



New Standard

MIRAI Corporation 11th Fiscal Period Investor Presentation
Fiscal Period Ended October 31, 2021 (11th FP) May 1, 2021 to October 31, 2021

Executive Summary

External Growth

External growth centered on
“defensive” assets through
first PO in two years

Total acquisition price

10,650 M yen

AUM

164,554 M yen

Portfolio Management

“MIRAI Revitalization Plan”

BizMiiX Yodoyabashi

Pre-sign up rate: over **60%**

Mi-Nara **65 M yen per month in sight**

Post-COVID-19 Key Initiatives

Tokyo Front Terrace

Under preview/consideration

7 companies/2,162 sqm

ESG

GRESB Real Estate
★★/Green Star

Green Finance

Green loan **4,000 M yen**

Green bond **1,200 M yen**

Continue to “visualize” the growth strategy

Growth Strategies in Post-COVID-19

- i. **Improve defensiveness of the portfolio**
- ii. **Expansion of AUM in anticipation of reopening**

Announcement of the results for the 12th FP

Considering the release of

a new mid-term management plan

DPU

DPU growth (PO & new acquisition)

Forecast for 13th FP (October 2022) **1,285 yen**

(Growth of stabilized DPU +2.2%)

Current target DPU

Aim for **recovery to 1,400 yen level**

(under review)

Table of Contents

Section 1. 4 th Public Offering (December 2021)	.....	P3
Section 2. Strategy of Future Growth	.....	P9
Section 3. Portfolio Management Status	.....	P14
Section 4. Financial Summary & Performance	.....	P25
Section 5. Finance & ESG Initiatives	.....	P31

Section 1.
4th Public Offering (December 2021)

Investment Highlights



1 Growth Return to external growth

- **Return to the AUM expansion phase** with the first PO since the onset of COVID-19 crisis with the acquisition of 4 properties/10.6 billion yen
- **Inclusion in the global index** expected to further improve liquidity and expand investor base

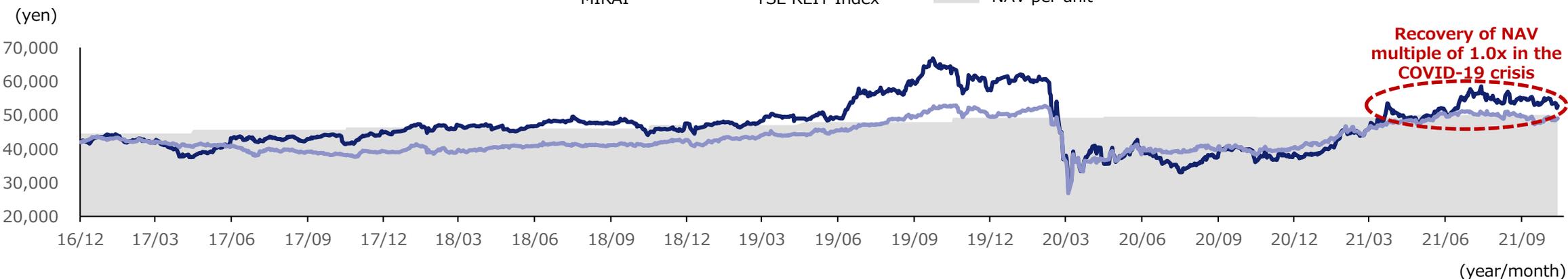
2 Stability Improve defensiveness of the portfolio

- **Improvement of defensiveness** through implementation of continuous replacement strategy and the acquisition of properties through PO
- **Progress in MIRAI Revitalization Plan** has further improved the stability of the existing portfolio

3 Credit Financial strategy/ESG

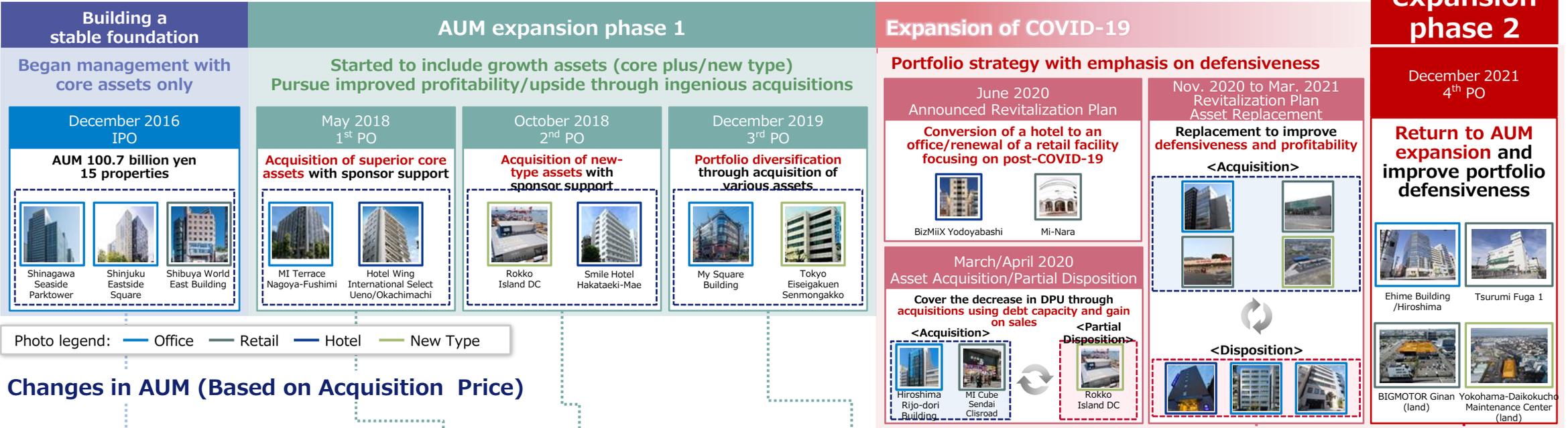
- **Stable financial base maintained** on the back of Mitsui & Co. Group's credit
- Steady **promotion of ESG initiatives** (obtaining GRESB Real Estate Assessment, implementation of green finance, etc.)

Historical Unit Price

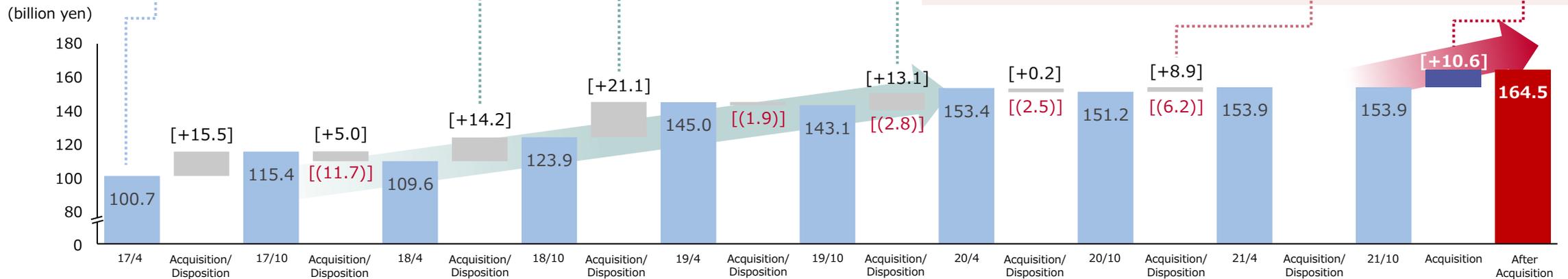


Progress to date

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



Changes in AUM (Based on Acquisition Price)



Portfolio Transition and NAV Improvement

Achieve AUM expansion and NAV per unit growth through PO and acquisition

	2 nd FP (17/4)	8 th FP (20/4)	After Acquisition
AUM (Number of Properties)	15 100.7 billion yen	34 153.4 billion yen	38 164.5 billion yen
NAV per Unit	45,640 yen	49,490 yen	50,330 yen (Note 1)
Portfolio Diversification (Based on Acquisition Price)			
Average NOI Yield after Depreciation by Asset Type	Office: 3.5% Retail: 4.7% Hotel: 4.4% Portfolio Average: 3.9%	Office: 3.8% Retail: 4.8% Hotel: 4.2% Portfolio Average: 4.1%	Office: 3.9% Retail: 3.9% Hotel: 3.8% Portfolio Average: 3.9%
LTV	47.0%	48.3%	49.0% (Note 2)
Occupancy Rate	98.9%	99.8%	97.8%
Major Asset Acquisition	 Shinagawa Seaside Parktower Shinjuku Eastside Square	 My Square Building Tokyo Eiseigakuen Senmongakko	 Ehime Building/Hiroshima Tsurumi Fuga 1

Note 1: NAV per Unit after acquisition = (Unitholders' capital as of October 31, 2021 + Amount of equity proceeds from PO (4,983 million yen) + (Total appraisal value after acquisition – Total book value as of October 31, 2021 – Total acquisition price of assets to be acquired)) / Total number of outstanding investment units after acquisition (1,771,440 units)

Note 2: LTV after acquisition = Outstanding interest-bearing debt after acquisition (84,000 million yen) / (Total assets on the balance sheet as of the fiscal period ended October 31, 2021 (the end of the 11th Period) (161,226 million yen) + Amount of equity proceeds from PO + Loan (to be borrowed in conjunction with the acquisition (5,300 million yen))

Overview of 4th PO/Fundraising

Acquisition (hereinafter "Assets to be acquired")

Core Assets



**Ehime Building
/Hiroshima**



Tsurumi Fuga 1



**BIGMOTOR Ginan
(land)**

New Type



**Yokohama-Daikokucho
Maintenance Center
(land)**

Total Acquisition Price

10,650 million yen

Total Appraisal Value

11,510 million yen

Avg. NOI/after Dep. Yield

4.5%/3.9%

Name	Ehime Building /Hiroshima	Tsurumi Fuga 1	BIGMOTOR Ginan (land)	Yokohama-Daikokucho Maintenance Center (land)
Asset Type	Office	Retail	Retail	Industrial
Address	Hiroshima-shi, Hiroshima	Yokohama-shi, Kanagawa	Hashima-gun, Gifu	Yokohama-shi, Kanagawa
Acquisition Price	2,780 million yen	5,300 million yen	1,080 million yen	1,490 million yen
Appraisal Value	2,950 million yen	5,800 million yen	1,190 million yen	1,570 million yen
Appraisal NOI/after Dep. Yield	5.0%/4.5%	4.4%/3.6%	4.2%/4.2%	3.9%/3.9%
Completion	July 1991	September 1985	-	-
Sourcing Route	Asset Manager	Sponsor	Asset Manager	Asset Manager

Borrowing (Debt)

Avg. Interest Rate (Note)

0.42%

Avg. Term to Maturity

5.4 years

Total amount of Borrowings

5,300 million yen

Lender	MUFG Bank	Shinsei Bank	Sumitomo Mitsui Trust Bank	Sumitomo Mitsui Banking Co.	Mizuho Bank	Resona Bank
Amount	10 B yen	10 B yen	10 B yen	10 B yen	10 B yen	3 B yen
Interest Rate	0.380%	0.430%	0.380%	0.479%	Tibor +0.330%	Tibor +0.310%
Borrowing Date	January 12, 2022				March 25, 2022	
Term	3 years	5 years		7 years		

PO (Equity)

Paid-in Amount

45,639 yen

NAV per Unit (after Issuance)

50,330 yen

Total Paid-in Amount

4,983 million yen

Type of Allotment	Domestic
Number of Investment Units Offered	109,200 units (including third-party allotment)
Issue Price/Paid-in Amount	47,238 yen/45,639 yen (closing price on the pricing date: 48,450 yen)
Total Amount of Issue Price/Paid-in Amount	5,158 million yen/4,983 million yen
Resolution date/Pricing date	December 13, 2021/December 20, 2021

Focus Points for the Assets to be acquired

Offices in Regional Core Cities

Characteristics under COVID-19 Crisis

- Low new supply and low telework ratio
- **High stability of rent and occupancy rate** compared to the Tokyo metropolitan area

Priority Consideration Area

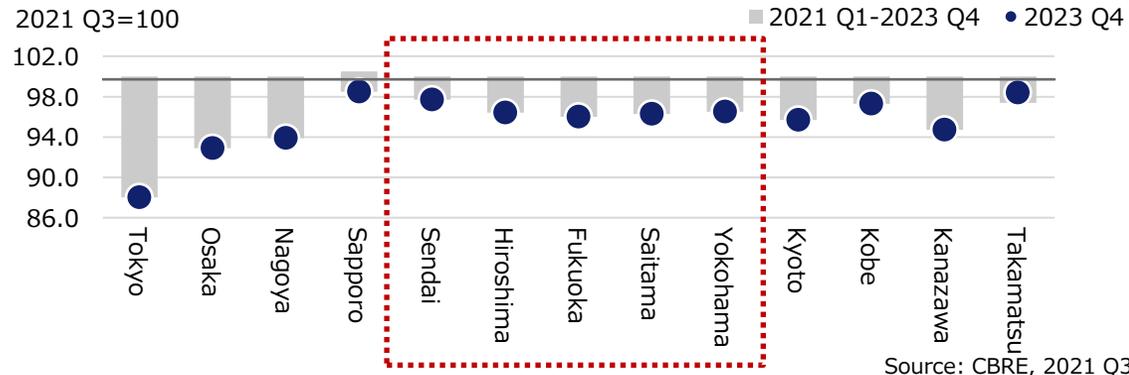
- **Sapporo, Sendai, Hiroshima and Fukuoka**
- Changes in the supply-demand balance will be strictly judged

Management Strategy

- Utilize “Real estate value-adding capability” for stable management and NOI improvement
- Hiroshima Rijo-dori Building (acquired in March 2020)



Forecast of All-grade Rent



Land

Positioning as an Investment Target

- Cumulative amounts of acquisitions by J-REITs increased to 177 assets/569.4 billion yen
- Acquisition competition intensifies and **transaction yields continue to decline**
- Although there are some highly profitable assets with special rents, need to pay attention to **appropriate land rent levels in consideration of substitutability**

<Points to Consider by Asset Type>

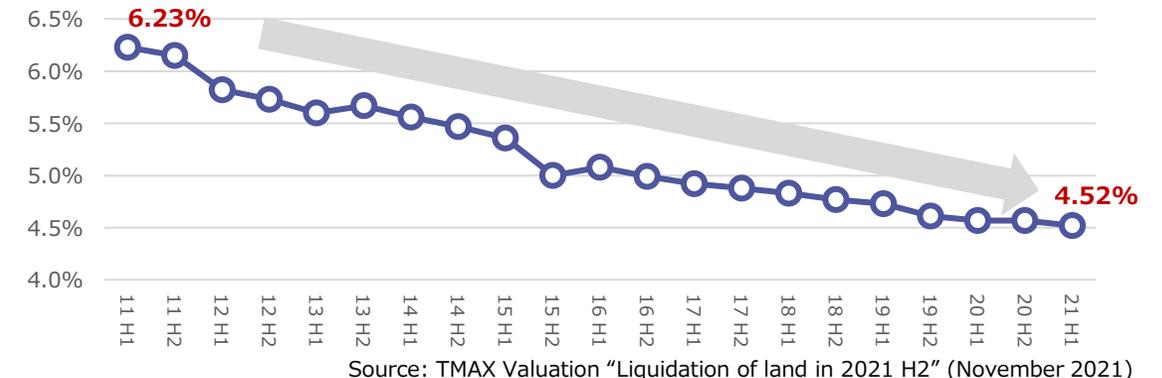
Retail

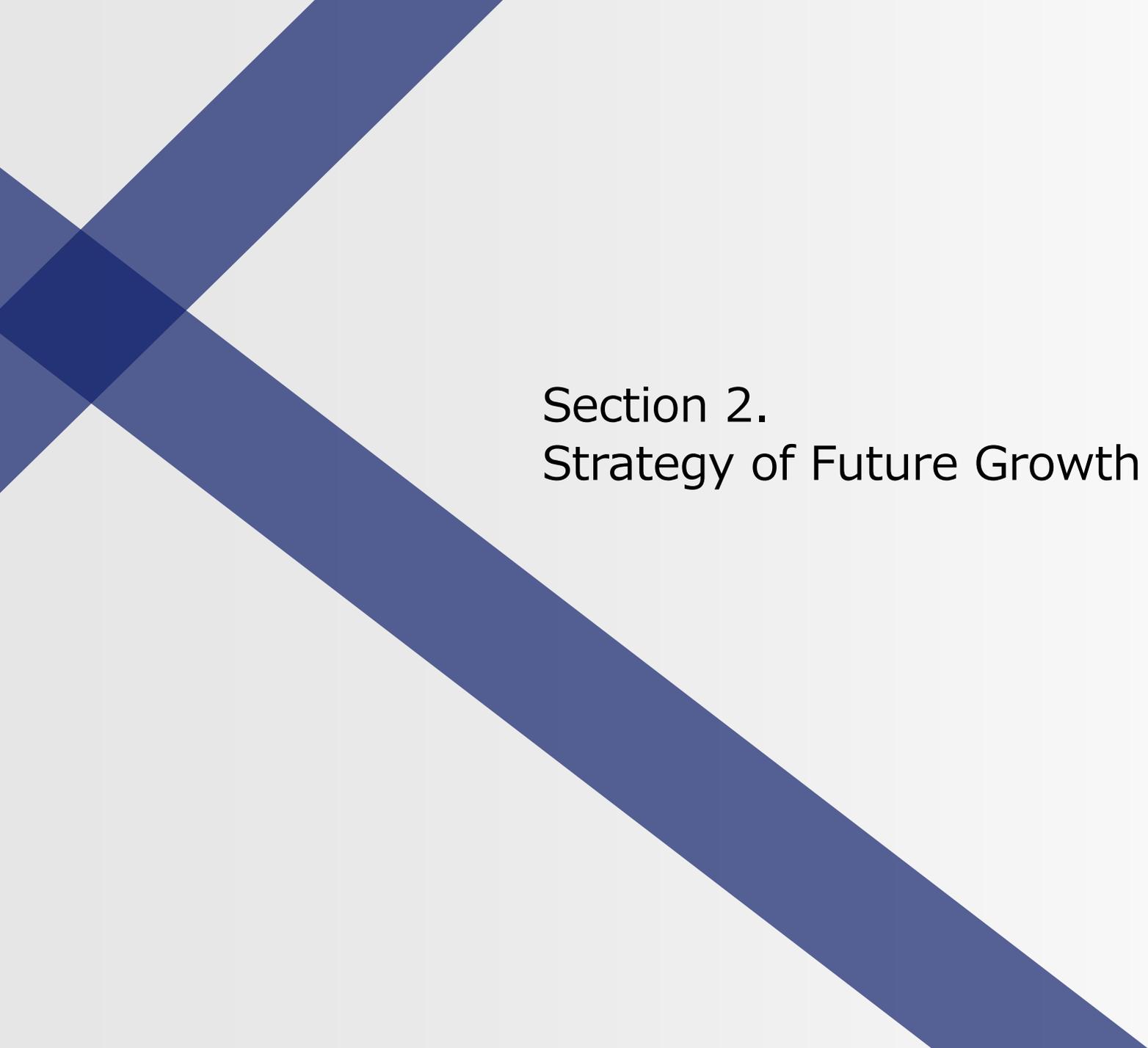
- Consideration is centered on **neighborhood shopping centers** (supermarkets/home improvement stores)
- In addition to the continuity of the current tenancy based on sales, analyze **the possibility of tenant replacement and usage conversion**

Industrial

- High importance to tenants and high probability of continued use
- Assessing **the importance of the base for tenant businesses**, backed by Mitsui & Co.’s knowledge

Trends in Yields on Land Held by J-REITs

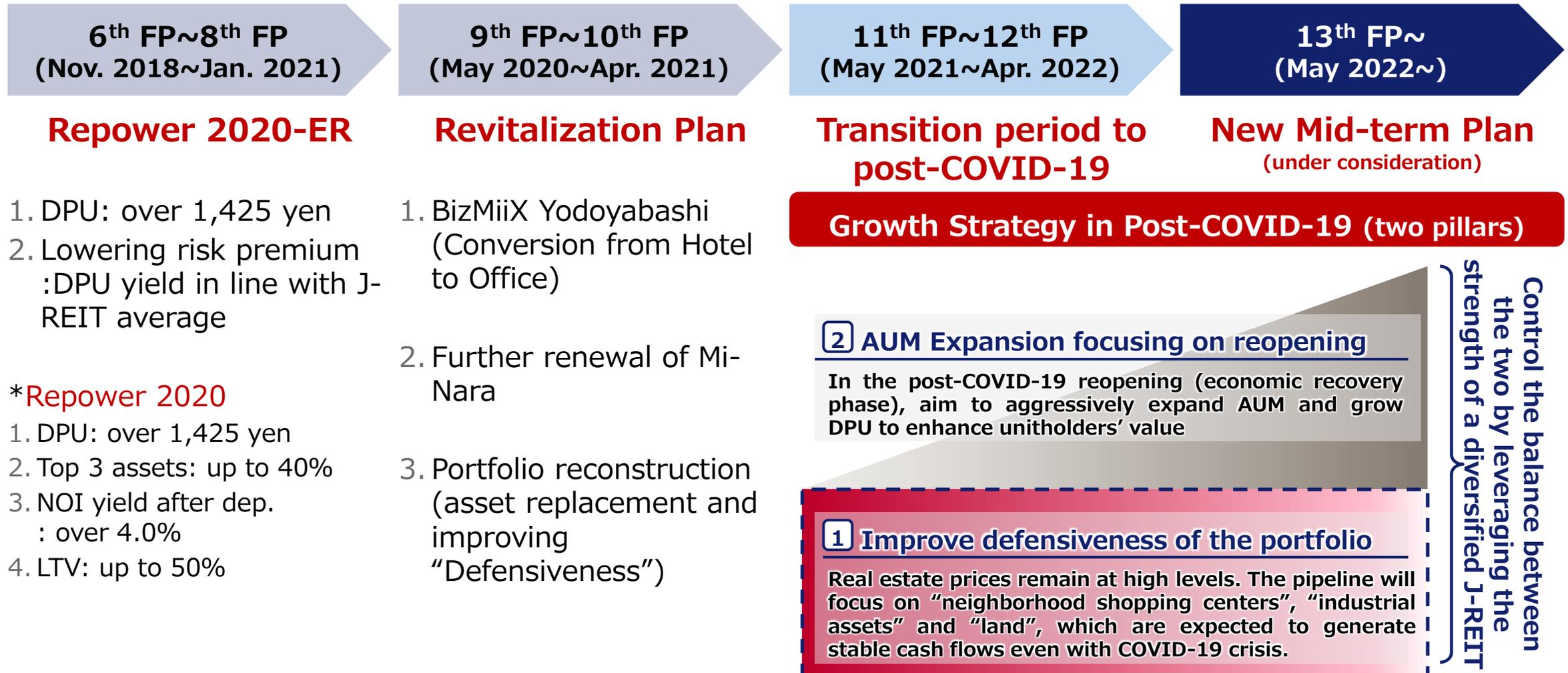




Section 2. Strategy of Future Growth

Growth Strategy for Post-COVID-19 Sustainable Growth

Completed “Revitalization Plan” and starting a growth strategy in post-COVID-19



Portfolio Strategy in the Near Term

Focus on improving defensiveness as an initial step in post-COVID-19

Asset Type		% of Portfolio (Note 1) [after acquisition]	% of Portfolio in the Near Term (Note 2)
Office	Large-scale	52.6% [(2.8pp)]	50~60% →
	Mid-sized		
Retail	Urban	21.7% [+3.9pp]	About 25% ↗
	Neighborhood type		
New Type/ Others	Industrial	9.5% [+1.8pp]	Up to 20% ↗
	Educational		
Hotel	Budget type	16.1% [(2.9pp)]	Up to 15% ↘

Priority Investment Targets to Improve Defensiveness

Office (in regional core cities)
Limited new supply and high tenant retention

Utility assets
Mixed use assets located near central Tokyo

COVID-19 resistant x Upside

Neighborhood shopping centers
Tenants that handle daily necessities are expected to have stable demand over the mid-to-long term

Land
Stable cash flow due to long-term lease contracts

Industrial
In principle, long-term contracts, and the impact of economic fluctuations is small

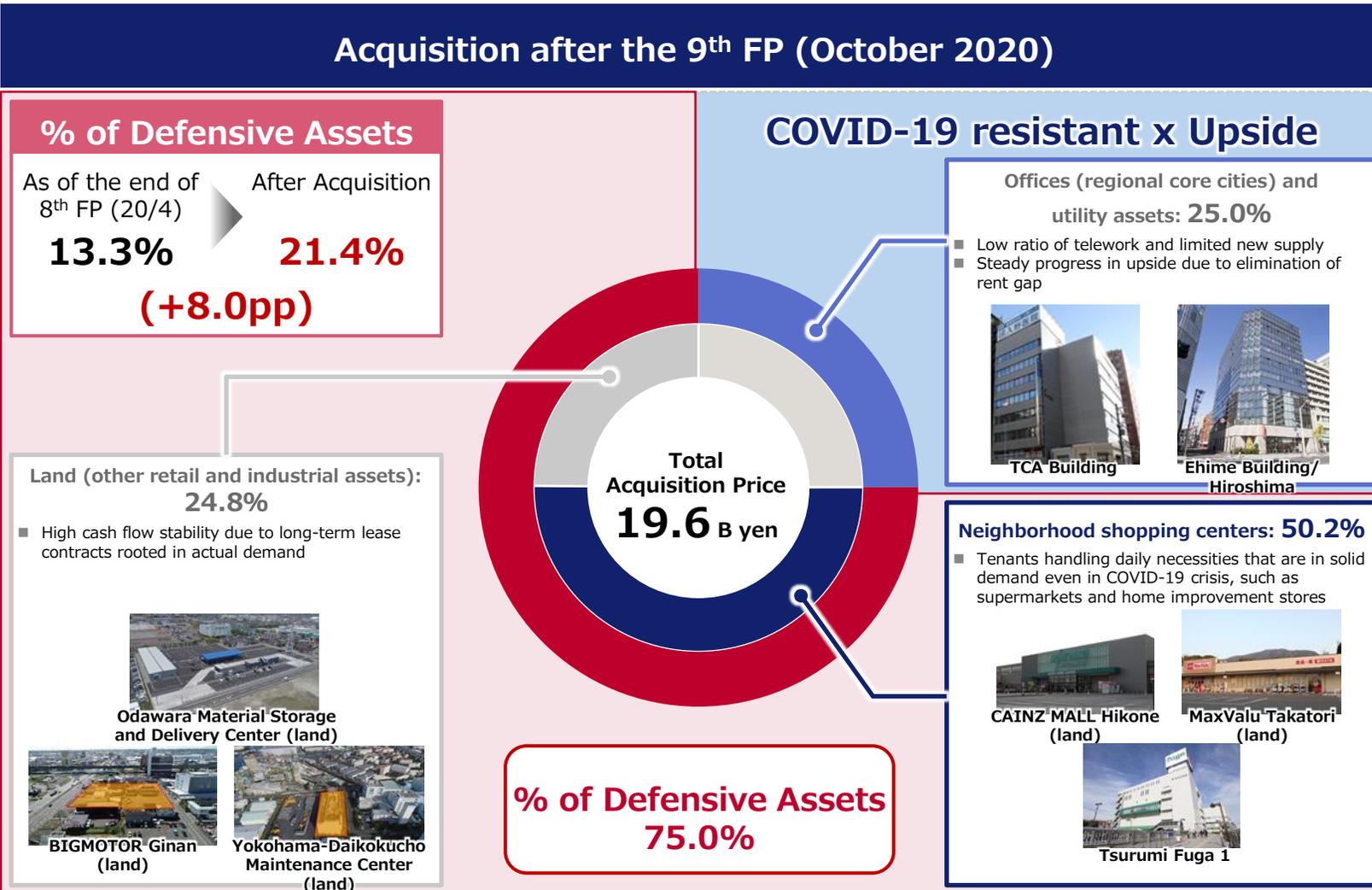
Highly defensible assets

Note 1: The figures in parentheses in “% of Portfolio after acquisition” are the difference between % of portfolio after acquisition and % of portfolio as of the end of the 8th FP (end of April 2020).

Note 2: Above is an image formulated by the asset manager based on the current state of real estate market and investment strategy and may be impacted by numerous factors including changes in market environment in the future and hence it is a guarantee for future investment breakdown.

Strengthening Defensiveness in COVID-19 Crisis

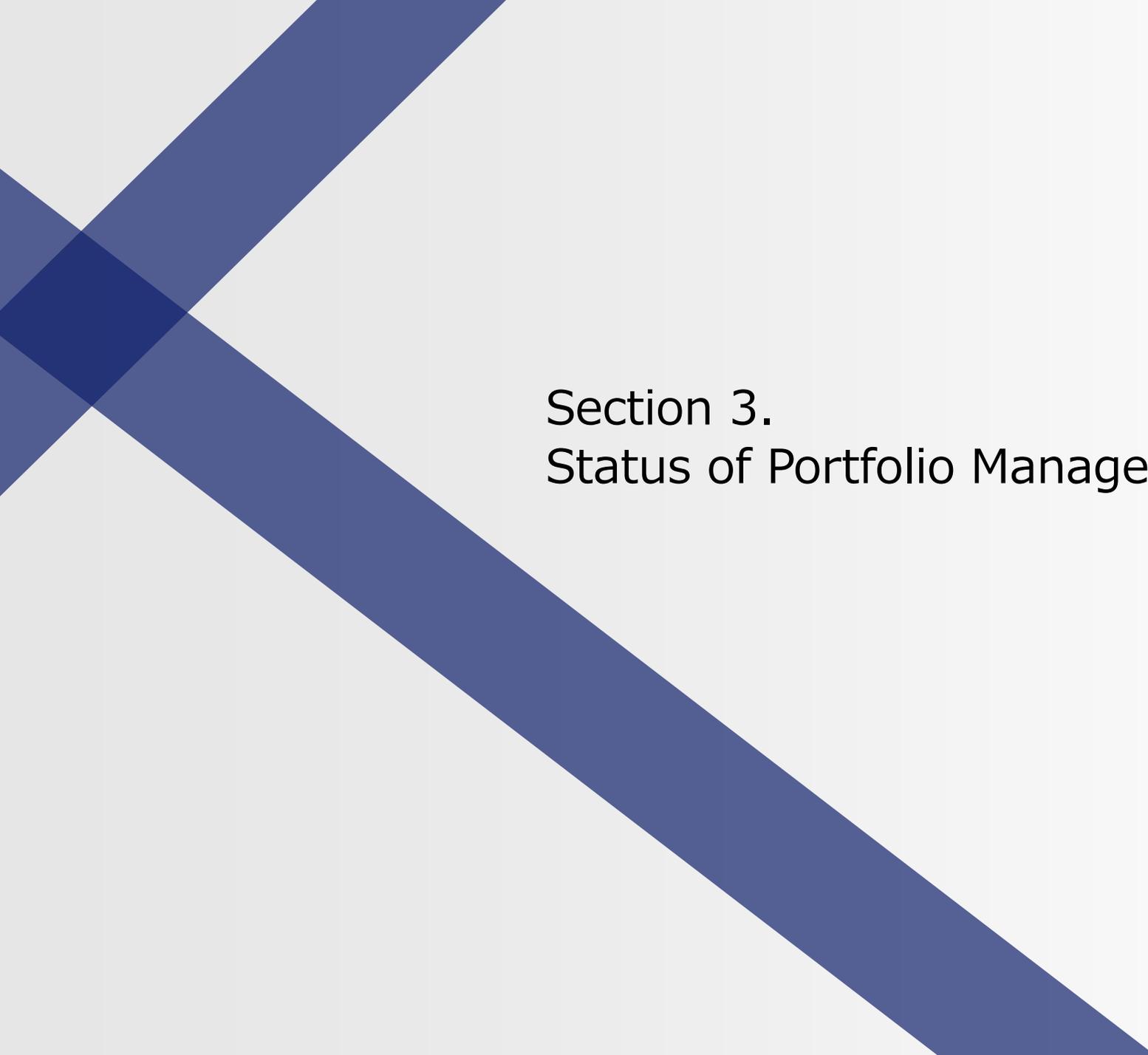
“Highly defensible assets”+ “COVID-19 resistant x Upside”



Growth Strategy in the Overheated Real Estate Market

Aim to acquire assets without competition and increase their value after acquisition through highly agile strategy

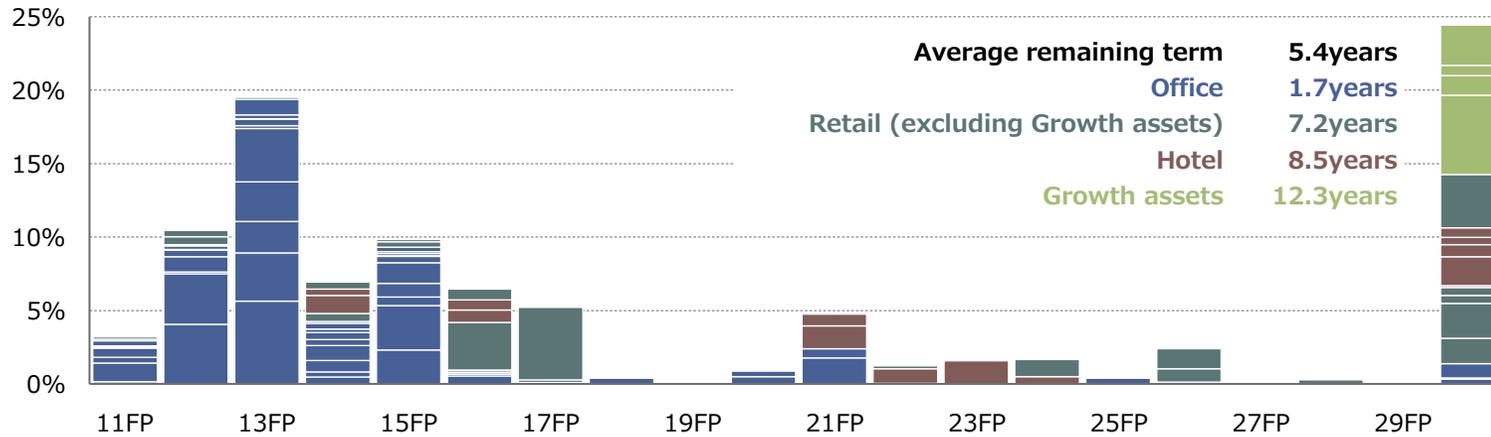
<p>“Visualization” of Strategy</p>	<ul style="list-style-type: none"> Continue to formulate growth measures based on clearly defined issues Consider announcing a new mid-term management plan in the next fiscal period 	<p>June 2017</p> <p>Mid-term management plan Repower 2020</p>	<p>December 2018</p> <p>Expanded mid-term management plan Repower 2020-ER</p>	<p>June 2020</p> <p>Crisis response measures for COVID-19 crisis Revitalization Plan</p>
<p>Utilizing MIRAI’s AM Capability/ Real Estate Value-adding Capability</p>	<ul style="list-style-type: none"> Track record of internal growth using sponsor supports Approaches to value-adding projects using MIRAI’s AM capability 	<p>Internal growth by leveraging AM capability Raise rents/create ancillary income Reduction of electricity costs, etc.</p>	<p>Mi-Nara Retail Facility Renewal Project</p>	<p>BizMiiX Yodoyabashi Conversion from a hotel to a ready-to-use serviced office</p>
<p>Formulate a Highly Agile Portfolio Strategy</p>	<ul style="list-style-type: none"> Portfolio strategy that leverages the strengths of the diversified J-REIT Change flexibly the asset type/area according to market conditions 	<p>October 2017 Progress in risk diversification Shinagawa Seaside⇔ Tokyo Front Terrace</p>	<p>June 2019 Shift retail assets to experiential consumption MIUMIU Kobe⇔ THINGS Aoyama</p>	<p>November 2020~ Improved defensiveness Hillcoat Higashi-Shinjuku, etc.⇔ CAINZ MALL Hikone, etc.</p>
<p>Challenge to New Type Assets</p>	<ul style="list-style-type: none"> Track record in the acquisition of industrial and educational assets Consider expansion of asset types based on unique expertise of MIRAI and the sponsors 	<p>Rokko Island DC (a large-scale logistics center with 3 temperature zones) Mitsui & Co. group development projects/The tenant, a major restaurant chain, is expanding its business under the COVID-19 crisis</p>	<p>Tokyo Eiseigakuen Senmongakko (medical professional training school) Expansion of business due to increasing need for nurses/Leveraging Mitsui's expertise to gain a foothold in healthcare assets</p>	



Section 3. Status of Portfolio Management

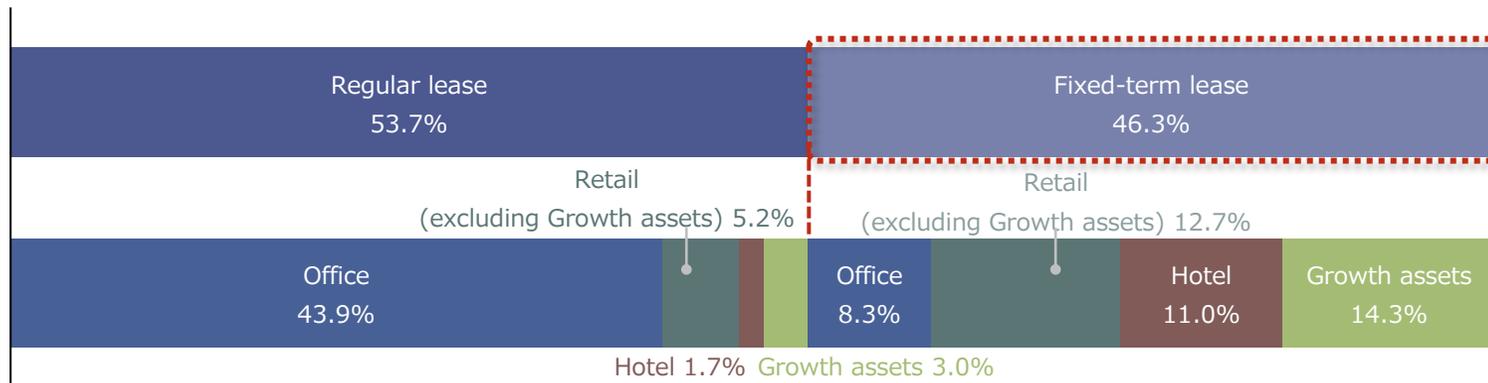
Tenant Diversification (after Acquisition of the Assets to be Acquired)

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



- Each land asset is expected to be stable in the long term as a fixed-term land lease agreement has been concluded.
- Continue to be conscious of the fixed-term ratio and aim to build a highly defensive portfolio for the time being.
- In order to ensure the stability of earnings, MIRAI will diversify the portfolio from wide perspectives, including lease maturity, tenant industries, and uses.

Breakdown of Lease Contracts Type (based on rent)



After acquisition of the Assets to be Acquired	
Average remaining term ^(Note 2)	5.4 years
Fixed-term ratio (Remaining 5 years or more)	29.0%

Note 1 : "Diversification of lease maturity (based on rent)" is calculated by dividing the remaining days of lease contracts in effect at the end of September, 2021 of portfolio assets after the acquisition of Assets to be Acquired by 365, weighting by the annual rent, and rounded down to the first decimal place.

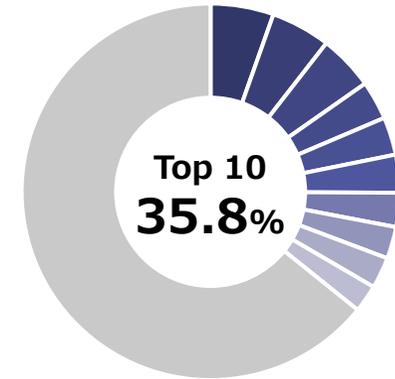
Note 2 : "Average remaining term" is calculated by dividing the remaining days of lease contracts in effect as of the end of 11th FP of portfolio assets (in the case of the Assets to be Acquired, as of the scheduled acquisition date) by 365, weighting by the annual rent, and rounded down to the first decimal place.

Tenant Diversification (after Acquisition of the Assets to be Acquired)

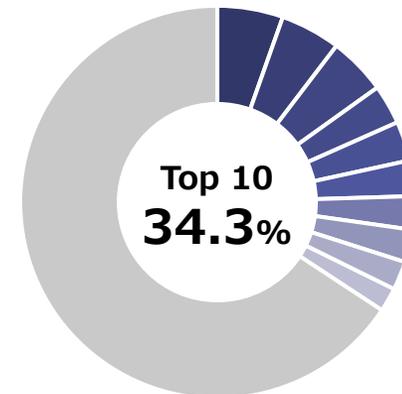
Top10 Tenants (based on rent)

	Tenant Name	Property	Ratio
1.	HAVI Supply Chain Solutions Japan	Rokko Island DC	5.4%
2.	AEON Retail	AEON Kasai/Shinagawa Seaside Parktower	-
3.	NTT Comware	Shinagawa Seaside Parktower	-
4.	Super Hotel	4 Super Hotels (Sendai, Osaka, Saitama and Kyoto)	3.3%
5.	Chubu Telecom	MI Terrace Nagoya-Fushimi	-
6.	Seiyu	Tsurumi Fuga 1	-
7.	BIGLOBE	Shinagawa Seaside Parktower	-
8.	Eisei College of Medical Arts & Sciences	Tokyo Eiseigakuen Senmongakko	-
9.	(Not disclosed)	Kawasaki Tech Center	-
10.	CAINZ	CAINZ MALL Hikone (land)	-

Tenant Diversification



Lease Contracts Diversification



“MIRAI Revitalization Plan” and Post-COVID-19 Key Initiatives

“MIRAI Revitalization Plan” enters final phase, focusing next on Tokyo Front Terrace (Large-scale office in greater Tokyo area)

Overview

“MIRAI Revitalization Plan”

On track to achieve

Post-COVID-19 Key Initiatives



BizMiiX
Yodoyabashi

Converting to “ready-to-use serviced office” on the back of solid office demand in Osaka area, aiming to create a high value-added property which will be favored in post-COVID-19 market.



Mi-Nara

“Fundamental” renewal plan will be considered including replacement of core tenant and review of operational structure in order to turn the asset into a retail facility that matches the post-COVID-19 market.



Tokyo Front Terrace

Some cancellations and floor reductions have become apparent due to the promotion of telework and cost-cutting associated with deteriorating business performance during COVID-19 expansion.

Future Actions

- Leasing has accelerated after the state of emergency was lifted at the end of September 2021.
- **Recent occupancy rate (based on contracts and applications) is over 60%**, and MIRAI will promote the conclusion of contracts with tenant candidates in order to achieve stable operation in the first half 2022.

- **Annual sales of 10 billion yen in sight** through tenant replacement measures centered on the attraction of the supermarket “LOPIA”.
- Leasing in progress for further tenant replacement / Aiming to increase rent revenue through promoting customers to shop around, etc.

- Promote leasing with priority on recovery of occupancy rate by leveraging differentiating factors such as building grade and location.
- **7 companies under preview or consideration / 2,162 sqm of which 1 company / 268 sqm is scheduled to sign a contract during January 2022.**

“Mirai Revitalization Plan” : BizMiiX Yodoyabashi

With COVID-19 pandemic subsiding, potential tenants have become more active and leasing is progressing steadily

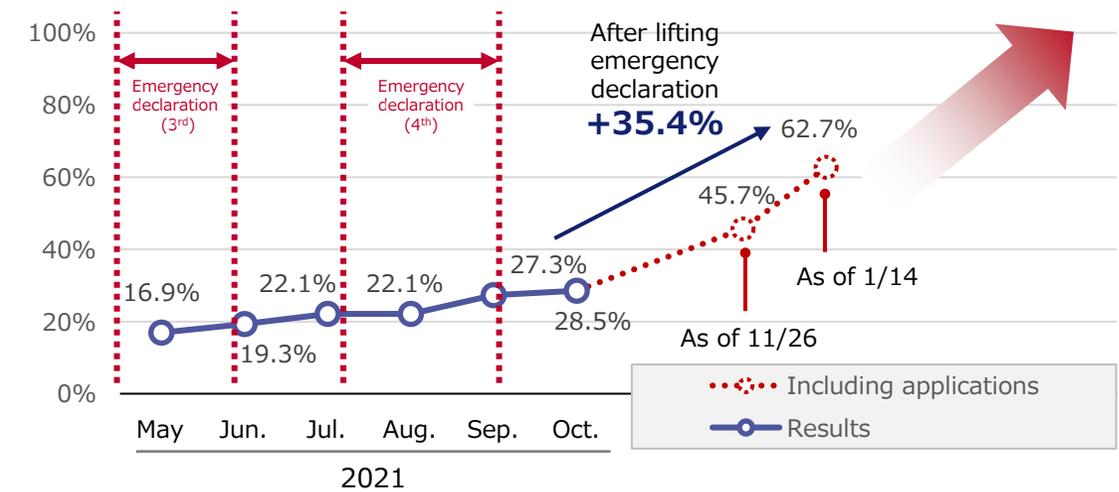
Property Summary



Location (Residential Address)	3-1-6, Hirano-machi, Chuo-ku, Osaka-shi, Osaka
Structure	9-stories Steel Structure
Date of Building	January 2017 (conversion completed in January 2021)
Acquisition Price	2,041 million yen (after conversion)
Total Leasable Area	1,005.20sqm (304 tsubo)



Leasing Progress (Occupancy Rate)



- Leasing has accelerated after the state of emergency was lifted at the end of September 2021 and **the occupancy rate increased by 35.4 pp (based on contracts and applications).**
- Tenants’ satisfaction improved and initial tenants have re-signed contracts. In addition, some tenants consider to expand their floor space.
- Example of floor space expansion : Osaka City Shinkin Bank launched “SME SDGs-compliant Branding Support Project” at this property and **plans to expand 1 section with** subsidy from Osaka Prefecture.
- Reaffirming the differentiating factors of a ready-to-use office with low initial cost, high-grade facilities and unique concept.

- (1) Start-up base (2) Satellite base for major companies for multiple use**
- (3) Can meet a wide range of needs by combining multiple types of rental rooms or renting by floors**

“Mirai Revitalization Plan”: Mi-Nara

Annual sales of 10 billion yen in sight due to effect of the further renewal

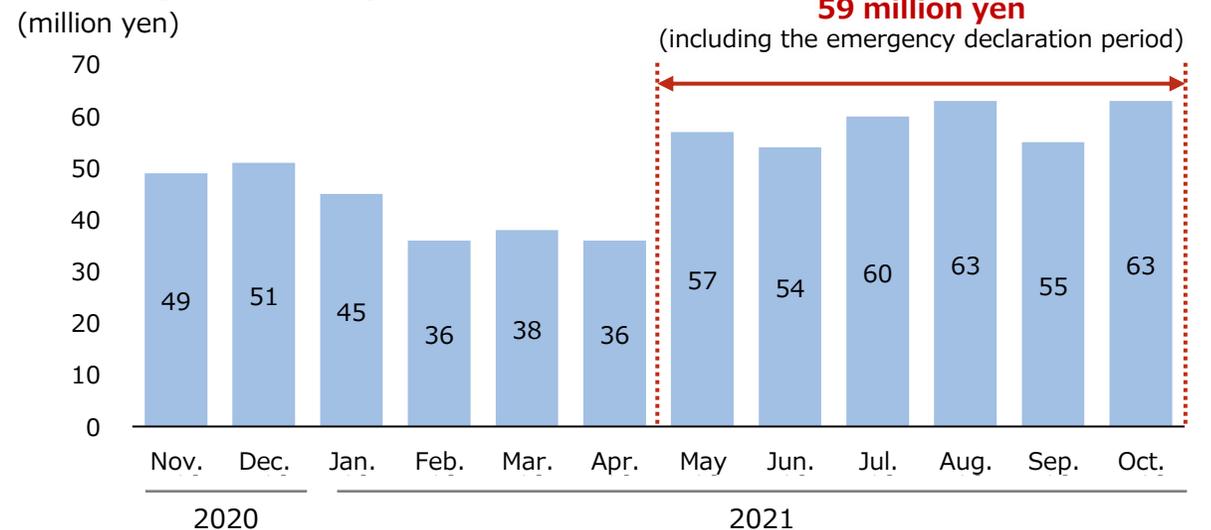
Status after the Further Renewal

- Effect of the further renewal, centered on the attraction of supermarket “LOPIA”, is continuing to generate sales as planned, **annual sales of 10 billion yen is in sight.**
- In preparation for further tenant replacement, **discussions with tenant candidates are underway for 400 tsubo in total**, with a view toward opening within 2022.
- **Goldfish aquarium will be expanded and renovated to be one of the largest facilities in Japan** (approx. 600 tsubo). Through the addition of Instagrammable-spots, etc., it aims to attract repeat visitors, school trips, and domestic tourists when COVID-19 pandemic is over.
- **Re-used as a vaccination center** and implemented “**Mi-Nara MIRAI Project**” (energy saving in the building and community social contribution activities) as ESG/SDG promotion as asset rooted in the local community.

Sales and Visitor Data

	Total Sales	(Excluding LOPIA)	Average Visitor	Number of Cars Parked
(1) Results of May 2021 (one month)	1.01 (billion yen)	(Not disclosed)	11,590	155,000
(2) Results of May-Oct. 2021 (monthly average)	0.89 (billion yen)	(Not disclosed)	10,850	145,000
(3) vs. before COVID-19 (compared to the same period in 2019)	208.7%	115.4%	136.4%	163.1%

Changes in Monthly Rent



Portfolio Update (Office 1/2)

Status of Large-scale Offices

Shinagawa Seaside Park Tower		<ul style="list-style-type: none"> The tenant retention rate is high and only 2 sections/507sqm were -cancelled in 11th FP. Of the 5 sections cancelled during COVID-19 pandemic, 2 sections/296sqm have been re-leased. Future downside is limited given the grade of the building and tenant usage patterns. Continuing strategic leasing activities such as providing support for interior decoration. 	<p>End of 11th FP (Oct. 2021) Occupancy rate 98.0%</p>
Kawasaki Tech Center		<ul style="list-style-type: none"> Although the occupancy rate of Kawasaki area suffers loss, MIRAI received early applications for lease due to the building specifications. 2 sections/621 sqm was re-leased without downtime and occupancy rate continues to be 100%. In addition to regular office use, demand as a laboratory has been confirmed. Stable occupancy is expected to continue due to the unique strengths of the property. 	<p>End of 11th FP (Oct. 2021) Occupancy rate 100.0%</p>
Shinjuku Eastside Square		<ul style="list-style-type: none"> A major IT company has signed to replace the 2 sections vacated by a major financial institution. MIRAI has signed another contract with a gaming company (core tenant). Although attention must be paid on the trend of telework and office consolidation, stable occupancy is expected as demand for an S-class building with rents in the 20,000 yen range is strong. 	<p>End of 11th FP (Oct. 2021) Occupancy rate 98.5%</p>
Tokyo Front Terrace		<ul style="list-style-type: none"> A travel agency group whose corporate profits significantly decreased due to COVID-19 continues to face difficult business conditions and returned some additional spaces. 7companies/total 2,162 sqm are under consideration (130 sqm ~ 740 sqm per company). MIRAI plans to sign a contract with one of them (268 sqm) in January. Flexible on rent with priority given to recovery of occupancy rates, referring to contract cases in the neighborhood. 	<p>End of 11th FP (Oct. 2021) Occupancy rate 85.0%</p>

44% of the leasing area for 11th FP (4,846 sqm) has been pre-agreed

Note: The area shown in "Portfolio Update (Office)" is the figure for the quasi co-ownership.

After acquisition of Assets to be Acquired



Avg. appraisal NOI/after dep. yield

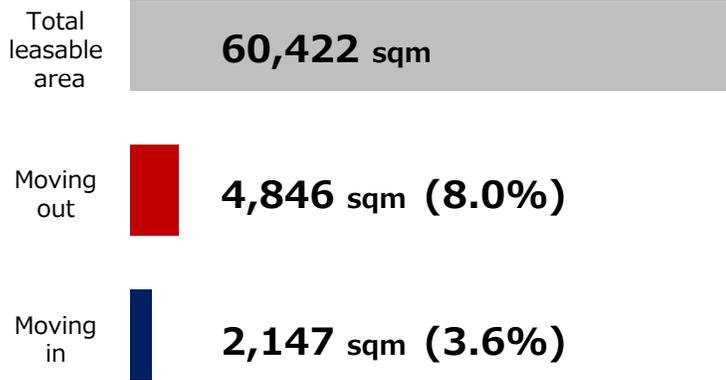
4.6% / 3.9%

- **Large-scale office 74.0%**
(based on acquisition price)
- **Average rent of large-scale offices in greater Tokyo area 16,360 per tsubo**
(as of the end of September 2021)
- **Utility assets 2 properties**
 - My Square Building (rent increase +25.2%)
 - TCA Building (rent increase +2.7%)

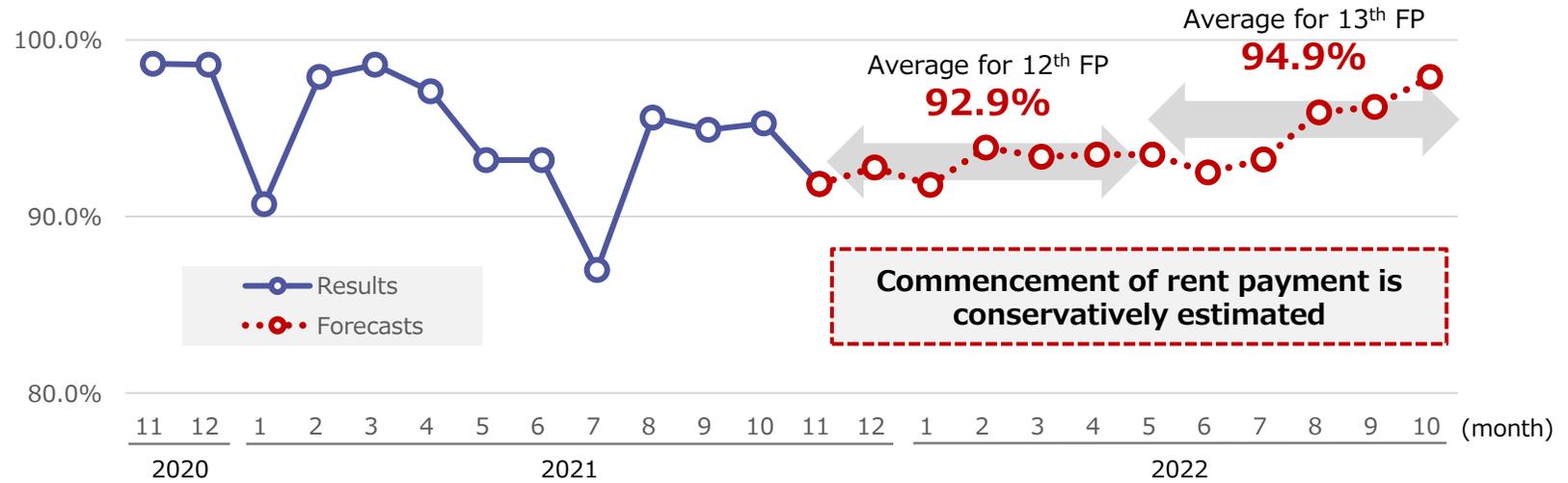
Portfolio Update (Office 2/2)

Overview of Large-scale Offices

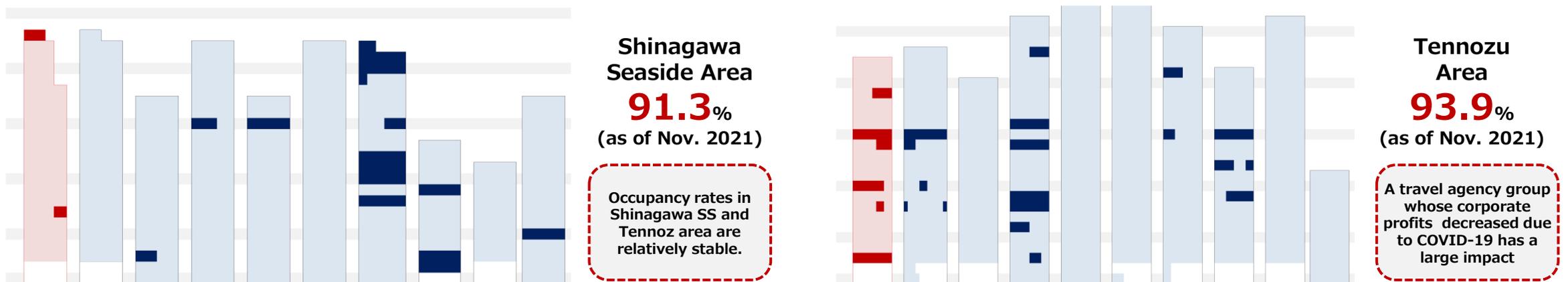
May ~ November 2021
("Moving in" is the sum of contracts and applications)



Occupancy Rates for Large-scale Offices (based on rent) (Note 1)



(Reference) Occupancy Rates in Shinagawa Seaside and Tennozu Area (Note 2)



Note 1: This is the ratio of the total monthly rent to the total estimated monthly rent at the time of future full occupancy of each property as of December 13, 2021.
 Note 2: Indicates a comparison against competing properties in the area. The figures are based on the Asset Manager's research and may differ from the actual figures.

Portfolio Update (Retail)

AEON Kasai



- April 2020: Basic agreement on renovation work and contract extension for major renewal.
- December 2021: Conclusion of a fixed-term lease for more than 15years.
- Some tenants, such as pet stores and 100yen-shops, are being replaced on the AEON side prior to the major renewal.

**Maintaining stable performance, especially in supermarkets, even during COVID-19 pandemic/
As the long-term lease is concluded, preparations for major renewal in September 2023 are in full swing**

Shibuya World East Building



- Although some visit type tenants continue to struggle, others haven't moved out with an eye on post-COVID-19 due to the scarcity of the location.
- Demand for billboard advertising is increasing as the pedestrian traffic recovers.

Pedestrian traffic on recovery trend towards Post-COVID-19

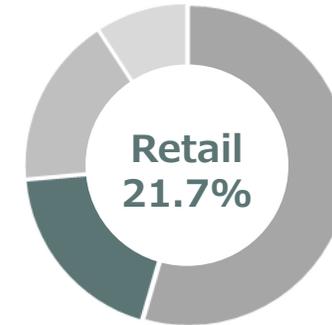
MI Cube Sendai Clisroad



- Successfully persuaded drugstore and restaurant tenants to stay despite negotiation for a rent reduction with a possibility of cancellation given the bustling area and the expectation of post-COVID-19 reactionary consumption.
- Pedestrian traffic in the shopping district is recovering.

Continued full occupancy in urban type asset that had a significant impact of COVID-19

After acquisition of Assets to be Acquired



10 properties
35.7 B yen

Avg. appraisal NOI/after dep. yield

4.7% / **3.9%**

- **Urban** **20.8%**
- **Neighborhood type** **79.2%**
(Based on acquisition price)
- **Utility assets** **2 properties**
 - Shibuya World East Building
 - MI Cube Sendai Clisroad

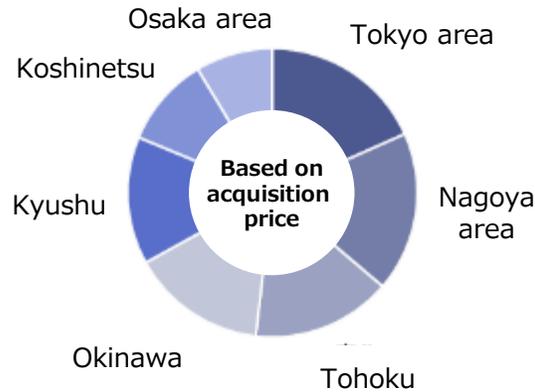
Portfolio Update (Hotel 1/2)

Number of rooms
1,990

Average remaining term
8.5 years

Fixed-rent properties
10/13

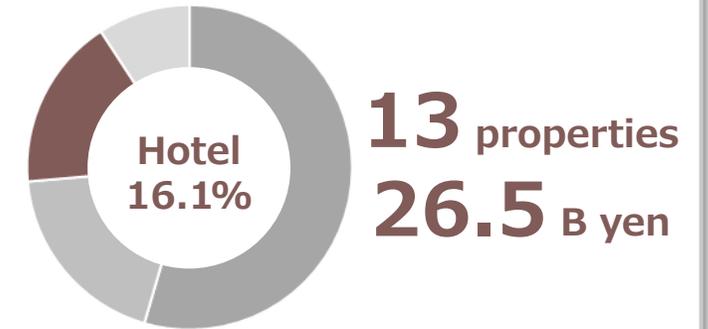
Area diversification



Operator group diversification



After acquisition of Assets to be Acquired

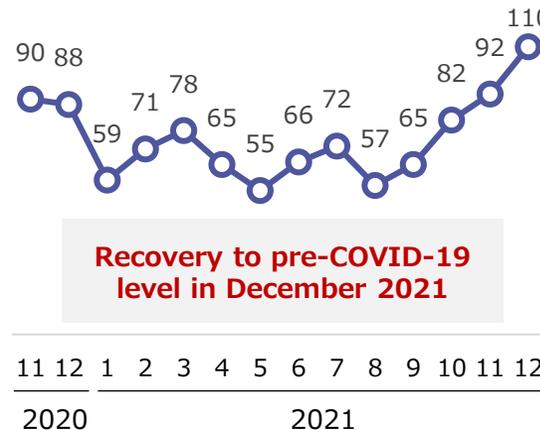


Avg. appraisal NOI/after dep. yield
4.7% / 3.8%

- Although overall occupancy rates declined due to the impact of COVID-19, **regional hotels that capture business travel demand**, such as “Comfort Hotel Kitakami”, maintained **occupancy rate of around 70-80%**.
- Hotels with variable rent continue to face difficult occupancy conditions, but **Smile Hotel Naha City Resort is offered as an accommodation facility for COVID-19 patients (Oct. 2021 - Mar. 2022)**.
- Conducting monthly interviews with each operator on its detailed operational status and financial position. Implementing measures such as capital raising to reduce the risk of bankruptcy.

RevPAR of regional hotels (Note)

(compared to the same month pre-COVID-19/%)



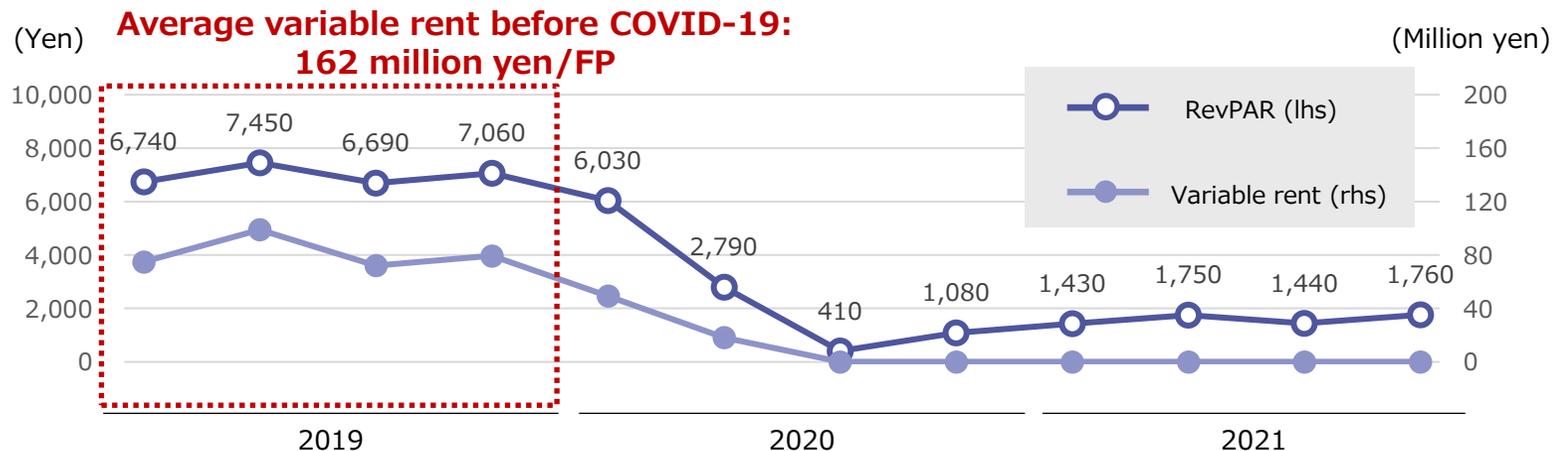
- **Hotels with fixed-rent** in major regional cities supported by solid business travel demand **59.5%** (based on rent)
- **Hotels with variable rent in addition to minimum guarantee** in cities with tourist sites that offer upside **40.5%** (based on acquisition price)
- Operators are more motivated to capture recovery demand as 5th wave of COVID-19 pandemic subsides, and they plan to revise their operation targets upward.

Note: For "RevPAR of regional hotels", the figures are the weighted average of the hotels owned by MIRAI for which RevPAR is disclosed, except for hotels in greater Tokyo, greater Osaka, greater Nagoya, as well as Fukuoka and Okinawa Prefectures, by the number of available rooms for sale. The figures for January 2021 and thereafter are comparisons with the same month of 2019.

Portfolio Update (Hotel 2/2)

Performance of Hotels with Variable Rent ^(Note)

Property		May – Jul. 2021	YoY	Aug. – Oct. 2021	YoY
Naha	ADR	4,320 yen	52%	5,270 yen	57%
	OCC	19%	23%	34%	41%
	RevPAR	810 yen	12%	1,770 yen	23%
Hakataeki-mae	ADR	2,950 yen	33%	2,940 yen	35%
	OCC	63%	71%	73%	85%
	RevPAR	1,850 yen	24%	2,150 yen	30%
Nagoya-Sakae	ADR	3,900 yen	64%	4,260 yen	69%
	OCC	54%	58%	34%	35%
	RevPAR	2,100 yen	37%	1,430 yen	24%



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

Future Contract Renewals



Ise City Hotel Annex

Acquisition price: 1,800 million yen
NOI: 43 million yen (11th FP)
Number of rooms: 143



Comfort Hotel Nagano

Acquisition price: 580 million yen
NOI: 15 million yen (11th FP)
Number of rooms: 76

- Contract expiration date arrives in December 2022 (Operator: Greens).
- There are several operators who are willing to open new stores because the area is expected to capture business travel and domestic tourism demand, which is expected to recover quickly post-COVID-19, while there are few competitors in these areas.
- Positive discussions underway with multiple potential operators, including current tenants, with the aim of maximizing the leasing terms.
- After re-signing the contract, MIRAI will consider additional measures to improve the value of the property.

Section 4.
Financial Summary & Performance

Financial Summary

12th FP: Impact of PO dilution offset by asset acquisitions; DPU at same level as pre-PO

13th FP: 2.2% increase in stabilized DPU due to PO/Conservative assumption of 0 variable hotel rent

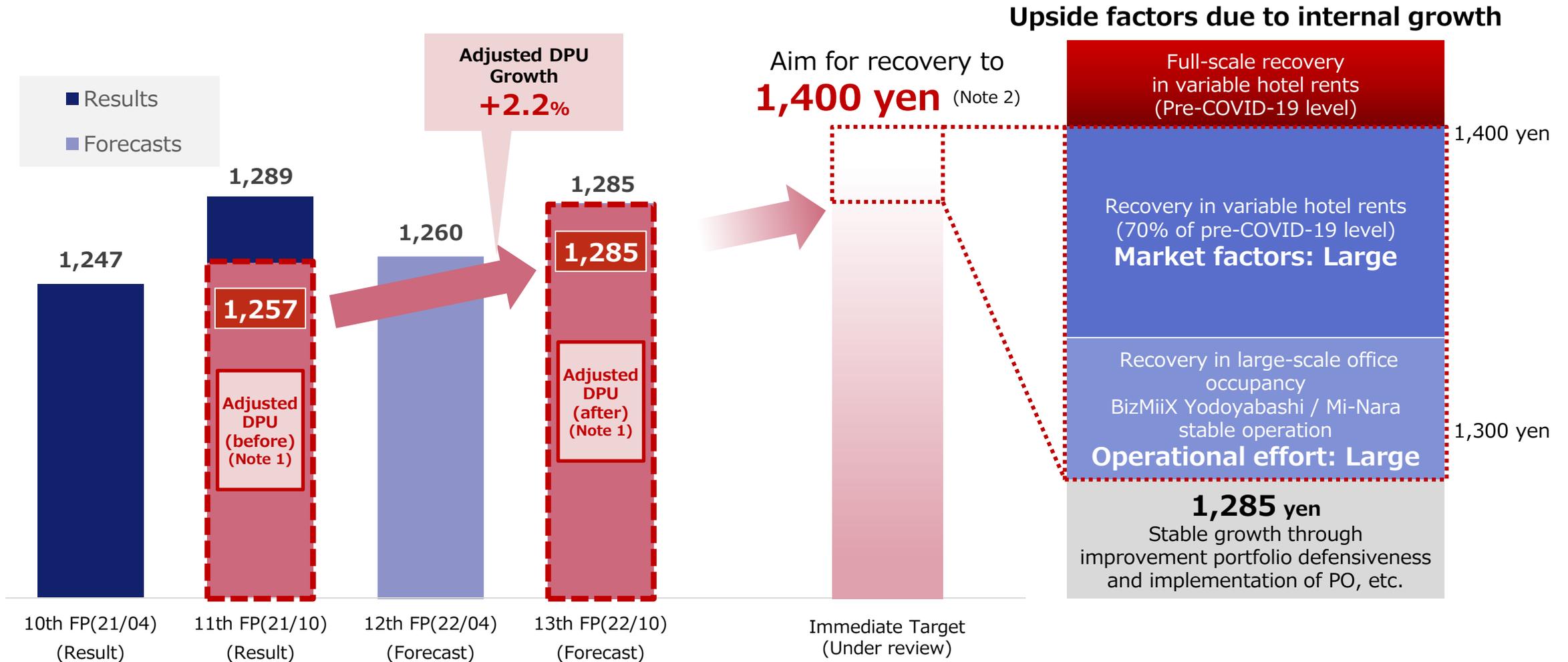
		11 th FP (21/10) Results (A)	12 th FP (22/4) Forecasts ^(Note1) (B)	Changes (B) - (A)	13 th FP (22/10) Forecasts ^(Note1) (C)	Changes (C) - (B)
Operating revenue	million yen	5,113	5,178	64	5,366	188
Lease business revenue	million yen	5,113	5,178	64	5,366	188
Gain on sales of real estate	million yen	-	-	-	-	-
Operating expenses	million yen	1,582	1,471	(111)	1,580	109
NOI	million yen	3,531	3,706	175	3,785	78
Depreciation	million yen	609	635	25	660	25
General administrative expenses	million yen	524	531	7	559	28
Net profit	million yen	2,143	2,232	89	2,275	42
DPU	yen	1,289	1,260	(29)	1,285	25
Capex	million yen	443	643	200	613	(29)
LTV (Note2)	%	48.8	48.7	(0.1)	48.7	-

Note 1: This forecast is calculated based on certain assumptions as of December 13, 2021 and subject to change due to conditions such as change in rent income through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecast should not be construed as guarantee of DPU.

Note 2: LTV=Outstanding interest-bearing debt/Total assets.

Distributions per Unit (DPU)

Steady progress for post-COVID-19 recovery to 1,400yen level

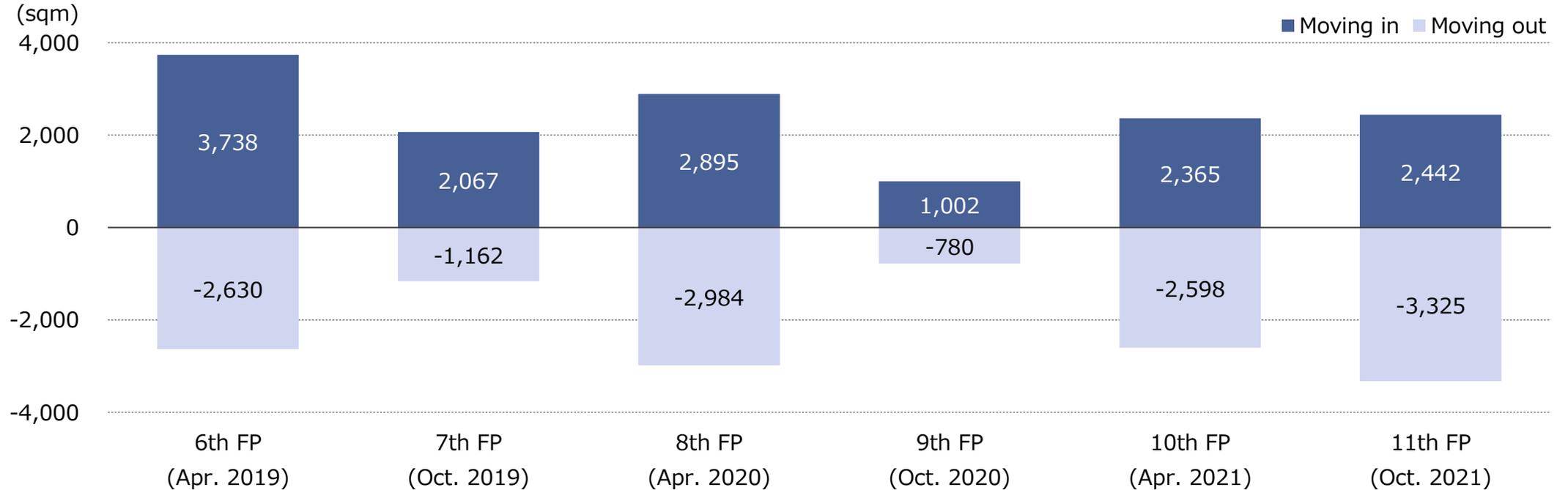


Note1: These figures show estimated DPU after adjustment of the actual figure for 11th FP and the forecast for 13th FP announced on December 13, 2021, excluding one-off income due to tenant move-outs, impact of the Fixed Asset and City Planning Taxes and temporary factors due to step-up rents, etc., for the Assets to be Acquired. For details, please refer to "Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2022 and Summary of Forecasts for the Fiscal Period Ending October 31, 2022".

Note2: The immediate target of DPU (under review) is calculated based on certain assumptions as of January 24, 2022 and subject to change due to conditions such as change in rent income through tenant turnovers, acquisition and disposition of assets, and additional unit issuance. The forecast should not be construed as guarantee of DPU.

Internal Growth: Tenant Replacement

Moving in & out (Offices and Urban Retail Assets)

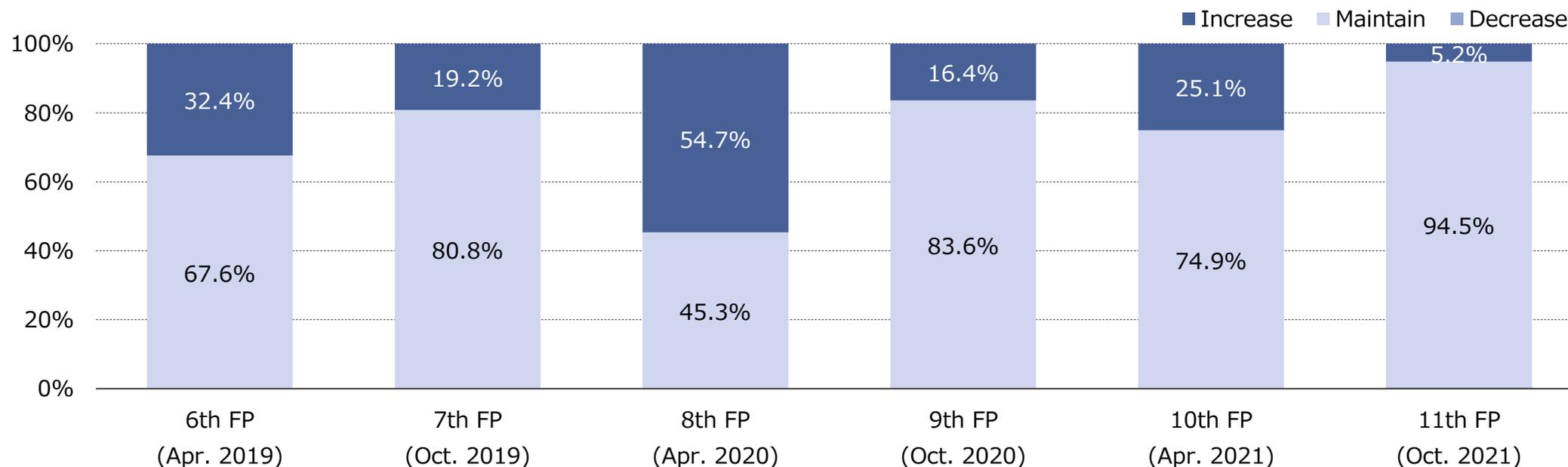


Occupancy rate at end of period	99.6%	100.0%	99.8%	96.2%	98.1%	97.8%
Impact to occupancy rate	+0.4pp	+0.3pp	(0.0pp)	+0.1pp	(0.1pp)	(0.3pp)
Increase/decrease in rent (Note)	23 million yen	35 million yen	6 million yen	16 million yen	6 million yen	(34 million yen)

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

Internal Growth: Contract Renewal

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



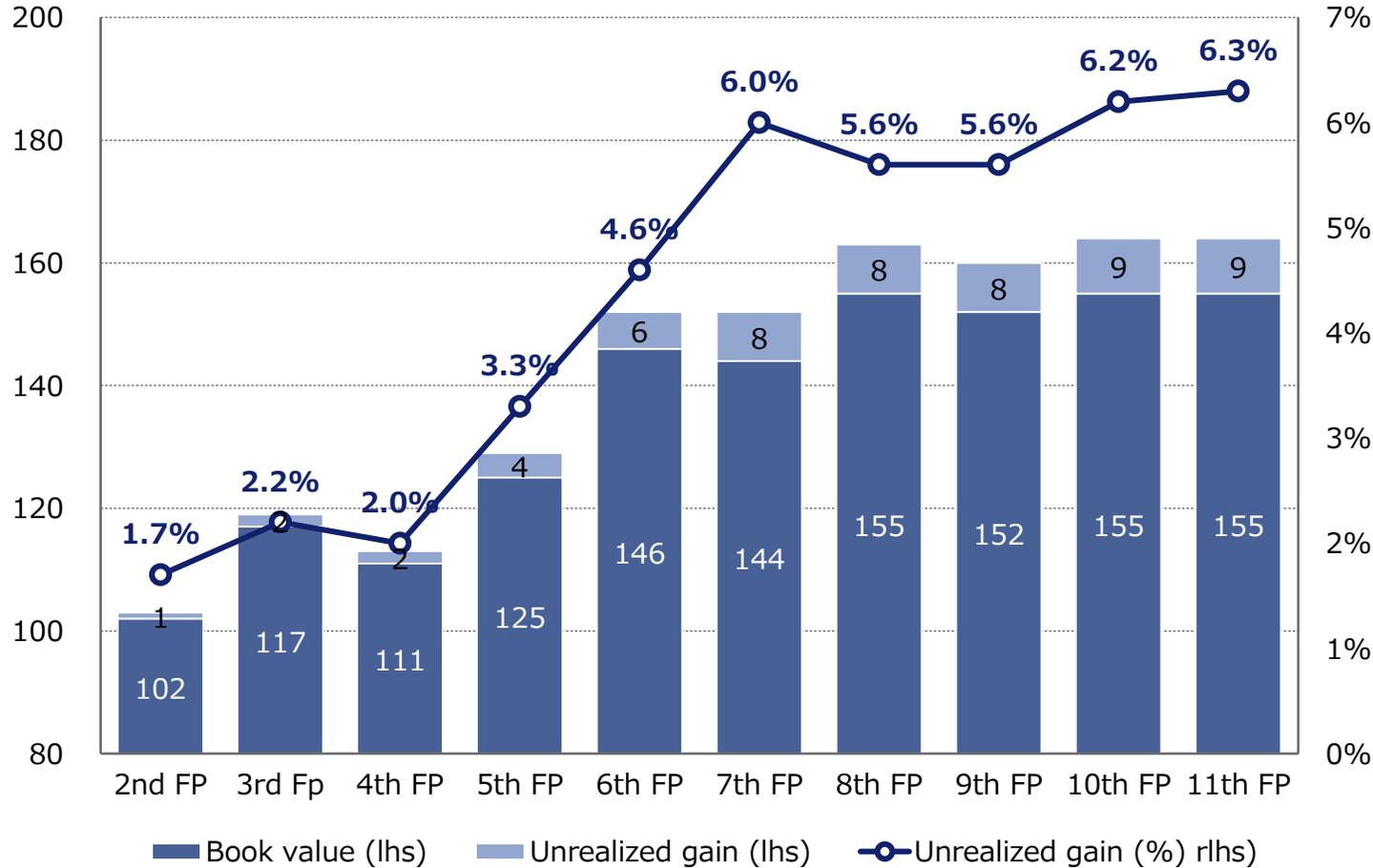
Contract renewal area	10,639sqm	13,886sqm	13,664sqm	20,807sqm	10,840sqm	15,141sqm
Rent increase/decrease ratio	+1.8%	+1.8%	+4.4%	+1.8%	+4.0%	+0.1%
Increase in rent (Note)	5 million yen	7 million yen	16 million yen	10 million yen	11 million yen	0 million yen

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

Changes in Appraisal Value

Appraisal Value / Unrealized Gain

(billion yen)



Changes for Asset Type

(billion yen)

	10 th FP	11 th FP	Changes	
Office	90.8	90.8	0	+0.0%
Retail	30.8	30.8	(0)	(0.0%)
Hotel	27.9	27.9	0	+0.0%
Others	15.6	15.7	0	+0.3%
Total	165.3	165.3	0	+0.0%

Section 5.
Finance, IR & ESG Initiatives

Financial Activities (1/2)

Lengthening duration and increasing fixed-rate ratio through green financing and corporation bond issuance

Issuance of Investment Corporation Bonds

- This is the first 15year bond as an investment corporation with -A+ (JCR) rating, and the creditworthiness of MIRAI is highly regarded.

Bond name	Issuance date	Amount	Interest rate	Term to maturity
#3 bond	September 28, 2021	2 billion yen	0.700%	10 years
#4 bond		1 billion yen	0.980%	15 years

First Green Finance

- Plan to promote ESG and further diversify funding sources

Bond name/Lender	Issuance/borrowing date	Amount	Interest rate (Note)	Term to maturity
#5 bond	November 30, 2021	1.2 billion yen	0.700%	10 years
Mizuho Bank		1.5 billion yen	0.399%	4 years 11 months
		3.3 billion yen	0.462%	7 years
		4.0 billion yen	0.509%	8 years

Note: If the interest rate fluctuates, it is stated the figure fixed by an interest rate swap, etc.

Outline of the Loan

Lender	Borrowing date	Amount	Interest rate (Note)	Term to maturity
MUFG Bank	January 12, 2022	1 billion yen	0.380%	3 years
Shinsei Bank		1 billion yen	0.430%	5 years
SMTB		1 billion yen	0.380%	5 years
SMBC	March 25, 2022	1 billion yen	0.479%	7 years
Mizuho Bank		1 billion yen	Base rate +0.330%	7 years
Resona Bank		0.3 billion yen	Base rate +0.310%	7 years
Total/Average		5.3 billion yen	0.42%	5.4 years

Debt financing from September 2021

Total amount
19.8 billion yen

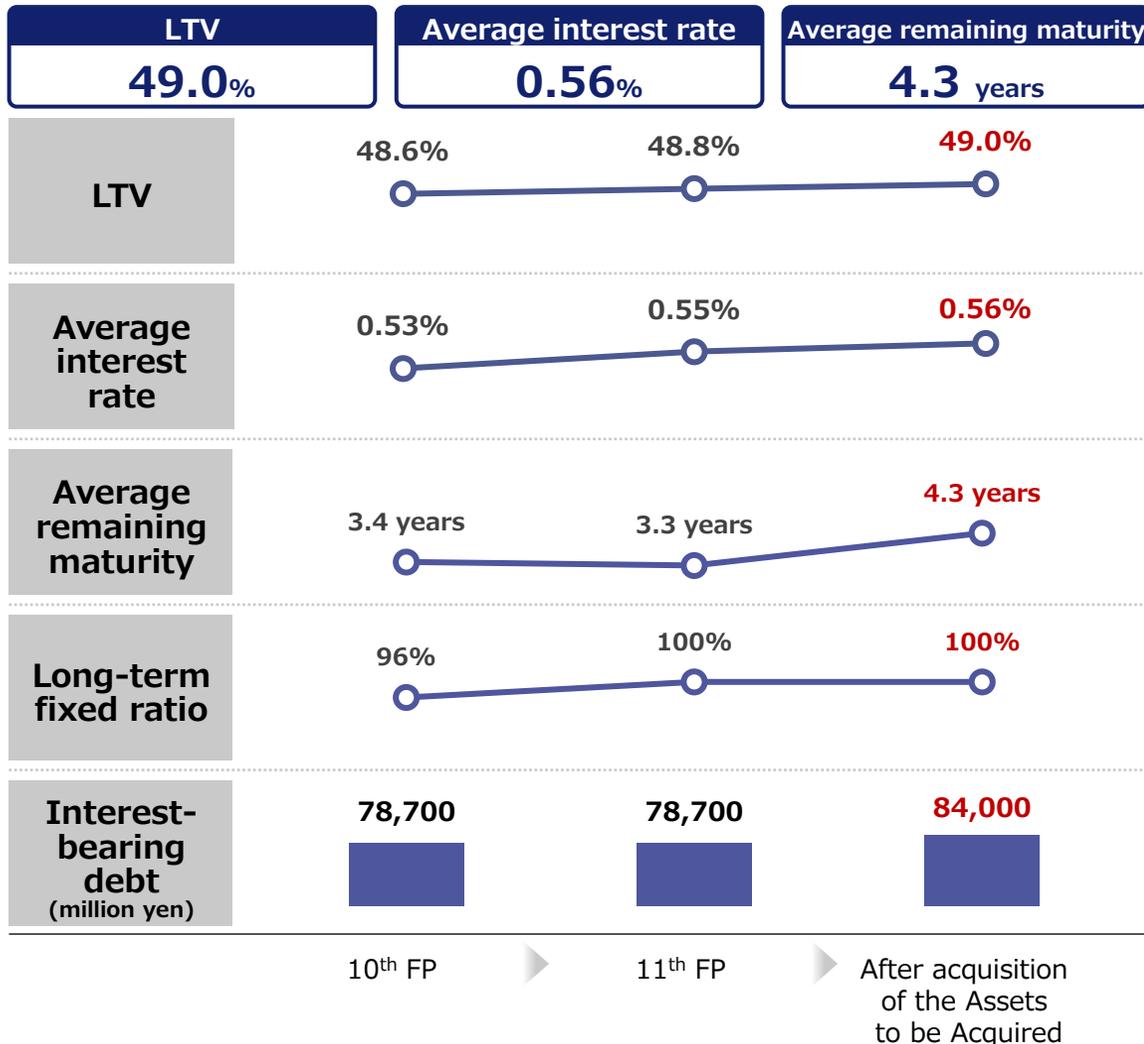
Term to maturity
7.2 years

Interest rate
0.51%

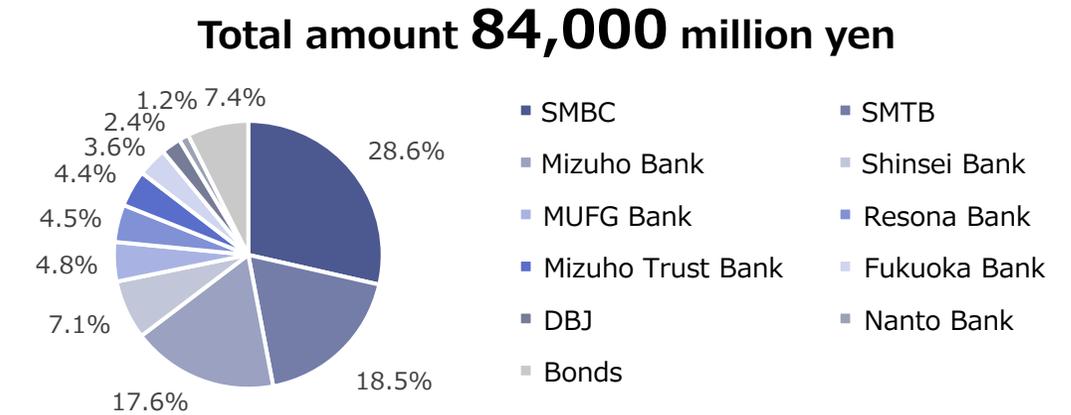
Financial Activities (2/2)

Maintain stable financial base backed by the creditworthiness of Mitsui & Co.

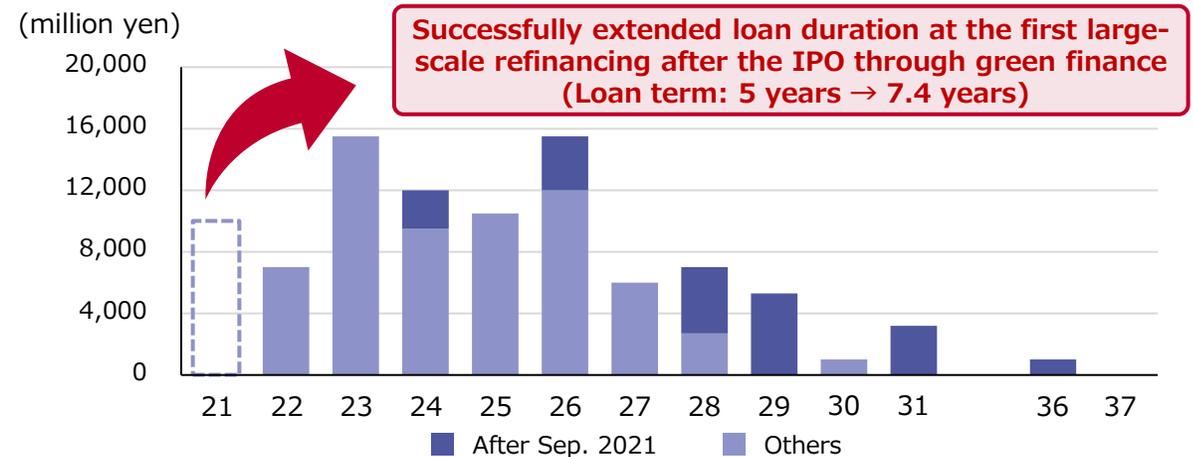
Financial Highlights



Diversified Funding Source



Debt Maturity Ladder



Inclusion in Global Index

Expectations for increased liquidity and expansion of investor base through inclusion in global indexes

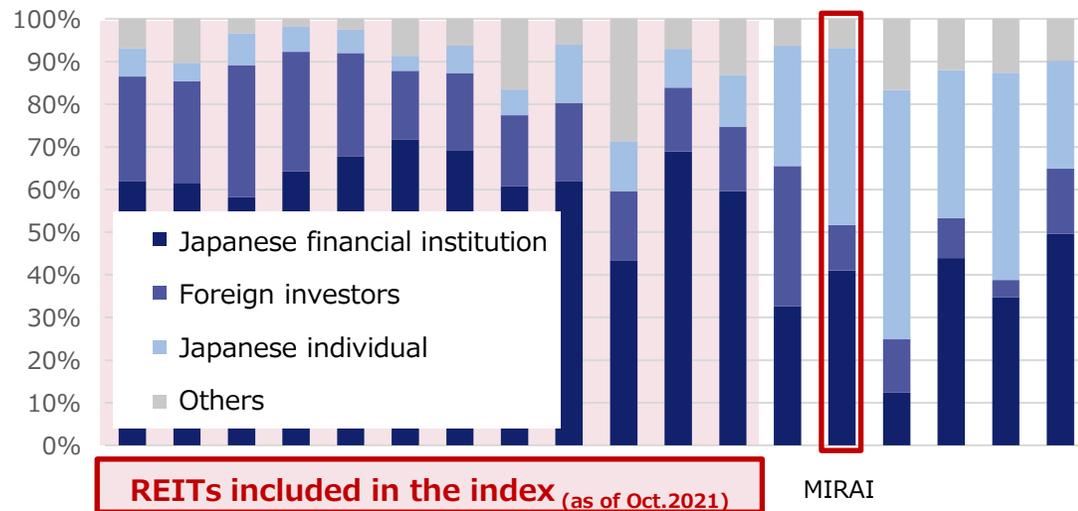


EPRA Nareit Overview

- One of the world's leading international real estate investment indices, comprising of listed real estate stocks and REITs from around the world.
- The main eligibility requirements for index inclusion are market capitalization of floating stocks and preparation of annual reports in English.

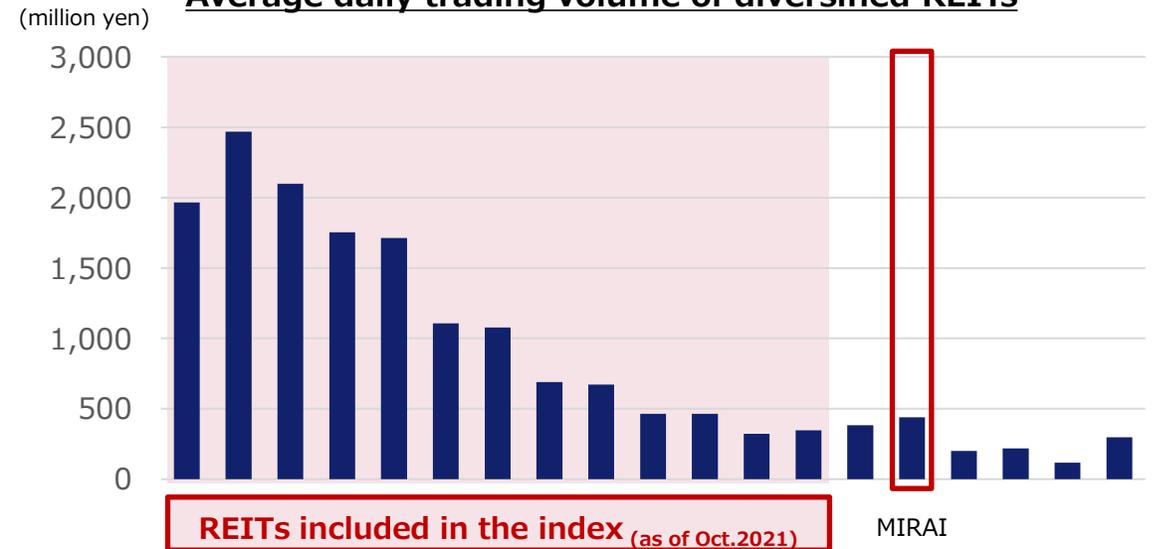
- In the Quarterly Review of EPRA Nareit which was released December 21, 2021, MIRAI was newly selected to be included in the index.

Unitholder composition of diversified REITs



big In order of market capitalization small

Average daily trading volume of diversified REITs



big In order of market capitalization small

Note 1: The term "diversified REITs" refers to a listed J-REIT that stipulates 3 or more asset class of real estate as its primary investment targets in its disclosed articles of incorporation or annual report, or a listed J-REIT that does not limit the primary use of real estate in which it invests. The same shall apply hereinafter.

Note 2: "Average daily trading volume" refers to the average daily trading volume for the 6 months from May 6, 2021 to October 29, 2021.

ESG Initiatives (1/3)

First participation in GRESB real estate assessment / First Green Finance

GRESB Real Estate Assessment

- **MIRAI participated in GRESB Real Estate Assessment from 2021**, an annual benchmark assessment that measures environmental, social and governance considerations in the real estate sector.
- MIRAI has earned **“2 Stars”** in GRESB Rating based on relative evaluation of the overall score. It also has earned **“Green Star”** by achieving high performance both in “Management Component” that evaluates policies and organizational structure for ESG promotion, and “Performance Component” that assesses environmental performance and tenant engagement of owned assets



- Aim to continue to improve the rating by actively promoting various sustainability measures in accordance with the “Basic Sustainability Policy” formulated by the asset manager.

Green Finance

- Formulated a framework and implemented the **first green finance (green loans and green bonds)** in 2021.

Green Finance Eligibility Criteria

1. Assets that have achieved a certain level of environmental certification
Examples: DBJ Green Building Certification 3 star or higher, etc.
2. Facility renovation work for meaningful environmental improvements
(Projects that are expected to result in a 30% improvement over the previous year)



Shinjuku Eastside Square



Shinagawa Seaside Parktower



Tokyo Front Terrace



Rokko Island DC

Total amount of eligible green projects	48,877 million yen
LTV	48.8%
Upper limit of green finance	23,858 million yen
Total amount of green finance	5,200 million yen

(As of the end of November 2021)

ESG Initiatives (2/3)

Identified materiality and ongoing contributions to the local community

Materiality and SDGs

- MIRAI and the Asset Manager have identified materiality in order to realize sustainable society as part of our corporate social responsibility, while recognizing the importance of considerations for ESG.

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

Contributions to the Local Community

Smile Hotel Naha City Resort



- Provide the asset as a lodging facility for people with mild cases of the COVID-19 (October 11, 2021 to March 31, 2022)
- Okinawa Prefecture, which was hit hard by 5th wave of COVID-19 pandemic, is strengthening medical system in preparation for risk of resurgence of infection over the year-end and new year holidays.



Mi-Nara



- Offering part of the store space as a vaccination site

ESG Initiatives (3/3)

Promote initiatives to introduce renewable energy and collaborate with tenants

Shift to Renewable Energy

Studying the transition timing based on the cost impact

- Electricity contracts have already been concluded with an emphasis on cost, and there is **concern that an immediate switch to renewable energy will increase costs.**
- MIRAI is currently searching for suppliers of renewable energy and investigating cost prospects, while also utilizing the support of Mitsui's electric power unit. MIRAI plans to **consider switching to renewable energy balance between environmental impact and cost is achieved.**

Shinjuku Eastside Square



- Shinjuku Eastside Square switches to electricity derived from 100% renewable energy
- Effect of switching (estimated)

Annual **19,000** t-CO2 reduction
(Entire property)

Efforts to Collaborate with Tenants

Dissemination of ESG information on AUM



Promote initiatives to disseminate ESG-related information to tenants in assets under management.

<Cases>

- Distribution of the Sustainability Guide
- Display posters for environmental certification
- Airing of ESG-related videos on monitors in front of elevators

Cooperation in projects to train foreign nurses



- Tokyo Eiseigakuen Senmongakko begins studying new project to train foreign nurses.
- Support this initiative from the perspective of respecting the rights of foreign workers in business activities, and specific procedures are undertaken.

Disclaimer

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

Percentage figures are rounded off to the first decimal place.

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