

October 28, 2022

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

Michio Suganuma, Executive Director

(Securities Code: 3476)

Asset Management Company:

Mitsui Bussan & IDERA Partners Co., Ltd.

Michio Suganuma, Representative Director, President

Contact: Nobuaki Takuchi, Executive Director, CFO

TEL: +81-3-6632-5960

Notice Concerning Acquisition (“MI Terrace Sendai Hirose-dori”) and
Disposition (“Orico Hakataeki Minami Building”) of Real Estate Trust Beneficiaries in Japan

Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset Manager”), the asset management company of MIRAI Corporation (hereinafter “MIRAI”) announces that MIRAI has decided to make acquisition (hereinafter the “Acquisition”) and disposition (hereinafter the “Disposition”) of assets as follows.

1. Overview of the Acquisition

(1) Asset to be Acquired

Asset Category/ Asset Type (Note 1)		Name	Agreement Date (Note 2)	Acquisition Date	Seller	Acquisition Price (million yen) (Note 3)
Core Asset	Office	MI Terrace Sendai Hirose-dori (Note 4)	October 28, 2022	November 1, 2022	Not disclosed (Note 5)	2,022

(Note1) “Asset Category/Asset Type” is a classification based on the usage of assets. For details, please refer to Reference Material 2 “Descriptions of the details of Asset to be Acquired.”

(Note2) “Agreement Date” is the signing date of the sale and purchase agreement with the seller.

(Note3) “Acquisition Price” shows the sale and purchase value of Asset to be Acquired that is stated in the sale and purchase agreement with the seller. 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. The same shall apply hereinafter.

(Note4) “Name” is “Manulife Place Sendai” as of today, but will be changed to “MI Terrace Sendai Hirose-dori” after MIRAI’s acquisition.

(Note5) “Not disclosed” due to the absence of the seller’s consent.

(2) Funds for Acquisition: Own funds (including disposition proceeds of “Comfort Hotel Nagano” and “Orico Hakataeki Minami Building”)

(3) Payment Method: The entire amount will be paid on the date of acquisition

2. Overview of the Disposition

(1) Asset to be Disposed

Name	Agreement Date (Note 1)	Disposition Date (Note 2)	Disposition Price (A) (million yen) (Note 3)	Book Value (B) (million yen) (Note 4)	Disposition Gain (million yen) (Note 5)	Buyer
Orico Hakataeki Minami Building	October 28, 2022	October 31, 2022	1,000 (50% quasi-co-ownership)	874	111	RICOH LEASING COMPANY, LTD.
		November 30, 2022	1,000 (50% quasi-co-ownership)	874	114	

(Note 1) “Agreement Date” is the signing date of the sale and purchase agreement with the buyer.

(Note 2) “Disposition Date” is the date stated on the sale and purchase agreement as scheduled date of disposition. Disposition is divided in two separate transactions. Under certain circumstances such as commencement of legal proceeding for MIRAI’s bankruptcy, the second scheduled date of disposition will be changed to the date determined by the buyer as being reasonable.

(Note 3) “Disposition Price” shows the sale and purchase value of the Asset to be Disposed that is stated in the sale and purchase agreement entered with the buyer. The sale and purchase value does not include national or local consumption tax or expenses necessary for the disposition, and it is rounded down to the nearest million yen. The same shall apply hereinafter.

(Note 4) “Book Value” is the assumed book value at the Disposition Date rounded off to the nearest million yen.

(Note 5) It is a reference value calculated as the Disposition Price less Book Value and other expenses, which differs from the profit and loss on disposition. The same shall apply hereinafter.

(2) Settlement Method: Quasi-co-ownership stake will be delivered and the sale proceeds corresponding to the quasi-co-ownership delivered will be settled on each scheduled date of disposition.

(3) Brokerage: No

3. Reasons for the Acquisition and the Disposition

Points

- **Asset replacement that leads to portfolio quality improvement based on “Smart Defense” strategy.**
- **Further diversification of tenant base: Disposing 2 single-tenant assets / Acquiring mid-sized office with 18 tenants**
- **Profitability improvement: Average NOI yield after depreciation 3.9% (the Assets to be Replaced) - 4.4% (the Asset to be Acquired)**
- **NAV improvement: Acquisition at a discount (Acquisition price 12.5% discount to appraisal value)**
- **Secured disposition gain: Disposition gain over two fiscal periods secured through disposition at above appraisal value**

MIRAI announced MIRAI Mid-term Management Plan 2025 “Smart Defense & Offense with Aligned Interest” in “Presentation Material for 12th Fiscal Period (ended April 30, 2022)” on June 15, 2022. While the market environment remains uncertain such as the impact of the COVID-19, the situation in Ukraine, etc. MIRAI has continued its efforts to implement appropriate portfolio management to protect against downside risk based on “Smart Defense” strategy for now. On the other hand, utilities costs (fuel adjustment fee) are rising due to recent energy price hikes on the back of conflict in Ukraine and increased import price for power companies on the back of yen depreciation. Following comprehensive consideration of disposition price and possibility of disposition in stages, etc., MIRAI has decided on the Disposition to cover the downside risk that materialized. In addition, as announced in the “Notice Concerning Disposition of Real Estate Trust Beneficiary in Japan (“Comfort Hotel Nagano”)” on May 25, 2022, MIRAI has already completed one disposition on May 31, 2022, and the Acquisition is decided based on the level of the disposition proceeds combining the proceeds from the Disposition as well as profitability and characteristics of the asset to be acquired.

MIRAI believes Cash Flow (CF) diversification and maintenance/improvement of profitability to be the keys in portfolio management under “Smart Defense” strategy going forward. Given a) “Comfort Hotel Nagano” which is already disposed and the Asset to be Disposed (hereinafter both are collectively referred as the “Assets to be Replaced”) are single-tenant assets while the Asset to be Acquired is a mid-sized office with multiple (18) tenants and b) NOI yield after depreciation of the Asset to be Acquired (4.4%) is higher than average NOI yield after depreciation of the Assets to be Replaced (3.9%), MIRAI believes that this asset replacement will lead to portfolio quality improvement in line with the “Smart Defense” strategy. In addition, the acquisition price for the asset to be Acquired is 288 million yen, or 12.5% below the appraisal value while total combined unrealized gain from the Assets to be Replaced is 5 million yen, NAV (Net Asset Value, net asset based on appraisal value) is expected to improve as targeted under the Mid-term Management Plan.

(Reference) Price and Profitability of the Assets to be Acquired and Replaced

	Name	Acquisition Price (million yen)	Appraisal Value (million yen)	Appraisal NOI Yield (Note 1)	NOI Yield after Depreciation (Note 2)
Asset to be Acquired	MI Terrace Sendai Hirose-dori	2,022	2,310	4.9%	4.4%

(Note1) “Appraisal NOI Yield” is calculated by dividing the appraisal NOI by the Acquisition Price rounding to the nearest tenth. Appraisal NOI refers to the net operating income (NOI) obtained by subtracting operating expenses from operating revenues stated in the appraisal report, and it is income before subtracting depreciation. It differs from net cash flow (NCF) which is derived by adding investment management profits on investment from security deposit and subtracting the capital expenditures. The above appraisal NOI means the 1st year NOI under DCF method (if any specific factors for the 1st year, it means the 2nd or the 3rd year NOI).

(Note2) “NOI Yield after Depreciation” is calculated by subtracting depreciation from the appraisal NOI and dividing by the expected Acquisition Price rounding to the nearest tenth. Depreciation is estimated value calculated by the Asset Manager using straight-line method with certain assumptions. The same shall apply hereinafter.

	Name	Acquisition Price (million yen)	Appraisal Value (million yen)	Disposition Price (million yen)	Disposition Gain (million yen)	NOI Yield (Note)	NOI Yield after Depreciation (Note)
Assets to be Replaced	Orico Hakataeki Minami Building	1,680	1,780	2,000	225	4.4%	3.9%
	Comfort Hotel Nagano (disposed)	580	588	670	0	5.5%	4.0%
Total/Average		2,260	2,368	2,670	225	4.7%	3.9%

(Note) Figures are based on the book value based on actual results for the fiscal period ended April 30, 2022 (the 12th period) (annualized).

4. Details of the Assets to be Acquired and Disposed

(1) The Asset to be Acquired

Property Name	MI Terrace Sendai Hirose-dori	Asset Category	Core Asset
		Asset Type	Office

Overview of the Specified Asset

Acquisition Date	November 1, 2022	Type of Specified Assets		Trust Beneficiary	
Acquisition Price	2,022 million yen	Overview of Trust Beneficiaries	Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Appraisal Value (Appraisal Date)	2,310 million yen (September 30, 2022)		Expiry Date of Trust	November 30, 2032	
Nearest Station	5-minute walk from “Aoba-dori Ichibancho” Station of Sendai Subway Tozai Line and “Hirose-dori” Station of Nanboku Line, and 16-minute walk from “Sendai” Station of JR				
Address (Residential Address)	1-6-9, Kokubuncho, Aoba-ku, Sendai-shi, Miyagi				
Land	Lot Number	1-6-7 and 1-6-17, Kokubuncho, Aoba-ku, Sendai-shi, Miyagi	Building	Date of Building	July 29, 1991
	Building Coverage Ratio	100% (Note)		Structure	8-story flat roof steel-framed reinforced concrete structure
	Floor Area Ratio	500%		Usage	Office/ Parking space
	Use Districts	Commercial district		Gross Floor Area	5,815.38 sqm
	Site Area	1,120.04 sqm		Number of Parking Spaces	64
	Ownership Structure	Ownership rights		Ownership Structure	Ownership rights
PM Company	CBRE K.K.	ML Company	MIRAI		
Special Comment	None				

(Note) Specified building coverage ratio is 80%. However, the building has received relaxation to 100% for fireproof building located in a fire prevention district.

Overview of Lease

Total Rentable Area	3,804.07 sqm	Occupancy Ratio	98.4%
Principal Tenant	Manulife Life Insurance Company	Number of Tenants	18
Annual Rent	129 million yen	Guarantee Deposit	101 million yen

Overview of Summary of Engineering Report

Survey Company	Daiwa Real Estate Appraisal Co., Ltd	Urgent Repairs	-
Date of the Report	October 2022	Long-term Repairs	18,481 thousand yen

Overview of Seismic Risk Analysis

Survey Company	Tokio Marine dR Co., Ltd.	PML	3.1%
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Collateral

Not applicable

Overview of the Real Estate Appraisal Report	
Appraisal Value	2,310 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	September 30, 2022

(million yen)

Item	Details	Remarks, etc.
Valuation	2,310	
Value based on the direct capitalization method	2,390	
Operating revenues	180	
Potential gross revenues: Sum of (a) through (d)	189	
(a) Rental revenues from rooms for rent including common area charges	151	Reported based on current rent, new rent and its trend for similar properties in the same market while giving consideration to medium- to long-term competitiveness of the property.
(b) Utilities revenues	14	Assessed and reported based on actual amount from previous years while giving consideration to occupancy level.
(c) Parking revenues	19	Reported based on current rent and actual cases and trend of rent in surrounding area while giving consideration to medium- to long-term competitiveness of the property.
(d) Other revenues	4	Reported based on the contracted and actual amount from previous years.
Losses from vacancy, etc.	9	Reported based on the actual vacancy and average level of vacancy of similar properties while giving consideration to the competitiveness of the property.
Operating expenses	66	
Maintenance expenses	15	Reported based on contract which was judged reasonable.
Utilities expenses	15	Assessed and reported based on actual amount.
Repair expenses	7	Reported based on repair expenses in the engineering report.
PM fees	3	Assessed and reported based on fees of contract.
Advertisement and leasing expenses, etc.	1	Assessed and reported with reference to advertisement and leasing expenses, etc. of similar properties.
Taxes and public dues	19	Assessed and reported based on actual amount for FY 2022
Property and casualty insurance premiums	0	Reported based on estimated amount which was judged reasonable.
Other expenses	3	Assessed and reported reserve expenses such as consumable supplies and other miscellaneous expenses.
Net operating income	113	
Investment gains on lump-sum payment	0	Reported and assessed based on comprehensive view of both investment management and funding perspective.
Capital expenditures	11	Reported based on renewal expenses on engineering report which was judged reasonable while giving consideration to construction management fee.
Net cash flow	102	
Capitalization rate	4.3%	
Value based on DCF method	2,280	
Discount rate	4.1%	Assessed based on comparison against discount rate of other similar real estate transactions and return on other financial assets.
Terminal capitalization rate	4.5%	Assessed by considering the marketability, etc. of the subject property at the end of forecast period against the cap rate.
Value based on cost approach	2,390	
Ratio of land	81.8%	
Ratio of building	18.2%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

Characteristics of the Property

<Location>

- The property is located five-minute walk from “Aoba-dori Ichibancho” Station of Subway Tozai Line and “Hirose-dori” Station of Nanboku Line, and 16-minute walk from “Sendai” Station of JR.
- The property is located in the "Aoba-dori and Hirose-dori" area, which is the central office district in Sendai City, and is a traditional business district formed around the main arterial roads, Aoba-dori and Hirose-dori.
- The area where the property is located has little industry concentration, and it is expected to attract potential tenants from a wide range of sectors.

<Specification>

- The property has a ceiling height of 2,550mm, OA floor (H=50mm), and individual air-conditioning, and with a gross floor area of approximately 2,057 tsubo and a standard floor area of approximately 163 tsubo, it is in the volume zone in Sendai City. It is also equipped with a large parking (64 cars) for vehicles used for business activities that are in high demand in regional cities.
- The shape of the rentable area is generally rectangular in shape and can be divided into floors of 30 tsubo to 40 tsubo, which is in high demand in Sendai City. Therefore, it is expected to have a certain level of competitiveness as a standard grade medium-sized office building in the "Aoba-dori/Hirose-dori" area.

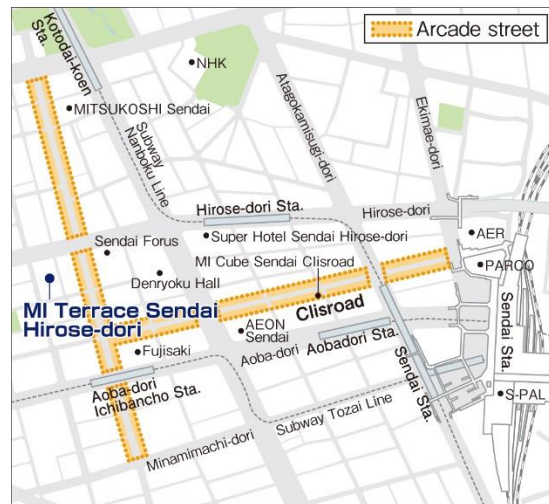
<Others>

- The property is rectangular in shape and can accommodate tenants requiring a wide range of floor areas. In addition to relocations from neighboring buildings, it is expected to attract a variety of needs, such as relocations from the suburbs to the central part of the city which has emerged as a recent trend in the city.

Pictures



Map of property



(2) The Asset to be Disposed

Details of the Asset to be Disposed are as stated in Annual Securities Reports “Part 1: Fund Information / [1] Fund Overview / 5 Operating Conditions / (2) Investment Assets” dated on July 29, 2022, prepared by MIRAI (Japanese language only). In addition, overview of the real estate appraisal report is as follows.

Overview of the Real Estate Appraisal Report	
Appraisal Value	1,780 million yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd
Appraisal Date	April 30, 2022

(million yen)		
Item	Details	Remarks, etc.
Value based on income approach	1,780	
Value based on the direct capitalization method	1,790	
Operating revenues	Not Disclosed (Note)	
Potential gross revenues:		
Sum of (a) through (d)		
(a) Rental revenues from rooms for rent including common area charges		
(b) Utilities revenues		
(c) Parking revenues		
(d) Other revenues		
Losses from vacancy, etc.		
Operating expenses		
Maintenance expenses		
Utilities expenses		
Repair expenses		
PM fees		
Advertisement and leasing expenses, etc.		
Taxes and public dues		
Property and casualty insurance premiums		
Other expenses		
Net operating income	78	
Investment gains on lump-sum payment	0	Assessed based on comprehensive view of the management status of lump-sum payment from both investment management and funding aspects.
Capital expenditures	3	Reported based renewal expenses on engineering report which was judged reasonable while giving consideration to construction management fee.
Net cash flow	74	
Capitalization rate	4.2%	Assessed based on comprehensive view of location, condition of the property and other factors.
Value based on DCF method	1,780	
Discount rate	3.8%	Assessed based on comparison against discount rate on other similar real estate transactions and return on other financial products.
Terminal capitalization rate	4.4%	Assessed considering the cap rate and the marketability of the property at the end of analysis period.
Value based on cost approach	1,680	
Ratio of land	83.3%	
Ratio of building	16.7%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

(Note) Consent for disclosure regarding the financial detail was not obtained from the tenant. Therefore, except in instance where it was deemed that no harm would result from disclosure, the information is not disclosed.

5. Overview of Seller and Buyer

The seller is a Japanese corporation, however the name is not disclosed because its consent has not been obtained. The seller is not defined as a related party, etc. in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended), and not an interested party under the stakeholder transaction rule of the Asset Manager. The buyer is as follows.

Buyer

Name	RICOH LEASING COMPANY, LTD.
Address	4-1, Kioi-cho, Chiyoda-ku, Tokyo
Representative	President and CEO Tokuharu Nakamura
Business Description	Leases & Finance Business, Services Business and Investment Business
Stated Capital	7,896 million yen (as of June 30, 2022)
Date of Establishment	December 21, 1976
Net Assets	202,794 million yen (as of June 30, 2022)
Total Assets	1,193,850 million yen (as of June 30, 2022)
Major shareholder	Ricoh Company, Ltd. (33.7%), Mizuho Leasing Company, Ltd. (20.0%) (as of March 31, 2022)
Relationships between the company and MIRAI and the Asset Manager	
Capital	There is no capital relationship to state between the company and MIRAI and the Asset Manager.
Personnel	There is no personnel relationship to state between the company and MIRAI and the Asset Manager.
Business	There is no business relationship to state between the company and MIRAI and the Asset Manager.
Relevance to related party	The company does not fall under a related party of MIRAI and the Asset Manager. The company has entered into investment advisory contract with Mitsui & Co., Realty Management Ltd., which is a related company of Mitsui & Co. Asset Management Holdings Ltd., a major shareholder of the Asset Manager. It is therefore deemed to be an interested party under the Related-Party Transaction Rule of the Asset Manager.

6. Description of seller

The seller is not stakeholder in relation to MIRAI and the Asset Manager.

7. Overview of Brokerage

The broker of the Asset to be Acquired is a Japanese corporation, however the name is not disclosed because its consent has not been obtained. The broker is not defined as a related party, etc. in Article 201, Paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended), and not an interested party under the stakeholder transaction rule of the Asset Manager. There is no corresponding item in respect of the Asset to be Disposed.

8. Transactions with Interested Parties, etc.

The buyer is deemed to be an interested party under the stakeholder transaction rule of the Asset Manager. Therefore, the necessary discussions and resolutions have been made based on the said rule and other company rules.

9. Future Outlook

Please refer to “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending October 31, 2022 and April 30, 2023” announced today regarding the impact to the operation from the Acquisition and the Disposition for the fiscal period ending October 2022 (the 13th fiscal period) and the fiscal period ending April 2023 (the 14th fiscal period).

(End)

* URL: <https://3476.jp/en/>

This press release is the English translation of the announcement in Japanese on MIRAI’s website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

(Reference press release, etc.)

Dated 10/28/2022 “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending October 31, 2022 and April 30, 2023”

Dated 10/28/2022 “Asset Replacement and Revisions to Forecasts -Supplementary Material for the Press Releases Dated October 28, 2022-”

<Reference Material>

Reference Material 1: Portfolio List after the Acquisition and the Disposition

Reference Material 2: Descriptions of the details of Assets to be Acquired

Reference Material 1: Portfolio List after the Acquisition and the Disposition

Asset Category	Asset Type	Area	Property Name	Acquisition Price (million yen) (Note 1)	Ratio (%) (Note 2)	Acquisition Date
Core Asset	Office	Tokyo	Shinagawa Seaside Park Tower (quasi-co-ownership 63.4%) (Note 3)	20,288	12.3	December 16, 2016
	Office	Tokyo	Kawasaki Tech Center	23,182	14.1	December 16, 2016
	Office	Tokyo	Shinjuku Eastside Square (quasi-co-ownership 5%) (Note 3)	10,000	6.1	December 16, 2016
	Office	Tokyo	Tokyo Front Terrace (quasi-co-ownership 50.2%) (Note 3)	10,592	6.4	October 26, 2017
	Office	Nagoya	MI Terrace Nagoya-Fushimi	8,886	5.4	June 1, 2018
	Office	Tokyo	My Square Building	2,800	1.7	December 25, 2019
	Office	Others	Hiroshima Rijo-dori Building	2,250	1.4	March 31, 2020
	Office	Osaka	BizMiix Yodoyabashi	2,041	1.2	November 1, 2018
	Office	Osaka	TCA Building	2,120	1.3	January 28, 2021
	Office	Others	Ehime Building/Hiroshima	2,780	1.7	January 12, 2022
	Office	Others	MI Terrace Sendai Hirose-dori	2,022	1.2	November 1, 2022
	Retail	Tokyo	Shibuya World East Building	3,200	1.9	December 16, 2016
	Retail	Tokyo	THINGS Aoyama	2,912	1.8	January 9, 2020
	Retail	Others	MI Cube Sendai Clisroad	1,330	0.8	March 31, 2020
	Retail	Tokyo	AEON Kasai (Note 3)	9,420	5.7	December 16, 2016
	Retail	Osaka	MEGA Don Quijote Izumi-Chuo	3,000	1.8	December 16, 2016
	Retail	Osaka	CAINZ MALL Hikone (land)	3,598	2.2	March 31, 2021
	Retail	Others	Maxvalu Takatori (land)	950	0.6	March 31, 2021
	Retail	Tokyo	Tsurumi Fuga 1 (Note 3)	5,300	3.2	January 12, 2022
	Retail	Nagoya	BIGMOTOR Ginan (land)	1,080	0.7	January 12, 2022
	Hotel	Others	Hotel Sunroute Niigata	2,108	1.3	December 16, 2016
	Hotel	Others	Daiwa Roynet Hotel Akita	2,042	1.2	December 16, 2016
	Hotel	Others	Super Hotel Sendai / Hirose-dori	1,280	0.8	December 16, 2016
	Hotel	Osaka	Super Hotel Osaka / Tennoji	1,260	0.8	December 16, 2016
	Hotel	Tokyo	Super Hotel Saitama / Omiya	1,123	0.7	December 16, 2016
	Hotel	Osaka	Super Hotel Kyoto Karasuma Gojo	1,030	0.6	December 16, 2016
	Hotel	Nagoya	Ise City Hotel Annex	1,800	1.1	March 1, 2018
	Hotel	Others	Comfort Hotel Kitakami	820	0.5	March 1, 2018
	Hotel	Tokyo	Hotel Wing International Select Ueno /Okachimachi	3,720	2.3	May 15, 2018
	Hotel	Others	Smile Hotel Naha City Resort	4,000	2.4	November 1, 2018
	Hotel	Others	Smile Hotel Hakataeki-Mae	3,800	2.3	November 1, 2018
	Hotel	Nagoya	Smile Hotel Nagoya-Sakae	2,950	1.8	November 1, 2018
Growth Asset (Core-plus Asset)	Retail	Osaka	Mi-Nara	4,944	3.0	October 26, 2017
Growth Asset (New Type Asset)	Industrial	Osaka	Rokko Island DC (quasi-co-ownership 92.45%) (Note 3)	7,996	4.9	November 1, 2018
	Industrial	Tokyo	Odawara Material Storage and Delivery Center (land)	2,300	1.4	March 1, 2021
	Industrial	Tokyo	Yokohama-Daikokucho Maintenance Center (land)	1,490	0.9	March 25, 2022
	Educational	Tokyo	Tokyo Eiseigakuen Senmongakko	3,900	2.4	January 9, 2020
Total				164,316	100.0	-

(Note 1) "Acquisition Price" shows the purchase and sale value of each asset to be acquired that is stated in the sale and purchase agreement entered with the sellers. The purchase and sale values do not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. Although the acquisition price of "Mi-Nara" on its sales and purchase agreement is 4,100 million yen, the acquisition price is defined as total investment amount of 4,944 million yen including the additional investment made following the acquisition for the renewal of the property. For "Mi-Nara", the total investment including the additional investment of 4,944 million yen is defined as acquisition price. Also, the acquisition price of "BizMiix Yodoyabashi" on its sale and purchase agreement is 1,750 million yen, the acquisition price is defined as total investment amount of 2,041 million yen including the additional investment made following the acquisition for the conversion of the property. For "BizMiix Yodoyabashi", the total investment including the additional investment of 2,041 million yen is defined as acquisition price.

(Note 2) "Ratio" is the ratio against the total of the acquisition price of each property, and the value is rounded to the first decimal place.

(Note 3) Where the asset is owned by sectional ownership or is quasi-co-owned, the value in relation to the sectional ownership and quasi-co-ownership interest belonging to MIRAI is shown.

Reference Material 2: Descriptions of the details of Asset to be Acquired

Items (A) to (M) below explain description in the columns of “4. Details of Assets to be Acquired and Disposed (1) The Asset to be Acquired” above. The descriptions are as of end of August 2022 unless otherwise stated.

A) “Asset Category/Asset Type”

- “Core Asset” means core assets of MIRAI’s portfolio. Specifically, it refers to traditional investment real estate such as offices, retail, hotels, residential and logistics facilities for which the utilization ratio is (or is likely to be) more than 80% and for which MIRAI judges that stable rent revenue can be expected.
- “Growth Asset (New Type Asset)” refers to assets with less real estate investment and management track record in the market compared to core assets and are less competitive and MIRAI determines that there is a potential for market expansion in the future.

B) “Nearest Station”

- The walking time required in the section “Nearest Station” is calculated on the assumption that one minute is required to walk 80 meters, and the calculated value is rounded up when a fraction beyond the first decimal point is included, based on the Fair Competition Rule on the indication of real property (Fair Trade Commission Notice No.23 in 2005) and the enforcement regulation on the Fair Competition Rule on the indication of real property (Approval No.107 by the Fair Trade Commission in 2005).

C) “Address (Residential Address)/ (Lot Number)”

- “Address (Residential Address)” shows the residence indication of the property. If the residence indication is not implemented, the location or locations (any one of them) of the building on the registry is shown. “Address (Lot Number)” shows the lot number of the asset.

D) “Land”

- “Lot Number” is described based on the registry.
- “Building Coverage Ratio” and “Floor Area Ratio” are the values provided by relevant laws such as the Building Standards Act and the Urban Planning Act. Depending on the asset to be acquired, certain easing measures or restrictions may be applied to the “Building Coverage Ratio” and “Floor Area Ratio” in the table below.
- “Use Districts” describe the types of use districts under Article 8, Section 1, paragraph 1 of the Urban Planning Act.
- “Site Area” is based on the description in the registry, and it may not match the current state. If asset to be acquired is a co-ownership stake of land, the entire parcel is shown.
- “Ownership Structure” describes the type of rights that a beneficiary of the trust on the asset to be acquired holds or will hold.

E) “Building”

- “Date of Building” describes the construction date in the registry.
- “Structure” is based on the description in the registry.
- “Usage” describes the main types of the buildings in the registry.
- “Gross Floor Area” is based on the description of the registry. If Asset to be Acquired is strata title ownership interest, the floor area of the strata title ownership is shown. If Asset to be Acquired is a co-ownership, the total floor area of the entire building is shown.
- “Number of Parking Spaces” shows the number of cars the car park can accommodate. This car park is secured within the site (including the car park inside the building) of the asset to be acquired as of end of August 2022. Where a co-owned share and sectional ownership will be acquired, the number of cars to be parked in relation to the entire asset to be acquired is shown.
- “Ownership Structure” describes the types of rights that a beneficiary of the trust on the asset to be acquired holds or will hold.

- F) “PM Company”
- “PM Company” describes the companies that will enter into a valid property management contract as of the acquisition date.
- G) “Master Lease Company”
- “Master Lease Company” describes the companies that will enter into a valid master lease contract as of the acquisition date.
- H) “Special Comment”
- In principle, “Special Comment” describes items that are considered critical based on the information as of end of August 2022.
 - a) in terms of the interests and use of each asset; and
 - b) in consideration of the impact on the appraisal value of the asset, profitability and ease of disposal
- I) “Overview of Lease”
- “Overview of Lease” are based on figures and information provided by current owners of assets or trust beneficiaries to be acquired and shows contents of effective lease contracts as of end of August 2022 unless otherwise stated.
 - For “Total Rentable Area”, the area that is rentable based on the lease contract or the building drawings of the building pertaining to each asset to be acquired as of end of August 2022 is stated. In case of land asset, the area of the land is listed. However, the number of tenants 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.
 - For “Occupancy Ratio”, the ratio of the total leased area to the total rentable area of each Asset to be Acquired as of end of August 2022 is stated, rounded to one decimal place.
 - For “Principal Tenant”, the tenant with the largest leased area of the total leased area of each Asset to be Acquired as of end of August 2022 is stated. For properties with a fixed-rent master lease under which MIRAI will receive a certain amount of rent regardless of changes in the rents of end tenants, the Master Lease Company under the agreement to be concluded on the Asset to be Acquired is stated. In addition, if consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated in the “Principal Tenant” column.
 - For “Number of Tenants,” the number of tenants of each Asset to be Acquired is stated based on the lease contract of each Asset to be Acquired as of end of August 2022 (limited to those who have already moved in as of this date). However, if a master lease contract is concluded for the Asset to be Acquired, the total number of end tenants (limited to those who have already moved in as of this date) is stated for properties with a pass-through master lease in which MIRAI receives rents from the end tenants as they are, in principle. For properties with a fixed-rent master lease under which MIRAI will receive a certain amount of rent, regardless of changes in the rents of end tenants, only the Master Lease Company is stated as the tenant in the number of tenants, and the number of tenants based on the lease contract between the Master Lease Company and the end tenants for the relevant Asset to be Acquired is stated in parentheses. In addition, if only land with leasehold is acquired, the total number of the land lessees is stated. However, the number of tenants of incidental areas such as parking lots and warehouses is not included.
 - For “Annual Rent,” the annualized amount calculated by multiplying the monthly rent (including rent for rooms and common area charges (if any) and excluding rent for incidental areas such as parking lots and warehouses) by 12 is stated for the building indicated in the lease contract of each Asset to be Acquired as of end of August 2022 (limited to those who have already moved in as of this date), rounded down to the nearest million yen. In this calculation, the Annual Rent is calculated based on the upper limit of fixed rent provided for in the agreement. In addition, for properties in which The Master Lease Company becomes sublessor to tenants, the annualized amount that is calculated by multiplying the monthly rent in the lease contract concluded with the end tenants by 12 is stated for properties with a pass-through master lease in which MIRAI receives rents from the end tenants as they are, in principle, while the annualized amount that is calculated by multiplying the monthly rent in the master lease contract by 12 is stated for properties with a fixed-rent master lease in which MIRAI will receive a certain amount of rent, regardless of changes in the rents of end tenants. Free rent and rent holidays as of the same date are not taken into account. If consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated. If Asset to be Acquired is a co-ownership or quasi-co-ownership, it is calculated based on the proportion of ownership.
 - For “Guarantee Deposits,” the total amount of guarantee deposits required under the lease contract

- of each Asset to be Acquired as of end of August 2022 (limited to those for tenants who have already moved in as of this date) is stated, rounded down to the nearest million yen. However, guarantee deposits for incidental areas such as parking lots and warehouses are not included. If a master lease contract is concluded for the Asset to be Acquired, the total amount of guarantee deposits under the lease contract concluded with the end tenants is stated, rounded down to the nearest million yen. If consent regarding disclosure is not obtained from the end tenants, “Not disclosed” is stated. If Asset to be Acquired is a co-ownership or quasi-co-ownership, it is calculated based on the proportion of ownership.
- For each of asset to be acquired, lease contracts with end tenants are deemed to be in effect and are included in calculation for “Occupancy Ratio”, “Number of Tenants”, “Annual Rent, “Guarantee Deposit” and others so long as the agreements are in effect as of end of August 2022 even if they may be cancelled or notice of cancellation may be submitted.
- J) “Overview of Summary of Engineering Report”
- For “Urgent Repairs,” expenses that are stated as repair and renewal expenses that are deemed to be necessary urgently or within approximately one year from the inspection date in the building condition inspection report are stated by rounding down to the nearest thousand yen.
 - For “Long-term Repairs,” the annual average amount or the amount converted to the annual average amount of expenses stated as repair and renewal expenses that are expected for 12 years from the inspection date in the building condition inspection report is stated by rounding down to the nearest thousand yen. If the asset to be acquired is a co-ownership interest or a quasi-co-ownership interest of the building, it is calculated according to ownership percentage.
- K) “Collateral”
- “None” is stated when the collateral is canceled after the acquisition of the property.
- L) “Overview of the Real Estate Appraisal Report”
- For “Overview of the Real Estate Appraisal Report,” the general description of the real estate appraisal reports (hereinafter “Appraisal Reports”) that were commissioned by MIRAI and prepared by Daiwa Real Estate Appraisal Co., Ltd. to appraise each Asset to be Acquired based on the points to note for the appraisal of real estate under the Act on Investment Trusts and Investment Corporations as well as the Act on Real Property Appraisal (Act No. 152 of 1963 including subsequent amendments; hereinafter “Act on Real Property Appraisal”) and the real property appraisal standards are stated. The real estate appraisals are only the judgements and opinions of the appraisers at a certain point in time, and do not guarantee the adequacy or accuracy of their content or tradability at the Appraisal Value.
 - There is no special interest between MIRAI and the Asset Manager and Daiwa Real Estate Appraisal Co., Ltd. which conducted the real estate appraisal.
 - Unless otherwise noted, amounts are rounded down to the nearest million yen. Values in percentages are rounded to one decimal place.
- M) “Characteristics of the Property”
- For “Characteristics of the Property,” it indicates the point of view for property acquisition of MIRAI. In principle, it is based on the description of “Office Market Report” prepared by CBRE K.K. and partially based on the material obtained by the Asset Manager to state the basic nature, characteristics, and features of the area in which each Asset to be Acquired is located. The reports are only the judgements and opinions of the external experts who created them at a certain point in time, and they do not guarantee the adequacy or accuracy of their content. Environmental changes, etc. after the reports were prepared are not reflected.