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For immediate release

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Notice Concerning the Borrowing of Funds and the Execution of an Interest Rate Swap Agreement

ITOCHU Advance Logistics Investment Corporation (“IAL”) hereby announces that it resolved today to conduct a borrowing of funds (the “Borrowing”) and execute an interest rate swap agreement.

1. Overview of the Borrowings

Category (Note 1)	Lender	Borrowing Amount (Millions of yen)	Interest Rate	Borrowing Date	Borrowing Method	Repayment Date (Note 4)	Repayment Method	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	260	Base interest rate + 0.15% (Note 2)	April 1, 2019	Loan agreement executed on April 1, 2019, with the lenders shown at left	March 31, 2020	Bullet repayment	Unsecured and non-guaranteed
	Subtotal	260	—	—	—	—	—	—
Long-term	Sumitomo Mitsui Banking Corporation	5,020	Base interest rate + 0.40% (Notes 2 and 3)	April 1, 2019	Loan agreement executed on Apr. 1, 2019, with the lenders shown at left	March 31, 2027	Bullet repayment	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.							
	Sumitomo Mitsui Trust Bank, Limited							
	MUFG Bank, Ltd.							
	Development Bank of Japan Inc.							
	Mizuho Trust & Banking Co., Ltd.							
	Subtotal	5,020	—	—	—	—	—	—
Total		5,280	—	—	—	—	—	—

(Note 1) Short-term refers to a borrowing period of no more than one year from the borrowing date to the repayment date, and long-term refers to a borrowing period of more than one year from the borrowing date to the repayment date. The same applies to short-term and long-term debt mentioned below.

(Note 2) The interest payment dates will begin on April 26, 2019, followed by the last day of every month up to the repayment date (or the immediately following business day if an interest payment date falls on a non-business day; however, if such day falls in the following month, then the payment shall be made on the immediately preceding business day).

The base interest rate, which is applied to the interest calculation period for each interest payment date, shall be the monthly Japanese yen Tokyo Interbank Offered Rate (“TIBOR”) (calculated on a 365-day basis) for the corresponding interest rate period announced by the TIBOR Administration of the Japan Bankers Association (JBA) two business days prior to either the borrowing date or the

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final date of the interest period immediately preceding the applicable interest period; however, if the rate for the corresponding interest period is not indicated, the base interest rate shall be calculated using the method set forth in the applicable loan agreements.

The Japanese yen TIBOR can be checked on the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/>).

(Note 3) Interest rates have been fixed through the interest rate swap agreement. For more details, please refer to "5. Execution of Interest Rate Swap Agreement," below.

(Note 4) If a repayment date falls on a non-business day, it shall be the next business day (or the immediately preceding business day if the next business day falls in the following month).

2. Reasons for the Borrowings

The borrowings will be used to finance a portion of acquisition cost and ancillary expenses for "i Missions Park Inzai" (quasi-co-ownership 15%) and "i Missions Park Moriya 2," which were announced in "Notice Concerning the Acquisition and Leasing of Domestic Real Estate Trust Beneficiary Interests" dated March 14, 2019.

3. Amount, Purpose, and Expenditure Date of Funds to Be Procured

(1) Total amount to be procured

¥5,280 million

(2) Specific use of proceeds

To finance a portion of acquisition cost and ancillary expenses for "i Missions Park Inzai" (quasi-co-ownership 15%) and "i Missions Park Moriya 2," as stated in "2. Reasons for the Borrowings"

(3) Expenditure date

April 1, 2019

4. Outstanding Loan Balance after Borrowings

(Millions of yen)

	Before Borrowings	After Borrowings	Increase/Decrease
Short-term debt	4,570	4,830	260
Long-term debt	17,420	22,440	5,020
Total amount of debt	21,990	27,270	5,280
Investment corporation bonds	—	—	—
Total amount of debt and investment corporation bonds	21,990	27,270	5,280
Other interest-bearing debt	—	—	—
Total interest-bearing debt	21,990	27,270	5,280

5. Execution of Interest Rate Swap Agreement

(1) Reasons for Concluding the Interest Rate Swap Agreement

The agreement was executed to secure fixed interest rates for payments of long-term debt listed under "1. Overview of the Borrowings," above.

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(2) Overview of the Interest Rate Swap Agreement

Counterparty	Notional Principal (Millions of yen)	Interest Rate	Commencement Date	Termination Date	Interest Payment Date
Mizuho Bank, Ltd.	5,020 ^(Note)	Fixed interest rate to be paid: 0.15000% Floating interest rate to be received: JBA 1-month JPY TIBOR	April 1, 2019	March 31, 2027	Commences on April 26, 2019, followed by the last day of every month up to the termination date (or the next business day if an interest payment date falls on a non-business day; however, payment shall be made on the immediately preceding business day in case the next business day falls in the following month)

(Note) The notional principal corresponds to borrowings of ¥5,020 million with the repayment date of March 31, 2027. For details of the borrowings, refer to “1. Overview of the Borrowings,” above. Through the interest rate swap agreement, the interest rate for this borrowing will, in effect, be fixed at 0.55000%.

6. Other Matters

IAL has not made significant revisions to the explanations of risks associated with the Borrowings stated in its securities registration statement submitted on August 1, 2018.

IAL’s corporate website: <https://www.ial-reit.com/en/>

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