

(REIT) Financial Report for the Fiscal Period ended October 31, 2020 (The 9th Period)

December 14, 2020

Name of REIT issuer: MIRAI Corporation
 Security code: 3476
 Representative: Michio Suganuma, Executive Director
 Stock exchange listing: Tokyo Stock Exchange
 URL: <https://3476.jp/en/>
 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 29, 2021
 Scheduled date for commencing dividend payments: January 15, 2021

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 2020 (The 9th period from May 31, 2020 to October 31, 2020)

(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, 2020	5,367	(1.5)	2,622	(8.5)	2,378	(8.4)	2,376	(8.4)
Apr. 30, 2020	5,448	2.0	2,865	5.5	2,595	4.9	2,594	4.9

Period ended	Net Profit per Unit	Net Profit to Net Assets	Ordinary Profit to Total Assets	Ordinary Profit to Operating Revenue
	Yen	%	%	%
Oct. 31, 2020	1,429	3.1	1.5	44.3
Apr. 30, 2020	1,583	3.5	1.7	47.6

(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, 2020 = 1,638,137 units, Fiscal period ended October 31, 2020 = 1,662,240 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, 2020	1,429	2,375	-	-	1,429	2,375	99.9	3.1
Apr. 30, 2020	1,561	2,594	-	-	1,561	2,594	100.0	3.5

(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, 2020	159,222	75,428	47.4	45,377
Apr. 30, 2020	161,027	75,572	46.9	45,464

(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, 2020	6,160	(686)	(4,607)	5,471
Apr. 30, 2020	5,881	(13,519)	4,945	4,604

2. Forecasts for the Fiscal Period ending April 2021 (The 10th Period from November 1, 2020 to April 30, 2021) and October 2021 (The 11th Period from May 1, 2021 to October 31, 2021)

(% 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, 2021	4,819	(10.2)	2,176	(17.0)	1,928	(18.9)	1,927	(18.9)	1,160	-
Oct. 31, 2021	5,109	6.0	2,352	8.1	2,095	8.6	2,094	8.7	1,260	-

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

The Fiscal Period ending April 2021:

Forecasted Unit at end of period 1,662,240 units Forecasted Net Profit per Unit 1,160 yen

The Fiscal Period ending October 2021:

Forecasted Unit at end of period 1,662,240 units Forecasted Net Profit per Unit 1,260 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, 2020: 1,662,240 units As of Apr. 30, 2020: 1,662,240 units

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

As of Oct. 31, 2020: 0 unit As of Apr. 30, 2020: 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. (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 Forecasts for the Fiscal Periods Ending April 30, 2021 and October 31, 2021." on page 3.

Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2021 and October 31, 2021

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> The Fiscal Period Ending April 2021: November 1, 2020 to April 30, 2021 (181 days) The Fiscal Period Ending October 2021: May 1, 2021 to October 31, 2021 (184 days) 																					
Portfolio assets	<ul style="list-style-type: none"> Of the real estate trust beneficiaries MIRAI owns as of today (total 32 assets, hereinafter the "Portfolio assets"), it is assumed that Odawara Material Storage and Delivery Center (land) to be acquired on March 1, 2021 (hereinafter the "Asset to be Acquired") will be acquired. For details of the acquisition, please refer to "Notice Concerning Acquisition of Real Estate in Japan ("Odawara Material Storage and Delivery Center (land)")" on November 24, 2020. It assumes that there is no movement of the "Portfolio assets" (acquisition of new assets and/or dispositions of assets) other than the above "Asset 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"> The forecast assumes 1,662,240 units. No change in the number of investment units due to any issuances of new units are assumed until October 31, 2021. 																					
Interest-bearing debt	<ul style="list-style-type: none"> Of the outstanding interest-bearing debt balance of 75,700 million yen as of today. MIRAI assumed that the current portion of long-term debt of 3,000 million yen that will mature during the fiscal period ending April 30, 2021 and October 31, 2020 would be refinanced into long-term debt. MIRAI assumed that it will borrow short-term debt of 1,400 million yen as funds for acquisition of the "Asset to be acquired" on March 1, 2021. The interest-bearing debt outstanding as of April 30, 2021 and October 31, 2021 is expected to be 77,100 million yen. The LTV (based on total assets) as of April 30, 2021 and October 31, 2021 is expected to be approximately mid 48%. 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 																					
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. MIRAI disposed Comfort Hotel Shin-Yamaguchi. It expects to receive 7 million yen for the fiscal period ending April 30, 2021 in gain on sales of real estate properties (disposition gain). It is assumed that hotels with variable rent (Smile Hotel Naha City Resort, Smile Hotel Hakataeki-mae, Smile Hotel Nagoya-Sakae) will not incur variable rent until the end of October 2021. Considering the spread of COVID-19, risk of 46 million yen for the fiscal period ending April 30, 2021 and 2 million yen for the fiscal period ending October 31, 2021 decline in lease business revenue are estimated. 																					
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 current 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 current 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. 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>The Fiscal Period Ending April 30, 2021</th> <th>The Fiscal Period Ending October 31, 2021</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td align="right">383 million yen</td> <td align="right">373 million yen</td> </tr> <tr> <td>Utilities expenses:</td> <td align="right">426 million yen</td> <td align="right">498 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td align="right">390 million yen</td> <td align="right">419 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td align="right">74 million yen</td> <td align="right">66 million yen</td> </tr> <tr> <td>Other expenses for leasing business:</td> <td align="right">263 million yen</td> <td align="right">254 million yen</td> </tr> <tr> <td>Depreciation:</td> <td align="right">603 million yen</td> <td align="right">618 million yen</td> </tr> </tbody> </table> Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 501 million yen for the fiscal period ending April 30, 2021, and 525 million yen for the fiscal period ending October 31, 2021. 		The Fiscal Period Ending April 30, 2021	The Fiscal Period Ending October 31, 2021	Outsourcing services:	383 million yen	373 million yen	Utilities expenses:	426 million yen	498 million yen	Taxes and dues:	390 million yen	419 million yen	Repair expenses:	74 million yen	66 million yen	Other expenses for leasing business:	263 million yen	254 million yen	Depreciation:	603 million yen	618 million yen
	The Fiscal Period Ending April 30, 2021	The Fiscal Period Ending October 31, 2021																				
Outsourcing services:	383 million yen	373 million yen																				
Utilities expenses:	426 million yen	498 million yen																				
Taxes and dues:	390 million yen	419 million yen																				
Repair expenses:	74 million yen	66 million yen																				
Other expenses for leasing business:	263 million yen	254 million yen																				
Depreciation:	603 million yen	618 million yen																				
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and borrowing-related expenses are estimated to be 247 million yen for the fiscal period ending April 30, 2021, and 256 million yen for the fiscal period ending October 31, 2021. 																					
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. Derivatives transactions (interest rate swaps transaction) will be continuously in place during the fiscal periods ending April 30, 2021 and October 31, 2021. 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 464 million yen which is the same amount as the fiscal period ended October 31, 2020. 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 period ending April 30, 2021 and fiscal period ending October 31, 2021, 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"> 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 New Coronavirus Infection continuing to expand and becoming prolonged cannot be ruled out. 																					

Item	Assumptions
	<ul style="list-style-type: none"><li data-bbox="384 197 1445 241">• 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 data-bbox="384 241 1445 284">• 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, 2020	As of October 31, 2020
Assets		
Current assets		
Cash and deposits	2,391,497	3,255,545
Cash and deposits in trust	2,395,379	2,397,565
Operating accounts receivable	130,333	126,496
Prepaid expenses	135,042	132,783
Consumption taxes receivable	45,340	-
Other	16,437	28
Total current assets	5,114,029	5,912,418
Non-current assets		
Property, plant and equipment		
Buildings in trust	35,103,711	35,570,357
Accumulated depreciation	(2,983,575)	(3,558,091)
Buildings in trust, net	32,120,136	32,012,266
Structures in trust	323,059	322,658
Accumulated depreciation	(47,661)	(55,064)
Structures in trust, net	275,397	267,593
Machinery and equipment in trust	196,670	219,025
Accumulated depreciation	(41,557)	(50,940)
Machinery and equipment in trust, net	155,112	168,084
Tools, furniture and fixtures in trust	104,086	125,329
Accumulated depreciation	(13,046)	(21,171)
Tools, furniture and fixtures in trust, net	91,039	104,157
Land in trust	122,749,670	120,282,810
Total property, plant and equipment	155,391,357	152,834,912
Intangible assets		
Software	13,436	11,752
Other	231	231
Total intangible assets	13,668	11,983
Investments and other assets		
Long-term prepaid expenses	429,128	374,113
Deferred tax assets	5	47
Guarantee deposits	11,006	11,006
Other	58,165	56,134
Total investments and other assets	498,304	441,300
Total non-current assets	155,903,330	153,288,197
Deferred assets		
Investment corporation bond issuance costs	9,970	21,896
Total deferred assets	9,970	21,896
Total assets	161,027,331	159,222,513

(Thousands of yen)

	As of April 30, 2020	As of October 31, 2020
Liabilities		
Current liabilities		
Operating accounts payable	345,955	808,801
Distributions payable	15,518	11,888
Short-term borrowings	3,000,000	-
Current portion of long-term borrowings	1,500,000	3,000,000
Accounts payable - other	487,885	504,224
Accrued expenses	1,090	2,111
Income taxes payable	705	1,491
Accrued consumption taxes	-	179,767
Advances received	625,664	653,192
Deposits received	14,637	592
Other	160	301
Total current liabilities	5,991,618	5,162,371
Non-current liabilities		
Investment corporation bonds	1,000,000	2,000,000
Long-term borrowings	72,200,000	70,700,000
Leasehold and guarantee deposits received in trust	5,724,349	5,466,986
Derivatives liabilities	538,694	464,758
Total non-current liabilities	79,463,043	78,631,745
Total liabilities	85,454,662	83,794,116
Net assets		
Unitholders' equity		
Unitholders' capital	73,516,089	73,516,089
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	(621,584)	(538,565)
Total deduction from unitholders' capital	(621,584)	(538,565)
Unitholders' capital, net	72,894,505	72,977,523
Surplus		
Unappropriated retained earnings (undisposed loss)	3,216,858	2,915,631
Total surplus	3,216,858	2,915,631
Total unitholders' equity	76,111,363	75,893,155
Valuation and translation adjustments		
Deferred gains or losses on hedges	(538,694)	(464,758)
Total valuation and translation adjustments	(538,694)	(464,758)
Total net assets	75,572,668	75,428,396
Total liabilities and net assets	161,027,331	159,222,513

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	Fiscal period ended April 30, 2020	Fiscal period ended October 31, 2020
Operating revenue		
Leasing business revenue	4,140,742	4,069,009
Other leasing business revenue	827,653	813,540
Gain on sales of real estate properties	480,199	484,599
Total operating revenue	5,448,595	5,367,148
Operating expenses		
Expenses related to leasing business	2,073,651	2,208,862
Asset management fee	421,995	440,038
Asset custody fee	7,749	8,333
Administrative service fees	15,847	16,707
Remuneration for directors (and other officers)	3,696	3,696
Other operating expenses	60,385	66,839
Total operating expenses	2,583,326	2,744,477
Operating profit	2,865,268	2,622,671
Non-operating income		
Interest income	34	22
Gain on forfeiture of unclaimed dividends	-	3,616
Interest on tax refund	-	284
Total non-operating income	34	3,923
Non-operating expenses		
Interest expenses	196,023	200,869
Interest expenses on investment corporation bonds	3,200	5,591
Amortization of investment corporation bond issuance costs	610	1,042
Borrowing related expenses	41,796	41,088
Investment unit issuance expenses	25,492	-
Other	3,000	-
Total non-operating expenses	270,123	248,592
Ordinary profit	2,595,179	2,378,002
Extraordinary income		
Subsidy income	26,747	1,270
Total extraordinary income	26,747	1,270
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	26,747	1,270
Total extraordinary losses	26,747	1,270
Profit before income taxes	2,595,179	2,378,002
Income taxes - current	710	1,495
Income taxes - deferred	26	(42)
Total income taxes	737	1,453
Profit	2,594,442	2,376,548
Retained earnings brought forward	622,416	539,082
Unappropriated retained earnings (undisposed loss)	3,216,858	2,915,631

(3) Statement of Changes in Net Assets

The Fiscal Period ended April 2020 (The 8th period from November 1, 2019 to April 30, 2020)

(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	69,074,546	(491,890)	(491,890)	68,582,656
Changes during period				
Issuance of new investment units	4,441,543			4,441,543
Dividends of surplus				
Distributions in excess of earnings from allowance for temporary difference adjustments		(129,694)	(129,694)	(129,694)
Profit				
Net changes in items other than unitholders' equity				
Total changes during period	4,441,543	(129,694)	(129,694)	4,311,849
Balance at end of period	73,516,089	(621,584)	(621,584)	72,894,505

(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	2,964,824	2,964,824	71,547,480	(621,759)	(621,759)	70,925,721
Changes during period						
Issuance of new investment units			4,441,543			4,441,543
Dividends of surplus	(2,342,408)	(2,342,408)	(2,342,408)			(2,342,408)
Distributions in excess of earnings from allowance for temporary difference adjustments			(129,694)			(129,694)
Profit	2,594,442	2,594,442	2,594,442			2,594,442
Net changes in items other than unitholders' equity				83,065	83,065	83,065
Total changes during period	252,033	252,033	4,563,882	83,065	83,065	4,646,947
Balance at end of period	3,216,858	3,216,858	76,111,363	(538,694)	(538,694)	75,572,668

The Fiscal Period ended October 2020 (The 9th period from May 1, 2020 to October 31, 2020)

(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	(621,584)	(621,584)	72,894,505
Changes during period				
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		83,018	83,018	83,018
Profit				
Net changes in items other than unitholders' equity				
Total changes during period	-	83,018	83,018	83,018
Balance at end of period	73,516,089	(538,565)	(538,565)	72,977,523

(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	3,216,858	3,216,858	76,111,363	(538,694)	(538,694)	75,572,668
Changes during period						
Dividends of surplus	(2,594,756)	(2,594,756)	(2,594,756)			(2,594,756)
Reversal of allowance for temporary difference adjustments	(83,018)	(83,018)	-			-
Profit	2,376,548	2,376,548	2,376,548			2,376,548
Net changes in items other than unitholders' equity				73,935	73,935	73,935
Total changes during period	(301,226)	(301,226)	(218,207)	73,935	73,935	(144,272)
Balance at end of period	2,915,631	2,915,631	75,893,155	(464,758)	(464,758)	75,428,396

(4) Distribution Information

(Yen)

	Fiscal Period ended April 2020 (The 8 th period from November 1, 2019 to April 30, 2020)	Fiscal Period ended October 2020 (The 9 th period from May 1, 2020 to October 31, 2020)
I Unappropriated retained earnings (undisposed loss)	3,216,858,295	2,915,631,736
II Capitalization	83,018,760	74,800,800
Reversal of allowance for temporary difference adjustment	83,018,760	74,800,800
III Distributions	2,594,756,640	2,375,340,960
[Distributions per unit]	[1,561]	[1,429]
IV Retained earnings to be carried forward (retained loss)	539,082,895	465,489,976
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, 2,594,756,640 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).	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, 2,375,340,960 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, 2020	Fiscal period ended October 31, 2020
Cash flows from operating activities		
Profit before income taxes	2,595,179	2,378,002
Depreciation	590,743	611,946
Amortization of investment corporation bond issuance costs	610	1,042
Investment unit issuance expenses	25,492	-
Interest income	(34)	(22)
Interest expenses	199,223	206,461
Loss on tax purpose reduction entry of non-current assets	26,747	1,270
Decrease (increase) in operating accounts receivable	38,014	3,836
Decrease (increase) in prepaid expenses	(1,780)	2,258
Decrease (increase) in consumption taxes refund receivable	(45,340)	89,216
Increase (decrease) in operating accounts payable	(120,663)	225,556
Increase (decrease) in accounts payable - other	13,032	16,338
Increase (decrease) in accrued consumption taxes	(260,806)	135,890
Increase (decrease) in advances received	29,262	27,527
Decrease (increase) in long-term prepaid expenses	45,358	55,015
Decrease in property, plant and equipment in trust due to sale	2,919,891	2,613,847
Other, net	27,381	(1,110)
Subtotal	6,082,313	6,367,078
Interest received	34	22
Interest paid	(199,175)	(205,439)
Income taxes paid	(1,259)	(709)
Net cash provided by (used in) operating activities	5,881,912	6,160,951
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(14,159,666)	(431,646)
Refund of leasehold and guarantee deposits received in trust	(117,377)	(432,036)
Proceeds from leasehold and guarantee deposits received in trust	769,711	174,674
Payments for restricted deposits held in trust	(0)	(0)
Other payments	(12,321)	(4,632)
Other proceeds	-	6,663
Net cash provided by (used in) investing activities	(13,519,653)	(686,979)
Cash flows from financing activities		
Proceeds from short-term borrowings	3,000,000	-
Repayments of short-term borrowings	-	(3,000,000)
Proceeds from issuance of investment corporation bonds	-	987,031
Proceeds from issuance of investment units	4,416,050	-
Distributions paid	(2,470,583)	(2,594,771)
Net cash provided by (used in) financing activities	4,945,467	(4,607,739)
Net increase (decrease) in cash and cash equivalents	(2,692,274)	866,232
Cash and cash equivalents at beginning of period	7,297,053	4,604,778
Cash and cash equivalents at end of period	4,604,778	5,471,011