MIRAI Corporation

Q&A from result announcement for fiscal period ended October 2025

(The 19th fiscal period)

Date of the result announcement: December 17, 2025 (Wednesday) *Held online

Q1.

Is the deterioration of Japan-China relations having an impact on the hotel sector?

A1.

The guest composition for the variable-rent hotels owned by MIRAI was shown on page 35 of the IR material. Smile Hotel Osaka Tennoji has the highest proportion of guests from China, accounting for 40% of its guests. The other four hotels have lower proportions, so their impact is currently small.

The occupancy rate for this hotel over the 15 days following November 30, when Chinese airlines began reducing flights to Japan, was 63.9% according to preliminary figures. This compares to over 85% during the same period last year, indicating a certain degree of impact. While last-minute cancellations have indeed occurred, efforts by operators to attract guests and fill vacancies promptly have resulted in multiple days where the occupancy rate exceeded 90%.

While China-related issues may exert some influence on the operation of this hotel, we anticipate that occupancy rates will recover through capturing domestic tourist demand and other measures. For variable-rate hotels overall, November performance was generally strong, with no significant impact observed even against the forecast. Although the situation requires close monitoring, we do not believe it will have an immediate serious impact.

Moreover, should this issue significantly escalate and substantially impact other hotels, we will consider utilizing internal reserves.

Q2.

What is the leasing situation for large-scale offices?

A2.

The office market is extremely robust, and we are seeing the effects of declining vacancy rates and rising rents spreading to the bay area. Previously, we prioritized tenant occupancy by flexibly accommodating requests such as subdividing spaces and offering free rent periods. However, we are now seeing increased demand for internal expansions and attracting tenants from surrounding areas. This has led to negotiations with prospective tenants seeking over 500 tsubo, and we have secured new leases totaling nearly 2,000 tsubo during the previous fiscal period. Rent per tsubo has risen from around ¥13,000 two years ago to the ¥17,000–¥18,000 range recently, while free rent periods are trending shorter, typically lasting about six months or less. Although

there was a delay from the central Tokyo, we have the impression that the tide has turned in the bay area as well.
Compared to the past, the environment has shifted to favor lessors in negotiations. Therefore, we are now considering pursuing higher rents while monitoring occupancy rates. Also, through diligent negotiations with existing tenants, we are steadily eliminating the rent gap. We believe it is possible to absorb recent cost increases and further enhance profitability.

(End)

*In addition to questions from investors, FAQs (frequently asked questions) prepared by the asset manager may also be included.