

MIRAI Corporation Semi Annual Report

For the Fiscal Period ended October 31, 2021 (The 11th Period)

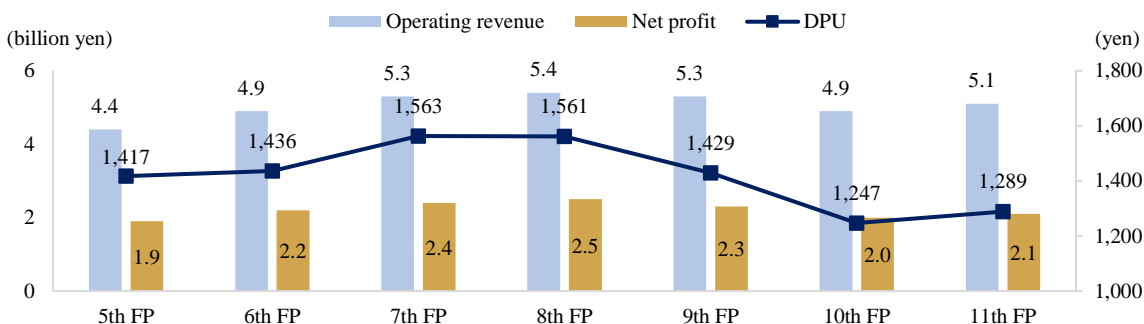
Primary Data

■ Distributions

The 11 th Period Actual distributions per unit (Start of cash distribution payment on January 14, 2022)	The 12 th Period Forecast distributions per unit (Note) (The Fiscal Period ending April 30, 2022)	The 13 th Period Forecast distributions per unit (Note) (The Fiscal Period ending October 31, 2022)
1,289 yen (Forecast: 1,260 yen)	1,260 yen	1,285 yen

(Note) These forecasts are calculated based on certain assumptions as of December 13, 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 forecasts should not be construed as guarantee of DPU.

■ Financial Results

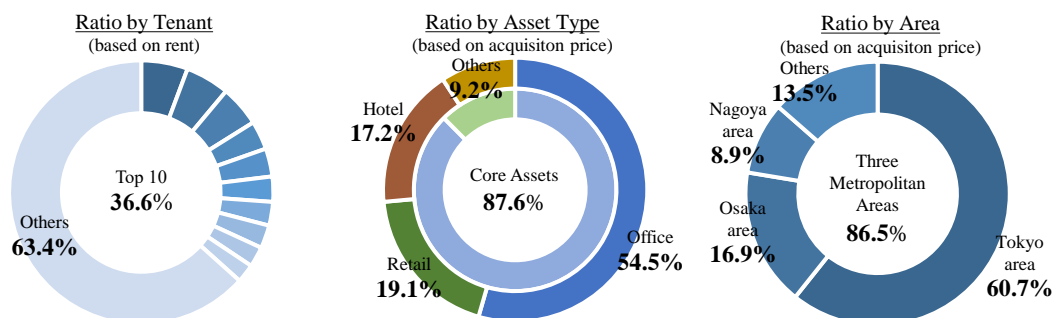


(Note) MIRAI implemented a four-for-one investment unit split with April 30, 2019 as record date. For the purpose of comparison, the figures before 6th FP are post-split figures.

■ Portfolio (as of the End of October 2021)

Improved stability by progress in MIRAI Revitalization Plan.

Number of properties	: 34
AUM	: 153.9 billion yen
Appraisal value	: 165.3 billion yen
Occupancy rate	: 97.8%
NOI yield (11 th FP result)	: 4.5% *based on book value
Portfolio PML	: 2.9%



(Note) Ratio by tenant is based on lease contract in place with end tenants as of the end of October 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 (as of the End of October 2021)

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

LTV (based on total assets)	: 48.8%
Long-term fixed interest debt ratio	: 100.0%
Average interest rate	: 0.55%
Average remaining maturity	: 3.3 years
Rating	: Japan Credit Rating Agency, Ltd. (JCR) / A+ (Stable) Rating and Investment Information, Inc. (R&I) / A (Stable)

■ ESG

➤ GRESB Real Estate Assessment (ESG benchmark for real estate)

MIRAI has been participating in the GRESB Real Estate Assessment, an annual benchmark assessment to measure ESG consideration in real estate sector, since FY2021.

This year's assessment: "2 Star" and "Green Star"

* "Green Star" is a rating that achieves high performance both in "Management Component" and "Performance Component".

➤ Green finance

In November 2021, MIRAI implemented the first green finance (green loan and green bond).

Upper limit of green finance : 23,858 million yen

Total amount of green finance : 5,200 million yen

*Green eligibility criteria

i) Assets that have achieved or will achieve any following certification
(Five, four, three stars in DBJ Green Building Certification, etc.)

ii) Renovation work for environmental improvements
(expected to reduce consumption or emissions by 30 % or more compared to previous levels)

➤ Ongoing contributions to the local community

MIRAI provides Smile Hotel Naha City Resort to Okinawa Prefecture as a recovery accommodation facility for patients with minor illnesses of COVID-19.

1 Overview of Asset Management

(1) Operating Results of MIRAI Corporation (hereinafter “MIRAI”)

Period		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	The 11 th Period From May 1, 2021 to Oct. 31, 2021
Operating revenue	(Million yen)	5,340	5,448	5,367	4,973	5,113
Operating expenses	(Million yen)	2,623	2,583	2,744	2,652	2,716
Operating income	(Million yen)	2,716	2,865	2,622	2,321	2,397
Ordinary income	(Million yen)	2,474	2,595	2,378	2,073	2,144
Net income	(Million yen)	2,472	2,594	2,376	2,072	2,143
Total assets	(Million yen)	153,052	161,027	159,222	161,815	161,226
[Changes from the previous period]	(%)	[0.4]	[5.2]	[(1.1)]	[1.6]	[(0.4)]
Net assets	(Million yen)	70,925	75,572	75,428	75,110	75,308
[Changes from the previous period]	(%)	[0.1]	[6.6]	[0.2]	[(0.4)]	[0.3]
Interest-bearing debt	(Million yen)	74,700	77,700	75,700	78,700	78,700
Unitholders' capital (Note 3)	(Million yen)	69,074	73,516	73,516	73,516	73,516
Total number of outstanding investment units	(Units)	1,581,640	1,662,240	1,662,240	1,662,240	1,662,240
Net assets per unit (Note 4)	(Yen)	44,843	45,464	45,377	45,186	45,305
Total distributions	(Million yen)	2,472	2,594	2,375	2,072	2,142
Distributions per unit	(Yen)	1,563	1,561	1,429	1,247	1,289
Of which, profit distribution per unit	(Yen)	1,481	1,561	1,429	1,238	1,289
Of which, distributions in excess of earnings per unit	(Yen)	82	-	-	9	-
Ordinary income to total assets (Note 5)	(%)	1.6	1.7	1.5	1.3	1.3
Net income to net assets (Note 5)	(%)	3.5	3.5	3.1	2.8	2.8
Net assets to total assets at end of period (Note 5)	(%)	46.3	46.9	47.4	46.4	46.7
[Changes from the previous period]	(%)	[(0.1)]	[0.6]	[0.4]	[(1.0)]	[0.3]
Payout ratio (Note 5)	(%)	94.7	100.0	99.9	99.3	100.0

(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) 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 of October 31, 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 affected by COVID-19, and the hotel sector of MIRAI was also greatly affected by the re-issuance and subsequent extension of the state of emergency declaration, mainly in major metropolitan areas, after April 25, 2021. In October 2021, when the number of newly infected people decreased significantly and the state of emergency declaration was lifted, the occupancy rate of most hotels is on an improving trend, but MIRAI needs to continue to monitor the trend of hotel occupancy rates. In the retail facility sector, the impact of COVID-19 has been limited, and Mi-Nara, a retail complex in Nara Prefecture, has begun to show the effects of the renewal, including the replacement of core tenants, which was undertaken with the aim of improving visitor number. In the office leasing market, the impact of COVID-19 continues to be apparent in some properties, while progress is being made in backfilling cancelled space.

Under such circumstances, MIRAI did not acquire or dispose of any assets during the fiscal period under review. As a result, as of the end of the 11th fiscal period, MIRAI had 34 properties under management, with a total acquisition price of 153,904 million yen, a total leasable area of 347,824.02 sqm, and occupancy rate of 97.8%.

(iii) Overview of Fund Procurement

During this fiscal period under review, MIRAI repaid short-term borrowings of 1,000 million yen based on the commitment line on September 28, 2021 and 2,000 million yen on September 30, 2021 through #3rd Investment Corporation Bond of 2,000 million yen and #4th Investment Corporation Bond of 1,000 million yen issued on September 28, 2021. In addition, MIRAI borrowed long-term borrowings of 1,500 million yen on September 30, 2021 to repay borrowings of 1,500 million yen maturing on the same day. The balance of borrowings and investment corporation bonds as of the end of the 11th fiscal period was 78,700 million yen (of which 10,000 million yen was current portion of long-term borrowings, 63,700 million yen was long-term borrowings, and 5,000 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 3,000 million yen).

(iv) Operating Results and Distributions

As a result of the above operation, MIRAI recorded operating revenue of 5,113 million yen, operating income of 2,397 million yen, ordinary income of 2,144 million yen, and net income of 2,143 million yen for the 11th 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 2,142,627,360 yen, which is the entire amount after deducting the reversal of the provision for adjustment of temporary differences, etc. (as defined in Article 2, Paragraph 2, Item 30 of the Rules of Account Settlement of Investment Corporations) from the income 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. As a result of the above, the distributions per investment units for the fiscal period under review (excluding distributions in excess of earnings) was 1,289 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 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	The 11 th Period From May 1, 2021 to Oct. 31, 2021
Maximum (Yen)	66,800 yen	63,800 yen	42,700 yen	53,500 yen	58,500 yen
Minimum (Yen)	48,350 yen	28,160 yen	33,050 yen	36,600 yen	47,400 yen

(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, 2,142,627,360 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 AITIC, excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).

Period		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	The 11 th Period From May 1, 2021 to Oct. 31, 2021
Unappropriated retained earnings	(Thousand yen)	2,964,824	3,216,858	2,915,631	2,538,115	2,623,329
Retained earnings	(Thousand yen)	622,416	539,082	465,489	480,262	352,709
Total amount of cash distributions	(Thousand yen)	2,472,103	2,594,756	2,375,340	2,072,813	2,142,627
[Distributions per unit]	(Yen)	[1,563]	[1,561]	[1,429]	[1,247]	[1,289]
Of which, total amount of profit distributions	(Thousand yen)	2,342,408	2,594,756	2,375,340	2,057,853	2,142,627
[Profit distributions per unit]	(Yen)	[1,481]	[1,561]	[1,429]	[1,238]	[1,289]
Of which, total amount of investment refunds	(Thousand yen)	129,694	-	-	14,960	-
[Refund of investment per unit]	(Yen)	[82]	[-]	[-]	[9]	[-]
Total amount of distributions from the allowance for temporary differences out of the total amount of refunds of investments	(Thousand yen)	129,694	-	-	14,960	-
[Distribution of allowance for temporary differences per unit out of refund of investment per unit]	(Yen)	[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, MIRAI thinks 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 excluding special factors, such as providing as a recovery accommodation facility for patients with minor illness of COVID-19, etc., and referring to the results of past fiscal periods for retail facilities, MIRAI will take actions based on relatively conservative forecasts, while considering renewal effects to a certain extent. 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 replacements 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

Issue of new investment units

MIRAI made a resolution at a meeting of its Board of Directors held on December 13, 2021 and December 20, 2021 to issue new investment units as follows for the purpose of allocating part of the funds for the acquisition of specified assets, etc. The issuance of new investment units through public offering was completed on December 24, 2021, and the issuance of new investment units through third-party allotment was completed on January 25, 2022. Payment for the issuance of new investment units through public offering was completed on December 24, 2021, and payment for the issuance of new investment units through third-party allotment was completed on January 25, 2022, and the units were issued under the following conditions. As a result, the total unitholders' capital is 78,499,868 thousand yen and the total number of outstanding investment units is 1,771,440 units.

Issue of new investment units (public offering)

Number of investment units to be issued	: 104,000 units
Issue price	: ¥47,238 per unit
Total amount of issue price	: ¥4,912,752,000
Paid-in amount	: ¥45,639 per unit
Total paid-in amount	: ¥4,746,456,000
Payment date	: December 24, 2021
Distribution start date	: November 1, 2021

Issue of new investment units through a third-party allotment

Number of investment units to be issued	: 5,200 units
Paid-in amount	: ¥45,639 per unit
Total paid-in amount	: ¥237,322,800
Payment date	: January 25, 2022
Distribution start date	: November 1, 2021
Allottee	: Nomura Securities Co., Ltd.

(Reference information)

Acquisition of assets

MIRAI plans to acquire the following assets after the end of the 11th Period (October 31, 2021).

Name of the Asset	Ehime Building/Hiroshima
Address (Residential Address)	2-10, Naka-ku Mikawa-cho, Hiroshima-shi, Hiroshima
Agreement Date	December 13, 2021
Acquisition Date	January 12, 2022
Seller	Fuyo General Lease Co., Ltd.
Acquisition Price	2,780 million yen (Note)

(Note) "Acquisition Price" shows the sale and purchase value of the asset that is stated in the sale and purchase agreement. The sale and purchase value does not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen.

Name of the Asset	Tsurumi Fuga 1
Address (Residential Address)	2-1, Tsurumi-ku Toyooka-cho, Yokohama-shi, Kanagawa
Agreement Date	December 13, 2021
Acquisition Date	January 12, 2022
Seller	Fuyo General Lease Co., Ltd.
Acquisition Price	5,300 million yen (Note)

(Note) "Acquisition Price" shows the sale and purchase value of the asset that is stated in the sale and purchase agreement. The sale and purchase value does not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen.

Name of the Asset	BIGMOTOR Ginan (land)
Address	7-12, Ginan-cho Yatsurugi, Hashima-gun, Gifu, other 21 parcel of land

(Residential Address)	
Agreement Date	December 13, 2021
Acquisition Date	January 12, 2022
Seller	Nippon Commercial Development Co., Ltd.
Acquisition Price	1,080 million yen (Note)

(Note) "Acquisition Price" shows the sale and purchase value of the asset that is stated in the sale and purchase agreement. The sale and purchase value does not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen.

Name of the Asset	Yokohama-Daikokucho Maintenance Center (land)
Address (Residential Address)	36-9, Tsurumi-ku Daikoku-cho, Yokohama-shi, Kanagawa
Agreement Date	December 13, 2021
Acquisition Date (Note 1)	March 25, 2022
Seller	CTF 1 GK
Acquisition Price	1,490 million yen (Note 2)

(Note 1) The sale and purchase agreement for the asset is subject to the "forward commitment, etc." as defined in the "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." provided by the Financial Services Agency (i.e., a sale and purchase agreement on a day-ahead basis, in which settlement and delivery of the property are to take place more than one month after the conclusion of the agreement, and other similar agreements. The same shall apply hereinafter in "Acquisition of assets"). This sale and purchase agreement stipulates that in the event of a delay in fulfilling the obligation by one party, the other party may terminate the agreement after requesting for the rectification of the violation within a specified period of time, unless otherwise agreed. Should a party cause damage to the other party by breaching the obligation under the purchase and sale agreement due to grounds attributable to the violator, or by making untrue or inaccurate representation or warranty, the party may request the violating party to pay penalty of up to 20% of the acquisition price. However, the obligation for MIRAI to pay the acquisition price becomes enforceable on the condition that the financing to fund the acquisition is completed. The purchase and sale agreement shall become void without any penalty or compensation for damage if MIRAI fails to secure funding required for the payment of acquisition price. As such, even if the funding cannot be completed and the forward commitment for the acquisition of "Yokohama-Daikokucho Maintenance Facility (land)" cannot be executed, it is unlikely that there is a severe adverse impact to MIRAI's financial standing.

(Note 2) "Acquisition Price" shows the sale and purchase value of the asset that is stated in the sale and purchase agreement. The sale and purchase value does not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen.

2 Overview of MIRAI

(1) Status of Unitholders' Capital

Period		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, 2021)	The 11 th Period (Oct. 31, 2021)
Total number of investment units authorized	(Units)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total number of investment units outstanding	(Units)	1,581,640	1,662,240	1,662,240	1,662,240	1,662,240
Total unitholders' capital	(Million yen)	69,074	73,516	73,516	73,516	73,516
Number of unitholders	(Persons)	22,351	29,020	32,081	33,837	32,599

(2) Matters Concerning Investment Units

Major unitholders as of October 31, 2021 are as follows:

Name	Number of units owned (Units)	Ratio to total units outstanding (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	222,605	13.39
Custody Bank of Japan, Ltd. (Trust account)	176,411	10.61
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	73,459	4.42
Custody Bank of Japan, Ltd. (Securities investment trust account)	63,593	3.83
SMBC Nikko Securities Inc.	38,275	2.30
The Hachijuni Bank, Ltd.	27,469	1.65
Nomura Securities Co., Ltd.	20,778	1.25
MITSUI & CO. ASSET MANAGEMENT HOLDINGS LTD.	20,000	1.20
IDERA Capital Management Ltd.	20,000	1.20
STATE STREET BANK WEST CLIENT—TREATY 505234	18,343	1.10
Total	680,933	40.96

(3) Matters Concerning Officers, etc.

(i) The Executive Director, Supervisory Director and Accounting Auditor for the 11th period are as follows:

Title	Name	Major concurrent posts outside MIRAI (Note 1)	Total compensation or fee for six-month period ended October 31, 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	-	17,300

(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.

(Note 3) Remuneration for the accounting auditor includes remuneration for audit of financial statements in English and remuneration for the preparation of the comfort letter in connection with the issuance of investment corporation bonds.

(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 October 31, 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 10 th Period As of April 30, 2021		The 11 th Period As of October 31, 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	2,239	1.4
	Industrial	2,418	1.5	2,418	1.5
	Total of real estate	4,651	2.9	4,657	2.9
Real estate in trust	Office	82,377	50.9	82,323	51.1
	Retail	30,042	18.6	30,046	18.6
	Hotel	26,680	16.5	26,581	16.5
	Industrial	7,831	4.8	7,779	4.8
	Educational	4,072	2.5	4,098	2.5
	Total of real estate in trust	151,005	93.3	150,830	93.6
Deposits and other assets		6,158	3.8	5,738	3.6
Total assets		161,815	100.0	161,226	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 October 31, 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	23,823	22,737.07	22,737.07	100.0	18.6	Office
Shinagawa Seaside Parktower	19,972	22,205.78	21,761.78	98.0	14.8	Office
Tokyo Front Terrace	10,731	9,705.59	8,252.80	85.0	5.1	Office
Shinjuku Eastside Square	9,808	5,774.45	5,690.41	98.5	5.3	Office
AEON Kasai	9,580	28,338.45	28,338.45	100.0	Not disclosed (Note 4)	Retail
MI Terrace Nagoya-Fushimi	8,959	11,625.38	11,287.02	97.1	5.9	Office
Rokko Island DC	7,779	15,563.37	15,563.37	100.0	Not disclosed (Note 4)	Industrial
Mi-Nara	5,064	43,309.03	39,232.08	90.6	9.1	Retail
Tokyo Eiseigakuen Senmongakko	4,098	4,220.46	4,220.46	100.0	Not disclosed (Note 4)	Educational
Smile Hotel Naha City Resort	4,014	9,698.44	9,698.44	100.0	1.3	Hotel
Total	103,832	173,178.02	166,781.88	96.3	72.9	

(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 October 31, 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	19,972	22,570
Kawasaki Tech Center	580-16, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficiaries	22,737.07	23,823	24,500
Shinjuku Eastside Square	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiaries	5,774.45	9,808	10,650
Tokyo Front Terrace	2-3-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	9,705.59	10,731	11,094
MI Terrace Nagoya-Fushimi	1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	11,625.38	8,959	10,300
Orico Hakataeki Minami Building	3-7-10, Hakataeki-minami, hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,845.60	1,731	1,780
My Square Building	2-10-3, Azabu Juban, Minato-ku, Tokyo	Trust beneficiaries	1,795.74	2,929	3,010
Hiroshima Rijo-dori Building	3-1-9, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	3,611.85	2,339	2,470
BizMiiX Yodoyabashi	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiaries	1,005.20	2,027	2,200
TCA Building	2-3-19, Motomachi, Naniwa-ku, Osaka-shi, Osaka	Real estate	3,212.81	2,239	2,260
Shibuya World East Building	1-23-18, Shibuya, Shibuya-ku, Tokyo	Trust beneficiaries	1,701.55	3,379	4,950
THINGS Aoyama	4-10-15, Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiaries	997.62	2,948	3,250
MI Cube Sendai Clisroad	2-2-30, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	1,023.76	1,379	1,450
AEON Kasai	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo	Trust beneficiaries	28,338.45	9,580	9,580
MEGA Don Quijote Izumi-Chuo	5-6-17, Ibuki-no, Izumi-shi, Osaka	Trust beneficiaries	6,891.87	3,029	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	2,159	2,290
Daiwa Roynet Hotel Akita	2-2-41, Omachi, Akita-shi, Akita	Trust beneficiaries	7,439.36	1,913	2,170
Super Hotel Sendai/Hirose-dori	2-9-23, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	3,283.95	1,238	1,570
Super Hotel Osaka/Tennoji	2-3-3, Osaka, Tennoji-ku, Osaka-shi, Osaka	Trust beneficiaries	2,486.39	1,246	1,620
Super Hotel Saitama/Omiya	1-12-6, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiaries	2,946.55	1,071	1,250
Super Hotel Kyoto/Karasumagojo	396-3, Osaka-cho, Gojo-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiaries	2,144.02	1,014	1,300
Ise City Hotel Annex	2-5-11, Fukiage, Ise-shi, Mie	Trust beneficiaries	4,099.31	1,905	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	803	828
Comfort Hotel Nagano	1-12-4, Minami-chitose, Nagano-shi, Nagano	Trust beneficiaries	1,921.45	640	588
Hotel Wing International Select Ueno/Okachimachi	2-18-4, Higashi-ueno, Taito-ku, Tokyo	Trust beneficiaries	3,079.33	3,811	4,040
Smile Hotel Naha City Resort	2-32-1, Kume, Naha-shi, Okinawa	Trust beneficiaries	9,698.44	4,014	3,970
Smile Hotel Hakataeki-Mae	3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,432.72	3,798	3,580
Smile Hotel Nagoya-Sakae	4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	2,909.20	2,964	2,920
Mi-Nara	1-3-1, Nijo-ji-Minami, Nara-shi, Nara	Trust beneficiaries	43,309.03	5,064	3,750
Rokko Island DC	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiaries	15,563.37	7,779	8,880
Odawara Material Storage and Delivery Center (land)	2842-2 Sakaikyu, Kozu, Odawara-shi, Kanagawa	Real estate	16,529.10	2,418	2,560
Tokyo Eiseigakuen Senmongakko	4-1-1, Omorikita, Ota-ku, Tokyo	Trust beneficiaries	4,220.46	4,098	4,280
Total			347,824.02	155,488	165,350

(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 10 th Period (From Nov. 1, 2020 to Apr. 30, 2021)				The 11 th Period (From May. 1, 2021 to Oct. 31, 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	98.6	737	16.0	23	98.0	759	14.8
Kawasaki Tech Center	26	100.0	889	19.3	27	100.0	949	18.6
Shinjuku Eastside Square	40	99.2	267	5.8	40	98.5	268	5.3
Tokyo Front Terrace	22	91.5	322	7.0	23	85.0	262	5.1
Hillcoat Higashi-Shinjuku (Note 5)	-	-	85	1.8	-	-	-	-
Nippo Hommachi Building (Note 5)	-	-	46	1.0	-	-	-	-
MI Terrace Nagoya-Fushimi	9	100.0	301	6.5	8	97.1	301	5.9
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	72	1.6	9	100.0	86	1.7
Hiroshima Rijo-dori Building	12	93.6	77	1.7	12	96.3	80	1.6
BizMiiX Yodoyabashi (Note 6)	9	13.3	1	0.0	19	28.5	13	0.3
TCA Building	8	100.0	34	0.7	8	100.0	69	1.4
Shibuya World East Building	8	100.0	118	2.6	8	100.0	117	2.3
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	38	0.8	3	100.0	33	0.7
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)	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)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Hotel Sunroute Niigata	2	100.0	74	1.6	1	94.6	75	1.5
Daiwa Roynet Hotel Akita	1	100.0	69	1.5	1	100.0	69	1.3
Super Hotel Sendai/Hirose-dori	1	100.0	14	0.3	1	100.0	54	1.1
Super Hotel Osaka/Tennoji	1	100.0	12	0.3	1	100.0	46	0.9

Name of real estate, etc.	The 10 th Period (From Nov. 1, 2020 to Apr. 30, 2021)				The 11 th Period (From May. 1, 2021 to Oct. 31, 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 Saitama/Omiya	1	100.0	11	0.3	1	100.0	44	0.9
Super Hotel Kyoto/Karasumagojo	1	100.0	10	0.2	1	100.0	38	0.8
Comfort Hotel Shin-Yamaguchi (Note 5)	-	-	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	15	0.3	1	100.0	67	1.3
Smile Hotel Hakataeki-Mae	1	100.0	11	0.2	1	100.0	36	0.7
Smile Hotel Nagoya-Sakae	1	100.0	12	0.3	1	100.0	45	0.9
Mi-Nara	52	90.1	375	8.1	53	90.6	465	9.1
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)	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	245	98.1	4,615	100.0	256	97.8	5,113	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 Hillcoat Higashi-Shinjuku and Nippo Hommachi Building on March 26, 2021 and Comfort Hotel Shin-Yamaguchi on November 30, 2020.

(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, 2021 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	(352,076)

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

Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Air-conditioning equipment work, etc.	From August 2021 to April 2022	143,699	-	-
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work and electrical installation work, etc.	From September 2021 to April 2022	106,011	-	-
Mi-Nara (Nara-shi, Nara)	Air-conditioning equipment work, water pump equipment work and compartment repair work, etc.	From November 2021 to April 2022	104,301	-	-
AEON Kasai (Edogawa-ku, Tokyo)	Disaster prevention equipment renewal work	From February 2021 to November 2021	85,000	-	-
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Anti-crime equipment fortifications and electrical installation work, etc.	From July 2021 to March 2022	50,683	-	-
Others	-	-	147,248	-	-

After Fiscal period ending October 31, 2022 (13th period)

Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Automatic fire alarm equipment renewal work	From June 2020 to October 2022	124,300	49,720	49,720
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work	From February 2022 to April 2023	159,749	-	-

(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 439,221 thousand yen, and together with 61,149 thousand yen in repair expenses classified as expenses for the current fiscal period, a total of 500,371 thousand yen in construction work was conducted.

Name of real estate, etc. (Location)	Purpose	Construction period	Construction cost (Thousand yen)
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Elevator renewal work and air-conditioning equipment work, etc.	From March 2021 to October 2021	163,083
AEON Kasai (Edogawa-ku, Tokyo)	Escalator renewal work, etc.	From March 2021 to May 2021	119,441
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work, etc.	From May 2021 to October 2021	36,406
Hiroshima Rijo-dori Building (Hiroshima-shi, Hiroshima)	Construction of multilevel parking facilities, etc.	From October 2021 to October 2021	17,646
Tokyo Eiseigakuen Senmongakko (Ota-ku, Tokyo)	Air-conditioning equipment work and waterproofing renovation work, etc.	From August 2021 to October 2021	13,554
Others	-	-	89,089
Total			439,221

(3) Reserve for Long-Term Repair Plan

Not applicable.

5 Expenses

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

(Thousand yen)

Item	The 10 th Period From November 1, 2020 to April 30, 2021	The 11 th Period From May 1, 2021 to October 31, 2021
Asset management fee (Note)	422,672	441,548
Asset custody fee	8,208	8,499
Administrative service fees	17,663	20,827
Remuneration for directors	3,696	3,696
Other operating expenses	66,516	49,641
Total	518,756	524,213

(Note) In addition to the above, there are asset management fees which were capitalized as disposition fee of 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.
Not applicable.

(2) Other Assets
Not applicable.

(3) Investigation of the Price of Specified Assets

(i) Real Estate, etc.
Not applicable.

(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

The 6th General Meeting of Unitholders of MIRAI was held on July 28, 2021. The agenda items approved at the general meeting of unitholders are as follows.

Approval date	Item	Overview
July 28, 2021	Partial amendment of the Article of Incorporation	MIRAI amended partially the Articles of Incorporation.
	Election of one executive director	Michio Suganuma was reappointed as an executive director.
	Election of one alternate executive director	Hiroki Wajima was reappointed as an alternate executive director.
	Election of two supervisory directors	Takehiko Negishi and Hidetomo Nishii were reappointed as supervisory directors.
	Election of one alternate supervisory director	Takashi Kimura was appointed as an alternate supervisory director.

(ii) Board of Directors

The following is a summary of the major agreements and amendments approved by the Board of Directors of MIRAI during the current fiscal period.

Approval date	Item	Overview
August 26, 2021	Consignment of administrative work related to the issuance of investment corporation bond	The Board of Directors passed a comprehensive resolution concerning the issuance of investment corporation bond, setting the maximum total amount to be issued at 5 billion yen and the issuable period as between September 1, 2021 and October 31, 2021, approved the candidate companies to be entrusted with the administrative work related to the solicitation of subscribers for investment corporation bond and the administrative work related to investment corporation bonds, etc., and left the decision on other necessary matters to the executive director.
October 25, 2021	Consignment of administrative work related to the issuance of investment corporation bond	The Board of Directors passed a comprehensive resolution concerning the issuance of investment corporation bond, setting the maximum total amount to be issued at 5 billion yen and the issuable period as between November 1, 2021 and January 31, 2022, approved the candidate companies to be entrusted with the administrative work related to the solicitation of subscribers for investment corporation bond and the administrative work related to investment corporation bonds, etc., and left the decision on other necessary matters to the executive director.

(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 October 31, 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 October 31, 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

January 28, 2022

金子 秀嗣

Shuji Kaneko
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 April 30, 2021	As of October 31, 2021
Assets		
Current assets		
Cash and deposits	3,379,883	2,542,119
Cash and deposits in trust	2,076,752	2,331,887
Operating accounts receivable	117,198	227,272
Prepaid expenses	133,358	131,784
Consumption taxes receivable	-	57,176
Other	113	28
Total current assets	5,707,305	5,290,266
Non-current assets		
Property, plant and equipment		
Buildings	424,386	436,737
Accumulated depreciation	(3,960)	(10,017)
Buildings, net	420,425	426,720
Structures	564	564
Accumulated depreciation	(62)	(157)
Structures, net	502	407
Land	4,230,785	4,230,785
Buildings in trust	*1 34,669,961	*1 35,077,401
Accumulated depreciation	(3,966,358)	(4,536,603)
Buildings in trust, net	30,703,602	30,540,797
Structures in trust	318,733	318,733
Accumulated depreciation	(61,460)	(68,533)
Structures in trust, net	257,272	250,199
Machinery and equipment in trust	188,940	207,051
Accumulated depreciation	(54,162)	(62,426)
Machinery and equipment in trust, net	134,777	144,625
Tools, furniture and fixtures in trust	*1 217,106	*1 218,425
Accumulated depreciation	(29,655)	(46,316)
Tools, furniture and fixtures in trust, net	187,451	172,109
Land in trust	119,722,380	119,722,380
Construction in progress in trust	27,345	54,691
Total property, plant and equipment	155,684,544	155,542,717
Intangible assets		
Software	16,851	18,640
Other	231	231
Total intangible assets	17,083	18,872
Investments and other assets		
Long-term prepaid expenses	318,508	263,995
Deferred tax assets	7	23
Guarantee deposits	11,006	11,006
Other	56,134	56,134
Total investments and other assets	385,656	331,159
Total non-current assets	156,087,284	155,892,749
Deferred assets		
Investment corporation bond issuance costs	20,637	43,500
Total deferred assets	20,637	43,500
Total assets	161,815,227	161,226,516

	As of April 30, 2021	As of October 31, 2021
Liabilities		
Current liabilities		
Operating accounts payable	695,967	514,683
Distributions payable	11,215	8,466
Short-term borrowings	3,000,000	-
Current portion of long-term borrowings	11,500,000	10,000,000
Accounts payable - other	484,404	509,857
Accrued expenses	1,128	5,383
Income taxes payable	752	1,096
Accrued consumption taxes	314,647	-
Advances received	598,553	625,064
Deposits received	4,299	948
Other	118	137
Total current liabilities	16,611,088	11,665,638
Non-current liabilities		
Investment corporation bonds	2,000,000	5,000,000
Long-term borrowings	62,200,000	63,700,000
Leasehold and guarantee deposits received	143,311	150,109
Leasehold and guarantee deposits received in trust	5,270,387	5,050,075
Derivatives liabilities	480,108	352,076
Total non-current liabilities	70,093,807	74,252,261
Total liabilities	86,704,895	85,917,899
Net assets		
Unitholders' equity		
Unitholders' capital	73,516,089	73,516,089
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*4 (463,764)	*4 (478,725)
Total deduction from unitholders' capital	(463,764)	(478,725)
Unitholders' capital, net	73,052,324	73,037,364
Surplus		
Unappropriated retained earnings (undisposed loss)	2,538,115	2,623,329
Total surplus	2,538,115	2,623,329
Total unitholders' equity	75,590,440	75,660,693
Valuation and translation adjustments		
Deferred gains or losses on hedges	(480,108)	(352,076)
Total valuation and translation adjustments	(480,108)	(352,076)
Total net assets	*3 75,110,331	*3 75,308,617
Total liabilities and net assets	161,815,227	161,226,516

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended April 30, 2021	For the six-month period ended October 31, 2021
Operating revenue		
Leasing business revenue	*1 3,859,975	*1 4,262,183
Other leasing business revenue	*1 755,272	*1 851,598
Gain on sales of real estate properties	*2 358,663	-
Total operating revenue	4,973,910	5,113,781
Operating expenses		
Expenses related to leasing business	*1 2,134,032	*1 2,192,292
Asset management fee	422,672	441,548
Asset custody fees	8,208	8,499
Administrative service fees	17,663	20,827
Remuneration for directors (and other officers)	3,696	3,696
Other operating expenses	66,516	49,641
Total operating expenses	2,652,789	2,716,506
Operating income	2,321,121	2,397,275
Non-operating income		
Interest income	25	22
Gain on forfeiture of unclaimed distributions	1,707	2,711
Total non-operating income	1,732	2,733
Non-operating expenses		
Interest expenses	196,570	203,041
Interest expenses on investment corporation bonds	7,200	9,351
Amortization of investment corporation bond issuance costs	1,258	1,607
Borrowing related expenses	41,402	41,859
Other	3,000	-
Total non-operating expenses	249,431	255,859
Ordinary income	2,073,422	2,144,149
Extraordinary income		
Subsidy income	8,518	-
Total extraordinary income	8,518	-
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	8,518	-
Total extraordinary losses	8,518	-
Net income before income taxes	2,073,422	2,144,149
Income taxes - current	756	1,099
Income taxes - deferred	39	(16)
Total income taxes	796	1,083
Net income	2,072,625	2,143,066
Retained earnings brought forward	465,489	480,262
Unappropriated retained earnings (undisposed loss)	2,538,115	2,623,329

(3) Statement of Changes in Net Assets

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

The Fiscal Period ended October 2021 (The 11th period from May 1, 2021 to October 31, 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	(463,764)	(463,764)	73,052,324
Changes during period				
Dividends of surplus				
Distributions in excess of earnings from allowance for temporary difference adjustments		(14,960)	(14,960)	(14,960)
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	(14,960)	(14,960)	(14,960)
Balance at end of period	*1 73,516,089	(478,725)	(478,725)	73,037,364

(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	2,538,115	2,538,115	75,590,440	(480,108)	(480,108)	75,110,331
Changes during period						
Dividends of surplus	(2,057,853)	(2,057,853)	(2,057,853)			(2,057,853)
Distributions in excess of earnings from allowance for temporary difference adjustments			(14,960)			(14,960)
Net income	2,143,066	2,143,066	2,143,066			2,143,066
Net changes in items other than unitholders' equity				128,032	128,032	128,032
Total changes during period	85,213	85,213	70,253	128,032	128,032	198,285
Balance at end of period	2,623,329	2,623,329	75,660,693	(352,076)	(352,076)	75,308,617

(4) Statement of Cash Distributions

(Yen)

	Fiscal Period ended April 2021 (The 10 th period from November 1, 2020 to April 30, 2021)	Fiscal Period ended October 2021 (The 11 th period from May 1, 2021 to October 31, 2021)
I Unappropriated retained earnings	2,538,115,885	2,623,329,217
II Addition of distributions in excess of earnings	14,960,160	-
Temporary difference adjustment	14,960,160	-
III Capitalization	-	127,992,480
Reversal of allowance for temporary difference adjustment	-	127,992,480
IV Distributions	2,072,813,280	2,142,627,360
[Distributions per unit]	[1,247]	[1,289]
Distributions of earnings	2,057,853,120	2,142,627,360
[Distributions of earnings per unit]	[1,238]	[1,289]
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	480,262,765	352,709,377
Method of calculation of distributions	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 36 (1) of the Articles of Incorporation of MIRAI, and shall exceed the amount equivalent to 90% of the distributable dividend amount of MIRAI provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on this policy, 2,057,853,120 yen, which is the total amount of such profit that is specified in Article 136, Paragraph (1) of the Act on Investment Trusts and Investment Corporations, excluding a fraction of one yen in distribution per investment unit, will be paid as profit distribution (not including distributions in excess of earnings).</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>	<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, 2,142,627,360 yen, which is the total amount of unappropriated retained earnings after deduction of reversal of allowance for temporary difference adjustment (as stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).</p>

(5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended April 30, 2021	For the six-month period ended October 31, 2021
Cash flows from operating activities		
Net income before income taxes	2,073,422	2,144,149
Depreciation	602,903	610,859
Amortization of investment corporation bond issuance costs	1,258	1,607
Interest income	(25)	(22)
Interest expenses	203,770	212,392
Loss on retirement of non-current assets	24,519	-
Loss on tax purpose reduction entry of non-current assets	8,518	-
Decrease (increase) in operating accounts receivable	9,298	(110,073)
Decrease (increase) in prepaid expenses	(574)	1,574
Decrease (increase) in consumption taxes receivable	-	(57,176)
Increase (decrease) in operating accounts payable	(26,639)	11,423
Increase (decrease) in accounts payable - other	(19,819)	24,998
Increase (decrease) in accrued consumption taxes	134,880	(314,647)
Increase (decrease) in advances received	(54,638)	26,510
Decrease (increase) in long-term prepaid expenses	55,604	54,513
Decrease in property, plant and equipment in trust due to sale	6,465,965	-
Other, net	1,731	(5,958)
Subtotal	9,480,174	2,600,151
Interest received	25	22
Interest paid	(204,754)	(208,138)
Income taxes paid	(1,495)	(755)
Net cash provided by operating activities	9,273,949	2,391,279
Cash flows from investing activities		
Purchase of property, plant and equipment	(4,655,736)	(12,351)
Purchase of property, plant and equipment in trust	(5,379,991)	(650,724)
Proceeds from leasehold and guarantee deposits received	143,311	6,798
Refund of leasehold and guarantee deposits received in trust	(370,109)	(278,365)
Proceeds from leasehold and guarantee deposits received in trust	173,511	58,053
Payments for restricted deposits held in trust	(0)	(0)
Other payments	(7,102)	-
Net cash used in investing activities	(10,096,118)	(876,589)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,500,000	-
Repayments of short-term borrowings	(500,000)	(3,000,000)
Proceeds from long-term borrowings	1,500,000	1,500,000
Repayments of long-term borrowings	(1,500,000)	(1,500,000)
Proceeds from issuance of investment corporation bonds	-	2,975,530
Distributions paid	(2,374,306)	(2,072,850)
Net cash provided by (used in) financing activities	625,693	(2,097,319)
Net decrease in cash and cash equivalents	(196,475)	(582,630)
Cash and cash equivalents at beginning of period	5,471,011	5,274,535
Cash and cash equivalents at end of period	*1 5,274,535	*1 4,691,905

(6) Notes to the financial statements

[Notes on Assumption of Going Concern]

Not applicable to the 11th 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 October 31, 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>A. 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 10th Period, the property tax, etc. included in the acquisition cost of real estate was 47,151 thousand yen. In the 11th Period, the property tax, etc. included in the acquisition cost of real estate was not applicable.</p> <p>B. Accounting standards for revenue The main performance obligations related to revenue arising from MIRAI's contracts with customers and When it typically satisfies its performance obligations (the ordinary time at which revenue is recognized) are as follows.</p> <p>(a) Disposition of real estate assets and other properties For disposition of real estate assets and other properties, MIRAI recognizes revenue when the customer-buyer obtains control of the real estate and other assets by fulfilling the delivery obligations stipulated in the sales and purchase agreement.</p> <p>(b) Utility revenue Utility revenue is recognized based on the supply of electricity, water, etc. to the customer-lessee in accordance with the real estate lease contract and related agreements. As to utilities charges in cases where MIRAI is acting as an agent, the net amount derived by deducting the amount to be paid to other parties supplying the electricity, gas, etc. from the amount received by MIRAI as utilities charges from the customer is recognized as revenue.</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</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.</p>								

statements	<p>Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the Balance Sheet.</p> <p>(a) Cash and deposits in trust</p> <p>(b) Buildings in trust, Structures in trust, Tools, furniture and fixtures in trust and Land in trust, Construction in progress in trust</p> <p>(c) Leasehold and guarantee deposits received in trust</p> <p>B. Method of accounting for consumption taxes</p> <p>Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.</p> <p>Consumption taxes unqualified for deduction for tax purposes for noncurrent assets, etc. are included in acquisition cost for each asset.</p>
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[Notes to Significant Accounting Estimates]

(Evaluation of fixed assets)

1. Amount recorded in financial statements

(Thousands of yen)

	The 10 th Period (as of April 30, 2021)	The 11 th Period (as of October 31, 2021)
Property, plant and equipment	155,684,544	155,542,717
Loss on impairment	-	-

2. Information on the contents of significant accounting estimates for identified items

In accordance with the accounting standard for impairment of fixed assets, MIRAI assesses the necessity of recognizing impairment losses on Fixed assets when there is an indication that impairment may have occurred, considering each property owned by MIRAI as one asset group.

The estimated undiscounted future cash flows are used to determine whether an impairment loss should be recognized. If it is determined that an impairment loss should be recognized, the carrying amount is reduced to the recoverable amount, and the amount of the reduction is recorded as an impairment loss.

In estimating future cash flows, MIRAI has assumed that the impact of COVID-19 outbreak will continue for the time being, but that the recovery trend will continue over a certain period of time thereafter.

Since it is difficult to accurately predict the timing of the settlement of COVID-19 outbreak and the extent of its impact, changes in the aforementioned assumptions may affect the financial position, operating results and cash flow status of MIRAI if it is determined that an impairment loss needs to be recorded.

(Change in presentation method)

For the evaluation of fixed assets, from the perspective of materiality, Notes to Significant Accounting Estimates are disclosed from the current period.

[Notes to Changes in Accounting Policies]

(Implementation of the Accounting Standard for Revenue Recognition, etc.)

MIRAI has implemented “Accounting Standard for Revenue Recognition” (Accounting Standards Board of Japan (ASBJ) Statement No. 29, March 31, 2020. Hereinafter the “Accounting Standard for Revenue Recognition”), etc. from the beginning of the current period. Revenue is recognized when control of the promised goods or services is transferred to the customer, at the amount expected to be received in exchange for those goods or services. The effect of this change on the financial statements for the current period is immaterial. In accordance with the transitional treatment prescribed in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, the Notes to “Revenue Recognition” for the previous period are not disclosed.

(Implementation of the Accounting Standard for Fair Value Measurement, etc.)

MIRAI has implemented “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019. Hereinafter the “Accounting Standard for Fair Value Measurement”), etc. from the beginning of the current period. In accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019), the new accounting policy prescribed by the Accounting Standard for Fair Value Measurement, etc. will be applied prospectively. The effect of this change on the financial statements for the current period is immaterial.

[Additional Information]

[Notes to Allowance for Temporary Difference Adjustment]

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.

The 11th Period (from May 1, 2021 to October 31, 2021)

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	127,992

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 10 th Period (as of April 30, 2021)	The 11 th Period (as of October 31, 2021)
Buildings in trust	213,030	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 10 th Period (as of April 30, 2021)	The 11 th Period (as of October 31, 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	2,000,000	3,000,000

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

(Thousands of yen)

The 10 th Period (as of April 30, 2021)	The 11 th Period (as of October 31, 2021)
50,000	50,000

*4. Allowance for temporary difference adjustment

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.

The 11th Period (from May 1, 2021 to October 31, 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 11 th period	Allowance	Reversal	The balance at the ending of the 11 th period	Reason for occurrence of reversal
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	491,890	463,764	14,960	-	478,725	-

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 10 th Period (from November 1, 2020 to April 30, 2021)		The 11 th Period (from May 1, 2021 to October 31, 2021)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	3,656,702		3,912,631	
Land rents received	35,992		188,400	
Facility charges	167,279	3,859,975	161,152	4,262,183
Other lease business revenue				
Utilities charges	488,063		582,390	
Other operating income	267,208	755,272	269,207	851,598
Total real estate leasing business revenue		4,615,247		5,113,781
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Outsourcing service expenses	373,583		369,829	
Utilities expenses	347,919		462,215	
Taxes and dues	395,026		398,204	
Repair expenses	73,799		61,149	
Depreciation	601,650		609,599	
Loss on retirement of non-current assets	24,519		-	
Other expenses related to rent business	317,533		291,293	
Total real estate leasing business expenses		2,134,032		2,192,292
(iii) Income from real estate leasing business (i - ii)		2,481,214		2,921,489

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

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>

The 11th Period (from May 1, 2021 to October 31, 2021)

Not applicable.

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

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

The 11th Period (from May 1, 2021 to October 31, 2021)

Not applicable.

[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 10 th Period (from November 1, 2020 to April 30, 2021)	The 11 th Period (from May 1, 2021 to October 31, 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 10 th Period (from November 1, 2020 to April 30, 2021)	The 11 th Period (from May 1, 2021 to October 31, 2021)
Cash and deposits	3,379,883	2,542,119
Cash and deposits in trust	2,076,752	2,331,887
Restricted deposits held in trust (Note)	(182,099)	(182,100)
Cash and cash equivalents	5,274,535	4,691,905

(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 10 th Period (from November 1, 2020 to April 30, 2021)	The 11 th Period (from May 1, 2021 to October 31, 2021)
Future lease payments receivable		
Due within one year	4,273,989	4,215,486
Due after one year	29,170,599	28,072,837
Total	33,444,588	32,288,324

[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 April 30, 2021 are as follows;

The fair values of “Cash and deposits”, “Cash and deposits in trust”, and “Short-term borrowings” are omitted because their fair value approximates their book value due to cash and short term maturities.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(i) Current portion of long-term borrowings	11,500,000	11,520,959	20,959
(ii) Investment corporation bonds	2,000,000	1,968,800	(31,200)
(iii) Long-term borrowings	62,200,000	62,260,061	60,061
Total liabilities	78,700,000	78,749,821	49,821
(iv) Derivative transactions *	[480,108]	[480,108]	-

Amounts on the Balance Sheet, fair value and their difference as of October 31, 2021 are as follows;

The fair values of “Cash and deposits” and “Cash and deposits in trust” are omitted because their fair value approximates their book value due to cash and short term maturities.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(i) Current portion of long-term borrowings	10,000,000	10,000,379	379
(ii) Investment corporation bonds	5,000,000	4,947,500	(52,500)
(iii) Long-term borrowings	63,700,000	63,724,722	24,722
Total liabilities	78,700,000	78,672,602	(27,397)
(iv) Derivative transactions *	[352,076]	[352,076]	

*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 [].

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

(i) Current portion of long-term borrowings and (iii) 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.

(ii) Investment corporation bonds

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

(iv) Derivative transactions

See “Notes to Derivatives” below.

(Note 2) Leasehold and guarantee deposits received and leasehold and guarantee deposits received in trust are omitted due to immateriality.

(Note 3) Repayment 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
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	11,500,000	7,000,000	20,000,000	8,500,000	8,500,000	20,200,000

Repayment schedule for borrowings and Investment corporation bonds after the closing date (as of October 31, 2021)

(Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years
Investment corporation bonds	-	-	-	-	-	5,000,000
Long-term borrowings	10,000,000	10,500,000	18,000,000	15,500,000	4,000,000	15,700,000
Total	10,000,000	10,500,000	18,000,000	15,500,000	4,000,000	20,700,000

[Notes to Investment Securities]

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

Not applicable to the 10th Period.

The 11th Period (as of October 31, 2021)

Not applicable to the 11th Period.

[Notes to Derivatives]

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

The 11th Period (as of October 31, 2021)

1. Transactions not applicable to hedge accounting

Not applicable to the 11th Period.

2. Transactions applicable to hedge accounting

The 11th Period (from May 1, 2021 to October 31, 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	(352,076)	Based on prices and other conditions presented by financial institutions

[Notes to Retirement Benefits]

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

Not applicable to the 10th Period.

The 11th Period (as of October 31, 2021)

Not applicable to the 11th Period.

[Tax Effect Accounting]

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

(Thousands of yen)

	The 10 th Period (as of April 30, 2021)	The 11 th Period (as of October 31, 2021)
Deferred tax assets		
Enterprise tax not deductible	7	23
Deferred losses on hedges	151,042	110,763
Subtotal deferred tax assets	151,049	110,787
Valuation allowance	(151,042)	(110,763)
Total deferred tax assets	7	23
Deferred tax assets, net	7	23

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 10 th Period (as of April 30, 2021)	The 11 th Period (as of October 31, 2021)
Effective statutory tax rate	31.46%	31.46%
(Adjustments)		
Deductible cash distributions	(31.45%)	(31.44%)
Other	0.03%	0.03%
Effective tax rate after applying tax effect accounting	0.04%	0.05%

[Notes to Equity in Earnings of Affiliates]

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

Not applicable to the 10th Period.

The 11th Period (as of October 31, 2021)

Not applicable to the 11th Period.

[Transactions with Related Parties]

1. Parent company and principal corporate unitholders

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

Not applicable to the 10th Period.

The 11th Period (from May 1, 2021 to October 31, 2021)

Not applicable to the 11th Period.

2. Subsidiaries and affiliates

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

Not applicable to the 10th Period.

The 11th Period (from May 1, 2021 to October 31, 2021)

Not applicable to the 11th Period.

3. Sister companies

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

Not applicable to the 10th Period.

The 11th Period (from May 1, 2021 to October 31, 2021)

Not applicable to the 11th Period.

4. Directors and principal individual unitholders

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.

The 11th Period (from May 1, 2021 to October 31, 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)	441,548	Accounts payable - other	485,703

(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.

[Notes to Asset retirement obligations]

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

Not applicable to the 10th Period.

The 11th Period (as of October 31, 2021)

Not applicable to the 11th 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 10 th Period (from November 1, 2020 to April 30, 2021)	The 11 th Period (from May 1, 2021 to October 31, 2021)
Amount on the balance sheet		
Balance at the beginning of the period	152,834,912	155,657,198
Changes during the period	2,822,285	(169,172)
Balance at the end of the period	155,657,198	155,488,025
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 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). During the 11th period, the reason of increase is mainly attributable to capital expenditure (439,221 thousand yen) and the reasons of decrease are mainly attributable to depreciation (608,393 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 11th Periods is indicated under “Notes to Statement of Income and Retained Earnings” above.

[Notes to Revenue Recognition]

1. Disaggregated information on revenue from contracts with customers

The 11th Period (from May 1, 2021 to October 31, 2021)

(Thousands of yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Disposition of real estate, etc.	-	-
Utility revenue	582,390	582,390
Others	-	4,531,390
Total	582,390	5,113,781

(Note) Leasing business revenue, etc. subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” is not included in “Revenue from Contracts with Customers” as it is not subject to the Accounting Standard for Revenue Recognition. The main revenue from contracts with customers is from the gain on sale from real estate properties and utility revenue.

2. Information that provides a basis for understanding revenue from contracts with customers

The 11th Period (from May 1, 2021 to October 31, 2021)

As stated in the Summary of Significant Accounting Policies.

3. Information on relationship between the fulfillment of performance obligations under contracts with customers and cash flows from such contracts and the amount and timing of revenue expected to be recognized from contracts with customers that exist at the end of the current period in the subsequent period

(1) Balance of contract assets and contract liabilities, etc.

	The 11 th Period (from May 1, 2021 to October 31, 2021)
Receivables arising from contracts with customers (at beginning of fiscal period)	90,358 thousand yen
Receivables arising from contracts with customers (at end of fiscal period)	105,238 thousand yen
Contract assets (at beginning of fiscal period)	- thousand yen
Contract assets (at end of fiscal period)	- thousand yen
Contract liabilities (at beginning of fiscal period)	- thousand yen
Contract liabilities (at end of fiscal period)	- thousand yen

(2) Transaction price allocated to remaining performance obligations

Not applicable.

In accordance with Paragraph 19 of the Guidance on Accounting Standard for Revenue Recognition, MIRAI recognizes utility revenues at the amount it has the right to charge, because MIRAI has the right to receive from the customer the amount of consideration that directly corresponds to the value to the customer, the lessee, of the portion of the performance completed by the end of the fiscal period. Accordingly, MIRAI has applied the provisions of paragraph 80-22(2) of the Accounting Standard for Revenue Recognition and has not included in the notes the transaction price allocated to the remaining performance obligations.

[Segment Information]

(i) Segment information

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.

The 11th Period (from May 1, 2021 to October 31, 2021)

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

(ii) Related information

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.

The 11th Period (from May 1, 2021 to October 31, 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 10 th Period (from November 1, 2020 to April 30, 2021)	The 11 th Period (from May 1, 2021 to October 31, 2021)
Net assets per unit	45,186 yen	45,305 yen
Net income per unit	1,246 yen	1,289 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 10 th Period (from November 1, 2020 to April 30, 2021)	The 11 th Period (from May 1, 2021 to October 31, 2021)
Net income	2,072,625	2,143,066
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	2,072,625	2,143,066
Average number of investment units during period	1,662,240 units	1,662,240 units

[Notes to Significant Subsequent Events]

Issue of new investment units

MIRAI made a resolution at a meeting of its Board of Directors held on December 13, 2021 and December 20, 2021 to issue new investment units as follows for the purpose of allocating part of the funds for the acquisition of specified assets, etc. The issuance of new investment units through public offering was completed on December 24, 2021, and the issuance of new investment units through third-party allotment was completed on January 25, 2022. Payment for the issuance of new investment units through public offering was completed on December 24, 2021, and payment for the issuance of new investment units through third-party allotment was completed on January 25, 2022, and the units were issued under the following conditions. As a result, the total unitholders' capital is 78,499,868 thousand yen and the total number of outstanding investment units is 1,771,440 units.

Issue of new investment units (public offering)

Number of investment units to be issued	: 104,000 units
Issue price	: ¥47,238 per unit
Total amount of issue price	: ¥4,912,752,000
Paid-in amount	: ¥45,639 per unit
Total paid-in amount	: ¥4,746,456,000
Payment date	: December 24, 2021
Distribution start date	: November 1, 2021

Issue of new investment units through a third-party allotment

Number of investment units to be issued	: 5,200 units
Paid-in amount	: ¥45,639 per unit
Total paid-in amount	: ¥237,322,800
Payment date	: January 25, 2022
Distribution start date	: November 1, 2021
Allottee	: Nomura Securities Co., Ltd.

[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	(352,076)	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	12,351	-	436,737	10,017	6,056	426,720 (Note)
	Structures	564	-	-	564	157	94	407 (Note)
	Land	4,230,785	-	-	4,230,785	-	-	4,230,785 (Note)
	Building in trust	34,669,961	407,440	-	35,077,401	4,536,603	570,245	30,540,797 (Note)
	Structures in trust	318,733	-	-	318,733	68,533	7,072	250,199 (Note)
	Machinery and equipment in trust	188,940	18,111	-	207,051	62,426	8,263	144,625 (Note)
	Tools, furniture and fixtures in trust	217,106	1,319	-	218,425	46,316	16,660	172,109 (Note)
	Land in trust	119,722,380	-	-	119,722,380	-	-	119,722,380 (Note)
	Construction in progress in trust	27,345	27,345	-	54,691	-	-	54,691
	Subtotal	159,800,205	466,567	-	160,266,772	4,724,054	608,393	155,542,717
Intangible assets	Software	23,946	4,254	-	28,200	9,559	2,465	18,640
	Other	231	-	-	231	-	-	231
	Subtotal	24,177	4,254	-	28,431	9,559	2,465	18,872
Total	159,824,383	470,821	-	160,295,204	4,733,614	610,859	155,561,590	

(Note) The increase in property, plant and equipment is due to construction work, etc., which falls under the category of capital expenditure.

(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)

Third Series of Unsecured Investment Corporation Bonds	September 28, 2021	-	2,000,000	-	2,000,000	0.700	September 26, 2031	Repayment of borrowings	(Note 1)
Fourth Series of Unsecured Investment Corporation Bonds	September 28, 2021	-	1,000,000	-	1,000,000	0.980	September 26, 2036	Repayment of borrowings	(Note 1)
Total	-	2,000,000	3,000,000	-	5,000,000	-	-	-	-

(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	-	-	-	-	-	5,000,000

(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	1,000,000	-	1,000,000	-	0.58511	January 28, 2022 (Note 3)	Bullet repayment on maturity	(Note 5)	Unguaranteed/Unsecured
	Sumitomo Mitsui Trust Bank, Limited	March 1, 2021	2,000,000	-	2,000,000	-	0.34509	February 28, 2022 (Note 4)			
	Subtotal		3,000,000	-	3,000,000	-					
	MUFG Bank, Ltd.	November 1, 2018	1,500,000	-	1,500,000	-	0.32000	October 29, 2021	Bullet repayment on maturity	(Note 5)	Unguaranteed/Unsecured
	Mizuho Bank, Ltd.	December 16, 2016	10,000,000	-	-	10,000,000	0.37000	November 30, 2021			
Subtotal		11,500,000	-	1,500,000	10,000,000						
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	(Note 5)	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 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
MUFG Bank, Ltd.	October 29, 2021	-	1,500,000	-	1,500,000	0.38000	October 31, 2024
Subtotal		62,200,000	1,500,000	-	63,700,000		
Total		76,700,000	1,500,000	4,500,000	73,700,000		

(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 September 28, 2021.

(Note 4) The entire amount was repaid before due date on September 30, 2021.

(Note 5) The funds were used for the purchase of real estate and trust beneficiary rights of real estate, refinancing of borrowings, working capital, etc.

(Note 6) 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
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Long-term borrowings	10,000,000	10,500,000	18,000,000	15,500,000	4,000,000	15,700,000
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