

(REIT) Financial Report for the Fiscal Period ended October 31, 2017 (The 3rd Period)

December 11, 2017

Name of REIT issuer: MIRAI Corporation Stock exchange listing: Tokyo Stock Exchange
 Security code: 3476 URL: <http://3476.jp/en/>
 Representative: Michio Suganuma, Executive Director
 Name of asset manager: Mitsui Bussan & IDERA Partners Co.,Ltd.
 Representative: Michio Suganuma, Representative Director, President
 Contact: Takashi Ueno, Director, CFO
 TEL:+81-(0)3-6632-5950

Scheduled date for submission of securities report: January 31, 2018

Scheduled date for commencing dividend payments: January 11, 2018

IR Material: Will be posted on the website

IR Meeting: Will be held for institutional investors and securities analysts

(Figures are rounded down to the nearest million yen)

1. Performance for the Fiscal Period ended October 2017 (The 3rd period from May 1, 2017 to October 31, 2017)

(1) Operating Results (% represents change from the previous period)

Period ended	Operating Revenue		Operating Profit		Ordinary Profit		Net profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Oct. 31, 2017	3,375	40.9	1,662	29.9	1,520	46.6	1,520	46.7
Apr. 30, 2017	2,395	-	1,279	-	1,037	-	1,036	-

Period ended	Net Profit per Unit	Net Profit to Net Assets	Ordinary Profit to Total Assets	Ordinary Profit to Operating Revenue
	Yen	%	%	%
Oct. 31, 2017	5,174	2.9	1.3	45.1
Apr. 30, 2017	4,656	3.9	1.9	43.3

(Note 1) The number of days for the Fiscal Period ended April 30, 2017 is 181 days from November 1, 2016 to April 30, 2017, but the actual asset management period is 136 days from December 16, 2016 to April 30, 2017.

(Note 2) Net profit per unit is calculated by dividing net profit by the daily weighted average number of investment units (For the Fiscal Period ended October 31, 2017: 293,750units/ For the Fiscal Period ended April 30, 2017: 222,523units). Also, assuming that the beginning of the period is December 16, 2016 which is the commencement of actual asset management, net profit per unit for this period is 3,527 yen using 293,750 units as the weighted average number of units.

(2) Distributions

Period ended	Distributions per Unit (excluding distributions in excess of earnings)	Total Distributions (excluding distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Distributions in excess of earnings	Distributions per Unit (including distributions in excess of earnings)	Total Distributions (including distributions in excess of earnings)	Payout Ratio	Distributions to Net Assets
	Yen	Million yen	Yen	Million yen	Yen	Million yen		
Oct. 31, 2017	5,175	1,520	0	0	5,175	1,520	100.0	2.9
Apr. 30, 2017	2,524	741	736	216	3,260	957	71.5	1.8

(Note 1) Distributions in excess of earnings per unit amounted 736 Yen for the Fiscal Period ended April 30, 2017 is made from the allowance for temporary difference adjustment. There is no distribution by decreasing unitholders' capital on taxation.

(Note 2) Total Distributions (including distributions in excess of earnings) for the Fiscal Period ended April 30, 2017 is composed of distributions of net assets deducting unitholders' capital (excluding distributions in excess of earnings) at period-end and distributions of the allowance for temporary difference adjustment (distributions in excess of earnings) as deferred losses on hedges.

(Note 3) Payout Ratio = Total Distributions (excluding distributions in excess of earnings) / Net Income * 100
 Payout Ratio for the Fiscal Period ended April 30, 2017 is 92.4% using the Total Distributions (including distributions in excess of earnings).

(Note 4) Distributions to Net Assets are calculated based on Total Distributions (excluding distributions in excess of earnings).

(3) Financial Position

	Total Asset	Net Asset	Net Assets to Total Assets	Net Assets per Unit
Period ended	Million yen	Million yen	%	Yen
Oct. 31, 2017	123,015	53,293	43.3	181,424
Apr. 30, 2017	108,422	52,633	48.5	179,179

(4) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Period
Period ended	Million yen	Million yen	Million yen	Million yen
Oct. 31, 2017	3,587	(14,265)	12,048	5,082
Apr. 30, 2017	109	(99,080)	102,615	3,710

2. Forecasts for the Fiscal Period ending April 2018 (The 4th Period from November 1, 2017 to April 30, 2018) and the Fiscal Period ending October 2018 (The 5th Period from May 1, 2018 to October 31, 2018)

(% represents change from the previous period)

Period ended	Operating Revenue		Operating Income		Ordinary Income		Net Income		Distributions per Unit (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
Apr. 30, 2018	3,759	11.4	1,843	10.9	1,646	8.2	1,645	8.2	5,600	-
Oct. 31, 2018	3,760	0.0	1,825	(1.0)	1,645	(0.0)	1,644	(0.0)	5,600	-

(Reference) Forecasted Net Income per Unit (Forecasted Net Income / Forecasted Unit at end of period)

The Fiscal Period ending April 2018:

Forecasted Unit at end of period 293,750 units Forecasted Net Income per Unit 5,600 yen

The Fiscal Period ending October 2018:

Forecasted Unit at end of period 293,750 units Forecasted Net Income per Unit 5,600 yen

Others

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements due to corrections of errors

- | | |
|--|------|
| (i) Changes in accounting policies due to revisions to accounting standards | None |
| (ii) Changes in accounting policies other than (i) | None |
| (iii) Changes in accounting estimates | None |
| (iv) Restatement of prior period financial statements due to corrections of errors | None |

(2) Number of investment units issued and outstanding

(i) Number of investment units (including treasury units) issued and outstanding at the end of each period

As of Apr. 30, 2017: 293,750 units As of Oct. 31, 2017: 293,750 units

(ii) Number of treasury units issued and outstanding at end of period

As of Apr. 30, 2017: 0 unit As of Oct. 31, 2017: 0 unit

* Explanation on the financial audit

Audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act have not been completed as of December 11, 2017.

* Explanation on the appropriate use of forecasts and other notes

(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by MIRAI Corporation. (hereafter referred to as "MIRAI"), and the actual operating results and so on may differ significantly from that anticipated by MIRAI due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "Assumptions Underlying the Forecast for the Fiscal Period Ending April 30, 2018 and the Fiscal Period Ending October 31, 2018." on page 3.

Assumptions Underlying the Forecast for
the Fiscal Period Ending April 30, 2018 and the Fiscal Period Ending October 31, 2018.

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> The Fiscal Period Ending April 2018: November 1, 2017 to April 30, 2018(181days) The Fiscal Period Ending October 2018: May 1, 2018 to October 31, 2018(184 days) 																					
Operating Assets	<ul style="list-style-type: none"> The forecasts assume that MIRAI will acquire Nippo Hommachi Building, which is scheduled for new acquisition on the date agreed separately by the end of February, 2018 (hereafter referred to as “Asset to be Acquired”) and will dispose Shinagawa Seaside Park Tower (quasi co-ownership interest of 36.6%) scheduled for partial disposition on the end of February, 2018 or the date agreed separately (hereafter referred to as “Asset to be Disposed”) in addition to the real estate trust beneficiaries in a total of 17 properties (hereafter referred to as “Operating Assets”) held by MIRAI as of the released date of this document. The forecasts assume no acquisition of new property, disposition of existing property, or other change of the Operating Assets other than the acquisition of the Asset to be Acquired and the disposition of the Asset to be Disposed. In practice, this may change due to movements of investment assets. 																					
Total number of investment units issued	<ul style="list-style-type: none"> The forecasts assume 293,750 units outstanding as of the released date of this document. The forecasts assume that the total number of investment units issued will not change due to the issuance of new investment units, and so on, on or before October 31, 2018. 																					
Interest-bearing debt	<ul style="list-style-type: none"> The interest-bearing debt outstanding as of the released date of this document is 64,000 million yen, of which MIRAI will repay 10,000 million yen in short-term debt by the end of the Fiscal Period Ending April 2017 primarily by using part of the proceeds from the disposition of the Asset to be Disposed. The interest-bearing debt outstanding both as of April 30, 2018 and October 31, 2018 are expected to be 54,000 million yen. The LTV both as of April 30, 2018 and October 31, 2018 are expected to be approximately 48%. The calculation of the LTV uses the following formula. LTV = total amount of interest-bearing debt outstanding / total assets x 100 																					
Operating revenue	<ul style="list-style-type: none"> Revenue from the lease of Operating Assets held is calculated primarily by taking into account leasing contracts effective as of the released date of this document and trends in the real estate market (vacancy rates, rent levels, etc.). Revenue from the lease of the Asset to be Acquired is calculated primarily by taking into account information on trends in lease contracts provided by the current owner of the property, and so on, leasing contracts to be effective as of the scheduled date of acquisition of the Asset to be Acquired, and trends in the real estate lease market (vacancy rates, rent levels, etc.). MIRAI plans to dispose the Asset to be Disposed among the above “Operating Assets” by the end of the fiscal period ending April 30, 2018 and expects to receive 123 million yen in gain on disposition of real estate properties. 																					
Operating expense	<ul style="list-style-type: none"> Expenses for the lease business which are main operating expenses, other than depreciation, are calculated taking the historical expenses into account and reflecting variable factors on the expenses. Generally, the fixed asset tax, city planning tax, and depreciable property tax (hereafter referred to as “Fixed Asset and City Planning Taxes”) of assets to be acquired in the fiscal year of the acquisition are calculated by proportionally distributing the amount according to the period of ownership of MIRAI and the current owner, and are settled at the time of acquisition. However, because an amount equivalent to the settlement money is included in the acquisition cost, it is not expensed in the period to which the date of acquisition belongs. Repair expenses for buildings are calculated based on the repair plans developed by the asset manager of MIRAI, as the amount considered necessary in each business period, taking into account the engineering reports and appraisals. It should be noted, however, that the actual repair expenses in each fiscal period may differ considerably from the forecasts, mainly due to unexpected repair expenses that may be incurred for building damage and other unforeseeable factors, generally significant fluctuations in the amount of repair expenses from one fiscal period to another, and the nature of repair expenses whereby they do not arise on a regular basis. Depreciation including incidental expenses is calculated using the straight-line method. The breakdown of expenses for the lease business is as follows. <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: center;">The Fiscal Period Ending April 2018</th> <th style="text-align: center;">The Fiscal Period Ending October 2018</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services :</td> <td style="text-align: right;">220 million yen</td> <td style="text-align: right;">296 million yen</td> </tr> <tr> <td>Utilities expenses :</td> <td style="text-align: right;">296 million yen</td> <td style="text-align: right;">319 million yen</td> </tr> <tr> <td>Taxes and dues :</td> <td style="text-align: right;">268 million yen</td> <td style="text-align: right;">308 million yen</td> </tr> <tr> <td>Repair expenses :</td> <td style="text-align: right;">125 million yen</td> <td style="text-align: right;">61 million yen</td> </tr> <tr> <td>Other expenses for leasing business :</td> <td style="text-align: right;">193 million yen</td> <td style="text-align: right;">174 million yen</td> </tr> <tr> <td>Depreciation :</td> <td style="text-align: right;">400 million yen</td> <td style="text-align: right;">400 million yen</td> </tr> </tbody> </table> Other operating expenses (asset management fees, administrative servicing fees, etc.) are assumed at 415 million yen for the Fiscal Period Ending April 2018 and 372 million yen for the Fiscal Period Ending October 2018. 		The Fiscal Period Ending April 2018	The Fiscal Period Ending October 2018	Outsourcing services :	220 million yen	296 million yen	Utilities expenses :	296 million yen	319 million yen	Taxes and dues :	268 million yen	308 million yen	Repair expenses :	125 million yen	61 million yen	Other expenses for leasing business :	193 million yen	174 million yen	Depreciation :	400 million yen	400 million yen
	The Fiscal Period Ending April 2018	The Fiscal Period Ending October 2018																				
Outsourcing services :	220 million yen	296 million yen																				
Utilities expenses :	296 million yen	319 million yen																				
Taxes and dues :	268 million yen	308 million yen																				
Repair expenses :	125 million yen	61 million yen																				
Other expenses for leasing business :	193 million yen	174 million yen																				
Depreciation :	400 million yen	400 million yen																				

Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and borrowing-related expenses are assumed at 197 million yen for the Fiscal Period Ending April 2018 and 180 million yen for the Fiscal Period Ending October 2018.
Distributions per unit (Excluding distributions in excess of earnings)	<ul style="list-style-type: none"> Distributions per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy described in the Articles of Incorporation of MIRAI. The amount of distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors such as acquisitions and sales of assets, changes in rent income caused by tenant relocations, unexpected repairs incurred, and interest rate fluctuations. The forecasts assume continuous derivative transactions (interest rate swaps) during the fiscal period ending April 30, 2018 and the fiscal period ending October 2018, and deferred losses on hedges among the deductions from net assets (those specified in Item 30-B, Clause 2, Article 2 of the Calculation Rules for Investment Corporations) are expected to be 119 million yen, the same amount as that for the fiscal period ended October 31, 2017. The calculation assumes no change in the market value of interest rate swaps.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> As described above, no change in the amount of deferred losses on hedges as a deduction from net assets is assumed in the Fiscal Period Ending April 2018 and the Fiscal Period Ending October 2018, and distributions in excess of earnings related to the allowance for temporary difference adjustment are not scheduled at present. Distributions in excess of earnings by decreasing unitholders' capital on taxation are not scheduled at present.
Other	<ul style="list-style-type: none"> It is assumed that no revisions which may have impacts on the above projections are made to laws, regulations, taxation, accounting standards, listing rules, the rules of the Investment Trust Association, Japan, or others. Also, no unforeseeable significant changes in the general economic trends and real estate market conditions are assumed.

3. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of April 30, 2017	As of October 31, 2017
Assets		
Current assets		
Cash and deposits	2,149,050	3,527,917
Cash and deposits in trust	1,768,721	1,736,658
Operating accounts receivable	77,065	98,849
Prepaid expenses	61,240	89,413
Deferred tax assets	26	10
Consumption taxes receivable	1,794,514	128,463
Other	128	56
Total current assets	5,850,747	5,581,370
Non-current assets		
Property, plant and equipment		
Buildings in trust	22,008,596	25,334,508
Accumulated depreciation	(286,271)	(638,883)
Buildings in trust, net	21,722,324	24,695,625
Structures in trust	98,019	108,321
Accumulated depreciation	(3,275)	(7,533)
Structures in trust, net	94,744	100,788
Machinery and equipment in trust	130,465	132,961
Accumulated depreciation	(4,224)	(9,313)
Machinery and equipment in trust, net	126,241	123,647
Tools, furniture and fixtures in trust	1,276	5,447
Accumulated depreciation	(39)	(235)
Tools, furniture and fixtures in trust, net	1,237	5,212
Land in trust	80,325,654	92,082,594
Total property, plant and equipment	102,270,202	117,007,868
Intangible assets		
Software	2,935	2,615
Total intangible assets	2,935	2,615
Investments and other assets		
Long-term prepaid expenses	278,083	392,737
Guarantee deposits	10,000	10,000
Other	10,510	21,011
Total investments and other assets	298,593	423,749
Total non-current assets	102,571,732	117,434,233
Total assets	108,422,479	123,015,604

(Thousands of yen)

	As of April 30, 2017	As of October 31, 2017
Liabilities		
Current liabilities		
Operating accounts payable	196,438	387,145
Distribution payable	-	6,440
Short-term loans payable	7,000,000	10,000,000
Accounts payable - other	233,610	501,135
Accrued expenses	1,927	1,472
Income taxes payable	1,142	823
Advances received	440,407	489,743
Deposits received	12,759	990
Other	-	24
Total current liabilities	7,886,285	11,387,776
Non-current liabilities		
Long-term loans payable	44,000,000	54,000,000
Tenant leasehold and security deposits in trust	3,685,975	4,215,172
Derivatives liabilities	216,326	119,337
Total non-current liabilities	47,902,302	58,334,510
Total liabilities	55,788,588	69,722,286
Net assets		
Unitholders' equity		
Unitholders' capital	51,892,335	51,892,335
Deduction from unitholders' capital		
Allowance for temporary difference adjustment	-	(216,200)
Total deduction from unitholders' capital	-	(216,200)
Unitholders' capital	51,892,335	51,676,135
Surplus		
Unappropriated retained earnings (undisposed loss)	957,882	1,736,519
Total surplus	957,882	1,736,519
Total unitholders' equity	52,850,217	53,412,654
Valuation and translation adjustments		
Deferred gains or losses on hedges	(216,326)	(119,337)
Total valuation and translation adjustments	(216,326)	(119,337)
Total net assets	52,633,891	53,293,317
Total liabilities and net assets	108,422,479	123,015,604

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	Fiscal period ended April 30, 2017	Fiscal period ended October 31, 2017
Operating revenue		
Lease business revenue	1,948,569	2,677,453
Other lease business revenue	446,629	697,901
Total operating revenue	2,395,198	3,375,354
Operating expenses		
Expenses related to rent business	877,777	1,342,240
Asset management fee	198,717	296,801
Asset custody fee	2,700	3,750
Administrative service fees	7,784	11,894
Directors' compensations	3,000	3,696
Other operating expenses	25,265	54,637
Total operating expenses	1,115,244	1,713,019
Operating profit	1,279,954	1,662,334
Non-operating income		
Interest income	10	18
Interest on refund	-	4,596
Other	428	-
Total non-operating income	438	4,614
Non-operating expenses		
Interest expenses	85,446	119,039
Borrowing related expenses	25,577	27,006
Investment unit issuance expenses	126,992	-
Other	5,000	-
Total non-operating expenses	243,016	146,046
Ordinary profit	1,037,376	1,520,903
Profit before income taxes	1,037,376	1,520,903
Income taxes - current	1,144	826
Income taxes - deferred	(26)	15
Total income taxes	1,117	841
Profit	1,036,258	1,520,061
Retained earnings (deficit) brought forward	(78,375)	216,457
Unappropriated retained earnings (undisposed loss)	957,882	1,736,519

(3) Statement of Changes in Net Assets

The Fiscal Period ended April 2017 (The 2nd period from November 1, 2016 to April 30, 2017)

(Thousands of yen)

	Unitholders' equity			Valuation and translation adjustments		Total net assets	
	Unitholders' capital	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 current period	150,000	(78,375)	(78,375)	71,624	-	-	71,624
Changes of items during period							
Issuance of new investment units	51,742,335			51,742,335			51,742,335
Profit		1,036,258	1,036,258	1,036,258			1,036,258
Net changes of items other than owners' equity					(216,326)	(216,326)	(216,326)
Total changes of items during period	51,742,335	1,036,258	1,036,258	52,778,593	(216,326)	(216,326)	52,562,267
Balance at end of current period	51,892,335	957,882	957,882	52,850,217	(216,326)	(216,326)	52,633,891

The Fiscal Period ended October 2017 (The 3rd period from May 1, 2017 to October 31, 2017)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Capital surplus
Allowance for temporary difference adjustment		Total deduction from unitholders' capital		
Balance at beginning of current period	51,892,335	-	-	51,892,335
Changes of items during period				
Dividends of surplus				
Distributions in excess of net earnings from allowance for temporary difference adjustment		(216,200)	(216,200)	(216,200)
Profit				
Net changes of items other than owners' equity				
Total changes of items during period	-	(216,200)	(216,200)	(216,200)
Balance at end of current period	51,892,335	(216,200)	(216,200)	51,676,135

(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 current period	957,882	957,882	52,850,217	(216,326)	(216,326)	52,633,891
Changes of items during period						
Dividends of surplus	(741,425)	(741,425)	(741,425)			(741,425)
Distributions in excess of net earnings from allowance for temporary difference adjustment			(216,200)			(216,200)
Profit	1,520,061	1,520,061	1,520,061			1,520,061
Net changes of items other than owners' equity				96,988	96,988	96,988
Total changes of items during period	778,636	778,636	562,436	96,988	96,988	659,425
Balance at end of current period	1,736,519	1,736,519	53,412,654	(119,337)	(119,337)	53,293,317

(4) Distribution Information

(Yen)

	The Fiscal Period ended April 2017 (The 2nd period from November 1, 2016 to April 30, 2017)	The Fiscal Period ended October 2017 (The 3rd period from May 1, 2017 to October 31, 2017)
I Unappropriated retained earnings (undisposed loss)	957,882,863	1,736,519,741
II Addition of distributions in excess of earnings	216,200,000	-
Temporary difference adjustment	216,200,000	-
III Capitalization	-	96,937,500
Reversal of allowance for temporary difference adjustment	-	96,937,500
IV Distributions	957,625,000	1,520,156,250
[Distributions per unit]	[3,260]	[5,175]
Distributions of earnings	741,425,000	1,520,156,250
[Distributions of earnings per unit]	[2,524]	[5,175]
Temporary difference adjustment	216,200,000	-
[Distributions in excess of earnings per unit (attributable to temporary difference adjustment)]	[736]	[-]
V Retained earnings to be carried forward (retained loss)	216,457,863	119,425,991
Method of calculation of distributions	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 36 (1) of the Articles of Incorporation of MIRAI, and shall exceed the amount equivalent to 90% of the distributable dividend amount of MIRAI provided in Article 67.15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, 741,425,000 yen, which is the total amount of such profit that is specified in Article 136, Paragraph (1) of the Act on Investment Trusts and Investment Corporations, excluding a fraction of one yen in distribution per investment unit, will be paid as profit distribution (not including distributions in excess of earnings).</p> <p>In addition, based on the policy of distributing an amount in excess of profit as specified in Article 36, Paragraph 2 of the Articles of Incorporation of MIRAI, distributions in excess of earnings are paid in the amount determined by MIRAI as an amount equivalent to deductions from net assets while taking into account the effect of deductions from net assets (those specified in Article 2, Paragraph (2), item (xxx), b of the Ordinance on Accountings of Investment Corporations) on distributions. For the period under review, 216,200,000 yen, from which a distribution in excess of earnings per unit is calculated, excluding a fraction of one yen, as an amount equivalent to deferred losses on hedges of 216,326,374 yen, will be distributed as distributions associated with the allowance for temporary difference adjustment (as specified in Article 2, Paragraph (2), item (xxx) of the Ordinance on Accounting of Investment Corporations). As a result, the amount of distributions for the period under review is 957,625,000 yen.</p>	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 36 (1) of the Articles of Incorporation of MIRAI, and shall exceed the amount equivalent to 90% of the distributable dividend amount of MIRAI provided in Article 67.15 of the Act on Special Measures Concerning Taxation.</p> <p>Based on this policy, 1,520,156,250 yen, which is the total amount of such profit after deduction of reversal of allowance for temporary difference adjustment (those provided in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), that is specified in Article 136, Paragraph (1) of the Act on Investment Trusts and Investment Corporations, excluding a fraction of one yen in distribution per investment unit, will be paid as profit distribution (not including distributions in excess of earnings).</p>

(5) Statement of Cash Flows

(Thousands of yen)

	The Fiscal Period ended April 2017	The Fiscal Period ended October 2017
Cash flows from operating activities		
Profit before income taxes	1,037,376	1,520,903
Depreciation	294,076	362,475
Investment unit issuance expenses	126,992	-
Interest income	(10)	(18)
Interest expenses	85,446	119,039
Decrease (increase) in operating accounts receivable	(77,065)	(21,783)
Decrease (increase) in prepaid expenses	(61,240)	(28,172)
Decrease (increase) in consumption taxes refund receivable	(1,794,514)	1,666,050
Increase (decrease) in operating accounts payable	181,966	(100,496)
Increase (decrease) in accounts payable - other	224,995	267,525
Increase (decrease) in advances received	440,407	49,335
Decrease (increase) in long-term prepaid expenses	(278,083)	(114,653)
Other, net	12,546	(11,672)
Subtotal	192,892	3,708,533
Interest income received	10	18
Interest expenses paid	(83,519)	(119,494)
Income taxes paid	(243)	(1,145)
Net cash provided by (used in) operating activities	109,140	3,587,912
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(102,549,540)	(14,808,617)
Repayments of tenant leasehold and security deposits in trust	(133,307)	(47,250)
Proceeds from tenant leasehold and security deposits in trust	3,819,283	576,446
Payments for restricted deposits held in trust	(1,005,854)	(0)
Proceeds from restricted deposits held in trust	799,058	24,701
Other payments	(10,510)	(10,501)
Net cash provided by (used in) investing activities	(99,080,870)	(14,265,221)
Cash flows from financing activities		
Increase in short-term loans payable	9,000,000	10,000,000
Decrease in short-term loans payable	(2,000,000)	(7,000,000)
Proceeds from long-term loans payable	44,000,000	10,000,000
Proceeds from issuance of investment units	51,615,342	-
Dividends paid	-	(951,184)
Net cash provided by (used in) financing activities	102,615,342	12,048,815
Net increase (decrease) in cash and cash equivalents	3,643,612	1,371,505
Cash and cash equivalents at beginning of period	67,364	3,710,976
Cash and cash equivalents at end of period	3,710,976	5,082,482