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For immediate release

Real Estate Investment Trust Securities Issuer:
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Notice Concerning the Borrowing of Funds

ITOCHU Advance Logistics Investment Corporation (“IAL”) hereby announces that it decided today to conduct a borrowing of funds (the “Borrowings”), as follows.

1. Overview of the Borrowings

Category (Note 1)	Lender	Borrowing Amount (Millions of yen)	Interest Rate	Borrowing Date	Borrowing Method	Term of Borrowing	Repaymen t Method	Collateral
Short-term	Loan syndicate with Sumitomo Mitsui Banking Corporation as arranger	1,513	Base interest rate + 0.150% (Note 2)	March 31, 2020	Loan agreement executed on January 30, 2020 with lenders shown at left	1 year	Bullet repayment	Unsecured and non-guarant eed
	Subtotal	1,513	-	-	-	-	-	-
Long-term	Loan syndicate with Sumitomo Mitsui Banking Corporation as arranger	2,650	Base interest rate + 0.100% (Note 3) (Note 4)	February 3, 2020	Loan agreement executed on January 30, 2020 with lenders shown at left	3 years	Bullet repayment	Unsecured and non-guarant eed
		3,950	Base interest rate + 0.240% (Note 3) (Note 4)	February 3, 2020		5 years		
		4,000	Base interest rate + 0.390% (Note 3) (Note 4)	March 31, 2020		8 years		
	Nippon Life Insurance Company	1,000	0.700%	February 3, 2020		10 years	Bullet repayment	Unsecured and non-guarant eed
	Subtotal	11,600	-	-	-	-	-	-
Total		13,113	-	-	-	-	-	-

(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: 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 in the United States or elsewhere. Any investment decision should be made based upon your own judgement.
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(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.

2. Reason for Borrowings

The Borrowings will be used to finance the acquisition of assets to be acquired, as stated in the press release published today entitled “Notice Concerning the Acquisition and Leasing of Domestic Real Estate Trust Beneficiary Interests,” as well as expenses incidental thereto.

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

(1) Amount to be procured

¥13,113 million in total

The amount to be procured on February 3, 2020: ¥7,600 million

The amount to be procured on March 31, 2020: ¥5,513 million

(2) Specific use of proceeds and expenditure date

(i) Funds to be procured on February 3, 2020

On February 3, 2020, to finance the acquisition cost of the above-mentioned assets for acquisition (i.e., i Missions Park Kashiwa 2 (70% quasi-co-ownership interest)), as well as expenses incidental thereto

(ii) Funds to be procured on March 31, 2020

On April 1, 2020, to finance the acquisition cost of the above-mentioned assets for acquisition (i.e., i Missions Park Inzai (20% quasi-co-ownership interest)), as well as expenses incidental thereto

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4. Outstanding Loan Balance after the Borrowings

(Millions of yen)

	Before the Borrowings (As of January 6, 2020)	After the Borrowings (As of March 31, 2020)	Increase/Decrease
Short-term debt	-	1,513	1,513
Long-term debt	22,440	34,040	11,600
Total amount of debt	22,440	35,553	13,113
Investment corporation bonds	1,500	1,500	-
Total amount of debt and investment corporation bonds	23,940	37,053	13,113
Other interest-bearing debt	-	-	-
Total interest-bearing debt	23,940	37,053	13,113

5. 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)	5.0 years	5.2 years	0.2 years
Ratio of loans with fixed interest rate (Note 4)	100.0%	95.9 %	(4.1%)

(Note 1) The figures are estimated on the assumption that all the Borrowings are not executed as of March 31, 2020 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 March 31, 2020 in order to show the impact of the Borrowings solely and calculated on the assumption that the Interest Rate Swap Agreement will be concluded at 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.

6. 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 January 6, 2020 (available in Japanese only).

The original Japanese version of this announcement is released to media organizations through the Kabuto Club (the press club of the Tokyo Stock Exchange), the Ministry of Land, Infrastructure and Transport Press Club, and the Press Club for the Ministry of Land, Infrastructure and Transport Construction Paper.

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

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