

(REIT) Financial Report for Fiscal Period Ended August 31, 2024

October 23, 2024

REIT Securities Issuer: Takara Leben Real Estate Investment Corporation
Securities Code: 3492
Representative Director: Tetsuo Saida, Executive Director

Stock Exchange Listing: Tokyo Stock Exchange
URL: <https://takara-reit.co.jp>

Asset Management: MIRARTH Real Estate Advisory Inc.
Representative: Tetsuo Saida, President
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Scheduled date of submission of securities report: November 28, 2024
Scheduled date of commencement of cash distribution payment: November 18, 2024
Preparation of supplementary financial results briefing materials: Yes
Holding of financial results briefing session: Yes (for institutional investors and analysts)

(Amounts are rounded down to the nearest million yen)

1. Financial Results for Fiscal Period Ended August 31, 2024 (March 1, 2024 to August 31, 2024)

(1) Operating Results

(% figures are the rate of period-on-period increase (decrease))

	Operating revenues		Operating income		Ordinary income		Net income	
Fiscal period ended	million yen	%	million yen	%	million yen	%	million yen	%
August 31, 2024	4,400	13.1	2,584	14.2	2,143	13.6	2,117	13.8
February 29, 2024	3,891	0.1	2,263	0.2	1,886	0.0	1,861	0.0

	Net income per unit	Return on unitholders' equity	Ordinary income to total assets	Ordinary income to operating revenues
Fiscal period ended	yen	%	%	%
August 31, 2024	2,713	2.8	1.4	48.7
February 29, 2024	2,691	2.6	1.3	48.5

(2) Distribution

	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)	Distribution payout ratio	Ratio of distribution to net assets
Fiscal period ended	yen	million yen	yen	million yen	yen	million yen	%	%
August 31, 2024	2,700	2,108	—	—	2,700	2,108	99.6	2.7
February 29, 2024	2,672	1,847	—	—	2,672	1,847	99.3	2.6

(Note 1) The amount of total distributions for the fiscal periods ended February 29, 2024 and August 31, 2024 is the amount of unappropriated retained earnings less the amount of internal reserve for the purpose of stabilizing future distributions.

(Note 2) The distribution payout ratio for the fiscal period ended August 31, 2024, is calculated using the following formula because the number of investment units issued and outstanding during the period has changed due to the issuance of new investment units during the period.
Distribution payout ratio = Total distributions (excluding distributions in excess of earnings) / Net income × 100

(3) Financial Position

	Total assets	Net assets	Unitholders' equity to total assets	Net assets per unit
Fiscal period ended	million yen	million yen	%	yen
August 31, 2024	161,256	78,746	48.8	100,850
February 29, 2024	142,693	70,449	49.4	101,903

(4) Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal period ended	million yen	million yen	million yen	million yen
August 31, 2024	2,622	(18,372)	15,777	4,365
February 29, 2024	2,521	(439)	(1,808)	4,338

2. Forecasts of Financial Results for Fiscal Periods Ending February 28, 2025 (from September 1, 2024 to February 28, 2025) and August 31, 2025 (from March 1, 2025 to August 31, 2025)

(% figures are the rate of period-on-period increase (decrease))

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding distributions in excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including distributions in excess of earnings)
Fiscal period ending	million yen	%	million yen	%	million yen	%	million yen	%	yen	yen	yen
February 28, 2025	4,924	11.9	3,024	17.0	2,460	14.8	2,436	15.1	2,700	—	2,700
August 31, 2025	5,018	1.9	3,036	0.4	2,441	(0.8)	2,416	(0.8)	2,700	—	2,700

(Reference) Forecast net income per unit (fiscal period ending February 28, 2025): 2,674 yen Forecast net income per unit (fiscal period ending August 31, 2025): 2,653 yen

(Note) For the fiscal period ending February 28, 2025, and August 31, 2025, the amount obtained by adding a portion of the retained earnings carried forward from the previous fiscal period to net income is distributed as a profit distribution. Therefore, the projected amount of distributions per unit (excluding distributions in excess of earnings) differs from the projected amount of net income per unit.

* Other

(1) Changes in accounting policies, changes in accounting estimates, and retrospective restatement

- | | |
|--|----|
| 1) Changes in accounting policies accompanying amendments to accounting standards, etc.: | No |
| 2) Changes in accounting policies other than 1): | No |
| 3) Changes in accounting estimates: | No |
| 4) Retrospective restatement: | No |

(2) Total number of investment units issued and outstanding

- 1) Total number of investment units issued and outstanding (including treasury units) at the end of the period

Fiscal period ended August 31, 2024: 780,820 units

Fiscal period ended February 29, 2024: 691,335 units:

- 2) Number of treasury units at the end of the period

Fiscal period ended August 31, 2024: 0 units

Fiscal period ended February 29, 2024: 0 units:

(3) Rounding processing

Unless otherwise specified in this document, numerical values such as monetary amounts are rounded down to the nearest unit and % figures are rounded off to the first decimal place

* Financial reports are exempt from audits by a certified public accounting or accounting firms.

* Explanation of Appropriate Use of Forecasts of Financial Results, and Other Matters of Special Note

(Notes on 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 Takara Leben Real Estate Investment Corporation (hereinafter referred to as the "Investment Corporation"), and the actual operating results and so on may differ significantly from that anticipated by the Investment Corporation due to various factors. Moreover, the forecasts are not intended to guarantee any amount of distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending February 28, 2025 and August 31, 2025" on page 3.

Assumptions for the Forecasts of Financial Results for the Fiscal Periods Ending February 28, 2025 and August 31, 2025

Item	Assumptions																																
Calculation period	<ul style="list-style-type: none">Fiscal period ending February 28, 2025 (14th fiscal period: from September 1, 2024 to February 28, 2025) (181 days)Fiscal period ending August 31, 2025 (15th fiscal period: from March 1, 2025 to August 31, 2025) (184 days)																																
Property portfolio	<ul style="list-style-type: none">It is assumed that there will be no changes (acquisition of new assets, disposal of property portfolio, etc.) to the total of 80 properties as of the date of this document (hereinafter, “Owned Assets”) by the end of the fiscal period ending August 31, 2025 (15th fiscal period)The actual property portfolio may vary due to the acquisition of new properties or the disposal of Owned Assets, etc.																																
Operating revenues	<ul style="list-style-type: none">Operating revenues from Owned Assets are based on the expected occupancy rate and the expected rent fluctuations that are in turn based on the assumptions of tenant fluctuation and rent level listed in lease agreements that are effective as of the date of this document.Forecasts are based on the assumption that there will be no delay in payment of rent or non-payments by the tenant.																																
Operating expenses	<ul style="list-style-type: none">The main operating expenses are as follows:<table><tr><td></td><td>Fiscal period ending February 28, 2025 (14th FP)</td><td>Fiscal period ending August 31, 2025 (15th FP)</td></tr><tr><td>Expenses related to leasing business total</td><td>1,512 million yen</td><td>1,579 million yen</td></tr><tr><td>Subcontract expenses</td><td>313 million yen</td><td>304 million yen</td></tr><tr><td>(Of which, maintenance expenses)</td><td>232 million yen</td><td>223 million yen</td></tr><tr><td>(Of which, property management fees)</td><td>80 million yen</td><td>80 million yen</td></tr><tr><td>Repair expenses</td><td>44 million yen</td><td>44 million yen</td></tr><tr><td>Taxes and dues</td><td>278 million yen</td><td>347 million yen</td></tr><tr><td>Depreciation</td><td>700 million yen</td><td>709 million yen</td></tr><tr><td>Those other than expenses related to leasing business total</td><td>387 million yen</td><td>402 million yen</td></tr><tr><td>Asset management fee</td><td>235 million yen</td><td>247 million yen</td></tr></table>Expenses related to leasing business constituting major operating expenses other than depreciation are calculated based on historical data and these costs reflect expected fluctuations.Depreciation is calculated by the straight-line method, including certain ancillary expenses.Fixed property tax, city planning tax, etc. associated with Owned Assets are accounted for as expenses related to the lending business by posting the amounts corresponding to the relevant calculation period from the amount of tax determined to be due. In general, upon acquisition of real estate, etc., property taxes, etc. are calculated on a pro-rata basis for the period with the previous owner and settled at the time of acquisition. The amount equivalent to this settlement is included in the acquisition cost and is not recorded as an expense.As for repair expenses, the amount assumed as necessary for each property is based on the repair plan of the Asset Management Company for each fiscal period. However, the repair expenses may be substantially different from the expected amount during the operating period due to certain unexpected factors, including the fact that amounts generally differ greatly from period to period, and those amounts are not incurred on a regular basis.				Fiscal period ending February 28, 2025 (14th FP)	Fiscal period ending August 31, 2025 (15th FP)	Expenses related to leasing business total	1,512 million yen	1,579 million yen	Subcontract expenses	313 million yen	304 million yen	(Of which, maintenance expenses)	232 million yen	223 million yen	(Of which, property management fees)	80 million yen	80 million yen	Repair expenses	44 million yen	44 million yen	Taxes and dues	278 million yen	347 million yen	Depreciation	700 million yen	709 million yen	Those other than expenses related to leasing business total	387 million yen	402 million yen	Asset management fee	235 million yen	247 million yen
	Fiscal period ending February 28, 2025 (14th FP)	Fiscal period ending August 31, 2025 (15th FP)																															
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Taxes and dues	278 million yen	347 million yen																															
Depreciation	700 million yen	709 million yen																															
Those other than expenses related to leasing business total	387 million yen	402 million yen																															
Asset management fee	235 million yen	247 million yen																															
Non-operating expenses	<ul style="list-style-type: none">The costs to issue and list the new investment units will be amortized on a monthly basis over three years from the time they are incurred and are expected to be 18 million yen and 18 million yen for the fiscal periods ending February 28, 2025 (14th Period) and August 31, 2025 (15th Period), respectively.For interest expenses and other borrowing-related expenses, 545 million yen and 576 million yen are expected for the fiscal periods ending February 28, 2025 (14th Period) and August 31, 2025 (15th Period), respectively.																																
Interest-bearing debt	<ul style="list-style-type: none">It is assumed that the total amount of interest-bearing debt will be 91,220 million yen as of the end of each of the fiscal periods ending February 28, 2025 (14th Period) and August 31, 2025 (15th Period), respectively.The LTV ratio is expected to be around 48.8% as of the end of each of the fiscal periods ending February 28, 2025 (14th Period) and August 31, 2025 (15th Period).The LTV ratio is calculated using the following formula: LTV ratio = (Total amount of interest-bearing debt as of the end of the fiscal period / Total assets as of the end of the fiscal period) × 100																																
Investment units	<ul style="list-style-type: none">It is assumed that there will be no change in the number of investment units issued and outstanding as of the date of this document (910,820) due to the issuance of new investment units and other factors by the end of the fiscal period ending August 31, 2025 (15th Period).																																

Item	Assumptions
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 stipulated in the Investment Corporation's Articles of Incorporation. • For the fiscal period ending February 28, 2025 (14th Period) and August 31, 2025 (15th Period), it is assumed that the amount obtained by adding a portion of the internally reserved retained earnings brought forward in addition to net income will be distributed as profit distribution. • Actual distributions per unit (excluding distributions in excess of earnings) may fluctuate due to various factors including changes in rental revenue, changes in investment assets and tenants, and unexpected repairs and other factors.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • Distribution in excess of earnings is not scheduled at this point.
Other	<ul style="list-style-type: none"> • It is assumed that there will be no change in laws and regulations, the taxation system, accounting standards, the Securities Listing Regulations of the Tokyo Stock Exchange, or the rules of the Investment Trust Association, Japan, etc. that could affect the above forecasts. • It is assumed that there will be no unexpected significant change in general economic trends, real estate market conditions, etc.

2. Financial Statements

(1) Balance Sheet

(Unit: thousand yen)

	12th Fiscal Period (As of February 29, 2024)	13th Fiscal Period (As of August 31, 2024)
Assets		
Current assets		
Cash and deposits	4,991,178	4,723,201
Cash and deposits in trust	2,163,461	2,776,415
Operating accounts receivable	121,926	146,383
Prepaid expenses	217,646	264,854
Consumption taxes receivable	—	171,411
Other	1,100	737
Total current assets	7,495,312	8,083,003
Non-current assets		
Property, plant and equipment		
Building	4,136,596	4,137,003
Accumulated depreciation	(396,728)	(445,672)
Buildings, net	3,739,867	3,691,330
Structures	28,587	28,587
Accumulated depreciation	(1,742)	(1,982)
Structures, net	26,845	26,605
Machinery and equipment	47,540	47,540
Accumulated depreciation	(10,696)	(11,885)
Machinery and equipment, net	36,844	35,655
Tools, furniture and fixtures	31,929	32,423
Accumulated depreciation	(14,551)	(17,071)
Tools, furniture and fixtures, net	17,377	15,351
Land	5,617,204	5,617,204
Buildings in trust	35,962,365	40,850,385
Accumulated depreciation	(3,252,866)	(3,799,604)
Buildings in trust, net	32,709,499	37,050,780
Structures in trust	202,677	264,922
Accumulated depreciation	(12,959)	(15,695)
Structures in trust, net	189,718	249,226
Machinery and equipment in trust	68,611	113,156
Accumulated depreciation	(5,882)	(9,910)
Machinery and equipment in trust, net	62,728	103,246
Tools, furniture and fixtures in trust	144,177	165,060
Accumulated depreciation	(34,303)	(43,976)
Tools, furniture and fixtures in trust, net	109,874	121,083
Land in trust	92,353,406	105,765,410
Construction in progress in trust	20,147	11,136
Total property, plant and equipment	134,883,512	152,687,030
Intangible assets		
Software	658	1,280
Total intangible assets	658	1,280
Investments and other assets		
Long-term prepaid expenses	268,678	384,132
Leasehold and guarantee deposits	11,000	11,000
Other	10	45,372
Total investments and other assets	279,688	440,504
Total non-current assets	135,163,858	153,128,815
Deferred assets		
Investment unit issuance costs	34,199	44,941
Total deferred assets	34,199	44,941
Total assets	142,693,370	161,256,760

(Unit: thousand yen)

	12th Fiscal Period (As of February 29, 2024)	13th Fiscal Period (As of August 31, 2024)
Liabilities		
Current liabilities		
Operating accounts payable	509,275	475,940
Current portion of long-term loans payable	16,900,000	17,400,000
Current portion of tenant leasehold and security deposits in trust	62,103	62,103
Accounts payable – other	236,578	257,263
Accrued expenses	19,058	21,041
Income taxes payable	599	485
Accrued consumption taxes	64,343	–
Advances received	16,673	18,820
Other	9,050	6,143
Total current liabilities	17,817,683	18,241,797
Non-current liabilities		
Long-term loans payable	50,250,000	59,620,000
Tenant leasehold and security deposits	188,968	188,379
Tenant leasehold and security deposits in trust	3,771,799	4,226,563
Deferred tax liabilities	124,705	150,003
Asset retirement obligations	83,467	83,786
Other	7,620	111
Total non-current liabilities	54,426,562	64,268,845
Total liabilities	72,244,245	82,510,643
Net assets		
Unitholders' equity		
Unitholders' capital	68,299,018	76,326,001
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*1 (7,888)	*1 (7,888)
Total deduction from unitholders' capital	(7,888)	(7,888)
Unitholders' capital, net	68,291,129	76,318,113
Surplus		
Unappropriated retained earnings (undisposed loss)	2,157,995	2,428,003
Total surplus	2,157,995	2,428,003
Total unitholders' equity	70,449,125	78,746,116
Total net assets	*2 70,449,125	*2 78,746,116
Total liabilities and net assets	142,693,370	161,256,760

(2) Statement of Income

(Unit: thousand yen)

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Operating revenues		
Leasing business revenue	*1 3,704,943	*1 4,194,071
Other leasing business revenue	*1 186,608	*1 205,953
Total operating revenue	3,891,551	4,400,024
Operating expenses		
Expenses related to leasing business	*1 1,305,895	*1 1,476,152
Asset management fees	192,347	210,385
Asset custody and administrative service fees	32,619	30,028
Directors' compensations	2,400	2,400
Taxes and dues	27,107	31,246
Other operating expenses	67,556	65,246
Total operating expenses	1,627,926	1,815,459
Operating income	2,263,624	2,584,565
Non-operating income		
Interest income	33	777
Reversal of distributions payable	485	388
Refund of property taxes	260	986
Interest on tax refund	6	2
Income from insurance claims	302	72
Other	—	0
Total non-operating income	1,088	2,227
Non-operating expenses		
Interest expenses	246,063	286,094
Borrowing related expenses	118,112	139,055
Amortization of investment unit issuance costs	13,613	18,484
Total non-operating expenses	377,788	443,635
Ordinary income	1,886,924	2,143,157
Income before income taxes	1,886,924	2,143,157
Income taxes - current	605	605
Income taxes-deferred	25,285	25,297
Total income taxes	25,890	25,902
Net income	1,861,033	2,117,255
Retained earnings brought forward	296,961	310,748
Unappropriated retained earnings (undisposed loss)	2,157,995	2,428,003

(3) Statements of Changes in Net Assets
12th Fiscal Period (from September 1, 2023 to February 29, 2024)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital				
Balance at beginning of period	68,299,018	(7,888)	(7,888)	68,291,129	2,106,185	2,106,185	70,397,315
Changes during the period							
Dividends of surplus					(1,809,223)	(1,809,223)	(1,809,223)
Net income					1,861,033	1,861,033	1,861,033
Total changes during the period	—	—	—	—	51,810	51,810	51,810
Balance at end of period	*1 68,299,018	(7,888)	(7,888)	68,291,129	2,157,995	2,157,995	70,449,125

(Unit: thousand yen)

	Total net assets
Balance at beginning of period	70,397,315
Changes during the period	
Dividends of surplus	(1,809,223)
Net income	1,861,033
Total changes during the period	51,810
Balance at end of period	70,449,125

13th Fiscal Period (from March 1, 2024 to August 31, 2024)

(Unit: thousand yen)

(Unit: thousand yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
		Allowance for temporary difference adjustments	Total deduction from unitholders' capital				
Balance at beginning of period	68,299,018	(7,888)	(7,888)	68,291,129	2,157,995	2,157,995	70,449,125
Changes during the period							
Issuance of new investment units	8,026,983			8,026,983			8,026,983
Dividends of surplus					(1,847,247)	(1,847,247)	(1,847,247)
Net income					2,117,255	2,117,255	2,117,255
Total changes during the period	8,026,983	—	—	8,026,983	270,007	270,007	8,296,991
Balance at end of period	*1 76,326,001	(7,888)	(7,888)	76,318,113	2,428,003	2,428,003	78,746,116

(Unit: thousand yen)

	Total net assets
Balance at beginning of period	70,449,125
Changes during the period	
Issuance of new investment units	8,026,983
Dividends of surplus	(1,847,247)
Net income	2,117,255
Total changes during the period	8,296,991
Balance at end of period	78,746,116

(4) Statement of Cash Distributions

(Unit: yen)

Category	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
I. Unappropriated retained earnings	2,157,995,798	2,428,003,702
II. Distributions in excess of earnings	—	—
Distributions in excess of earnings from allowance for temporary difference adjustments	—	—
III. Reversal of distributions in excess of earnings in previous periods	—	—
Reversal of allowance for temporary difference adjustments	—	—
IV. Distributions	1,847,247,120	2,108,214,000
[Distributions per unit]	[2,672]	[2,700]
Distributions of earnings	1,847,247,120	2,108,214,000
[Distributions of earnings per unit]	[2,672]	[2,700]
Distributions in excess of earnings from allowance for temporary difference adjustments	—	—
[Distributions in excess of earnings from allowance for temporary difference adjustments per unit]	[—]	[—]
V. Retained earnings carried forward	310,748,678	319,789,702
Method of calculation of amount of cash distributions	<p>Pursuant to the cash distribution policy defined in Article 36, Paragraph 1, Item 1 of the Articles of Incorporation of the Investment Corporation, the Investment Corporation shall distribute in excess of the amount equivalent to 90% of the distributable profit as defined in Article 67-15, Item 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Investment Corporation decided profit distribution (excluding the amount in excess of earnings) as 1,847,247,120 yen for the period. The amount of this profit distribution is the entire amount after deducting 310,748,678 yen as internal reserve for the purpose of stabilizing future distributions from unappropriated retained earnings. Moreover, taking into consideration any impact on distributions made by a discrepancy between the tax treatment and accounting treatment of excess earnings (meaning the discrepancy prescribed in Article 2, Paragraph 2, Item 30-b of the Ordinance on Accounting of Investment Corporations), the Investment Corporation has made it a rule to distribute an amount which the Investment Corporation determines as being equivalent to the amount of discrepancy between the tax treatment and accounting treatment of excess earnings in accordance with Article 36, Paragraph 1, Item (2) of the Articles of Incorporation of the Investment Corporation. During the fiscal period under review, however, the Investment Corporation did not distribute excess earnings because it increased internal reserves.</p>	<p>Pursuant to the policy on cash distributions provided in Article 36, Paragraph 1, Item (1) of the Articles of Incorporation, the amount of distributions shall be in excess of an amount equivalent to 90% of the amount of distributable earnings as defined in Article 67-15, Paragraph 1 of the Act on Special Measures Concerning Taxation. In accordance with this policy, the Investment Corporation decided, in relation to distribution (excluding the distribution of excess earnings), to internally retain 319,789,702 yen for the purpose of stabilizing future distributions, and to distribute 2,108,214,000 yen, which is the entire amount after deducting the amount of internal reserves described above from unappropriated retained earnings of the fiscal period under review. Moreover, taking into consideration any impact on distributions made by a discrepancy between tax treatment and accounting treatment of excess earnings (meaning discrepancy prescribed in Article 2, Paragraph 2, Item 30-b of the Ordinance on Accounting of Investment Corporations), the Investment Corporation has made it a rule to distribute an amount which the Investment Corporation determines as being equivalent to the amount of discrepancy between the tax treatment and accounting treatment of excess earnings in accordance with Article 36, Paragraph 1, Item (2) of the Articles of Incorporation. During the fiscal period under review, however, the Investment Corporation did not implement distribution of excess earnings because it increased internal reserves.</p>

(5) Statement of Cash Flows

(Unit: thousand yen)

	12th Fiscal Period (from September 1, 2023 to February 29, 2024)	13th Fiscal Period (from March 1, 2024 to August 31, 2024)
Cash flows from operating activities		
Income before income taxes	1,886,924	2,143,157
Depreciation	545,072	616,244
Amortization of investment unit issuance costs	13,613	18,484
Borrowing related expenses	108,545	129,055
Interest income	(33)	(777)
Interest expenses	246,063	286,094
Decrease (increase) in operating accounts receivable	4,864	(24,456)
Decrease (increase) in consumption taxes refund receivable	–	(171,411)
Increase (decrease) in accrued consumption taxes	22,037	(64,343)
Decrease (increase) in prepaid expenses	18,111	(19,599)
Decrease (increase) in long-term prepaid expenses	18	(27,170)
Increase (decrease) in operating accounts payable	(62,702)	55,387
Increase (decrease) in accounts payable – other	3,122	19,684
Increase (decrease) in advances received	(7,575)	2,147
Other	(8,141)	(55,955)
Subtotal	2,769,919	2,906,542
Interest income received	33	777
Interest paid	(247,359)	(284,112)
Income taxes paid	(604)	(718)
Net cash provided by (used in) operating activities	2,521,989	2,622,488
Cash flows from investing activities		
Purchase of property, plant and equipment	(448)	(708)
Purchase of property, plant and equipment in trust	(388,220)	(18,559,376)
Purchase of intangible assets	–	(798)
Proceeds from tenant leasehold and security deposits	109	111
Repayments of tenant leasehold and security deposits	(163)	(288)
Proceeds from tenant leasehold and security deposits in trust	13,667	169,745
Repayments of tenant leasehold and security deposits in trust	(64,145)	18,825
Net cash provided by (used in) investing activities	(439,200)	(18,372,489)
Cash flows from financing activities		
Proceeds from long-term loans payable	–	19,176,051
Repayments of long-term loans payable	–	(9,550,000)
Proceeds from issuance of investment units	–	7,997,757
Distributions paid	(1,808,908)	(1,846,753)
Net cash provided by (used in) financing activities	(1,808,908)	15,777,055
Net increase (decrease) in cash and cash equivalents	273,880	27,054
Cash and cash equivalents at beginning of period	4,064,749	4,338,630
Cash and cash equivalents at end of period	*1 4,338,630	*1 4,365,684