

# (REIT) Financial Report for the Fiscal Period ended October 31, 2021 (The 11<sup>th</sup> Period)

December 13, 2021

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: Nobuaki Takuchi, Director, CFO  
 TEL: +81-(0)3-6632-5950

Scheduled date for submission of securities report: January 28, 2022

Scheduled date for commencing dividend payments: January 14, 2022

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 2021 (The 11<sup>th</sup> period from May 1, 2021 to October 31, 2021)

### (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, 2021	5,113	2.8	2,397	3.3	2,144	3.4	2,143	3.4
Apr. 30, 2021	4,973	(7.3)	2,321	(11.5)	2,073	(12.8)	2,072	(12.8)

Period ended	Net Profit per Unit	Net Profit to Net Assets	Ordinary Profit to Total Assets	Ordinary Profit to Operating Revenue
	Yen	%	%	%
Oct. 31, 2021	1,289	2.8	1.3	41.9
Apr. 30, 2021	1,246	2.8	1.3	41.7

(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, 2021 = 1,662,240 units, Fiscal period ended October 31, 2021 = 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, 2021	1,289	2,142	-	-	1,289	2,142	100.0	2.8
Apr. 30, 2021	1,238	2,057	9	14	1,247	2,072	99.3	2.7

(Note 1) Distributions in excess of earnings per unit amounted 9 yen for the Fiscal Period ended April 30, 2021 is made from the allowance for temporary difference adjustment. There is no distribution by decreasing unitholders' capital on taxation.

(Note 2) Total Distributions (including distributions in excess of earnings) for the Fiscal Period ended April 30, 2021 is composed of distributions of net assets deducting unitholders' capital (excluding distributions in excess of earnings) at period-end and distributions of the allowance for temporary difference adjustment (distributions in excess of earnings) as changes in deferred losses on hedges during the period.

(Note 3) Payout Ratio = Total Distributions (excluding distributions in excess of earnings) / Net Profit \* 100  
 Payout Ratio for the Fiscal Period ended April 30, 2021 is 100.0% using the Total Distributions (including distributions in excess of earnings).

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

### (3) Financial Position

Period ended	Total Asset	Net Asset	Net Assets to Total Assets	Net Assets per Unit
	Million yen	Million yen	%	Yen
Oct. 31, 2021	161,226	75,308	46.7	45,305
Apr. 30, 2021	161,815	75,110	46.4	45,186

#### (4) Cash Flows

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at End of Period
Period ended	Million yen	Million yen	Million yen	Million yen
Oct. 31, 2021	2,391	(876)	(2,097)	4,691
Apr. 30, 2021	9,273	(10,096)	625	5,274

2. Forecasts for the Fiscal Period ending April 2022 (The 12<sup>th</sup> Period from November 1, 2021 to April 30, 2022) and ending October 2022 (The 13<sup>th</sup> Period from May 1, 2022 to October 31, 2022)

(% 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, 2022	5,178	1.3	2,539	5.9	2,233	4.2	2,232	4.2	1,260	-
Oct. 31, 2022	5,366	3.6	2,564	1.0	2,276	1.9	2,275	1.9	1,285	-

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

The Fiscal Period ending April 2022:

Forecasted Unit at end of period 1,771,440 units      Forecasted Net Profit per Unit 1,260 yen

The Fiscal Period ending October 2022:

Forecasted Unit at end of period 1,771,440 units      Forecasted Net Profit per Unit 1,284 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      Yes
- (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, 2021: 1,662,240 units      As of Apr. 30, 2021: 1,662,240 units

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

As of Oct. 31, 2021: 0 unit      As of Apr. 30, 2021: 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, 2022 and October 31, 2022." on page 3.

**Assumptions Underlying Forecasts for the Fiscal Periods Ending April 30, 2022 and October 31, 2021**

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> <li>The Fiscal Period Ending April 2022: November 1, 2021 to April 30, 2022 (181 days)</li> <li>The Fiscal Period Ending October 2022: May 1, 2022 to October 31, 2022 (184 days)</li> </ul>																					
Portfolio assets	<ul style="list-style-type: none"> <li>In addition to the real estate trust beneficiaries that MIRAI owns (total 34, hereinafter the “Portfolio assets”), it assumes that MIRAI will acquire “Ehime Building/Hiroshima”, “Tsurumi Fuga 1” and “BIGMOTOR Ginan (land)” on January 12, 2022 and “Yokohama-Daikokucho Maintenance Center (land)” on March 25, 2022 (together the “Assets to be Acquired”). For details of the acquisition, please refer to “Notice Concerning Acquisition of Real Estate Trust Beneficiaries in Japan (“Ehime Building/Hiroshima”, “Tsurumi Fuga 1”, “BIGMOTOR Ginan (land)” and “Yokohama-Daikokucho Maintenance Center (land)”)” announced today.</li> <li>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”.</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 which is comprised of 1,662,240 units outstanding as of today and 104,000 new units to be issued through public offering and 5,200 units through third-party allotment resolved at the Board of Directors meeting held today.</li> <li>The number of new investment units to be issued through third-party allotment is assumed as 5,200 units which is the maximum units to be issued.</li> <li>Other than described above, no changes in the number of investment units due to any issuances of new units are assumed until October 31, 2022.</li> </ul>																					
Interest-bearing debt	<ul style="list-style-type: none"> <li>Of the interest-bearing debt of 78,700 million yen, there is no interest-bearing debt that matures during fiscal periods ending April 2022 October 2022.</li> <li>The interest-bearing debt outstanding as of April 30, 2022 and October 31, 2022 is expected to be 84,000 million yen.</li> <li>The LTV (based on total assets) as of April 30, 2022 and October 31, 2022 is expected to be approximately mid 48%.</li> <li>The calculation of the LTV (based on total assets) uses the following formula.  <math display="block">\text{LTV (based on total assets) (\%)} = \frac{\text{total amount of interest-bearing debt outstanding}}{\text{total assets}}</math> </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>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 2022, 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 March 31, 2022 (scheduled)).</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. The total amount of the capitalized Fixed Asset and City Planning Taxes on the Assets to be Acquired is estimated to be 49 million yen.</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: 40px; margin-top: 10px;"> <thead> <tr> <th></th> <th align="center">The Fiscal Period Ending April 30, 2022</th> <th align="center">The Fiscal Period Ending October 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td align="right">392 million yen</td> <td align="right">386 million yen</td> </tr> <tr> <td>Utilities expenses:</td> <td align="right">356 million yen</td> <td align="right">470 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td align="right">390 million yen</td> <td align="right">423 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td align="right">67 million yen</td> <td align="right">64 million yen</td> </tr> <tr> <td>Other expenses for leasing business:</td> <td align="right">263 million yen</td> <td align="right">237 million yen</td> </tr> <tr> <td>Depreciation:</td> <td align="right">635 million yen</td> <td align="right">660 million yen</td> </tr> </tbody> </table> </li> <li>Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 531 million yen for the fiscal period ending April 30, 2022, and 514 million yen for the fiscal period ending October 31, 2022.</li> </ul>		The Fiscal Period Ending April 30, 2022	The Fiscal Period Ending October 31, 2022	Outsourcing services:	392 million yen	386 million yen	Utilities expenses:	356 million yen	470 million yen	Taxes and dues:	390 million yen	423 million yen	Repair expenses:	67 million yen	64 million yen	Other expenses for leasing business:	263 million yen	237 million yen	Depreciation:	635 million yen	660 million yen
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Non-operating expenses	<ul style="list-style-type: none"> <li>Interest expenses and borrowing-related expenses are estimated to be 278 million yen for the fiscal period ending April 30, 2022, and 288 million yen for the fiscal period ending October 31, 2022.</li> <li>One-off expenses of 27 million yen for the issuance of new investment units that was resolved at the Board of Directors meeting held on December 13, 2021 are expected for the fiscal period ending April 30, 2022.</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, 2022 and October 31, 2022. 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 352 million yen which is the same amount as the fiscal period ended October 31, 2021. It is calculated based on the assumption that there is no change in the market value of interest rate swaps.</li> </ul>																					

Item	Assumptions
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> <li>• 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, 2022 and October 31, 2022, 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> <li>• 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, 2021	As of October 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,379,883	2,542,119
Cash and deposits in trust	2,076,752	2,331,887
Operating accounts receivable	117,198	227,272
Prepaid expenses	133,358	131,784
Consumption taxes receivable	-	57,176
Other	113	28
<b>Total current assets</b>	<b>5,707,305</b>	<b>5,290,266</b>
Non-current assets		
Property, plant and equipment		
Buildings	424,386	436,737
Accumulated depreciation	(3,960)	(10,017)
<b>Buildings, net</b>	<b>420,425</b>	<b>426,720</b>
Structures	564	564
Accumulated depreciation	(62)	(157)
<b>Structures, net</b>	<b>502</b>	<b>407</b>
Land	4,230,785	4,230,785
Buildings in trust	34,669,961	35,077,401
Accumulated depreciation	(3,966,358)	(4,536,603)
<b>Buildings in trust, net</b>	<b>30,703,602</b>	<b>30,540,797</b>
Structures in trust	318,733	318,733
Accumulated depreciation	(61,460)	(68,533)
<b>Structures in trust, net</b>	<b>257,272</b>	<b>250,199</b>
Machinery and equipment in trust	188,940	207,051
Accumulated depreciation	(54,162)	(62,426)
<b>Machinery and equipment in trust, net</b>	<b>134,777</b>	<b>144,625</b>
Tools, furniture and fixtures in trust	217,106	218,425
Accumulated depreciation	(29,655)	(46,316)
<b>Tools, furniture and fixtures in trust, net</b>	<b>187,451</b>	<b>172,109</b>
Land in trust	119,722,380	119,722,380
Construction in progress in trust	27,345	54,691
<b>Total property, plant and equipment</b>	<b>155,684,544</b>	<b>155,542,717</b>
Intangible assets		
Software	16,851	18,640
Other	231	231
<b>Total intangible assets</b>	<b>17,083</b>	<b>18,872</b>
Investments and other assets		
Long-term prepaid expenses	318,508	263,995
Deferred tax assets	7	23
Guarantee deposits	11,006	11,006
Other	56,134	56,134
<b>Total investments and other assets</b>	<b>385,656</b>	<b>331,159</b>
<b>Total non-current assets</b>	<b>156,087,284</b>	<b>155,892,749</b>
Deferred assets		
Investment corporation bond issuance costs	20,637	43,500
<b>Total deferred assets</b>	<b>20,637</b>	<b>43,500</b>
<b>Total assets</b>	<b>161,815,227</b>	<b>161,226,516</b>

	As of April 30, 2021	As of October 31, 2021
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	695,967	514,683
Distributions payable	11,215	8,466
Short-term borrowings	3,000,000	-
Current portion of long-term borrowings	11,500,000	10,000,000
Accounts payable - other	484,404	509,857
Accrued expenses	1,128	5,383
Income taxes payable	752	1,096
Accrued consumption taxes	314,647	-
Advances received	598,553	625,064
Deposits received	4,299	948
Other	118	137
Total current liabilities	16,611,088	11,665,638
Non-current liabilities		
Investment corporation bonds	2,000,000	5,000,000
Long-term borrowings	62,200,000	63,700,000
Leasehold and guarantee deposits received	143,311	150,109
Leasehold and guarantee deposits received in trust	5,270,387	5,050,075
Derivatives liabilities	480,108	352,076
Total non-current liabilities	70,093,807	74,252,261
Total liabilities	86,704,895	85,917,899
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital	73,516,089	73,516,089
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	(463,764)	(478,725)
Total deduction from unitholders' capital	(463,764)	(478,725)
Unitholders' capital, net	73,052,324	73,037,364
Surplus		
Unappropriated retained earnings (undisposed loss)	2,538,115	2,623,329
Total surplus	2,538,115	2,623,329
Total unitholders' equity	75,590,440	75,660,693
Valuation and translation adjustments		
Deferred gains or losses on hedges	(480,108)	(352,076)
Total valuation and translation adjustments	(480,108)	(352,076)
Total net assets	75,110,331	75,308,617
Total liabilities and net assets	161,815,227	161,226,516

## (2) Statement of Income and Retained Earnings

(Thousands of yen)

	Fiscal period ended April 30, 2021	Fiscal period ended October 31, 2021
<b>Operating revenue</b>		
Leasing business revenue	3,859,975	4,262,183
Other leasing business revenue	755,272	851,598
Gain on sale of real estate properties	358,663	-
<b>Total operating revenue</b>	<b>4,973,910</b>	<b>5,113,781</b>
<b>Operating expenses</b>		
Expenses related to leasing business	2,134,032	2,192,292
Asset management fees	422,672	441,548
Asset custody fees	8,208	8,499
Administrative service fees	17,663	20,827
Remuneration for directors (and other officers)	3,696	3,696
Other operating expenses	66,516	49,641
<b>Total operating expenses</b>	<b>2,652,789</b>	<b>2,716,506</b>
<b>Operating profit</b>	<b>2,321,121</b>	<b>2,397,275</b>
<b>Non-operating income</b>		
Interest income	25	22
Gain on forfeiture of unclaimed distributions	1,707	2,711
<b>Total non-operating income</b>	<b>1,732</b>	<b>2,733</b>
<b>Non-operating expenses</b>		
Interest expenses	196,570	203,041
Interest expenses on investment corporation bonds	7,200	9,351
Amortization of investment corporation bond issuance costs	1,258	1,607
Financing fees	41,402	41,859
Other	3,000	-
<b>Total non-operating expenses</b>	<b>249,431</b>	<b>255,859</b>
<b>Ordinary profit</b>	<b>2,073,422</b>	<b>2,144,149</b>
<b>Extraordinary income</b>		
Subsidy income	8,518	-
<b>Total extraordinary income</b>	<b>8,518</b>	<b>-</b>
<b>Extraordinary losses</b>		
Loss on tax purpose reduction entry of non-current assets	8,518	-
<b>Total extraordinary losses</b>	<b>8,518</b>	<b>-</b>
<b>Profit before income taxes</b>	<b>2,073,422</b>	<b>2,144,149</b>
Income taxes - current	756	1,099
Income taxes - deferred	39	(16)
<b>Total income taxes</b>	<b>796</b>	<b>1,083</b>
<b>Profit</b>	<b>2,072,625</b>	<b>2,143,066</b>
Retained earnings brought forward	465,489	480,262
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>2,538,115</b>	<b>2,623,329</b>

## (3) Statement of Changes in Net Assets

The Fiscal Period ended April 2021 (The 10<sup>th</sup> period from November 1, 2020 to April 30, 2021)

(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	(538,565)	(538,565)	72,977,523
Changes during period				
Dividends of surplus				
Reversal of allowance for temporary difference adjustments		74,800	74,800	74,800
Profit				
Net changes in items other than unitholders' equity				
Total changes during period	-	74,800	74,800	74,800
Balance at end of period	73,516,089	(463,764)	(463,764)	73,052,324

(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	2,915,631	2,915,631	75,893,155	(464,758)	(464,758)	75,428,396
Changes during period						
Dividends of surplus	(2,375,340)	(2,375,340)	(2,375,340)			(2,375,340)
Reversal of allowance for temporary difference adjustments	(74,800)	(74,800)	-			-
Profit	2,072,625	2,072,625	2,072,625			2,072,625
Net changes in items other than unitholders' equity				(15,349)	(15,349)	(15,349)
Total changes during period	(377,515)	(377,515)	(302,715)	(15,349)	(15,349)	(318,065)
Balance at end of period	2,538,115	2,538,115	75,590,440	(480,108)	(480,108)	75,110,331



The Fiscal Period ended October 2021 (The 11<sup>th</sup> period from May 1, 2021 to October 31, 2021)

(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	(463,764)	(463,764)	73,052,324
Changes during period				
Dividends of surplus				
Distributions in excess of earnings from allowance for temporary difference adjustments		(14,960)	(14,960)	(14,960)
Profit				
Net changes in items other than unitholders' equity				
Total changes during period	-	(14,960)	(14,960)	(14,960)
Balance at end of period	73,516,089	(478,725)	(478,725)	73,037,364

(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	2,538,115	2,538,115	75,590,440	(480,108)	(480,108)	75,110,331
Changes during period						
Dividends of surplus	(2,057,853)	(2,057,853)	(2,057,853)			(2,057,853)
Distributions in excess of earnings from allowance for temporary difference adjustments			(14,960)			(14,960)
Profit	2,143,066	2,143,066	2,143,066			2,143,066
Net changes in items other than unitholders' equity				128,032	128,032	128,032
Total changes during period	85,213	85,213	70,253	128,032	128,032	198,285
Balance at end of period	2,623,329	2,623,329	75,660,693	(352,076)	(352,076)	75,308,617

## (4) Distribution Information

(Yen)

	Fiscal Period ended April 2021 (The 10 <sup>th</sup> period from November 1, 2020 to April 30, 2021)	Fiscal Period ended October 2021 (The 11 <sup>th</sup> period from May 1, 2021 to October 31, 2021)
I Unappropriated retained earnings (undisposed loss)	2,538,115,885	2,623,329,217
II Addition of distributions in excess of earnings	14,960,160	-
Temporary difference adjustment	14,960,160	-
III Capitalization	-	127,992,480
Reversal of allowance for temporary difference adjustment	-	127,992,480
IV Distributions	2,072,813,280	2,142,627,360
[Distributions per unit]	[1,247]	[1,289]
Distributions of earnings	2,057,853,120	2,142,627,360
[Distributions of earnings per unit]	[1,238]	[1,289]
Temporary difference adjustment	14,960,160	-
[Distributions in excess of earnings per unit (attributable to temporary difference adjustment)]	[9]	[-]
V Retained earnings to be carried forward (retained loss)	480,262,765	352,709,377
Method of calculation of distributions	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 36 (1) of the Articles of Incorporation of MIRAI, and shall exceed the amount equivalent to 90% of the distributable dividend amount of MIRAI provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on this policy, 2,057,853,120 yen, which is the total amount of such profit that is specified in Article 136, Paragraph (1) of the Act on Investment Trusts and Investment Corporations, excluding a fraction of one yen in distribution per investment unit, will be paid as profit distribution (not including distributions in excess of earnings).</p> <p>In addition, based on the policy of distributing an amount in excess of profit as specified in Article 36, Paragraph 2 of the Articles of Incorporation of MIRAI, distributions in excess of earnings are paid in the amount determined by MIRAI as an amount equivalent to deductions from net assets while taking into account the effect of deductions from net assets (those specified in Article 2, Paragraph (2), item (xxx), b of the Ordinance on Accountings of Investment Corporations) on distributions. For the period under review, 14,960,160 yen, from which a distribution in excess of earnings per unit is calculated, excluding a fraction of one yen, as an amount equivalent to changes in deferred losses on hedges during the period of 15,349,964 yen, will be distributed as distributions associated with the allowance for temporary difference adjustment (as specified in Article 2, Paragraph (2), item (30) of the Ordinance on Accounting of Investment Corporations). As a result, the amount of distributions for the period under review is 2,072,813,280 yen.</p>	<p>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, 2,142,627,360 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).</p>

## (5) Statement of Cash Flows

(Thousands of yen)

	Fiscal period ended April 30, 2021	Fiscal period ended October 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	2,073,422	2,144,149
Depreciation	602,903	610,859
Amortization of investment corporation bond issuance costs	1,258	1,607
Interest income	(25)	(22)
Interest expenses	203,770	212,392
Loss on retirement of non-current assets	24,519	-
Loss on tax purpose reduction entry of non-current assets	8,518	-
Decrease (increase) in operating accounts receivable	9,298	(110,073)
Decrease (increase) in prepaid expenses	(574)	1,574
Decrease (increase) in consumption taxes refund receivable	-	(57,176)
Increase (decrease) in operating accounts payable	(26,639)	11,423
Increase (decrease) in accounts payable - other	(19,819)	24,998
Increase (decrease) in accrued consumption taxes	134,880	(314,647)
Increase (decrease) in advances received	(54,638)	26,510
Decrease (increase) in long-term prepaid expenses	55,604	54,513
Decrease in property, plant and equipment in trust due to sale	6,465,965	-
Other, net	1,731	(5,958)
<b>Subtotal</b>	<b>9,480,174</b>	<b>2,600,151</b>
Interest received	25	22
Interest paid	(204,754)	(208,138)
Income taxes paid	(1,495)	(755)
<b>Net cash provided by (used in) operating activities</b>	<b>9,273,949</b>	<b>2,391,279</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,655,736)	(12,351)
Purchase of property, plant and equipment in trust	(5,379,991)	(650,724)
Proceeds from leasehold and guarantee deposits received	143,311	6,798
Refund of leasehold and guarantee deposits received in trust	(370,109)	(278,365)
Proceeds from leasehold and guarantee deposits received in trust	173,511	58,053
Payments for restricted deposits held in trust	(0)	(0)
Other payments	(7,102)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(10,096,118)</b>	<b>(876,589)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	3,500,000	-
Repayments of short-term borrowings	(500,000)	(3,000,000)
Proceeds from long-term borrowings	1,500,000	1,500,000
Repayments of long-term borrowings	(1,500,000)	(1,500,000)
Proceeds from issuance of investment corporation bonds	-	2,975,530
Distributions paid	(2,374,306)	(2,072,850)
<b>Net cash provided by (used in) financing activities</b>	<b>625,693</b>	<b>(2,097,319)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(196,475)</b>	<b>(582,630)</b>
Cash and cash equivalents at beginning of period	5,471,011	5,274,535
<b>Cash and cash equivalents at end of period</b>	<b>5,274,535</b>	<b>4,691,905</b>