

March 28, 2023

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.

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Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan
(“MI Terrace Kita-Ueno” and “MI Cube Machida East”)

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

1. Overview of the Acquisition

(1) Assets 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 Kita-Ueno (Note 4)	March 28, 2023	March 30, 2023	Not disclosed (Note 6)	3,557
	Retail	MI Cube Machida East (Note 5)	March 28, 2023	March 30, 2023		1,977
Total						5,534

(Note 1) “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 the Assets to be Acquired.”

(Note 2) “Agreement Date” is the signing date of the sale and purchase agreement with the seller.

(Note 3) “Acquisition Price” shows the sale and purchase value of the Assets 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.

(Note 4) “Name” is “UNIZO Kita-Ueno 2-chome Building” as of today, but will be changed to “MI Terrace Kita-Ueno” after MIRAI’s acquisition.

(Note 5) “Name” is “Machida East Building” as of today, but will be changed to “MI Cube Machida East” after MIRAI’s acquisition.

(Note 6) “Not disclosed” due to the absence of the seller’s consent.

(2) Funds for Acquisition: Own funds

Funds from the disposition proceeds of “My Square Building” and “MEGA Don Quijote Izumi-Chuo”, which were disposed today, will be allocated for the Acquisition. Own funds, including the balance of such disposition proceeds, and funds from loans (Note) will be allocated for the acquisition of “Fiel Johoku,” which is scheduled to be acquired on March 31, 2023.

(Note) For details, please refer to Reference “Notice Concerning Borrowing of Funds” announced today.

(3) Payment Method: The entire amount will be paid on the Acquisition Date

(4) Brokerage: No

2. Reasons for the Acquisition

Points
● Asset acquisition mindful of attaining both stability and growth based on MIRAI Mid-Term Management Plan 2025 “Smart Defense & Offense with Aligned Interest”
● A mid-sized office which can accommodate a wide range of tenant located in an area with stable supply and demand (“Smart Defense”)
● An urban retail asset which is expected to have upside due to recovery in demand post-COVID-19 (“Offense with Aligned Interest”)
● NAV improvement: Acquisition at a discount (Acquisition price 12.4% discount to appraisal value)

MIRAI announced MIRAI Mid-Term Management Plan in “Presentation Material for 12th Fiscal Period (ended April 30, 2022)” on June 15, 2022, with a completion target of 2025 and has been striving to implement portfolio management that considers “Smart Defense” under uncertain market environment and “Offense with Aligned Interest” following market recovery.



MIRAI has decided on the Acquisition as a further measure mindful of attaining both stability and growth, considering properties of various asset types to achieve the quantitative target of “Smart Defense & Offense with Aligned Interest” and constructing a portfolio with both stability and growth potential through multiple asset replacements.

< “Smart Defense & Offense with Aligned Interest” initiatives to build a portfolio with both stability and growth potential >

May 2022 : Disposition of “Comfort Hotel Nagano”

October 2022 : Acquisition of “MI Terrace Sendai Hirose-dori” and Disposition of “Orico Hakataeki Minami Building”

March 2023 : Disposition of “My Square Building” and “MEGA Don Quijote Izumi-Chuo”

Acquisition of “Fiel Johoku” (first residence)

Acquisition of “MI Terrace Kita-Ueno” and “MI Cube Machida East”

(Note 1) The years and months indicate when the press releases were released.

(Note 2) Disposition of “My Square Building” and “MEGA Don Quijote Izumichuo” and acquisition of “Fiel Johoku”, “MI Terrace Kita Ueno” and “MI Cube Machida East” may together be referred to as “Asset Replacement in March 2023”.

MIRAI has identified the acquisition of diverse asset types to achieve stability and growth as one of its key investment policies in its portfolio construction strategy under “Smart Defense & Offense with Aligned Interest”. MIRAI believes that “MI Terrace Kita Ueno,” a mid-sized office that can meet a wide range of tenant demand, will contribute to the qualitative improvement of the portfolio in terms of “Smart Defense”, while “MI Cube Machida East,” an urban retail asset that can expect upside in the post-COVID-19 period, will contribute from the perspective of “Offense with Aligned Interest”. As the acquisition price is 12.4% lower than the appraisal value, an improvement in NAV (Net Asset Value, which refers to the net asset value based on appraisal) can also be expected.

Please refer to “Asset Replacement and Revisions to Forecasts -Supplementary Material for the Press Releases Dated March 28, 2023-” announced today for the effect of the Asset Replacement in March 2023 including the Acquisition.

(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)
Assets to be Acquired	MI Terrace Kita- Ueno	3,557	4,070	4.3%	3.8%
	MI Cube Machida East	1,977	2,250	4.9%	4.2%
Total/Average		5,534	6,320	4.5%	3.9%

(Note 1) “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 the 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). “Appraisal NOI Yield” in the “Total/Average” shows “Average Appraisal NOI Yield”. The “Average Appraisal NOI Yield” is the weighted average of the “Average NOI Yield” by the Acquisition Price of each asset.

(Note 2) “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 the estimated value calculated by the Asset Manager using straight-line method with certain assumptions. The same shall apply hereinafter. “NOI Yield after Depreciation” in the “Total/Average” shows “Average NOI Yield after Depreciation”. The “Average NOI Yield after Depreciation” is the weighted average of the “Average NOI Yield after Depreciation” by the Acquisition Price of each asset.

3. Details of the Assets to be Acquired

<MI Terrace Kita-Ueno>

Property Name	MI Terrace Kita-Ueno	Asset Category	Core Asset
		Asset Type	Office

Overview of the Specified Asset

Acquisition Date	March 30, 2023	Type of Specified Assets		Trust Beneficiary	
Acquisition Price	3,557 million yen	Overview of Trust Beneficiaries	Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Appraisal Value (Appraisal Date)	4,070 million yen (March 1, 2023)		Expiry Date of Trust	March 31, 2033	
Nearest Station	3-minute walk from “Iriya” Station of Tokyo Metro Hibiya Line and 10-minute walk from “Ueno” Station of JR				
Address (Residential Address)	2-18-4, Kita-Ueno, Taito-ku, Tokyo				
Land	Lot Number	2-137, Kita-Ueno, Taito-ku, Tokyo, other 5 parcel of land	Building	Date of Building	May 21, 1992
	Building Coverage Ratio	100% (Note 1)		Structure	10-story flat roof steel-framed reinforced concrete structure
	Floor Area Ratio	700%		Usage	Office/Store (Note 2)/ Parking space
	Use Districts	Commercial district		Gross Floor Area	4,584.58 sqm
	Site Area	664.57 sqm		Number of Parking Spaces	16
	Ownership Structure	Ownership rights		Ownership Structure	Ownership rights
PM Company	CBRE K.K.	ML Company	-		
Special Comment	None				

(Note 1) Specified building coverage ratio is 80%. However, the building has received relaxation to 100% for the fireproof building located in a fire prevention district.

(Note 2) “Usage” is the use changed based on the certificate of confirmation dated June 27, 2007.

Overview of Lease

Total Rentable Area	3,551.61 sqm	Occupancy Ratio	100.0%
Principal Tenant	Independent Incubator Co., Ltd.	Number of Tenants	7
Annual Rent	174 million yen	Guarantee Deposit	133 million yen

Overview of Summary of Engineering Report

Survey Company	Daiwa Real Estate Appraisal Co., Ltd	Urgent Repairs	-
Date of the Report	March 2023	Long-term Repairs	16,569 thousand yen

Overview of Seismic Risk Analysis

Survey Company	Tokio Marine dR Co., Ltd.	PML	5.4%
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Collateral

Not applicable

Overview of the Real Estate Appraisal Report	
Appraisal Value	4,070 million yen
Appraiser	Tanizawa Sogo Appraisal Co., Ltd
Appraisal Date	March 1, 2023

(million yen)

Item	Details	Remarks, etc.
Valuation	4,070	
Value based on the direct capitalization method	4,200	
Operating revenues	212	
Potential gross revenues: Sum of (a) through (d)	223	
(a) Rental revenues from rooms for rent including common area charges	201	Reported based on the rent level of the current lease agreement, the level of new rents for similar properties within the same supply and demand zone and their trends, and taking into account the subject property's competitiveness over the medium to long term.
(b) Utilities revenues	15	Assessed based on the actual amount of past fiscal years.
(c) Parking revenues	5	Assessed based on the rent level of the current lease agreement, surrounding lease cases, and their trends, while taking into account the subject property's medium- to long-term competitiveness.
(d) Other revenues	1	Reported based on the contracted and actual amount.
Losses from vacancy, etc.	11	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	45	
Maintenance expenses	8	Reported based on the property management contract and actual amount.
Utilities expenses	11	Assessed and reported based on actual amount.
Repair expenses	5	Assessed based on the engineering report and other similar cases.
PM fees	3	Reported based on estimated amount which was judged reasonable.
Advertisement and leasing expenses, etc.	1	Assessed and reported with reference to advertisement and leasing expenses, etc. of similar properties.
Taxes and public dues	13	Assessed and reported based on actual amount for FY 2022
Property and casualty insurance premiums	0	Assessed based on estimated amount.
Other expenses	0	Reported based on actual amounts.
Net operating income	167	
Investment gains on lump-sum payment	1	Reported and assessed based on comprehensive view of both investment management and funding perspective.
Capital expenditures	13	Assessed based on the engineering report and other similar cases.
Net cash flow	155	
Capitalization rate	3.7%	
Value based on DCF method	4,020	
Discount rate	3.8%	Assessed by considering the individual risk of the subject property to the base yield determined by the build-up method, etc. based on the yield of financial instruments.
Terminal capitalization rate	3.9%	Assessed by taking into account the cap rate and future forecast uncertainty.
Value based on cost approach	3,890	
Ratio of land	82.6%	
Ratio of building	17.4%	
Other matters to which the appraiser pays attention in the appraisal	Not applicable	

Characteristics of the Property

<Location>



- The property is located three-minute walk from “Iriya” Station of Tokyo Metro Hibiya Line and 10-minute walk from “Ueno” Station of JR and is located at the intersection of “Kiyosubashi-dori” Avenue and “Shinso-doriori” Avenue with high visibility.
- The area is lined with office buildings of a certain size or larger along “Showa-dori” Avenue and other major roads in the neighborhood. The property is within walking distance of “Ueno” terminal station and has good accessibility by cars, which is also highly valued.
- “Ueno/Okachimachi” area, where this property is located, has long been an area with a concentration of retail and office facilities centering around “Ueno” Station, and is positioned as the northern gateway to Tokyo, as it functions as a terminal station with many train lines, including the Shinkansen, JR conventional lines, subway lines, and private railroads.
- The area is served by numerous JR lines, including the Yamanote Line, as well as several subway lines, and is characterized by the high concentration of companies with their headquarters overseeing the Joto and Johoku areas of Tokyo.

<Specification>

- The property has a ceiling height of 2,500mm, individual air-conditioning and two elevators, and with a gross floor area of approximately 1,493 tsubo and a standard floor area of approximately 127 tsubo, it is in the volume zone in “Ueno/Okachimachi” area.
- The shape of the leasable space is generally rectangular, and the property has a certain degree of competitiveness, as it is equipped with 16 mechanical parking spaces with access by car in mind.
- In “Ueno/Okachimachi” area, buildings completed in the 1980s and 1990s account for about 80% of the total, and this property (built in 1992) is the average property age for the area.
- In 2011, common areas such as the entrance, toilets on standard floors, office pantry, and elevator halls were renovated. A convenience store is located on the first floor, making the building convenient for office workers.

<Others>

- “Ueno/Okachimachi” area is a stable area with relatively low volatility, although the estimated contracted rent index in this area is generally similar to that of the 23 wards of Tokyo. In addition, the decline in rents in recent years has been minor compared to the average for Tokyo's 23 wards as a whole, partly because new supply has been limited.

Picture	Map of property
	

<MI Cube Machida East>

Property Name	MI Cube Machida East	Asset Category	Core Asset
		Asset Type	Retail

Overview of the Specified Asset

Acquisition Date	March 30, 2023	Type of Specified Assets		Trust Beneficiary	
Acquisition Price	1,977 million yen	Overview of Trust Beneficiaries	Trustee	Sumitomo Mitsui Trust Bank, Limited	
Appraisal Value (Appraisal Date)	2,250 million yen (March 1, 2023)		Expiry Date of Trust		March 31, 2033
Nearest Station	5-minute walk from “Machida” Station of JR Yokohama Line and 6-minute walk from “Machida” Station of Odakyu Odawara Line				
Address (Residential Address)	4-5-8, Haramachida, Machida-shi, Tokyo				
Land	Lot Number	1254-2, Haramachida, Machida-shi, Tokyo, other 8 parcel of land	Building	Date of Building	May 2, 1989
	Building Coverage Ratio	100% (Note)		Structure	B1/7-story flat roof reinforced concrete structure
	Floor Area Ratio	600%		Usage	Store/ Office
	Use Districts	Commercial district		Gross Floor Area	2,530.16 sqm
	Site Area	505.71 sqm		Number of Parking Spaces	16
	Ownership Structure	Ownership rights		Ownership Structure	Ownership rights
PM Company	Marubeni Real Estate Management Co., Ltd.	ML Company		-	
Special Comment	None				

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

Overview of Lease

Total Rentable Area	2,176.15 sqm	Occupancy Ratio	100.0%
Principal Tenant	C-United Co., Ltd.	Number of Tenants	10
Annual Rent	113 million yen	Guarantee Deposit	85 million yen

Overview of Summary of Engineering Report

Survey Company	Tokio Marine dR Co., Ltd.	Urgent Repairs	-
Date of the Report	March 2023	Long-term Repairs	8,600 thousand yen

Overview of Seismic Risk Analysis

Survey Company	Tokio Marine dR Co., Ltd.	PML	4.8%
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Collateral

Not applicable

Overview of the Real Estate Appraisal Report	
Appraisal Value	2,250 million yen
Appraiser	Tanizawa Sogo Appraisal Co., Ltd
Appraisal Date	March 1, 2023

(million yen)

Item	Details	Remarks, etc.
Valuation	2,250	
Value based on the direct capitalization method	2,350	
Operating revenues	144	
Potential gross revenues: Sum of (a) through (d)	148	
(a) Rental revenues from rooms for rent including common area charges	130	Reported based on the rent level of the current lease agreement, the level of new rents for similar properties within the same supply and demand zone and their trends, and taking into account the subject property's competitiveness over the medium to long term.
(b) Utilities revenues	18	Assessed based on the actual amount of past fiscal years.
(c) Parking revenues	-	Assessed, based on the rent level of the current lease agreement, surrounding lease cases, and their trends while taking into account the subject property's medium- to long-term competitiveness.
(d) Other revenues	-	Reported based on the contracted and actual amount.
Losses from vacancy, etc.	4	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	40	
Maintenance expenses	8	Reported based on the property management contract and actual amount.
Utilities expenses	18	Assessed and reported based on actual amount.
Repair expenses	2	Assessed based on the engineering report and other similar cases.
PM fees	3	Reported based on the property management 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	6	Assessed and reported based on actual amount for FY 2022
Property and casualty insurance premiums	0	Reported the amount of building replacement cost multiplied by standard rate.
Other expenses	0	Reported based on actual amounts.
Net operating income	104	
Investment gains on lump-sum payment	0	Reported and assessed based on comprehensive view of both investment management and funding perspective.
Capital expenditures	6	Assessed based on the engineering report and other similar cases.
Net cash flow	98	
Capitalization rate	4.2%	
Value based on DCF method	2,200	
Discount rate	4.3%	Assessed by considering the individual risk of the subject property to the base yield determined by the build-up method, etc. based on the yield of financial instruments.
Terminal capitalization rate	4.4%	Assessed by taking into account the cap rate and future forecast uncertainty.
Value based on cost approach	1,900	
Ratio of land	79.2%	
Ratio of building	20.8%	
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 “Machida” Station of JR Yokohama Line and six-minute walk from “Machida” Station of Odakyu Odawara Line.
- “Machida” Station is one of the most popular terminal stations in the Tama area, boasting the highest number of passengers on the JR Yokohama Line and the second highest on the Odakyu Odawara Line. It offers easy commute to central Tokyo and has superior transportation accessibility with surrounding residential areas being served by extensive bus routes.
- The property is located in the central urban area of Machida City, which attracts many visitors from nearby stations and Kanagawa Prefecture, and is expected to attract customers from a wide area.
- It is a commercial area that differs from the downtown area in front of the station, which is mainly comprised of multi-tenanted buildings, and is an area that connects to the urban residential area that extends to the southeast.
- The 0.5 to 1-kilometer radius of the property is a trade area with a net daytime population inflow, and is crowded with workers from outside the trade area. On the other hand, the 3km radius is an area where the nighttime population exceeds the daytime population, and the area has a high suburban community character.

<Specification>

- The property is a multi-story commercial building with a clean, dark-toned exterior that sets it apart from adjacent commercial buildings.
- The property features a wide entrance set back from the road in front of the building, which can be used to create a space where customers can easily stay by installing seating for the café on the first floor, and can also effectively attract stores by installing tenant signs at eye level.
- The property is well managed, and the entrance area as well as the exterior of the building is maintained in a clean and comfortable manner. Two elevators are installed, allowing stress-free access to the upper floors.

<Others>

- The area surrounding the property is a shopping district with a wide variety of businesses, including restaurants, retail shops, and services, and can expect a certain amount of traffic throughout the day with shoppers during the day and with neighborhood residents on the way to and from home in the morning and at night, so a wide variety of potential tenants can be expected.

Picture



Map of property



4. Overview of the Seller

The seller is a Japanese corporation, however the name is not disclosed because the seller has not consented to the disclosure. 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. In addition, there are no capital, personal, or business relationships to be noted between MIRAI or the Asset Manager and the seller, and the seller is not a related party of MIRAI or the Asset Manager.

5. Description of the Seller

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

6. Transactions with Interested Parties, etc.

There is no transaction with interested parties.

7. Future Outlook

Please refer to “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2023 and October 31, 2023” announced today regarding the impact to the operation from the Asset Replacement in March 2023 including the Acquisition.

(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 3/3/2023 “Notice Concerning Disposition of Real Estate Trust Beneficiaries in Japan (“My Square Building” and “MEGA Don Quijote Izumi-Chuo”)

Dated 3/13/2023 “Notice Concerning Acquisition of Real Estate Trust Beneficiary in Japan (“Fiel Johoku”)

Dated 3/28/2023 “Notice Concerning Borrowing of Funds”

Dated 3/28/2023 “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2023 and October 31, 2023”

Dated 3/28/2022 “Asset Replacement and Revisions to Forecasts -Supplementary Material for the Press Releases Dated March 28, 2023-”

<Reference Material>

Reference Material 1: Portfolio List after the Acquisition

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

Reference Material 1: Portfolio List after the Acquisition

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	12.2	December 16, 2016
	Office	Tokyo	Kawasaki Tech Center	23,182	13.9	December 16, 2016
	Office	Tokyo	Shinjuku Eastside Square (quasi-co-ownership 5%) (Note 3)	10,000	6.0	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	5.3	June 1, 2018
	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
	Office	Tokyo	MI Terrace Kita-Ueno	3,557	2.1	March 30, 2023
	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	MI Cube Machida East	1,977	1.2	March 30, 2023
	Retail	Tokyo	AEON Kasai (Note 3)	9,420	5.7	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	0.6	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	EN HOTEL Ise	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	2.2	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
Residence	Others	Fiel Johoku	2,210	1.3	March 31, 2023	
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	4.8	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	2.3	January 9, 2020
Total				166,260	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 the Assets to be Acquired

Items (A) to (M) below explain the description in the columns of “3. Details of the Assets to be Acquired” above. The descriptions are as of the end of February 2023 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 Assets 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 the Assets 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 Assets 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 buildings in the registry.
 - “Gross Floor Area” is based on the description of the registry. If the Assets to be Acquired is strata title ownership interest, the floor area of the strata title ownership is shown. If the Assets 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 Assets to be Acquired as of the end of February 2023. Where a co-owned share and sectional ownership will be acquired, the number of cars to be parked in relation to the entire Assets to be Acquired is shown.
 - “Ownership Structure” describes the types of rights that a beneficiary of the trust on the Assets 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 the end of February 2023.
 - 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 the end of February 2023 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 the Assets to be Acquired as of the end of February 2023 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 the Assets 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 the Assets to be Acquired as of the end of February 2023 is stated, rounded to one decimal place.
 - For “Principal Tenant”, the tenant with the largest leased area of the total leased area of the Assets to be Acquired as of the end of February 2023 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 Assets 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 the Assets to be Acquired is stated based on the lease contract of the Assets to be Acquired as of the end of February 2023 (limited to those who have already moved in as of this date). However, if a master lease contract is concluded for the Assets 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 Assets 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 Assets to be Acquired as of the end of February 2023 (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 the Assets 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 Assets to be Acquired as of the end of February 2023 (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 Assets 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 the Assets to be Acquired is a co-ownership or quasi-co-ownership, it is calculated based on the proportion of ownership.
- For the Assets to be Acquired, lease contracts with end tenants are deemed to be in effect and are included in the calculation for “Occupancy Ratio”, “Number of Tenants”, “Annual Rent”, “Guarantee Deposit” and others so long as the agreements are in effect as of the end of February 2023 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 Assets 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.
- L) “Overview of the Real Estate Appraisal Report”
- For “Overview of the Real Estate Appraisal Report,” the general description of the real estate appraisal report (hereinafter “Appraisal Report”) that was commissioned by MIRAI and prepared by Tanizawa Sogo Appraisal Co., Ltd. to appraise the Assets 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 appraisal is only the judgement and opinions of the appraiser at a certain point in time, and does 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 Tanizawa Sogo 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”
- “Characteristics of the Property” 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 “MI Cube Machida East Market Report” prepared by Nomura Real Estate Retail Properties Co., Ltd., and partially based on the material obtained by the Asset Manager to state the basic nature, characteristics, and features of the area in which the Assets to be Acquired is located. The reports are only the judgement 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.