

**(REIT) Financial Report for the Fiscal Period ended October 31, 2018 (The 5<sup>th</sup> Period)**

December 13, 2018

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  
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Scheduled date for submission of securities report: January 30, 2019

Scheduled date for commencing dividend payments: January 11, 2019

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 2018 (The 5<sup>th</sup> period from May 1, 2018 to October 31, 2018)

(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, 2018	4,417	11.6	2,122	11.2	1,867	9.9	1,922	12.7
Apr. 30, 2018	3,958	17.3	1,907	14.8	1,698	11.7	1,706	12.2

Period ended	Net Profit per Unit	Net Profit to Net Assets	Ordinary Profit to Total Assets	Ordinary Profit to Operating Revenue
	Yen	%	%	%
Oct. 31, 2018	5,763	3.3	1.5	42.3
Apr. 30, 2018	5,807	3.2	1.4	42.9

(Note) Net profit per unit is calculated by dividing net profit by the daily weighted average number of investment units (For the Fiscal Period ended April 30, 2018: 293,750units / For the Fiscal Period ended October 31, 2018: 333,539units).

(2) Distributions

Period ended	Distributions per Unit	Total Distributions	Distributions in excess of earnings	Total Distributions	Payout Ratio	Distributions to Net Assets
	(excluding distributions in excess of earnings)	(excluding distributions in excess of earnings)	per Unit	in excess of earnings		
Oct. 31, 2018	Yen 5,668	Million yen 1,922	Yen 0	Million yen 0	100.0	3.1
Apr. 30, 2018	Yen 5,807	Million yen 1,705	Yen 0	Million yen 0	100.0	3.2

(Note 1) Payout Ratio = Total Distributions (excluding distributions in excess of earnings) / Net Profit \* 100

(Note 2) Distributions to Net Assets are calculated based on Total Distributions (excluding distributions in excess of earnings).

(3) Financial Position

Period ended	Total Asset	Net Asset	Net Assets to Total Assets	Net Assets per Unit
	Million yen	Million yen	%	Yen
Oct. 31, 2018	131,772	61,590	46.7	181,570
Apr. 30, 2018	117,022	53,536	45.7	182,253

(4) Cash Flows

Period ended	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
Oct. 31, 2018	2,307	(14,762)	12,705	5,040
Apr. 30, 2018	14,227	(6,502)	(8,017)	4,790

2. Forecasts for the Fiscal Period ending April 2019 (The 6<sup>th</sup> Period from November 1, 2018 to April 30, 2019) and the Fiscal Period ending October 2019 (The 7<sup>th</sup> Period from May 1, 2019 to October 31, 2019)

(% represents change from the previous period)

Period ended	Operating Revenue		Operating Profit		Ordinary Profit		Net Profit		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, 2019	4,956	12.2	2,516	18.6	2,254	20.8	2,253	17.2	5,700	-
Oct. 31, 2019	5,025	1.4	2,497	(0.8)	2,255	0.0	2,254	0.0	1,425	-

(Note 1) A resolution was passed for a four-for-one split of the investment units effective May 1, 2019 at a meeting of Board of Directors held on December 13, 2018.

(Note 2) Forecast DPU (exclusive of distribution in excess of earnings) for the Fiscal Period ending October 2019 is 5,700 yen without consideration to the investment units split.

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

The Fiscal Period ending April 2019:

Forecasted Unit at end of period 395,410 units      Forecasted Net Profit per Unit 5,700 yen

The Fiscal Period ending October 2019:

Forecasted Unit at end of period 1,581,640 units      Forecasted Net Profit per Unit 1,425 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 Oct. 31, 2018:      339,210 units      As of Apr. 30, 2018:      293,750 units

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

As of Oct. 31, 2018:      0 unit      As of Apr. 30, 2018:      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 13, 2018.

\* Explanation on the appropriate use of forecasts and other notes

(Note to forward-looking statements)

- (1) 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 Forecasts for the Fiscal Period Ending April 30, 2019 and the Fiscal Period Ending October 31, 2019." on page 3.
- (2) MIRAI has passed a resolution to issue new investment units at a meeting of Board of Directors held on October 16 and October 24, 2018. Payment for the new investment units issued through public offering was completed on November 1, 2018 and payment for the new investment units issued through a third-party allotment was completed November 27, 2018. Further, a resolution was passed for a four-for-one split of the investment units effective May 1, 2019 at a meeting of Board of Directors held on December 13, 2018. Under "2. Forecasts for the Fiscal Period ending April 2019 (The 6th Period from November 1, 2018 to April 30, 2019) and the Fiscal Period ending October 2019 (The 7th Period from May 1, 2019 to October 31, 2019)" above, the estimated number of investment units outstanding for the Fiscal Period ending April 2019 is 395,410 units which is the total of a) the investment units outstanding at the end of the Fiscal Period ended October 2018 (339,210 units), b) the new investment units issued through public offering (53,500 units), and c) the new investment units issued through a third-party allotment (2,700 units), while the estimated number of investment units outstanding for the Fiscal Period ending October 2019 is 1,581,640 which is the number of investment units outstanding following the investment units split.

Assumptions Underlying the Forecasts for  
the Fiscal Period Ending April 30, 2019 and the Fiscal Period Ending October 31, 2019.

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> <li>The Fiscal Period Ending April 2019: November 1, 2018 to April 30, 2019 (181 days)</li> <li>The Fiscal Period Ending October 2019: May 1, 2019 to October 31, 2019(184 days)</li> </ul>																					
Operating Assets	<ul style="list-style-type: none"> <li>The forecasts assume that MIRAI holds 29 properties as real estate trust beneficiaries (hereafter referred to as “Operating Assets”) as of the released date of this document. No other acquisitions and sales of properties is assumed.</li> <li>In practice, this may change due to movements of investment assets.</li> </ul>																					
Total number of investment units issued	<ul style="list-style-type: none"> <li>The Fiscal Period Ending April 2019: The forecasts assume 395,410 units outstanding as of the released date of this document.</li> <li>The Fiscal Period Ending October 2019: Total number of investment units outstanding is assumed to be 1,581,640 as a four-for-one investment units split will be executed effective May 1, 2019.</li> </ul>																					
Interest-bearing debt	<ul style="list-style-type: none"> <li>The balance of interest bearing debt is 74,700 million yen which is the balance as of the the released date of this document.</li> <li>The interest-bearing debt outstanding both as of April 30, 2019 and October 31, 2019 are expected to be 74,700 million yen.</li> <li>The LTV both as of April 30, 2019 and October 31, 2019 are expected to be approximately 49%. The calculation of the LTV uses the following formula. LTV = total amount of interest-bearing debt outstanding / total assets x 100</li> </ul>																					
Operating revenue	<ul style="list-style-type: none"> <li>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.).</li> </ul>																					
Operating expense	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>Depreciation including incidental expenses is calculated using the straight-line method.</li> <li>The breakdown of expenses for the lease business is as follows. <table style="margin-left: 40px; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: center;">The Fiscal Period Ending April 2019</th> <th style="text-align: center;">The Fiscal Period Ending October 2019</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services :</td> <td style="text-align: right;">346 million yen</td> <td style="text-align: right;">327 million yen</td> </tr> <tr> <td>Utilities expenses :</td> <td style="text-align: right;">458 million yen</td> <td style="text-align: right;">491 million yen</td> </tr> <tr> <td>Taxes and dues :</td> <td style="text-align: right;">336 million yen</td> <td style="text-align: right;">396 million yen</td> </tr> <tr> <td>Repair expenses :</td> <td style="text-align: right;">85 million yen</td> <td style="text-align: right;">57 million yen</td> </tr> <tr> <td>Other expenses for leasing business :</td> <td style="text-align: right;">221 million yen</td> <td style="text-align: right;">189 million yen</td> </tr> <tr> <td>Depreciation :</td> <td style="text-align: right;">560 million yen</td> <td style="text-align: right;">570 million yen</td> </tr> </tbody> </table> </li> <li>Other operating expenses (asset management fees, administrative servicing fees, etc.) are assumed at 432 million yen for the Fiscal Period Ending April 2019 and 495 million yen for the Fiscal Period Ending October 2019.</li> </ul>		The Fiscal Period Ending April 2019	The Fiscal Period Ending October 2019	Outsourcing services :	346 million yen	327 million yen	Utilities expenses :	458 million yen	491 million yen	Taxes and dues :	336 million yen	396 million yen	Repair expenses :	85 million yen	57 million yen	Other expenses for leasing business :	221 million yen	189 million yen	Depreciation :	560 million yen	570 million yen
	The Fiscal Period Ending April 2019	The Fiscal Period Ending October 2019																				
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Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses and borrowing-related expenses are assumed at 242 million yen for the Fiscal Period Ending April 2019 and 242 million yen for the Fiscal Period Ending October 2019.</li> <li>One-off expenses of 19 million yen for the issuance of new investment units are expected for the Fiscal Period Ending April 30, 2019.</li> </ul>																					
Distributions per unit (Excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>MIRAI assumes it will continue to conduct derivative transactions (interest rate swaps) during the Fiscal Period Ending April 2019 and the Fiscal Period Ending October 2019. However, MIRAI assumes no deferred loss on hedge which is a net asset deduction item (as stipulated in Article 2, Paragraph 2, Item 30 (b) of the Ordinance on Accountings of Investment Corporations) will be incurred and thus DPU (exclusive of distribution in excess of earnings) will not be affected by changes in net asset deduction items.</li> </ul>																					

Item	Assumptions
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• As described above, no deferred losses on hedges as a deduction from net assets is assumed in the Fiscal Period Ending April 2019 and the Fiscal Period Ending October 2019, and distribution in excess of earnings related to the allowance for temporary difference adjustment is not scheduled at present.</li> <li>• Distributions in excess of earnings by decreasing unitholders' capital on taxation are not scheduled at present.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Also, no unforeseeable significant changes in the general economic trends and real estate market conditions are assumed.</li> </ul>

## 3. Financial Statements

## (1) Balance Sheet

(Thousands of yen)

	As of April 30, 2018	As of October 31, 2018
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	2,964,414	2,958,159
Cash and deposits in trust	2,007,809	2,264,410
Operating accounts receivable	122,129	148,462
Accounts receivable - other	151,450	-
Prepaid expenses	103,074	97,626
Consumption taxes receivable	-	151,742
Other	11,070	355
<b>Total current assets</b>	<b>5,359,950</b>	<b>5,620,756</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings in trust	25,029,080	27,930,029
Accumulated depreciation	(923,303)	(1,361,585)
Buildings in trust, net	24,105,777	26,568,444
Structures in trust	144,745	179,399
Accumulated depreciation	(13,861)	(21,886)
Structures in trust, net	130,884	157,513
Machinery and equipment in trust	132,961	144,463
Accumulated depreciation	(14,507)	(19,853)
Machinery and equipment in trust, net	118,454	124,610
Tools, furniture and fixtures in trust	6,607	19,846
Accumulated depreciation	(738)	(2,041)
Tools, furniture and fixtures in trust, net	5,869	17,805
Land in trust	86,884,057	98,819,428
<b>Total property, plant and equipment</b>	<b>111,245,042</b>	<b>125,687,800</b>
<b>Intangible assets</b>		
Software	2,295	1,974
Other	-	231
<b>Total intangible assets</b>	<b>2,295</b>	<b>2,206</b>
<b>Investments and other assets</b>		
Long-term prepaid expenses	376,852	369,171
Deferred tax assets	19	7
Guarantee deposits	10,000	10,900
Other	28,165	69,360
<b>Total investments and other assets</b>	<b>415,037</b>	<b>449,440</b>
<b>Total non-current assets</b>	<b>111,662,374</b>	<b>126,139,447</b>
<b>Deferred assets</b>		
Investment corporation bond issuance costs	-	11,802
<b>Total deferred assets</b>	<b>-</b>	<b>11,802</b>
<b>Total assets</b>	<b>117,022,325</b>	<b>131,772,006</b>

(Thousands of yen)

	As of April 30, 2018	As of October 31, 2018
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	906,728	405,396
Distribution payable	9,154	13,170
Short-term loans payable	1,000,000	-
Accounts payable - other	374,257	385,087
Accrued expenses	3,755	909
Income taxes payable	995	760
Accrued consumption taxes	140,698	-
Advances received	469,662	532,255
Deposits received	1,670	3,284
Other	179	-
Total current liabilities	2,907,101	1,340,864
Non-current liabilities		
Investment corporation bonds	-	1,000,000
Long-term loans payable	56,500,000	63,200,000
Tenant leasehold and security deposits in trust	4,016,693	4,640,654
Derivatives liabilities	61,678	-
Total non-current liabilities	60,578,371	68,840,654
Total liabilities	63,485,473	70,181,519
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	51,892,335	59,656,493
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	(119,262)	(61,393)
Total deduction from unitholders' capital	(119,262)	(61,393)
Unitholders' capital, net	51,773,072	59,595,100
Surplus		
Unappropriated retained earnings (undisposed loss)	1,825,457	1,984,191
Total surplus	1,825,457	1,984,191
Total unitholders' equity	53,598,530	61,579,291
Valuation and translation adjustments		
Deferred gains or losses on hedges	(61,678)	11,195
Total valuation and translation adjustments	(61,678)	11,195
Total net assets	53,536,851	61,590,487
Total liabilities and net assets	117,022,325	131,772,006

## (2) Statement of Income and Retained Earnings

(Thousands of yen)

	Fiscal period ended April 30, 2018	Fiscal period ended October 31, 2018
Operating revenue		
Lease business revenue	2,993,365	3,256,490
Other lease business revenue	829,859	1,160,808
Gain on sales of real estate properties	134,813	-
Total operating revenue	3,958,038	4,417,298
Operating expenses		
Expenses related to rent business	1,628,431	1,909,732
Asset management fee	333,563	326,754
Asset custody fee	4,458	5,708
Administrative service fees	11,986	12,790
Directors' compensations	3,696	3,696
Other operating expenses	68,012	36,509
Total operating expenses	2,050,147	2,295,191
Operating profit	1,907,890	2,122,106
Non-operating income		
Interest income	22	23
Interest on refund	236	-
Other	271	-
Total non-operating income	531	23
Non-operating expenses		
Interest expenses	152,255	167,278
Interest expenses on investment corporation bonds	-	1,686
Amortization of investment corporation bond issuance costs	-	406
Borrowing related expenses	48,285	41,419
Investment unit issuance expenses	-	44,235
Other	9,000	-
Total non-operating expenses	209,541	255,026
Ordinary profit	1,698,880	1,867,103
Extraordinary income		
Subsidy income	24,301	-
Insurance income	151,450	56,080
Total extraordinary income	175,751	56,080
Extraordinary losses		
Loss on fire	16,447	-
Loss on reduction of non-current assets	151,162	-
Total extraordinary losses	167,609	-
Profit before income taxes	1,707,022	1,923,183
Income taxes - current	998	763
Income taxes - deferred	(8)	11
Total income taxes	990	775
Profit	1,706,031	1,922,408
Retained earnings brought forward	119,425	61,782
Unappropriated retained earnings (undisposed loss)	1,825,457	1,984,191

## (3) Statement of Changes in Net Assets

The Fiscal Period ended April 2018 (The 4<sup>th</sup> period from November 1, 2017 to April 30, 2018)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net
		Allowance for temporary difference adjustment	Total deduction from unitholders' capital	
Balance at beginning of current period	51,892,335	(216,200)	(216,200)	51,676,135
Changes of items during period				
Dividends of surplus				
Reversal of allowance for temporary difference adjustment		96,937	96,937	96,937
Profit				
Net changes of items other than unitholders' equity				
Total changes of items during period	-	96,937	96,937	96,937
Balance at end of current period	51,892,335	(119,262)	(119,262)	51,773,072

(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	1,736,519	1,736,519	53,412,654	(119,337)	(119,337)	53,293,317
Changes of items during period						
Dividends of surplus	(1,520,156)	(1,520,156)	(1,520,156)			(1,520,156)
Reversal of allowance for temporary difference adjustment	(96,937)	(96,937)	-			-
Profit	1,706,031	1,706,031	1,706,031			1,706,031
Net changes of items other than unitholders' equity				57,658	57,658	57,658
Total changes of items during period	88,938	88,938	185,875	57,658	57,658	243,534
Balance at end of current period	1,825,457	1,825,457	53,598,530	(61,678)	(61,678)	53,536,851



The Fiscal Period ended October 2018 (The 5th period from May 1, 2018 to October 31, 2018)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net
Allowance for temporary difference adjustment		Total deduction from unitholders' capital		
Balance at beginning of current period	51,892,335	(119,262)	(119,262)	51,773,072
Changes of items during period				
Issuance of new investment units	7,764,158			7,764,158
Dividends of surplus				
Reversal of allowance for temporary difference adjustment		57,868	57,868	57,868
Profit				
Net changes of items other than unitholders' equity				
Total changes of items during period	7,764,158	57,868	57,868	7,822,027
Balance at end of current period	59,656,493	(61,393)	(61,393)	59,595,100

(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	1,825,457	1,825,457	53,598,530	(61,678)	(61,678)	53,536,851
Changes of items during period						
Issuance of new investment units			7,764,158			7,764,158
Dividends of surplus	(1,705,806)	(1,705,806)	(1,705,806)			(1,705,806)
Reversal of allowance for temporary difference adjustment	(57,868)	(57,868)	-			-
Profit	1,922,408	1,922,408	1,922,408			1,922,408
Net changes of items other than unitholders' equity				72,874	72,874	72,874
Total changes of items during period	158,733	158,733	7,980,761	72,874	72,874	8,053,635
Balance at end of current period	1,984,191	1,984,191	61,579,291	11,195	11,195	61,590,487

## (4) Distribution Information

(Yen)

	The Fiscal Period ended April 2018 (The 4th period from November 1, 2017 to April 30, 2018)	Fiscal Period ended October 2018 (The 5th period from May 1, 2018 to October 31, 2018)
I Unappropriated retained earnings (undisposed loss)	1,825,457,946	1,984,191,650
II Capitalization	57,868,750	61,393,750
Reversal of allowance for temporary difference adjustment	57,868,750	61,393,750
III Distributions	1,705,806,250	1,922,642,280
[Distributions per unit]	[5,807]	[5,668]
Distributions of earnings	1,705,806,250	1,922,642,280
[Distributions of earnings per unit]	[5,807]	[5,668]
Temporary difference adjustment	-	-
[Distributions in excess of earnings per unit (attributable to temporary difference adjustment)]	[-]	[-]
IV Retained earnings to be carried forward (retained loss)	61,782,946	155,620
Method of calculation of distributions	In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph 1 of the Act on Special Measures Concerning Taxation. Based on this policy, 1,705,806,250 yen, which is the total amount of earning stipulated in Article 136, Paragraph (1) of the Act on Investment Trusts and Investment Corporations, after deduction of reversal of allowance for temporary difference adjustment (as stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).	In accordance with the distribution policy set forth in Article 36 (1) of the Articles of Incorporation of MIRAI, the distribution amount is to exceed 90% of the distributable income of MIRAI as stipulated in Article 67.15 Paragraph 1 of the Act on Special Measures Concerning Taxation. Based on this policy, 1,922,642,280 yen, which is the total amount of unappropriated retained earnings after deduction of reversal of allowance for temporary difference adjustment (as stipulated in Article 2, Paragraph 2, Item 30 of the Ordinance on Accountings of Investment Corporations), excluding a fraction of one yen in distribution per investment unit, will be paid as distribution (exclusive of distributions in excess of earnings).

## (5) Statement of Cash Flows

(Thousands of yen)

	Fiscal period ended April 30, 2018	Fiscal period ended October 31, 2018
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,707,022	1,923,183
Depreciation	412,334	453,276
Amortization of investment corporation bond issuance costs	-	406
Investment unit issuance expenses	-	44,235
Interest income	(22)	(23)
Interest expenses	152,255	168,965
Loss on reduction of non-current assets	151,162	-
Decrease (increase) in operating accounts receivable	(23,280)	(26,332)
Decrease (increase) in accounts receivable - other	(151,450)	151,450
Decrease (increase) in prepaid expenses	(13,661)	5,448
Decrease (increase) in consumption taxes refund receivable	128,463	(151,742)
Increase (decrease) in operating accounts payable	267,146	(41,483)
Increase (decrease) in accounts payable - other	(126,878)	10,829
Increase (decrease) in accrued consumption taxes	140,698	(140,698)
Increase (decrease) in advances received	(20,081)	62,593
Decrease (increase) in long-term prepaid expenses	15,884	7,681
Decrease from sales of property, plant and equipment in trust	11,748,988	-
Other, net	(10,179)	12,150
Subtotal	14,378,401	2,479,941
Interest income received	22	23
Interest expenses paid	(149,973)	(171,811)
Income taxes paid	(827)	(998)
Net cash provided by (used in) operating activities	14,227,624	2,307,154
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(6,296,902)	(15,355,562)
Repayments of tenant leasehold and security deposits in trust	(615,683)	(110,066)
Proceeds from tenant leasehold and security deposits in trust	417,204	734,027
Payments for restricted deposits held in trust	(0)	(0)
Other payments	(11,000)	(31,131)
Other proceeds	3,846	-
Net cash provided by (used in) investing activities	(6,502,535)	(14,762,733)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	1,000,000	-
Decrease in short-term loans payable	(10,000,000)	(1,000,000)
Proceeds from long-term loans payable	2,500,000	6,700,000
Proceeds from issuance of investment corporation bonds	-	987,790
Proceeds from issuance of investment units	-	7,719,923
Dividends paid	(1,517,442)	(1,701,790)
Net cash provided by (used in) financing activities	(8,017,442)	12,705,924
Net increase (decrease) in cash and cash equivalents	(292,353)	250,345
Cash and cash equivalents at beginning of period	5,082,482	4,790,128
Cash and cash equivalents at end of period	4,790,128	5,040,473