

**ITOCHU Advance Logistics Investment Corporation**  
**Summary of Financial Results (Unaudited)**  
**For the Seventh Fiscal Period Ended January 31, 2022**  
**(For the Reporting Period from August 1, 2021 to January 31, 2022)**  
**(Translated from the Japanese original)**

## Corporate Information

Code: 3493 Listing: Tokyo Stock Exchange

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

Representative: Junichi Shoji, Executive Director

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

Representative: Junichi Shoji, Representative Director, President &amp; CEO

Inquiries: Hiromu Shinoda, GM, Finance &amp; Planning

Tel: +81-3-3556-3901

Scheduled date to file securities report (Japanese only): April 26, 2022

Scheduled date to commence payment of distributions: April 12, 2022

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 January 2022 (from August 1, 2021 to January 31, 2022)

(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 January 2022	3,178	3.9	1,550	4.1	1,414	4.5	1,413	4.5
Fiscal period ended July 2021	3,059	17.4	1,489	12.6	1,353	14.2	1,352	14.2

	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 January 2022	2,355	2.2	1.2	44.5
Fiscal period ended July 2021	2,254	2.1	1.2	44.2

(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.

## (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 January 2022	2,356	1,413	399	239	2,755	100.0	2.2
Fiscal period ended July 2021	2,254	1,352	238	142	2,492	100.0	2.1

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

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

$$\text{Distributions per unit (excluding SCD)} \div [(\text{Net assets per unit at beginning of period} + \text{Net assets per unit at end of period}) \div 2] \times 100$$

(Note 3) The entire amount of SCD for the fiscal period ended July 2021 and January 2022 is considered to be a refund of investment, which, for tax purposes, falls under a category of distribution as a reduction in unitholders' capital.

(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 0.003 for the fiscal period ended July 2021 and 0.004 for the fiscal period ended January 2022, 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 January 2022	115,642	65,173	56.4	108,600
Fiscal period ended July 2021	115,747	65,255	56.4	108,736

### (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 January 2022	2,881	(25)	(1,928)	5,468
Fiscal period ending July 2021	2,459	(13,385)	10,843	4,541

## 2. Forecast of Financial Results for the Fiscal Period Ending July 31, 2022 (February 1, 2022 to July 31, 2022) and the Fiscal Period Ending February 28, 2023 (August 1, 2022 to February 28, 2023).

(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 ending July 2022	3,173	-0.1	1,511	-2.5	1,375	-2.8	1,374	-2.8	2,290	399	2,689
Fiscal period ending February 2023	3,705	—	1,848	—	1,665	—	1,664	—	2,774	465	3,239

(Reference) Expected net income per unit (Forecast net income ÷ Expected number of investment units at end of period) is 2,290 yen for the fiscal period ending July 2022 and 2,774 yen for the fiscal period ending February 2023.

(Note1) As described in the "Notice Concerning Amendments to the Articles of Incorporation and Election of Directors" released on January 27, 2022, the Investment Corporation will change its fiscal period from January/July to February/August every year, and will also change its operating period (however, the operating period for the 9th fiscal period will be from August 1, 2022 to August 1, 2023). The Investment Corporation plans to submit a proposal to amend its articles of incorporation (the "Partial Amendment to the Articles of Incorporation") to the fourth general meeting of unitholders of the Investment Corporation scheduled to be held on April 27, 2022. If the Proposed Partial Amendment to the Articles of Incorporation is approved, the fiscal period will be changed from the fiscal period ending February 2023, and the accounting period will be seven months in that period.(Note2) Since the 9th fiscal period is assumed to be a seven-month period from August 1, 2022 to February 28, 2023, the percentage change from the previous fiscal period for the fiscal period ending February 28, 2023 is not shown.

(Note 2) The percentage change from the previous fiscal period for the fiscal period ending February 28, 2023 is not shown since the 9th fiscal period is assumed to be the seven-month period from August 1, 2022 to February 28, 2023.

### 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.: Yes\*
- (b) Changes in accounting policies associated with other than (a): None
- (c) Changes in accounting estimates: None
- (d) Restatements: None

\*For details, see "Notes on Changes in Accounting Policies" on page 10.

#### (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 January 2022	600,127	Fiscal period ended July 2021	600,127
Fiscal period ended January 2022	0	Fiscal period ended July 2021	0

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 ITOCHU Advance Logistics Investment Corporation ("IAL") 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 Ending July 2021 and January 2022

Item	Assumption																																	
Calculation period	<ul style="list-style-type: none"> <li>The Eighth fiscal period ending July 2022 (February 1, 2022 to July 31, 2022) (181 days)</li> <li>The Ninth fiscal period ending February 2023 (August 1, 2022 to February 28, 2023) (212 days)</li> </ul> <p>It is assumed that the Partial Amendment to the Articles of Incorporation will be approved at the general meeting of unitholders scheduled to be held on April 27, 2022, and the fiscal period will be changed from the fiscal period ending February 2023.</p>																																	
Investment assets	<ul style="list-style-type: none"> <li>The trust beneficiary interests in real estate owned by IAL as of the end of January 2022 (12 properties in total) ("Currently Owned Assets") is assumed that there will be no acquisition of new assets or disposal of owned assets by the end of the fiscal period ending February 28, 2023.</li> <li>Despite the assumption above, however, there may be changes in assets under management due to acquisition of new properties or disposition of existing properties.</li> </ul>																																	
Operating revenues	<ul style="list-style-type: none"> <li>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 January 31, 2022, or are scheduled to take effect by, February 2023, as well as tenant and market trends, among other things.</li> <li>It is assumed that no rent defaults or unpaid leases on the part of tenants will occur during the period of these forecasts.</li> <li>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.</li> </ul>																																	
Operating expenses	<ul style="list-style-type: none"> <li>Main items included under operating expenses are as follows: (Millions of yen)</li> </ul> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>Fiscal period ending July 2022</th> <th>Fiscal period ending February 2023</th> </tr> </thead> <tbody> <tr> <td>Expenses related to rent business</td> <td></td> <td></td> </tr> <tr> <td>    Facility management expenses</td> <td style="text-align: right;">31</td> <td style="text-align: right;">37</td> </tr> <tr> <td>    Property management contract expenses</td> <td style="text-align: right;">15</td> <td style="text-align: right;">18</td> </tr> <tr> <td>    Utility expenses</td> <td style="text-align: right;">26</td> <td style="text-align: right;">32</td> </tr> <tr> <td>    Repair expenses</td> <td style="text-align: right;">11</td> <td style="text-align: right;">9</td> </tr> <tr> <td>    Taxes and public dues</td> <td style="text-align: right;">305</td> <td style="text-align: right;">306</td> </tr> <tr> <td>    Depreciation costs</td> <td style="text-align: right;">798</td> <td style="text-align: right;">931</td> </tr> <tr> <td>General and administrative expenses</td> <td></td> <td></td> </tr> <tr> <td>    Asset management fees</td> <td style="text-align: right;">380</td> <td style="text-align: right;">428</td> </tr> <tr> <td>    Sponsor support agreement expenses</td> <td style="text-align: right;">22</td> <td style="text-align: right;">22</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>With the exception of depreciation costs, the forecast of real estate leasing business expenses, which are to be IAL's main operating expenses, are calculated based on historical data of the Currently Owned Assets and factors that may cause expenses to fluctuate.</li> <li>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.</li> <li>Forecast depreciation costs are calculated using the straight-line method, and include ancillary and other expenses.</li> <li>It is assumed that the Partial Amendment to the Articles of Incorporation will be approved at the general meeting of unitholders scheduled to be held on April 27, 2022, and that the asset management fees will be partially amended from the fiscal period ending February 2023 based on the amended Articles of Incorporation.</li> </ul>		Fiscal period ending July 2022	Fiscal period ending February 2023	Expenses related to rent business			Facility management expenses	31	37	Property management contract expenses	15	18	Utility expenses	26	32	Repair expenses	11	9	Taxes and public dues	305	306	Depreciation costs	798	931	General and administrative expenses			Asset management fees	380	428	Sponsor support agreement expenses	22	22
	Fiscal period ending July 2022	Fiscal period ending February 2023																																
Expenses related to rent business																																		
Facility management expenses	31	37																																
Property management contract expenses	15	18																																
Utility expenses	26	32																																
Repair expenses	11	9																																
Taxes and public dues	305	306																																
Depreciation costs	798	931																																
General and administrative expenses																																		
Asset management fees	380	428																																
Sponsor support agreement expenses	22	22																																
Non-operating expenses	<ul style="list-style-type: none"> <li>The forecast of non-operating expenses is ¥135 million for the fiscal period ending July 2022, and ¥182 million for the fiscal period ending February 2023.</li> <li>The forecast of interest expenses and other borrowing-related expenses is ¥132 million for the fiscal period ending July 2022 and ¥178 million for the fiscal period ending February 2023.</li> </ul>																																	
Interest-bearing debt	<ul style="list-style-type: none"> <li>It is assumed that total interest-bearing debt will amount to ¥47,280 million at the end of the fiscal period ending July 2022, and ¥47,240 million at the end of the fiscal period ending February 2023.</li> <li>The loan-to-value (LTV) ratio is expected to be around 41.0% at the end of the fiscal period ending July 2022, and 41.0% at the end of the fiscal period ending February 2023. The LTV ratio is calculated by the following formula and is rounded to the first decimal place:  <math display="block">\text{LTV} = \text{total interest-bearing debt} \div \text{total assets} \times 100</math> </li> </ul>																																	

Item	Assumption
Total number of investment units outstanding	<ul style="list-style-type: none"> <li>It is assumed that the total number of investment units issued and outstanding as of the date hereof (i.e., 600,127 units) remains the same until the end of the period ending February 2023.</li> <li>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 ending July 2022 and at the end of the fiscal period ending February 2023 (i.e., 600,127 units).</li> </ul>
Distributions per unit (excluding SCD)	<ul style="list-style-type: none"> <li>The forecast distributions per unit (excluding SCD) was calculated according to IAL's distribution policy described in its Articles of Incorporation, assuming that the entire amount of profits will be distributed.</li> <li>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.</li> </ul>
SCD per unit	<ul style="list-style-type: none"> <li>SCD per unit was calculated based on the policies stipulated in IAL's Articles of Incorporation and the asset management guidelines contained in the internal rules of IRM. Total SCD are estimated at ¥239 million in the fiscal period ending July 2022, and ¥279 million in the fiscal period ending February 2023.</li> <li>It is assumed that general economic conditions, trends in the real estate market in Japan, and IAL's financial position will not deteriorate substantially during the periods of these forecasts.</li> <li>From the perspective of ensuring the long-term maintenance of assets held and financial stability, IAL 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.</li> <li>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.</li> <li>IAL 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.</li> <li>If appraised LTV (Note) is expected to exceed 60% after cash distribution, IAL does not distribute SCD in order to ensure stable finances.</li> </ul> <p>(Note) Appraised LTV = <math>A/B \times 100</math>  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</p>
Other	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>It is assumed that the COVID-19 pandemic will not adversely affect the performance of IAL's property portfolio.</li> </ul>

## 2. Consolidated Financial Statements

### (1) Consolidated Balance Sheet

(Thousands of yen)

	6th fiscal period (as of July 31, 2021)	7th fiscal period (as of January 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	2,056,841	2,909,181
Cash and deposits in trust	4,158,986	4,233,581
Operating accounts receivable	47,114	44,336
Consumption taxes receivable	199,436	-
Prepaid expenses	62,749	60,724
Total current assets	6,525,128	7,247,824
Non-current assets		
Property, plant and equipment		
Buildings in trust	60,371,130	60,372,596
Accumulated depreciation	(2,990,335)	(3,697,510)
Buildings in trust, net	57,380,795	56,675,086
Structures in trust	2,214,959	2,214,959
Accumulated depreciation	(247,992)	(308,197)
Structures in trust, net	1,966,967	1,906,761
Machinery and equipment in trust	1,666,312	1,666,312
Accumulated depreciation	(139,035)	(170,781)
Machinery and equipment in trust, net	1,527,277	1,495,531
Tools, furniture and fixtures in trust	3,054	3,054
Accumulated depreciation	(738)	(1,010)
Tools, furniture and fixtures in trust, net	2,315	2,043
Land in trust	48,131,041	48,131,041
Total property, plant and equipment	109,008,398	108,210,465
Intangible assets		
Software	2,547	1,990
Total intangible assets	2,547	1,990
Investments and other assets		
Leasehold and guarantee deposits	10,000	10,000
Long-term prepaid expenses	192,572	164,505
Deferred tax assets	17	7
Total investments and other assets	202,590	174,513
Total non-current assets	109,213,536	108,386,968
Deferred assets		
Investment corporation bond issuance expenses	8,509	7,232
Total deferred assets	8,509	7,232
Total assets	115,747,173	115,642,026

(Thousands of yen)

	6th fiscal period (as of July 31, 2021)	7th fiscal period (as of January 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	19,157	159,814
Short-term loans payable	433,000	5,300,000
Accounts payable - other	38,152	13,713
Accrued expenses	447,953	479,842
Current portion of long-term loans payable	5,300,000	1,750,000
Income taxes payable	967	758
Consumption taxes payable	—	263,316
Advances received	581,699	580,565
Other	5,353	5,605
Total current liabilities	6,826,283	8,553,616
Non-current liabilities		
Investment corporation bonds	1,500,000	1,500,000
Long-term loans payable	40,490,000	38,740,000
Tenant leasehold and security deposits in trust	1,674,231	1,674,273
Other	923	257
Total non-current liabilities	43,665,155	41,914,531
Total liabilities	50,491,438	50,468,147
Net assets		
Unitholders' equity		
Unitholders' capital	64,647,572	64,647,572
Deductions from unitholders' capital	(744,993)	(887,824)
Unitholders' capital, net	63,902,578	63,759,748
Surplus		
Unappropriated retained earnings (undisposed loss)	1,353,156	1,414,130
Total surplus	1,353,156	1,414,130
Total unitholders' equity	65,255,735	65,173,878
Total net assets	65,255,735	65,173,878
Total liabilities and net assets	115,747,173	115,642,026

## (2) Consolidated Statement of Income

(Thousands of yen)

	6th fiscal period (from February 1, 2021 to July 31, 2021)	7th fiscal period (from August 1, 2021 to January 31, 2022)
<b>Operating revenues</b>		
Leasing business revenues	3,031,868	3,142,715
Other leasing business revenues	28,057	35,474
<b>Total operating revenues</b>	<b>3,059,926</b>	<b>3,178,190</b>
<b>Operating expenses</b>		
Expenses related to rent business	1,146,040	1,170,645
Asset management fees	366,779	395,045
Asset custody fee and Administrative service fees	11,128	12,426
Directors' compensations	2,640	2,640
Other operating expenses	43,708	47,195
<b>Total operating expenses</b>	<b>1,570,297</b>	<b>1,627,953</b>
<b>Operating income</b>	<b>1,489,628</b>	<b>1,550,237</b>
<b>Non-operating income</b>		
Interest income	25	27
Interest on tax refund	214	81
Subsidy income	120	—
<b>Total non-operating income</b>	<b>360</b>	<b>109</b>
<b>Non-operating expenses</b>		
Interest expenses	98,507	107,838
Interest expenses on investment corporation bonds	2,237	2,286
Amortization of investment corporation bond issuance expenses	1,276	1,276
Borrowing related expenses	33,130	23,503
Other	991	1,008
<b>Total non-operating expenses</b>	<b>136,143</b>	<b>135,914</b>
<b>Ordinary income</b>	<b>1,353,846</b>	<b>1,414,432</b>
Income before income taxes	1,353,846	1,414,432
Income taxes - current	971	762
Income taxes - deferred	(1)	10
<b>Total income taxes</b>	<b>969</b>	<b>772</b>
<b>Net income</b>	<b>1,352,876</b>	<b>1,413,660</b>
Retained earnings brought forward	279	470
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>1,353,156</b>	<b>1,414,130</b>

(3) Consolidated Statement of Unitholders' Equity  
Sixth fiscal period (from February 1, 2021 to July 31, 2021)

(Thousands of yen)

	Unitholders' equity						Total net assets
	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	(419,124)	64,228,447	1,184,930	1,184,930	65,413,378	65,413,378
Changes of items during period							
Surplus cash distribution		(325,868)	(325,868)			(325,868)	(325,868)
Distributions of retained earnings				(1,184,650)	(1,184,650)	(1,184,650)	(1,184,650)
Net income				1,352,876	1,352,876	1,352,876	1,352,876
Total changes of items during period		(325,868)	(325,868)	168,226	168,226	(157,642)	(157,642)
Balance at end of current period	64,647,572	(744,993)	63,902,578	1,353,156	1,353,156	65,255,735	65,255,735

Seventh fiscal period (from August 1, 2021 to January 31, 2022)

(Thousands of yen)

	Unitholders' equity						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	64,647,572	(744,993)	63,902,578	1,353,156	1,353,156	65,255,735	65,255,735
Changes of items during period							
Surplus cash distribution		(142,830)	(142,830)			(142,830)	(142,830)
Distributions of retained earnings				(1,352,686)	(1,352,686)	(1,352,686)	(1,352,686)
Net income				1,413,660	1,413,660	1,413,660	1,413,660
Total changes of items during period		(142,830)	(142,830)	60,973	60,973	(81,856)	(81,856)
Balance at end of current period	64,647,572	(887,824)	63,759,748	1,414,130	1,414,130	65,173,878	65,173,878



## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	6th fiscal period (from February 1, 2021 to July 31, 2021)	7th fiscal period (from August 1, 2021 to January 31, 2022)
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,353,846	1,414,432
Depreciation costs	783,205	799,956
Amortization of investment corporation bond issuance expenses	1,276	1,276
Interest income	(25)	(27)
Interest expenses	98,507	107,838
Decrease (increase) in operating accounts receivable	7,576	2,777
Decrease (increase) in consumption taxes refund receivable	323,283	199,436
Decrease (increase) in prepaid expenses	(11,912)	2,025
Decrease (increase) in long-term prepaid expenses	(41,034)	28,067
Increase (decrease) in operating accounts payable	(76,684)	140,656
Increase (decrease) in accrued expenses	81,643	32,784
Increase (decrease) in consumption taxes payable	—	263,316
Increase (decrease) in advances received	60,446	(1,133)
Other	(21,565)	(666)
Subtotal	2,558,561	2,990,740
Interest income received	25	27
Interest expenses paid	(98,464)	(108,733)
Income taxes paid	(935)	(971)
Net cash provided by operating activities	2,459,186	2,881,062
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment in trust	(13,385,897)	(25,904)
Net cash used in investing activities	(13,385,897)	(25,904)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	433,000	5,300,000
Repayments of short-term loans payable	—	(433,000)
Proceeds from long-term loans payable	12,650,000	—
Repayments of long-term loans payable	(730,000)	(5,300,000)
Distributions paid	(1,509,081)	(1,495,264)
Net cash provided by financing activities	10,843,918	(1,928,264)
Net increase (decrease) in cash and cash equivalents	(82,792)	926,893
Cash and cash equivalents at beginning of period	4,624,388	4,541,595
Cash and cash equivalents at end of period	4,541,595	5,468,489

## 2. Others

### 1. Notes on Changes in Accounting Policies

#### (1) Application of Accounting Standard for Revenue Recognition, etc.

"Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020. Hereinafter referred to as the "Accounting Standard for Revenue Recognition") and others are applied from the beginning of the seventh fiscal period under review, and recognized revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services is transferred to the customer. The adoption of this accounting standard does not have a material impact on the financial statements.

In accordance with the transitional treatment stipulated in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, notes related to revenue recognition for the previous period are not presented.

#### (2) Application of Accounting Standard for Measurement of Fair Value, etc.

"Accounting Standard for Measurement of Fair Value" (ASBJ Statement No. 30, July 4, 2019. Hereinafter referred to as the "Accounting Standard for Measurement of Fair Value") and others are applied from the beginning of the seventh fiscal period, and in accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Measurement of Fair Value and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the new accounting policies prescribed by the Accounting Standard for Measurement of Fair Value and others are to be applied prospectively. The adoption of this accounting standard does not have a material impact on the financial statements. In accordance with the provisions of Article 2, Paragraph 5 of the Supplementary Provision of the "Cabinet Office Ordinance Partially Revising Regulations Concerning Terms, Forms and Preparation Method of Financial Statements" (Cabinet Office Ordinance No. 61, September 24, 2021), the matters listed in Article 8-6-2, Paragraph 1, Item 3 of the revised regulations concerning terms, forms and preparation method of financial statements, etc. are omitted.