

# 2<sup>nd</sup> Fiscal Results & Mid-term Management Plan

## MIRAI Corporation

Fiscal Period Ended April 2017



Security Code: 3476  
Asset Manager: Mitsui & IDERA Partners Co., Ltd.  
<http://3476.jp/en>

# Table of Contents

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Section 1. FAQ	・・・P 2
Section 2. Financial Summary & Forecasts	・・・P14
Section 3. Mid-term Management Plan “Repower 2020”	・・・P27
Appendix 1. Supplements	・・・P35
Appendix 2. Financials in Detail	・・・P41
Appendix 3. Portfolio in Detail	・・・P49

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## Section 1. FAQ

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1. What are the superior points of MIRAI?

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  2. What is MIRAI going to do to increase the unitholders' value?

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  3. What are the superior points of the diversified REITs?

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  4. What are the benefits of equal partnership?

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  5. What is MIRAI's portfolio building policy from now on?

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  6. What will MIRAI execute its credit rating to be updated?

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  7. Please elaborate MIRAI's current investors composition.

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  8. Please explain MIRAI's finance policy and debt finance conditions.

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  9. What position is MIRAI placed comparing other J-REITs?

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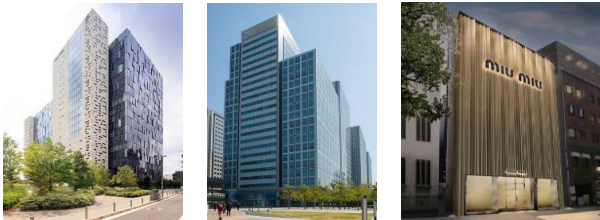
  10. How much influence will be anticipated on MIRAI from the mass office supply in Tokyo?

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# 1. What are the superior points of MIRAI?

## Portfolio Income Stability

- The portfolio consists mainly of large-scale offices with middle-class rents, which feature stable supply and demand.
- Highly stable leasing condition for commercial facilities and hotels, due to long-term fixed contracts.
- Many of the major tenants consist of high credit companies such as listed corporations.



## Excel Finance

- Ranked among the highest of all J-REITs in terms of conditions for the debt procurement
- Strong banking formation centering the Mitsui Group
- A+ for the long-term issuer rating from Japan Credit Rating Agency, Ltd.

Remaining maturity on debt

5.8 years

Debt cost

0.45%

Credit Rating **A+**<sub>(stable)</sub>

## Double Sponsorship

- Double sponsorship by Mitsui & Co. and IDERA Capital Management Ltd.
- Taking advantage of sponsors knowledge on a wide range of asset classes and abundant deal information
- The sponsors are also proactive in supporting peripheral businesses such as real estate development and leasing.



A J-REIT with three strong pillars of good portfolio, finance and sponsors  
Stabilized DPU: 6.3%

## 2. What is MIRAI going to do to increase the unitholders' value?

Repower 2020: Regain and boost our unitholders' value based on the sustainable DPU growth and strategic operation

### Quantitative Target 8<sup>th</sup> fiscal period (Apr. 2020)

DPU Target	NOI Yield after Depreciation	Portfolio Diversification	LTV
<b>5,700 yen~</b>	<b>4.0%~</b>	<b>up to 40%</b>	<b>up to 50%</b>
5,100 yen 3 <sup>rd</sup> & 4 <sup>th</sup> fiscal period (forecast)	3.9% 3 <sup>rd</sup> & 4 <sup>th</sup> fiscal period (forecast)	64.9% 2 <sup>nd</sup> fiscal period (actual)	46.0% 3 <sup>rd</sup> & 4 <sup>th</sup> fiscal period (forecast)

### Prior Measures

Growth Independent from  
Capital Increase

Strategic Portfolio  
Restructuring

More Strict  
Investment Discipline

Utilizing Strong  
Debt Finance Ability

### Upside Scenario (returning to the growth pass)

Improving Liquidity through  
capital increase

Inclusion of  
Growth Assets

Further  
Portfolio Diversification

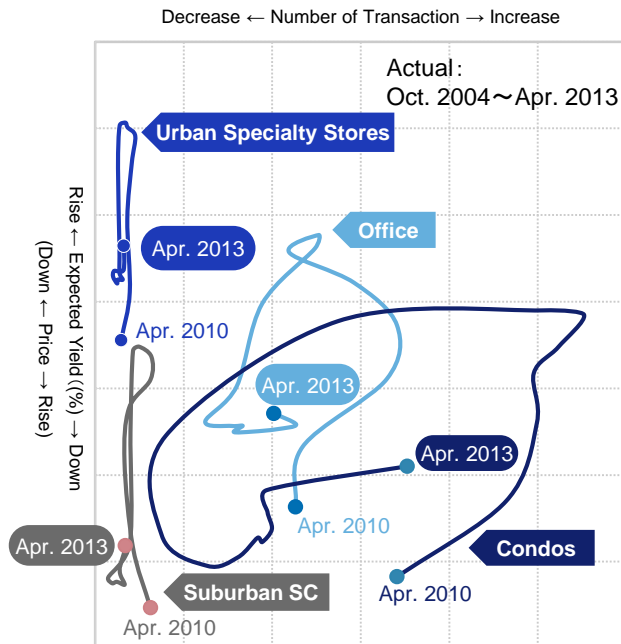
Upgrading

# 3. What are the superior points of the diversified REITs?

## 1. Flexible Responses to Market Cycles

The market cycle differs among asset types. Accordingly, we can flexibly pursue more risk conscious portfolio mix and DPU growth depending on the various situation.

### Transaction Market Cycle by Asset Type

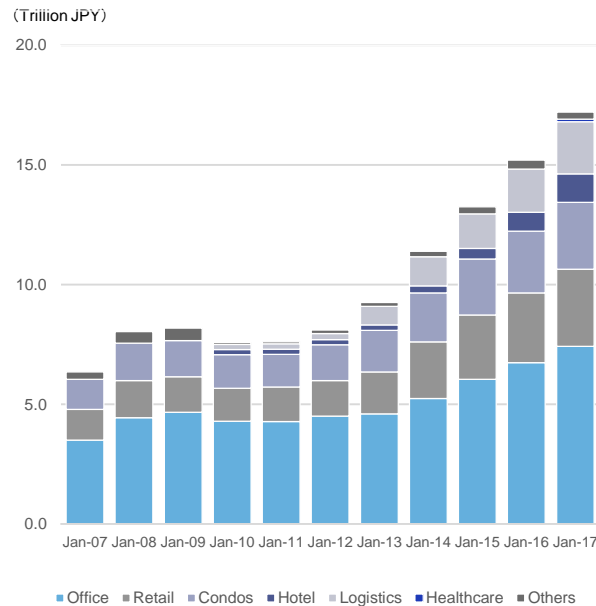


Source : A report issued by SUMITOMO MITSUI TRUST RESEARCH INSTITUTE CO.,LTD on Nov. 5, 2013.

## 2. Well-selected Investment from Wide Universe

Without limiting the investment target, we can carefully select ones from a wider universe while considering risk control.

### Changes in AUM for type of assets (All J-REITs)



Source: "Property Data of Real Estate Investment Trusts", The Investment Trusts Association, Japan

Note 1: "Others" includes assets except "Office", "Retail", "Condos", "Hotel" and "Logistics"

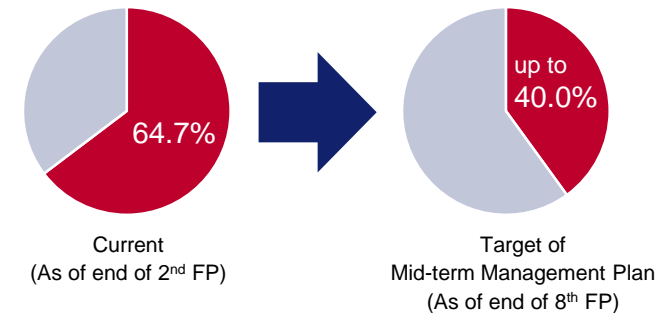
Note 2: Before Jan. 2010, "Hotel" and "Logistics" are included in "Others"

Note 3: Before Sep. 2016, "Healthcare" is included in "Others"

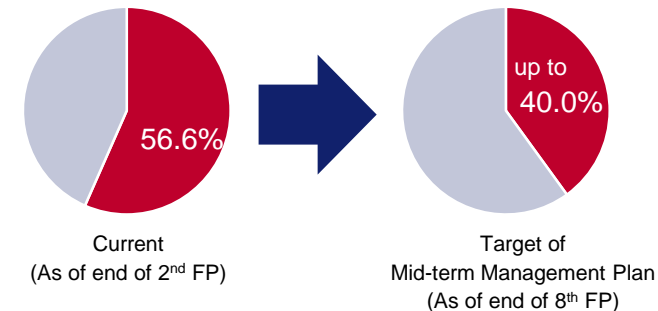
## 3. Risk Diversification

By including various types of assets, we can more diversify the portfolio avoiding from influence from specific tenants or industry trends.

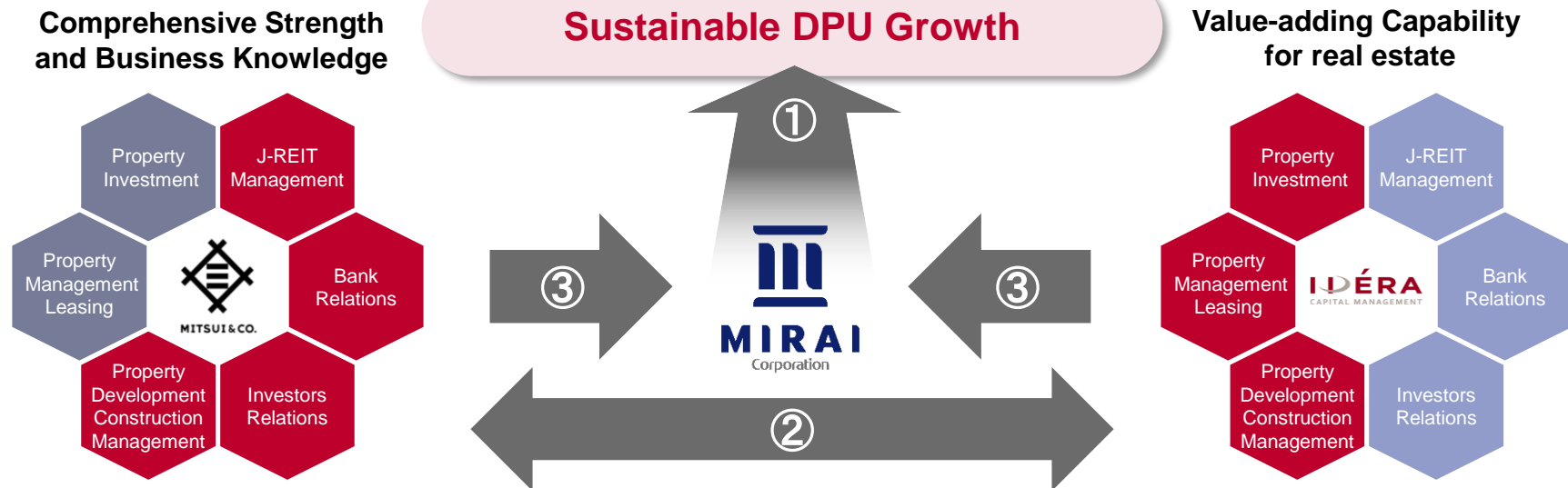
### Portfolio Diversification (Top 3 Properties)



### Tenants Diversification (Top 10)



# 4. What are the benefits of equal partnership?



<b>Mitsui &amp; Co.</b>	
<b>Comprehensive management</b>	Track record of Japan Logistics Fund, Inc. (a sister J-REIT of the Mitsui & Co. Group specified to logistics assets only)
<b>Finance (credit capability)</b>	Highly competitive debt finance ability
<b>Business knowledge</b>	Knowledge of a wide range of commercial distribution as a leading conglomerate in Japan

- 1. Sharing the same goal**  
Strong commitment to disciplined and stable growth
- 2. Restraining effect**  
Ensuring governance reflecting consideration of investors' interests
- 3. Different Strengths Hybrid**

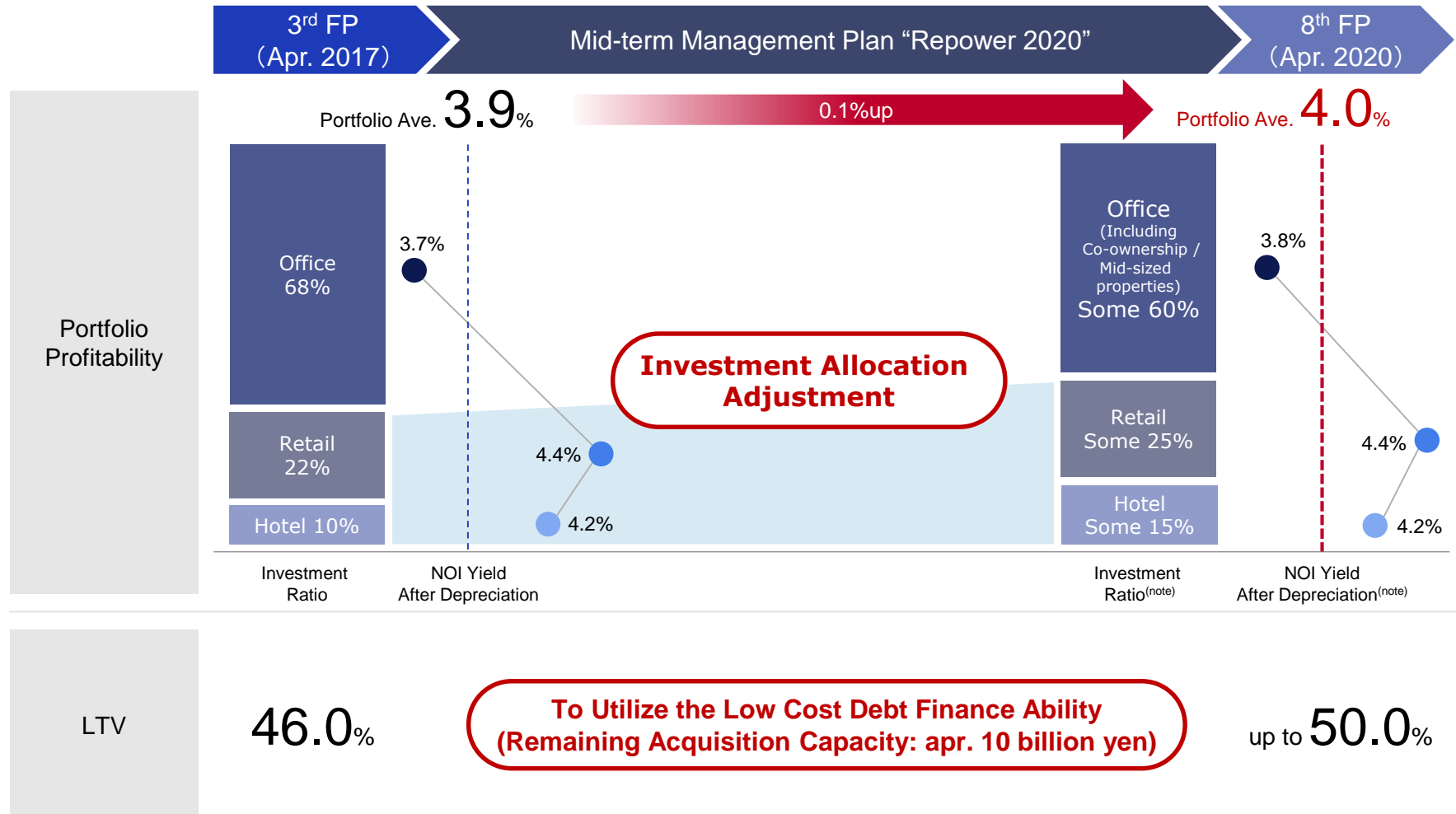
<b>IDERA</b>	
<b>Deal Sourcing</b>	Properties acquired at the time of listing: 14 properties for 90.7 billion yen
<b>Leasing</b>	Track record for large office Shinagawa (43%(when IDERA acquired) → 100%) Kawasaki (93.3% → 97.5%)
<b>Track Records</b>	More than ten years: Cumulative total of more than 800 billion yen AUM



# 5. What is MIRAI's portfolio building policy from now on?

To adjust the investment allocation in accordance with the market environment so as to achieve both profitability improvement and quality control concurrently.

At the moment, we have a policy of shifting the focal point from large-scale offices in the center of Tokyo, for which competition has been growing more intense, to medium-scale offices in major cities, retail properties, and hotels.



Note : Figures based on the current assumption are shown for the sole purpose of the reference and we shall not assure the future investment ratio and NOI yield after depreciation at all.

# 6. What will MIRAI execute its credit rating to be upgraded?

**A+** (stable)  
rated by Japan Credit Rating Agency, Ltd.

The main tasks required to be upgraded to AA are extending our track record and implementing risk control with a focus on the diversification of assets.

At present, our fund procurement capability is among the highest compared to AA- J-REITs as well.

## 1. Extending our track record steadily

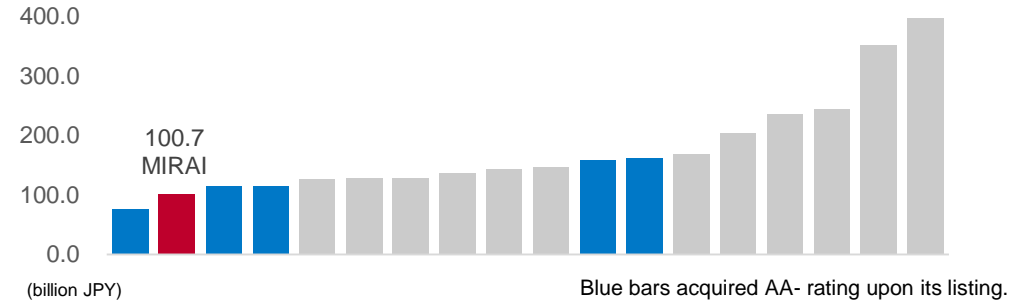
- Achieving the forecast DPU in the first account settlement after listing
- For the time being, stabilized DPU is also expected to the same amount as the forecast at the time of listing
- Aiming for sustainable growth through “Repower 2020”, the Mid-term Management Plan

## 2. Appropriate risk control

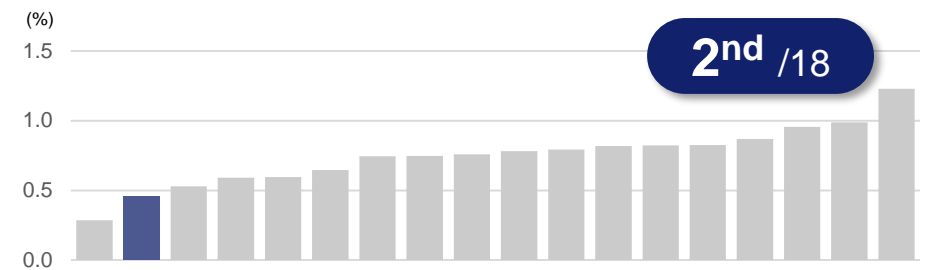
- Partial disposal with reshuffle for the current portfolio is one of alternatives as measures for reducing concentration risk and improving the quality and profitability of the portfolio
- When large properties acquisition, we will control the concentration risk of properties and tenants by making use of a co-ownership scheme with sponsors etc.

(Reafferece) MIRAI has already compared favorably with AA-units in terms of AUM and debt finance conditions.<sup>(note)</sup>

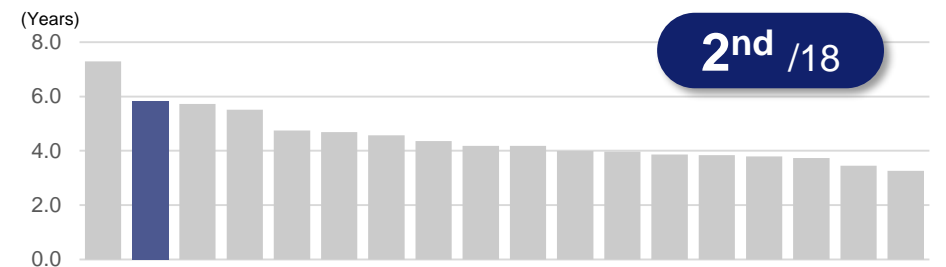
### AUM when AA-(JCR) rated (on a purchase price basis)



### Averaged Debt Cost



### Remaining Debt Maturity

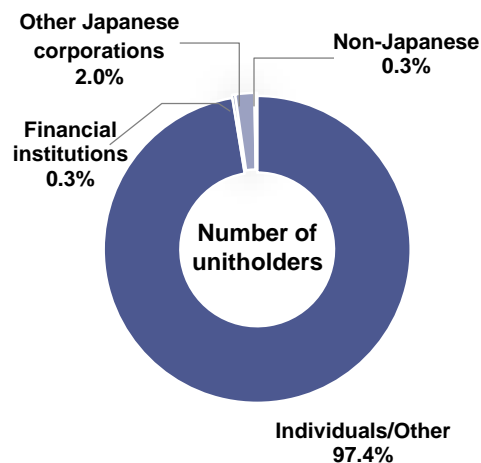
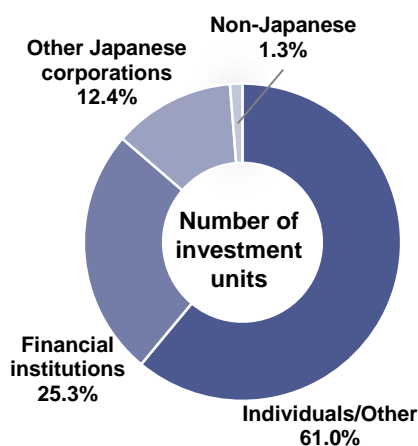


Note : The asset manager researched based on the report issued by SMBC Nikko Securities in April 2017. The comparison includes all of AA- J-REITs rated by JCR and MIRAI.

## 7. Please elaborate MIRAI's current investors composition.

### Number of unitholders and number of investment units by type of unitholder

	Number of investment units	% of total (Note)	Number of unitholders	% of total (Note)
Individuals/Other	179,262	61.0%	18,384	97.4%
Financial institutions	74,324	25.3%	61	0.3%
Other Japanese corporations	36,461	12.4%	379	2.0%
Non-Japanese	3,703	1.3%	49	0.3%
<b>Total</b>	<b>293,750</b>	<b>100.0%</b>	<b>18,873</b>	<b>100.0%</b>



### Major unitholders

Unitholders name	Number of Investment units	% of total (Note)
Japan Trustee Services Bank, Ltd. (trust account)	25,910	8.8%
The Master Trust Bank of Japan, Ltd. (trust account)	15,546	5.3%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	9,977	3.4%
Mitsui & Co. Asset Management Holdings Ltd.	5,000	1.7%
IDERA Capital Management Ltd.	5,000	1.7%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	4,756	1.6%
The Hachijuni Bank, Ltd.	3,808	1.3%
Individuals	1,731	0.6%
The Akita Bank Ltd.	1,300	0.4%
CHIKUHO BANK Ltd.	1,288	0.4%
<b>Total</b>	<b>74,316</b>	<b>25.3%</b>

# 8. Please explain MIRAI's finance policy and debt finance conditions.

## Topics : Refinancing (as of April 2017)

- Participation of Mizuho Trust & Banking as a new lessor
- The long-term fixing of interest-bearing debt and the diversification of lenders were realized at the same time.

	Debt providers	Outstanding debt (million yen)	Interest rate	Borrowing period	Description
Refinance	Mizuho Trust & Banking Co., Ltd	2,000	0.45%	7 years	Unsecured and non-guaranteed
Repayment	Mizuho Bank, Ltd	2,000	0.16%	1 years	

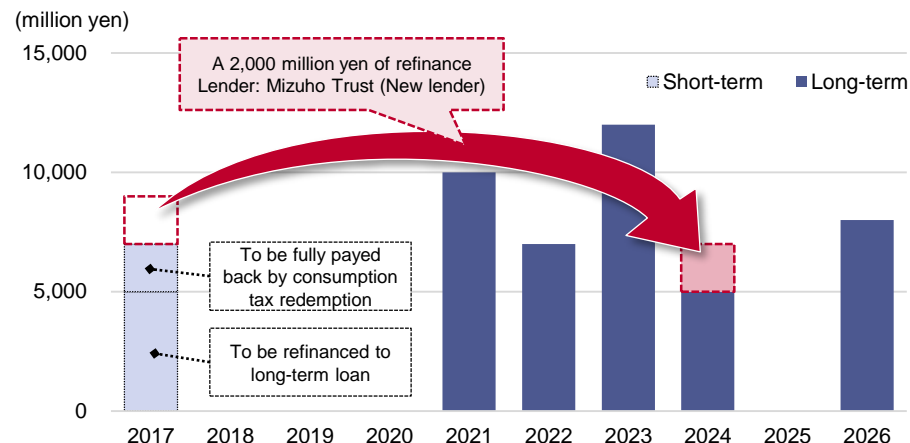
## Financial highlight

Stabilized LTV <sup>(Note1)</sup>	46.0%
Outstanding interest-bearing debt	51,000 million yen
% of debt on long-term and fixed rates	86.3%
Debt cost	0.45% (all-in <sup>(Note 2)</sup> 0.55%)
Remaining maturity on debt	5.8 years

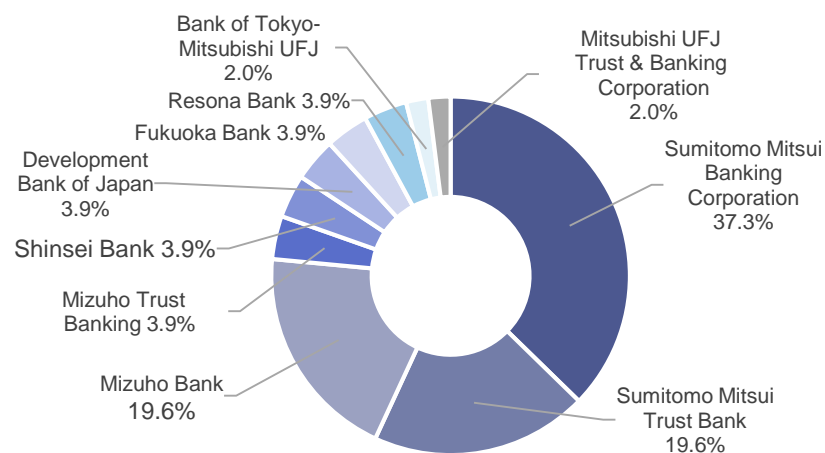
Note1 : Stabilized LTV=Interest-bearing debt ÷ Total assets (as of April 2018)

Note2 : Total of Interest expenses and Borrowing related expenses.

## Debt maturity ladder



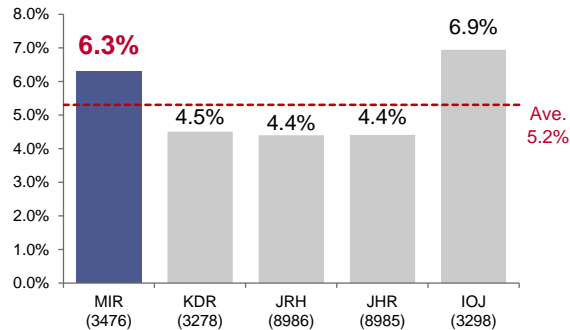
## Debt providers



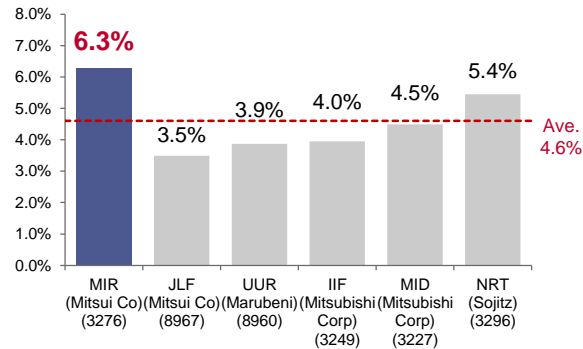
# 9. What position is MIRAI placed comparing other J-REITs?

While MIRAI is placed the most excellent position for fund procurement capability (borrowing rates and periods), however, its dividend yield has remained at a relatively high level.

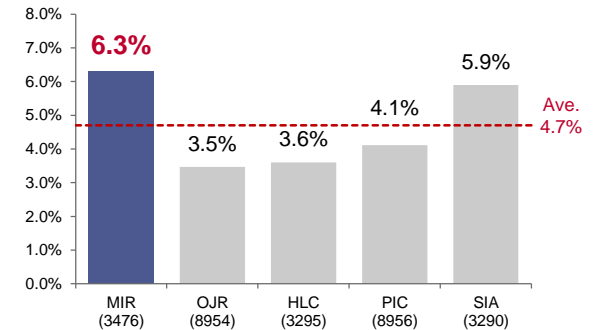
**A rated<sup>(note 1)</sup> J-REITs**



**J-REITs sponsored by *sogo-shosya***

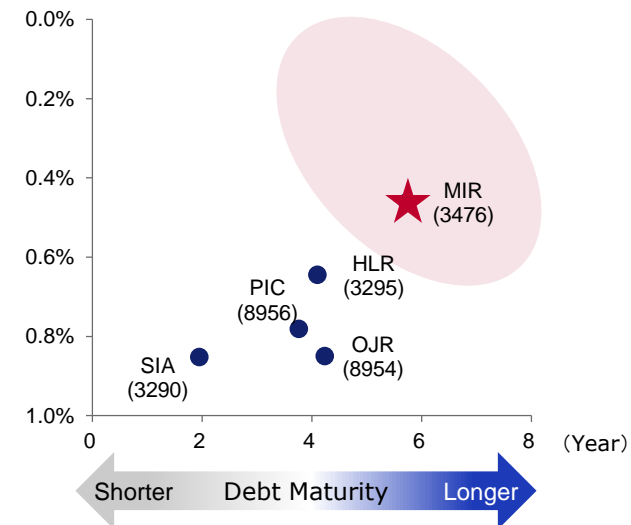
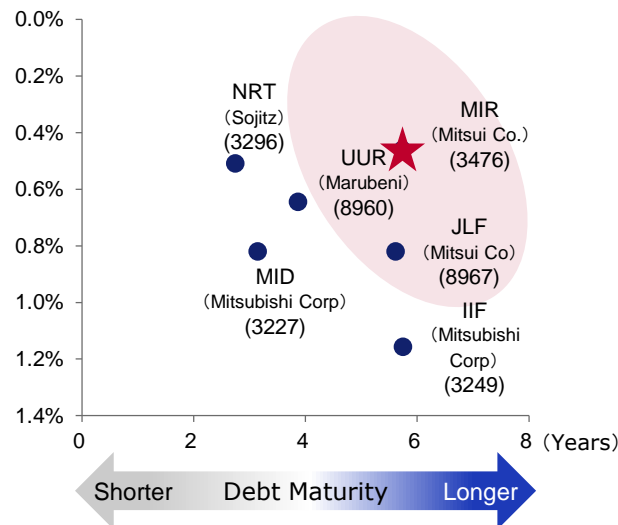
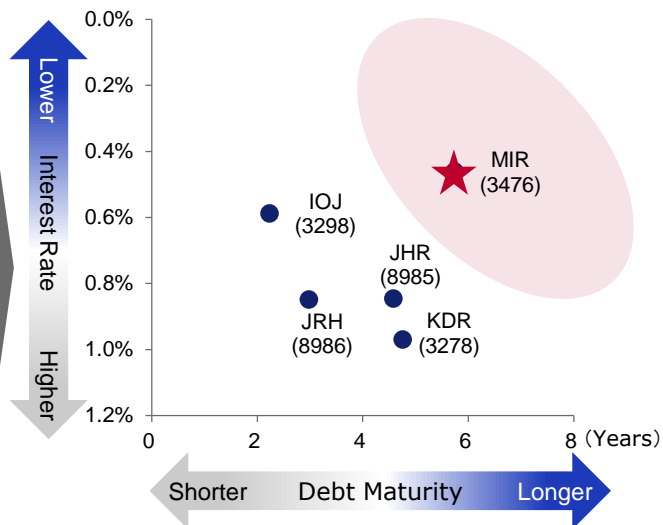


**Diversified J-REITs**



Dividend Yield  
(note 2)

Ave. Interest Rate and Debt Maturity<sup>(note 2)</sup>



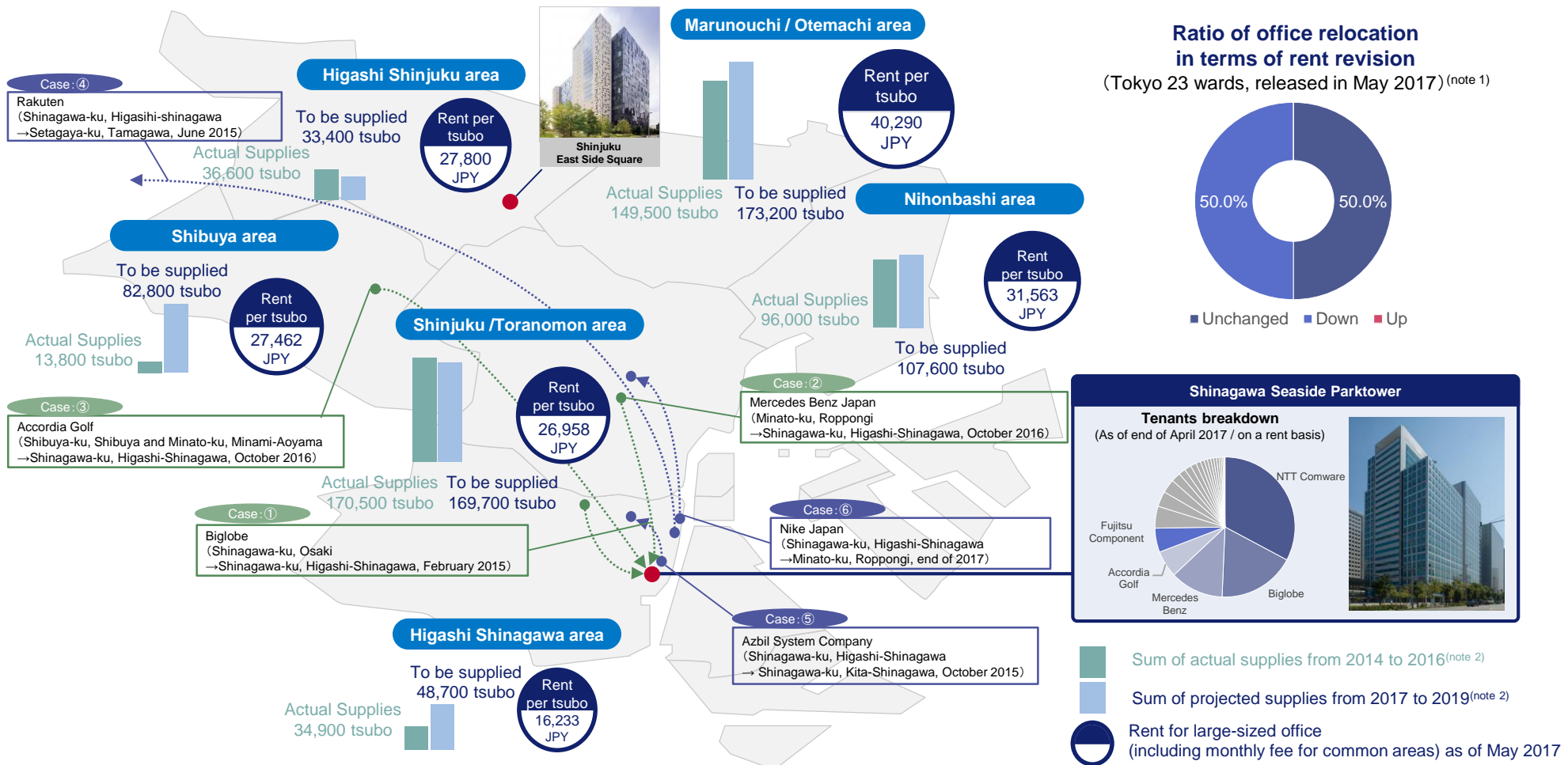
Note1 : J-REITs which obtain A-, A, or A+ issuer rating from JCR.

Note2 : Made by the Asset Manager based on the closing price as of end of May and a report issued by SMBC Nikko issued on April 2017.

# 10. How much influence will be anticipated on MIRAI from the mass office supply in Tokyo?

While the office market in Tokyo is slowing down in anticipation of huge supply, both the vacancy rate and rent level have remained strong.

The three central wards, where there is concern over huge supply, are areas in a high price range. We do not expect a lot of tenants to move to these areas from areas with much cheaper rents, such as the bay area.



Note1 : Made by asset manager based on Nikkei Fudosan Market

Note2 : "To be supplied" described above are based on new supplies in each ward which each area belongs.

Source: Sanko Estate "Office Market May 2017" and "Office Rent Data"

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## Section 2. Financial Summary & Forecasts

# Fiscal Results (2<sup>nd</sup> Fiscal Period, ended April 2017)

		Forecast (A) (as of December 21, 2016)	Results (B)	Changes (B) – (A)
Operating revenue	(million yen)	2,490	2,395	(95)
Lease business revenue	(million yen)	1,958	1,948	(9)
Office	(million yen)	1,298	1,297	(0)
Retail	(million yen)	415	405	(9)
Hotel	(million yen)	245	245	0
Other lease business revenue	(million yen)	531	446	(85)
Operating expenses	(million yen)	679	583	(95)
NOI	(million yen)	1,811	1,811	0
Depreciation	(million yen)	295	293	(2)
General Administrative expenses	(million yen)	236	237	1
Non-operating expenses	(million yen)	242	243	0
Net Profit (loss)	(million yen)	1,035	1,036	0
<b>DPU</b>	<b>(yen)</b>	<b>3,258</b>	<b>3,260</b>	<b>2</b>
Capital expenditure	(million yen)	234	31	(203)
NCF	(million yen)	1,576	1,779	203
FFO per unit	(yen)	4,532	4,528	(4)
Payout ratio	%	71.9	72.0	0.1
Number of Properties		15	15	—
Occupancy rate as of the end of fiscal period	%	98.1	98.9	0.8
Appraisal value	(million yen)	—	104,010	—
Unrealized gain margin	%	—	1.7	—
Outstanding interest-bearing debts	(million yen)	51,000	51,000	—
LTV <sup>(Note 1)</sup>	%	47.2	47.0	(0.1)
Total number of outstanding investment units	(unit)	293,750	293,750	—
BPS	(yen)	—	179,179	—
NAV per unit <sup>(Note 2)</sup>	(yen)	—	185,101	—

Note1 : LTV=Out standing interest-bearing debts ÷ Total assets.

Note2 : NAV (Net Asset Value) per unit = (Net assets ÷ Unrealized gain) ÷ Total number of investment units

## Points of the Results

- Substantial management period was 136 days (4.5 months)
- Public charges cost incurred partially (37 million yen)
- Investment unit issuance expenses upon IPO were redeemed in a lump sum (126 million yen)

## Breakdown of Changes

### Operating revenue

Lease business revenue (Retail)	(9 million yen)
AEON Kasai: Adjustment for income booking timing	(9 million yen)
Utilities revenue	(89 million yen)
Other lease business revenue	4 million yen
Shinagawa Seaside Parktower: Parking revenue etc.	8 million yen
AEON Kasai: Adjustment for income booking timing	(5 million yen)

### Operating expense

Utilities expense	(107 million yen)
Repair expenses	25 million yen
Other expenses for leasing business (Reducing Leasing fee etc.)	(15 million yen)

### Non-operating expense

Interest expense (Rise of interest rates)	11 million yen
Investment unit issuance expense	(10 million yen)



# Forecasts (3<sup>rd</sup> / 4<sup>th</sup> FP)

		Results [2 <sup>nd</sup> FP] (Note 1) (A)	Forecasts [3 <sup>rd</sup> FP] (Note 2) (B)	Changes (B) – (A)	Forecasts [4 <sup>th</sup> FP] (Note 2) (C)	Changes (C) – (B)
Operating revenue	(million yen)	3,187	3,397	209	3,341	(55)
Lease business revenue	(million yen)	2,593	2,681	88	2,672	(8)
Office	(million yen)	1,727	1,808	81	1,804	(4)
Retail	(million yen)	539	552	13	550	(2)
Hotel	(million yen)	326	319	(6)	317	(1)
Other lease business revenue	(million yen)	594	715	121	668	(47)
Operating expenses	(million yen)	777	1,035	258	983	(52)
NOI	(million yen)	2,410	2,361	(49)	2,357	(3)
Depreciation	(million yen)	352	356	3	364	8
Administrative expenses	(million yen)	316	363	47	347	(15)
Non-operating expenses	(million yen)	281	142	(139)	146	4)
Profit (loss)	(million yen)	1,459	1,498	38	1,498	0
<b>DPU</b>	<b>(yen)</b>	<b>4,702</b>	<b>5,100</b>	<b>398</b>	<b>5,100</b>	<b>—</b>
Capital expenditure	(million yen)	41	256	215	199	(57)
NCF	(million yen)	2,369	2,104	(264)	2,158	53
FFO per unit	(yen)	6,169	6,312	143	6,339	27
Payout ratio	%	76.2	80.8	4.6	80.5	(0.3)
Number of Properties		15	15	—	15	—
Occupancy rate	%	98.9	99.1	0.2	99.1	—
Outstanding interest-bearing debts	(million yen)	51,000	49,500	(1,500)	49,500	—
LTV	%	47.0	46.0	(1.0)	46.0	—
Total number of outstanding investment units	(unit)	293,750	293,750	—	293,750	—

## Points of the Results

- Stabilize from 3<sup>rd</sup> FP (Fiscal period : 6 months)
- Public charges cost begins to be fully incurred

## Breakdown of change

### 3<sup>rd</sup> FP (Oct. 2017)

#### Operating revenue

Lease business revenue	88 million yen
Shinagawa: Stabilized due to free rent disappearance	
	91 million yen
Utilities revenue(seasonal factors)	115 million yen

#### Operating expense

Utilities expense(seasonal factors)	72 million yen
Tax and due (Stabilized basis)	199 million yen

#### Non-operating expense

Investment unit issuance (recoil reduction)	(126 million yen)
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### 4<sup>th</sup> FP (Apr. 2018)

#### Operating revenue

Lease business revenue	(8 million yen)
Shinjuku: Rebound due to a spot penalty income decrease	(11 million yen)
Utilities revenue (seasonal factors)	(45 million yen)

#### Operating expense

Utilities expense (seasonal factor)	(7 million yen)
Repair expense	(45 million yen)

#### Non-operating expense

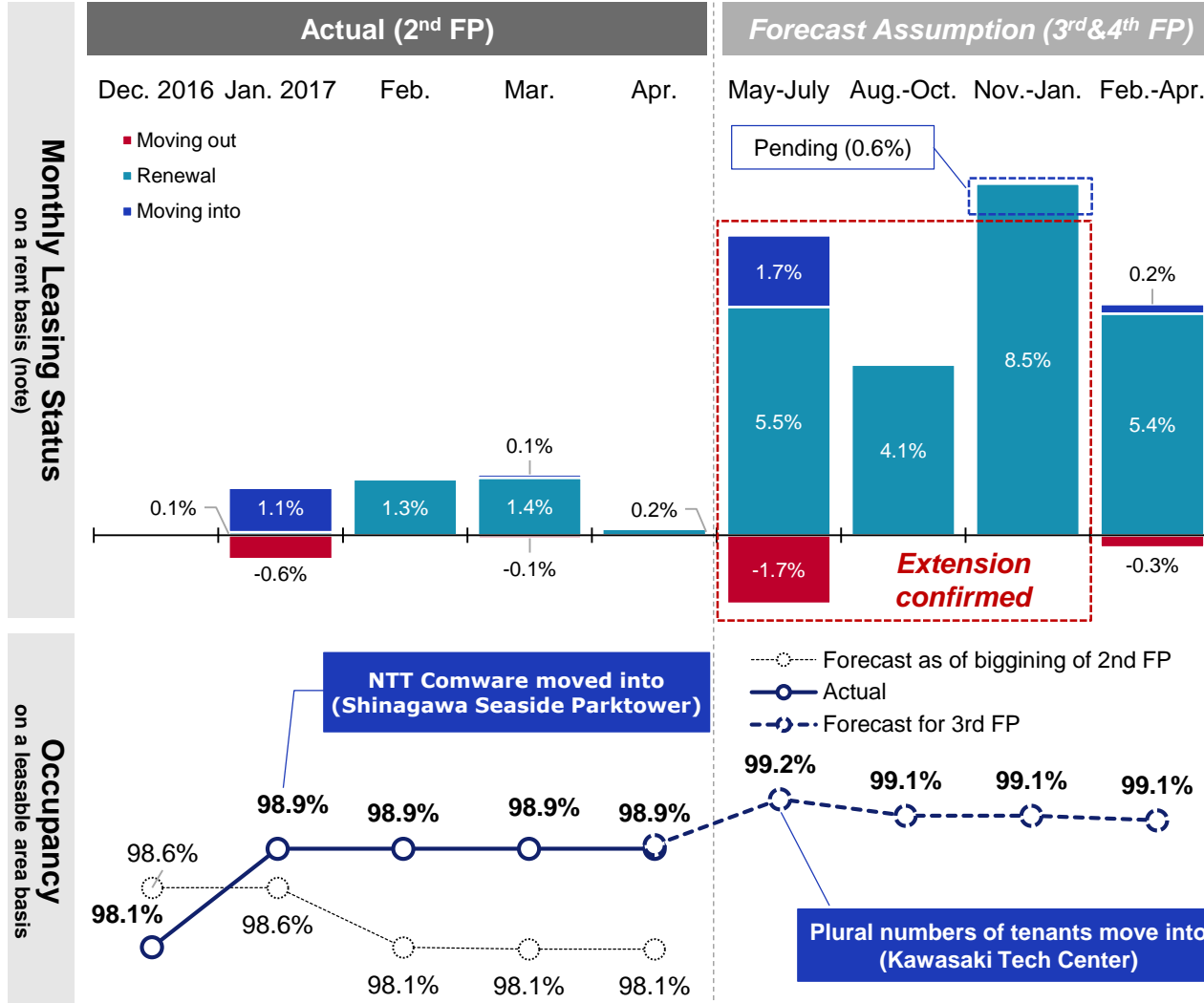
Interest expense (Increase due to long-termed)	5million yen
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Note1 : Figures are corresponded to normal fiscal period (181 days) from 2<sup>nd</sup> FP actual results (136 days of virtual management period). Other than depreciation (on a monthly payment basis) and Investment unit issuance expenses (actual figure) are calculated on a daily payment basis.

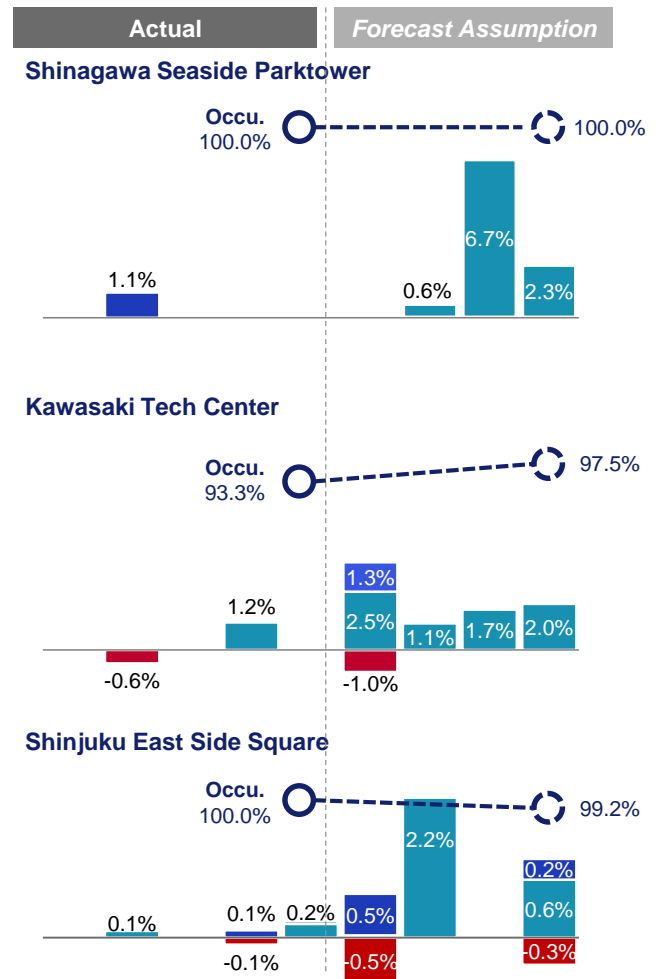
Note2 : This forecast is calculated subject to a certain assumption as of June 14, 2017. Therefore, it is possible to be changed due to rent income volatility through tenants removals, additional unit issuance and so on. Also, the forecast shall not assure the amount of dividend.

# Leasing Achievement & Occupancy

It is seemed to be almost fully occupied for the time being, although for MIRAI's large-scale offices some usual rent contracts are coming to the maturity period but to be expected for renewal.



## Leasing Status for Main Properties

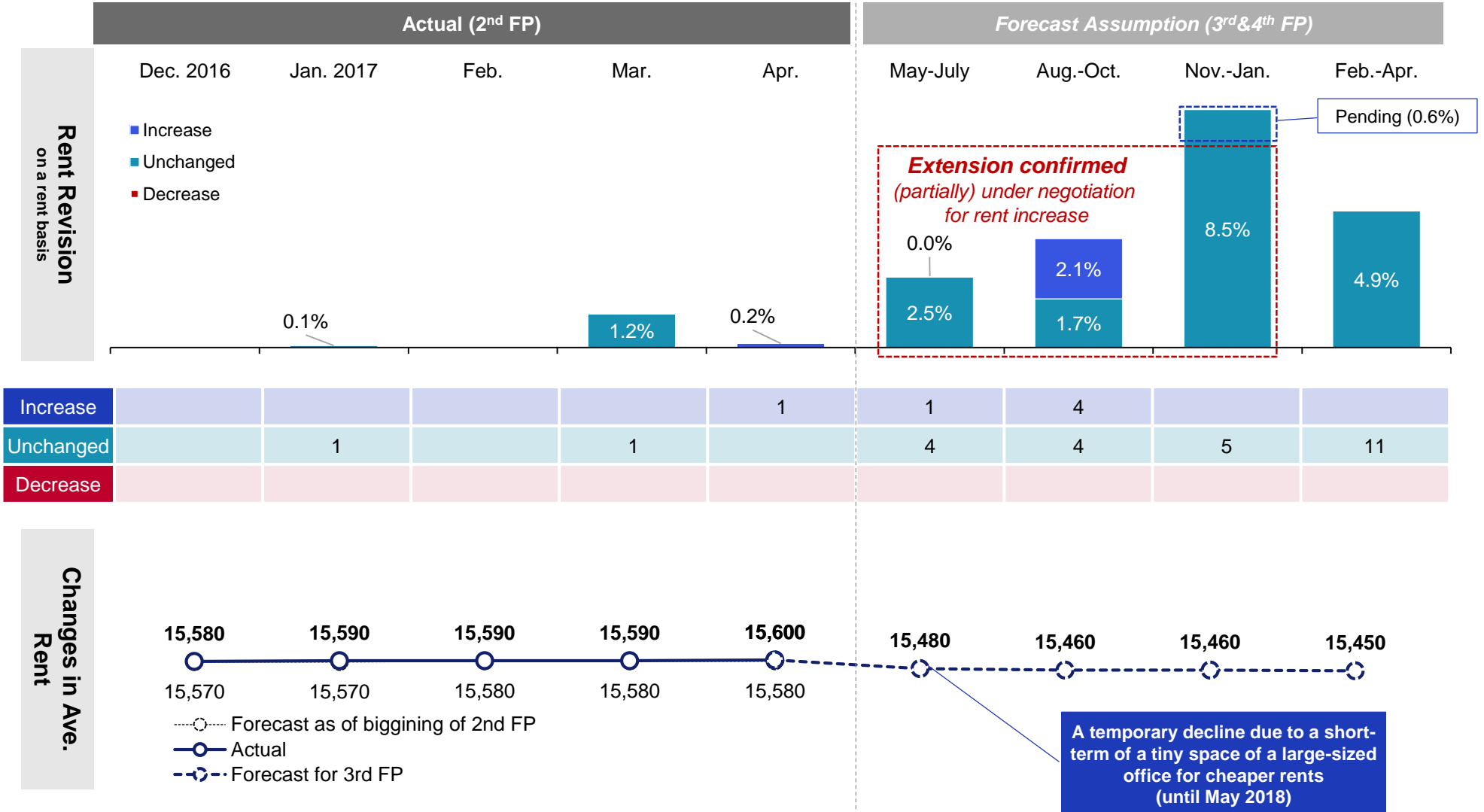


Note : The ratio to the whole portfolio monthly rent as of end of April 2017. Hereafter, the definition is the same in this material.

# Lease Renewal Summary (Office Buildings)

There was no downward rent revision during the 2<sup>nd</sup> fiscal period.

After 3<sup>rd</sup> fiscal period, we forecast revisions staying flat rent conservatively, though we can see some rent increase in the market.

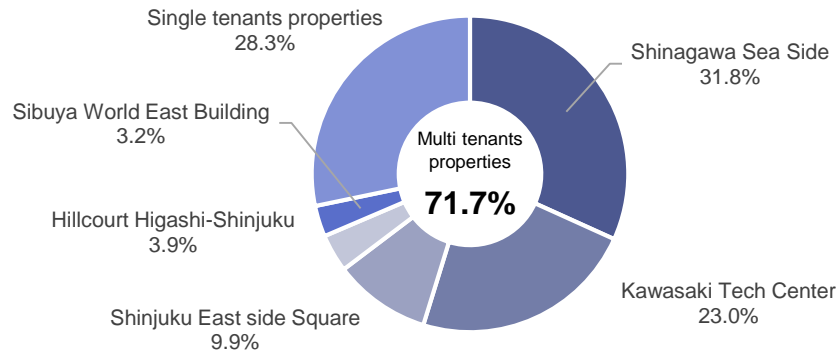


# Tenants Diversification (as of April 30, 2017)

Most large-scale offices are leased under short-term (around two-year) general lease contracts.

However, the figures are expected to remain steady because, for example, core tenants have recently expanded leased spaces.

## Multi / Single Tenant Ratio (on a purchase price basis)



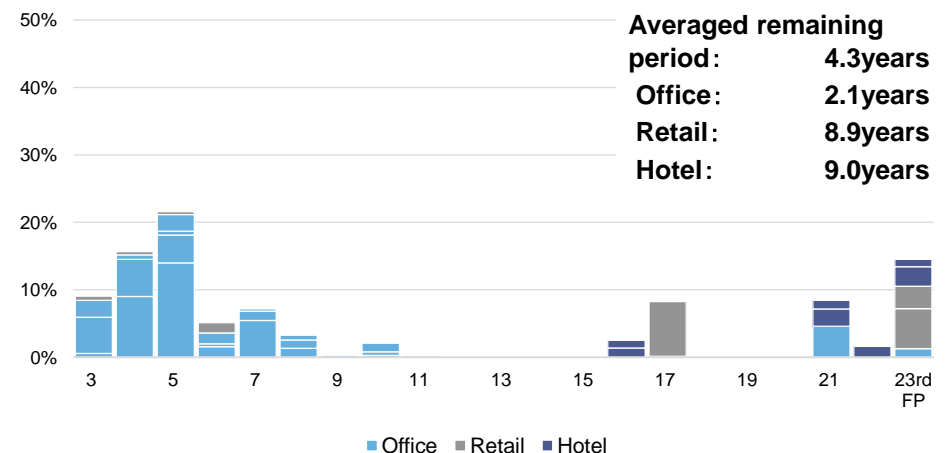
## Breakdown of lease contracts type (on a rent basis)



## Top 10 tenants (on a rent basis)

Rank	Company name	Property	Ratio
1.	NTT Comware	Shinagawa Sea Side Parktower	12.3%
2.	AEON Retail	AEON Kasai / Shinagawa Sea Side Parktower	8.5%
3.	Biglobe	Shinagawa Sea Side Parktower	6.7%
4.	PRADA Japan	Miumiu Kobe (Land)	6.0%
5.	Super Hotel	4 Super Hotels(Sendai, Osaka, Saitama and Kyoto)	5.5%
6.	Mercedes Benz	Shinagawa Sea Side Parktower	4.6%
7.	Undisclosed	Kawasaki Tech Center	4.3%
8.	DCM Daiki	Daiki Izumi-chou	3.3%
9.	Sunroute	Hotel Sunroute Niigata	2.9%
10.	Undisclosed	Hillcoat Higashi Shinjuku	2.6%
Total			56.6%

## Diversification of Rent Maturity (on a rent basis)

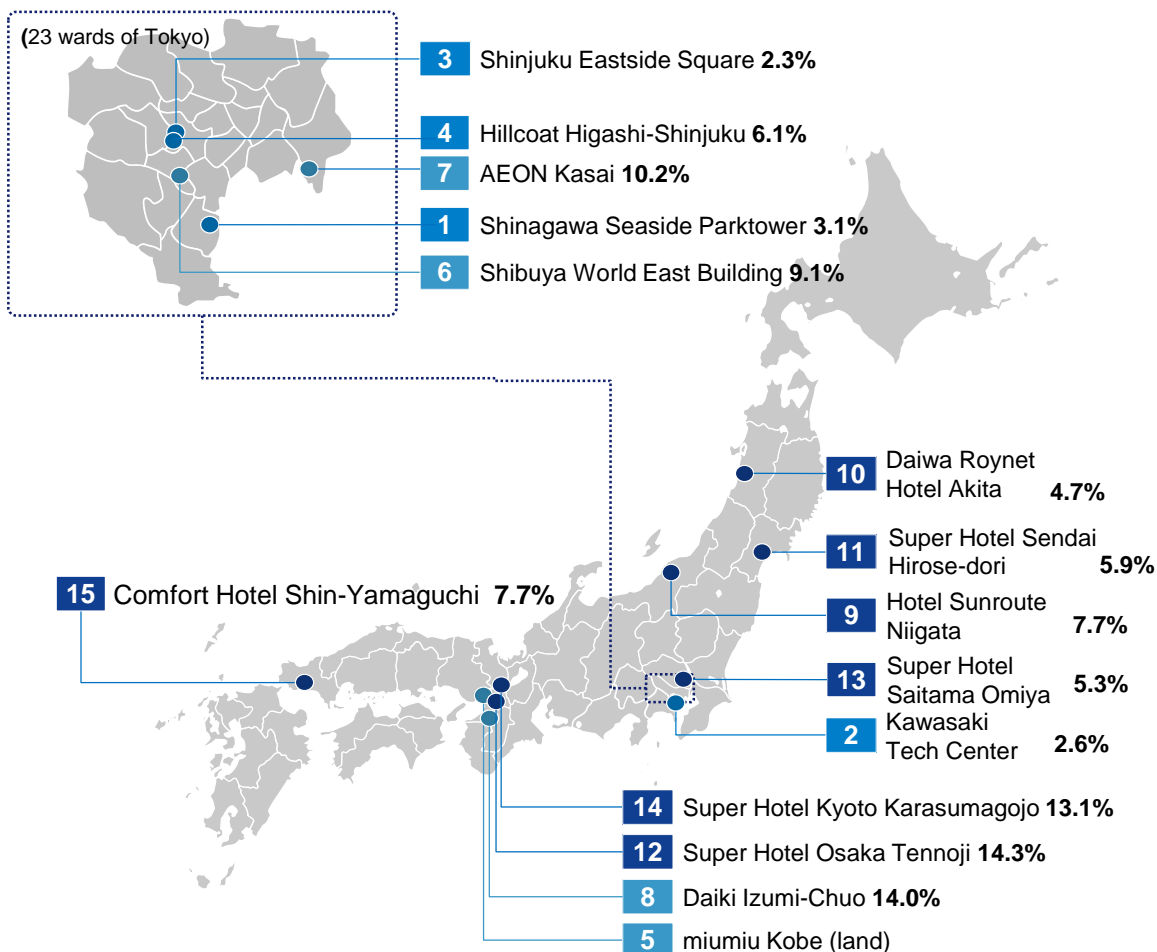


# Portfolio PML / Average Property Age (as of April 30, 2017)

**Portfolio PML**

**3.2%**

※J-REITs Ave. 3.0% (Note1)



**Average property age (Note2) 20.2 years**

※J-REITs Ave. 16.4 years (Note1)


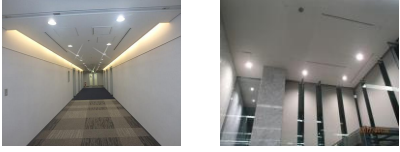










Name of properties	Acquisition Price (million yen)	Property age (year)	service life (year)
1. Shinagawa Seaside Parktower	32,000	14.6	67
2. Kawasaki Tech Center	23,182	29.3	65
3. Shinjuku Eastside Square	10,000	5.1	68
4. Hillcoat Higashi-Shinjuku	3,900	29.9	60
5. miumiu Kobe (land)	6,300	-	-
6. Shibuya World East Building	3,200	32.6	67
7. AEON Kasai	9,420	34.5	60
8. Daiki Izumi-Chuo	3,000	8.6	65
9. Hotel Sunroute Niigata	2,108	24.8	65
10. Daiwa Roynet Hotel Akita	2,042	10.9	60
11. Super Hotel Sendai Hirose-dori	1,280	10.3	50
12. Super Hotel Osaka Tennoji	1,260	13.3	60
13. Super Hotel Saitama Omiya	1,123	10.8	60
14. Super Hotel Kyoto Karasumagojo	1,030	13.3	60
15. Comfort Hotel Shin-Yamaguchi	902	9.8	65

Note1 : The figure is calculated based on each disclosure material by asset manager of MIRAI ,so the actual figure may be different.  
 Note2 : Average property age is weighted averages based on acquisition price excluding miumiu Kobe (land).

# Measures to increase and maintain Portfolio value

## Actual Construction in 2<sup>nd</sup> FP (Capex 31 million yen /Repairs 73 million yen)

## Projected Construction in 3<sup>rd</sup> and 4<sup>th</sup> FP

 Shinagawa Sea Side Parktower	<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ Installing LED lightnings in common area and escalator (25 million JPY)</li> </ul>		<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ Installing LED lightnings in 1<sup>st</sup> floor entrance and retail stores (17 million JPY)</li> </ul>
 Kawasaki Tech Center	<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ Installing LED lightnings in entrance (5 million JPY)</li> <li>■ Floor repair in common area (8 million JPY)</li> </ul>		<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ Forming rentable space in 2<sup>nd</sup> floor entrance (18 million JPY)</li> <li>■ Transferring 3<sup>rd</sup> floor into office space (35 million JPY)</li> </ul> <p><b>【Function maintenance construction】</b></p> <ul style="list-style-type: none"> <li>■ Contingency battery renewal</li> <li>■ Contingency generator renewal</li> </ul>
 Hillcoat Higashi Shinjuku	<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ Entrance and common area repair (tenant charge)</li> </ul>		
 Shibuya World East Building	<p><b>【Improvement of neighboring circumstance】</b></p> <ul style="list-style-type: none"> <li>■ SHIBUYA CAST open (April 2017)</li> <li>■ Installing digital signage on frontward pedestrian pass</li> </ul>		<p><b>【Function maintenance construction】</b></p> <ul style="list-style-type: none"> <li>■ Air conditioner renewal</li> <li>■ Elevator renewal</li> </ul>
 AEON Kasai	<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ GG mall renewal (tenant charge)</li> <li>■ Installing LED in parking area (3 million JPY)</li> </ul>		<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ Partial repair on building frame and equipment (Request from tenant)</li> </ul>
 Hotel Sunroute Niigata	<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ Making ground floor rentable (14 million JPY)</li> </ul> <p><b>【Function maintenance construction】</b></p> <ul style="list-style-type: none"> <li>■ Boiler renewal</li> </ul>		<p><b>【Value-adding Capex】</b></p> <ul style="list-style-type: none"> <li>■ To deal with tenant leasing for the ground floor (28 million JPY)</li> </ul> <p><b>【Function maintenance construction】</b></p> <ul style="list-style-type: none"> <li>■ Water heater and cooler renewal</li> </ul>

We have drove environmental, energy-saving and social responsible measures for our portfolio.

## Obtaining Environmental Certification

For Shinagawa Sea Side Parktower, we have got DBJ Green Building certification by Development Bank of Japan.



Shinagawa Sea Side Parktower



Highly excellent  
"environment and social  
conscious" building

### Evaluation points for certification

1. Introducing environmental conscious equipment such as LED lightning in common area and sunlight utilizing system in private area
2. Adapting damping structure and proactive disaster prevention measures such as contingent generator equipment and disaster prevention cabinet in elevator
3. Leasing restrants and well installed convenint equipment such as ATM and smoking area which are available for tenants

## Accelerating LED installation works

As a key environmental measure, we implemented the LED lights installation for the portfolio.  
We are planning to take this measure for other properties step by step.

2<sup>nd</sup> FP (Apr. 2017) actual:  
3 properties / 35 million JPY

Shinagawa Sea Side Parktower  
LED installation work in common area



Entrance



Elevator hall

Investment amount : 23 million JPY

Electric consumption  
per annum<sup>(note)</sup>

Before	→	After
<b>3.56</b>		<b>1.16</b>
billion kWh		billion kWh
		▲2.4 billion kWh

# Financial Highlights (as of April 30, 2017)

## Topics : Refinancing (as of April 2017)

- Participation of Mizuho Trust & Banking as a new lessor
- The long-term fixing of interest-bearing debt and the diversification of lenders were realized at the same time.

	Debt providers	Outstanding debt (million yen)	Interest rate	Borrowing period	Description
Refinance	Mizuho Trust & Banking Co., Ltd	2,000	0.45%	7 years	Unsecured and non-guaranteed
Repayment	Mizuho Bank, Ltd	2,000	0.16%	1 year	

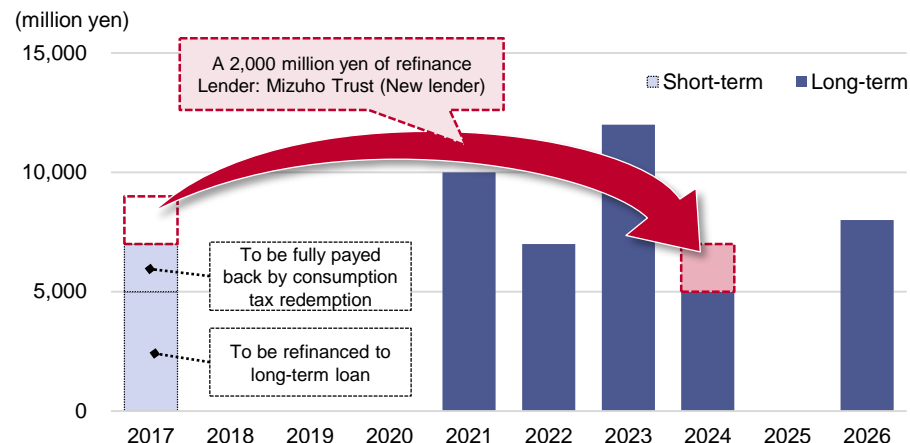
## Financial Highlight

Stabilized LTV <sup>(Note1)</sup>	46.0%
Outstanding interest - bearing debt	51,000 million yen
Debt on long-term and fixed rates debt ratio	86.3%
Debt cost	0.45% (all-in <sup>(Note 2)</sup> 0.55%)
Remaining maturity on debt	5.8 years

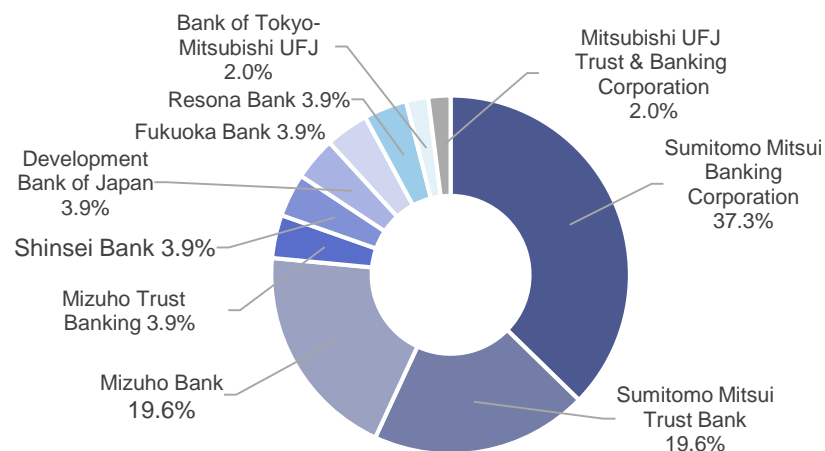
Note1 : Stabilized LTV = Interest-bearing debt ÷ Total assets (as of October 2017)

Note2 : Sum of Interest expenses and borrowing related expenses.

## Debt Maturity Ladder



## Debt Providers



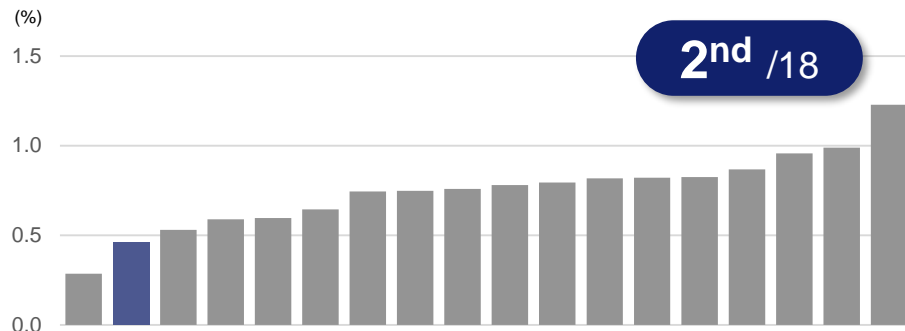


**A+** (stable)

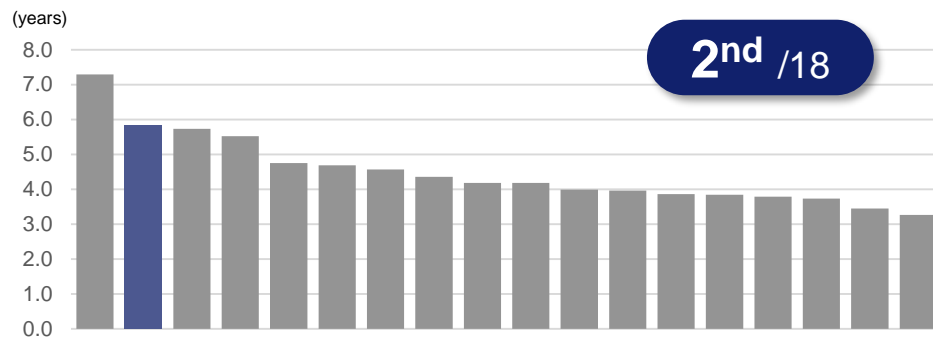
rated by Japan Credit Rating Agency, Ltd.

Comparison with AA- J-REITs for the debt finance conditions<sup>(note)</sup>

## Averaged Debt Cost



## Remaining Debt Maturity



## Measures for Investors Development and Liquidity Increase

### ■ AIFMD registration (April 2017)

To expand the scope of marketing activities for offshore investors, Alternative Investment Fund Managers Directive in EU, or AIFMD registration has been completed.

### ■ Selection for Loan Margin Trading (June 2017)

Selected for Loan Margin Trading Units in J-REITs market. Due to that, it is expected to attributed for more active transactions and fair valuation.

## Units Buy Back

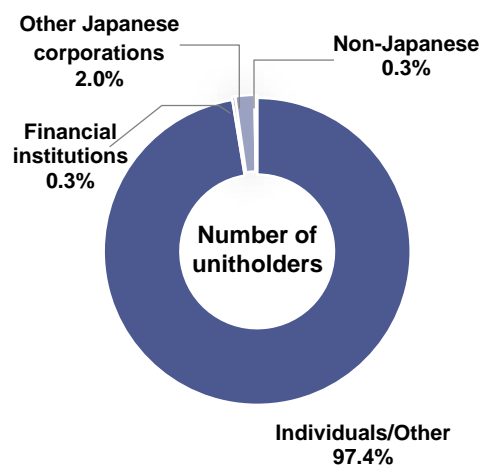
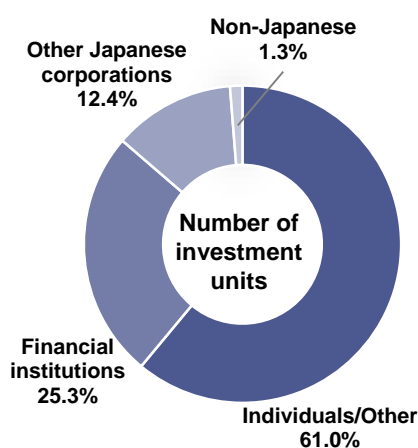
■ Units buy back through the cash surplus has a certain of announcement effect, we recognize it as one of strategic options for our unit price regain catalyst.

■ We believe that now is the time to focus on the essential management effort weighing on such as portfolio profitability improvement and risk diversification. For the time being, we carefully study for our units buy back.

# Unitholders' Composition (as of April 30, 2017)

## Number of unitholders and number of investment units by type of unitholder

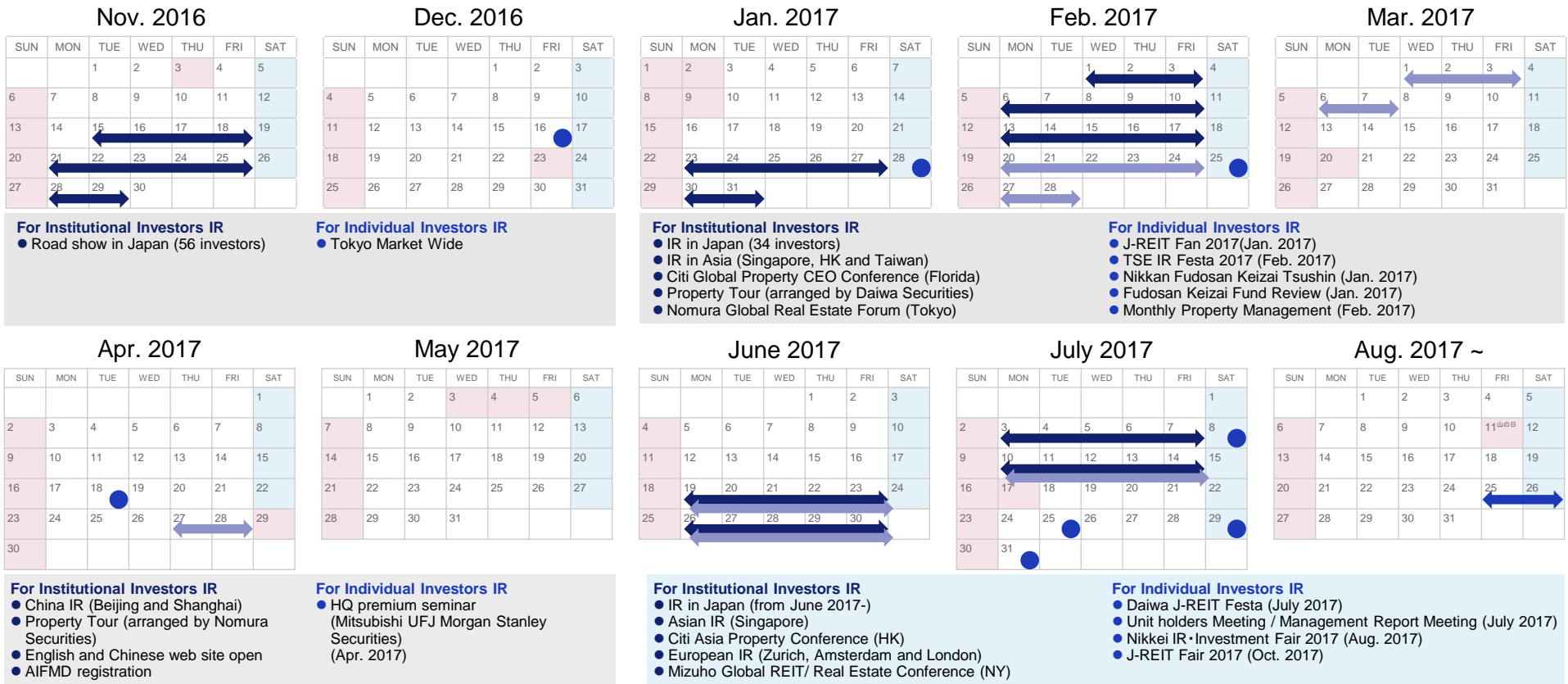
	Number of investment units	% of total (Note)	Number of unitholders	% of total (Note)
Individuals/Other	179,262	61.0%	18,384	97.4%
Financial institutions	74,324	25.3%	61	0.3%
Other Japanese corporations	36,461	12.4%	379	2.0%
Non-Japanese	3,703	1.3%	49	0.3%
<b>Total</b>	<b>293,750</b>	<b>100.0%</b>	<b>18,873</b>	<b>100.0%</b>



## Major unitholders

Unitholders name	Number of Investment units	% of total (Note)
Japan Trustee Services Bank, Ltd. (trust account)	25,910	8.8%
The Master Trust Bank of Japan, Ltd. (trust account)	15,546	5.3%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	9,977	3.4%
Mitsui & Co. Asset Management Holdings Ltd.	5,000	1.7%
IDERA Capital Management Ltd.	5,000	1.7%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	4,756	1.6%
The Hachijuni Bank, Ltd.	3,808	1.3%
Individuals	1,731	0.6%
The Akita Bank Ltd.	1,300	0.4%
CHIKUHO BANK Ltd.	1,288	0.4%
<b>Total</b>	<b>74,316</b>	<b>25.3%</b>

# Proactive IR Activities and Schedule



## Press Interviews



Fudosan Keizai Fund Review (No.418)



Monthly Property Management (Feb. 2017)



Tokyo Market Wide (Dec. 2016)



J-REIT Fan 2017 (Jan. 2017)



TSE IR Festa 2017 (Feb. 2017)



# Mid-term Management Plan “Repower 2020”



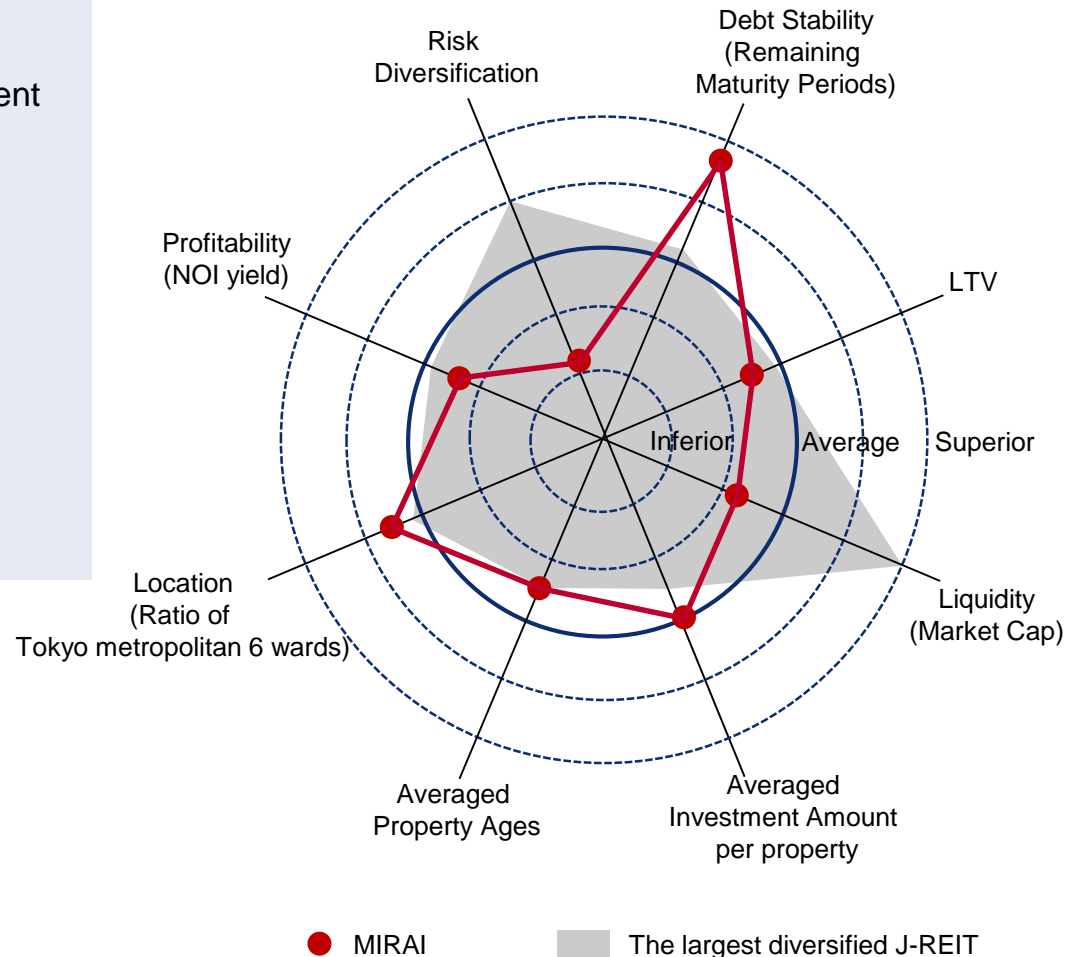
- NAV ratio has continued to be below 1.0, it is hard to seek DPU growth dependent on capital increase solely.
- As we are relatively behind the other J-REITs in terms of the risk diversification and liquidity, it is necessary to improve them for regaining investment unit prices.

Unit Price <sup>(note 1)</sup>	162,000 Yen
NAV per unit	185,101 Yen
P / NAV ratio	0.88 x
Stabilized DPU yield <sup>(note 2)</sup>	6.3 %

**Mid-term Management Plan  
for returning to the growth pass**

**Repower 2020**

## Positioning Assessment<sup>(note 3)</sup>



Note1 : As of end of May 2017

Note2 : Stabilized DPU yield=(expected DPU for 3rd fiscal period + expected DPU for 4th fiscal period) ÷ Unit price

Note3 : Figures are calculated by the asset manager based on each J-REIT's disclosure material, it may be possible that the actual situation is different from the figures.

Repower 2020: To regain and improve unitholder's value based on the sustainable growth of DPU and strategic operation

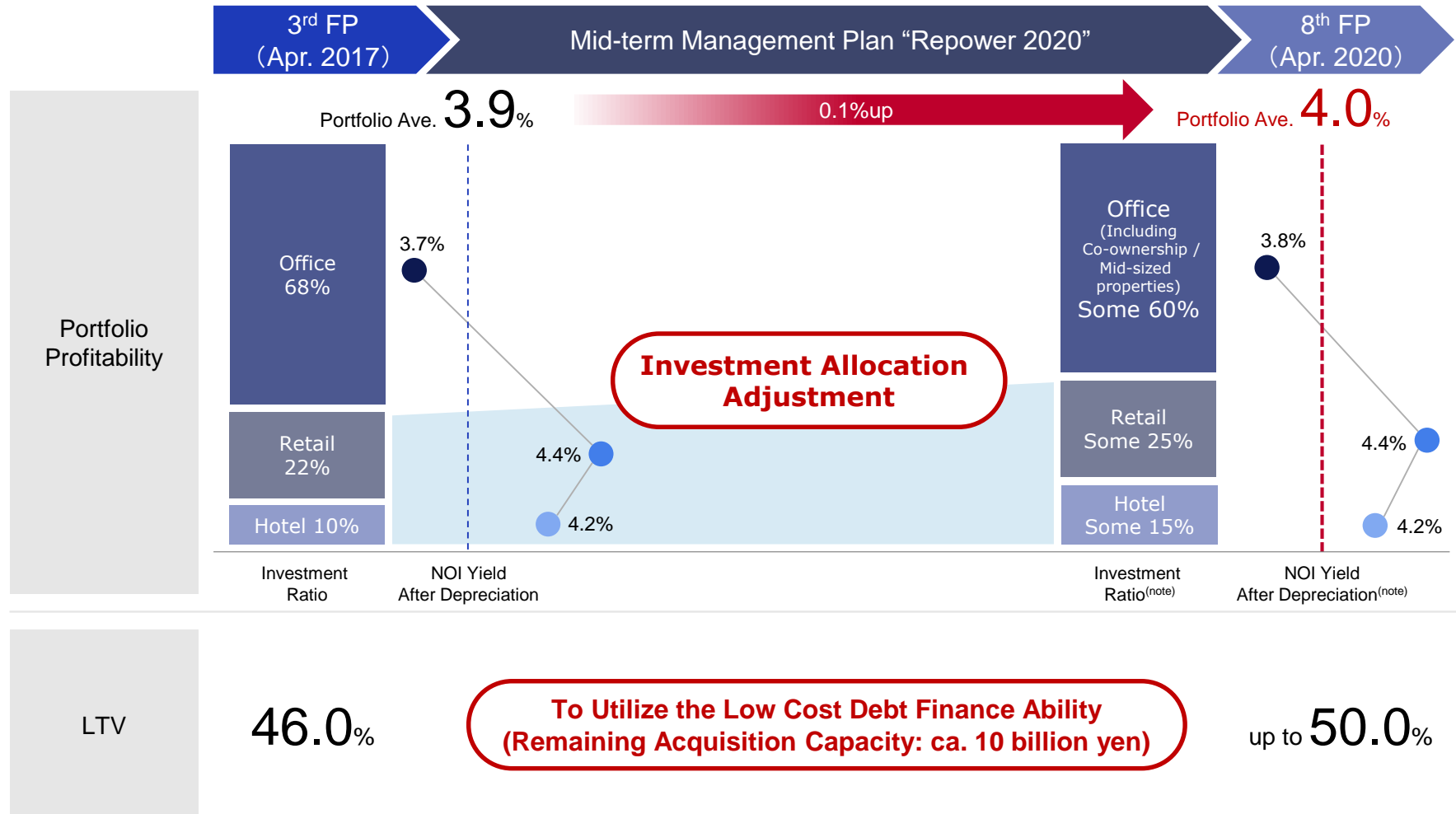


NOI Yield after Depreciation	Portfolio Diversification	LTV
<p>4.0%~</p> <hr/> <p>3.9%</p> <p>3rd &amp; 4th fiscal period (forecast)</p>	<p>Top 3 Assets</p> <p>up to 40%</p> <hr/> <p>64.9%</p> <p>2nd fiscal period (actual)</p>	<p>up to 50%</p> <hr/> <p>46.0%</p> <p>3rd &amp; 4th fiscal period (forecast)</p>

# Strategic Investment Allocation Shift

To adjust the investment allocation in accordance with the market environment so as to achieve both profitability improvement and quality control concurrently.

At the moment, we have a policy of shifting the focal point from large-scale offices in the center of Tokyo, for which competition has been growing more intense, to medium-scale offices in major cities, retail properties, and hotels.



## External Growth Strategy

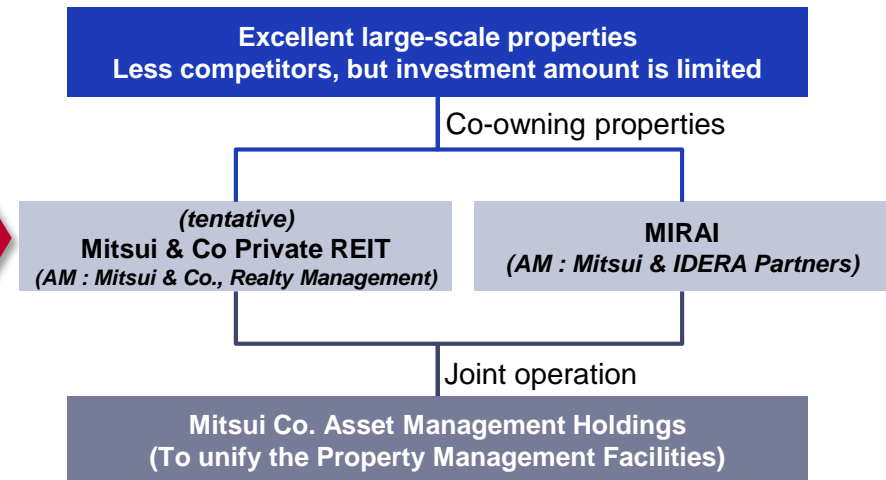
Targeting a 4% of portfolio NOI yield after depreciation, we aim for the further profitability improvement

<b>Office Buildings</b>	<ul style="list-style-type: none"> <li>The yield has continued to decline in the center of Tokyo. We will focus on medium-scale properties located other than the center of Tokyo.</li> <li>For large-scale properties, we will control the risk while covering the financial constraints by including the co-ownership of the properties with group REIT among the options.</li> <li>For existing properties with a high investment ratio, we will also consider the sale of co-owned equity to group REIT and investment recycling.</li> </ul>
<b>Retail Properties</b>	<ul style="list-style-type: none"> <li>In the three major urban areas, we will carefully select projects involving limited proprietary rights of land whose depreciation burden is small, as investment targets. Concerning properties in local regions, we will carefully select winning properties with a competitive edge locally, while assuming long-term contracts.</li> <li>We will also consider investing in revitalization projects, which are expected to be highly profitable, by carefully studying the certainty of future cash flow. (Core-plus assets)</li> </ul>
<b>Hotels</b>	<ul style="list-style-type: none"> <li>We will continue to invest in budget-typed hotels, demand for which is expected to remain steady.</li> <li>For the three major urban areas, we will carefully judge the state of competition in the surroundings and operators' capabilities because new development projects have been on the increase.</li> <li>Concerning properties in local regions, we will carefully select investment targets based on competitive edge and operator's credit, while assuming long-term contracts.</li> </ul>



## Co-owning & Joint operation with a group private REIT

Studying the joint acquisition/co-ownership of properties with a group private REIT that Mitsui & Co. Group is planning to form



### Benefits of co-ownership of properties

- The number of players is limited for large-scale properties. We will develop differentiation factors that will give us an advantage in the competition for the acquisition of properties with other funds.
- It enables us to control the amount of investment while securing the quality of properties and to control the risk of concentration of properties and tenants to a certain degree.
- It enables operation that will improve the profitability of the portfolio while reducing the concentration risk through the sale of part of the equity in owned properties and the replacement of some properties



# Properties with Priority Right for Negotiation <sup>(note)</sup>

Property name	Shinjuku East Side Square (5% equity)	MI Terrace Nagoya Fushimi Building	Rokko Island DC (Tentative)	Hotels Bulk Project (under negotiation)
Photos				 <p data-bbox="1601 615 2036 632">※Above photos are just for information and different from the actual ones.</p>
Asset Type	Office Buildings	Office Buildings	Industrial Asset (New-type Asset)	Budget-type Hotels (4 properties)
Location	Shinjuku-ku, Tokyo	Nagoya-city, Aichi	Higashinada-ku, Kobe-city, Hyogo	-
Completion	March 2012	February 1993	May 2016	-
Total Floor Plates	167,031.19㎡ (as of 100% of the property)	15,673.01㎡	14,381.16㎡	-
Features	<ul style="list-style-type: none"> <li>■ Excellent large-scale offices</li> <li>■ Recently constructed property with high specifications</li> <li>■ Steady occupancy rates</li> </ul>	<ul style="list-style-type: none"> <li>■ Located in an office district</li> <li>■ Elegant façade</li> <li>■ Renovated in 2015 and 2017</li> </ul>	<ul style="list-style-type: none"> <li>■ State-of-the-art equipment</li> <li>■ A built-to-suit facility that will be an important base for its tenant</li> <li>■ Long-term contract</li> </ul>	<ul style="list-style-type: none"> <li>■ Located in an area with stable business and tourism demand</li> <li>■ Long-term fixed contract with an operator with an extensive track record</li> </ul>

# Deal Screening Conditions (Transaction Market)

	<i>Tokyo Area</i>	<i>Osaka and Nagoya Area</i>	<i>Others</i>
<i>Office Buildings</i>	Total Projects : 149 Unit Price (billion JPY): 0.6-35.0 Yield: from early 3% to some 4%	Total Projects : 52 Unit Price (billion JPY): 0.6-30.0 Yield: from some 4% to late 4%	Total Projects : 42 Unit Price (billion JPY): 0.5-4.0 Yield: from some 4% to early 5%
<i>Retail Properties</i>	Total Projects : 30 Unit Price (billion JPY): 0.7-2.8 Yield: from 3% to middle 4%	Total Projects : 20 Unit Price (billion JPY): 0.8-13.0 Yield: from 4% to late 4%	Total Projects : 21 Unit Price (billion JPY): 0.6-13.0 Yield: from late 3% to some 7%
<i>Hotels</i>	Total Projects : 28 Unit Price (billion JPY): 1.5-135.0 Yield: from middle 3% to early 4%	Total Projects : 58 Unit Price (billion JPY): 0.5-23.0 Yield: from 4% to late 4%	Total Projects : 40 Unit Price (billion JPY): 0.6-1.5 Yield: from middle 4% to middle 5%
<i>Others</i>	Total Projects : 219 Unit Price (billion JPY): 0.5-14.0 Yield: from some 3% to 4% level	Total Projects : 140 Unit Price (billion JPY): 0.5-10.0 Yield: from some 4% to 5% level	Total Projects : 61 Unit Price (billion JPY): 0.5-2.8 Yield: from middle 4% to middle 6%

Repower 2020: Regain and boost our unitholders' value based on the sustainable DPU growth and strategic operation

## Quantitative Target 8<sup>th</sup> fiscal period (Apr. 2020)

DPU Target	NOI Yield after Depreciation	Portfolio Diversification	LTV
<p><b>5,700 yen~</b></p> <hr/> <p>5,100 yen 3<sup>rd</sup> &amp; 4<sup>th</sup> fiscal period (forecast)</p>	<p><b>4.0%~</b></p> <hr/> <p>3.9% 3<sup>rd</sup> &amp; 4<sup>th</sup> fiscal period (forecast)</p>	<p>Top 3 Assets <b>up to 40%</b></p> <hr/> <p>64.9% 2<sup>nd</sup> fiscal period (actual)</p>	<p><b>up to 50%</b></p> <hr/> <p>46.0% 3<sup>rd</sup> &amp; 4<sup>th</sup> fiscal period (forecast)</p>

## Prior Measures

Growth Independent from  
Capital Increase

Strategic Portfolio  
Restructuring

More Strict  
Investment Discipline

Utilizing Strong  
Debt Finance Ability

## Upside Scenario (returning to the growth pass)

Improving Liquidity through  
capital increase

Inclusion of  
Growth Assets

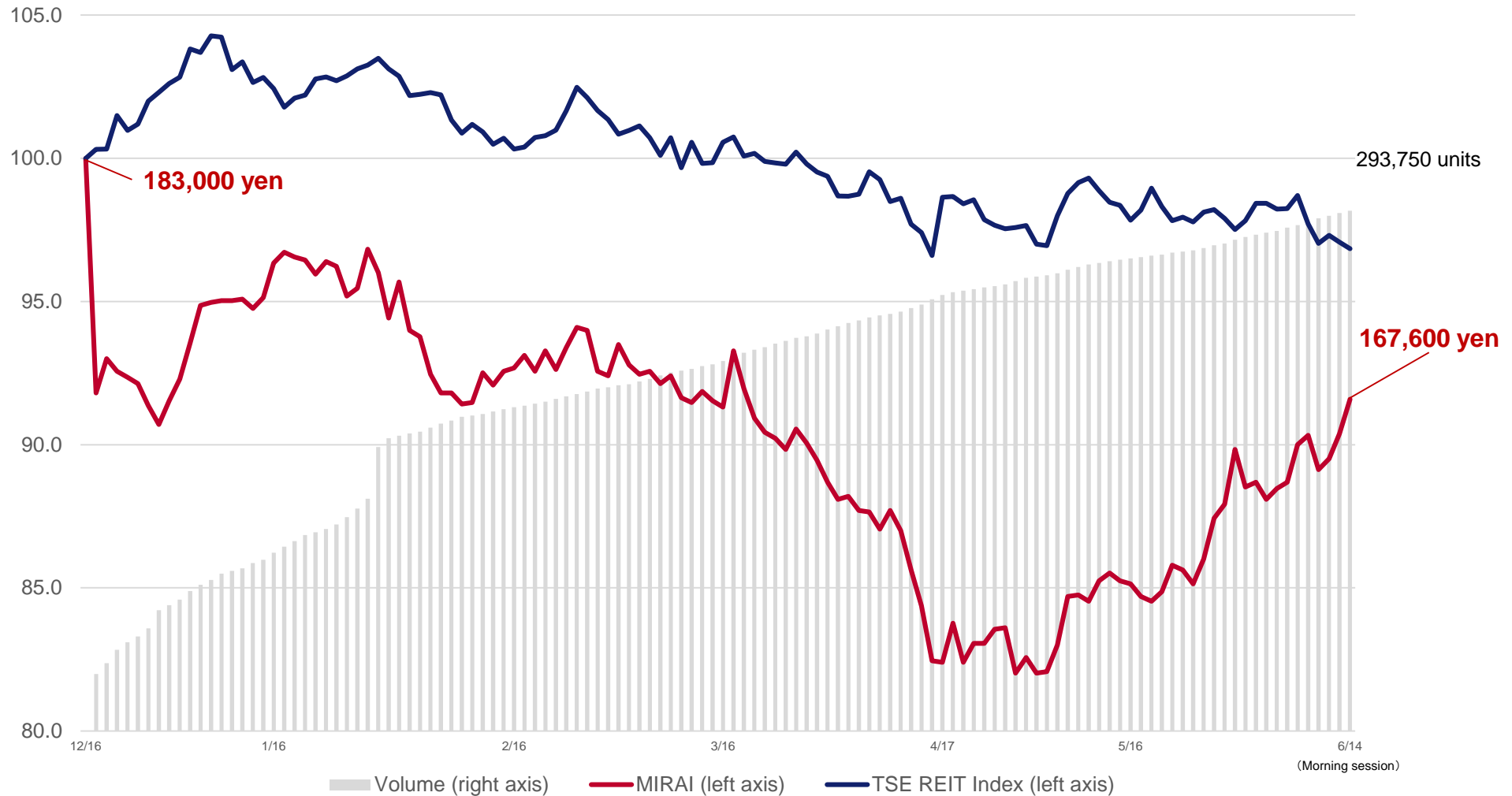
Further  
Portfolio Diversification

Upgrading

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## Appendix 1. Supplement

# Investment unit price trends



Note : The investment unit price of MIRAI and TSE REIT index are indexed as 100, respectively, at the time of the listing price and the closing of December 15, 2016.

# Asset Management Fee Structure/ Result

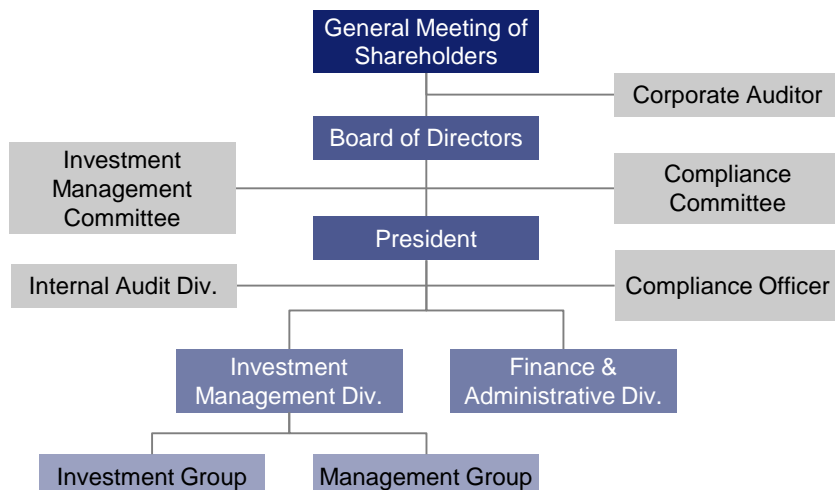
## Results of 2<sup>nd</sup> FP

<b>AM Fee I (based on AUM)</b>	<p>187 million yen</p>
<p>Up to 0.5% per year of total assets</p>	
<b>AM Fee II (based on DPU)</b>	<p>11 million yen</p>
<p>Adjusted DPU (See Note) x NOI after depreciation x 0.001%(as an upper limit)</p>	
<b>Acquisition Fees</b>	<p>1,007 million yen</p>
<p>Up to 1.0% of the acquisition price</p>	
<b>Disposition Fees</b>	<p>None</p>
<p>Up to 1.0% of the disposition price</p>	
<b>Merger Fees</b>	<p>None</p>
<p>Up to 1.0% of the appraisal value at the time of merger of real-state-related assets held by the counterparty of the merger at the time of merger</p>	

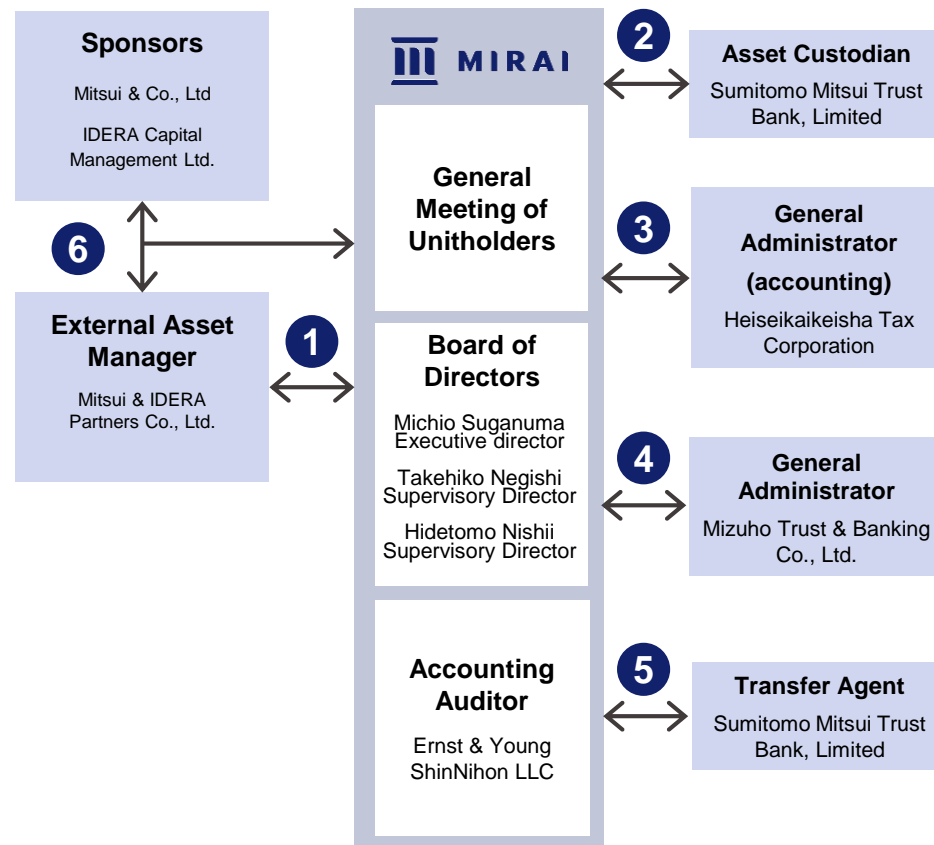
# Company Profile (as of April 30, 2017)

## Asset Manager

<b>Name</b>	Mitsui Bussan & Idera Partners Co., Ltd.	
<b>Address</b>	3-2-1 Nishi-kanda Chiyoda-ku, Tokyo 101-0065, Japan	
<b>Management</b>	Representative Director, President	Michio Suganum
	Representative Director, Vice President CIO	Shugo Yanagiya
<b>Management</b>	Executive Director, CFO	Takashi Ueno
	Executive Director, Head of Finance & Administrative Division	Hiroshi Hiratsuka
	Director (part-time)	Toshifumi Nagahama
	Director (part-time)	Takuya Yamada
	Corporate Auditor (part-time)	Ichiro Tsutsumi
	<b>Shareholders</b>	Mitsui & Co. Asset Management Holdings Ltd. (50%) IDERA Capital Management Ltd. (50%)
<b>Paid-in capital</b>	¥2 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



- ① Asset management agreement
- ② Asset custody agreement
- ③ General administration agreement (accounting)
- ④ General administration agreement (institutional administration)
- ⑤ Transfer agency agreement
- ⑥ Sponsor support agreement

# Our Sponsors (as of April 30, 2017)

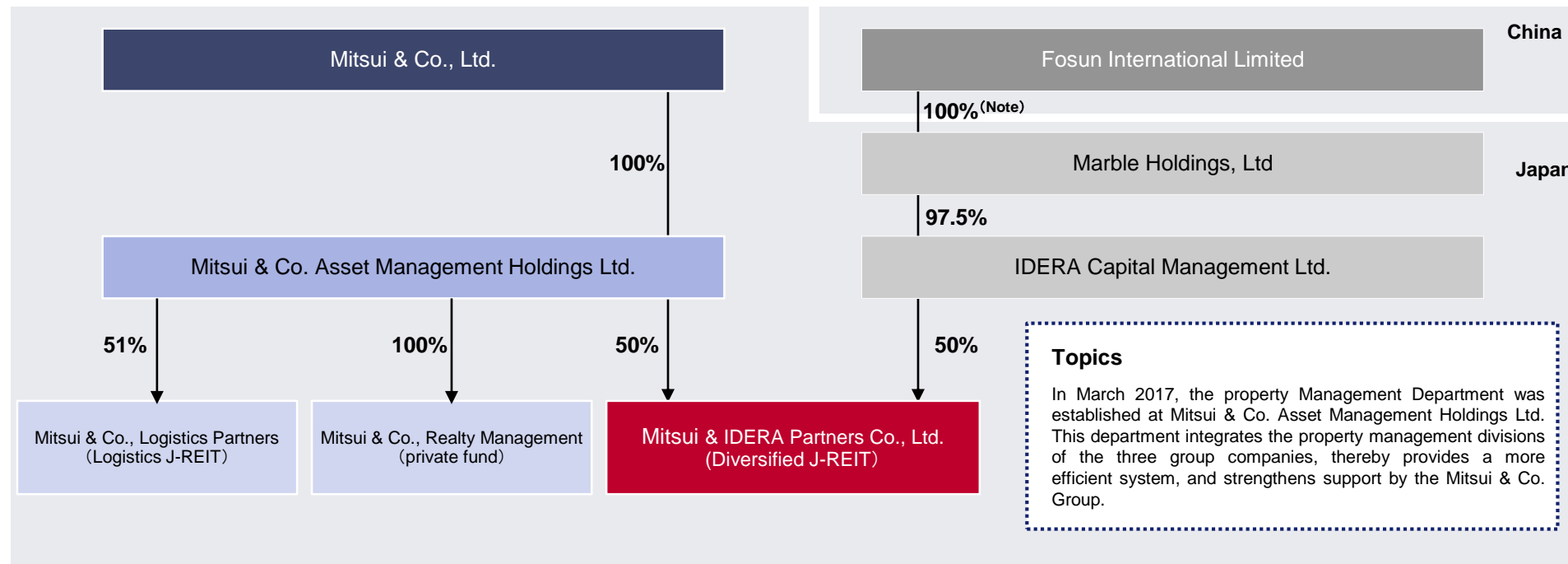
## Mitsui & Co. Asset Management Holdings Ltd.

<b>Name</b>	Mitsui & Co. Asset Management Holdings Ltd.
<b>Address</b>	3-2-1 Nishi-kanda Chiyoda-ku, Tokyo 101-0065, Japan
<b>Management</b>	Representative Director and President Toshifumi Nagahama
<b>Shareholders</b>	Mitsui & Co., Ltd.(100%)

## IDERA Capital Management Ltd.

<b>Name</b>	IDERA Capital Management Ltd.
<b>Address</b>	3-5-12 Kita-Aoyama, Minato-ku, Tokyo 107-0061 Japan
<b>Management</b>	CEO Takuya Yamada
<b>Shareholders</b>	Marble Holdings, Ltd <sup>(Note)</sup> (97.5%) Management members (2.5%)

## Capital relationship






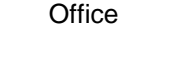
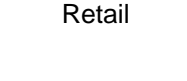
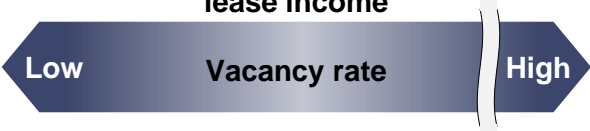





## Features of MIRAI

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

**Portfolio focusing on the three major  
metropolitan areas in Japan**<sup>(Note 1)</sup>  
(Investment ratio: 70% or more)

**To include Growth Assets**  
utilizing the competitive edge  
of the sponsors in the future

Current Portfolio : 100%	To be included into the portfolio as Growth Assets in the future	
Core Assets	Core-plus Assets	New Type Assets <sup>(Note 2)</sup>
<p>Typical investment real estate that can be expected to generate stable rental income</p> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  Office         </div> <div style="text-align: center;">  Retail         </div> <div style="text-align: center;">  Hotel         </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 20px;"> <div style="text-align: center;">  Residence         </div> <div style="text-align: center;">  Logistics         </div> </div>	<p>Investment assets that enjoy profitability increase through upside scenario seeking by means of boosting lease income or renovation / conversion</p> <p><b>(Difference from Opportunistic Assets)</b></p> <div style="display: flex; justify-content: space-around; margin-bottom: 20px;"> <div style="background-color: #4CAF50; color: white; padding: 5px; border-radius: 10px;">Core-plus Assets</div> <div style="background-color: #9E9E9E; color: white; padding: 5px; border-radius: 10px;">Opportunistic Assets (Out of scope)</div> </div> <div style="text-align: center;"> <p><b>Boosting lease income</b></p>  <p>Vacancy rate</p> </div> <div style="text-align: center; margin-top: 20px;"> <p><b>Renovation/Conversion</b></p>  <p>Scale</p> </div>	<p>Blue ocean, less competition with market growth in the future</p> <p><b>Preferential consideration target</b></p> <div style="display: flex; justify-content: space-around; margin-bottom: 20px;"> <div style="background-color: #C8E6C9; padding: 5px; border-radius: 10px;">Industrial</div> <div style="background-color: #C8E6C9; padding: 5px; border-radius: 10px;">Infrastructure</div> </div> <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div> <p><b>Future consideration target</b></p> <div style="display: flex; flex-direction: column; align-items: center;"> <div style="display: flex; justify-content: space-around; width: 100%;"> <div style="background-color: #C8E6C9; padding: 5px; border-radius: 10px;">Hospital</div> <div style="background-color: #C8E6C9; padding: 5px; border-radius: 10px;">Entertainment</div> </div> <div style="display: flex; justify-content: space-around; width: 100%; margin-top: 5px;"> <div style="background-color: #C8E6C9; padding: 5px; border-radius: 10px;">Education</div> <div style="background-color: #C8E6C9; padding: 5px; border-radius: 10px;">Forest</div> </div> <div style="display: flex; justify-content: space-around; width: 100%; margin-top: 5px;"> <div style="background-color: #C8E6C9; padding: 5px; border-radius: 10px;">Health care</div> <div style="background-color: #C8E6C9; padding: 5px; border-radius: 10px;">Overseas</div> </div> </div>

Note1 : Three major metropolitan areas of Japan mean Tokyo Area (Tokyo-to, Kanagawa-ken, Saitama-ken and Chiba-ken), Osaka Area ( Osaka-hu, Kyoto-hu, Hyougo-ken, Nara-ken, Wakayama-ken and Shiga-ken) and Nagoya Area (Aichi-ken, Mie-ken, Gihu-ken).  
 Note2 : New type assets will be acquired upon development of the Asset Manager's operating structure (or depending on the asset class, after laws and regulations etc. have been put in place.

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## Appendix 2. Financials in Detail

# Statement of Income / Balance Sheet / Statement of Cash Flows



(million yen)

## Statement of Income

Item	Results
<b>Operating revenue</b>	2,395
Lease business revenue	1,948
Other lease business revenue	446
<b>Operating expenses</b>	1,115
Expenses related to rent business	877
Asset management fee	198
Asset custody fee	2
Administrative fees	7
Directors' compensations	3
Other operating expenses	25
<b>Operating profit (loss)</b>	1,279
<b>Non-operating income</b>	0
<b>Non-operating expense</b>	243
Interest expenses	85
Borrowing related expenses	25
Investment unit issuance expenses	126
Other	5
<b>Ordinary profit (loss)</b>	1,037
<b>Total income taxes</b>	1
<b>Profit (loss)</b>	1,036
<b>Deficit brought forward</b>	(78)
<b>Unappropriated retained earnings (undisposed loss)</b>	957

## Balance Sheet

Item	Results
<b>Current assets</b>	5,850
Cash and deposits	2,149
Cash and deposits in trust	1,768
Consumption taxes receivable	1,794
Other	138
<b>Non-current assets</b>	102,571
Property, plant and equipment	102,270
Other non-current assets	301
<b>Total assets</b>	108,422
<b>Current liabilities</b>	7,886
Operating accounts payable	196
Short-term loans payable	7,000
Accounts payable – other	233
Advances received	440
Other	15
<b>Non-current liabilities</b>	47,902
Long-term loans payable	44,000
Tenant leasehold and security deposits in trust	3,685
Derivatives liabilities	216
<b>Total liabilities</b>	55,788
<b>Total unitholders' equity</b>	52,850
Unitholders' capital	51,892
Surplus	957
<b>Valuation and translation adjustments</b>	(216)
<b>Total net assets</b>	52,633
<b>Total liabilities and net assets</b>	108,422

## Statement of Cash Flows

Item	Results
<b>Cash flows from operating activities</b>	109
Profit (loss) before income taxes	1,037
Depreciation	294
Investment unit issuance expenses	126
Interest expenses	85
Decrease (increase) in operating accounts receivable	(77)
Decrease (increase) in prepaid expenses	(61)
Decrease (increase) in consumption taxes refund receivable	(1,794)
Increase (decrease) in operating accounts payable	181
Increase (decrease) in accounts payable - other	224
Increase (decrease) in advances received	440
Decrease (increase) in long-term prepaid expenses	(278)
Other	12
Interest expense	(83)
<b>Cash flows from investing activities</b>	(99,080)
Purchase of property, plant and equipment in trust	(102,549)
Other payments	3,468
<b>Cash flows from financing activities</b>	102,615
increase in short-term loans payable	7,000
Proceeds from long-term loans payable	44,000
Proceeds from issuance of investment units	51,615
<b>Net increase (decrease) in cash and cash equivalents</b>	3,643
<b>Cash and cash equivalents at beginning of period</b>	67
<b>Cash and cash equivalents at end of period</b>	3,710

# Income and Expenditure by Property

(million yen)

	Shinagawa Seaside Parktower	Kawasaki Tech Center	Shinjuku Eastside Square	Hillcoat Higashi-Shinjuku	miumiu Kobe (land)	Shibuya World East Building	AEON Kasai	Daiki Izumi-Chuo
<b>Operating revenue</b>	777	652	186		121	65		
Lease business revenue	678	370	171		121	59		
Other lease business revenue	98	281	14		-	5		
<b>Operating expense</b>	263	229	28		1	7		
Outsourcing service expenses	64	60	14	Non-disclosure (Note1)	-	3	Non-disclosure (Note1)	Non-disclosure (Note1)
Utilities expenses	106	101	11		-	3		
Property and other taxes	0	26	-		0	-		
Repair expenses	30	21	0		-	0		
Other expenses related to rent business	61	19	2		0	0		
<b>NOI</b>	513	423	158	71	120	57	181	66
Depreciation	104	64	31	6	-	1	22	8
<b>Income(loss) from real estate leasing business</b>	408	358	126	65	120	55	159	58
Capital expenditure	1	6	0	0	-	1	-	-
<b>NCF</b>	512	416	157	71	120	56	181	66
<b>Book value</b>	32,281	23,464	10,128	4,037	6,491	3,286	9,550	3,095
<b>NOI yield (Note 2)</b>	4.3%	4.8%	4.2%	4.8%	5.0%	4.7%	5.1%	5.8%
<b>NOI yield after depreciation (Note 2)</b>	3.4%	4.1%	3.4%	4.3%	5.0%	4.6%	4.5%	5.1%

Note1 : We do not disclose because tenant's consent was not obtained.

Note2 : Based on book value as of April 2017.

# Income and Expenditure by Property

(million yen)

	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	Portfolio
<b>Operating revenue</b>	58	52	33	28	26	23	22	2,395
Lease business revenue	58	51	33	28	26	23	22	1,948
Other lease business revenue	0	0	-	-	-	0	0	446
<b>Operating expense</b>	14	1	3	2	0	1	3	583
Outsourcing service expenses	1	0	-	-	-	-	0	153
Utilities expenses	-	-	-	-	-	-	-	225
Property and other taxes	2	0	2	1	-	1	1	37
Repair expenses	10	0	-	-	-	-	0	73
Other expenses related to rent business	0	0	0	0	0	0	0	90
<b>NOI</b>	43	50	30	26	26	21	19	1,811
Depreciation	13	15	5	3	6	3	6	293
<b>Income(loss) from real estate leasing business</b>	30	34	24	23	20	18	13	1,517
Capital expenditure	21	-	-	-	-	-	-	31
<b>NCF</b>	22	50	30	26	26	21	19	1,779
<b>Book value</b>	2,172	2,081	1,295	1,278	1,136	1,045	922	102,270
<b>NOI yield<sup>(Note)</sup></b>	5.4%	6.5%	6.2%	5.5%	6.3%	5.5%	5.6%	4.8%
<b>NOI yield after depreciation<sup>(Note)</sup></b>	3.8%	4.5%	5.1%	4.8%	4.8%	4.7%	3.8%	4.0%

# Portfolio List (As of April 30, 2017)

(million yen)

	Asset type	No.	Property name	Address	Acquisition price (million yen)	NOI yield (Note)	NOI yield after depreciation (Note)	% of the portfolio	Occupancy rate	
Core Assets	Office	1	Shinagawa Seaside Parktower	Shinagawa-ku, Tokyo	32,000	4.3%	3.4%	31.8%	100.0%	
		Large	2	Kawasaki Tech Center	Kawasaki, Kanagawa	23,182	4.8%	4.1%	23.0%	93.3%
			3	Shinjuku Eastside Square	Shinjuku-ku, Tokyo	10,000	4.2%	3.4%	9.9%	100.0%
		Mid-sized	4	Hillcoat Higashi-Shinjuku	Shinjuku-ku, Tokyo	3,900	4.8%	4.3%	3.9%	100.0%
	<b>Office building (4properties)</b>					<b>69,082</b>	<b>4.5%</b>	<b>3.7%</b>	<b>68.6%</b>	<b>97.7%</b>
	Retail	Urban	5	miumiu Kobe (land)	Kobe, Hyogo	6,300	5.0%	5.0%	6.3%	100.0%
			6	Shibuya World East Building	Shibuya-ku, Tokyo	3,200	4.7%	4.6%	3.2%	100.0%
		Community based	7	AEON Kasai	Edogawa-ku, Tokyo	9,420	5.1%	4.5%	9.4%	100.0%
			8	Daiki Izumi-Chuo	Izumi, Osaka	3,000	5.8%	5.1%	3.0%	100.0%
	<b>Retail properties (4 properties)</b>					<b>21,920</b>	<b>5.1%</b>	<b>4.7%</b>	<b>21.8%</b>	<b>100.0%</b>
	Hotels	Budget	9	Hotel Sunroute Niigata	Niigawa, Niigata	2,108	5.4%	3.8%	2.1%	100.0%
			10	Daiwa Roynet Hotel Akita	Akita, Akita	2,042	6.5%	4.5%	2.0%	100.0%
			11	Super Hotel Sendai Hirose-dori	Sendai, Miyagi	1,280	6.2%	5.1%	1.3%	100.0%
			12	Super Hotel Osaka Tennoji	Osaka, Osaka	1,260	5.5%	4.8%	1.3%	100.0%
			13	Super Hotel Saitama Omiya	Saitama, saitam	1,123	6.3%	4.8%	1.1%	100.0%
14			Super Hotel Kyoto Karasumagojo	Kyoto, Kyoto	1,030	5.5%	4.7%	1.0%	100.0%	
15			Comfort Hotel Shin-Yamaguchi	Yamaguchi, Yamaguchi	902	5.6%	3.8%	0.9%	100.0%	
<b>Hotels (7 properties)</b>					<b>9,745</b>	<b>5.9%</b>	<b>4.5%</b>	<b>9.7%</b>	<b>100.0%</b>	
<b>Portfolio (15 properties)</b>					<b>100,747</b>	<b>4.8%</b>	<b>4.0%</b>	<b>100.0%</b>	<b>98.9%</b>	

# Period-End Appraisal Summary

(million yen)

Asset type	Property name	Book value (million yen)	Appraisal value (million yen)	Change		Value calculated using the cost method (million yen)	Capitalization method		DCF method			
				(million yen)	(ratio)		Value (million yen)	Capitalization rate	Value (million yen)	Discount rate	Terminal capitalization rate	
Office	Large	Shinagawa Seaside Parktower	32,281	32,500	218	0.7%	29,400	32,600	4.2%	32,400	3.8%	4.3%
		Kawasaki Tech Center	23,464	23,900	435	1.9%	16,000	24,300	4.4%	23,700	4.2%	4.6%
		Shinjuku Eastside Square	10,128	10,050	(78)	(0.8)%	9,850	10,200	3.9%	9,850	3.7%	4.1%
	Mid-sized	Hillcoat Higashi-Shinjuku	4,037	3,990	(47)	(1.2)%	3,660	4,040	4.2%	3,940	3.9%	4.3%
Retail	Urban	miumiu Kobe (land) <sup>(Note 1)</sup>	6,491	6,650	158	2.4%	-	7,490	4.2%	7,290	4.0%	4.4%
		Shibuya World East Building	3,286	3,390	103	3.1%	3,490	3,450	3.7%	3,330	3.5%	3.9%
	Community based	AEON Kasai	9,550	9,570	19	0.2%	8,880	9,600	5.1%	9,540	4.7%	5.3%
		Daiki Izumi-Chuo	3,095	3,070	(25)	(0.8)%	3,430	3,090	5.1%	3,060	4.9%	5.3%
Hotel	Budget	Hotel Sunroute Niigata	2,172	2,210	37	1.7%	1,370	2,200	5.1%	2,210	4.9%	5.3%
		Daiwa Roynet Hotel Akita	2,081	2,200	118	5.7%	1,220	2,160	5.3%	2,210	5.1%	5.5%
		Super Hotel Sendai Hirose-dori	1,295	1,510	214	16.5%	1,480	1,520	4.7%	1,490	4.5%	4.9%
		Super Hotel Osaka Tennoji	1,278	1,550	271	21.3%	858	1,570	4.3%	1,530	4.1%	4.5%
		Super Hotel Saitama Omiya	1,136	1,200	63	5.6%	1,090	1,210	4.7%	1,190	4.5%	4.9%
		Super Hotel Kyoto Karasumagojo	1,045	1,260	214	20.5%	818	1,280	4.3%	1,240	4.0%	4.6%
		Comfort Hotel Shin-Yamaguchi	922	960	37	4.1%	541	954	5.2%	963	5.0%	5.4%
<b>Total</b>		<b>102,270</b>	<b>104,010</b>	<b>1,739</b>	<b>1.7%</b>							

Note : We have acquired only land at the end of the 2nd period and don't include Value calculated using the cost because the building is not acquired. The appraisal value include the value of the land only. The value based on Direct capitalization method and DCF method is figures of the entire land and buildings that are expected to be considered at that time of acquisition of the assumed building upon completion of the building on land.

# Period-End Appraisal Summary (compared to previous period) <sup>(Note)</sup>

Asset type	Property name	Appraisal value (million yen)	Changes in appraisal (Amount)	Changes in appraisal (Ratio)	Capitalization rate	Changes in Cap rate	Discount rate	Change in discount rate	Terminal capitalization rate	Change in terminal Cap rate
Office	Shinagawa Seaside Parktower	32,500	400	1.2%	4.2%	(0.2)%	3.8%	(0.2)%	4.3%	(0.2)%
	Kawasaki Tech Center	23,900	100	0.4%	4.4%	(0.1)%	4.2%	(0.1)%	4.6%	(0.1)%
	Shinjuku Eastside Square	10,050	-	-	3.9%	-	3.7%	-	4.1%	-
	Hillcoat Higashi-Shinjuku	3,990	10	0.3%	4.2%	(0.2)%	3.9%	(0.2)%	4.3%	(0.2)%
	<b>Office building (4 properties)</b>	<b>70,440</b>	<b>510</b>	<b>0.7%</b>						
Retail	miumiu Kobe (land)	6,650	90	1.4%	4.2%	(0.1)%	4.0%	(0.1)%	4.4%	(0.1)%
	Shibuya World East Building	3,390	170	5.3%	3.7%	(0.2)%	3.5%	(0.2)%	3.9%	(0.2)%
	AEON Kasai	9,570	150	1.6%	5.1%	(0.1)%	4.7%	(0.1)%	5.3%	(0.1)%
	Daiki Izumi-Chuo	3,070	-	-	5.1%	-	4.9%	-	5.3%	-
	<b>Retail properties (4 properties)</b>	<b>22,680</b>	<b>410</b>	<b>1.8%</b>						
Hotel	Hotel Sunroute Niigata	2,210	-	-	5.1%	(0.4)%	4.9%	(0.4)%	5.3%	(0.4)%
	Daiwa Roynet Hotel Akita	2,200	30	1.4%	5.3%	(0.1)%	5.1%	(0.1)%	5.5%	(0.1)%
	Super Hotel Sendai Hirose-dori	1,510	10	0.7%	4.7%	(0.1)%	4.5%	(0.1)%	4.9%	(0.1)%
	Super Hotel Osaka Tennoji	1,550	20	1.3%	4.3%	(0.1)%	4.1%	(0.1)%	4.5%	(0.1)%
	Super Hotel Saitama Omiya	1,200	10	0.8%	4.7%	(0.1)%	4.5%	(0.1)%	4.9%	(0.1)%
	Super Hotel Kyoto Karasumagojo	1,260	10	0.8%	4.3%	(0.1)%	4.0%	(0.1)%	4.6%	(0.1)%
	Comfort Hotel Shin-Yamaguchi	960	16	1.7%	5.2%	(0.1)%	5.0%	(0.1)%	5.4%	(0.1)%
<b>Hotels (7 properties)</b>	<b>10,890</b>	<b>96</b>	<b>0.9%</b>							
<b>Portfolio (15 properties)</b>		<b>104,010</b>	<b>1,016</b>	<b>1.0%</b>						



# Overview of Borrowings (as of April 30, 2017)

	Debt providers	Outstanding debt (million yen)	Interest rate	Borrowing date	Borrowing period	Maturity date	Principal repayment method	Description
Long-term loan	Sumitomo Mitsui Banking Corporation Resona Bank, Limited.	8,000	0.75% <sup>(Note)</sup>	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% <sup>(Note)</sup>		8 years	November 29, 2024		
	Sumitomo Mitsui Banking Corporation THE BANK OF FUKUOKA, LTD. Resona Bank, Limited.	10,000	0.50% <sup>(Note)</sup>		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% <sup>(Note)</sup>		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%		April 28, 2017	7 years		
Short-term loan	Sumitomo Mitsui Banking Corporation	5,000	1M TIBOR +0.13%	December 16, 2016	1 year	November 30, 2017		
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,000						
	Mitsubishi UFJ Trust and Banking Corporation	1,000						

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## Appendix 3. Portfolio in Detail

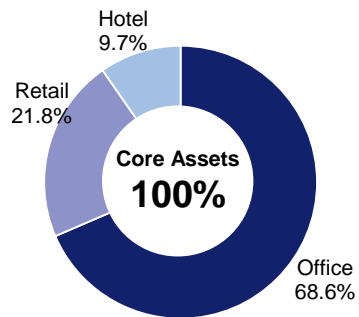
# Our Portfolio (as of April 30, 2017)

■ Office ■ Retail ■ Hotel

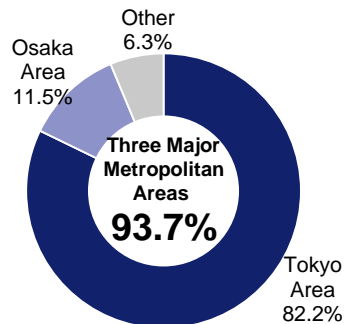


1 Shinagawa Seaside Parktower  
 2 Kawasaki Tech Center  
 3 Shinjuku Eastside Square  
 4 Hillcoat Higashi-Shinjuku  
 5 miumiu Kobe (land) (Note 1)  
 6 Shibuya World East Building  
 7 AEON Kasai  
 8 Daiki Izumi-Chuo  
 9 Hotel Sunroute Niigata  
 10 Daiwa Roynet Hotel Akita  
 11 Super Hotel Sendai Hirose-dori  
 12 Super Hotel Osaka Tennoji  
 13 Super Hotel Saitama Omiya  
 14 Super Hotel Kyoto Karasumagojo  
 15 Comfort Hotel Shin-Yamaguchi

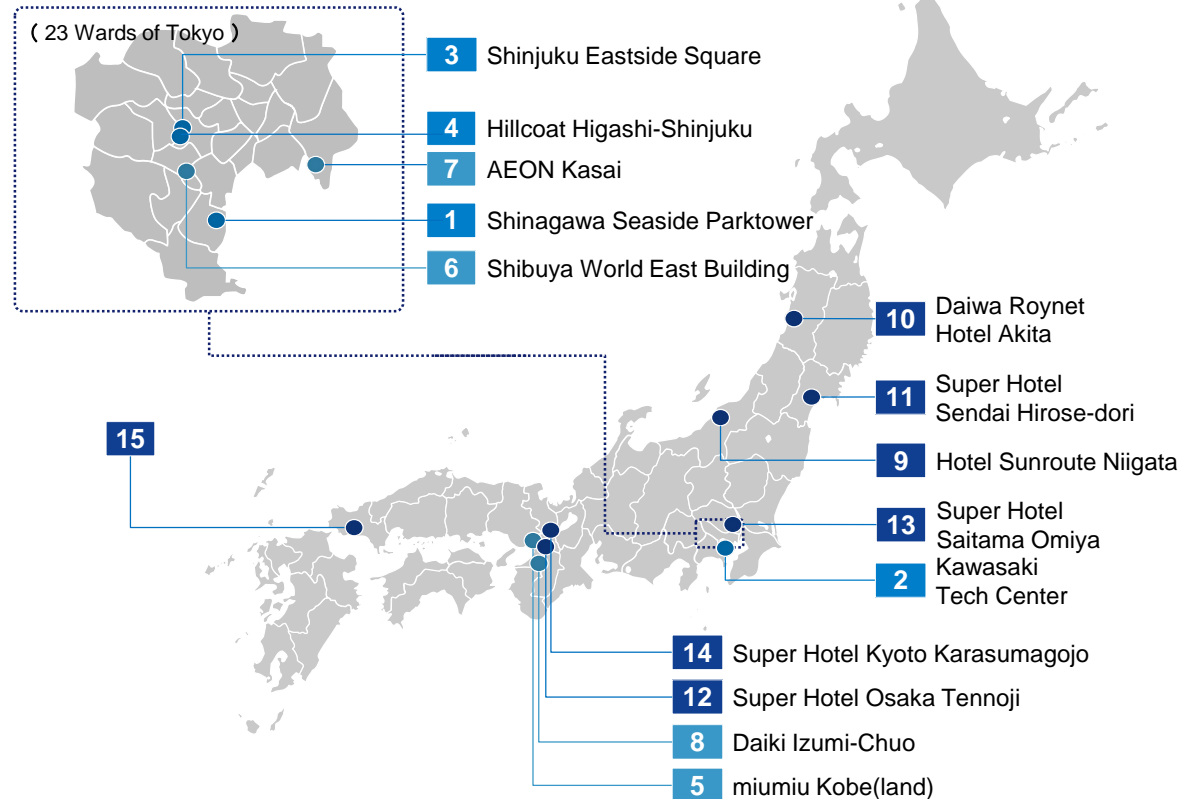
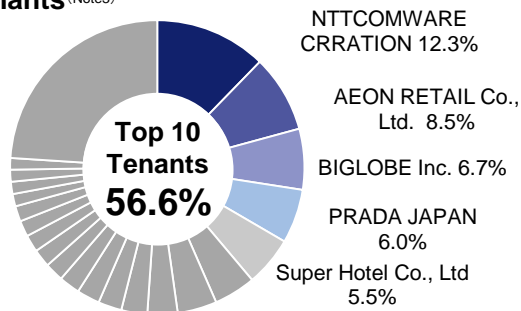
**Ratio by type of asset** (Note2)



**Ratio of area** (Note2)



**Ratio by tenants** (Note3)



Note1: The building of miumiu Kobe is a rendering, and the actual building may have different views and forms.

Note2: Based on acquisition price.

Note3: Based on annual rent revenue.

# Details on Each Property (Office buildings)

## 1 Shinagawa Seaside Parktower

Office



Acquisition Price **32,000** million yen

NOI yield **4.3 %**



- Large office building located in the Shinagawa Seaside Forest complex, an urban redevelopment project
- Well-served by public transport, located 2 minutes' walk from Shinagawa Seaside Station on the Rinkai Line and 8 minutes' walk from Aomono-yokocho Station on the Keikyū Line
- Appealing to tenants, offering layout flexibility with column-free floor space and a high level of facilities and equipment
- Acquired after value was increased by IDERA



Address	4-12-4, Higashi-Shinagawa, Shinagawa-ku, Tokyo
Land area	17,386.11㎡ (the entire property)
Floor area	55,930.90㎡ (the entire property)
Structure	① Parking SRC 1F ② Office/Shop SRC/RC/S B2/25F ③ Parking SRC 1F
Occupancy rate (number of tenants)	100.0% (23)
Completion	①September 2002 ②③July 2003

## 2 Kawasaki Tech Center

Office



Acquisition Price **23,182** million yen

NOI yield **4.8 %**



- Highly competitive large office building in the Kawasaki Station area
- Well-served by public transport, located 7 minutes' walk from Keikyū Kawasaki Station and 9 minutes' walk from JR Kawasaki Station
- High-grade office building offering large floor plates
- Appealing to tenants in the Kawasaki Station area as superiority in terms of scale (total office floor area exceeding 10,000 tsubo) is recognized.



Address	580-16, Horikawa-cho, Saiwai-ku, Kawasaki, Kanagawa
Land area	5,662.48㎡
Floor area	47,036.44㎡
Structure	S/RC/SRC B3/20F
Occupancy rate (number of tenants)	93.3% (19)
Completion	February 1988

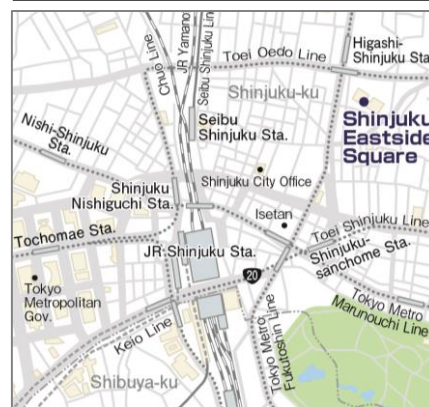
# Details on Each Property (Office buildings)

## 3 Shinjuku Eastside Square

Office

Acquisition Price **10,000** million yen

NOI yield **4.2 %**



- Large office building situated in Higashi-shinjuku built as part of urban redevelopment project (Acquired a 50% quasi-co-ownership interest of the beneficiary interest of a trust with a 10% co-ownership interest in the real estate)
- High level of visibility and well-served by public transport, located 1 minute walk from Higashi-Shinjuku Station on the Tokyo Metro and Toei Subway Lines and 6 minutes' walk from the Shinjuku-sanchoe Station on the Tokyo Metro and Toei Subway Lines.
- Appealing to tenants, offering S-class\* office space for flexibility of layout
- Acquired from fund managed by sponsor the Mitsui & Co. Group



Address	6-27-30, Shinjuku, Shinjuku-ku, Tokyo
Land area	25,320.28㎡ (the entire property)
Floor area	167,031.19㎡ (the entire property)
Structure	S/RC B2/20F
Occupancy rate (number of tenants)	100% (41)
Completion	March 2012

## 4 Hillcoat Higashi-Shinjuku

Office

Acquisition Price **3,900** million yen

NOI yield **4.8 %**



- Located 3 minutes' walk from Higashi-Shinjuku Station on the Tokyo Metro and Toei Subway Lines, which is currently undergoing redevelopment
- Comparatively good location within the area, fronting on Meiji Dori Avenue and having a high level of visibility
- Superior column-free office space allowing for flexible office layouts



Address	2-2-15, Kabuki-cho, Shinjuku-ku, Tokyo
Land area	628.09㎡
Floor area	4,480.44㎡
Structure	SRC B1/8F
Occupancy rate (number of tenants)	100% (2)
Completion	July 1987

# Details on Each Property (Retail properties)

## 5 miumiu Kobe (land)

Retail



Acquisition Price **6,300** million yen

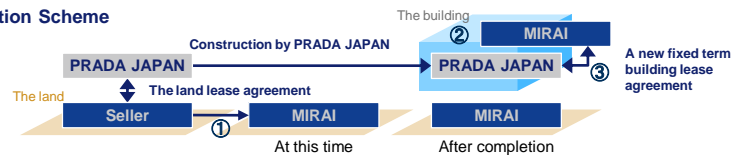
NOI yield **5.0 %**



### (Rendering)

- Fronts onto Akashi-cho Street in Kobe, home to many luxury brand shops
- A rare property whose location and size is appealing to high-end brand shops, etc.
- Even during building construction, stable income is ensured under a land lease agreement.
- After completion of the building, if MIRAI decides to acquire part of the building, the land lease agreement will terminate on acquisition of part of the building, and MIRAI will conclude a new fixed term building lease agreement with the same amount of rent.

### Transaction Scheme



Address	18-1, Akashi-cho, Chuo-ku, Kobe, Hyogo
Land area	383.83m <sup>2</sup>
Floor area	962.95m <sup>2</sup> (expected)
Structure	S 3F (expected)
Occupancy rate (number of tenants)	100% (1)
Completion	July 2017 (expected)

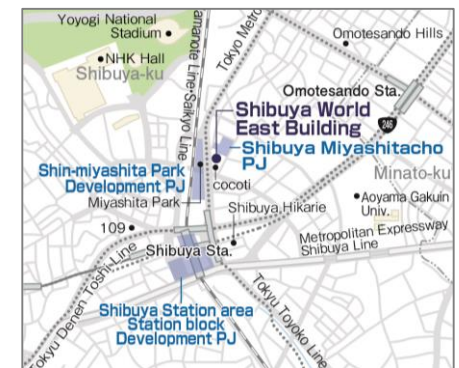
## 6 Shibuya World East Building

Retail



Acquisition Price **3,200** million yen

NOI yield **4.7 %**



- 2 minutes' walk from Shibuya Station on the Tokyo Metro and Tokyu Lines, fronts on Meiji Dori Avenue, and has a high level of visibility
- In addition to large-scale development in the area around Shibuya Station, an urban redevelopment project is also underway in neighboring areas. An increase in activity across the whole area is expected and the location of the property may become more highly rated.
- "Shibuya Cast" which was under construction as a plan of Shibuya Miyashita-cho in April 2017 opens.



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

# Details on Each Property (Retail properties)

## 7 AEON Kasai

Retail



Acquisition Price **9,420** million yen

NOI yield **5.1 %**



- Model store in Aeon's first "Grand Generation's Mall", which underwent renewal in 2013. MIRAI has concluded a long-term bulk lease agreement and stable revenue is expected.
- Located in a densely populated area with sufficient parking facilities and bicycle parking spaces



Address	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo
Land area	20,063.51㎡ (the entire property)
Floor area	38,454.66㎡
Structure	①Store RC 5F ②Parking SRC 6F ③Office SRC 5F
Occupancy rate (number of tenants)	100% (1)
Completion	①November 1982 ②May 1983 ③April 1983

## 8 Daiki Izumi-Chuo

Retail



Acquisition Price **3,000** million yen

NOI yield **5.8 %**



- With strong potential to attract customers from the area surrounding Izumi-Chuo Station on the Semboku Rapid Railway, a stable trade area population, and good access from the main trunk roads, this property has stable business potential as a commercial facility site in the medium and long term
- A property with sufficient parking facilities and spaces and a building of a regular shape, making it highly competitive as a commercial property



Address	5-6-17, Ibuki-no, Izumi, Osaka
Land area	9,712.37㎡
Floor area	6,891.87㎡
Structure	S 3F
Occupancy rate (number of tenants)	100% (1)
Completion	October 2008

# Details on Each Property (Hotels)

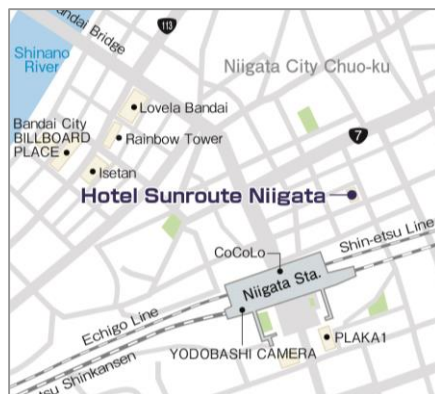
## 9 Hotel Sunroute Niigata

Hotel



Acquisition Price **2,108** million yen

NOI yield **5.4 %**



- Highly convenient location, 4 minutes' walk from JR Niigata Station. The business and commercial center in Niigata has shifted to the commercial area in front of the station where the property is located, allowing the property to capture demand for accommodation not only from tourists but also from business travelers
- The hotel operator Sunroute Co., Ltd. is a subsidiary of Sotetsu Holdings, Inc. and is highly reliable and stable. The Sunroute Hotel Chain consists of 73 hotels in Japan and Taiwan (15 hotels under direct management and 58 franchise hotels) (as of the end of July 2016), and possesses a high level of hotel operating expertise.

Address	1-11-25, Higashi-Odori, Chuo-ku, Niigata, Niigata
Land area	1,402.51㎡
Floor area	8,255.81㎡
Structure	S/RC/SRC B1F/14F
Number of rooms	231
Occupancy rate (number of tenants)	100% (1)
Completion	August 1992

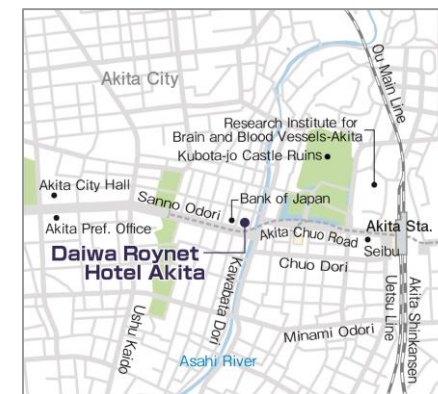
## 10 Daiwa Roynet Hotel Akita

Hotel



Acquisition Price **2,042** million yen

NOI yield **6.5 %**



- Situated in the commercial area around JR Akita Station, midway between Kawabata Street, the busiest street in the Prefecture, and Sanno, which extends over the area surrounding the Prefectural Government Office Building and the Townhall, the hotel is located in an area that allows it to capture both business and leisure demand.
- Tenant Daiwa Royal Co., Ltd. is a subsidiary of Daiwa House Industry Co., Ltd., and operates 42 business hotels under the Daiwa Roynet brand name throughout Japan (as of the end of July 2016), and reliability and stability in terms of hotel operation is generally high. MIRAI concluded a building lease agreement ending June 2026 with Daiwa Royal Co., Ltd., and stable revenue is expected.

Address	2-2-41, Omachi, Akita, Akita
Land area	1,540.15㎡
Floor area	7,439.36㎡
Structure	S 14F
Number of rooms	221
Occupancy rate (number of tenants)	100% (1)
Completion	June 2006



# Details on Each Property (Hotels)

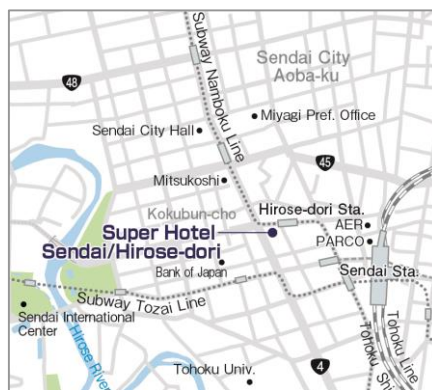
## 11 Super Hotel Sendai Hirose-dori

Hotel



Acquisition Price **1,280** million yen

NOI yield **6.2 %**



- Located 1 minute walk from Sendai Municipal Subway Hirose Dori Station, the property has a superb location for a business hotel, near Sendai's Ichibancho retail district, the Kokubuncho entertainment district, the Higashi Nibancho Dori business district, and the Kotodai Koen area government offices to the north.
- MIRAI concluded a fixed-term building lease agreement ending in April 2027 with SUPER HOTEL Co., Ltd., one of the largest business hotels chains in Japan which operates 114 hotels in Japan and 3 hotels overseas (as of the end of July 2016), and stable revenue is expected.

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

## 12 Super Hotel Osaka Tennoji

Hotel



Acquisition Price **1,260** million yen

NOI yield **5.5 %**



- Highly convenient location, 6 minutes' walk from Osaka Municipal Subway Tennoji Station and 8 minutes' walk from JR Tennoji Station. Tennoji and Abeno are areas with many midrise office buildings and shopping streets. However, these areas are also undergoing dramatic development, with redevelopment projects such as Abeno Harukas and abeno CUES TOWN.
- MIRAI concluded a fixed-term building lease agreement ending in February 2024 with SUPER HOTEL Co., Ltd., and stable revenue is expected.

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

# Details on Each Property (Hotels)

## 13 Super Hotel Saitama Omiya

Hotel



Acquisition Price **1,123** million yen

NOI yield **6.3** %



- Located 9 minutes' walk from JR Omiya Station. The surrounding area boasts hall and theater facilities such as Omiya Sonic City and JACK Omiya, and is lined with department stores, electronics retailers and other stores. The property is a 10 minute-drive from Saitama Shintoshin, home to Saitama Super Arena. In addition to demand from business travelers, demand from those attending conferences, academic gatherings, concerts and other events and those opening stores in neighboring commercial facilities can be expected.
- MIRAI concluded a fixed-term building lease agreement ending in October 2026 with SUPER HOTEL Co., Ltd., and stable revenue is expected.

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

## 14 Super Hotel Kyoto Karasumagojo

Hotel



Acquisition Price **1,030** million yen

NOI yield **5.5** %



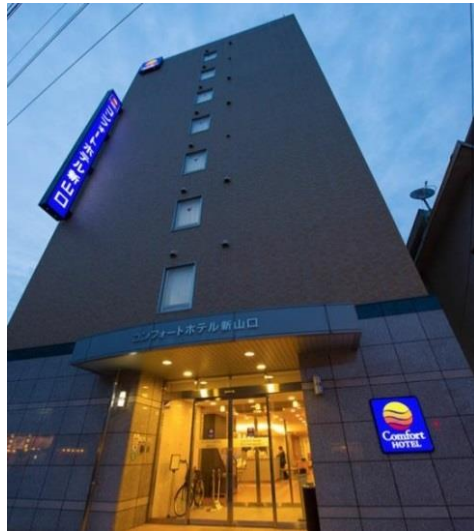
- Favorable location, around 1 minute walk from Kyoto Municipal Subway Gojo Station. The Shijo-karasuma and Gojo-karasuma area, the business area around the Shijo-karasuma intersection, is a core financial district in western Japan and home to many banks and securities companies. Located in Kyoto's financial and business district where many leading companies have their head offices or branch offices, the hotel is very convenient for business travelers.
- MIRAI concluded a fixed-term building lease agreement ending in February 2024 with SUPER HOTEL Co., Ltd., and stable revenue is expected.

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

# Details on Each Property (Hotels)

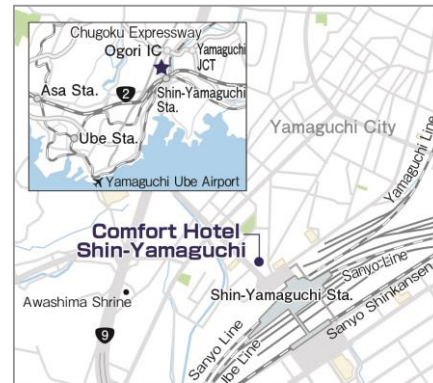
## 15 Comfort Hotel Shin-Yamaguchi

Hotel



Acquisition Price **902** million yen

NOI yield **5.6** %



- 2 minutes' walk from JR Shin-Yamaguchi Station and in a geographically convenient location that could serve as a starting point for business trips to all parts of the prefecture, the hotel can be expected to enjoy stable demand for accommodation. The hotel has little competition, as there are few facilities belonging to major hotel chains in the area and this is the only one belonging to a foreign hotel chain.
- The tenant Greens Co., Ltd. operates 50 franchise hotels across Japan under the Comfort Hotel brand of American hotel franchisor Choice Hotels International, Inc., which franchises more than 6,100 hotels in 30 countries worldwide (as of the end of July 2016).
- MIRAI concluded a fixed-term building lease agreement ending in August 2027 with Greens Co., Ltd., and stable revenue is expected.

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

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