



"MIRAI" creates the future of the world



# MIRAI Corporation

Fiscal Period Ending October 31, 2019  
(7<sup>th</sup> Fiscal Results)

Investor Presentation

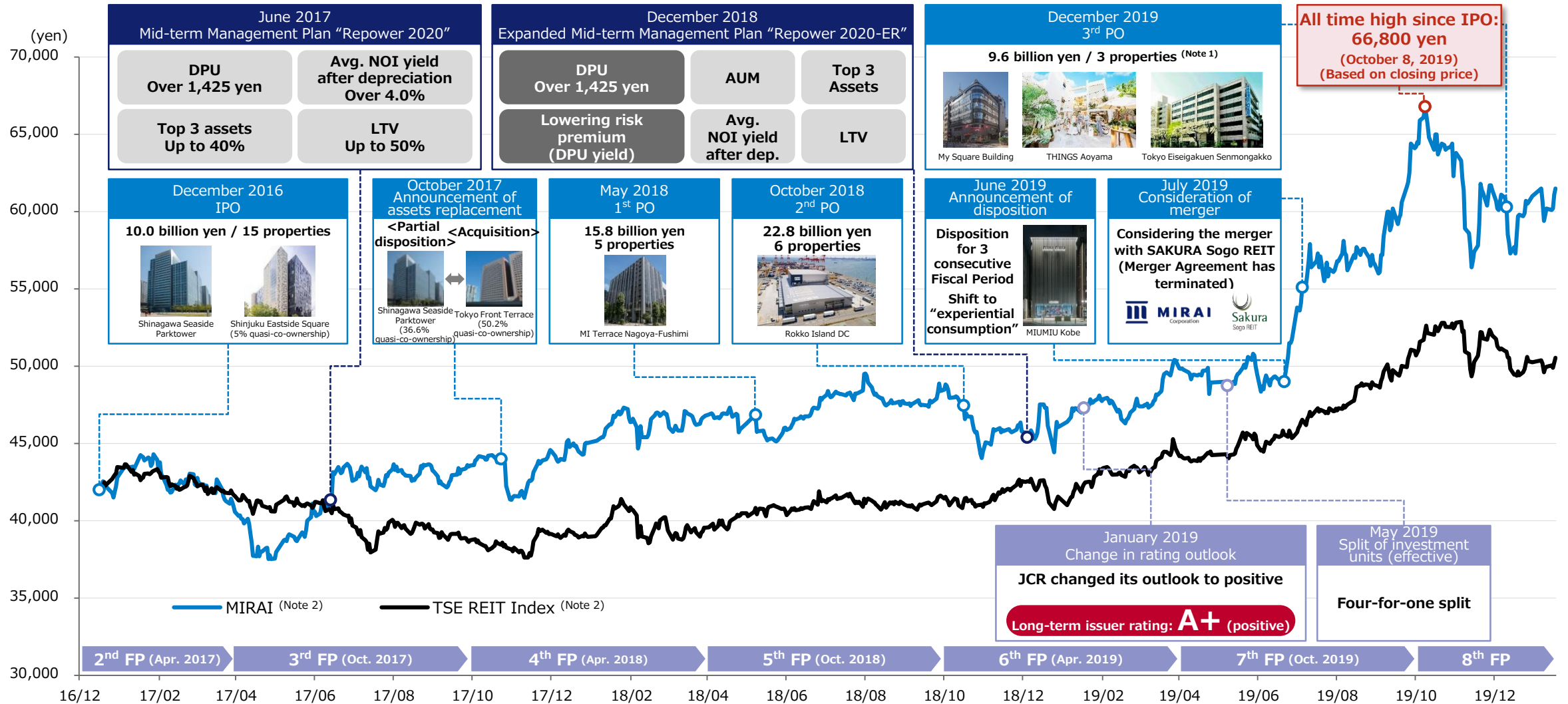
May 1, 2019 to October 31, 2019

AM Company: Mitsui Bussan & IDERA Partners Co., Ltd.  
Security Code: 3476 <https://3476.jp/en>



Section1. 3 <sup>rd</sup> Public Offering (December 2019)	• • • • •	P5
Section2. 7 <sup>th</sup> Fiscal Period Financial Summary & Forecasts	• • • • •	P12
Section3. Expanded Mid-term Management Plan “Repower 2020-ER”	• • • • •	P18
Section4. Portfolio Management and External Growth Strategy	• • • • •	P22
Section5. Strengthening Sponsor Support	• • • • •	P28
Section6. Finance & ESG Initiatives	• • • • •	P31

## Unit Price since IPO and Initiatives Taken Thus Far



Note 1: 3 properties are referred to as the "New Properties" and the acquisition of the New Properties is referred to as "the Acquisition". Hereinafter, the definition is the same in this material.

Note 2: As of January 17, 2020, MIRAI split its investment units with April 30, 2019, as the record date. Investment unit price prior to split are adjusted to reflect post split figures at a rate of four units per every one unit. Relative performance of TSE REIT Index is calculated based on IPO price of MIRAI (183,000 yen).

Achieved high-quality external growth through implementation of the expanded mid-term management plan. Constructed a more stable portfolio with further risk diversification.

	2 <sup>nd</sup> FP (17/04)	6 <sup>th</sup> FP (19/04)	7 <sup>th</sup> FP (19/10)	After Acquisition
Number of properties/AUM (Based on acquisition price)	15 100 billion yen	29 145 billion yen	29 143 billion yen	32 150 billion yen
Avg. NOI yield after depreciation	3.9%	4.2%	4.2%	4.2%
Top 3 assets (Based on acquisition price)	64.7%	37.3%	37.8%	35.9%
Number of tenants	97	237	236	247
LTV	47.0%	49.0%	48.8%	47.4%
DPU	815 yen	1,436 yen	1,563 yen	Aiming to improve profitability of stabilized DPU
NAV per unit	45,640 yen	47,920 yen	49,190 yen	49,850 yen
Investment unit price (Based on closing price)	37,525 yen (As of April 28, 2017)	48,950 yen (As of April 26, 2019)	63,500 yen (As of October 31, 2019)	Aiming to rise the investment unit price over the medium and long-term
Portfolio diversification (Based on acquisition price)				
Major assets acquired/dispensed during the period	Shinjuku Eastside Square Shinagawa Seaside Parktower	Rokko Island DC Smile Hotel Naha City Resort	MIUMIU Kobe (Disposed)	My Square Building Tokyo Eiseigakuen Senmongakko

### Future outlook

**Rating situation**

JCR **A+** (positive) → Aiming for the rating upgrade

Further risk diversification and a strong financial base are maintained with the aim of improving the rating to AA-

**Inclusion in global index**

Index inclusion of listed J-REIT names with market cap between 100 ~ 200 billion

- Names included in FTSE EPRA/NAREIT Global Real Estate Index Series
- Names not included in the index
- MIRAI

(As of October 31, 2019)

Aiming to be included in global index by expanding asset size through high quality external growth and by expanding market cap through PO

## Section1. 3<sup>rd</sup> Public Offering (December 2019)

## Acquisition

### Core Asset



My Square Building

THINGS Aoyama

### New Type Asset



Tokyo Eiseigakuen Senmongakko

### Total acquisition price

**9,612 million yen**

### Total appraisal value

**10,400 million yen**

### Avg. NOI/after dep. yield

**4.5%/4.1%**

Name	My Square Building	THINGS Aoyama	Tokyo Eiseigakuen Senmongakko
Asset type	Office	Retail	Educational
Address	Minato-ku, Tokyo	Minato-ku, Tokyo	Ota-ku, Tokyo
Acquisition price	2,800 million yen	2,912 million yen	3,900 million yen
Appraisal value	2,930 million yen	3,260 million yen	4,210 million yen
Appraisal NOI/after dep. yield	3.5%/3.2%	3.7%/3.6%	5.7%/5.2%
Completion	November 1987	January 2006	March 1986 (expansion/conversion of usage)
Sourcing route	Direct sourcing	Sponsor	Direct sourcing

## Disposition

### Total disposition price

**8,500 million yen**

### Total disposition gain

**1,267 million yen**

### Appropriation for acquisition

**4,269 million yen**

Name	MIUMIU Kobe		
Acquisition price	6,700 million yen		
Disposition date	June 2019 (29%)	November 2019 (33%)	June 2020 (38%)
Disposition price	2,465 million yen	2,805 million yen	3,230 million yen
Disposition gain	364 million yen	418 million yen (assumed)	484 million yen (assumed)



## Equity

### Issue price

**55,106 yen**  
(Comparison with NAV before PO: 1.12)

### NAV per unit (After issuance)

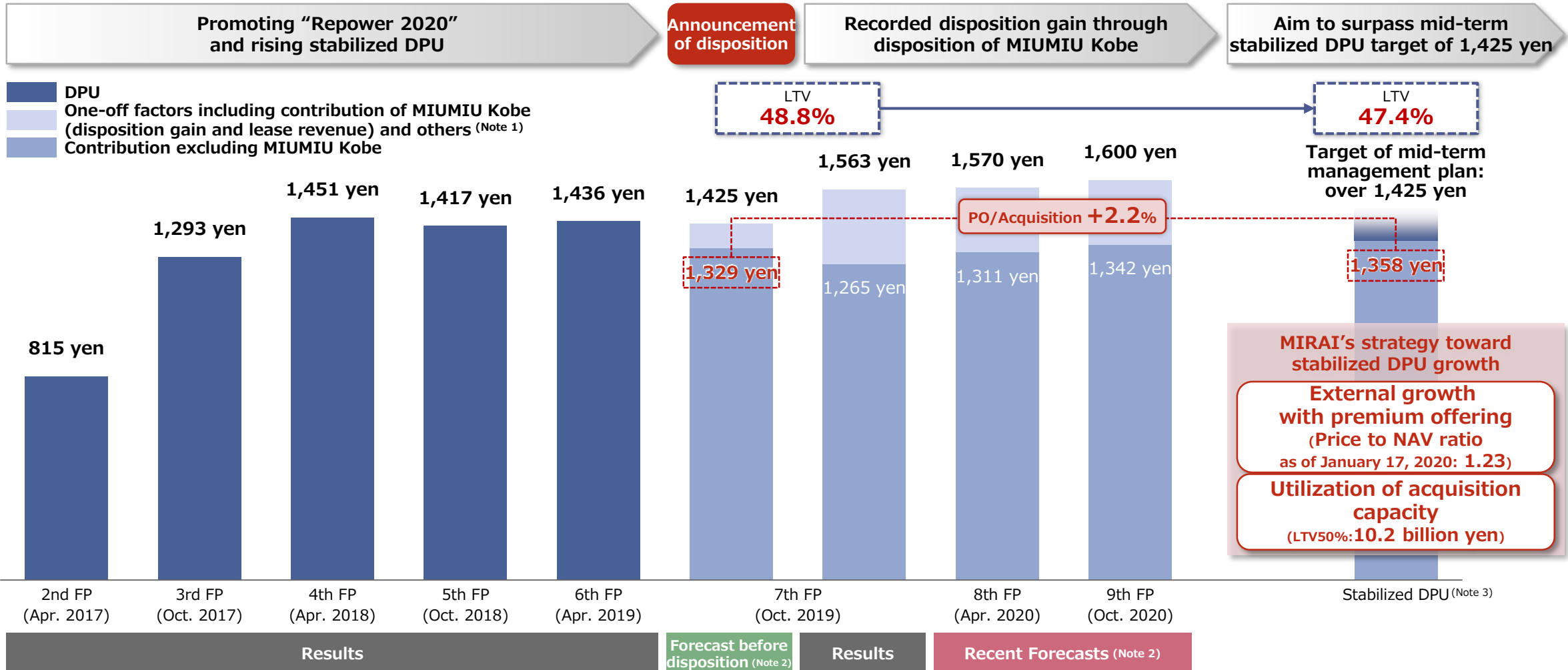
**49,850 yen**  
(+8.6% as of IPO)

### Total amount of issue price

**4,441 million yen**

Type of allotment	Domestic
Number of investment units to be offered	80,600 units (including third-party allotment)
Issue price/Paid-in amount	57,037 yen/55,106 yen (closing price on the pricing date: 58,500 yen)
Total amount of issue value/Paid-in amount	4,597 million yen/4,441 million yen
Date of resolution/Pricing date	December 10, 2019/December 18, 2019

DPU increase achieved up to 9th FP through disposition of MIUMIU Kobe in phases. Aim to surpass the mid-term stabilized DPU target mainly through external growth along with premium equity offering.



Note 1: Calculated by dividing the total of lease revenue, disposition gain, expected tax to be expensed upon recognition of disposition gain, asset enhancement expenses related to the management of the asset in the medium term and unit issuance cost for each fiscal period by the total number of investment units in issue.  
 Note 2: Forecast prior to the disposition was announced in "(REIT) Financial Report for the Fiscal Period ended April 30, 2019 (The 6th Period)" dated June 14, 2019 while current forecast was announced in "(REIT) Financial Report for the Fiscal Period ended October 31, 2019 (The 7th Period)" dated December 10, 2019. Please refer to page 13 for the detail of the current forecast.  
 Note 3: Stabilized DPU excluding contribution from MIUMIU Kobe is calculated based on certain assumptions as of December 10, 2019 and subject to change due to conditions such as change in rent revenue through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecast should not be construed as guarantee of DPU.



## My Square Building

Core  
Office



Acquisition price

**2,800** million yen

Appraisal value

**2,930** million yen

Appraisal NOI yield

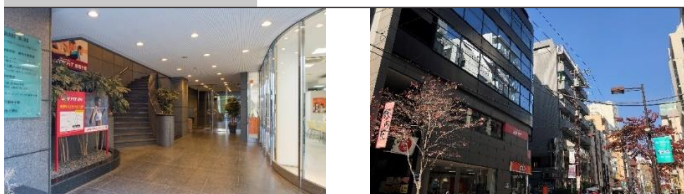
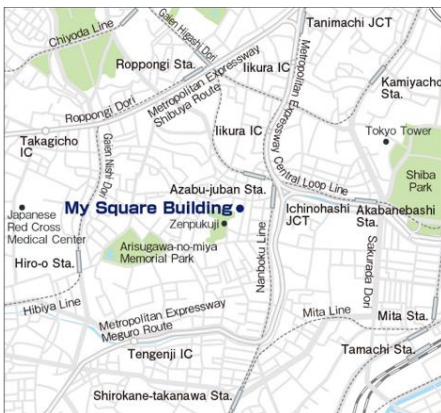
**3.5%**

NOI yield after dep.

**3.2%**

- The property is conveniently located within 3-minutes' walk from "Azabu-juban" station of Tokyo Metro and Toei Subway Lines. Surrounding area is bustling as it is located within the "Azabu Juban Shopping Street" with demand for relatively small offices. It is particularly attractive to shop visit type tenant (service sector tenant)
- "Azabu Juban Shopping Street" has approximately 300 years of history. Although it is located within walking distance to Roppongi, it has sophisticated and calm streets with an old downtown atmosphere and there is concentration of mostly long-established small stores
- The property has total rentable area of 543 tsubo with 76 tsubo per standard floor, which is in the main segment of the properties in the area
- Majority of the tenants are shop visit type tenants therefore the tenant structure matches the surrounding environment

Address	2-10-3, Azabu Juban, Minato-ku, Tokyo
Land area	413.25 m <sup>2</sup>
Floor area	1,924.81 m <sup>2</sup>
Structure	SRC B1/8F
Occupancy rate (number of tenants)	100.0% (9)
Completion	November 1987



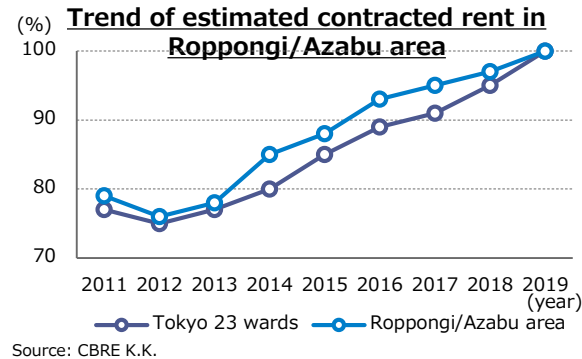
Asset that offers potential upside with versatility to meet wide range of needs / Aim to improve the future asset value through leasing strategy that is not restricted by the current usage

### Office space (3F ~ 8F)

- Potential upside even as general office use with current average rent of mid-10,000 yen
- Possible to change usage to service tenant or shop visit type tenant with higher rent given the characteristics of the location that is bustling

### Shop space (B1F ~ 2F)

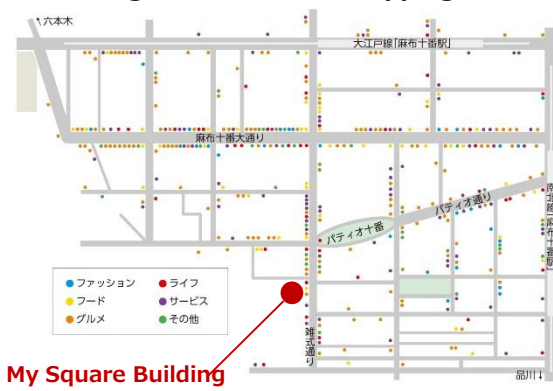
- Entrance faces "Zoushiki Dori" with strong appeal to passers-by and there is a stable demand from tenants
- There is a rent gap between the market and there is a potential upside given the high visibility of the property



### Current usage/Rent level

8F	Real estate-related company
7F	Tutoring school-related company
6F	Advertising-related company
5F	Real estate-related company
4F	Tutoring school-related company
3F	IT-related company
2F	Fitness club
1F	Service Shop
B1F	Restaurant

### Bustling "Azabu Juban Shopping Street"



My Square Building

Monthly rent per tsubo (yen)	As of September 30, 2019	Market rent
Office space avg.	15,190	21,000
Shop space avg.	21,840	25,360
Whole average	17,010	22,190

## THINGS Aoyama

Core

Retail



### Acquisition Price

**2,912 million yen**

### Appraisal value

**3,260 million yen**

### Appraisal NOI yield

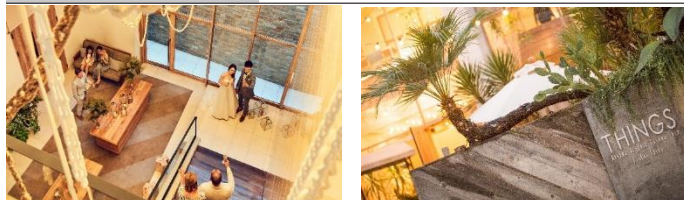
**3.7%**

### NOI yield after dep.

**3.6%**

- The property is located within 7-minutes' walk respectively from "Omote-sando" station and "Gaienmae" station of Tokyo Metro. The area has strong demand for weddings with numerous wedding venues
- The area surrounding the property has high concentration of residential properties, restaurants and small offices and has strong potential as residential and retail district with younger population likely to grow in the area
- It is available to use for purposes other than wedding. For wedding use, it is possible to hold highly satisfying wedding compared to a standard style as it offers flexible hours, production and decoration through "guest house wedding" by renting the entire house

Address	4-10-15, Minami-Aoyama, Minato-ku, Tokyo
Land area	523.66 m <sup>2</sup>
Floor area	995.94 m <sup>2</sup>
Structure	SRC B2F/2F
Occupancy rate (number of tenants)	100.0% (1)
Completion	January 2006



Note: There is no data of 2011 because nationwide survey was not tallied by impacts of Great East Japan Earthquake.

## Evaluation points as "the asset focused on experiential consumption" / Intrinsic value of property

- Fixed lease contract is in place with the tenant until January 2027. Guest house weddings are on increasing trend with more couples preferring original weddings and receptions that are not bound by the traditions and formalities. The venue's concept captures such trend and hence, stable demand is expected. In addition, variable rent linked to sales is in place, adding future upside potential
- Redevelopment projects of "Kita Aoyama 3-chome District Town Development Project" and "Kita Aoyama 2-chome Plan" are under way in the surrounding area and the improvement of real estate value of wider area is anticipated

## Wedding venue having originality

- The venue limits itself to 2 parties per day and therefore guests can enjoy relaxed time with privacy without having to see other couples and their wedding guests
- Offer high level of satisfaction with choices of various directions and options due to the versatility of the venue
- It is possible to use for parties, meetings, magazine photo shoots and television program filming

Reception Hall



Chapel



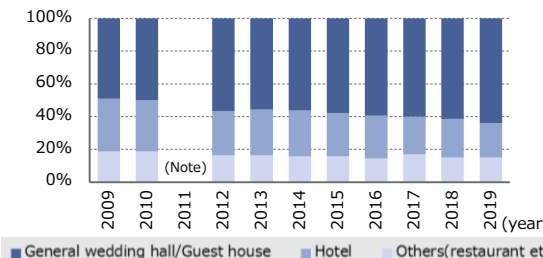
Family anteroom



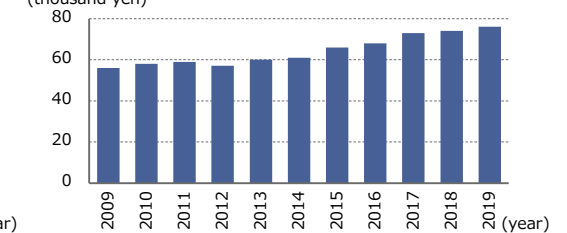
## Macro environment

- Guest house weddings are on increasing trend with more couples preferring original weddings and receptions that are not bound by the traditions and formalities
- Spending per guest is on increasing trend despite the total demand for wedding has been stable

Venues of receptions/parties (all of Japan)



Weddings/receptions/parties expenses per guest in Tokyo area



Source: These are prepared by the Asset Manager based on "Zexy Bridal Trend Survey" (2009 ~ 2019) by Recruit Marketing Partners Co., Ltd.

## Tokyo Eiseigakuen Senmongakko (Training school for non-doctor medical staff)

New Type

Educational



Acquisition price

**3,900 million yen**

Appraisal value

**4,210 million yen**

Appraisal NOI yield

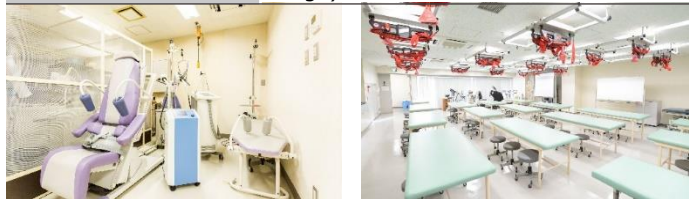
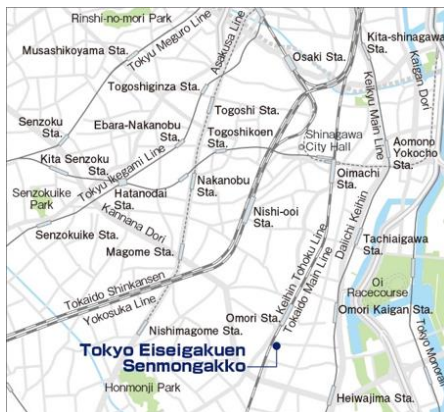
**5.7%**

NOI yield after dep.

**5.2%**

- The property is located at 6-minutes' walk from "Omori" station of JR. Station front shopping arcade extends to east of "Omori" station up to the property. The area has mainly restaurants and shops that make daily life convenient as well as variety of residential properties ranging from studio type to family type apartments.
- School building was completed in 1986 and expanded 2 times (1992 and 2000). The property has practical training rooms, practice rooms and AV hall etc. that create a learning environment in which students can cultivate their skills and knowledge while continuing to strengthen motivation
- The school has over 60 years of history and has produced talents that work as trainers and others in fields such as professional sports teams and national teams of different sports. The relationship with alumni also allows the students to obtain internships and jobs which is one of the big differentiating factors as the school with tradition

Address	4-1-1, Omorikita, Ota-ku, Tokyo
Land area	1,191.74 m <sup>2</sup>
Floor area	4,220.46 m <sup>2</sup>
Structure	RC 7F
Occupancy rate (number of tenants)	100.0% (1)
Completion	March 1986/March 1992 (expansion) /July 2000 (expansion and conversion of usage)



## Tenant



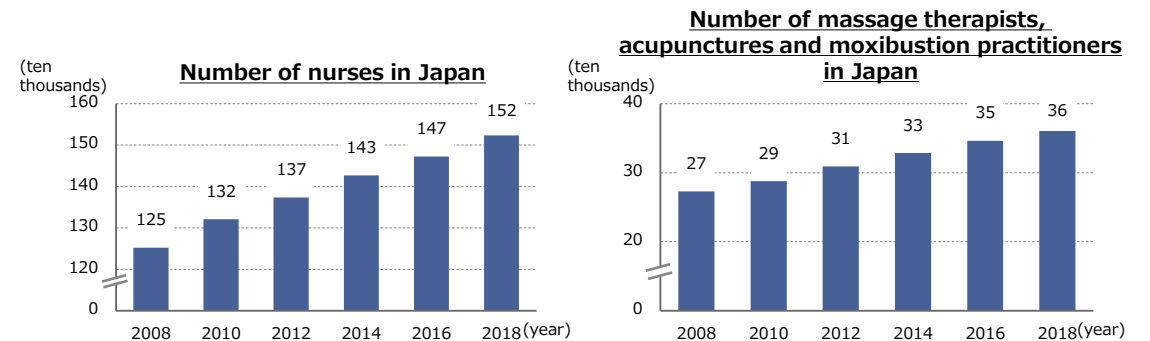
Goto Gakuen set up a practical nurse and massage therapist training school in 1953 in Ota-ku in Tokyo and now operates Tokyo Eiseigakuen Senmongakko (training school for nurse, physiotherapist, acupuncture and moxibustion practitioner) and Kanagawa Eisei Gakuen Senmongakko (Yokosuka city, Kanagawa prefecture - training school for nurse and acupuncture and moxibustion practitioner) and develops medical personnel who contribute to the advancement of society overall based on its educational philosophy of "educate medical personnel with heart and ability to think".

## Features of tenant

- This is a sale & leaseback agreement and it is expected that long-term regular lease contract for twenty years with the Goto Gakuen is to be concluded (non-cancellable for the first 10 years)
- Above national average state exam pass rate/ Conveniently located for attending classes while correspondence course is also popular  
2018 result: nurse 100% (89.3%), physiotherapist 93.6% (85.8%) (National average)
- The school is expected to form alliance with a medical corporation based in Chiba prefecture which offers wide range of medical and healthcare service from hospital operation, home care, and fitness. The alliance should boost the number of students as it will secure job opportunity following graduation
- Unique training school for non-doctor medical staff (Only school with correspondence course for nurse in Tokyo. One of only 19 schools nationwide with courses to obtain all the licenses for massage therapist, acupuncture practitioner and moxibustion practitioner)

## Macro environment

- With progressing aging society, the population of old-old are expected to continue to grow until 2040 in Japan while there is already a shortage of non-doctor medical staff such as nurses and physiotherapist
- Field for non-doctor medical staff is expanding from traditional hospital to home care and disaster struck area, with wider requirement of knowledge ranging from care of foreign patients who are increasing in number to variety of healthcare needs. As such, the importance of educational institutions has been increasing
- The number of physiotherapists, massage therapists, acupuncture and moxibustion practitioners is increasing on the back of social demand



Source: Ministry of Health, Labor and Welfare "Report on Public Health Administration and Services (Practicing health professionals) 2018"

Pursuing to shift retail portfolio to focus on experiential consumption from consumption of goods. Aim to improve portfolio quality while returning disposition gains to unitholders and acquiring assets that has higher intrinsic value.

## Shift to “Experiential Consumption” of Retail



- Focus on higher intrinsic real estate values
  - Value improvement as an area due to redevelopment in the surrounding area
  - Value improvement as a spot due to redevelopment of assets

### Decision to dispose MIUMIU Kobe

#### (i) Addressing the risk of ownership

- Cancellation risk after 2025
- Downward rent reversion risk at tenant turnover

#### (ii) Securing disposition gain

- Disposition price of **8.5 billion yen** exceeds the appraisal value of 7.3 billion yen (as of April 30, 2019)
- Disposition gain of **1.2 billion yen** (scheduled)

## Disposition of MIUMIU Kobe



Address	18-1, Akashi-cho, Chuoku, Kobe-shi, Hyogo
Land area	383.83 m <sup>2</sup>
Floor area	874.03 m <sup>2</sup>
Structure	S 3F
Completion	July 2017

- A flagship store in Kansai of “MIUMIU,” a sister brand of the world popular PRADA
- Increase in DPU achieved for 3 consecutive fiscal period through disposition at above appraisal value

Acquisition price (million yen)	6,700		
Appraisal value (million yen)	7,370 (As of April 30, 2019)		
Disposition date	June 28, 2019 (completed)	November 29, 2019 (completed)	June 30, 2020
Buyer	Green Map GK (Limited Liability Company)		
Disposition price (million yen)	8,500 in total		
	2,465 (quasi-co-ownership 29%)	2,805 (quasi-co-ownership 33%)	3,230 (quasi-co-ownership 38%)
Disposition gain (million yen)	<b>364</b>	<b>418 (assumed)</b>	<b>484 (assumed)</b>

Expecting Disposition gain for 3 consecutive fiscal period



## Section 2. 7<sup>th</sup> Fiscal Period Financial Summary & Forecasts

**DPU increased by 127 yen from the previous period with contribution from disposition gain. Decline of hotel revenue covered by internal growth of office and retail assets.**

		Results (A) (6 <sup>th</sup> FP)	Results (B) (7 <sup>th</sup> FP)	Changes (B) - (A)
Operating revenue	(million yen)	4,959	5,340	380
Lease business revenue	(million yen)	4,023	4,070	47
Office	(million yen)	2,048	2,100	52
Retail	(million yen)	864	891	26
Hotel	(million yen)	850	818	(31)
Industrial	(million yen)	260	260	-
Other lease business revenue	(million yen)	935	904	(30)
Disposition gain	(million yen)	-	364	364
Operating expenses	(million yen)	1,446	1,547	101
NOI	(million yen)	3,513	3,428	(84)
Depreciation	(million yen)	553	563	10
General administrative expenses	(million yen)	428	512	83
Non-operating expenses	(million yen)	261	243	(18)
Net profit	(million yen)	2,271	2,472	201
<b>DPU</b>	<b>(yen)</b>	<b>1,436</b>	<b>1,563</b>	<b>127</b>
Capital expenditure	(million yen)	462	258	(204)
NCF	(million yen)	3,050	3,169	119
FFO per unit (Note 1)	(yen)	1,786	1,689	(97)
Payout ratio	%	80.4	92.5	12.1
Number of properties		29	29	-
Occupancy rate as of the end of fiscal period	%	99.6	100.0	0.4
Appraisal value	(million yen)	153,692	153,396	(295)
Unrealized gain margin	%	4.6	6.0	1.4
Outstanding interest-bearing debts	(million yen)	74,700	74,700	-
LTV (Note 2)	%	49.0	48.8	(0.2)
Total number of outstanding investment units	(unit)	395,410	1,581,640	1,186,230
BPS (Note 1) (Note 3)	(yen)	43,672	43,672	-
NAV per unit (Note 1) (Note 3)	(yen)	47,920	49,190	1,270

Note 1: MIRAI split its investment units at a rate of four units per every one unit, with April 30, 2019, as the record date. Regarding results for the 6th fiscal period, figures after the split are stated from a comparison standpoint.

Note 2: LTV=Outstanding interest-bearing debt/Total assets. Hereinafter, the definition is the same in this material.

Note 3: BPS=Unitholders' capital/Total number of outstanding investment units. NAV=Unitholders' capital + Unrealized gain. Hereinafter, the definition is the same in this material.

## Major Topics

### Summary

■ DPU (comparison after the split) +127 yen

### Office

■ Expiry of free rent period (Kawasaki) +27 million yen  
 ■ Escalation rent (Shinjuku) +11 million yen  
 ■ Expiry of free rent period (Higashi-Shinjuku) +12 million yen

### Retail

■ Replacement of tenants (Shibuya) +23 million yen  
 ■ Expiry of free rent period (Izumi) +45 million yen  
 ■ Partial disposition (MIUMIU) (32) million yen

### Hotel

■ Decrease in variable rent once a year (Niigata) (9) million yen  
 ■ Decline in ADR/occupancy (3 Smile Hotels) (22) million yen

	Results (A) (6 <sup>th</sup> FP)	Results (B) (7 <sup>th</sup> FP)	Changes (B) - (A)
Operating expenses	1,446	1,547	101
Outsourcing services	332	336	3
Utilities expenses	453	517	63
Taxes and dues	337	400	62
Repair expenses	66	36	(30)
Other	255	256	1

**DPU up to 9<sup>th</sup> FP ended October 2020 expected to record historical high through acquisition of asset along with PO and recognition of disposition gain.**

		7 <sup>th</sup> FP Results (A)	8 <sup>th</sup> FP Forecasts (Note) (B)	Changes (B) - (A)	9 <sup>th</sup> FP Forecasts (Note) (C)	Changes (C) - (B)
Operating revenue	(million yen)	5,340	5,484	144	5,661	177
Lease business revenue	(million yen)	4,070	4,244	173	4,316	71
Office	(million yen)	2,100	2,175	74	2,231	55
Retail	(million yen)	891	879	(11)	857	(21)
Hotel	(million yen)	818	852	34	843	(8)
Industrial/Educational	(million yen)	260	337	76	383	46
Other lease business revenue	(million yen)	904	820	(83)	861	40
Disposition gain	(million yen)	364	418	54	484	65
Operating expenses	(million yen)	1,547	1,497	(49)	1,612	114
NOI	(million yen)	3,428	3,567	139	3,565	(2)
Depreciation	(million yen)	563	586	23	606	19
General administrative expenses	(million yen)	512	518	6	539	21
Non-operating expenses	(million yen)	243	270	27	242	(28)
Net profit	(million yen)	2,472	2,609	137	2,660	50
<b>DPU</b>	<b>(yen)</b>	<b>1,563</b>	<b>1,570</b>	<b>7</b>	<b>1,600</b>	<b>30</b>
Capital expenditure	(million yen)	258	696	437	687	(8)
NCF	(million yen)	3,169	2,871	(298)	2,877	6
FFO per unit	(yen)	1,689	1,671	(18)	1,674	3
Payout ratio	%	92.5	94.0	1.4	95.6	1.6
Number of properties		29	32	3	31	(1)
Occupancy rate as of the end of fiscal period	%	100.0	100.0	-	99.7	(0.3)
Outstanding interest-bearing debts	(million yen)	74,700	74,700	-	74,700	-
LTV	%	48.8	47.4	(1.4)	47.5	0.0
Total number of outstanding investment units	(unit)	1,581,640	1,662,240	80,600	1,662,240	-

Note: This forecast is calculated based on certain assumptions as of December 10, 2019 and subject to change due to conditions such as change in rent revenue through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecast should not be construed as guarantee of DPU.

## Major Topics

### 8<sup>th</sup> FP (April 2020)

#### Office

- New acquisition (My Square Building) +39 million yen
- Tenants moving in/Expiry of FR period +41 million yen (Kawasaki/Shinjuku)

#### Retail

- New acquisition (THINGS Aoyama) +38 million yen
- Partial disposition (MIUMIU) (60) million yen

#### Hotel

- Seasonal factor etc. (Smile/Niigata) +33 million yen

### 9<sup>th</sup> FP (October 2020)

#### Office

- Full period contribution (My Square) +16 million yen
- Replacement of tenants/ Expiry of FR period (Shinagawa/Shinjuku) +47 million yen
- Replacement of tenants/FR (Kawasaki)(19) million yen

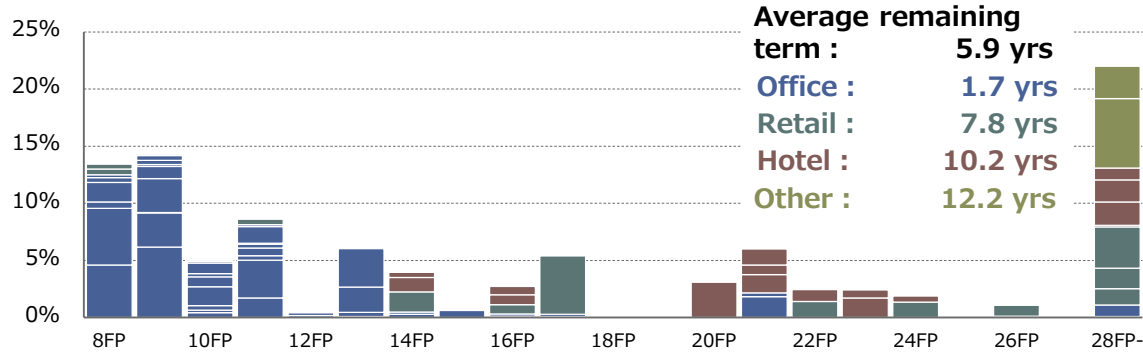
#### Retail

- Full period contribution (THINGS) +23 million yen
- Partial disposition (MIUMIU) (49) million yen

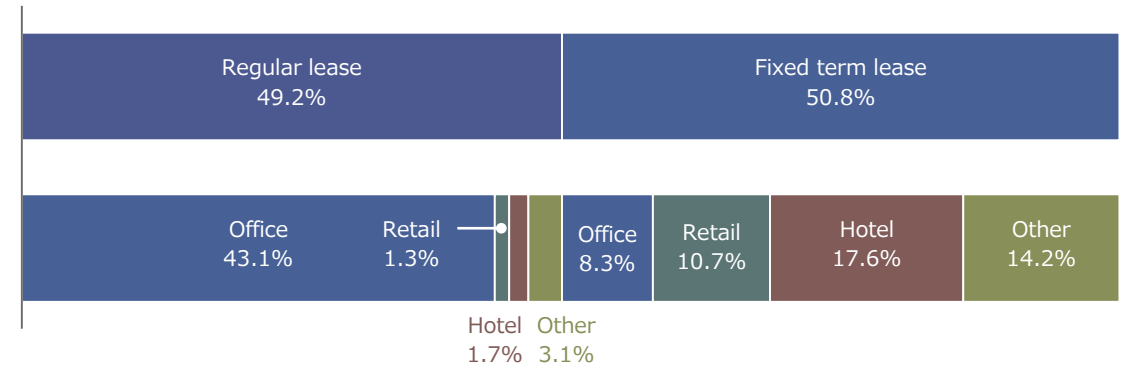
	7 <sup>th</sup> FP Results	8 <sup>th</sup> FP Forecasts	Changes	9 <sup>th</sup> FP Forecasts	Changes
Operating expenses	1,547	1,497	(49)	1,612	114
Outsourcing services	336	340	4	340	(0)
Utilities expenses	517	444	(73)	514	70
Taxes and dues	400	386	(13)	402	16
Repair expenses	36	86	49	68	(17)
Other	256	240	(16)	285	45

Tenant diversification is steadily progressing through external growth through acquisition of various asset types leveraging on the strengths of MIRAI.

## Diversification of Lease Maturity <sup>(Note)</sup> (based on rent)



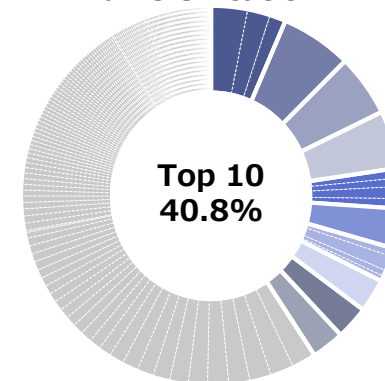
## Breakdown of Lease Contracts Type <sup>(Note)</sup> (based on rent)



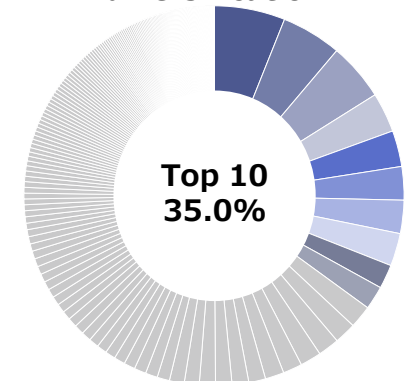
## Top 10 Tenants <sup>(Note)</sup> (based on rent)

Company name	Property	Ratio
1. Hospitality Operations	3 Smile Hotels (Naha, Hakata, Nagoya)	6.4%
2. HAVI Supply Chane Solutions Japan	Rokko Island DC	6.1%
3. AEON Retail	AEON Kasai/Shinagawa Seaside Parktower	-
4. NTT Comware	Shinagawa Seaside Parktower	-
5. Super Hotel	4 Super Hotels (Sendai, Osaka, Saitama and Kyoto)	3.5%
6. Chubu Telecom	MI Terrace Nagoya-Fushimi	-
7. Greens	Ise City Hotel Annex 3 Comfort Hotels (Shin-Yamaguchi, Kitakami, Nagano)	-
8. Goto College of Medical Arts and Sciences	Tokyo Eiseigakuen Senmongakko	-
9. BIGLOBE	Shinagawa Seaside Parktower	-
10. (Not disclosed)	Kawasaki Tech Center	-

### Tenants diversification



### Lease contracts diversification

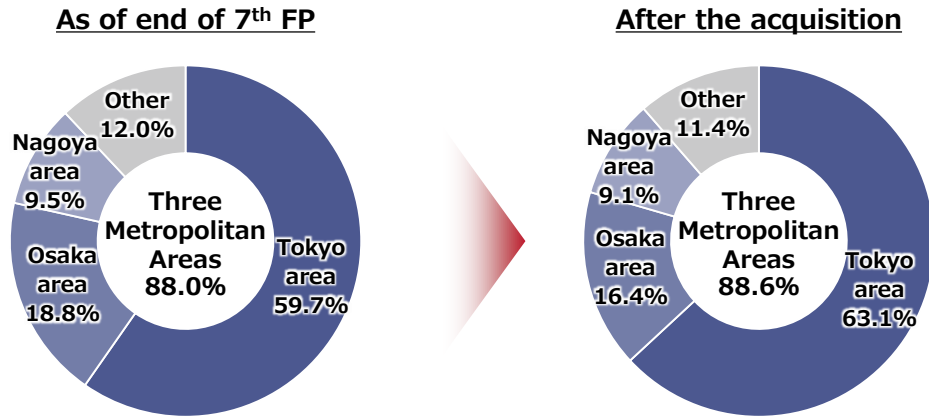


Note: Based on lease contract in place with end tenants as of end of September 2019 (acquisition date for Tokyo Eiseigakuen Senmongakko). Average remaining term is calculated based on lease contract as of December 10, 2019.

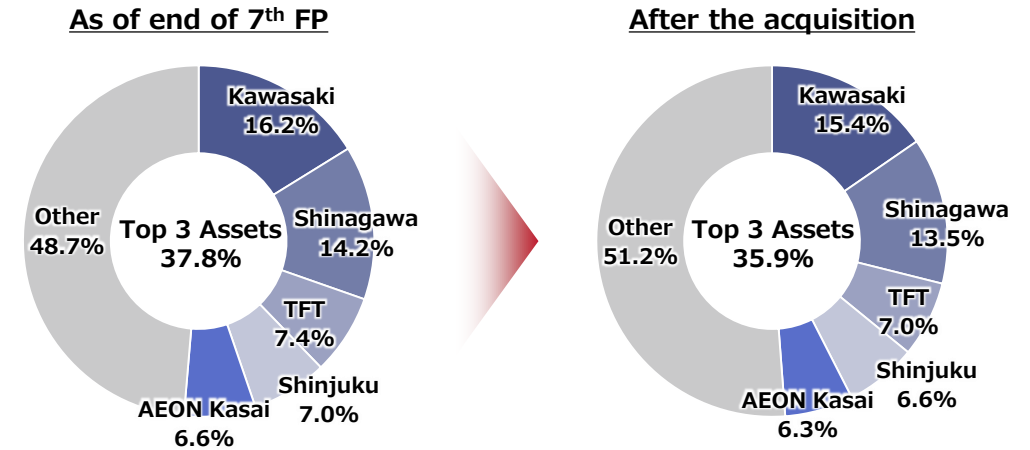


## Portfolio Diversification after the Acquisition of New Assets

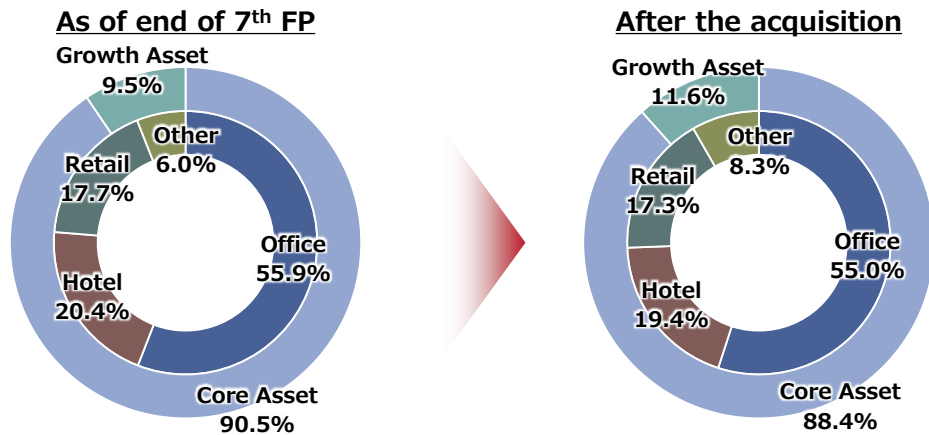
### Ratio by area (based on acquisition price)



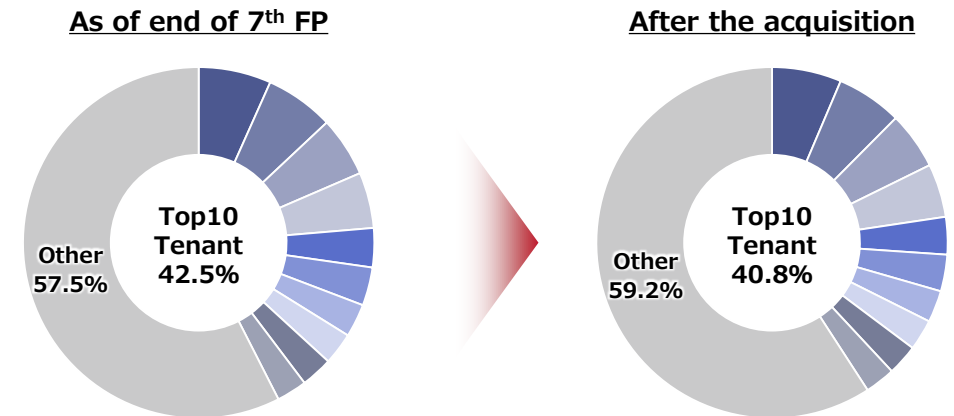
### Ratio by asset (based on acquisition price)



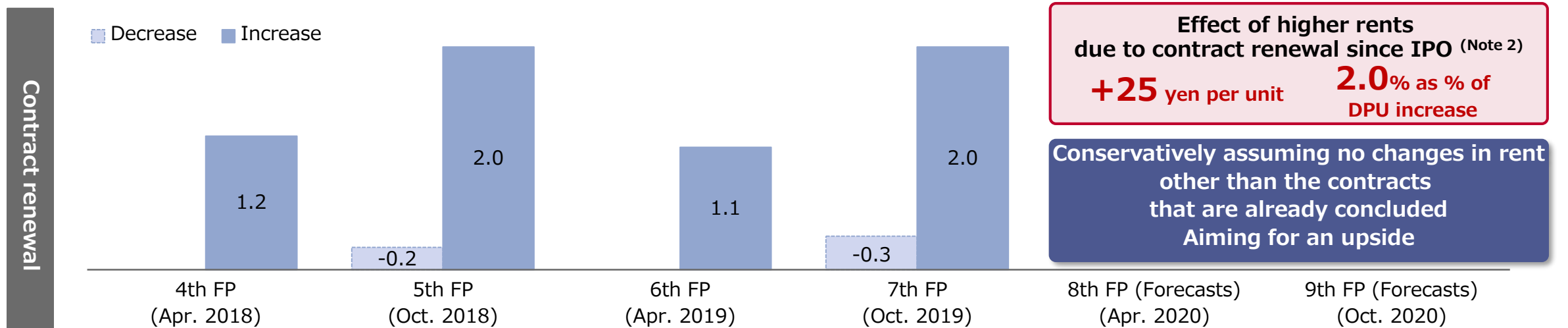
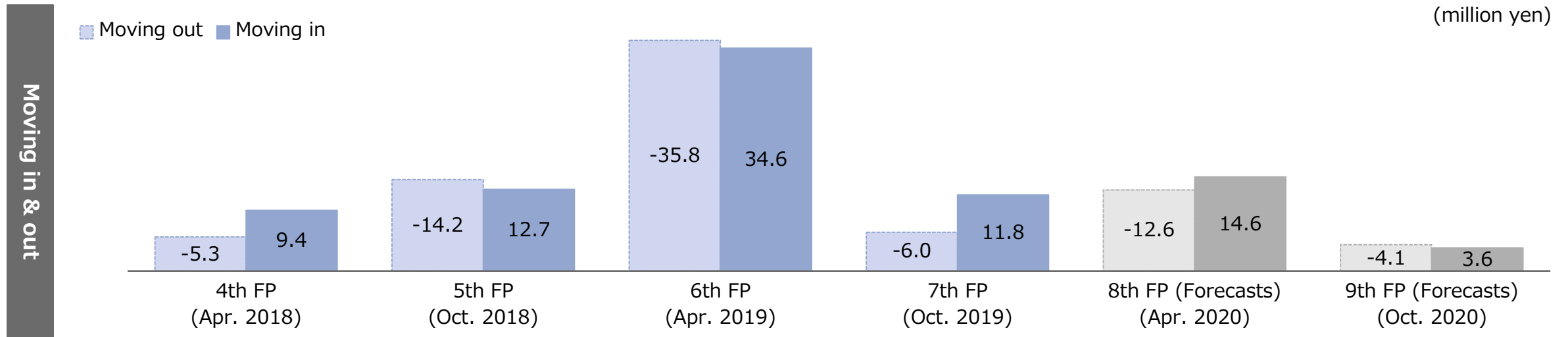
### Ratio by asset type (based on acquisition price)



### Ratio by tenant (based on rent)



Large-scale offices and Shibuya World East Building continued to increase rent, and steady internal growth contributed to the rise in DPU.



Note 1: Rent change is based on monthly rent.

Note 2: Effect of higher rents due to contract renewal = The amount of increase and decrease in monthly rents due to contract renewal since IPO to the end of the 7th fiscal period \* 6/Total number of outstanding investment units. For the contribution ratio to DPU, the ratio of the effect of higher rents due to contract renewal to forecast DPU for the 3rd fiscal period (ended October 2017), which was published at IPO.

## Section3. Expanded Mid-term Management Plan “Repower 2020-ER”

Asset management with consideration to four quantitative measures to achieve goals of maintaining and improving DPU, and lowering risk premium.



Top 3 assets  
Up to 40%

AUM  
Over  
200 billion yen

NOI yield  
after depreciation  
Over 4.0%

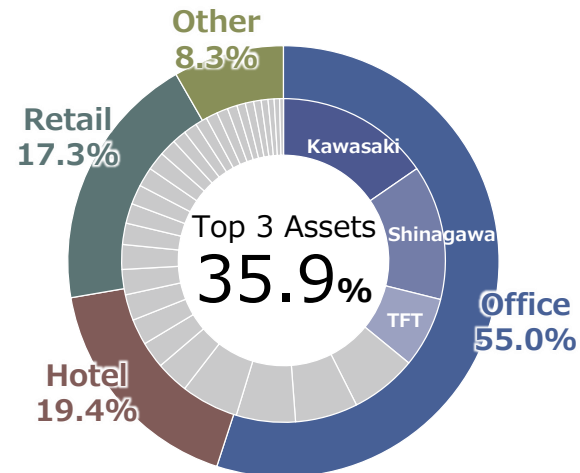
LTV  
Up to 45%

Steadily progressing toward the goal through acquisition of assets through PO. Aiming to further improve position within the sector.

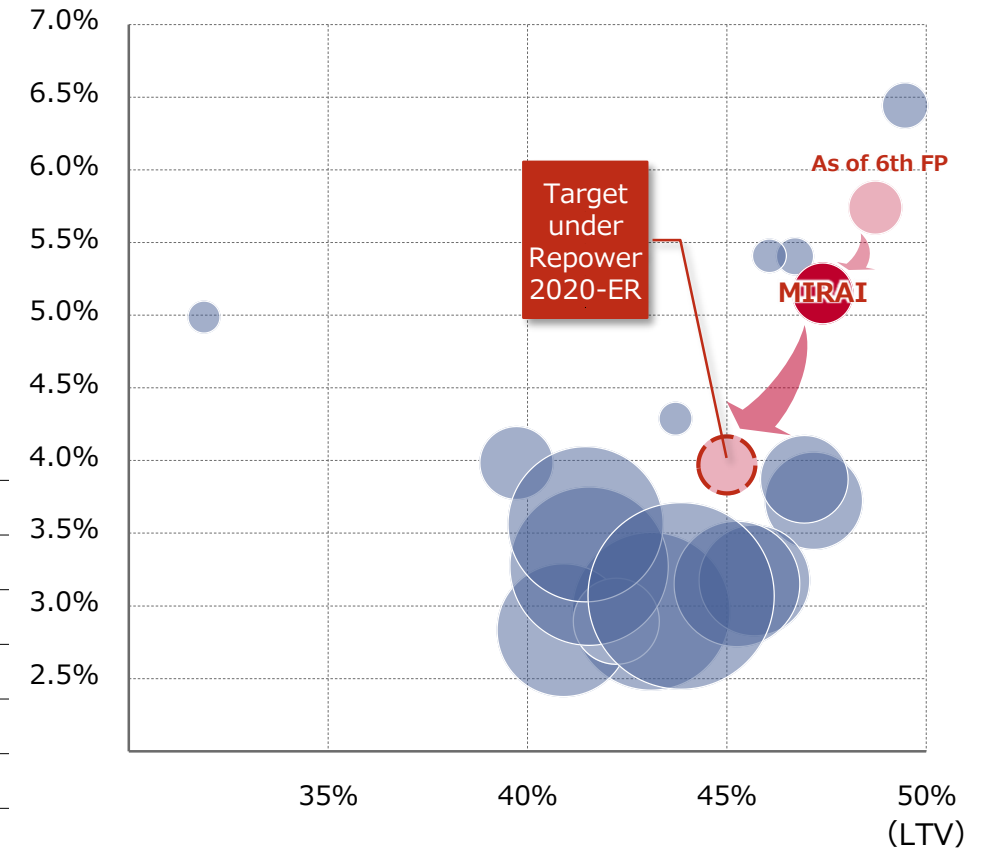
## After the acquisition of new assets

## Positioning analysis of diversified J-REITs (Note 2)

### Portfolio diversification



(DPU yield)






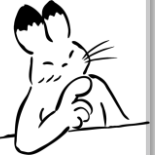








Top 10 lease contracts (Note 1)	35.0%
Total number of tenants (Note 1)	247
Number of properties	32
AUM (Total acquisition price)	150.5 billion yen
NOI/NOI yield after depreciation	4.9%/4.2%
3 metropolitan areas	88.6%
Average property age	21.7 years

Note1: Based on lease contract in place with end tenants of end of September 2019 (acquisition date for Tokyo Eiseigakuen Senmongakko).

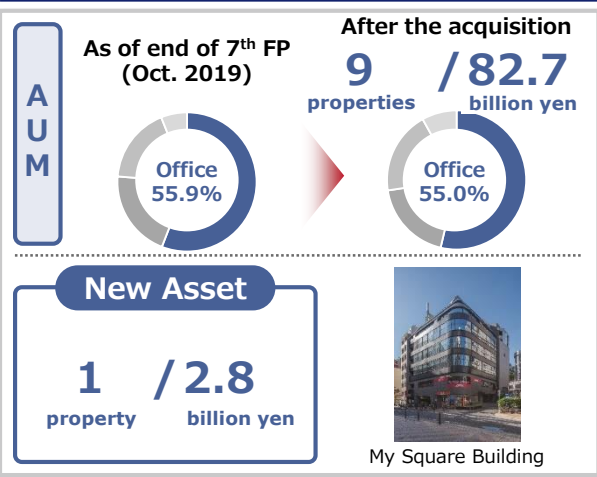
Note2: Prepared by the Asset Manager based on the disclosure materials of listed investment corporations as of the end of October 2019 and may be different from the actual situation. The circle size shows the market capitalization.

## Section4. Portfolio Management and External Growth Strategy

	Asset type	Topics of management	Acquisition strategy
Office		<ul style="list-style-type: none"> <li>Continue to maintain high occupancy. <b>New contracts are concluded at levels above the previous tenants.</b></li> <li>Achieving <b>steady upward revision for contract renewal</b> with existing tenants.</li> <li>Continue to see bullish leasing environment. While some vacancy is expected in some assets, there are strong interest including expansion of existing tenant.</li> </ul> 	<ul style="list-style-type: none"> <li>Mainly consider <b>assets with mid-rent (mid-10,000 yen to low-20,000 yen)</b> with solid demand and potential upside.</li> <li>Continue to invest in <b>central Tokyo office with potential upside</b> even though profitability may be lower than the portfolio average at acquisition.</li> <li>Continue to consider assets in regional cities outside of three major metropolitan areas as long as <b>they are highly competitive and differentiated.</b></li> </ul> 
Hotel		<ul style="list-style-type: none"> <li>ADR and occupancy declined YoY due to unbalanced supply and demand from increase of new hotels in some areas, <b>natural disaster (typhoon) and impact of worsening Japan-Korea relationship.</b></li> <li>Regional hotels other than above continue to maintain strong performance due to increased inbound tourist and solid domestic demand.</li> <li>Implementing strategic improvement measures in cooperation with the operator.</li> </ul> 	<ul style="list-style-type: none"> <li><b>Stricter selection of location and operator</b> based on concern of oversupply in some areas and demand volatility of inbound tourists.</li> <li>In principle, acquire assets with long-term fixed lease contract (<b>cautiously make decision on assets with variable rent</b>).</li> <li>Intend to maintain current portfolio exposure (approx. 20%).</li> </ul> 
Retail		<ul style="list-style-type: none"> <li><b>Promoting to create further profit generation opportunity along with tenant replacement with large upward revision of rent</b> at Shibuya World East Building as Miyashita Koen redevelopment is due to be completed for opening in June 2020 (advertisement on the roof and digital signage on the wall introduced).</li> </ul> 	<ul style="list-style-type: none"> <li><b>Shifting to focus on "experiential consumption"</b> from "consumption of goods" (including tenant replacement) given changes of consumer behavior.</li> <li><b>Assets that are less affected by E-commerce</b> (example: NSC (Note) in densely populated area) will be considered based on the market demand.</li> <li>Focus more on <b>the upside potential of the intrinsic value of the asset</b> both from "area (redevelopment of surrounding area)" and "spot (redevelopment of the particular asset)" point of view.</li> </ul> <p>(Note) NSC=Neighborhood Shopping Center</p> 
Growth		<ul style="list-style-type: none"> <li>As part of phase 2 renewal project of Mi-Nara, plan to replace unprofitable tenant, succeeded in <b>introducing global brands that can improve visitor number and bring synergies to other tenants.</b></li> <li>Continue to improve both F&amp;B and sale of goods so that rent revenue from end tenants surpasses the minimum guaranteed rent by the master lessee as soon as possible.</li> </ul> 	<ul style="list-style-type: none"> <li>Targeting to acquire New Type asset with high profitability such as <b>data centers and medical buildings</b> in corporation with Mitsui &amp; Co.,</li> <li>Consider older assets as long as <b>certain risk controls (potential redevelopment in the future or conversion to other usage)</b> are in place.</li> <li>Restrain portfolio exposure at between 10~20%.</li> </ul> 

Internal growth steadily progressed on the back of strong office market. Upward revision achieved mainly in large-scale offices in central Tokyo.

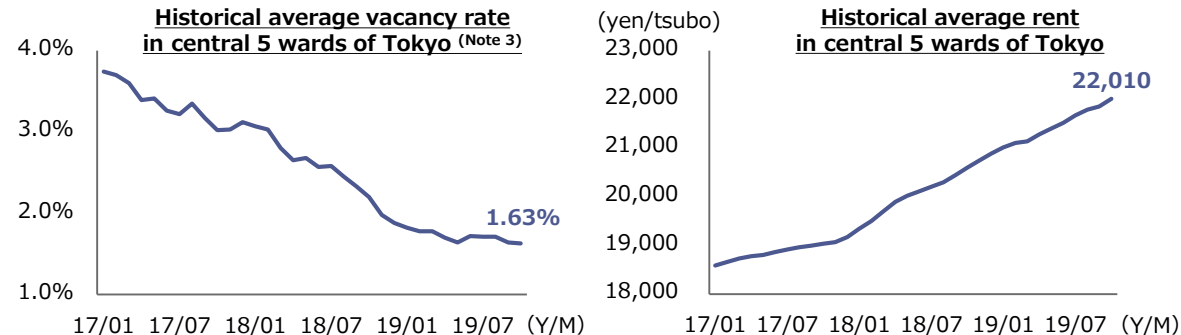
## Overview of Portfolio



- **Large-scale offices** make up **77.4%** of office portfolio through acquisition of scarce assets with support of sponsors.
- In order to maintain demand and to aim for upside, focus mainly on mid-rent level. **Average monthly rent of large-scale office in Tokyo is 15,830 yen per tsubo.**
- While avoiding tender process that may result in higher acquisition price in principle, continue to invest into central Tokyo office in consideration of the cost of capital.

## Market Data

Strong market condition continues with lower vacancy and higher average rent.



Source: Market data of Miki Shoji Co.,Ltd

Note1: Median of estimated new contract rent of portfolio assets as of end of September 2019 assessed by CBRE K.K.  
 Note2: If the assets held by the MIRAI are co-ownership interests or quasi co-ownership interests, the figures in tsubo calculated based on the ownership ratio are shown.  
 Note3: "Central 5 wards of Tokyo" are Chiyoda-ku, Chuoh-ku, Minato-ku, Shibuya-ku and Shinjuku-ku.

## Rent Gap of Large-scale Offices (only office block)

Property	Average monthly rent per tsubo as of September 2019	Market rent (Note 1)	Rent gap	Leasable space (Note 2)
Shinagawa Seaside ParkTower	16,190 yen	18,500 yen	(12.5%)	6,138
Kawasaki Tech Center	13,060 yen	15,500 yen	(15.7%)	6,820
Shinjuku Eastside Square	23,550 yen	27,500 yen	(14.4%)	1,679
Tokyo Front Terrace	17,180 yen	20,000 yen	(14.1%)	2,932
MI Terrace Nagoya-Fushimi	12,520 yen	14,000 yen	(10.6%)	3,516
<b>Total/Average</b>			<b>(13.7%)</b>	<b>21,086</b>

## Topics of Management

### Shinagawa Seaside Parktower



#### Increase rent of major tenants

August 2019  
 A large resort company (1,377 m<sup>2</sup>) (Note 2)  
**+4.4%**

November 2019  
 A large IT company (4,237 m<sup>2</sup>) (Note 2)  
 Monthly rent per tsubo  
**+7.3%**

### Shinjuku Eastside Square



#### Occupancy recovered with introduction of new tenant with above average rent

Occupancy rate as of May 31, 2019  
**89.8%**

↓

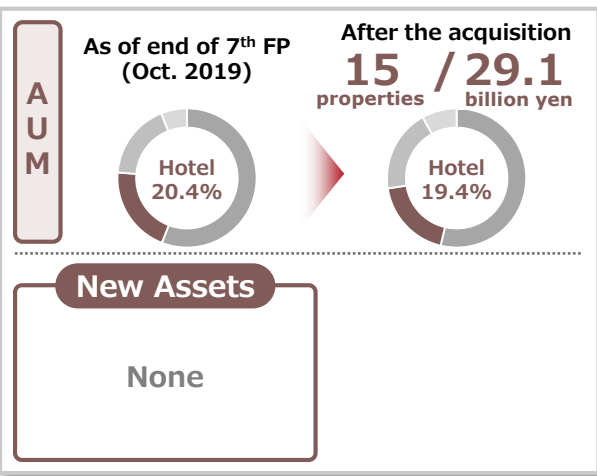
Occupancy rate as of October 31, 2019  
**100%**

A large IT company moved in (591 m<sup>2</sup>) (Note2)  
 An insurance related company is expected to use the space as its core location

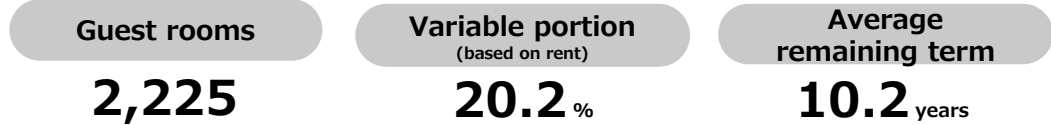


Although assets with variable rent were impacted by changes in market, certain level of risk control is in place due to higher proportion of long-term fixed lease contract. Aim to stabilize the profit and achieve upside through additional investment and strengthening cooperation with the operator.

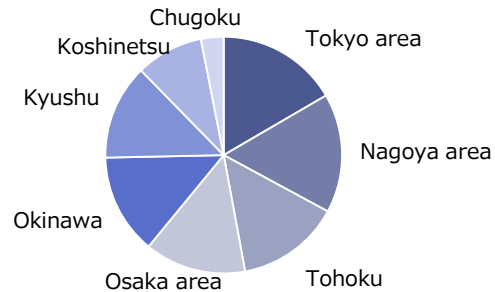
## Overview of Portfolio



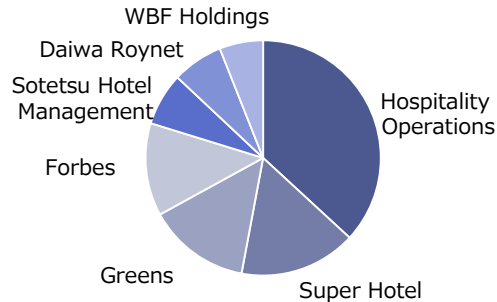
- Hotel portfolio that combines assets in major regional cities with fixed rent supported by solid business travel demand and assets in cities with tourist sites with variable rent on top of minimum guarantee that offer upside.
- In view of concern of increased supply in some areas and demand volatility risk of inbound tourists stemming from diplomatic issue, **stricter selection standard of locations and operators will be implemented for investment.**
- Additional investment to cater for the changes in demand.**



### Area diversification (based on acquisition price)



### Operator group diversification (based on rent)



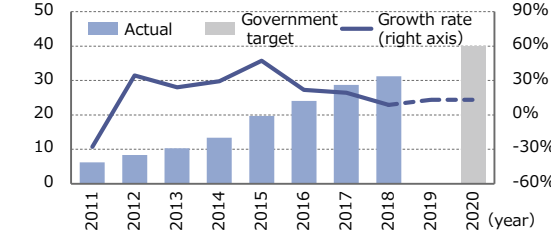
## Macro Environment and Risk Control of Portfolio

### RevPAR compared with last year

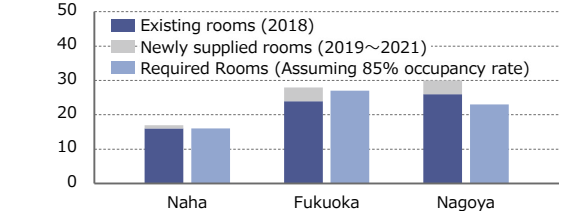
Property	18/11~ 19/1	19/2~ 19/4	19/5~ 19/7	19/8~ 19/10
Smile Hotel Naha City Resort	110%	101%	102%	94%
Smile Hotel Hakataeki-Mae	99%	101%	95%	87%
Smile Hotel Nagoya-Sakae	92%	97%	93%	99%

- Performance of assets with variable rent negatively impacted by large supply in some areas and worsening Japan-Korea relationship.
- Foreign visitors to Japan are increasing smoothly and international events such as the Olympics is expected to further boost the number of visitors.
- Total number of rooms required (demand) upon achieving the government target (40 million visitors in 2020) is expected to be below the total stock (supply). Differentiation rather than simple pricing competition is going to be the key to attract guests in the future.

### Inbound and government target



### Number of existing/required rooms



Source: Japan National Tourism Organization (JNTO), Prime Minister's Office, the "Hotel Market Outlook for 2021" by CBRE K.K. (January 2019)

## Topics of Management

### Improvement through enhanced cooperation with operators



Implemented work to increase the number of beds to capture demands from family, couple and inbound tourists.

#### Smile Hotel Naha City Resort:

- Introduced Triple room
- Convert low occupancy suite to twin room (Scheduled for June 2020)



#### Smile Hotel Nagoya-Sakae:

- Convert double to twin room

### Sponsor entered into hotel operation business

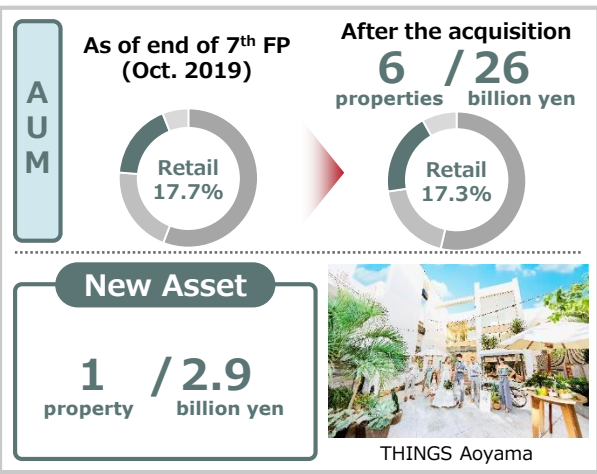
July 2019

IDERA Capital acquired 100% stake of The COURT and entered into hotel operating business in Japan. IDERA Group has hotel asset management business with 6,900 guest rooms including Tomamu Resort in Hokkaido and can support stable operation and value improvement of MIRAI's hotel portfolio in the future.



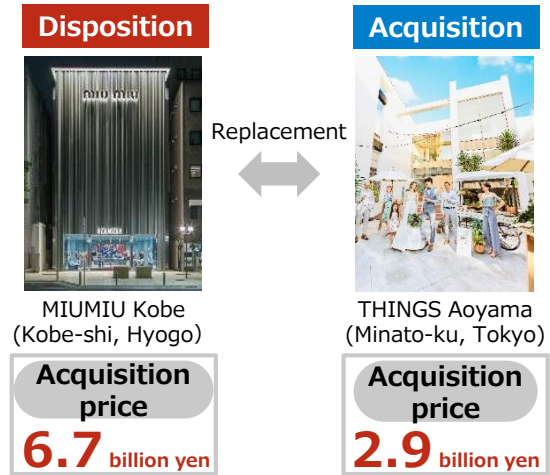
Shifted to focus on “experiential consumption” and “urban retail”. Working to improve profitability at Mi-Nara while steadily achieving upward revision for existing assets to capture the value improvement of the “area” from redevelopment of surrounding area.

## Overview of Portfolio



- Retail portfolio shifted focus to consumption “experience” away from “goods” due to changes in consumption behavior. **42.5% of retail asset portfolio includes elements of experiential consumption following acquisition of the new asset** (acquisition price).
- Focus even more on upside potential of intrinsic value of property as “area” (redevelopment in the surrounding area) and “spot” (redevelopment of properties) upon investment.
- Revitalization project (Mi-Nara) is steadily working to improve issues. Actively being involved in implementing measures such as **introduction of global brand tenants**.

## Shift to Focus on Consumption of “Experience” from “Goods”

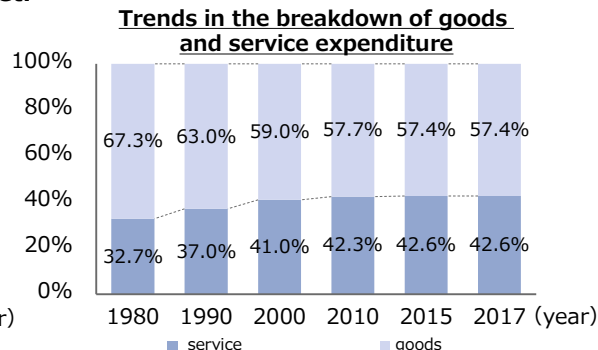
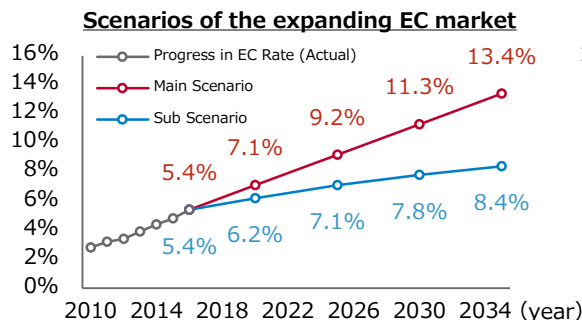


### Effect of Replacement

- Shift to assets focused on consumption of experience**  
THINGS Aoyama: Wedding hall with stable demand through its differentiation
- Improvement of profitability and Stability**  
Decrease Cancellation risk and Downward rent reversion risk  
(THINGS Aoyama: Rent level equivalent to market)
- Increase intrinsic value of property**  
Shift to Center of Tokyo area  
Focus on areas with higher versatility rather than areas that has limited usage/ potential tenant even though it may be unique

## Market Data

Consumption at physical stores is shifting to consumption of service (experience) from goods (products) with expansion of EC market.



Source: the “Long-Term Projection of Sales in Retail Properties: impact of Aging Population and Low Birthrate and the Expanding E-Commerce Market on Sales in Retail Properties” on August 31, 2017, by NLI Research Institute.

Source: the “Status of Consumer Policies in Fiscal 2016” and “Status of Consumer Policies in Fiscal 2017” by the Consumer Affairs Agency

## Topics of Management

### Shibuya World East Building



**Tenant replacement with significant upward revision of rent**  
April 2019 to October 2019  
Due to replacement of tenant and higher rent  
Rent per tsubo **+20.3%**  
1-2F (Road-side compartment)  
-Major drugstore

Other-tenants focused on experiential consumption  
Pursue incidental revenue given the burgeoning of the area with neighborhood redevelopment.  
Advertisement at the roof and digital signage on the wall to be introduced.

### Mi-Nara



**Improvement of profit base by replacement of tenants and strengthen inbound measures**  
Replacement of tenants:  
global brands moving in  
Toysrus (November 2019)  
Burger king (December 2019)

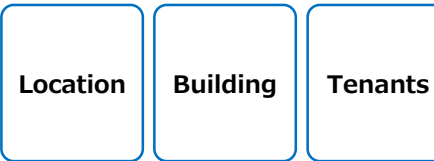
Inbound:  
Improvement of entertainment facilities  
collaboration with tour company in Taiwan.



## Focus of property acquisitions (Core Asset)

When acquiring properties, MIRAI focuses mainly on the three criteria; “location,” “building” and “tenants,” and pursues investment return and assesses investment risk in light of these criteria. For Office, Retail and Hotel which are Core Asset that forms **more than 80%** of the portfolio, investment will focus on the following:

### Criteria for property acquisitions



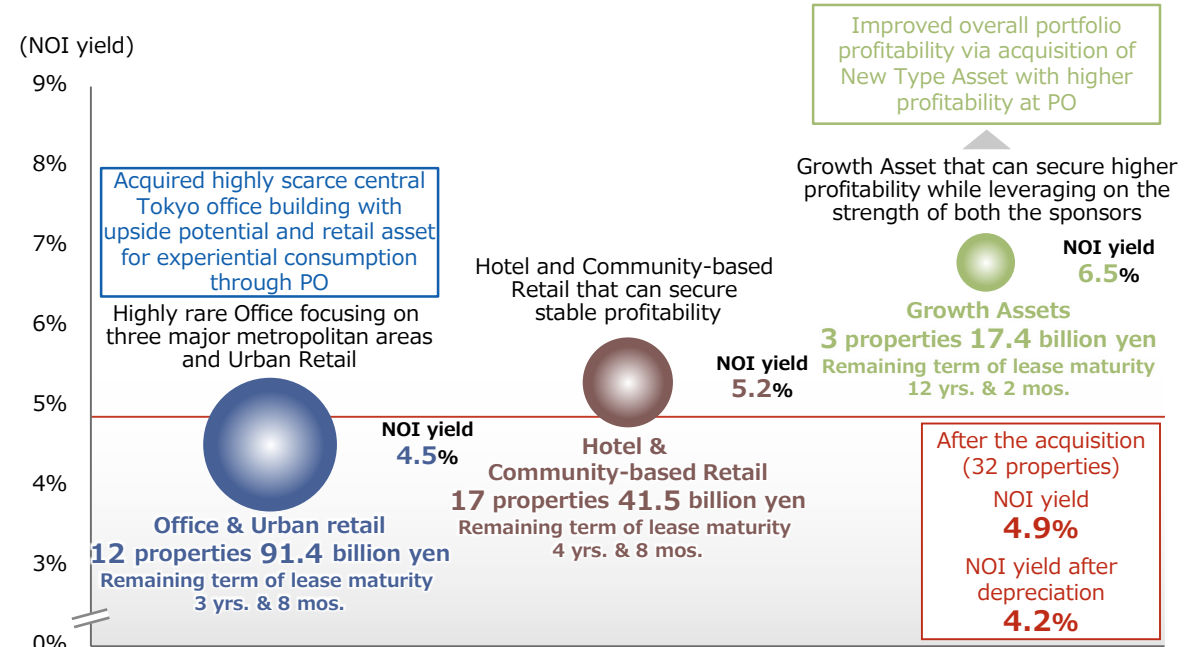
Office	Large-sized	<ul style="list-style-type: none"> <li>Total office floor space of over 20,000 m<sup>2</sup></li> <li>Strong location advantages, rarity of the property</li> <li>High spec of the facilities</li> </ul>
	Mid-sized	<ul style="list-style-type: none"> <li>Total office floor space of between 3,000 and 20,000 m<sup>2</sup> (depending on the size of the market such as population of work force, property with total floor space below 3,000 m<sup>2</sup> can also be acquired)</li> <li>Volume zone in terms of number of properties and number of tenants</li> <li>New supply of properties with adequate facility spec is limited, and supply/demand environment is stable</li> </ul>
Retail	Urban	<ul style="list-style-type: none"> <li>Located close to a terminal station and in a good urban location with easy access</li> <li>Luxury brand stores and facilities offering goods and services based on the latest consumer trends</li> </ul>
	Community-Based	<ul style="list-style-type: none"> <li>Located in a residential area where there is firm demand from the neighboring communities and an established trade catchment area</li> <li>Provide daily necessities to meet daily needs</li> </ul>
Hotel	Budget	<ul style="list-style-type: none"> <li>Located near areas that attract customers such as in front of stations, airports, tourist destinations, business districts and busy shopping streets, and strategic points for transportation such as terminal stations and expressway interchanges</li> <li>Hotels that mainly provide accommodation with limited or minimal adjoining facilities</li> </ul>
	Resort	<ul style="list-style-type: none"> <li>Located near tourist destinations, scenic places and leisure facilities</li> <li>Hotels with comparatively comfortable accommodation facilities and diverse adjoining facilities such as restaurants, banquet halls, conference rooms, and sports facilities</li> </ul>
	Full-service	<ul style="list-style-type: none"> <li>Located in areas that attract customers such as in front of stations, airports, tourist destinations, business districts and busy shopping streets, large metropolitan regions, cities that are government-ordinance-designated cities or the locations of prefectural capitals, etc., or urban and suburban areas</li> <li>Hotels that have adjoining facilities such as restaurants and bars, banquet halls, and conference rooms in addition to accommodation facilities and that offer a full line-up of services</li> </ul>

## Expanded Investment into Growth Asset

Expanded investment into Growth Asset in which Mitsui & Co. and IDERA, the sponsors of MIRAI, have strength. In principle, the composition of Growth Asset will be **less than 20%** of the portfolio when reaching the AUM of above 500 billion yen. MIRAI aims to construct a portfolio considering the balance between stability and growth potential.

<b>Core-plus Asset</b>	Assets targeting profitability improvement through upside achieved by leasing, renovation or conversion
<b>New Type Asset</b>	Assets in “Blue ocean”, with less acquisition competition and market expansion can be expected <b>Asset type</b> Healthcare, Hospital, Education, Industrial, Infrastructure, Entertainment, Forest

## Portfolio Strategy that Combine “Rarity”, “Growth Potential” and “Profitability”



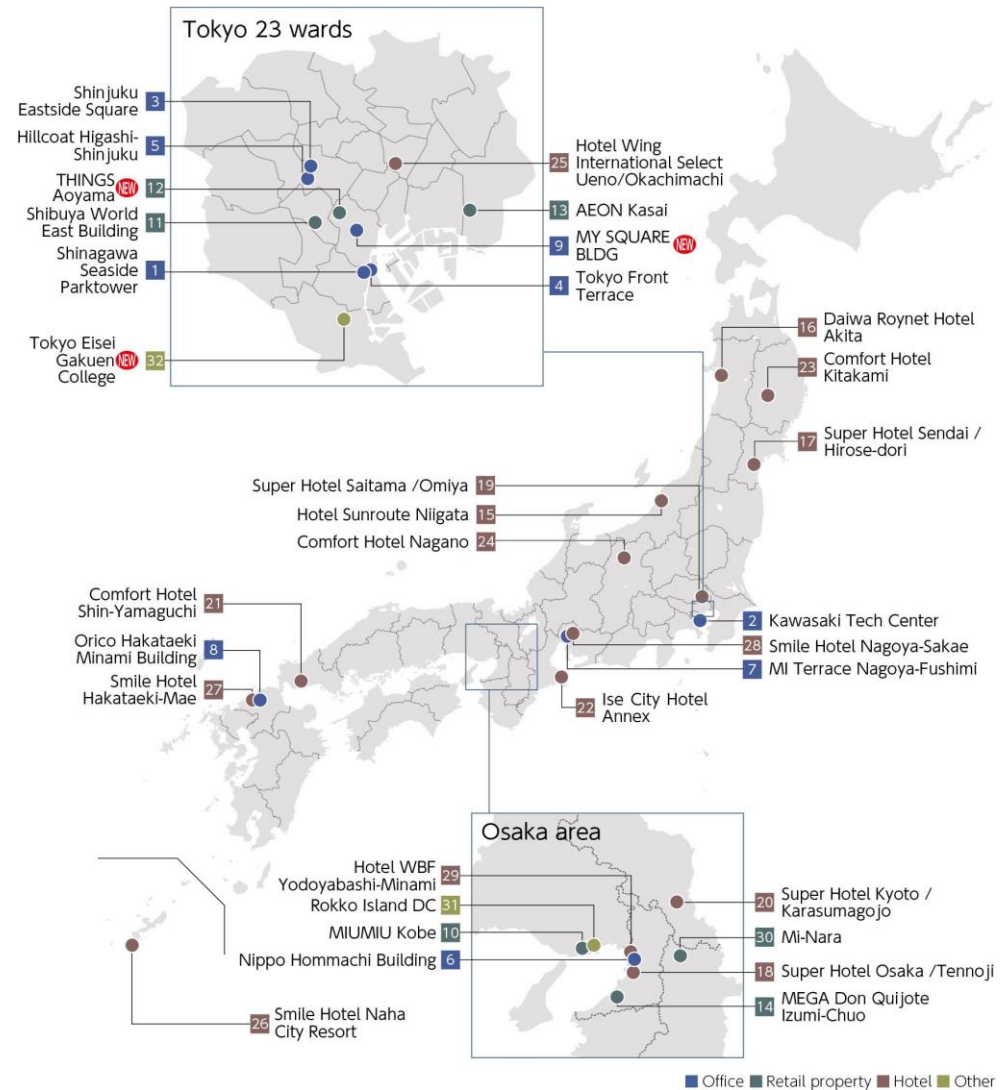
# Portfolio Map (after the Acquisition)

## Assets

■ Office ■ Retail ■ Hotel ■ Other

 1 Shinagawa Seaside Parktower	 2 Kawasaki Tech Center	 3 Shinjuku Eastside Square	 4 Tokyo Front Terrace	 5 Hillcoat Higashi-Shinjuku	 6 Nippo Hommachi Building	 7 MI Terrace Nagoya-Fushimi	 8 Orico Hakataeki Minami Building	 10 MIUMIU Kobe
 11 Shibuya World East Building	 13 AEON Kasai	 14 MEGA Don Quijote Izumi-Chuo	 15 Hotel Sunroute Niigata	 16 Daiwa Roynet Hotel Akita	 17 Super Hotel Sendai/Hirose-dori	 18 Super Hotel Osaka/Tennoji	 19 Super Hotel Saitama/Omiya	 20 Super Hotel Kyoto/Karasumagojo
 21 Comfort Hotel Shin-Yamaguchi	 22 Ise City Hotel Annex	 23 Comfort Hotel Kitakami	 24 Comfort Hotel Nagano	 25 Hotel Wing International Select Ueno/Okachimachi	 26 Smile Hotel Naha City Resort	 27 Smile Hotel Hakataeki-Mae	 28 Smile Hotel Nagoya-Sakae	 29 Hotel WBF Yodoyabashi-Minami
 30 Mi-Nara	 31 Rokko Island DC	 9 My Square Building  12 THINGS Aoyama  32 Tokyo Eiseigakuen Senmongakko			 32 Tokyo Eisei Gakuen College			

### 8<sup>th</sup> FP Acquired Assets



## Section5. Strengthening Sponsor Support

## Promote effort so that strengthening relationship between real estate and asset management business through Mitsui & Co.,s reorganization will lead to MIRAI's growth.

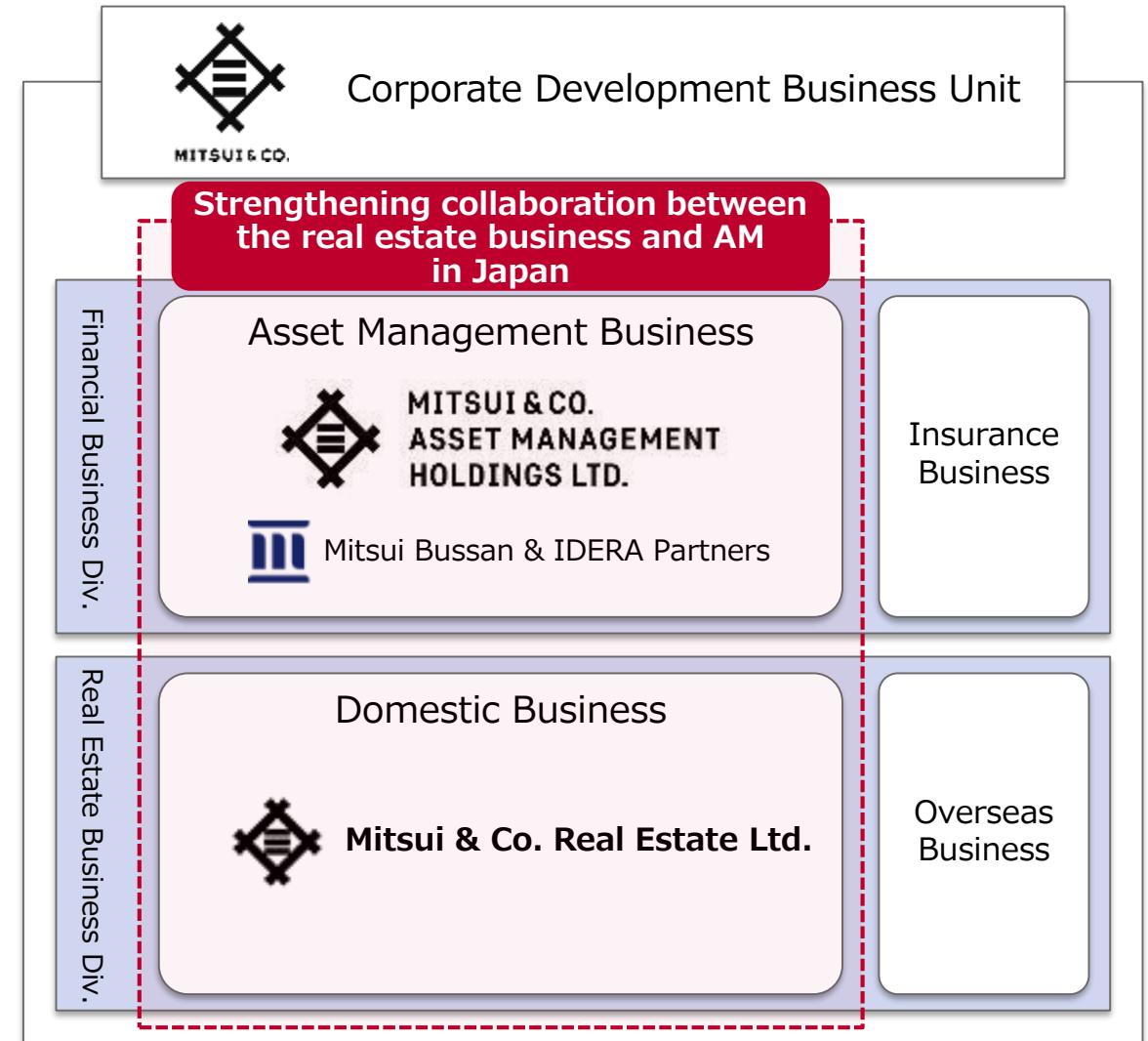
### Overview of Organizational Restructuring of Mitsui & Co. (Apr. 2019 -)

- The Real Estate Business Division has been integrated into the Corporate Development Business Unit, which works on strategic projects and the development of new business areas that will lead to the evolution of business categories of Mitsui & Co. leveraging on its expertise in finance and logistics-related business.
- By strengthening collaboration between the real estate business and asset management, the Group aims to create new business models, strategies and organizational structures to pursue development profit and investment returns, as well as to further improve profitability of the real estate business as a core business segment for the future.

### Collaboration with Mitsui & Co. Real Estate

- As part of the initiative to strengthen collaboration between the real estate business and asset management, a move toward collaboration between Mitsui & Co AM Holdings and Real Estate Business Division of Mitsui & Co./Mitsui & Co. Real Estate, a core subsidiary of the domestic real estate business, has begun.
- Mitsui & Co. Real Estate operates the building business mainly in the Nishi-Shimbashi area and has also entered into office building development business in Kasumigaseki, Toranomon and Shimbashi areas, in addition to the development business of logistics properties in recent years.

Name	Mitsui & Co. Real Estate Ltd.
Head Office Address	1-13-1, Nishi-Shimbashi, Minato-ku, Tokyo
Date of Establishment	November 1, 2000
Shareholder	Mitsui & Co. (100%)
Stated Capital	3 billion yen
Business Description	Buying, selling, exchange, leasing and management of real estate Brokerage of leasing, buying and selling of real estate Planning, proposal and consulting business related to the effective use and development of real estate



## Steady progress on property sourcing/tenant leasing leveraging on the value-adding capability. Entering into new business that offer collaboration opportunity with MIRAI.

### Track Record of Support Leveraging on the Value-adding Capability for Real Estate

- Property sourcing mainly for value enhancement projects that utilize the Construction Management Team and the Leasing Management Team, the two wheels supporting the value-adding capability for real estate (Tokyo Front Terrace, etc.)
- In leasing, its capabilities are displayed not only in office buildings where it has demonstrated strength, but also community-based retail property projects with low tenant liquidity, contributing to the risk control of single-tenant properties.

### Track record of support after IPO (~December 2019)

#### Deal sourcing

48.8 billion yen / 14 properties

#### Tenant leasing

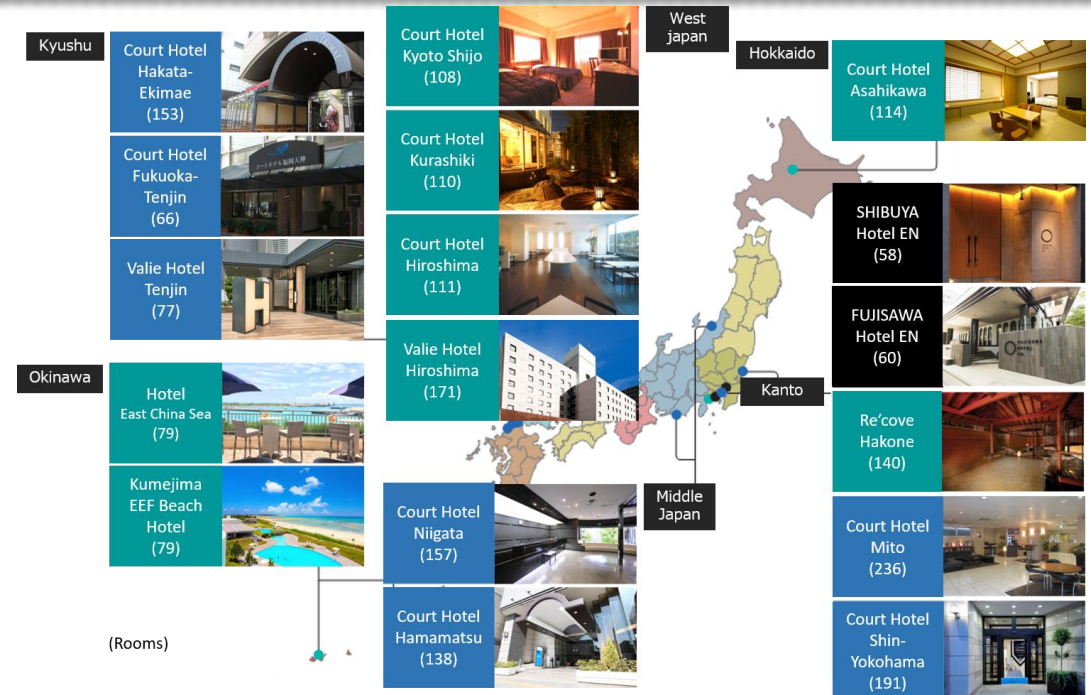
monthly rent 33 million yen / 14 tenants

### Entering the Hotel Operation Business in Japan

- In July 2019, IDERA acquired all shares of "The COURT" which is one of the hotel operator in Japan. The COURT manages 17 hotels & 2,048 rooms.

#### Potential collaboration with MIRAI to come

- Market survey of new asset, advising on validity verification of lease terms
- **Comparison of terms on lease negotiation / candidate as a back-up operator**

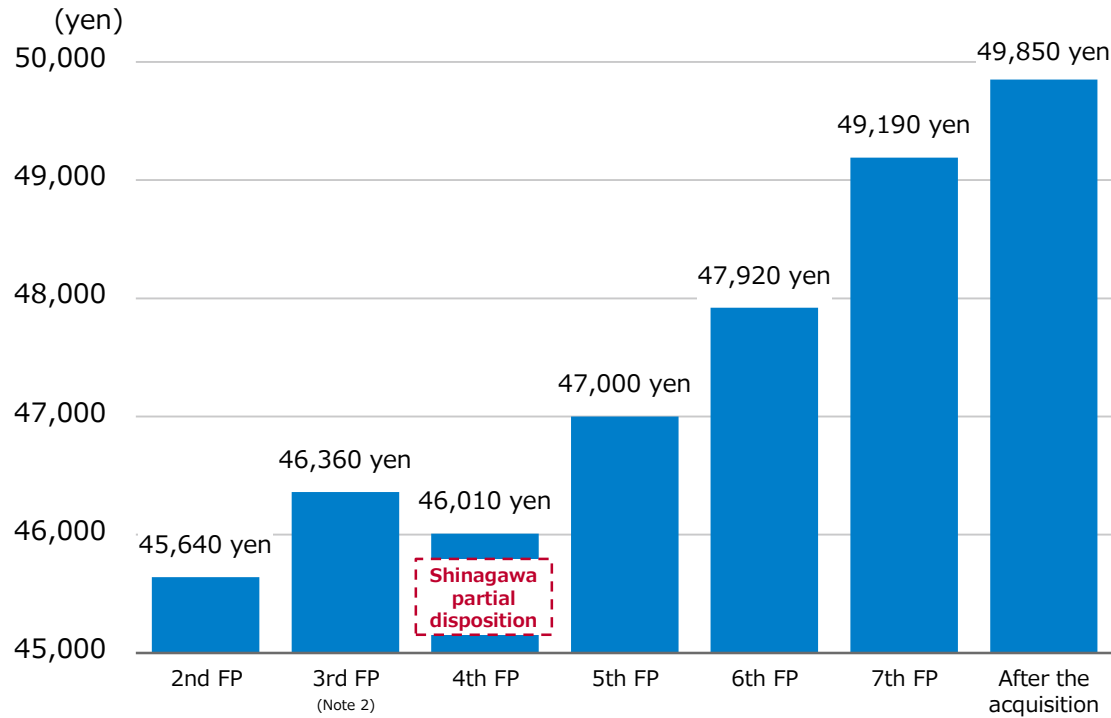


## Section6. Finance & ESG Initiatives



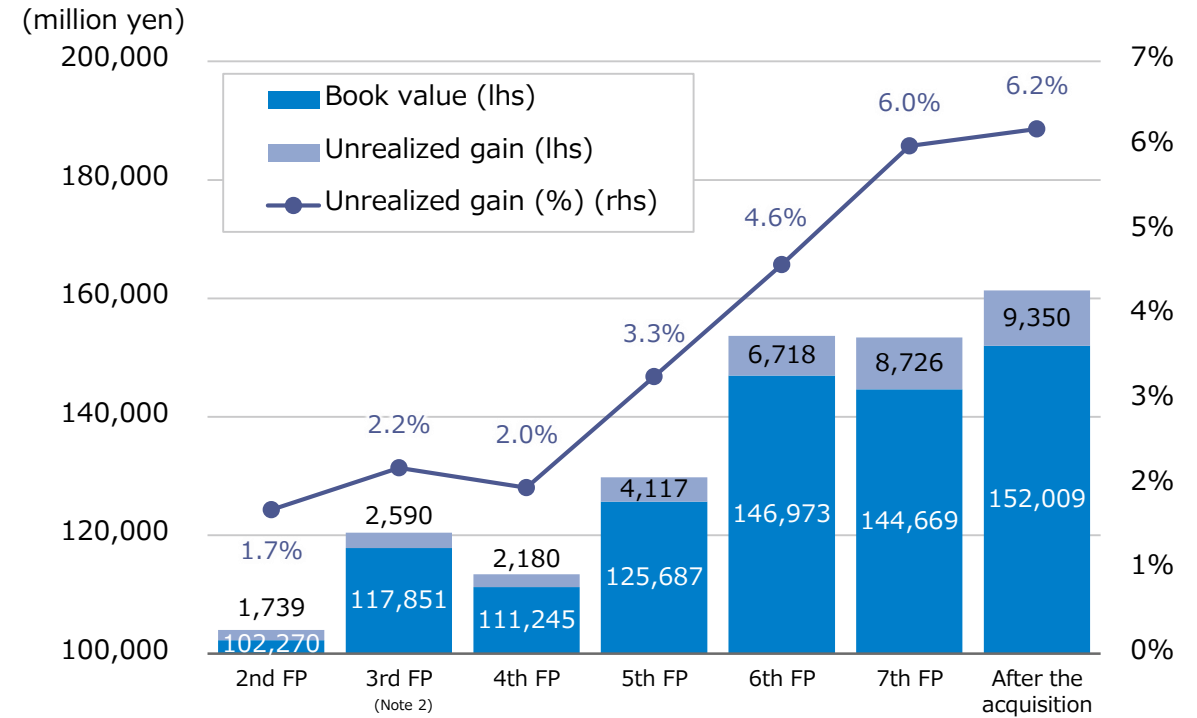
**NAV per unit increased due to improvement of cashflow from upward revision including Shibuya WE, premium PO and acquisition of assets with unrealized gain.**

**NAV Per Unit** (Note 1)



<b>Unrealized gain per unit</b> (Note 1)	1,480	2,200	1,850	3,030	4,240	5,510	5,620
<b>BPS</b> (Note 1)	44,160	44,160	44,160	43,960	43,670	43,670	44,220
<b>Unrealized gain as % of NAV</b>	3.2%	4.8%	4.0%	6.5%	8.9%	11.2%	11.3%

**Appraisal Value/ Unrealized Gain**



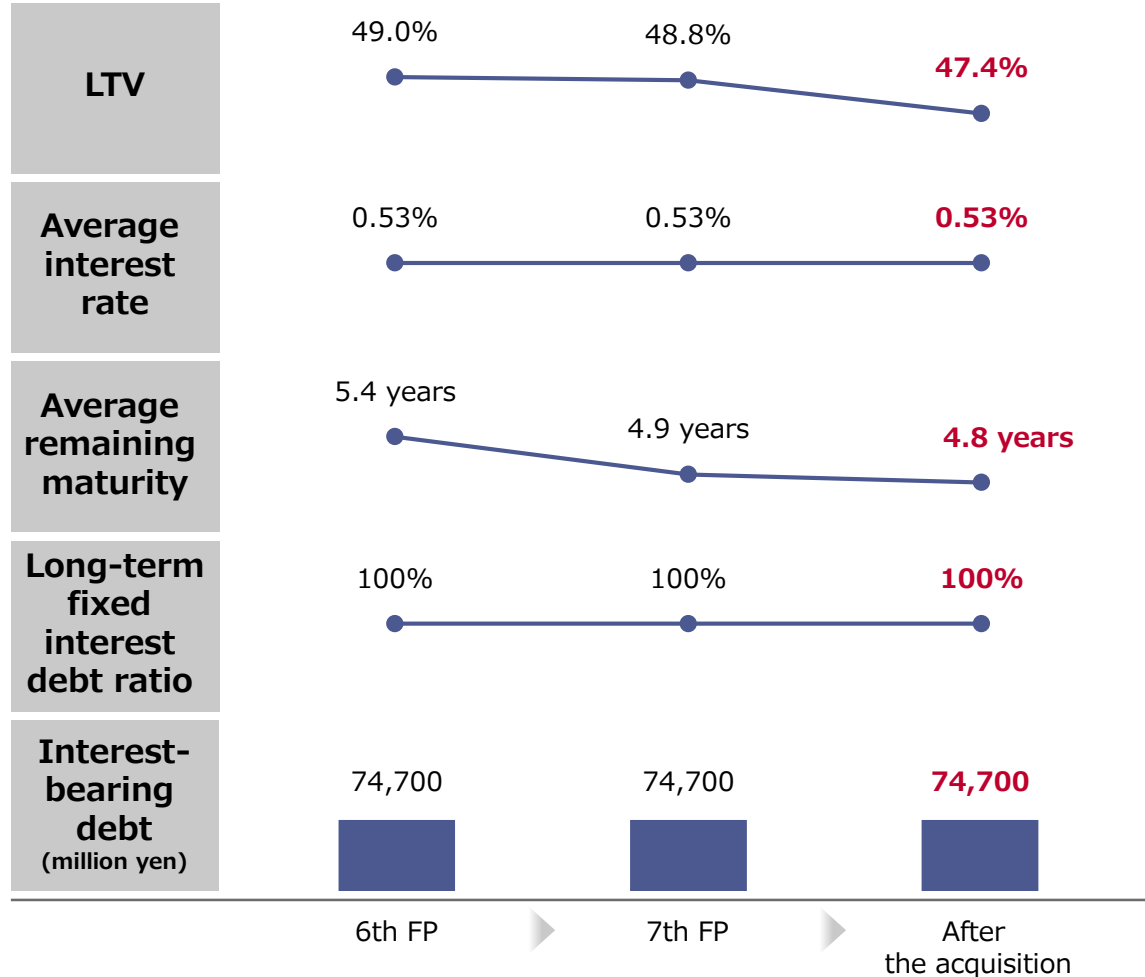
<b>Appraisal value</b>	104,010	120,442	113,426	129,805	153,692	153,396	161,360
<b>Unrealized gain</b>	1,739	2,590	2,180	4,117	6,718	8,726	9,350
<b>Unrealized gain (%)</b>	1.7%	2.2%	2.0%	3.3%	4.6%	6.0%	6.2%

Note 1: Per unit numbers are rounded down to nearest 10 yen. MIRAI implemented a four-for-one investment unit split with April 30, 2019 as record date. For the purpose of comparison, the 6th fiscal period figures are post split figures.

Note 2: Unrealized gain at the end of 3rd FP adds renewal investment of 844 million yen for Mi-Nara on the book value at the end of the FP.

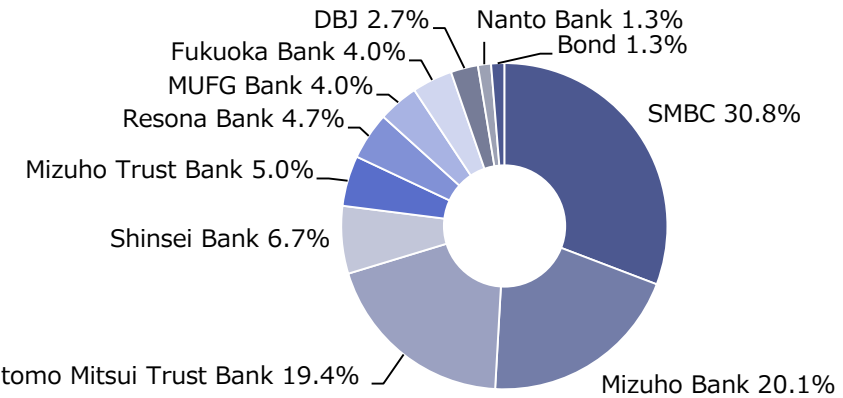
## Financial Highlights (After the acquisition)

LTV	Average interest rate	Average remaining maturity
<b>47.4%</b>	<b>0.53%</b>	<b>4.8 years</b>

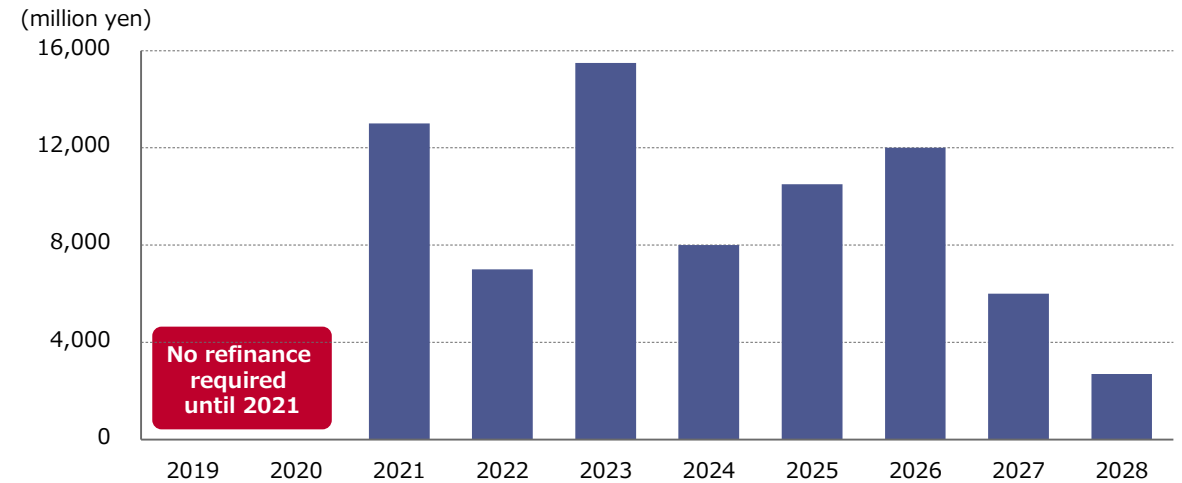


## Diversified Funding Source (After the acquisition)

### Strong bank formation centering on Mega-bank groups



## Debt Maturity Ladder (After the acquisition)



## Credit Ratings

JCR : **A+** (positive)

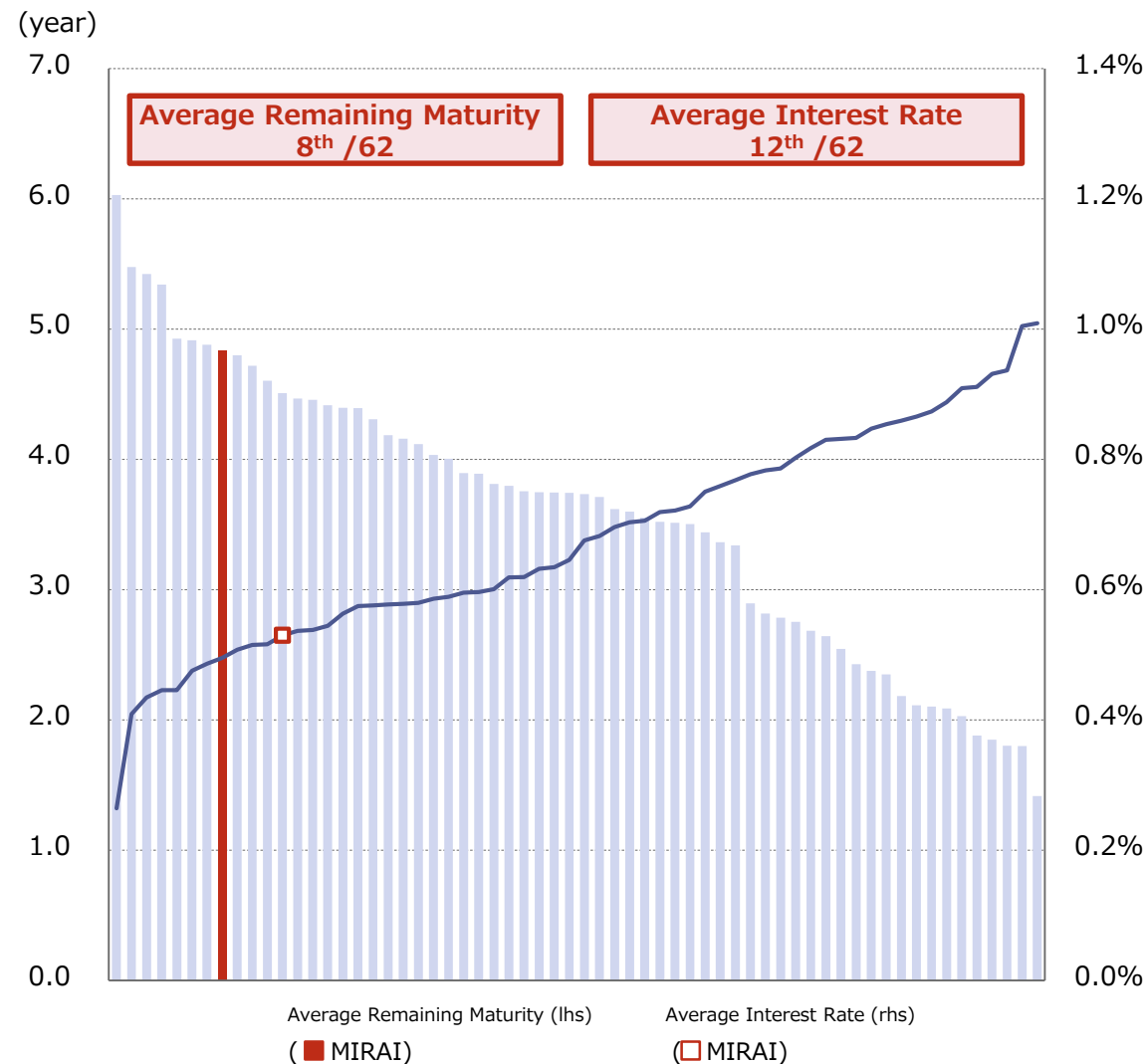
R&I : **A** (stable)

- Since review by JCR in January 2019, support system by two sponsors continue to function well and existing assets continue to have stable operation
- While expansion of portfolio is not in line with expectation through efforts such as merger with Sakura Sogo REIT Investment Corporation, **successfully improved financial standing through acquisition of assets with PO**

### Status of rating: JCR A+(Positive) (2015~)

J-REIT	Acquisition of rating: A+ (positive)	Review of rating	Rating after review
Comforia Residential REIT, Inc	Mar. 2015	Mar. 2016	<b>AA- (stable)</b>
Huric REIT, Inc	Apr. 2015	Apr. 2016	<b>AA- (stable)</b>
Kendedix Office Investment Corporation	Mar. 2016	Jan. 2017	<b>AA- (stable)</b>
MCUBS MidCity Investment Corporation	Apr. 2018	Mar. 2019	<b>AA- (stable)</b>
Invesco Office J-REIT, Inc	Nov. 2018	Dec. 2019	<b>AA- (stable)</b>
<b>MIRAI</b>	Jan. 2019	Jan. 2020 (finished meeting)	<b>TBA</b>

## Positioning of MIRAI (Interest-bearing debt) (Note)



Note: Compiled by the Asset Manager based on the interest-bearing debt as of fiscal period end of most recent financial report filed by the 62 listed J-REITs (the "related Financial Reports") as at end of October 2019. For those debt listed on the Financial Reports that faced maturity prior to that day, it is assumed that they are repaid.

Promoting initiatives toward sustainable society in order to fulfill social responsibility as a listed REIT as well as Mitsui & Co., group company.

## ESG Initiatives (on the table)

### Participation in Initiatives

Participation into initiatives that aim for sustainable society



- SDGs
- PRI
- PFA 21

etc...

### Third-party Accreditation

External accreditation mainly related to environmental consideration and investment into assets which has already acquired certification



DBJ Green Building



- DGJ Green Building
- GRESB
- LEED

etc...

### ESG Finance

Effort for fund raising that lead to better social responsibility and improve environmental issues



- Green Bond
- Social Bond
- Green Loan

etc...

### Disclosure of ESG

Active and continuous disclosure of ESG measures and creation of detailed report



- IR Materials
- ESG Report
- Annual Report

etc...

### Environment-responsive Construction Works

Environmental work to promote solution of social issues, utilization of public subsidy



- reducing CO2 emissions
- Declining demand for power (LED)
- Utilizing subsidy

etc...

### CSR

Participation in events that promote development of local community, investment into assets that has higher importance socially



etc...

## Actively working to address ESG issues for global future (future = "MIRAI").

### "E"nvironment

#### Acquisition of environmental certification

Obtained environmental certification to improve the quantitative level of environmental standard of the portfolio

#### DBJ Green Building Certification

- Shinjuku Eastside Square
- Rokko Island DC



Proportion of assets with environmental certificate

**27.6%**

#### Implementation of environment-responsive construction works utilizing subsidy

##### Kawasaki Tech Center

Details: Renovation for aircon quantity control device efficiency improvement  
 Name of subsidy: 2019 Subsidy for project for reducing CO2 emissions  
 Amount of money granted: 13 million yen



##### Shinjagawa Seaside Parktower

Details: Replaced air conditioning equipment bearing and inverters, etc.  
 Name of subsidy: 2019 Subsidy for project for reducing CO2 emissions  
 Amount of money granted: 10 million yen



##### Ise City Hotel Annex

Details: Introduction of LED lighting in the backyard  
 Name of subsidy: Subsidy to support CAPEX related to projects to lower electricity demand in the 31st year of Heisei era  
 Amount of money granted: 1 million yen



### "S"ocial

#### Investment in educational asset

##### Tokyo Eiseigakuen Senmongakko (Training school for non-doctor medical staff)

- Educational facility to train wide range of non-doctor medical staff from nurse, physiotherapist, to acupuncture, moxibustion and massage therapist
- Responding to the social issue for securing non-doctor medical staff through investment in the asset



### "G"overnance

#### "Same Boat" with the asset manager

- Introduced accumulative investment system under which employees can acquire investment units
- Introduced asset management fee structure linking it to DPU and NOI after depreciation that are directly connected to unit holder interest

#### Working with and contributing to local society

- Sea Fort Terrace (Summer Festival) (Tokyo Front Terrace)
- Briefing session to local resident related to strengthening of functions at Haneda Airport (Shinjagawa Seaside Parktower)
- Provide after school day care service based on the Child Welfare Act (Mi-Nara)



#### Disclose Update of Investment Corporation-Centric Operational Strategy

- The Asset Manager formulated 'Basic policy of investment corporation-centric operation' in September 2018
- Disclosure of initiatives at every result announcement (biannual) based on the requirement for regular disclosure

## The Asset Manager formulated 'Basic policy of investment corporation-centric operation' in September 2018.

### 1. Offer best asset management service for the investment corporation

#### (1) Pursuit of best interest of the investment corporation

As an asset management company that is charged with the management of the investment corporation, the Asset Manager will aim for the best interest of the investment corporation through creativity and ingenuity with high level of expertise and ethics. In addition, as part of KPI of this strategy, the Asset Manager will formulate mid-term management plan of the investment corporation and work toward realizing the target.

- **Quantitative targets under the mid-term management plan "Repower 2020" have been achieved ahead of original schedule and expanded plan targeting the end of 2020 have been set.**

#### (2) Improvement of sustainability

The Asset Manager will work together with the investment corporation to aim for improvement of sustainability of the society through investment management activities. The Asset Manager will actively promote to address issues centering on ESG (Environmental, Social and Governance).

- **As part of the sustainability effort, update on ESG initiative are included in result presentation materials.**

#### (3) Appropriate management of conflict of interest

The Asset Manager will comply with the laws, regulations and internal rules and understand accurately the potential conflict of interest in relations to transactions. Where there is a potential of conflict of interest, due care is taken to manage the potential conflict properly such as deliberation by the compliance committee which has outside specialist prior to the transaction.

- **6 compliance committee meetings were hold during the 7th fiscal period. There is no transactions with potential conflict of interest.**

### 2. Measures to make important information easily understood

#### (1) Ensure transparency of asset management business

In order to ensure transparency of the asset management operation, the Asset Manager will do its best to disclose important information related to the investment corporation in a speedy, accurate, fair and easy to understand manner as much as possible.

- **Important information is quickly disclosed through TDnet and on the website of investment corporation for dissemination.**

#### (2) Improve disclosure of the investment corporation to the unitholders

The Asset Manager will actively disclose information that may impact the investment decision of investors through the website, result presentation materials and semi-annual reports in addition to legally required disclosures, always from the point of view of the investment corporation and its investors. In addition, the Asset Manager will strive to present materials that are easy to understand and friendly to those investors who have little knowledge and experience of finance and trading.

- **In addition to the conventional result presentation materials and semi-annual reports, the Asset Manager will pursue unique way to present information such as video streaming and utilization of virtual reality technologies for easier understanding.**

#### (3) Clarify fees

The Asset Manager will clearly state the fee structure to be paid by the investment corporation and will disclose the actual figures of each item in result announcement of the investment corporation.

- **Each item of the Asset Manager's fees is disclosed in the result presentation materials for clarification.**

### 3. Organization structure for investment corporation-centric operation

#### (1) Framework for appropriate motivation

In order for the Asset Manager to operate in a way that respects the interest of the investment corporation, the Asset Manager will introduce fee structure linked to the asset size and profit of the investment corporation and reflect properly to employees' personnel evaluations. In addition, the Asset Manager will strive to ensure that investment corporation-centric operation is established as corporate culture.

- **Fees of the Asset Manager will incorporate factors that links to the profitability of the investment corporation to align interest.**
- **Reflect contribution to the investment corporation as part of employees' personnel evaluations so as to establish investment corporation-centric operation on daily basis.**

#### (2) Improve education / training for employees

In order to train employees that can offer high level of operational service to the investment corporation, the Asset Manager will improve in-house training and push for acquisition of qualifications by employees. Further, the Asset Manager will improve in-house education and training so that the employees are aware of the social responsibility of the Asset Manager and act accordingly.

- **Promote employment and in-house training to improve capability of the Asset Manager.**
- **Work to train employees with strong individuality through supporting of self-development of employees.**
- **2 compliance workshops were hold during the 7th fiscal period.**



つづく

## 投資法人みらい W杯2019

「投資法人みらい第7期決算発表会場」

第7期決算のスタッツをご紹介します  
みらいの営業収益は53億円  
当期純利益は24億円  
そして一口当たり分配金は過去最高の1563円となりました

営業収益: 53億円  
当期純利益: 24億円  
分配金: 1,563円

MIRAI STADIUM

今期も安心して見ていられる決算でしたね

第7期は増収、増益、分配増のハットトリックを達成しています

営業収益	23億	53億
当期純利益	10億	24億
分配金(注)	815	1563

第2期 第7期

解説:かえる  
実況:うさぎ

内容的にはもうちょっとみらいに頑張ってもらいたいところもあったけどね!

それでは試合(決算)の様子を振り返ってみましょう

解説:かえる  
実況:うさぎ

(注)2019年5月1日を効力発生日として投資口の分割(4分割)を行っており、比較の観点から、分割を考慮した数値にて表記しています。

## Appendix 1. Basic Information



## Portfolio Strategy

- The portfolio consists mainly of large-scale offices with middle-class rents, which feature stable supply and demand.
- For retail properties and hotels, emphasis is placed on stability through long-term fixed contracts.
- Pursues upside scenario through the inclusion of Growth Asset.



## Mid-term Management Plan “Repower 2020-ER”

- “Repower 2020”, which was formulated in June 2017, has been achieved a year and a half ahead of schedule with results for the fiscal period ended April 30, 2019.
- “Repower 2020-ER” has been formulated targeting the end of 2020 in preparation for the financial contraction.

**DPU Target**

**Over 1,425 yen**

## Financial Strategy

- Strong bank formation centering on the Mitsui Group
- Ranked among the highest of all J-REITs in terms of conditions for the debt procurement
- A+ (positive) from Japan Credit Rating Agency, Ltd. and A (stable) from Rating and Investment Information, Inc.

Average interest rate (Note)

**0.53%**

Average remaining maturity (Note)

**4.8 years**

**JCR**

**A+**  
**(positive)**

**R&I**

**A**  
**(stable)**

## Double Sponsorship

- Double sponsorship by Mitsui & Co. AM Holdings LTD. and IDERA CM
- The sponsors proactively support deal sourcing, fundraising and leasing activities
- Started co-ownership of properties with Mitsui & Co., Private REIT Inc. in February 2018



Portfolio centering on core assets in greater Tokyo area where stable cash flow can be expected.

## Core Asset

## Growth Asset

**Core Assets**  
utilizing the strengths of the sponsors  
in the real estate business

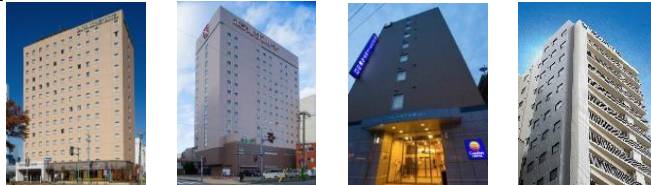
**Focus on the three major metropolitan areas of Japan** (Note 1)  
(Investment ratio: 70% or more)

**Limited Inclusion of Growth Assets**  
utilizing the competitive edge  
of the sponsors

### Office



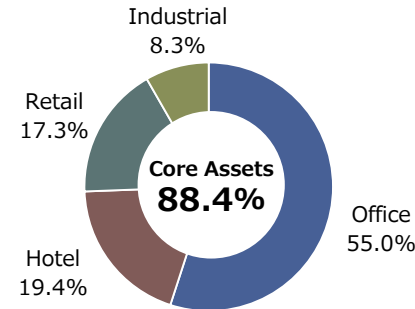
### Hotel



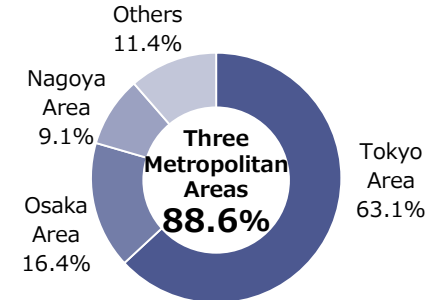
### Retail



### Ratio by asset type (Note2)



### Ratio by area (Note2)



### Core Plus

Assets targeting profitability improvement through upside achieved by leasing, renovation or conversion



**Mi-Nara**  
Acquisition price  
**4,944** million yen  
Appraisal NOI yield  
**8.9 %**

### New Type (Note3)

Assets in Blue ocean, with less acquisition competition and market expansion can be expected



**Rokko Island DC**  
Acquisition price  
**8,650** million yen  
Appraisal NOI yield  
**5.5 %**

Note 1: "3 major metropolitan area" refers to greater Tokyo (Tokyo prefecture, Kanagawa prefecture, Chiba prefecture and Saitama prefecture), greater Osaka (Osaka prefecture, Kyoto prefecture, Hyogo prefecture, Nara prefecture, Wakayama prefecture and Shiga prefecture), and greater Nagoya (Aichi prefecture, Mie prefecture and Gifu prefecture). The same shall apply hereinafter.

Note 2: Based on acquisition price for portfolio after the acquisition.

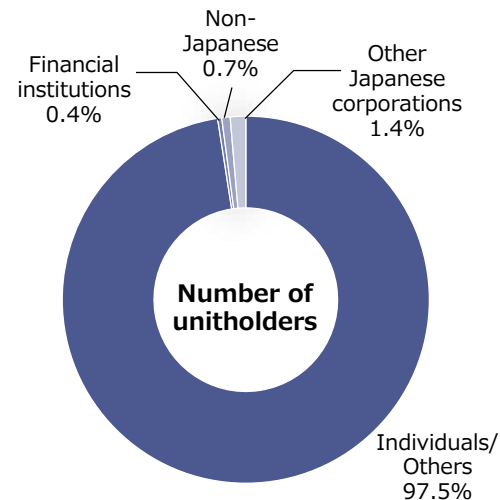
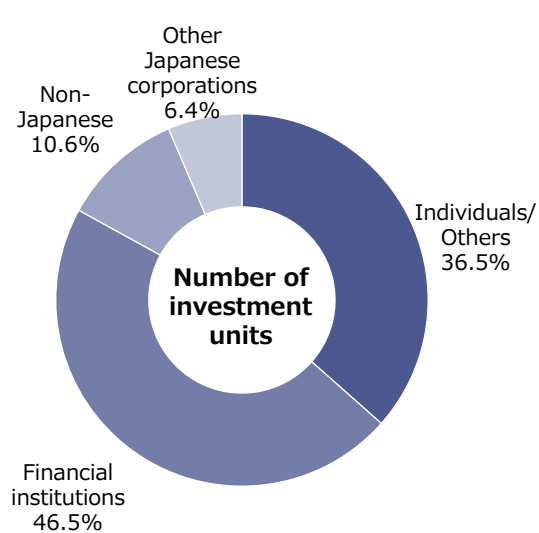
Note 3: Acquisition of New Type Asset will be made when the Asset Manager's operational structure is ready (or when the legal framework is ready for some asset classes).

		Results of 6 <sup>th</sup> FP	Results of 7 <sup>th</sup> FP
<b>AM Fee I (based on AUM)</b>	Up to 0.5% per year x total assets <sup>(Note)</sup>	326 million yen	384 million yen
<b>AM Fee II (based on DPU)</b>	Up to 0.001% x DPU before AM Fee II x NOI after depreciation	38 million yen	40 million yen
<b>Acquisition Fees</b>	Up to 1.0% x the acquisition price	211 million yen	None
<b>Disposition Fees</b>	Up to 1.0% x the disposition price	None	24 million yen
<b>Merger Fees</b>	Up to 1.0% x the appraisal value of real estate related assets the counterparty of the merger holds at the time of merger to be transferred to and to be held by the new merged entity	None	None

Note: Daily calculation based on actual days in the period on 365 days a year basis, rounded down to the nearest yen.

## Number of Unitholders / Ownership by Investor Type

	Number of investment units	% of total	vs. previous FP	Number of unitholders	% of total	vs. previous FP
Individuals /Others	577,877	36.5%	(1.9%)	21,801	97.5%	0.2%
Financial institutions	734,950	46.5%	3.5%	81	0.4%	(0.1%)
Non-Japanese	166,978	10.6%	(1.0%)	165	0.7%	0.1%
Other Japanese corporations	101,835	6.4%	(0.6%)	304	1.4%	(0.1%)
<b>Total</b>	<b>1,581,640</b>	<b>100.0%</b>	<b>-</b>	<b>22,351</b>	<b>100.0%</b>	<b>-</b>

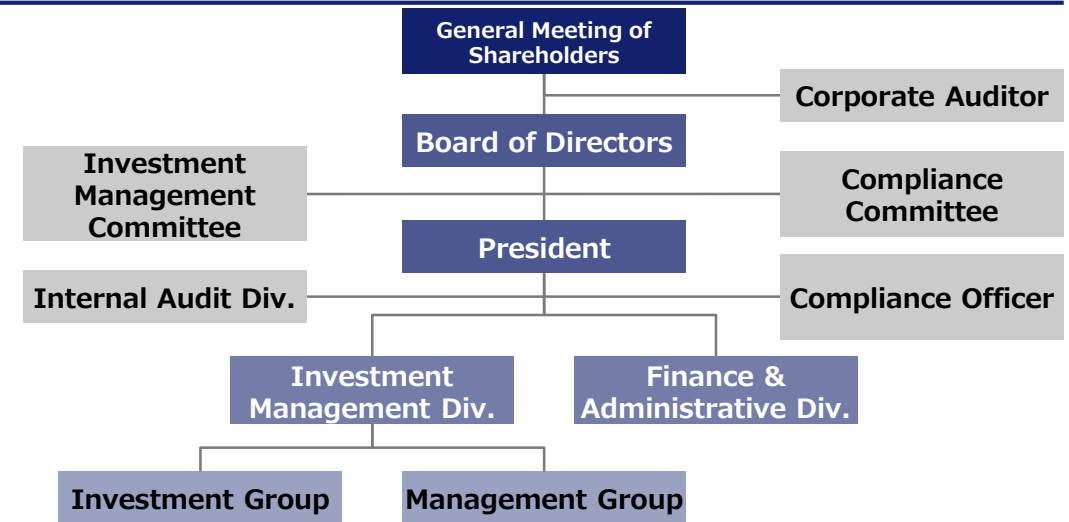


## Major Unitholders

Unitholders	Number of investment units	% of total
The Master Trust Bank of Japan, Ltd. (Trust account)	211,663	13.4%
Japan Trustee Services Bank, Ltd. (Trust account)	167,928	10.6%
Mizuho Trust & Banking Co., Ltd.	66,209	4.2%
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	65,691	4.2%
Morgan Stanley MUFG Securities Co., Ltd.	25,765	1.6%
Trust & Custody Service Bank, Ltd. (Securities investment trust account)	25,588	1.6%
JPMorgan Securities Japan Co., Ltd.	21,256	1.3%
Mitsui & Co. Asset Management Holdings Ltd.	20,000	1.3%
IDERA Capital Management Ltd.	20,000	1.3%
Individual	18,729	1.2%
<b>Total</b>	<b>642,829</b>	<b>40.6%</b>

## Asset Manager

<b>Name</b>	<b>Mitsui Bussan &amp; IDERA Partners co., Ltd.</b>
<b>Address</b>	3-2-1 Nishi-kanda Chiyoda-ku, Tokyo 101-0065, Japan
<b>Management</b>	Representative Director, President/ Michio Suganuma Representative Director, Vice President CIO/ Hiroyuki Iwasaki Executive Director, CFO, Head of Finance & Administrative Division/ Nobuaki Takuchi Executive Director, Investment Management Division/ Akira Nagahama Director (part-time)/ Tamotsu Hagino Director (part-time)/ Takuya Yamada Corporate Auditor (part-time)/ Yutaka Koike
<b>Shareholders</b>	Mitsui & Co. Asset Management Holdings Ltd.(50%) IDERA Capital Management Ltd.(50%)
<b>Paid-in capital</b>	¥ 200 million
<b>Registration &amp; Licenses</b>	Building lots and building transaction business; Tokyo Governor's Office license(1) No.98041 Discretionary transaction agent; Minister of Land, Infrastructure, and Transport Approval No.94 Financial Instruments Business Operator (Director of Kanto Finance Bureau(Kinsho) No.2876)



## Governance Structure of MIRAI



Note: Sponsor support agreements are entered into separately between each of the sponsor company and the Asset Management Company and MIRAI.

## Appendix 2. Portfolio in Detail

# Portfolio List (After the Acquisition)

	Asset Type	Property Name	Address	Date of Acquisition	Acquisition Price (million yen)	% of the Portfolio	Appraisal NOI Yield (Note 1)	NOI Yield After Depreciation (Note 2)	Occupancy Rate	
Core Assets	Office	Large-Scale	Shinagawa Seaside Parktower	Shinagawa-ku, Tokyo	December 2016	20,288	13.5%	4.3%	3.5%	100.0%
			Kawasaki Tech Center	Kawasaki-shi, Kanagawa	December 2016	23,182	15.4%	5.1%	4.3%	97.5%
			Shinjuku Eastside Square	Shinjuku-ku, Tokyo	December 2016	10,000	6.6%	3.9%	3.1%	94.9%
			Tokyo Front Terrace	Shinagawa-ku, Tokyo	October 2017	10,592	7.0%	3.9%	3.6%	100.0%
		Mid-sized	Hillcoat Higashi-Shinjuku	Shinjuku-ku, Tokyo	December 2016	3,900	2.6%	4.1%	3.7%	100.0%
			Nippo Hommachi Building	Osaka-shi, Osaka	February 2018	1,465	1.0%	5.2%	4.4%	96.0%
			MI Terrace Nagoya-Fushimi	Nagoya-shi, Aichi	June 2018	8,886	5.9%	4.6%	4.1%	100.0%
			Orico Hakataeki Minami Building	Fukuoka-shi, Fukuoka	August 2018	1,680	1.1%	4.7%	4.1%	100.0%
			My Square Building <b>New</b>	Minato-ku, Tokyo	December 2019	2,800	1.9%	3.5%	3.2%	100.0%
	<b>Office (9 properties)</b>				-	<b>82,793</b>	<b>55.0%</b>	<b>4.5%</b>	<b>3.8%</b>	<b>98.8%</b>
	Retail	Urban	MIUMIU Kobe	Kobe-shi, Hyogo	(Note 3)	2,546	1.7%	4.7%	4.6%	100.0%
			Shibuya World East Building	Shibuya-ku, Tokyo	December 2016	3,200	2.1%	5.5%	5.2%	100.0%
			THINGS Aoyama <b>New</b>	Minato-ku, Tokyo	January 2020	2,912	1.9%	3.7%	3.6%	100.0%
		Community Based	AEON Kasai	Edogawa-ku, Tokyo	December 2016	9,420	6.3%	5.3%	4.7%	100.0%
			MEGA Don Quijote Izumi-Chuo	Izumi-shi, Osaka	December 2016	3,000	2.0%	4.5%	3.8%	100.0%
	<b>Retail (5 properties)</b>				-	<b>21,078</b>	<b>14.0%</b>	<b>4.9%</b>	<b>4.5%</b>	<b>100.0%</b>
	Hotel	Budget	Hotel Sunroute Niigata	Niigata-shi, Niigata	December 2016	2,108	1.4%	6.7%	4.7%	100.0%
			Daiwa Roynet Hotel Akita	Akita-shi, Akita	December 2016	2,042	1.4%	5.8%	4.0%	100.0%
			Super Hotel Sendai/Hirose-dori	Sendai-shi, Miyagi	December 2016	1,280	0.9%	5.9%	4.8%	100.0%
			Super Hotel Osaka/Tennoji	Osaka-shi, Osaka	December 2016	1,260	0.8%	5.4%	4.8%	100.0%
			Super Hotel Saitama/Omiya	Saitama-shi, Saitama	December 2016	1,123	0.7%	5.4%	4.1%	100.0%
			Super Hotel Kyoto/Karasumagojo	Kyoto-shi, Kyoto	December 2016	1,030	0.7%	5.4%	4.7%	100.0%
			Comfort Hotel Shin-Yamaguchi	Yamaguchi-shi, Yamaguchi	December 2016	902	0.6%	5.7%	4.0%	100.0%
			Ise City Hotel Annex	Ise-shi, Mie	March 2018	1,800	1.2%	5.5%	4.7%	100.0%
			Comfort Hotel Kitakami	Kitakami-shi, Iwate	March 2018	820	0.5%	5.3%	3.0%	100.0%
			Comfort Hotel Nagano	Nagano-shi, Nagano	March 2018	580	0.4%	5.8%	4.3%	100.0%
			Hotel Wing International Select Ueno/Okachimachi	Taito-ku, Tokyo	May 2018	3,720	2.5%	4.3%	3.8%	100.0%
			Smile Hotel Naha City Resort	Naha-shi, Okinawa	November 2018	4,000	2.7%	6.1%	5.7%	100.0%
			Smile Hotel Hakataeki-Mae	Fukuoka-shi, Fukuoka	November 2018	3,800	2.5%	4.6%	4.1%	100.0%
			Smile Hotel Nagoya-Sakae	Nagoya-shi, Aichi	November 2018	2,950	2.0%	4.9%	4.4%	100.0%
			Hotel WBF Yodoyabashi-Minami	Osaka-shi, Osaka	November 2018	1,750	1.2%	4.6%	4.0%	100.0%
	<b>Hotel (15 properties)</b>				-	<b>29,165</b>	<b>19.4%</b>	<b>5.3%</b>	<b>4.4%</b>	<b>100.0%</b>
	Growth Assets	Retail	Community Based	Mi-Nara	Nara-shi, Nara	October 2017	4,944	3.3%	8.9%	6.8%
Industrial			Rokko Island DC	Kobe-shi, Hyogo	November 2018	8,650	5.7%	5.5%	4.2%	100.0%
Educational			Tokyo Eiseigakuen Senmongakko <b>New</b>	Ota-ku, Tokyo	January 2020	3,900	2.6%	5.7%	5.2%	100.0%
<b>Total</b>						<b>150,530</b>	<b>100.0%</b>	<b>4.9%</b>	<b>4.2%</b>	<b>99.6%</b>

Note 1: Calculated by dividing the "Appraisal NOI" by the acquisition price, rounded to the nearest tenth. "Appraisal NOI" refers to net operating income which is obtained by subtracting operating expenses from operating revenues stated in the appraisal reports. It is NOI before the depreciation and differs from Net Cash Flow which is derived by adding return on investment from security deposit to NOI and subtracting the capital expenditures. Above appraisal NOI is the first year NOI under DCF method (if there are any specific issues for the first year, it is the 2nd or the 3rd year). However, for real estate in trust that MIRAI has quasi-co-ownership of real estate trust beneficiary, value derived by multiplying the quasi-co-ownership stake to "Appraisal NOI" is used. The same shall apply hereinafter.

Note 2: Calculated by dividing the value derived by subtracting the depreciation from "Appraisal NOI" by the acquisition price, rounded to the nearest tenth. Depreciation expense is tentatively calculated by the Asset Manager based on certain assumption utilizing straight-line method.

Note 3: The land was acquired on December 16, 2016 and the building was acquired on November 9, 2017.

## Shinagawa Seaside Parktower (63.4% quasi-co-ownership) (Note 1)

Office

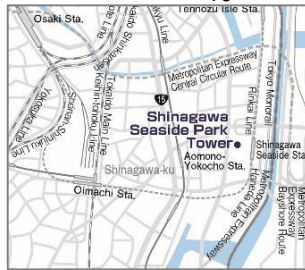


Acquisition Price (Note 1)

**20,288** million yen

Appraisal NOI yield

**4.3%**



<b>Address</b>	4-12-4, Higashi-Shinagawa, Shinagawa-ku, Tokyo
<b>Land area</b>	17,386.11 m <sup>2</sup> (Note 2)
<b>Floor area</b>	55,930.90 m <sup>2</sup> (the entire property) (Note 2)
<b>Structure</b>	① Parking SRC 1F ② Office/Shop SRC/RC/S B2/25F ③ Parking SRC 1F
<b>Occupancy rate (number of tenants)</b>	100% (23)
<b>Completion</b>	① September 2002 ②③ July 2003

## Kawasaki Tech Center

Office



Acquisition Price

**23,182** million yen

Appraisal NOI yield

**5.1%**



<b>Address</b>	580-16, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa
<b>Land area</b>	5,662.48 m <sup>2</sup>
<b>Floor area</b>	47,036.44 m <sup>2</sup>
<b>Structure</b>	S/RC/SRC B3/20F
<b>Occupancy rate (number of tenants)</b>	97.5% (26)
<b>Completion</b>	February 1988

## Shinjuku Eastside Square (5.0% quasi-co-ownership)

Office

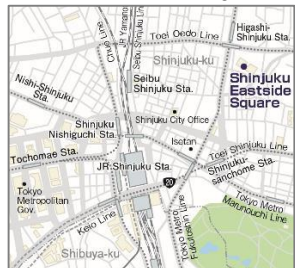


Acquisition Price

**10,000** million yen

Appraisal NOI yield

**3.9%**



<b>Address</b>	6-27-30, Shinjuku, Shinjuku-ku, Tokyo
<b>Land area</b>	25,320.28 m <sup>2</sup> (the entire property)
<b>Floor area</b>	167,031.19 m <sup>2</sup> (the entire property)
<b>Structure</b>	S/RC B2/20F
<b>Occupancy rate (number of tenants)</b>	94.9% (39)
<b>Completion</b>	March 2012

## Tokyo Front Terrace (50.2% quasi-co-ownership)

Office

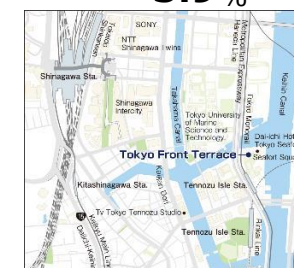


Acquisition Price

**10,592** million yen

Appraisal NOI yield

**3.9%**



<b>Address</b>	2-3-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo
<b>Land area</b>	17,189.24 m <sup>2</sup> (Note 3)
<b>Floor area</b>	146,697.51 m <sup>2</sup> (Note 4)
<b>Structure</b>	SRC B2/30F
<b>Occupancy rate (number of tenants)</b>	100.0% (22)
<b>Completion</b>	June 1992

Note 1: MIRAI has disposed of 36.6% quasi-co-ownership at the end of February 2018 and the ratio is calculated based on the figure after the disposition.

Note 2: MIRAI owns sectional ownership and part co-ownership of the property.

Note 3: The trust whose beneficiary interest MIRAI acquired holds the co-ownership interests concerning part of the entire site of "Sea Fort Square", including the site of the property. The proportion of the co-ownership interests is 3,675,562/10,000,000. Other sections of the entire site of "Sea Fort Square" are owned by third parties, with site usage right established under management agreement.

Note 4: The total floor area of the entire complex is presented. The trust whose beneficiary interests MIRAI acquired owns exclusive floor area equal to 28,954.48m<sup>2</sup> based on real estate register, corresponding to sectional ownership and co-ownership interest. MIRAI owns 50.2% of the quasi-co-ownership beneficiary interests of the trust.



## Hillcoat Higashi-Shinjuku

Office



**Acquisition Price**  
**3,900** million yen

**Appraisal NOI yield**  
**4.1 %**



<b>Address</b>	2-2-15, Kabuki-cho, Shinjuku-ku, Tokyo
<b>Land area</b>	628.09 m <sup>2</sup>
<b>Floor area</b>	4,480.44 m <sup>2</sup>
<b>Structure</b>	SRC B1/8F
<b>Occupancy rate (number of tenants)</b>	100% (7)
<b>Completion</b>	July 1987

## Nippo Hommachi Building

Office



**Acquisition Price**  
**1,465** million yen

**Appraisal NOI yield**  
**5.2 %**



<b>Address</b>	2-4-6, Minami-Hommachi, chou-ku, Osaka-shi, Osaka
<b>Land area</b>	502.95 m <sup>2</sup>
<b>Floor area</b>	3,841.12 m <sup>2</sup>
<b>Structure</b>	SRC 11F
<b>Occupancy rate (number of tenants)</b>	96.0% (38)
<b>Completion</b>	August, 1990

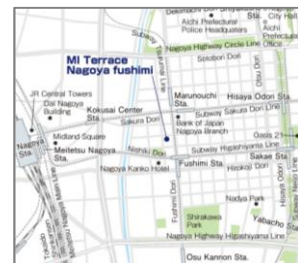
## MI Terrace Nagoya-Fushimi

Office



**Acquisition Price**  
**8,886** million yen

**Appraisal NOI yield**  
**4.6 %**



<b>Address</b>	1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi
<b>Land area</b>	1,980.56 m <sup>2</sup>
<b>Floor area</b>	14,481.95 m <sup>2</sup>
<b>Structure</b>	S 12F
<b>Occupancy rate (number of tenants)</b>	100% (9)
<b>Completion</b>	February 1993

## Orico Hakataeki Minami Building

Office



**Acquisition Price**  
**1,680** million yen

**Appraisal NOI yield**  
**4.7 %**



<b>Address</b>	3-7-30, Hakataeki-minami, Hakata-ku, Fukuoka-shi, Fukuoka
<b>Land area</b>	525.04 m <sup>2</sup>
<b>Floor area</b>	2,845.60 m <sup>2</sup>
<b>Structure</b>	S 7F
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	August 2002

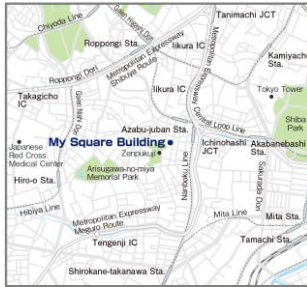
## My Square Building

Office



Acquisition Price  
**2,800** million yen

Appraisal NOI yield  
**3.5%**



Address	2-10-3, Azabu Juban, Minato-ku, Tokyo
Land area	413.25 m <sup>2</sup>
Floor area	1,924.81 m <sup>2</sup>
Structure	SRC B1/8F
Occupancy rate (number of tenants)	100% (9)
Completion	November 1987

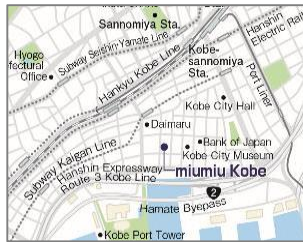
## MIUMIU Kobe (38% quasi-co-ownership) (Note 1)

Retail



**Acquisition Price**  
**2,546** million yen

**Appraisal NOI yield**  
**4.7 %**



<b>Address</b>	18-1, Akashi-cho, Chuo-ku, Kobe-shi, Hyogo
<b>Land area</b>	383.83 m <sup>2</sup> (the entire property)
<b>Floor area</b>	874.03 m <sup>2</sup> (the entire property)
<b>Structure</b>	S 3F
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	July 2017

## Shibuya World East Building

Retail



**Acquisition Price**  
**3,200** million yen

**Appraisal NOI yield**  
**5.5 %**



<b>Address</b>	1-23-18, Shibuya, Shibuya-ku, Tokyo
<b>Land area</b>	267.99 m <sup>2</sup>
<b>Floor area</b>	1,880.68 m <sup>2</sup>
<b>Structure</b>	SRC 10F
<b>Occupancy rate (number of tenants)</b>	100% (8)
<b>Completion</b>	October 1984

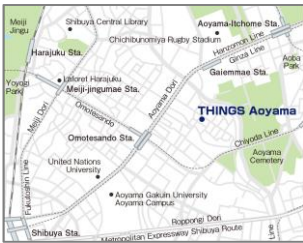
## THINGS Aoyama

Retail



**Acquisition Price**  
**2,912** million yen

**Appraisal NOI yield**  
**3.7 %**



<b>Address</b>	4-10-15, Minami-Aoyama, Minato-ku, Tokyo
<b>Land area</b>	523.66 m <sup>2</sup>
<b>Floor area</b>	995.94 m <sup>2</sup>
<b>Structure</b>	SRC B2/2F
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	January 2006

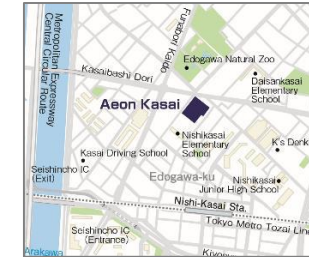
## AEON Kasai

Retail



**Acquisition Price**  
**9,420** million yen

**Appraisal NOI yield**  
**5.3 %**



<b>Address</b>	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo
<b>Land area</b>	20,063.51 m <sup>2</sup> (Note 2) (the entire property)
<b>Floor area</b>	38,454.66 m <sup>2</sup>
<b>Structure</b>	① Store RC 5F ② Parking SRC 6F ③ Office SRC 5F
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	① November 1982 ② May 1983 ③ April 1983

Note 1: MIRAI has disposed of 29% quasi-co-ownership on June 28, 2019 and 33% quasi-co-ownership on November 29, 2019. The ratio is calculated based on the figure after the disposition.  
Note 2: The property is divided into 3 buildings and MIRAI has acquired sectional ownership of 1 building. MIRAI leases part of the site.

## MEGA Don Quijote Izumi-Chuo

Retail



Acquisition Price  
**3,000** million yen

Appraisal NOI yield  
**4.5%**



Address	5-6-17, Ibuki-no, Izumi-shi, Osaka
Land area	9,712.37 m <sup>2</sup>
Floor area	6,891.87 m <sup>2</sup>
Structure	S 3F
Occupancy rate (number of tenants)	100% (1)
Completion	October 2008

## Hotel Sunroute Niigata

Hotel



**Acquisition Price**  
**2,108** million yen

**Appraisal NOI yield**  
**6.7** %



<b>Address</b>	1-11-25, Higashi-Odori, Chuo-ku, Niigata-shi, Niigata
<b>Land area</b>	1,402.51 m <sup>2</sup>
<b>Floor area</b>	8,255.81 m <sup>2</sup>
<b>Structure</b>	S/SRC/RC B1F/14F
<b>Number of rooms</b>	231
<b>Occupancy rate (number of tenants)</b>	100% (2)
<b>Completion</b>	August 1992

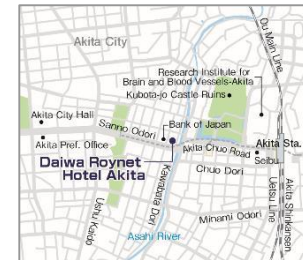
## Daiwa Roynet Hotel Akita

Hotel



**Acquisition Price**  
**2,042** million yen

**Appraisal NOI yield**  
**5.8** %



<b>Address</b>	2-2-41, Omachi, Akita-shi, Akita
<b>Land area</b>	1,540.15 m <sup>2</sup>
<b>Floor area</b>	7,439.36 m <sup>2</sup>
<b>Structure</b>	S 14F
<b>Number of rooms</b>	221
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	June 2006

## Super Hotel Sendai/Hirose-dori

Hotel



**Acquisition Price**  
**1,280** million yen

**Appraisal NOI yield**  
**5.9** %



<b>Address</b>	2-9-23, Chuo, Aoba-ku, Sendai-shi, Miyagi
<b>Land area</b>	549.10 m <sup>2</sup>
<b>Floor area</b>	3,251.77 m <sup>2</sup>
<b>Structure</b>	RC 10F
<b>Number of rooms</b>	180
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	January 2007

## Super Hotel Osaka/Tennoji

Hotel



**Acquisition Price**  
**1,260** million yen

**Appraisal NOI yield**  
**5.4** %



<b>Address</b>	2-3-3, Osaka, Tennoji-ku, Osaka-shi, Osaka
<b>Land area</b>	490.65 m <sup>2</sup>
<b>Floor area</b>	2,486.39 m <sup>2</sup>
<b>Structure</b>	RC 9F
<b>Number of rooms</b>	124
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	January 2004

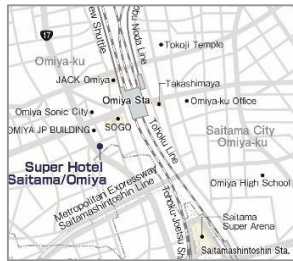
## Super Hotel Saitama/Omiya

Hotel



Acquisition Price  
**1,123** million yen

Appraisal NOI yield  
**5.4** %



Address	1-12-6, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama
Land area	597.25 m <sup>2</sup>
Floor area	2,946.55 m <sup>2</sup>
Structure	RC 10F
Number of rooms	157
Occupancy rate (number of tenants)	100% (1)
Completion	July 2006

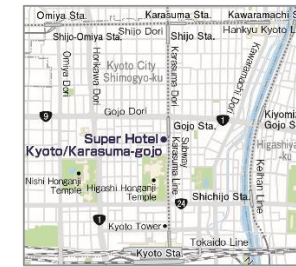
## Super Hotel Kyoto/Karasumagojo

Hotel



Acquisition Price  
**1,030** million yen

Appraisal NOI yield  
**5.4** %



Address	396-3, Osaka-cho, Gojo-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi, Kyoto
Land area	337.23 m <sup>2</sup>
Floor area	2,144.02 m <sup>2</sup>
Structure	RC 10F
Number of rooms	108
Occupancy rate (number of tenants)	100% (1)
Completion	January 2004

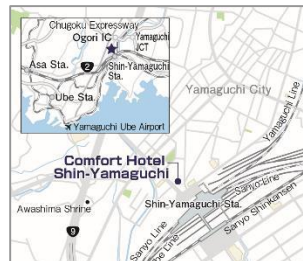
## Comfort Hotel Shin-Yamaguchi

Hotel



Acquisition Price  
**902** million yen

Appraisal NOI yield  
**5.7** %



Address	1255-1, Shimogou, Ogori, Yamaguchi-shi, Yamaguchi
Land area	754.06 m <sup>2</sup>
Floor area	2,999.01 m <sup>2</sup>
Structure	S 8F
Number of rooms	139
Occupancy rate (number of tenants)	100% (1)
Completion	August 2007

## Ise City Hotel Annex

Hotel



Acquisition Price  
**1,800** million yen

Appraisal NOI yield  
**5.5** %



Address	2-5-11, Fukiage, Ise-shi, Mie
Land area	1,587.58 m <sup>2</sup>
Floor area	4,099.31 m <sup>2</sup>
Structure	SRC 10F
Number of rooms	143
Occupancy rate (number of tenants)	100% (1)
Completion	November, 1991

## Comfort Hotel Kitakami

Hotel



**Acquisition Price**  
**820** million yen

**Appraisal NOI yield**  
**5.3 %**



<b>Address</b>	①(Hotel) 1-2-1, Kawagishi, Kitakami-shi, Iwate ②(Retail Store) 1-2-8, Kawagishi, Kitakami-shi, Iwate
<b>Land area</b>	2,809.93 m <sup>2</sup>
<b>Floor area</b>	①(Hotel) 2,775.65 m <sup>2</sup> ②(Retail Store) 177.36 m <sup>2</sup>
<b>Structure</b>	①(Hotel) RC 6F ②(Retail Store) S 1F
<b>Number of rooms</b>	129
<b>Occupancy rate (number of tenants)</b>	100% (2)
<b>Completion</b>	①(Hotel) January 2009 ②(Retail Store) October 2008

## Comfort Hotel Nagano

Hotel



**Acquisition Price**  
**580** million yen

**Appraisal NOI yield**  
**5.8 %**



<b>Address</b>	1-12-4, Minami-chitose, Nagano-shi, Nagano
<b>Land area</b>	396.28 m <sup>2</sup>
<b>Floor area</b>	1,921.45 m <sup>2</sup>
<b>Structure</b>	S 8F
<b>Number of rooms</b>	76
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	August 1992

## Hotel Wing International Select Ueno/Okachimachi

Hotel



**Acquisition Price**  
**3,720** million yen

**Appraisal NOI yield**  
**4.3 %**



<b>Address</b>	2-18-4, Higashi-ueno, Taito-ku, Tokyo
<b>Land area</b>	359.09 m <sup>2</sup>
<b>Floor area</b>	3,053.09 m <sup>2</sup>
<b>Structure</b>	RC B1/15F
<b>Number of rooms</b>	141
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	April 2018

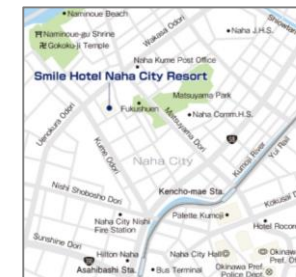
## Smile Hotel Naha City Resort

Hotel



**Acquisition Price**  
**4,000** million yen

**Appraisal NOI yield**  
**6.1 %**



<b>Address</b>	2-32-1, Kume, Naha-shi, Okinawa
<b>Land area</b>	2,343.96 m <sup>2</sup>
<b>Floor area</b>	9,698.44 m <sup>2</sup>
<b>Structure</b>	S/RC 11F
<b>Number of rooms</b>	227
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	June 1988

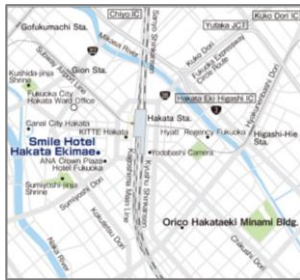
## Smile Hotel Hakataeki-Mae

Hotel



Acquisition Price  
**3,800** million yen

Appraisal NOI yield  
**4.6%**



Address	3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka
Land area	384.84 m <sup>2</sup>
Floor area	2,426.78 m <sup>2</sup>
Structure	RC 11F
Number of rooms	118
Occupancy rate (number of tenants)	100% (1)
Completion	February 2017

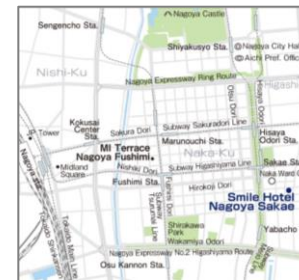
## Smile Hotel Nagoya-Sakae

Hotel



Acquisition Price  
**2,950** million yen

Appraisal NOI yield  
**4.9%**



Address	4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi
Land area	583.70 m <sup>2</sup>
Floor area	2,909.20 m <sup>2</sup>
Structure	RC 13F
Number of rooms	141
Occupancy rate (number of tenants)	100% (1)
Completion	September 2008

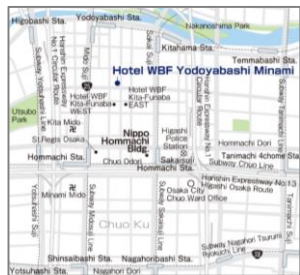
## Hotel WBF Yodoyabashi-Minami

Hotel



Acquisition Price  
**1,750** million yen

Appraisal NOI yield  
**4.6%**



Address	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka
Land area	295.42 m <sup>2</sup>
Floor area	1,821.56 m <sup>2</sup>
Structure	S 9F
Number of rooms	96
Occupancy rate (number of tenants)	100% (1)
Completion	January 2017



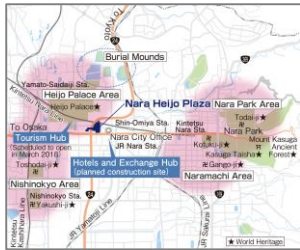
## Mi-Nara

Growth  
Retail



**Acquisition Price**  
**4,944** million yen

**Appraisal NOI yield**  
**8.9 %**



<b>Address</b>	1-3-1, Nijo-Oji-Minami, Nara-shi, Nara
<b>Land area</b>	53,214.66 m <sup>2</sup>
<b>Floor area</b>	① 72,944.41 m <sup>2</sup> (Department store) ② 4,543.32m <sup>2</sup> (Parking space)
<b>Structure</b>	① SRC 7F ② S 3F
<b>Occupancy rate (number of tenants)</b>	100% (1) (Note)
<b>Completion</b>	① September 1989 ② June 2003

## Tokyo Eiseigakuen Senmongakko

Growth  
Educational



**Acquisition Price**  
**3,900** million yen

**Appraisal NOI yield**  
**5.7 %**



<b>Address</b>	4-1-1, Omorikita, Ota-ku, Tokyo
<b>Land area</b>	1,191.74 m <sup>2</sup>
<b>Floor area</b>	4,220.46 m <sup>2</sup>
<b>Structure</b>	RC 7F
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	March 1986/ March 1992 (Expansion)/ July 2000 (Expansion and conversion of usage)

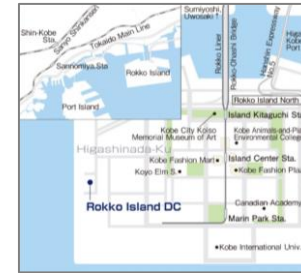
## Rokko Island DC

Growth  
Industrial



**Acquisition Price**  
**8,650** million yen

**Appraisal NOI yield**  
**5.5 %**



<b>Address</b>	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo
<b>Land area</b>	26,304.75 m <sup>2</sup>
<b>Floor area</b>	14,381.16 m <sup>2</sup>
<b>Structure</b>	S 2F
<b>Occupancy rate (number of tenants)</b>	100% (1)
<b>Completion</b>	May 2016

Note : The occupancy rate is calculated based on master lease agreement with GK Mi-Nara. The master lessee has entered into lease contracts with multiple end tenants.

## Appendix 3. Financials in Detail

## Statement of Income

Item	(million yen)	
	6th FP	7th FP
<b>Operating revenue</b>	<b>4,959</b>	<b>5,340</b>
Lease business revenue	4,023	4,070
Other lease business revenue	935	904
Operating expenses	-	364
<b>Operating expenses</b>	<b>2,427</b>	<b>2,623</b>
Expenses related to rent business	1,999	2,111
Asset management fee	364	424
Asset custody fee	7	7
Administrative service fees	14	16
Directors' compensations	3	3
Other operating expenses	38	60
<b>Operating profit</b>	<b>2,531</b>	<b>2,716</b>
<b>Non-operating income</b>	<b>0</b>	<b>0</b>
<b>Non-operating expenses</b>	<b>261</b>	<b>243</b>
Interest expenses, etc.	196	199
Borrowing related expenses, etc.	42	43
Investment unit issuance expenses	18	-
Other	3	-
<b>Ordinary profit</b>	<b>2,270</b>	<b>2,474</b>
<b>Extraordinary income</b>	<b>26</b>	<b>0</b>
<b>Extraordinary losses</b>	<b>24</b>	<b>0</b>
<b>Income taxes</b>	<b>0</b>	<b>1</b>
<b>Profit</b>	<b>2,271</b>	<b>2,472</b>
<b>Retained earnings (deficit) brought forward</b>	<b>0</b>	<b>491</b>
<b>Unappropriated retained earnings</b>	<b>2,271</b>	<b>2,964</b>

## Balance Sheet

Item	(million yen)	
	6th FP	7th FP
<b>Current assets</b>	<b>5,072</b>	<b>7,809</b>
Cash and deposits	2,227	5,224
Cash and deposits in trust	2,327	2,254
Consumption taxes receivable	230	-
Other	286	330
<b>Non-current assets</b>	<b>147,409</b>	<b>145,232</b>
Property, plant and equipment	146,973	144,685
Intangible assets/Other	435	546
<b>Deferred assets</b>	<b>11</b>	<b>10</b>
<b>Total assets</b>	<b>152,493</b>	<b>153,052</b>
<b>Current liabilities</b>	<b>1,376</b>	<b>1,733</b>
Operating accounts payable	338	383
Short-term loans payable	-	-
Accounts payable - other	409	474
Advances received	607	596
Other	20	278
<b>Non-current liabilities</b>	<b>80,262</b>	<b>80,393</b>
Investment corporation bonds	1,000	1,000
Long-term loans payable	73,700	73,700
Tenant leasehold and security deposits in trust	5,070	5,072
Derivatives liabilities	491	621
<b>Total liabilities</b>	<b>81,639</b>	<b>82,126</b>
<b>Unitholders' equity</b>	<b>71,346</b>	<b>71,547</b>
Unitholders' capital	69,074	68,582
Surplus	2,271	2,964
<b>Valuation and translation adjustments</b>	<b>(491)</b>	<b>(621)</b>
<b>Net assets</b>	<b>70,854</b>	<b>70,925</b>
<b>Total liabilities and net assets</b>	<b>152,493</b>	<b>153,052</b>

## Statement of Cash Flows

Item	(million yen)	
	6th FP	7th FP
<b>Cash flows from operating activities</b>	<b>2,775</b>	<b>5,498</b>
Profit before income taxes	2,272	2,474
Depreciation	553	564
Investment unit issuance expenses	18	-
Interest expenses	196	199
Loss on reduction of non-current assets	24	0
Decrease (increase) in operating accounts receivable	(17)	(2)
Decrease (increase) in accounts receivable - other	-	-
Decrease (increase) in prepaid expenses	(23)	(12)
Decrease (increase) in consumption taxes refund receivable	(78)	230
Increase (decrease) in operating accounts payable	(81)	74
Increase (decrease) in accounts payable - other	24	64
Increase (decrease) in accrued consumption taxes	-	260
Increase (decrease) in advances received	75	(11)
Decrease (increase) in long-term prepaid expenses	4	(109)
Decrease from sales of property, plant and equipment in trust	-	1,997
Other, net	(2)	(28)
Interest expenses paid	(192)	(204)
<b>Cash flows from investing activities</b>	<b>(21,419)</b>	<b>(303)</b>
Purchase of property, plant and equipment in trust	(21,849)	(304)
Other, payment	429	0
<b>Cash flows from financing activities</b>	<b>17,976</b>	<b>(2,271)</b>
Increase (decrease) in short-term loans payable	-	-
Proceeds from long-term loans payable	10,500	-
Proceeds from issuance of investment corporation bonds	-	-
Proceeds from issuance of investment units	9,399	-
Dividends paid	(1,922)	(2,271)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(667)</b>	<b>2,923</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,040</b>	<b>4,373</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,373</b>	<b>7,297</b>

# Financial Summary by Property (1/3)

59

(million yen)

Property Name	Shinagawa Seaside Parktower	Kawasaki Tech Center	Shinjuku Eastside Square	Tokyo Front Terrace	Hillcoat Higashi-Shinjuku	Nippo Hommachi Building	MI Terrace Nagoya-Fushimi	Orico Hakataeki Minami Building	MIUMIU Kobe	Shibuya World East Building
<b>Operating days</b>	184	184	184	184	184	184	184	184	184	184
<b>Operating revenue</b>	739	947	234	333	106	54	299	Not disclosed (Note 1)	130	107
Lease business revenue	633	510	207	300	97	42	264		129	94
Other lease business revenue	105	436	26	33	9	12	35		0	13
<b>Operating expense</b>	279	346	63	112	24	18	74		3	22
Outsourcing service expenses	55	79	25	19	6	5	25		0	6
Utilities expenses	113	186	17	29	6	4	20		-	4
Property and other taxes	63	52	17	37	8	4	20		2	6
Repair expenses	5	5	0	4	1	1	3		-	0
Other expenses related to lease business	41	22	1	21	1	2	4		0	5
<b>NOI</b>	459	601	170	221	82	36	225		39	126
Depreciation	84	96	38	20	8	5	21	4	4	3
<b>Income (loss) from real estate leasing business</b>	375	504	132	200	73	30	203	34	122	80
Capital expenditure	14	104	4	0	1	1	5	-	-	5
<b>NCF</b>	445	496	166	220	80	34	219	39	126	79
<b>Book value</b>	20,172	23,658	9,954	10,708	4,006	1,563	8,964	1,747	4,888	3,338
<b>NOI yield</b> <sup>(Note 2)</sup>	4.5%	5.0%	3.4%	4.1%	4.1%	4.6%	5.0%	4.4%	5.1%	5.0%
<b>NOI yield after depreciation</b> <sup>(Note 2)</sup>	3.7%	4.2%	2.6%	3.7%	3.6%	3.9%	4.5%	3.9%	5.0%	4.8%

Note 1: Not disclosed because tenant's consent was not obtained.

Note 2: Based on book value as of October 31, 2019.

# Financial Summary by Property (2/3)

60

(million yen)

Property Name	AEON Kasai	MEGA Don Quijote Izumi-Chuo	Hotel Sunroute Niigata	Daiwa Roynet Hotel Akita	Super Hotel Sendai Hirose-dori	Super Hotel Osaka Tennoji	Super Hotel Saitama Omiya	Super Hotel Kyoto Karasumagojo	Comfort Hotel Shin-Yamaguchi	Ise City Hotel Annex
<b>Operating days</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>
<b>Operating revenue</b>	Not disclosed (Note 1)	Not disclosed (Note 1)	<b>74</b>	<b>69</b>	<b>44</b>	<b>37</b>	<b>35</b>	<b>31</b>	<b>30</b>	Not disclosed (Note 1)
Lease business revenue			74	69	44	37	35	31	29	
Other lease business revenue			0	0	0	0	0	0	0	
<b>Operating expense</b>			<b>8</b>	<b>9</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>4</b>	
Outsourcing service expenses			1	1	-	-	-	-	0	
Utilities expenses			-	-	-	-	-	-	-	
Property and other taxes			4	7	5	3	4	3	2	
Repair expenses			1	-	-	-	-	-	0	
Other expenses related to lease business			0	0	0	0	0	0	0	
<b>NOI</b>			<b>248</b>	<b>60</b>	<b>65</b>	<b>59</b>	<b>37</b>	<b>33</b>	<b>30</b>	
Depreciation	26	10	21	19	6	3	7	3	7	6
<b>Income (loss) from real estate leasing business</b>	<b>221</b>	<b>50</b>	<b>44</b>	<b>40</b>	<b>31</b>	<b>29</b>	<b>23</b>	<b>23</b>	<b>17</b>	<b>43</b>
Capital expenditure	0	-	28	-	-	-	-	-	-	2
<b>NCF</b>	<b>247</b>	<b>60</b>	<b>37</b>	<b>59</b>	<b>37</b>	<b>33</b>	<b>30</b>	<b>27</b>	<b>25</b>	<b>48</b>
<b>Book value</b>	<b>9,433</b>	<b>3,070</b>	<b>2,216</b>	<b>1,986</b>	<b>1,265</b>	<b>1,260</b>	<b>1,099</b>	<b>1,027</b>	<b>886</b>	<b>1,871</b>
<b>NOI yield</b> <sup>(Note 2)</sup>	<b>5.2%</b>	<b>3.9%</b>	<b>5.9%</b>	<b>6.0%</b>	<b>5.9%</b>	<b>5.3%</b>	<b>5.6%</b>	<b>5.3%</b>	<b>5.7%</b>	<b>5.4%</b>
<b>NOI yield after depreciation</b> <sup>(Note 2)</sup>	<b>4.7%</b>	<b>3.3%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>4.9%</b>	<b>4.7%</b>	<b>4.2%</b>	<b>4.6%</b>	<b>4.0%</b>	<b>4.6%</b>

Note 1: Not disclosed because tenant's consent was not obtained.

Note 2: Based on book value as of October 31, 2019.

# Financial Summary by Property (3/3)

61

(million yen)

Property Name	Comfort Hotel Kitakami	Comfort Hotel Nagano	Hotel Wing International Select Ueno/Okachimachi	Smile Hotel Naha City Resort	Smile Hotel Hakataeki-Mae	Smile Hotel Nagoya-Sakae	Hotel WBF Yodoyabashi-Minami	Mi-Nara	Rokko Island DC	Portfolio
<b>Operating days</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>	<b>184</b>
<b>Operating revenue</b>				<b>126</b>	<b>76</b>	<b>57</b>		<b>539</b>		<b>4,975</b>
Lease business revenue				126	76	57		365		4,070
Other lease business revenue				0	0	0		173		904
<b>Operating expense</b>				<b>14</b>	<b>6</b>	<b>6</b>		<b>427</b>		<b>1,547</b>
Outsourcing service expenses	Not disclosed (Note 1)	Not disclosed (Note 1)	Not disclosed (Note 1)	0	0	0	Not disclosed (Note 1)	97	Not disclosed (Note 1)	336
Utilities expenses				-	-	-		134		517
Property and other taxes				7	4	5		55		400
Repair expenses				5	-	0		2		36
Other expenses related to lease business				0	0	0		136		256
<b>NOI</b>	<b>21</b>	<b>17</b>	<b>80</b>	<b>112</b>	<b>70</b>	<b>51</b>	<b>40</b>	<b>112</b>	<b>236</b>	<b>3,428</b>
Depreciation	9	4	10	8	8	7	5	53	56	563
<b>Income (loss) from real estate leasing business</b>	<b>11</b>	<b>12</b>	<b>69</b>	<b>104</b>	<b>62</b>	<b>43</b>	<b>35</b>	<b>59</b>	<b>179</b>	<b>2,864</b>
Capital expenditure	0	-	-	1	0	2	-	82	-	258
<b>NCF</b>	<b>20</b>	<b>17</b>	<b>80</b>	<b>110</b>	<b>69</b>	<b>48</b>	<b>40</b>	<b>29</b>	<b>236</b>	<b>3,169</b>
<b>Book value</b>	<b>836</b>	<b>637</b>	<b>3,851</b>	<b>4,024</b>	<b>3,831</b>	<b>2,979</b>	<b>1,762</b>	<b>4,984</b>	<b>8,641</b>	<b>144,669</b>
<b>NOI yield</b> <sup>(Note 2)</sup>	<b>5.0%</b>	<b>5.3%</b>	<b>4.1%</b>	<b>5.5%</b>	<b>3.6%</b>	<b>3.4%</b>	<b>4.6%</b>	<b>4.5%</b>	<b>5.4%</b>	<b>4.7%</b>
<b>NOI yield after depreciation</b> <sup>(Note 2)</sup>	<b>2.8%</b>	<b>4.0%</b>	<b>3.6%</b>	<b>5.1%</b>	<b>3.2%</b>	<b>2.9%</b>	<b>4.0%</b>	<b>2.4%</b>	<b>4.1%</b>	<b>3.9%</b>

Note 1: Not disclosed because tenant's consent was not obtained.

Note 2: Based on book value as of October 31, 2019.

# Appraisal Value Summary

(million yen)

Asset Type	Property Name	Book Value	Appraisal Value	Change		Value Calculated Using Cost Approach	Capitalization Method		DCF Method		
				(million yen)	(ratio)		Value (million yen)	Capitalization Rate	Value	Discount Rate	Terminal Capitalization Rate
Office	Shinagawa Seaside Parktower	20,172	21,302	1,129	5.6%	20,731	21,302	4.0%	21,302	3.6%	4.1%
	Kawasaki Tech Center	23,658	24,300	641	2.7%	17,300	24,600	4.3%	24,200	4.1%	4.5%
	Shinjuku Eastside Square	9,954	10,700	745	7.5%	10,750	10,900	3.7%	10,450	3.5%	3.9%
	Tokyo Front Terrace	10,708	10,993	285	2.7%	10,592	11,044	3.9%	10,943	3.6%	4.0%
	Hillcoat Higashi-Shinjuku	4,006	4,030	23	0.6%	4,020	4,050	4.0%	4,000	3.7%	4.1%
	Nippo Hommachi Building	1,563	1,600	36	2.4%	1,320	1,620	4.2%	1,570	4.0%	4.4%
	MI Terrace Nagoya-Fushimi	8,964	10,000	1,035	11.5%	9,480	10,200	3.9%	9,850	3.7%	4.1%
	Orico Hakataeki Minami Building	1,747	1,810	62	3.6%	1,640	1,810	4.2%	1,810	3.8%	4.4%
	<b>Office (8 properties)</b>	<b>80,776</b>	<b>84,736</b>	<b>3,959</b>	<b>4.9%</b>	<b>75,834</b>	<b>85,526</b>	<b>-</b>	<b>84,125</b>	<b>-</b>	<b>-</b>
Retail	MIUMIU Kobe	4,888	5,240	351	7.2%	2,670	5,340	4.2%	5,190	4.0%	4.4%
	Shibuya World East Building	3,338	4,720	1,381	41.4%	4,140	4,780	3.5%	4,660	3.2%	3.6%
	AEON Kasai	9,433	9,580	146	1.6%	9,780	9,610	5.1%	9,540	4.7%	5.3%
	MEGA Don Quijote Izumi-Chuo	3,070	2,590	(480)	(15.6%)	3,380	2,600	5.0%	2,580	4.8%	5.2%
	Mi-Nara	4,984	5,410	425	8.5%	7,520	5,240	5.8%	5,480	5.6%	6.0%
	<b>Retail (5 properties)</b>	<b>25,714</b>	<b>27,540</b>	<b>1,825</b>	<b>7.1%</b>	<b>27,490</b>	<b>27,570</b>	<b>-</b>	<b>27,450</b>	<b>-</b>	<b>-</b>
Hotel	Hotel Sunroute Niigata	2,216	2,360	143	6.5%	1,360	2,350	5.2%	2,360	5.0%	5.4%
	Daiwa Roynet Hotel Akita	1,986	2,250	263	13.3%	1,110	2,210	5.2%	2,260	5.0%	5.4%
	Super Hotel Sendai/Hirose-dori	1,265	1,570	304	24.1%	1,640	1,580	4.4%	1,550	4.2%	4.6%
	Super Hotel Osaka/Tennoji	1,260	1,600	339	27.0%	989	1,620	4.1%	1,580	3.9%	4.3%
	Super Hotel Saitama/Omiya	1,099	1,250	150	13.7%	1,160	1,260	4.5%	1,230	4.3%	4.7%
	Super Hotel Kyoto/Karasumagojo	1,027	1,290	262	25.5%	1,160	1,310	4.1%	1,260	3.8%	4.4%
	Comfort Hotel Shin-Yamaguchi	886	964	77	8.7%	487	956	5.2%	967	5.0%	5.4%
	Ise City Hotel Annex	1,871	1,840	(31)	(1.7%)	476	1,850	5.0%	1,840	4.8%	5.2%
	Comfort Hotel Kitakami	836	845	8	1.1%	634	842	5.1%	846	4.9%	5.3%
	Comfort Hotel Nagano	637	601	(36)	(5.7%)	297	597	4.9%	602	4.7%	5.1%
	Hotel Wing International Select Ueno/Okachimachi	3,851	4,180	328	8.5%	2,870	4,260	3.7%	4,150	3.5%	3.9%
	Smile Hotel Naha City Resort	4,024	4,340	315	7.8%	1,970	4,360	4.9%	4,330	4.7%	5.1%
	Smile Hotel Hakataeki-Mae	3,831	3,910	78	2.1%	1,720	3,970	4.2%	3,890	4.0%	4.4%
	Smile Hotel Nagoya-Sakae	2,979	3,120	140	4.7%	1,930	3,180	4.4%	3,100	4.2%	4.6%
	Hotel WBF Yodoyabashi-Minami	1,762	1,960	197	11.2%	1,080	2,000	4.1%	1,920	3.9%	4.3%
<b>Hotel (15 properties)</b>	<b>29,537</b>	<b>32,080</b>	<b>2,542</b>	<b>8.6%</b>	<b>18,883</b>	<b>32,345</b>	<b>-</b>	<b>31,885</b>	<b>-</b>	<b>-</b>	
Industrial	Rokko Island DC	8,641	9,040	398	4.6%	9,610	9,070	5.2%	9,000	5.0%	5.4%
<b>Total</b>		<b>144,669</b>	<b>153,396</b>	<b>8,710</b>	<b>6.0%</b>	<b>131,817</b>	<b>154,511</b>		<b>152,460</b>		

Note: Figures shown are amounts obtained by multiplying values listed on appraisal reports by quasi-co-ownership stakes for assets with quasi-co-ownership.

# Appraisal Value Summary (Changes from Previous Period)

Asset Type	Property Name	Appraisal Value			Capitalization Rate		Discount Rate		Terminal Capitalization Rate	
		(million yen)	Changes in Appraisal (amount)	Changes in Appraisal (ratio)		(change)		(change)		(change)
Office	Shinagawa Seaside Parktower	21,302	126	0.6%	4.0%	(0.1%)	3.6%	(0.1%)	4.1%	(0.1%)
	Kawasaki Tech Center	24,300	200	0.8%	4.3%	(0.1%)	4.1%	(0.1%)	4.5%	(0.1%)
	Shinjuku Eastside Square	10,700	250	2.3%	3.7%	(0.1%)	3.5%	(0.1%)	3.9%	(0.1%)
	Tokyo Front Terrace	10,993	100	0.9%	3.9%	(0.1%)	3.6%	(0.1%)	4.0%	(0.1%)
	Hillcoat Higashi-Shinjuku	4,030	60	1.5%	4.0%	(0.1%)	3.7%	(0.1%)	4.1%	(0.1%)
	Nippo Hommachi Building	1,600	30	1.9%	4.2%	(0.1%)	4.0%	(0.1%)	4.4%	(0.1%)
	MI Terrace Nagoya-Fushimi	10,000	170	1.7%	3.9%	(0.1%)	3.7%	(0.1%)	4.1%	(0.1%)
	Orico Hakataeki Minami Building	1,810	10	0.6%	4.2%	-	3.8%	-	4.4%	-
	<b>Office (8 properties)</b>	<b>84,736</b>	<b>947</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Retail	MIUMIU Kobe	5,240	(2,130)	(40.6%)	4.2%	-	4.0%	-	4.4%	-
	Shibuya World East Building	4,720	630	13.3%	3.5%	-	3.2%	(0.1%)	3.6%	(0.1%)
	AEON Kasai	9,580	-	-	5.1%	-	4.7%	-	5.3%	-
	MEGA Don Quijote Izumi-Chuo	2,590	10	0.4%	5.0%	-	4.8%	-	5.2%	-
	Mi-Nara	5,410	(110)	(2.0%)	5.8%	-	5.6%	-	6.0%	-
	<b>Retail (5 properties)</b>	<b>27,540</b>	<b>(1,600)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Hotel	Hotel Sunroute Niigata	2,360	70	3.0%	5.2%	-	5.0%	-	5.4%	-
	Daiwa Roynet Hotel Akita	2,250	20	0.9%	5.2%	-	5.0%	-	5.4%	-
	Super Hotel Sendai/Hirose-dori	1,570	-	-	4.4%	(0.1%)	4.2%	(0.1%)	4.6%	(0.1%)
	Super Hotel Osaka/Tennoji	1,600	20	1.3%	4.1%	(0.1%)	3.9%	(0.1%)	4.3%	(0.1%)
	Super Hotel Saitama/Omiya	1,250	20	1.6%	4.5%	(0.1%)	4.3%	(0.1%)	4.7%	(0.1%)
	Super Hotel Kyoto/Karasumagojo	1,290	-	-	4.1%	(0.1%)	3.8%	(0.1%)	4.4%	(0.1%)
	Comfort Hotel Shin-Yamaguchi	964	4	0.4%	5.2%	-	5.0%	-	5.4%	-
	Ise City Hotel Annex	1,840	-	-	5.0%	-	4.8%	-	5.2%	-
	Comfort Hotel Kitakami	845	2	0.2%	5.1%	-	4.9%	-	5.3%	-
	Comfort Hotel Nagano	601	1	0.2%	4.9%	-	4.7%	-	5.1%	-
	Hotel Wing International Select Ueno/Okachimachi	4,180	50	1.2%	3.7%	(0.1%)	3.5%	(0.1%)	3.9%	(0.1%)
	Smile Hotel Naha City Resort	4,340	10	0.2%	4.9%	-	4.7%	-	5.1%	-
	Smile Hotel Hakataeki-Mae	3,910	-	-	4.2%	-	4.0%	-	4.4%	-
	Smile Hotel Nagoya-Sakae	3,120	-	-	4.4%	-	4.2%	-	4.6%	-
	Hotel WBF Yodoyabashi-Minami	1,960	-	-	4.1%	-	3.9%	-	4.3%	-
<b>Hotel (15 properties)</b>	<b>32,080</b>	<b>197</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Industrial	Rokko Island DC	9,040	160	1.8%	5.2%	(0.1%)	5.0%	(0.1%)	5.4%	(0.1%)
<b>Total</b>		<b>153,396</b>	<b>(296)</b>							



# Overview of Loans (After the Acquisition)

	Debt Providers	Amount (million yen)	Interest Rate	Drawdown Date	Term	Maturity Date	Principal Repayment Method	Description
Long-term Loan	Sumitomo Mitsui Banking Corporation / Resona Bank, Limited.	8,000	0.75% (Note)	December 16, 2016	10 years	November 30, 2026	Bullet Repayment on Maturity	Unsecured and Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	5,000	0.59% (Note)		8 years	November 29, 2024		
	Sumitomo Mitsui Banking Corporation / The Bank of Fukuoka, LTD. / Resona Bank, Limited.	10,000	0.50% (Note)		7 years	November 30, 2023		
	Development Bank of Japan Inc.	2,000	0.62%		6 years	November 30, 2022		
	Sumitomo Mitsui Trust Bank, Limited / Shinsei Bank, Limited	7,000	0.37% (Note)		5 years	November 30, 2021		
	Mizuho Bank, Ltd.	10,000	0.37%		7 years	April 30, 2024		
	Mizuho Trust & Banking Co., Ltd.	2,000	0.45%	October 26, 2017	7.8 years	July 31, 2025		
	Sumitomo Mitsui Trust Bank, Limited / Shinsei Bank, Limited	3,000	0.54% (Note)		9.8 years	July 30, 2027		
	The Nanto Bank, Ltd	1,000	0.54% (Note)		10 years	October 29, 2027		
	Resona Bank, Limited.	1,000	0.71% (Note)	March 1, 2018	7.9 years	January 30, 2026		
	Sumitomo Mitsui Banking Corporation / The Bank of Fukuoka, LTD.	5,000	0.73% (Note)		5.9 years	January 31, 2024		
	Shinsei Bank, Limited	1,000	0.57% (Note)		7.0 years	April 30, 2025		
	Resona Bank, Limited.	500	0.57% (Note)		2.9 years	April 30, 2021		
	Mizuho Bank, Ltd.	1,000	0.48%	May 15, 2018	10 years	July 31, 2028		
	Sumitomo Mitsui Banking Corporation	2,000	0.53% (Note)		8 years	October 30, 2026		
	Mizuho Bank, Ltd.	1,500	0.56%	June 1, 2018	7 years	October 31, 2025		
	MUFG Bank, Ltd.	1,500	0.31%		5 years	October 31, 2023		
	Mizuho Trust & Banking Co., Ltd.	1,700	0.62%		3 years	October 29, 2021		
	Mizuho Bank, Ltd.	2,500	0.68%	November 1, 2018	10 years	July 26, 2028		
	Sumitomo Mitsui Banking Corporation	3,000	0.57% (Note)		-	-		
Sumitomo Mitsui Trust Bank, Limited / Shinsei Bank, Limited	3,500	0.42% (Note)	-		-			
MUFG Bank, Ltd.	1,500	0.32%	-		-			
Unsecured Bond #1	1,000	0.64%	July 26, 2018	10 years	July 26, 2028	-	-	
<b>Total/Average</b>		<b>74,700</b>	<b>0.53%</b>		<b>7.2 years</b>			

Note: MIRAI signed an interest rate swap agreement. Accordingly, the interest rate provided above has been fixed under the terms of this agreement and will be used in repayment.

# Disclaimer

Monetary amounts are rounded down to billions, millions or thousands of yen.

Percentage figures are rounded off to the first decimal place.

This material contains forward-looking business results, plans, and management targets and strategies. Such forward-looking statements are based on current assumptions and conditions, including those regarding anticipated future developments and business environmental trends, and these assumptions and conditions may not always be correct. Such forward-looking statements assume the investment policy of MIRAI, the market environment, interest rate conditions, business practices and other fact relationships and applicable laws and regulations as of the date this material was published and they do not reflect or take into consideration any change in circumstances occurring after such date. Forward-looking statements involve known and unknown risks, uncertainties and other factors, whether express or implied, and the actual performance, operating results, financial situation and other results of MIRAI may vary significantly due to a variety of factors.

This material is provided for your information and does not constitute a solicitation to buy the investment securities of MIRAI or to conclude any other financial instrument transaction contract. In making investments, investors should do so based on judgements and responsibilities of their own.

The investment units of MIRAI are closed-end fund investment units, whereby investment units are not redeemable at the request of investors. Investors wishing to liquidate their investment units will in principle need to sell them to third parties. The market value of the investment units will be influenced by investor supply and demand at securities exchanges and will fluctuate in accordance with the situation for interest rates, economic circumstances, real estate prices, and other market factors. It is therefore possible that investors will not be able to sell the investment units at their acquisition price and, as a result, may suffer losses.

MIRAI plans to make cash distributions to investors, but whether or not distributions are made and the amount of distributions thereof are not guaranteed under any circumstances. Gains or losses on the sale of real estate, losses on the disposal of fixed assets accompanying the replacement of structures, and other factors would cause fiscal-period income to vary greatly, which would result in change in amount of distribution to be made.

Information provided herein does not constitute any of the disclosure documents or performance reports required by the Financial Instruments and Exchange Act or the Act on Investment Trusts and Investment Corporations or by the Securities Listing Regulations of the Tokyo Stock Exchange.

This material is to be read and used at the responsibility of customers. MIRAI and related persons involved in the preparation and publication of this material will not bear any responsibility for any damage arising from the use of this material (whether for direct or indirect damage, and regardless of the cause thereof).

While every effort has been made to avoid errors and omissions regarding the information presented in this material, the material has been created as an easy reference for customers, and the presented information may contain inaccuracies of misprints. MIRAI bears no responsibility for the accuracy. This material is subject to change/discontinuation without notice. MIRAI is not obliged to update or announce any of the information contained in this material (including forward-looking statements).

MIRAI holds the copyrights to the information appearing in this material. Copying, altering, publishing, distributing, appropriating, or displaying this information or using it for commercial purposes without the prior approval of MIRAI is prohibited. Also, trademarks (trademarks, logos, and service marks) related to MIRAI appearing in this material are owned by MIRAI, and copying, altering, publishing, distributing, appropriating, or reproducing such trademarks or using them for commercial purposes without the permission of MIRAI is prohibited.

This material may include properties which are not held by or planned to be acquired by MIRAI.

This material is intended for the use of residents of Japan only.

@ MIRAI Corporation. All rights reserved.

Asset Manager : Mitsui & IDERA Partners Co., Ltd.

-Financial Instruments Business Operator (Director of Kanto Finance Bureau (Kinsho) No.2876)