

Advance Logistics Investment Corporation

Financial Results Briefing for the Fiscal Year Ended February 2024 Q&A

Date & Time : April 18, 2024 15:30-16:10

Speaker : Tomoyuki Kimura,
Executive Officer, General Manager of Logistics Business
Headquarters of ITOCHU REIT Management Co., Ltd.

Q1 : Please tell us how much you expect the rent level to increase or decrease with respect to the re-tenant currently under negotiation as stated on page 17 of the financial results presentation.

A1 : We have just begun negotiations on rent and other terms and conditions, but because of the mid-term termination of the lease, rent negotiations will be conducted earlier than originally planned, and we believe there is a possibility that free-rent conditions, etc. will be attached to the lease. Therefore, we may not be able to expect the rent to increase to the rate of increase in the 11th fiscal period.

Q2 : Please explain why there is no downtime in the earnings forecast despite the assumption of a free rent period.

A2 : This is because, for accounting purposes, rent is recorded equally in terms of the contract period. For example, if there are 6 months of free rent period within 5 years (60 months), then if the total rental income for the contract period is 100%, the actual total rental income will be 90%, so the total rent equivalent to 90% of the total rental income is equalized over the entire contract period.

Q3 : Please tell me if there is any cancellation penalty income.

A3 : There is a cancellation penalty clause, and the loss incurred by the investment corporation can be claimed. On the other hand, if a new tenant comes in and starts collecting rent, it is unclear from past precedents whether a cancellation penalty equivalent to the rent for the remaining period can be claimed, so it is not included in the earnings forecast.

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