



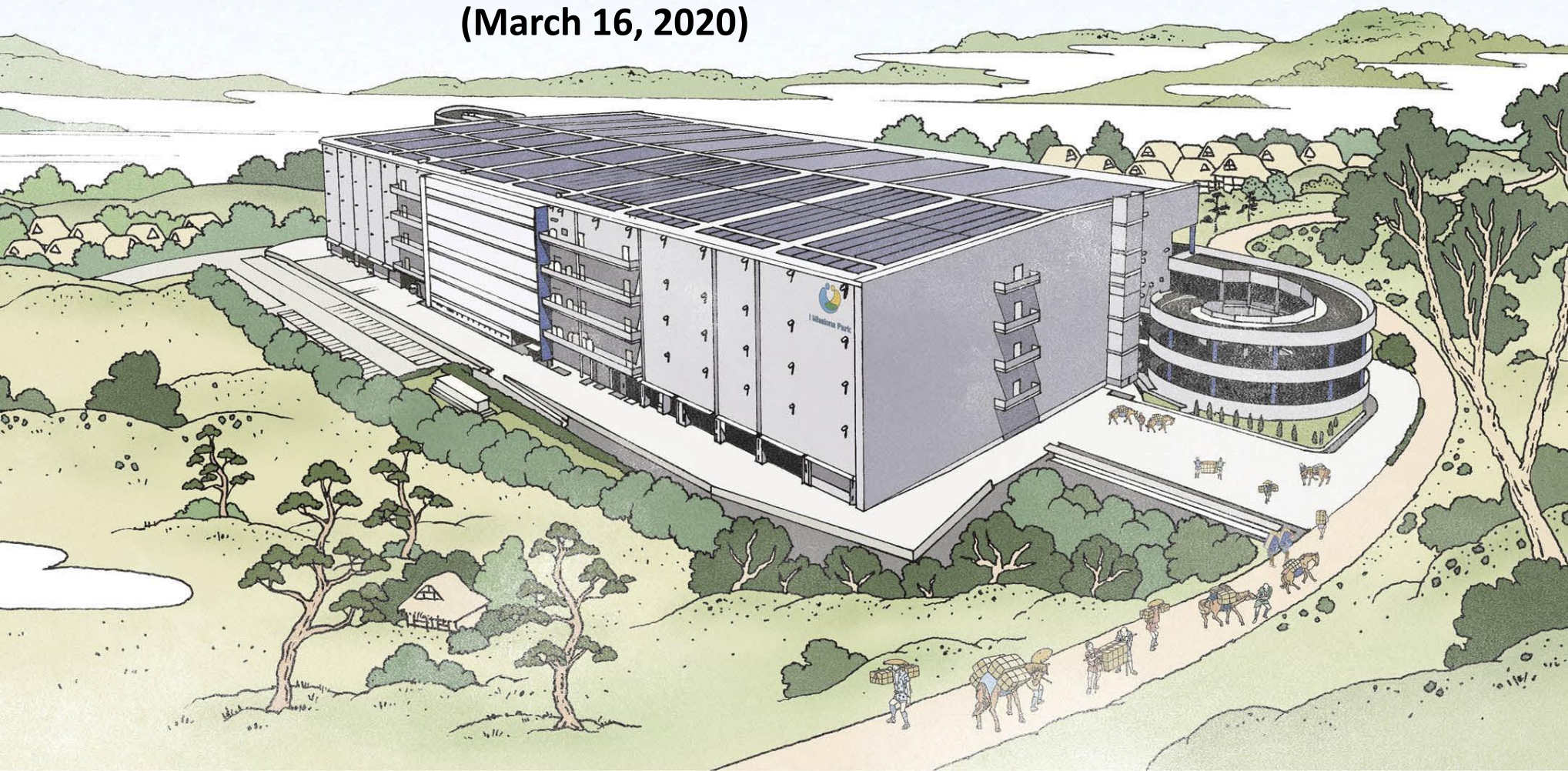
Ticker Symbol: 3493

ITOCHU Advance Logistics Investment Corporation

# Third Fiscal Period (Ended January 2020)

## Investor Presentation Material

(March 16, 2020)





# President Message



Thank you for your continued support for ITOCHU Advance Logistics Corporation (“IAL”). As much as I would like to meet with all of you in person and explain our performance and financial results for the third fiscal period, I have decided that, considering the impact of coronavirus infection risks, physical contacts should be avoided, and therefore decided not to hold the financial results briefing session. In its stead, we have posted a presentation video on IAL’s website. We are deeply sorry for not being able to give our presentation face-to-face, and appreciate your understanding. If you have any questions, please feel free to contact us at the details set out at the end of this presentation.

As for coronavirus situations, at this moment, there has been no significant impact on our tenants. We will continue to collect as much information as possible and make a timely disclosure of any significant changes. We also implement infection prevention measures at the Asset Management Company by adopting staggered working hours, among other things. We do hope you will take good care of yourself.

With respect to the financial results for the third fiscal period, I am pleased to announce that we have yet again successfully closed another fiscal period with increased revenues, profits, and distributions. Looking back, the third fiscal period has been as tumultuous as the previous ones. We believe that our biggest achievement, however, has been the launch of the first post-IPO equity offering at the beginning of 2020, which has enabled us to lay the groundwork for further DPU growth in the following fiscal period (ending July 2020) and onward. I believe that the success of the deal is largely thanks to the generous support we receive from our stakeholders, including unitholders and lenders, for which I am truly grateful.

Throughout the deal, we had precious opportunities to talk with many investors both in Japan and abroad. Through such communications, we felt strong expectations of investors for us to realize external and internal growth by fully taking advantage of the sponsor ITOCHU Group’s functions and resources, and to steadily build up a track record, including achieving stable growth trajectory of distributions. That experience has renewed my awareness that we, as an asset manager, have a mission to realize such expectations.

As stated above, financially, we have achieved solid performance. However, as the impact of coronavirus remains uncertain and we see soaring volatility in the J-REIT market, we should not rest on our laurels. In order to be the J-REIT of your choice, we will remain committed to making aggressive moves.

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

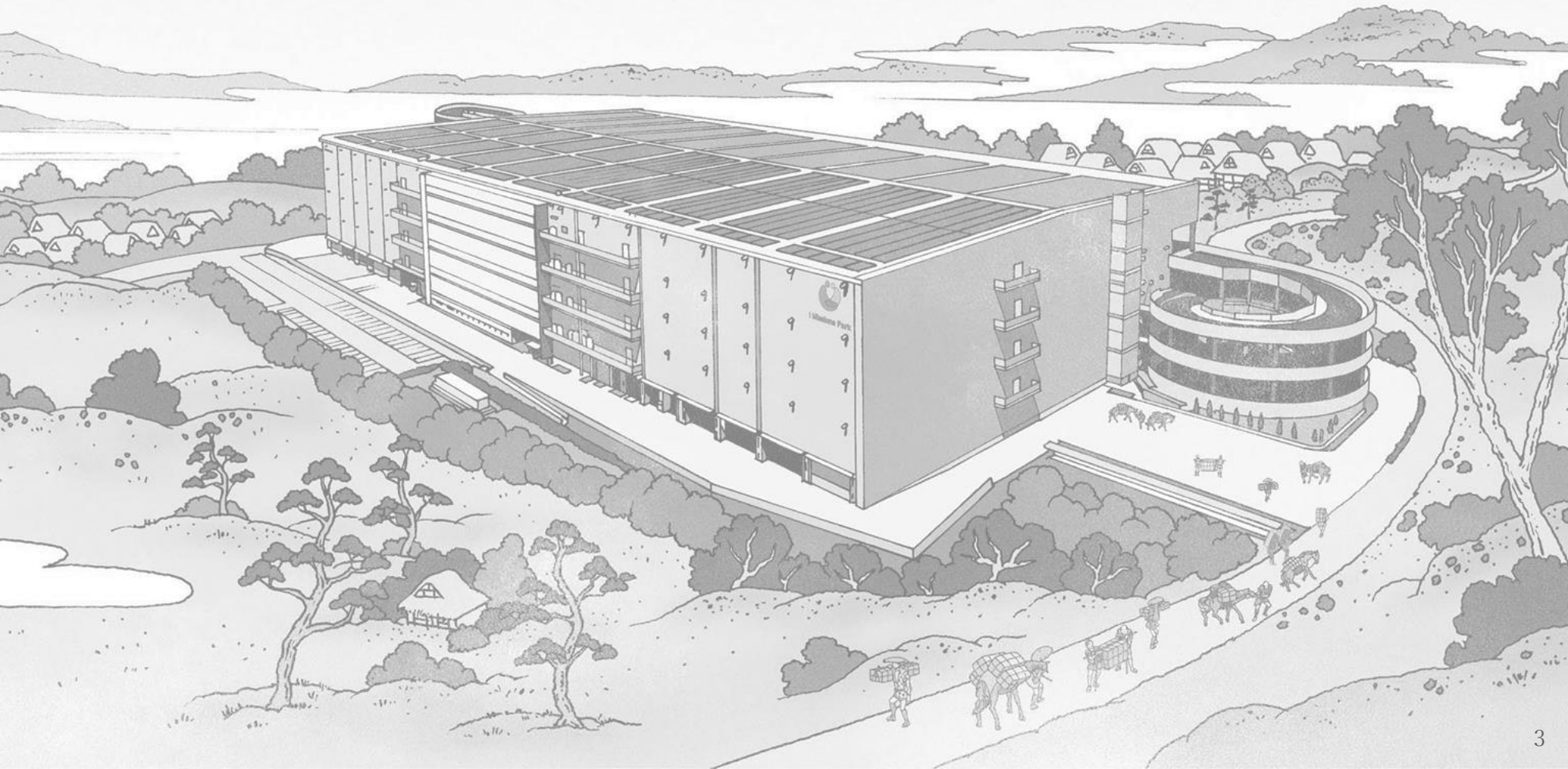


# Table of Contents



<b>Financial Results</b>	P.3
<b>Post-acquisition Portfolio</b>	P.10
<b>Growth Strategies</b>	P.15
<b>Market Overview</b>	P.27
<b>Appendix</b>	P.30

# Financial Results



# Highlights

## - Steady Growth Achieved with Selective Investment and Stable Management -

Proactive measures resulted in better-than-expected results,  
continuing increase in revenues, profits and distributions

### Operational Highlights <as of the End of the 3rd Fiscal Period (Jan. 2020) >

Appraisal NOI yield **5.1%**  
Actual NOI yield **5.2%**  
(based on acquisition price)

Occupancy rate  
**100.0%**

Appraisal value  
3rd FP (Jan. 2020) **64.2 BN Yen**  
2nd FP (July 2019) 63.5 BN Yen

NAV per unit  
3rd FP (Jan. 2020) **116,026 yen**  
2nd FP (July 2019) 113,026 yen  
(+2.7%)

Unrealized gains  
3rd FP (Jan. 2020) **6.2 BN Yen**  
(ratio of unrealized gain 10.7%)  
2nd FP (July 2019) 5.0 BN Yen  
(ratio of unrealized gain 8.6%)

DPU  
(including surplus cash distribution (SCD))  
2nd FP (July 2019) **2,311 yen**  
3rd FP (Jan. 2020) **2,395 yen**  
**+3.6%**  
(period on period)

### Highlights of Initiatives and Measures

#### External Growth

- Acquired two quality properties through **the first follow-on offering** and improved unitholder value
- Expanded the asset size by **43%** to **84.1 billion yen** (based on acquisition price)

#### Internal Growth

- Extended lease term through the first post-IPO retensing
- To further improve NOI, implemented thorough cost reduction measures and monetization of unused space such as roof top (effective utilization of assets)
  - Concluded green lease agreements, reduced insurance expenses and electricity charges, and worked to realize rooftop lease for solar panel installation

#### Financial Strategies

- Maintained LTV in the 30% range** (based on total assets) through the first follow-on offering  
(Forecast as of the end of the 5th fiscal period (Jan. 2021) after payment of consumption tax loans <sup>\*1</sup>: 39.6%)
- Financing capacities when raising LTV (based on total assets) to 45% is **8.5 billion yen**
- Further diversified lenders and means of financing, with four new lenders joining bank formation, and issuance of the first investment corporation bonds

#### ESG

- Issued IAL's first investment corporation bonds (Green Bonds)**
- Grasped expected standards of ESG through dialogue with many investors and external certification, such as BELS and GRESB, and reflected them in the asset management policy
- Aim to enhance governance by amending the Articles of Incorporation to revise asset management fees and asset disposition fees at the first post-IPO general unitholders' meeting (scheduled to be held in April 2020)

<sup>\*1</sup> Consumption tax loans refer to loans to be repaid before their maturity dates with consumption tax refund for asset acquisition. The forecast as of the end of the 5th fiscal period (after repayment of consumption tax loans) is an amount calculated on the assumption that the relevant consumption has been prepaid.

<sup>\*2</sup> Please refer to page 5 and onward for the definitions and calculation methods for the terms described in this page.



# Financial Results of the 3rd Fiscal Period (Jan. 2020)

## DPU

3rd fiscal period (Jan. 2020) Actual **2,395 yen**  
vs forecast +29 yen (+1.2%) / period on period +84 yen (+3.6%)

## FFO per Unit

3rd fiscal period (Jan. 2020) Actual **3,421 yen**  
vs forecast +42 yen (+1.2%) / period on period +119 yen (+3.6%)

(MN Yen)	2nd fiscal period (July 2019)	3rd fiscal period (Jan. 2020)		
	Actual	Forecast (announced on Sep. 13, 2019) (A)	Actual (B)	Difference (B) - (A)
Operating revenues	1,718	1,764	1,759	-4
Operating income	810	822	839	+16
Ordinary income	733	744	760	+15
Net income	732	743	759	+15
DPU (including surplus cash distribution (SCD))	2,311 yen	2,366 yen	2,395 yen	+29 yen
DPU (excluding SCD)	2,050 yen	2,082 yen	2,126 yen	+44 yen
SCD per unit	261 yen	284 yen	269 yen	-15 yen
FFO	1,179	1,206	1,221	+15
FFO payout ratio	70.0%	70.0%	70.0%	-
Ratio of SCD to depreciation	20.8%	21.9%	20.8%	-1.1 pt
FFO per unit	3,302 yen	3,379 yen	3,421 yen	+42 yen
AFFO	1,186	1,201	1,225	+23
AFFO payout ratio	69.5%	70.3%	69.8%	-0.5 pt
AFFO per unit	3,323 yen	3,364 yen	3,430 yen	+66 yen

## Breakdown of Difference

(3rd FP forecast vs 3rd FP actual)

### 【Operating revenues】

Decrease in utility revenues - 5

### 【Operating income】

Decrease in building management expenses + 1

Decrease in utility expenses + 6

Decrease in repair expenses + 4

Increase in property and city planning taxes - 1

Increase in asset management fees - 1

Decrease in administrative service fees + 3

Decrease in attorneys' fees + 1

Decrease in public accountants and tax accountants' fees + 1

### 【Ordinary income】

One-time charges arising from the switching of insurance policies to improve insurance expenses - 1

\* FFO is calculated by adding depreciation costs for the applicable fiscal period to net income (excluding gain or loss on the sale of real estate).  
AFFO is calculated by deducting capital expenditures from FFO, and adding loan-related non-cash expenses.  
FFO (AFFO) payout ratio is calculated by dividing the sum of total distributions and total surplus cash distributions by FFO (AFFO), rounded to the first decimal place.

# Acquisition of New Properties with Follow-on Offering

Launch of the first follow-on offering at a NAV premium\* contributed to unitholder value improvement. Asset size grows to 84.1 billion yen.

\*Please refer to the Appendix for changes in investment unit prices.

## Overview of Newly Acquired Properties

Total (anticipated) acquisition price  
**25,270 MN Yen**  
(-4.4% vs appraisal value)

Total appraisal value  
**26,440 MN Yen**

Average appraisal NOI yield  
(based on (anticipated) acquisition price)  
**4.8%**  
(post-acquisition portfolio: 5.0%)

Ratio of properties located around National Route 16  
**100.0%**

Average property age  
(based on (anticipated) acquisition price)  
(as of Apr. 1, 2020)  
**1.7 years**

**i Missions Park Kashiwa 2**  
(70% quasi-co-ownership interest)



Acquired on Feb. 3

Acquisition price	19,600 MN Yen
Appraisal value	20,500 MN Yen
Appraisal NOI yield	4.8%
Property age (as of Apr. 1, 2020)	1.6 years

**i Missions Park Inzai**  
(20% quasi-co-ownership interest) **(The property is to be fully owned through this additional acquisition)**



To be acquired on Apr. 1

Acquisition price	5,670 MN Yen
Appraisal value	5,940 MN Yen
Appraisal NOI yield	4.9%
Property age (as of Apr. 1, 2020)	2.1 years

## Overview of the First Public Offering

### Properties to be acquired

As of the end of the 3rd FP  
(Jan. 2020)

Number of properties	<b>8 properties</b>
(Anticipated) acquisition price	<b>58,830 MN Yen</b>
Appraisal value	<b>63,545 MN Yen</b>
(Average) appraisal NOI yield	<b>5.1%</b>
NAV per unit	<b>116,026 yen</b>
Market capitalization	<b>45,071 MN Yen</b>
Number of investment units issued	<b>357,143 units</b>

**i Missions Park Kashiwa 2**  
(70% quasi-co-ownership interest)

**i Missions Park Inzai**  
(20% quasi-co-ownership interest)  
(additional acquisition)

Total

<b>1 property</b>	<b>1 property *1</b>	<b>2 properties *2</b>
<b>19,600 MN Yen</b>	<b>5,670 MN Yen</b>	<b>25,270 MN Yen</b>
<b>20,500 MN Yen</b>	<b>5,940 MN Yen</b>	<b>26,440 MN Yen</b>
<b>4.8%</b>	<b>4.9%</b>	<b>4.8%</b>
-	-	-
-	-	-
-	-	-

After acquisition of the assets to be acquired

<b>9 properties</b>
<b>84,100 MN Yen</b>
<b>89,985 MN Yen</b>
<b>5.0%</b>
<b>117,443 yen *3</b>
<b>59,541 MN Yen *4</b>
<b>486,000 units</b>

- Additionally acquired young properties located around National Route 16 (100% occupied by quality tenants under long-term lease agreements) at appropriate NOI yield level
- Expanded the asset size and increased distributions and NAV, while maintaining LTV in the 30% range
- Further improved the portfolio by incorporating quality properties
- Enhanced unitholder value by selecting an appropriate timing for the offering, keeping in mind NAV multiple and implied cap rate, etc.

**ITOCHU Corporation maintains its investment ratio of 7% even after the first follow-on offering**



\*1 Additional acquisition of quasi-co-ownership.

\*2 Including additional acquisition of quasi-co-ownership.

\*3 NAV per unit after acquisition of the newly acquired properties is calculated using the following formula: (NAV as of the end of the 3rd fiscal period (January 2020) + Total amount of issue price + Total appraisal value of newly acquired properties – Total acquisition price of newly acquired properties) / Total number of investment units issued and outstanding after acquisition of the newly acquired properties

\*4 Market capitalization after acquisition of the newly acquired properties is calculated using the following formula:

Market capitalization as of the end of the 3rd fiscal period (January 2020) + Total amount of issue price

# Earning Forecasts for the 4th Fiscal Period (July 2020) and the 5th Fiscal Period (Jan. 2021)

(MN Yen)	3rd fiscal period (Jan. 2020)	4th fiscal period (July 2020)		5th fiscal period (Jan. 2021)
	Actual (A)	Forecast (announced on Jan. 16, 2020) (B)	Difference (B) – (A)	Forecast (announced on Jan. 16, 2020)
Operating revenues	1,759	2,405	+645	2,458
Operating income	839	1,173	+334	1,193
Ordinary income	760	1,015	+255	1,078
Net income	759	1,014	+255	1,077
DPU (including surplus cash distribution (SCD))	2,395 yen	2,382 yen	-13 yen	2,497 yen
DPU (excluding SCD)	2,126 yen	2,088 yen	-38 yen	2,217 yen
SCD per unit	269 yen	294 yen	+25 yen	280 yen
FFO	1,221	1,653	+431	1,733
FFO payout ratio	70.0%	70.0%	-	70.0%
Ratio of SCD to depreciation	20.8%	22.4%	+1.6pt	20.8%
FFO per unit	3,421 yen	3,401 yen	-20 yen	3,565 yen
AFFO	1,225	1,644	+419	1,744
AFFO payout ratio	69.8%	70.4%	+0.6pt	69.6%
AFFO per unit	3,430 yen	3,383 yen	-47 yen	3,590 yen

## Breakdown of Difference

(3rd FP actual vs 4th FP forecast)

### 【Operating revenues】

Increase in revenues due to newly acquired 2 properties

(IMP Inzai (20% quasi-co-ownership interest) only contributes for 4 months)

Increase in rent revenues +645

Increase in utility revenues +4

### 【Operating income】

Increase in expenses due to newly acquired 2 properties

Increase in utility expenses - 4

Increase in repair expenses - 4

Increase in PM fees - 1

Increase in insurance expenses - 2

Increase in depreciation costs -175

Increase in asset management fees -71

Increase in administrative service fees - 5

Increase in sponsor support business outsourcing expenses - 5

Start of expensing of property and city planning taxes on properties

acquired in 2019 - 12

Expenses related to general meeting of unitholders -10

Increase in attorneys' fees (including fees for general meeting of unitholders) - 3

Increase in public accountants and tax accountants' fees - 1

Increase in sponsorship support outsourcing expenses due to changes in rates - 5

### 【Ordinary income】

Increase in loan-related expenses

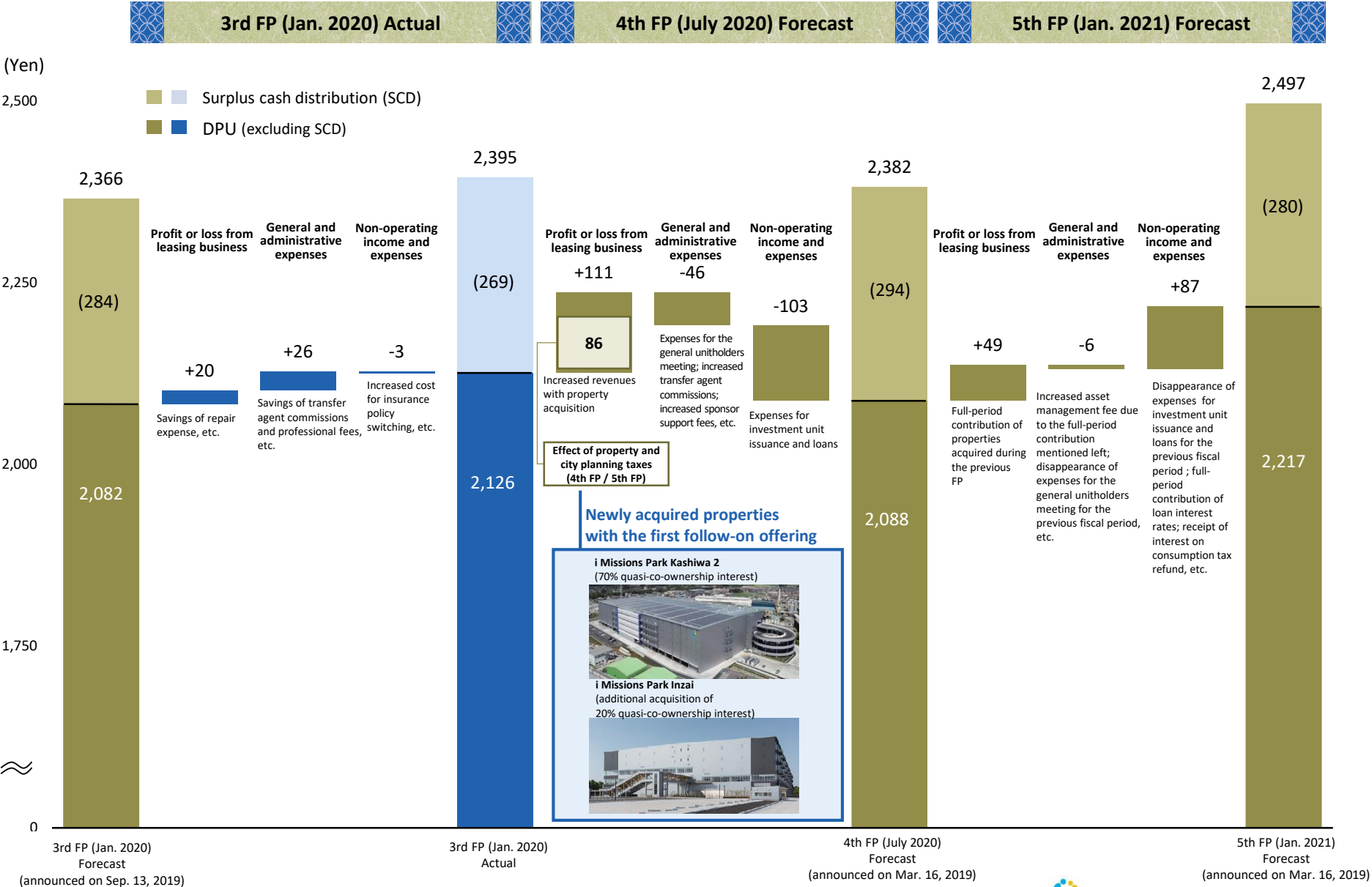
due to property acquisition - 43

Expenses for the issuance cost of new investment units - 36

\* The forecasts are calculated on the assumption that there will be no additional property acquisition during the period excluding the properties to be acquired in connection with the first follow-on offering.



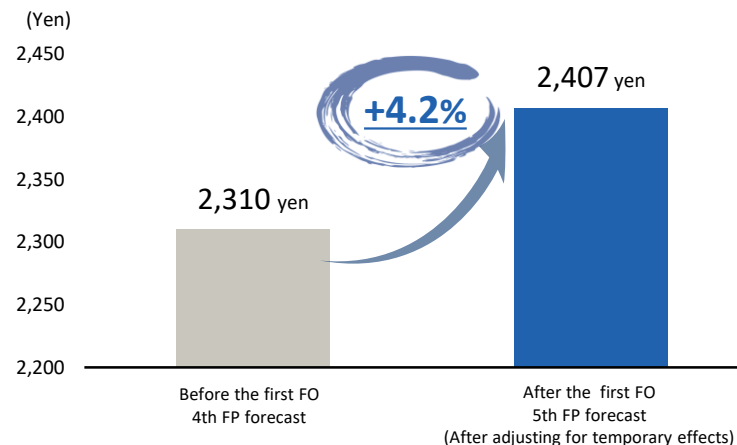
# Change of DPU



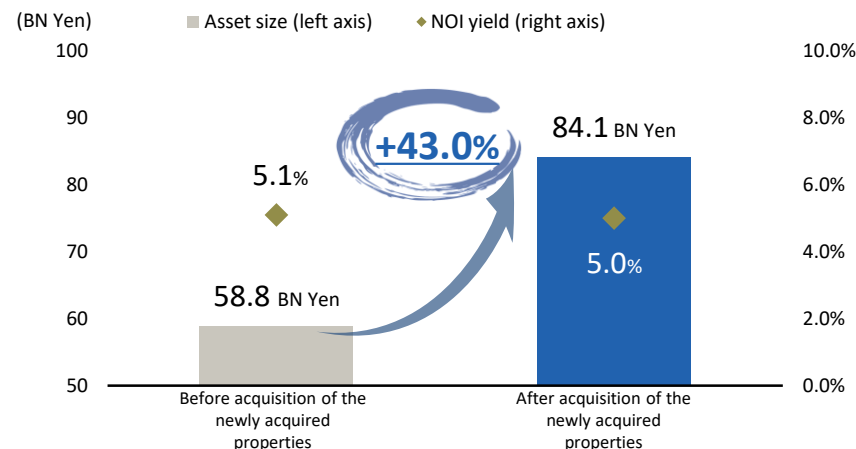
# Timely Follow-on Offering Contributed to Enhancement of Unitholder Value and Expansion of Property Acquisition Capacity

Achieved steady growth of DPU and NAV per unit, as well as asset size expansion  
Meanwhile, maintained the portfolio NOI yield and LTV at pre-offering level, further expanding the property acquisition capacity

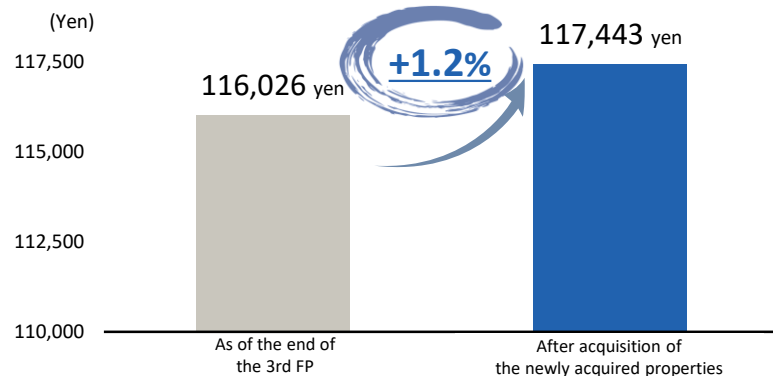
## Achieved Growth in Normalized DPU



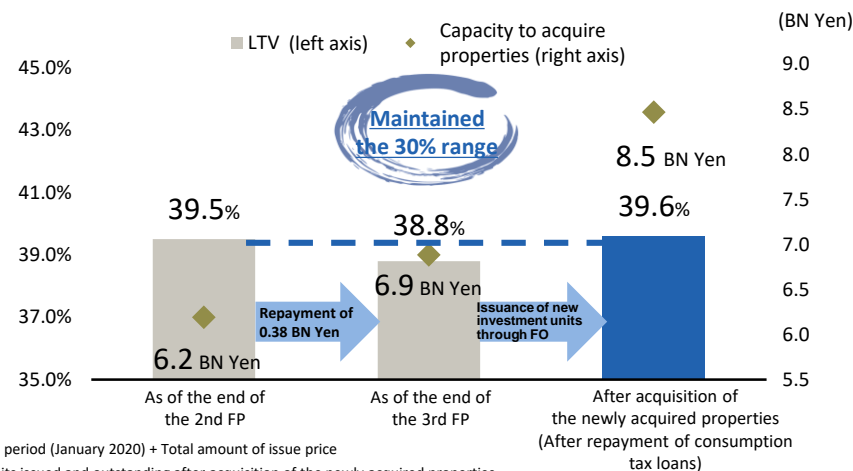
## Maintained NOI Yield while Expanding Asset Size



## Achieved Growth in NAV per Unit



## Maintained LTV Level and Increased Acquisition Capacity

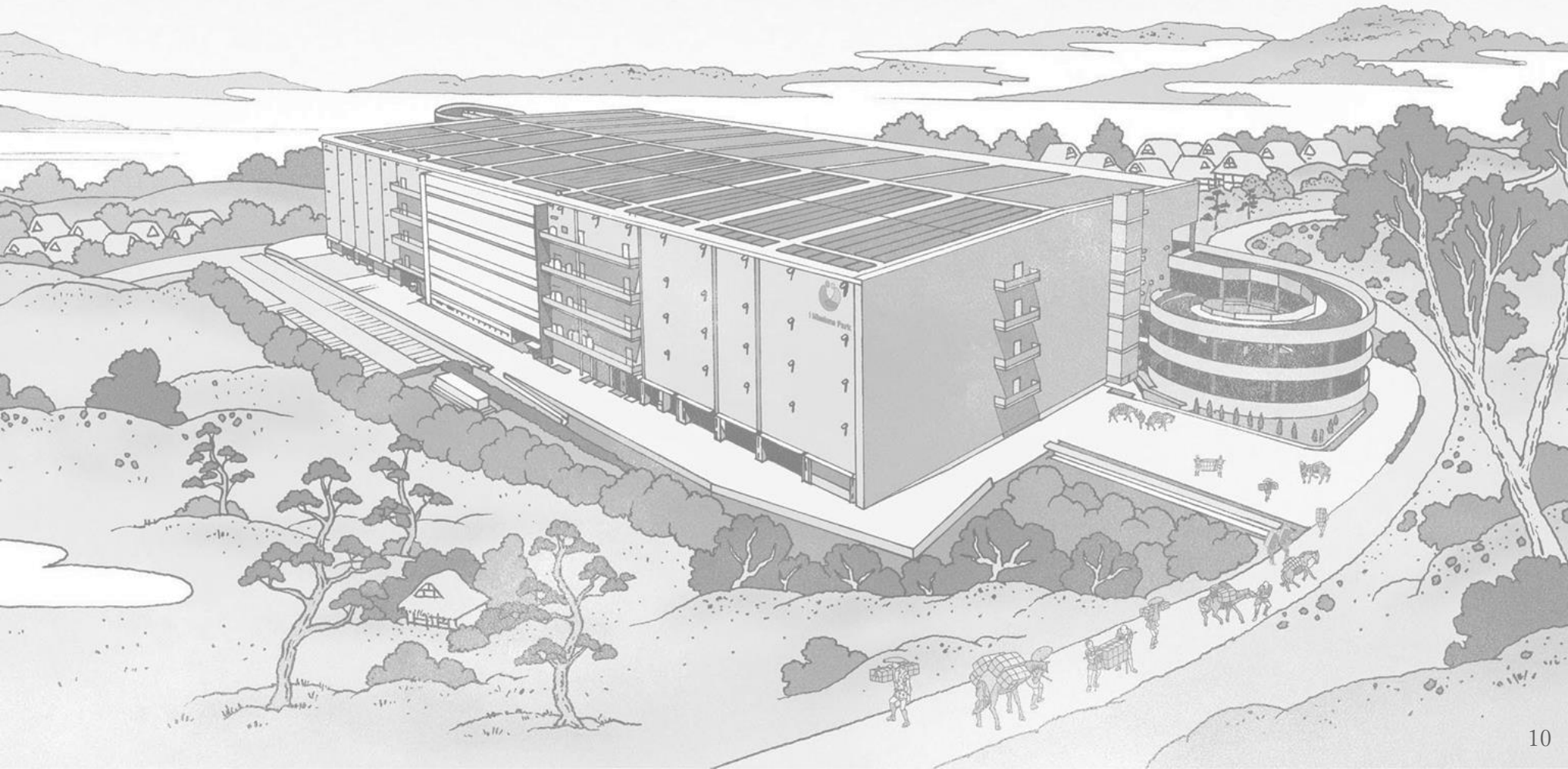


\*1 Asset sizes are indicated based on acquisition price.

\*2 NAV per unit after acquisition of the newly acquired properties is calculated using the following formula: (NAV as of the end of the 3rd fiscal period (January 2020) + Total amount of issue price + Total appraisal value of newly acquired properties - Total acquisition price of newly acquired properties) / Total number of investment units issued and outstanding after acquisition of the newly acquired properties

\*3 For the estimate of DPU after adjustment of temporary effect for the 5th fiscal period of 2,407 yen, please refer to "Supplementary Materials for the Press Release dated January 6, 2020 (After Reflecting Information Disclosed in the Press Release dated January 24, 2020)" dated February 12, 2020

# Post-acquisition Portfolio

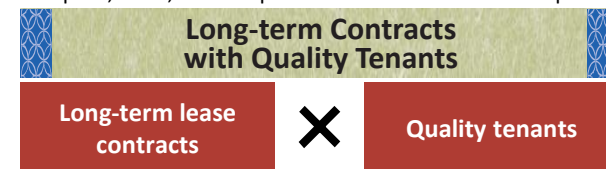
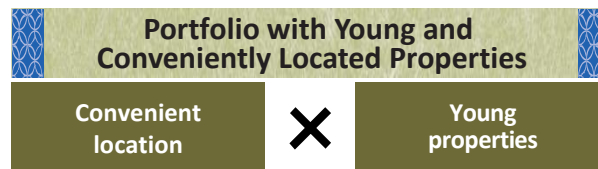
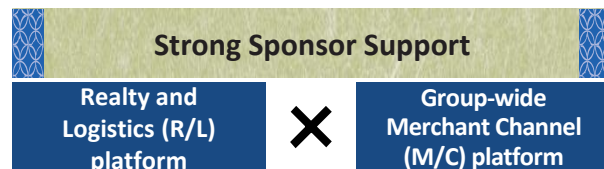




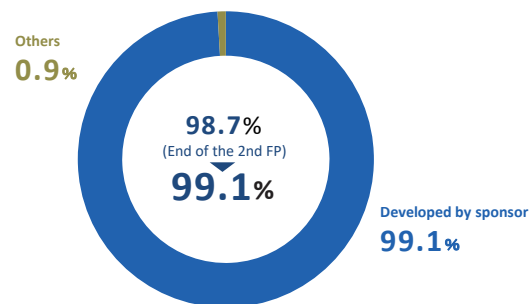
# Acquisition of Quality Properties Further Improves the Portfolio

Further improved the quality portfolio which is characterized by long-term stability achieved through selective investment, tenant stickiness, and strong sponsor support

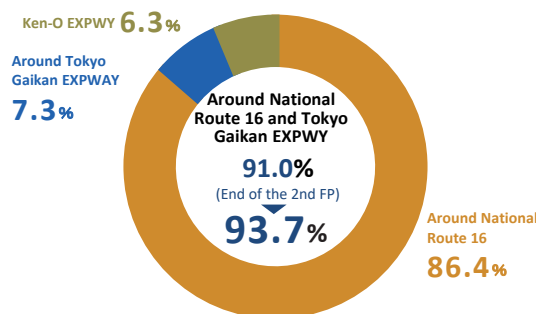
(as of Apr. 1, 2020; after acquisition of the assets to be acquired)



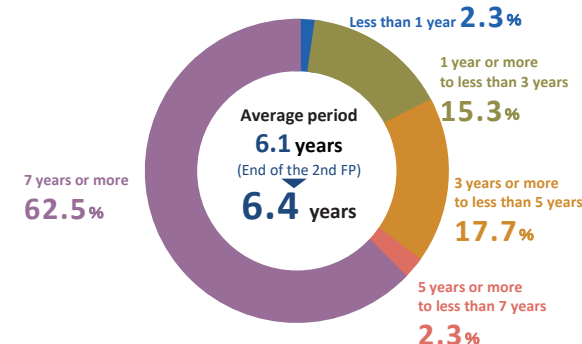
**Properties developed by sponsor**  
(based on acquisition price)



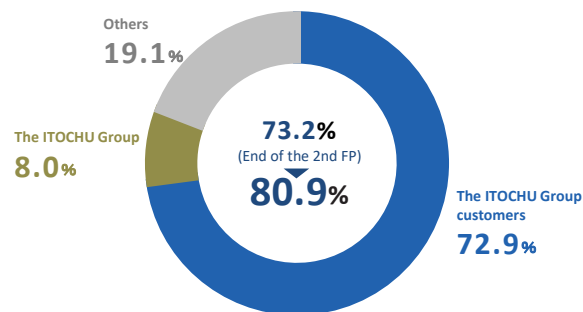
**Location**  
(based on acquisition price)



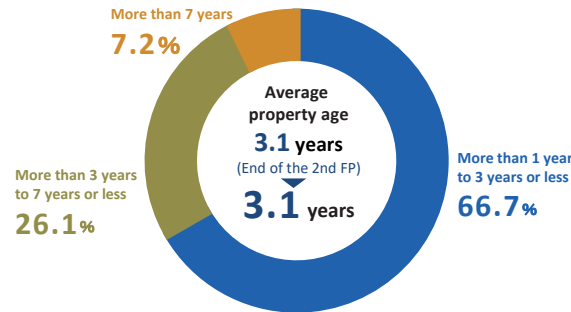
**Remaining lease term**  
(based on annual rent)



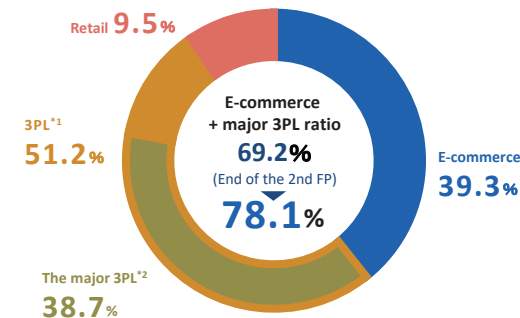
**The ITOCHU Group and the Group customer tenant**  
(based on annual rent)



**Property age**  
(based on acquisition price)



**Tenant industry**  
(based on annual rent)



\* Ratios are rounded to the first decimal place.

\*1 3PL stands for third-party logistics, which is defined as a firm or a third party that offers a comprehensive logistics innovation to shippers from product orders and inventory management, and is entrusted with comprehensive logistics services.

\*2 Large 3PLs mean 3PLs with consolidated sales exceeding 100 billion yen including such 3PLs.



# Post-acquisition Portfolio

## Portfolio expanded with the acquisition of two new properties



ITOCHU Advance Logistics Investment Corporation

### Post-acquisition Portfolio

9 properties / Total floor area 364,059m<sup>2</sup>



i Missions Park Noda



i Missions Park Inzai



i Missions Park Kashiwa 2  
(70% quasi-co-ownership interest)



i Missions Park Atsugi



i Missions Park Chiba-Kita



i Missions Park Kashiwa



i Missions Park Misato



i Missions Park Moriya



i Missions Park Moriya 2

### Newly Acquired Property i Missions Park Kashiwa 2



Advanced logistics facilities regarded as a flagship logistics center of Hitachi Transport System, Ltd., a Japanese leading 3PL operator, in the area around National Route 16

- Convenient location close to Kashiwa Interchange, where National Route 16 and Joban Expressway cross
- The entire building is leased on a long-term basis to Hitachi Transport, which positions the property as its flagship logistics center in the area around National Route 16
- Equipped with double rampways and truck berths on the first to fourth floors, general functionality is ensured, making the property adaptable to multi-tenant use in the future

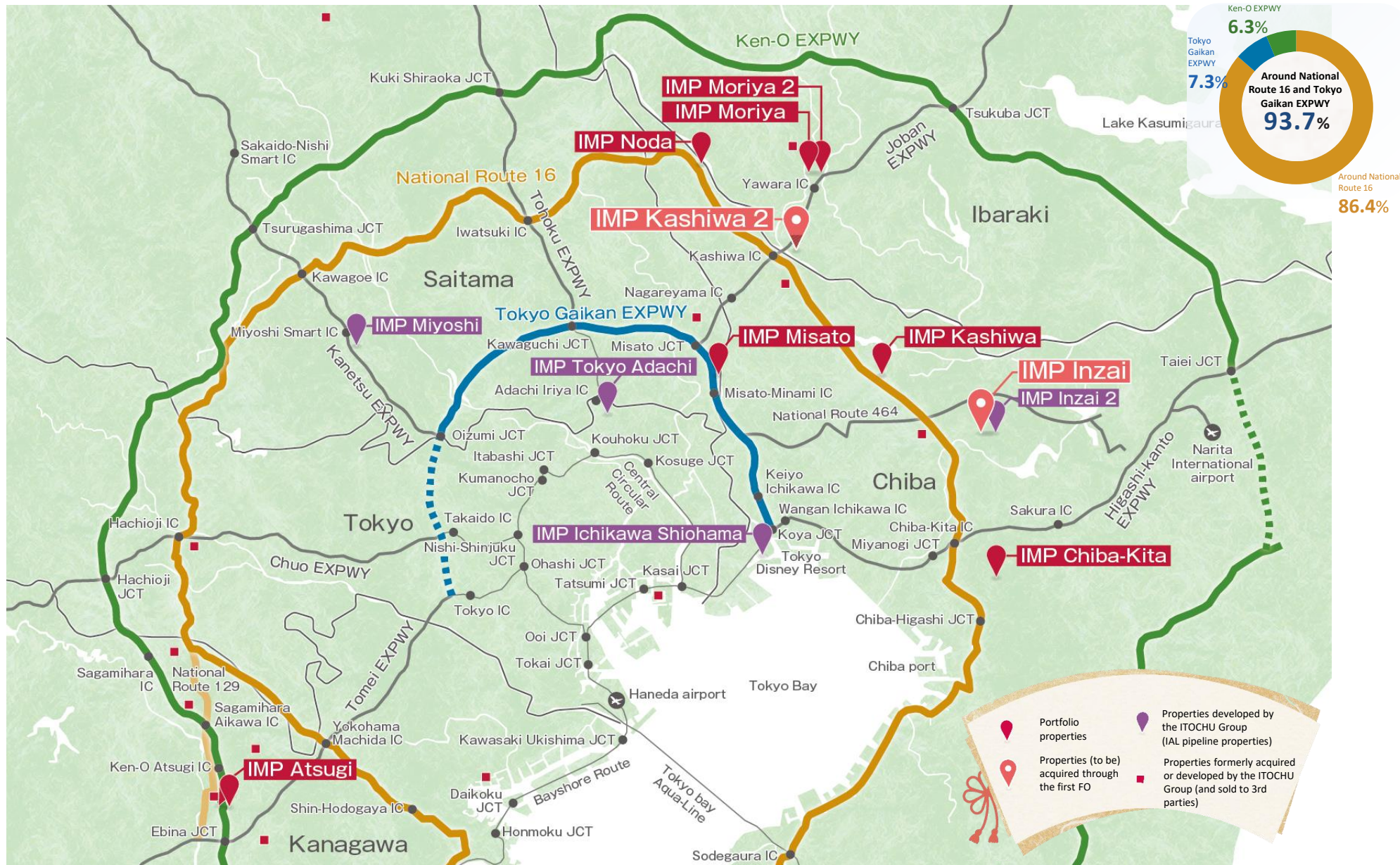


\* The properties surrounded with a blue dashed line are properties to be acquired in the fiscal period ending July 2020. The acquisition of i Missions Park Kashiwa2 (70% quasi-co-ownership interest) was completed on February 3, 2020. i Missions Park Inzai is to be fully owned through additional acquisition of 20% quasi-co-ownership interest on April 1, 2020.





# Portfolio MAP



\* "IMP" in the name of properties is an abbreviation for logistics facilities named "i Missions Park" developed by the ITOCHU Group.



# Incorporation of Quality Properties Further Enhances the Portfolio

## Acquisition of new assets further enhances long-term stability of the portfolio

Category	Property No.	Property name	Location	Acquisition price (MN Yen)	Book value at the end of the period (MN Yen) (*1)	Appraisal value (MN Yen)	Unrealized gains (MN Yen) (*1)	Appraisal NOI yield (%) (*2)	Total floor area (m <sup>2</sup> ) (*3)	Property age (years) (*4)	Occupancy rate (%) (*5)
Acquired properties	L-1	i Missions Park Atsugi	Atsugi City, Kanagawa	5,300	5,260	5,850	589	5.0	Bld. A: 3,909.97 Bld. B: 15,387.63	7.6	100.0
	L-2	i Missions Park Kashiwa	Kashiwa City, Chiba	6,140	6,058	6,840	781	5.1	31,976.44	5.0	100.0
	L-3	i Missions Park Noda	Noda City, Chiba	12,600	12,420	13,700	1,279	4.9	62,750.90	4.1	99.5
	L-4	i Missions Park Moriya	Tsukuba Mirai City, Ibaraki	3,200	3,143	3,450	306	5.2	18,680.16	3.0	100.0
	L-5	i Missions Park Misato	Misato City, Saitama	6,100	6,034	6,930	895	5.0	22,506.53	2.7	100.0
	L-6	i Missions Park Chiba-Kita	Chiba City, Chiba	2,600	2,581	2,840	258	5.3	9,841.24	2.3	100.0
	L-7	i Missions Park Inzai (80% quasi-co-ownership interest)	Inzai City, Chiba	22,140	21,777	23,800	2,022	5.1	110,022.51 (88,018.00)	2.1	100.0
	L-8	i Missions Park Moriya 2	Tsukuba Mirai City, Ibaraki	750	756	848	91	6.6	6,779.95	25.3	100.0
Total / Average (3rd fiscal period (Jan. 2020))				58,830	58,032	64,258	6,225	5.1	281,855.33 (259,850.82)	3.8	99.9
Newly acquired Properties	L-9	i Missions Park Kashiwa 2 (70% quasi-co-ownership interest)	Kashiwa City, Chiba	19,600	—	20,500	—	4.8	117,435.21 (82,204.64)	1.6	100.0
	L-7 (additional portion)	i Missions Park Inzai (20% quasi-co-ownership interest) *to be fully owned through additional acquisition	Inzai City, Chiba	5,670	—	5,940	—	4.9	110,022.51 (22,004.50)	2.1	100.0
Total / Average (as of the end of April 1, 2020) (Projection)				84,100	—	90,698	—	5.0	399,290.54 (364,059.97)	3.1	99.9

\*1 Book value at the end of the fiscal period and unrealized gains are rounded down to the nearest unit.

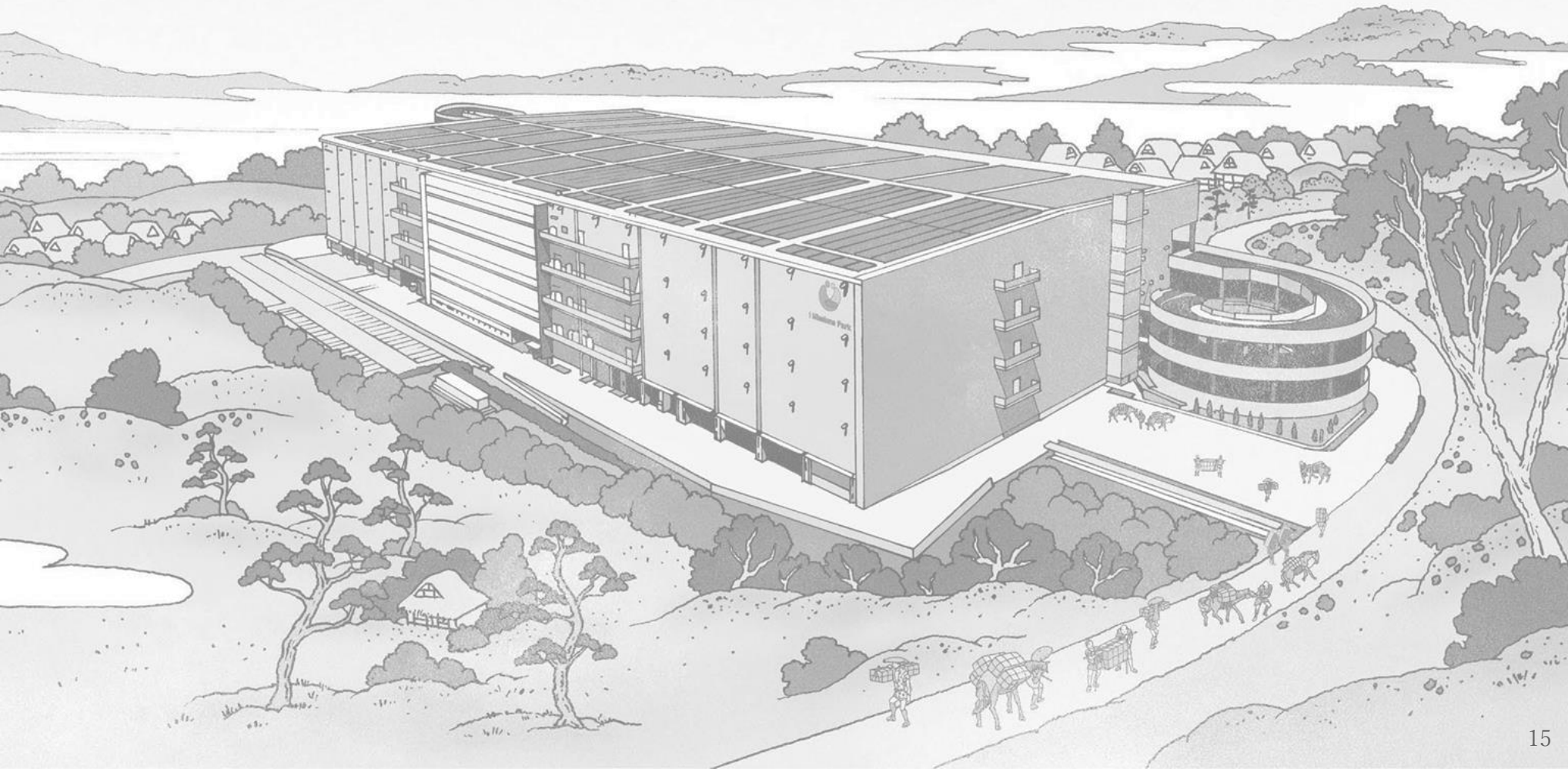
\*2 Appraisal NOI yield is based on acquisition price. Figures are rounded to the first decimal place.

\*3 For i Missions Park Inzai and i Missions Park Inzai 2, the figure in parentheses under total floor area is calculated in proportion to IAL's quasi-co-ownership interest to the property, rounded down to the second decimal place.

\*4 Property age is calculated as of April 1, 2020 and rounded to the first decimal place.

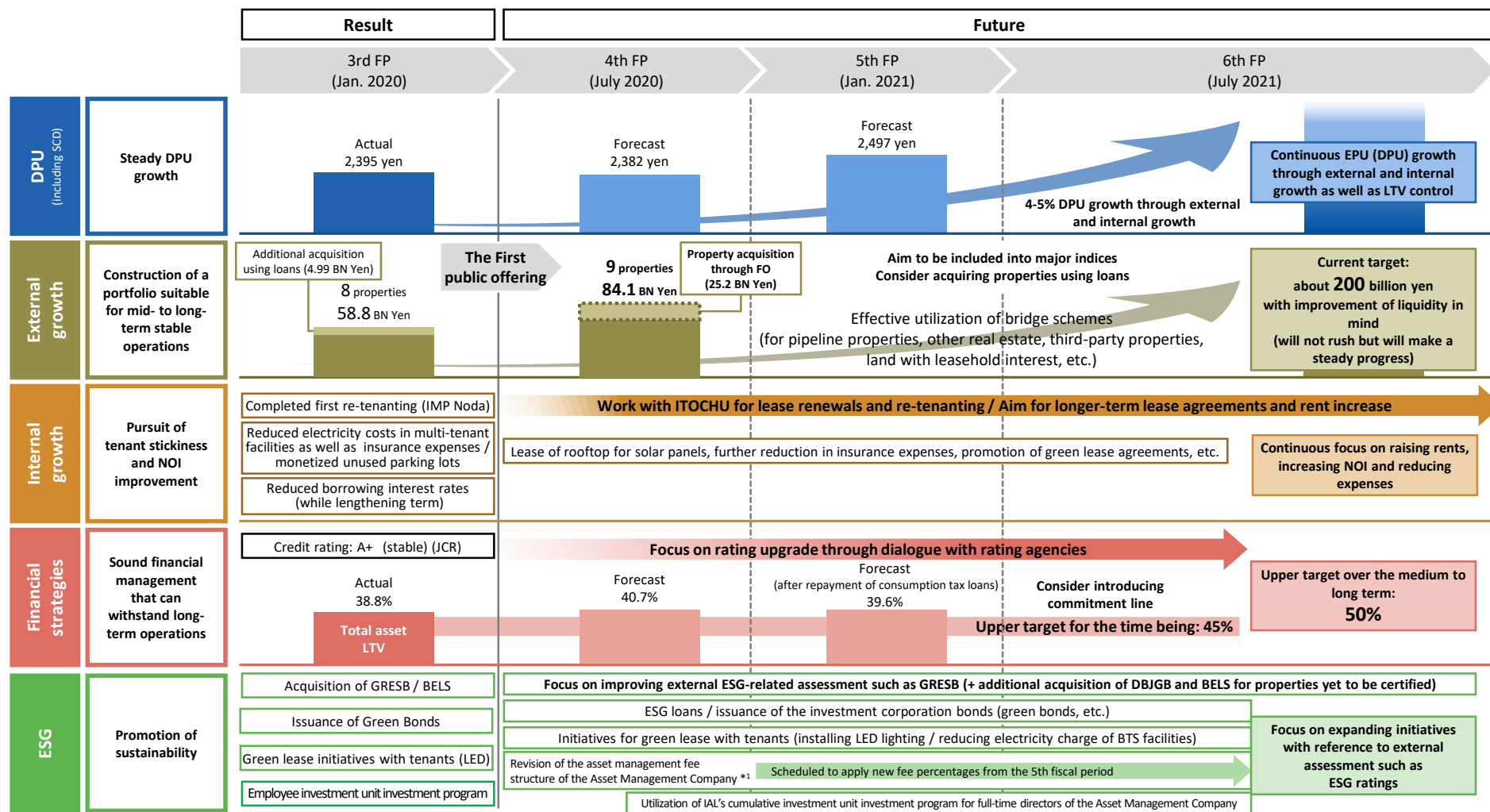
\*5 Occupancy rates are the projected figures as of April 1, 2020, and indicate the ratio of leased area to leasable area, rounded to the first decimal place. For i Missions Park Noda, the lease on part of the lot (13,336.79m<sup>2</sup>) was terminated as of February 29, 2020 due to lease expiration, and new lease agreement was concluded with new tenant for part of the relevant lot (13,014.24m<sup>2</sup>) and came into effect on March 1, 2020. The occupancy rate of i Missions Park Noda reflects these facts.

# Growth Strategies



# Strategic Roadmap

By steadily building up a track record, aim for long-term stable operation which contributes to unitholder value enhancement



\*1 Scheduled to submit to the general unitholders meeting on April 28, 2020



# External Growth Strategies

## Steady Expansion of Asset Size through Selective Investment in Quality Properties

Build a high-quality portfolio by carefully selecting quality properties suitable for mid- to long-term stable operations

### <Portfolio Management Policy>

Carefully select quality properties that would not damage the quality and profitability of existing portfolio, and acquire such properties at an appropriate NOI yield level

### <Properties>

#### Sponsor-Developed Properties

Continue acquisition of properties at an appropriate NOI yield level for each area, by taking advantage of the sponsor support

Properties owned / developed by the ITOCHU Group: 5 properties with total floor area of 158,066m<sup>2</sup>



27,872m<sup>2</sup>

i Missions Park Tokyo-Adachi



35,230m<sup>2</sup>

i Missions Park Kashiwa 2  
(30% quasi-co-ownership interest)



26,938m<sup>2</sup>

i Missions Park Inzai 2



10,300m<sup>2</sup>

i Missions Park Miyoshi



57,724m<sup>2</sup>

i Missions Park Ichikawa-Shiohama

All existing pipeline properties are fully occupied and have preferential negotiation rights  
Information on new pipeline properties will be announced upon becoming available

#### Third-party Properties


Identify asset securitization needs of third parties, utilizing the ITOCHU Group's commercial channels and business network

- Logistics real estate capable of realizing tenant stickiness and long-term stable profit  
(Properties in areas other than Kanto and Kansai will also be considered for acquisition)
- Other real estate (process centers, etc.)

Properties with potential for generating relatively high yield

Taking advantage of cash-flow stability typically realized by quality properties, proactively utilize bridge schemes when necessary


- Effective schemes established based on the ITOCHU Group's relationship of trust with financial institutions
- Ensure flexibility for timing of acquisition and take advantage of decrease in book value



i Missions Park Kashiwa 2  
(30% quasi-co-ownership)  
is warehoused in a bridge fund

Example of bridge schemes used for pipeline properties

IAL's interest in i Missions Park Inzai 2 is held by a lease company



### <Capital Policy>

Closely observe market conditions and acquire properties with an appropriate mix of equity, debt, and cash in hand, depending on the situation

# Internal Growth Strategies (1)

## Long-term Stable Cash Flow Secured through ITOCHU Corporation's Leasing Capabilities

Secure long-term stable profitability by timely grasping the customer's location strategy and needs through the ITOCHU Group's network. Also lease the entire building to a quality tenant on a long-term basis for several facilities

### <IAL's fundamental policy on leasing>

To secure stable revenue sources for distributions on a long-term basis

#### IAL's strategy

Focus on long-term lease agreements with quality tenants (place an emphasis on securing tenant stickiness through grasping their locational strategies, among other things)

#### <Opposite strategy>

Focus on leasing of multi-tenanted large-scale facilities (place an emphasis on diversification by increasing the number of contracted tenants)

Ensure general functionality in property specifications and location so that the property will be adaptable to multi-tenant use even in case of a tenant moving out in the future



#### Example of i Missions Park Kashiwa 2

Although the property can be used as multi-tenant facilities \*1, IAL preferred leasing it to a single-tenant facility to a leading 3PL operator as their strategic base, rather than leasing it to several tenants

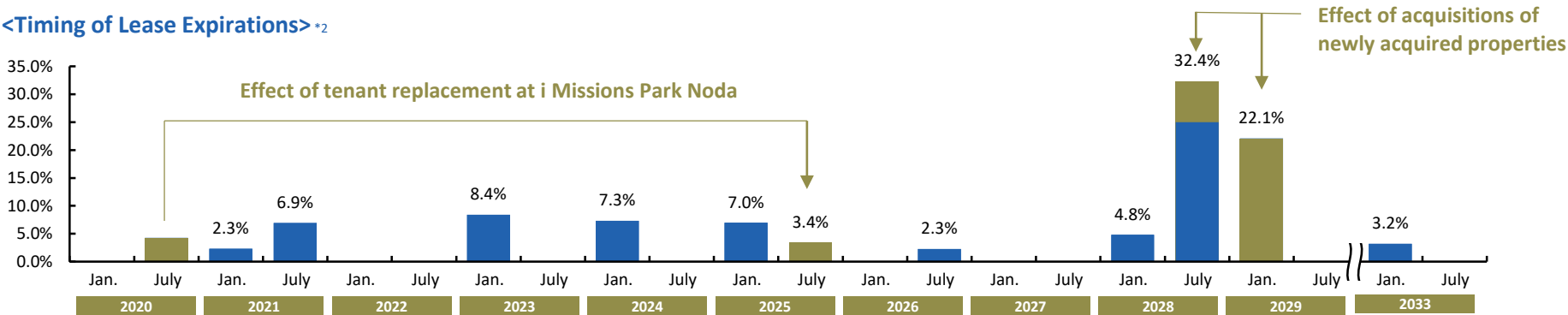
(\*1 The property has a specification that allows it to be divided into spaces, and has a competitive location advantage)

#### <Resources for the above option>

- The ITOCHU Group's network
- ITOCHU Corporation's ability to discover land and develop properties in competitive locations

### Long-term, stable cash flow realized

#### <Timing of Lease Expirations> \*2



\*2 Percentage of annual rent to total rent

# Internal Growth Strategies (2)

Pursuit of NOI Improvement by Thorough Cost Reduction and Monetization in the Properties

Pursuit of Stable Profit by Tenant Stickiness

## Continued to improve NOI by thoroughly generating revenue from unused space and reducing costs

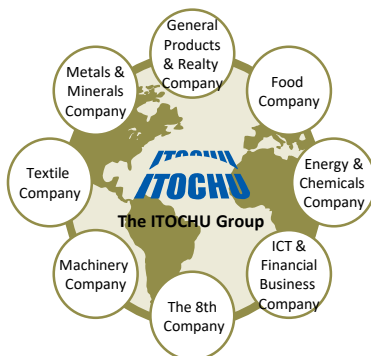
Review of insurance expenses	Change of electricity suppliers	Roof rental	Conclusion of green lease agreements
<b>New!</b> <ul style="list-style-type: none"><li>Expect to reduce insurance expenses taking advantage of additional acquisition of properties</li><li>With expansion of portfolio, aim for further reduction the insurance expenses using economies of scale</li></ul>	<ul style="list-style-type: none"><li>Reduced electricity charges by approx. 25% for IMP Noda and IMP Moriya</li><li><b>Improved tenant satisfaction</b> by reducing electricity charges bourn by tenants</li><li>Plan to continue periodic review</li></ul>	<b>New!</b> <p>Bring into shape the rooftop lease for solar panel installations at i Missions Park Inzai</p>	<b>New!</b> <p>Concluded green lease agreements for LED lighting installed in i Missions Park Moriya2</p>

## “Goyo-kiki” for enhancing tenant satisfaction and further stabilization of profits

“Goyo-kiki” (i.e., provision of solutions by the ITOCHU Group which cater to the unique needs of tenants and customers)

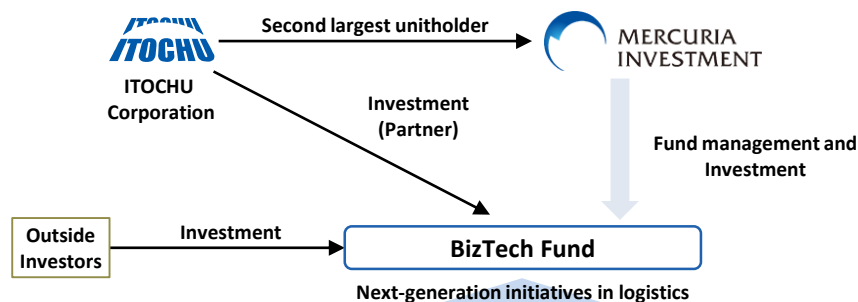
### <Utilization of the ITOCHU Group’s collective strengths>

- Provision of corrugated boards to major E-commerce companies
- Provision of truck delivery systems to major furniture manufacturers
- Provision of call center services to mail order business operators
- Maintenance and inspection of warehouse facilities



### <Building a foundation for next-generation logistics initiatives - Enhancement of mid- to long-term services->

In collaboration with Mercuria Investment Co., Ltd., ITOCHU Corporation formed a fund to invest in innovation areas in real estate and logistics sectors, with an aim to actively deliver services generated by the fund to tenants



### Advancement and labor saving

- Warehouse: Robot, Material handling, Drone
- Transportation: driver matching, IoT delivery hub, automatic driving, RFID



# Financial Strategies (1)

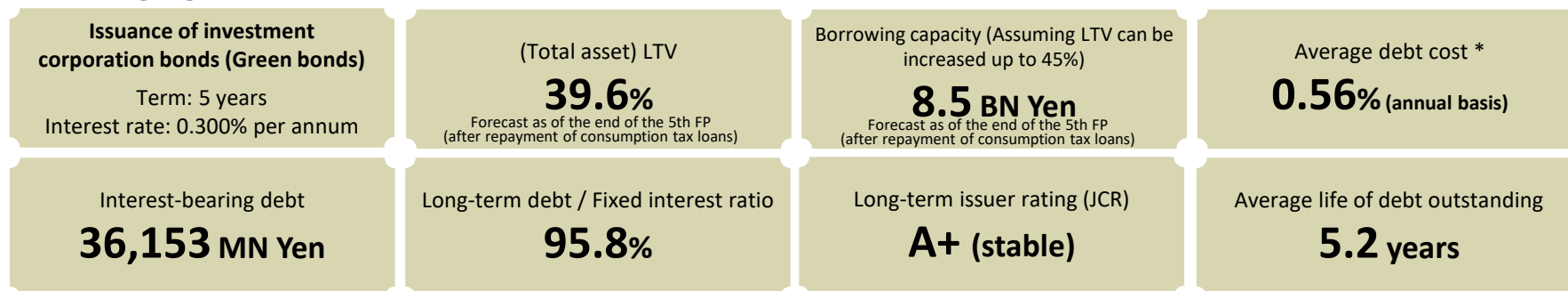
## Establishment of Sound Financial Base That Can Withstand Long-term Operations

### Extended maturity dates, fixed the interest rates, and expanded the lender base Continued financial management with consideration for financial capacities

- Established a stable financial base focused on long-term debt with fixed interest rate, with the bank formation composed mainly of mega-banks
- Expanded the lender base by issuance of investment corporation bonds and borrowing of new loans (from four new lenders)
- Maintained LTV at the 30% range after the first follow-on offering, securing financing capacities

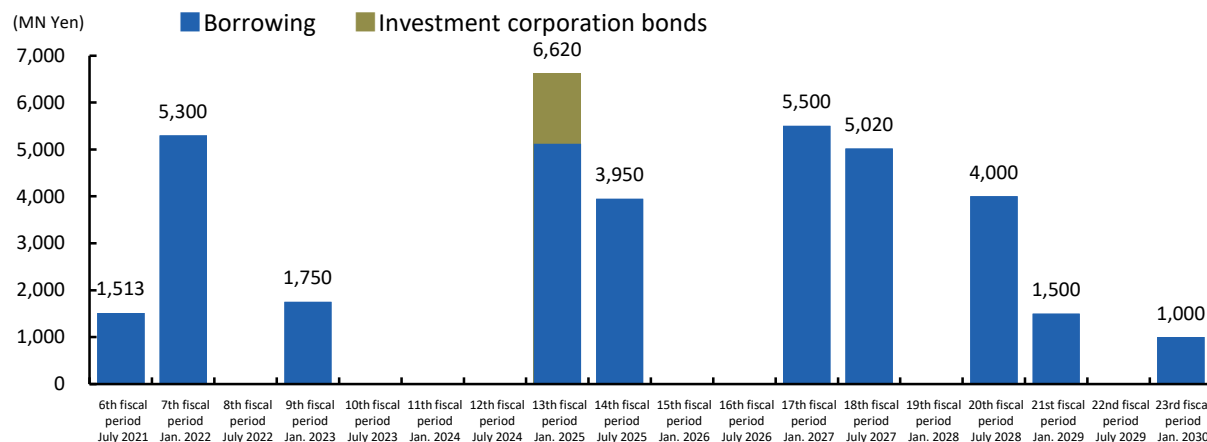
### Financial Highlights

(as of Apr. 1, 2020)



\* Average debt cost is calculated by adding commissions to be amortized depending on the financing period as well as the interest rates applied to borrowings and investment corporation bonds. Borrowings with floating base interest rates are calculated using the one-month Japanese yen TIBOR or three-month Japanese yen TIBOR as of the end of February 2020. Of the borrowings scheduled to be made on March 31, 2020, the base interest rate of the borrowing of 4 billion yen with term of borrowing of eight years is planned to be fixed by interest rate swap, and the calculation is based on the three-month Japanese yen TIBOR as of the end of February 2020.

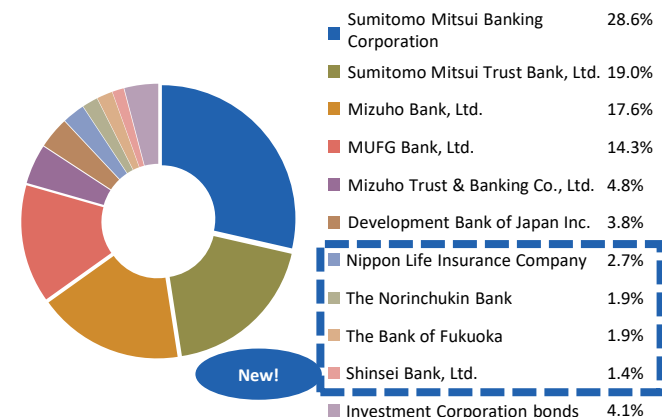
### Maturity Ladder



\* Ratios are rounded to the first decimal place. Borrowings include the borrowings scheduled to be made on March 31, 2020.

### More Diversified Interest-bearing Debt

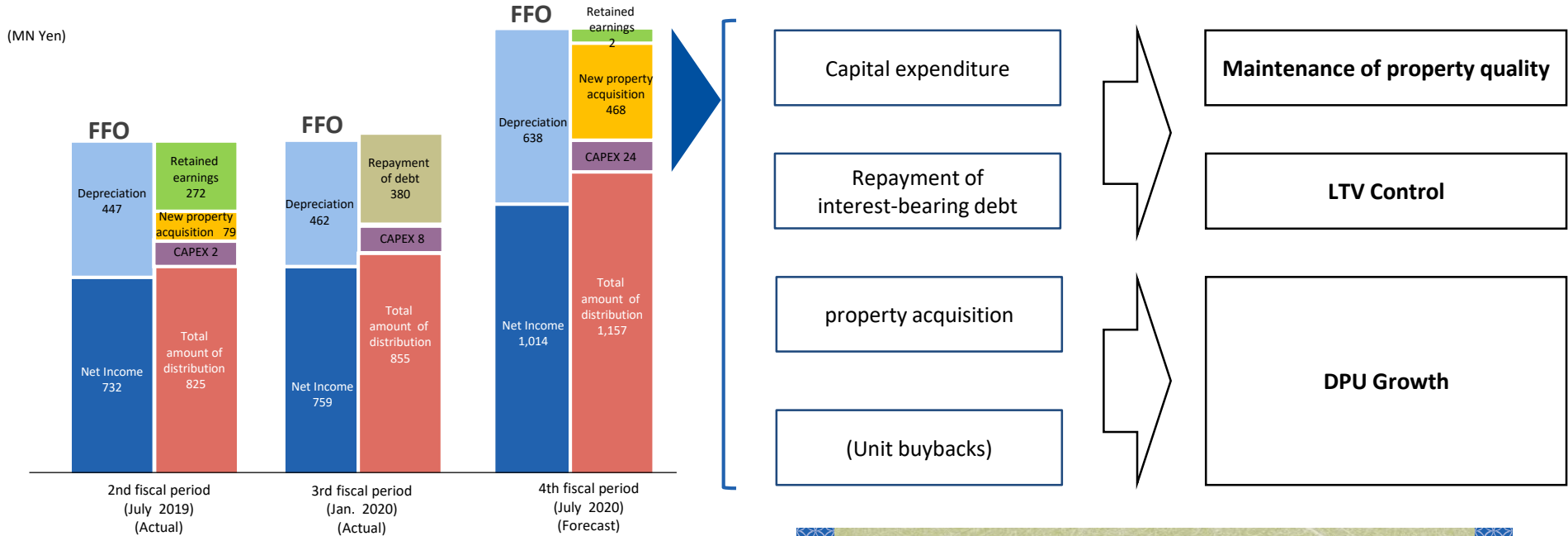
(as of Apr. 1, 2020)



# Financial Strategies (2)

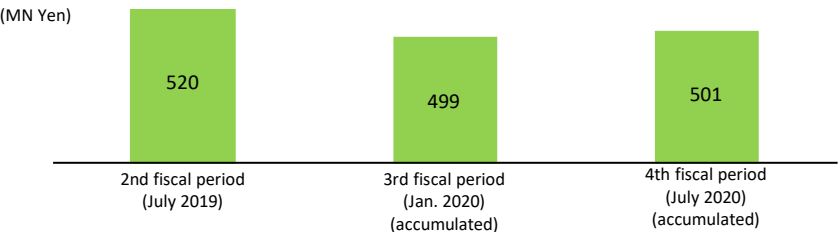
## Solid Cash Management in Preparation for Future Risks

Distribution policy with a guideline set at “70% of FFO” to secure funds which can be applied flexibly towards uses that would contribute the most to the unitholder value enhancement

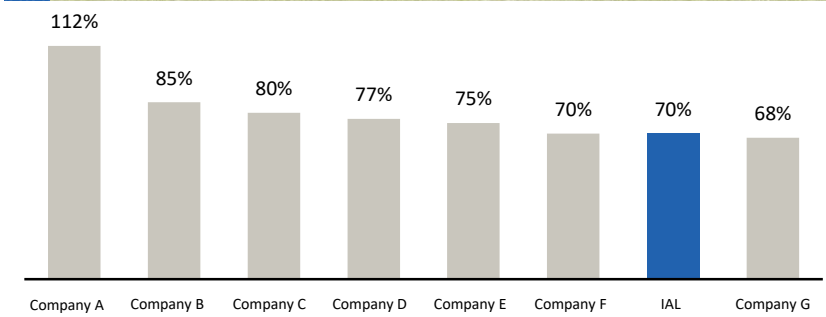


Cash management with an eye on amount of cash in hand

<Accumulated retained earnings>



Comparison of FFO Payout Ratios for J-REITs Specializing in Logistics Facilities



The lower the FFO payout ratio, the more the cash in hand retained

\* Calculated based on the most recent securities report disclosed by each investment corporation as of the date of this document. The payout ratio of the investment corporation which sold properties during the relevant fiscal period may be higher than that for the normal fiscal period.

# ESG Initiatives (1) Basic Policy

## Strong commitment to ESG initiatives



### GRESB Real Estate Assessment

Having been highly recognized for its strong commitment to ESG, IAL was awarded “Green Star” status under GRESB Real Estate Assessment in just over a year from its public listing, with “three-star” for the GRESB Rating

Timely implementation of measures  
at an early stage

### The Asset Management Company’s basic policy for sustainability



#### Environment

- 1 Promote energy (decarbonization) and resource conservation
- 2 Utilize environmental certification



#### Society

- 1 Focus on human resources development
- 2 Respect for human rights and promote reforms in the way of working
- 3 Share sustainability policies with suppliers
- 4 Cooperate with tenant companies
- 5 Coexist with society, especially in areas where facilities are located



#### Governance

- 1 Comply with laws and regulations and prevent fraud
- 2 Timely and accurately disclose information to unitholders
- 3 Build appropriate relationships with stakeholders such as the ITOCHU Group

### ITOCHU Group’s Commitment

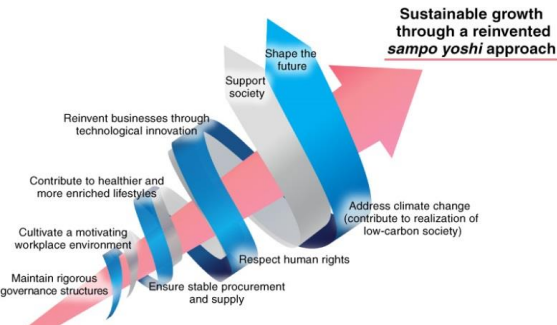
#### The United Nations Global Compact

ITOCHU Corporation participated in April 2009



#### TCFD (Task Force on Climate-related Financial Disclosures)

ITOCHU Corporation participated in TCFD Consortium in May 2019





# ESG Initiatives (2) Active Promotion of Strengthening Governance

## Amend Management Fees to Further Align Interests with Unitholder

In order to realize a management fee structure that further aligns interests with unitholder, IAL submits the proposal concerning amendment of the Articles of Incorporation to the general unitholders meeting scheduled on April 28, 2020

Further enhance commitment of the Asset Management Company towards Earnings per unit (EPU) growth

Management fee structure committing to resolving challenges imposed on IAL

Expand the asset size which is relatively small

Management fee I

Total assets × 0.2% (upper limit)

Maintain and further expand property value through successful leasing and continuous cost savings

Management fee II

NOI of rental business × 5.0% (upper limit)

Enhance EPU and distribution per unit (DPU) to meet investors' expectation

Management fee III

Income before income taxes × Adjusted EPU × 0.005% (upper limit)

Asset disposition fee

Asset disposition price × 1.0% (upper limit)  
(0.5% only for disposition of assets to interested parties)

Proposed change

Plan to apply new percentage from the 5th FP (Jan. 2021)

Reduce the percentage by half

Total assets × 0.1% (upper limit)

NOI of rental business × 5.0% (upper limit)

Income before income taxes × Adjusted EPU × 0.005% (upper limit)

Uniformly apply the lower percentage; Abolish asset disposition fees in case of loss-incurring transaction

Disposition price × 0.5% (upper limit)  
(0% where loss on asset disposition is incurred)

- Halve the upper limit of percentage applicable to calculation of the "Management fee I" (i.e., portion linked to total assets)
- Change the percentage applicable to calculation of "Management fee III" linked to EPU within the upper limit\* (with the upper limit unchanged), thereby lowering the percentage of "Management fee III" to total management fees.  
(The amended total management fees are expected to be the same level as the estimated total management fees for the 5th fiscal period (Jan. 2021)).
- Halve the percentage applied to calculation of asset disposition fees for disposition of assets to third parties other than interested parties. In addition, abolish the asset disposition fees if loss on asset disposition is incurred.

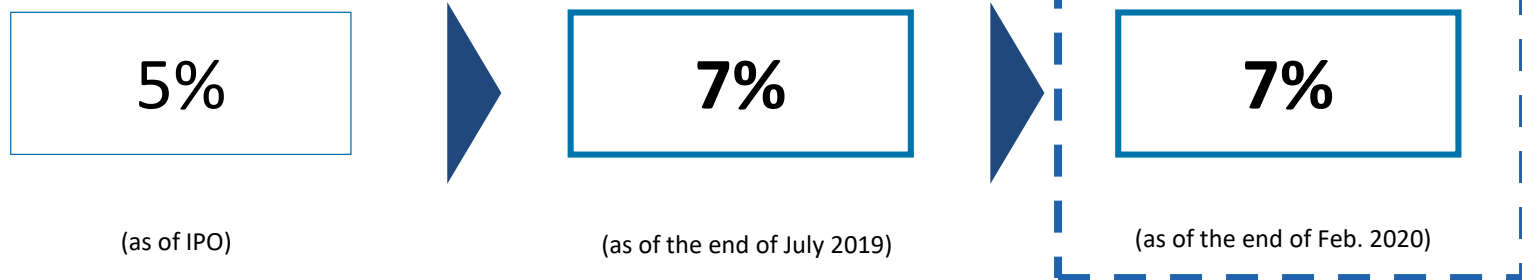
\* The actual percentage applicable is scheduled to be resolved by IAL's Board of Directors meeting within the upper limit

# ESG Initiatives (3) Proactive Measures to Strengthen Governance

## Investment Unit Holding Program for Sponsor and Asset Management Company Employees

Proactively promote alignment of interests of the sponsor, ITOCHU Corporation, with those of unitholders

### ITOCHU Corporation's investment ratio in IAL



### Align interests of the Asset Management Company's employees with those of unitholders

- Full-time directors of the Asset Management Company plan to start utilizing the cumulative investment unit investment program\*
- As for non-director employees, the employee investment unit ownership program has been introduced
- Facilitate the alignment of interests of unitholders with those of the Asset Management Company's directors and employees

\* The cumulative investment unit investment program for full-time directors will start when it becomes no longer subject to insider trading regulations.

### Personnel structure mainly consisting of employees not seconded from sponsors

#### Personnel structure of asset management companies

(as of Apr. 1, 2020)

	Total	Of which, employees seconded from the ITOCHU Group
Full-time Director	2	0
Employees	15	2
<b>Total</b>	<b>17</b>	<b>2</b>

- Representative director, president & CEO has resigned from sponsor and joined the Asset Management Company. No seconded employees are appointed to serve positions of general manager or above.
- One employee is seconded from ITOCHU Corporation and one from ITOCHU Property Development



# ESG Initiatives (4) Environmental Initiatives

## Proactive Promotion of Green Financing

New!

- Filed a revised shelf registration statement on November 22, 2019, and issued IAL's first green bonds on December 12, 2019, which enjoyed robust demand from a wide range of investors.
- Had the framework evaluated by a third-party institution, JCR, and received the highest "Green 1 (F)" status in the "JCR Green Finance Framework Evaluation"
- "Green loans" were borrowed as a part of loans borrowed with the follow-on offering launched in January 2020.

## Active Acquisition of External Environmental Certifications

New!

**BELS**

★★★★★ 3 properties  
★★★★★ 1 property  
(i Missions Park Inzai and other 3 properties)



DBJ Green Building

★★★★★ 1 property  
★★★★★ 4 properties  
(i Missions Park Inzai and other 4 properties)

<Percentage of properties certified>  
Total floor area basis (m<sup>2</sup>) • Post-acquisition

DBJ Green Building

**67.6%**

Total 364,059.97m<sup>2</sup>  
Certified properties 245,936.54m<sup>2</sup>

BELS

**44.2%**

Total 364,059.97m<sup>2</sup>  
Certified properties 161,050.44m<sup>2</sup>

## Energy Consumption Reduction and Resources Saving

<Energy consumption reduction>



LED lighting

<Water consumption reduction>



Installing water-saving toilet system

<Renewable energy generation>



Solar panels

<Greening>



Greening parking lots

<CO<sub>2</sub> emissions reduction>



Promoting CO<sub>2</sub> emissions reduction in cooperation among tenants based on applicable law\* (administrative report)

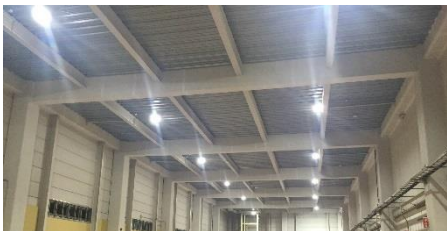
<Tenant education>



Raising awareness through posters, etc.

New!

<Conclusion of green lease agreements>



Installation of LED lightings based on green lease agreements

\* Act on Advancement of Integration and Streamlining of Distribution Business.



# ESG Initiatives (5) Social Contribution

## ESG Initiatives with Suppliers

Distribution of sustainability guidebooks to major business partners, including property management companies  
Annual survey on their sustainability-related initiatives

## Cooperation with Tenant Companies

### Statement of ESG-related clauses in lease agreement (Green lease clause)

Revision of lease agreement format  
Enhancement of the system to pursue ESG initiatives in cooperation with tenants, such as environmental performance data management and sharing

### Ensuring employee safety



An individual specification was adopted whereby employees enter the building via elevator access to the second floor directly from the parking lot. This ensures safety by creating separate lines of movement for pedestrians and trucks

### Inbuilt amenity



A company cafeteria equipped with cooking facilities increases the amenity of the work environment for employees

## Coexistence with Local Communities

### Support for education



**The ITOCHU Foundation**  
Participate in donation campaigns by ITOCHU Foundation which aims for fostering the healthy development of children

### Helping people with disabilities



**Ethical Purchasing**  
Purchase from the ITOCHU group company that hires people with disabilities

### Volunteer activities



**ITOCHU Baseball School**  
Participated as volunteers in the baseball classes for children with disabilities, held by ITOCHU Corporation

### Consideration to local communities



**Community Cleanup**  
As a member of its community, IRM has its employees participate in community cleanup in the neighborhood.

## Initiatives for Employees

### TOKYO Work-Style Reform Declaration

Approved as a company committed to “TOKYO Work-Style Reform Declaration,” a program promoted by the Tokyo Metropolitan Government



#### • Hourly paid leave

Allowing employees to take leaves on an hourly basis

#### • Sliding working hours

Allowing employees to adjust starting and finishing times of daily working hours

### Measures against coronavirus

For reduction of infection risks, adopted sliding working hours (staggered working hours) to avoid commuting during rush hours

### Support for acquiring expertise

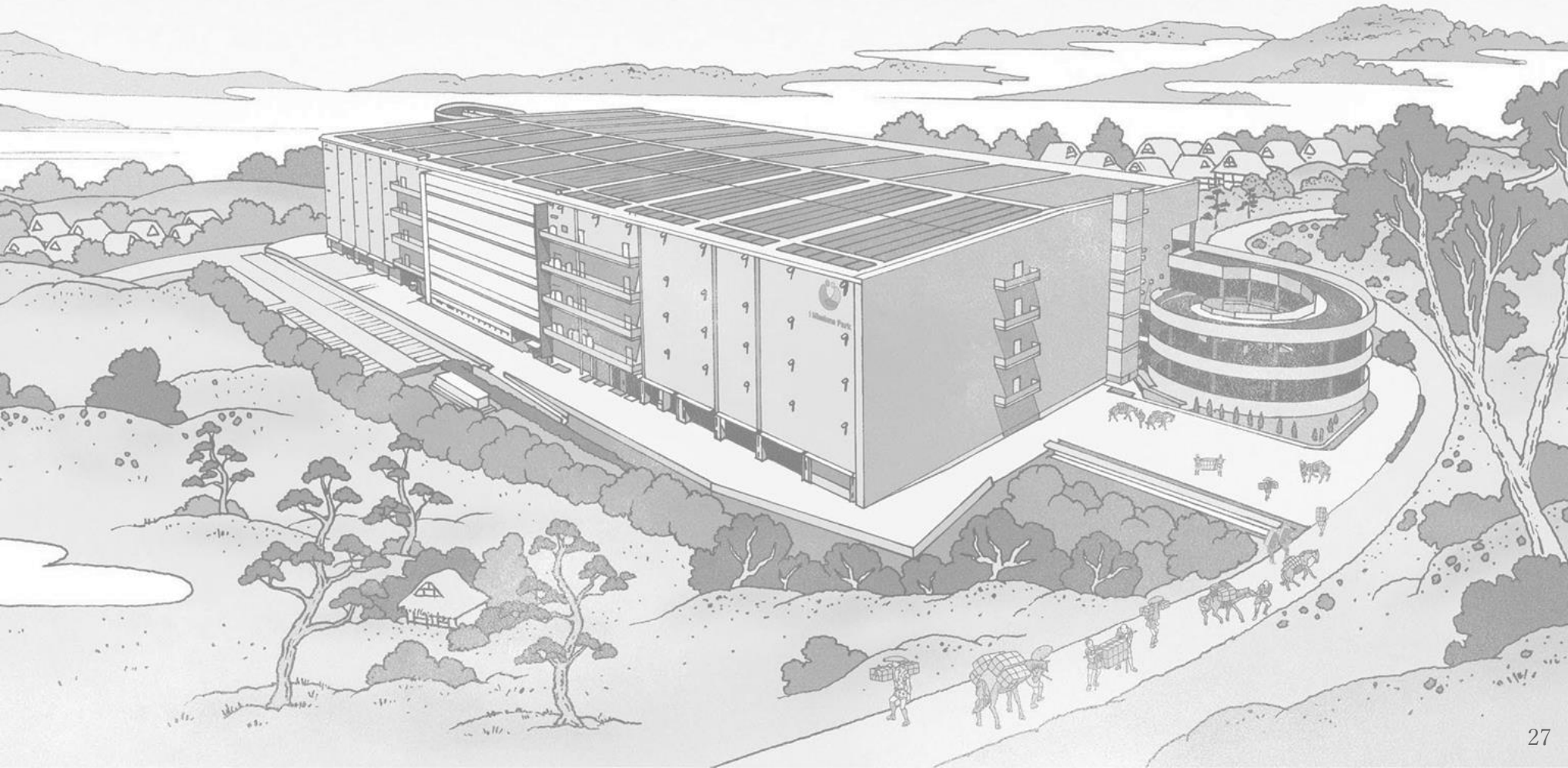
In collaboration with the ITOCHU Group, actively support study sessions / correspondence courses for employees



#### • Study session for obtaining the qualification of real estate transaction agent

The ITOCHU Group holds a study session every week inviting outside lecturers  
Several employees of the Asset Management Company also participate in it

# Market Overview

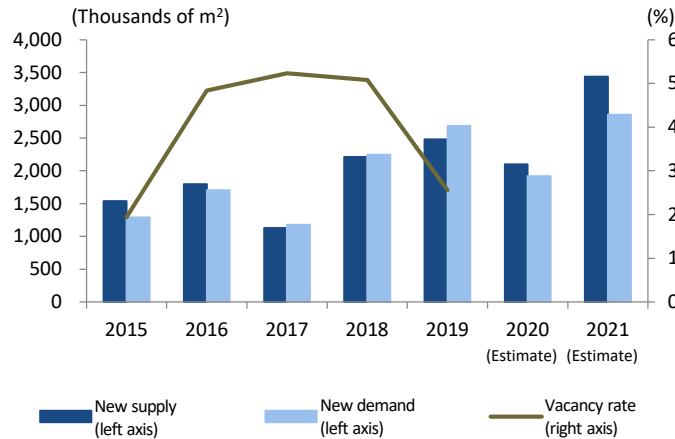




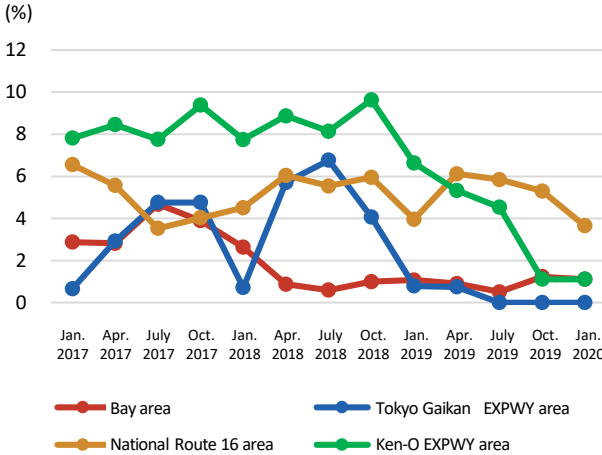
# Market Overview (1) Supply / Demand Balance of Logistics Facilities

## Logistics market in Kanto / Kansai area

Vacancy Rate and Supply and Demand Balance in Kanto Area



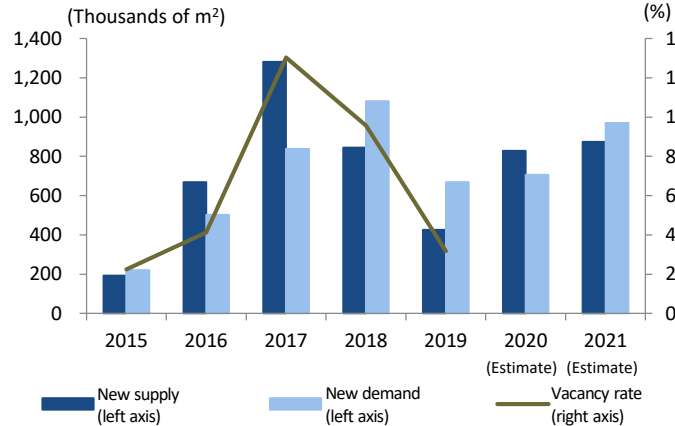
Vacancy Rate by Metropolitan Area



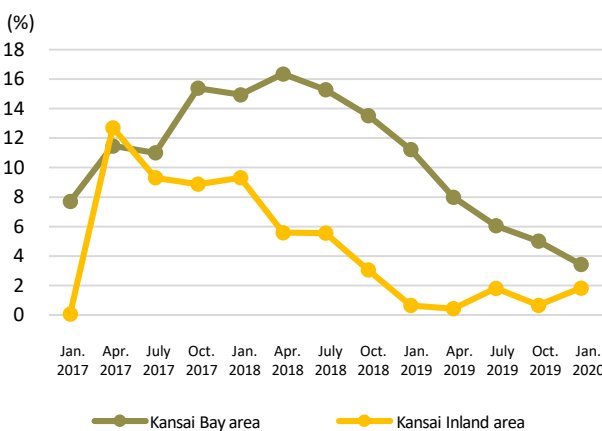
Vacancy rate has remained low in Kanto area. In Ken-O EXPWAY area, vacancy rate has been stably low due to improvement of supply-demand as a result of the slowdown in new supply.

While new supply continues in National Route 16 area in the second half of 2019, vacancy rate remains stable thanks to firm demand.

Vacancy Rate and Supply and Demand Balance in Kansai Area



Vacancy Rate by Kansai Area



In Kansai area, the vacancy rate remained low backed by the strong demand despite a lack of large supply.

It continued to improve in Kansai Bay area, and it remained stable in Kansai Inland area despite large supply.

Source: K.K. Ichigo Real Estate Service

In addition to existing portfolio, pipeline properties are also located in Kanto area where the supply / demand balance remains stable

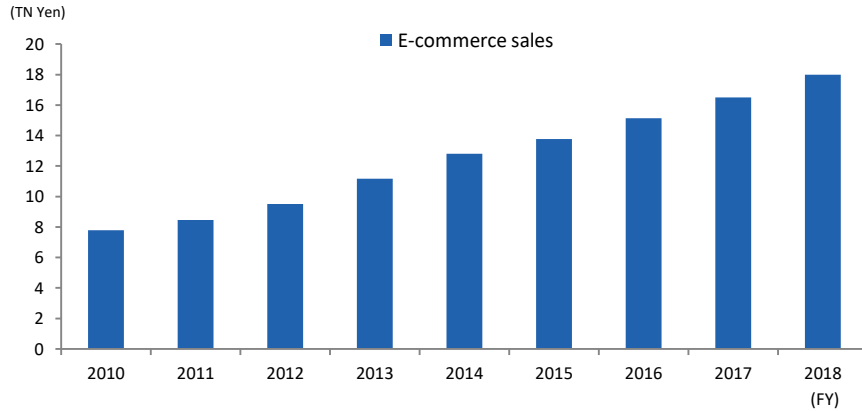




# Market Overview (2) Trends in E-Commerce Related Indicators

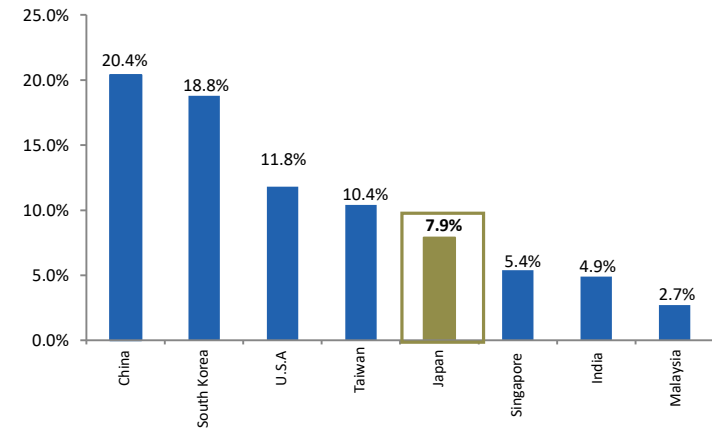
## Expansion of e-commerce and 3PL markets increases delivery frequency and smaller parcels

Market Size of Online Shopping



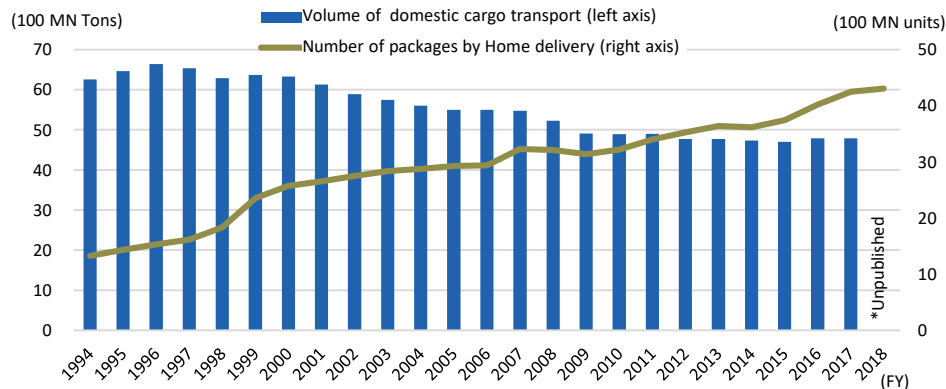
Source: Outline of the E-Commerce Market Survey (Ministry of Economy, Trade and Industry)

E-commerce Ratio of Major Countries



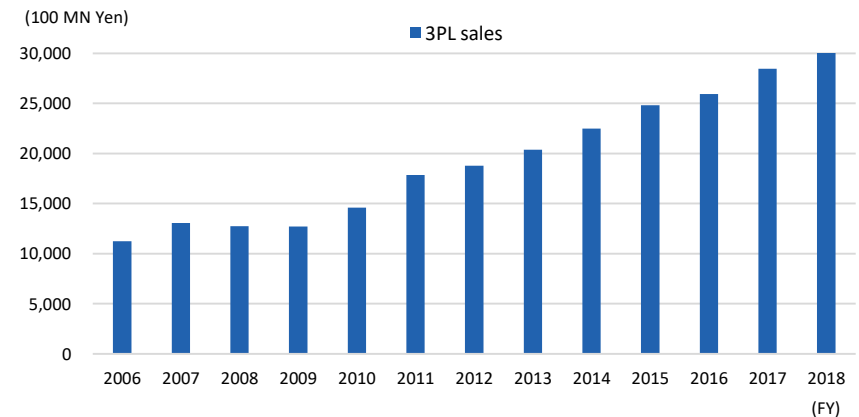
Source: Outline of the E-Commerce Market Survey (Ministry of Economy, Trade and Industry)

Changes in the Number of Packages by Home Delivery and the Volume of Domestic Cargo Transport



Source: Traffic Statistics (Ministry of Land, Infrastructure, Transport and Tourism)  
FY2018 Survey of the number of packages by home delivery  
(Ministry of Land, Infrastructure, Transport and Tourism)

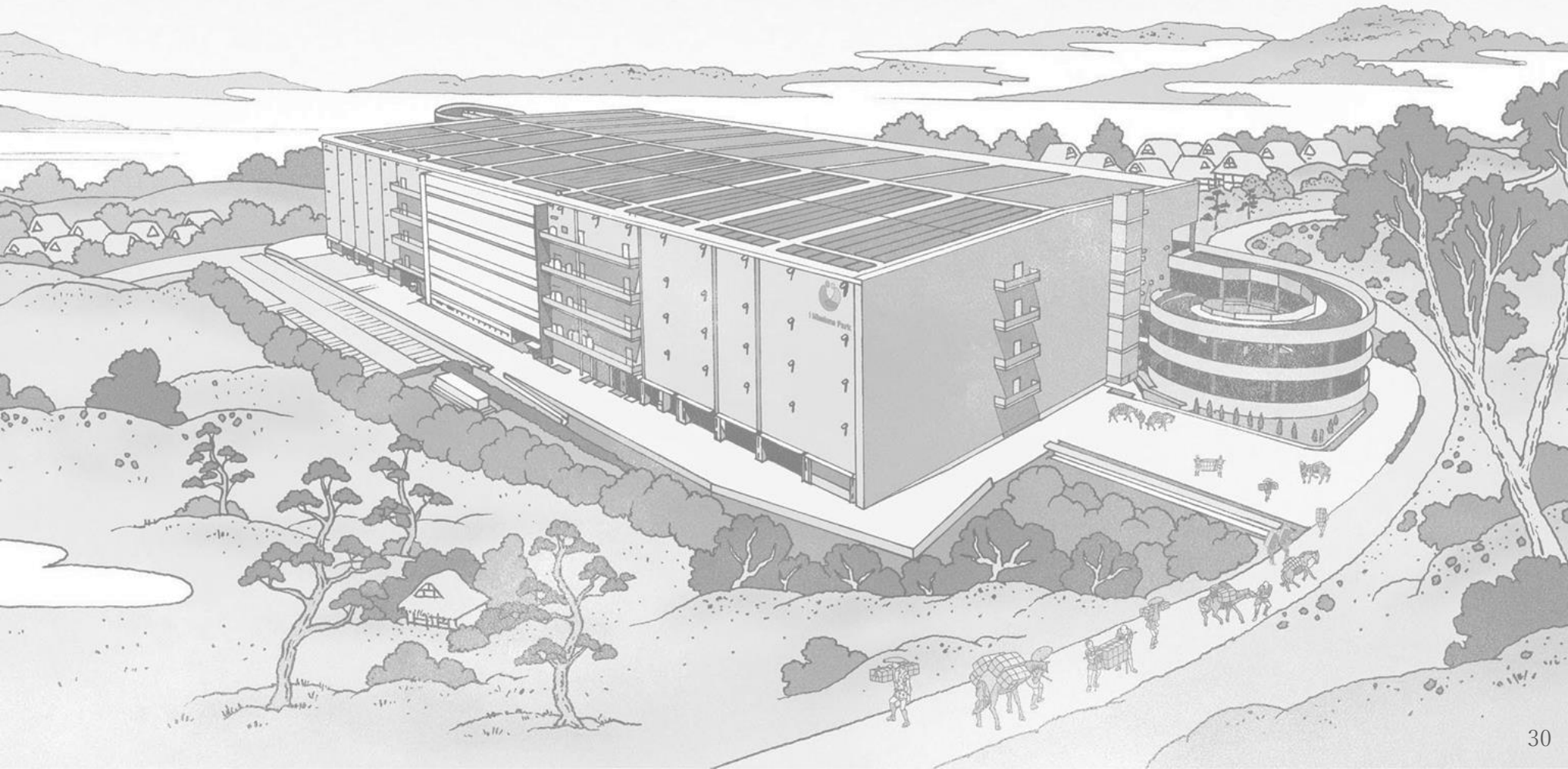
Changes of the 3PL Market in Japan



Source: LOGI-BIZ (Rhinos Publications, Inc.)



# Appendix



# Income Statement and Balance Sheet

## 3rd fiscal period (January 2020)

	(Thousands of Yen)
	3rd Fiscal Period
	From August 1, 2019 to
	January 31, 2020
<b>Income Statement</b>	
Operating revenues	
Leasing business revenues	1,730,922
Other leasing business revenues	28,766
Total operating revenues	1,759,688
Operating expenses	
Expenses related to rent business	683,445
Asset management fees	201,362
Asset custody and administrative service fees	6,038
Directors' compensation	2,640
Other operating expenses	26,998
Total operating expenses	920,484
Operating income	839,204
Non-operating income	
Interest income	15
Interest on tax refund	75
Subsidy income	330
Total non-operating income	421
Non-operating expenses	
Interest expenses	63,189
Amortization of investment corporation bond issuance expenses	425
Borrowing related expenses	13,232
Other non-operating expenses	2,511
Total non-operating expenses	79,359
Ordinary income	760,266
Income before income taxes	760,266
Income taxes-current	916
Income taxes-deferred	(1)
Total income taxes	915
Net income	759,350
Accumulated earnings brought forward	131
Unappropriated retained earnings (undisposed loss)	759,482

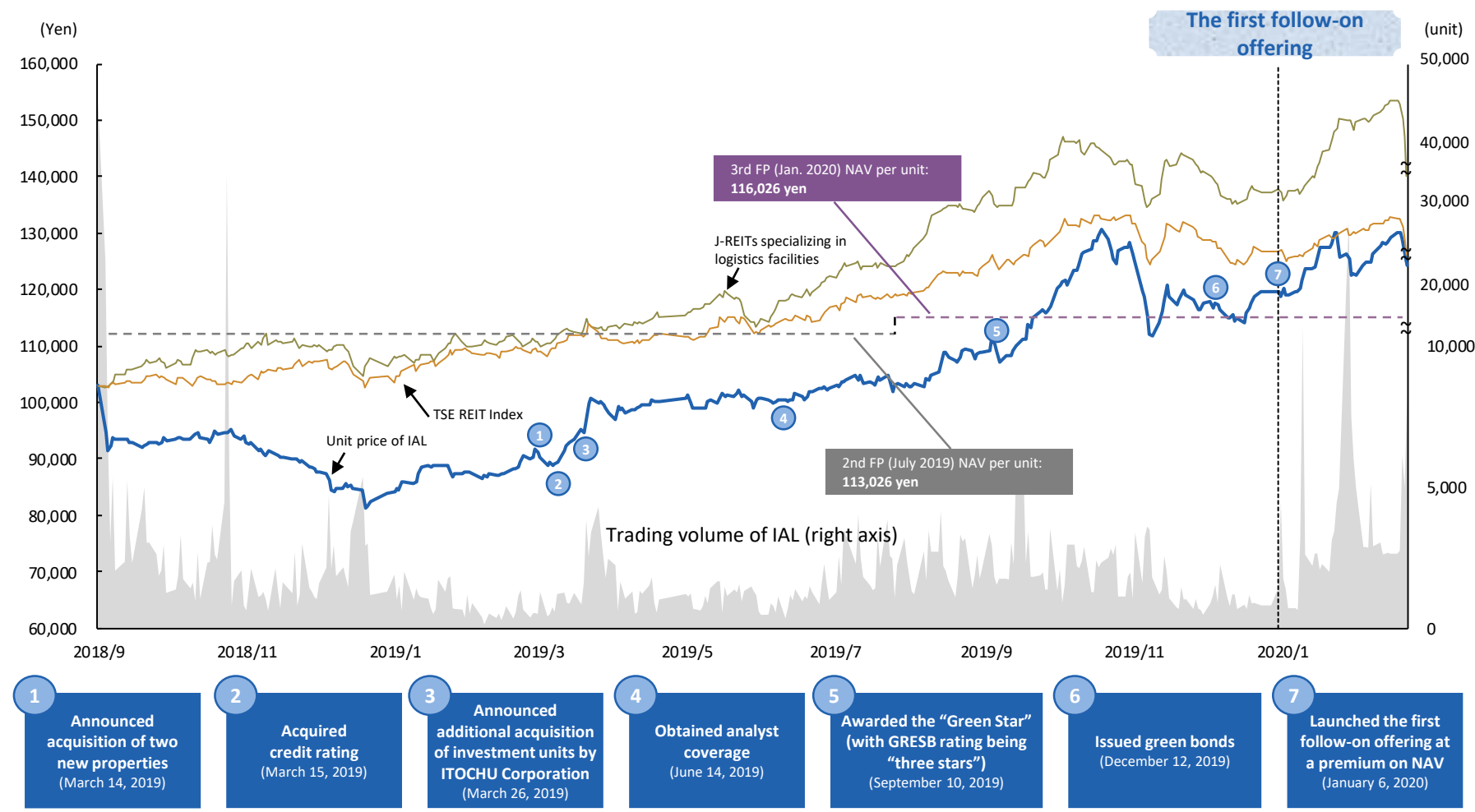
	(Thousands of Yen)
	3rd Fiscal Period
	As of January 31, 2020
<b>Balance Sheet</b>	
Assets	
Current assets	
Cash and deposits	1,196,051
Cash and deposits in trust	2,270,747
Operating accounts receivable	62,873
Accounts receivable – other	330
Consumption taxes receivable	-
Prepaid expenses	33,502
Other	-
Total current assets	3,563,503
Non-current assets	
Property, plant and equipment	
Buildings in trust	34,916,922
Accumulated depreciation	(1,112,548)
Buildings in trust, net	33,804,374
Structures in trust	1,235,508
Accumulated depreciation	(89,701)
Structures in trust, net	1,145,807
Machinery and equipment in trust	1,005,404
Accumulated depreciation	(53,156)
Machinery and equipment in trust, net	952,248
Tools, furniture and fixtures in trust	1,751
Accumulated depreciation	(171)
Tools, furniture and fixtures in trust, net	1,579
Land in trust	22,128,070
Total property, plant and equipment	58,032,080
Intangible assets	
Software	4,219
Total intangible assets	4,219
Investments and other assets	
Leasehold and guarantee deposits	10,000
Long-term prepaid expenses	117,749
Deferred tax assets	15
Total investments and other assets	127,764
Total non-current assets	58,164,064
Deferred assets	
Investment corporation bond issuance expenses	12,338
Total deferred assets	12,338
Total assets	61,739,906

	(Thousands of Yen)
	3rd Fiscal Period
	As of January 31, 2020
<b>Liabilities</b>	
Current Liabilities	
Operating accounts payable	91,669
Short-term loans payable	-
Accounts payable – other	7,822
Accrued expenses	238,948
Income taxes payable	914
Consumption taxes payable	133,923
Advances received	319,158
Other	10,314
Total current liabilities	802,751
Non-current liabilities	
Investment corporation bonds	1,500,000
Long-term loans payable	22,440,000
Tenant leasehold and security deposits in trust	929,553
Total non-current liabilities	24,869,553
Total liabilities	25,672,305
Net assets	
Unitholders' equity	
Unitholders' capital	35,498,833
Deductions from unitholders' capital	(190,714)
Unitholders' capital, net	35,308,119
Surplus	
Unappropriated retained earnings (undisposed loss)	759,482
Total surplus	759,482
Total unitholders' equity	36,067,601
Total net assets	36,067,601
Total liabilities and net assets	61,739,906



# Implemented Measures and Change of Unit Price

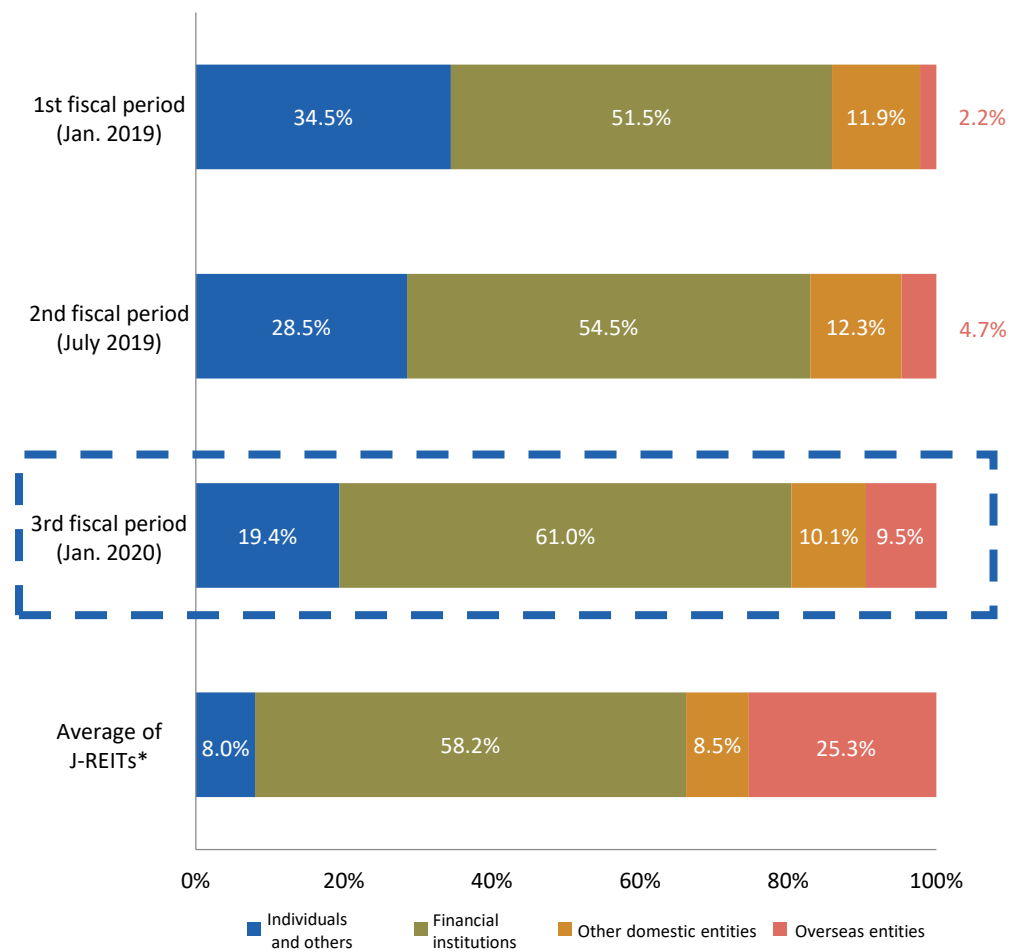
The recovery of unit price as a result of various measures enabled the launch of the first follow-on offering at an appropriate timing



\* Changes in TSE REIT Index and J-REITs specializing in logistics facilities are indexed based on IAL's initial public offering price, 103,000 yen, with IAL's listing day as the start date. J-REITs specializing in logistics facilities are weighted for market capitalization.

# Change of Unitholder Base

Successfully expanded the unitholder base, especially institutional and overseas investors, through building up a track record and carrying out proactive IR activities



Build up a track record with an aim to further expand investor base

\* Average unitholder composition of J-REITs is weighted for market capitalization based on each investment corporation's disclosures as of the end of January 2020.

# IAL's Characteristics and Basic Strategies (1)

## Build a growth spiral based on collaborative growth relationships

By taking advantage of the support provided by the sponsor group, which has a rich history of developing and acquiring logistics real estate (Reality and Logistics Platform) and a network of approximately 100,000 clients (Group-wide Merchant Channel Platform)



**ITOCHU Advance Logistics Investment Corporation**  
Ownership / Management

Number of Properties Owned



ITOCHU Group's  
business platform  
strengthened  
through IAL

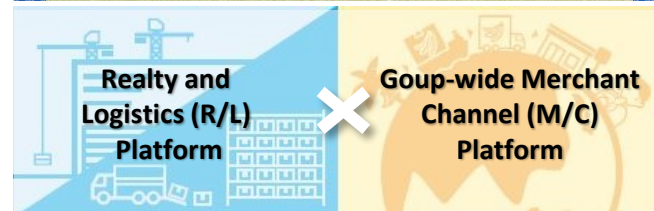
**Collaborative  
growth  
relationships**

IAL's growth supported by  
utilizing the ITOCHU  
Group's business platforms



**ITOCHU Corporation**  
Development / Leasing

ITOCHU Group's Two Business Platforms



Properties Owned / Developed by ITOCHU Corporation





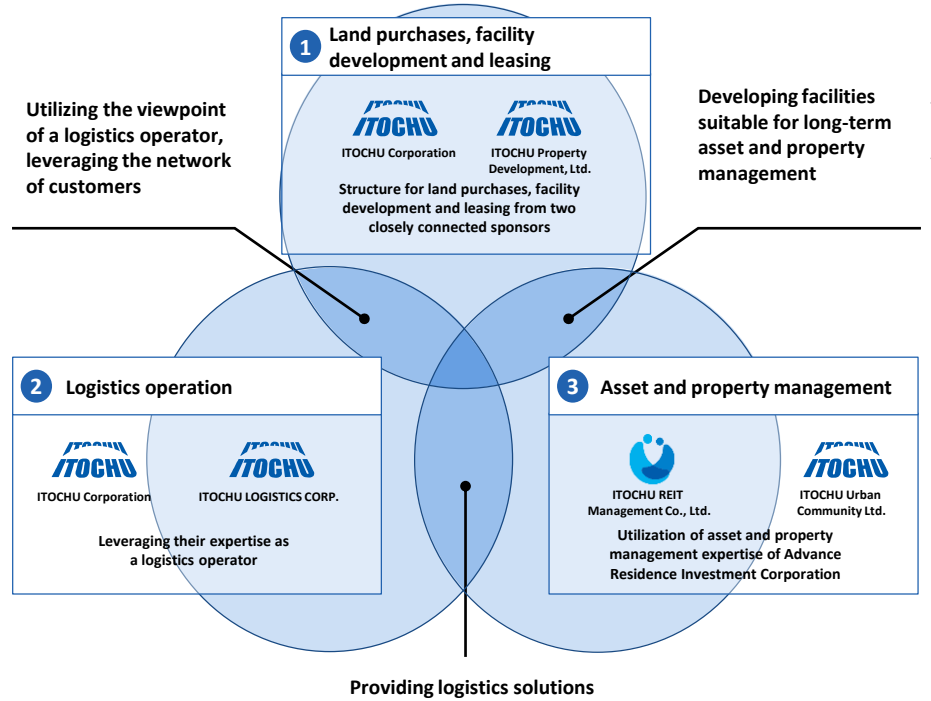
# IAL's Characteristics and Basic Strategies (2)

## A dual business platform that provides the foundation for the collaborative growth relationships

### Realty and Logistics (R/L) Platform

- 1 Strength in land purchases, facility development and leasing of logistics real estate, honed through accumulated development experience since FY2004
- 2 Experience as a logistics operator
- 3 Utilization of expertise gained in J-REIT management

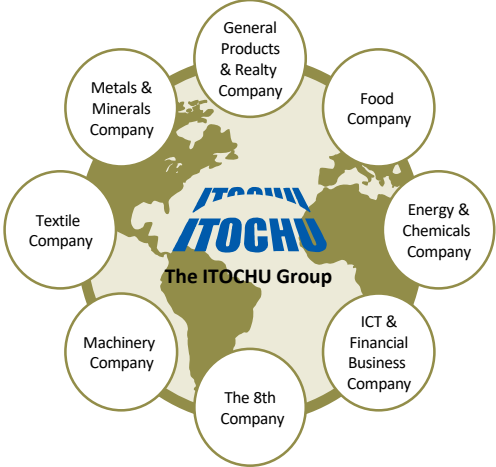
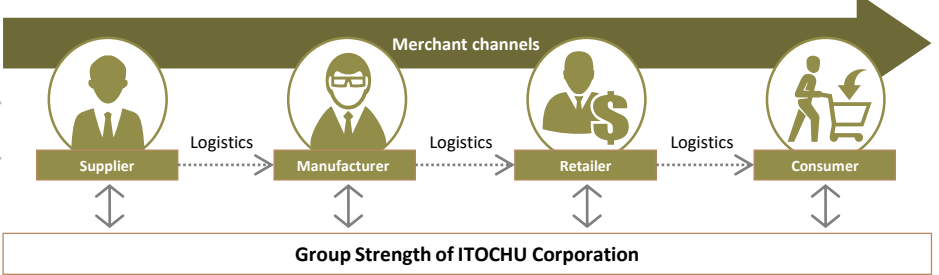
Real Estate & Logistics function of General Products & Realty Company of ITOCHU Corporation, which has integrated responsibility for 1, 2 and 3



### Group-wide Merchant Channel (M/C) Platform

- 1 Extensive customer network covering 100,000 companies
- 2 A wide business domain covering upstream to downstream merchant channels
- 3 Strong presence in consumer-related businesses

General trading company that has transactional relationships at the management level encompassing 1, 2 and 3

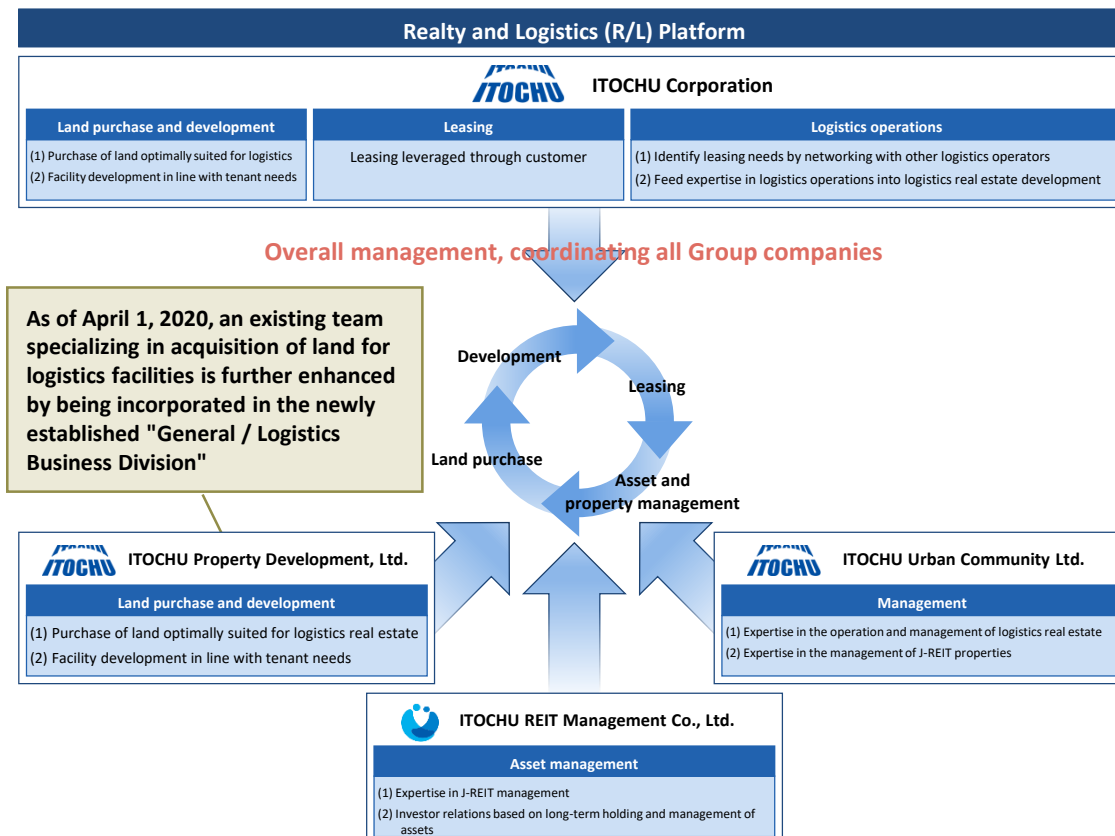


# The ITOCHU Group

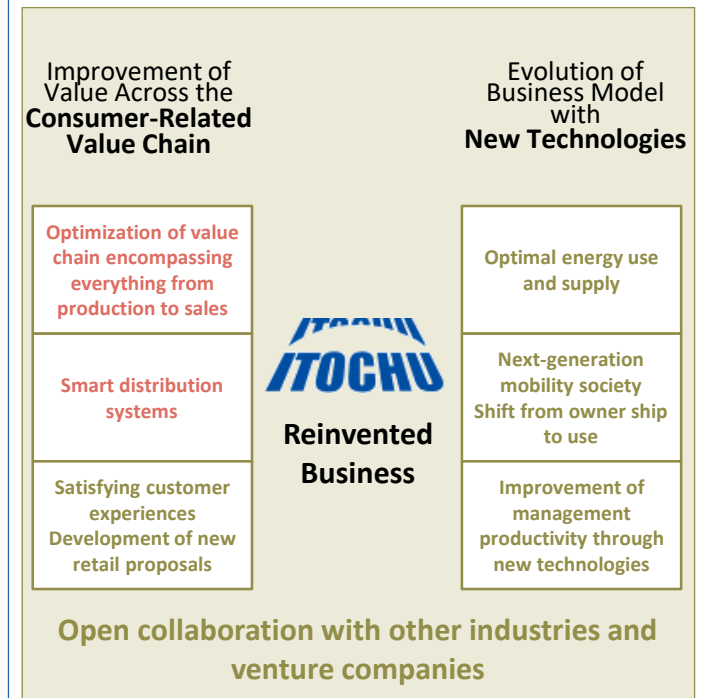
The ITOCHU Corporation has the Construction, Realty & Logistics Division, which is a single organization responsible for handling both the real estate development business and the logistics solutions business. By bringing together the human resources of the two business sectors, the ITOCHU Group has built a system which takes integrated responsibility for land purchase, development, leasing and asset and property management in the field of logistics real estate. ITOCHU Corporation includes optimization of value chain and smart distribution systems in its FY 2019-2021 Medium Term Management Plan.

## Integrated Management System for Real Estate Development and Logistics Solutions

ITOCHU Corporation Medium-Term Management Plan “Brand-new Deal 2020”

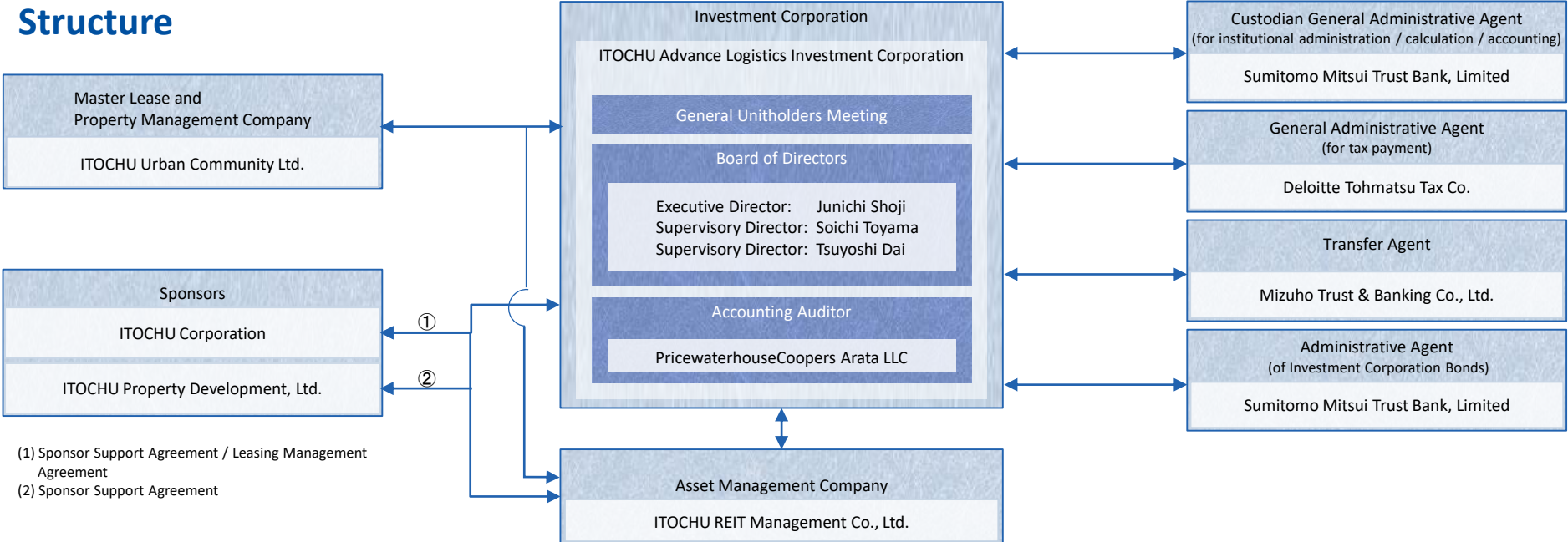


On May 2, 2018, ITOCHU Corporation formulated its medium-term management plan "Brand-new Deal 2020"



# About the Investment Corporation and the Asset Management Company

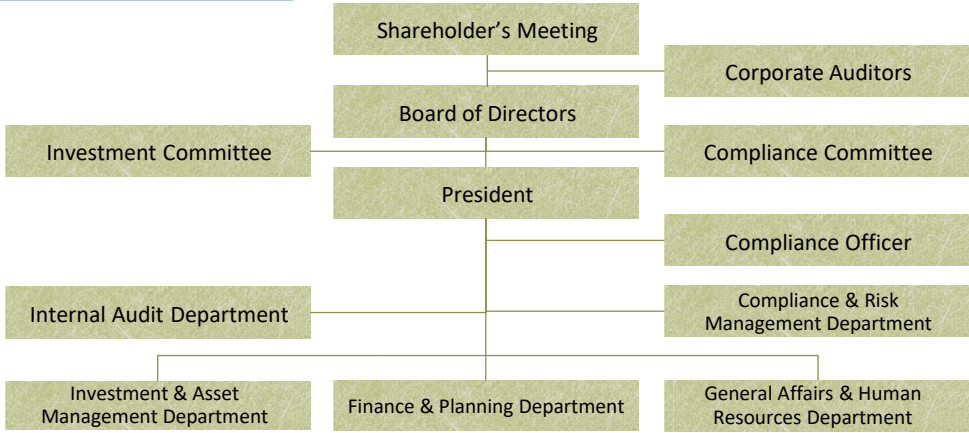
## Structure



## Overview of the Asset Management Company

As of the end of Jan. 2020

Company name	ITOCHU REIT Management Co., Ltd.
Established	February 15, 2017
Capital	200 million yen
Shareholders	ITOCHU Corporation 80% ITOCHU Property Development, Ltd. 20%
Main business	Investment management
Number of employees	18 (of which, officers (part-time): 4)
Licenses and registrations	Financial Instruments Business License, Director of the Kanto Finance Bureau, (Kinsho) Registration No. 3027 Building Lots and Building Transactions Business License, Governor of Tokyo (1) No. 100434 Discretionary Transaction Agent License, Minister of Land, Infrastructure, Transport and Tourism, Registration No. 121





# Revenues and Expenditures for Each Properties

## 3rd fiscal period (January 2020)

(Thousands of Yen)

Property number	L-1	L-2	L-3	L-4	L-5	L-6	L-7	L-8	
Property name	i Missions Park Atsugi	i Missions Park Kashiwa	i Missions Park Noda	i Missions Park Moriya	i Missions Park Misato	i Missions Park Chiba-Kita	i Missions Park Inzai	i Missions Park Moriya 2	Total
Number of operating days in the 3rd fiscal period	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	-
(A) Total revenues from property leasing			414,390						1,759,688
Rental revenues			397,095						1,730,922
Other rental revenues			17,295						28,766
(B) Total property-related expenses			178,341						683,445
Taxes and public dues			40,305						149,665
Property management fees	-	-	21,548	-	-	-	-	-	35,666
Utility expenses			16,758						25,519
Repair expenses			632						2,052
Insurance expenses			1,345						6,300
Trust fees			250						1,700
Others			6						27
Depreciation	27,817	45,461	97,493	29,813	39,064	16,554	198,793	7,514	462,512
(C) Income from property leasing (A) - (B)	104,289	108,249	236,049	63,962	113,224	52,167	375,448	22,851	1,076,243
(D) NOI (= (C) + depreciation)	132,106	153,710	333,542	93,776	152,288	68,722	574,241	30,366	1,538,756

\* For properties other than i Missions Park Noda, items other than depreciation, leasing business gains and losses, and leasing business NOI are undisclosed as IAL was not able to obtain the tenant's consent. Figures are rounded down to the nearest thousand yen.



# Overview of Appraisal Values

## As of the end of the 3rd fiscal period (ended January 2020)

Category	Property No.	Property name	Location	Acquisition price (MN Yen)	Book value (A) (MN Yen)	Appraisal value (B) (MN Yen)	Direct cap rate (%)	Unrealized gains (B)-(A) (MN Yen)
Logistics real estate	L-1	i Missions Park Atsugi	Atsugi city, Kanagawa	5,300	5,260	5,850	4.4	589
	L-2	i Missions Park Kashiwa	Kashiwa City, Chiba	6,140	6,058	6,840	4.5	781
	L-3	i Missions Park Noda	Noda City, Chiba	12,600	12,420	13,700	4.4	1,279
	L-4	i Missions Park Moriya	Tsukuba Mirai City, Ibaraki	3,200	3,143	3,450	4.7	306
	L-5	i Missions Park Misato	Misato City, Saitama	6,100	6,034	6,930	4.3	895
	L-6	i Missions Park Chiba-Kita	Chiba City, Chiba	2,600	2,581	2,840	4.7	258
	L-7	i Missions Park Inzai (80% quasi-co-ownership interest)	Inzai City, Chiba	22,140	21,777	23,800	4.6	2,022
	L-8	i Missions Park Moriya 2	Tsukuba Mirai City, Ibaraki	750	756	848	4.9	91
Total (As of the end of the 3rd fiscal period)				58,830	58,032	64,258	—	6,225

\* Book value and unrealized gains and losses are rounded down to the nearest unit.



# Interest-bearing Debt

## As of the end of the 3rd fiscal period (ended January 2020)

Category	Lender	Borrowing amount (MN Yen)	Interest rate	Borrowing date	Repayment date	Collateral
Long-term	Sumitomo Mitsui Banking Corporation	5,300	0.23505%		September 7, 2021	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.					
	Sumitomo Mitsui Trust Bank, Limited	5,120	0.53660%	September 7, 2018	September 9, 2024	
	Sumitomo Mitsui Banking Corporation					
	Mizuho Bank, Ltd.					
	Sumitomo Mitsui Trust Bank, Limited					
	MUFG Bank, Ltd.	5,500	0.72645%		September 7, 2026	
	Mizuho Trust & Banking Co., Ltd.					
	Development Bank of Japan Inc.					
	Sumitomo Mitsui Banking Corporation					
	Mizuho Bank, Ltd.	1,500	0.91670%		September 7, 2028	
	Sumitomo Mitsui Trust Bank, Limited					
	MUFG Bank, Ltd.					
	Sumitomo Mitsui Banking Corporation					
	Mizuho Bank, Ltd.	5,020	0.55000%	April 1, 2019	March 31, 2027	Unsecured and non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited					
	MUFG Bank, Ltd.					
	Mizuho Trust & Banking Co., Ltd.					
	Development Bank of Japan Inc.					
Subtotal		22,440	-	-	-	-
Investment Corporation Bonds	1st Unsecured Investment Corporation Bonds	1,500	0.30000%	December 12, 2019	December 12, 2024	Unsecured and non-guaranteed
Subtotal		1,500	-	-	-	-
Total		23,940	-	-	-	-

\* The long-term borrowings have a floating interest rate, but an interest rate swap agreement has been entered into in order to hedge risks arising from interest rate fluctuation. Accordingly, the fixed interest rate following the swap is stated. The repayment method is bullet repayment for all borrowings.



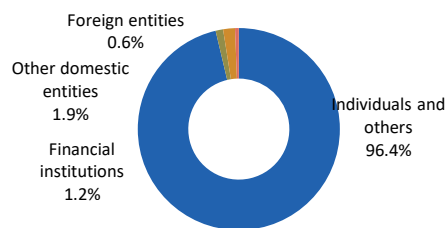
# Status of Unitholders

## 3rd fiscal period (ended January 2020)

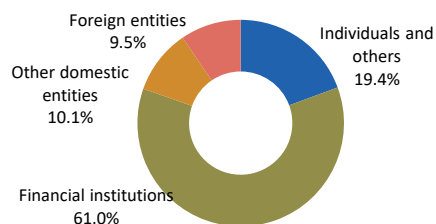
### Number of unitholders and units by type of unitholders

	Unit holders	Ratio	Investment units (unit)	Ratio
Individuals and others	9,953	96.4%	69,416	19.4%
Financial institutions (including securities companies)	119	1.2%	217,809	61.0%
Other domestic entities	196	1.9%	36,081	10.1%
Foreign entities	61	0.6%	33,837	9.5%
<b>Total</b>	<b>10,329</b>	<b>100.0%</b>	<b>357,143</b>	<b>100.0%</b>

#### Breakdown by number of unitholders



#### Breakdown by number of units



### Major unitholders (Top 10 unitholders)

	Name	No. of units held	Percentage of units issued and outstanding
1	Japan Trustee Services Bank, Ltd. (Trust Account)	60,876	17.0%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	35,948	10.1%
3	ITOCHU Corporation	25,000	7.0%
4	Trust & Custody Services Bank, Ltd. (Securities Investment Trust Account)	17,140	4.8%
5	The Hachijuni Bank, Ltd.	9,282	2.6%
6	THE HYAKUJUSHI BANK, LTD.	7,300	2.0%
7	BNYM SA / NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD	7,100	2.0%
8	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	7,096	2.0%
9	The Shinkumi Federation Bank	5,714	1.6%
10	The Aichi Bank Ltd.	5,344	1.5%
<b>Total (top 10 unitholders)</b>		<b>180,800</b>	<b>50.6%</b>

\* Percentages are rounded to the first decimal place.



# Disclaimer

This material is for informational purpose only, and is not intended to solicit, or recommend the purchase or sale of specific securities, financial instruments, or transactions.

This document is not a disclosure document based on the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations, or the listing rules of the Tokyo Stock Exchange.

This document contains information on ITOCHU Advanced Logistics Investment Corporation (hereinafter referred to as "the Investment Corporation".), as well as tables and data prepared by ITOCHU REIT MANAGEMENT CORPORATION (hereinafter referred to as "Asset Management Company".) based on data and indicators published by third parties. It also includes statements regarding the Asset Management Company's current analysis, judgment, and other views on these matters.

Given that the content of this document is unaudited, there are no guarantees provided with respect to its accuracy, completeness, fairness or reliability. In addition, anything other than the analysis and judgment of the Asset Management Company and any other past or current facts indicates assumptions or judgments based on the information obtained by the Asset Management Company at the time of preparation of this document, and descriptions of these future projections include known and unknown risks and uncertainties. As a result, the actual results, operating results, and financial position of the Investment Corporation may differ from those forecasted by the Investment Corporation and the Asset Management Company.

Figures may not correspond to those of other disclosed information due to differences in rounding.

All efforts have been made to ensure that the information included in this document is accurate, but errors may have occurred and may be corrected or modified without a prior notice.

The Investment Corporation and the Asset Management Company are not in any way liable for the accuracy or completeness of any data or indicators used in this document based on disclosures from third parties.

These materials include statements regarding future policies of the Investment Corporation, but provide no guarantees of the future policies.

For convenience of preparation of charts and data by the Asset Management Company, dates indicated in this document may not be business days.

---

Ticker Symbol: 3493

# ITOCHU Advance Logistics Investment Corporation

---

Contact	Asset management company ITOCHU REIT Management Co., Ltd. Finance & Planning Department
TEL	+81-3-3556-3901
Business hours	From 9:00 to 17:00 (Excluding weekends, national holidays, and days off at the end and beginning of the year) *From 9: 00 to 15: 00 on December 29 and 30 (In the case of business day)
Address	3-6-5 Kojimachi, Chiyoda-ku, Tokyo, 102-0083, Japan