

# (REIT) Financial Report for the Fiscal Period ended April 30, 2021 (The 10<sup>th</sup> Period)

June 15, 2021

Name of REIT issuer: MIRAI Corporation  
 Security code: 3476  
 Representative: Michio Suganuma, Executive Director  
 Stock exchange listing: Tokyo Stock Exchange  
 URL: <https://3476.jp/en/>  
 Name of asset manager: Mitsui Bussan & IDERA Partners Co., Ltd.  
 Representative: Michio Suganuma, Representative Director, President  
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Scheduled date for submission of securities report: July 29, 2021  
 Scheduled date for commencing dividend payments: July 8, 2021

IR Material: Will be posted on the website  
 IR Meeting: Will be held for institutional investors and securities analysts

(Figures are rounded down to the nearest million yen)

1. Performance for the Fiscal Period ended April 2021 (The 10<sup>th</sup> period from November 1, 2020 to April 30, 2021)

(1) Operating Results (% represents change from the previous period)

| Period ended  | Operating Revenue |       | Operating Profit |        | Ordinary Profit |        | Net profit  |        |
|---------------|-------------------|-------|------------------|--------|-----------------|--------|-------------|--------|
|               | Million yen       | %     | Million yen      | %      | Million yen     | %      | Million yen | %      |
| Apr. 30, 2021 | 4,973             | (7.3) | 2,321            | (11.5) | 2,073           | (12.8) | 2,072       | (12.8) |
| Oct. 31, 2020 | 5,367             | (1.5) | 2,622            | (8.5)  | 2,378           | (8.4)  | 2,376       | (8.4)  |

| Period ended  | Net Profit per Unit |     | Net Profit to Net Assets |     | Ordinary Profit to Total Assets |      | Ordinary Profit to Operating Revenue |   |
|---------------|---------------------|-----|--------------------------|-----|---------------------------------|------|--------------------------------------|---|
|               | Yen                 | %   | Yen                      | %   | Yen                             | %    | Yen                                  | % |
| Apr. 30, 2021 | 1,246               | 2.8 |                          | 1.3 |                                 | 41.7 |                                      |   |
| Oct. 31, 2020 | 1,429               | 3.1 |                          | 1.5 |                                 | 44.3 |                                      |   |

(Note) Net Profit per Unit is calculated by dividing the net income by the day-weighted average number of investment units.  
 (Fiscal period ended October 31, 2020 = 1,662,240 units, Fiscal period ended April 30, 2021 = 1,662,240 units)

(2) Distributions

| Period ended  | Distributions per Unit (excluding distributions in excess of earnings) | Total Distributions (excluding distributions in excess of earnings) | Distributions in excess of earnings per Unit | Total Distributions in excess of earnings | Distributions per Unit (including distributions in excess of earnings) | Total Distributions (including distributions in excess of earnings) | Payout Ratio | Distributions to Net Assets |
|---------------|--|---|--|---|--|---|--------------|-----------------------------|
|               | Yen  | Million yen   | Yen  | Million yen                               | Yen  | Million yen   |              | %                           |
| Apr. 30, 2021 | 1,238  | 2,057   | 9  | 14  | 1,247  | 2,072   | 99.3         | 2.7                         |
| Oct. 31, 2020 | 1,429  | 2,375   | -  | -   | 1,429  | 2,375   | 99.9         | 3.1                         |

(Note 1) Distributions in excess of earnings per unit amounted 9 yen for the Fiscal Period ended April 30, 2021 is made from the allowance for temporary difference adjustment. There is no distribution by decreasing unitholders' capital on taxation.

(Note 2) Total Distributions (including distributions in excess of earning) for the Fiscal Period ended April 30, 2021 is composed of distributions of net assets deducting unitholders' capital (excluding distributions in excess of earnings) at period-end and distributions of the allowance for temporary difference adjustment (distributions in excess of earning) as changes in deferred losses on hedges during the period.

(Note 3) Payout Ratio = Total Distributions (excluding distributions in excess of earnings) / Net Profit \* 100  
 Payout Ratio for the Fiscal Period ended April 30, 2021 is 100.0% using the Total Distributions (including distributions in excess of earnings).

(Note 4) Distributions to Net Assets are calculated based on Total Distributions (excluding distributions in excess of earnings).

(3) Financial Position

| Period ended  | Total Asset | Net Asset   | Net Assets to Total Assets | Net Assets per Unit |
|---------------|-------------|-------------|----------------------------|---------------------|
|               | Million yen | Million yen | %                          | Yen                 |
| Apr. 30, 2021 | 161,815     | 75,110      | 46.4                       | 45,186              |
| Oct. 31, 2020 | 159,222     | 75,428      | 47.4                       | 45,377              |

#### (4) Cash Flows

|               | Operating Activities | Investing Activities | Financing Activities | Cash and Cash Equivalents at End of Period |
|---------------|----------------------|----------------------|----------------------|--|
| Period ended  | Million yen          | Million yen          | Million yen          | Million yen                                |
| Apr. 30, 2021 | 9,273                | (10,096)             | 625                  | 5,274                                      |
| Oct. 31, 2020 | 6,160                | (686)                | (4,607)              | 5,471                                      |

2. Forecasts for the Fiscal Period ending October 2021 (The 11<sup>th</sup> Period from May 1, 2021 to October 31, 2021) and ending April 2022 (The 12<sup>th</sup> Period from November 1, 2021 to April 30, 2022)

(% represents change from the previous period)

| Period ending | Operating Revenue |       | Operating Profit |     | Ordinary Profit |       | Net Profit  |       | Distributions per Unit (excluding Distributions in excess of earnings) | Distributions in excess of earnings per Unit |
|---------------|-------------------|-------|------------------|-----|-----------------|-------|-------------|-------|--|--|
|               | Million yen       | %     | Million yen      | %   | Million yen     | %     | Million yen | %     | Yen  | Yen  |
| Oct. 31, 2021 | 5,104             | 2.6   | 2,356            | 1.5 | 2,096           | 1.1   | 2,095       | 1.1   | 1,260  | -  |
| Apr. 30, 2022 | 5,026             | (1.5) | 2,375            | 0.8 | 2,094           | (0.0) | 2,093       | (0.0) | 1,260  | -  |

(Reference) Forecasted Net Profit per Unit (Forecasted Net Profit / Forecasted Unit at end of period)

The Fiscal Period ending October 2021:

Forecasted Unit at end of period 1,662,240 units      Forecasted Net Profit per Unit 1,260 yen

The Fiscal Period ending April 2022:

Forecasted Unit at end of period 1,662,240 units      Forecasted Net Profit per Unit 1,259 yen

#### Others

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements due to corrections of errors

- (i) Changes in accounting policies due to revisions to accounting standards      None
- (ii) Changes in accounting policies other than (i)      None
- (iii) Changes in accounting estimates      None
- (iv) Restatement of prior period financial statements due to corrections of errors      None

(2) Number of investment units issued and outstanding

(i) Number of investment units (including treasury units) issued and outstanding at the end of each period

As of Apr. 30, 2021: 1,662,240 units      As of Oct. 31, 2020: 1,662,240 units

(ii) Number of treasury units issued and outstanding at end of period

As of Apr. 30, 2021: 0 unit      As of Oct. 31, 2020: 0 unit

\* Financial Report is not subject to audit by certified public accountants or audit corporations.

\* Explanation on the appropriate use of forecasts and other notes

(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by MIRAI Corporation. (hereafter referred to as "MIRAI"), and the actual operating results and so on may differ significantly from that anticipated by MIRAI due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2021 and April 30, 2022." on page 3.

**Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2021 and April 30, 2022**

| Item   | Assumptions  |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
|--|--|--|--|--|-----------------------|-----------------|-----------------|---------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|----------------|----------------|--------------------------------------|-----------------|-----------------|---------------|-----------------|-----------------|
| Calculation period   | <ul style="list-style-type: none"> <li>The Fiscal Period Ending October 2021: May 1, 2021 to October 31, 2021 (184 days)</li> <li>The Fiscal Period Ending April 2022: November 1, 2021 to April 30, 2022 (181 days)</li> </ul>  |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Portfolio assets   | <ul style="list-style-type: none"> <li>The forecasts assume that MIRAI owns 34 assets as real estate and real estate trust beneficiaries (hereinafter the "Portfolio assets") as of the released date of this document.</li> <li>No other acquisitions and sales of properties is assumed.</li> <li>In practice, this may change due to movements of investment assets.</li> </ul>   |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Total number of investment units issued                                | <ul style="list-style-type: none"> <li>The forecast assumes 1,662,240 units.</li> <li>No change in the number of investment units due to any issuances of new units are assumed until April 30, 2022.</li> </ul>   |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Interest-bearing debt  | <ul style="list-style-type: none"> <li>Of the outstanding interest-bearing debt balance of 78,700 million yen as of today. MIRAI assumed that the current portion of short-term debt of 3,000 million yen and long-term debt of 11,500 million yen that will mature during the fiscal period ending October 31, 2021 and April 30, 2022 would be refinanced into long-term debt.</li> <li>The interest-bearing debt outstanding as of October 31, 2021 and April 30, 2022 is expected to be 78,700 million yen.</li> <li>The LTV (based on total assets) as of October 31, 2021 and April 30, 2022 is expected to be approximately mid 48%.</li> <li>The calculation of the LTV (based on total assets) uses the following formula.<br/>LTV (based on total assets) = total amount of interest-bearing debt outstanding / total assets</li> </ul>  |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Operating revenue  | <ul style="list-style-type: none"> <li>Lease business revenue from the "Portfolio assets" is calculated primarily by taking into account leasing contracts effective as of today, trends in the real estate leasing market (vacancy rates, rent levels, etc.) and status of negotiation with tenants.</li> <li>It is assumed that hotels with variable rent (Smile Hotel Naha City Resort, Smile Hotel Hakataeki-mae, Smile Hotel Nagoya-Sakae) will not incur variable rent until the end of April 2022.</li> <li>Considering the spread of COVID-19, risk of 38 million yen for the fiscal period ending October 31, 2021 and 84 million yen for the fiscal period ending April 30, 2022 decline in lease business revenue are estimated.</li> </ul>   |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Operating expense  | <ul style="list-style-type: none"> <li>Expenses for the lease business other than depreciation are based on past records and information provided by the current owners, etc. while reflecting other variable factors into consideration.</li> <li>In principle, the fixed asset tax, city planning tax, and depreciation asset tax (the "Fixed Asset and City Planning Taxes") of "Asset to be Acquired" during a fiscal year will be settled on the acquisition date with current owners in proportion to holding period for the assets. Such costs are to be capitalized without having any impact to profit and/or loss in the fiscal period of the acquisition.</li> <li>Total repair expenses for buildings are calculated based on the repair plans developed by Mitsui Bussan &amp; IDERA Partners Co., Ltd., the asset manager of MIRAI and takes into account the engineering reports and appraisal reports, and are accrued in each fiscal period. It should be noted, however, that the actual repair expenses in each fiscal period may differ considerably from the estimates, mainly due to urgent repair expenses for any damages of assets arising from unexpected factors, significant yearly fluctuations in the amount of repair expenses and the nature of repair expenses whereby they do not arise on a regular basis.</li> <li>Depreciation including incidental expenses is calculated using the straight-line method.</li> <li>The breakdown of expenses for the lease business is as follows. <table align="center" border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th align="center">The Fiscal Period Ending<br/>October 31, 2021</th> <th align="center">The Fiscal Period Ending<br/>April 30, 2022</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td align="right">375 million yen</td> <td align="right">365 million yen</td> </tr> <tr> <td>Utilities expenses:</td> <td align="right">474 million yen</td> <td align="right">388 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td align="right">407 million yen</td> <td align="right">394 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td align="right">72 million yen</td> <td align="right">67 million yen</td> </tr> <tr> <td>Other expenses for leasing business:</td> <td align="right">273 million yen</td> <td align="right">294 million yen</td> </tr> <tr> <td>Depreciation:</td> <td align="right">609 million yen</td> <td align="right">625 million yen</td> </tr> </tbody> </table> </li> <li>Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 534 million yen for the fiscal period ending October 31, 2021, and 514 million yen for the fiscal period ending April 30, 2022.</li> </ul> |  | The Fiscal Period Ending<br>October 31, 2021 | The Fiscal Period Ending<br>April 30, 2022 | Outsourcing services: | 375 million yen | 365 million yen | Utilities expenses: | 474 million yen | 388 million yen | Taxes and dues: | 407 million yen | 394 million yen | Repair expenses: | 72 million yen | 67 million yen | Other expenses for leasing business: | 273 million yen | 294 million yen | Depreciation: | 609 million yen | 625 million yen |
|  | The Fiscal Period Ending<br>October 31, 2021   | The Fiscal Period Ending<br>April 30, 2022 |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Outsourcing services:  | 375 million yen  | 365 million yen                            |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Utilities expenses:  | 474 million yen  | 388 million yen                            |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Taxes and dues:  | 407 million yen  | 394 million yen                            |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Repair expenses:   | 72 million yen   | 67 million yen                             |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Other expenses for leasing business:                                   | 273 million yen  | 294 million yen                            |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Depreciation:  | 609 million yen  | 625 million yen                            |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Non-operating expenses   | <ul style="list-style-type: none"> <li>Interest expenses and borrowing-related expenses are estimated to be 260 million yen for the fiscal period ending October 31, 2021, and 280 million yen for the fiscal period ending April 30, 2022.</li> </ul>   |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Distributions per unit (Excluding distributions in excess of earnings) | <ul style="list-style-type: none"> <li>Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy described in the Articles of Incorporation of MIRAI.</li> <li>The amount of distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors such as acquisitions and sales of assets, changes in rent income caused by tenant relocations, unexpected repairs incurred, and interest rate fluctuations.</li> <li>Derivatives transactions (interest rate swaps transaction) will be continuously in place during the fiscal periods ending October 31, 2021 and April 30, 2022. It is estimated that deferred losses on hedges as deduction from net assets (as specified in Item 30-B, Clause 2, Article 2 of the Calculation Rules for Investment Corporations) is 480 million yen which is the same amount as the fiscal period ended April 30, 2021. It is calculated based on the assumption that there is no change in the market value of interest rate swaps.</li> </ul>  |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Distributions in excess of earnings per unit                           | <ul style="list-style-type: none"> <li>As described above, no change in the amount of deferred losses on hedges as deduction from net assets is assumed in the fiscal period ending October 31, 2021 and fiscal period ending April 30, 2022, and distributions in excess of earnings related to the allowance for temporary difference adjustment are not scheduled at present.</li> <li>Distributions in excess of earnings by decreasing unitholders' capital under taxation are not scheduled at present.</li> </ul>   |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |
| Others   | <ul style="list-style-type: none"> <li>Excluding above, it is assumed that impact of spread of COVID-19 will not be significantly wider than current estimate and that the epidemic will not last longer. In reality, potential for the impact of spread of New Coronavirus Infection continuing to expand and becoming prolonged cannot be ruled out.</li> <li>The forecasts assume that no revisions that may impact the above projections will be made to laws and regulations, taxation, accounting standards, listing rules, the rules of the Investment Trust Association, Japan, or others.</li> <li>The forecasts assume no unforeseeable significant changes in the general economic trends and real estate market conditions.</li> </ul>   |  |  |  |                       |                 |                 |                     |                 |                 |                 |                 |                 |                  |                |                |                                      |                 |                 |               |                 |                 |

### 3. Financial Statements

#### (1) Balance Sheet

(Thousands of yen)

|   | As of October 31, 2020 | As of April 30, 2021 |
|---|------------------------|----------------------|
| <b>Assets</b>                               |                        |                      |
| <b>Current assets</b>                       |                        |                      |
| Cash and deposits                           | 3,255,545              | 3,379,883            |
| Cash and deposits in trust                  | 2,397,565              | 2,076,752            |
| Operating accounts receivable               | 126,496                | 117,198              |
| Prepaid expenses                            | 132,783                | 133,358              |
| Other                                       | 28                     | 113                  |
| <b>Total current assets</b>                 | <b>5,912,418</b>       | <b>5,707,305</b>     |
| <b>Non-current assets</b>                   |                        |                      |
| <b>Property, plant and equipment</b>        |                        |                      |
| Buildings                                   | -                      | 424,386              |
| Accumulated depreciation                    | -                      | (3,960)              |
| Buildings, net                              | -                      | 420,425              |
| Structures                                  | -                      | 564                  |
| Accumulated depreciation                    | -                      | (62)                 |
| Structures, net                             | -                      | 502                  |
| Land  | -                      | 4,230,785            |
| Buildings in trust                          | 35,570,357             | 34,669,961           |
| Accumulated depreciation                    | (3,558,091)            | (3,966,358)          |
| Buildings in trust, net                     | 32,012,266             | 30,703,602           |
| Structures in trust                         | 322,658                | 318,733              |
| Accumulated depreciation                    | (55,064)               | (61,460)             |
| Structures in trust, net                    | 267,593                | 257,272              |
| Machinery and equipment in trust            | 219,025                | 188,940              |
| Accumulated depreciation                    | (50,940)               | (54,162)             |
| Machinery and equipment in trust, net       | 168,084                | 134,777              |
| Tools, furniture and fixtures in trust      | 125,329                | 217,106              |
| Accumulated depreciation                    | (21,171)               | (29,655)             |
| Tools, furniture and fixtures in trust, net | 104,157                | 187,451              |
| Land in trust                               | 120,282,810            | 119,722,380          |
| Construction in progress in trust           | -                      | 27,345               |
| <b>Total property, plant and equipment</b>  | <b>152,834,912</b>     | <b>155,684,544</b>   |
| <b>Intangible assets</b>                    |                        |                      |
| Software                                    | 11,752                 | 16,851               |
| Other                                       | 231                    | 231                  |
| <b>Total intangible assets</b>              | <b>11,983</b>          | <b>17,083</b>        |
| <b>Investments and other assets</b>         |                        |                      |
| Long-term prepaid expenses                  | 374,113                | 318,508              |
| Deferred tax assets                         | 47                     | 7                    |
| Guarantee deposits                          | 11,006                 | 11,006               |
| Other                                       | 56,134                 | 56,134               |
| <b>Total investments and other assets</b>   | <b>441,300</b>         | <b>385,656</b>       |
| <b>Total non-current assets</b>             | <b>153,288,197</b>     | <b>156,087,284</b>   |
| <b>Deferred assets</b>                      |                        |                      |
| Investment corporation bond issuance costs  | 21,896                 | 20,637               |
| <b>Total deferred assets</b>                | <b>21,896</b>          | <b>20,637</b>        |
| <b>Total assets</b>                         | <b>159,222,513</b>     | <b>161,815,227</b>   |

(Thousands of yen)

|  | As of October 31, 2020 | As of April 30, 2021 |
|--|------------------------|----------------------|
| <b>Liabilities</b>                                 |                        |                      |
| Current liabilities                                |                        |                      |
| Operating accounts payable                         | 808,801                | 695,967              |
| Distributions payable                              | 11,888                 | 11,215               |
| Short-term borrowings                              | -                      | 3,000,000            |
| Current portion of long-term borrowings            | 3,000,000              | 11,500,000           |
| Accounts payable - other                           | 504,224                | 484,404              |
| Accrued expenses                                   | 2,111                  | 1,128                |
| Income taxes payable                               | 1,491                  | 752                  |
| Accrued consumption taxes                          | 179,767                | 314,647              |
| Advances received                                  | 653,192                | 598,553              |
| Deposits received                                  | 592                    | 4,299                |
| Other  | 301                    | 118                  |
| Total current liabilities                          | 5,162,371              | 16,611,088           |
| Non-current liabilities                            |                        |                      |
| Investment corporation bonds                       | 2,000,000              | 2,000,000            |
| Long-term borrowings                               | 70,700,000             | 62,200,000           |
| Leasehold and guarantee deposits received          | -                      | 143,311              |
| Leasehold and guarantee deposits received in trust | 5,466,986              | 5,270,387            |
| Derivatives liabilities                            | 464,758                | 480,108              |
| Total non-current liabilities                      | 78,631,745             | 70,093,807           |
| Total liabilities                                  | 83,794,116             | 86,704,895           |
| <b>Net assets</b>                                  |                        |                      |
| Unitholders' equity                                |                        |                      |
| Unitholders' capital                               | 73,516,089             | 73,516,089           |
| Deduction from unitholders' capital                |                        |                      |
| Allowance for temporary difference adjustments     | (538,565)              | (463,764)            |
| Total deduction from unitholders' capital          | (538,565)              | (463,764)            |
| Unitholders' capital, net                          | 72,977,523             | 73,052,324           |
| Surplus  |                        |                      |
| Unappropriated retained earnings (undisposed loss) | 2,915,631              | 2,538,115            |
| Total surplus                                      | 2,915,631              | 2,538,115            |
| Total unitholders' equity                          | 75,893,155             | 75,590,440           |
| Valuation and translation adjustments              |                        |                      |
| Deferred gains or losses on hedges                 | (464,758)              | (480,108)            |
| Total valuation and translation adjustments        | (464,758)              | (480,108)            |
| Total net assets                                   | 75,428,396             | 75,110,331           |
| Total liabilities and net assets                   | 159,222,513            | 161,815,227          |

## (2) Statement of Income and Retained Earnings

(Thousands of yen)

|  | Fiscal period ended<br>October 31, 2020 | Fiscal period ended<br>April 30, 2021 |
|--|---|---------------------------------------|
| <b>Operating revenue</b>                                   |   |                                       |
| Leasing business revenue                                   | 4,069,009                               | 3,859,975                             |
| Other leasing business revenue                             | 813,540                                 | 755,272                               |
| Gain on sale of real estate properties                     | 484,599                                 | 358,663                               |
| <b>Total operating revenue</b>                             | <b>5,367,148</b>                        | <b>4,973,910</b>                      |
| <b>Operating expenses</b>                                  |   |                                       |
| Expenses related to leasing business                       | 2,208,862                               | 2,134,032                             |
| Asset management fees                                      | 440,038                                 | 422,672                               |
| Asset custody fees   | 8,333                                   | 8,208                                 |
| Administrative service fees                                | 16,707                                  | 17,663                                |
| Remuneration for directors (and other officers)            | 3,696                                   | 3,696                                 |
| Other operating expenses                                   | 66,839                                  | 66,516                                |
| <b>Total operating expenses</b>                            | <b>2,744,477</b>                        | <b>2,652,789</b>                      |
| <b>Operating profit</b>                                    | <b>2,622,671</b>                        | <b>2,321,121</b>                      |
| <b>Non-operating income</b>                                |   |                                       |
| Interest income  | 22                                      | 25                                    |
| Gain on forfeiture of unclaimed distributions              | 3,616                                   | 1,707                                 |
| Interest on tax refund                                     | 284                                     | -                                     |
| <b>Total non-operating income</b>                          | <b>3,923</b>                            | <b>1,732</b>                          |
| <b>Non-operating expenses</b>                              |   |                                       |
| Interest expenses  | 200,869                                 | 196,570                               |
| Interest expenses on investment corporation bonds          | 5,591                                   | 7,200                                 |
| Amortization of investment corporation bond issuance costs | 1,042                                   | 1,258                                 |
| Financing fees   | 41,088                                  | 41,402                                |
| Other  | -                                       | 3,000                                 |
| <b>Total non-operating expenses</b>                        | <b>248,592</b>                          | <b>249,431</b>                        |
| <b>Ordinary profit</b>                                     | <b>2,378,002</b>                        | <b>2,073,422</b>                      |
| <b>Extraordinary income</b>                                |   |                                       |
| Subsidy income   | 1,270                                   | 8,518                                 |
| <b>Total extraordinary income</b>                          | <b>1,270</b>                            | <b>8,518</b>                          |
| <b>Extraordinary losses</b>                                |   |                                       |
| Loss on tax purpose reduction entry of non-current assets  | 1,270                                   | 8,518                                 |
| <b>Total extraordinary losses</b>                          | <b>1,270</b>                            | <b>8,518</b>                          |
| <b>Profit before income taxes</b>                          | <b>2,378,002</b>                        | <b>2,073,422</b>                      |
| Income taxes - current                                     | 1,495                                   | 756                                   |
| Income taxes - deferred                                    | (42)                                    | 39                                    |
| <b>Total income taxes</b>                                  | <b>1,453</b>                            | <b>796</b>                            |
| <b>Profit</b>  | <b>2,376,548</b>                        | <b>2,072,625</b>                      |
| <b>Retained earnings brought forward</b>                   | <b>539,082</b>                          | <b>465,489</b>                        |
| <b>Unappropriated retained earnings (undisposed loss)</b>  | <b>2,915,631</b>                        | <b>2,538,115</b>                      |

## (3) Statement of Changes in Net Assets

The Fiscal Period ended October 2020 (The 9<sup>th</sup> period from May 1, 2020 to October 31, 2020)

(Thousands of yen)

|  | Unitholders' equity  |   |           |                           |
|--|----------------------|---|-----------|---------------------------|
|  | Unitholders' capital |   |           |                           |
|  | Unitholders' capital | Deduction from unitholders' capital       |           | Unitholders' capital, net |
| Allowance for temporary difference adjustment              |                      | Total deduction from unitholders' capital |           |                           |
| Balance at beginning of period                             | 73,516,089           | (621,584)                                 | (621,584) | 72,894,505                |
| Changes during period                                      |                      |   |           |                           |
| Dividends of surplus                                       |                      |   |           |                           |
| Reversal of allowance for temporary difference adjustments |                      | 83,018                                    | 83,018    | 83,018                    |
| Profit   |                      |   |           |                           |
| Net changes in items other than unitholders' equity        |                      |   |           |                           |
| Total changes during period                                | -                    | 83,018                                    | 83,018    | 83,018                    |
| Balance at end of period                                   | 73,516,089           | (538,565)                                 | (538,565) | 72,977,523                |

(Thousands of yen)

|  | Unitholders' equity                                |               |                           | Valuation and translation adjustments |   | Total net assets |
|--|--|---------------|---------------------------|---------------------------------------|---|------------------|
|  | Surplus  |               | Total unitholders' equity | Deferred gains or losses on hedges    | Total valuation and translation adjustments |                  |
|  | Unappropriated retained earnings (undisposed loss) | Total surplus |                           |                                       |   |                  |
| Balance at beginning of period                             | 3,216,858  | 3,216,858     | 76,111,363                | (538,694)                             | (538,694)                                   | 75,572,668       |
| Changes during period                                      |  |               |                           |                                       |   |                  |
| Dividends of surplus                                       | (2,594,756)  | (2,594,756)   | (2,594,756)               |                                       |   | (2,594,756)      |
| Reversal of allowance for temporary difference adjustments | (83,018)   | (83,018)      | -                         |                                       |   | -                |
| Profit   | 2,376,548  | 2,376,548     | 2,376,548                 |                                       |   | 2,376,548        |
| Net changes in items other than unitholders' equity        |  |               |                           | 73,935                                | 73,935                                      | 73,935           |
| Total changes during period                                | (301,226)  | (301,226)     | (218,207)                 | 73,935                                | 73,935                                      | (144,272)        |
| Balance at end of period                                   | 2,915,631  | 2,915,631     | 75,893,155                | (464,758)                             | (464,758)                                   | 75,428,396       |

The Fiscal Period ended April 2021 (The 10<sup>th</sup> period from November 1, 2020 to April 30, 2021)

(Thousands of yen)

|  | Unitholders' equity  |   |           |                           |
|--|----------------------|---|-----------|---------------------------|
|  | Unitholders' capital |   |           |                           |
|  | Unitholders' capital | Deduction from unitholders' capital       |           | Unitholders' capital, net |
| Allowance for temporary difference adjustment              |                      | Total deduction from unitholders' capital |           |                           |
| Balance at beginning of period                             | 73,516,089           | (538,565)                                 | (538,565) | 72,977,523                |
| Changes during period                                      |                      |   |           |                           |
| Dividends of surplus                                       |                      |   |           |                           |
| Reversal of allowance for temporary difference adjustments |                      | 74,800                                    | 74,800    | 74,800                    |
| Profit   |                      |   |           |                           |
| Net changes in items other than unitholders' equity        |                      |   |           |                           |
| Total changes during period                                | -                    | 74,800                                    | 74,800    | 74,800                    |
| Balance at end of period                                   | 73,516,089           | (463,764)                                 | (463,764) | 73,052,324                |

(Thousands of yen)

|  | Unitholders' equity                                |               |                           | Valuation and translation adjustments |   | Total net assets |
|--|--|---------------|---------------------------|---------------------------------------|---|------------------|
|  | Surplus  |               | Total unitholders' equity | Deferred gains or losses on hedges    | Total valuation and translation adjustments |                  |
|  | Unappropriated retained earnings (undisposed loss) | Total surplus |                           |                                       |   |                  |
| Balance at beginning of period                             | 2,915,631  | 2,915,631     | 75,893,155                | (464,758)                             | (464,758)                                   | 75,428,396       |
| Changes during period                                      |  |               |                           |                                       |   |                  |
| Dividends of surplus                                       | (2,375,340)  | (2,375,340)   | (2,375,340)               |                                       |   | (2,375,340)      |
| Reversal of allowance for temporary difference adjustments | (74,800)   | (74,800)      | -                         |                                       |   | -                |
| Profit   | 2,072,625  | 2,072,625     | 2,072,625                 |                                       |   | 2,072,625        |
| Net changes in items other than unitholders' equity        |  |               |                           | (15,349)                              | (15,349)                                    | (15,349)         |
| Total changes during period                                | (377,515)  | (377,515)     | (302,715)                 | (15,349)                              | (15,349)                                    | (318,065)        |
| Balance at end of period                                   | 2,538,115  | 2,538,115     | 75,590,440                | (480,108)                             | (480,108)                                   | 75,110,331       |



## (4) Distribution Information

(Yen)

|  | Fiscal Period ended October 2020<br>(The 9 <sup>th</sup> period from May 1, 2020<br>to October 31, 2020)  | Fiscal Period ended April 2021<br>(The 10 <sup>th</sup> period from November 1, 2020<br>to April 30, 2021)  |
|--|---|---|
| I Unappropriated retained earnings<br>(undisposed loss)  | 2,915,631,736   | 2,538,115,885   |
| II Addition of distributions in excess of<br>earnings  | -   | 14,960,160  |
| Temporary difference adjustment  | -   | 14,960,160  |
| III Capitalization   | 74,800,800  | -   |
| Reversal of allowance for temporary<br>difference adjustment   | 74,800,800  | -   |
| IV Distributions   | 2,375,340,960   | 2,072,813,280   |
| [Distributions per unit]   | [1,429]   | [1,247]   |
| Distributions of earnings  | 2,375,340,960   | 2,057,853,120   |
| [Distributions of earnings per unit]   | [1,429]   | [1,238]   |
| Temporary difference adjustment  | -   | 14,960,160  |
| [Distributions in excess of earnings per<br>unit (attributable to temporary<br>difference adjustment)] | [-]   | [9]   |
| V Retained earnings to be carried forward<br>(retained loss)   | 465,489,976   | 480,262,765   |
| Method of calculation of distributions   | In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, 2,594,756,640 yen, which is the total amount of unappropriated retained earnings after deduction of reversal of allowance for temporary difference adjustment (as stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings). | The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 36 (1) of the Articles of Incorporation of MIRAI, and shall exceed the amount equivalent to 90% of the distributable dividend amount of MIRAI provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on this policy, 2,057,853,120 yen, which is the total amount of such profit that is specified in Article 136, Paragraph (1) of the Act on Investment Trusts and Investment Corporations, excluding a fraction of one yen in distribution per investment unit, will be paid as profit distribution (not including distributions in excess of earnings).<br><br>In addition, based on the policy of distributing an amount in excess of profit as specified in Article 36, Paragraph 2 of the Articles of Incorporation of MIRAI, distributions in excess of earnings are paid in the amount determined by MIRAI as an amount equivalent to deductions from net assets while taking into account the effect of deductions from net assets (those specified in Article 2, Paragraph (2), item (xxx), b of the Ordinance on Accountings of Investment Corporations) on distributions. For the period under review, 14,960,160 yen, from which a distribution in excess of earnings per unit is calculated, excluding a fraction of one yen, as an amount equivalent to changes in deferred losses on hedges during the period of 15,349,964 yen, will be distributed as distributions associated with the allowance for temporary difference adjustment (as specified in Article 2, Paragraph (2), item (30) of the Ordinance on Accounting of Investment Corporations). As a result, the amount of distributions for the period under review is 2,072,813,280 yen. |

## (5) Statement of Cash Flows

(Thousands of yen)

|   | Fiscal period ended<br>October 31, 2020 | Fiscal period ended<br>April 30, 2021 |
|---|---|---------------------------------------|
| <b>Cash flows from operating activities</b>                         |   |                                       |
| Profit before income taxes  | 2,378,002                               | 2,073,422                             |
| Depreciation  | 611,946                                 | 602,903                               |
| Amortization of investment corporation bond<br>issuance costs       | 1,042                                   | 1,258                                 |
| Interest income   | (22)                                    | (25)                                  |
| Interest expenses   | 206,461                                 | 203,770                               |
| Loss on retirement of non-current assets                            | -                                       | 24,519                                |
| Loss on tax purpose reduction entry of non-current<br>assets        | 1,270                                   | 8,518                                 |
| Decrease (increase) in operating accounts<br>receivable             | 3,836                                   | 9,298                                 |
| Decrease (increase) in prepaid expenses                             | 2,258                                   | (574)                                 |
| Decrease (increase) in consumption taxes refund<br>receivable       | 89,216                                  | -                                     |
| Increase (decrease) in operating accounts payable                   | 225,556                                 | (26,639)                              |
| Increase (decrease) in accounts payable - other                     | 16,338                                  | (19,819)                              |
| Increase (decrease) in accrued consumption taxes                    | 135,890                                 | 134,880                               |
| Increase (decrease) in advances received                            | 27,527                                  | (54,638)                              |
| Decrease (increase) in long-term prepaid expenses                   | 55,015                                  | 55,604                                |
| Decrease in property, plant and equipment in trust<br>due to sale   | 2,613,847                               | 6,465,965                             |
| Other, net  | (1,110)                                 | 1,731                                 |
| <b>Subtotal</b>   | <b>6,367,078</b>                        | <b>9,480,174</b>                      |
| Interest received   | 22                                      | 25                                    |
| Interest paid   | (205,439)                               | (204,754)                             |
| Income taxes paid   | (709)                                   | (1,495)                               |
| <b>Net cash provided by (used in) operating activities</b>          | <b>6,160,951</b>                        | <b>9,273,949</b>                      |
| <b>Cash flows from investing activities</b>                         |   |                                       |
| Purchase of property, plant and equipment                           | -                                       | (4,655,736)                           |
| Purchase of property, plant and equipment in trust                  | (431,646)                               | (5,379,991)                           |
| Proceeds from leasehold and guarantee deposits<br>received          | -                                       | 143,311                               |
| Refund of leasehold and guarantee deposits<br>received in trust     | (432,036)                               | (370,109)                             |
| Proceeds from leasehold and guarantee deposits<br>received in trust | 174,674                                 | 173,511                               |
| Payments for restricted deposits held in trust                      | (0)                                     | (0)                                   |
| Other payments  | (4,632)                                 | (7,102)                               |
| Other proceeds  | 6,663                                   | -                                     |
| <b>Net cash provided by (used in) investing activities</b>          | <b>(686,979)</b>                        | <b>(10,096,118)</b>                   |
| <b>Cash flows from financing activities</b>                         |   |                                       |
| Proceeds from short-term borrowings                                 | -                                       | 3,500,000                             |
| Repayments of short-term borrowings                                 | (3,000,000)                             | (500,000)                             |
| Proceeds from long-term borrowings                                  | -                                       | 1,500,000                             |
| Repayments of long-term borrowings                                  | -                                       | (1,500,000)                           |
| Proceeds from issuance of investment corporation<br>bonds           | 987,031                                 | -                                     |
| Distributions paid  | (2,594,771)                             | (2,374,306)                           |
| <b>Net cash provided by (used in) financing activities</b>          | <b>(4,607,739)</b>                      | <b>625,693</b>                        |
| Net increase (decrease) in cash and cash equivalents                | 866,232                                 | (196,475)                             |
| Cash and cash equivalents at beginning of period                    | 4,604,778                               | 5,471,011                             |
| Cash and cash equivalents at end of period                          | 5,471,011                               | 5,274,535                             |