

(REIT) Financial Report for the Fiscal Period ended April 30, 2022 (The 12th Period)

June 14, 2022

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: July 29, 2022
 Scheduled date for commencing dividend payments: July 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 April 2022 (The 12th period from November 1, 2021 to April 30, 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	%
Apr. 30, 2022	5,275	3.2	2,547	6.3	2,245	4.7	2,244	4.7
Oct. 31, 2021	5,113	2.8	2,397	3.3	2,144	3.4	2,143	3.4

Period ended	Net Profit per Unit	Net Profit to Net Assets	Ordinary Profit to Total Assets	Ordinary Profit to Operating Revenue
	Yen	%	%	%
Apr. 30, 2022	1,291	2.9	1.3	42.6
Oct. 31, 2021	1,289	2.8	1.3	41.9

(Note) Net Profit per Unit is calculated by dividing the net income by the day-weighted average number of investment units.
 (Fiscal period ended October 31, 2021:1,662,240 units, Fiscal period ended April 30, 2022:1,738,544 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) Yen	(excluding distributions in excess of earnings) Million yen	Yen	Million yen	%	%
Apr. 30, 2022	1,267	2,244	-	-	100.0	2.8
Oct. 31, 2021	1,289	2,142	-	-	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
Apr. 30, 2022	171,982	80,743	46.9	45,580
Oct. 31, 2021	161,226	75,308	46.7	45,305

(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
Apr. 30, 2022	2,730	(11,105)	8,104	4,421
Oct. 31, 2021	2,391	(876)	(2,097)	4,691

2. Forecasts for the Fiscal Period ending October 2022 (The 13th Period from May 1, 2022 to October 31, 2022) and ending April 2023 (The 14th Period from November 1, 2022 to April 30, 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
Oct. 31, 2022	5,492	4.1	2,564	0.7	2,277	1.4	2,276	1.4	1,285	-
Apr. 30, 2023	5,393	(1.8)	2,573	0.3	2,277	0.0	2,276	0.0	1,285	-

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

The Fiscal Period ending October 2022:

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

The Fiscal Period ending April 2023:

Forecasted Unit at end of period 1,771,440 units Forecasted Net Profit per Unit 1,285 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 Apr. 30, 2022: 1,771,440 units As of Oct. 31, 2021: 1,662,240 units

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

As of Apr. 30, 2022: 0 unit As of Oct. 31, 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 October 31, 2022 and April 30, 2023." on page 3.

Assumptions Underlying Forecasts for the Fiscal Periods Ending October 31, 2022 and April 30, 2023

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> The Fiscal Period Ending October 2022: May 1, 2022 to October 31, 2022 (184 days) The Fiscal Period Ending April 2023: November 1, 2022 to April 30, 2023 (181 days) 																					
Portfolio assets	<ul style="list-style-type: none"> The forecasts assume that MIRAI owns 37 assets as real estate and real estate trust beneficiaries (hereinafter the "Portfolio assets") as of the release of this document. It assumes that there is no movement of the "Portfolio assets" (acquisition of new assets and/or dispositions of assets). 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 1,771,440 units. No changes in the number of investment units due to any issuances of new units are assumed until April 30, 2023. 																					
Interest-bearing debt	<ul style="list-style-type: none"> Of the interest-bearing debt of 84,000 million yen as of today, MIRAI assumed that the current portion of long-term debt of 7,000 million yen that will mature during the fiscal period ending April 30, 2023 would be refinanced into long-term debt. The interest-bearing debt outstanding as of October 31, 2022 and April 30, 2023 is expected to be 84,000 million yen. The LTV (based on total assets) as of October 31, 2022 and April 30, 2023 is expected to be approximately 49%. 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. 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.). MIRAI disposed "Comfort Hotel Nagano" during the fiscal period ending October 31, 2022. It expects to receive 0 million yen for the fiscal period ending October 31, 2022 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" and "Smile Hotel Nagoya-Sakae") will not incur variable rent until the end of April 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 October 31, 2022). 																					
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. 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">The Fiscal Period Ending October 31, 2022</th> <th align="center">The Fiscal Period Ending April 30, 2023</th> </tr> </thead> <tbody> <tr> <td>Outsourcing services:</td> <td align="right">382 million yen</td> <td align="right">374 million yen</td> </tr> <tr> <td>Utilities expenses:</td> <td align="right">540 million yen</td> <td align="right">462 million yen</td> </tr> <tr> <td>Taxes and dues:</td> <td align="right">422 million yen</td> <td align="right">422 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td align="right">104 million yen</td> <td align="right">79 million yen</td> </tr> <tr> <td>Other expenses for leasing business:</td> <td align="right">260 million yen</td> <td align="right">246 million yen</td> </tr> <tr> <td>Depreciation:</td> <td align="right">657 million yen</td> <td align="right">675 million yen</td> </tr> </tbody> </table> Other operating expenses (asset management fees, administrative servicing fees, etc.) are estimated to be 559 million yen for the fiscal period ending October 31, 2022, and 559 million yen for the fiscal period ending April 30, 2023. 		The Fiscal Period Ending October 31, 2022	The Fiscal Period Ending April 30, 2023	Outsourcing services:	382 million yen	374 million yen	Utilities expenses:	540 million yen	462 million yen	Taxes and dues:	422 million yen	422 million yen	Repair expenses:	104 million yen	79 million yen	Other expenses for leasing business:	260 million yen	246 million yen	Depreciation:	657 million yen	675 million yen
	The Fiscal Period Ending October 31, 2022	The Fiscal Period Ending April 30, 2023																				
Outsourcing services:	382 million yen	374 million yen																				
Utilities expenses:	540 million yen	462 million yen																				
Taxes and dues:	422 million yen	422 million yen																				
Repair expenses:	104 million yen	79 million yen																				
Other expenses for leasing business:	260 million yen	246 million yen																				
Depreciation:	657 million yen	675 million yen																				
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and borrowing-related expenses are estimated to be 287 million yen for the fiscal period ending October 31, 2022, and 295 million yen for the fiscal period ending April 30, 2023. 																					
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 October 31, 2022 and April 30, 2023. 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 2 million yen which is the same amount as the fiscal period ended April 30, 2022. 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 October 31, 2022 and April 30, 2023, 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 COVID-19 continuing to expand and becoming prolonged cannot be ruled out. 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. 																					

Item	Assumptions
	<ul style="list-style-type: none"><li data-bbox="384 197 1449 235">• 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 October 31, 2021	As of April 30, 2022
Assets		
Current assets		
Cash and deposits	2,542,119	2,050,206
Cash and deposits in trust	2,331,887	2,553,099
Operating accounts receivable	227,272	257,651
Prepaid expenses	131,784	147,320
Consumption taxes receivable	57,176	92,266
Other	28	87
Total current assets	5,290,266	5,100,631
Non-current assets		
Property, plant and equipment		
Buildings	436,737	436,737
Accumulated depreciation	(10,017)	(16,131)
Buildings, net	426,720	420,605
Structures	564	564
Accumulated depreciation	(157)	(251)
Structures, net	407	313
Machinery and equipment	-	4,770
Accumulated depreciation	-	(39)
Machinery and equipment, net	-	4,730
Land	4,230,785	4,230,785
Buildings in trust	35,077,401	37,118,626
Accumulated depreciation	(4,536,603)	(5,133,371)
Buildings in trust, net	30,540,797	31,985,255
Structures in trust	318,733	318,733
Accumulated depreciation	(68,533)	(75,539)
Structures in trust, net	250,199	243,194
Machinery and equipment in trust	207,051	220,610
Accumulated depreciation	(62,426)	(69,918)
Machinery and equipment in trust, net	144,625	150,692
Tools, furniture and fixtures in trust	218,425	281,097
Accumulated depreciation	(46,316)	(67,601)
Tools, furniture and fixtures in trust, net	172,109	213,496
Land in trust	119,722,380	129,097,520
Construction in progress in trust	54,691	93,037
Total property, plant and equipment	155,542,717	166,439,632
Intangible assets		
Software	18,640	16,087
Other	231	231
Total intangible assets	18,872	16,318
Investments and other assets		
Long-term prepaid expenses	263,995	304,604
Deferred tax assets	23	18
Guarantee deposits	11,006	11,006
Other	56,134	56,134
Total investments and other assets	331,159	371,763
Total non-current assets	155,892,749	166,827,714
Deferred assets		
Investment corporation bond issuance costs	43,500	54,241
Total deferred assets	43,500	54,241
Total assets	161,226,516	171,982,587

(Thousands of yen)

	As of October 31, 2021	As of April 30, 2022
Liabilities		
Current liabilities		
Operating accounts payable	514,683	480,597
Distributions payable	8,466	10,503
Current portion of long-term borrowings	10,000,000	7,000,000
Accounts payable - other	509,857	502,516
Accrued expenses	5,383	3,471
Income taxes payable	1,096	981
Advances received	625,064	660,487
Deposits received	948	5,001
Other	137	17,854
Total current liabilities	11,665,638	8,681,414
Non-current liabilities		
Investment corporation bonds	5,000,000	6,200,000
Long-term borrowings	63,700,000	70,800,000
Leasehold and guarantee deposits received	150,109	148,766
Leasehold and guarantee deposits received in trust	5,050,075	5,405,910
Derivatives liabilities	352,076	2,664
Total non-current liabilities	74,252,261	82,557,341
Total liabilities	85,917,899	91,238,755
Net assets		
Unitholders' equity		
Unitholders' capital	73,516,089	78,499,868
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	(478,725)	(350,732)
Total deduction from unitholders' capital	(478,725)	(350,732)
Unitholders' capital, net	73,037,364	78,149,135
Surplus		
Unappropriated retained earnings (undisposed loss)	2,623,329	2,597,360
Total surplus	2,623,329	2,597,360
Total unitholders' equity	75,660,693	80,746,496
Valuation and translation adjustments		
Deferred gains or losses on hedges	(352,076)	(2,664)
Total valuation and translation adjustments	(352,076)	(2,664)
Total net assets	75,308,617	80,743,832
Total liabilities and net assets	161,226,516	171,982,587

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended October 31, 2021	For the six-month period ended April 30, 2022
Operating revenue		
Leasing business revenue	4,262,183	4,452,612
Other leasing business revenue	851,598	822,390
Total operating revenue	5,113,781	5,275,003
Operating expenses		
Expenses related to leasing business	2,192,292	2,203,860
Asset management fee	441,548	434,547
Asset custody fees	8,499	8,916
Administrative service fees	20,827	18,588
Remuneration for directors (and other officers)	3,696	3,683
Other operating expenses	49,641	57,874
Total operating expenses	2,716,506	2,727,470
Operating income	2,397,275	2,547,532
Non-operating income		
Interest income	22	23
Gain on forfeiture of unclaimed distributions	2,711	1,027
Interest on tax refund	-	284
Subsidy income	-	516
Total non-operating income	2,733	1,851
Non-operating expenses		
Interest expenses	203,041	202,668
Interest expenses on investment corporation bonds	9,351	22,586
Amortization of investment corporation bond issuance costs	1,607	2,990
Borrowing related expenses	41,859	46,740
Investment unit issuance expenses	-	25,756
Other	-	3,000
Total non-operating expenses	255,859	303,742
Ordinary income	2,144,149	2,245,641
Net income before income taxes	2,144,149	2,245,641
Income taxes - current	1,099	985
Income taxes - deferred	(16)	5
Total income taxes	1,083	990
Net income	2,143,066	2,244,651
Retained earnings brought forward	480,262	352,709
Unappropriated retained earnings (undisposed loss)	2,623,329	2,597,360

(3) Statement of Changes in Net Assets

The Fiscal Period ended October 2021 (The 11th 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)
Net income				
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)
Net income	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

The Fiscal Period ended April 2022 (The 12th 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

(4) Distribution Information

(Yen)

	Fiscal Period ended October 2021 (The 11 th period from May 1, 2021 to October 31, 2021)	Fiscal Period ended April 2022 (The 12 th period from November 1, 2021 to April 30, 2022)
I Unappropriated retained earnings (undisposed loss)	2,623,329,217	2,597,360,578
II Capitalization	127,992,480	348,961,200
Reversal of allowance for temporary difference adjustment	127,992,480	348,961,200
III Distributions	2,142,627,360	2,244,414,480
[Distributions per unit]	[1,289]	[1,267]
IV Retained earnings to be carried forward (retained loss)	352,709,377	3,984,898
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, 2,142,627,360 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).	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 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 October 31, 2021	For the six-month period ended April 30, 2022
Cash flows from operating activities		
Net income before income taxes	2,144,149	2,245,641
Depreciation	610,859	641,351
Amortization of investment corporation bond issuance costs	1,607	2,990
Investment unit issuance expenses	-	25,756
Interest income	(22)	(23)
Interest expenses	212,392	225,254
Decrease (increase) in operating accounts receivable	(110,073)	(30,379)
Decrease (increase) in prepaid expenses	1,574	(15,536)
Decrease (increase) in consumption taxes refund receivable	(57,176)	(35,090)
Increase (decrease) in operating accounts payable	11,423	(110,213)
Increase (decrease) in accounts payable - other	24,998	(6,886)
Increase (decrease) in accrued consumption taxes	(314,647)	-
Increase (decrease) in advances received	26,510	35,423
Decrease (increase) in long-term prepaid expenses	54,513	(40,609)
Other, net	(5,958)	20,682
Subtotal	2,600,151	2,958,361
Interest received	22	23
Interest paid	(208,138)	(227,166)
Income taxes paid	(755)	(1,100)
Net cash provided by (used in) operating activities	2,391,279	2,730,118
Cash flows from investing activities		
Purchase of property, plant and equipment	(12,351)	-
Purchase of property, plant and equipment in trust	(650,724)	(11,455,784)
Refund of leasehold and guarantee deposits received	-	(3,486)
Proceeds from leasehold and guarantee deposits received	6,798	2,144
Refund of leasehold and guarantee deposits received in trust	(278,365)	(155,587)
Proceeds from leasehold and guarantee deposits received in trust	58,053	511,422
Payments for restricted deposits held in trust	(0)	(0)
Other payments	-	(4,254)
Net cash provided by (used in) investing activities	(876,589)	(11,105,547)
Cash flows from financing activities		
Repayments of short-term borrowings	(3,000,000)	-
Proceeds from long-term borrowings	1,500,000	14,100,000
Repayments of long-term borrowings	(1,500,000)	(10,000,000)
Proceeds from issuance of investment corporation bonds	2,975,530	1,186,268
Proceeds from issuance of investment units	-	4,958,022
Distributions paid	(2,072,850)	(2,139,562)
Net cash provided by (used in) financing activities	(2,097,319)	8,104,728
Net decrease in cash and cash equivalents	(582,630)	(270,701)
Cash and cash equivalents at beginning of period	5,274,535	4,691,905
Cash and cash equivalents at end of period	4,691,905	4,421,204