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For immediate release

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Notice Concerning Borrowing of Funds including Green Loan
(Reduction of Borrowing Amount and Finalization of Borrowing Terms and Conditions)

ITOCHU Advance Logistics Investment Corporation (“IAL”) announces that, with respect to the borrowing of funds (“Borrowing”) disclosed in a release dated January 6, 2020, entitled “Notice Concerning Borrowing of Funds,” IAL determined today to reduce the originally expected borrowing amount and to finalize the detailed borrowing terms and conditions as follows:

1. Reduction of borrowing amount

As announced in a release dated January 15, 2020, entitled “Notice Concerning the Determination of Prices for the Issuance of New Investment Units and Secondary Offering,” the amount of funds to be procured through issuance of new investment units has been finalized. In response to this, IAL has determined to reduce the amount of the Borrowing from originally expected 13,113 million yen to **12,213** million yen in total.

2. Overview of the Borrowing (revised amounts and additional disclosure of terms and conditions 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>	1,513	Base interest rate + 0.150% (Note 2)	March 31, 2020	Loan agreement executed on January 30, 2020 with lenders shown at left	<u>March 31, 2021</u>	Bullet repayment	Unsecured and non-guaranteed
	Subtotal	1,513	-	-	-	-	-	-
Long-term	<u>Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; MUFG Bank, Ltd.; The Norinchukin Bank; and The Bank of Fukuoka, Ltd.</u>	<u>1,750</u>	Base interest rate + 0.100% (Note 3) (Note 4)	February 3, 2020	Loan agreement executed on January 30, 2020 with lenders shown at left	<u>January 31, 2023</u>	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.; The Norinchukin Bank; The Bank of Fukuoka, Ltd.; and Shinsei Bank, Limited</u>	3,950	Base interest rate + 0.240% (Note 3) (Note 4)	February 3, 2020		<u>February 3, 2025</u>		

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. This press release does not constitute an offer of securities in the United States of America. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.



	Sumitomo Mitsui Banking Corporation; Sumitomo Mitsui Trust Bank, Limited; Mizuho Bank, Ltd.; MUFG Bank, Ltd.; Mizuho Trust & Banking Co., Ltd.; The Norinchukin Bank; and Shinsei Bank, Limited (Green Loan) (Note 5)	4,000	Base interest rate + 0.390% (Note 3) (Note 4)	March 31, 2020		March 31, 2028		
	Nippon Life Insurance Company	1,000	0.700%	February 3, 2020		January 31, 2030		
	Subtotal	10,700	-	-	-	-	-	-
	Total	12,213	-	-	-	-	-	-

(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 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 details of the Green Loan, please refer to “4. Overview of 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 July 2020 and January 2021, as disclosed in a release dated January 6, 2020, entitled “Notice Concerning Revisions to the Forecasts of Financial Results for the Fiscal Period Ending July 2020 and the Forecasts of Financial Results for the Fiscal Period Ending January 2021.”

Based on the amount of the Borrowing after aforementioned change, the “Post-offering Loan-to-Value ratio (on a total asset basis) after reduction of consumption loan” as indicated in “Supplementary Explanation Material for the Press Release dated January 6, 2020” (available in Japanese only as of the date hereof) is **39.9%**.

In line with the reduction of borrowing amount, (1) outstanding loan balance after the Borrowing, as well as (2) impact of the Borrowing on financial indicators, as disclosed in a release dated January 6, 2020, entitled “Notice Concerning the Borrowing of Funds,” are hereby modified as follows (modifications underlined):

(1) Outstanding loan balance after the Borrowing

(Millions of yen)

	Before the Borrowing (As of January 6, 2020)	After the Borrowing (After the Change) (As of March 31, 2020)	Increase/Decrease
Short-term debt	-	1,513	1,513
Long-term debt	22,440	33,140	10,700
Total amount of debt	22,440	34,653	12,213
Investment corporation bonds	1,500	1,500	-
Total amount of debt and investment corporation bonds	23,940	36,153	12,213
Other interest-bearing debt	-	-	-
Total interest-bearing debt	23,940	36,153	12,213

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(2) Impact of the Borrowing on financial indicators

	Not considering the Borrowing (Note 1)	Considering the Borrowing (Note 2)	Increase/Decrease
Average remaining term of loans (Note 3)	5.0 years	5.2years	0.2years
Ratio of loans with fixed interest rate (Note 4)	100.0%	95.8%	(4.2%)

(Note 1) In order to isolate the impact of the Borrowing, the figures are estimated on the assumption that the Borrowing was not executed at all as of March 31, 2020.

(Note 2) In order to isolate the impact of the Borrowing, the figures are estimated on the assumption that the Borrowing are executed in its entirety as of March 31, 2020 and that the Interest Rate Swap Agreement is concluded at the time.

(Note 3) The figures are weighted averages of the remaining terms of interest-bearing debts using the amount of debt as weight, rounded to one decimal place.

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

4. Overview of green loan

Out of the Borrowing, the loan tranche in the amount of 4,000 million yen, which is to be borrowed on March 31, 2020 and repaid on March 31, 2028, 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 Inzai,” 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

With respect to the risks associated with the Borrowing, there are no revisions to the matters set forth in “Part II. Reference information; II. Supplementary information for reference documents; 3. Investment risks” section of the securities registration statement filed on January 6, 2020 (available in Japanese only).

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

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