

ITOCHU Advance Logistics Investment Corporation
Summary of Financial Results (Unaudited)
For the Fifth Fiscal Period Ended January 31, 2021
(For the Reporting Period from August 1, 2020 to January 31, 2021)
(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 & CEO

Inquiries: Keiichi Yoshida, Director & CFO

Tel: +81-3-3556-3901

Scheduled date to file securities report (Japanese only): April 27, 2021

Scheduled date to commence payment of distributions: April 23, 2021

Preparation of supplementary material on financial results: Yes

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

(Amounts rounded to the nearest million yen)

1. Financial Results for the Fiscal Period Ended January 2021 (from August 1, 2020 to January 31, 2021)

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

	Operating revenues		Operating income		Ordinary income		Net income	
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%
Fiscal period ended January 2021	2,606	8.6	1,323	10.9	1,185	13.2	1,184	13.2
Fiscal period ended July 2020	2,399	36.4	1,193	42.2	1,047	37.7	1,046	37.8

	Net income per unit	Return on unitholders' equity	Ratio of ordinary income to total assets	Ratio of ordinary income to operating revenues
	(Yen)	%	%	%
Fiscal period ended January 2021	2,232	2.0	1.2	45.5
Fiscal period ended July 2020	2,161	2.4	1.4	43.6

(Note) 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 2021	1,974	1,184	543	325	2,517	100.0	1.9
Fiscal period ended July 2020	2,138	1,039	287	139	2,425	99.3	2.1

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

The payout ratios for the fiscal periods ended July 2020 and January 2021, during both of which new investment units were issued, were calculated as follows: Payout ratio = Total distributions (excluding SCD) ÷ Net income × 100.

(Note 2) The ratio of distributions to net assets was 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 entire amount of SCD for the fiscal period ended July 4th fiscal period 2020 and the SCD for the fiscal period ended January 2021 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 2020 and 0.006 for the fiscal period ended January 2021, 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 2021	103,188	65,413	63.4	108,999
Fiscal period ended July 2020	88,955	50,728	57.0	104,378

(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 2021	3,027	(14,202)	12,700	4,624
Fiscal period ending July 2020	234	(25,479)	25,806	3,098

2. Forecast of Financial Results for the Fiscal Period Ending July 31, 2021 and the Fiscal Period Ending January 31, 2022

(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 2021	3,062	17.5	1,469	11.1	1,330	12.2	1,329	12.2	2,216	248	2,464
Fiscal period ending January 2022	3,173	3.6	1,542	5.0	1,393	4.8	1,392	4.7	2,321	236	2,557

(Reference) Expected net income per unit (Forecast net income ÷ Expected number of investment units at end of period) is 2,216 yen for the fiscal period ending July 2021 and 2,321 yen for the fiscal period ending January 2022.

3. Other

(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 January 2021	600,127	Fiscal period ended July 2020	486,000
Fiscal period ended January 2021	0	Fiscal period ended July 2020	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">• The sixth fiscal period ending July 2021 (February 1, 2021 to July 31, 2021) (181 days)• The seventh fiscal period ending January 2022 (August 1, 2021 to January 31, 2022) (184 days)																																	
Investment assets	<ul style="list-style-type: none">• At January 31, 2021, IAL held real estate trust beneficiary interests in the total of 10 properties (the “Currently Owned Assets”). It is assumed that IAL’s asset holdings will increase on April 1, 2021 from 10 to 12 properties as a result of the pending acquisition of real estate trust beneficiary interests in IMP Tokyo Adachi (see Note) and IMP Miyoshi (collectively, the “Assets to be Acquired”; for more details, see IAL’s November 9, 2020, press release titled Notice Concerning the Acquisition and Leasing of Domestic Real Estate Trust Beneficiary Interests) and that IAL will subsequently not acquire any new assets or divest any of its existing asset holdings by January 31, 2022.• Despite the assumption above, however, there may be changes in assets under management due to acquisition of new properties or disposition of existing properties. (Note) As used herein, “IMP” stands for i Missions Park.																																	
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, or are scheduled to take effect by, January 31, 2021 and 2022, as well as tenant and market trends, among other things.• Forecasted leasing business revenues for the Assets to be Acquired were calculated based on information provided by the current beneficiary owner, etc., taking into consideration the content of lease agreements which have been executed, as well as tenant and market trends, among other things.• 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.																																	
Operating expenses	<ul style="list-style-type: none">• Main items included under operating expenses are as follows: (Millions of yen) <table><tr><th></th><th>Fiscal period ending July 2021</th><th>Fiscal period ending January 2022</th></tr><tr><td>Expenses related to rent business</td><td></td><td></td></tr><tr><td>Facility management expenses</td><td>28</td><td>34</td></tr><tr><td>Property management contract expenses</td><td>15</td><td>16</td></tr><tr><td>Utility expenses</td><td>26</td><td>27</td></tr><tr><td>Repair expenses</td><td>14</td><td>8</td></tr><tr><td>Taxes and public dues</td><td>280</td><td>280</td></tr><tr><td>Depreciation costs</td><td>781</td><td>798</td></tr><tr><td>General and administrative expenses</td><td></td><td></td></tr><tr><td>Asset management fees</td><td>359</td><td>388</td></tr><tr><td>Sponsor support agreement expenses</td><td>21</td><td>22</td></tr></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 IAL’s main operating expenses, were calculated taking into consideration variable factors of expenses, based on historical data in case of the Currently Owned Assets, and based on information provided by current property owner in case of the Assets to be Acquired.• Although the amount of fixed property tax and city planning tax in a transaction of real estate, etc., is generally calculated on a pro-rata basis based on the relevant period, and settled at the time of acquisition with the current owner, IAL includes such amount in the cost of acquisition and does not recognize it as expense. Accordingly, it is assumed that fiscal 2021 fixed property and city planning taxes on IMP Kashiwa 2 (additional 30% quasi-co-ownership interest) and IMP Inzai 2, both acquired on November 20, 2020, will be expensed from the fiscal period ending July 2021 and that fiscal 2022 fixed property and city planning taxes on the Assets to be Acquired will be expensed from the fiscal period ending July 2022. It is assumed that fixed property and city planning taxes capitalized into the cost basis of IMP Kashiwa 2 (additional 30% quasi-co-ownership interest) and IMP Inzai 2 in the fiscal period ended January 2021 will total ¥10 million and that fixed property and city planning taxes capitalized into the cost basis of the Assets to be Acquired in the fiscal period ending July 2021 will total ¥42 million.• Forecast repair expenses for buildings were estimated based on medium- to long-term repair plans developed by 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 were calculated using the straight-line method, and include ancillary and other		Fiscal period ending July 2021	Fiscal period ending January 2022	Expenses related to rent business			Facility management expenses	28	34	Property management contract expenses	15	16	Utility expenses	26	27	Repair expenses	14	8	Taxes and public dues	280	280	Depreciation costs	781	798	General and administrative expenses			Asset management fees	359	388	Sponsor support agreement expenses	21	22
	Fiscal period ending July 2021	Fiscal period ending January 2022																																
Expenses related to rent business																																		
Facility management expenses	28	34																																
Property management contract expenses	15	16																																
Utility expenses	26	27																																
Repair expenses	14	8																																
Taxes and public dues	280	280																																
Depreciation costs	781	798																																
General and administrative expenses																																		
Asset management fees	359	388																																
Sponsor support agreement expenses	21	22																																

Item	Assumption
	expenses.
Non-operating expenses	<ul style="list-style-type: none"> The forecast of non-operating expenses is ¥139 million in the fiscal period ending July 2021, and ¥148 million in the fiscal period ending January 2022. It is expected that interest expenses and other borrowing-related expenses will be ¥136 million for the fiscal period ending July 2021 and ¥146 million for the fiscal period ending January 2022.
Interest-bearing debt	<ul style="list-style-type: none"> It is assumed that total interest-bearing debt will amount to ¥48,453 million at the end of the fiscal period ending July 2021, and ¥47,290 million at the end of the fiscal period ending January 2022. It is assumed that IAL will newly borrow ¥13,083 million on April 1, 2021. It is assumed that ¥1,163 million of consumption tax loans related to IMP Kashiwa 2 (additional 30% quasi-co-ownership interest) and IMP Inzai 2, both acquired in November 2020, and consumption tax loans related to the Assets to be Acquired in April 2021 will be repaid in the fiscal period ending January 2022 with a consumption tax refund scheduled to be received in said fiscal period. The loan-to-value (LTV) ratio is expected to be around 41.6% at the end of the fiscal period ending July 2021, and 40.9% at the end of the fiscal period ending January 2022. The LTV ratio is calculated by the following formula: $\text{LTV} = \text{total interest-bearing debt} \div \text{total assets} \times 100$
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., 600,127 units) remains the same until the end of the period ending January 2022. 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 2021 and at the end of the fiscal period ending January 2022 (i.e., 600,127 units).
Distributions per unit (excluding SCD)	<ul style="list-style-type: none"> 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. 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 IAL's Articles of Incorporation and the asset management guidelines contained in the internal rules of IRM. Total SCD are estimated at ¥148 million in the fiscal period ending July 2021, and ¥141 million in the fiscal period ending January 2022. 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. In principle, IAL plans to pay SCD every fiscal period, and aims to set the total amount of distributions including SCD at an amount equivalent to 70% of funds from operations (FFO). SCD to be distributed in each successive fiscal period, however, shall be capped at an amount equivalent to 30% of depreciation costs in the applicable fiscal period. 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. 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. If appraised LTV (Note) is expected to exceed 60% after cash distribution, IAL 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 IAL's property portfolio.

2. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousands of yen)

	4th fiscal period (as of July 31, 2020)	5th fiscal period (as of January 31, 2021)
Assets		
Current assets		
Cash and deposits	1,233,358	2,592,377
Cash and deposits in trust	3,050,151	3,378,321
Operating accounts receivable	60,980	54,690
Consumption taxes receivable	1,439,041	522,720
Prepaid expenses	47,426	50,836
Other	1	—
Total current assets	5,830,960	6,598,946
Non-current assets		
Property, plant and equipment		
Buildings in trust	49,331,346	56,142,882
Accumulated depreciation	(1,677,956)	(2,298,574)
Buildings in trust, net	47,653,390	53,844,307
Structures in trust	1,752,077	2,119,976
Accumulated depreciation	(135,774)	(188,508)
Structures in trust, net	1,616,302	1,931,467
Machinery and equipment in trust	1,405,699	1,572,688
Accumulated depreciation	(79,439)	(107,871)
Machinery and equipment in trust, net	1,326,260	1,464,817
Tools, furniture and fixtures in trust	2,084	2,084
Accumulated depreciation	(323)	(498)
Tools, furniture and fixtures in trust, net	1,760	1,585
Land in trust	32,344,067	39,172,735
Total property, plant and equipment	82,941,782	96,414,913
Intangible assets		
Software	3,662	3,104
Total intangible assets	3,662	3,104
Investments and other assets		
Leasehold and guarantee deposits	10,000	10,000
Long-term prepaid expenses	157,618	151,538
Deferred tax assets	12	15
Total investments and other assets	167,630	161,554
Total non-current assets	83,113,074	96,579,572
Deferred assets		
Investment corporation bond issuance expenses	11,061	9,785
Total deferred assets	11,061	9,785
Total assets	88,955,097	103,188,305

(Thousands of yen)

	4th fiscal period (as of July 31, 2020)	5th fiscal period (as of January 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	16,672	95,842
Short-term loans payable	1,513,000	—
Accounts payable - other	75,008	47,917
Accrued expenses	341,586	366,267
Current portion of long-term loans payable	—	6,030,000
Income taxes payable	863	931
Advances received	448,662	521,253
Other	4,020	24,221
Total current liabilities	2,399,813	7,086,433
Non-current liabilities		
Investment corporation bonds	1,500,000	1,500,000
Long-term loans payable	33,140,000	27,840,000
Tenant leasehold and security deposits in trust	1,184,544	1,346,310
Other	2,697	2,182
Total non-current liabilities	35,827,242	30,688,493
Total liabilities	38,227,055	37,774,926
Net assets		
Unitholders' equity		
Unitholders' capital	49,968,443	64,647,572
Deductions from unitholders' capital		
Allowance for temporary difference adjustments	(7,142)	-
Other deductions from unitholders' capital	(279,642)	(419,124)
Total deductions from unitholders' capital	(286,785)	(419,124)
Unitholders' capital, net	49,681,657	64,228,447
Surplus		
Unappropriated retained earnings (undisposed loss)	1,046,383	1,184,930
Total surplus	1,046,383	1,184,930
Total unitholders' equity	50,728,041	65,413,378
Total net assets	50,728,041	65,413,378
Total liabilities and net assets	88,955,097	103,188,305

(2) Consolidated Statement of Income

(Thousands of yen)

	4th fiscal period (from February 1, 2020 to July 31, 2020)	5th fiscal period (from August 1, 2020 to January 31, 2021)
Operating revenues		
Leasing business revenues	2,366,156	2,578,905
Other leasing business revenues	33,514	27,144
Total operating revenues	2,399,671	2,606,049
Operating expenses		
Expenses related to rent business	877,123	935,491
Asset management fees	278,081	297,722
Asset custody fee and Administrative service fees	9,455	9,574
Directors' compensations	2,640	2,640
Other operating expenses	38,745	37,381
Total operating expenses	1,206,045	1,282,810
Operating income	1,193,626	1,323,238
Non-operating income		
Interest income	15	19
Interest on tax refund	—	1,363
Total non-operating income	15	1,382
Non-operating expenses		
Interest expenses	78,571	82,959
Interest expenses on investment corporation bonds	2,225	2,274
Investment unit issuance expenses	20,687	17,622
Amortization of investment corporation bond issuance expenses	1,276	1,276
Borrowing related expenses	27,736	18,706
Other	16,088	16,092
Total non-operating expenses	146,586	138,932
Ordinary income	1,047,055	1,185,688
Income before income taxes	1,047,055	1,185,688
Income taxes - current	865	934
Income taxes - deferred	2	(3)
Total income taxes	868	931
Net income	1,046,187	1,184,757
Retained earnings brought forward	196	172
Unappropriated retained earnings (undisposed loss)	1,046,383	1,184,930

(3) Consolidated Statement of Unitholders' Equity

Fourth fiscal period (from February 1, 2020 to July 31, 2020)

(Thousands of yen)

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Total deductions from unitholders' capital			Unitholders' capital, net
		Allowance for temporary difference adjustments	Other deductions from unitholders' capital	Total deductions from unitholders' capital	
Balance at beginning of current period	35,498,833	—	(190,714)	(190,714)	35,308,119
Changes of items during period					
Issuance of new investment units	14,469,610				14,469,610
Surplus cash distribution from allowance for temporary difference adjustments		(7,142)		(7,142)	(7,142)
Surplus cash distribution			(88,928)	(88,928)	(88,928)
Distributions of retained earnings					
Net income					
Total changes of items during period	14,469,610	(7,142)	(88,928)	(96,071)	14,373,538
Balance at end of current period	49,968,443	(7,142)	(279,642)	(286,785)	49,681,657

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	759,482	759,482	36,067,601	36,067,601
Changes of items during period				
Issuance of new investment units			14,469,610	14,469,610
Surplus cash distribution from allowance for temporary difference adjustments			(7,142)	(7,142)
Surplus cash distribution			(88,928)	(88,928)
Distributions of retained earnings	(759,286)	(759,286)	(759,286)	(759,286)
Net income	1,046,187	1,046,187	1,046,187	1,046,187
Total changes of items during period	286,901	286,901	14,660,439	14,660,439
Balance at end of current period	1,046,383	1,046,383	50,728,041	50,728,041

Fifth fiscal period (from August 1, 2020 to January 31, 2021)

(Thousands of yen)

	Unitholders' equity				
	Unitholders' capital				
	Unitholders' capital	Total deductions from unitholders' capital			Unitholders' capital, net
		Allowance for temporary difference adjustments	Other deductions from unitholders' capital	Total deductions from unitholders' capital	
Balance at beginning of current period	49,968,443	(7,142)	(279,642)	(286,785)	49,681,657
Changes of items during period					
Issuance of new investment units	14,679,128				14,679,128
Reversals of allowance for temporary difference adjustments		7,142		7,142	7,142
Surplus cash distribution			(139,482)	(139,482)	(139,482)
Distributions of retained earnings					
Net income					
Total changes of items during period	14,679,128	7,142	(139,482)	(132,339)	14,546,789
Balance at end of current period	64,647,572	—	(419,124)	(419,124)	64,228,447

	Unitholders' equity			Total net assets
	Surplus		Total unitholders' equity	
	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	1,046,383	1,046,383	50,728,041	50,728,041
Changes of items during period				
Issuance of new investment units			14,679,128	14,679,128
Reversals of allowance for temporary difference adjustments	(7,142)	(7,142)	—	—
Surplus cash distribution			(139,482)	(139,482)
Distributions of retained earnings	(1,039,068)	(1,039,068)	(1,039,068)	(1,039,068)
Net income	1,184,757	1,184,757	1,184,757	1,184,757
Total changes of items during period	138,546	138,546	14,685,336	14,685,336
Balance at end of current period	1,184,930	1,184,930	65,413,378	65,413,378

(5) Consolidated Statement of Cash Flows

(Thousands of yen)

	4th fiscal period (from February 1, 2020 to July 31, 2020)	5th fiscal period (from August 1, 2020 to January 31, 2021)
Cash flows from operating activities		
Profit before income taxes	1,047,055	1,185,688
Depreciation costs	638,473	702,516
Investment unit issuance expenses	20,687	17,622
Amortization of investment corporation bond issuance expenses	1,276	1,276
Interest income	(15)	(19)
Interest expenses	78,571	82,959
Decrease (increase) in operating accounts receivable	1,893	6,289
Decrease (increase) in consumption taxes refund receivable	(1,439,041)	916,320
Decrease (increase) in prepaid expenses	(13,924)	(3,410)
Decrease (increase) in long-term prepaid expenses	(39,868)	6,079
Increase (decrease) in operating accounts payable	(75,363)	79,535
Increase (decrease) in accounts payable - other	(811)	—
Increase (decrease) in accrued expenses	98,246	24,302
Increase (decrease) in consumption taxes payable	(133,923)	—
Increase (decrease) in advances received	129,503	72,591
Other	(3,601)	19,271
Subtotal	309,158	3,111,024
Interest income received	15	19
Interest expenses paid	(74,180)	(82,579)
Income taxes paid	(916)	(866)
Net cash provided by operating activities	234,076	3,027,597
Cash flows from investing activities		
Purchase of property, plant and equipment in trust	(25,479,253)	(14,202,548)
Net cash used in investing activities	(25,479,253)	(14,202,548)
Cash flows from financing activities		
Increase in short-term loans payable	1,513,000	—
Repayments of short-term loans payable	—	(1,513,000)
Proceeds from long-term loans payable	10,700,000	730,000
Proceeds from issuance of investment units	14,448,922	14,661,506
Distributions paid	(855,024)	(1,178,133)
Net cash provided by financing activities	25,806,897	12,700,373
Net increase (decrease) in cash and cash equivalents	561,721	1,525,422
Cash and cash equivalents at beginning of period	2,537,244	3,098,966
Cash and cash equivalents at end of period	3,098,966	4,624,388