

June 26, 2024

For immediate release

Advance Logistics Investment Corporation
Securities Code : 3493
1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo
Kenji Kousaka, Executive Director

Asset Management Company:
ITOCHU REIT Management Co., Ltd.
Junichi Shoji, Representative Director,
President & CEO

Inquiries:
Hiromu Shinoda, Manager of Logistics Strategy Department
TEL. +81-3-6821-5483

Notice Concerning the Acquisition of Domestic Real Estate Trust Beneficiary Interest

Advance Logistics Investment Corporation (“ADL”) announces that ITOCHU REIT Management Co., Ltd. (“IRM”), the asset management company to which ADL entrusts the management of its assets resolved today to acquire the real estate trust beneficiary interest in the property listed below (“Asset to Be Acquired”).

This acquisition is the first acquisition of a property other than a logistics property by ADL. In addition to strong sponsor support, the asset management company will continue to focus on property acquisitions through its own channels in order to enhance unitholder value.

1. Overview of Asset to Be Acquired

Property type (Note 1)	Property number (Note 2)	Property name	Location	Planned acquisition price (millions of yen) (Note 3)
Other real estates	I-01	T&B Maintenance Center Matsue	Matsue-city, Shimane Prefecture	1,884
Other real estates	I-02	T&B Maintenance Center Toyama	Toyama City, Toyama Prefecture	2,454
	Total (2 properties)			4,338

(Note 1) The “Property type” shown for ADL’s Asset to Be Acquired follows the classification of property type indicated in ADL’s investment policy. The same shall apply hereinafter.

(Note 2) The “Property number” is a number assigned to each property according to its use, with “L” representing logistics real estate and “I” representing industrial real estate. The same applies hereafter.

(Note 3) The “Planned acquisition price” is the purchase price of the relevant Asset to Be Acquired as indicated in the agreement for the sale and purchase of the trust beneficiary interest (the “Sale Agreement”) for the relevant asset. The purchase price does not include acquisition costs, consumption tax or local consumption tax.

(Note 4) The Sale Agreement falls under a forward commitment etc. as specified in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. specified by the Financial Services Agency of Japan (future-dated sale agreements under which settlement and handover of the property are to take place not less than one (1) month after agreement execution, as well as any other comparable agreements).

Under the Sale Agreement, if the seller or the purchaser fails to perform any of its obligations pursuant to such agreement in material respect or if it is found that the seller or the purchaser is in breach of any of its representations and warranties in material respect and the purpose of the Sale Agreement cannot be attained, the other party may cancel the Sale Agreement after warning the defaulting party specifying a deadline and the defaulting party fails to cure such default or breach by such deadline (unless it comes to fall under the cases set forth in the clause of risk of loss in the Sale Agreement), and if the Sale Agreement is cancelled, the other party will be entitled to demand payment of a penalty equal to 20% of an amount of the purchase price less consumption taxes etc. (even in a case where the amount of damage that has actually occurred exceeds the penalty amount, the amount exceeding such amount may not be claimed)

(1)	Sale and purchase agreement Date	June 26, 2024
(2)	Planned acquisition date	August 1, 2024 or a date to be separately agreed upon with the seller.
(3)	Seller	Please refer to the Section 4. Seller Profile below.
(4)	Acquisition funds	Treasury funds and borrowings
(5)	Settlement method	Lump-sum payment at the time of delivery.
(6)	Intermediary	I-01 T&B Maintenance Center Matsue : None I-02 T&B Maintenance Center Toyama : Applicable

2. Reason for Acquisition

The property to be acquired was decided to be acquired in order to enhance the portfolio and improve profitability based on ADL's basic philosophy of maximizing unitholder value by managing ADL's assets with the aim of achieving stable earnings and growth of managed assets over the medium to long term, in accordance with the asset management targets and policies stipulated in ADL's Articles of Incorporation. The decision to acquire the property was made in order to enhance the portfolio and improve profitability based on the Fund's basic philosophy of maximizing unitholder value.

With regard to the tenant of the property to be acquired, we have determined that it conforms to the policy on tenant selection stated in the 11th Fiscal Period Annual Securities Report submitted on May 24, 2024.

3. Details of the Asset to Be Acquired

The tables below (the "Individual Asset Table") show a summary of the Asset to Be Acquired. When consulting the Individual Asset Table, please refer also to the immediately following explanations of the terms used therein. In principle, unless otherwise noted, all information included in the table is current as of May 31, 2024.

(1) Property type

- The "Property type" shown for ADL's Asset to Be Acquired follows the classification of property type indicated in ADL's investment policy.

(2) Summary of specified asset

- "Planned acquisition date" is the planned acquisition date as indicated in the Sale Agreement. Please note that the planned acquisition date is subject to change as agreed upon between ADL and the seller.
- "Planned acquisition price" is the purchase price of the Asset to Be Acquired as indicated in the Sale Agreement. The purchase price does not include acquisition costs and consumption tax or local consumption tax.
- "Trustee" as indicated in the "Overview of trust beneficiary interest" is the trustee or the intended trustee of the respective Asset to Be Acquired.
- "Trust maturity date" as indicated in the "Overview of trust beneficiary interest" is the date of termination of the trust period in the trust agreement or the date of termination of the trust period as scheduled for alteration at the time of the acquisition by ADL.
- "Type of ownership" of "Land" and "Building" indicates the type of rights held, or to be held, by ADL, the trustee, or the intended trustee.
- Location of "Land" indicates the address of the building according to the registry (or one of the addresses where there are multiple addresses). Additionally, the "Lot area" for "Land" and the "Completion date," "Total floor area," "Structure / number of floors" and "Type" for "Building" are as indicated in the registry, and may differ from the current situation. Please note that the "Total floor area" of "Buildings" indicates the sum of the total floor area of the main building and annex buildings, while the "Completion date," "Structure / number of floors" and "Type" of building indicate those of the main building not including annex buildings.
- "Zoning" of "Land" is the type of land use listed in Article 8, Paragraph 1, Item 1 of the City Planning Act (Law No. 100 of 1968, as amended).
- "Floor-area ratio" of "Land" indicates the upper limit for floor-area ratio (designated floor-area ratio). The

designated floor-area ratio may be modified, increased or decreased according to the width of adjacent roadways or other factors, and may differ from the floor-area ratio actually applied.

- “Building coverage ratio” for “Land” indicates the upper limit for building coverage ratio (designated building coverage ratio) as stipulated in the city plan based on zoning and other factors. The designated building coverage ratios may be modified, increased or decreased depending on whether the building is a fire-resistant building in a fire control area or for other reasons, and the designated building coverage ratios may differ from the building coverage ratio actually applied.
- “Collateral” refers to the details of collateral, if applicable.
- “PM company” is the property management company to which the property management operations are entrusted or are to be entrusted.
- “Number of tenants” under “Tenant details” indicates the total number of tenants (or the number of end tenants, where a pass-through type master lease agreement has been, or is to be, executed; the same shall apply hereinafter in “3. Details of the Asset to Be Acquired”) based on the lease agreement executed and activated for the respective real estate property or trust real estate property (lease agreements relating to roofs and parking lots are excluded; where a pass-through type master lease agreement has been, or is to be, executed, the figure is based on the number of the lease agreements with end tenants. The same shall apply hereinafter in “3. Details of the Asset to Be Acquired”). However, where the same tenant has executed multiple lease agreements in respect of the Asset to Be Acquired, such tenant shall be counted as a single tenant when calculating “Number of tenants.”
- “Name of main tenant” under “Tenant details” indicates the name of the tenant with the largest leased area as indicated in the lease agreement executed and activated in respect of respective real estate property or the trust real estate property.
- “Annual rent” under “Tenant details” indicates the total amount of the annual rent, including common area charges, stipulated in the lease agreement executed and activated for the respective real estate property or trust real estate property, rounded down to the nearest unit (where only a monthly rent is stipulated, the amount indicated is the annual rent calculated according to the provisions of the lease agreement). Please note that account is not taken of periods of free rent or rent holiday.
- “Tenant leasehold/security deposits” under “Tenant details” indicates the total amount of leasehold/security deposits stipulated in the lease agreement executed and activated in respect of the respective real estate property or trust real estate property, rounded down to the nearest unit.
- “Leased area” under “Tenant details” indicates the total leased area as indicated in the lease agreement executed and activated in respect of the respective real estate property or trust real estate property.
- “Total leasable area” under “Tenant details” indicates the sum of (i) the leased area indicated in the lease agreement executed and activated for the respective real estate property or trust real estate property; and (ii) the vacant space deemed to be leasable based on building floor plans. Please note that, in the lease agreements, the indicated leased area may include a portion not included in the total floor area, and that the leased or leasable area may therefore exceed total floor area. Specifically in the case of logistics real estate, where the eaves area is included in leased or leasable area, the latter figure may considerably exceed total floor area.
- “Occupancy rate” under “Tenant details” indicates the ratio of leased area to total leasable area of the Asset to Be Acquired, rounded to the first decimal place.
- “Remarks” are matters considered important with respect to utilization of and rights related to the Asset to Be Acquired as of May 31, 2024, or matters that are considered important in terms of their potential impact on or other relevance to the valuation, profitability or disposability of the Asset to Be Acquired.

Property name		T&B Maintenance Center Matsue
Property type		Other real estates
Type of specified asset		Real estate trust beneficiary interest
Planned acquisition date		August 1, 2024 or a date to be separately agreed upon with the seller
Planned acquisition price		¥1,884 million
Overview of trust beneficiary interest	Trustee	Mitsubishi UFJ Trust and Banking Corporation
	Entrustment date	September 4, 2017
	Trust maturity date	January 30, 2033(Note 1)
Land	Type of ownership	Proprietary ownership
	Location	1070 Domae, Higashitsuda-cho, Matsue-shi, Shimane, etc.
	Lot area	10,532.83m ²
	Zoning	Semi-industrial exclusive district
	Floor-area ratio	200%
	Building coverage ratio	60%
Building	Type of ownership	Proprietary ownership
	Completion date	Building 1: January 25, 1993 Building 2: June 25, 1993 Building 3: July 16, 1993
	Total floor area	6,615.03 m ²
	Structure / number of floors	Building 1: Steel-framed structure with a flat-topped roof; 3 stories Attached building: Reinforced concrete structure with a flat-topped roof; one-story Building 2: Steel-framed structure with galvanized steel sheet roof; one-story Building 3: Steel-framed structure with a flat-topped roof; 3 stories
	Type	Building 1: Factory, office, warehouse Attached building: Warehouse Building 2: Factory Building 3: Office
Collateral		Not applicable
PM company		Daiichi Building Service Co.
Master lease company		None
Master Lease Type		None
Tenant details	Number of tenants	1
	Name of main tenant ^(Note 2)	Undisclosed
	Annual rent ^(Note 2)	Undisclosed
	Tenant leasehold/security deposits ^(Note 2)	Undisclosed
	Leased area	6,615.03m ²
	Total leasable area	6,615.03 m ²
	Occupancy rate	100.0%
Remarks		<ul style="list-style-type: none"> • The land of the property is leased for a fixed-term business use (from June 26, 2022 to June 25, 2047). • In the event that the lessor intends to sell or transfer all (but not part) of its rights to the "Property" to a third party, the lessor shall grant the lessee (tenant) preferential negotiation rights for the acquisition of the subject property. • The land is leased for business use separately from the fixed-term building lease agreement.

(Note 1) Subject to change due to the change in acquisition date.

(Note 2) Not disclosed because the tenant has not consented to disclosure.

Property name		T&B Maintenance Center Toyama
Property type		Other real estates
Type of specified asset		Real estate trust beneficiary interest
Planned acquisition date		August 1, 2024 or a date to be separately agreed upon with the seller
Planned acquisition price		¥2,454 million
Overview of trust beneficiary interest	Trustee	Mitsubishi UFJ Trust and Banking Corporation
	Entrustment date	December 28, 2023
	Trust maturity date	December 31, 2033(Note 1)
Land	Type of ownership	Proprietary ownership
	Location	2-130 Shinjo-cho, Toyama City, Toyama, etc.
	Lot area	14,643.95m ²
	Zoning	Industrial district
	Floor-area ratio	200%
	Building coverage ratio	60%
Building	Type of ownership	Proprietary ownership
	Completion date	Building 1: April 24, 1997 Building 2: April 24, 1997 Building 3: January 20, 1998 Building 4: April 23, 1998 Building 5: February 2, 1982 Building 6: October 30, 1991 Building 7: 1974, month and year unknown
	Total floor area	7,164.30 m ²
	Structure / number of floors	Building 1: Steel-framed structure with a flat-topped roof; 3 stories and 1 basement story Building 2: Steel-framed structure with galvanized steel sheet roof; one-story Building 3: Steel-framed structure with galvanized steel sheet roof; 2 story Building 4: Steel-framed structure with galvanized steel sheet roof; one-story Building 5: Steel-framed structure with galvanized steel sheet roof; one-story Building 6: Steel-framed structure with galvanized steel sheet roof; 2 story Building 7: Concrete block structure with slate roof; one-story
	Type	Building 1: Office/warehouse Building 2: Factory Building 3: Factory Building 4: Painting and car wash Building 5: Factory Building 6: Warehouse/office Building 7: Warehouse
Collateral		Not applicable
PM company		Kukrev Advisors, Inc.
Master lease company		None
Master Lease Type		None
Tenant details	Number of tenants	1
	Name of main tenant ^(Note 2)	Undisclosed
	Annual rent ^(Note 2)	Undisclosed
	Tenant leasehold/security deposits ^(Note 2)	Undisclosed
	Leased area	7,164.30 m ²
	Total leasable area	7,164.30 m ²
	Occupancy rate	100.0%
Remarks		• The land of the property is leased for a fixed-term business use (from June 26, 2022 to June 25, 2047).

	<ul style="list-style-type: none"> • In the event that the lessor intends to sell or transfer all (but not part) of its rights to the "property" to a third party, the lessor is supposed to grant the lessee (tenant) preferential negotiation rights for the acquisition of the subject property. In addition to the fixed-term building lease agreement, a business-use land leasehold right has been established. • The land is leased for business use separately from the fixed-term building lease agreement.
--	--

(Note 1) Subject to change due to the change in acquisition date.

(Note 2) Not disclosed because the tenant has not consented to disclosure.

4. Seller Profile

T&B Maintenance Center Matsue, T&B Maintenance Center Toyama

(1) Name	Ricoh Leasing Company, Ltd.
(2) Location	4-1 Kioi-cho, Chiyoda-ku, Tokyo
(3) Name and title of representative	Tokuharu Nakamura, Representative Director President & CEO
(4) Description of business	1) Leasing and financing business 2) Service Business 3) Investment business
(5) Capital	7,896 million yen (as of March 31, 2024)
(6) Date of Establishment	December 21, 1976
(7) Net assets	221,936 million yen (as of March 31, 2024)
(8) Total assets	1,247,276 million yen (as of March 31, 2024)
(9) Major Shareholder	Ricoh Company, Ltd. 33.7% (as of June 25, 2024)
(10) Relationship with ADL/IRM	
Capital relationship	There is no capital relationship to be stated between ADL, IRM, and the Seller.
Personnel Relationship	There is no Personnel relationship required to be stated between ADL, IRM, and the Seller.
Business Relationship	There is no Business relationship required to be stated between ADL, IRM, and the Seller
Related parties	The seller does not fall under the category of related parties of either ADL or IRM

5. Details of Property Purchasers

This property was not acquired from a party that has a special interest relationship with ADR or IRM.

6. Intermediary Overview

T&B Maintenance Center Toyama

The intermediary is a domestic company, but the outline of the intermediary is not disclosed because we have not obtained approval from the intermediary to disclose the name, etc. There are no noteworthy capital, personal, or business relationships between the intermediary and ADL or IRM, nor are there any noteworthy capital, personal, or business relationships between affiliated persons or companies of ADL or IRM and those of the intermediary. In addition, neither the said company nor the related persons or related companies of the said company fall under the category of related parties of the ADL or IRM.

7. Outlook

The impact of this acquisition is negligible, and there are no changes to the operating forecasts for the fiscal year ending August 31, 2024 (March 1, 2024 to August 31, 2024) and the fiscal year ending February 29, 2025 (September 1, 2024 to February 29, 2025) that were announced in the "Financial Report for the 11th Fiscal Period Ended February 29, 2024 (REIT)" dated April 17, 2024.

8. Summary of Appraisal Report

Summary of appraisal report			
Property name		T&B Maintenance Center Matsue	
Appraisal value ^(Note 1)		¥1,970,000 thousand	
Appraiser		Tanizawa Sogo Appraisal Co.	
Date of appraisal		May 1, 2024	
Item		Details (thousands of yen) (Note 1)	Comments, etc.
Estimated value based on income method		1,970,000	Estimate calculated using the direct capitalization method and the DCF method.
	Estimated value based on direct capitalization method		1,990,000
	(1) Operating revenues	Undisclosed ^(Note 1)	
		a. Effective gross income	Undisclosed ^(Note 1)
		b. Losses from vacancy, etc.	Undisclosed ^(Note 1)
	(2) Operational expenses		Undisclosed ^(Note 1)
	a. Building maintenance costs	Undisclosed ^(Note 1)	
		b. Utility expenses	Undisclosed ^(Note 1)
		c. Repair expenses	Undisclosed ^(Note 1)
		d. Property management fees	Undisclosed ^(Note 1)
		e. Tenant soliciting fees, etc.	Undisclosed ^(Note 1)
		f. Taxes and public dues	Undisclosed ^(Note 1)
		g. Insurance premiums	Undisclosed ^(Note 1)
		h. Other expenses	Undisclosed ^(Note 1)
	(3) Net operating income		95,142 (1) – (2)
	(4) Earnings from temporary deposits		484 Assessed based on assumption of 1.0% investment yield.
	(5) Capital expenditure		0 Calculated based on engineering report and similar deals.
	Net cash flow		95,627 (3) + (4) – (5)
	Capitalization rate		4.8% Assessed based on the level of return in each district, by taking into account rates of return, etc. of similar properties, as well as the location, building conditions, and contract conditions, etc. of the subject property.
	Estimated value based on DCF method		1,960,000
	Discount rate		4.6% Assessed by comprehensively taking into account the individuality of the relevant asset with reference to the investment yields of similar properties.
	Terminal capitalization rate		4.9% Assessed, referring to return on transactions of comparable properties, comprehensively taking into account future trends of investment yields, investment risks in the property, general forecasts of the future economic growth rate, real estate prices and the trend of rent level, etc.
Integrated value		1,550,000	
Proportion of land		77.0%	
Proportion of building		23.0%	
Other matters for consideration by the appraiser		None	

(Note 1) As it includes content for which the tenant's consent to disclosure has not been obtained and data which allow the calculation of such content, the disclosure of this item would damage the relationship of trust with the tenants. This would make it difficult to maintain the lessor-lessee relationship and create other difficulties which might ultimately damage investors' interests. Therefore such information is not disclosed except for items for which disclosure is deemed to pose no obstacle.

Summary of appraisal report			
Property name		T&B Maintenance Center Toyama	
Appraisal value ^(Note 1)		¥2,590,000 thousand	
Appraiser		Tanizawa Sogo Appraisal Co.	
Date of appraisal		May 1, 2024	
Item		Details (thousands of yen) ^(Note 1)	Comments, etc.
Estimated value based on income method		2,590,000	Estimate calculated using the direct capitalization method and the DCF method.
	Estimated value based on direct capitalization method		2,600,000
	(1) Operating revenues	Undisclosed ^(Note 1)	
		a. Effective gross income	Undisclosed ^(Note 1)
		b. Losses from vacancy, etc.	Undisclosed ^(Note 1)
	(2) Operational expenses	Undisclosed ^(Note 1)	
		a. Building maintenance costs	Undisclosed ^(Note 1)
		b. Utility expenses	Undisclosed ^(Note 1)
		c. Repair expenses	Undisclosed ^(Note 1)
		d. Property management fees	Undisclosed ^(Note 1)
		e. Tenant soliciting fees, etc.	Undisclosed ^(Note 1)
		f. Taxes and public dues	Undisclosed ^(Note 1)
		g. Insurance premiums	Undisclosed ^(Note 1)
		h. Other expenses	Undisclosed ^(Note 1)
	(3) Net operating income		118,802 (1) – (2)
	(4) Earnings from temporary deposits		604 Assessed based on assumption of 1.0% investment yield.
	(5) Capital expenditure		0 Calculated based on engineering report and similar deals.
	Net cash flow		119,406 (3) + (4) – (5)
	Capitalization rate		4.6% Assessed based on the level of return in each district, by taking into account rates of return, etc. of similar properties, as well as the location, building conditions, and contract conditions, etc. of the subject property.
	Estimated value based on DCF method		2,580,000
		Discount rate	4.4% Assessed by comprehensively taking into account the individuality of the relevant asset with reference to the investment yields of similar properties.
		Terminal capitalization rate	4.7% Assessed, referring to return on transactions of comparable properties, comprehensively taking into account future trends of investment yields, investment risks in the property, general forecasts of the future economic growth rate, real estate prices and the trend of rent level, etc.

Integrated value	2,540,000	
Proportion of land	72.0%	
Proportion of building	28.0%	
Other matters for consideration by the appraiser	None	

(Note 1) As it includes content for which the tenant's consent to disclosure has not been obtained and data which allow the calculation of such content, the disclosure of this item would damage the relationship of trust with the tenants. This would make it difficult to maintain the lessor-lessee relationship and create other difficulties which might ultimately damage investors' interests. Therefore such information is not disclosed except for items for which disclosure is deemed to pose no obstacle.

End

About Advance Logistics Investment Corporation

Advance Logistics Investment Corporation is a J-REIT specializing in logistics facilities, managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group.

We aim for stable management and growth through an extended cooperative relationship with our sponsor, the ITOCHU Group.

"Advance" is the common brand name of the real estate investment corporation managed by ITOCHU REIT Management Co., Ltd.

ADL website: <https://www.adl-reit.com/en/>

IRM website: <https://www.itc-rm.co.jp/en/>

Attachments

Features of the Property to be Acquired

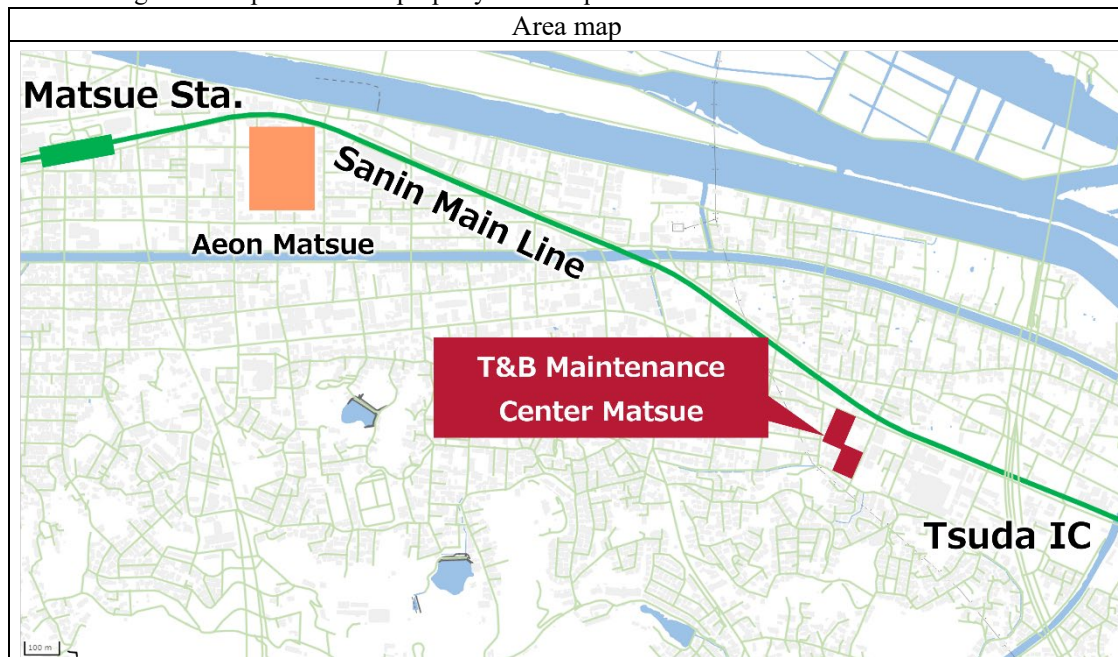
T&B Maintenance Center Matsue

■Property Characteristics

Located in Matsue City, one of the central cities in the San'in region and a major transportation hub, the property is a maintenance and service plant of a major bus and truck manufacturer located near the center of Matsue City, approximately 2.6 km from Matsue Station on the JR San'in Main Line.

The property is also conveniently located near several major road interchanges, such as the 1.7 km from the Matsue Higashi interchange on the Sanin Expressway and has the potential to be converted to a variety of uses, including logistics facilities and roadside commercial facilities in the future.

Map of the surrounding area and photos of the property to be acquired



Maintenance Center Toyama

Property Characteristics

■The property is located in Toyama City, the largest city in Toyama Prefecture with a population of approximately 400,000, approximately 4.8 km from Toyama Station on the JR Hokuriku Shinkansen Line, and is adjacent to National Route 41, a regional trunk road that connects Nagoya City, Aichi Prefecture to Toyama City, Toyama Prefecture. The site is conveniently located near Route 41, a major bus and truck manufacturing company with convenient access to a wide area. The surrounding area is also home to many car dealerships and commercial facilities and is highly convenient in terms of transportation.

■Map of the surrounding area and photos of the property to be acquired

