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IAL's Asset Manager Introduced Sliding Working Hours and Hourly Paid Leave

ITOCHU Advance Logistics Investment Corporation ("IAL") announces that its asset manager, ITOCHU REIT Management Co., Ltd. ("IRM"), has, in order to encourage work-life balance for employees, introduced the "sliding working hours" and "hourly paid leave" programs which allow employees to flexibly adjust their working hours (the "Programs").

1. Details of the Programs

- "Sliding working hours" is a program aiming to improve employees' ways of working, by allowing employees to adjust starting and finishing times of daily working hours (i.e., 7.5 hours) around a core period from 10:00 a.m. to 4:30 p.m.
- "Hourly paid leave" is a program aiming to improve employees' ways of taking leave, by allowing employees to take leaves on an hourly basis.
- In line with the introduction of the Programs, IRM has introduced an automated employee attendance management system, in order to further streamline its operations.

2. Background leading to the introduction of the Programs

In accordance with the "Sustainability Policy" which was established and published on January 24, 2019, IRM has been promoting its Environmental, Social, and Governance (ESG) initiatives, following the philosophy of "*Sampo Yoshi*" (meaning a "three-way satisfaction" among key stakeholders: sellers, buyers, and society) which has been at the core of the sponsor, ITOCHU Corporation, since its incorporation. As part of the "Social" initiatives, IRM has been making a company-wide efforts to ensure work environment where its employees can exploit their maximum abilities, and has submitted under the Tokyo Metropolitan Government's enterprise certification program a declaration on its work-life balance initiatives with the dual goals to "improve employees' ways of working" and "improve employees' ways of taking leave."

(For details of IRM's declaration, please refer to the webpage of the Tokyo Metropolitan Government (Japanese only) at: <https://hatakakikata.metro.tokyo.jp/s3011/>)

3. Initiatives going forward

IAL and IRM remain committed to managing its assets in an ESG-conscious manner, and further implementing sustainability measures, with an aim to enhance unitholder value over medium- to long-term.

For IAL's and IRM's initiatives on ESG, please refer to the following link: <https://www.ial-reit.com/en/>

End

Overview of IRM's Workstyle Reform

Workstyle Reform

Realize the society in which everyone can play an active role through diverse workstyles

"Sampo Yoshi" Philosophy

Realize a sustainable growth through the "Sampo Yoshi" philosophy of a new era

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"Tokyo Workstyle Reform Declaration"

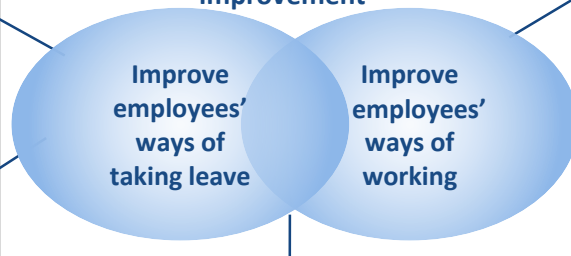
Philosophy of "Sampo Yoshi"



- Healthy work-life balance (WLB)
- Higher employee engagement
- Maintenance and improvement of health

- Improved performance
- Recruitment and retention of excellent employees
- Overtime cost reduction (and higher reward to employees)

Initiatives towards dual goals of improvement



New! Diversification

- ★ Hourly paid leave
- Promotion of consecutive days off
- Special leave (Volunteer leave / refresh leave / sick leave...)

Other WLB measures

- ★ No Overtime Day
- ★ Prohibition on unauthorized overtime after 20 p.m.
- Revision of working hours*
- Premium Friday*; "Summer lifestyle reform"

Diversification New!

- Sliding working hours★; Flextime*
- Teleworking*
- Casual Friday★; Wear Denim Day★

Streamlining

- Streamlining of meetings (going paperless; reducing meeting hours)
- Utilization of Internet technologies
- (Automated attendance management system★; Use of mobile devices★)
- Streamlining of daily operations

Employee benefit enhancement

- Lunch Roulette (networking lunch)
- Enhancement of medical checkups
- Improvement of office environment

Note1: Items with "★" indicate initiatives which were implemented this time or on a previous occasion.

Note2: Items with "*" indicate initiatives under consideration



ITOCHU Advance Logistics Investment Corporation