

# (REIT) Financial Report for the Fiscal Period ended October 31, 2022 (The 13<sup>th</sup> Period)

December 15, 2022

Name of REIT issuer: MIRAI Corporation Stock exchange listing: Tokyo Stock Exchange  
 Security code: 3476 URL: <https://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: Kunihiro Ueda, CFO and GM  
 TEL: +81-(0)3-6632-5960

Scheduled date for submission of securities report: January 27, 2023  
 Scheduled date for commencing dividend payments: January 13, 2023

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 2022 (The 13<sup>th</sup> period from May 1, 2022 to October 31, 2022)

### (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, 2022	5,666	7.4	2,611	2.5	2,324	3.5	2,324	3.5
Apr. 30, 2022	5,275	3.2	2,547	6.3	2,245	4.7	2,244	4.7

Period ended	Net Profit per Unit	Net Profit to Net Assets	Ordinary Profit to Total Assets	Ordinary Profit to Operating Revenue
	Yen	%	%	%
Oct. 31, 2022	1,312	2.9	1.3	41.0
Apr. 30, 2022	1,291	2.9	1.3	42.6

(Note) Net Profit per Unit is calculated by dividing the net income by the day-weighted average number of investment units.  
 (Fiscal period ended April 30, 2022: 1,738,544 units, Fiscal period ended October 31, 2022: 1,771,440 units)

### (2) Distributions

Period ended	Distributions per Unit	Total Distributions	Distributions in excess of earnings per Unit	Total Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	(excluding distributions in excess of earnings)	(excluding distributions in excess of earnings)				
	Yen	Million yen	Yen	Million yen	%	%
Oct. 31, 2022	1,313	2,325	-	-	100.1	2.9
Apr. 30, 2022	1,267	2,244	-	-	100.0	2.8

(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, 2022	172,792	81,028	46.9	45,741
Apr. 30, 2022	171,982	80,743	46.9	45,580

### (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, 2022	5,108	(334)	(2,242)	6,952
Apr. 30, 2022	2,730	(11,105)	8,104	4,421

2. Forecasts for the Fiscal Period ending April 2023 (The 14<sup>th</sup> Period from November 1, 2022 to April 30, 2023) and ending October 2023 (The 15<sup>th</sup> Period from May 1, 2023 to October 31, 2023)

(% represents change from the previous period)

Period ending	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, 2023	5,720	1.0	2,575	(1.4)	2,278	(2.0)	2,277	(2.0)	1,285	-
Oct. 31, 2023	5,701	(0.3)	2,251	(12.6)	1,949	(14.4)	1,948	(14.4)	1,100	-

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

The Fiscal Period ending April 2023:

Forecasted Unit at end of period 1,771,440 units      Forecasted Net Profit per Unit 1,285 yen

The Fiscal Period ending October 2023:

Forecasted Unit at end of period 1,771,440 units      Forecasted Net Profit per Unit 1,100 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, 2022: 1,771,440 units      As of Apr. 30, 2022: 1,771,440 units

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

As of Oct. 31, 2022: 0 unit      As of Apr. 30, 2022: 0 unit

\* Financial Report is not subject to audit by certified public accountants or audit corporations.

\* 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 (hereinafter "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 Forecasts for the Fiscal Periods Ending April 30, 2023 and October 31, 2023." on page 3.

**Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2023 and October 31, 2023**

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> <li>The Fiscal Period Ending April 2023: November 1, 2022 to April 30, 2023 (181 days)</li> <li>The Fiscal Period Ending October 2023: May 1, 2023 to October 31, 2023 (184 days)</li> </ul>																					
Portfolio assets	<ul style="list-style-type: none"> <li>The forecasts assume that MIRAI owns 37 assets as real estate and real estate trust beneficiaries (hereinafter the "Portfolio assets") as of the released of this document.</li> <li>It assumes that there is no movement of the "Portfolio assets" (acquisition of new assets and/or dispositions of assets).</li> <li>Changes may occur in reality due to changes in the "Portfolio assets".</li> </ul>																					
Total number of investment units issued	<ul style="list-style-type: none"> <li>It is assumed that total number of investment units outstanding is 1,771,440 units.</li> <li>No changes in the number of investment units due to any issuances of new units are assumed until October 31, 2023.</li> </ul>																					
Interest-bearing debt	<ul style="list-style-type: none"> <li>Of the interest-bearing debt of 84,000 million yen as of today, MIRAI assumed that the current portion of long-term debt of 3,500 million yen that will mature during the fiscal period ending October 31, 2023 would be refinanced into long-term debt.</li> <li>The interest-bearing debt outstanding as of April 30, 2023 and October 31, 2023 is expected to be 84,000 million yen.</li> <li>The LTV (based on total assets) as of April 30, 2023 and October 31, 2023 is expected to be approximately 49%.</li> <li>The calculation of the LTV (based on total assets) uses the following formula. LTV (based on total assets) (%) = total amount of interest-bearing debt outstanding / total assets</li> </ul>																					
Operating revenue	<ul style="list-style-type: none"> <li>Lease business revenue from the "Portfolio assets" is calculated primarily by taking into account leasing contracts effective as of today, trends in the real estate leasing market (vacancy rates, rent levels, etc.) and status of negotiation with tenants. Revenue from the lease of the Acquisition is calculated primarily by taking into account information on trends in lease contracts provided by the previous owner, etc., leasing contracts to be effective as of the scheduled date of acquisition of the Acquisition, and trends in the real estate leasing market (vacancy rates, rent levels, etc.).</li> <li>MIRAI disposed "Orico Hakataeki Minami Building (50% quasi-co-ownership)" during the fiscal period ending April 30, 2023. It expects to receive 114 million yen for the fiscal period ending April 30, 2023 in gain on sales of real estate properties (disposition gain).</li> <li>It is assumed that hotels with variable rent ("Smile Hotel Naha City Resort", "Smile Hotel Hakataeki-mae" and "Smile Hotel Nagoya-Sakae") will not incur variable rent until the end of October 2023, excluding the period during which "Smile Hotel Naha City Resort" is provided as a recovery accommodation facility for patients with minor illnesses of COVID-19 (contract period: October 11, 2021 to January 31, 2023).</li> </ul>																					
Operating expense	<ul style="list-style-type: none"> <li>Expenses for the lease business other than depreciation are based on past records and information provided by the previous owners, etc. while reflecting other variable factors into consideration.</li> <li>In principle, the fixed asset tax, city planning tax, and depreciation asset tax (the "Fixed Asset and City Planning Taxes") of "Asset to be Acquired" during a fiscal year will be settled on the acquisition date with previous owners in proportion to holding period for the assets. Such costs are to be capitalized without having any impact to profit and/or loss in the fiscal period of the acquisition.</li> <li>Total repair expenses for buildings are calculated based on the repair plans developed by Mitsui Bussan &amp; IDERA Partners Co., Ltd., the asset manager of MIRAI and takes into account the engineering reports and appraisal reports, and are accrued in each fiscal period. It should be noted, however, that the actual repair expenses in each fiscal period may differ considerably from the estimates, mainly due to urgent repair expenses for any damages of assets arising from unexpected factors, significant yearly fluctuations in the amount of repair expenses 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 border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>The Fiscal Period Ending April 30, 2023</th> <th>The Fiscal Period Ending October 31, 2023</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td align="right">391 million yen</td> <td align="right">379 million yen</td> </tr> <tr> <td>Utilities expenses:</td> <td align="right">726 million yen</td> <td align="right">945 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td align="right">432 million yen</td> <td align="right">459 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td align="right">96 million yen</td> <td align="right">100 million yen</td> </tr> <tr> <td>Other expenses for leasing business:</td> <td align="right">256 million yen</td> <td align="right">306 million yen</td> </tr> <tr> <td>Depreciation:</td> <td align="right">675 million yen</td> <td align="right">699 million yen</td> </tr> </tbody> </table> </li> <li>Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 565 million yen for the fiscal period ending April 30, 2023, and 560 million yen for the fiscal period ending October 31, 2023.</li> </ul>		The Fiscal Period Ending April 30, 2023	The Fiscal Period Ending October 31, 2023	Outsourcing services:	391 million yen	379 million yen	Utilities expenses:	726 million yen	945 million yen	Taxes and dues:	432 million yen	459 million yen	Repair expenses:	96 million yen	100 million yen	Other expenses for leasing business:	256 million yen	306 million yen	Depreciation:	675 million yen	699 million yen
	The Fiscal Period Ending April 30, 2023	The Fiscal Period Ending October 31, 2023																				
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Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses and borrowing-related expenses are estimated to be 297 million yen for the fiscal period ending April 30, 2023, and 301 million yen for the fiscal period ending October 31, 2023.</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>Derivatives transactions (interest rate swaps transaction) will be continuously in place during the fiscal periods ending April 30, 2023 and October 31, 2023. It is estimated that no deferred losses on hedges as deduction from net assets (as specified in Item 30-B, Clause 2, Article 2 of the Calculation Rules for Investment Corporations) will be incurred. It is calculated based on the assumption that there is no change in the market value of interest rate swaps.</li> </ul>																					
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>As described above, no deferred losses on hedges as deduction from net assets is assumed in the fiscal period ending April 30, 2023 and October 31, 2023, and distributions in excess of earnings related to the allowance for temporary difference adjustment are not scheduled at present.</li> <li>Distributions in excess of earnings by decreasing unitholders' capital under taxation are not scheduled at present.</li> </ul>																					
Others	<ul style="list-style-type: none"> <li>Excluding above, it is assumed that impact of spread of COVID-19 will not be significantly wider than current estimate and that the epidemic will not last longer. In reality, potential for the impact of spread of COVID-19 continuing to expand and becoming prolonged cannot be ruled out.</li> <li>The forecasts assume that no revisions that may impact the above projections will be made to laws and regulations, taxation, accounting standards, listing rules, the rules of the Investment Trust Association, Japan, or others.</li> </ul>																					

Item	Assumptions
	<ul style="list-style-type: none"><li data-bbox="379 197 1453 237">• The forecasts assume no unforeseeable significant changes in the general economic trends and real estate market conditions.</li></ul>

### 3. Financial Statements

#### (1) Balance Sheet

(Thousands of yen)

	As of April 30, 2022	As of October 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	2,050,206	4,508,815
Cash and deposits in trust	2,553,099	2,625,909
Operating accounts receivable	257,651	259,821
Prepaid expenses	147,320	145,581
Income taxes refund receivable	-	3
Consumption taxes receivable	92,266	-
Other	87	1,176
Total current assets	5,100,631	7,541,307
Non-current assets		
Property, plant and equipment		
Buildings	436,737	447,540
Accumulated depreciation	(16,131)	(22,313)
Buildings, net	420,605	425,226
Structures	564	564
Accumulated depreciation	(251)	(345)
Structures, net	313	219
Machinery and equipment	4,770	4,770
Accumulated depreciation	(39)	(278)
Machinery and equipment, net	4,730	4,491
Land	4,230,785	4,235,946
Buildings in trust	37,118,626	37,128,490
Accumulated depreciation	(5,133,371)	(5,690,612)
Buildings in trust, net	31,985,255	31,437,877
Structures in trust	318,733	317,976
Accumulated depreciation	(75,539)	(82,036)
Structures in trust, net	243,194	235,939
Machinery and equipment in trust	220,610	243,592
Accumulated depreciation	(69,918)	(77,643)
Machinery and equipment in trust, net	150,692	165,948
Tools, furniture and fixtures in trust	281,097	302,976
Accumulated depreciation	(67,601)	(91,388)
Tools, furniture and fixtures in trust, net	213,496	211,588
Land in trust	129,097,520	127,956,594
Construction in progress in trust	93,037	207
Total property, plant and equipment	166,439,632	164,674,040
Intangible assets		
Software	16,087	14,842
Other	231	231
Total intangible assets	16,318	15,073
Investments and other assets		
Long-term prepaid expenses	304,604	242,031
Deferred tax assets	18	-
Guarantee deposits	11,006	11,006
Other	56,134	257,986
Total investments and other assets	371,763	511,023
Total non-current assets	166,827,714	165,200,138
Deferred assets		
Investment corporation bond issuance costs	54,241	51,251
Total deferred assets	54,241	51,251
Total assets	171,982,587	172,792,696

(Thousands of yen)

	As of April 30, 2022	As of October 31, 2022
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	480,597	707,310
Distributions payable	10,503	11,505
Current portion of long-term borrowings	7,000,000	10,500,000
Accounts payable - other	502,516	548,634
Accrued expenses	3,471	1,157
Income taxes payable	981	605
Accrued consumption taxes	-	262,668
Advances received	660,487	667,075
Deposits received	5,001	606
Other	17,854	11,529
<b>Total current liabilities</b>	<b>8,681,414</b>	<b>12,711,092</b>
Non-current liabilities		
Investment corporation bonds	6,200,000	6,200,000
Long-term borrowings	70,800,000	67,300,000
Leasehold and guarantee deposits received	148,766	143,238
Leasehold and guarantee deposits received in trust	5,405,910	5,410,299
Derivatives liabilities	2,664	-
<b>Total non-current liabilities</b>	<b>82,557,341</b>	<b>79,053,537</b>
<b>Total liabilities</b>	<b>91,238,755</b>	<b>91,764,630</b>
Net assets		
Unitholders' equity		
Unitholders' capital	78,499,868	78,499,868
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	(350,732)	(1,771)
<b>Total deduction from unitholders' capital</b>	<b>(350,732)</b>	<b>(1,771)</b>
Unitholders' capital, net	78,149,135	78,498,097
Surplus		
Unappropriated retained earnings (undisposed loss)	2,597,360	2,328,117
<b>Total surplus</b>	<b>2,597,360</b>	<b>2,328,117</b>
<b>Total unitholders' equity</b>	<b>80,746,496</b>	<b>80,826,214</b>
Valuation and translation adjustments		
Deferred gains or losses on hedges	(2,664)	201,852
<b>Total valuation and translation adjustments</b>	<b>(2,664)</b>	<b>201,852</b>
<b>Total net assets</b>	<b>80,743,832</b>	<b>81,028,066</b>
<b>Total liabilities and net assets</b>	<b>171,982,587</b>	<b>172,792,696</b>

## (2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended April 30, 2022	For the six-month period ended October 31, 2022
<b>Operating revenue</b>		
Leasing business revenue	4,452,612	4,590,191
Other leasing business revenue	822,390	962,876
Gain on sales of real estate properties	-	113,324
<b>Total operating revenue</b>	<b>5,275,003</b>	<b>5,666,391</b>
<b>Operating expenses</b>		
Expenses related to leasing business	2,203,860	2,493,283
Asset management fee	434,547	469,384
Asset custody fees	8,916	9,291
Administrative service fees	18,588	18,211
Remuneration for directors (and other officers)	3,683	3,676
Other operating expenses	57,874	60,665
<b>Total operating expenses</b>	<b>2,727,470</b>	<b>3,054,513</b>
<b>Operating income</b>	<b>2,547,532</b>	<b>2,611,878</b>
<b>Non-operating income</b>		
Interest income	23	21
Gain on forfeiture of unclaimed distributions	1,027	938
Interest on tax refund	284	350
Subsidy income	516	-
<b>Total non-operating income</b>	<b>1,851</b>	<b>1,310</b>
<b>Non-operating expenses</b>		
Interest expenses	202,668	212,922
Interest expenses on investment corporation bonds	22,586	23,300
Amortization of investment corporation bond issuance costs	2,990	2,990
Borrowing related expenses	46,740	49,220
Investment unit issuance expenses	25,756	-
Other	3,000	-
<b>Total non-operating expenses</b>	<b>303,742</b>	<b>288,433</b>
<b>Ordinary income</b>	<b>2,245,641</b>	<b>2,324,755</b>
Net income before income taxes	2,245,641	2,324,755
Income taxes - current	985	605
Income taxes - deferred	5	18
<b>Total income taxes</b>	<b>990</b>	<b>623</b>
<b>Net income</b>	<b>2,244,651</b>	<b>2,324,132</b>
Retained earnings brought forward	352,709	3,984
Unappropriated retained earnings (undisposed loss)	2,597,360	2,328,117

## (3) Statement of Changes in Net Assets

The Fiscal Period ended April 2022 (The 12<sup>th</sup> period from November 1, 2021 to April 30, 2022)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net
Allowance for temporary difference adjustment		Total deduction from unitholders' capital		
Balance at beginning of period	73,516,089	(478,725)	(478,725)	73,037,364
Changes during period				
Issuance of new investment units	4,983,778			4,983,778
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		127,992	127,992	127,992
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	4,983,778	127,992	127,992	5,111,771
Balance at end of period	78,499,868	(350,732)	(350,732)	78,149,135

(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 period	2,623,329	2,623,329	75,660,693	(352,076)	(352,076)	75,308,617
Changes during period						
Issuance of new investment units			4,983,778			4,983,778
Dividends of surplus	(2,142,627)	(2,142,627)	(2,142,627)			(2,142,627)
Reversal of allowance for temporary difference adjustments	(127,992)	(127,992)	-			-
Net income	2,244,651	2,244,651	2,244,651			2,244,651
Net changes in items other than unitholders' equity				349,412	349,412	349,412
Total changes during period	(25,968)	(25,968)	5,085,802	349,412	349,412	5,435,214
Balance at end of period	2,597,360	2,597,360	80,746,496	(2,664)	(2,664)	80,743,832



The Fiscal Period ended October 2022 (The 13<sup>th</sup> period from May 1, 2022 to October 31, 2022)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital			
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net
Allowance for temporary difference adjustment		Total deduction from unitholders' capital		
Balance at beginning of period	78,499,868	(350,732)	(350,732)	78,149,135
Changes during period				
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		348,961	348,961	348,961
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	348,961	348,961	348,961
Balance at end of period	78,499,868	(1,771)	(1,771)	78,498,097

(Thousands of yen)

	Unitholders' equity			Valuation and translation adjustments		Total net assets
	Surplus		Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
	Unappropriated retained earnings (undisposed loss)	Total surplus				
Balance at beginning of period	2,597,360	2,597,360	80,746,496	(2,664)	(2,664)	80,743,832
Changes during period						
Dividends of surplus	(2,244,414)	(2,244,414)	(2,244,414)			(2,244,414)
Reversal of allowance for temporary difference adjustments	(348,961)	(348,961)	-			-
Net income	2,324,132	2,324,132	2,324,132			2,324,132
Net changes in items other than unitholders' equity				204,516	204,516	204,516
Total changes during period	(269,243)	(269,243)	79,717	204,516	204,516	284,234
Balance at end of period	2,328,117	2,328,117	80,826,214	201,852	201,852	81,028,066

## (4) Distribution Information

(Yen)

	Fiscal Period ended April 2022 (The 12 <sup>th</sup> period from November 1, 2021 to April 30, 2022)	Fiscal Period ended October 2022 (The 13 <sup>th</sup> period from May 1, 2022 to October 31, 2022)
I Unappropriated retained earnings (undisposed loss)	2,597,360,578	2,328,117,303
II Capitalization	348,961,200	1,771,440
Reversal of allowance for temporary difference adjustment	348,961,200	1,771,440
III Distributions	2,244,414,480	2,325,900,720
[Distributions per unit]	[1,267]	[1,313]
IV Retained earnings to be carried forward (retained loss)	3,984,898	445,143
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, 2,244,414,480 yen, which is the total amount of profit as defined in Article 136, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan 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, 2,325,900,720 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)

	For the six-month period ended April 30, 2022	For the six-month period ended October 31, 2022
<b>Cash flows from operating activities</b>		
Net income before income taxes	2,245,641	2,324,755
Depreciation	641,351	660,719
Amortization of investment corporation bond issuance costs	2,990	2,990
Investment unit issuance expenses	25,756	-
Interest income	(23)	(21)
Interest expenses	225,254	236,222
Decrease (increase) in operating accounts receivable	(30,379)	(2,169)
Decrease (increase) in prepaid expenses	(15,536)	1,739
Decrease (increase) in consumption taxes refund receivable	(35,090)	92,266
Increase (decrease) in operating accounts payable	(110,213)	156,324
Increase (decrease) in accounts payable - other	(6,886)	46,117
Increase (decrease) in accrued consumption taxes	-	262,668
Increase (decrease) in advances received	35,423	6,587
Decrease (increase) in long-term prepaid expenses	(40,609)	62,573
Decrease in property, plant and equipment in trust due to sale	-	1,510,166
Other, net	20,682	(12,747)
Subtotal	2,958,361	5,348,192
Interest received	23	21
Interest paid	(227,166)	(238,536)
Income taxes paid	(1,100)	(984)
Net cash provided by (used in) operating activities	2,730,118	5,108,692
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(9,931)
Purchase of property, plant and equipment in trust	(11,455,784)	(322,431)
Refund of leasehold and guarantee deposits received	(3,486)	(5,528)
Proceeds from leasehold and guarantee deposits received	2,144	-
Refund of leasehold and guarantee deposits received in trust	(155,587)	(102,419)
Proceeds from leasehold and guarantee deposits received in trust	511,422	106,809
Payments for restricted bank deposits held in trust	(0)	(0)
Other payments	(4,254)	(1,297)
Net cash provided by (used in) investing activities	(11,105,547)	(334,800)
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	14,100,000	-
Repayments of long-term borrowings	(10,000,000)	-
Proceeds from issuance of investment corporation bonds	1,186,268	-
Proceeds from issuance of investment units	4,958,022	-
Distributions paid	(2,139,562)	(2,242,474)
Net cash provided by (used in) financing activities	8,104,728	(2,242,474)
Net increase (decrease) in cash and cash equivalents	(270,701)	2,531,418
Cash and cash equivalents at beginning of period	4,691,905	4,421,204
Cash and cash equivalents at end of period	4,421,204	6,952,622