

Advance Logistics Investment Corporation
Summary of Financial Results (Unaudited)
For the Tenth Fiscal Period Ended August 31, 2023
(For the Reporting Period from March 1, 2023 to August 31, 2023)
(Translated from the Japanese original)

Corporate Information

Code: 3493 Listing: Tokyo Stock Exchange

(URL: <https://www.adl-reit.com/en/>)

Representative: Tomoyuki Kimura, Executive Director

Asset management company: ITOCHU REIT Management Co., Ltd.

Representative: Junichi Shoji, Representative Director, President & CEO

Inquiries: Naoki Kaji, Manager of Logistics Strategy Department

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Scheduled date to file securities report (Japanese only): November 29, 2023

Scheduled date to commence payment of distributions: November 20, 2023

Preparation of supplementary material on financial results: Yes

Financial report presentation meeting: Yes (for institutional investors and analysts)

1. Financial Results and Forecasts

(Amounts rounded to the nearest million yen)

1. Financial Results for the Fiscal Period Ended August 2023 (from March 1, 2023 to August 31, 2023)

(1) Operating conditions (Percentages represent changes from the previous period (Note1))

	Operating revenues		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Fiscal period ended August 2023	3,689	(8.4)	1,848	(9.6)	1,644	(9.0)	1,643	(9.0)
Fiscal period ended February 2023	4,027	26.6	2,044	34.1	1,807	30.0	1,806	30.0

	Net income per unit (Note2)	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	(Yen)	%	%	%
Fiscal period ended August 2023	2,436	2.2	1.2	44.6
Fiscal period ended February 2023	2,794	2.6	1.5	44.9

(Note1) Percentage changes from the previous period are rounded to the first decimal place. The same shall apply hereinafter.

(Note2) Net income per unit is calculated by dividing net income by the weighted average number of investment units based on the number of days during the period.

(Note3) By resolution of the 4th General Meeting of Unitholders held on April 27, 2022, Advance Logistics Investment Corporation, ("ADL") changed its fiscal period from the end of January and the end of July of each year to the end of February and the end of August of each year. Accordingly, the fiscal period ending February 28, 2023 is a seven-month accounting period from August 1, 2022 to February 28, 2023.

(2) Distributions

	Distributions per unit (excluding surplus cash distribution (SCD))	Total distributions (excluding SCD)	SCD per unit	Total SCD	Distributions per unit (including SCD)	Payout ratio	Distributions-to-net assets ratio
	(Yen)	(Millions of yen)	(Yen)	(Millions of yen)	(Yen)	%	%
Fiscal period ended August 2023	2,407	1,623	419	282	2,826	98.8	2.2
Fiscal period ended February 2023	2,679	1,806	560	377	3,239	100.0	2.4

(Note 1) Payout ratio = Distributions per unit (excluding SCD) ÷ Net income per unit × 100.

The dividend payout ratio for the fiscal period ending August 2023 is calculated based on the following formula, as new investment units were issued during the period. Payout ratio = Total distributions (excluding SCD) ÷ Net income × 100.

(Note 2) The ratio of distributions to net assets is calculated using the following formula:

Distributions per unit (excluding SCD) ÷ [(Net assets per unit at beginning of period + Net assets per unit at end of period) ÷ 2] × 100

(Note 3) The total amount of SCD for the fiscal year ended February 28, 2023 is entirely a refund of unitholders' capital that falls under the category of a distribution for reduction of capital and other expenditures under the tax law. In the period ending

August 31, 2023, the amount of provision for temporary difference adjustment was 19 million yen, and the amount of refund of investment, which falls under the category of distribution for reduction of unitholders' capital under the tax law, was 263 million yen.

(Note 4) The ratio of (i) reduced retained earnings to (ii) net asset value as of the end of the immediately preceding fiscal period, as a result of SCD (a refund of investment which, for tax purposes, falls under the category of distribution as a reduction in the unitholders' capital), is 0.006 for the fiscal period ended February 2023 and 0.004 for the fiscal period ended August 2023, respectively. The ratio was calculated in accordance with Article 23, Paragraph 1, Item 4 of the Order for Enforcement of the Corporation Tax Act (Cabinet Order No. 97 of 1965, as amended).

(3) Financial position

	Total assets	Net assets	Unitholders' equity ratio	Net assets per unit
	(Millions of yen)	(Millions of yen)	%	(Yen)
Fiscal period ended August 2023	135,286	74,545	55.1	110,536
Fiscal period ended February 2023	130,842	75,098	57.4	111,356

(4) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal period ended August 2023	2,829	(6,654)	2,846	5,407
Fiscal period ended February 2023	2,651	(15,388)	13,478	6,386

2. Forecast of Financial Results for the Fiscal Period ended February 29, 2024 (September 1, 2023 to February 29, 2024) and the Fiscal Period ended August 31, 2024 (March 1, 2024 to August 31, 2024).

(Percentages represent changes from the previous period)

	Operating revenues		Operating income		Ordinary income		Net income		Distributions per unit (excluding SCD)	SCD per unit	Distributions per unit (including SCD)
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)	(Yen)	(Yen)
Fiscal period ended February 2024	3,744	1.5	1,852	0.2	1,645	0.1	1,644	-	2,438	392	2,830
Fiscal period ended August 2024	3,781	1.0	1,855	0.2	1,641	(0.2)	1,640	(0.2)	2,433	397	2,830

(Reference) Expected net income per unit (Forecast net income ÷ Expected number of investment units at end of period) is 2,438 yen for the fiscal period ended February 2024 and 2,432 yen for the fiscal period ended August 2024.

3. Others

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

- (a) Changes in accounting policies associated with revision of accounting standards, etc.: None
- (b) Changes in accounting policies associated with other than (a): None
- (c) Changes in accounting estimates: None
- (d) Restatements: None

(2) Total number of investment units issued and outstanding

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

Fiscal period ended August 2023	674,400 unit	Fiscal period ended February 2023	674,400 unit
Fiscal period ended August 2023	0 unit	Fiscal period ended February 2023	0 unit

Summaries of Financial Results are not audited by a certified public accountant or other independent auditor.

Other special instructions

(Note on forward-looking statements)

Forward-looking statements presented in this document are based on information currently available to Advance Logistics Investment Corporation ("ADL") and on certain assumptions deemed by management to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of various factors. The above forecast does not guarantee the amount of the distribution.

Assumptions Underlying the Forecast for the Fiscal Periods ended February 2024 and August 2024

Item	Assumption																																	
Calculation period	<ul style="list-style-type: none"> The 11th fiscal period ended February 2024 (September 1, 2023 to February 29, 2024) (182 days) The 12th fiscal period ended August 2024 (March 1, 2024 to August 31, 2024) (184 days) 																																	
Investment assets	<ul style="list-style-type: none"> It is assumed that LOGITES Sano (the "Asset to be Acquired") will be acquired on March 29, 2024, in addition to the 13 properties currently owned by ADL as of the end of August 2023 (the "Current Assets"). It is assumed that there will be no other acquisitions of new assets or disposals of owned assets until the end of the fiscal year ending August 31, 2024. Despite the assumption above, however, there may be changes in assets under management due to acquisition of new properties or disposition of existing properties. 																																	
Operating revenues	<ul style="list-style-type: none"> Forecasted leasing business revenues for the Currently Owned Assets were calculated taking into consideration the content of lease agreements which have been executed and are effective as of August 31, 2023, or are scheduled to take effect by August 31 2024, as well as tenant and market trends, among other things. Rent revenues of the Asset to be Acquired are calculated based on information provided by the current beneficial owner, taking into account the executed lease contracts, tenant trends, market trends, and other factors. It is assumed that no rent defaults or unpaid leases on the part of tenants will occur during the period of these forecasts. These forecasts are made based on the assumptions that there will be no profit or loss from the sale of real estate or other assets. Dividends received from equity interest in anonymous associations are calculated reflecting the expected occupancy of the real estate backing the cash flow. 																																	
Operating expenses	<ul style="list-style-type: none"> Main items included under operating expenses are as follows: (Millions of yen) <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Fiscal period ended February 2024</th> <th style="text-align: center;">Fiscal period ended August 2024</th> </tr> </thead> <tbody> <tr> <td>Expenses related to rent business</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Facility management expenses</td> <td style="text-align: center;">46</td> <td style="text-align: center;">46</td> </tr> <tr> <td style="padding-left: 20px;">Property management contract expenses</td> <td style="text-align: center;">17</td> <td style="text-align: center;">18</td> </tr> <tr> <td style="padding-left: 20px;">Utility expenses</td> <td style="text-align: center;">86</td> <td style="text-align: center;">77</td> </tr> <tr> <td style="padding-left: 20px;">Repair expenses</td> <td style="text-align: center;">13</td> <td style="text-align: center;">4</td> </tr> <tr> <td style="padding-left: 20px;">Taxes and public dues</td> <td style="text-align: center;">336</td> <td style="text-align: center;">350</td> </tr> <tr> <td style="padding-left: 20px;">Depreciation costs</td> <td style="text-align: center;">883</td> <td style="text-align: center;">892</td> </tr> <tr> <td>General and administrative expenses</td> <td></td> <td></td> </tr> <tr> <td style="padding-left: 20px;">Asset management fees</td> <td style="text-align: center;">411</td> <td style="text-align: center;">413</td> </tr> <tr> <td style="padding-left: 20px;">Sponsor support agreement expenses</td> <td style="text-align: center;">29</td> <td style="text-align: center;">26</td> </tr> </tbody> </table> <ul style="list-style-type: none"> With the exception of depreciation costs, the forecast of real estate leasing business expenses, which are to be ADL's main operating expenses, are calculated based on historical data for the Currently Owned Assets and based on information provided by the current beneficiaries, etc. for the Assets to be Acquired, taking into account variable factors of expenses. Generally, in the purchase and sale of real estate or other assets, property tax and city planning tax, etc. are calculated on a pro-rata basis for the period with the current beneficiary, etc. and settled at the time of property acquisition, while ADL intends to include the amount equivalent to such settlement in the acquisition cost. Therefore, with regard to property tax and city planning tax, etc. for the Property to be Acquired, the property tax and city planning tax, etc. for the fiscal year 2025 will be recorded as expenses from the fiscal year ending August 31, 2025. The total amount of property tax and city planning tax, etc. to be included in the acquisition cost is assumed to be 6 million yen. Forecast repair expenses for buildings are estimated based on medium- to long-term repair plans developed by the asset management company, ITOCHU REIT Management Co., Ltd. ("IRM"). Repair expenses could suddenly increase, however, due to property damage caused by factors that are difficult to predict. Furthermore, repair expenses generally differ in amount over a fiscal year and are not incurred at regular intervals. Due to these and other factors, the forecast amounts of repair expenses may differ substantially from results. Forecast depreciation costs are calculated using the straight-line method, and include ancillary and other expenses. 		Fiscal period ended February 2024	Fiscal period ended August 2024	Expenses related to rent business			Facility management expenses	46	46	Property management contract expenses	17	18	Utility expenses	86	77	Repair expenses	13	4	Taxes and public dues	336	350	Depreciation costs	883	892	General and administrative expenses			Asset management fees	411	413	Sponsor support agreement expenses	29	26
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Item	Assumption
Non-operating expenses	<ul style="list-style-type: none"> The forecast of non-operating expenses is 206 million yen for the fiscal period ended February 2024, and 213 million yen for the fiscal period ended August 2024. The forecast of interest expenses and other borrowing-related expenses is 203 million yen for the fiscal period ended February 2024 and 210 million yen for the fiscal period ended August 2024.
Interest-bearing debt	<ul style="list-style-type: none"> It is assumed that total interest-bearing debt will amount to 57,420 million yen at the end of the fiscal period ended February 2024, and 58,420 million yen at the end of the fiscal period ended August 2024. It is assumed that ADL will borrow 1,000 million yen in new loans in March 2024. However, the actual borrowing amount may be subject to change by the time the borrowing is executed. Other details regarding the new loan will be announced as soon as they are determined. The loan-to-value (LTV) ratio is expected to be around 42.4% at the end of the fiscal period ended February 2024, and 43.0% at the end of the fiscal period ended August 2024. The LTV ratio is calculated by the following formula and is rounded to the first decimal place: $\text{LTV} = \text{total interest-bearing debt} \div \text{total assets} \times 100$
Total number of investment units outstanding	<ul style="list-style-type: none"> It is assumed that the total number of investment units issued and outstanding as of the date hereof (i.e., 674,400 units) remains the same until the end of the period ended August 2024. Distributions per unit (excluding SCD) and SCD per unit were calculated based on the expected total number of investment units issued and outstanding at the end of the fiscal period ended February 2024 and at the end of the fiscal period ended August 2024.
Distributions per unit (excluding SCD)	<ul style="list-style-type: none"> The forecast distributions per unit (excluding SCD) was calculated according to ADL's distribution policy described in its Articles of Incorporation, assuming that the entire amount of profits will be distributed. Despite the above, actual distributions per unit (excluding SCD) may differ for a variety of reasons, such as changes in assets under management, fluctuations in leasing business revenues due to tenant movements or other factors, or unforeseen events requiring repairs and maintenance.
SCD per unit	<ul style="list-style-type: none"> SCD per unit was calculated based on the policies stipulated in ADL's Articles of Incorporation and the asset management guidelines contained in the internal rules of IRM. Total SCD are estimated at 264 million yen in the fiscal period ended February 2024, and 267 million yen in the fiscal period ended August 2024. It is assumed that general economic conditions, trends in the real estate market in Japan, and ADL's financial position will not deteriorate substantially during the periods of these forecasts. From the perspective of ensuring the long-term maintenance of assets held and financial stability, ADL plans, in principle, to pay SCD continuously every fiscal period at an amount equivalent to 30% of depreciation expenses for the applicable fiscal period, taking into account past results related to capital expenditures, etc. and future prospects based on engineering reports, etc. In addition to the payment of SCD each successive fiscal period, additional SCD may be paid in order to even out the amount of distributions per unit if such distributions are expected to be temporarily reduced at a significant rate due to funds procurement through the issuance of new investment units or other factors. ADL may decide against distributing cash distributions in excess of realizable amounts if it deems such distributions to be unwise in light of economic conditions, trends in Japan's real estate and leasing markets, or the status of its property portfolio and financial position. If appraised LTV (Note) is expected to exceed 60% after cash distribution, ADL does not distribute SCD in order to ensure stable finances. (Note) Appraised LTV = $A/B \times 100$ A = Total interest-bearing debt as of the closing date of the applicable fiscal period B = Total assets on the balance sheet as of the closing date of the applicable fiscal period – amount of book value of owned real estate after depreciation, as of the closing date of the applicable fiscal period + appraised value of owned real estate as of the closing date of the applicable fiscal period
Other	<ul style="list-style-type: none"> Financial calculations and operating forecasts are based on the assumption that there will be no changes in legislation, taxation, accounting standards, regulations imposed on publicly listed companies by the Tokyo Stock Exchange, or rules or requirements imposed by the Investment Trusts Association, Japan, in any way that would impact the aforementioned forecasts. Financial calculations and operating forecasts are also based on the assumption that there will be no substantial changes in general economic and real estate market conditions in Japan. It is assumed that the COVID-19 pandemic will not adversely affect the performance of ADL's property portfolio.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	9th fiscal period (as of February 28, 2023)	10th fiscal period (as of August 31, 2023)
Assets		
Current assets		
Cash and deposits	3,031,730	2,731,448
Cash and deposits in trust	5,203,067	4,598,946
Operating accounts receivable	51,610	31,714
Consumption taxes receivable	358,446	-
Prepaid expenses	69,489	77,507
Others	1,848	-
Total current assets	8,716,193	7,439,618
Non-current assets		
Property, plant and equipment		
Buildings in trust	64,704,758	66,537,977
Accumulated depreciation	(5,267,350)	(6,044,782)
Buildings in trust, net	59,437,408	60,493,194
Structures in trust	2,320,314	2,365,053
Accumulated depreciation	(441,126)	(505,896)
Structures in trust, net	1,879,187	1,859,157
Machinery and equipment in trust	1,800,548	1,857,632
Accumulated depreciation	(241,932)	(277,377)
Machinery and equipment in trust, net	1,558,616	1,580,254
Tools, furniture and fixtures in trust	5,543	5,543
Accumulated depreciation	(1,936)	(2,457)
Tools, furniture and fixtures in trust, net	3,606	3,085
Construction in progress in trust	302	-
Land in trust	59,010,869	63,677,308
Total property, plant and equipment	121,889,990	127,613,001
Intangible assets		
Software	782	225
Total intangible assets	782	225
Investments and other assets		
Investments in securities	11,233	11,233
Leasehold and guarantee deposits	10,000	10,000
Long-term prepaid expenses	194,516	195,171
Deferred tax assets	16	25
Total investments and other assets	215,766	216,429
Total non-current assets	122,106,540	127,829,656
Deferred assets		
Investment corporation bond issuance expenses	19,651	17,523
Total deferred assets	19,651	17,523
Total assets	130,842,385	135,286,798

(Thousands of yen)

	9th fiscal period (as of February 28, 2023)	10th fiscal period (as of August 31, 2023)
Liabilities		
Current liabilities		
Operating accounts payable	121,743	51,815
Short-term loans payable	170,000	-
Arrears	-	13,412
Accrued expenses	548,615	521,091
Income taxes payable	1,041	1,080
Consumption taxes payable	-	107,204
Advances received	647,056	675,868
Other	173,555	3,878
Total current liabilities	1,662,011	1,374,351
Non-current liabilities		
Investment corporation bonds	3,500,000	3,500,000
Long-term loans payable	48,720,000	53,920,000
Tenant leasehold and security deposits in trust	1,848,388	1,923,191
Derivative liabilities	8,078	20,048
Other	5,216	3,552
Total non-current liabilities	54,081,683	59,366,792
Total liabilities	55,743,695	60,741,143
Net assets		
Unitholders' equity		
Unitholders' capital	74,666,554	74,666,554
Deductions from unitholders' capital	(1,366,725)	(1,744,389)
Unitholders' capital, net	73,299,829	72,922,165
Surplus		
Unappropriated retained earnings (undisposed loss)	1,806,939	1,643,538
Total surplus	1,806,939	1,643,538
Total unitholders' equity	75,106,769	74,565,703
Valuation and translation adjustments		
Deferred gains or losses on hedges	(8,078)	(20,048)
Total valuation and translation adjustments	(8,078)	(20,048)
Total net assets	75,098,690	74,545,654
Total liabilities and net assets	130,842,385	135,286,798

(2) Consolidated Statement of Income

(Thousands of yen)

	9th fiscal period (from August 1, 2022 to February 28, 2023)	10th fiscal period (from March 1, 2023 to August 31, 2023)
Operating revenues		
Leasing business revenues	3,927,571	3,624,144
Other leasing business revenues	100,017	65,440
Total operating revenues	4,027,588	3,689,585
Operating expenses		
Expenses related to rent business	1,468,408	1,355,287
Asset management fees	444,312	410,342
Asset custody fee and Administrative service fees	15,727	14,126
Directors' compensations	3,080	2,640
Other operating expenses	51,309	58,791
Total operating expenses	1,982,837	1,841,188
Operating income	2,044,751	1,848,396
Non-operating income		
Interest income	70	34
Reversal of unpaid distributions	651	372
Interest on tax refund	-	756
Other income	8	117
Total non-operating income	730	1,280
Non-operating expenses		
Interest expenses	135,379	164,116
Interest expenses on investment corporation bonds	8,068	7,026
Investment unit issuance expenses	19,711	-
Amortization of investment corporation bond issuance expenses	2,482	2,127
Borrowing related expenses	61,553	30,381
Other	10,479	1,607
Total non-operating expenses	237,674	205,259
Ordinary income	1,807,807	1,644,417
Income before income taxes	1,807,807	1,644,417
Income taxes - current	1,052	1,109
Income taxes - deferred	(4)	(8)
Total income taxes	1,048	1,101
Net income	1,806,759	1,643,316
Retained earnings brought forward	180	222
Unappropriated retained earnings (undisposed loss)	1,806,939	1,643,538

(3) Consolidated Statement of Unitholders' Equity
9th fiscal period (from August 1, 2022 to February 28, 2023)

(Thousands of yen)

	Unitholders' equity					
	Unitholders' capital			Surplus		Total unitholders' equity
	Unitholders' capital	Deductions from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at beginning of current period	64,647,572	(1,127,274)	63,520,297	1,390,075	1,390,075	64,910,372
Changes of items during period						
Issue of new investment units	10,018,982		10,018,982			10,018,982
Surplus cash distribution		(239,450)	(239,450)			(239,450)
Distributions of retained earnings				(1,389,894)	(1,389,894)	(1,389,894)
Net income				1,806,759	1,806,759	1,806,759
Net changes of items other than unitholders' equity (Net Amount)						
Total changes of items during period	10,018,982	(239,450)	9,779,531	416,864	416,864	10,196,396
Balance at end of current period	74,666,554	(1,366,725)	73,299,829	1,806,939	1,806,939	75,106,769

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Valuation and translation adjustments Total	
Balance at beginning of current period	-	-	64,910,372
Changes of items during period			
Issue of new investment units			10,018,982
Surplus cash distribution			(239,450)
Distributions of retained earnings			(1,389,894)
Net income			1,806,759
Net changes of items other than unitholders' equity (Net Amount)	(8,078)	(8,078)	(8,078)
Total changes of items during period	(8,078)	(8,078)	10,188,317
Balance at end of current period	(8,078)	(8,078)	75,098,690

10th fiscal period (from March 1, 2023 to August 31, 2023)

(Thousands of yen)

	Total net assets					
	Unitholders' capital			Surplus		Total unitholders' equity
	Unitholders' capital	Total deductions from unitholders' capital	Unitholders' capital, net	Unappropriated retained earnings (undisposed loss)	Total surplus	
Balance at beginning of current period	74,666,554	(1,366,725)	73,299,829	1,806,939	1,806,939	75,106,769
Changes of items during period						
Surplus cash distribution		(377,664)	(377,664)			(377,664)
Distributions of retained earnings				(1,806,717)	(1,806,717)	(1,806,717)
Net income				1,643,316	1,643,316	1,643,316
Net changes of items other than unitholders' equity (Net Amount)						
Total changes of items during period	-	(377,664)	(377,664)	(163,401)	(163,401)	(541,065)
Balance at end of current period	74,666,554	(1,744,389)	72,922,165	1,643,538	1,643,538	74,565,703

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Valuation and translation adjustments Total	
Balance at beginning of current period	(8,078)	(8,078)	75,098,690
Changes of items during period			
Surplus cash distribution			(377,664)
Distributions of retained earnings			(1,806,717)
Net income			1,643,316
Net changes of items other than unitholders' equity (Net Amount)	(11,970)	(11,970)	(11,970)
Total changes of items during period	(11,970)	(11,970)	(553,035)
Balance at end of current period	(20,048)	(20,048)	74,545,654

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	9th fiscal period (from August 1, 2022 tot February 28, 2023)	10th fiscal period (from March 1, 2023 to August , 2023)
Cash flows from operating activities		
Profit before income taxes	1,807,807	1,644,417
Depreciation costs	976,111	878,725
Investment unit issuance expenses	19,711	-
Amortization of investment corporation bond issuance expenses	2,482	2,127
Interest income	(70)	(34)
Interest expenses	143,447	171,142
Decrease (increase) in operating accounts receivable	(15,069)	19,896
Decrease (increase) in consumption taxes refund receivable	(358,446)	401,932
Decrease (increase) in prepaid expenses	(8,967)	(8,018)
Decrease (increase) in long-term prepaid expenses	(21,695)	(654)
Increase (decrease) in operating accounts payable	19,170	(2,698)
Increase (decrease) in accrued expenses	72,118	(37,725)
Increase (decrease) in consumption taxes payable	(85,376)	63,719
Increase (decrease) in advances received	68,033	28,812
Other	173,400	(170,045)
Subtotal	2,792,656	2,991,597
Interest income received	70	34
Interest expenses paid	(140,795)	(160,941)
Income taxes paid	(869)	(1,070)
Net cash provided by operating activities	2,651,061	2,829,619
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(15,377,360)	(6,654,995)
Payments for purchase of investment securities	(11,233)	-
Other	495	-
Net cash used in investing activities	(15,388,098)	(6,654,995)
Cash flows from financing activities		
Increase in short-term loans payable	620,000	-
Repayments of short-term loans payable	(3,740,000)	(170,000)
Repayments of long-term loans payable	9,980,000	5,200,000
Repayments of long-term loans payable	(1,750,000)	-
Proceeds from issuance of investment units	9,999,270	-
Distributions paid	(1,630,349)	(2,183,830)
Net cash provided by financing activities	13,478,921	2,846,169
Net increase (decrease) in cash and cash equivalents	741,884	(979,205)
Cash and cash equivalents at beginning of period	5,644,525	6,386,409
Cash and cash equivalents at end of period	6,386,409	5,407,204