	February 29, 2020

(million yen)

Item	Details	Remarks, etc.
Valuation	1,450	
Value based on the direct capitalization method	1,480	
Operating revenues	82	
Potential gross revenues: Sum of (a) through (d)	85	Reported based on current rent, new rent and its trend for similar properties in the same market while giving consideration to medium- to long-term competitiveness of the property.
(a) Rental revenues from rooms for rent including common area charges	78	Assessed based on actual amount from previous years while giving consideration to occupancy level.
(b) Utilities revenues	7	Reported based on current rent, actual cases and trend of rent in surrounding area, while giving consideration to medium- to long-term competitiveness of the property.
(c) Parking revenues	-	
(d) Other revenues	-	
Losses from vacancy, etc.	3	Reported based on current rent, new rent and its trend for similar properties in the same market while giving consideration to medium- to long-term competitiveness of the property.
Operating expenses	17	
Maintenance expenses	2	Assessed with reference to maintenance expenses of similar properties and quotations.
Utilities expenses	5	Assessed with reference to actual amount from previous years.
Repair expenses	1	Reported based on repair expenses in the engineering report.
PM fees	1	Assessed with reference to PM fees of similar properties
Advertisement and leasing expenses, etc.	0	Assessed with reference to leasing expenses of similar properties.
Taxes and public dues	6	Assessed based on the actual amount of FY2019.
Property and casualty insurance premiums	0	
Other expenses	0	
Net operating income	65	
Investment gains on lump-sum payment	0	Assessed based on comprehensive view of the management status of lump-sum payment from both investment management and funding aspects.
Capital expenditures	2	Reported based renewal expenses on engineering report which was judged reasonable while giving consideration to construction management fee.
Net cash flow	63	
Capitalization rate	4.3%	
Value based on DCF method	1,440	
Discount rate	4.1%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	4.5%	Assessed considering the cap rate and the marketability of the property at the end of analysis period.
Value based on cost approach	1,070	
Ratio of land	95.4%	
Ratio of building	4.6%	
Other matters to which the appraiser pays attention in the appraisal	Value based on cost approach was lower than value based on income approach. However, value based on income approach was determined to be relatively more compelling as property investors who are the main market player for the property in question tends to focus more on profitability and return on investment upon transaction of such properties.	

### Characteristics of the Property

#### <Location>

- The property is located at 7-minutes walk from “Sendai” station of JR and 2-minutes walk respectively from “Sendai” station of Sendai Subway and “Aoba-dori” station of JR.
- Aoba-dori in Sendai-shi where the property is located is the central district not only for the prefecture but also for Tohoku region and is the largest town in Sendai-shi.
- Located on Chrisroad Shopping Street which has large traffic and within walking distance from Sendai station, it has superior accessibility.
- Chrisroad Shopping Street is an entirely pedestrian only shopping street. During the week, it attracts many commuters using “Hirose-dori” station of Sendai subway, “Aoba-dori” station of JR, and numerous bus stops around the area while it attracts many tourists and shoppers during the weekend.
- It has superior location as office property as well. “Sendai station front” area where the property is located is recording high rent growth along with “Ichibancho” area in Sendai city office market and hence certain level of visitors can be expected for both weekday and weekend.
- The property faces Chrisroad Shopping Street which is decorated for Sendai Tanabata Festival which is one of Tohoku Sandai Matsuri (three great festivals of Tohoku region) and many tourists from all over Japan visit the shopping street during the festival.

#### <Specification>

- The property is four story high with ground and 2<sup>nd</sup> floor having direct access from the shopping street.
- Ground floor tenant is a drugstore, 2<sup>nd</sup> floor tenant is a restaurant while 3<sup>rd</sup> and 4<sup>th</sup> floor tenant is rental/coworking office space. (rental/coworking office is to open in April 2020.)
- Ground floor faces the shopping street and caters for both shops and F&B tenants while F&B tenant and service sector tenant can be expected for second story up.

#### <Others>

- 10-year fixed lease contract is executed starting from 2020 with the rental/coworking office space operator who is the tenant for 3<sup>rd</sup> and 4<sup>th</sup> floor and stable operation is expected.
- Sendai city has many startups stemming from the rebuilding effort following the Great East Japan Earthquake and has higher entry rate among the major cities in Japan. Under the economic growth strategy titled “Sendai city economic strategy 2023 - aiming for Sendai and Tohoku where you can truly feel its riches” announced by Sendai city in March 2019, support of startup is listed as a focus project and hence rental/coworking office space is expected to continue to have strong demand to host the startups.



#### 4. Overview of seller

The seller is as follows:

Name	Bestland Co., Ltd.
Address	1-6-1, Roppongi, Minato-ku, Tokyo Izumi Garden Tower
Representative	President and Representative Director, Yasuhiro Yamada
Business Description	Purchase and resale of used houses and profitable real estate Buying, selling, renting and managing profitable real estate Real estate brokerage (sale/rent)
Stated Capital	300 million yen (as of March 31, 2020)
Date of Establishment	November 19, 2010
Net Assets	Not disclosed (Note)
Total Assets	Not disclosed (Note)
Major Shareholder	Not disclosed (Note)
Relationships between the company and MIRAI and the Asset Manager	
Capital	There is no capital relationship to state between the company and MIRAI and the Asset Manager.
Personal	There is no personnel relationship to state between the company and MIRAI and the Asset Manager.
Business	There is no business relationship to state between the company and MIRAI and the Asset Manager.
Relevance to related party	The company does not fall under a related party of MIRAI or the Asset Manager.

(Note) Not disclosed due to the absence of the seller's consent.

#### 5. Description of seller

The seller is not stakeholder in relation to MIRAI and the Asset Manager.

#### 6. Overview of Brokerage

The broker is as follows:

Name	Nomura Real Estate Development Co., Ltd.
Address	1-26-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	President and Representative Director, Seiichi Miyajima
Business Description	Real estate business
Stated Capital	2 billion yen (as of April 1, 2019)
Date of Establishment	April 15, 1957
Major Shareholder	Nomura Real Estate Holdings, Inc. (100%)
Relationships between the company and MIRAI and the Asset Manager	
Capital	There is no capital relationship to state between the company and MIRAI and the Asset Manager.
Personal	There is no personnel relationship to state between the company and MIRAI and the Asset Manager.
Business	There is no business relationship to state between the company and MIRAI and the Asset Manager.
Relevance to related party	The company does not fall under a related party of MIRAI and the Asset Manager.
Brokerage Fee	Not disclosed (Note)

(Note) Not disclosed due to the absence of the broker's consent regarding an amount of brokerage fee.

#### 7. Transactions with Interested Parties, etc.

There is no transaction with interested parties.

#### 8. Future Outlook

The effect of the Acquisition on its management situation in the fiscal period ending April 2020 (the 8<sup>th</sup> fiscal period) and the fiscal period ending October 2020 (9<sup>th</sup> fiscal period) is minor and there is no change to the forecasts.

(End)

\* URL: <https://3476.jp/en>

**This press release is the English translation of the announcement in Japanese on MIRAI's website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.**

(Reference press release, etc.)

Dated 3/27/2020 "Notice Concerning Borrowing of Funds"

<Reference Materials >

Reference Material 1: Pictures and maps of the property

Reference Material 2: Portfolio List after the acquisition

Reference Material 3: Descriptions of the details of assets to be acquired

Reference Material 1: Pictures and maps of the property  
 <Hiroshima Rijo-dori Building>

Picture



Map

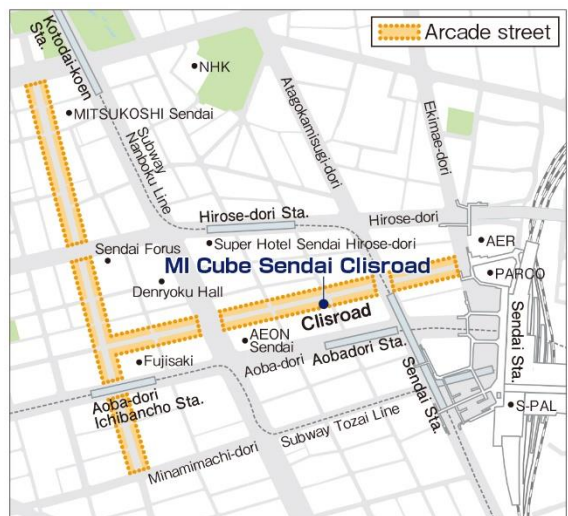


<MI Cube Sendai Clisroad>

Picture



Map



Reference Material 2: Portfolio List after the acquisition

Asset Category/ Asset Type	Area	Property Name	Acquisition Price (million yen) (Note 1)	Ratio (%) (Note 2)	Acquisition Date	
Core Asset	Office	Tokyo	Shinagawa Seaside Park Tower (quasi-co-ownership 63.4%) (Note 3)	20,288	13.2	December 16, 2016
	Office	Tokyo	Kawasaki Tech Center	23,182	15.0	December 16, 2016
	Office	Tokyo	Shinjuku Eastside Square (quasi-co-ownership 5%) (Note 3)	10,000	6.5	December 16, 2016
	Office	Tokyo	Tokyo Front Terrace (quasi-co-ownership 50.2%) (Note 3)	10,592	6.9	October 26, 2017
	Office	Tokyo	Hillcoat Higashi-Shinjuku	3,900	2.5	December 16, 2016
	Office	Osaka	Nippo Hommachi Building	1,465	1.0	February 28, 2018
	Office	Nagoya	MI Terrace Nagoya-Fushimi	8,886	5.8	June 1, 2018
	Office	Others	Orico Hakataeki Minami Building	1,680	1.1	August 1, 2018
	Office	Tokyo	My Square Building	2,800	1.8	December 25, 2019
	Office	Others	Hiroshima Rijo-dori Building	2,350	1.5	March 31, 2020
	Retail	Osaka	MIUMIU Kobe (quasi-co-ownership 38.0%) (Note 3)	2,546	1.7	December 16, 2016 (land) November 9, 2017 (building)
	Retail	Tokyo	Shibuya World East Building	3,200	2.1	December 16, 2016
	Retail	Tokyo	THINGS Aoyama	2,912	1.9	January 9, 2020
	Retail	Tokyo	MI Cube Sendai Clisroad	1,330	0.9	March 31, 2020
	Retail	Tokyo	AEON Kasai (Note 3)	9,420	6.1	December 16, 2016
	Retail	Osaka	DAIKI Izumi-Chuo	3,000	1.9	December 16, 2016
	Hotel	Others	Hotel Sunroute Niigata	2,108	1.4	December 16, 2016
	Hotel	Others	Daiwa Roynet Hotel Akita	2,042	1.3	December 16, 2016
	Hotel	Others	Super Hotel Sendai / Hirose-dori	1,280	0.8	December 16, 2016
	Hotel	Osaka	Super Hotel Osaka / Tennoji	1,260	0.8	December 16, 2016
	Hotel	Tokyo	Super Hotel Saitama / Omiya	1,123	0.7	December 16, 2016
	Hotel	Osaka	Super Hotel Kyoto Karasuma Gojo	1,030	0.7	December 16, 2016
	Hotel	Others	Comfort Hotel Shin-Yamaguchi	902	0.6	December 16, 2016
	Hotel	Nagoya	Ise City Hotel Annex	1,800	1.2	March 1, 2018
	Hotel	Others	Comfort Hotel Kitakami	820	0.5	March 1, 2018
	Hotel	Others	Comfort Hotel Nagano	580	0.4	March 1, 2018
	Hotel	Tokyo	Hotel Wing International Select Ueno/Okachimachi	3,720	2.4	May 15, 2018
	Hotel	Others	Smile Hotel Naha City Resort	4,000	2.6	November 1, 2018
	Hotel	Others	Smile Hotel Hakataeki-Mae	3,800	2.5	November 1, 2018
	Hotel	Nagoya	Smile Hotel Nagoya-Sakae	2,950	1.9	November 1, 2018
Hotel	Osaka	Hotel WBF Yodoyabashi-Minami	1,750	1.1	November 1, 2018	
Growth Asset (Core-plus Asset)	Retail	Osaka	Mi-Nara	4,944	3.2	October 26, 2017
Growth Asset (New Type Asset)	Industrial	Osaka	Rokko Island DC	8,650	5.6	November 1, 2018 (Note 4)
	Educational	Tokyo	Tokyo Eiseigakuen Senmongakko	3,900	2.5	January 9, 2020
Total			150,530	100.0	—	

(Note 1) "Acquisition Price" shows the purchase and sale value of each asset to be acquired that is stated in the sale and purchase agreement entered with the sellers. The purchase and sale values do not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. Although the acquisition price of "Mi-Nara" on its sales and purchase agreement is 4,100 million yen, the acquisition price is defined as total investment amount of 4,944 million yen including the additional investment made following the acquisition for the renewal of the property. For "Mi-Nara", the total investment including the additional investment of 4,944 million yen is defined as acquisition price.

(Note 2) "Ratio" is the ratio against the total of the acquisition price of each property, and the value is rounded to the first decimal place.

(Note 3) Where the asset is owned by sectional ownership or is quasi-co-owned, the value in relation to the sectional ownership and quasi-co-ownership interest belonging to MIRAI is shown.

### Reference Material 3: Descriptions of the details of assets to be acquired

Items (A) to (M) below explain description in the columns of “3. Detail of assets to be acquired” above. The descriptions are as of end of February 2020 unless otherwise stated.

- A) “Asset Category/Asset Type”
- “Core Asset” means core assets of MIRAI’s portfolio. Specifically, it refers to traditional investment real estate such as offices, retail, hotels, residential and logistics facilities for which the utilization ratio is (or is likely to be) more than 80% and for which MIRAI judges that stable rent revenue can be expected.
  - “Growth Asset (New Type Asset)” refers to assets with less real estate investment and management track record in the market compared to core assets and are less competitive and MIRAI determines that there is a potential for market expansion in the future.
- B) “Nearest Station”
- The walking time required in the section “Nearest Station” is calculated on the assumption that one minute is required to walk 80 meters, and the calculated value is rounded up when a fraction beyond the first decimal point is included, based on the Fair Competition Rule on the indication of real property (Fair Trade Commission Notice No.23 in 2005) and the enforcement regulation on the Fair Competition Rule on the indication of real property (Approval No.107 by the Fair Trade Commission in 2005).
- C) “Address (Residential Address)”
- “Address (Residential Address)” shows the residence indication of the property. If the residence indication is not implemented, the location or locations (any one of them) of the building on the registry is shown.
- D) “Land”
- “Lot Number” is described based on the registry.
  - “Building Coverage Ratio” and “Floor Area Ratio” are the values provided by relevant laws such as the Building Standards Act and the Urban Planning Act. Depending on the asset planned to be acquired, certain easing measures or restrictions may be applied to the “Building Coverage Ratio” and “Floor Area Ratio” in the table below.
  - “Use Districts” describe the types of use districts under Article 8, Section 1, paragraph 1 of the Urban Planning Act.
  - “Site Area” is based on the description in the registry, and it may not match the current state. If asset to be acquired is a co-ownership stake of land, the entire parcel is shown.
  - “Ownership Structure” describes the type of rights that a beneficiary of the trust on the asset to be acquired holds or will hold.
- E) “Building”
- “Date of Building” describes the construction date in the registry.
  - “Structure” is based on the description in the registry.
  - “Usage” describes the main types of the buildings in the registry.
  - “Gross Floor Area” is based on the description of the registry. If asset to be acquired is an exclusive ownership interest in a sectional ownership building, the floor area of the exclusive ownership is shown. If asset to be acquired is a co-ownership, the total floor area of the entire building is shown.
  - “Number of Parking Spaces” shows the number of cars the car park can accommodate. This car park is secured within the site (including the car park inside the building) of the asset to be acquired as of end of February 2020. Where a co-owned share and sectional ownership will be acquired, the number of cars to be parked in relation to the entire asset to be acquired is shown.
  - “Ownership Structure” describes the types of rights that a beneficiary of the trust on the asset to be acquired holds or will hold.
- F) “PM Company”
- “PM Company” describes the companies that will enter into a valid property management contract as of the acquisition date.
- G) “Master Lease Company”
- “Master Lease Company” describes the companies that will enter into a valid master lease contract as of the acquisition date.
- H) “Special Comment”

- In principle, “Special Comment” describes items that are considered critical based on the information as of end of February 2020.
    - a) in terms of the interests and use of each asset; and
    - b) in consideration of the impact on the appraisal value of the asset, profitability and ease of disposal
- I) “Overview of Lease”
- “Overview of Lease” are based on figures and information provided by current owners of assets or trust beneficiaries to be acquired and shows contents of effective lease contracts as of end of February 2020 unless otherwise stated.
  - For “Total Rentable Area”, the area that is rentable based on the lease contract or the building drawings of the building pertaining to each asset to be acquired as of end of February 2020 (expected acquisition date for Tokyo Eiseigakuen Senmongakko) is stated. In case of land asset, the area of the land is listed. However, the number of tenants of incidental areas such as parking lots and warehouses is not included. If asset to be acquired is a co-ownership or quasi-coownership, it is calculated based on the proportion of ownership.
  - For “Occupancy Ratio”, the ratio of the total leased area to the total rentable area of each asset to be acquired as of end of February 2020 (expected acquisition date for Tokyo Eiseigakuen Senmongakko) is stated, rounded to one decimal place.
  - For “Principal Tenant”, the tenant with the largest leased area of the total leased area of each asset to be acquired as of end of February 2020 (expected acquisition date for Tokyo Eiseigakuen Senmongakko) is stated. For properties with a fixed-rent master lease under which MIRAI will receive a certain amount of rent regardless of changes in the rents of end tenants, the Master Lease Company under the agreement to be concluded on the asset to be acquired is stated. In addition, if consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated in the “Principal Tenant” column.
  - For “Number of Tenants,” the number of tenants of each asset to be acquired is stated based on the lease contract of each asset to be acquired as of end of February 2020 (expected acquisition date for Tokyo Eiseigakuen Senmongakko) (limited to those who have already moved in as of this date). However, if a master lease contract is concluded for the asset to be acquired, the total number of end tenants (limited to those who have already moved in as of this date) is stated for properties with a pass-through master lease in which MIRAI receives rents from the end tenants as they are, in principle. For properties with a fixed-rent master lease under which MIRAI will receive a certain amount of rent, regardless of changes in the rents of end tenants, only the Master Lease Company is stated as the tenant in the number of tenants, and the number of tenants based on the lease contract between the Master Lease Company and the end tenants for the relevant asset to be acquired is stated in parentheses. In addition, if only land with leasehold is acquired, the total number of the land lessees is stated. However, the number of tenants of incidental areas such as parking lots and warehouses is not included.
  - For “Annual Rent,” the annualized amount calculated by multiplying the monthly rent (including rent for rooms and common area charges (if any) and excluding rent for incidental areas such as parking lots and warehouses) by 12 is stated for the building indicated in the lease contract of each asset to be acquired as of end of February 2020 (expected acquisition date for Tokyo Eiseigakuen Senmongakko) (limited to those who have already moved in as of this date), rounded down to the nearest million yen. In this calculation, the Annual Rent is calculated based on the upper limit of fixed rent provided for in the agreement. In addition, for properties in which The Master Lease Company becomes sublessor to tenants, the annualized amount that is calculated by multiplying the monthly rent in the lease contract concluded with the end tenants by 12 is stated for properties with a pass-through master lease in which MIRAI receives rents from the end tenants as they are, in principle, while the annualized amount that is calculated by multiplying the monthly rent in the master lease contract by 12 is stated for properties with a fixed-rent master lease in which MIRAI will receive a certain amount of rent, regardless of changes in the rents of end tenants. Free rent and rent holidays as of the same date are not taken into account. If consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated. If asset to be acquired is a co-ownership or quasi-coownership, it is calculated based on the proportion of ownership.
  - For “Guarantee Deposits,” the total amount of guarantee deposits required under the lease contract of each asset to be acquired as of end of February 2020 (limited to those for tenants who have already

- moved in as of this date) is stated, rounded down to the nearest million yen. However, guarantee deposits for incidental areas such as parking lots and warehouses are not included. If a master lease contract is concluded for the asset to be acquired, the total amount of guarantee deposits under the lease contract concluded with the end tenants is stated, rounded down to the nearest million yen. If consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated. If asset to be acquired is a co-ownership or quasi-coownership, it is calculated based on the proportion of ownership.
- For each of the assets to be acquired, lease contracts with end tenants are deemed to be in effect and are included in calculation for “Occupancy Ratio”, “Number of Tenants”, “Annual Rent”, “Guarantee Deposit” and others so long as the agreements are in effect at the end of February 2020 even if they may be cancelled or notice of cancellation may be submitted.
- J) “Overview of Summary of Engineering Report”
- For “Urgent Repairs,” expenses that are stated as repair and renewal expenses that are deemed to be necessary urgently or within approximately one year from the inspection date in the building condition inspection report are stated by rounding down to the nearest thousand yen.
  - For “Long-term Repairs,” the annual average amount or the amount converted to the annual average amount of expenses stated as repair and renewal expenses that are expected for 12 years from the inspection date in the building condition inspection report is stated by rounding down to the nearest thousand yen. If the asset to be acquired is a co-ownership interest or a quasi-co-ownership interest of the building, it is calculated according to ownership percentage.
- K) “Collateral”
- “None” is stated when the collateral is canceled after the acquisition of the property.
- L) “Overview of the Real Estate Appraisal Report”
- For “Overview of the Real Estate Appraisal Report,” the general description of the real estate appraisal reports (hereinafter “Appraisal Reports”) that were commissioned by MIRAI and prepared by Daiwa Real Estate Appraisal Co., Ltd. to appraise each asset to be acquired based on the points to note for the appraisal of real estate under the Act on Investment Trusts and Investment Corporations as well as the Act on Real Property Appraisal (Act No. 152 of 1963 including subsequent amendments; hereinafter “Act on Real Property Appraisal”) and the real property appraisal standards are stated. The real estate appraisals are only the judgements and opinions of the appraisers at a certain point in time, and do not guarantee the adequacy or accuracy of their content or tradability at the Appraisal Value.
  - There is no special interest between MIRAI and the Asset Manager and Daiwa Real Estate Appraisal Co., Ltd, which conducted the real estate appraisal.
  - Unless otherwise noted, amounts are rounded down to the nearest million yen. Values in percentages are rounded to one decimal place.
- M) “Characteristics of the Property”
- For “Characteristics of the Property,” it indicates the point of view for property acquisition of MIRAI. In principle, it is based on the description of “Market Report” prepared by CBRE K.K and Geo Akamatsu Co., Ltd partially based on the material obtained by the Asset Manager to state the basic nature, characteristics, and features of the area in which each asset to be acquired is located. The reports are only the judgements and opinions of the external experts who created them at a certain point in time, and they do not guarantee the adequacy or accuracy of their content. Environmental changes, etc. after the reports were prepared are not reflected.