

(REIT) Financial Report for the Fiscal Period ended October 31, 2024 (The 17th Period)

December 16, 2024

Name of REIT issuer: MIRAI Corporation Stock exchange listing: Tokyo Stock Exchange
 Security code: 3476 URL: <https://3476.jp/en/>
 Representative: Michio Suganuma, Executive Director

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: January 31, 2025

Scheduled date for commencing dividend payments: January 16, 2025

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 October 2024 (from May 1, 2024 to October 31, 2024)

(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	%
Oct. 31, 2024	6,201	5.3	2,776	4.4	2,400	5.6	2,397	6.8
Apr. 30, 2024	5,887	2.5	2,660	7.8	2,273	5.2	2,244	4.3

Period ended	Net Profit per Unit	Net Profit to Net Assets	Ordinary Profit to Total Assets	Ordinary Profit to Operating Revenue
	Yen	%	%	%
Oct. 31, 2024	1,257	2.8	1.3	38.7
Apr. 30, 2024	1,190	2.7	1.3	38.6

(Note) Net profit per unit is calculated by dividing the net income by the day-weighted average number of investment units. (Fiscal period ended April 30, 2024: 1,886,264 units, Fiscal period ended October 31, 2024: 1,907,440 units)

(2) Distributions

Period ended	Distributions per Unit	Total Distributions	Distributions in excess of earnings per Unit	Total Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	(excluding distributions in excess of earnings)	(excluding distributions in excess of earnings)				
	Yen	Million yen	Yen	Million yen	%	%
Oct. 31, 2024	1,257	2,397	-	-	100.0	2.8
Apr. 30, 2024	1,150	2,193	-	-	97.7	2.5

(Note 1) Payout ratio = Total distributions (excluding distributions in excess of earnings) / Net profit * 100

(Note 2) 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
Oct. 31, 2024	188,227	87,246	46.4	45,740
Apr. 30, 2024	187,562	86,986	46.4	45,603

(4) Cash Flows

Period ended	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
Oct. 31, 2024	3,708	(668)	(2,206)	6,148
Apr. 30, 2024	2,683	(12,611)	9,782	5,314

2. Forecasts for the Fiscal Period ending April 2025 (from November 1, 2024 to April 30, 2025) and Fiscal Period ending October 2025 (from May 1, 2025 to October 31, 2025)

(% 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
Apr. 30, 2025	6,080	(1.9)	2,724	(1.9)	2,310	(3.8)	2,309	(3.7)	1,210	-
Oct. 31, 2025	6,190	1.8	2,752	1.0	2,309	(0.1)	2,308	(0.1)	1,210	-

(Reference) Forecasted net profit per unit (Forecasted net profit / Forecasted unit at end of period)

The Fiscal Period ending April 2025:

Forecasted unit at end of period 1,907,440 units Forecasted net profit per unit 1,210 yen

The Fiscal Period ending October 2025:

Forecasted unit at end of period 1,907,440 units Forecasted net profit per unit 1,210 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 Oct. 31, 2024	1,907,440 units	As of Apr. 30, 2024	1,907,440 units
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(ii) Number of treasury units issued and outstanding at end of period

As of Oct. 31, 2024	0 unit	As of Apr. 30, 2024	0 unit
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* Financial Report is not subject to audit by certified public accountants or audit corporations.

* Special note

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 (hereinafter "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 April 30, 2025 and October 31, 2025" on page 3.

Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2025 and October 31, 2025

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> The Fiscal Period Ending April 2025: November 1, 2024 to April 30, 2025 (181 days) The Fiscal Period Ending October 2025: May 1, 2025 to October 31, 2025 (184 days) 																					
Portfolio assets	<ul style="list-style-type: none"> The forecasts assume that MIRAI owns 43 assets as real estate and real estate trust beneficiaries (hereinafter the "Portfolio assets") as of the release of this document. It assumes that there is no movement of the "Portfolio assets" (acquisition of new assets and/or dispositions of assets). Changes may occur in reality due to changes in the "Portfolio assets". 																					
Total number of investment units issued	<ul style="list-style-type: none"> It is assumed that total number of investment units outstanding is 1,907,440 units. No changes in the number of investment units due to any issuances of new units are assumed until October 31, 2025. 																					
Interest-bearing debt	<ul style="list-style-type: none"> Of the interest-bearing debt of 91,900 million yen as of today, MIRAI assumed that the current portion of long-term debt of 9,500 million yen that will mature during the fiscal period ending April 30, 2025 and the current portion of long-term debt of 7,000 million yen that will mature during the fiscal period ending October 31, 2025 would be refinanced into long-term debt. The interest-bearing debt outstanding as of April 30, 2025 and October 31, 2025 is expected to be 91,900 million yen. The LTV (based on total assets) as of April 30, 2025 and October 31, 2025 is expected to be approximately 49%. The calculation of the LTV (based on total assets) uses the following formula. $\text{LTV (based on total assets) (\%)} = \frac{\text{total amount of interest-bearing debt outstanding}}{\text{total assets}}$ 																					
Operating revenue	<ul style="list-style-type: none"> 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. 																					
Operating expense	<ul style="list-style-type: none"> Expenses for the lease business other than depreciation are based on past records and information provided by the previous owners, etc. while reflecting other variable factors into consideration. 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 previous 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. Total repair expenses for buildings are calculated based on the repair plans developed by Mitsui Bussan & 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. Depreciation including incidental expenses is calculated using the straight-line method. The breakdown of expenses for the lease business is as follows. <table border="1" style="margin-left: 40px; margin-top: 10px;"> <thead> <tr> <th></th> <th align="center">Fiscal Period Ending April 30, 2025</th> <th align="center">Fiscal Period Ending October 31, 2025</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td align="right">397 million yen</td> <td align="right">388 million yen</td> </tr> <tr> <td>Utilities expenses:</td> <td align="right">598 million yen</td> <td align="right">700 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td align="right">501 million yen</td> <td align="right">507 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td align="right">98 million yen</td> <td align="right">94 million yen</td> </tr> <tr> <td>Other expenses for leasing business:</td> <td align="right">333 million yen</td> <td align="right">295 million yen</td> </tr> <tr> <td>Depreciation:</td> <td align="right">818 million yen</td> <td align="right">839 million yen</td> </tr> </tbody> </table> Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 606 million yen for the fiscal period ending April 30, 2025, and 612 million yen for the fiscal period ending October 31, 2025. 		Fiscal Period Ending April 30, 2025	Fiscal Period Ending October 31, 2025	Outsourcing services:	397 million yen	388 million yen	Utilities expenses:	598 million yen	700 million yen	Taxes and dues:	501 million yen	507 million yen	Repair expenses:	98 million yen	94 million yen	Other expenses for leasing business:	333 million yen	295 million yen	Depreciation:	818 million yen	839 million yen
	Fiscal Period Ending April 30, 2025	Fiscal Period Ending October 31, 2025																				
Outsourcing services:	397 million yen	388 million yen																				
Utilities expenses:	598 million yen	700 million yen																				
Taxes and dues:	501 million yen	507 million yen																				
Repair expenses:	98 million yen	94 million yen																				
Other expenses for leasing business:	333 million yen	295 million yen																				
Depreciation:	818 million yen	839 million yen																				
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and borrowing-related expenses are estimated to be 414 million yen for the fiscal period ending April 30, 2025, and 443 million yen for the fiscal period ending October 31, 2025. 																					
Distributions per unit (Excluding distributions in excess of earnings)	<ul style="list-style-type: none"> 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. 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. 																					
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> Distributions in excess of earnings are not scheduled at present. 																					
Others	<ul style="list-style-type: none"> 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. The forecasts assume no unforeseeable significant changes in the general economic trends and real estate market conditions. 																					

3. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of April 30, 2024	As of October 31, 2024
Assets		
Current assets		
Cash and deposits	2,634,983	3,389,689
Cash and deposits in trust	2,861,830	2,941,011
Operating accounts receivable	259,360	274,195
Prepaid expenses	135,568	172,971
Income taxes refund receivable	-	74
Consumption taxes refund receivable	211,917	-
Other	87	21
Total current assets	6,103,747	6,777,964
Non-current assets		
Property, plant and equipment		
Buildings	500,478	500,478
Accumulated depreciation	(45,924)	(54,505)
Buildings, net	454,553	445,972
Structures	564	564
Accumulated depreciation	(564)	(564)
Structures, net	0	0
Machinery and equipment	23,156	23,156
Accumulated depreciation	(1,300)	(2,458)
Machinery and equipment, net	21,856	20,698
Tools, furniture and fixtures	288	288
Accumulated depreciation	(48)	(72)
Tools, furniture and fixtures, net	239	215
Land	4,235,946	4,235,946
Buildings in trust	42,572,316	43,023,776
Accumulated depreciation	(7,527,564)	(8,266,857)
Buildings in trust, net	35,044,752	34,756,919
Structures in trust	283,058	283,368
Accumulated depreciation	(80,243)	(86,492)
Structures in trust, net	202,815	196,876
Machinery and equipment in trust	284,554	289,370
Accumulated depreciation	(103,713)	(114,588)
Machinery and equipment in trust, net	180,841	174,782
Tools, furniture and fixtures in trust	448,524	483,111
Accumulated depreciation	(181,599)	(218,154)
Tools, furniture and fixtures in trust, net	266,925	264,957
Land in trust	140,147,895	140,147,895
Construction in progress in trust	-	178,970
Total property, plant and equipment	180,555,825	180,423,234
Intangible assets		
Software	9,063	6,293
Other	231	231
Total intangible assets	9,295	6,525
Investments and other assets		
Long-term prepaid expenses	244,201	319,660
Deferred tax assets	2,474	-
Guarantee deposits	11,006	11,006
Other	594,055	650,282
Total investments and other assets	851,737	980,948
Total non-current assets	181,416,858	181,410,708

(Thousands of yen)

	As of April 30, 2024	As of October 31, 2024
Deferred assets		
Investment corporation bond issuance costs	42,279	39,289
Total deferred assets	42,279	39,289
Total assets	187,562,886	188,227,962
Liabilities		
Current liabilities		
Operating accounts payable	632,638	715,722
Distributions payable	8,488	7,584
Short-term borrowings	500,000	-
Current portion of long-term borrowings	11,000,000	16,500,000
Accounts payable - other	539,233	585,091
Accrued expenses	1,515	1,636
Income taxes payable	30,751	605
Accrued consumption taxes	-	339,052
Advances received	757,547	756,854
Deposits received	5,599	478
Other	23,832	27,008
Total current liabilities	13,499,607	18,934,033
Non-current liabilities		
Investment corporation bonds	6,200,000	6,200,000
Long-term borrowings	74,200,000	69,200,000
Leasehold and guarantee deposits received	149,526	149,526
Leasehold and guarantee deposits received in trust	6,057,157	5,980,861
Other	470,140	516,567
Total non-current liabilities	87,076,824	82,046,955
Total liabilities	100,576,431	100,980,989
Net assets		
Unitholders' equity		
Unitholders' capital	84,066,212	84,066,212
Surplus		
Unappropriated retained earnings (undisposed loss)	2,382,321	2,586,612
Total surplus	2,382,321	2,586,612
Total unitholders' equity	86,448,533	86,652,825
Valuation and translation adjustments		
Deferred gains or losses on hedges	537,921	594,147
Total valuation and translation adjustments	537,921	594,147
Total net assets	86,986,454	87,246,973
Total liabilities and net assets	187,562,886	188,227,962

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended April 30, 2024	For the six-month period ended October 31, 2024
Operating revenue		
Leasing business revenue	5,002,253	5,146,992
Other leasing business revenue	885,250	1,054,256
Total operating revenue	5,887,503	6,201,248
Operating expenses		
Expenses related to leasing business	2,665,610	2,821,734
Asset management fee	469,970	510,791
Asset custody fees	10,208	10,749
Administrative service fees	20,861	21,174
Remuneration for directors (and other officers)	3,676	3,676
Other operating expenses	56,746	56,613
Total operating expenses	3,227,073	3,424,741
Operating income	2,660,429	2,776,507
Non-operating income		
Interest income	22	485
Gain on forfeiture of unclaimed distributions	617	646
Interest on tax refund	-	663
Total non-operating income	640	1,795
Non-operating expenses		
Interest expenses	264,791	297,138
Interest expenses on investment corporation bonds	23,300	23,300
Amortization of investment corporation bond issuance costs	2,990	2,990
Borrowing related expenses fees	71,077	53,947
Investment unit issuance expenses	22,769	-
Other	3,000	-
Total non-operating expenses	387,928	377,376
Ordinary income	2,273,141	2,400,927
Net income before income taxes	2,273,141	2,400,927
Income taxes - current	30,755	605
Income taxes - deferred	(2,474)	2,474
Total income taxes	28,280	3,079
Net income	2,244,860	2,397,847
Retained earnings brought forward	137,460	188,765
Unappropriated retained earnings (undisposed loss)	2,382,321	2,586,612

(3) Statement of Changes in Net Assets

The Fiscal Period ended April 2024 (The 16th period from November 1, 2023 to April 30, 2024)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital	Surplus		Total unitholders' equity
		Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at beginning of period	78,499,868	2,289,760	2,289,760	80,789,628
Changes during period				
Issuance of new investment units	5,566,344			5,566,344
Dividends of surplus		(2,152,299)	(2,152,299)	(2,152,299)
Net income		2,244,860	2,244,860	2,244,860
Net changes in items other than unitholders' equity				
Total changes during period	5,566,344	92,561	92,561	5,658,905
Balance at end of period	84,066,212	2,382,321	2,382,321	86,448,533

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	603,792	603,792	81,393,421
Changes during period			
Issuance of new investment units			5,566,344
Dividends of surplus			(2,152,299)
Net income			2,244,860
Net changes in items other than unitholders' equity	(65,871)	(65,871)	(65,871)
Total changes during period	(65,871)	(65,871)	5,593,033
Balance at end of period	537,921	537,921	86,986,454

The Fiscal Period ended October 2024 (The 17th period from May 1, 2024 to October 31, 2024)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital	Surplus		Total unitholders' equity
		Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at beginning of period	84,066,212	2,382,321	2,382,321	86,448,533
Changes during period				
Dividends of surplus		(2,193,556)	(2,193,556)	(2,193,556)
Net income		2,397,847	2,397,847	2,397,847
Net changes in items other than unitholders' equity				
Total changes during period	-	204,291	204,291	204,291
Balance at end of period	84,066,212	2,586,612	2,586,612	86,652,825

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	537,921	537,921	86,986,454
Changes during period			
Dividends of surplus			(2,193,556)
Net income			2,397,847
Net changes in items other than unitholders' equity	56,226	56,226	56,226
Total changes during period	56,226	56,226	260,518
Balance at end of period	594,147	594,147	87,246,973

(4) Distribution Information

(Yen)

	Fiscal Period ended April 2024 (The 16 th period from November 1, 2023 to April 30, 2024)	Fiscal Period ended October 2024 (The 17 th period from May 1, 2024 to October 31, 2024)
I Unappropriated retained earnings (undisposed loss)	2,382,321,096	2,586,612,949
II Distributions	2,193,556,000	2,397,652,080
[Distributions per unit]	[1,150]	[1,257]
III Retained earnings to be carried forward (retained loss)	188,765,096	188,960,869
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, 188,765,096 yen is retained internally to stabilize future distributions, and 2,193,556,000 yen, which is the total amount of unappropriated retained earnings after deduction of the amount equivalent to internal reserves, as distributions from earnings, will be paid as distribution (exclusive of distributions in excess of earnings).	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, 188,960,869 yen is retained internally to stabilize future distributions, and 2,397,652,080 yen, which is the total amount of unappropriated retained earnings after deduction of the amount equivalent to internal reserves, as distributions from earnings, will be paid as distribution (exclusive of distributions in excess of earnings).

(5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended April 30, 2024	For the six-month period ended October 31, 2024
Cash flows from operating activities		
Net income before income taxes	2,273,141	2,400,927
Depreciation	773,665	805,505
Amortization of investment corporation bond issuance costs	2,990	2,990
Investment unit issuance expenses	22,769	-
Interest income	(22)	(485)
Interest expenses	288,091	320,438
Decrease (increase) in operating accounts receivable	(3,577)	(14,835)
Decrease (increase) in prepaid expenses	2,891	(37,402)
Decrease (increase) in consumption taxes refund receivable	(211,917)	211,917
Increase (decrease) in operating accounts payable	(118,438)	61,395
Increase (decrease) in accounts payable - other	(12,741)	45,857
Increase (decrease) in accrued consumption taxes	(81,355)	339,052
Increase (decrease) in advances received	58,616	(692)
Decrease (increase) in long-term prepaid expenses	(61,283)	(75,458)
Other, net	38,840	(60)
Subtotal	2,971,670	4,059,148
Interest received	22	485
Interest paid	(287,887)	(320,318)
Income taxes paid	(604)	(30,825)
Net cash provided by (used in) operating activities	2,683,201	3,708,490
Cash flows from investing activities		
Purchase of property, plant and equipment	(26,120)	-
Purchase of property, plant and equipment in trust	(13,143,606)	(592,034)
Refund of leasehold and guarantee deposits received	(1,200)	-
Proceeds from leasehold and guarantee deposits received	3,227	-
Refund of leasehold and guarantee deposits received in trust	(116,346)	(205,401)
Proceeds from leasehold and guarantee deposits received in trust	673,666	129,105
Other payments	(700)	-
Net cash provided by (used in) investing activities	(12,611,081)	(668,330)
Cash flows from financing activities		
Proceeds from short-term borrowings	500,000	-
Repayments of short-term borrowings	-	(500,000)
Proceeds from long-term borrowings	22,400,000	2,000,000
Repayments of long-term borrowings	(16,500,000)	(1,500,000)
Proceeds from issuance of investment units	5,543,574	-
Distributions paid	(2,151,711)	(2,193,813)
Other payments	(9,442)	(12,459)
Net cash provided by (used in) financing activities	9,782,420	(2,206,272)
Net increase (decrease) in cash and cash equivalents	(145,459)	833,887
Cash and cash equivalents at beginning of period	5,460,273	5,314,813
Cash and cash equivalents at end of period	5,314,813	6,148,701