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For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

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(Securities Code: 3476)

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Notice Concerning the Conclusion of Memorandum of Understanding  
on Renovation and Lease Agreement regarding AEON Kasai

Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset Manager”), the asset management company of MIRAI Corporation (hereinafter “MIRAI”), announces a decision to enter into memorandum of understanding (hereinafter the “MOU”) for renovation and lease agreement regarding AEON Kasai (hereinafter the “Property”) between the trustee of the Property and the tenant as follows:

1. Overview of MOU

(1) Counterparty : AEON Retail Co, Ltd. (hereinafter the “tenant”)

(2) Contract date : April 28, 2020

(3) Points of MOU

(i) Implementation of renovation (Note 1)

The following construction work shall be carried out at the expense of MIRAI. However, the tenant shall pay an additional rent (hereinafter the "Investment Rent") of a certain percentage of the total amount of Construction A for the period from the start date of the lease agreement under (ii) until the expiration date.

● Construction A: Total 415 million yen (excluding tax)

(a) Elevator renovation (scheduled completion date: April 2021)

(b) Escalator renovation (scheduled completion date: June 2021)

(c) Disaster prevention measures (scheduled completion date: November 2021)

(d) Owner-paid construction work for the whole store renovation (scheduled completion date: September 2021)

● Construction B: Total 23 million yen (excluding tax) (Note 2)

Visitors’ restrooms renovation (scheduled completion date: November 2021)

(ii) Conclusion of lease agreement (Note 3)

The current lease agreement will be terminated at the day before the scheduled reopening date after the whole store renovation in September 2023, and a new lease agreement will be entered into as follows. Regardless of the non-cancellation period, if the new lease agreement is cancelled before the end of the term, the tenant shall pay to MIRAI the amount equivalent to 50% of the unpaid Investment Rent for construction:

(a) (b) (c), leaving the subject facilities in place, and the unpaid Investment Rent for construction: (d).

- Fixed term lease with 15-year and 11-month term and non-cancellable term of 10 years and 11 months.
- Change in rent structure from fixed rents to base rents + variable rents that are linked to the grocery department sales of the Property.
- Payment of the Investment Rent.

(Note 1) The estimated amount of capex and expenses will be disclosed in future financial reports, because it is difficult to make a reasonable estimate of them at this moment.

(Note 2) The amount is an approximate estimate at this moment and it will be changed when detailed estimations are obtained.

(Note 3) The outline of the agreement is shown as the tenant's consent to disclose the details of the agreement has not been obtained.

2. Reasons for Conclusion

The Property was opened in 2013 as a model store for the AEON Group's first Grand Generations Mall (a facility to revitalize the existing GMS (Note) targeting people of aged 55 and older in line with the aging of regional population). However, in response to the tenant's offer to renovate the whole store in 2023, the tenant's tenth year of operation, the decision was made to conclude MOU, including the extension of the lease period, based on the judgment that creating a store in line with changing consumption trends will lead to stable earnings in the future.

Although MIRAI and the tenant plan to renovate several places in sequence toward the scheduled opening date of the whole store renovation, and has not yet decided to suspend operations, etc., the tenant will pay rent based on the current lease agreement for the period until the new lease agreement is signed. In addition, there is no significant difference in the rent level between the base of the new lease agreement (including the Investment Rent) and the base of the current lease agreement. MIRAI believes that this approach will lead to stable cash flow by fixing the terms of the contract.

(Note) GMS (General Merchandise Store) refers to a general merchandise store that carries a wide range of daily necessities as well as groceries.

3. Future Outlook

The completion of the renovation based on MOU and the conclusion of the lease agreement will be after April 2021, and there is no change to the forecasts of operating results in the fiscal period ending April 2020 (the 8<sup>th</sup> period) and October 2020 (the 9<sup>th</sup> period).

(End)

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

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