



September 7, 2018

For immediate release

Real Estate Investment Trust Securities Issuer:
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Notice Concerning the Borrowing of Funds and the Conclusion of an Interest Rate Swap Agreement

ITOCHU Advance Logistics Investment Corporation (“IAL”) hereby announces that it conducted a borrowing of funds (the “Borrowing”) today, and concluded an interest rate swap agreement effective from today’s date, September 7, 2018.

1. Overview of the Borrowings

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Category (Note 1)	Lender	Borrowing Amount (Millions of yen)	Interest Rate (Note 2)	Borrowing Date	Borrowing Method	Repayment Date (Note 5)	Repayment Method	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	1,880	Base interest rate + 0.15% (Note 3)	September 7, 2018	Loan agreement concluded on Sept. 7, 2018, with the lenders shown at left	September 9, 2019	Bullet repayment	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.							
	MUFG Bank, Ltd.							
	Sumitomo Mitsui Banking Corporation	2,690	Base interest rate + 0.15% (Note 3)	September 7, 2018	Loan agreement concluded on Sept. 7, 2018, with the lenders shown at left	September 9, 2019	Bullet repayment	Unsecured and non-guaranteed
	Subtotal	4,570	—		—	—	—	—
Long-term	Sumitomo Mitsui Banking Corporation	5,300	Base interest rate + 0.10% (Notes 3 and 4)	September 7, 2018	Loan agreement concluded on Sept. 7, 2018, with the lenders shown at left	September 7, 2021	Bullet repayment	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.							
	Sumitomo Mitsui Trust Bank, Limited							
	Sumitomo Mitsui Banking Corporation	5,120	Base interest rate + 0.30% (Notes 3 and 4)			September 9, 2024		
	Mizuho Bank, Ltd.							
	Sumitomo Mitsui Trust Bank, Limited							
	MUFG Bank, Ltd.							
	Mizuho Trust & Banking Co., Ltd.							
	Development Bank of Japan Inc.							
	Sumitomo Mitsui Banking Corporation	5,500	Base interest rate + 0.40% (Notes 3 and 4)			September 7, 2026		

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Category (Note 1)	Lender	Borrowing Amount (Millions of yen)	Interest Rate (Note 2)	Borrowing Date	Borrowing Method	Repayment Date (Note 5)	Repayment Method	Collateral				
	Mizuho Bank, Ltd.											
	Sumitomo Mitsui Trust Bank, Limited											
	MUFG Bank, Ltd.											
	Sumitomo Mitsui Banking Corporation	1,500	Base interest rate + 0.50% (Notes 3 and 4)			September 7, 2028						
	Mizuho Bank, Ltd.											
	Development Bank of Japan Inc.											
	Subtotal	17,420	—	—	—	—	—	—				
Total		21,990	—	—	—	—	—					

(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) IAL concluded the interest rate swap agreement to secure a fixed interest rate for the long-term debt portion of the total amount of the Borrowings. For more details, please refer to “5. Concluded Interest Rate Swap Agreement,” below.

(Note 3) The interest payment dates will begin on October 9, 2018, followed by the seventh day of every month up to the repayment date (or the next business day if an interest payment date falls on a non-business day).

The base interest rate, which is applied to the interest calculation period for each interest payment date, shall be the one-month 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 final date of the interest period immediately preceding the applicable interest period. Nonetheless, if the rate for the corresponding interest rate period is not indicated, the base interest rate defined in the loan agreements is applied according to the terms and conditions of such agreements. The Japanese yen TIBOR can be checked on the TIBOR Administration’s website (<http://www.jbatibor.or.jp/english/>).

(Note 4) Interest rates have been fixed through the interest rate swap agreement. For more details, please refer to “5. Conclusion of Interest Rate Swap Agreement,” below.

(Note 5) If a repayment date falls on a non-business day, it shall be the next business day.

2. Reasons for the Borrowings

The Borrowings will be used to finance the acquisition of properties that IAL has been planning to acquire and to cover incidental expenses. These properties are stated in IAL’s securities registration statement submitted on August 1, 2018.

(Note) For an overview of the properties that IAL has been planning to acquire, please refer to the news release issued today, “Notice Concerning Completion of Acquisition of Domestic Real Estate Trust Beneficiary Interests.”

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

(1) Total amount to be procured

¥21,990 million

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(2) Specific use of proceeds

To finance the acquisition of the aforementioned properties planned for acquisition and a portion of ancillary expenses

(3) Expenditure date

September 7, 2018

4. Outstanding Loan Balance after Borrowings

(Millions of yen)

	Before Borrowings	After Borrowings	Increase/Decrease
Short-term debt	—	4,570	4,570
Long-term debt	—	17,420	17,420
Total amount of debt	—	21,990	21,990
Investment corporation bonds	—	—	—
Total amount of debt and investment corporation bonds	—	21,990	21,990
Other interest-bearing debt	—	—	—
Total interest-bearing debt	—	21,990	21,990

5. Concluded Interest Rate Swap Agreement

(1) Reasons for Concluding the Interest Rate Swap Agreement

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

(2) Overview of the Interest Rate Swap Agreement

Counterparty	Notional Principal (Millions of yen)	Interest Rate	Commencement Date	Termination Date	Interest Payment Date
Sumitomo Mitsui Trust Bank, Limited	5,300 (Note 1)	Fixed interest rate: 0.13505% Floating interest rate: JBA 1-month JPY TIBOR	September 7, 2018	September 7, 2021	Commences on October 9, 2018, followed by the 7th 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).
Sumitomo Mitsui Trust Bank, Limited	5,120 (Note 2)	Fixed interest rate: 0.23660% Floating interest rate: JBA 1-month JPY TIBOR	September 7, 2018	September 9, 2024	Commences on October 9, 2018, followed by the 7th 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).
Sumitomo Mitsui Trust Bank, Limited	5,500 (Note 3)	Fixed interest rate: 0.32645% Floating interest rate: JBA 1-month JPY TIBOR	September 7, 2018	September 7, 2026	Commences on October 9, 2018, followed by the 7th 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).
Mizuho Bank, Ltd.	1,500 (Note 4)	Fixed interest rate: 0.41670% Floating interest rate: JBA 1-month JPY TIBOR	September 7, 2018	September 7, 2028	Commences on October 9, 2018, followed by the 7th 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).

(Note 1) The notional principal corresponds to borrowings of ¥5,300 million with the repayment date of September 7, 2021. 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 0.23505%.

(Note 2) The notional principal corresponds to borrowings of ¥5,120 million with the repayment date of September 9, 2024. 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 0.53660%.

(Note 3) The notional principal corresponds to borrowings of ¥5,500 million with the repayment date of September 7, 2026. 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 0.72645%.

(Note 4) The notional principal corresponds to borrowings of ¥1,500 million with the repayment date of September 7, 2028. For details of the borrowings, refer to “1. Overview of the Borrowings,” above. Through the interest rate swap agreement, the interest rate for this

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borrowing will, in effect, be fixed at 0.91670%.

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.

This document 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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