

MIRAI Corporation

Semi Annual Report

For the Fiscal Period ended October 31, 2023 (The 15th Period)

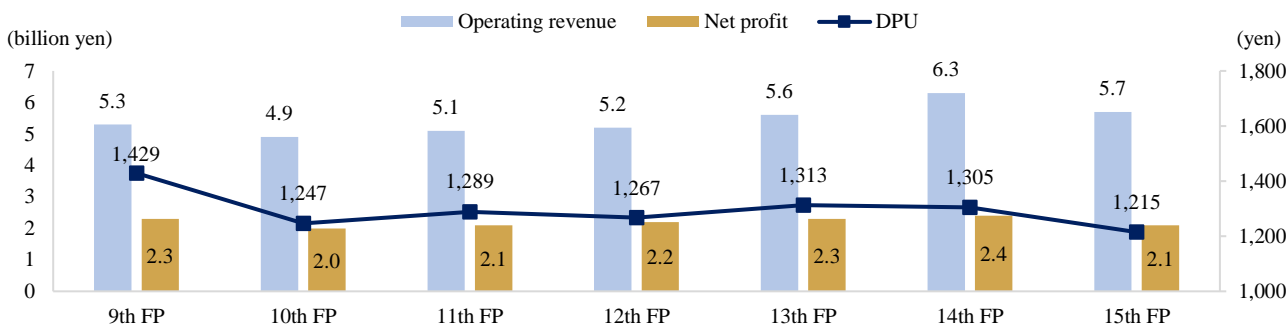
Primary Data

■ Distributions

The 15 th Period Actual distributions per unit (Start of cash distribution payment on January 12, 2024)	The 16 th Period Forecast distributions per unit (Note) (The Fiscal Period ending April 30,2024)	The 17 th Period Forecast distributions per unit (Note) (The Fiscal Period ending October 31, 2024)
1,215 yen (Forecast: 1,150 yen)	1,150 yen	1,185 yen

(Note) These forecasts are calculated based on certain assumptions as of December 15, 2023 and subject to change due to conditions such as change in rent income through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecasts should not be construed as guarantee of distribution per unit (DPU).

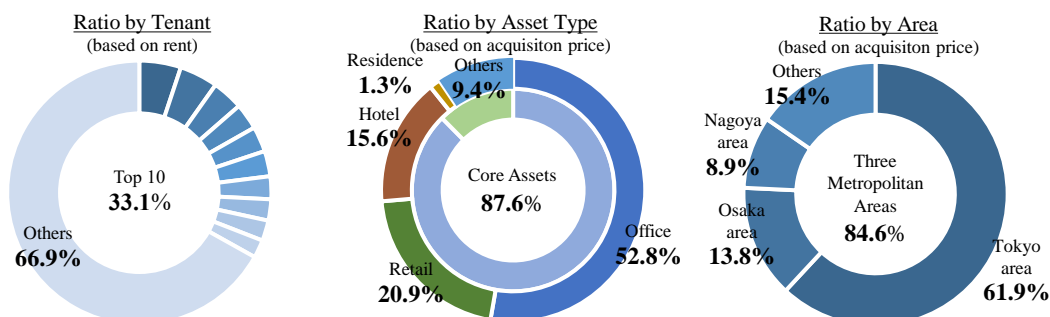
■ Financial Results



■ Portfolio (as of the End of October 2023)

Stability increased due to progress in MIRAI Mid-Term Management Plan 2025 “Smart Defense & Offense with Aligned Interest”.

Number of properties	: 38
Assets Under Management (AUM)	: 166.2 billion yen
Appraisal value	: 182.5 billion yen
Occupancy rate	: 98.5%
Net Operating Income (NOI) yield (15 th FP result)	: 4.4% *based on book value
Portfolio Probable Maximum Loss (PML)	: 2.8%



(Note) Ratio by tenant is based on lease contract in place with end tenants as of the end of October 2023.

■ Finance (as of the End of October 2023)

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

Loan To Value (LTV) (based on total assets)	: 48.9%
Long-term fixed interest debt ratio	: 100.0%
Average interest rate	: 0.61%
Average remaining maturity	: 3.0 years
Rating	: Japan Credit Rating Agency, Ltd. (JCR) / A+ (Stable) Rating and Investment Information, Inc. (R&I) / A (Stable)

■ ESG

➤ GRESB Real Estate Assessment

- Received a “4 stars” rating, one rank up from the previous year and “Green Star” for being an outstanding participant in both the management and performance components in the 2023 evaluation.
- Also received the highest “A Level” for the GRESB Public Disclosure, which assess the width of ESG disclosure.

➤ Acquisition of Environmental Certification

- Continue to promote acquisition of environmental certification.
- DBJ Green Building Certification
 - ✓ 3 stars: Tokyo Front Terrace (recertification)
 - ✓ 2 stars: MI Terrace Nagoya-Fushimi (recertification) *Improved one rank from the previous rating (1 star)
 - ✓ 1 star: Kawasaki Tech Center (recertification)
- CASBEE for Real Estate
 - ✓ S Rank: MI Terrace Hamamatsu (newly acquired)
 - ✓ A Rank: AEON Kasai (newly acquired)
- Ratio of assets with environmental certifications (as of December 15, 2023): 71.6% (excluding land and based on the floor area multiplied by the fund share of the property)

➤ Implementation of Green Finance

- Executed a green loan for MI Terrace Hamamatsu (S-rank in CASBEE for Real Estate), an asset acquired.
- Overview of the green loan

Lender	SBI Shinsei Bank, Limited
Borrowing amount	1.0 billion yen
Term of maturity	7 years
Interest rate	Base rate +0.31%
Subject property	MI Terrace Hamamatsu

- Green Finance Results

Total amount of eligible green projects	72,688 million yen
LTV (as of October 31, 2023)	48.9%
Upper limit of green finance	35,544 million yen
Total amount of green finance (after borrowing)	6,200 million yen
Green finance capacity	29,344 million yen

1 Overview of Asset Management

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

Period		The 11 th Period From May 1, 2021 to Oct. 31, 2021	The 12 th Period From Nov. 1, 2021 to Apr. 30, 2022	The 13 th Period From May 1, 2022 to Oct. 31, 2022	The 14 th Period From Nov. 1, 2022 to Apr. 30, 2023	The 15 th Period From May 1, 2023 to Oct. 31, 2023
Operating revenue	(Million yen)	5,113	5,275	5,666	6,308	5,744
Operating expenses	(Million yen)	2,716	2,727	3,054	3,488	3,276
Operating income	(Million yen)	2,397	2,547	2,611	2,820	2,467
Ordinary income	(Million yen)	2,144	2,245	2,324	2,521	2,160
Net income	(Million yen)	2,143	2,244	2,324	2,447	2,153
Total assets	(Million yen)	161,226	171,982	172,792	174,479	174,746
[Changes from the previous period]	(%)	[(0.4)]	[6.7]	[0.5]	[1.0]	[0.2]
Net assets	(Million yen)	75,308	80,743	81,028	81,077	81,393
[Changes from the previous period]	(%)	[0.3]	[7.2]	[0.4]	[0.1]	[0.4]
Interest-bearing debt	(Million yen)	78,700	84,000	84,000	85,500	85,500
Unitholders' capital (Note 3)	(Million yen)	73,516	78,499	78,499	78,499	78,499
Total number of outstanding investment units	(Units)	1,662,240	1,771,440	1,771,440	1,771,440	1,771,440
Net assets per unit	(Yen)	45,305	45,580	45,741	45,769	45,947
Total distributions	(Million yen)	2,142	2,244	2,325	2,311	2,152
Distributions per unit	(Yen)	1,289	1,267	1,313	1,305	1,215
Of which, profit distribution per unit	(Yen)	1,289	1,267	1,313	1,305	1,215
Of which, distributions in excess of earnings per unit	(Yen)	-	-	-	-	-
Ordinary income to total assets (Note 4)	(%)	1.3	1.3	1.3	1.5	1.2
Net income to net assets (Note 4)	(%)	2.8	2.9	2.9	3.0	2.7
Net assets to total assets at end of period (Note 4)	(%)	46.7	46.9	46.9	46.5	46.6
[Changes from the previous period]	(%)	[0.3]	[0.2]	[(0.1)]	[(0.4)]	[0.1]
Payout ratio (Note 4)	(%)	100.0	100.0	100.1	94.4	100.0

(Note 1) The fiscal period of MIRAI is six months from May 1 to October 31 and from November 1 to April 30 of the following year.

(Note 2) Unless otherwise stated, all figures are rounded down to the nearest million yen, and percentages are rounded to the first decimal place.

(Note 3) Unitholders' capital does not take into account changes in unitholders' capital due to the implementation of distributions in excess of earnings related to the reserve for adjustment of temporary differences, etc.

(Note 4) Calculated based on the following formula.

Ordinary income to total assets	$\text{Ordinary income} / \{(\text{Total assets at beginning of period} + \text{Total assets at end of period}) / 2\} * 100$
Net income to net assets	$\text{Net income} / \{(\text{Net assets at beginning of period} + \text{Net assets at end of period}) / 2\} * 100$
Net assets to total assets at end of period (%)	$\text{Net assets at end of period} / \text{Total assets at end of period} * 100$
Payout ratio	$\text{Total distributions (excluding distributions in excess of earnings)} / \text{Net income} * 100$

(2) Summary of Operating Results for the Fiscal Period under Review

(i) Main History of MIRAI

MIRAI is diversified J-REIT. Based on the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951; including revisions enforced thereafter) (hereinafter “AITIC”), MIRAI was founded on December 4, 2015 with a capital contribution of 150 million yen (750 units), by Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset manager”) as the founding planner and was listed on the REIT section of the Tokyo Stock Exchange on December 16, 2016 (securities code: 3476). As of October 31, 2023, the total number of outstanding investment units are 1,771,440 and MIRAI owns 38 properties (total acquisition price of 166,260 million yen).

MIRAI positions assets located in the three major metropolitan areas of Japan with high population concentrations as its main investment targets and aims to obtain mid-to-long term stable cash flows and sustained growth in unitholders' value by building a portfolio centered on its “Core Assets” (Note).

(Note) “Core Assets” means the assets that constitute the core of MIRAI's portfolio. Specifically, among traditional investment properties such as offices, retail properties, hotels, residential and logistics properties. Occupancy rates of 80% or more must be secured in principle (including cases where such occupancy rates are expected) with MIRAI to determine a stable rental income to be expected.

(ii) Operating Environment and Business Performance

During the fiscal period under review, the Japanese economy showed a moderate recovery, with domestic corporate earnings remaining at a high level overall and personal consumption increasing moderately despite the impact of rising prices although the pace of recovery in the global economy as a whole slowed. In MIRAI's operations, the recovery trend continued in the hotel sector due to the inbound effect, etc. after the end of the government's nationwide travel support, and the calming of energy prices resulted in an improvement in the utilities balance. The recovery trend from the COVID-19 disaster continues in the retail sector as well, Mi-Nara, a retail complex in Nara Prefecture, achieved its highest monthly rent since opening in August 2023 as a result of a strong start to its newly opened experiential facilities. In the office leasing market, there has been a move to increase the attendance rate, particularly in the Tokyo metropolitan area., and occupancy rates in large-scale offices in the Tokyo area remained flat after being raised in the previous period. As a result, as of the end of the 15th fiscal period, MIRAI had 38 properties under management, with a total acquisition price of 166,260 million yen, a total leasable area of 377,008.13 sqm, and occupancy rate of 98.5 %.

(iii) Overview of Fund Procurement

During this fiscal period under review, MIRAI borrowed the long-term debt of 1,500 million yen on June 19, 2023 and repaid the short-term debt of 1,500 million yen based on the commitment line on the same date. And MIRAI borrowed the long-term debt of 3,500 million yen on October 31, 2023 to repay 3,500 million yen in loans maturing on the same date. The balance of borrowings and investment corporation bonds as of the end of the 15th fiscal period was 85,500 million yen (of which 18,000 million yen was current portion of long-term debt, 61,300 million yen was long-term debt and 6,200 million yen was investment corporation bonds).

For the purpose of securing flexible and stable fund procurement and structuring an even stronger financial base, MIRAI has established a commitment line with a maximum borrowing amount of 3,000 million yen (the balance of unexercised credit line as of the date of this document is 2,500 million yen).

(iv) Operating Results and Distributions

As a result of the above operation, MIRAI recorded operating revenue of 5,744 million yen, operating income of 2,467 million yen, ordinary income of 2,160 million yen and net income of 2,153 million yen for the 15th fiscal period.

Profit distributions for the current fiscal period (excluding distributions in excess of earnings) shall be made in accordance with the distribution policy set forth in the Articles of MIRAI and in accordance with Article 67.15 of the Act on Special Measures Concerning Taxation (Law No. 26 of 1957, including subsequent amendments, hereinafter the “Act on Special Measures Concerning Taxation”), 2,152,299,600 yen, which is the amount of unappropriated retained earnings for the fiscal period less 136,473,234 yen retained prior to the previous period due to gain on sales of real estate, etc. and the remaining amount, excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings). As a result of the above, the distributions per investment units for the fiscal period under review (excluding distributions in excess of earnings) was 1,215 yen.

(3) Status of Capital Increase, etc.

Changes in the total number of outstanding investment units and unitholders’ capital over the past five years are as follows.

Date	Summary	Total number of outstanding investment units (units)		Unitholders' capital (Thousand yen) (Note 1)		Remarks
		Changes	Balance	Changes	Balance	
November 1, 2018	Capital increase through public offering	53,500	392,710	8,965,583	68,622,077	(Note 2)
November 27, 2018	Capital increase through third-party allotment	2,700	395,410	452,468	69,074,546	(Note 3)
May 1, 2019	Split of investment units	1,186,230	1,581,640	-	69,074,546	(Note 4)
December 24, 2019	Capital increase through public offering	76,500	1,658,140	4,215,609	73,290,155	(Note 5)
January 21, 2020	Capital increase through third-party allotment	4,100	1,662,240	225,934	73,516,089	(Note 6)
December 24, 2021	Capital increase through public offering	104,000	1,766,240	4,746,456	78,262,545	(Note 7)
January 25, 2022	Capital increase through third-party allotment	5,200	1,771,440	237,322	78,499,868	(Note 8)

(Note 1) Changes in unitholders’ capital due to the implementation of distributions in excess of earnings related to the reserve for adjustment of temporary differences, etc. have not been taken into account.

(Note 2) New investment units were issued at the price of 173,452 yen per unit (paid-in amount: 167,581 yen) through a public offering for the acquisition of new properties, etc.

(Note 3) New investment units were issued at the price of 167,581 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

(Note 4) MIRAI conducted a four-for-one unit split with April 30, 2019 as the record date and May 1, 2019 as the effective date.

(Note 5) New investment units were issued at the price of 57,037 yen per unit (paid-in amount of 55,106 yen) through a public offering for the acquisition of new properties, etc.

(Note 6) New investment units were issued at the price of 55,106 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

(Note 7) New investment units were issued at the price of 47,238 yen per unit (paid-in amount of 45,639 yen) through a public offering for the acquisition of new properties, etc.

(Note 8) New investment units were issued at the price of 45,639 yen per unit through third-party allotment in connection with a public offering for the acquisition of new properties, etc.

<Changes in Market Prices of Investment Securities>

The market price of MIRAI’s investment securities listed on the Tokyo Stock Exchange REIT Market changed during each fiscal period as follows:

Period	The 11 th Period From May 1, 2021 to Oct. 31, 2021	The 12 th Period From Nov. 1, 2021 to Apr. 30, 2022	The 13 th Period From May 1, 2022 to Oct. 31, 2022	The 14 th Period From Nov. 1, 2022 to Apr. 30, 2023	The 15 th Period From May 1, 2023 to Oct. 31, 2023
Maximum (Yen)	58,500 yen	56,100 yen	51,700 yen	48,350 yen	47,750 yen
Minimum (Yen)	47,400 yen	46,650 yen	46,550 yen	42,750 yen	45,150 yen

(4) Results of Distributions, etc.

In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, 2,152,299,600 yen, which is the amount of unappropriated retained earnings for the fiscal period less 136,473,234 yen retained prior to the previous period due to gain on sales of real estate, etc. and the remaining amount, excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).

Period		The 11 th Period From May 1, 2021 to Oct. 31, 2021	The 12 th Period From Nov. 1, 2021 to Apr. 30, 2022	The 13 th Period From May 1, 2022 to Oct. 31, 2022	The 14 th Period From Nov. 1, 2022 to Apr. 30, 2023	The 15 th Period From May 1, 2023 to Oct. 31, 2023
Unappropriated retained earnings	(Thousand yen)	2,623,329	2,597,360	2,328,117	2,448,202	2,289,760
Retained earnings	(Thousand yen)	352,709	3,984	445	136,473	137,460
Total amount of cash distributions	(Thousand yen)	2,142,627	2,244,414	2,325,900	2,311,729	2,152,299
[Distributions per unit]	(Yen)	[1,289]	[1,267]	[1,313]	[1,305]	[1,215]
Of which, total amount of profit distributions	(Thousand yen)	2,142,627	2,244,414	2,325,900	2,311,729	2,152,299
[Profit distributions per unit]	(Yen)	[1,289]	[1,267]	[1,313]	[1,305]	[1,215]
Of which, total amount of investment refunds	(Thousand yen)	-	-	-	-	-
[Refund of investment per unit]	(Yen)	[-]	[-]	[-]	[-]	[-]
Total amount of distributions from the allowance for temporary differences out of the total amount of refunds of investments	(Thousand yen)	-	-	-	-	-
[Distribution of allowance for temporary differences per unit out of refund of investment per unit]	(Yen)	[-]	[-]	[-]	[-]	[-]
Total amount of distributions from distribution for reduction of investment, etc. under the tax law out of total amount of withdrawal of investment	(Thousand yen)	-	-	-	-	-
[Distribution from reduction of investment, etc. under the tax law out of the amount of refund of investment per unit]	(Yen)	[-]	[-]	[-]	[-]	[-]

(5) Future Management Policy and Other Issues

(i) Future Portfolio Management Environment

In the office leasing market, while MIRAI thinks that a phase continues in which prudent management is required, prioritizing the maintenance and improvement of occupancy rate in light of the trends in corporate performance and the impact of price hikes, etc., a trend toward reevaluating the importance of going to work and returning to offices is becoming apparent, and vacancy rates in the Tokyo metropolitan area have recently been on a downward trend. In hotel and retail sectors, rents for some assets are linked to tenants' performance. For retail assets, while reflecting the effects of renewal that are becoming apparent, MIRAI will continue to take actions based on relatively conservative forecasts, taking into account the impact of cost increases due to price hikes. On the other hand, for Hotels, variable rents continue to accrue even after the end of the government's nationwide travel assistance, and are expected to continue to be a growth driver after November 2023 as the market recovers above pre-COVID-19 levels.

MIRAI's interest-bearing debt financing has been almost entirely long-term and fixed, but in light of the recent rise in interest rates, we have decided to manage a portion of our debt at floating interest rates, taking into consideration the balance between stabilizing the level of distributions per unit for the time being and increasing costs over the long term. Going forward, we intend to continue sound financial management while maintaining the fixed ratio at a certain level and controlling the risk of long-term cost increases.

(ii) Future Management Policy and Other Issues

MIRAI has implemented specific measures, such as strategic asset replacements and acquisition of Growth Assets with high profitability and land assets with defensiveness, with the aim of increasing unitholders' value based on sustainable growth in distributions per unit and strategic management of the portfolio. In November 2023, MIRAI acquired prime assets with high unrealized gains through the issuance of new investment units for the first time in two years. MIRAI plans to promote measures going forward that will contribute to growth, while continuing to be conscious of progress in risk diversification and securing profitability and stability, under the theme of "Smart Defense & Offense with Aligned Interest".

(6) Significant Events after the Balance Sheet Date

Issue of new investment units

MIRAI made a resolution at meetings of its Board of Directors held on November 14, 2023 and November 21, 2023 to issue new investment units as follows for the purpose of allocating part of the funds for the acquisition of specified assets, etc. Payment for the issuance of new investment units through public offering was completed on November 28, 2023, and payment for the issuance of new investment units through third-party allotment was completed on December 26, 2023, and the units were issued under the following conditions. As a result, the total unitholders' capital is 84,066,212 thousand yen and the total number of outstanding investment units is 1,907,440 units.

Issue of new investment units (public offering)

Number of investment units issued	: 129,500 units
Issue price	: ¥42,363 per unit
Total amount of issue price	: ¥5,486,008,500
Paid-in amount	: ¥40,929 per unit
Total paid-in amount	: ¥5,300,305,500
Payment date	: November 28, 2023

Distribution start date : November 1, 2023

Issue of new investment units through a third-party allotment

Number of investment units issued : 6,500 units
Paid-in amount : ¥40,929 per unit
Total paid-in amount : ¥266,038,500
Payment date : December 26, 2023
Distribution start date : November 1, 2023
Allottee : Nomura Securities Co., Ltd.

Use of the funds

Proceeds from the issuance of new investment units through the public offering were used to partially fund the acquisition of “MI Terrace Hamamatsu”, “Kuretuke Inn Premium Nagoya Nayabashi”, “Hotel Wing International Select Nagoya Sakae” and “Hotel Kuretakeso Hiroshima Otemachi”. Proceeds from the issuance of new investment units through a third-party allotment will be retained as cash reserve to fund part of acquisition of specified assets (including “MI Cube Shinsaibashi”) or repayment of loans in the future.

(Reference information)

Acquisition of assets

MIRAI plans to acquire the following assets after the end of the 15th Period (October 31, 2023).

A. Assets acquired

Name of the Asset	MI Terrace Hamamatsu
Address (Residential Address)	312-32, Tenma-cho, Naka-ku, Hamamatsu-shi, Shizuoka
Acquisition Date	December 1, 2023
Seller	Not disclosed (Note 1)
Acquisition Price	2,603 million yen (Note 2)

(Note 1) “Not disclosed” due to the absence of the seller’s consent.

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

Name of the Asset	Kuretuke Inn Premium Nagoya Nayabashi
Address (Residential Address)	1-2-12, Meieki Minami, Nakamura-ku, Nagoya-shi, Aichi
Acquisition Date	December 1, 2023
Seller	JR West Real Estate & Development Company
Acquisition Price	2,470 million yen (Note)

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

Name of the Asset	Hotel Wing International Select Nagoya Sakae
Address (Residential Address)	3-12-23-2, Sakae, Naka-ku, Nagoya-shi, Aichi
Acquisition Date	December 1, 2023
Seller	JR West Real Estate & Development Company
Acquisition Price	1,700 million yen (Note)

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

Name of the Asset	Hotel Kuretakeso Hiroshima Otemachi
Address (Residential Address)	3-7-3, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima
Acquisition Date	December 1, 2023
Seller	JR West Real Estate & Development Company
Acquisition Price	2,540 million yen (Note)

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

B. Asset to be acquired

Name of the Asset	MI Cube Shinsaibashi (Note 1)
Address (Residential Address)	1-1-16, Shinsaibashisuji, Chuo-ku, Osaka-shi, Osaka
Agreement Date	November 14, 2023
Acquisition Date	March 1, 2024 (Note 2)
Seller	Not disclosed (Note 3)
Acquisition Price	2,644 million yen (Note 4)

(Note 1) “Name” is “Meridian Shinsaibashi” as of today, but will be changed to “MI Cube Shinsaibashi” upon MIRAI’s acquisition.

(Note 2) The sale and purchase agreement for the asset is subject to the “forward commitment, etc.” as defined in the “Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc.” provided by the Financial Services Agency (i.e., a sale and purchase agreement on a day-ahead basis, in which settlement and delivery of the property are to take place more than one month after the conclusion of the agreement, and other similar agreements. The same shall apply hereinafter in “Acquisition of assets”). In the sale and purchase agreement, it is stipulated that if there is a material breach of the agreement by MIRAI or the seller, the other party may cancel the sale and purchase agreement with a reasonable period of notice and demand up to 20% of the purchase price as a penalty fee. However, the obligation for MIRAI to pay the acquisition price becomes enforceable on the condition that the financing to fund the acquisition is completed. The sale and purchase agreement shall become void without any penalty or compensation for damage if MIRAI fails to secure funding required for the payment of acquisition price. As such, even if the funding cannot be completed and the forward commitment for the acquisition of “MI Cube Shinsaibashi” cannot be executed, it is unlikely that there is a severe adverse impact to MIRAI’s financial standing.

(Note 3) “Not disclosed” due to the absence of the seller’s consent.

(Note 4) "Acquisition Price" shows the sale and purchase value of the asset that is stated in the sale and purchase agreement. The sale and purchase value does not include national or local consumption tax or expenses necessary for the acquisition, and it is rounded down to the nearest million yen. It is agreed that both parties will negotiate in good faith should there be any significant changes in the operating condition that may impact the Acquisition Price etc., between the date of sale and purchase agreement and the delivery date (expected to be March 1, 2024.) The same shall apply hereinafter.

2 Overview of MIRAI

(1) Status of Unitholders' Capital

Period		The 11 th Period (Oct. 31, 2021)	The 12 th Period (Apr. 30, 2022)	The 13 th Period (Oct. 31, 2022)	The 14 th Period (Apr. 30, 2023)	The 15 th Period (Oct. 31, 2023)
Total number of investment units authorized	(Units)	20,000,000	20,000,000	20,000,000	20,000,000	20,000,000
Total number of investment units outstanding	(Units)	1,662,240	1,771,440	1,771,440	1,771,440	1,771,440
Total unitholders' capital	(Million yen)	73,516	78,499	78,499	78,499	78,499
Number of unitholders	(Persons)	32,599	33,485	36,015	38,099	37,058

(2) Matters Concerning Investment Units

Major unitholders as of October 31, 2023 are as follows:

Name	Number of units owned (Units)	Ratio to total units outstanding (%)
Custody Bank of Japan, Ltd. (Trust account)	251,278	14.18
The Master Trust Bank of Japan, Ltd. (Trust account)	210,962	11.91
The Nomura Trust and Banking Co., Ltd. (Investment trust account)	88,466	4.99
JP MORGAN CHASE BANK 385771	30,960	1.75
STATE STREET BANK WEST CLIENT-TREATY 505234	28,222	1.59
MITSUI & CO. ASSET MANAGEMENT HOLDINGS LTD.	20,000	1.13
IDERA Capital Management Ltd.	20,000	1.13
SSBTC CLIENT OMNIBUS ACCOUNT	18,001	1.02
SMBC Nikko Securities Inc.	15,710	0.89
JAPAN SECURITIES FINANCE CO., LTD.	15,540	0.88
Total	699,139	39.47

(3) Matters Concerning Officers, etc.

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

Title	Name	Major concurrent posts outside MIRAI (Note 1)	Total compensation or fee for six-month period ended October 31, 2023 (Thousand yen)
Executive Director	Michio Suganuma	Representative Director, Mitsui Bussan & IDERA Partners Co., Ltd.	-
Supervisory Directors	Takehiko Negishi	Lawyer, Vanderfalke Law Office	3,676
	Hidetomo Nishii	CEO of Accel Partners, Inc. Certified Public Accountant, Tax Accountant	
Accounting Auditor	Ernst & Young ShinNihon LLC	-	11,800

(Note 1) The Executive Director and Supervisory Directors do not own investment units of MIRAI under their own name or other names.

(Note 2) Supervisory Directors may be directors of other corporations not listed above, but do not have any interest in MIRAI including the above.

(Note 3) Remuneration for the accounting auditor includes remuneration for audit of financial statements in English (1,600 thousand yen). There are no amounts paid to persons belonging to the same network as the accounting auditor for non-audit services.

(ii) Policy on Dismissal and Non-reappointment of the Accounting Auditor

The dismissal of the accounting auditor shall be in accordance with the provisions of the AITIC, and the non-reappointment of the accounting auditor shall be considered by the Board of Directors of MIRAI in comprehensive consideration of the quality of the audit, the amount of audit fees and other various circumstances.

(4) Matters Concerning Directors' Liability Insurance Contracts

The directors' liability insurance policies that MIRAI has in place are as follows:

Scope of Insured	Summary of Contract
Executive Director and Supervisory Directors	<p>(Summary of insured accidents to be covered) MIRAI has concluded a directors' liability insurance policy with an insurance company as stipulated in Article 116-3, Paragraph 1 of the AITIC, and the policy will cover certain damages to be borne by the insured due to claims for damages arising from acts committed by the insured in the course of their duties as directors of MIRAI</p> <p>(Percentage of premiums paid) The policy includes an insurance rider pertaining to unitholders' representative lawsuits, and the premiums for the rider portion are borne by the insured, while other premiums are borne by MIRAI.</p> <p>(Measures to ensure that the appropriateness of the execution of duties is not compromised) The coverage does not apply to damages, etc. incurred by the insured due to criminal acts or acts committed while being aware of the violation of laws and regulations.</p>

(5) Asset Management Company, Asset Custodian and General Administrators

The asset management company, asset custodian and general administrators as of October 31, 2023 are as follows:

Business	Name
Asset management company	Mitsui Bussan & IDERA Partners Co., Ltd.
Asset custodian	Sumitomo Mitsui Trust Bank, Limited
Transfer agent	Sumitomo Mitsui Trust Bank, Limited
General administrator (institutional administration)	Mizuho Trust & Banking Co. Ltd.
General administrator (accounting)	Reiwa Accounting Holdings Co., Ltd.
General administrator (tax payment)	Reiwakaikeisha Tax Corporation
General administrator related to investment corporation bonds	Sumitomo Mitsui Trust Bank, Limited, MUFG Bank, Ltd. and Mizuho Bank, Ltd.

3 Status of MIRAI's Assets under Management

(1) Composition of Assets of MIRAI

Asset type	Category	The 14 th Period As of April 30, 2023		The 15 th Period As of October 31, 2023	
		Total amount held (Million yen)	Ratio to total assets (%)	Total amount held (Million yen)	Ratio to total assets (%)
Real estate	Office	2,264	1.3	2,274	1.3
	Industrial	2,423	1.4	2,423	1.4
	Total of real estate	4,688	2.7	4,697	2.7
Real estate in trust	Office	86,232	49.4	86,254	49.4
	Retail	35,562	20.4	35,634	20.4
	Hotel	25,783	14.8	25,718	14.7
	Residence	2,308	1.3	2,300	1.3
	Industrial	9,136	5.2	9,084	5.2
	Educational	4,118	2.4	4,109	2.4
	Total of real estate in trust	163,143	93.5	163,101	93.3
Deposits and other assets		6,646	3.8	6,947	4.0
Total assets		174,479	100.0	174,746	100.0

(Note) Total amount held is based on the balance sheet carrying amount (book value after depreciation in the case of real estate in trust) as of the end of the period.

(2) Major Assets

The outline of major assets owned by MIRAI (top 10 assets in terms of book value) as of October 31, 2023 is as follows:

Name of real estate, etc.	Book value (Million yen)	Leasable area (sqm) (Note 1)	Leased area (sqm) (Note 2)	Occupancy rate (%) (Note 3)	Portion of real estate leasing business revenue (%)	Primary use
Kawasaki Tech Center	23,847	22,737.07	22,737.07	100.0	17.4	Office
Shinagawa Seaside Parktower	19,987	22,205.78	20,288.87	91.4	12.3	Office
Tokyo Front Terrace	11,024	9,720.89	9,142.97	94.1	4.9	Office
Shinjuku Eastside Square	9,672	5,774.45	5,774.45	100.0	4.5	Office
AEON Kasai	9,620	28,338.45	28,338.45	100.0	Not disclosed (Note 4)	Retail
MI Terrace Nagoya Fushimi	8,872	11,625.38	11,625.38	100.0	5.4	Office
Rokko Island DC	7,570	15,563.37	15,563.37	100.0	Not disclosed (Note 4)	Industrial
Tsurumi Fuga 1	5,491	9,578.60	9,578.60	100.0	Not disclosed (Note 4)	Retail
Mi-Nara	5,076	43,329.82	41,273.04	95.3	11.3	Retail
Tokyo Eiseigakuen Senmongakko	4,109	4,220.46	4,220.46	100.0	Not disclosed (Note 4)	Educational
Total	105,271	173,094.27	168,542.66	97.4	69.8	

(Note 1) For "Leasable area", the area that is rentable based on the lease contract or the building drawings of the building pertaining to each asset is stated. In case of land asset, the area of the land is listed. However, the area of incidental areas such as parking lots and warehouses is not included.

(Note 2) For "Leased area" is the total area actually leased for each asset. However, the area of incidental areas such as parking lots and warehouses is not included.

(Note 3) "Occupancy rate" is calculated based on the formula of leased area divided by leasable area. The figures are rounded to one decimal place.

(Note 4) Not disclosed due to the absence of a tenant's consent.

(3) Details of Real Estate and Other Assets

The following is a summary of the assets owned by MIRAI as of October 31, 2023.

Name of real estate, etc.	Location (Note 1)	Type of ownership	Leasable area (sqm) (Note 2)	Book value at end of period (Million yen)	Appraisal value at end of period (Million yen) (Note 3)
Shinagawa Seaside Parktower	4-12-4, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	22,205.78	19,987	22,253
Kawasaki Tech Center	580-16, Horikawa-cho, Saiwai-ku, Kawasaki-shi, Kanagawa	Trust beneficiaries	22,737.07	23,847	25,000
Shinjuku Eastside Square	6-27-30, Shinjuku, Shinjuku-ku, Tokyo	Trust beneficiaries	5,774.45	9,672	10,900
Tokyo Front Terrace	2-3-14, Higashi-Shinagawa, Shinagawa-ku, Tokyo	Trust beneficiaries	9,720.89	11,024	10,692
MI Terrace Nagoya Fushimi	1-10-1, Nishiki, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	11,625.38	8,872	10,800
Hiroshima Rijo-dori Building	3-1-9, Otemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	3,611.85	2,350	2,520
BizMiiX Yodoyabashi	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka	Trust beneficiaries	1,005.20	1,987	2,210
TCA Building	2-3-19, Motomachi, Naniwa-ku, Osaka-shi, Osaka	Real estate	3,212.81	2,274	2,270
Ehime Building/Hiroshima	2-10, Naka-ku Mikawa-cho, Hiroshima-shi, Hiroshima	Trust beneficiaries	4,700.45	2,878	3,030
MI Terrace Sendai Hirose-dori	1-6-9, Kokubuncho, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	3,804.07	2,037	2,320
MI Terrace Kita-Ueno	2-18-4, Kita-Ueno, Taito-ku, Tokyo	Trust beneficiaries	3,551.61	3,597	4,070
Shibuya World East Building	1-23-18, Shibuya, Shibuya-ku, Tokyo	Trust beneficiaries	1,701.55	3,363	5,560
THINGS Aoyama	4-10-15, Minami-Aoyama, Minato-ku, Tokyo	Trust beneficiaries	997.62	2,942	3,330
MI Cube Sendai Clisroad	2-2-30, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	1,023.76	1,375	1,450
MI Cube Machida East	4-5-8, Haramachida, Machida-shi, Tokyo	Trust beneficiaries	2,176.15	1,999	2,250
AEON Kasai	3-9-19, Nishi-Kasai, Edogawa-ku, Tokyo	Trust beneficiaries	28,338.45	9,620	9,540
CAINZ MALL Hikone (land)	2-1-1, Bamba, Hikone-shi, Shiga	Trust beneficiaries	85,323.95	3,675	4,290
MaxValu Takatori (land)	3-16-18, Takatorikita, Asaminami-ku, Hiroshima-shi, Hiroshima	Trust beneficiaries	5,748.81	987	1,050
Tsurumi Fuga 1	2-1, Tsurumi-ku Toyooka-cho, Yokohama-shi, Kanagawa	Trust beneficiaries	9,578.60	5,491	5,770
BIGMOTOR Ginan (land)	7-12, Ginan-cho Yatsurugi, Hashima-gun, Gifu	Trust beneficiaries	6,544.89	1,101	1,200
Hotel Sunroute Niigata	1-11-25, Higashi-Odori, Chuo-ku, Niigata-shi, Niigata	Trust beneficiaries	8,254.80	2,128	2,330
Daiwa Roynet Hotel Akita	2-2-41, Omachi, Akita-shi, Akita	Trust beneficiaries	7,439.36	1,842	2,210
Super Hotel Sendai/Hirose-dori	2-9-23, Chuo, Aoba-ku, Sendai-shi, Miyagi	Trust beneficiaries	3,283.95	1,213	1,650
Super Hotel Osaka/Tennoji	2-3-3, Osaka, Tennoji-ku, Osaka-shi, Osaka	Trust beneficiaries	2,486.39	1,232	1,590
Super Hotel Saitama/Omiya	1-12-6, Sakuragi-cho, Omiya-ku, Saitama-shi, Saitama	Trust beneficiaries	2,946.55	1,045	1,330
Super Hotel Kyoto/Karasumagojo	396-3, Osaka-cho, Gojo-sagaru, Karasuma-dori, Shimogyo-ku, Kyoto-shi, Kyoto	Trust beneficiaries	2,144.02	1,001	1,300
EN HOTEL Ise	2-5-11, Fukiage, Ise-shi, Mie	Trust beneficiaries	4,099.31	1,985	1,910
Comfort Hotel Kitakami	(1) (Hotel) 1-2-1 Kawagishi, Kitakami-shi, Iwate (2) (Retail Store) 1-2-8, Kawagishi, Kitakami-shi, Iwate	Trust beneficiaries	2,961.06	768	821
Hotel Wing International Select Ueno/Okachimachi	2-18-4, Higashi-ueno, Taito-ku, Tokyo	Trust beneficiaries	3,079.33	3,770	4,190
Smile Hotel Naha City Resort	2-32-1, Kume, Naha-shi, Okinawa	Trust beneficiaries	9,698.44	4,014	4,090
Smile Hotel Hakataeki-Mae	3-8-18, Hakataeki-mae, Hakata-ku, Fukuoka-shi, Fukuoka	Trust beneficiaries	2,432.72	3,765	3,710
Smile Hotel Nagoya Sakae	4-10-5, Sakae, Naka-ku, Nagoya-shi, Aichi	Trust beneficiaries	2,909.20	2,949	2,960
Fiel Johoku	1-9-20, Johoku, Naka-ku, Hamamatsu-shi, Shizuoka	Trust beneficiaries	8,747.08	2,300	2,510
Mi-Nara	1-3-1, Nijo-oji-Minami, Nara-shi, Nara	Trust beneficiaries	43,329.82	5,076	3,780
Rokko Island DC	6-2-12, Koyo-cho-Nishi, Higashinada-ku, Kobe-shi, Hyogo	Trust beneficiaries	15,563.37	7,570	9,150
Odawara Material Storage and Delivery Center (land)	2842-2 Sakaikyuu, Kozu, Odawara-shi, Kanagawa	Real estate	16,529.10	2,423	2,560
Yokohama-Daikokucho Maintenance Center (land)	36-19, Tsurumi-ku Daikoku-cho, Yokohama-shi, Kanagawa	Trust beneficiaries	3,499.83	1,514	1,590
Tokyo Eiseigakuen Senmongakko	4-1-1, Omorikita, Ota-ku, Tokyo	Trust beneficiaries	4,220.46	4,109	4,360
Total			377,008.13	167,799	182,547

(Note 1) "Location" shows the residence indication of the property.

(Note 2) For "Leasable area", the area that is rentable based on the lease contract or the building drawings of the building pertaining to each asset is stated. The area of incidental areas such as parking lots and warehouses is not included. If Asset to be Acquired is a co-ownership or quasi-co-ownership, it is calculated based on the proportion of ownership.

(Note 3) "Appraisal value at end of period" is the appraisal value provided by Daiwa Real Estate Appraisal Co., Ltd., JLL Mori Valuation & Advisory K.K., Japan Real Estate Institute, Japan Valuers Co., Ltd. and Tanizawa Sogo Appraisal Co., Ltd. in accordance with the Article of MIRAI and the rules set forth by The Investment Trusts Association, Japan.

The leasing status of real estate properties owned by MIRAI is as follows:

Name of real estate, etc.	The 14 th Period (From Nov. 1, 2022 to Apr. 30, 2023)				The 15 th Period (From May 1, 2023 to Oct. 31, 2023)			
	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)
Shinagawa Seaside Parktower	23	90.9	715	12.6	24	91.4	708	12.3
Kawasaki Tech Center	26	97.1	1,062	18.7	26	100.0	999	17.4
Shinjuku Eastside Square	42	99.7	265	4.7	43	100.0	258	4.5
Tokyo Front Terrace	30	95.3	259	4.6	31	94.1	281	4.9
MI Terrace Nagoya Fushimi	8	100.0	309	5.4	8	100.0	311	5.4
Orico Hakataeki Minami Building (Note 5)	-	-	Not disclosed (Note 4)	Not disclosed (Note 4)	-	-	-	-
My Square Building (Note 5)	-	-	66	1.2	-	-	-	-
Hiroshima Rijo-dori Building	13	100.0	89	1.6	13	100.0	86	1.5
BizMiiX Yodoyabashi	36	70.4	55	1.0	40	85.1	55	1.0
TCA Building	8	100.0	69	1.2	8	100.0	73	1.3
Ehime Building/Hiroshima	20	98.6	102	1.8	21	100.0	101	1.8
MI Terrace Sendai Hirose-dori	18	96.5	81	1.4	18	92.1	78	1.4
MI Terrace Kita-Ueno	7	100.0	16	0.3	7	100.0	96	1.7
Shibuya World East Building	8	100.0	114	2.0	8	100.0	121	2.1
THINGS Aoyama	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MI Cube Sendai Clisroad	3	100.0	38	0.7	3	100.0	41	0.7
MI Cube Machida East	10	100.0	11	0.2	9	85.9	63	1.1
AEON Kasai	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MEGA Don Quijote Izumi-Chuo (Note 5)	-	-	Not disclosed (Note 4)	Not disclosed (Note 4)	-	-	-	-
CAINZ MALL Hikone (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
MaxValu Takatori (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Tsurumi Fuga 1	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
BIGMOTOR Ginan (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Hotel Sunroute Niigata	1	94.6	70	1.2	1	94.6	70	1.2
Daiwa Roynet Hotel Akita	1	100.0	69	1.2	1	100.0	69	1.2
Super Hotel Sendai/Hirose-dori	1	100.0	44	0.8	1	100.0	44	0.8
Super Hotel Osaka/Tennoji	1	100.0	37	0.7	1	100.0	37	0.7
Super Hotel Saitama/Omiya	1	100.0	35	0.6	1	100.0	35	0.6
Super Hotel Kyoto/Karasumagojo	1	100.0	31	0.5	1	100.0	31	0.5
EN HOTEL Ise	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Comfort Hotel Kitakami	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	2	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Hotel Wing International Select Ueno/Okachimachi	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Smile Hotel Naha City Resort	1	100.0	149	2.6	1	100.0	62	1.1
Smile Hotel Hakataeki-Mae	1	100.0	52	0.9	1	100.0	62	1.1
Smile Hotel Nagoya Sakae	1	100.0	48	0.9	1	100.0	54	1.0
Fiel Johoku	1	100.0	12	0.2	1	100.0	67	1.2
Mi-Nara	58	93.5	501	8.8	59	95.3	647	11.3
Rokko Island DC	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)

Name of real estate, etc.	The 14 th Period (From Nov. 1, 2022 to Apr. 30, 2023)				The 15 th Period (From May 1, 2023 to Oct. 31, 2023)			
	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)	Total number of tenants [as of end of period] (Note 1)	Occupancy rate [as of end of period] (%) (Note 1) (Note 2)	Real estate leasing business revenue [during the period] (Million yen) (Note 3)	Portion of real estate leasing business revenue (%)
Odawara Material Storage and Delivery Center (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Yokohama-Daikokucho Maintenance Center (land)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Tokyo Eiseigakuen Semmongakko	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)	1	100.0	Not disclosed (Note 4)	Not disclosed (Note 4)
Total	334	98.2	5,681	100.0	342	98.5	5,744	100.0

(Note 1) The figures are as of the end of the period.

(Note 2) "Occupancy rate" is calculated based on the formula of leased area divided by leasable area. The figures are rounded to one decimal place.

(Note 3) "Real estate leasing business revenue [during the period]" indicates the leasing business revenue of each asset for the period, rounded down to the nearest million yen.

(Note 4) Not disclosed due to the absence of a tenant's consent.

(Note 5) MIRAI disposed Orico Hakataeki Minami Building (50% quasi-co-ownership) on November 30, 2022 and My Square Building and MEGA Don Quijote Izumi-Chuo on March 28, 2023.

(4) Outstanding Contract Amounts, etc. and Current Price of Specified Transactions

The outstanding contract amounts, etc. and current price of specified transactions as of October 31, 2023 is as follows:

Classification	Type	Contract amount, etc. (Thousand yen) (Note 1)		Market value (Thousand yen) (Note 2) (Note 3)
			Amount that exceeds 1 year	
Non-market transactions	Interest rate swap transactions Receive variable, pay fixed	64,600,000	54,600,000	603,792

(Note 1) The contract amount, etc. is based on the notional principal.

(Note 2) For items that meet the requirements for special treatment under the Accounting Standard for Financial Instruments, the market value is omitted.

(Note 3) The market value is calculated based on the price provided by the financial institutions with which MIRAI has transactions.

(5) Other Assets

As of the end of the current fiscal period, there are no other specified assets as investment targets other than those listed in (3) Details of Real Estate and Other Assets.

(6) Assets in Overseas

There is no asset investment outside Japan.

4 Capital Expenditure

(1) Schedule of Capital Expenditure

The following is a list of major scheduled capital expenditures for renovations, etc. planned with respect to the assets owned by MIRAI as of the end of the current fiscal period. Please note that some portions of the scheduled construction amount may be classified as expenses for accounting purposes as a result.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction cost (Thousand yen)		
			Total amount	Payment for the current period	Total amount paid
After Fiscal period ending April 30, 2023 (16 th period)					
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Elevator renewal work, electrical installation work, air-conditioning equipment work, etc.	From November 2023 to April 2024	163,026	-	-
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Electrical installation work, lighting equipment installation, air-conditioning equipment work, compartment repair work, etc.	From January 2023 to April 2024	109,057	-	-
Ehime Building/Hiroshima (Hiroshima-shi, Hiroshima)	Elevator renewal work, air-conditioning equipment work, multi-level parking lot renovation, etc.	From November 2023 to April 2024	80,699	-	-
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Elevator renewal work, air-conditioning equipment work, lighting equipment installation, electrical installation work, etc.	From November 2023 to April 2024	79,621	-	-
MI Terrace Kita-Ueno (Taito-ku, Tokyo)	Compartment repair work, renewal of mechanical parking lot, etc.	From November 2023 to April 2024	70,928	-	-
Mi-Nara (Nara-shi, Nara)	Compartment repair work, lighting equipment installation, etc.	From February 2023 to April 2024	63,270	-	-
Smile Hotel Naha City Resort (Naha-shi, Okinawa)	Room renovation work, water supply and drainage system construction, etc.	From November 2023 to April 2024	60,874	-	-
Others	-	-	235,936	-	-

(2) Capital Expenditure for the Current Fiscal Period

The following is a summary of major construction work, etc. that fell under the category of capital expenditure conducted during the current fiscal period with respect to the assets owned by MIRAI as of the end of the current fiscal period. The total amount of construction works applicable to capital expenditures for all assets owned during the current fiscal period was 673,720 thousand yen, and together with 127,289 thousand yen in repair expenses classified as expenses for the current fiscal period, a total of 801,010 thousand yen in construction work was conducted.

Name of real estate, etc. (Location)	Purpose	Construction period	Construction cost (Thousand yen)
Kawasaki Tech Center (Kawasaki-shi, Kanagawa)	Cubicle renewal work, elevator renewal work, heat source renewal work, compartment repair work, etc.	From November 2022 to October 2023	216,843
AEON Kasaie (Koto-ku, Tokyo)	Tenant compartment construction, etc.	From July 2023 to September 2023	119,654
Mi-Nara (Nara-shi, Nara)	Compartment repair work, lighting equipment installation, etc.	From April 2023 to October 2023	81,854
Tokyo Front Terrace (Shinagawa-ku, Tokyo)	Air-conditioning equipment work, compartment repair work, etc.	From May 2023 to October 2023	64,525
Shinagawa Seaside Parktower (Shinagawa-ku, Tokyo)	Electrical installation work, lighting equipment installation, air-conditioning equipment work, compartment repair work, etc.	From November 2022 to October 2023	52,891
Others	-	-	137,951
Total			673,720

(3) Reserve for Long-Term Repair Plan

Not applicable.

5 Expenses

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

(Thousands of yen)

Item	The 14 th Period From November 1, 2022 to April 30, 2023	The 15 th Period From May 1, 2023 to October 31, 2023
Asset management fee (Note)	466,526	472,932
Asset custody fee	9,291	9,499
Administrative service fees	19,294	23,034
Remuneration for directors	3,676	3,676
Other operating expenses	88,439	64,801
Total	587,228	573,945

(Note) In addition to the above, there are disposition fee of 74,300 thousand yen in the 14th fiscal period, and acquisition fee of 97,660 thousand yen that are included in the book value of individual assets in the 14th fiscal period.

6 Trading during the Fiscal Period under Review

(1) Status of Real Estate, Asset-Backed Securities, Infrastructure Assets and Infrastructure-Related Assets etc.

Not applicable.

(2) Other Assets

Not applicable.

(3) Investigation of the Price of Specified Assets

(i) Real Estate, etc.

Not applicable.

(ii) Others

Of the transactions conducted by MIRAI for which a price investigation was required under Article 201, Paragraph 2 of the Investment Trust Law, investigation of transactions other than those listed above in “(i) Real Estate, etc.” were outsourced to the certified public accountant office of Yoshihiro Tanaka. During the subject period from May 1, 2023 to October 31, 2023, one interest rate swap was the subject of an investigation, and an investigation report was received from the certified public accountant office of Yoshihiro Tanaka, regarding this transaction.

(4) Status of Transactions with Interested Parties, etc.

(i) Sales and Purchases with Interested Parties, etc.

Not applicable.

(ii) Amount of fees to be paid

Not applicable.

(5) Status of Transactions with the Asset Manager Pertaining to Its Business Other than Asset Management

As of the end of the current fiscal period, the Asset Manager concurrently engages in the business of building lots and buildings transaction, but there are no applicable transactions.

7 Status of Accounting

(1) Status of Assets, Liabilities, Principal, Profit and Loss, etc.

Please refer to “Balance Sheet”, “Statements of Income”, “Statements of Changes in Net Assets”, “Notes” and “Distribution Information” below.

(2) Change in the Method of Calculating Depreciation

Not applicable.

(3) Change in Valuation Method for Real Estate and Infrastructure Assets, etc.

Not applicable.

8 Disclosures Related to Beneficiary Certificates of Investment Trusts, etc. Established by MIRAI

Not applicable.

9 Disclosure Regarding Overseas Real Estate Holding Corporation

Not applicable.

10 Disclosure Regarding Real Estate Held by Overseas Real Estate Holding Corporation

Not applicable.

11 Others

(1) Notice

(i) General Meeting of Unitholders

The 7th General Meeting of Unitholders of MIRAI was held on July 27, 2023. The agenda items approved at the general meeting of unitholders are as follows.

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

(ii) Board of Directors

Not applicable.

(2) Fractional Amounts and Percentages

In this document, unless otherwise stated, figures less than the stated amount are rounded down to the nearest million yen and percentages are rounded to the nearest million yen.



Independent Auditor's Report

The Board of Directors
MIRAI Corporation

The Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of MIRAI Corporation (the "Company"), which comprise the balance sheet as at October 31, 2023, and the statements of income and retained earnings, changes in net assets, cash distributions and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at October 31, 2023, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The other information comprises the information included in Semi Annual Report that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. Supervisory Director is responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Responsibilities of Management and Supervisory Director for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Supervisory Director is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Fee-related Information

The fees paid or payable to us and other EY Member Firms for the audits of the financial statements of the Company and other non-audit fees charged in the audit period to the Company are presented in paragraph (3) titled “Matters Concerning Officers, etc” in Section 2 “Overview of MIRAI” included in the Semi-Annual Report for the six-month period ended October 31, 2023 of the Company.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

January 26, 2024

金子 秀嗣

Shuji Kaneko
Designated Engagement Partner
Certified Public Accountant

江下 聖

Sei Eshita
Designated Engagement Partner
Certified Public Accountant

Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of April 30, 2023	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	3,040,495	2,999,870
Cash and deposits in trust	2,663,616	2,642,403
Operating accounts receivable	287,999	255,782
Prepaid expenses	151,367	138,460
Income taxes refund receivable	-	3
Other	8,414	21
Total current assets	6,151,893	6,036,541
Non-current assets		
Property, plant and equipment		
Buildings	477,586	494,930
Accumulated depreciation	(29,177)	(37,401)
Buildings, net	448,409	457,528
Structures	564	564
Accumulated depreciation	(440)	(534)
Structures, net	124	30
Machinery and equipment	4,770	4,770
Accumulated depreciation	(516)	(755)
Machinery and equipment, net	4,253	4,014
Tools, furniture and fixtures	-	288
Accumulated depreciation	-	(24)
Tools, furniture and fixtures, net	-	263
Land	4,235,946	4,235,946
Buildings in trust	*1 38,577,033	*1 39,163,201
Accumulated depreciation	(6,162,729)	(6,815,786)
Buildings in trust, net	32,414,304	32,347,414
Structures in trust	259,388	260,160
Accumulated depreciation	(68,693)	(74,303)
Structures in trust, net	190,695	185,857
Machinery and equipment in trust	232,397	259,599
Accumulated depreciation	(85,174)	(93,681)
Machinery and equipment in trust, net	147,222	165,918
Tools, furniture and fixtures in trust	*1 358,897	*1 400,846
Accumulated depreciation	(116,743)	(147,650)
Tools, furniture and fixtures in trust, net	242,154	253,196
Land in trust	130,149,310	130,149,310
Total property, plant and equipment	167,832,421	167,799,480
Intangible assets		
Software	14,018	11,208
Other	231	231
Total intangible assets	14,249	11,439
Investments and other assets		
Long-term prepaid expenses	228,864	182,918
Deferred tax assets	6,597	-
Guarantee deposits	11,006	11,006
Other	186,038	659,927
Total investments and other assets	432,506	853,851
Total non-current assets	168,279,178	168,664,772
Deferred assets		
Investment corporation bond issuance costs	48,260	45,270
Total deferred assets	48,260	45,270
Total assets	174,479,332	174,746,584

(Thousands of yen)

	As of April 30, 2023	As of October 31, 2023
Liabilities		
Current liabilities		
Operating accounts payable	781,916	739,858
Distributions payable	10,766	8,517
Short-term borrowings	1,500,000	-
Current portion of long-term borrowings	20,000,000	18,000,000
Accounts payable - other	541,912	551,975
Accrued expenses	3,740	1,311
Income taxes payable	80,303	605
Accrued consumption taxes	59,494	81,355
Advances received	687,371	698,930
Deposits received	3,218	698
Other	2,850	5,404
Total current liabilities	23,671,574	20,088,656
Non-current liabilities		
Investment corporation bonds	6,200,000	6,200,000
Long-term borrowings	57,800,000	61,300,000
Leasehold and guarantee deposits received	147,499	147,499
Leasehold and guarantee deposits received in trust	5,520,440	5,499,837
Other	61,842	117,168
Total non-current liabilities	69,729,782	73,264,506
Total liabilities	93,401,357	93,353,162
Net assets		
Unitholders' equity		
Unitholders' capital	78,499,868	78,499,868
Surplus		
Unappropriated retained earnings (undisposed loss)	2,448,202	2,289,760
Total surplus	2,448,202	2,289,760
Total unitholders' equity	80,948,070	80,789,628
Valuation and translation adjustments		
Deferred gains or losses on hedges	129,904	603,792
Total valuation and translation adjustments	129,904	603,792
Total net assets	*3 81,077,975	*3 81,393,421
Total liabilities and net assets	174,479,332	174,746,584

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended April 30, 2023	For the six-month period ended October 31, 2023
Operating revenue		
Leasing business revenue	* ₁ 4,652,516	* ₁ 4,740,629
Other leasing business revenue	* ₁ 1,028,489	* ₁ 1,003,523
Gain on sales of real estate properties	* ₂ 627,957	-
Total operating revenue	6,308,963	5,744,152
Operating expenses		
Expenses related to leasing business	* ₁ 2,687,067	* ₁ 2,702,512
Loss on sale of real estate properties	* ₃ 214,665	-
Asset management fee	466,526	472,932
Asset custody fees	9,291	9,499
Administrative service fees	19,294	23,034
Remuneration for directors (and other officers)	3,676	3,676
Other operating expenses	88,439	64,801
Total operating expenses	3,488,961	3,276,457
Operating income	2,820,002	2,467,695
Non-operating income		
Interest income	25	25
Gain on forfeiture of unclaimed distributions	1,030	957
Total non-operating income	1,055	982
Non-operating expenses		
Interest expenses	220,462	231,086
Interest expenses on investment corporation bonds	23,300	23,300
Amortization of investment corporation bond issuance costs	2,990	2,990
Borrowing related expenses	49,836	50,811
Other	3,000	-
Total non-operating expenses	299,590	308,188
Ordinary income	2,521,467	2,160,489
Net income before income taxes	2,521,467	2,160,489
Income taxes - current	80,307	605
Income taxes - deferred	(6,597)	6,597
Total income taxes	73,710	7,202
Net income	2,447,757	2,153,286
Retained earnings brought forward	445	136,473
Unappropriated retained earnings (undisposed loss)	2,448,202	2,289,760

(3) Statement of Changes in Net Assets

The Fiscal Period ended April 2023 (The 14th period from November 1, 2022 to April 30, 2023)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net
Allowance for temporary difference adjustment		Total deduction from unitholders' capital		
Balance at beginning of period	78,499,868	(1,771)	(1,771)	78,498,097
Changes during period				
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		1,771	1,771	1,771
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	1,771	1,771	1,771
Balance at end of period	*1 78,499,868	-	-	78,499,868

(Thousands of yen)

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	2,328,117	2,328,117	80,826,214	201,852	201,852	81,028,066
Changes during period						
Dividends of surplus	(2,325,900)	(2,325,900)	(2,325,900)			(2,325,900)
Reversal of allowance for temporary difference adjustments	(1,771)	(1,771)	-			-
Net income	2,447,757	2,447,757	2,447,757			2,447,757
Net changes in items other than unitholders' equity				(71,947)	(71,947)	(71,947)
Total changes during period	120,085	120,085	121,856	(71,947)	(71,947)	49,908
Balance at end of period	2,448,202	2,448,202	80,948,070	129,904	129,904	81,077,975

The Fiscal Period ended October 2023 (The 15th period from May 1, 2023 to October 31, 2023)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital	Surplus		Total unitholders' equity
		Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at beginning of period	78,499,868	2,448,202	2,448,202	80,948,070
Changes during period				
Dividends of surplus		(2,311,729)	(2,311,729)	(2,311,729)
Net income		2,153,286	2,153,286	2,153,286
Net changes in items other than unitholders' equity				
Total changes during period	-	(158,442)	(158,442)	(158,442)
Balance at end of period	*1 78,499,868	2,289,760	2,289,760	80,789,628

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	129,904	129,904	81,077,975
Changes during period			
Dividends of surplus			(2,311,729)
Net income			2,153,286
Net changes in items other than unitholders' equity	473,888	473,888	473,888
Total changes during period	473,888	473,888	315,446
Balance at end of period	603,792	603,792	81,393,421

(4) Statement of Cash Distributions

(Yen)

	Fiscal Period ended April 2023 (The 14 th period from November 1, 2022 to April 30, 2023)	Fiscal Period ended October 2023 (The 15 th period from May 1, 2023 to October 31, 2023)
I Unappropriated retained earnings (undisposed loss)	2,448,202,434	2,289,760,022
II Distributions	2,311,729,200	2,152,299,600
[Distributions per unit]	[1,305]	[1,215]
III Retained earnings to be carried forward (retained loss)	136,473,234	137,460,422
Method of calculation of distributions	In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, considering that 413,292,461 yen of gain/loss on sales of real estate properties was generated, 136,473,234 yen is retained internally to stabilize future distributions per unit, and 2,311,729,200 yen, which is the total amount of unappropriated retained earnings after deduction of the amount equivalent to internal reserves, as distributions from earnings, will be paid as distribution (exclusive of distributions in excess of earnings).	In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph (1) of the Act on Special Measures Concerning Taxation. Based on this policy, 2,152,299,600 yen, which is the amount of unappropriated retained earnings for the fiscal period less 136,473,234 yen retained prior to the previous period due to gain on sales of real estate, etc. and the remaining amount, excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).

(5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended April 30, 2023	For the six-month period ended October 31, 2023
Cash flows from operating activities		
Net income before income taxes	2,521,467	2,160,489
Depreciation	682,796	709,471
Amortization of investment corporation bond issuance costs	2,990	2,990
Interest income	(25)	(25)
Interest expenses	243,762	254,386
Decrease (increase) in operating accounts receivable	(28,178)	32,217
Decrease (increase) in prepaid expenses	(5,785)	12,907
Increase (decrease) in operating accounts payable	42,759	(8,625)
Increase (decrease) in accounts payable - other	(6,722)	10,063
Increase (decrease) in accrued consumption taxes	(203,173)	21,860
Increase (decrease) in advances received	20,295	11,559
Decrease (increase) in long-term prepaid expenses	13,166	45,946
Decrease in property, plant and equipment in trust due to sale	6,818,443	-
Other, net	(8,692)	7,706
Subtotal	10,093,103	3,260,948
Interest received	25	25
Interest paid	(241,179)	(256,815)
Income taxes paid	(605)	(80,307)
Net cash provided by (used in) operating activities	9,851,344	2,923,850
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,483)	(26,811)
Purchase of property, plant and equipment in trust	(10,539,241)	(623,921)
Proceeds from leasehold and guarantee deposits received	4,261	-
Refund of leasehold and guarantee deposits received in trust	(371,903)	(115,036)
Proceeds from leasehold and guarantee deposits received in trust	482,044	94,433
Payments for restricted bank deposits held in trust	(0)	(182,000)
Proceeds from restricted bank deposits held in trust	-	182,103
Other payments	(1,805)	-
Net cash provided by (used in) investing activities	(10,456,128)	(671,233)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,500,000	-
Repayments of short-term borrowings	-	(1,500,000)
Proceeds from long-term borrowings	7,000,000	5,000,000
Repayments of long-term borrowings	(7,000,000)	(3,500,000)
Distributions paid	(2,325,609)	(2,313,021)
Other payments	(219)	(1,331)
Net cash provided by (used in) financing activities	(825,828)	(2,314,352)
Net increase (decrease) in cash and cash equivalents	(1,430,613)	(61,735)
Cash and cash equivalents at beginning of period	6,952,622	5,522,009
Cash and cash equivalents at end of period	*1 5,522,009	*1 5,460,273

(6) Notes to the financial statements

[Notes on Assumption of Going Concern]

Not applicable to the 15th Period.

[Organization]

MIRAI Corporation (hereinafter “MIRAI”) is diversified REIT. Based on AITIC, MIRAI was founded on December 4, 2015 with a capital contribution of 150 million yen (750 units), by Mitsui Bussan & IDERA Partners Co., Ltd. (hereinafter the “Asset manager”) as the founding planner and was listed on the REIT section of the Tokyo Stock Exchange on December 16, 2016 (securities code: 3476). As of April 30, 2023, the numbers of investment units issued and outstanding are 1,771,440 units and MIRAI owns 38 properties (total acquisition price of 166,260 million yen).

MIRAI positions assets located in the three major metropolitan areas of Japan with high population concentrations as its main investment targets and aims to obtain mid-to-long term stable cash flows and sustained growth in unitholders’ value by building a portfolio centered on its “Core Assets” (Note).

(Note) “Core Assets” means the assets that constitute the core of MIRAI’s portfolio, which is composed by specifically traditional investment properties such as offices, retail properties, hotels, residential and logistics properties. Occupancy rates of 80% or more must be secured in principle (including cases where such occupancy rates are expected) with MIRAI to determine a stable rental income to be expected.

[Basis of Presenting Financial Statements]

MIRAI maintains its accounting records and prepares its financial statements in accordance with the Japanese Generally Accepted Accounting Principles (Japanese GAAP), including provisions set forth in the Financial Instrument and Exchange Act of Japan, the AITIC, the Companies Act of Japan and the related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are prepared from the Japanese financial statements of MIRAI, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of MIRAI filed with the Kanto Local Finance Bureau of the Ministry of Finance. The amounts in the financial statements originally prepared in Japanese have been rounded off to the nearest thousand in the accompanying financial statements unless otherwise specified. MIRAI does not prepare consolidated financial statements as MIRAI has no subsidiaries.

[Summary of Significant Accounting Policies]

<p>1. Depreciation method for non-current assets</p>	<p>A. Property, plant, and equipment (including trust assets) The straight-line method is used. The useful lives of property, plant and equipment are listed below.</p> <table border="0" style="margin-left: 40px;"> <tr> <td>Buildings</td> <td>2 to 64 years</td> </tr> <tr> <td>Structures</td> <td>2 to 40 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>5 to 29 years</td> </tr> <tr> <td>Tool, furniture and fixtures</td> <td>2 to 15 years</td> </tr> </table> <p>B. Intangible assets As for software (for internal use), the straight-line method is used with an expected useful life of 5 years.</p> <p>C. Leased assets Leased assets related to finance lease transactions that transfer ownership The same depreciation method is applied as that applied to owned fixed assets.</p> <p>D. Long-term prepaid expenses The straight-line method is used.</p>	Buildings	2 to 64 years	Structures	2 to 40 years	Machinery and equipment	5 to 29 years	Tool, furniture and fixtures	2 to 15 years
Buildings	2 to 64 years								
Structures	2 to 40 years								
Machinery and equipment	5 to 29 years								
Tool, furniture and fixtures	2 to 15 years								
<p>2. Accounting for deferred assets</p>	<p>Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized by the straight-line method over the period through redemption.</p>								
<p>3. Accounting for income and expenses</p>	<p>A. Accounting for property taxes Property tax, city planning tax, depreciable asset tax, and the like levied on real estate assets and other properties are accounted for as expenses related to rent business at the amounts corresponding to the fiscal period. The amount of property tax, etc. paid to the seller as part of settlement for acquisition of real estate and real estate in trust is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. In the 14th Period, the property tax, etc. included in the acquisition cost of real estate was 22,133 thousand yen and none in the 15th Period.</p> <p>B. Accounting standards for revenue The main performance obligations related to revenue arising from MIRAI's contracts with customers and when it typically satisfies its performance obligations (the ordinary time at which revenue is recognized) are as follows.</p> <p>(a) Disposition of real estate assets and other properties For disposition of real estate assets and other properties, MIRAI recognizes revenue when the customer-buyer obtains control of the real estate and other assets by fulfilling the delivery obligations stipulated in the sales and purchase agreement.</p> <p>(b) Utility revenue Utility revenue is recognized based on the supply of electricity, water, etc. to the customer-lessee in accordance with the real estate lease contract and related agreements. As to utilities charges in cases where MIRAI is acting as an agent, the net amount derived by deducting the amount to be paid to other parties supplying the electricity, gas, etc. from the amount received by MIRAI as utilities charges from the customer is recognized as revenue.</p>								
<p>4. Hedge accounting method</p>	<p>A. Hedge accounting method Deferred hedge accounting is applied. For interest rate swaps transactions that meet the requirements for special treatment, special treatment is applied.</p> <p>B. Hedging instruments and hedged items Hedging instruments: Interest rate swap transactions Hedged items: Interest on borrowings</p> <p>C. Hedging policy MIRAI utilizes derivative transactions to hedge the risks specified in the Articles of Incorporation of the Investment Corporation based on its risk management policy.</p> <p>D. Method of assessing hedge effectiveness Hedge effectiveness is assessed by making a comparison between the cumulative total of cash flow fluctuations attributable to hedged items and the cumulative total of cash flow fluctuations attributable to hedging instruments, and examining the ratio of these totals of fluctuations. Interest rate swaps that meet the requirements for special treatment are omitted from assessment of the effectiveness.</p>								
<p>5. Scope of cash and cash equivalents in the statement of</p>	<p>Cash and cash equivalents consist of cash on hand, cash in trust, deposits and deposits in trust withdrawable on demand, and short-term investments, which are easily convertible into cash, with low risk of price fluctuation and with a maturity of less than three months.</p>								

cash flows	
6. Other significant basis for preparation of financial statements	<p>A. Accounting for trust beneficiary right for real estate, etc. as trust asset With regard to trust beneficiary right for real estate, etc. held as trust asset, all assets and liabilities as well as all revenue and expense items associated with trust assets are accounted for under the respective account items of the Balance Sheet and Statement of Income and Retained Earnings. Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the Balance Sheet.</p> <p>(a) Cash and deposits in trust (b) Buildings in trust, Structures in trust, Tools, furniture and fixtures in trust and Land in trust (c) Leasehold and guarantee deposits received in trust</p> <p>B. Method of accounting for consumption taxes unqualified for deduction Consumption taxes unqualified for deduction for tax purposes for noncurrent assets, etc. are included in acquisition cost for each asset.</p>

[Notes to Significant Accounting Estimates]

Not applicable.

[Notes to Financial Statements]

[Notes to Balance Sheet]

*1. The reduction entry amount of the tangible fixed assets

The reduction entry amount of the tangible fixed assets acquired by government subsidies

(Thousands of yen)

	The 14 th Period (as of April 30, 2023)	The 15 th Period (as of October 31, 2023)
Buildings in trust	213,030	213,030
Tools, furniture, and fixtures in trust	328	328

*2. Commitment line contracts

MIRAI has the commitment line contracts with the banks.

(Thousands of yen)

	The 14 th Period (as of April 30, 2023)	The 15 th Period (as of October 31, 2023)
Total amount specified in the commitment line contracts	3,000,000	3,000,000
Borrowing balance at end of period	1,500,000	-
Outstanding loan commitments at end of period	1,500,000	3,000,000

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

(Thousands of yen)

The 14 th Period (as of April 30, 2023)	The 15 th Period (as of October 31, 2023)
50,000	50,000

*4. Allowance for temporary difference adjustment

The 14th Period (from November 1, 2022 to April 30, 2023)

1. Reason for occurrence of provision and reversal, assets identified and the allowance

(Thousands of yen)

Assets identified	Reason for occurrence of allowance	Initial amount	The balance at the beginning of the 14 th period	Allowance	Reversal	The balance at the ending of the 14 th period	Reason for occurrence of reversal
Deferred gains or losses on hedges	Occurrence of revaluation losses from interest rate swap	491,890	1,771	-	1,771	-	Changes in fair value of the derivative transactions

2. Specific approach of reversal

Deferred gains or losses on hedges

MIRAI plans to reverse the allowance depending on the changes in fair value of the derivative transactions used for hedging instruments.

The 15th Period (from May 1, 2023 to October 31, 2023)

Not applicable.

[Notes to Statement of Income and Retained Earnings]

*1. Breakdown of income from real estate leasing business

(Thousands of yen)

	The 14 th Period (from November 1, 2022 to April 30, 2023)		The 15 th Period (from May 1, 2023 to October 31, 2023)	
A. Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	4,222,248		4,305,666	
Land rents received	249,044		249,044	
Facility charges	181,223	4,652,516	185,917	4,740,629
Other lease business revenue				
Utilities charges	740,350		746,253	
Other operating income	288,138	1,028,489	257,269	1,003,523
Total real estate leasing business revenue		5,681,005		5,744,152
B. Real estate leasing business expenses				
Expenses related to rent business				
Outsourcing service expenses	389,311		391,723	
Utilities expenses	671,973		681,291	
Taxes and dues	440,191		452,865	
Repair expenses	216,701		127,289	
Depreciation	681,819		708,494	
Other expenses related to rent business	287,069		340,848	
Total real estate leasing business expenses		2,687,067		2,702,512
C. Income from real estate leasing business (A - B)		2,993,938		3,041,640

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

The 14th Period (from November 1, 2022 to April 30, 2023)

(Thousands of yen)

Orico Hakataeki Minami Building (50% quasi co-ownership)

Sales of real estate properties revenue 1,000,000

Sales of real estate properties cost 874,518

Other sales expenses 10,374

Gain on sales of real estate properties 115,107

My Square Building

Sales of real estate properties revenue 3,600,000

Sales of real estate properties cost 2,940,780

Other sales expenses 146,369

Gain on sales of real estate properties 512,850

The 15th Period (from May 1, 2023 to October 31, 2023)

Not applicable.

*3. Breakdown of loss on sales of real estate properties

The 14th Period (from November 1, 2022 to April 30, 2023)

(Thousands of yen)

MEGA Don Quijote Izumi-Chuo

Sales of real estate properties revenue 2,830,000

Sales of real estate properties cost 3,003,144

Other sales expenses 41,521

Loss on sales of real estate properties 214,665

The 15th Period (from May 1, 2023 to October 31, 2023)

Not applicable.

[Notes to Statement of Changes in Net Assets]

*1. Total number of investment units authorized and total number of investment units issued and outstanding

	The 14 th Period (from November 1, 2022 to April 30, 2023)	The 15 th Period (from May 1, 2023 to October 31, 2023)
Total number of investment units authorized	20,000,000 units	20,000,000 units
Total number of investment units issued and outstanding	1,771,440 units	1,771,440 units

[Notes to Statement of Cash Flows]

*1. Relationship between cash and cash equivalents at end of period and the amount on the balance sheet

(Thousands of yen)

	The 14 th Period (from November 1, 2022 to April 30, 2023)	The 15 th Period (from May 1, 2023 to October 31, 2023)
Cash and deposits	3,040,495	2,999,870
Cash and deposits in trust	2,663,616	2,642,403
Restricted deposits held in trust (Note)	(182,102)	(182,000)
Cash and cash equivalents	5,522,009	5,460,273

(Note) These are deposits that are reserved for the return of security deposits from tenants.

[Notes to Lease Transactions]

1. Finance lease transactions (as a lessee)

Finance lease transactions that transfer ownership

(i) Details of leased assets

It is mainly Buildings in trust.

(ii) Depreciation method

The depreciation method for such assets is the same as the depreciation method applied to proprietary fixed assets.

2. Operating lease transactions (as a lessor)

(Thousands of yen)

	The 14 th Period (from November 1, 2022 to April 30, 2023)	The 15 th Period (from May 1, 2023 to October 31, 2023)
Future lease payments receivable		
Due within one year	4,114,386	3,948,382
Due after one year	27,817,352	31,370,345
Total	31,931,739	35,318,727

[Notes to Financial Instruments]

1. Matters concerning the status of financial instruments

A. Policies on financial instruments

MIRAI procures funds mainly by additionally issuing investment units, borrowing funds, or issuing investment corporation bonds for the purpose of securing funds required for acquisition of assets, repair and other maintenance costs, payments of dividends, and operation of MIRAI or repayment of debts.

With respect to borrowing of funds and issuance of investment corporation bonds, we consider the balance between flexibility of financing and financial stability. Specifically, we consider, among other things, the long-term ratio, fixed interest ratio, diversification of maturities, financing method (borrowings and/or investment corporation bonds) and establishment of commitment lines.

MIRAI uses derivative transactions for the purpose of hedging interest rate fluctuation risk and other risks and does not enter into derivative transactions for speculative or trading purpose.

MIRAI invests surplus funds in securities and monetary claims with a focus on safety and liquidity, and does not engage into speculative investment.

B. Description of financial instruments and associated risks, and the risk management system

Deposits are one means of investing the surplus funds of MIRAI and are exposed to credit risk such as the bankruptcy of deposit financial institutions. MIRAI carefully manages deposits by limiting the term of deposits to a short period of time, taking into consideration safety, liquidity, and other factors, and giving due consideration to the financial environment and cash flow.

Borrowings and investment corporation bonds are used primarily for acquisition of assets and repayments of debts, and are exposed to liquidity risk at the time of repayment/redemption. MIRAI strives to mitigate liquidity risk by diversifying lenders, repayment periods, and means of funds procurement and by securing liquidity on hand by setting commitment lines and manages liquidity risk by preparing cash flow management sheet and other methods.

Variable interest rate borrowings are exposed to the risk of interest rate fluctuations. Derivative transactions are used to hedge the risk of fluctuations in the interest rate payable for a portion of the borrowings. See “4. Hedge accounting method” above under “Summary of Significant Accounting Policies” for details about the hedging instruments, hedged items, hedging policy, and method of assessing hedge effectiveness, etc. in hedge accounting.

C. Description of financial instruments

Fair value of financial instruments comprises value based on market prices or rationally calculated value in the case the market prices are not available. As certain assumptions are applied in performing calculation of such value, the value may differ if different assumptions are used. In addition, the contract value of derivative transactions, which is presented in the following section entitled “Notes to Derivatives” is not an exact representation of market risk attributable to derivative transactions.

2. Matters concerning fair value, etc. of financial instruments

Amounts on the Balance Sheet, fair value and their difference as of April 30, 2023 are as follows;

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

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(i) Current portion of long-term borrowings	20,000,000	20,001,543	1,543
(ii) Investment corporation bonds	6,200,000	5,963,960	(236,040)
(iii) Long-term borrowings	57,800,000	57,788,952	(11,047)
Total liabilities	84,000,000	83,754,455	(245,544)
(iv) Derivative transactions *	129,904	129,904	-

Amounts on the Balance Sheet, fair value and their difference as of October 31, 2023 are as follows;

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

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(i) Current portion of long-term borrowings	18,000,000	17,998,105	(1,894)
(ii) Investment corporation bonds	6,200,000	5,815,300	(384,700)
(iii) Long-term borrowings	61,300,000	61,256,849	(43,150)
Total liabilities	85,500,000	85,070,254	(429,745)
(iv) Derivative transactions *	603,792	603,792	-

*Net amounts are shown for credits and liabilities attributable to derivative transactions, and the total of the items that constitute net liabilities is shown in [].

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

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

The fair value of these is calculated by discounting such borrowings at rates that would be applied if new borrowings with the same amount are made under similar terms and conditions. However, the fair value of long-term borrowings with floating interest rate, to which special treatment for interest rate swaps is applied, is calculated by discounting such borrowings, which are treated in combination with the said interest rate swaps, at reasonably estimated rates that would be applied if new borrowings are made.

(ii) Investment corporation bonds

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

(iv) Derivative transactions

See “Notes to Derivatives” below.

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

(Note 3) Repayment schedule for borrowings and Investment corporation bonds after the closing date (as of April 30, 2023)

(Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years
Investment corporation bonds	-	-	-	-	-	6,200,000
Long-term borrowings	20,000,000	11,000,000	8,500,000	14,000,000	13,000,000	11,300,000
Total	20,000,000	11,000,000	8,500,000	14,000,000	13,000,000	17,500,000

Repayment schedule for borrowings and Investment corporation bonds after the closing date (as of October 31, 2023)

(Thousands of yen)

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years
Investment corporation bonds	-	-	-	-	1,000,000	5,200,000
Long-term borrowings	18,000,000	16,500,000	5,500,000	16,000,000	13,700,000	9,600,000
Total	18,000,000	16,500,000	5,500,000	16,000,000	14,700,000	14,800,000

[Notes to Investment Securities]

The 14th Period (as of April 30, 2023)

Not applicable.

The 15th Period (as of October 31, 2023)

Not applicable.

[Notes to Derivatives]

The 14th Period (as of April 30, 2023)

1. Transactions not applicable to hedge accounting

Not applicable.

2. Transactions applicable to hedge accounting

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	63,100,000	49,600,000	129,904	Based on prices and other conditions presented by financial institutions

The 15th Period (as of October 31, 2023)

1. Transactions not applicable to hedge accounting

Not applicable.

2. Transactions applicable to hedge accounting

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	61,100,000	51,100,000	603,792	Based on prices and other conditions presented by financial institutions
Special treatment for interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	3,500,000	3,500,000	*	-

*The fair value of interest rate swaps that qualify for special treatment is included in the fair value of the relevant long-term borrowings because they are accounted for as an integral part of the long-term borrowings that are hedged. (Please refer to “Notes to Financial Instruments” 2. “Matters concerning fair value, etc. of financial instruments” (Note 1) (iii) above.)

[Notes to Retirement Benefits]

The 14th Period (as of April 30, 2023)

Not applicable.

The 15th Period (as of October 31, 2023)

Not applicable.

[Notes to Tax Effect Accounting]

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

(Thousands of yen)

	The 14 th Period (as of April 30, 2023)	The 15 th Period (as of October 31, 2023)
Deferred tax assets		
Enterprise tax not deductible	6,597	-
Deferred losses on hedges	-	-
Subtotal deferred tax assets	6,597	-
Valuation allowance	-	-
Total deferred tax assets	6,597	-
Deferred tax assets, net	6,597	-

2. Breakdown by major cause of material difference between the effective statutory tax rate and the effective tax rate after applying tax effect accounting

	The 14 th Period (as of April 30, 2023)	The 15 th Period (as of October 31, 2023)
Effective statutory tax rate	34.59%	31.46%
(Adjustments)		
Deductible cash distributions	(31.71%)	(31.15%)
Other	0.05%	0.03%
Effective tax rate after applying tax effect accounting	2.92%	0.33%

[Notes to Equity in Earnings of Affiliates]

The 14th Period (as of April 30, 2023)

Not applicable.

The 15th Period (as of October 31, 2023)

Not applicable.

[Transactions with Related Parties]

1. Parent company and principal corporate unitholders

The 14th Period (from November 1, 2022 to April 30, 2023)

Not applicable.

The 15th Period (from May 1, 2023 to October 31, 2023)

Not applicable.

2. Subsidiaries and affiliates

The 14th Period (from November 1, 2022 to April 30, 2023)

Not applicable.

The 15th Period (from May 1, 2023 to October 31, 2023)

Not applicable.

3. Sister companies

The 14th Period (from November 1, 2022 to April 30, 2023)

Not applicable.

The 15th Period (from May 1, 2023 to October 31, 2023)

Not applicable.

4. Directors and principal individual unitholders

The 14th Period (from November 1, 2022 to April 30, 2023)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of relationship		Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
						Concurrent posts	Business relationship				
Director or the close relative	Michio Suganuma	-	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	Asset management company of MIRAI	Payments of asset management fee to Mitsui Bussan & IDERA Partners Co., Ltd. (Note 1) (Note 2)	638,486 (Note 3)	Accounts payable - other	513,178

(Note 1) This is a transaction executed by Michio Suganuma as President of a third party (Mitsui Bussan & IDERA Partners Co., Ltd.), and the fee is in line with the Articles of Incorporation of MIRAI.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

(Note 3) Asset management fee includes disposition fee of 74,300 thousand yen and acquisition fee of 97,660 thousand yen, which were included in the book value of the acquired properties.

The 15th Period (from May 1, 2023 to October 31, 2023)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of relationship		Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
						Concurrent posts	Business relationship				
Director or the close relative	Michio Suganuma	-	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	-	Executive director of MIRAI and President of Mitsui Bussan & IDERA Partners Co., Ltd.	Asset management company of MIRAI	Payments of asset management fee to Mitsui Bussan & IDERA Partners Co., Ltd. (Note 1) (Note 2)	472,932	Accounts payable - other	520,225

(Note 1) This is a transaction executed by Michio Suganuma as President of a third party (Mitsui Bussan & IDERA Partners Co., Ltd.), and the fee is in line with the Articles of Incorporation of MIRAI.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

[Notes to Asset retirement obligations]

The 14th Period (as of April 30, 2023)

Not applicable.

The 15th Period (as of October 31, 2023)

Not applicable.

[Notes to Lease Properties]

MIRAI holds offices, retails, hotels, a residence, industrial assets and an educational asset in Tokyo and other regions. The amounts on the Balance Sheet changes during the fiscal period, and fair value of lease properties are as follows.

(Thousands of yen)

	The 14 th Period (from November 1, 2022 to April 30, 2023)	The 15 th Period (from May 1, 2023 to October 31, 2023)
Amount on the balance sheet		
Balance at the beginning of the period	164,673,833	167,832,421
Changes during the period	3,158,588	(32,940)
Balance at the end of the period	167,832,421	167,799,480
Fair value at the end of the period	181,861,400	182,547,000

(Note 1) The amount on the balance sheet is acquisition cost less accumulated depreciation.

(Note 2) The amount on the balance sheet does not include the amount of the construction in progress in trust.

(Note 3) Of the amount of increase (decrease) of the lease properties during the 14th period, the reason of increase is mainly attributable to acquisition of 4 real estate trust beneficiary rights (9,976,947 thousand yen) and the reason of decrease is mainly attributable to disposition of 3 real estate trust beneficiary rights (6,818,443 thousand yen) and depreciation (680,167 thousand yen). During the 15th period, the reason of increase is mainly attributable to capital expenditure (673,720 thousand yen) and the reasons of decrease are mainly attributable to depreciation (706,661 thousand yen).

(Note 4) The fair value at the end of the fiscal period is the appraisal value provided by an outside real estate appraiser.

The income concerning lease properties, etc. for the 15th Periods is indicated under “Notes to Statement of Income and Retained Earnings” above.

[Notes to Revenue Recognition]

1. Disaggregated information on revenue from contracts with customers

The 14th Period (from November 1, 2022 to April 30, 2023)

(Thousands of yen)

	Revenue from contracts with customers (Note 1)	Sales to external customers
Disposition of real estate, etc. (Note 2)	4,600,000	627,957
Utility revenue	740,350	740,350
Others	-	4,940,655
Total	5,340,350	6,308,963

(Note 1) Leasing business revenue, etc. subject to ASBJ Statement No. 13 “Accounting Standard for Lease Transactions” is not included in “Revenue from Contracts with Customers” as it is not subject to the Accounting Standard for Revenue Recognition. The main revenue from contracts with customers is from the gain on sale from real estate properties and utility revenue.

(Note 2) The amount of proceeds from dispositions of real estate, etc. less costs of sales of real estate, etc. and other expenses on sales of real estate, etc., is stated as gain (loss) on sales of real estate, etc. in the statement of income, in accordance with Article 48, Paragraph 2 of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No. 47 of 2006). MIRAI records gain on sales of real estate properties as operating revenue and loss on sales of real estate properties as operating expenses. Therefore, only gain on sales of real estate properties are shown in the table above.

The 15th Period (from May 1, 2023 to October 31, 2023)

(Thousands of yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Disposition of real estate, etc.	-	-
Utility revenue	746,253	746,253
Others	-	4,997,898
Total	746,253	5,744,152

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

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

The 14th Period (from November 1, 2022 to April 30, 2023)

As stated in the Summary of Significant Accounting Policies.

The 15th Period (from May 1, 2023 to October 31, 2023)

As stated in the Summary of Significant Accounting Policies.

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

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

	The 14 th Period (from November 1, 2022 to April 30, 2023)	The 15 th Period (from May 1, 2023 to October 31, 2023)
Receivables arising from contracts with customers (at beginning of fiscal period)	125,750 thousand yen	143,415 thousand yen
Receivables arising from contracts with customers (at end of fiscal period)	143,415 thousand yen	123,776 thousand yen
Contract assets (at beginning of fiscal period)	- thousand yen	- thousand yen
Contract assets (at end of fiscal period)	- thousand yen	- thousand yen
Contract liabilities (at beginning of fiscal period)	- thousand yen	- thousand yen
Contract liabilities (at end of fiscal period)	- thousand yen	- thousand yen

(2) Transaction price allocated to remaining performance obligations

The 14th Period (from November 1, 2022 to April 30, 2023)

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

The 15th Period (from May 1, 2023 to October 31, 2023)

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

[Segment Information]

(i) Segment information

The 14th Period (from November 1, 2022 to April 30, 2023)

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

The 15th Period (from May 1, 2023 to October 31, 2023)

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

(ii) Related information

The 14th Period (from November 1, 2022 to April 30, 2023)

A. Information by product and service

Description is omitted as net sales for external customers in a single product/service category exceed 90% of the operating revenue on Statement of Income and Retained Earnings.

B. Information by region

(a) Net sales

Description is omitted as net sales for external customers in Japan exceed 90% of the operating revenue on the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the Balance Sheet.

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

The 15th Period (from May 1, 2023 to October 31, 2023)

A. Information by product and service

Description is omitted as net sales for external customers in a single product/service category exceed 90% of the operating revenue on Statement of Income and Retained Earnings.

B. Information by region

(a) Net sales

Description is omitted as net sales for external customers in Japan exceed 90% of the operating revenue on the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the Balance Sheet.

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

[Per Unit Information]

	The 14 th Period (from November 1, 2022 to April 30, 2023)	The 15 th Period (from May 1, 2023 to October 31, 2023)
Net assets per unit	45,769 yen	45,947 yen
Net income per unit	1,381 yen	1,215 yen

(Note 1) Net income per unit was calculated by dividing net income by average number of investment units during period. Diluted net income per unit is not stated as there are no dilutive investment units.

(Note 2) The calculation of net income per unit is based on the following.

	The 14 th Period (from November 1, 2022 to April 30, 2023)	The 15 th Period (from May 1, 2023 to October 31, 2023)
Net income	2,447,757 thousand yen	2,153,286 thousand yen
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	2,447,757 thousand yen	2,153,286 thousand yen
Average number of investment units during period	1,771,440 units	1,771,440 units

[Notes to Significant Subsequent Events]

Issue of new investment units

MIRAI made a resolution at meetings of its Board of Directors held on November 14, 2023 and November 21, 2023 to issue new investment units as follows for the purpose of allocating part of the funds for the acquisition of specified assets, etc. Payment for the issuance of new investment units through public offering was completed on November 28, 2023, and payment for the issuance of new investment units through third-party allotment was completed on December 26, 2023, and the units were issued under the following conditions. As a result, the total unitholders' capital is 84,066,212 thousand yen and the total number of outstanding investment units is 1,907,440 units.

Issue of new investment units (public offering)

Number of investment units issued	129,500 units
Issue price	¥42,363 per unit
Total amount of issue price	¥5,486,008,500
Paid-in amount	¥40,929 per unit
Total paid-in amount	¥5,300,305,500
Payment date	November 28, 2023
Distribution start date	November 1, 2023

Issue of new investment units through a third-party allotment

Number of investment units issued	6,500 units
Paid-in amount	¥40,929 per unit
Total paid-in amount	¥266,038,500
Payment date	December 26, 2023
Distribution start date	November 1, 2023
Allottee	Nomura Securities Co., Ltd.

Use of the funds

Proceeds from the issuance of new investment units through the public offering were used to partially fund the acquisition of "MI Terrace Hamamatsu", "Kuretake Inn Premium Nagoya Nayabashi", "Hotel Wing International Select Nagoya Sakae" and "Hotel Kuretake Hiroshima Otemachi". Proceeds from the issuance of new investment units through a third-party allotment will be retained as cash reserve to fund part of acquisition of specified assets (including "MI Cube Shinsaibashi") or repayment of loans in the future.

[Annexed Table]

(i) Securities

Not applicable.

(ii) Contract Amount and Fair Value of Derivative Transactions and Forward Exchange Contracts

(Thousands of yen)

Classification	Type of derivative transactions	Contract amount (Note 1)		Fair value (Note 2) (Note 3)
			Amount over one year	
Non-market transaction	Interest rate swap transactions Receive variable, pay fixed	64,600,000	54,600,000	603,792
Total		64,600,000	54,600,000	603,792

(Note 1) Contract amounts are based on notional principal.

(Note 2) Fair values are calculated based on the amount provided by counterparty financial institutions.

(Note 3) Of the market value amounts, transactions to which the special treatment of interest rate swaps is applied based on the “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019) are not marked to market on the balance sheet.

(iii) Real Estate, etc.

(Thousands of yen)

Type of assets	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Accumulated depreciation		Net balance at end of period	Remarks	
					or Accumulated amortization	Depreciation and amortization			
Total property, plant and equipment	Building	477,586	17,343	-	494,930	37,401	8,224	457,528	(Note)
	Structures	564	-	-	564	534	94	30	
	Machinery and equipment	4,770	-	-	4,770	755	238	4,014	
	Tools, furniture and fixtures	-	288	-	288	24	24	263	(Note)
	Land	4,235,946	-	-	4,235,946	-	-	4,235,946	
	Building in trust	38,577,033	586,167	-	39,163,201	6,815,786	653,056	32,347,414	(Note)
	Structures in trust	259,388	771	-	260,160	74,303	5,610	185,857	(Note)
	Machinery and equipment in trust	232,397	27,201	-	259,599	93,681	8,506	165,918	(Note)
	Tools, furniture and fixtures in trust	358,897	41,948	-	400,846	147,650	30,906	253,196	(Note)
	Land in trust	130,149,310	-	-	130,149,310	-	-	130,149,310	
	Construction in progress in trust	-	-	-	-	-	-	-	
Subtotal	174,295,896	673,720	-	174,969,617	7,170,136	706,661	167,799,480		
Intangible assets	Software	31,304	-	-	31,304	20,095	2,810	11,208	
	Other	231	-	-	231	-	-	231	
	Subtotal	31,535	-	-	31,535	20,095	2,810	11,439	
Total	174,327,432	673,720	-	175,001,153	7,190,232	709,471	167,810,920		

(Note) The increase in property, plant and equipment during the period is due to construction work that qualifies as capital expenditure, etc.

(iv) Other Specified Assets

Not applicable.

(v) Investment Corporation Bonds

(Thousands of yen)

Brand name	Issuance date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Interest rate (%)	Redemption date	Usage	Collateral
First Series of Unsecured Investment Corporation Bonds	July 26, 2018	1,000,000	-	-	1,000,000	0.640	July 26, 2028	Repayment of borrowings	(Note 1)
Second Series of Unsecured Investment Corporation Bonds	July 13, 2020	1,000,000	-	-	1,000,000	0.800	July 12, 2030	Repayment of borrowings	(Note 1)
Third Series of Unsecured Investment Corporation Bonds	September 28, 2021	2,000,000	-	-	2,000,000	0.700	September 26, 2031	Repayment of borrowings	(Note 1)
Fourth Series of Unsecured Investment Corporation Bonds	September 28, 2021	1,000,000	-	-	1,000,000	0.980	September 26, 2036	Repayment of borrowings	(Note 1)
Fifth Series of Unsecured Investment Corporation Bonds (Green bond)	November 30, 2021	1,200,000	-	-	1,200,000	0.700	November 28, 2031	Repayment of borrowings	(Note 1)
Total	-	6,200,000	-	-	6,200,000	-	-	-	-

(Note 1) With special pari passu conditions among the specified investment corporation bond.

(Note 2) The total scheduled repayment amount of the investment corporation bonds after the balance sheet date is as follows.

(Thousands of yen)

	Within 1 year	Over 1 year and within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Investment corporation bonds	-	-	-	-	1,000,000	5,200,000

(vi) Borrowings

(Thousands of yen)

Classification	Lender	Drawdown date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Average interest rate (Note 1) (Note 2)	Repayment date	Repayment method	Usage	Description
Short-term borrowings	Mizuho Bank, Ltd.	March 31, 2023	1,500,000	-	1,500,000	-	0.55512	March 31, 2024 (Note 3)	Bullet repayment on maturity	(Note 4)	Unguaranteed/Unsecured
	Subtotal		1,500,000	-	1,500,000	-					
Current portion of long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	November 1, 2018	2,500,000	-	2,500,000	-	0.42180	October 31, 2023	Bullet repayment on maturity	(Note 4)	Unguaranteed/Unsecured
	SBI Shinsei Bank, Limited	November 1, 2018	1,000,000	-	1,000,000	-	0.42180	October 31, 2023			
	Sumitomo Mitsui Banking Corporation	December 16, 2016	6,500,000	-	-	6,500,000	0.49960	November 30, 2023			
	Resona Bank, Limited.	December 16, 2016	1,500,000	-	-	1,500,000	0.49960	November 30, 2023			
	The Bank of Fukuoka, Ltd.	December 16, 2016	2,000,000	-	-	2,000,000	0.49960	November 30, 2023			
	Development Bank of Japan Inc.	December 16, 2016	2,000,000	-	-	2,000,000	0.62125	November 30, 2023			
	Mizuho Bank, Ltd.	March 1, 2018	1,000,000	-	-	1,000,000	0.48000	January 31, 2024			
	Mizuho Trust & Banking Co., Ltd.	April 28, 2017	2,000,000	-	-	2,000,000	0.45000	April 30, 2024			
	MUFG Bank, Ltd.	April 30, 2021	1,500,000	-	-	1,500,000	0.45000	April 30, 2024			
	MUFG Bank, Ltd.	October 29, 2021	-	1,500,000	-	1,500,000	0.38000	October 31, 2024			
	Subtotal		20,000,000	1,500,000	3,500,000	18,000,000					
Long-term borrowings	Sumitomo Mitsui Banking Corporation	December 16, 2016	7,500,000	-	-	7,500,000	0.74500	November 30, 2026	Bullet repayment on maturity	(Note 4)	Unguaranteed/Unsecured
	Resona Bank, Limited.	December 16, 2016	500,000	-	-	500,000	0.74500	November 30, 2026			
	Sumitomo Mitsui Trust Bank, Limited	December 16, 2016	5,000,000	-	-	5,000,000	0.59470	November 29, 2024			
	Sumitomo Mitsui Trust Bank, Limited	October 26, 2017	2,000,000	-	-	2,000,000	0.54375	July 31, 2025			
	SBI Shinsei Bank, Limited	October 26, 2017	1,000,000	-	-	1,000,000	0.54375	July 31, 2025			
	The Nanto Bank, Ltd.	October 26, 2017	1,000,000	-	-	1,000,000	0.54375	July 31, 2025			
	Resona Bank, Limited	October 26, 2017	1,000,000	-	-	1,000,000	0.70900	July 30, 2027			
	Sumitomo Mitsui Banking Corporation	October 31, 2017	4,000,000	-	-	4,000,000	0.72750	October 29, 2027			

Classification	Lender	Drawdown date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Average interest rate (Note 1) (Note 2)	Repayment date	Repayment method	Usage	Description
Long-term borrowings	The Bank of Fukuoka, Ltd.	October 31, 2017	1,000,000	-	-	1,000,000	0.72750	October 29, 2027	Bullet repayment on maturity	(Note 4)	Unguaranteed/Unsecured
	SBI Shinsei Bank, Limited	March 1, 2018	1,000,000	-	-	1,000,000	0.57350	January 30, 2026			
	Resona Bank, Limited	March 1, 2018	500,000	-	-	500,000	0.57350	January 30, 2026			
	Sumitomo Mitsui Banking Corporation	May 15, 2018	2,000,000	-	-	2,000,000	0.52770	April 30, 2025			
	Mizuho Bank, Ltd.	May 15, 2018	1,500,000	-	-	1,500,000	0.56000	April 30, 2025			
	Mizuho Trust & Banking Co., Ltd.	August 1, 2018	1,700,000	-	-	1,700,000	0.62000	July 31, 2028			
	Mizuho Bank, Ltd.	November 1, 2018	2,500,000	-	-	2,500,000	0.68000	October 30, 2026			
	Sumitomo Mitsui Banking Corporation	November 1, 2018	3,000,000	-	-	3,000,000	0.56800	October 31, 2025			
	MUFG Bank, Ltd.	October 29, 2021	1,500,000	-	1,500,000	-	0.38000	October 31, 2024			
	Mizuho Bank, Ltd.	November 30, 2021	1,500,000	-	-	1,500,000	0.39900	October 30, 2026			
	Mizuho Bank, Ltd.	November 30, 2021	3,300,000	-	-	3,300,000	0.46240	November 30, 2028			
	Mizuho Bank, Ltd. (Green Loan)	November 30, 2021	4,000,000	-	-	4,000,000	0.50900	November 30, 2029			
	MUFG Bank, Ltd.	January 12, 2022	1,000,000	-	-	1,000,000	0.38000	December 30, 2024			
	Sumitomo Mitsui Trust Bank, Limited	January 12, 2022	1,000,000	-	-	1,000,000	0.37950	December 30, 2026			
	SBI Shinsei Bank, Limited	January 12, 2022	1,000,000	-	-	1,000,000	0.42950	December 30, 2026			
	Sumitomo Mitsui Banking Corporation	January 12, 2022	1,000,000	-	-	1,000,000	0.47850	December 29, 2028			
	Mizuho Bank, Ltd.	March 25, 2022	1,000,000	-	-	1,000,000	0.61500	February 28, 2029			
	Resona Bank, Limited	March 25, 2022	300,000	-	-	300,000	0.59500	February 28, 2029			
	Sumitomo Mitsui Trust Bank, Limited	November 30, 2022	3,500,000	-	-	3,500,000	0.72000	November 30, 2027			
	SBI Shinsei Bank, Limited	November 30, 2022	2,000,000	-	-	2,000,000	0.72000	November 30, 2027			
The Juhachi-Shinwa Bank	November 30, 2022	1,500,000	-	-	1,500,000	0.72000	November 30, 2027				
The Bank of Fukuoka, Ltd.	June 19, 2023	-	1,500,000	-	1,500,000	0.67500	May 31, 2028				

Classification	Lender	Drawdown date	Balance at beginning of period	Amount of increase during period	Amount of decrease during period	Balance at end of period	Average interest rate (Note 1) (Note 2)	Repayment date	Repayment method	Usage	Description
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	October 31, 2023	-	500,000	-	500,000	1.05000	October 31, 2028	Bullet repayment on maturity	(Note 4)	Unguaranteed/Unsecured
	SBI Shinsei Bank, Limited	October 31, 2023	-	1,000,000	-	1,000,000	1.05000	October 31, 2028			
	Kansai Mirai Bank, Limited	October 31, 2023	-	1,000,000	-	1,000,000	1.05000	October 31, 2028			
	The Chiba Bank, Ltd.	October 31, 2023	-	1,000,000	-	1,000,000	1.05000	October 31, 2028			
	Subtotal		57,800,000	5,000,000	1,500,000	61,300,000					
Total		79,300,000	6,500,000	6,500,000	79,300,000						

(Note 1) The average interest rate indicates a weighted average of interest rates for the period by the number of days.

(Note 2) MIRAI enters into interest rate swaps to avoid the risk of interest rate fluctuations, and the interest rate after taking into account the effect of the interest rate swaps (fixing the interest rate) is stated.

(Note 3) The entire amount was prepaid on June 19, 2023.

(Note 4) The funds were used for the purchase of real estate and trust beneficiary rights of real estate, refinancing of borrowings, working capital, etc.

(Note 5) The total scheduled repayment amount of long-term borrowings after the balance sheet date is as follows.

(Thousands of yen)

	Within 1 year	Over 1 year and within 2 years	Over 2 years but within 3 years	Over 3 years but within 4 years	Over 4 years but within 5 years	Over 5 years
Long-term borrowings	18,000,000	16,500,000	5,500,000	16,000,000	13,700,000	9,600,000