

ITOCHU Advance Logistics Investment Corporation  
 Summary of Financial Results (Unaudited) for the Sixth Fiscal Period (Ending July 31, 2021)  
 (Reporting period: February 1, 2021 to July 31, 2021)

## 1. Financial Results and Key Indicators

			2nd fiscal period	3rd fiscal period	4th fiscal period	5th fiscal period	6th fiscal period
		Unit	From February 1, 2019 to July 31, 2019	From August 1, 2019 to January 31, 2020	From February 1, 2020 to July 31, 2020	From August 1, 2020 to January 31, 2021	From February 1, 2021 to July 31, 2021
Operating revenues		Millions of yen	1,718	1,759	2,399	2,606	3,059
(Of which, real estate leasing business revenues)	a	Millions of yen	(1,718)	(1,759)	(2,399)	(2,606)	(3,059)
Operating expenses		Millions of yen	908	920	1,206	1,282	1,570
(Of which, real estate leasing business expenses)	b	Millions of yen	(676)	(683)	(877)	(935)	(1,146)
Operating income		Millions of yen	810	839	1,193	1,323	1,489
Ordinary income	c	Millions of yen	733	760	1,047	1,185	1,353
Net income	d	Millions of yen	732	759	1,046	1,184	1,352
Total assets	e	Millions of yen	62,220	61,739	88,955	103,188	115,747
(Change from previous period-end)		%	4.8	-0.8	44.1	16.0	12.2
Interest-bearing debt	f	Millions of yen	24,580	23,940	36,153	35,370	47,723
Net assets	g	Millions of yen	36,133	36,067	50,728	65,413	65,255
(Change from previous period-end)		%	0.3	-0.2	40.6	28.9	-0.2
Unitholders' capital (net)	h (Note 3)	Millions of yen	35,401	35,308	49,681	64,228	63,902
Total distributions	i	Millions of yen	825	855	1,178	1,510	1,495
Payout ratio	(Note 4)	%	100.0	100.0	99.3	100.0	100.0
Total number of investment units outstanding	j	Unit	357,143	357,143	486,000	600,127	600,127
Net assets per unit	g/j	Yen	101,174	100,989	104,378	108,999	108,736
Net income per unit	(Note 5)	Yen	2,050	2,126	2,161	2,232	2,254
Distributions per unit	i/j	Yen	2,311	2,395	2,425	2,517	2,492
Of which, distributions per unit excluding surplus cash distribution (SCD)		Yen	2,050	2,126	2,138	1,974	2,254
Of which, SCD per unit		Yen	261	269	287	543	238
FFO per unit	(d+k)/j	Yen	3,302	3,421	3,465	3,143	3,558
Ratio of ordinary income to total assets	(Note 6)	%	1.2	1.2	1.4	1.2	1.2
Annualized		%	2.4	2.4	2.8	2.4	2.5
Unitholders' equity ratio	g/e	%	58.1	58.4	57.0	63.4	56.4
(Change from		%	-2.5	0.3	-1.4	6.4	-7.0

previous period-end)							
Return on unitholders' equity	(Note 7)	%	2.0	2.1	2.4	2.0	2.1
Annualized		%	4.1	4.2	4.8	4.0	4.2
Loan-to-value (LTV) ratio	f/e	%	39.5	38.8	40.6	34.3	41.2
NOI	(Note 8)	Millions of yen	1,488	1,538	2,160	2,372	2,696
Depreciation costs	k (Note 9)	Millions of yen	447	462	637	701	782
Unit price at period-end	1	Yen	103,000	126,200	161,700	129,900	160,100
[Other information]							
Operating days in fiscal period		Days	181	184	182	184	181
Number of investment properties at period-end		Properties	8	8	9	10	12
Occupancy rate at period-end	(Note 10)	%	100.0	100.0	99.9	99.9	99.9
Capital expenditure		Millions of yen	2	8	13	—	23

(Note 1) Fiscal periods of ITOCHU Advance Logistics Investment Corporation (“IAL”) are from February 1 to July 31 and from August 1 to January 31.

(Note 2) Operating revenues are net of consumption taxes. Yen values are rounded down to the nearest whole number and percentages are rounded off to the first decimal place (likewise below unless expressly noted otherwise).

(Note 3) Total unitholders' capital net of deductions from unitholders' capital. Its value factors in changes in unitholders' capital due to SCDs from allowance for temporary difference adjustments.

(Note 4) Payout ratio = Distributions per unit (excluding SCD) ÷ Net income per unit × 100 The payout ratios for the fourth and fifth fiscal periods were calculated by the formula below because investment units outstanding increased during the period as a result of a public offering of investment units.

$$\text{Total distributions (excluding SCD)} \div \text{Net income} \times 100$$

(Note 5) Net income per unit was calculated by dividing net income by the weighted average number of investment units based on the number of days during the period

(Note 6) Ratio of ordinary income to total assets = Ordinary income ÷ (Sum of total assets' beginning and ending balances ÷ 2) × 100

(Note 7) Return on unitholders' equity = Net income ÷ (Sum of net assets' beginning and ending balances ÷ 2) × 100

(Note 8) NOI = Real estate leasing business revenues - Real estate leasing business expenses + Depreciation included in leasing business expenses

(Note 9) Depreciation is depreciation relating to leasing business expenses.

(Note 10) Occupancy rate at period-end is the ratio of portfolio properties' total leased area<sup>(Note 12)</sup> at period-end to their total leasable area<sup>(Note 11)</sup> at period-end, rounded off to the first decimal place. However, if an occupancy rate is 100.0% as a result of being rounded to the first decimal place, it is presented as 99.9%, its value truncated to the first decimal place.

(Note 11) “Total leasable area” is the total area of space deemed leasable based on the leased area and/or building floor plan specified in the lease agreement(s) of the respective real estate property or trust real estate property in effect at period-end. Lease agreements for rooftop space and/or parking facilities are excluded. In the case of pass-through type master lease agreements (defined as master lease agreements structured such that rent and other charges are collected directly from end-tenants and lessees generally may collect rent only if they have actually sublet space; likewise below), leasable floor area is calculated based on the lease agreement(s) with the end-tenant(s) (likewise below). Leased (leasable) area may exceed total floor area because space not included in total floor area is sometimes included in leased area in lease agreements for portfolio properties. For logistics properties in particular, leased (leasable) area may substantially exceed total floor area if the space under eaves is counted as leased (leasable) area.

(Note 12) As used herein, “total leased area” means the total leased area specified in the lease agreement(s) of the respective real estate property or trust real estate property in effect at period-end.

## 2. Forecast of Financial Results for the Fiscal Period Ending January 31, 2022 and the Fiscal Period Ending July 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 January 2022	3,172	3.7	1,532	2.8	1,396	3.1	1,395	3.1	2,325	399	2,724
Fiscal period ending July 2022	3,171	0.0	1,509	-1.5	1,371	-1.8	1,370	-1.8	2,284	399	2,683

(Reference) Expected net income per unit (Forecast net income ÷ Expected number of investment units at end of period) is 2,325 yen for the fiscal period ending January 2022 and 2,284 yen for the fiscal period ending July 2022.

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

### 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. For caveats on use of forecasts of financial results and their underlying assumptions, see “C. Forecast of Financial Results” on pages 7-10 under “(2) Outlook for Next Fiscal Period ” under “(1) Operating Conditions” under “1. Operating Conditions.”

### 3. Operating conditions

#### (1) Operating conditions

##### 1) Overview for the fiscal period under review

###### A. IAL's Background

IAL was established on May 1, 2018, by its incorporator, ITOCHU REIT Management Co., Ltd., ("the Asset Management Company") pursuant to Japan's Act on Investment Trusts and Investment Corporations (Act 198 of 1951 as amended; referred to below as "the Investment Trust Act"). Its investment units (issuer code: 3493) were listed on the Tokyo Stock Exchange (TSE) Real Estate Investment Trust (REIT) Market ("the J-REIT Market") on September 7, 2018.

One of IAL's sponsors<sup>(Note 1)</sup> is ITOCHU Corporation, a major general trading company with a strong presence in logistics-intensive consumer-related<sup>(Note 2)</sup> businesses such as food and apparel. ITOCHU Corporation sponsored IAL as a publicly traded REIT with a mandate to invest mainly in logistics real estate properties (defined as properties used or usable primarily as logistics facilities). In addition to maximizing unitholder value and contributing to the J-REIT Market's sound development, IAL aims to benefit society by developing logistics infrastructure, particularly logistics real estate properties, through a collaborative growth relationship<sup>(Note 3)</sup> with the ITOCHU Group<sup>(Note 4)</sup>.

In the fiscal period ended July 2021, IAL acquired i Missions Park Tokyo Adachi and i Missions Park Miyoshi (the acquisition prices<sup>(Note 5)</sup> for the two properties totaled ¥13,235 million) on April 1, 2021. As of the end of the fiscal period ended July 2021, IAL owned 12 properties in its portfolio with an aggregate acquisition price of 111,422 million yen.

(Note 1) As used herein, "sponsor" means a party that has entered into a sponsor support agreement with IAL and the Asset Management Company. IAL's sponsors as of July 31, 2021, are ITOCHU Corporation and ITOCHU Property Development, Ltd.

(Note 2) As used herein, "consumer-related" refers to ITOCHU Corporation's textiles, food, general products & realty, ICT & financial businesses, and the 8th Company. The 8th Company is a divisional company established by ITOCHU Corporation in July 2019 with the aim of cultivating new customers and developing new businesses from a market-oriented perspective. This is to be accomplished by maximally leveraging ITOCHU Corporation's diverse business infrastructure and strengths in consumer-related businesses.

(Note 3) By utilizing the ITOCHU Group's platforms (Realty & Logistics (R/L) Platform and Merchant Channel (M/C) Platform (both defined below in "a) External Growth Strategies" under "A. Portfolio Management Policies" under "2) Outlook for Next Fiscal Period")), IAL will be able to steadily grow. Meanwhile, the ITOCHU Group will be able to strengthen its own platforms through management of IAL's assets. Such a virtuous cycle of cooperation between IAL and the ITOCHU Group is referred to herein as a "collaborative growth relationship."

(Note 4) As used herein, "ITOCHU Group" refers to the corporate group consisting of ITOCHU Corporation, 200 consolidated subsidiaries and 80 equity-method affiliates (as of June 30, 2021).

(Note 5) As used herein, "acquisition price" means IAL-owned properties' respective contractual purchase prices net of consumption tax, local consumption tax and any costs incidental to the acquisition. The purchase price does not include consumption tax, local consumption tax, or expenses relating to acquisition.

###### B. Operational performance of fiscal period under review

In the fiscal period ended July 31, 2021, economic activity in Japan continued to be depressed by such factors as multiple declarations of states of emergency, prolongations of the same, and expansions in their geographical scope, resulting from the spread of COVID-19 and the diffusion of the highly infectious Delta variant. Economic visibility consequently remained murky.

In the initial stage of the pandemic, the TSE REIT Index plunged to a closing low of 1,145 on March 19, 2020, in response to uncertainty surrounding the severity of the pandemic's economic impact, but the episode was short-lived. As markets subsequently gained clarity on the pandemic's market impacts, the TSE REIT Index recovered, rallying back to 2,160 as of July 30, 2021.

In the logistics real estate property leasing market, demand for logistics real estate as infrastructure essential to daily life is expected to continue to grow in the wake of the e-commerce market's recent growth. The logistics real estate sales market is expected to likewise continue to enjoy buoyant demand amid continued investment by J-REITs, private REITs, private funds and others.

Against this backdrop, on April 1, 2021, IAL acquired i Missions Park Tokyo Adachi and i Missions Park Miyoshi (the acquisition prices of the two properties totaled ¥13,235 million). Additionally, IAL maintained a 99.9% occupancy rate (see Note) at July 31, 2021, across its entire 12-property portfolio (aggregate acquisition price: ¥111,422 million) by appropriately operating and managing its properties in coordination with the ITOCHU Group.

(Note) "Occupancy rate" is each property's ratio of leased area to total leasable area, rounded off to the first decimal place, at July 31, 2021. However, if an occupancy rate is 100.0% as a result of being rounded to the first decimal place, it is presented as 99.9%, its value truncated to the first decimal place.

### C. Financing

In the fiscal period ended July 2021, IAL borrowed ¥13,083 million (¥433 million short-term loan payable and ¥12,650 million long-term loan payable) on April 1, 2021, to fund the acquisition of the two properties and to partially pay expenses related to the acquisitions. On May 31, 2021, IAL repaid ¥730 million of maturing long-term loans using cash on hand and proceeds from a consumption tax refund. This ¥730 million was borrowed on November 20, 2020, the date on which time the properties were acquired. As a result, these financing transactions left IAL with ¥47,723 million of interest-bearing debt and a loan-to-value (LTV<sup>(Note 1)</sup>) ratio of 41.2% at July 31, 2021.

IAL's credit rating<sup>(Note 2)</sup> at July 31, 2021, is as follows.

Rating agency	Type of rating	Rating	Outlook
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	A+	Positive

(Note 1) As used herein, LTV ratios are calculated by the following formula.

$$\text{LTV} = \text{Total interest-bearing debt} \div \text{Total assets} \times 100$$

(Note 2) The above rating is a rating of IAL, not its investment units (the "IAL Investment Units"). The IAL Investment Units are not subject to any credit ratings assigned or disclosed, or any pending credit ratings to be assigned or disclosed, by a credit rating agency at IAL's request.

### D. Earnings and Distributions

As a result of the above, IAL earned operating income of ¥1,489 million, ordinary income of ¥1,353 million and net income of ¥1,352 million on operating revenues of ¥3,059 million in the fiscal period ended July 31, 2021.

Applying Article 67-15 of Japan's Act on Special Measures Concerning Taxation (Act 26 of 1957 as amended; referred to below as the "Special Taxation Measures Act"), IAL will distribute ¥1,352,686,258 of unappropriated retained earnings to its unitholders for the fiscal period ended July 31, 2021, in accord with the distribution policy<sup>(Note 1)</sup> set forth in its Articles of Incorporation. Said distribution amount is evenly divisible by 600,127, the total number of investment units outstanding at July 31, 2021. It equates to distributions per unit excluding SCD of ¥2,254.

In addition to earnings distributions, IAL's policy is to pay out SCDs on an ongoing basis as a general rule. IAL will accordingly distribute an additional ¥142 million of surplus cash as a return of capital qualifying as a reduction in capital under Japanese tax law. Said ¥142 million is roughly the difference between ¥1,495 million, which is 70% of IAL's funds from operations (FFO<sup>(Note 2)</sup>) for the period, and the aforementioned ¥1,352 million distribution excluding SCD. It equates to an SCD per unit of ¥238.

(Note 1) To maintain a stable distribution level through appropriate cash management, IAL places priority on cash flows from operation of its portfolio properties, excluding gains/losses on the sale of portfolio properties. Its general policy is to pay out, in addition to earnings distributions, SCDs on an ongoing basis ("Ongoing SCDs") in an amount that equates the two distributions' sum to 70% of its FFO (said sum may exceed 70% of FFO in some periods, provided it does not exceed 30% of depreciation), contingent upon maintaining its portfolio properties and financial stability over the long term.

IAL and the Asset Management Company commissioned Tokio Marine dR Co., Ltd. (on July 1, 2021, Tokio Marine & Nichido Risk Consulting Co., Ltd. changed its name to Tokio Marine dR Co., Ltd., which is used here despite Tokio Marine & Nichido Risk Consulting Co., Ltd. being the name of said company at the time the engineering report was obtained), ERS Corporation and ERI Solution Co., Ltd., to prepare engineering reports on IAL's portfolio properties. The semiannual average of the engineering reports' estimates of total urgent/near-term and medium-term repair and upgrade expenses is ¥51 million. IAL decided to pay out such a distribution of cash in excess of earnings after concluding, from the standpoint of effective management of surplus funds, that the distribution is within the range consistent with long-term financial stability and maintenance of portfolio properties, taking into account the current economic environment, real estate property market prices and IAL's LTV ratio, credit rating and financial condition, among other factors. The SCD for the fiscal period ended July 31, 2021, will be deducted from unitholders' capital (gross) upon payment of the SCD.

(Note 2) As used herein, FFO is calculated by adding depreciation relating to leasing business expenses for the applicable fiscal period to net income (excluding gains/losses on the sale of real estate).

## 2) Outlook for Next Fiscal Period

### A. Portfolio Management Policies

IAL aims to steadily grow its net income per unit by consistently executing the following strategies that leverage its collaborative growth relationship with the ITOCHU Group, the nucleus of which is ITOCHU Corporation, a major general trading company with a strong presence in consumer-related businesses.

#### a) External Growth Strategies

IAL will place priority on investing in prime logistics real estate properties developed or acquired by the ITOCHU Group, taking advantage of preferential negotiating rights conferred by its sponsor support agreements with both ITOCHU Corporation and ITOCHU Property Development, Ltd.

IAL aims to continuously grow by investing in prime logistics real estate properties and proactively utilizing the following two ITOCHU Group platforms.

#### i. Utilization of Realty and Logistics (R/L) Platform<sup>(Note 1)</sup>

ITOCHU Corporation, one of IAL's sponsors, is both a logistics service provider<sup>(Note 2)</sup> and seasoned real estate developer. Its General Products & Realty Company<sup>(Note 3)</sup> is involved in logistics businesses and has been developing logistics real estate properties in earnest since 2004, when rental logistics real estate properties were just starting to be developed in Japan. Through its experience in these businesses, ITOCHU Corporation has developed tenant-centric expertise. It capitalizes on such expertise to develop highly versatile, user-friendly facilities conducive to long-term tenancies. ITOCHU Property Development, IAL's other sponsor, specializes in real estate development. It also actively develops logistics real estate properties, having established a business unit dedicated exclusively to logistics real estate property development in April 2017, and strove to reinforce sourcing capabilities even further, by establishing a team dedicated exclusively to land acquisition in October 2019. IAL aims to achieve stable external growth driven by its relationships with both of its sponsors.

(Note 1) As used herein, "Realty and Logistics (R/L) Platform" refers to the organization assembled by ITOCHU Corporation's General Products & Realty Company to acquire land, develop and lease properties, and run and manage logistics operations<sup>(Note 4)</sup>.

(Note 2) As used herein, "logistics service provider" means a business that conducts logistics operations. The same shall apply hereafter.

(Note 3) As used herein, "General Products & Realty Company" refers to one of the eight divisional companies through which the ITOCHU Group conducts business activities. It comprises two divisions: Forest Products, General Merchandise & Logistics and Construction & Real Estate. The former operates paper pulp, rubber, tire and logistics (3PL<sup>(Note 5)</sup>, international transport) businesses; the latter deals in lumber and other homebuilding materials.

(Note 4) As used herein, "logistics operations" refers to operations within the logistics industry including distribution of materials or products between suppliers, manufacturers, retailers, and consumers, and product storage and other activities within the distribution process. The same shall apply hereafter.

(Note 5) As used herein, "3PL" refers to outsourcing services that provide turnkey logistics solutions to companies. By utilizing 3PL, companies (customers) with no direct involvement in logistics can gain access to logistics capabilities optimized to their own needs by hiring an external logistics provider to handle all functions from goods sourcing to inventory management and delivery.

#### ii. Utilization of Group-wide Merchant Channel (M/C) Platform<sup>(Note 1)</sup>

The ITOCHU Group's strong presence in consumer-related businesses encompasses a customer network comprising some 100,000 companies<sup>(Note 2)</sup>, mainly in domains with logistics-intensive product distribution<sup>(Note 3)</sup>. By leveraging customer relationships deeply rooted in customers' core businesses, the ITOCHU Group can recruit prime tenants and acquire development sites (CRE<sup>(Note 4)</sup> strategy).

(Note 1) As used herein, "Group-wide Merchant Channel (M/L) Platform" refers to the broad customer network of ITOCHU Corporation—a leading general trading company with particular strengths in consumer-related businesses—encompassing some 100,000 companies across its wide-ranging business fields, and the management level business relations it has built up with each of its customers. The same shall apply hereafter.

(Note 2) As used herein, this figure represents the number of companies in ITOCHU Corporation's database with which it has had transactions in the past, and includes companies that currently have no ongoing transactions with ITOCHU Corporation as of July 31, 2021. It also includes organizations other than companies such as public-service corporations, as well as unincorporated businesses.

(Note 3) As used herein, "product distribution" is a concept referring to the whole of the channel from suppliers through manufacturers and retailers to consumers, a chain of transactions in which raw materials are processed into products and consumed.

(Note 4) "CRE" is an acronym for "corporate real estate," which means real estate owned by companies and strategic utilization thereof.

## b) Internal Growth Strategies

IAL aims for steady internal growth based on a leasing management agreement with ITOCHU Corporation by leveraging ITOCHU Corporation's leasing expertise as a trading company and making full use of the two business platforms below, as well as reducing borrowing costs and its properties' operating expenses, including utilities and insurance.

### i. Utilization of Realty and Logistics (R/L) Platform

IAL aims to achieve long-term earnings stability by capitalizing on ITOCHU Corporation's leasing expertise amassed over 15 years of developing logistics real estate properties, the ITOCHU Group's experience in logistics operations, and network of logistics companies and freight enterprises with which the Group has business relationships.

### ii. Utilization of Group-wide Merchant Channel (M/C) Platform

ITOCHU Corporation will lease properties by effectively tapping into its 100,000-strong customer network, its roughly 300 Group companies and their respective customer networks. Additionally, ITOCHU Corporation offers a wide variety of management and logistics solutions to tenant companies via its Group companies as part of its core business as a trading company. This so-called "Goyo-kiki"(Note) service incentivizes tenants to sign long-term leases or renew existing leases, thereby helping to retain tenants and maintain uninterrupted rental revenue streams.

(Note) ITOCHU Group companies endeavor to ascertain the needs/wants of customers and prospective customers (including tenants of IAL-owned properties and other logistics real estate properties developed by the ITOCHU Group) and provide appropriate solutions to those needs/wants by capitalizing on the Group's wide-ranging capabilities. This process is called "Goyo-kiki" within the ITOCHU Group.

## c) Financial Strategies

IAL aims to grow unitholder value based on conservative financial management, with LTV ratio controlled to stimulate growth potential while also exercising efficient cash management. As part of this, the asset management guidelines were revised as of September 15, 2021. As a result, from the seventh fiscal period ending January 2022, we will change from the former policy of distribution on ongoing basis of an amount equivalent to 70% of FFO to a policy of ongoing SCDs equivalent to 30% of depreciation for the applicable fiscal period. In addition, IAL will endeavor to control its LTV ratio to preserve borrowing capacity while stabilizing its financial foundations by lengthening and diversifying debt maturities and refinancing variable-rate loans at fixed rates. IAL will also seek to maximize unitholder value by distributing ongoing SCDs and effectively utilizing funds through appropriate cash management, including paying down interest-bearing debt and allocating funds to impactful capital expenditures and new property acquisitions.

## B. Significant Subsequent Events

Not applicable.

## C. Forecast of Financial Results

Forecast of Financial Results for the Fiscal Period Ending January 31, 2022 (the seventh period: August 1, 2021-January 31, 2022) and the Fiscal Period Ending July 31, 2022 (the eighth period: February 1, 2022-July 31, 2022) is as follows .

(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 January 2022	3,172	3.7	1,532	2.8	1,396	3.1	1,395	3.1	2,325	399	2,724
Fiscal period ending July 2022	3,171	0.0	1,509	-1.5	1,371	-1.8	1,370	-1.8	2,284	399	2,683

Please refer to "Assumptions Underlying the Forecast for the Fiscal Periods Ending January 2022 and July 2022" below for the assumptions of this forecast.

(Note) The above forecast is calculated based on certain assumptions and due to future acquisitions or sales of real estate, etc., real estate market trends, interest rate fluctuations, and other circumstances surrounding IAL, there is a possibility of changes in operating revenues, operating income, ordinary income, net income, distributions per unit (excluding SCD), SCD per unit and distributions per unit (including SCD). The above forecast does not guarantee the amount of the distribution.

Assumptions Underlying the Forecast for the Fiscal Periods Ending January 2022 and July 2022

Item	Assumption																																	
Calculation period	<ul style="list-style-type: none"> <li>The seventh fiscal period ending January 2022 (August 1, 2021 to January 31, 2022) (184 days)</li> <li>The eighth fiscal period ending July 2022 (February 1, 2022 to July 31, 2022) (181 days)</li> </ul>																																	
Investment assets	<ul style="list-style-type: none"> <li>It is assumed that, as for the real estate trust beneficiary interests held by IAL as of July 31, 2021 (total of twelve (12) properties) (“Currently Owned Assets”), there will be no acquisition of new assets or disposition of IAL-owned assets until the end of the eighth fiscal period</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 July 31, 2021, or are scheduled to take effect by, July 31, 2022, 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 January 2022</th> <th>Fiscal period ending July 2022</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;">35</td> <td style="text-align: right;">31</td> </tr> <tr> <td>    Property management contract expenses</td> <td style="text-align: right;">15</td> <td style="text-align: right;">15</td> </tr> <tr> <td>    Utility expenses</td> <td style="text-align: right;">25</td> <td style="text-align: right;">24</td> </tr> <tr> <td>    Repair expenses</td> <td style="text-align: right;">9</td> <td style="text-align: right;">11</td> </tr> <tr> <td>    Taxes and public dues</td> <td style="text-align: right;">276</td> <td style="text-align: right;">307</td> </tr> <tr> <td>    Depreciation costs</td> <td style="text-align: right;">799</td> <td style="text-align: right;">798</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;">389</td> <td style="text-align: right;">379</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, were calculated taking into consideration variable factors of expenses based on historical data.</li> <li>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 seller, IAL includes such amount in the cost of acquisition and does not recognize it as expense. Fixed property tax and city planning tax on IMP Tokyo Adachi<sup>(Note)</sup> and IMP Miyoshi acquired on April 1, 2021 will be recognized as expense from the fiscal period ending July 2022. For acquisition of IMP Tokyo Adachi and IMP Miyoshi, the total amount of the fixed property tax and city planning tax to be added to the cost of acquisition, is ¥41 million.</li> <li>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.</li> <li>Forecast depreciation costs were calculated using the straight-line method, and include ancillary and other expenses.</li> </ul> <p>Note: As used herein, “IMP” stands for i Missions Park</p>		Fiscal period ending January 2022	Fiscal period ending July 2022	Expenses related to rent business			Facility management expenses	35	31	Property management contract expenses	15	15	Utility expenses	25	24	Repair expenses	9	11	Taxes and public dues	276	307	Depreciation costs	799	798	General and administrative expenses			Asset management fees	389	379	Sponsor support agreement expenses	22	22
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Item	Assumption
Non-operating expenses	<ul style="list-style-type: none"> <li>The forecast of non-operating expenses is ¥136 million in the fiscal period ending January 2022, and ¥137 million in the fiscal period ending July 2022.</li> <li>It is expected that interest expenses and other borrowing-related expenses will be ¥135 million for the fiscal period ending January 2022 and ¥136 million for the fiscal period ending July 2022.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>It is assumed that total interest-bearing debt will amount to ¥47,290 million at the end of the fiscal period ending January 2022, and ¥47,290 million at the end of the fiscal period ending July 2022.</li> <li>It is assumed that IAL will refinance the entire amount of the long-term loans payable, which is due on September 7, 2021, totaling ¥5,300 million.</li> <li>It is assumed that ¥433 million in consumption tax loans related to IMP Tokyo Adachi and IMP Miyoshi acquired in April 2021 will be repaid in the fiscal period ending January 2022 with a pending consumption tax refund for said fiscal period.</li> <li>The loan-to-value (LTV) ratio is expected to be around 41.0% at the end of the fiscal period ending January 2022, and 41.0% at the end of the fiscal period ending July 2022. The LTV ratio is calculated by the following formula: LTV = total interest-bearing debt ÷ total assets × 100</li> </ul>
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 July 2022.</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 January 2022 and at the end of the fiscal period ending July 2022 (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 January 2022, and ¥239 million in the fiscal period ending July 2022.</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 standpoint of ensuring the long-term financial stability and maintenance of portfolio properties, taking into account the future outlook based on such things as the track record relating to past capital expenditures as well as engineering reports, IAL has set a policy of distributing SCDs on ongoing basis in each successive fiscal period as a general rule equivalent to 30% of depreciation for the applicable fiscal period.</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<sup>(Note)</sup> is expected to exceed 60% after cash distribution, IAL does not distribute SCD in order to ensure stable finances. (Note) Appraised LTV = A/B × 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</li> </ul>
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>

#### D. Information Disclosure

From the standpoint of ensuring transparency, in addition to statutory disclosure, IAL will strive for disclosure of investment information that is judged useful and appropriate, in an accurate, timely and understandable manner. Specifically, in addition to timely disclosure on the Tokyo Stock Exchange (TDnet registration and press release), IAL will proactively disclose information via its website (<https://www.ial-reit.com/>).

#### (2) Investment risks

Disclosure is omitted as there are no material changes from “Investment risks” in the Annual Securities Report (filed April 27, 2021)