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For immediate release

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Notice Concerning the Borrowing of Funds (Increase of Borrowing Amount)

ITOCHU Advance Logistics Investment Corporation (“IAL”) hereby announces that, with respect to the borrowing of funds disclosed in a release dated November 9, 2020, entitled “Notice Concerning the Borrowing of Funds” (“Borrowings”), IAL determined today to increase the amount of the loan and the detailed terms and conditions as follows.

1. Increase of Borrowing Amount

As announced in a release dated December 18, 2020, entitled “Notice Concerning Determination of the Number of New Investment Units to be Issued through the Third-party Allotment,” the number of new investment units to be issued by third-party allotment has been reduced from the originally planned 5,500 units to 3,127 units, and the total amount of the borrowing will be increased from 13,516 million yen to **13,813 million yen**.

2. Overview of the Borrowings (revised amounts underlined)

Category (Note 1)	Lender	Borrowing Amount (Millions of yen)	Interest Rate	Borrowing Date	Borrowing Method	Repayment Date	Repayment Method	Collateral
Short-term	<u>Sumitomo Mitsui Banking Corporation</u>	433	Base interest rate + 0.150% (Note 2)	April 1, 2021	Loan agreement executed on March 30, 2021 with lenders shown at left	March 31, 2022	Bullet repayment	Unsecured and non-guaranteed
	Subtotal	433	-	-	-	-	-	-
Long-term	Sumitomo Mitsui Banking Corporation <u>(Note 5)</u>	730	Base interest rate + 0.150% (Note 2)	November 20, 2020	Loan agreement executed on November 18, 2020 with lender shown at left	November 22, 2021	Bullet repayment	Unsecured and non-guaranteed
	<u>Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; MUFG Bank, Ltd.; Mizuho Trust & Banking Co., Ltd.; Shinsei Bank, Limited;</u>	<u>5,000</u>	Base interest rate + 0.215% (Note 3) (Note 4)	April 1, 2021	Loan agreement executed on March 30, 2021 with lenders shown at left	September 30, 2025		

Note: This press release is intended to disclose to the public the borrowing of funds by IAL, and is not an offer to sell or a solicitation of any offer to buy the securities of IAL.



Category (Note 1)	Lender	Borrowing Amount (Millions of yen)	Interest Rate	Borrowing Date	Borrowing Method	Repayment Date	Repayment Method	Collateral
	<u>The Norinchukin Bank;</u> <u>THE BANK OF</u> <u>FUKUOKA, LTD.</u>							
	<u>Sumitomo Mitsui</u> <u>Banking Corporation;</u> <u>Sumitomo Mitsui Trust</u> <u>Bank, Limited;</u> <u>Mizuho Bank, Ltd.;</u> <u>MUFG Bank, Ltd.;</u> <u>Mizuho Trust &</u> <u>Banking Co., Ltd.;</u> <u>Shinsei Bank, Limited;</u> <u>The Norinchukin Bank;</u> <u>THE BANK OF</u> <u>FUKUOKA, LTD.</u> (Note 6)	5,000	Base interest rate + 0.315% (Note 3) (Note 4)	April 1, 2021		September 30, 2027		
	<u>Sumitomo Mitsui</u> <u>Banking Corporation;</u> <u>Sumitomo Mitsui Trust</u> <u>Bank, Limited;</u> <u>Mizuho Bank, Ltd.;</u> <u>MUFG Bank, Ltd.;</u> <u>Mizuho Trust &</u> <u>Banking Co., Ltd.;</u> <u>Shinsei Bank, Limited;</u> <u>The Norinchukin Bank;</u> <u>THE BANK OF</u> <u>FUKUOKA, LTD.</u>	<u>2,650</u>	Base interest rate + 0.390% (Note 3) (Note 4)	April 1, 2021		March 30, 2029		
	Subtotal	<u>13,380</u>	-	-	-	-	-	-
Total		<u>13,813</u>	-	-	-	-	-	-

(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 hereinafter.

(Note 2) The base interest rate is the one-month Japanese yen TIBOR (calculated on a 365-day basis) announced by the TIBOR Administration of the Japan Bankers Association (JBA). The Japanese yen TIBOR can be checked on the TIBOR Administration’s website (<http://www.jbatibor.or.jp/english/>).

(Note 3) The base interest rate is the one-month Japanese yen TIBOR (calculated on a 365-day basis) or three-month Japanese yen TIBOR (calculated on a 365-day basis) announced by the TIBOR Administration of the Japan Bankers Association (JBA). The Japanese yen TIBOR can be checked on the TIBOR Administration’s website (<http://www.jbatibor.or.jp/english/>).

(Note 4) An interest rate swap agreement (the “Interest Rate Swap Agreement”) is scheduled to be concluded in order to fix the interest rate. The details of the Interest Rate Swap Agreement will be separately announced once it is determined.

(Note 5) For this tranche, borrowings will have been executed.

(Note 6) For details of the Green Loan, please refer to “4. Details of the Green Loan” below.

3. Future outlook

Because the impact caused by the aforementioned change is not material, there are no revisions to the forecast of financial results for the fiscal periods ending January 2021, July 2021 and January 2022, as disclosed in a release dated November 9, 2020, entitled “Notice Concerning Revisions to the Forecasts of Financial Results for the Fiscal Periods Ending January 2021 and July 2021, and the Forecasts of Financial Results for the Fiscal Period Ending January 2022.”

In line with the increase of borrowing amount, (1) Outstanding Loan Balance after the Borrowings, as well as (2) Impact of the Borrowings on Financial Indicators, as disclosed in a release dated November 9, 2020, entitled “Notice Concerning the Borrowing of Funds,” are hereby modified as follows (modifications underlined):

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(1) Outstanding Loan Balance after the Borrowings

(Millions of yen)

	Before the Borrowings	After the Borrowings (As of April 1, 2021)	Increase/Decrease
Short-term debt	-	433	433
Long-term debt	33,140	46,520 (Note)	13,380 (Note)
Total amount of debt	33,140	46,953	13,813
Investment corporation bonds	1,500	1,500	-
Total amount of debt and investment corporation bonds	34,640	48,453	13,813
Other interest-bearing debt	-	=	=
Total interest-bearing debt	34,640	48,453	13,813

(Note) After the execution of this loan (as of April 1, 2021), part of the long-term loans payable will be long-term loans within one year.

(2) Impact of the Borrowings on Financial Indicators

	Not considering the Borrowings (Note 1)	Considering the Borrowings (Note 2)	Increase/Decrease
Average remaining term of loans (Note 3)	4.4 years	4.7 years	0.3 years
Ratio of loans with fixed interest rate (Note 4)	100%	97.6%	(2.4) point

(Note 1) The figures are estimated on the assumption that all the Borrowings are not executed as of April 1, 2021 in order to show the impact of the Borrowings solely.

(Note 2) The figures are estimated on the assumption that all the Borrowings are executed as of April 1, 2021 in order to show the impact of the Borrowings solely and calculated on the assumption that the Interest Rate Swap Agreement will be concluded in order to fix the interest rate by the time.

(Note 3) The figures are calculated as weighted average of the remaining terms of the interest-bearing debt based on the amount of debt. All figures have been rounded to one decimal place.

(Note 4) The figures are calculated by the following formula: (Amount of outstanding interest-bearing debt with fixed interest rate) ÷ (Total amount of outstanding interest-bearing debts) × 100. All figures have been rounded to one decimal place.

4. Overview of green loan

Out of the Borrowings, the loan tranche in the amount of 5,000 million yen, which is to be borrowed on April 1, 2021 and repaid on September 30, 2027, is planned as a green loan ("Green Loan").

The funds procured through the Green Loan will be applied, in its entirety, to costs of acquisition of "i Missions Park Kashiwa 2," an asset that meets the criteria to be green eligible assets under the green financing framework established by IAL. For details of IAL's green financing (including green loans), please refer to "Green Financing" section on IAL's corporate website at: <https://www.ial-reit.com/en/sustainability/greenfinance.html>

5. Other Matters

With respect to the risks associated with the Borrowings, there are no material revisions to the matters set forth in "Part II (Reference Information), II. (Supplementary Information for Reference Documents), 3. (Investment Risks)" of the Securities Registration Statement filed on November 9, 2020 (available in Japanese only).

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

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