

December 10, 2019

For Immediate Release

Real Estate Investment Trust:

MIRAI Corporation

Michio Suganuma, Executive Director

(Securities Code: 3476)

Asset Management Company:

Mitsui Bussan & IDERA Partners Co., Ltd.

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Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

MIRAI Corporation (hereinafter “MIRAI”) announces that a resolution was passed at a meeting of its Board of Directors held on December 10, 2019 to issue new investment units and conduct the secondary offering of investment units. Details are as follows.

1. Issue of new investment units (public offering)

(1) Number of investment units to be offered : 76,500 units

(2) Paid-in amount : Not yet determined

The amount will be determined at a meeting of the Board of Directors of MIRAI to be held on a date between December 18, 2019 (Wednesday) and December 24, 2019 (Tuesday) (hereinafter the “Pricing Date”) in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Marketable Securities stipulated by the Japan Securities Dealers Association.

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

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

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

Note: This press release is a document that will be released publicly relating to the issue of new investment units of MIRAI and the sale of investment units and is not prepared for the purpose of solicitation for investment. Before initiating investments, MIRAI asks investors to ensure that they refer to the prospectus for the issuance of new investment units and the secondary offering of investment units and amendments thereto prepared by MIRAI, and that they undertake investment at their own discretion and responsibility.

- (5) Total amount of issue value (offer price) : Not yet determined
- (6) Offering method : In the form of the public offering, all the Investment Units will be purchased and underwritten by underwriting companies (hereinafter the “Underwriters”), with Nomura Securities Co, Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co, Ltd., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as the joint lead managers (hereinafter the “Joint Lead Managers”). Nomura Securities Co, Ltd. and SMBC Nikko Securities Inc. are the joint book runners.
- (7) Details of the underwriting agreement : The Underwriters shall pay the same amount as the total paid-in amount in the public offering to MIRAI on the payment date stated in (10) below, and the difference between such amount and the total amount of issue value in the public offering will be the net proceeds of the Underwriters. MIRAI will not pay underwriting fees to the Underwriters.
- (8) Unit for subscription : One unit or more in multiples of one unit
- (9) Subscription period : From the business day immediately following the Pricing Date to the second business day following the Pricing Date
- (10) Payment date : Any date between December 24, 2019 (Wednesday) and December 30, 2019 (Monday). However, it shall be the fourth business day immediately following the Pricing Date.
- (11) Settlement date : The business day immediately following the payment date stated in (10) above.
- (12) The paid-in amount, the issue price and other matters necessary for the issue of new Investment Units will be determined at a meeting of the Board of Directors of MIRAI to be held in the future.
- (13) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.

2. Secondary offering of Investment Units by over-allotment (please see <Reference> 1. below)

- (1) Number of investment units to be offered : 4,100 units
The number of Investment Units for secondary offering shows the upper limit. The number of Investment Units for secondary offering will be determined at a meeting of the Board of Directors of MIRAI to be held on the Pricing Date, taking into consideration demand conditions of public offering and other factors. The number of Investment Units for secondary offering may be reduced depending on the status of demand for the public offering, etc., or the secondary offering by over-allotment itself may be cancelled entirely.
- (2) Seller : Nomura Securities Co., Ltd.
- (3) Selling price : Not yet determined
It will be determined on the Pricing Date. The secondary offering price shall be the same as the issue price in the public offering.
- (4) Total selling price : Not yet determined

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- (5) Selling method : Nomura Securities Co., Ltd, a book runner of the public offering, will carry out the secondary offering of the Investment Units that is to be borrowed from a unitholder of MIRAI with 4,100 units as the upper limit, taking into consideration of the demand conditions and other factors of the public offering.
- (6) Unit for subscription : One unit or more in multiples of one unit
- (7) Subscription period : Same as the subscription period for the public offering
- (8) Settlement date : Same as the Settlement date for the public offering
- (9) The selling price and other matters necessary for the secondary offering of Investment Units will be determined at a meeting of the Board of Directors of MIRAI.
- (10) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.

3. Issue of new Investment Units through a third-party allotment (please see <Reference> 1. below)

- (1) Number investment units : 4,100 units
to be offered
- (2) Paid-in amount : Not yet determined
To be determined at a meeting of the Board of Directors of MIRAI to be held on the Pricing Date. The paid-in amount will be same as the paid-in amount of the public offering.
- (3) Total paid-in amount : Not yet determined
- (4) Allottee : Nomura Securities Co., Ltd.
- (5) Unit for subscription : One unit or more in multiples of one unit
- (6) Subscription period : January 20 (Monday), 2020
- (7) Payment date : January 21 (Tuesday), 2020
- (8) The issue of Investment Units for which no subscription is submitted by the subscription period stated in (6) above will be cancelled.
- (9) The paid-in amount and other matters necessary for the issue of new Investment Units will be determined at a meeting of the Board of Directors of MIRAI to be held in the future.
- (10) The above items are subject to the condition that the filing under the Financial Instruments and Exchange Act takes effect.

(Reference)

1. Secondary offering by over-allotment, etc.

The secondary offering by over-allotment is the selling of the Investment Units that Nomura Securities Co., Ltd., a book runner of the public offering, borrows from a unitholder of MIRAI, with 4,100 units as the upper limit, taking into consideration of the demand conditions and other factors of the public offering. Although the number of Investment Units for secondary offering by over-allotment is planned to be 4,100, this number of Investment Units for secondary offering may be reduced or the secondary offering by over-allotment itself may be cancelled entirely, depending on the demand conditions and other factors.

In relation to the secondary offering by over-allotment, in order to allow Nomura Securities Co., Ltd. to acquire the Investment Units needed to return the Investment Units borrowed from the above unitholder of MIRAI (the “Borrowed Investment Units”), MIRAI has resolved at its meeting of the Board of Directors held on December

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10, 2019 (Tuesday) to issue new Investment Units for 4,100 units through third-party allotment (hereinafter the “Third-Party Allotment”) to Nomura Securities Co., Ltd. as the allottee with the payment date being January 21, 2020 (Tuesday).

For the purpose of returning the Borrowed Investment Units, Nomura Securities Co., Ltd. may purchase the Investment Units up to the number of units for the secondary offering by over-allotment at the Tokyo Stock Exchange, Inc. (hereinafter the “syndicated cover transaction”) during the period from the day following the close of the subscription period for the public offering and the secondary offering by over-allotment to January 15, 2020 (Wednesday) (the “syndicated cover transaction period.”) All the Investment Units purchased by Nomura Securities Co., Ltd. through the syndicated cover transaction shall be used to return the Borrowed Investment Units. There may be cases in which Nomura Securities Co., Ltd. does not conduct the syndicated cover transaction at all or ends the syndicated cover transaction with the number of Investment Units that are smaller than the number of the Investment Units offered through the secondary offering by over-allotment, at its sole discretion during the syndicated cover transaction period.

Moreover, Nomura Securities Co., Ltd. may conduct stabilizing transactions in correlation with the public offering and the secondary offering by over-allotment. The Investment Units purchased through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Investment Units.

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

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

2. Changes in the total number of Investment Units issued due to the issue of new Investment Units

Current total number of Investment Units outstanding	1,581,640 units
Number of Investment Units to be issued through the public offering	76,500 units
Total number of Investment Units outstanding after the issuance of new Investment Units through the public offering	1,658,140 units
Number of Investment Units to be added associated with the Third-Party allotment	4,100 units (Note)
Total number of Investment Units outstanding after the Third-Party allotment	1,662,240 units (Note)

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

3. Reason for and Purpose of New Issuance

MIRAI aims to achieve solid expansion and diversification of its portfolio as well as further strengthening of revenue base through the acquisition of the specified assets (as defined in the Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations; the same shall apply hereinafter). The decision to issue new Investment Units was made taking into consideration of the current LTV ratio (ratio of interest-bearing debt to total asset), market trend as well as level of distribution and other factors.

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

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

¥4,646,509,400 (maximum)

(Note) The amount represents the sum of ¥4,410,148,500 of net proceeds MIRAI will receive from the public offering and the maximum amount of ¥236,360,900 MIRAI will receive from the Third-Party Allotment. These amounts are estimated based on the closing price of the Investment Units in a regular trading session at the Tokyo Stock Exchange, Inc. as of November 22, 2019 (Friday).

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

Net proceeds to be procured from the public offering will be used to fund part of the acquisition of “My Square Building”, “THINGS Aoyama” and “Tokyo Eiseigakuen Senmongakko” which are specified assets to be acquired listed in the press release in “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“My Square Building”, “THINGS Aoyama” and “Tokyo Eiseigakuen Senmongakko”)” dated today. In case there are any cash remaining, such the cash will be retained along with net proceeds from the Third-Party Allotment Option resolved on the same day of the resolution for the public offering as cash reserve to fund part of acquisition of specified assets or repayment of loans in the future.

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

5. Designation of distributed parties

Not applicable

6. Future Outlook

Please refer to the “Notice Concerning Revisions to Forecasts for the Fiscal Period Ending April 30, 2020 and Summary of Forecasts for the Fiscal Period Ending October 31, 2020” announced today.

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

(1) Operating results of the past three fiscal periods

	Fiscal period ended Oct. 31, 2018 (5 th FP)	Fiscal period ended Apr. 30, 2019 (6 th FP)	Fiscal period ended Oct. 31, 2019 (7 th FP) (Note 1)
Net profit per unit (Note 2) (Note 3)	¥1,440	¥1,437	¥1,563
Distributions per unit	¥5,668	¥5,745	¥1,563
Of which, distributions of earnings	¥5,668	¥4,501	¥1,481
Of which, distributions in excess of earnings	-	¥1,244	¥82
Actual payout ratio (Note 4)	100.0%	78.3%	94.7%
Net assets per unit (Note 2)	¥45,392	¥44,797	¥44,843

(Note 1) Figures for the fiscal period ended October 31, 2019 (the 7th fiscal period) have not been audited by an auditor as required by the Article 193-2, Section 1 of Financial Instruments and Exchange Act as of today.

(Note 2) Four-for-one investment unit split was implemented with April 30, 2019 as record date and May 1, 2019 as effective date. For net profit per unit and net asset per unit, it assumes that the investment unit split was implemented at the beginning of the fiscal period ended October 31, 2018 (the 5th fiscal period).

(Note 3) Net profit per unit is calculated by dividing the net profit by day weighted average number of investment units (1,334,159 units for fiscal period ended October 31, 2018 (the 5th fiscal period), 1,580,088 units for fiscal period ended April 30, 2019 (the 6th fiscal period) and 1,581,640 units for fiscal period ended October 31, 2019 (the 7th fiscal period)), assuming the investment unit split took place at the beginning of the fiscal period ended October 31, 2018 (the 5th fiscal period).

(Note 4) Actual payout ratio is calculated as below, rounded to the first decimal place.

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

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Actual payout ratios for the fiscal period ended April 2019 (the 6th fiscal period) and October 31, 2019 (the 7th fiscal period) are 100.0% if the following formula is used. Actual payout ratio = total distribution amount (including the distribution in excess of earnings) / net profit of the fiscal period *100

(2) Recent status of investment unit price

① Status in the last three fiscal periods (Note)

	Fiscal period ended October 2018 (5 th FP)	Fiscal period ended April 2019 (6 th FP)	Fiscal period ended October 2019 (7 th FP)
Opening price	¥184,300	¥178,100 □¥48,600	¥48,800
Highest price	¥199,700	¥203,200 □¥49,250	¥67,200
Lowest price	¥175,500	¥175,300 □¥48,100	¥48,200
Closing price	¥178,000	¥199,600 □¥48,950	¥63,500

(Note) A four-for-one investment unit split was implemented with April 30, 2019 as record date and May 1, 2019 as effective date. Investment unit was traded ex-right starting April 24, 2019 for investment unit split and □ shows ex-right investment unit price for fiscal period ended April 30, 2019.

② Status in the last six months

	July 2019	August	September	October	November	December
Opening price	¥52,400	¥56,600	¥56,800	¥64,000	¥63,500	¥61,500
Highest price	¥58,300	¥58,800	¥65,000	¥67,200	¥64,200	¥61,600
Lowest price	¥52,400	¥56,000	¥55,600	¥62,200	¥55,800	¥59,700
Closing price	¥56,500	¥56,600	¥64,100	¥63,500	¥61,400	¥60,900

(Note) Investment unit price as of December 9, 2019 is used on the above for December 2019.

③ Investment unit price on the business day immediately preceding day of resolution on issuance

	December 9, 2019
Opening price	¥61,400
Highest price	¥61,400
Lowest price	¥60,800
Closing price	¥60,900

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

• Public Offering

Issue date	May 23, 2018
Total procured amount	¥7,395,250,300
Paid-in amount	¥170,791
Number of Investment Units outstanding before the public offering	293,750 units
Number of Investment Units issued through the public offering	43,300 units
Number of Investment Units issued after the public offering	337,050 units
Intended usage of fund at the time of issuance	Part of acquisition funds of new specified assets
Original scheduled date of expenditure	May 23, 2018 or later
Current status	Entire amount has been used on the above scheduled timing of expenditure.

• Third-Party Allotment

Issue date	June 12, 2018
Total procured amount	¥368,908,560
Paid-in amount	¥170,791
Number of Investment Units outstanding before the public offering	337,050 units
Number of Investment Units issued through the public offering	2,160 units
Number of Investment Units issued after the public offering	339,210 units
Intended usage of fund at the time of issuance	Nomura Securities Co., Ltd.
Original scheduled date of expenditure	Part of acquisition of specified assets or repayment of loans in the future.
Current status	June 12, 2018 or later
Issue date	Entire amount has been used on the above scheduled timing of expenditure.

• Public Offering

Issue date	November 1, 2018
Total procured amount	¥8,965,583,500
Paid-in amount	¥167,581
Number of Investment Units outstanding before the public offering	339,210 units
Number of Investment Units issued through the public offering	53,500 units
Number of Investment Units issued after the public offering	392,710 units
Intended usage of fund at the time of issuance	Part of acquisition funds of new specified assets
Original scheduled date of expenditure	November 1, 2018 or later
Current status	Entire amount has been used on the above scheduled timing of expenditure.

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• Third-Party Allotment

Issue date	November 27, 2018
Total procured amount	¥452,468,700
Paid-in amount	¥167,581
Number of Investment Units outstanding before the public offering	392,710 units
Number of Investment Units issued through the public offering	2,700units
Number of Investment Units issued after the public offering	395,410units
Allottee	Nomura Securities Co., Ltd.
Intended usage of fund at the time of issuance	Part of acquisition of specified assets or repayment of loans in the future.
Original scheduled date of expenditure	November 27, 2018 or later
Current status	All net proceeds are retained as cash reserve. It will be used to fund part of the acquisition of specified assets listed in the press release “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“My Square Building”, “THINGS Aoyama”, “Tokyo Eiseigakuen Senmongakko”)” dated today.

8. Lock-up

- (1) With respect to the public offering, Mitsui & Co. Asset Management Holdings Ltd. and IDERA Capital Management Ltd. have agreed with Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. that they will not sell the Investment Units (except for lending of the Investment Units in line with the secondary offering by over-allotment, etc.) starting from the Pricing Date to 180 days from the settlement date of the Investment Units through the public offering without prior written consent of Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. have the authority to cancel all or part of the agreement at its sole discretion.
- (2) With respect to the public offering, MIRAI has agreed with Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. that it will not issue Investment Units (except for an issuance in the case of the public offering, the Third-Party Allotment and a split of Investment Units, etc.) and such starting from the Pricing Date to 90 days from the settlement date of the Investment Units through the public offering without prior written consent of Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. Nomura Securities Co., Ltd. and SMBC Nikko Securities Inc. have the authority to cancel all or part of the agreement at its sole discretion even during the period specified above.

(End)

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

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

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