

January 25, 2021

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 in Japan (“TCA Building”)

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 the “Acquisition”) of an asset as follows.

1. Overview of the Acquisition

(1) Asset 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	TCA Building	January 25, 2021	January 28, 2021	Not disclosed (Note 4)	2,120

(Note 1) “Asset Category/Asset Type” is a classification based on the usage of assets. For details, please refer to Reference Material 2 “Descriptions of the details of Asset to be Acquired.”

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

(Note 3) “Acquisition Price” shows the sale and purchase value of Asset to be Acquired that is stated in the sale and purchase agreement entered with the seller. 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. The same shall apply hereinafter.

(Note 4) “Not disclosed” due to the absence of the seller’s consent.

(2) Funds for Acquisition: Loans and own funds (including disposition proceeds of Comfort Hotel Shin-Yamaguchi)

(Note) For details of the disposition of Comfort Hotel Shin-Yamaguchi, please refer to the “Notice Concerning Disposition of Real Estate Trust Beneficiary in Japan (Comfort Hotel Shin-Yamaguchi)” dated November 9, 2020.

(3) Payment Method: The entire amount will be paid on the date of acquisition.

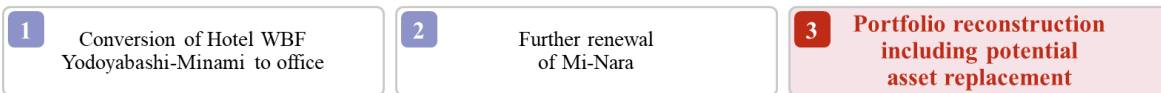
2. Reasons for Acquisition

Points

- Asset replacement project that improves “Defensiveness and Profitability” of the portfolio
- “Utility Asset (mixed-use property)” that has the flexibility to respond to COVID-19
- Location in central Osaka with high intrinsic real estate value + Tenant composition centered on highly stable service-oriented tenants

MIRAI suspended the expanded mid-term management plan “Repower 2020-ER” given the impact of novel coronavirus (COVID-19) and announced “MIRAI Revitalization Plan” to construct a portfolio that matches the post-COVID-19 market and to recover and grow DPU in “Investor Presentation for Fiscal Period ended April 30, 2020 (8th Fiscal Period)” dated June 16, 2020. One of the challenges MIRAI focuses on under the “MIRAI Revitalization Plan” is the portfolio reconstruction including potential asset replacement and MIRAI aims to create more solid portfolio leveraging on the strength as diversified REIT while keeping in mind the maximization of unitholder value (pursuit of growth) and the combination of more defensive asset types. MIRAI plans to conduct a few asset sale and purchase transactions in order to reconstruct the portfolio and the Acquisition is an action following the disposition of Comfort Hotel Shin-Yamaguchi and the acquisition of Odawara Material Storage and Delivery Center (land) announced in November 2020, and under the asset replacement project.

Overview of MIRAI Revitalization Plan (~Mid 2021)



(Note) Progress of Conversion of Hotel WBF Yodoyabashi-Minami to office and Further renewal of Mi-Nara are as stated in Presentation Material for Fiscal Period Ended October 31, 2020 (9th FP) dated December 15, 2020. All are progressing in line with the MIRAI Revitalization Plan.

Under the portfolio reconstruction policy under the “MIRAI Revitalization Plan”, MIRAI has **set a policy to focus the potential acquisition on assets with higher proportion of service sector tenant (clinic, tutoring school etc.) that are less likely to be impacted by COVID-19 and worsening corporate performance resulting from the impact of COVID-19 as well as mixed use “utility assets” located near central urban area which can attract service sector tenant and can be converted to satellite office.** The Asset to be Acquired is a mid-sized office located in Namba area in central Osaka with tenant composition centering on service sector tenant which are less likely to be impacted by COVID-19 and hence in line with the above acquisition policy. In addition, the current rent in place is lower compared to the market, and when the rent gap is closed, the profitability is expected to improve significantly.

(Reference) Profitability of Asset to be Acquired

Name	Acquisition Price (million yen)	Appraisal Value (million yen)		Appraisal NOI Yield (Note 1)	NOI Yield after Depreciation (Note 2)
TCA Building	2,120	2,260	DCF method	4.3%	3.7%
			The direct capitalization method	5.1%	4.6%

(Note 1) “Appraisal NOI Yield” is calculated by dividing the appraisal NOI by the Acquisition Price rounding to the nearest tenth. 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 1st year NOI under DCF method (if any specific factors for the 1st year, it means the 2nd or the 3rd year NOI).

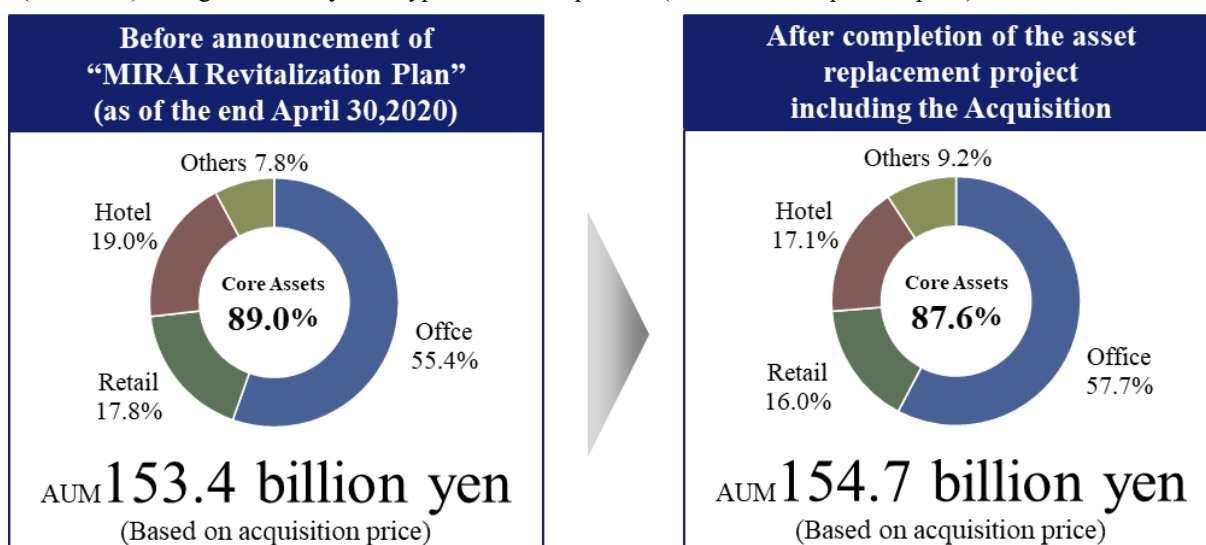
(Note 2) “NOI Yield after Depreciation” is calculated by subtracting depreciation from the appraisal NOI and dividing by the expected Acquisition Price rounding to the nearest tenth. Depreciation is estimated value calculated by the Asset Manager using straight-line method with certain assumptions. The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

Under the “MIRAI Revitalization Plan”, MIRAI embarked on a project to convert a hotel into an office. **Following the Acquisition and completion of the conversion project, the ratio of hotel assets (based on the acquisition price) will be lowered to 17.1% of the portfolio from the 19.0% as of the end of fiscal period ended April 30, 2020 (8th fiscal period).** Following the Acquisition, **MIRAI will continue to consider wide range of acquisition including assets with long-term upside potential while focusing on defensive asset type that matches the post-COVID-19 market and will continue to work on the portfolio reconstruction including the potential asset replacement combined with disposition of assets with lower profitability than the portfolio average or assets with risk of being impacted by COVID-19.** With regards to asset replacement project toward the portfolio reconstruction, MIRAI plans to disclose information as new decisions are made. Progress of Portfolio Reconstruction prior to the Acquisition is stated in “Progress of MIRAI Revitalization Plan -Supplementary Material for the Press Release January 25, 2021-“ dated today.

Points of Portfolio Reconstruction

Acquisition	Disposition
<ul style="list-style-type: none"> ● Defensive assets ● Assets with long-term upside potential ● “Utility Asset” 	<ul style="list-style-type: none"> ● Assets with lower profitability than the portfolio average ● Assets with risk of being impacted by COVID-19

(Reference) Changes of ratio by asset type after the Acquisition (based on the acquisition price)



* “BizMiix Yodoyabashi” is classified as office by adding the additional investment related to conversion on the acquisition price.

3. Details of Asset to be Acquired

Property Name	TCA Building	Asset Category	Growth Asset (New Type Asset)
		Asset Type	Industrial

Overview of the Specified Asset

Acquisition Date	January 28, 2021	Type of Specified Assets		Real estate	
Acquisition Price	2,120 million yen	Overview of Trust Beneficiaries	Trustee	-	
Appraisal Value (Appraisal Date)	2,260 million yen (October 31, 2020)		Expiry Date of Trust	-	
Nearest Station	6-minute walk from "Namba" Station of JR, 7-minute walk from "Namba" Stations of Osaka Metro				
Address (Residential Address)	2-3-19, Motomachi, Naniwa-ku, Osaka-shi, Osaka				
Land	Lot Number	2-3-10, Motomachi, Naniwa-ku, Osaka-shi, Osaka Other 1 parcel of land	Building	Date of Building	February 10, 1994
	Building Coverage Ratio	100% (Note)		Structure	B1/8-story flat roof steel-framed reinforced concrete structure
	Floor Area Ratio	600%		Usage	Office/ Parking space
	Use Districts	Commercial district		Gross Floor Area	4,756.97 sqm
	Site Area	757.36 sqm		Number of Parking Spaces	20
	Ownership Structure	Ownership rights		Ownership Structure	Ownership rights
PM Company	Global Community Co., Ltd	ML Company	-		
Special Comment Not applicable					

(Note) Specified building coverage ratio is 80%. However, it is 100% due to fireproof building located in a fire prevention district.

Overview of Lease

Total Rentable Area	3,212.81 sqm	Occupancy Ratio	100%
Principal Tenant	Not disclosed (Note)	Number of Tenants	8
Annual Rent	105 million yen	Guarantee Deposit	38 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	January, 2021	Long-term Repairs	14 million yen

Overview of Seismic Risk Analysis

Survey Company	Tokio Marine & Nichido Risk Consulting Co., Ltd.	PML	10.6%
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Collateral

Not applicable			
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Overview of the Real Estate Appraisal Report

Appraisal Value	2,260 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	October 31, 2020

(million yen)

Item	Details	Remarks, etc.
Valuation	2,260	
Value based on the direct capitalization method	2,360	
Operating revenues	154	
Potential gross revenues: Sum of (a) through (d)	160	
(a)Rental revenues from rooms for rent including common area charges	130	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	20	Assessed based on actual amount from previous years while giving consideration to occupancy level.
(c)Parking revenues	4	Reported based on current rent, rental transactions and their trend in neighboring area while giving consideration to mid-to long-term competitiveness of the property.
(d)Other revenues	5	Reported based on contracted and actual amount from previous years.
Losses from vacancy, etc.	6	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	45	
Maintenance expenses	8	Assessed with reference to maintenance expenses of similar properties and quotations.
Utilities expenses	14	Assessed with reference to actual amount from previous years.
Repair expenses	2	Reported based on repair expenses in the engineering report.
PM fees	2	Assessed with reference to PM fees of similar properties.
Advertisement and leasing expenses, etc.	1	Assessed with reference to advertisement and leasing expenses of similar properties.
Taxes and public dues	14	Assessed based on Fixed Assets Tax Register Record Certificate for FY3/2021.
Property and casualty insurance premiums	0	Assessed with reference to property and casualty insurance premiums of similar properties.
Other expenses	1	Assessed with reference to actual amount from previous years.
Net operating income	108	
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	12	Reported based renewal expenses on engineering report which was judged reasonable while giving consideration to construction management fee.
Net cash flow	96	
Capitalization rate	4.1%	Assessed with the subject property's location, building conditions, and other conditions in a comprehensive manner.
Value based on DCF method	2,210	
Discount rate	3.9%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	4.3%	Assessed considering the cap rate and the marketability of the property at the end of analysis period.
Value based on cost approach	2,200	
Ratio of land	81.6%	
Ratio of building	18.4%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

Characteristics of the Property

<Location>


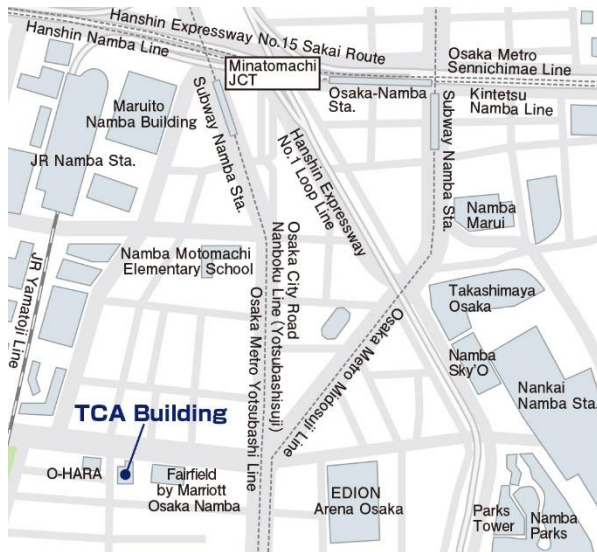
- Located within 6-minute walk from JR “Namba” station and 7-minute walk from Osaka Metro “Namba” station, it is highly conveniently located with access to multiple other railways within walking distance. It also offers high visibility as the two sides of the property face roads, one along the Osaka city road “Naniwa-Tsurumachi Route” which connects to Yotusbashi-Dori with high locational value in the area.
- Area surrounding the Asset to be Acquired is a residential area with numerous vocational schools, visit type offices and shops in addition to apartments. In recent years, the area has become busier with numerous hotels opening and wide range of demand not only as traditional offices but also from service sector tenants such as tutoring schools and clinics can be expected.

<Specification>

- The Asset to be Acquired is a mid-sized office building with gross floor area of approximately 1,438 tsubo and 129 tsubo per standard floor. The size of the building is average in Namba area with high concentration of mid-to small-sized buildings.
- Units have regular shape with no pillars inside the office space which allows for efficient use of space and flexibility in layout. The floor can also be divided into smaller sections to be leased in accordance with the tenant needs.
- Each floor has plumbing system while parking spaces are available on the first floor which makes the building and facility suitable to accommodate businesses that wide range of people may visit such as tutoring school or clinic.

<Other>

- Tenants of the Asset to be Acquired are mostly healthcare facilities such as pharmacy and clinic as well as tutoring school and occupancy has been 100% for the last 2 years. Service sector tenant such as tutoring school and clinic is less likely to be impacted by COVID-19 and worsening corporate performance resulting from the impact of COVID-19 and hence has higher business stability. The Asset to be acquired is a “utility asset” that is a focus of acquisition under “MIRAI Revitalization Plan”.
- The current rent in place is lower compared to the market, and when the rent gap is closed, the profitability is expected to improve significantly (appraisal NOI yield based on the NOI of the direct capitalization method is 5.1% compared to 4.3% based on the NOI of the first year in the DCF method).

Picture	Map of property
	

4. Overview of seller

The seller is a Japanese corporation. However, the name is not disclosed because their consent has not been obtained.

5. Description of seller

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

6. Overview of Brokerage

The broker is a Japanese corporation. However, the name is not disclosed because their consent has not been obtained.

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 2021 (the 10th fiscal period) and October 2021 (the 11th 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 1/25/2021 "Notice Concerning Borrowing of Funds"

Dated 1/25/2021 "Progress of Portfolio Reconstruction Under MIRAI Revitalization Plan -Supplementary Material for the Press Release-"

<Reference Materials>

Reference Material 1: Portfolio List after the Acquisition

Reference Material 2: Description of the details of Assets to be Acquired

Reference Material 1: 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	13.1	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	6.8	October 26, 2017
	Office	Tokyo	Hillcoat Higashi-Shinjuku	3,900	2.5	December 16, 2016
	Office	Osaka	Nippo Hommachi Building	1,465	0.9	February 28, 2018
	Office	Nagoya	MI Terrace Nagoya-Fushimi	8,886	5.7	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	2,250	1.5	March 31, 2020
	Office	Osaka	BizMiix Yodoyabashi	2,050	1.3	November 1, 2018
	Office	Osaka	TCA Building	2,120	1.4	January 28, 2021
	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	Others	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	MEGA Don Quijote 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	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	
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 (quasi-co-ownership 92.45%) (Note 3)	7,996	5.2	November 1, 2018
	Industrial	Tokyo	Odawara Material Storage and Delivery Center (land)	2,300	4.3	March 1, 2021
	Educational	Tokyo	Tokyo Eiseigakuen Senmongakko	3,900	2.5	January 9, 2020
Total				154,729	100.0	—

(Note 1) "Acquisition Price" shows the sale and purchase value of each asset to be Acquired that is stated in the sale and purchase agreement entered with the sellers. The sale and purchase 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 sale 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. Also, the acquisition price of "BizMiix Yodoyabashi" on its sale and purchase agreement is 1,750 million yen, the acquisition price is defined as total investment amount of 2,050 million yen including the additional investment made following the acquisition for the conversion of the property.

(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 2: Descriptions of the details of Asset to be Acquired

Items (A) to (M) below explain description in the columns of “3. Detail of Asset to be Acquired” above. The descriptions are as of the acquisition date 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 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 the acquisition date. 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 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 the acquisition date.
 - 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 the acquisition date 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 the acquisition date 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 the acquisition date 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 the acquisition date 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 the acquisition date (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 the acquisition date (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 the acquisition date (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 acquisition date 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 for your designated property” prepared by CBRE K.K 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.