

November 14, 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 Issuance of New Investment Units and Secondary Offering of Investment Units

MIRAI Corporation (hereinafter “MIRAI”) announces that a resolution was passed at a meeting of its Board of Directors held on November 14, 2023 to issue new investment units and conduct the secondary offering of investment units. Details are as follows.

1. Issue of new investment units (public offering)

(1) Number of investment units : 129,500 units
to be offered

(2) Paid-in amount : Not yet determined

The amount will be determined at a meeting of the Board of Directors of MIRAI to be held on a date between November 21, 2023 (Tuesday) and November 28, 2023 (Tuesday) (hereinafter the “Pricing Date”) in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Marketable Securities stipulated by the Japan Securities Dealers Association.

(3) Total paid-in amount : Not yet determined

(4) Issue price : Not yet determined
(offer price)

The issue price (offer price) will be provisionally calculated by multiplying the closing price of the investment units of MIRAI (the “Investment Units”) in a regular trading session at the Tokyo Stock Exchange, Inc. on the Pricing Date (if the closing price is not available on such date, the closing price on the most recent day preceding that date) by a factor of 0.90 to 1.00 (amounts less than ¥1 to be rounded down), in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Marketable Securities stipulated by the Japan Securities Dealers Association, and then will be determined on the Pricing Date by taking into consideration of the demand conditions and other factors.

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- (5) Total amount of issue price (offer price) : Not yet determined
- (6) Offering method : In the form of the public offering, all the Investment Units will be purchased and underwritten by underwriting companies (hereinafter the “Underwriters”), with Nomura Securities Co, Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co, Ltd., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as the joint lead managers (hereinafter the “Joint Lead Managers”). Nomura Securities Co, Ltd. and SMBC Nikko Securities Inc. are the joint book runners.
- (7) Details of the underwriting agreement : The Underwriters shall pay the same amount as the total paid-in amount in the public offering to MIRAI on the payment date stated in (10) below, and the difference between such amount and the total amount of issue value in the public offering will be the net proceeds of the Underwriters. MIRAI will not pay underwriting fees to the Underwriters.
- (8) Unit for subscription : One unit or more in multiples of one unit
- (9) Subscription period : From the business day immediately following the Pricing Date to the second business day following the Pricing Date
- (10) Payment period of advances on subscription : From the business day following the finalization date of the issue price and other matters to the day two business days after the finalization date of the issue price and other matters
- (11) Payment date : Any date between November 28, 2023 (Tuesday) and December 4, 2023 (Monday). However, it shall be the fourth business day immediately following the Pricing Date.
- (12) Settlement date : The business day immediately following the payment date stated in (11) above.
- (13) The paid-in amount, the issue price and other matters necessary for the issue of new Investment Units will be determined at a meeting of the Board of Directors of MIRAI to be held in the future.
- (14) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.
2. Secondary offering of Investment Units by over-allotment (please see <Reference> 1. below)
- (1) Number of investment units to be offered : 6,500 units
The number of Investment Units for secondary offering shows the upper limit. The number of Investment Units for secondary offering will be determined at a meeting of the Board of Directors of MIRAI to be held on the Pricing Date, taking into consideration demand conditions of public offering and other factors. The number of Investment Units for secondary offering may be reduced depending on the status of demand for the public offering, etc., or the secondary offering by over-allotment itself may be cancelled entirely.
- (2) Seller : Nomura Securities Co., Ltd.

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- (3) Selling price : Not yet determined
It will be determined on the Pricing Date. The secondary offering price shall be the same as the issue price in the public offering.
- (4) Total selling price : Not yet determined
- (5) Selling method : Nomura Securities Co., Ltd, a book runner of the public offering, will carry out the secondary offering of the Investment Units that is to be borrowed from a unitholder of MIRAI with 6,500 units as the upper limit, taking into consideration of the demand conditions and other factors of the public offering.
- (6) Unit for subscription : One unit or more in multiples of one unit
- (7) Subscription period : Same as the subscription period for the public offering
- (8) Payment period of advances on subscription : It shall be the same as the payment period of advances on subscription for the primary offering.
- (9) Settlement date : Same as the Settlement date for the public offering
- (10) The selling price and other matters necessary for the secondary offering of Investment Units will be determined at a meeting of the Board of Directors of MIRAI.
- (11) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.
3. Issue of new Investment Units through a third-party allotment (please see <Reference> 1. below)
- (1) Number investment units to : 6,500 units
be offered
- (2) Paid-in amount : Not yet determined
To be determined at a meeting of the Board of Directors of MIRAI to be held on the Pricing Date. The paid-in amount will be same as the paid-in amount of the public offering.
- (3) Total paid-in amount : Not yet determined
- (4) Allottee : Nomura Securities Co., Ltd.
- (5) Unit for subscription : One unit or more in multiples of one unit
- (6) Subscription period : December 25, 2023 (Monday)
- (7) Payment date : December 26, 2023 (Tuesday)
- (8) The issue of Investment Units for which no subscription is submitted by the subscription period stated in (6) above will be cancelled.
- (9) The paid-in amount and other matters necessary for the issue of new Investment Units will be determined at a meeting of the Board of Directors of MIRAI to be held in the future.
- (10) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.

(Reference)

1. Secondary offering by over-allotment, etc.

The secondary offering by over-allotment is the selling of the Investment Units that Nomura Securities Co., Ltd., a book runner of the public offering, borrows from a unitholder of MIRAI, with 6,500 units as the upper limit, taking into consideration of the demand conditions and other factors of the public offering. Although the

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number of Investment Units for secondary offering by over-allotment is planned to be 6,500, this number of Investment Units for secondary offering may be reduced or the secondary offering by over-allotment itself may be cancelled entirely, depending on the demand conditions and other factors.

In relation to the secondary offering by over-allotment, in order to allow Nomura Securities Co., Ltd. to acquire the Investment Units needed to return the Investment Units borrowed from the above unitholder of MIRAI (the “Borrowed Investment Units”), MIRAI has resolved at its meeting of the Board of Directors held on November 14, 2023 (Tuesday) to issue new Investment Units for 6,500 units through third-party allotment (hereinafter the “Third-Party Allotment”) to Nomura Securities Co., Ltd. as the allottee with the payment date being December 26, 2023 (Tuesday).

For the purpose of returning the Borrowed Investment Units, Nomura Securities Co., Ltd. may purchase the Investment Units up to the number of units for the secondary offering by over-allotment at the Tokyo Stock Exchange, Inc. (hereinafter the “syndicated cover transaction”) during the period from the day following the close of the subscription period for the public offering and the secondary offering by over-allotment to December 20, 2023 (Wednesday) (the “syndicated cover transaction period.”). All the Investment Units purchased by Nomura Securities Co., Ltd. through the syndicated cover transaction shall be used to return the Borrowed Investment Units. There may be cases in which Nomura Securities Co., Ltd. does not conduct the syndicated cover transaction at all or ends the syndicated cover transaction with the number of Investment Units that are smaller than the number of the Investment Units offered through the secondary offering by over-allotment, at its sole discretion during the syndicated cover transaction period. Moreover, Nomura Securities Co., Ltd. may conduct stabilizing transactions in correlation with the public offering and the secondary offering by over-allotment. The Investment Units purchased through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Investment Units.

Nomura Securities Co., Ltd. intends to acquire the Investment Units through the Third-Party Allotment corresponding to the number of Investment Units obtained by subtracting the number of Investment Units purchased through the stabilizing transactions and the syndicated cover transaction and used to return the Borrowed Investment Units from the number of Investment Units offered in the secondary offering by over-allotment. As a result, there may be cases in which there will be no subscription to the Investment Units offered by the Third-Party Allotment in whole or in part, and accordingly the final number of the Investment Units issued by the Third-Party Allotment may be reduced to that extent due to forfeiture of rights, or such issuance may be cancelled entirely.

Nomura Securities Co., Ltd. shall conduct the transactions described above upon consultation with SMBC Nikko Securities Inc.

2. Changes in the total number of Investment Units issued due to the issue of new Investment Units	
Current total number of Investment Units outstanding	1,771,440 units
Number of Investment Units to be issued through the public offering	129,500 units
Total number of Investment Units outstanding after the issuance of new Investment Units through the public offering	1,900,940 units
Number of Investment Units to be added associated with the Third-Party allotment	6,500 units (Note)
Total number of Investment Units outstanding after the Third-Party allotment	1,907,440 units (Note)

(Note) The number of units are based on the assumption that Nomura Securities Co., Ltd. subscribes to all the Investment Units to be issued through the Third-Party allotment and that they are issued in full.

3. Reason for and Purpose of New Issuance

In order to steadily expand and diversify its portfolio and further strengthen its revenue base, the Investment Corporation plans to acquire new specified assets (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations. The same shall apply hereinafter) as described in the “Notice Concerning Acquisition and Lease of Real Estate Trust Beneficiaries in Japan (Five properties including “MI Terrace Hamamatsu”)” released today. With regard to the procurement of funds for the acquisition of the assets to be

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acquired, MIRAI considered multiple procurement methods and timing, etc., while paying attention to the LTV (interest-bearing debt to total assets) level after the acquisition and market trends including unit price, and determined that the expected growth of distributions per unit exceeding the dilution of investment units, etc., would lead to an increase in unitholder value, and thus decided to issue new investment units.

MIRAI's policy is to promote sound and stable financial management in order to achieve sustainable growth and secure stable earnings over the medium to long term, and we believe that this issuance of new investment units is in line with such policy.

4. Amount of Funds to be Procured, Use of Proceeds and Scheduled Expenditure Date

(1) Amount of funds to be procured (approximate net proceeds)

¥5,905,664,000 (maximum)

(Note) The amount represents the sum of ¥5,623,408,000 of net proceeds MIRAI will receive from the public offering and the maximum amount of ¥282,256,000 MIRAI will receive from the Third-Party Allotment. These amounts are estimated based on the closing price of the Investment Units in a regular trading session at the Tokyo Stock Exchange, Inc. as of November 2, 2023 (Thursday).

(2) Specific use of the funds to be procured and scheduled date of fund usage

Net proceeds to be procured from the public offering will be used to fund part of the acquisition of specified assets (excluding “MI Cube Shinsaibashi”) to be acquired on December 1, 2023 listed in “Notice Concerning Acquisition and Lease of Real Estate Trust Beneficiaries in Japan (Five Properties including “MI Terrace Hamamatsu”)” dated today. In case there are any cash remaining, such the cash will be retained along with net proceeds from the Third-Party Allotment Option resolved on the same day of the resolution for the public offering as cash reserve to fund part of acquisition of specified assets (including “MI Cube Shinsaibashi”) or repayment of loans in the future.

(Note) The proceeds will be deposited with financial institutions until the funds are to be expensed.

5. Designation of distributed parties

Not applicable.

6. Future Outlook

Please refer to the “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2024 and Summary of Forecasts for the Fiscal Period Ending October 31, 2024” announced today.

7. Operating Results of the Past Three Fiscal Periods and Status of Equity Financing, etc.

(1) Operating results of the past three fiscal periods

	Fiscal period ended April 2022 (12 th FP)	Fiscal period ended October 2022 (13 th FP)	Fiscal period ended April 2023 (14 th FP)
Net profit per unit	¥1,291	¥1,312	¥1,381
Distributions per unit	¥1,267	¥1,313	¥1,305
Of which, distributions of earnings	¥1,267	¥1,313	¥1,305
Of which, distributions in excess of earnings	-	-	-
Actual payout ratio (Note 2)	100.0%	100.1%	94.4%
Net assets per unit	¥45,580	¥45,741	¥45,769

(Note 1) As the financial results for the period ended October 31, 2023 (the 15th fiscal period) have not been finalized as of today, the periods ended April 30, 2022 (the 12th fiscal period), October 31, 2022 (the 13th fiscal period), and April 30, 2023 (the 14th fiscal period) are listed as the three most recent fiscal periods in this “(1) Operating results of the past three fiscal periods”.

(Note 2) Actual payout ratio is calculated as below, rounded to the first decimal place.

Actual payout ratio = total distribution (exclusive of distribution in excess of earnings) / net income of the fiscal period * 100

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(2) Recent status of investment unit price

(i) Status in the last three fiscal periods (Note)

	Fiscal period ended October 2022 (13 th FP)	Fiscal period ended April 2023 (14 th FP)	Fiscal period ended October 2023 (15 th FP)
Opening price	¥50,200	¥47,900	¥45,500
Highest price	¥51,700	¥48,700	¥47,900
Lowest price	¥46,500	¥42,700	¥45,100
Closing price	¥47,900	¥45,400	¥45,650

(ii) Status in the last six months

	June 2023	July	August	September	October	November
Opening price	¥45,900	¥46,150	¥45,750	¥47,300	¥47,350	¥45,750
Highest price	¥46,250	¥46,800	¥47,600	¥47,800	¥47,900	¥46,550
Lowest price	¥45,100	¥45,600	¥45,600	¥46,900	¥45,100	¥44,350
Closing price	¥46,200	¥45,850	¥47,150	¥47,400	¥45,650	¥44,600

(Note) Investment unit price as of November 13, 2023 is used on the above for November 2023.

(iii) Investment unit price on the business day immediately preceding day of resolution on issuance

	November 13, 2023
Opening price	¥45,150
Highest price	¥45,300
Lowest price	¥44,550
Closing price	¥44,600

(3) Status of equity financing conducted in the past three fiscal periods

Not applicable.

8. Lock-up

- (1) With respect to the public offering, Mitsui & Co. Asset Management Holdings Ltd. and IDERA Capital Management Ltd. have agreed with Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. that they will not sell the Investment Units (except for lending of the Investment Units in line with the secondary offering by over-allotment, etc.) starting from the Pricing Date to 180 days from the settlement date of the Investment Units through the public offering without prior written consent of Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc.

Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. have the authority to cancel all or part of the agreement at its sole discretion.

- (2) With respect to the public offering, MIRAI has agreed with Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. that it will not issue Investment Units (except for an issuance in the case of the public offering, the Third-Party Allotment and a split of Investment Units, etc.) and such starting from the Pricing Date to 90 days from the settlement date of the Investment Units through the public offering without prior written consent of Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc.

Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. have the authority to cancel all or part of the agreement at its sole discretion even during the period specified above.

(End)

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* 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.

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