

MIRAI Corporation

Semi Annual Report

For the Fiscal Period ended April 30, 2021 (The 10th Period)

To the Unitholders

-Aiming for growth with “Agile Response” to post-COVID-19 from “Revitalization” in COVID-19-

In the 10th fiscal period (fiscal period ended April 30, 2021), MIRAI Corporation steadily promoted the three “Revitalization Plan” to address the issues that emerged due to the COVID-19 crisis and the achievement of the plan is generally in sight.

On the other hand, looking at the world, particularly in Europe and in the United States, the number of infection has been decreasing and the economy is beginning to show signs of recovery due to the significant progress of vaccination. It is expected that Japan will follow the same path in the future. The post-COVID-19 world is beginning to emerge, however, compared to pre-COVID-19, we foresee that it will be a new world where "things that never change", "things that change" and "things that evolve" co-exist.

Now that the achievement of “Revitalization Plan” is in sight, from the 11th fiscal period (fiscal period ending October 31, 2021), MIRAI will, instead of confronting this major trend in the post-COVID-19 era, establish a foothold for the next growth with “Agile Response” unique to a diversified REIT.

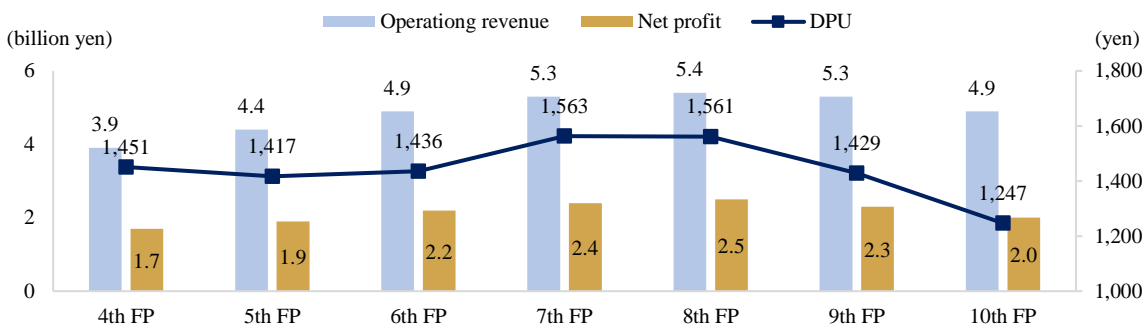
MIRAI Corporation
Michio Suganuma, Executive Director

■ Distributions

The 10 th Period Actual distributions per unit (Start of cash distribution payment on July 8, 2021)	The 11 th Period Forecast distributions per unit (Note) (the Fiscal Period ending October 31, 2021)	The 12 th Period Forecast distributions per unit (Note) (the Fiscal Period ending April 30, 2022)
1,247 yen	1,260 yen	1,260 yen

(Note) This forecast is calculated based on certain assumptions as of June 15, 2021 and subject to change due to conditions such as change in rent income through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecast should not be construed as guarantee of DPU.

■ Financial Results



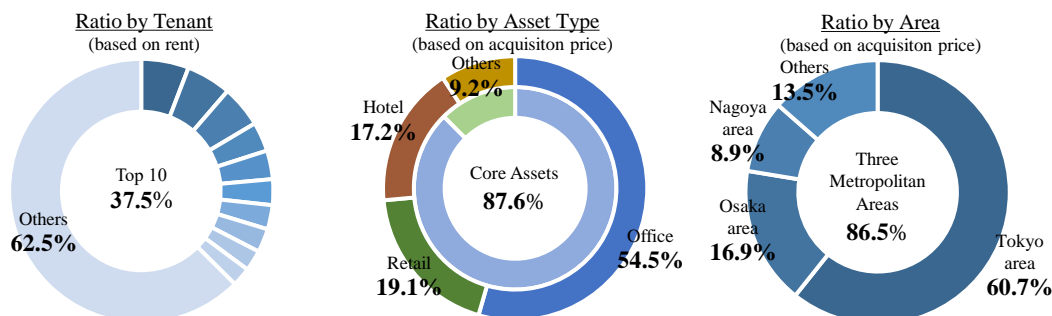
(Note) MIRAI implemented a four-for-one investment unit split with April 30, 2019 as record date. For the purpose of comparison, the figures before 6th FP are post-split figures.

Primary Data (As of the End of April 2021)

■ Portfolio

MIRAI implemented asset replacement (acquired four properties / disposed three properties) after the fiscal period ended October 2020.

Number of properties : 34
 AUM : 153.9 billion yen
 Appraisal value : 165.3 billion yen
 Occupancy rate : 98.1%
 NOI yield (10th FP result) : 4.0% *based on book value
 Portfolio PML : 3.0%



(Note) Ratio by tenant is based on lease contract in place with end tenants as of the end of April 2021. BizMiiX Yodoyabashi (former Hotel WBF Yodoyabashi-Minami) is classified as office by adding the additional investment related to conversion on the acquisition price.

■ Finance

Stable financial base maintained on the back of Mitsui & Co.'s credit.

LTV (based on total assets) : 48.6%

Long-term fixed interest debt ratio : 96.2%

Average interest rate : 0.53%

Average remaining maturity : 3.4 years

Rating : Japan Credit Rating Agency, Ltd. (JCR) / A+ (Stable)

Rating and Investment Information, Inc. (R&I) / A (Stable)

■ Composition of Assets of MIRAI

Asset type	Category	The 9 th Period As of October 31, 2020		The 10 th Period As of April 30, 2021	
		Total amount held (Million yen)	Ratio to total assets (%)	Total amount held (Million yen)	Ratio to total assets (%)
Real estate	Office	-	-	2,233	1.4
	Industrial	-	-	2,418	1.5
	Subtotal	-	-	4,651	2.9
Real estate in trust	Office	86,075	54.1	82,377	50.9
	Retail	25,238	15.9	30,042	18.6
	Hotel	29,576	18.6	26,680	16.5
	Industrial	7,884	5.0	7,831	4.8
	Educational	4,060	2.6	4,072	2.5
	Subtotal	152,834	96.0	151,005	93.3
Deposits and other assets		6,387	4.0	6,158	3.8
Total assets		159,222	100.0	161,815	100.0

(Note 1) Total amount held is based on the balance sheet amount (book value after depreciation in the case of real estate and real estate in trust) as of the end of the period.

(Note 2) Real estate in trust does not include construction in progress in trust.

1 Overview of Asset Management

(1) Operating Results of MIRAI Corporation (hereinafter "MIRAI")

Period		The 6 th Period From Nov. 1, 2018 to Apr. 30, 2019	The 7 th Period From May 1, 2019 to Oct. 31, 2019	The 8 th Period From Nov. 1, 2019 to Apr. 30, 2020	The 9 th Period From May 1, 2020 to Oct. 31, 2020	The 10 th Period From Nov. 1, 2020 to Apr. 30, 2021
Operating revenue	(Million yen)	4,959	5,340	5,448	5,367	4,973
Operating expenses	(Million yen)	2,427	2,623	2,583	2,744	2,652
Operating income	(Million yen)	2,531	2,716	2,865	2,622	2,321
Ordinary income	(Million yen)	2,270	2,474	2,595	2,378	2,073
Net income	(Million yen)	2,271	2,472	2,594	2,376	2,072
Total assets	(Million yen)	152,493	153,052	161,027	159,222	161,815
[Changes from the previous period]	(%)	[15.7]	[0.4]	[5.2]	[(1.1)]	[1.6]
Net assets	(Million yen)	70,854	70,925	75,572	75,428	75,110
[Changes from the previous period]	(%)	[15.0]	[0.1]	[6.6]	[0.2]	[(0.4)]
Interest-bearing debt	(Million yen)	74,700	74,700	77,700	75,700	78,700
Unitholders' capital (Note 3)	(Million yen)	69,074	69,074	73,516	73,516	73,516
Total number of outstanding investment units	(Units)	395,410	1,581,640	1,662,240	1,662,240	1,662,240
Net assets per unit (Note 4)	(Yen)	44,797	44,843	45,464	45,377	45,186
Total distributions	(Million yen)	2,271	2,472	2,594	2,375	2,072
Distributions per unit	(Yen)	5,745	1,563	1,561	1,429	1,247
Of which, profit distribution per unit	(Yen)	4,501	1,481	1,561	1,429	1,238
Of which, distributions in excess of earnings per unit	(Yen)	1,244	82	-	-	9
Ordinary income to total assets (Note 5)	(%)	1.6	1.6	1.7	1.5	1.3
Net income to net assets (Note 5)	(%)	3.4	3.5	3.5	3.1	2.8
Net assets to total assets at end of period (Note 5)	(%)	46.5	46.3	46.9	47.4	46.4
[Changes from the previous period]	(%)	[(0.3)]	[(0.1)]	[0.6]	[0.4]	[(1.0)]
Payout ratio (Note 5)	(%)	78.3	94.7	100.0	99.9	99.3

(Note 1) The fiscal period of MIRAI is six months from May 1 to October 31 and from November 1 to April 30 of the following year.

(Note 2) Unless otherwise stated, all figures are rounded down to the nearest million yen, and percentages are rounded to the first decimal place.

(Note 3) Unitholders' capital does not take into account changes in unitholders' capital due to the implementation of distributions in excess of earnings related to the reserve for adjustment of temporary differences, etc.

(Note 4) As a four-for-one unit split was conducted effective May 1, 2019, the net asset value per unit is calculated based on the assumption that the said unit split was conducted at the beginning of the 6th fiscal period.

(Note 5) Calculated based on the following formula.

Ordinary income to total assets	$\text{Ordinary income} / \{(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2\} * 100$
Net income to net assets	$\text{Net income} / \{(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2\} * 100$
Net assets to total assets at end of period (%)	$\text{Net assets at end of period} / \text{Total assets at end of period} * 100$
Payout ratio	$\text{Total distributions (excluding distributions in excess of earnings)} / \text{Net income} * 100$

(2) Summary of Operating Results for the Fiscal Period under Review

(i) Main History of MIRAI

MIRAI is diversified J-REIT. Based on the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951; including revisions enforced thereafter) (hereinafter "AITIC"), MIRAI was founded on December 4, 2015 with a capital contribution of 150 million yen (750 units), by Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the "Asset manager") as the founding planner and was listed on the REIT section of the Tokyo Stock Exchange on December 16, 2016 (securities code: 3476). As April 30, 2021, the total number of outstanding investment units are 1,662,240 and MIRAI owns 34 properties (total acquisition price of 153,904 million yen).

MIRAI positions assets located in the three major metropolitan areas of Japan with high population concentrations as its main investment targets and aims to obtain mid-to-long term stable cash flows and sustained growth in unitholders' value by building a portfolio centered on its "Core Assets" (Note).

(Note) "Core Assets" means the assets that constitute the core of MIRAI's portfolio. Specifically, among traditional investment properties such as offices, retail properties, hotels, residential and logistics properties. Occupancy rates of 80% or more must be secured in principle (including cases where such occupancy rates are expected) with MIRAI to determine a stable rental income to be expected.

(ii) Operating Environment and Business Performance

During the fiscal period under review, the Japanese economy continued to be in a severe situation due to the spread of the COVID-19, and the hotel and retail facility sectors in particular were greatly affected. In the hotel sector, many hotels experienced a significant drop in occupancy rates in January and February due to the impact of the state of emergency declaration, etc. Thereafter, occupancy rates gradually recovered in March and April, mainly for business-use hotels. However, a full-fledged recovery has not yet been achieved due to the re-issuance of the state of emergency declaration mainly in major metropolitan areas after April 25 and its extension. In addition, inbound and tourism-oriented hotels are expected to continue to be affected by the COVID-19. In the retail facility sector, the impact of the spread of the COVID-19 has been limited except for some urban properties, and in April, Mi-Nara, a retail complex in Nara Prefecture, underwent a redevelopment including the replacement of core tenants in order to improve its prosperity. In the office leasing market, the

impact of the COVID-19 has become apparent in some properties. In BizMiiX Yodoyabashi, the conversion from a “hotel” to a “ready-to-use serviced office” was completed and tenants started using the building in January.

Under such circumstances, MIRAI acquired four properties in total: “TCA Building” (acquisition price: 2,120 million yen) on January 28, 2021, “Odawara Material Storage and Delivery Center (land)” (acquisition price: 2,300 million yen) on March 1, 2021, “Cainz Mall Hikone (land)” (acquisition price: 3,598 million yen) and “Maxvalu Takatori (land)” (acquisition price: 950 million yen) on March 31, 2021. In addition, MIRAI disposed “Comfort Hotel Shin-Yamaguchi” (disposition price: 920 million yen) on November 30, 2020, and “Hillcoat Higashi-Shinjuku” (disposition price: 4,380 million yen) and “Nippo Hommachi Building” (disposition price: 1,700 million yen) on March 26, 2021. As a result, as of the end of the 10th fiscal period, MIRAI had 34 properties under management, with a total acquisition price of 153,904 million yen, a total leasable area of 347,247.73 sqm, and occupancy rate of 98.1%.

(iii) Overview of Fund Procurement

During this fiscal period under review, MIRAI borrowed 1,500 million yen in short-term borrowings based on the commitment line on January 28, 2021 to fund the acquisition of “TCA Building”, and borrowed 2,000 million yen in short-term borrowings on March 1, 2021 to fund the acquisition of “Odawara Material Storage and Delivery Center (land)”. In addition, MIRAI repaid 500 million yen in short-term borrowings based on the commitment line before maturity using part of the proceeds from the disposition of the property on March 29, 2021. Furthermore, MIRAI borrowed 1,500 million yen in long-term borrowings on the same day to repay 1,500 million yen in borrowings maturing on April 30, 2021. The balance of borrowings and investment corporation bonds as of the end of the 10th fiscal period was 78,700 million yen (of which 3,000 million yen was short-term borrowings, 11,500 million yen was current portion of long-term borrowings, 62,200 million yen was long-term borrowings, and 2,000 million yen was investment corporation bonds).

For the purpose of securing flexible and stable fund procurement and structuring an even stronger financial base, MIRAI has established a commitment line with a maximum borrowing amount of 3,000 million yen (the balance of unexercised credit line as of the date of this document is 2,000 million yen).

(iv) Operating Results and Distributions

As a result of the above operation, MIRAI recorded operating revenue of 4,973 million yen, operating income of 2,321 million yen, ordinary income of 2,073 million yen, and net income of 2,072 million yen for the 10th fiscal period.

Profit distributions for the current fiscal period (excluding distributions in excess of earnings) shall be made in accordance with the distribution policy set forth in the Articles of MIRAI and in accordance with Article 67.15 of the Act on Special Measures Concerning Taxation (Law No. 26 of 1957, including subsequent amendments. hereinafter the “Act on Special Measures Concerning Taxation”), MIRAI decided to distribute 2,057,853,120 yen, which is the entire amount of the profit as defined in Article 136, Paragraph 1 of the AITIC, except for fractions of less than one yen, in an attempt to make profit distributions tax-deductible. In addition, MIRAI determined to make cash distribution in excess of earnings in an amount that it determines as the amount equivalent to the items of deduction from net assets (those provided in Article 2, Paragraph 2, Item 30, b of the Ordinance on Accountings of Investment Corporations) with due consideration of the impact of the items of deduction from net assets on cash distribution. Accordingly, in the fiscal period under review, the decision was made to distribute 14,960,160 yen, which is calculated as the amount equivalent to changes in deferred losses on hedges during the period of 15,349,964 yen, as cash distribution attributable to allowance for temporary difference adjustment (those provided in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations). As a result of the above, the distributions per investment units for the fiscal period under review (excluding distributions in excess of earnings) was 1,247 yen.

(3) Status of Capital Increase, etc.

Changes in the total number of outstanding investment units and unitholders’ capital over the past five years are as follows.

Date	Summary	Total number of outstanding investment units (units)		Unitholders' capital (Thousand yen) (Note 1)		Remarks
		Changes	Balance	Changes	Balance	
December 15, 2016	Capital increase through public offering	293,000	293,750	51,742,335	51,892,335	(Note 2)
May 23, 2018	Capital increase through public offering	43,300	337,050	7,395,250	59,287,585	(Note 3)
June 12, 2018	Capital increase through third-party allotment	2,160	339,210	368,908	59,656,493	(Note 4)
November 1, 2018	Capital increase through public offering	53,500	392,710	8,965,583	68,622,077	(Note 5)
November 27, 2018	Capital increase through third-party allotment	2,700	395,410	452,468	69,074,546	(Note 6)
May 1, 2019	Split of investment units	1,186,230	1,581,640	-	69,074,546	(Note 7)
December 24, 2019	Capital increase through public offering	76,500	1,658,140	4,215,609	73,290,155	(Note 8)
January 21, 2020	Capital increase through third-party allotment	4,100	1,662,240	225,934	73,516,089	(Note 9)

(Note 1) Changes in unitholders' capital due to the implementation of distributions in excess of earnings related to the reserve for adjustment of temporary differences, etc. have not been taken into account.

(Note 2) New investment units were issued at the price of 183,000 yen per unit (paid-in amount: 176,595 yen) through a public offering for the acquisition of new properties, etc.

(Note 3) New investment units were issued at the price of 176,962 yen per unit (paid-in amount: 170,791 yen) through a public offering for the acquisition of new properties, etc.

(Note 4) New investment units were issued at the price of 170,791 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

(Note 5) New investment units were issued at the price of 173,452 yen per unit (paid-in amount: 167,581 yen) through a public offering for the acquisition of new properties, etc.

(Note 6) New investment units were issued at the price of 167,581 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

(Note 7) MIRAI conducted a four-for-one unit split with April 30, 2019 as the record date and May 1, 2019 as the effective date.

(Note 8) New investment units were issued at the price of 57,037 yen per unit (paid-in amount of 55,106 yen) through a public offering for the acquisition of new properties, etc.

(Note 9) New investment units were issued at the price of 55,106 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

<Changes in Market Prices of Investment Securities>

The market price of MIRAI's investment securities listed on the Tokyo Stock Exchange REIT Market changed during each fiscal period as follows:

Period	The 6 th Period From Nov. 1, 2018 to Apr. 30, 2019	The 7 th Period From May 1, 2019 to Oct. 31, 2019	The 8 th Period From Nov. 1, 2019 to Apr. 30, 2020	The 9 th Period From May 1, 2020 to Oct. 31, 2020	The 10 th Period From Nov. 1, 2020 to Apr. 30, 2021
Maximum (Yen)	201,600 yen *48,950 yen	66,800 yen	63,800 yen	42,700 yen	53,500 yen
Minimum (Yen)	177,700 yen *48,200 yen	48,350 yen	28,160 yen	33,050 yen	36,600 yen

(Note) MIRAI conducted a four-for-one unit split of investment units effective May 1, 2019. For the 6th fiscal period, investment units are traded at the price after ex-rights due to the said investment unit split from April 24, 2019, and the * mark indicates the investment unit price after ex-rights due to the said investment unit split.

(4) Results of Distributions, etc.

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, 2,057,853,120 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).

In addition, based on the policy of distributing an amount in excess of earnings 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 30, 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.

Period		The 6 th Period From Nov. 1, 2018 to Apr. 30, 2019	The 7 th Period From May 1, 2019 to Oct. 31, 2019	The 8 th Period From Nov. 1, 2019 to Apr. 30, 2020	The 9 th Period From May 1, 2020 to Oct. 31, 2020	The 9 th Period From May 1, 2020 to Oct. 31, 2020
Unappropriated retained earnings	(Thousand yen)	2,271,690	2,964,824	3,216,858	2,915,631	2,538,115
Retained earnings	(Thousand yen)	491,949	622,416	539,082	465,489	480,262
Total amount of cash distributions	(Thousand yen)	2,271,630	2,472,103	2,594,756	2,375,340	2,072,813
[Distributions per unit]	(Yen)	[5,745]	[1,563]	[1,561]	[1,429]	[1,247]
Of which, total amount of profit distributions	(Thousand yen)	1,779,740	2,342,408	2,594,756	2,375,340	2,057,853
[Profit distributions per unit]	(Yen)	[4,501]	[1,481]	[1,561]	[1,429]	[1,238]
Of which, total amount of investment refunds	(Thousand yen)	491,890	129,694	-	-	14,960
[Refund of investment per unit]	(Yen)	[1,244]	[82]	[-]	[-]	[9]
Total amount of distributions from the allowance for temporary differences out of the total amount of refunds of investments	(Thousand yen)	491,890	129,694	-	-	14,960
[Distribution of allowance for temporary differences per unit out of refund of investment per unit]	(Yen)	[1,244]	[82]	[-]	[-]	[9]
Total amount of distributions from distribution for reduction of investment, etc. under the tax law out of total amount of withdrawal of investment	(Thousand yen)	-	-	-	-	-
[Distribution from reduction of investment, etc. under the tax law out of the amount of refund of investment per unit]	(Yen)	[-]	[-]	[-]	[-]	[-]

(5) Future Management Policy and Other Issues

(i) Future Portfolio Management Environment

In the office leasing market, vacancy rates are on a gradual upward trend due to the spread of the COVID-19, and MIRAI believes it is necessary to carefully scrutinize the future outlook in light of trends in corporate performance and changes in work styles. In hotels and retail facilities, some assets include contracts where rents are linked to tenants' performance, but MIRAI does not take variable rents into consideration for hotels, and referring to the results of past fiscal years for retail facilities, our policy is to take actions based on relatively conservative forecasts, while considering renewal effects to a certain extent. In addition, in response to requests for rent abatement from some tenants with fixed rent contracts due to the impact of the COVID-19, MIRAI is taking measures in accordance with the Financial Services Agency's "Consideration for Businesses, etc. concerning Payment of Rents (Request)" from a long-term management perspective, while giving maximum consideration to the impact on the level of distributions per unit. Almost all of the interest-bearing debt procured by MIRAI is long-term and fixed, and MIRAI recognizes that the impact of changes in the financial environment and interest rate fluctuations on its business performance will be minor, and MIRAI will continue to maintain sound financial management.

(ii) Future Management Policy and Other Issues

MIRAI has implemented specific measures, such as strategic asset replacement and incorporation of Growth Assets with high profitability and land assets with defensiveness, with the aim of increasing unitholders' value based on sustainable growth in distributions per unit and strategic management of the portfolio. Going forward, MIRAI plans to promote measures that will contribute to the future growth of MIRAI with an eye on the post-COVID-19 era, while continuing to be conscious of progress in risk diversification and securing profitability and stability.

(6) Significant Events after the Balance Sheet Date

Not applicable.

2 Overview of MIRAI

(1) Status of Unitholders' Capital

Period		The 6 th Period (Apr. 30, 2019)	The 7 th Period (Oct. 31, 2019)	The 8 th Period (Apr. 30, 2020)	The 9 th Period (Oct. 31, 2020)	The 10 th Period (Apr. 30, 2020)
Total number of investment units authorized	(Units)	5,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total number of investment units outstanding	(Units)	395,410	1,581,640	1,662,240	1,662,240	1,662,240
Total unitholders' capital	(Million yen)	69,074	69,074	73,516	73,516	73,516
Number of unitholders	(Persons)	20,075	22,351	29,020	32,081	33,837

(2) Matters Concerning Investment Units

Major unitholders as of April 30, 2021 are as follows:

Name	Number of units owned (Units)	Ratio to total units outstanding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	232,748	14.00
Custody Bank of Japan, Ltd. (Trust account)	161,592	9.72
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	68,384	4.11
Custody Bank of Japan, Ltd. (Securities investment trust account)	29,839	1.80
The Hachijuni Bank, Ltd.	27,469	1.65
MITSUI & CO. ASSET MANAGEMENT HOLDINGS LTD.	20,000	1.20
IDERA Capital Management Ltd.	20,000	1.20
Nomura Securities Co., Ltd.	17,653	1.06
SSBTC CLIENT OMNIBUS ACCOUNT	15,936	0.96
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	14,562	0.88
Total	608,183	36.59

(3) Matters Concerning Officers, etc.

(i) The Executive Director, Supervisory Director and Accounting Auditor for the 10th period are as follows:

Title	Name	Major concurrent posts outside MIRAI (Note 1)	Total compensation or fee for six-month period ended April 30, 2021 (Thousand yen)
Executive Director	Michio Suganuma	Representative Director, Mitsui Bussan & IDERA Partners Co. Ltd.	-
Supervisory Directors	Takehiko Negishi	Lawyer, Vanderfalke Law Office	3,696
	Hidetomo Nishii	CEO of Accel Partners, Inc. Certified Public Accountant, Tax Accountant	
Accounting Auditor	Ernst & Young ShinNihon LLC	-	9,800

(Note 1) The Executive Director and Supervisory Directors do not own investment units of MIRAI under their own name or other names.

(Note 2) Supervisory Directors may be directors of other corporations not listed above, but do not have any interest in MIRAI including the above.

(ii) Policy on Dismissal and Non-reappointment of the Accounting Auditor

The dismissal of the accounting auditor shall be in accordance with the provisions of the AITIC, and the non-reappointment of the accounting auditor shall be considered by the Board of Directors of MIRAI in comprehensive consideration of the quality of the audit, the amount of audit fees and other various circumstances.

(4) Asset Management Company, Asset Custodian and General Administrators

The asset management company, asset custodian and general administrators as of April 30, 2021 are as follows:

Business	Name
Asset management company	Mitsui Bussan & IDERA Partners Co. Ltd.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
Transfer agent	Sumitomo Mitsui Trust Bank, Limited
General administrator (institutional administration)	Mizuho Trust & Banking Co.
General administrator (accounting)	Reiwa Accounting Holdings Co., Ltd.
General administrator (tax payment)	Reiwakaikeisha Tax Corporation
General administrator related to investment corporation bonds	Sumitomo Mitsui Trust Bank, Limited and MUFG Bank, Ltd.

3 Status of MIRAI's Assets under Management

(1) Composition of Assets of MIRAI

Asset type	Category	The 9 th Period As of October 31, 2020		The 10 th Period As of April 30, 2021	
		Total amount held (Million yen)	Ratio to total assets (%)	Total amount held (Million yen)	Ratio to total assets (%)
Real estate	Office	-	-	2,233	1.4
	Industrial	-	-	2,418	1.5
	Total of real estate	-	-	4,651	2.9
Real estate in trust	Office	86,075	54.1	82,377	50.9
	Retail	25,238	15.9	30,042	18.6
	Hotel	29,576	18.6	26,680	16.5
	Industrial	7,884	5.0	7,831	4.8
	Educational	4,060	2.6	4,072	2.5
	Total of real estate in trust	152,834	96.0	151,005	93.3
Deposits and other assets		6,387	4.0	6,158	3.8
Total assets		159,222	100.0	161,815	100.0

(Note 1) Total amount held is based on the balance sheet carrying amount (book value after depreciation in the case of real estate in trust) as of the end of the period.

(Note 2) Construction in progress in trust is not included in the real estate in trust.

(2) Major Assets

The outline of major assets owned by MIRAI (top 10 assets in terms of book value) as of April 30, 2021 is as follows:

Name of real estate, etc.	Book value (Million yen)	Leasable area (sqm) (Note 1)	Leased area (sqm) (Note 2)	Occupancy rate (%) (Note 3)	Portion of real estate leasing business revenue (%)	Primary use
Kawasaki Tech Center	23,777	22,737.07	22,737.07	100.0	19.3	Office
Shinagawa Seaside Parktower	20,030	22,205.78	21,887.69	98.6	16.0	Office
Tokyo Front Terrace	10,717	9,692.95	8,866.21	91.5	7.0	Office
Shinjuku Eastside Square	9,843	5,774.45	5,728.83	99.2	5.8	Office
AEON Kasai	9,496	28,338.45	28,338.45	100.0	Not disclosed (Note 4)	Retail
MI Terrace Nagoya-Fushimi	8,980	11,625.38	11,625.38	100.0	6.5	Office
Rokko Island DC	7,831	15,563.37	15,563.37	100.0	Not disclosed (Note 4)	Industrial
Mi-Nara	5,125	42,745.38	38,516.92	90.1	8.1	Retail
Tokyo Eiseigakuen Senmongakko	4,072	4,220.46	4,220.46	100.0	Not disclosed (Note 4)	Educational
Smile Hotel Naha City Resort	4,023	9,698.44	9,698.44	100.0	0.3	Hotel
Total	103,899	172,601.73	167,182.82	96.9	77.0	

(Note 1) For "Leasable area", the area that is rentable based on the lease contract or the building drawings of the building pertaining to each asset is stated. In case of land asset, the area of the land is listed. However, the area of incidental areas such as parking lots and warehouses is not included.

(Note 2) For "Leased area" is the total area actually leased for each asset. However, the area of incidental areas such as parking lots and warehouses is not included.

(Note 3) "Occupancy rate" is calculated based on the formula of leased area divided by leasable area. The figures are rounded to one decimal place.

(Note 4) Not disclosed due to the absence of a tenant's consent.

(3) Details of Real Estate and Other Assets

The following is a summary of the assets owned by MIRAI as of April 30, 2021.

Name of real estate, etc.	Location (Note 1)	Type of ownership	Leasable area (sqm) (Note 2)	Book value at end of period (Million yen)	Appraisal value at end of period (Million yen) (Note 3)
Shinagawa Seaside Parktower	4-12-4, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	22,205.78	20,030	22,570
Kawasaki Tech Center	580-16, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficiaries	22,737.07	23,777	24,500
Shinjuku Eastside Square	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiaries	5,774.45	9,843	10,750
Tokyo Front Terrace	2-3-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	9,692.95	10,717	10,993
MI Terrace Nagoya-Fushimi	1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	11,625.38	8,980	10,300
Orico Hakataeki Minami Building	3-7-10, Hakataeki-minami, hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,845.60	1,736	1,780
My Square Building	2-10-3, Azabu Juban, Minato-ku, Tokyo	Trust beneficiaries	1,795.74	2,924	3,010
Hiroshima Rijo-dori Building	3-1-9, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	3,611.85	2,328	2,460
BizMiiX Yodoyabashi	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiaries	1,005.20	2,038	2,200
TCA Building	2-3-19, Motomachi, Naniwa-ku, Osaka-shi, Osaka	Real estate	3,212.81	2,233	2,260
Shibuya World East Building	1-23-18, Shibuya, Shibuya-ku, Tokyo	Trust beneficiaries	1,701.55	3,386	4,950
THINGS Aoyama	4-10-15, Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiaries	997.62	2,951	3,260
MI Cube Sendai Clisroad	2-2-30, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	1,023.76	1,380	1,450
AEON Kasai	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo	Trust beneficiaries	28,338.45	9,496	9,580
MEGA Don Quijote Izumi-Chuo	5-6-17, Ibuki-no, Izumi-shi, Osaka	Trust beneficiaries	6,891.87	3,039	2,580
CAINZ MALL Hikone (land)	2-1-1, Bamba, Hikone-shi, Shiga	Trust beneficiaries	85,323.95	3,675	4,260
MaxValu Takatori (land)	3-16-18, Takatorikita, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	5,748.81	987	1,040
Hotel Sunroute Niigata	1-11-25, Higashi-Odori, Chuo-ku, Niigata-shi, Niigata	Trust beneficiaries	8,254.80	2,175	2,290
Daiwa Roynet Hotel Akita	2-2-41, Omachi, Akita-shi, Akita	Trust beneficiaries	7,439.36	1,930	2,160
Super Hotel Sendai/Hirose-dori	2-9-23, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	3,283.95	1,245	1,580
Super Hotel Osaka/Tennoji	2-3-3, Osaka, Tennoji-ku, Osaka-shi, Osaka	Trust beneficiaries	2,486.39	1,249	1,610
Super Hotel Saitama/Omiya	1-12-6, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiaries	2,946.55	1,078	1,250
Super Hotel Kyoto/Karasumagojo	396-3, Osaka-cho, Gojo-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiaries	2,144.02	1,017	1,300
Ise City Hotel Annex	2-5-11, Fukiage, Ise-shi, Mie	Trust beneficiaries	4,099.31	1,903	1,810

Name of real estate, etc.	Location (Note 1)	Type of ownership	Leasable area (sqm) (Note 2)	Book value at end of period (Million yen)	Appraisal value at end of period (Million yen) (Note 3)
Comfort Hotel Kitakami	(1) (Hotel) 1-2-1 Kawagishi, Kitakami-shi, Iwate (2) (Retail Store) 1-2-8, Kawagishi, Kitakami-shi, Iwate	Trust beneficiaries	2,961.06	811	826
Comfort Hotel Nagano	1-12-4, Minami-chitose, Nagano-shi, Nagano	Trust beneficiaries	1,921.45	645	586
Hotel Wing International Select Ueno/Okachimachi	2-18-4, Higashi-ueno, Taito-ku, Tokyo	Trust beneficiaries	3,079.33	3,821	4,040
Smile Hotel Naha City Resort	2-32-1, Kume, Naha-shi, Okinawa	Trust beneficiaries	9,698.44	4,023	3,950
Smile Hotel Hakataeki-Mae	3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,432.72	3,806	3,610
Smile Hotel Nagoya-Sakae	4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	2,909.20	2,971	2,920
Mi-Nara	1-3-1, Nijo-ji-Minami, Nara-shi, Nara	Trust beneficiaries	42,745.38	5,125	3,750
Rokko Island DC	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiaries	15,563.37	7,831	8,870
Odawara Material Storage and Delivery Center (land)	2842-2 Sakaikyu, Kozu, Odawara-shi, Kanagawa	Real estate	16,529.10	2,418	2,570
Tokyo Eiseigakuen Senmongakko	4-1-1, Omorikita, Ota-ku, Tokyo	Trust beneficiaries	4,220.46	4,072	4,240
Total			347,247.73	155,657	165,306

(Note 1) "Location" shows the residence indication of the property.

(Note 2) For "Leasable area", the area that is rentable based on the lease contract or the building drawings of the building pertaining to each asset is stated. The area of incidental areas such as parking lots and warehouses is not included. If Asset to be Acquired is a co-ownership or quasi-co-ownership, it is calculated based on the proportion of ownership.

(Note 3) "Appraisal value at end of period" is the appraisal value provided by Daiwa Real Estate Appraisal Co., Ltd., JLL Mori Valuation & Advisory K.K., Japan Real Estate Institute, Japan Valuers Co., Ltd. and Tanizawa Sogo Appraisal Co., Ltd. in accordance with the Article of MIRAI and the rules set forth by The Investment Trusts Association, Japan.

The leasing status of real estate properties owned by MIRAI is as follows:

Name of real estate, etc.	The 9 th Period (From May 1, 2020 to Oct. 31, 2020)				The 10 th Period (From Nov. 1, 2020 to Apr. 30, 2021)			
	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)
Shinagawa Seaside Parktower	23	100.0	751	15.4	23	98.6	737	16.0
Kawasaki Tech Center	25	97.1	917	18.8	26	100.0	889	19.3
Shinjuku Eastside Square	40	100.0	266	5.5	40	99.2	267	5.8
Tokyo Front Terrace	22	100.0	338	6.9	22	91.5	322	7.0
Hillcoat Higashi-Shinjuku (Note 5)	7	100.0	99	2.0	-	-	85	1.8
Nippo Hommachi Building (Note 5)	42	100.0	57	1.2	-	-	46	1.0
MI Terrace Nagoya-Fushimi	9	100.0	300	6.2	9	100.0	301	6.5
Orico Hakataeki Minami Building	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
My Square Building	9	100.0	65	1.3	9	100.0	72	1.6
Hiroshima Rijo-dori Building	12	87.7	73	1.5	12	93.6	77	1.7
BizMiiX Yodoyabashi (Note 6)	1	-	Not disclosed (Note 4)	Not disclosed (Note 4)	9	13.3	1	0.0
TCA Building	-	-	-	-	8	100.0	34	0.7
MIUMIU Kobe (Note 5)	-	-	20	0.4	-	-	-	-
Shibuya World East Building	8	100.0	114	2.4	8	100.0	118	2.6
THINGS Aoyama	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MI Cube Sendai Clisroad	3	100.0	30	0.6	3	100.0	38	0.8
AEON Kasai	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MEGA Don Quijote Izumi-Chuo	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
CAINZ MALL Hikone (land)	-	-	-	-	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MaxValu Takatori (land)	-	-	-	-	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Hotel Sunroute Niigata	2	100.0	72	1.5	2	100.0	74	1.6
Daiwa Roynet Hotel Akita	1	100.0	69	1.4	1	100.0	69	1.5
Super Hotel Sendai/Hirose-dori	1	100.0	44	0.9	1	100.0	14	0.3

Name of real estate, etc.	The 9 th Period (From May 1, 2020 to Oct. 31, 2020)				The 10 th Period (From Nov. 1, 2020 to Apr. 30, 2021)			
	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)
Super Hotel Osaka/Tennoji	1	100.0	37	0.8	1	100.0	12	0.3
Super Hotel Saitama/Omiya	1	100.0	35	0.7	1	100.0	11	0.3
Super Hotel Kyoto/Karasumagojo	1	100.0	31	0.6	1	100.0	10	0.2
Comfort Hotel Shin-Yamaguchi (Note 5)	1	100.0	30	0.6	-	-	4	0.1
Ise City Hotel Annex	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Comfort Hotel Kitakami	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Comfort Hotel Nagano	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Hotel Wing International Select Ueno/Okachimachi	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Smile Hotel Naha City Resort	1	100.0	44	0.9	1	100.0	15	0.3
Smile Hotel Hakataeki-Mae	1	100.0	28	0.6	1	100.0	11	0.2
Smile Hotel Nagoya-Sakae	1	100.0	35	0.7	1	100.0	12	0.3
Mi-Nara	56	85.1	432	8.9	52	90.1	375	8.1
Rokko Island DC	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Odawara Material Storage and Delivery Center (land)	-	-	-	-	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Tokyo Eiseigakuen Senmongakko	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Total	278	96.2	4,882	100.0	245	98.1	4,615	100.0

(Note 1) The figures are as of the end of the period.

(Note 2) "Occupancy rate" is calculated based on the formula of leased area divided by leasable area. The figures are rounded to one decimal place.

(Note 3) "Real estate leasing business revenue [during the period]" indicates the leasing business revenue of each asset for the period, rounded down to the nearest million yen.

(Note 4) Not disclosed due to the absence of a tenant's consent.

(Note 5) MIRAI disposed MIUMIU Kobe on June 30, 2020, Hillcoat Higashi-Shinjuku and Nippo Hommachi Building on March 26, 2021 and Comfort Hotel Shin-Yamaguchi on November 30, 2021.

(Note 6) BizMiiX Yodoyabashi has been changed its "Asset type" from "Budget type hotel" to "Mid-sized office" from the 10th Fiscal Period in accordance with the change of use from "Hotel" to "Ready-to-use serviced office".

(4) Outstanding Contract Amounts, etc. and Current Price of Specified Transactions

The outstanding contract amounts, etc. and current price of specified transactions as of October 31, 2020 is as follows:

Classification	Type	Contract amount, etc. (Thousand yen) (Note 1)		Market value (Thousand yen) (Note 2)
			Amount that exceeds 1 year	
Non-market transactions	Interest rate swap transactions Receive variable, pay fixed	50,000,000	50,000,000	(480,108)

(Note 1) The contract amount, etc. is based on the notional principal.

(Note 2) The market value is calculated based on the price provided by the financial institutions with which MIRAI has transactions.

(5) Other Assets

As of the end of the current fiscal period, there are no other specified assets as investment targets other than those listed in (3) Details of Real Estate and Other Assets.

(6) Assets in Overseas

There is no asset investment outside Japan.

4 Capital Expenditure

(1) Schedule of Capital Expenditure

The following is a list of major scheduled capital expenditures for renovations, etc. planned with respect to the assets owned by MIRAI as of the end of the current fiscal period. Please note that some portions of the scheduled construction amount may be classified as expenses for accounting purposes as a result.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction cost (Thousand yen)		
			Total amount	Payment for the period	Total amount paid

Fiscal period ending October 31, 2021 (11th period)

Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Elevator renewal work, etc.	From May 2021 to October 2021	207,867	-	-
AEON Kasai (Edogawa-ku, Tokyo)	Escalator renewal work	From May 2021 to October 2021	119,000	-	-
Mi-Nara (Nara-shi, Nara)	Air-conditioning equipment work, water pump equipment work and compartment repair work, etc.	From May 2021 to October 2021	41,120	-	-
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work, etc.	From May 2021 to October 2021	37,050	-	-
Others	-	-	149,485	-	-

Fiscal period ending April 30, 2022 (12th period) and thereafter

Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Escalator renewal work	From June 2020 to October 2022	124,300	24,860	24,860-
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work	From July 2021 to February 2023	271,582	-	-

(2) Capital Expenditure for the Current Fiscal Period

The following is a summary of major construction work, etc. that fell under the category of capital expenditure conducted during the current fiscal period with respect to the assets owned by MIRAI as of the end of the current fiscal period. The total amount of construction works applicable to capital expenditures for all assets owned during the current fiscal period was 603,073 thousand yen, and together with 73,799 thousand yen in repair expenses classified as expenses for the current fiscal period, a total of 676,873 thousand yen in construction work was conducted.

Name of real estate, etc. (Location)	Purpose	Construction period	Construction cost (Thousand yen)
Mi-Nara (Nara-shi, Nara)	Air-conditioning equipment construction and compartment repair work, etc.	From January 2021 to April 2021	180,660
BizMiiX Yodoyabashi (Osaka-shi, Osaka)	Office conversion work (Phase 3), etc.	From November 2020 to March 2021	111,904
AEON Kasai (Edogawa-ku, Tokyo)	Escalator renewal work, etc.	From January 2021 to April 2021	97,368
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Electrical installation work and air-conditioning equipment construction, etc. (Note)	From November 2020 to April 2021	87,215
Tokyo Eiseigakuen Senmongakko (Ota-ku, Tokyo)	Air-conditioning equipment construction, etc.	From December 2020 to April 2021	23,689
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Air-conditioning equipment construction, etc.	From September 2020 to April 2021	21,258
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Compartment repair work, electrical installation work and Air-conditioning equipment construction etc.	From November 2020 to April 2021	21,090
Others	-	-	59,885
Total			603,073

(Note) Assets acquired with government subsidies are subject to the reduction entry method.

(3) Reserve for Long-Term Repair Plan

Not applicable.

5 Expenses

(1) Details of Expenses Related to Asset Management, etc.

(Thousand yen)

Item	The 9 th Period From May 1, 2020 to October 31, 2020	The 10 th Period From November 1, 2020 to April 30, 2021
Asset management fee (Note)	440,038	422,672
Asset custody fee	8,333	8,208
Administrative service fees	16,707	17,663
Remuneration for directors	3,696	3,696
Other operating expenses	66,839	66,516
Total	535,615	518,756

(Note) In addition to the above, there are asset management fees which were capitalized as disposition fee of 32,300 thousand yen in the 9th fiscal period and 70,000 thousand yen in the 10th fiscal period, and acquisition fee of 89,686 thousand yen that are included in the book value of individual assets in the 10th fiscal period.

6 Trading during the Fiscal Period under Review

(1) Status of Real Estate, Asset-Backed Securities, Infrastructure Assets and Infrastructure-Related Assets etc.

Name of real estate, etc.	Acquisition		Disposition			
	Acquisition date	Acquisition price (Million yen) (Note 1)	Disposition date	Disposition price (Million yen) (Note 1)	Book value (Million yen)	Gain/loss on sale (Million yen) (Note 2)
Comfort Hotel Shin-Yamaguchi	-	-	November 30, 2020	920	872	8
TCA Building	January 28, 2021	2,120	-	-	-	-
Odawara Material Storage and Delivery Center (land)	March 1, 2021	2,300	-	-	-	-
Hillcoat Higashi-Shinjuku	-	-	March 26, 2021	4,380	4,019	287
Nippo Hommachi Building	-	-	March 26, 2021	1,700	1,573	62
CAINZ MALL Hikone (land)	March 31, 2021	3,598	-	-	-	-
MaxValu Takatori (land)	March 31, 2021	950	-	-	-	-
Total	-	8,968	-	7,000	6,465	358

(Note 1) The acquisition price and the disposition price do not include miscellaneous expenses, property tax, city planning tax, consumption tax and local consumption tax required for the acquisition or disposition of the relevant real estate, etc.

(Note 2) Gain/loss on sale is the amount after deducting book value and other sales expenses from the disposition price.

(2) Other Assets

Not applicable.

(3) Investigation of the Price of Specified Assets

(i) Real Estate, etc.

Acquisition/ Disposition	Name of Real Estate, etc.	Transaction date	Type of assets	Acquisition/ Disposition price (Million yen)	Appraisal value (Million yen)	Appraiser	Appraisal date
Acquisition	TCA Building	January 28, 2021	Real estate	2,120	2,260	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2020
	Odawara Material Storage and Delivery Center (land)	March 1, 2021	Real estate	2,300	2,550	Daiwa Real Estate Appraisal Co., Ltd.	October 31, 2020
	CAINZ MALL Hikone (land)	March 31, 2021	Real estate trust beneficiaries	3,598	4,260	Daiwa Real Estate Appraisal Co., Ltd.	February 28, 2021
	MaxValu Takatori (land)	March 31, 2021	Real estate trust beneficiaries	950	1,040	Tanizawa Sogo Appraisal Co., Ltd.	February 1, 2021
Disposition	Comfort Hotel Shin-Yamaguchi	November 30, 2020	Real estate trust beneficiaries	920	963	Daiwa Real Estate Appraisal Co., Ltd.	April 30, 2020
	Hillcoat Higashi-Shinjuku	March 26, 2021	Real estate trust beneficiaries	4,380	4,040	Japan Real Estate Institute	October 31, 2020
	Nippo Hommachi Building	March 26, 2021	Real estate trust beneficiaries	1,700	1,620	Japan Valuers Co., Ltd.	October 31, 2020

(Note 1) For transactions that require appraisal of real estate, etc. pertaining to specified assets in accordance with Article 201, Paragraph 1 of the AITIC, the appraisal is conducted in accordance with Chapter 3, "Appraisal of the Value of Real Estate Subject to Securitization" of the respective sections of the Real Estate Appraisal Standards, and MIRAI has been notified of the results of such appraisal.

(Note 2) The acquisition price and the disposition price do not include miscellaneous expenses, property tax, city planning tax, consumption tax and local consumption tax required for the acquisition or disposition of the relevant real estate, etc.

(ii) Others

Not applicable.

(4) Status of Transactions with Interested Parties, etc.

(i) Sales and Purchases with Interested Parties, etc.

Not applicable.

(ii) Amount of fees to be paid

Not applicable.

(5) Status of Transactions with the Asset Manager Pertaining to Its Business Other than Asset Management

As of the end of the current fiscal period, The Asset Manager concurrently engages in the business of building lots and buildings transaction, but there are no applicable transactions.

7 Status of Accounting

(1) Status of Assets, Liabilities, Principal, Profit and Loss, etc.

Please refer to “Balance Sheet”, “Statements of Income”, “Statements of Changes in Net Assets”, “Notes” and “Distribution Information” below.

(2) Change in the Method of Calculating Depreciation

Not applicable.

(3) Change in Valuation Method for Real Estate and Infrastructure Assets, etc.

Not applicable.

8 Disclosures Related to Beneficiary Certificates of Investment Trusts, etc. Established by MIRAI

Not applicable.

9 Disclosure Regarding Overseas Real Estate Holding Corporation

Not applicable.

10 Disclosure Regarding Real Estate Held by Overseas Real Estate Holding Corporation

Not applicable.

11 Others

(1) Notice

(i) General Meeting of Unitholders

Not applicable.

(ii) Board of Directors

Not applicable.

(2) Fractional Amounts and Percentages

In this document, unless otherwise stated, figures less than the stated amount are rounded down to the nearest million yen and percentages are rounded to the nearest million yen.

Independent Auditor's Report

The Board of Directors
MIRAI Corporation

Opinion

We have audited the accompanying financial statements of MIRAI Corporation (the "Company"), which comprise the balance sheet as at April 30, 2021, and the statements of income and retained earnings, changes in net assets, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 2021, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Supervisory Director for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

July 29, 2021

柴田 憲一 

Kenichi Shibata
Designated Engagement Partner
Certified Public Accountant

井上 裕人 

Hiroto Inoue
Designated Engagement Partner
Certified Public Accountant

Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of October 31, 2020	As of April 30, 2021
Assets		
Current assets		
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
Total current assets	5,912,418	5,707,305
Non-current assets		
Property, plant and equipment		
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	*1 35,570,357	*1 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	*1 125,329	*1 217,106
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
Total property, plant and equipment	152,834,912	155,684,544
Intangible assets		
Software	11,752	16,851
Other	231	231
Total intangible assets	11,983	17,083
Investments and other assets		
Long-term prepaid expenses	374,113	318,508
Deferred tax assets	47	7
Guarantee deposits	11,006	11,006
Other	56,134	56,134
Total investments and other assets	441,300	385,656
Total non-current assets	153,288,197	156,087,284
Deferred assets		
Investment corporation bond issuance costs	21,896	20,637
Total deferred assets	21,896	20,637
Total assets	159,222,513	161,815,227

(Thousands of yen)

	As of October 31, 2020	As of April 30, 2021
Liabilities		
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
Leaschold and guarantee deposits received	-	143,311
Leaschold 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
Net assets		
Unitholders' equity		
Unitholders' capital	73,516,089	73,516,089
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*4 (538,565)	*4 (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	*3 75,428,396	*3 75,110,331
Total liabilities and net assets	159,222,513	161,815,227

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended October 31, 2020	For the six-month period ended April 30, 2021
Operating revenue		
Leasing business revenue	*1 4,069,009	*1 3,859,975
Other leasing business revenue	*1 813,540	*1 755,272
Gain on sales of real estate properties	*2 484,599	*2 358,663
Total operating revenue	5,367,148	4,973,910
Operating expenses		
Expenses related to leasing business	*1 2,208,862	*1 2,134,032
Asset management fee	440,038	422,672
Asset custody fee	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
Total operating expenses	2,744,477	2,652,789
Operating income	2,622,671	2,321,121
Non-operating income		
Interest income	22	25
Gain on forfeiture of unclaimed dividends	3,616	1,707
Interest on tax refund	284	-
Total non-operating income	3,923	1,732
Non-operating expenses		
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
Borrowing related expenses	41,088	41,402
Other	-	3,000
Total non-operating expenses	248,592	249,431
Ordinary income	2,378,002	2,073,422
Extraordinary income		
Subsidy income	1,270	8,518
Total extraordinary income	1,270	8,518
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	*3 1,270	*3 8,518
Total extraordinary losses	1,270	8,518
Net income before income taxes	2,378,002	2,073,422
Income taxes - current	1,495	756
Income taxes - deferred	(42)	39
Total income taxes	1,453	796
Net income	2,376,548	2,072,625
Retained earnings brought forward	539,082	465,489
Unappropriated retained earnings (undisposed loss)	2,915,631	2,538,115

(3) Statement of Changes in Net Assets

The Fiscal Period ended October 2020 (The 9th 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
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	83,018	83,018	83,018
Balance at end of period	*1 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)	-			-
Net income	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 10th 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
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	74,800	74,800	74,800
Balance at end of period	*1 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)	-			-
Net income	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) Statement of Cash Distributions

(Yen)

	Fiscal Period ended October 2020 (The 9 th period from May 1, 2020 to October 31, 2020)	Fiscal Period ended April 2021 (The 10 th period from November 1, 2020 to April 30, 2021)
I Unappropriated retained earnings	2,915,631,736	2,538,115,885
II Addition of distributions in excess of earnings	-	14,960,160
Temporary difference adjustment	-	14,960,160
III Capitalization	74,800,800	-
Reversal of allowance for temporary 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 unit (attributable to temporary difference adjustment)]	[-]	[9]
V Retained earnings to be carried forward	465,489,976	480,262,765
Method of calculation of distributions	<p>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, 2,375,340,960 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), from the amount of earnings as stipulated in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan (hereinafter "AITIC"), excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).</p>	<p>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, 2,057,853,120 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).</p> <p>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.</p>

(5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended October 31, 2020	For the six-month period ended April 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,378,002	2,073,422
Depreciation	611,946	602,903
Amortization of investment corporation bond 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 assets	1,270	8,518
Decrease (increase) in operating accounts receivable	3,836	9,298
Decrease (increase) in prepaid expenses	2,258	(574)
Decrease (increase) in consumption taxes refund 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 due to sale	2,613,847	6,465,965
Other, net	(1,110)	1,731
Subtotal	6,367,078	9,480,174
Interest received	22	25
Interest paid	(205,439)	(204,754)
Income taxes paid	(709)	(1,495)
Net cash provided by (used in) operating activities	6,160,951	9,273,949
Cash flows from investing activities		
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 received	-	143,311
Refund of leasehold and guarantee deposits received in trust	(432,036)	(370,109)
Proceeds from leasehold and guarantee deposits 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	-
Net cash provided by (used in) investing activities	(686,979)	(10,096,118)
Cash flows from financing activities		
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 bonds	987,031	-
Distributions paid	(2,594,771)	(2,374,306)
Net cash provided by (used in) financing activities	(4,607,739)	625,693
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	*1 5,471,011	*1 5,274,535

(6) Notes to the financial statements

[Notes on Assumption of Going Concern]

Not applicable to the 10th Period.

[Organization]

MIRAI Corporation (hereinafter “MIRAI”) is diversified REIT. Based on AITIC, MIRAI was founded on December 4, 2015 with a capital contribution of 150 million yen (750 units), by Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset manager”) as the founding planner and was listed on the REIT section of the Tokyo Stock Exchange on December 16, 2016 (securities code: 3476). As of April 30, 2021, the numbers of investment units issued and outstanding are 1,662,240 units and MIRAI owns 34 properties (total acquisition price of 153,904 million yen).

MIRAI positions assets located in the three major metropolitan areas of Japan with high population concentrations as its main investment targets and aims to obtain mid-to-long term stable cash flows and sustained growth in unitholders’ value by building a portfolio centered on its "Core Assets" (Note).

(Note) “Core Assets” means the assets that constitute the core of MIRAI’s portfolio, which is composed by specifically traditional investment properties such as offices, retail properties, hotels, residential and logistics properties. Occupancy rates of 80% or more must be secured in principle (including cases where such occupancy rates are expected) with MIRAI to determine a stable rental income to be expected.

[Basis of Presenting Financial Statements]

MIRAI maintains its accounting records and prepares its financial statements in accordance with the Japanese Generally Accepted Accounting Principles (Japanese GAAP), including provisions set forth in the Financial Instrument and Exchange Act of Japan, the AITIC, the Companies Act of Japan and the related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are prepared from the Japanese financial statements of MIRAI, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of MIRAI filed with the Kanto Local Finance Bureau of the Ministry of Finance. The amounts in the financial statements originally prepared in Japanese have been rounded off to the nearest thousand in the accompanying financial statements unless otherwise specified. MIRAI does not prepare consolidated financial statements as MIRAI has no subsidiaries.

[Summary of Significant Accounting Policies]

<p>1. Depreciation method for non-current assets</p>	<p>A. Property, plant, and equipment (including trust assets) The straight-line method is used. The useful lives of property, plant and equipment are listed below.</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Buildings</td> <td>2 to 64 years</td> </tr> <tr> <td>Structures</td> <td>2 to 40 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>5 to 29 years</td> </tr> <tr> <td>Tool, furniture and fixtures</td> <td>2 to 15 years</td> </tr> </table> <p>B. Intangible assets As for software (for internal use), the straight-line method is used with an expected useful life of 5 years.</p> <p>C. Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 64 years	Structures	2 to 40 years	Machinery and equipment	5 to 29 years	Tool, furniture and fixtures	2 to 15 years
Buildings	2 to 64 years								
Structures	2 to 40 years								
Machinery and equipment	5 to 29 years								
Tool, furniture and fixtures	2 to 15 years								
<p>2. Accounting for deferred assets</p>	<p>Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized by the straight-line method over the period through redemption.</p>								
<p>3. Accounting for income and expenses</p>	<p>Accounting for property taxes Property tax, city planning tax, depreciable asset tax, and the like levied on real estate assets and other properties are accounted for as expenses related to rent business at the amounts corresponding to the fiscal period. The amount of property tax, etc. paid to the seller as part of settlement for acquisition of real estate and real estate in trust is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. In the 9th Period, the property tax, etc. included in the acquisition cost of real estate was not applicable. In the 10th Period, the property tax, etc. included in the acquisition cost of real estate was 47,151 thousand yen.</p>								
<p>4. Hedge accounting method</p>	<p>A. Hedge accounting method Deferred hedge accounting is applied.</p> <p>B. Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on borrowings</p> <p>C. Hedging policy MIRAI utilizes derivative transactions to hedge the risks specified in the Articles of Incorporation of the Investment Corporation based on its risk management policy.</p> <p>D. Method of assessing hedge effectiveness Hedge effectiveness is assessed by making a comparison between the cumulative total of cash flow fluctuations attributable to hedged items and the cumulative total of cash flow fluctuations attributable to hedging instruments, and examining the ratio of these totals of fluctuations.</p>								
<p>5. Scope of cash and cash equivalents in the statement of cash flows</p>	<p>Cash and cash equivalents consist of cash on hand, cash in trust, deposits and deposits in trust withdrawable on demand, and short-term investments, which are easily convertible into cash, with low risk of price fluctuation and with a maturity of less than three months.</p>								
<p>6. Other significant basis for preparation of financial statements</p>	<p>A. Accounting for trust beneficiary right for real estate, etc. as trust asset With regard to trust beneficiary right for real estate, etc. held as trust asset, all assets and liabilities as well as all revenue and expense items associated with trust assets are accounted for under the respective account items of the Balance Sheet and Statement of Income and Retained Earnings. Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the Balance Sheet.</p> <ol style="list-style-type: none"> (a) Cash and deposits in trust (b) Buildings in trust, Structures in trust, Tools, furniture and fixtures in trust and Land in trust, Construction in progress in trust (c) Leasehold and guarantee deposits received in trust <p>B. Method of accounting for consumption taxes Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes. Consumption taxes unqualified for deduction for tax purposes for noncurrent assets, etc. are included in acquisition cost for each asset.</p>								

[Accounting Standards issued but not yet applied]

- “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30, March 26, 2021)
- “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020)

1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) jointly developed a comprehensive accounting standard for revenue recognition and published the “Revenue from Contracts with Customers” (as IFRS 15 in the IASB and Topic 606 in the FASB) in May 2014. IFRS 15 was applied to fiscal periods beginning on or after January 1, 2018, and Topic 606 was applied to fiscal periods beginning after December 15, 2017. Based on the foregoing, the ASBJ has developed and issued a comprehensive accounting standard for revenue recognition and implementation guidance.

In developing the accounting standard for revenue recognition, the ASBJ has adopted the core principles of IFRS 15 as a starting point in the interest of comparability of financial statements, which is one of the benefits of ensuring consistency with IFRS 15. If there are any issues that should be considered in light of current practices in Japan, alternative treatment will be adopted to the extent comparability is not impaired.

2) Scheduled date of application

To be applied from the beginning of the fiscal period ending October 31, 2021.

3) Impact of application of accounting standards

The impact of the application of the aforementioned standard and guidance on MIRAI’s financial statements is currently under assessment.

- “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019)
- “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019)
- “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, July 4, 2019)
- “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19, March 31, 2020)

1) Overview

The IASB and the FASB have established nearly the same detailed guidance regarding fair value measurement (IFRS 13 “Fair Value Measurement” in IFRS and Topic 820 “Fair Value Measurement” in U.S. GAAP). In light of the foregoing, the ASBJ has aimed for consistency between Japanese GAAP and international accounting standards regarding fair value of financial instruments and disclosure, and issued “Accounting Standard for Fair Value Measurement” and other guidance listed above.

The basic approach taken by the ASBJ in the development of the accounting standards for fair value measurement was to incorporate all details of IFRS 13 in order to improve the comparability of financial statements between Japan and overseas. If there are any issues to be considered in light of current practices in Japan, exceptions will be adopted to the extent comparability is not impaired significantly.

2) Scheduled date of application

To be applied from the beginning of the fiscal period ending October 31, 2021.

3) Impact of application of accounting standards

The impact of the application of the aforementioned standard and guidance on MIRAI’s financial statements is currently under assessment.

[Additional Information]

[Notes to Allowance for Temporary Difference Adjustment]

The 9th Period (from May 1, 2020 to October 31, 2020)

1. Reason for occurrence of reversal, assets identified and reversal of allowance

(Thousands of yen)

Assets identified	Reason for occurrence of reversal	Reversal of allowance for temporary difference adjustment
Deferred gains or losses on hedges	Changes in fair value of the derivative transactions	74,800

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

The 10th Period (from November 1, 2020 to April 30, 2021)

1. Reason for occurrence of provision, assets identified and allowance

(Thousands of yen)

Assets identified	Reason for occurrence of provision	Reversal of allowance for temporary difference adjustment
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	14,960

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

[Notes to Balance Sheet]

*1. The reduction entry amount of the tangible fixed assets

The reduction entry amount of the tangible fixed assets acquired by government subsidies

(Thousands of yen)

	The 9 th Period (as of October 31, 2020)	The 10 th Period (as of April 30, 2021)
Buildings in trust	204,512	213,030
Tools, furniture, and fixtures in trust	328	328

*2. Commitment line contracts

MIRAI has the commitment line contracts with the banks.

(Thousands of yen)

	The 9 th Period (as of October 31, 2020)	The 10 th Period (as of April 30, 2021)
Total amount specified in the commitment line contracts	3,000,000	3,000,000
Borrowing balance at end of period	-	1,000,000
Outstanding loan commitments at end of period	3,000,000	2,000,000

*3. Minimum amount of net assets prescribed in Article 67, Item 4 of the Investment Trusts Act

(Thousands of yen)

The 9 th Period (as of October 31, 2020)	The 10 th Period (as of April 30, 2021)
50,000	50,000

*4. Allowance for temporary difference adjustment

The 9th Period (from May 1, 2020 to October 31, 2020)

1. Reason for occurrence of provision and reversal, assets identified and the allowance

(Thousands of yen)

Assets identified	Reason for occurrence of allowance	Initial amount	The balance at the beginning of the 9 th period	Allowance	Reversal	The balance at the ending of the 9 th period	Reason for occurrence of reversal
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	491,890	621,584	-	83,018	538,565	Changes in fair value of the derivative transactions

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

The 10th Period (from November 1, 2020 to April 30, 2021)

1. Reason for occurrence of provision and reversal, assets identified and the allowance

(Thousands of yen)

Assets identified	Reason for occurrence of allowance	Initial amount	The balance at the beginning of the 10 th period	Allowance	Reversal	The balance at the ending of the 10 th period	Reason for occurrence of reversal
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	491,890	538,565	-	74,800	463,764	Changes in fair value of the derivative transactions

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

[Notes to Statement of Income and Retained Earnings]

*1. Breakdown of income from real estate leasing business

(Thousands of yen)

	The 9 th Period (from May 1, 2020 to October 31, 2020)		The 10 th Period (from November 1, 2020 to April 30, 2021)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	3,900,397		3,656,702	
Land rents received	3,645		35,992	
Facility charges	164,966	4,069,009	167,279	3,859,975
Other lease business revenue				
Utilities charges	554,763		488,063	
Other operating income	258,777	813,540	267,208	755,272
Total real estate leasing business revenue		4,882,549		4,615,247
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Outsourcing service expenses	358,761		373,583	
Utilities expenses	447,062		347,919	
Taxes and dues	402,579		395,026	
Repair expenses	96,049		73,799	
Depreciation	610,694		601,650	
Loss on retirement of non-current assets	-		24,519	
Other expenses related to rent business	293,715		317,533	
Total real estate leasing business expenses		2,208,862		2,134,032
(iii) Income from real estate leasing business (i - ii)		2,673,687		2,481,214

*2. Breakdown of gain on sales of real estate properties

The 9th Period (from May 1, 2020 to October 31, 2020)

(Thousands of yen)

MIUMIU Kobe (38.0% quasi-co-ownership)

Sales of real estate properties revenue	3,230,000
Sales of real estate properties cost	2,613,847
Other sales expenses	131,553
Gain on sales of real estate properties	484,599

The 10th Period (from November 1, 2020 to April 30, 2021)

(Thousands of yen)

Comfort Hotel Shin-Yamaguchi

Sales of real estate properties revenue	920,000
Sales of real estate properties cost	872,767
Other sales expenses	38,545
Gain on sales of real estate properties	8,686

Hillcoat Higashi-Shinjuku

Sales of real estate properties revenue	4,380,000
Sales of real estate properties cost	4,019,556
Other sales expenses	72,533
Gain on sales of real estate properties	287,910

Nippo Hommachi Building	
Sales of real estate properties revenue	1,700,000
Sales of real estate properties cost	1,573,641
Other sales expenses	64,292
<u>Gain on sales of real estate properties</u>	<u>62,066</u>

*3. Breakdown of loss on reduction of non-current assets

The 9th Period (from May 1, 2020 to October 31, 2020)

Loss on reduction of non-current assets is the value directly deducted from the acquisition price of newly acquired tangible fixed assets as a result of receipt of subsidies. The breakdown is as follows:

(Thousands of yen)

<u>Buildings in trust</u>	<u>1,270</u>
Total	1,270

The 10th Period (from November 1, 2020 to April 30, 2021)

Loss on reduction of non-current assets is the value directly deducted from the acquisition price of newly acquired tangible fixed assets as a result of receipt of subsidies. The breakdown is as follows:

(Thousands of yen)

<u>Buildings in trust</u>	<u>8,518</u>
Total	8,518

[Notes to Statement of Changes in Net Assets]

*1. Total number of investment units authorized and total number of investment units issued and outstanding

	The 9 th Period (from May 1, 2020 to October 31, 2020)	The 10 th Period (from November 1, 2020 to April 30, 2021)
Total number of investment units authorized	20,000,000 units	20,000,000 units
Total number of investment units issued and outstanding	1,662,240 units	1,662,240 units

[Notes to Statement of Cash Flows]

*1. Relationship between cash and cash equivalents at end of period and the amount on the balance sheet

(Thousands of yen)

	The 9 th Period (from May 1, 2020 to October 31, 2020)	The 10 th Period (from November 1, 2020 to April 30, 2021)
Cash and deposits	3,255,545	3,379,883
Cash and deposits in trust	2,397,565	2,076,752
Restricted deposits held in trust (Note)	(182,099)	(182,099)
Cash and cash equivalents	5,471,011	5,274,535

(Note) These are deposits that are reserved for the return of security deposits from tenants.

[Lease Transactions]

Operating lease transactions (as a lessor)

(Thousands of yen)

	The 9 th Period (from May 1, 2020 to October 31, 2020)	The 10 th Period (from November 1, 2020 to April 30, 2021)
Future lease payments receivable		
Due within one year	3,859,852	4,273,989
Due after one year	25,249,845	29,170,599
Total	29,109,697	33,444,588

[Financial Instruments]

1. Matters concerning the status of financial instruments

A. Policies on financial instruments

MIRAI procures funds mainly by additionally issuing investment units, borrowing funds, or issuing investment corporation bonds for the purpose of securing funds required for acquisition of assets, repair and other maintenance costs, payments of dividends, and operation of MIRAI or repayment of debts.

With respect to borrowing of funds and issuance of investment corporation bonds, we consider the balance between flexibility of financing and financial stability. Specifically, we consider, among other things, the long-term ratio, fixed interest ratio, diversification of maturities, financing method (borrowings and/or investment corporation bonds) and establishment of commitment lines.

MIRAI uses derivative transactions for the purpose of hedging interest rate fluctuation risk and other risks and does not enter into derivative transactions for speculative or trading purpose.

MIRAI invests surplus funds in securities and monetary claims with a focus on safety and liquidity, and does not engage into speculative investment.

B. Description of financial instruments and associated risks, and the risk management system

Deposits are one means of investing the surplus funds of MIRAI and are exposed to credit risk such as the bankruptcy of deposit financial institutions. MIRAI carefully manages deposits by limiting the term of deposits to a short period of time, taking into consideration safety, liquidity, and other factors, and giving due consideration to the financial environment and cash flow.

Borrowings and investment corporation bonds are used primarily for acquisition of assets and repayments of debts, and are exposed to liquidity risk at the time of repayment/redemption. MIRAI strives to mitigate liquidity risk by diversifying lenders, repayment periods, and means of funds procurement and by securing liquidity on hand by setting commitment lines and manages liquidity risk by preparing cash flow management sheet and other methods.

Variable interest rate borrowings are exposed to the risk of interest rate fluctuations. Derivative transactions are used to hedge the risk of fluctuations in the interest rate payable for a portion of the borrowings. See “4. Hedge accounting method” above under “Summary of Significant Accounting Policies” for details about the hedging instruments, hedged items, hedging policy, and method of assessing hedge effectiveness, etc. in hedge accounting.

C. Description of financial instruments

Fair value of financial instruments comprises value based on market prices or rationally calculated value in the case the market prices are not available. As certain assumptions are applied in performing calculation of such value, the value may differ if different assumptions are used. In addition, the contract value of derivative transactions, which is presented in the following section entitled “Notes to Derivatives” is not an exact representation of market risk attributable to derivative transactions.

2. Matters concerning fair value, etc. of financial instruments

Amounts on the Balance Sheet, fair value and their difference as of October 31, 2020 are as follows;

The financial instruments for which fair value is extremely difficult to estimate are excluded from the following table.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(i) Cash and deposits	3,255,545	3,255,545	-
(ii) Cash and deposits in trust	2,397,565	2,397,565	-
Total assets	5,653,110	5,653,110	-
(iii) Short-term borrowings	-	-	-
(iv) Current portion of long-term borrowings	3,000,000	3,004,885	4,885
(v) Investment corporation bonds	2,000,000	1,974,300	(25,700)
(vi) Long-term borrowings	70,700,000	70,792,974	92,974
Total liabilities	75,700,000	75,772,159	72,159
(vii) Derivative transactions *	(464,758)	(464,758)	-

Amounts on the Balance Sheet, fair value and their difference as of April 30, 2021 are as follows;

The financial instruments for which fair value is extremely difficult to estimate are excluded from the following table.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(i) Cash and deposits	3,379,883	3,379,883	—
(ii) Cash and deposits in trust	2,076,752	2,076,752	—
Total assets	5,456,635	5,456,635	—
(iii) Short-term borrowings	3,000,000	3,000,000	—
(iv) Current portion of long-term borrowings	11,500,000	11,520,959	20,959
(v) Investment corporation bonds	2,000,000	1,968,800	(31,200)
(vi) Long-term borrowings	62,200,000	62,260,061	60,061
Total liabilities	78,700,000	78,749,821	49,821
(vii) Derivative transactions *	(480,108)	(480,108)	—

*Net amounts are shown for credits and liabilities attributable to derivative transactions, and the total of the items that constitute net liabilities is shown in negative.

(Note 1) Matters concerning the method of calculating the market value of financial instruments and derivative transactions.

(i) Cash and deposits, (ii) Cash and deposits in trust

The fair value of these is presented same as the book value, as they are settled in the short-term period and accordingly fair value is almost equal to book value.

(iii) Short-term borrowings

The fair value of these is presented same as the book value, as they are settled in the short-term period and floating rate borrowings, and accordingly fair value is almost equal to book value.

(iv) Current portion of long-term borrowings and (vi) Long-term borrowings

The fair value of these is calculated by discounting such borrowings at rates that would be applied if new borrowings with the same amount are made under similar terms and conditions.

(v) Investment corporation bonds

The fair value of these is based on the reference values disclosed by the Japan Securities Dealers Association.

(vii) Derivative transactions

See “Notes to Derivatives” below.

(Note 2) Financial instruments for which fair value is difficult to determine

The 9th Period (as of October 31, 2020)

(Thousands of yen)

Accounts	Amount on the balance sheet
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Leasehold and guarantee deposits received in trust *	5,466,986
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* These are excluded from the scope of fair value disclosure because they are not marketable, and the actual deposit period is not estimable, which in turn makes it difficult to reasonably estimate future cash flows.

The 10th Period (as of April 30, 2021)

(Thousands of yen)

Accounts	Amount on the balance sheet
Leasehold and guarantee deposits received *	143,311
Leasehold and guarantee deposits received in trust*	5,270,387

* These are excluded from the scope of fair value disclosure because they are not marketable, and the actual deposit period is not estimable, which in turn makes it difficult to reasonably estimate future cash flows.

(Note 3) Redemption schedule for monetary claims after the closing date (as of October 31, 2020)

(Thousands of yen)

	Within 1 year
Cash and deposits	3,255,545
Cash and deposits in trust	2,397,565
Total	5,653,110

Redemption schedule for monetary claims after the closing date (as of April 30, 2021)

(Thousands of yen)

	Within 1 year
Cash and deposits	3,379,883
Cash and deposits in trust	2,076,752
Total	5,456,635

(Note 4) Return schedule for borrowings and Investment corporation bonds after the closing date (as of October 31, 2020)

(Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years
Investment corporation bonds	-	-	-	-	-	2,000,000
Long-term borrowings	3,000,000	10,000,000	10,500,000	15,000,000	15,500,000	19,700,000
Total	3,000,000	10,000,000	10,500,000	15,000,000	15,500,000	21,700,000

Return schedule for borrowings and Investment corporation bonds after the closing date (as of April 30, 2021)

(Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years
Short-term borrowings	3,000,000	-	-	-	-	-
Investment corporation bonds	-	-	-	-	-	2,000,000
Long-term borrowings	11,500,000	7,000,000	20,000,000	8,500,000	8,500,000	18,200,000
Total	14,500,000	7,000,000	20,000,000	8,500,000	8,500,000	20,200,000

[Notes to Investment Securities]

The 9th Period (as of October 31, 2020)

Not applicable to the 9th Period.

The 10th Period (as of April 30, 2021)

Not applicable to the 10th Period.

[Notes to Derivatives]

The 9th Period (as of October 31, 2020)

1. Transactions not applicable to hedge accounting

Not applicable to the 9th Period.

2. Transactions applicable to hedge accounting

The 9th Period (from May 1, 2020 to October 31, 2020)

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	50,000,000	50,000,000	(464,758)	Based on prices and other conditions presented by financial institutions

The 10th Period (as of April 30, 2021)

1. Transactions not applicable to hedge accounting

Not applicable to the 10th Period.

2. Transactions applicable to hedge accounting

The 10th Period (from November 1, 2020 to April 30, 2021)

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	50,000,000	50,000,000	(480,108)	Based on prices and other conditions presented by financial institutions

[Notes to Retirement Benefits]

The 9th Period (as of October 31, 2020)

Not applicable to the 9th Period.

The 10th Period (as of April 30, 2021)

Not applicable to the 10th Period.

[Tax Effect Accounting]

1. Breakdown of major causes of deferred tax assets and deferred tax liabilities

(Thousands of yen)

	The 9 th Period (as of October 31, 2020)	The 10 th Period (as of April 30, 2021)
Deferred tax assets		
Enterprise tax not deductible	47	7
Deferred losses on hedges	146,213	151,042
Subtotal deferred tax assets	146,260	151,049
Valuation allowance	(146,213)	(151,042)
Total deferred tax assets	47	7
Deferred tax assets, net	47	7

2. Breakdown by major cause of material difference between the effective statutory tax rate and the effective tax rate after applying tax effect accounting

	The 9 th Period (as of October 31, 2020)	The 10 th Period (as of April 30, 2021)
Effective statutory tax rate	31.46%	31.46%
(Adjustments)		
Deductible cash distributions	(31.42%)	(31.45%)
Other	0.03%	0.03%
Effective tax rate after applying tax effect accounting	0.06%	0.04%

[Notes to Equity in Earnings of Affiliates]

The 9th Period (as of October 31, 2020)

Not applicable to the 9th Period.

The 10th Period (as of April 30, 2021)

Not applicable to the 10th Period.

[Transactions with Related Parties]

1. Parent company and principal corporate unitholders

The 9th Period (from May 1, 2020 to October 31, 2020)

Not applicable to the 9th Period.

The 10th Period (from November 1, 2020 to April 30, 2021)

Not applicable to the 10th Period.

2. Subsidiaries and affiliates

The 9th Period (from May 1, 2020 to October 31, 2020)

Not applicable to the 9th Period.

The 10th Period (from November 1, 2020 to April 30, 2021)

Not applicable to the 10th Period.

3. Sister companies

The 9th Period (from May 1, 2020 to October 31, 2020)

Not applicable to the 9th Period.

The 10th Period (from November 1, 2020 to April 30, 2021)

Not applicable to the 10th Period.

4. Directors and principal individual unitholders

The 9th Period (from May 1, 2020 to October 31, 2020)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of relationship		Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
						Concurrent posts	Business relationship				
Director or the close relative	Michio Suganuma	-	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	Asset management company of MIRAI	Payments of asset management fee to Mitsui Bussan & IDERA Partners Co., Ltd. (Note 1) (Note 2)	472,338 (Note 3)	Accounts payable – other	484,042

(Note 1) This is a transaction executed by Michio Suganuma as President of a third party (Mitsui Bussan & IDERA Partners Co., Ltd.), and the fee is in line with the Articles of Incorporation of MIRAI.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

(Note 3) Asset management fee includes transfer fee of 32,300 thousand yen.

The 10th Period (from November 1, 2020 to April 30, 2021)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of relationship		Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
						Concurrent posts	Business relationship				
Director or the close relative	Michio Suganuma	-	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	Asset management company of MIRAI	Payments of asset management fee to Mitsui Bussan & IDERA Partners Co., Ltd. (Note 1) (Note 2)	582,358 (Note 3)	Accounts payable – other	464,939

(Note 1) This is a transaction executed by Michio Suganuma as President of a third party (Mitsui Bussan & IDERA Partners Co., Ltd.), and the fee is in line with the Articles of Incorporation of MIRAI.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

(Note 3) Asset management fee includes transfer fee of 70,000 thousand yen and acquisition fee of 89,686 thousand yen, which were included in the book value of the acquired properties.

[Notes to Asset retirement obligations]

The 9th Period (as of October 31, 2020)

Not applicable to the 9th Period.

The 10th Period (as of April 30, 2021)

Not applicable to the 10th Period.

[Notes to Lease Properties]

MIRAI holds offices, retails, hotels, an industrial asset and an educational asset in Tokyo and other regions. The amounts on the Balance Sheet changes during the fiscal period, and fair value of lease properties are as follows.

(Thousands of yen)

	The 9 th Period (from May 1, 2020 to October 31, 2020)	The 10 th Period (from November 1, 2020 to April 30, 2021)
Amount on the balance sheet		
Balance at the beginning of the period	155,391,357	152,834,912
Changes during the period	(2,556,445)	2,822,285
Balance at the end of the period	152,834,912	155,657,198
Fair value at the end of the period	161,438,200	165,306,200

(Note 1) The amount on the balance sheet is acquisition cost less accumulated depreciation.

(Note 2) The amount on the balance sheet does not include the amount of the construction in progress in trust.

(Note 3) Of the amount of increase (decrease) of the lease properties during the 9th period, the reason of increase is mainly attributable to capital expenditure (668,934 thousand yen) and the reasons of decrease are mainly attributable to sales of 1 real estate trust beneficiary right (2,613,847 thousand yen) and depreciation (610,262 thousand yen). During the 10th period, the reason of increase is mainly attributable to acquisition of 2 real estate trust beneficiary rights and 2 real estate (9,319,115 thousand yen) and the reason of decrease is mainly attributable to sales of 3 real estate trust beneficiary rights (6,465,965 thousand yen) and depreciation (600,900 thousand yen).

(Note 4) The fair value at the end of the fiscal period is the appraisal value provided by an outside real estate appraiser.

The income concerning lease properties, etc. for the 10th Periods is indicated under “Notes to Statement of Income and Retained Earnings” above.

[Segment Information]

(i) Segment information

The 9th Period (from May 1, 2020 to October 31, 2020)

Description is omitted as MIRAI engages in a single segment of the real estate leasing business.

The 10th Period (from November 1, 2020 to April 30, 2021)

Description is omitted as MIRAI engages in a single segment of the real estate leasing business.

(ii) Related information

The 9th Period (from May 1, 2020 to October 31, 2020)

A. Information by product and service

Description is omitted as net sales for external customers in a single product/service category exceed 90% of the operating revenue on Statement of Income and Retained Earnings.

B. Information by region

(a) Net sales

Description is omitted as net sales for external customers in Japan exceed 90% of the operating revenue on the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the Balance Sheet.

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

The 10th Period (from November 1, 2020 to April 30, 2021)

A. Information by product and service

Description is omitted as net sales for external customers in a single product/service category exceed 90% of the operating revenue on Statement of Income and Retained Earnings.

B. Information by region

(a) Net sales

Description is omitted as net sales for external customers in Japan exceed 90% of the operating revenue on the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the Balance Sheet.

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

[Per Unit Information]

	The 9 th Period (from May 1, 2020 to October 31, 2020)	The 10 th Period (from November 1, 2020 to April 30, 2021)
Net assets per unit	45,377 yen	45,186 yen
Net income per unit	1,429 yen	1,246 yen

(Note 1) Net income per unit was calculated by dividing net income by average number of investment units during period.

Diluted net income per unit is not stated as there are no dilutive investment units.

(Note 2) The calculation of net income per unit is based on the following.

(Thousands of yen)

	The 9 th Period (from May 1, 2020 to October 31, 2020)	The 10 th Period (from November 1, 2020 to April 30, 2021)
Net income	2,376,548	2,072,625
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	2,376,548	2,072,625
Average number of investment units during period	1,662,240 units	1,662,240 units

[Notes to Significant Subsequent Events]

Not applicable to the 10th Period.

[Annexed Table]

(i) Securities

Not applicable.

(ii) Contract Amount and Fair Value of Derivative Transactions and Forward Exchange Contracts

(Thousand yen)

Classification	Type of derivative transactions	Primary hedged items	Contract amount		Fair value	Method used to calculate the fair value
			Amount over one year			
Non-market transaction	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	50,000,000	50,000,000	(480,108)	Based on the amount provided by counterparty financial institutions.

(iii) Real Estate, etc.

(Thousand yen)

Type of assets		Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Accumulated depreciation		Net balance at end of period	Remarks
						or Accumulated amortization	Depreciation and amortization		
Total property, plant and equipment	Building	-	424,386	-	424,386	3,960	3,960	420,425	(Note)
	Structures	-	564	-	564	62	62	502	(Note)
	Land	-	4,230,785	-	4,230,785	-	-	4,230,785	(Note)
	Building in trust	35,570,357	498,895	1,399,291	34,669,961	3,966,358	569,283	30,703,602	(Note)
	Structures in trust	322,658	300	4,224	318,733	61,460	7,303	257,272	(Note)
	Machinery and equipment in trust	219,025	436	30,521	188,940	54,162	8,832	134,777	(Note)
	Tools, furniture and fixtures in trust	125,329	103,441	11,663	217,106	29,655	11,457	187,451	(Note)
	Land in trust	120,282,810	4,663,378	5,223,808	119,722,380	-	-	119,722,380	(Note)
	Construction in progress in trust	-	27,345	-	27,345	-	-	27,345	
	Subtotal	156,520,181	9,949,534	6,669,510	159,800,205	4,115,661	600,900	155,684,544	
Intangible assets	Software	16,843	7,102	-	23,946	7,094	2,002	16,851	
	Other	231	-	-	231	-	-	231	
	Subtotal	17,075	7,102	-	24,177	7,094	2,002	17,083	
Total		156,537,256	9,956,636	6,669,510	159,824,383	4,122,755	602,903	155,701,627	

(Note) The increase in property, plant and equipment is mainly due to the acquisition of 4 properties and the decrease is mainly due to the disposition of 3 properties.

(iv) Other Specified Assets

Not applicable.

(v) Investment Corporation Bonds

(Thousand yen)

Brand name	Issuance date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Interest rate (%)	Redemption date	Usage	Collateral
First Series of Unsecured Investment Corporation Bonds	July 26, 2018	1,000,000	-	-	1,000,000	0.640	July 26, 2028	Repayment of borrowings	(Note 1)

Second Series of Unsecured Investment Corporation Bonds	July 13, 2020	1,000,000	-	-	1,000,000	0.800	July 12, 2030	Repayment of borrowings	(Note 1)
Total	-	2,000,000	-	-	2,000,000	-	-	-	-

(Note 1) With special pari passu conditions among the specified investment corporation bond.

(Note 2) The total scheduled repayment amount of the investment corporation bonds after the balance sheet date is as follows.

(Thousand yen)

	Within 1 year	Over 1 year and within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Investment corporation bonds	-	-	-	-	-	2,000,000

(vi) Borrowings

(Thousand yen)

Classification	Lender	Drawdown date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Average interest rate (Note 1) (Note 2)	Repayment date	Repayment method	Usage	Description
Short-term borrowings	Mizuho Bank, Ltd.	January 28, 2021	-	1,500,000	500,000	1,000,000	0.57805	January 28, 2022 (Note 3)	Bullet repayment on maturity	(Note 4)	Unguaranteed/Unsecured
	Sumitomo Mitsui Trust Bank, Limited	March 1, 2021	-	2,000,000	-	2,000,000	0.33737	February 28, 2022			
	Subtotal		-	3,500,000	-	3,000,000					
Current portion of long-term borrowings	MUFG Bank, Ltd.	June 1, 2018	1,500,000	-	1,500,000	-	0.31000	April 30, 2021	Bullet repayment on maturity	(Note 4)	Unguaranteed/Unsecured
	Mizuho Bank, Ltd.	December 16, 2016	1,500,000	-	-	1,500,000	0.32000	November 30, 2021			
	MUFG Bank, Ltd.	November 1, 2018	-	10,000,000	-	10,000,000	0.37000	October 29, 2021			
	Subtotal		3,000,000	10,000,000	1,500,000	11,500,000					
Long-term borrowings	Sumitomo Mitsui Banking Corporation	December 16, 2016	7,500,000	-	-	7,500,000	0.74500	November 30, 2026	Bullet repayment on maturity Bullet repayment on maturity	(Note 4)	Unguaranteed/Unsecured Unguaranteed/Unsecured
	Resona Bank, Limited.	December 16, 2016	500,000	-	-	500,000	0.74500	November 30, 2026			
	Sumitomo Mitsui Banking Corporation	December 16, 2016	6,500,000	-	-	6,500,000	0.49960	November 30, 2023			
	Resona Bank, Limited.	December 16, 2016	1,500,000	-	-	1,500,000	0.49960	November 30, 2023			
	The Bank of Fukuoka, Ltd.	December 16, 2016	2,000,000	-	-	2,000,000	0.49960	November 30, 2023			
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2016	5,000,000	-	-	5,000,000	0.59470	November 29, 2024			
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2016	5,000,000	-	-	5,000,000	0.37250	November 30, 2022			
	Shinsei Bank, Limited	December 16, 2016	2,000,000	-	-	2,000,000	0.37250	November 30, 2022			
	Development Bank of Japan Inc.	December 16, 2016	2,000,000	-	-	2,000,000	0.62125	November 30, 2023			
	Mizuho Bank, Ltd.	December 16, 2016	10,000,000	-	10,000,000	-	0.37000	November 30, 2021			
	Mizuho Trust & Banking Co., Ltd.	April 28, 2017	2,000,000	-	-	2,000,000	0.45000	April 30, 2024			

Sumitomo Mitsui Trust Bank, Limited	October 26, 2017	2,000,000	-	-	2,000,000	0.54375	July 31, 2025
Shinsei Bank, Limited	October 26, 2017	1,000,000	-	-	1,000,000	0.54375	July 31, 2025
The Nanto Bank, Ltd.	October 26, 2017	1,000,000	-	-	1,000,000	0.54375	July 31, 2025
Resona Bank, Limited	October 26, 2017	1,000,000	-	-	1,000,000	0.70900	July 30, 2027
Sumitomo Mitsui Banking Corporation	October 31, 2017	4,000,000	-	-	4,000,000	0.72750	October 29, 2027
The Bank of Fukuoka, Ltd.	October 31, 2017	1,000,000	-	-	1,000,000	0.72750	October 29, 2027
Shinsei Bank, Limited	March 1, 2018	1,000,000	-	-	1,000,000	0.57350	January 30, 2026
Resona Bank, Limited	March 1, 2018	500,000	-	-	500,000	0.57350	January 30, 2026
Mizuho Bank, Ltd.	March 1, 2018	1,000,000	-	-	1,000,000	0.48000	January 31, 2024
Sumitomo Mitsui Banking Corporation	May 15, 2018	2,000,000	-	-	2,000,000	0.52770	April 30, 2025
Mizuho Bank, Ltd.	May 15, 2018	1,500,000	-	-	1,500,000	0.56000	April 30, 2025
Mizuho Trust & Banking Co., Ltd.	August 1, 2018	1,700,000	-	-	1,700,000	0.62000	July 31, 2028
Mizuho Bank, Ltd.	November 1, 2018	2,500,000	-	-	2,500,000	0.68000	October 30, 2026
Sumitomo Mitsui Banking Corporation	November 1, 2018	3,000,000	-	-	3,000,000	0.56800	October 31, 2025
Sumitomo Mitsui Trust Bank, Limited	November 1, 2018	2,500,000	-	-	2,500,000	0.42180	October 31, 2023
Shinsei Bank, Limited	November 1, 2018	1,000,000	-	-	1,000,000	0.42180	October 31, 2023
MUFG Bank, Ltd.	April 30, 2021	-	1,500,000	-	1,500,000	0.45000	April 30, 2024
Subtotal		70,700,000	1,500,000	10,000,000	62,200,000		
Total		73,700,000	15,000,000	12,000,000	76,700,000		

(Note 1) The average interest rate indicates a weighted average of interest rates for the period by the number of days.

(Note 2) MIRAI enters into interest rate swaps to avoid the risk of interest rate fluctuations, and the interest rate after taking into account the effect of the interest rate swaps (fixing the interest rate) is stated.

(Note 3) The entire amount was repaid before due date on March 29, 2021.

(Note 4) The funds were used for the purchase of real estate and trust beneficiary rights of real estate, refinancing of borrowings, working capital, etc.

(Note 5) The total scheduled repayment amount of long-term borrowings after the balance sheet date is as follows.

(Thousand yen)

	Within 1 year	Over 1 year and within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	11,500,000	7,000,000	20,000,000	8,500,000	8,500,000	18,200,000