



MIRAI Corporation

AM Company: Mitsui Bussan & IDERA Partners Co., Ltd.
Security Code: 3476 <https://3476.jp/en>

世界
銀行

12th Fiscal Period Investor Presentation

Fiscal Period Ended April 30, 2022 (12th FP)
November 1, 2021 to April 30, 2022

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Section 1. Operational Highlight

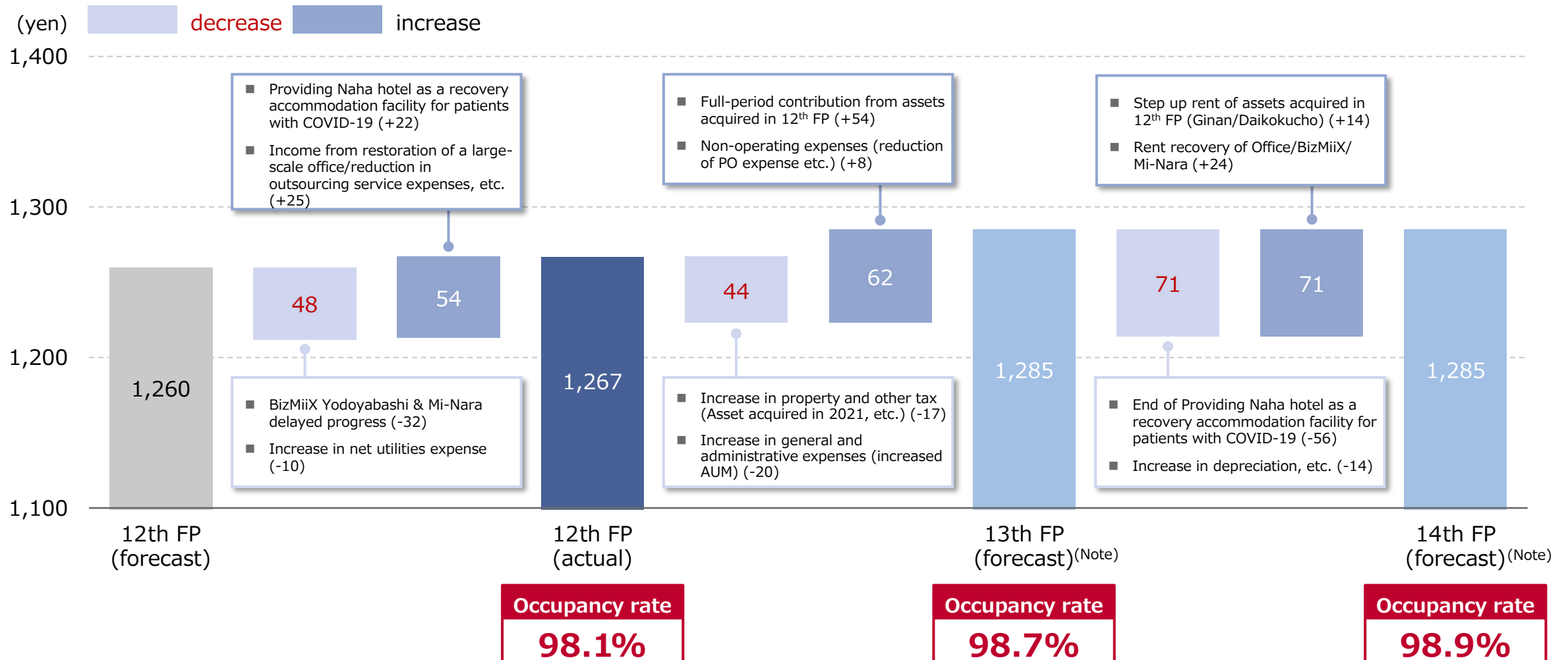
Executive Summary

Mid-term Management Plan 2025 “Smart Defense & Offense with Aligned Interest”

		Results	Next Action
DPU	Result for 12 th FP 1,267 yen	<ul style="list-style-type: none"> 7 yen(+0.6%) compared with the forecast Controlled PO dilution with result in line with expectation 	<ul style="list-style-type: none"> “Smart Defense”: DPU 1,300 yen level (assumes no hotel variable rent) “Offense with Aligned Interest”: New DPU target to be set after 2023
External Growth	AUM 163.9 billion yen	<ul style="list-style-type: none"> Acquired 4 “Defensive” assets for 10.6 billion yen Portfolio control: Hotel disposition 	<ul style="list-style-type: none"> Mid-term Management Plan target: 200 billion yen Aiming to acquire assets with defensiveness for “Smart Defense” and growth potential for “Offense with Aligned Interest”
Portfolio Management	Occupancy Rate 98.1%	<ul style="list-style-type: none"> Tokyo Front Terrace: Firmly maintaining occupancy rate BizMiiX Yodoyabashi/Mi-Nara: Steady improvement 	<ul style="list-style-type: none"> Occupancy rates in large-scale offices are recovering due to appropriate measures Anticipate recovery of hotel variable rents as an internal growth driver
Finance	Rating by JCR A+ (stable)	<ul style="list-style-type: none"> First PO in 2 years/First green finance LTV (based on total assets): 48.8% (end of 12thFP) 	<ul style="list-style-type: none"> Limited impact of rising interest rate (only 7 billion yen refinancing during the year) Steady expansion of foreign investors due to index inclusion effect
ESG	Percentage of environmental certification 74.4%	<ul style="list-style-type: none"> First GRESB 2 star/Green star Ongoing social contributions (providing our asset as a recovery accommodation facility for people with COVID-19, etc.) 	<ul style="list-style-type: none"> Improvement of GRESB evaluation (target), TCFD and ESG report disclosure to start Continue to consider switching to renewable energy while monitoring cost balance

Distributions per Unit (DPU)

Maintain DPU of 1,285 yen through meticulous portfolio management

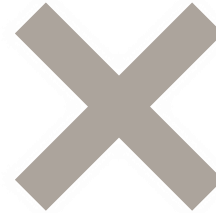


Note: This forecast is calculated based on certain assumptions as of June 14, 2022 and subject to change due to conditions such as change in rent income through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecast should not be construed as guarantee of DPU. The same applies hereinafter.

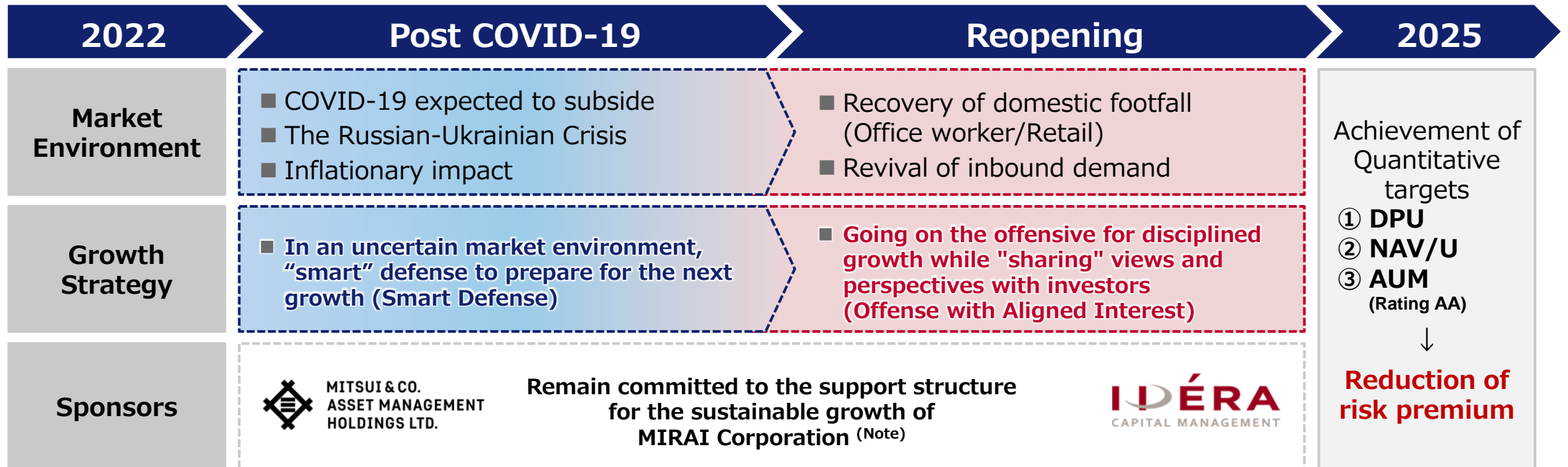
MIRAI Mid-term Management Plan: Overview

MIRAI Mid-term Management Plan 2025

賢守
Smart Defense



共攻
Offense with Aligned Interest

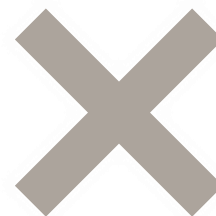


Note: May be referred to as "MIRAI". The same applies hereinafter.

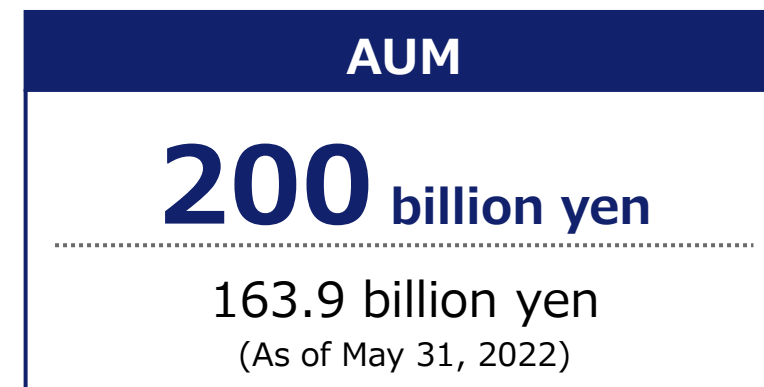
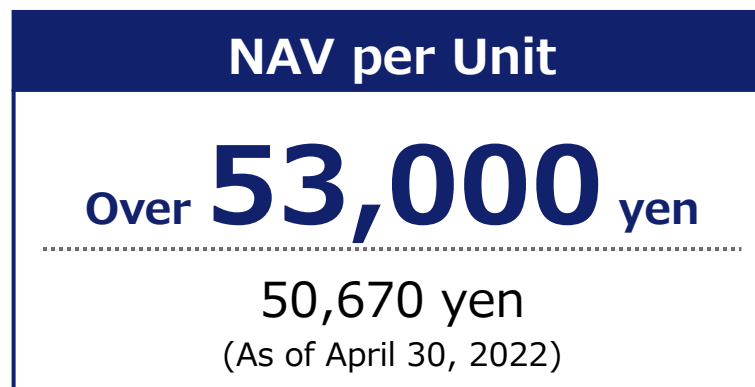
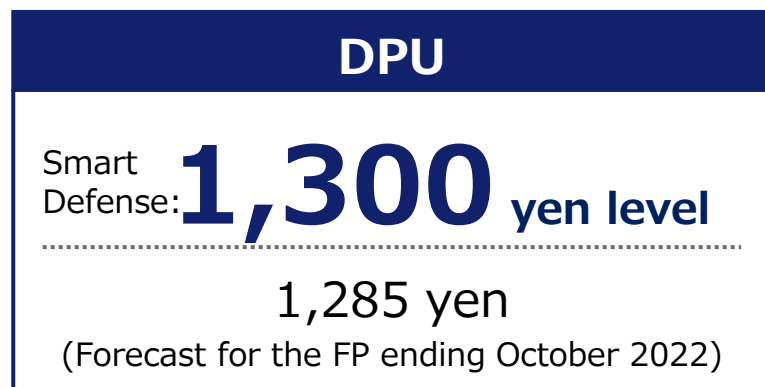
MIRAI Mid-term Management Plan: Quantitative Targets

MIRAI Mid-term Management Plan 2025

賢守
Smart Defense



共攻
Offense with Aligned Interest



Plan to set "Offense with Aligned Interest" target after 2023

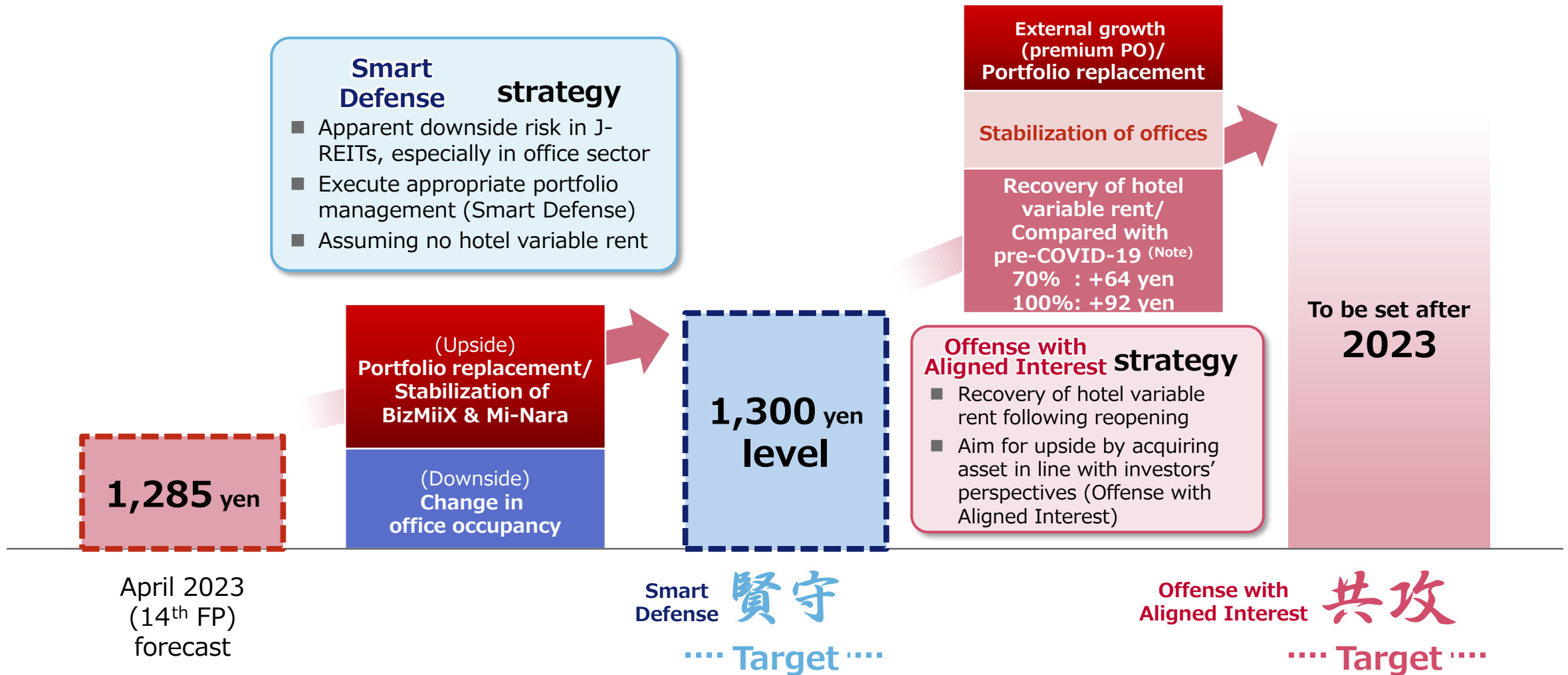
Compound average growth rate (CAGR) of around 2%
Aiming for disciplined growth in line with investors' perspectives

Continue to be selective in investment
Aim to achieve AA rating as soon as possible

Note: Targets are calculated based on certain assumptions as of June 15, 2022 and is not a guarantee of future achievement. The same applies hereinafter.

MIRAI Mid-term Management Plan: DPU Target

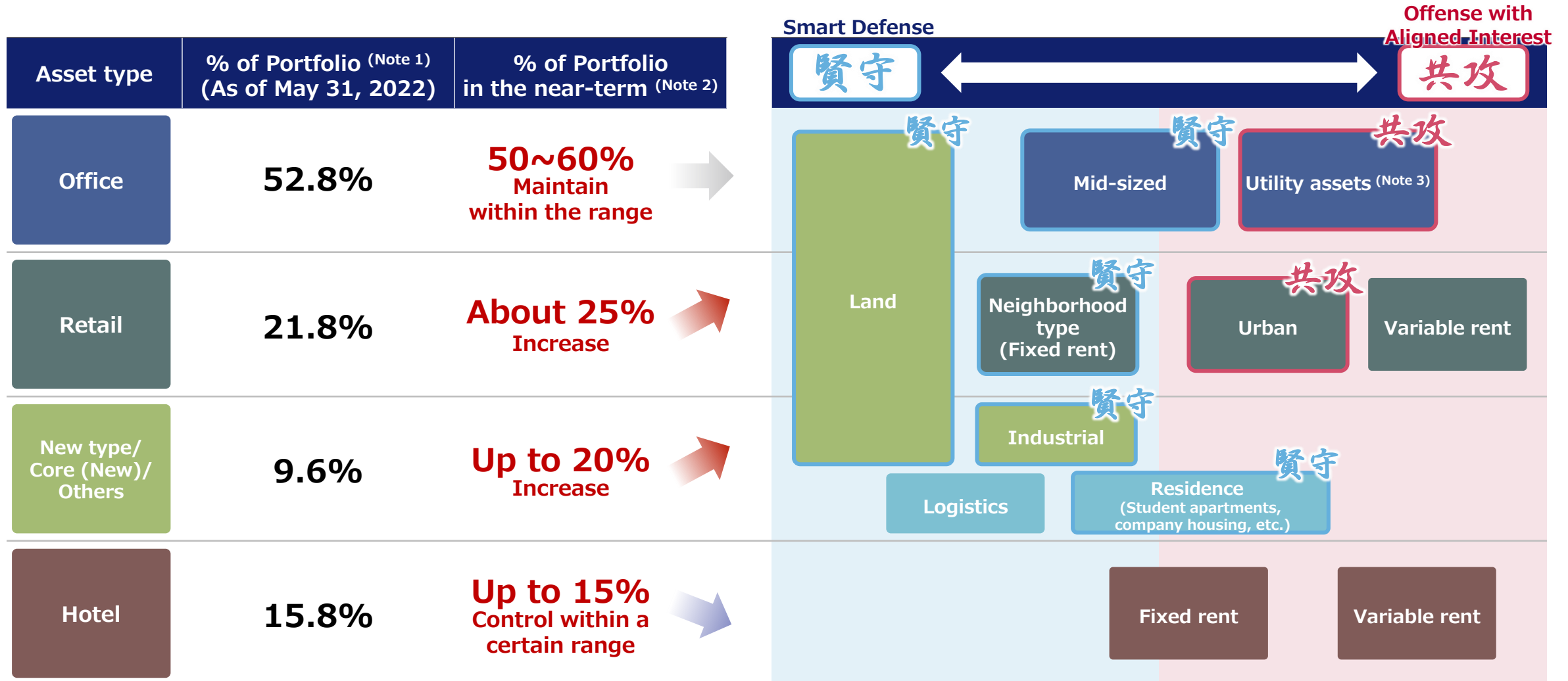
Pursue “Smart Defense” strategy aiming to maintain 1,300 yen DPU in preparation for future growth



Note: The average monthly variable rent of hotels with variable rents (Smile Hotel Naha City Resort, Smile Hotel Hakataeki-mae, and Smile Hotel Nagoya-sakae) from November 2018 to October 2019 is used as the pre-COVID-19 level, and the figure is calculated by multiplying the variable rent revenue per fiscal period (six months) by the respective percentages and dividing by the number of investment units outstanding as of June 15, 2022. The amount of distribution is not guaranteed, and subject to change due to additional issuance of investment units, etc. The same applies hereinafter.

External Growth Strategy: Portfolio Strategy in the Near Term

Various asset types are being considered for the concept of the Mid-term Management Plan



Note 1: Based on acquisition price.

Note 2: It is an image formulated by the asset management company based on the current real estate market conditions and investment strategy, and there is no guarantee that the said investment ratio will be achieved in the future, as it may be affected by various factors such as changes in the market environment in the future.

Note 3: This refers to mixed-use properties in the suburbs of central Tokyo that can be converted into satellite offices or can attract service sector tenants.

External Growth Strategy: Priority Investment Targets

Mainly "Smart Defense" projects are currently under consideration, while resuming preparation of "Offence with Aligned Interest" projects for upside

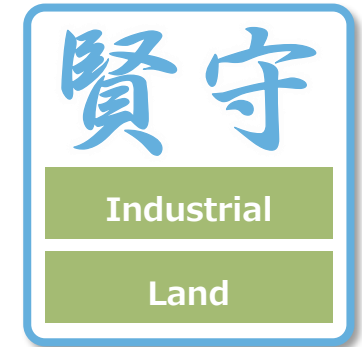
① Solid tenant demand

- Mid-sized office that can accommodate a wider range of tenant demand than large-scale office
- Neighborhood shopping center supported by stable consumer demand
- Market trends, such as changes in the supply-demand balance and competitors' store openings, are carefully evaluated



② Strong cash flow/intrinsic real estate value

- Industrial assets that is an important base for tenants and has a high probability of continued use (Mitsui's knowledge is utilized)
- Land asset is carefully evaluated for continuity of use based on actual demand, tenant substitutability, and the possibility of site conversion (high intrinsic real estate value)



③ New core assets that contribute to improved stability

- Started to consider residential assets (including student apartments and company housing) and logistics facilities, which are highly valued for their stability
- Avoid acquisitions that are highly competitive, and aim to acquire off-market through group collaboration utilizing development and bridge functions



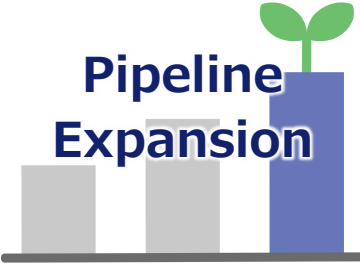





④ Upside Expectations in Post-COVID-19

- Urban retail facilities expected to see a rapid demand recovery as footfall recovers
- Utility assets that allow flexible leasing to office and other tenants according to market conditions



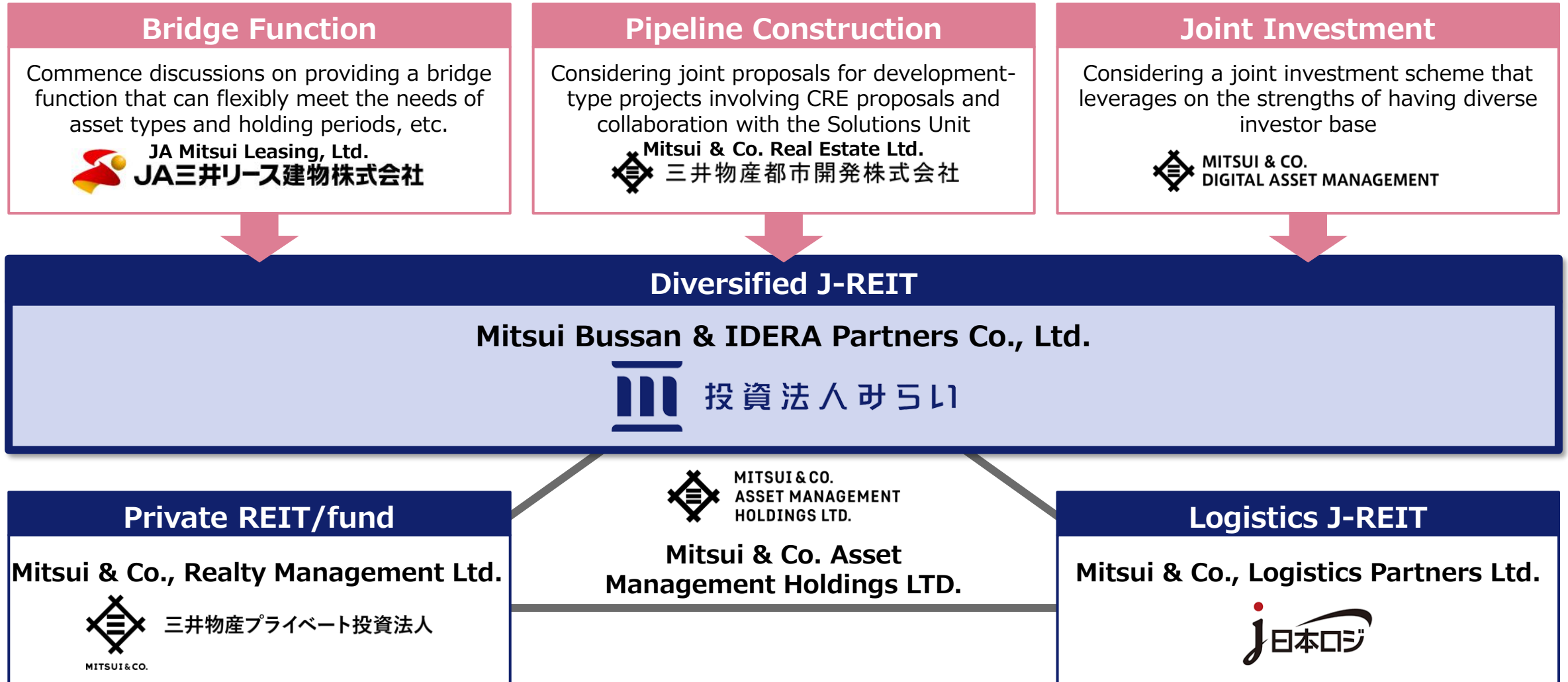
External Growth Strategy: Specific Measures

Aiming for external growth through highly agile strategies and collaboration with sponsors in a challenging acquisition environment





Initiatives	Specific Measures		
 <p>Pipeline Expansion</p>	<p>Steady accumulation of bridge projects</p>	<ul style="list-style-type: none"> 2 Office assets: three major metropolitan areas + mid-scale project in regional core cities 1 Retail asset: Urban asset in three major metropolitan areas 	<p>Assets held in bridge vehicle</p> <p>About 8.5 billion yen</p>
 <p>Asset Replacement</p>	<p>Further strengthen CRE strategy</p>	<ul style="list-style-type: none"> Strengthened collaboration with “CCReB Advisors”, a CRE specialist Enhance defensiveness: Seek for land/industrial assets 	
 <p>Sponsor Support</p>	<p>Portfolio control</p>	<ul style="list-style-type: none"> May 2022: Disposition of Comfort Hotel Nagano (lowered hotel ratio) Consider replacement that will lead to the portfolio quality and profitability improvement 	<p>Hotel ratio</p> <p>15.8% ↓</p>
 <p>Sponsor Support</p>	<p>Securing quality deals Expand sourcing methods</p>	<ul style="list-style-type: none"> Consider development projects in collaboration with Mitsui & Co. Real Estate Ltd. Utilize the bridge function of JA Mitsui Leasing Tatemono Co., Ltd Joint investment with the Mitsui & Co. group to acquire quality projects 	

(Reference) Real Estate Asset Management Business in the Mitsui & Co. Group

Strengthening and accelerating collaboration with Mitsui & Co. group, which aims to expand real estate AM peripheral business



Portfolio Management: Overview of Portfolio (as of April 30, 2022)

	Office	Retail (excluding Growth)	Hotel	Growth
AUM (Acquisition Price)	 11 properties 86.6 billion yen	 9 properties 30.7 billion yen	 13 properties 26.5 billion yen	 5 properties 20.6 billion yen
Appraisal NOI Yield	4.5%	4.8%	4.7%	5.1%
NOI Yield after Depreciation	3.8%	4.3%	3.8%	3.7%
Occupancy Rate	96.7%	100.0%	99.2%	95.8%
Remaining Lease Term	1.6 years	6.7 years	9.0 years	11.5 years
Unrealized Gain (ratio)	6.9 billion yen (+8.0%)	2.4 billion yen (+7.9%)	1.5 billion yen (+5.9%)	0.2 billion yen (+1.0%)
Feature (Note 1)	Large-scale office 74.0% Average rent (Note 2) 16,250yen	Urban 24.2% Neighborhood 75.8%	Fixed rent 59.5% Variable rent 40.5% (Minimum guaranteed)	Core plus 24.0% Industrial 57.1% Education 18.9%

Responding to the Risk of Rising Electricity Rates





- Hedged some risks against electricity rate hikes due to soaring energy prices and peak season demand, etc. through introduction of multi-year contracts.
- The top 3 assets with highest utilities expenses (12th FP results) are shown on the right.

Assets	Utilities Expenses (12th FP)	Electric Power Company	Contract Term
Kawasaki Tech Center	180 million yen	A	July 31, 2023
Mi-Nara	99 million yen	B	March 31, 2023
Shinagawa Seaside Parktower	90 million yen	C	July 31, 2023

Note1: Ratio of "Feature" is based on acquisition price.
Note2: Large-scale office average monthly rent in Tokyo as of April 30, 2022.

Portfolio Management: Large-scale Office (1/2)

One remaining issue: Tokyo Front Terrace recovered 90% occupancy on agreement basis

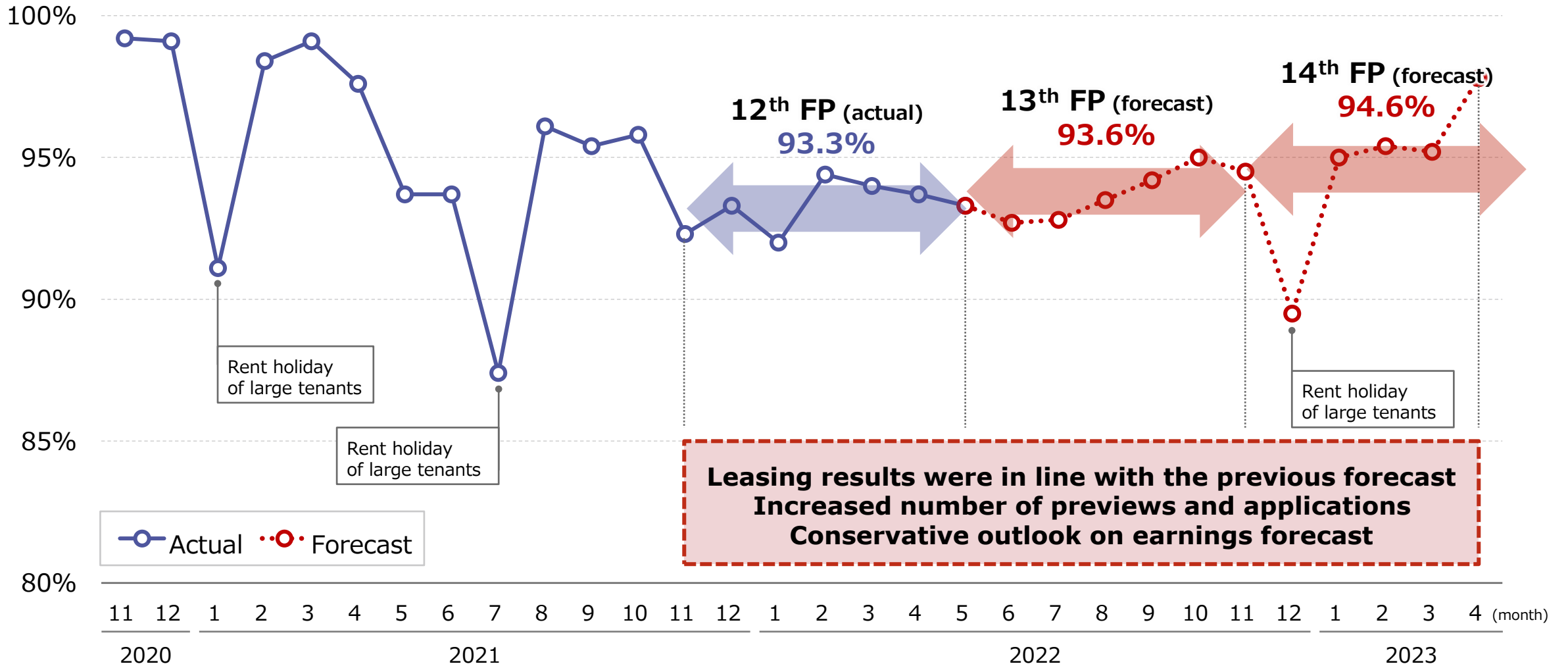
	Acquisition price (% Ownership)	Total area (Note 1)	Current Status and Future Outlook	Occupancy rate (Note 2)	
Shinagawa Seaside Parktower 	20.2 billion yen (63.4%)	10,595 tsubo	<ul style="list-style-type: none"> Although there was a relatively large cancellation (233 tsubo), an application has already been received Successful leasing strategy by taking advantage of the building's high grade and reasonable rent per tsubo 15 previews / many under serious considerations 	End of 12 th FP 96.3% VS "Shinagawa Seaside" area 89.3%	Stable
Kawasaki Tech Center 	23.1 billion yen (100%)	6,877 tsubo	<ul style="list-style-type: none"> Vacancy rate in the overall area remains high as the area struggles to fill large cancellations Core tenants with DC/research facility use are highly stable and continue to enjoy full occupancy Profitability/stability is improving due to CPU tenant's server enhancement, etc. 	End of 12 th FP 100.0% VS "Kawasaki" area 82.1%	Stable
Shinjuku Eastside Square 	10.0 billion yen (5%)	34,935 tsubo	<ul style="list-style-type: none"> Re-signed a contract with a major video game manufacturer, one of the major tenants, through July 2027 Progress has also been made for the expansion of two additional floors by a major IT company on the back of the building grade, etc. 	End of 12 th FP 98.5% VS "Shinjuku" area 94.5%	Stable
Tokyo Front Terrace 	10.5 billion yen (50.2%)	5,848 tsubo	<ul style="list-style-type: none"> Tenants' move-in from May 2021 to April 2022: 5 contracts /387 tsubo(+6.6%) Contracts and agreement concluded since May 2022: 4 contracts/482 tsubo(+8.2%) Occupancy rate assumption at the end of the 13th FP: 89.7% 	End of 12 th FP 83.5% VS "Tennozu" area 93.2%	Key issue

Note 1: The figures for properties with quasi-co-ownership are also based on the entire property (100%).

Note 2: The average occupancy rates for areas other than Shinjuku are calculated based on surveys conducted by the Asset Manager and may differ from actual figures. The occupancy rate for "Shinjuku" is calculated by the Asset Manager based on the average vacancy rate (5.55%) by district in Shinjuku published in Miki Shoji's "Office Market Tokyo Business District / As of May 2022".

Portfolio Management: Large-scale Office (2/2)

Rent Base Occupancy Rate of Large-scale Office ^(Note)



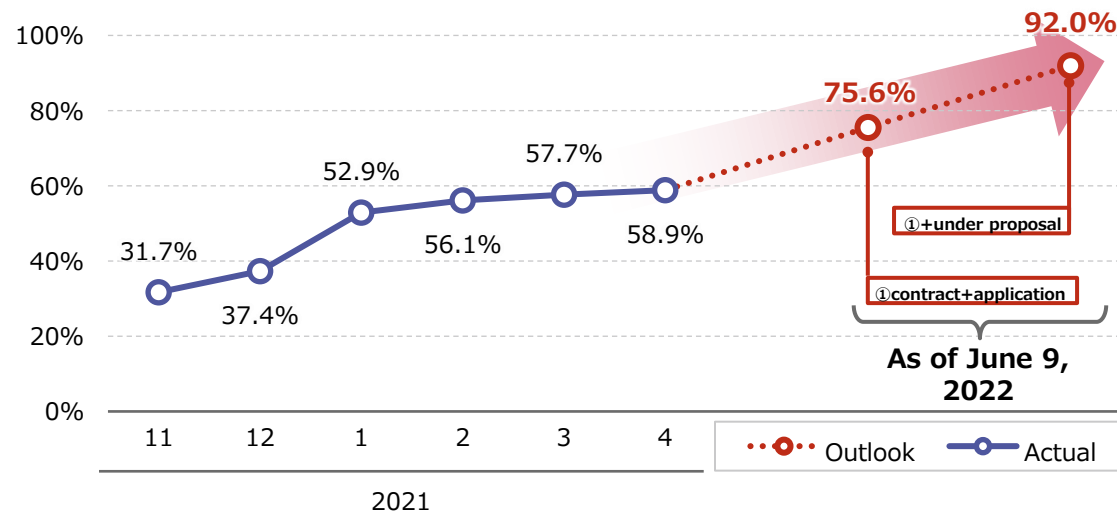
Note: The figures represent the ratio of the total amount of each monthly rent to the total amount of the estimated monthly rent at the time of future full occupancy of each property as of June 15, 2022.

Portfolio Management: BizMiiX Yodoyabashi & Mi-Nara

Steady progress made in comprehensive measures, continue improvement toward stabilized operation & upside

BizMiiX Yodoyabashi

Leasing Progress (Occupancy Rate Trends)



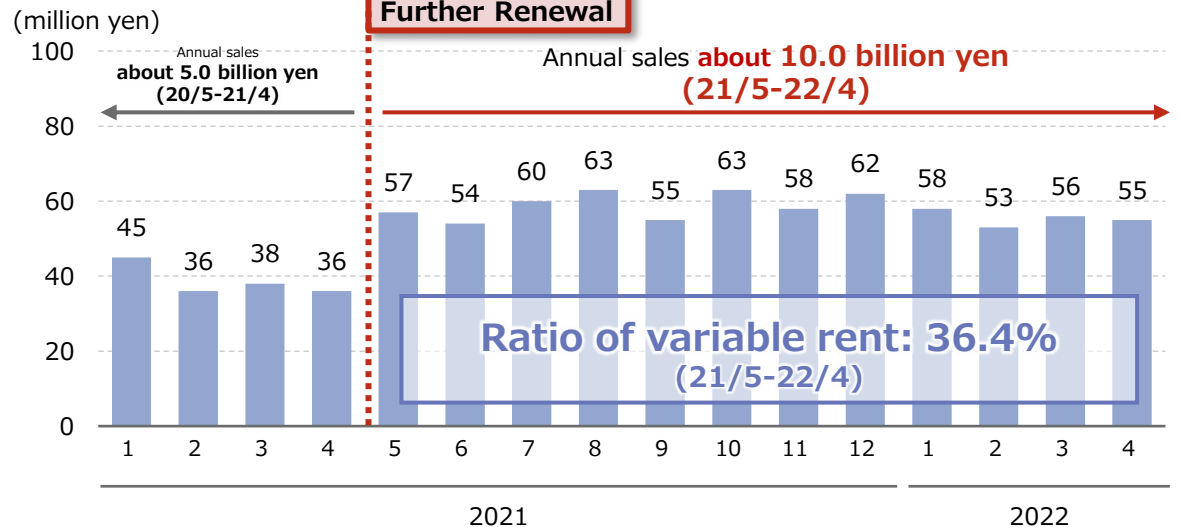
- Contract term over 1 year: 76.8% / Renewal rate: 81.8% (Note 1)
Split/short-term use can meet diverse needs; renewal rate is high
- Tenants move-out: 2 of 32 tenants (since opening)
Zero leaving due to dissatisfaction with the facility
- Tenant Attributes: Balanced
mix of startups, listed/large companies, and small and medium-sized companies

Note 1: Of the tenants whose contracts expire at the end of June 2022, those tenants whose contracts have already been renewed are included.

Note 2: The mid-term targets after implementation of the improvement measures are targets as of June 15, 2022, calculated under certain conditions, and are not guaranteed to be achieved in the future.

Mi-Nara

Monthly Rent



After further renewal (21/5-22/4)

58 million yen

COVID-19 subsiding

Invited core tenant "LOPIA" (supermarket)

After implementation of improvement measures (Mid-term target) (Note 2)

64 million yen

Effective use of vacant sections (about 1,000 tsubo)

Replacement of unprofitable tenants

Attracting tourism demand and pursuing upside to further increase sales

"RETRIP (22/4)" Ranking 1st

Goldfish Museum visitor surges

Portfolio Management: Hotel

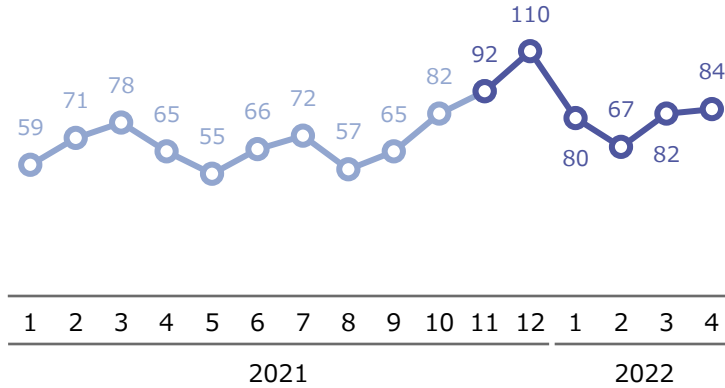
Hotels in regional areas are firm/
Expect early recovery of variable rents due to resumption of domestic travel

Fixed Rent Hotels

10 of 13 hotels
15.7 billion yen



RevPAR of Regional Hotels (Note)
(compared to the same month in 2019/%)

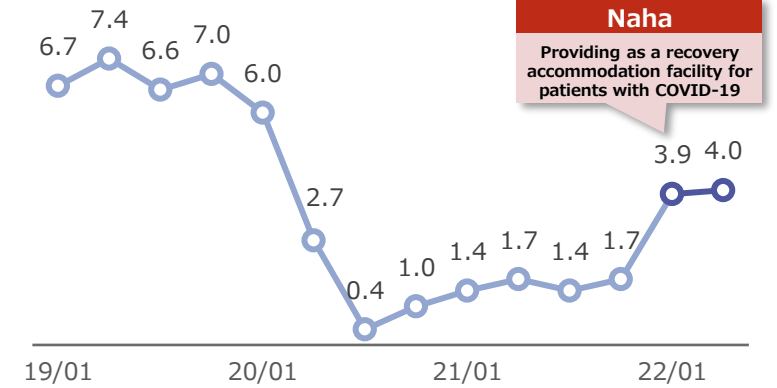


Variable Rent Hotels

3 of 13 hotels
10.7 billion yen



Average RevPAR for 3 Hotels
(quarterly/thousand yen)



Trends in Contract Renewals (Contract Expiration: Dec. 2022)

Ise City Hotel Annex

Acquisition price: 1,800 million yen
NOI: 50 million yen (12th FP)
Rooms: 143

- Fixed rent increase + further upside expected due to increased tourism demand

Comfort Hotel Nagano

Acquisition price: 580 million yen
NOI: 17 million yen (12th FP)
Rooms: 76

- Disposed on May 31, 2022
- Unrealized losses eliminated by disposition at a price higher than book value

Variable Rent Recovery and DPU Impact

Compared with pre COVID-19	60%	70%	80%	90%	100%
DPU Impact	+55 yen	+64 yen	+73 yen	+83 yen	+92 yen

Note: For "RevPAR of Regional Hotels", the figures are for hotels owned by MIRAI, other than those located in greater Tokyo, greater Osaka, greater Nagoya, as well as Fukuoka and Okinawa prefectures for which RevPAR is disclosed and weighted by the number of rooms available for sale, and are compared to the same month in 2019 after January 2021.

Financial Activities

Minor impact of interest rate hikes: all debts are long-term debt with fixed interest rate while refinancing is limited for the time being

Financial Highlight (as of the End of 12th FP)

LTV	Average interest rate	Average remaining maturity
48.8%	0.56%	3.9 years

Long-term fixed ratio	Interest-bearing debt
100%	84.0 billion yen

Commitment line	Rating
3.0 billion yen (unused)	JCA A+ (stable) R&I A (stable)

Resistance to Rising Interest Rate (DPU Impact) (Note)

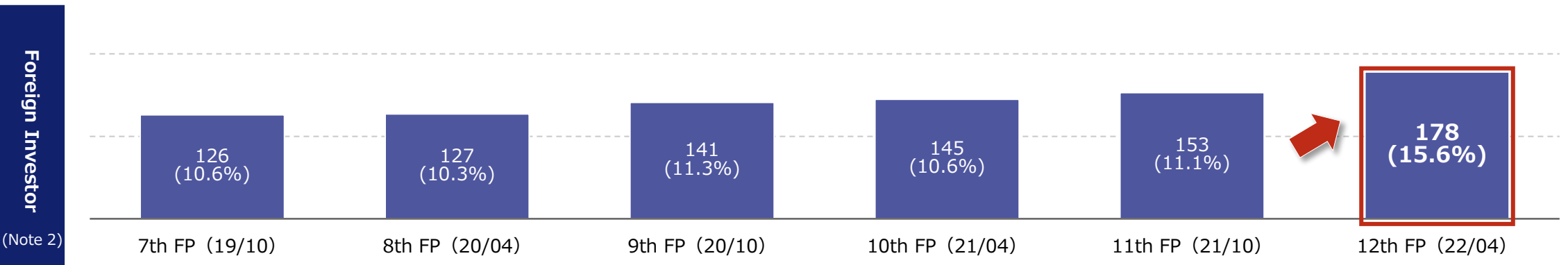
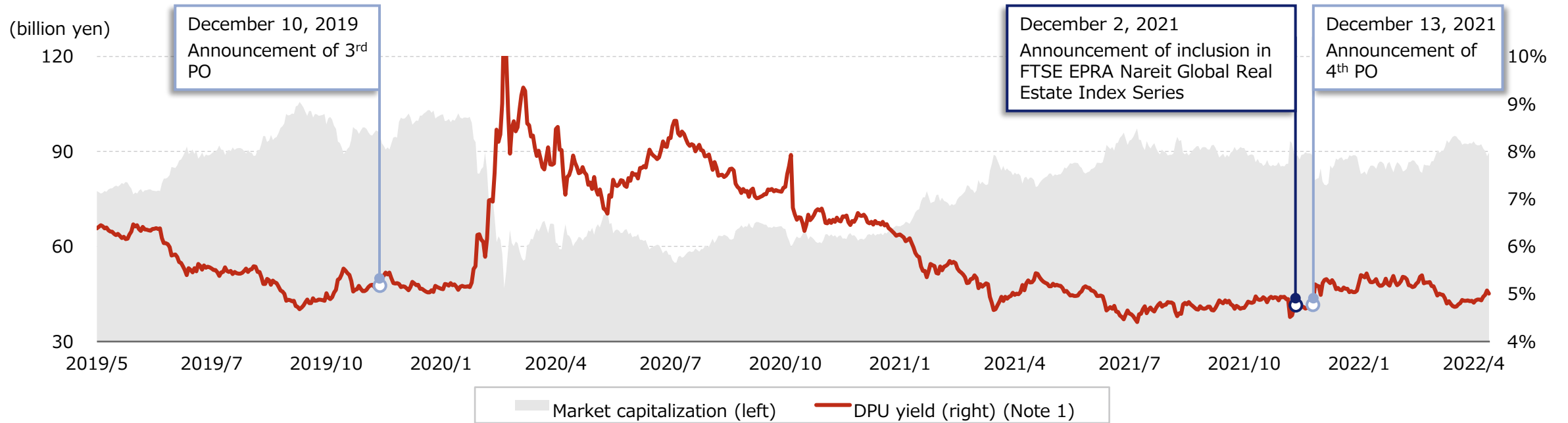
		Refinance interest rate			
		0.4%	0.6%	0.8%	1.0%
Fiscal period (Refinancing amount up to the previous period)	14 th FP(23/04) (0 billion yen)	–	–	–	–
	15 th FP(23/10) (7.0 billion yen)	(1)	(4)	(8)	(12)
	16 th FP(24/04) (10.5 billion yen)	(1)	(6)	(12)	(18)

- **Long-term debt executed in March 2022: 7 years duration / about 0.6%**
- JGB 10-year yield has been stable at 0.20~0.25% since the beginning of this year
- Controlling DPU impact by shortening the duration, etc.

Note: Calculated by multiplying the balance of loans that will mature by the end of previous fiscal period and the difference between interest rate of such loans and refinancing interest rate for each fiscal period (six months), then dividing by the number of investment units outstanding as of June 15, 2022 (1,771,440 units). The same applies hereinafter.

Effect of Inclusion in Global Index

Ratio of foreign investors increased after inclusion in FTSE/EPRA Nareit Global Index



Note 1: DPU yield is calculated by dividing the annualized actual distribution per unit for each fiscal period by the closing price of investment units on each day.

Note 2: The Figures in parentheses indicate the percentage of investment units; the number of investors is only for foreign institutions, while the percentage of investment units is the sum of foreign institutions and foreign individuals.

ESG Initiatives

**Focus on obtaining GRESB 3 star rating/
Steadily continue enhancement measures including disclosures, etc.**

Increase Ratio of Assets with Environmental Certifications

- April 2022: Obtained certification at Mi-Nara (first retail facility owned by MIRAI) Aim to increase ratio of assets with environmental certifications through acquisition of new certifications and maintenance and improvement of existing certifications

Ratio of Assets with Environmental Certifications^(Note)

11th FP
60.9 %

▶

12th FP
74.4 %



Mi-Nara (Nara-shi, Nara)




DBJ Green Building
2021
Properties with excellent environmental & social awareness

GRESB Real Estate

- First participation in 2021 (2 star)
- Multiple improvement measures are being implemented for the 2022 rating upgrade

Obtain Third-Party Assurance on Environmental Data

Tenant Engagement Measures



2021

2 star / Green star

Aiming to improve the rating in 2022 (3 star)

Future Initiatives

- Continue to implement initiatives to further improve sustainability

Major measures to be implemented in the future

Publication of Sustainability Report

TCFD Disclosures

Initiatives to Improve Governance

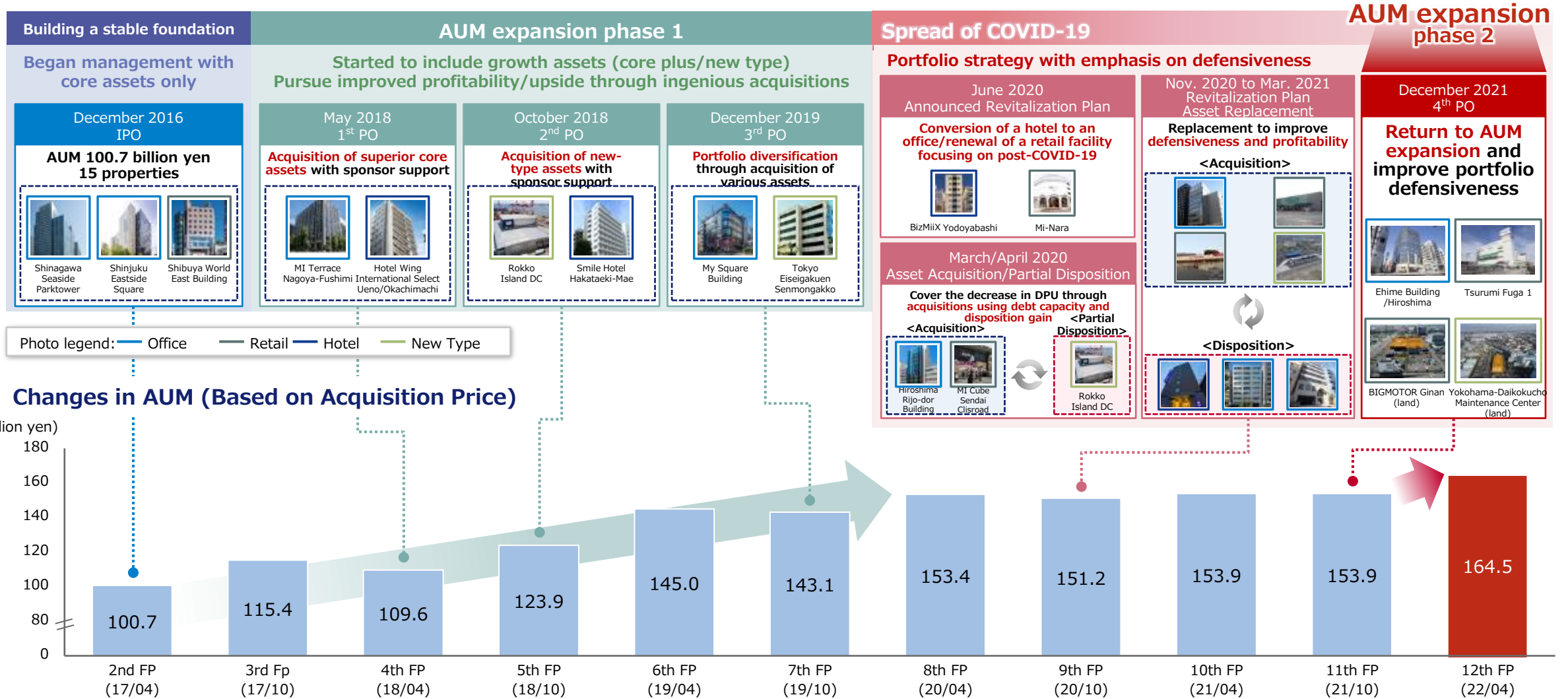
Ongoing Social Contribution Activities

Note: Based on total floor area excluding land with leasehold interest. The same applies hereinafter.

Section 2.
MIRAI Mid-Term Management Plan 2025
“Smart Defense/Offense with Aligned Interest”

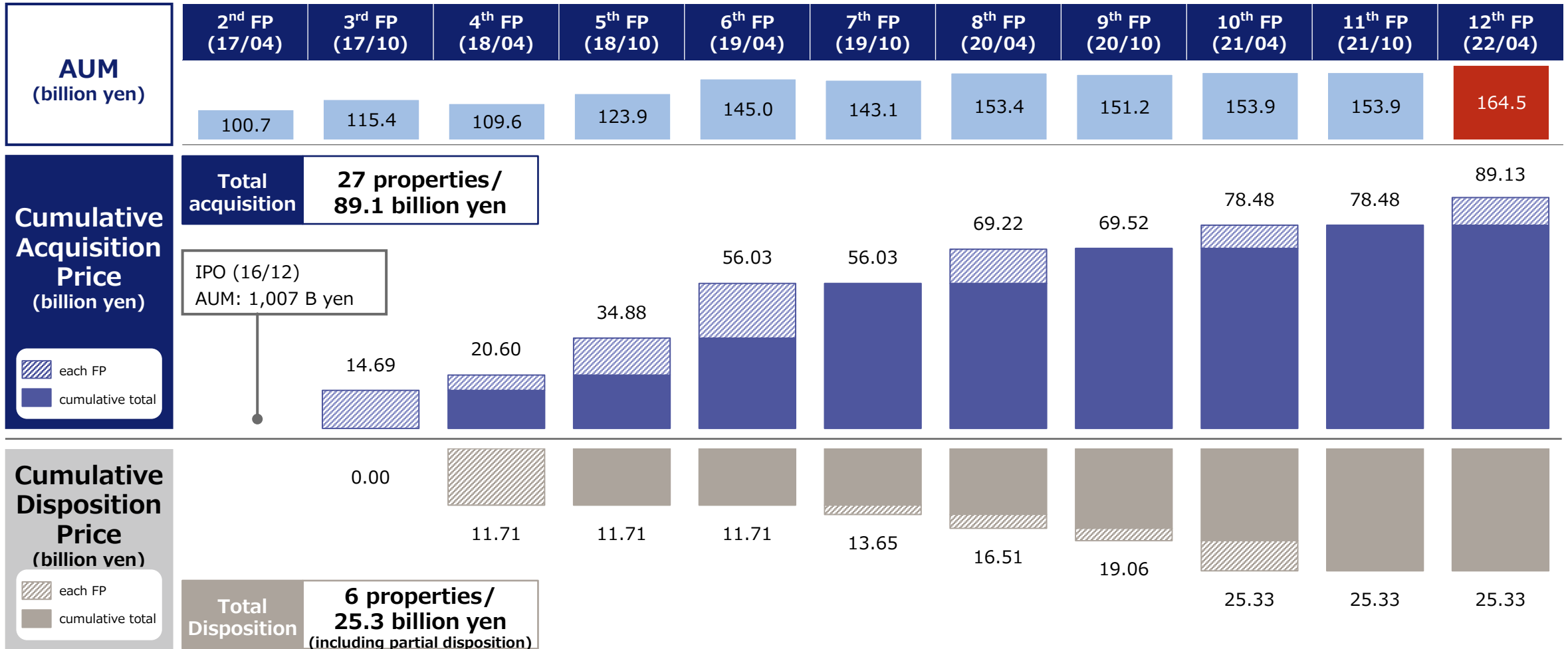
Progress to Date

Entering AUM expansion phase (Phase 2) after portfolio replacement during COVID-19 crisis



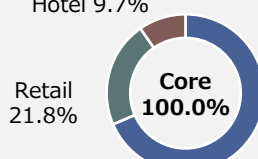
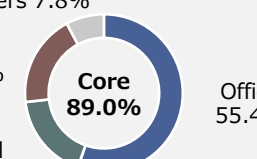
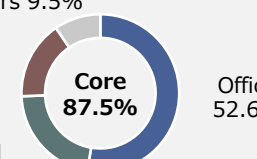






Track Record of Active Management

Aim to improve the portfolio quality through continuous asset replacement



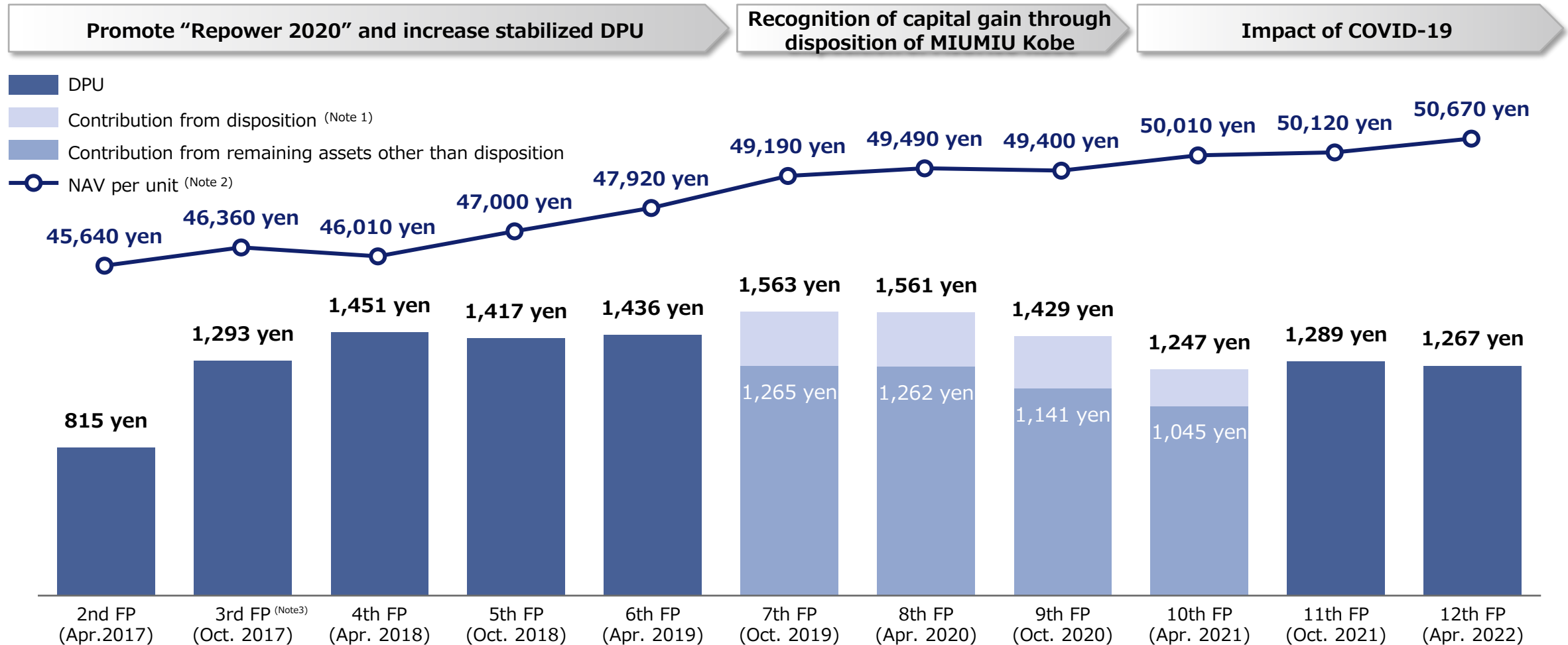
Portfolio Transition and NAV Improvement

Achieve AUM expansion and NAV per unit growth through highly agile strategy

	2 nd FP (17/04)	8 th FP (20/04)	12 th FP (22/04)
AUM (Number of Properties)	15 100.7 billion yen	34 153.4 billion yen	38 164.5 billion yen
NAV per Unit	45,640 yen	49,490 yen	50,670 yen
Portfolio Diversification (Based on Acquisition Price)	<p>Hotel 9.7% Retail 21.8% Office 68.6%</p> <p>Core 100.0%</p> 	<p>Others 7.8% Hotel 19.0% Retail 17.8% Office 55.4%</p> <p>Core 89.0%</p> 	<p>Others 9.5% Hotel 16.1% Retail 21.7% Office 52.6%</p> <p>Core 87.5%</p> 
Avg. Appraisal NOI Yield/ after Depreciation	4.6%/3.9%	4.9%/4.1%	4.7%/3.9%
LTV	47.0%	48.3%	48.8%
Occupancy Rate	98.9%	99.8%	98.1%
Major Asset Acquisition	  Shinagawa Seaside Parktower Shinjuku Eastside Square	  My Square Building Tokyo Eiseigakuen Senmongakko	  Ehime Building/Hiroshima Tsurumi Fuga 1

Historical DPU & NAV per Unit

Overcoming COVID-19 crisis and returning to a growth phase



Note 1: Sum of 1) lease business profit of disposed assets during the period, 2) disposition gain as well as tax expense expected regarding disposition gain, 3) expenses for mid-term profitability improvement measure in relations to the asset under management and 4) investment unit issuance cost, are divided by the total number of investment units issued.

Note 2: Per unit numbers are rounded down to nearest 10 yen. MIRAI implemented a four-for-one investment unit split with April 30, 2019 as record date. For the purpose of comparison, the figures after 6th FP are post split figures.

Note 3: Unrealized gain at the end of 3rd FP adds renewal investment of 844 million yen for Mi-Nara on the book value at the end of the fiscal period.

Overview of Quantitative Targets

Formulate Mid-Term Management Plan 2025 "Smart Defense/Offense with Aligned Interest"

DPU

Smart Defense: **1,300** yen level

1,285 yen
(Forecast for the FP ending October 2022)

NAV per Unit

Over **53,000** yen

50,670 yen
(As of April 30, 2022)

AUM

200 billion yen

163.9 billion yen
(As of May 31, 2022)

- "Smart Defense" for now in light of uncertain market environment and slow down in office market
- Work to secure a pipeline with growth potential in preparation for "Offense with Aligned Interest" at the time of reopening

- Target set at CAGR of around 2%
- Aim to achieve this goal by acquiring properties at a discount without competition, improving the earnings of existing properties, and implementing asset replacement and inflation effects.

- Ensure portfolio quality through selective investment and replacement strategy rather than aggressive expansion of AUM
- Set realistic targets based on certain standard from the perspective of liquidity and credit ratings

Average growth rate in the market (Note)

2.5%
(2019-2021: Diversified)

Average growth rate in the market (Note)

1.9%
(End of April 2018 - End of April 2022: Diversified/small and mid-sized)

Percentage of AA rating or higher among REIT with more than AUM of 200 billion

91.9%
(Excluding hotel REITs)

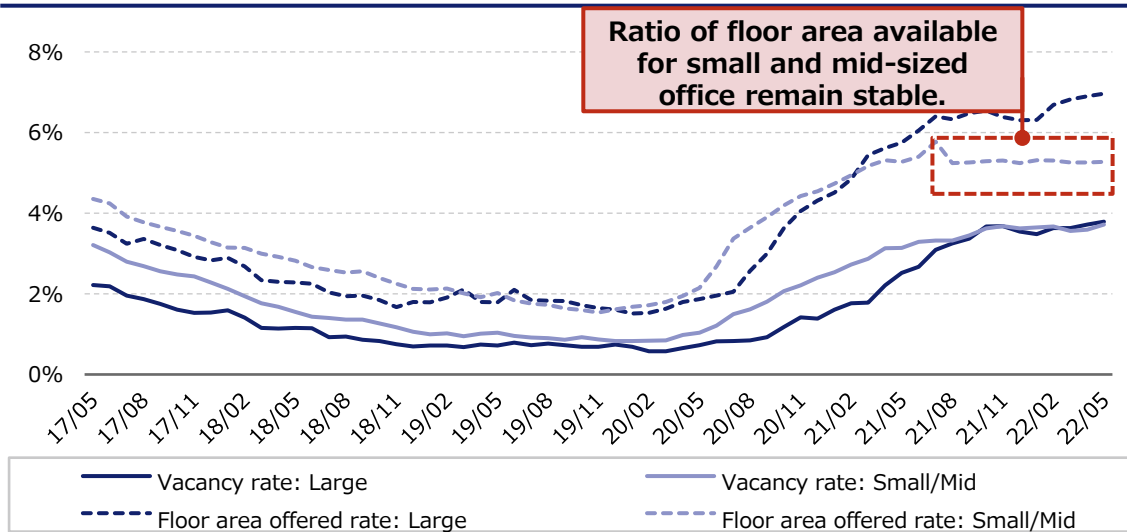
Note: Calculated by the Asset Manager based on the disclosed materials of each J-REITs

Section 3. External Growth Strategy/Market Trends

Office

Continue to focus on mid-sized and regional core cities with emphasis on rent and occupancy stability

**Tokyo 23 Wards/
Vacancy and Ratio of Floor Area Available for Lease by Size**



Source: Prepared by the Asset Manager based on XYMAX REAL ESTATE INSTITUTE Corporation, Office Vacancy Monthly Report in Tokyo April 2022

Investment Attractiveness Survey (Asia-Pacific)

	2020	2021	2022
1	Tokyo	Tokyo	Tokyo
2	Beijing	Singapore	Shanghai
3	Sydney	Seoul	Singapore
4	Singapore	Shanghai	Sydney
5	Shanghai	Ho Chi Minh	Beijing
6	Seoul	Beijing	Hong Kong
7	Bangalore	Shenzhen	Seoul
8	Hong Kong	Sydney	Japan: other regional cities
9	Melbourne	Osaka	Ho Chi Minh
10	Manila	Melbourne	Osaka

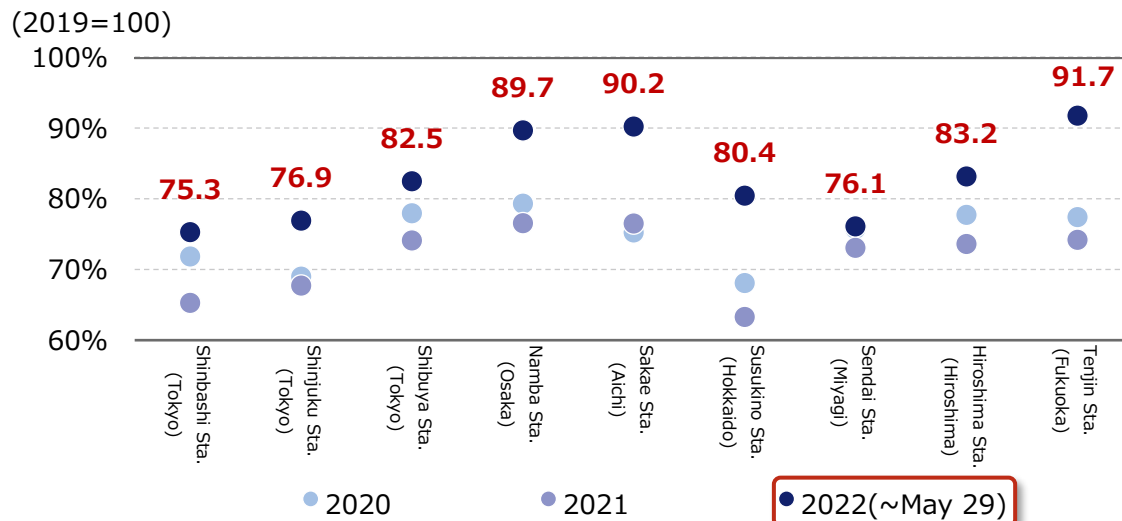
Source: CBRE, Investor Intentions Survey

- While tenants are becoming more active in anticipation of the COVID-19 subsiding, they are mainly needs for relatively small-sized offices and there are **signs of improvement in vacancy rates ahead of mid-sized offices** that can flexibly respond to these needs
- Tokyo continues to be the most important investment destination for investors due to the impact of the weak yen and its relative undervaluation to other major cities around the world
- On the other hand, **the attractiveness of Japan's regional cities is increasing**, given the stable demand due to balanced supply and demand and low of telework

Retail

Watch for market recovery in urban commercial districts for “Offense with Aligned Interest”

Footfall Trends at Stations in Major Commercial Districts



Source: V-RESAS, AGOOP Corp. “Current Population Data” (used on June 9, 2022)

Asking Rent and Number of Space for Lease in Major Commercial Districts in Tokyo & Osaka

		Average of all floors				
		Ginza	Omote-sando	Shinjuku	Shibuya	Shinsai-bashi (Osaka)
Asking rent (yen/tsubo)	21/1Q	35,097	40,085	35,714	37,245	19,516
	22/1Q	41,609	41,911	35,349	34,898	22,276
Number of Space for lease	21/1Q	393	446	294	215	349
	22/1Q	349	361	249	241	270

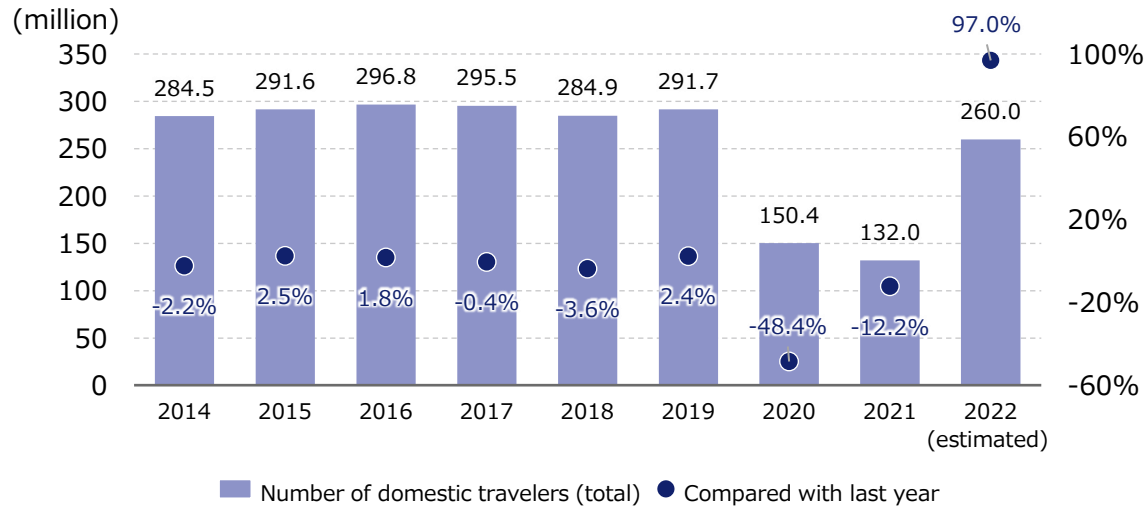
Source: Prepared by the Asset Manager based on NIKKEI REAL ESTATE MARKET REPORT (excerpts)

- Although there are differences by region, there is a **marked trend toward footfall recovery at stations in major commercial districts** since the start of 2022 (Hokkaido and Sendai are expected to increase from summer onward)
- Asking rents in the major commercial districts in Tokyo and Osaka, the benchmark areas, also **began to increase** compared to the same period of the previous year.
- **Possible signs for improvement in occupancy**, such as a declining trend in the floor areas available for lease.

Hotel

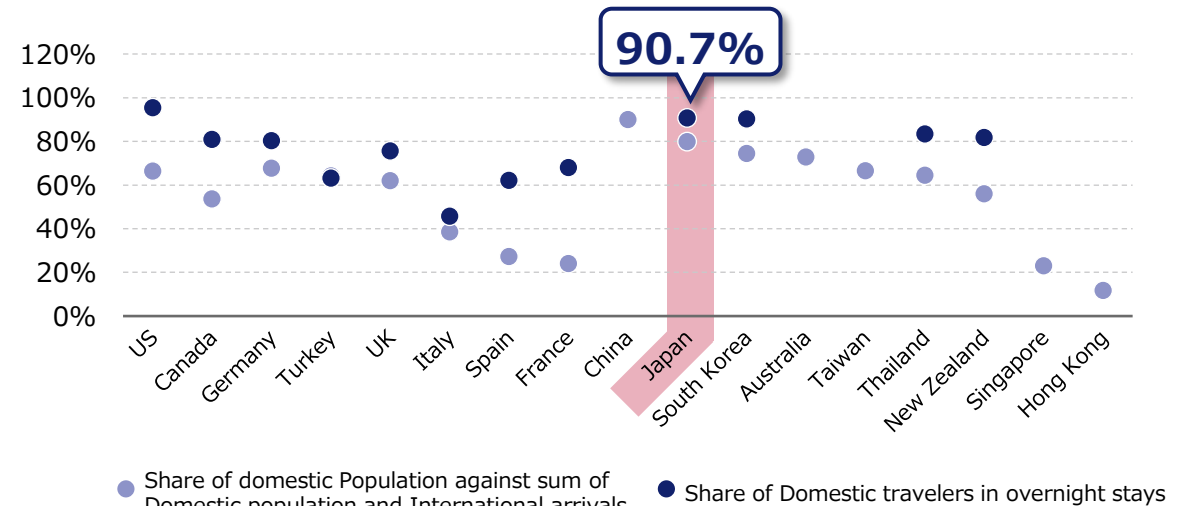
Expect some recovery on domestic demand alone + further boost from inbound demand

Number of Domestic Travelers (total)



Source: Prepared by the Asset Manager based on JTB, Forecast of Travel Trends for 2022 (January-December)

Share of Domestic Residents in Domestic Overnight Stays



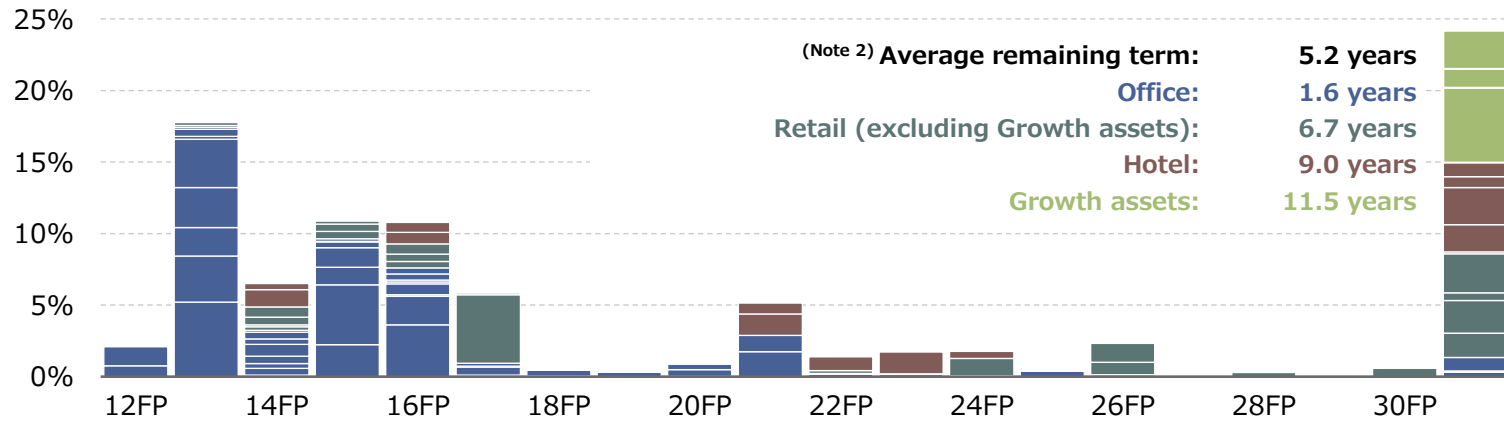
Source: CBRE, Retail market recovery in sight

- **Domestic travel in 2022 is expected to recover to 90% of the pre-COVID-19 outbreak level**
- Japan has one of the highest share of domestic residents among overall travelers in the world, with **domestic residents accounting for over 90% of all overnight stays in Japan**
- Expect certain level of recovery in the hotel industry even before the recovery of inbound demand, driven by domestic demand that is expected to recover soon

Section 4. Portfolio Management

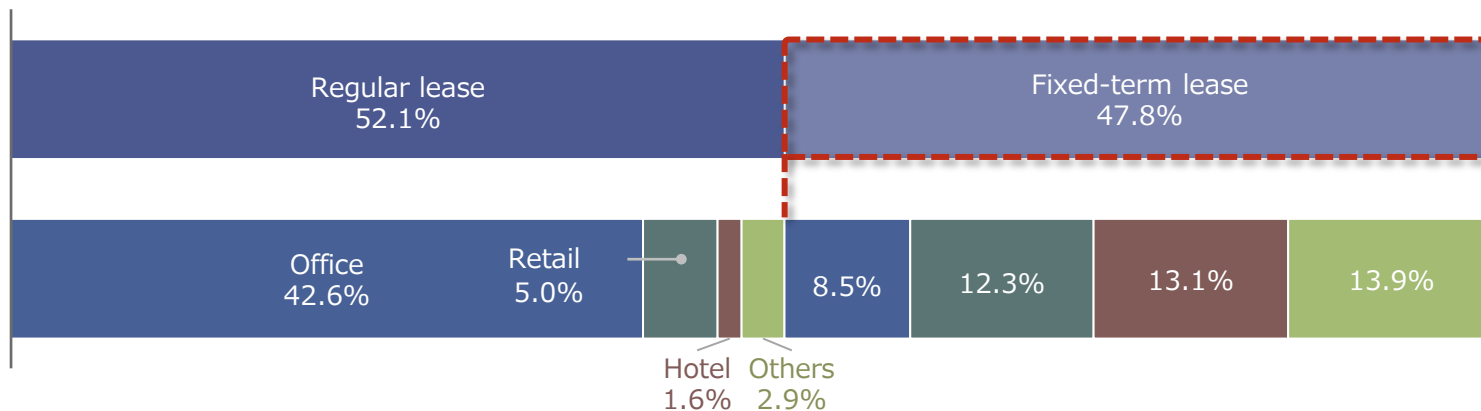
Tenant Diversification (as of the End of 12th FP)

Diversification of Lease Maturity (based on rent) ^(Note 1)



- Continue to be conscious of the fixed-term ratio and aim to build a highly defensive portfolio for “Smart Defense”.
- Each of the land assets with leasehold interest is leased on a fixed-term basis for a period of 10 years or more, and stable operation is expected over the long-term.
- In order to ensure the stability of earnings, MIRAI will diversify the portfolio from wide perspectives, including lease maturity, tenant industries, and uses.

Breakdown of Lease Contracts Type (based on rent)



	End of 12 th FP
Average remaining term	5.2 years
Fixed-term ratio (Remaining 5 years or more)	28.6%

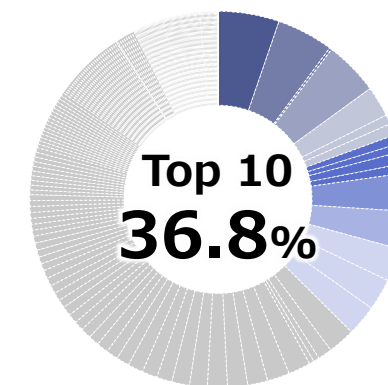
Note 1: “Diversification of lease maturity (based on rent)” is calculated by dividing the remaining days of lease contracts in effect at the end of April, 2022 of portfolio assets by 365, weighting by the annual rent, and rounded down to the first decimal place.
 Note 2: “Average remaining term” is calculated by dividing the remaining days of lease contracts in effect as of the end of 12th FP of portfolio assets by 365, weighting by the annual rent, and rounded down to the first decimal place.

Tenant Diversification (as of the End of 12th FP)

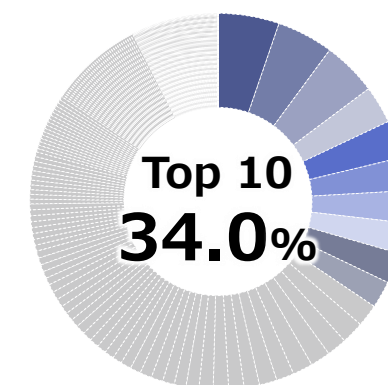
Top 10 Tenants (based on rent)

	Tenant Name	Property	Ratio
1.	HAVI Supply Chain Solutions Japan	Rokko Island DC	5.2%
2.	AEON Retail	AEON Kasai/Shinagawa Seaside Parktower	-
3.	NTT Comware	Shinagawa Seaside Parktower	-
4.	Hospitality Operations	3 Smile Hotels (Naha, Hakata and Nagoya)	4.3%
5.	Super Hotel	4 Super Hotels (Sendai, Osaka, Saitama and Kyoto)	3.2%
6.	Chubu Telecom	MI Terrace Nagoya-Fushimi	-
7.	Seiyu	Tsurumi Fuga 1	-
8.	BIGLOBE	Shinagawa Seaside Parktower	-
9.	Eisei College of Medical Arts & Sciences	Tokyo Eiseigakuen Senmongakko	-
10.	(Not disclosed)	Kawasaki Tech Center	-

Tenant Diversification

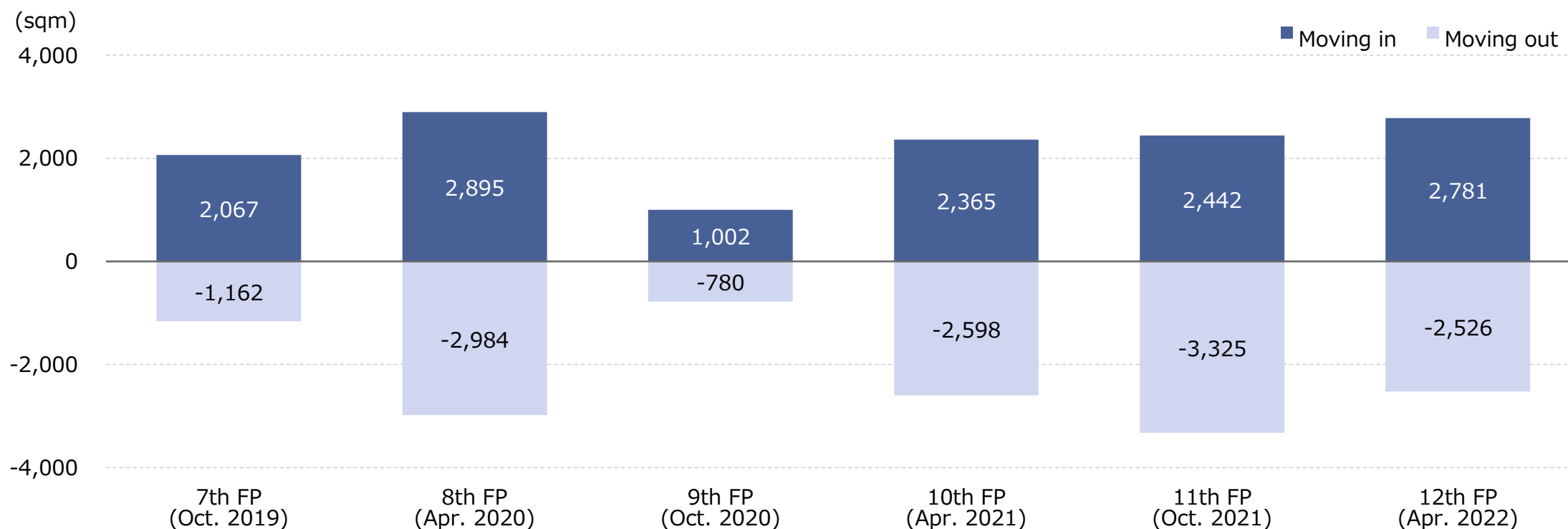


Lease Contracts Diversification



Tenant Replacement

Moving in & out (Offices and Urban Retail Assets)

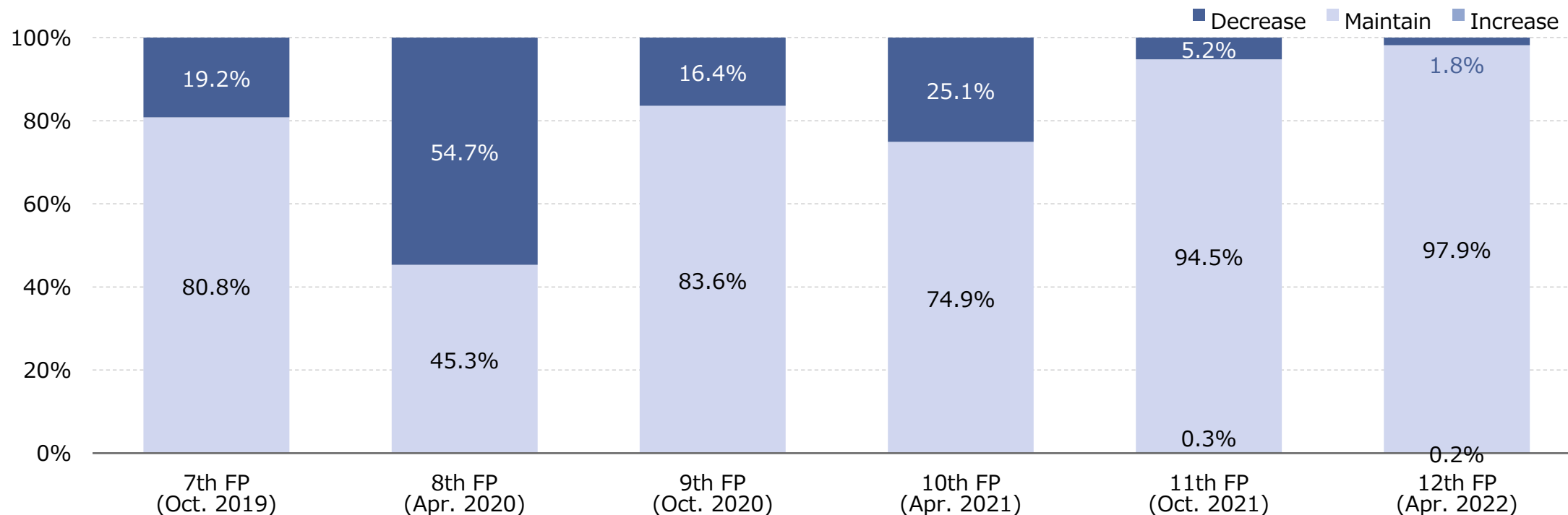


Occupancy rate at end of period (Entire portfolio)	100.0%	99.8%	96.2%	98.1%	97.8%	98.1%
Impact to occupancy rate	+0.3%	(0.0%)	+0.1%	(0.1%)	(0.3%)	+0.1%
Increase/decrease in rent (Note)	35 million yen	6 million yen	16 million yen	6 million yen	(34 million yen)	14 million yen

Note: The amount of increase in monthly rents due to tenant replacement * 6.

Contract Renewal

Rent Renewal (based on Leasable Area) (Offices and Urban Retail Assets) *excluding rent abatement due to COVID-19



Contract renewal area	13,886 sqm	13,664 sqm	20,807 sqm	10,840 sqm	15,141 sqm	14,356 sqm
Rent increase/decrease ratio	+1.8%	+4.4%	+1.8%	+4.0%	+0.1%	0.2%
Increase in rent (Note)	7 million yen	16 million yen	10 million yen	11 million yen	0 million yen	0 million yen

Note: The amount of increase in monthly rents due to rent revision * 6.

Hotel Portfolio Update (as of the End of 12th FP)

Fixed-rent properties

10/13

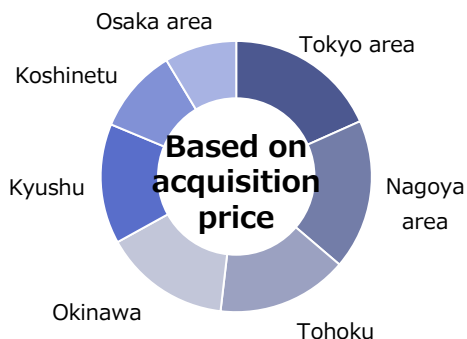
Number of rooms

1,989

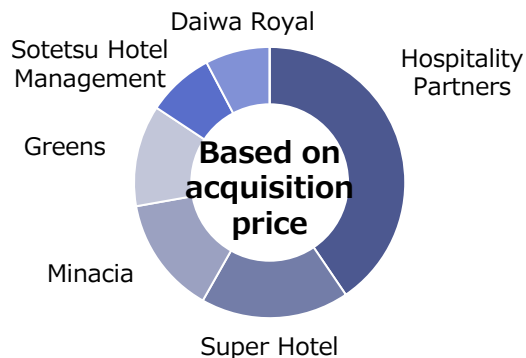
Average remaining term

9.0 years

Area diversification



Operator group diversification

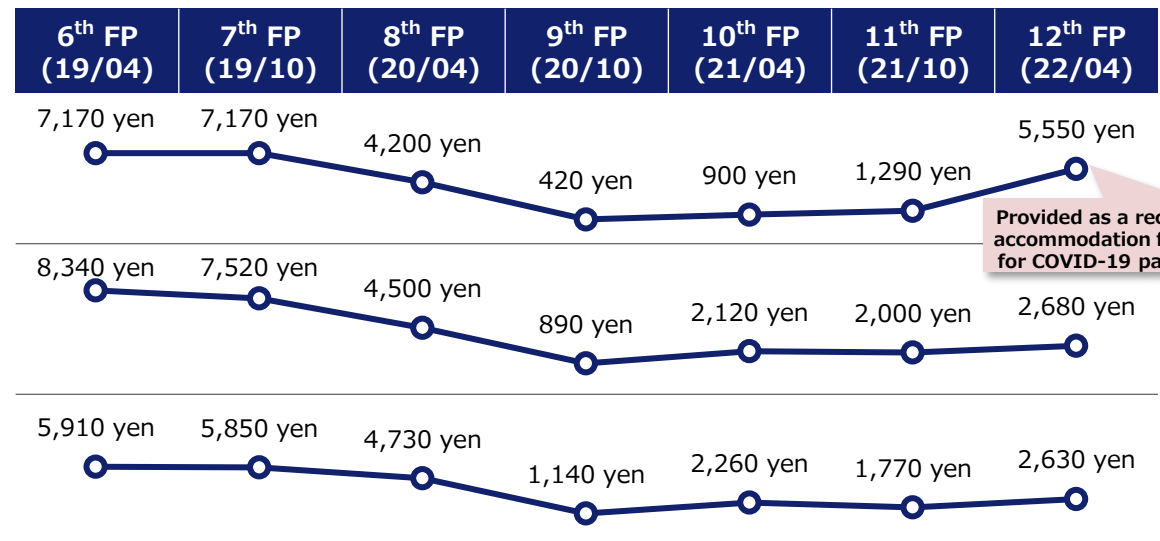


- Hotels are assets that is **resilient to inflation**, and MIRAI will maintain a certain ratio of hotels in its portfolio
- 2** fixed rent hotel contracts **expiring within 3 years and 5 within 3~5 years**
- Maintain a cooperative relationship with operators and negotiations to capitalize on market recovery

Performance of Hotels with Variable Rent (12th FP) (Note)

Property		Nov. 2021-Jan. 2022	Compared with 2019	Feb. 2022-Apr. 2022	Compared with 2019
Naha	ADR	5,560 yen	69%	5,540 yen	63%
	OCC	100%	120%	100%	115%
	RevPAR	5,560 yen	83%	5,540 yen	72%
Hakata-eki-Mae	ADR	3,860 yen	43%	3,860 yen	42%
	OCC	66%	74%	73%	77%
	RevPAR	2,550 yen	32%	2,830 yen	33%
Nagoya-Sakae	ADR	4,550 yen	68%	4,420 yen	67%
	OCC	54%	63%	64%	69%
	RevPAR	2,440 yen	43%	2,830 yen	46%

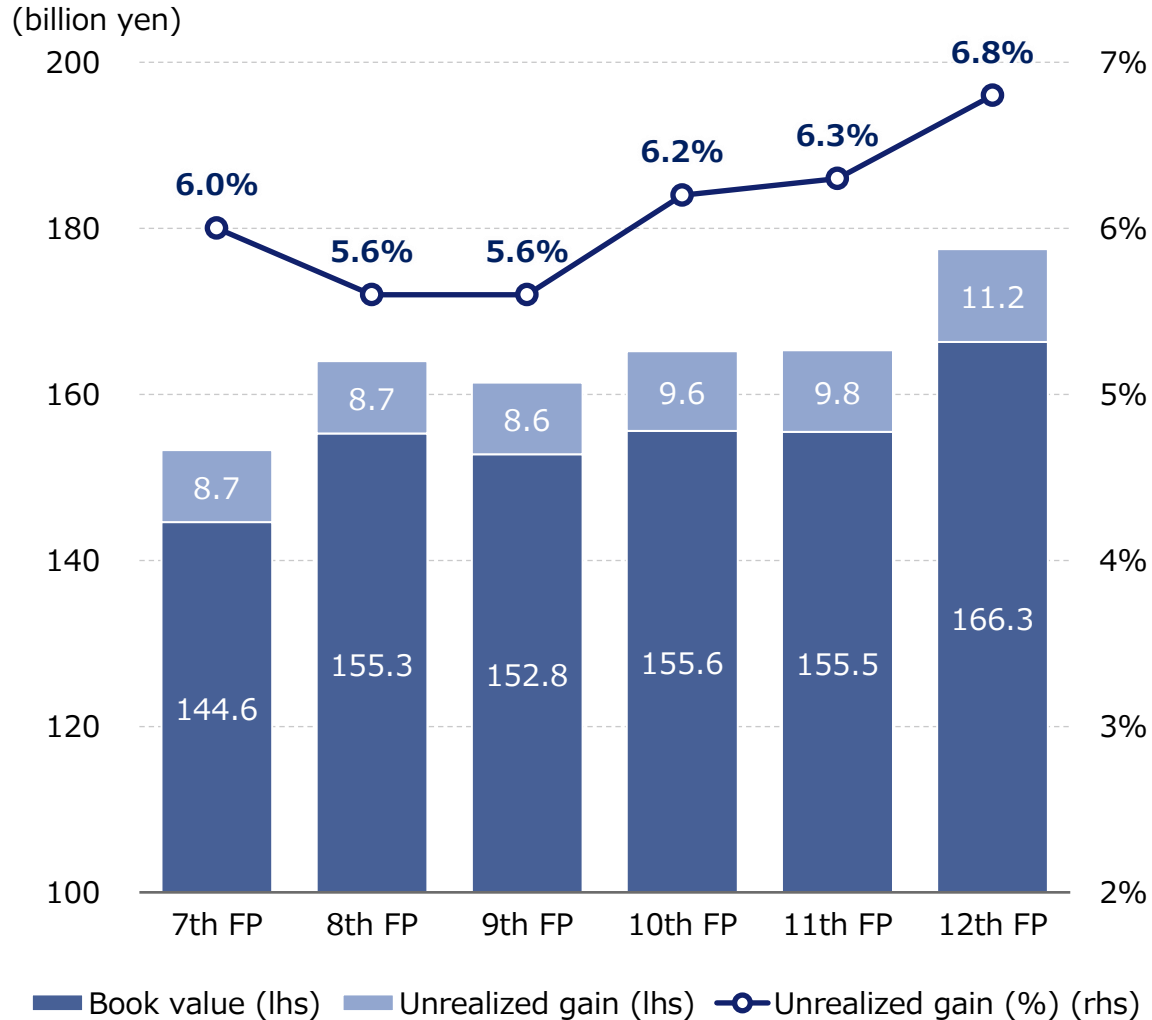
RevPAR Trends (Note)



Note: ADR and RevPAR are rounded down to the nearest 10 yen.

Changes in Appraisal Value

Appraisal Value / Unrealized Gain



Changes by Asset Type (properties held continuously)

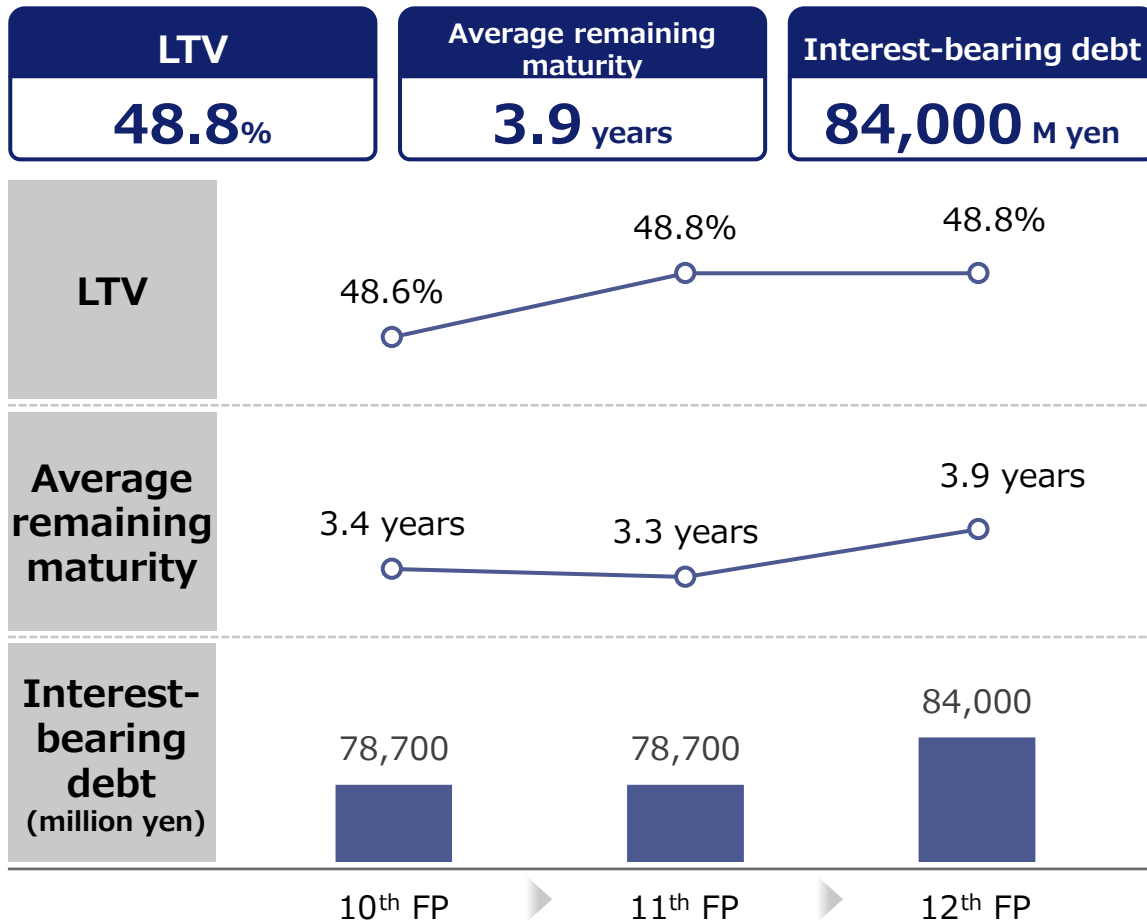
	End of 11 th FP	End of 12 th FP	Changes
Office	90.8 B yen	91.3 B yen	0.5 B yen (+0.6%)
Retail	30.8 B yen	30.9 B yen	0.0 B yen (+0.1%)
Hotel	27.9 B yen	28.0 B yen	0.1 B yen (+0.5%)
Others	15.7 B yen	15.7 B yen	- (-%)
Total	165.3 B yen	166.0 B yen	0.7 B yen (+0.4%)

Section 5. Finance & ESG Initiatives

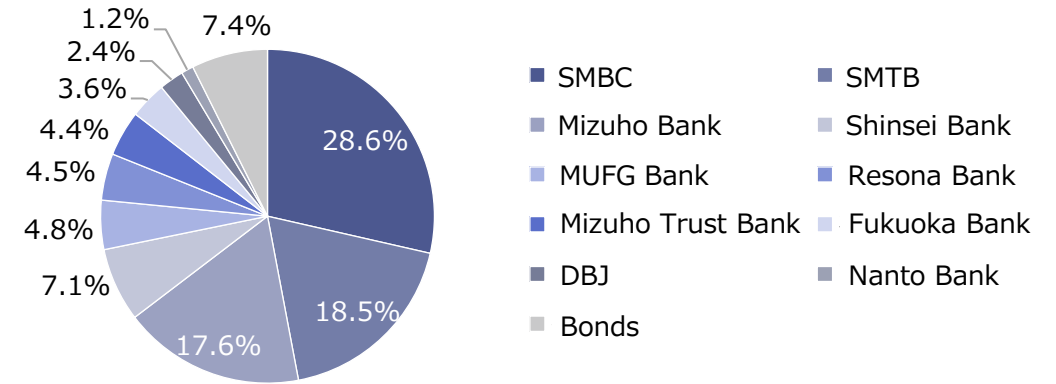
Financial Activities (1/2)

Maintain solid financial base to withstand rising interest rates environment backed by the creditworthiness of Mitsui & Co.

Financial Highlights



Diversified Funding Source



Commitment Line

Lender	Mizuho Bank
Limit amount	3.0 billion yen
Borrowings	None
Term	Up to 1 year

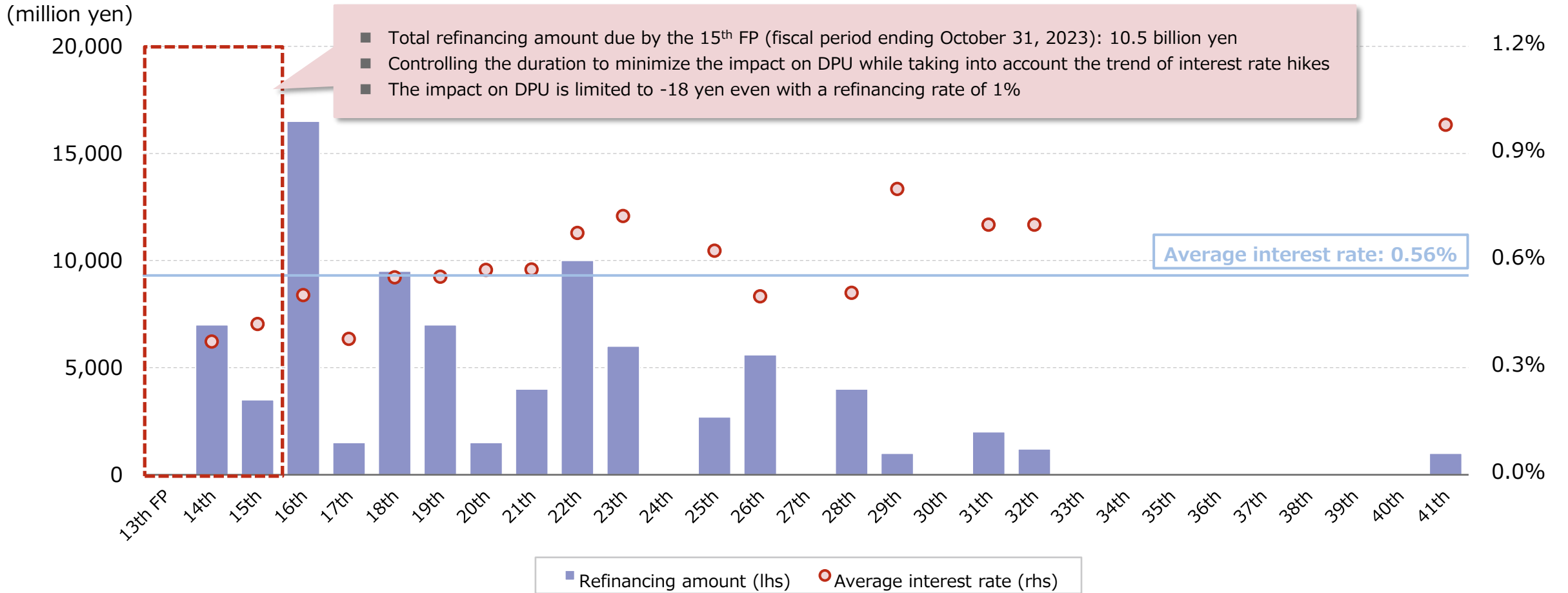
Credit Rating

Japan Credit Rating Agency (JCR)
A+ (Stable)
Rating and Investment Information (R&I)
A (Stable)

Financial Activities (2/2)

**All existing debts have long-term fixed interest rate/
Mindful of the average interest rate upon refinancing**

Debt Maturity Ladder



ESG Initiatives (1/3)

Promote efforts to realize materiality while improving and expanding external certifications

Participation in initiatives/external certifications, etc.

Principles for Financial Action for the 21st Century

- A principles of conduct for Japanese Financial Institutions that outline the responsibilities and roles necessary for the formation of a sustainable society
- The Asset Manager signed the Principles in September 2020



GRESB Real Estate Assessment

- An annual benchmark assessment that measures environmental, social and governance considerations in the real estate sector
- MIRAI participated in the assessment from 2021 and has earned **2 Stars** and **Green Star**



DBJ Green Building Certification

- Certification system established by the Development Bank of Japan to support environmentally and socially conscious real estate
- **New certification (3 Stars) in Mi-Nara** in April 2022



Materiality and SDGs

- MIRAI and the Asset Manager have identified materiality in order to realize sustainable society as part of our corporate social responsibility

	Materiality (Material issues)	Related SDGs
E	Adaptation to climate change (reduction of GHG emission and energy consumption, utilization of renewable energy etc.)	
	Structuring a portfolio with minimal environmental impact (reduction of water consumption and of waste consumption, acquisition of environmental certification etc.)	
S	Creating a work environment that takes into consideration the health, safety, and well-being of employees	
	Consideration for tenants' safety and security	
	Support for the promotion of local communities	
G	Strength of governance system and risk management	
	Promotion of disclosure	

ESG Initiatives (2/3)

Steady progress in improving environmental targets / GF limit lifted through increased % of assets with environmental certificate

Environmental Targets/Recent Initiative

Targets (Note)

- Reduce GHG emission intensity (GHG emission / gross floor area) of our portfolio by 5% over the next 5 years
- Reduce energy consumption intensity (energy consumption / gross floor area) of our portfolio by 5% over the next 5 years

Introducing Renewable Energy

- Shinjuku Eastside Square has switched to electricity derived from 100% renewable energy source
- Future properties to be switched will be determined based on cost impact



Broadcasting of ESG Videos, etc. on Monitors Installed in Common Areas

- Monitors installed in elevator halls of office buildings
- In addition to news bulletins, ESG awareness-raising videos and emergency evacuation routes are shown
- Promote providing information and raising ESG awareness to tenants

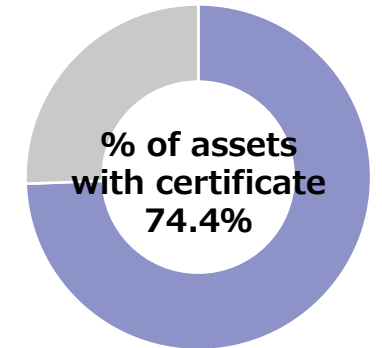


Green Finance Framework (GF)

As of the end of 11th FP
(End of Oct. 2021)



As of the end of 12th FP
(End of Apr. 2022)



Total assets with environmental certificate	85,889 million yen
Total amount of eligible green projects	53,821 million yen
LTV	48.8%
Upper limit of green finance	26,264 million yen
Total amount of green finance	5,200 million yen

Note: The target period is from the fiscal year ending March 31, 2022 to the fiscal year ending March 31, 2026 (target achievement year). The base year is the fiscal year ended March 31, 2019.

ESG Initiatives (3/3)

Ongoing contributions to local communities/ Starting to enhance sustainability disclosures in the future

Contributions to the Local Community



Cycle & Bus Rides (Mi-Nara)

Participation in a demonstration experiment of health-enhancing and environmentally friendly measures promoted by a local transportation company



EARTH HOUR (Kawasaki)

Participation in energy-saving events to prevent global warming



Promote cooperation with educational institutions (Mi-Nara)

Cooperation with a university in industry-academia partnership and new projects for educational facilities owned by MIRAI



Recovery accommodation facility for patients with mild cases of COVID-19 (Naha)

Continued to provide as a recovery accommodation facility (from October 11, 2021 to October 31, 2022 (scheduled))

Strengthening Sustainability Disclosure

GRI Standards

Disclosed the GRI Standard Reference Table, an international disclosure standard for sustainability report in March 2022 (GRI: Global Sustainability Standards)

Future Initiatives

Publication of ESG Report

Publication of ESG reports to further enhance sustainability information disclosure

TCFD Disclosures

Prepare for "TCFD", a framework for addressing climate change (TCFD: Task Force on Climate-related Financial Disclosures)

Obtain Third-party Assurance for Environmental Data

Obtain third-party assurance to ensure objectivity of disclosed environmental data

Disclaimer

Monetary amounts are rounded down to billions, millions or thousands of yen.

Percentage figures are rounded off to the first decimal place.

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