

(REIT) Financial Report for the Fiscal Period ended October 31, 2023 (The 15th Period)

December 15, 2023

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, Executive Director, CFO
 TEL: +81-(0)3-6632-5960

Scheduled date for submission of securities report: January 26, 2024

Scheduled date for commencing dividend payments: January 12, 2024

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 2023 (The 15th period from May 1, 2023 to October 31, 2023)

(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, 2023	5,744	(9.0)	2,467	(12.5)	2,160	(14.3)	2,153	(12.0)
Apr. 30, 2023	6,308	11.3	2,820	8.0	2,521	8.5	2,447	5.3

Period ended	Net Profit per Unit	Net Profit to Net Assets	Ordinary Profit to Total Assets	Ordinary Profit to Operating Revenue
	Yen	%	%	%
Oct. 31, 2023	1,215	2.7	1.2	37.6
Apr. 30, 2023	1,381	3.0	1.5	40.0

(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, 2023: 1,771,440 units, Fiscal period ended October 31, 2023: 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, 2023	1,215	2,152	-	-	100.0	2.6
Apr. 30, 2023	1,305	2,311	-	-	94.4	2.9

(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, 2023	174,746	81,393	46.6	45,947
Apr. 30, 2023	174,479	81,077	46.5	45,769

(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, 2023	2,923	(671)	(2,314)	5,460
Apr. 30, 2023	9,851	(10,456)	(825)	5,522

2. Forecasts for the Fiscal Period ending April 2024 (The 16th Period from November 1, 2023 to April 30, 2024) and ending October 2024 (The 17th Period from May 1, 2024 to October 31, 2024)

(% 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, 2024	5,861	2.0	2,510	1.8	2,114	(2.1)	2,113	(1.9)	1,150	-
Oct. 31, 2024	6,038	3.0	2,626	4.6	2,261	6.9	2,260	6.9	1,185	-

(Reference) Forecasted net profit per unit (Forecasted net profit / Forecasted unit at end of period)

The Fiscal Period ending April 2024:

Forecasted unit at end of period 1,907,440 units Forecasted net profit per unit 1,108 yen

The Fiscal Period ending October 2024:

Forecasted unit at end of period 1,907,440 units Forecasted net profit per unit 1,185 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, 2023: 1,771,440 units As of Apr. 30, 2023: 1,771,440 units

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

As of Oct. 31, 2023: 0 unit As of Apr. 30, 2023: 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, 2024 and October 31, 2024" on page 3.

Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2024 and October 31, 2024

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> The Fiscal Period Ending April 2024: November 1, 2023 to April 30, 2024 (182 days) The Fiscal Period Ending October 2024: May 1, 2024 to October 31, 2024 (184 days) 																					
Portfolio assets	<ul style="list-style-type: none"> In addition to the real estate and real estate trust beneficiaries that MIRAI owns (total 42, hereinafter the “Portfolio assets”), it assumes that MIRAI will acquire “MI Cube Shinsaibashi” on March 1, 2024 (together the “Assets to be Acquired”). For details of the acquisition, please refer to “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (Five Properties including “MI Terrace Hamamatsu)”” dated November 14, 2023. It assumes that there is no movement of the “Portfolio assets” (acquisition of new assets and/or dispositions of assets) other than the above Assets to be Acquired. Changes may occur in reality due to changes in the “Portfolio assets”. 																					
Total number of investment units issued	<ul style="list-style-type: none"> It is assumed that total number of investment units outstanding is 1,907,440 units which is comprised of 1,900,940 units outstanding as of today and 6,500 units through third-party allotment. The number of new investment units to be issued through third-party allotment is assumed as 6,500 units which is the maximum units to be issued. Other than described above, no changes in the number of investment units due to any issuances of new units are assumed until October 31, 2024. 																					
Interest-bearing debt	<ul style="list-style-type: none"> Of the interest-bearing debt of 89,000 million yen as of today, MIRAI assumed that the current portion of long-term debt of 4,500 million yen that will mature during the fiscal period ending April 30, 2024 and the current portion of long-term debt of 1,500 million yen that will mature during the fiscal period ending October 31, 2024 would be refinanced into long-term debt. It is assumed that long term debt of 2,500 million yen and short term debt of 400 million yen is raised on March 1, 2024 in order to fund the acquisition proceeds of the Assets to be Acquired. For detail of the loans, please refer to “Notice Concerning Borrowing of Funds (Including Green Loan)” dated November 14, 2023. The interest-bearing debt outstanding as of April 30, 2024 and October 31, 2024 is expected to be 91,900 million yen. The LTV (based on total assets) as of April 30, 2024 and as of October 31, 2024 is expected to be approximately 49%. The calculation of the LTV (based on total assets) uses the following formula. $\text{LTV (based on total assets) (\%)} = \frac{\text{total amount of interest-bearing debt outstanding}}{\text{total assets}}$ 																					
Operating revenue	<ul style="list-style-type: none"> 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 the Acquisition, and trends in the real estate leasing market (vacancy rates, rent levels, etc.). Variable rent generated from the hotels with variable rent (“Smile Hotel Naha City Resort”, “Smile Hotel Hakataeki-Mae” and “Smile Hotel Nagoya-Sakae”) are estimated to be 75 million yen for the fiscal period ending April 30, 2024, and 92 million yen for the fiscal period ending October 31, 2024. 																					
Operating expense	<ul style="list-style-type: none"> 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. 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. The total amount of the capitalized Fixed Asset and City Planning Taxes on the Assets to be Acquired in the fiscal period ending October 31, 2024 is estimated to be 13 million yen. Total repair expenses for buildings are calculated based on the repair plans developed by Mitsui Bussan & 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. Depreciation including incidental expenses is calculated using the straight-line method. The breakdown of expenses for the lease business is as follows. <table align="center" border="0" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th align="center">Fiscal Period Ending April 30, 2024</th> <th align="center">Fiscal Period Ending October 31, 2024</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td align="right">406 million yen</td> <td align="right">398 million yen</td> </tr> <tr> <td>Utilities expenses:</td> <td align="right">606 million yen</td> <td align="right">686 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td align="right">463 million yen</td> <td align="right">497 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td align="right">186 million yen</td> <td align="right">108 million yen</td> </tr> <tr> <td>Other expenses for leasing business:</td> <td align="right">353 million yen</td> <td align="right">312 million yen</td> </tr> <tr> <td>Depreciation:</td> <td align="right">770 million yen</td> <td align="right">802 million yen</td> </tr> </tbody> </table> Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 564 million yen for the fiscal period ending April 30, 2024, and 607 million yen for the fiscal period ending October 31, 2024. 		Fiscal Period Ending April 30, 2024	Fiscal Period Ending October 31, 2024	Outsourcing services:	406 million yen	398 million yen	Utilities expenses:	606 million yen	686 million yen	Taxes and dues:	463 million yen	497 million yen	Repair expenses:	186 million yen	108 million yen	Other expenses for leasing business:	353 million yen	312 million yen	Depreciation:	770 million yen	802 million yen
	Fiscal Period Ending April 30, 2024	Fiscal Period Ending October 31, 2024																				
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Other expenses for leasing business:	353 million yen	312 million yen																				
Depreciation:	770 million yen	802 million yen																				
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and borrowing-related expenses are estimated to be 370 million yen for the fiscal period ending April 30, 2024, and 365 million yen for the fiscal period ending October 31, 2024. One-off expenses of 26 million yen for the issuance of new investment units that was resolved at the Board of Directors meeting held on November 14, 2023 are expected for the fiscal period ending April 30, 2024. 																					
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. For the fiscal period ending April 2024, it is assumed that a total of 2,193 million yen (1,150 yen per unit) will be distributed, which is the sum of the projected net income of 2,113 million yen and the planned withdrawal of retained earnings of 80 million yen. After deducting the amount scheduled to be reversed, balance of retained earnings after distribution are expected to be 56 million yen. 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. 																					

Item	Assumptions
	<ul style="list-style-type: none"> Derivatives transactions (interest rate swaps transaction) will be continuously in place during the fiscal periods ending April 30, 2024 and October 31, 2024. It is estimated that 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) is not incurred. It is calculated based on the assumption that there is 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 deduction from net assets is assumed in the fiscal periods ending April 30, 2024 and October 31, 2024, 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 under taxation are not scheduled at present.
Others	<ul style="list-style-type: none"> 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. The forecasts assume no unforeseeable significant changes in the general economic trends and real estate market conditions.

3. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of April 30, 2023	As of October 31, 2023
Assets		
Current assets		
Cash and deposits	3,040,495	2,999,870
Cash and deposits in trust	2,663,616	2,642,403
Operating accounts receivable	287,999	255,782
Prepaid expenses	151,367	138,460
Income taxes refund receivable	-	3
Other	8,414	21
Total current assets	6,151,893	6,036,541
Non-current assets		
Property, plant and equipment		
Buildings	477,586	494,930
Accumulated depreciation	(29,177)	(37,401)
Buildings, net	448,409	457,528
Structures	564	564
Accumulated depreciation	(440)	(534)
Structures, net	124	30
Machinery and equipment	4,770	4,770
Accumulated depreciation	(516)	(755)
Machinery and equipment, net	4,253	4,014
Tools, furniture and fixtures	-	288
Accumulated depreciation	-	(24)
Tools, furniture and fixtures, net	-	263
Land	4,235,946	4,235,946
Buildings in trust	38,577,033	39,163,201
Accumulated depreciation	(6,162,729)	(6,815,786)
Buildings in trust, net	32,414,304	32,347,414
Structures in trust	259,388	260,160
Accumulated depreciation	(68,693)	(74,303)
Structures in trust, net	190,695	185,857
Machinery and equipment in trust	232,397	259,599
Accumulated depreciation	(85,174)	(93,681)
Machinery and equipment in trust, net	147,222	165,918
Tools, furniture and fixtures in trust	358,897	400,846
Accumulated depreciation	(116,743)	(147,650)
Tools, furniture and fixtures in trust, net	242,154	253,196
Land in trust	130,149,310	130,149,310
Total property, plant and equipment	167,832,421	167,799,480
Intangible assets		
Software	14,018	11,208
Other	231	231
Total intangible assets	14,249	11,439
Investments and other assets		
Long-term prepaid expenses	228,864	182,918
Deferred tax assets	6,597	-
Guarantee deposits	11,006	11,006
Other	186,038	659,927
Total investments and other assets	432,506	853,851
Total non-current assets	168,279,178	168,664,772
Deferred assets		
Investment corporation bond issuance costs	48,260	45,270
Total deferred assets	48,260	45,270
Total assets	174,479,332	174,746,584

(Thousands of yen)

	As of April 30, 2023	As of October 31, 2023
Liabilities		
Current liabilities		
Operating accounts payable	781,916	739,858
Distributions payable	10,766	8,517
Short-term borrowings	1,500,000	-
Current portion of long-term borrowings	20,000,000	18,000,000
Accounts payable - other	541,912	551,975
Accrued expenses	3,740	1,311
Income taxes payable	80,303	605
Accrued consumption taxes	59,494	81,355
Advances received	687,371	698,930
Deposits received	3,218	698
Other	2,850	5,404
Total current liabilities	23,671,574	20,088,656
Non-current liabilities		
Investment corporation bonds	6,200,000	6,200,000
Long-term borrowings	57,800,000	61,300,000
Leasehold and guarantee deposits received	147,499	147,499
Leasehold and guarantee deposits received in trust	5,520,440	5,499,837
Other	61,842	117,168
Total non-current liabilities	69,729,782	73,264,506
Total liabilities	93,401,357	93,353,162
Net assets		
Unitholders' equity		
Unitholders' capital	78,499,868	78,499,868
Surplus		
Unappropriated retained earnings (undisposed loss)	2,448,202	2,289,760
Total surplus	2,448,202	2,289,760
Total unitholders' equity	80,948,070	80,789,628
Valuation and translation adjustments		
Deferred gains or losses on hedges	129,904	603,792
Total valuation and translation adjustments	129,904	603,792
Total net assets	81,077,975	81,393,421
Total liabilities and net assets	174,479,332	174,746,584

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended April 30, 2023	For the six-month period ended October 31, 2023
Operating revenue		
Leasing business revenue	4,652,516	4,740,629
Other leasing business revenue	1,028,489	1,003,523
Gain on sales of real estate properties	627,957	-
Total operating revenue	6,308,963	5,744,152
Operating expenses		
Expenses related to leasing business	2,687,067	2,702,512
Loss on sale of real estate properties	214,665	-
Asset management fee	466,526	472,932
Asset custody fees	9,291	9,499
Administrative service fees	19,294	23,034
Remuneration for directors (and other officers)	3,676	3,676
Other operating expenses	88,439	64,801
Total operating expenses	3,488,961	3,276,457
Operating income	2,820,002	2,467,695
Non-operating income		
Interest income	25	25
Gain on forfeiture of unclaimed distributions	1,030	957
Total non-operating income	1,055	982
Non-operating expenses		
Interest expenses	220,462	231,086
Interest expenses on investment corporation bonds	23,300	23,300
Amortization of investment corporation bond issuance costs	2,990	2,990
Borrowing related expenses	49,836	50,811
Other	3,000	-
Total non-operating expenses	299,590	308,188
Ordinary income	2,521,467	2,160,489
Net income before income taxes	2,521,467	2,160,489
Income taxes - current	80,307	605
Income taxes - deferred	(6,597)	6,597
Total income taxes	73,710	7,202
Net income	2,447,757	2,153,286
Retained earnings brought forward	445	136,473
Unappropriated retained earnings (undisposed loss)	2,448,202	2,289,760

(3) Statement of Changes in Net Assets

The Fiscal Period ended April 2023 (The 14th period from November 1, 2022 to April 30, 2023)

(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	(1,771)	(1,771)	78,498,097
Changes during period				
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		1,771	1,771	1,771
Net income				
Net changes in items other than unitholders' equity				
Total changes during period	-	1,771	1,771	1,771
Balance at end of period	78,499,868	-	-	78,499,868

(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	2,328,117	2,328,117	80,826,214	201,852	201,852	81,028,066
Changes during period						
Dividends of surplus	(2,325,900)	(2,325,900)	(2,325,900)			(2,325,900)
Reversal of allowance for temporary difference adjustments	(1,771)	(1,771)	-			-
Net income	2,447,757	2,447,757	2,447,757			2,447,757
Net changes in items other than unitholders' equity				(71,947)	(71,947)	(71,947)
Total changes during period	120,085	120,085	121,856	(71,947)	(71,947)	49,908
Balance at end of period	2,448,202	2,448,202	80,948,070	129,904	129,904	81,077,975

The Fiscal Period ended October 2023 (The 15th period from May 1, 2023 to October 31, 2023)

(Thousands of yen)

	Unitholders' equity			
	Unitholders' capital	Surplus		Total unitholders' equity
		Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at beginning of period	78,499,868	2,448,202	2,448,202	80,948,070
Changes during period				
Dividends of surplus		(2,311,729)	(2,311,729)	(2,311,729)
Net income		2,153,286	2,153,286	2,153,286
Net changes in items other than unitholders' equity				
Total changes during period	-	(158,442)	(158,442)	(158,442)
Balance at end of period	78,499,868	2,289,760	2,289,760	80,789,628

(Thousands of yen)

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	129,904	129,904	81,077,975
Changes during period			
Dividends of surplus			(2,311,729)
Net income			2,153,286
Net changes in items other than unitholders' equity	473,888	473,888	473,888
Total changes during period	473,888	473,888	315,446
Balance at end of period	603,792	603,792	81,393,421

(4) Distribution Information

(Yen)

	Fiscal Period ended April 2023 (The 14 th period from November 1, 2022 to April 30, 2023)	Fiscal Period ended October 2023 (The 15 th period from May 1, 2023 to October 31, 2023)
I Unappropriated retained earnings (undisposed loss)	2,448,202,434	2,289,760,022
II Distributions	2,311,729,200	2,152,299,600
[Distributions per unit]	[1,305]	[1,215]
III Retained earnings to be carried forward (retained loss)	136,473,234	137,460,422
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, considering that 413,292,461 yen of gain/loss on sales of real estate properties was generated, 136,473,234 yen is retained internally to stabilize future distributions per unit, and 2,311,729,200 yen, which is the total amount of unappropriated retained earnings after deduction of the amount equivalent to internal reserves, as distributions from earnings, 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, distributions from retained earnings (excluding distributions in excess of earnings) The amount of 2,152,299,600 yen, which is the amount of unappropriated retained earnings for the fiscal period less the amount of 136,473,234 yen retained prior to the previous period due to gains on sales of real estate, etc., and excluding fractions of less than one yen per investment unit, is to be distributed as distributions from earnings.

(5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended April 30, 2023	For the six-month period ended October 31, 2023
Cash flows from operating activities		
Net income before income taxes	2,521,467	2,160,489
Depreciation	682,796	709,471
Amortization of investment corporation bond issuance costs	2,990	2,990
Interest income	(25)	(25)
Interest expenses	243,762	254,386
Decrease (increase) in operating accounts receivable	(28,178)	32,217
Decrease (increase) in prepaid expenses	(5,785)	12,907
Increase (decrease) in operating accounts payable	42,759	(8,625)
Increase (decrease) in accounts payable - other	(6,722)	10,063
Increase (decrease) in accrued consumption taxes	(203,173)	21,860
Increase (decrease) in advances received	20,295	11,559
Decrease (increase) in long-term prepaid expenses	13,166	45,946
Decrease in property, plant and equipment in trust due to sale	6,818,443	-
Other, net	(8,692)	7,706
Subtotal	10,093,103	3,260,948
Interest received	25	25
Interest paid	(241,179)	(256,815)
Income taxes paid	(605)	(80,307)
Net cash provided by (used in) operating activities	9,851,344	2,923,850
Cash flows from investing activities		
Purchase of property, plant and equipment	(29,483)	(26,811)
Purchase of property, plant and equipment in trust	(10,539,241)	(623,921)
Proceeds from leasehold and guarantee deposits received	4,261	-
Refund of leasehold and guarantee deposits received in trust	(371,903)	(115,036)
Proceeds from leasehold and guarantee deposits received in trust	482,044	94,433
Payments for restricted bank deposits held in trust	(0)	(182,000)
Proceeds from restricted deposits held in trust	-	182,103
Other payments	(1,805)	-
Net cash provided by (used in) investing activities	(10,456,128)	(671,233)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,500,000	-
Repayments of short-term borrowings	-	(1,500,000)
Proceeds from long-term borrowings	7,000,000	5,000,000
Repayments of long-term borrowings	(7,000,000)	(3,500,000)
Distributions paid	(2,325,609)	(2,313,021)
Other payments	(219)	(1,331)
Net cash provided by (used in) financing activities	(825,828)	(2,314,352)
Net increase (decrease) in cash and cash equivalents	(1,430,613)	(61,735)
Cash and cash equivalents at beginning of period	6,952,622	5,522,009
Cash and cash equivalents at end of period	5,522,009	5,460,273