



Supplementary Materials ② for the 3rd Follow-on Offering and Properties to be Acquired



Securities code: 3493

Advance Logistics Investment Corporation

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Investment Highlights

Asset Size will Exceed 130 Billion Yen through continuous external growth

(based on (anticipated) acquisition price)

- This public offering will expand the asset size to 133.2 billion yen with sponsor support from the ITOCHU Group
- Aim for steady growth toward the current asset size target of 200 billion yen

Acquisition of newly built and highly functional properties with excellent access to central Tokyo

- Acquisition of newly built, high-performance properties located in suitable logistics areas along Shutoko Expressway Bayshore-Route and close to Tokyo Gaikan Expressway
- Improving cash flow stability by concluding lease contracts with quality reliable tenants

Continuous efforts to improve DPU

- Realizing continuous growth of DPU by implementing various measures since IPO
- Annual average growth of DPU : 5.5%
- (Annual average growth of EPU : 4.2%)

Timely External Growth by Utilizing the Pipeline of the ITOCHU Group

Outline of Property to be Acquired

Anticipated acquisition price
21.8 BN Yen

Appraisal value
23.9 BN Yen

Property age
3.2 Years

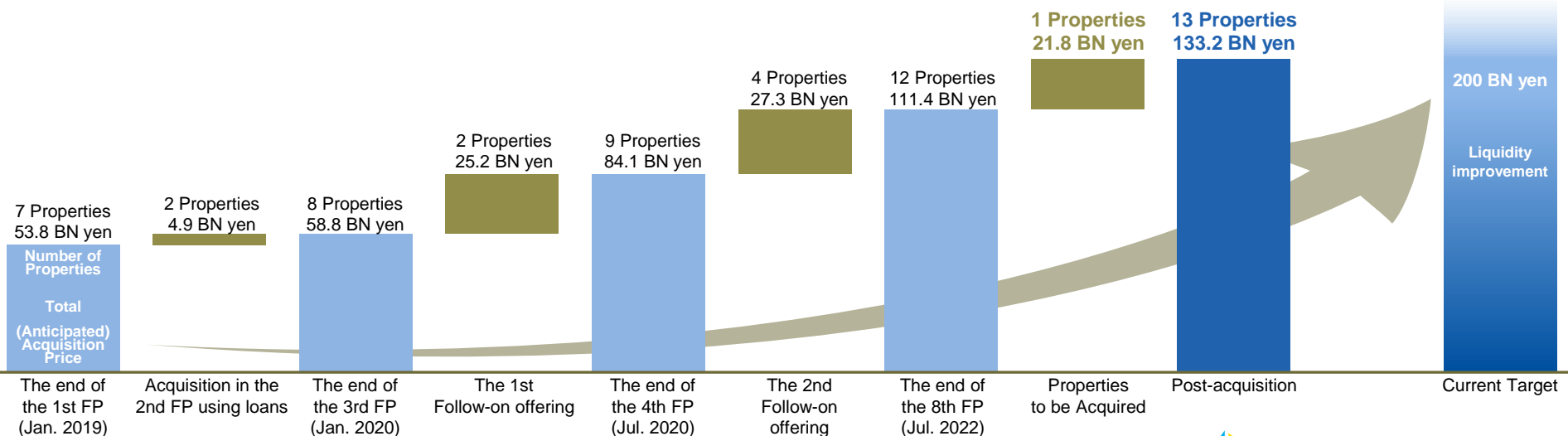
Occupancy rate
100.0%



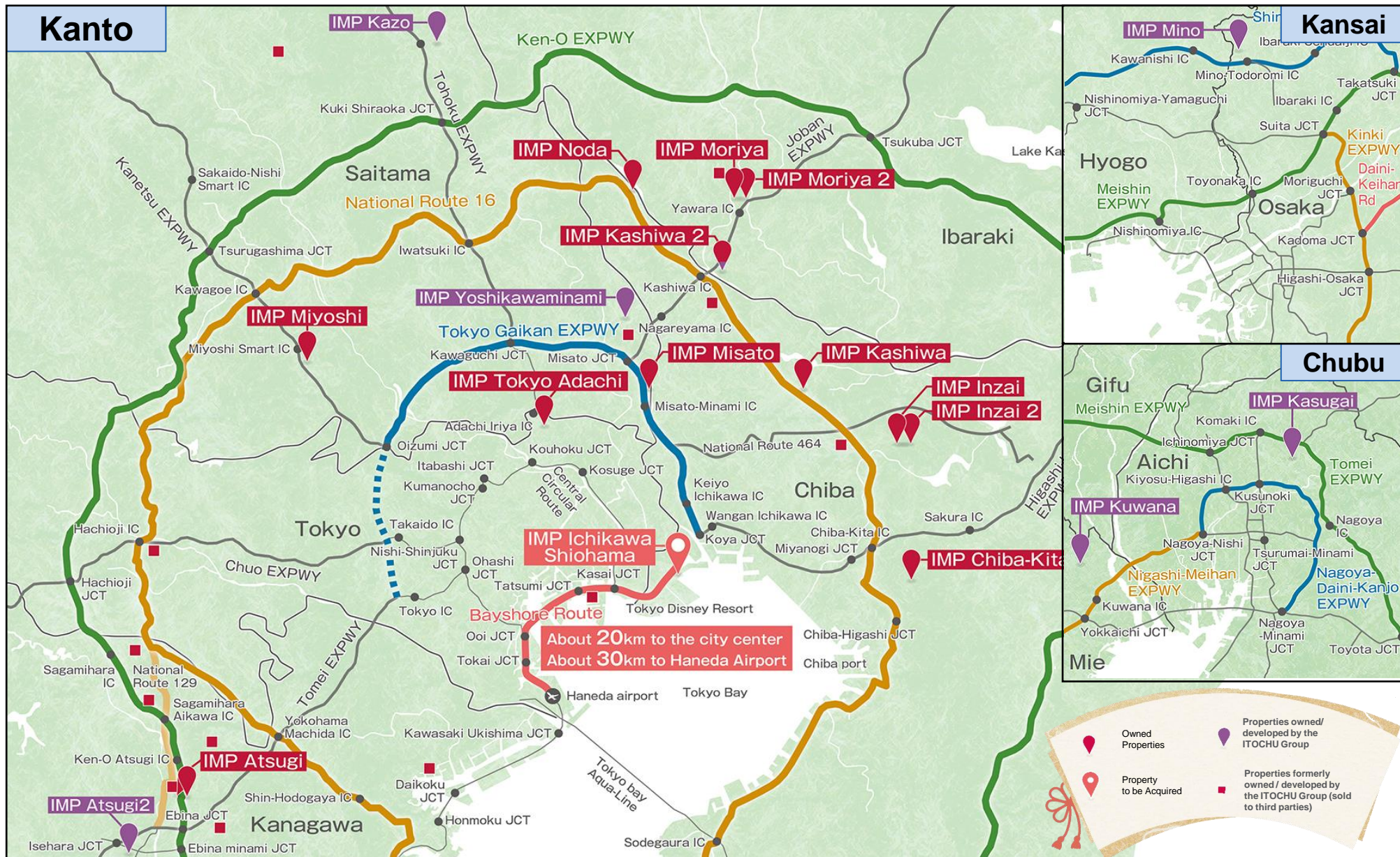
Changes in Key indicators

	As of the end of the FP 2022/7 (the 8th FP)	Property to be Acquired i Missions Park Ichikawa-Shiohama	Post-acquisition portfolio
Number of Properties	12 Properties	1 Property	13 Properties
(Anticipated) acquisition price	111,422 MN Yen	21,800 MN Yen	133,222 MN Yen
Appraisal	130,505 MN Yen	23,900 MN Yen	154,405 MN Yen
(Average) Appraisal NOI yield	4.9%	4.0%	4.7%
(Average) Property age	5.3 Years	3.2 Years	4.9 Years
Investment area	In Kanto area : 100.0%	In Kanto area	In Kanto area : 100.0%
NAV per unit	143,911 Yen		147,305 Yen
(Normalized) (Total asset) LTV	41.1%		42.5%

Change and Target of Growth in Asset size



Location of ADL's Post-acquisition Portfolio and the Logistics Properties Owned/Developed by the ITOCHU Group



The "IMP" in the property name is an abbreviation for "i Missions Park," a logistics facility developed by the ITOCHU Group.

Property to be Acquired (1/2) – Property with excellent access to central Tokyo

Missions Park Ichikawa-Shiohama

Tokyo
Gaikan
EXPWY

Kanto
area

Multi
tenants



Highlights

Newly built, high-performance property that can cover a wide area from central Tokyo, located in a suitable location for logistics along Shutoko Expressway Bayshore-Route, close to Tokyo Gaikan Expressway

Location characteristics

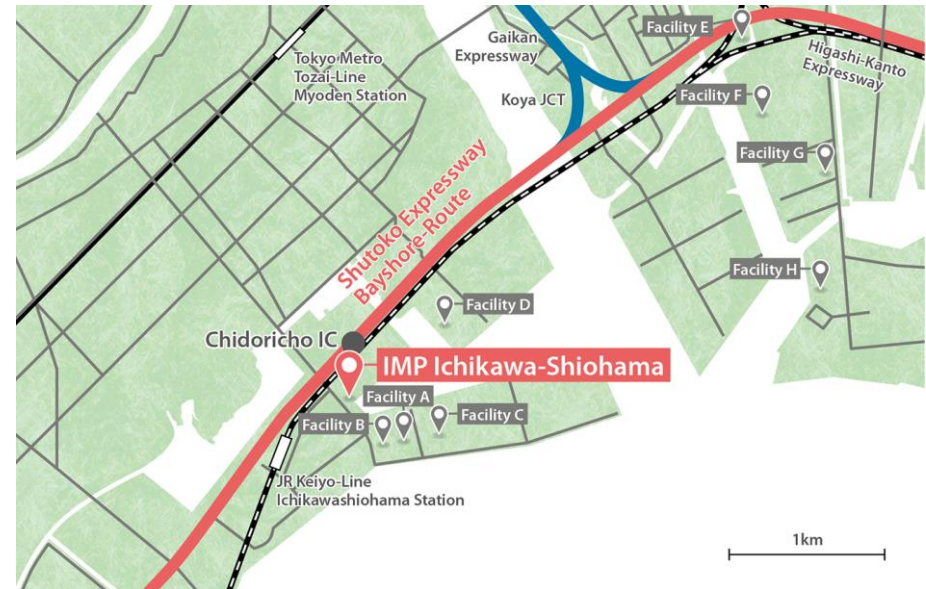
- Located 0.2 km from Chidoricho Interchange on Shutoko Expressway Bayshore-Route, it offers excellent access to central Tokyo, a mass consumption area
- Located 3.1 km from Koya JCT, which is a junction of Shutoko Expressway Bayshore-Route, Tokyo Gaikan Expressway, and the Higashi-Kanto Expressway, and about 30 km from Haneda Airport, it is a suitable location for logistics covering a wide area from central Tokyo
- 700m (9 minutes on foot) from Ichikawa-Shiohama Station on JR Keiyo Line, which is highly convenient for commuting and is advantageous in securing employment
- Located in an exclusive industrial zone, 24 hours a day, 365 days a year operation

Property features

- Environmentally friendly with LED lighting throughout the building and the introduction of CO2-free electricity
- Specifications that realize highly efficient storage and retrieval operations
- Consideration for the working environment, such as setting up a break room for employees on each floor

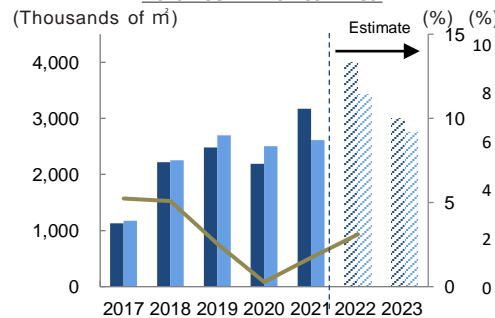
Effective ceiling height	5.5m
Column spacing	11.35m×10.70m
Floor load	1.5t /m ²
Location	Ichikawa City, Chiba
Anticipated acquisition date	October, 2022 April, 2023
Anticipated acquisition price	21,800 MN yen
Appraisal value	23,900 MN yen
Appraisal NOI yield	4.0%
Completion date	August, 2019
Total floor area	57,724.00m ²
Total leasable area	54,311.99m ²
Structure, Floor number	S, alloy-plated steel sheet, 4F
Number of tenants	2

A highly convenient location near a station and IC in Tokyo Bay area where logistics facilities are concentrated



Tokyo Gaikan EXPWY area where the property is located has a particularly favorable supply and demand environment in the Kanto area

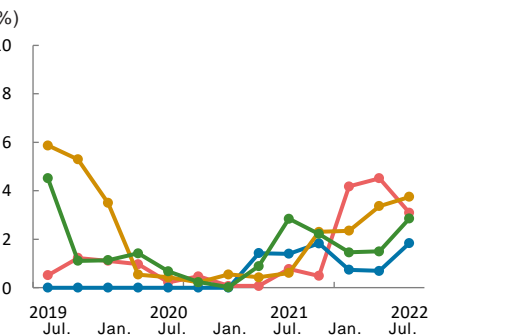
Vacancy Rate and Supply and Demand Balance in Kanto Area



Legend: New supply (left axis), New demand (left axis), Vacancy rate (right axis), Bay area, Tokyo Gaikan EXPWY area, National Route 16 area, Ken-O EXPWY area

Source: K.K. Ichigo Real Estate Service
※Vacancy Rate for 2022 is as of July end, for other years, as of October end each ear.

Vacancy Rate in Kanto Area



Source: K.K. Ichigo Real Estate Service

Property to be Acquired (2/2) – Excellent property with excellent tenants, high functionality, and high efficiency

Highly functional logistics facility that is rare in Tokyo Bay area

- Advanced logistics facility with 4 floors above ground and a total floor area of 57,724.00m²
- Pillar span of 11.35m x 10.70m ensures sufficient space
- 4 freight elevators and vertical conveyors are installed on each of the 1st and 2nd floors, and the 3rd and 4th floors, providing high vertical transport capacity



Tenant composition centered on logistics companies that handle packages for major e-commerce

- The tenant on the 3rd and 4th floors is JP Rakuten Logistics, Inc., which was established on July 1, 2021 by Japan Post Co., Ltd. and Rakuten Group, Inc.
- Mainly handles packages from major EC (Rakuten Ichiba)

JP Rakuten Logistics, Inc.
Shareholders (capital structure)

Japan Post Co., Ltd. (50.1%)

Rakuten Group, Inc. (49.9%)

(as of July 1, 2021)

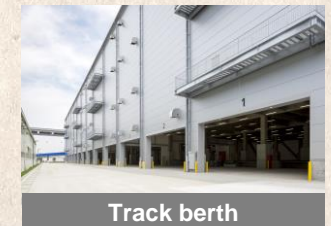
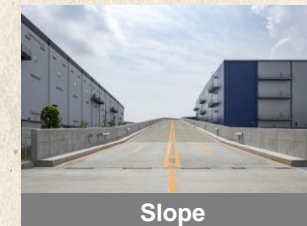
Environmentally friendly facility design

- Uses LED lighting throughout the building
- Solar panels provided by VPP Japan, in which ITOCHU has invested, are installed on the roof of the facility. Use CO2-free power to cover power within the facility
- Each floor has an office, meeting room, break room, and toilet for employees, giving consideration to the working environment.



Specifications that realize highly efficient storage and retrieval operations

- A slope that allows large vehicles to enter directly to the 3rd floor is installed to reduce time loss due to vertical transportation.
- Truck berths on the 1st and 3rd floors can accommodate a total of 44 large trucks at the same time.



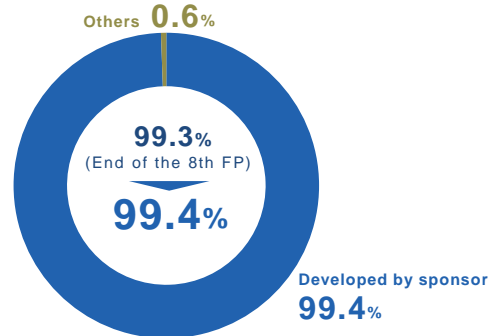
Post-acquisition Portfolio

Further improves the stability of Portfolio by acquiring prime properties

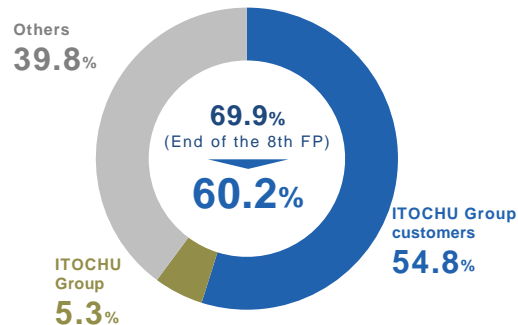
Indicators in the Post-acquisition Portfolio

Strong Sponsor Support

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

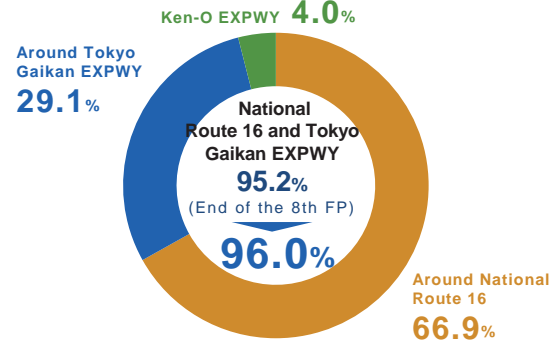


ITOCHU Group and
Group customer tenant
(based on annual rent)

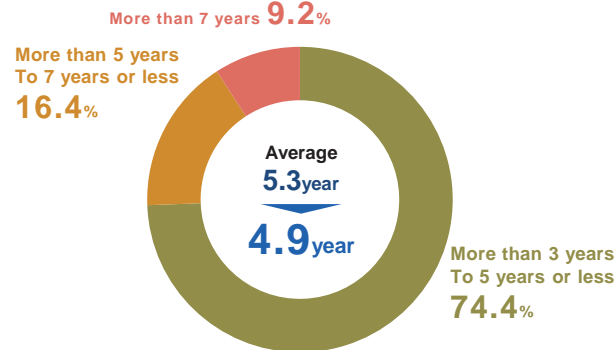


Competitive Location / Young Property

Location (in Kanto area: 100.0%)
(based on (anticipated) acquisition price)

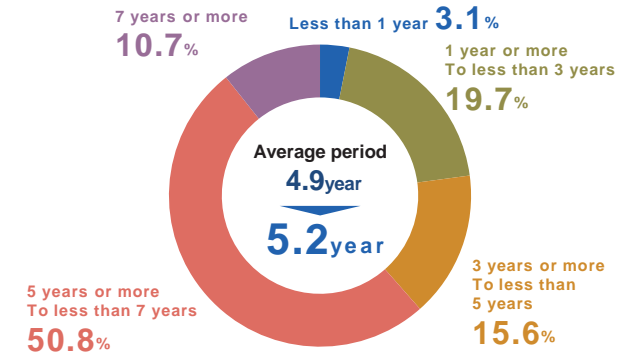


Property age
(based on (anticipated) acquisition price)

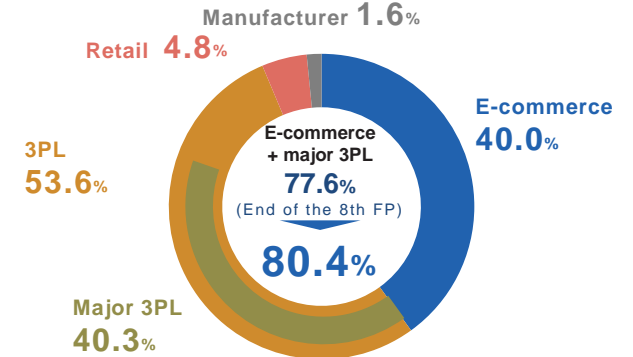


Long-term / Quality Tenant

Remaining lease term
(based on annual rent)

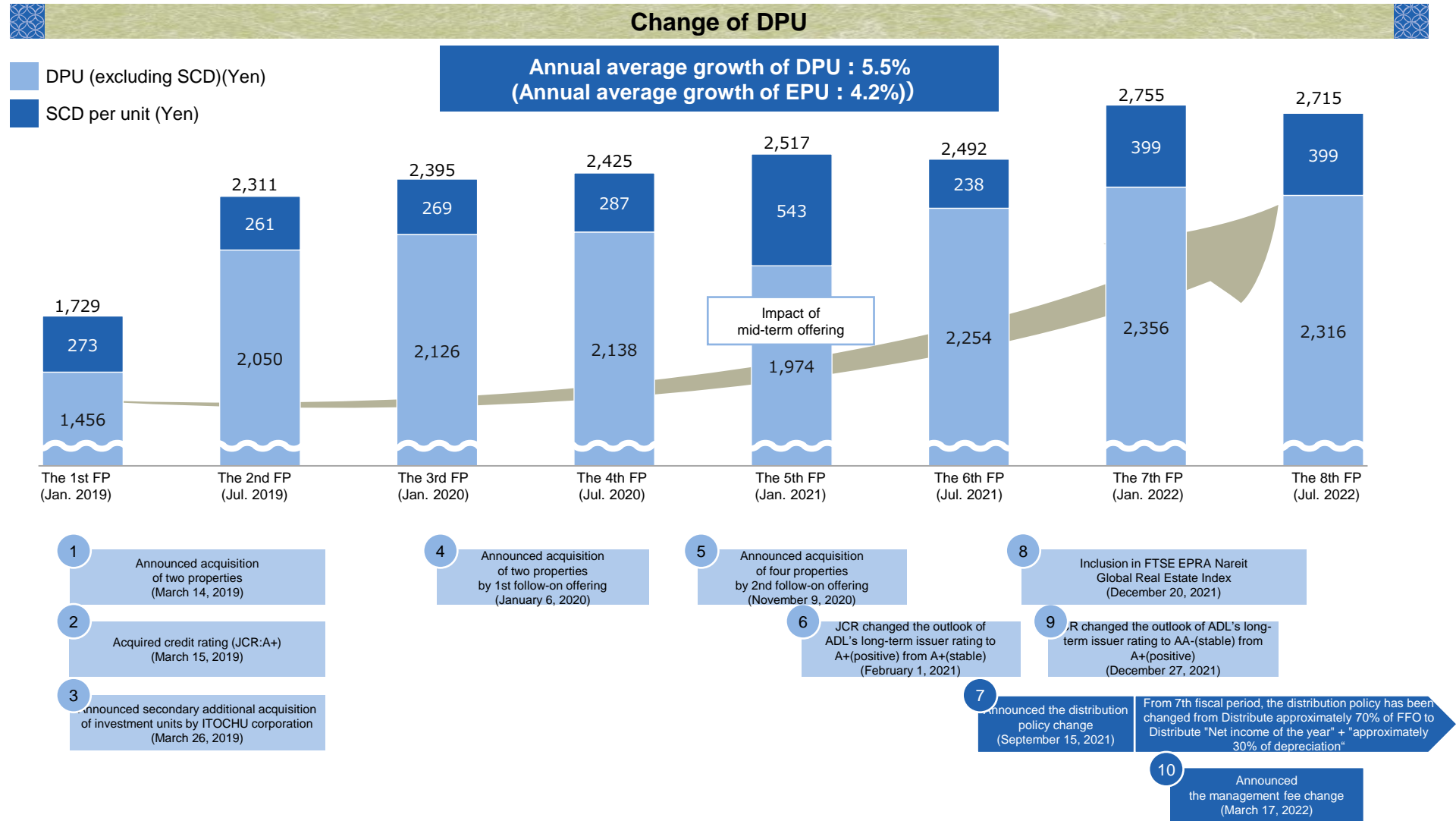


Tenant industry
(based on annual rent)



Change of DPU

Realizing continuous growth of DPU by implementing various measures in addition to external growth effects from property acquisitions since IPO



Establishment of strong Financial Base durable to long-term management

Issued 2nd Green Bond and executed refinancing of 5.0 billion yen
Continued stable financial management with no change in lender stance
Considering capacities while promoting maturity extension and rates fix

Financial Highlights (post-acquisition)

Interest-bearing debt
58.1 BN yen

Normalized (Total asset)
LTV
42.5%

Borrowing capacity
 (Assuming LTV can be
increased up to 45%)
6.2 BN yen

Fixed interest ratio
94.5%

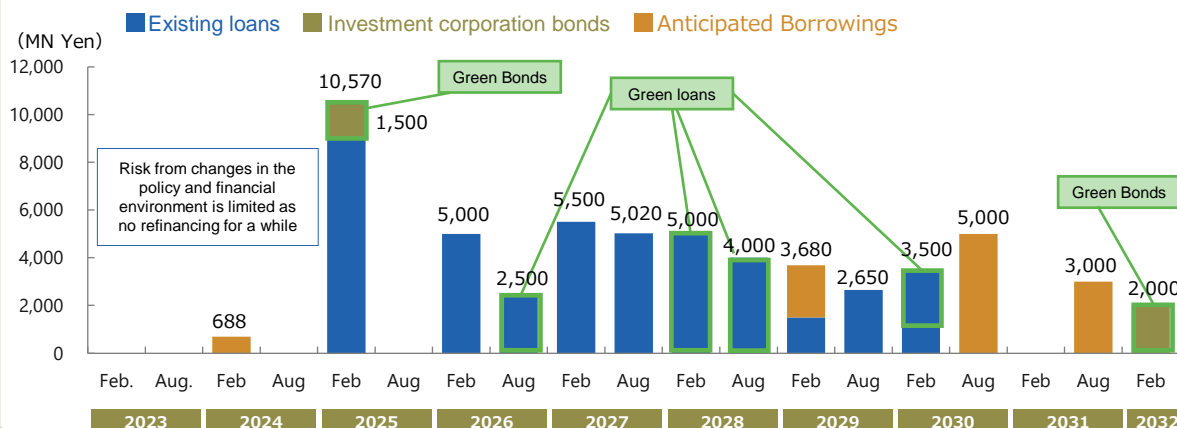
Long-term debt ratio
98.8%

Long-term issuer rating
 (JCR)
AA-(stable)

Overview of Anticipated Borrowings

Lender	Anticipated borrowing amount	Interest rate	Anticipated borrowing date	Anticipated repayment date	Repayment method	Use of proceeds	Collateral
Sumitomo Mitsui Banking Corporation	170	Base rate + 0.150%	Oct. 19, 2022	May. 31, 2023	Bullet repayment	Funds for acquisitions of Properties to be Acquired and other related expenses	Unsecured and non-guaranteed
	1,200			Sep. 29, 2023			
Syndicate arranged by Sumitomo Mitsui Banking Corporation	2,180	Base Rate + 0.290%	Oct. 19, 2022	Sep. 29, 2028			
	2,800	Base Rate + 0.365%		Apr. 30, 2030			
	2,200	Base Rate + 0.340%	Apr. 3, 2023	Mar. 29, 2030			
	3,000	Base Rate + 0.390%		Mar. 31, 2031			
Total	11,550						

Maturity Ladder (post-acquisition)



- ✓ Feb. 2022 Issue 2nd Green Bond of ¥2bn
Prepay a part of Green loan
- ✓ Aug. 2022 Prepay a part and refinance ¥5bn
Steadily implement without changing lender stance
Improve financial stability by extending the maturity and fixing interest rates
- ✓ Continuously considering introduction of Commitment Line aiming to spread maturity period in the future

Aiming to further improve profitability of portfolio through selective quality properties

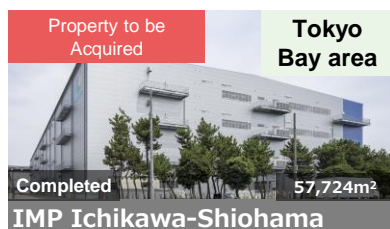
Aim to acquire selective quality properties to maintain/improve profitability of portfolio at appropriate level of NOI yield in the area

Aiming to improve portfolio quality by tenants with stable cash flow and competitive location

Properties developed by Sponsor

Backed by sponsor support, continue to acquire properties at appropriate level of NOI yield in each area

Properties owned / developed by the ITOCHU Group: 7 properties with total floor area of about 253,864m²



*red frame is properties of which preferential negotiation right is newly acquired in 8th FP.

Efforts to acquire Third-party Properties

① Organizational Enhancement through Merger

- Enhancement of property information gathering capability through merger of asset management companies
- Strengthen property acquisition team (increase personnel)
- Expanding information resources and continuously strengthening the network

③ Create Projects Utilizing Own Network

- Gather/analyze information on general companies' assets, financial conditions etc.
- Search for potential properties by utilizing the resources of the ITOCHU Group and financial institutions, etc.
- Expansion of information resources through the capital and business alliance with Nishimatsu Construction Co., Ltd. and ITOCHU Corporation in December 2021

② Liquidation Needs of ITOCHU Group

- Cross-functional interviews of other business divisions by a team of experts from ITOCHU Corporation/Construction and Real Estate divisions
- Regularly identify and follow up on real estate needs within the group

④ Bridge and Warehousing scheme

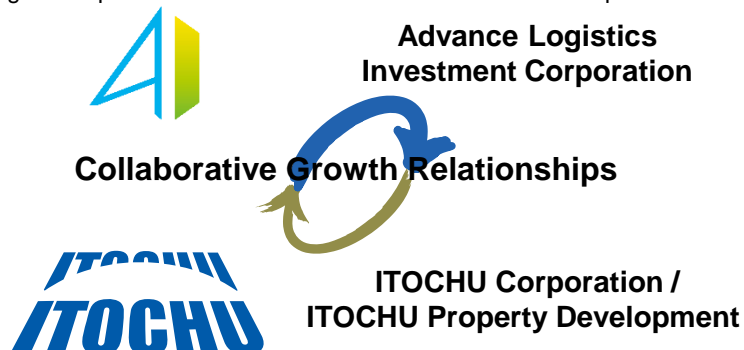
- Promote prompt and flexible property acquisition strategy through a variety of acquisition methods, utilizing the bridge funds and warehousing functions of sponsors according to the capital market environment and timing of property acquisitions

Collaborative Growth Relationships with Sponsor and Merger Effect of Asset Management Company

In addition to the “Collaborative Growth Relationship” with Sponsor, the “effect of changing the management system” due to the merger of the asset management company will strengthen the foundation of the growth strategy to further improve unitholder value

Collaborative Growth Relationships with Sponsor

1. Continued growth supported by ITOCHU Group's business platforms
2. Exploring projects and providing added value utilizing the broad network and group power of a general trading company
3. Build growth spiral based on Collaborative Growth Relationships



Ownership / Management

Realty and Logistics (R/L) Platform

- 1 Strength in land purchase, facility development and leasing experience since FY2004
- 2 Experience as a logistics operator
- 3 Utilization of expertise gained in J-REIT management

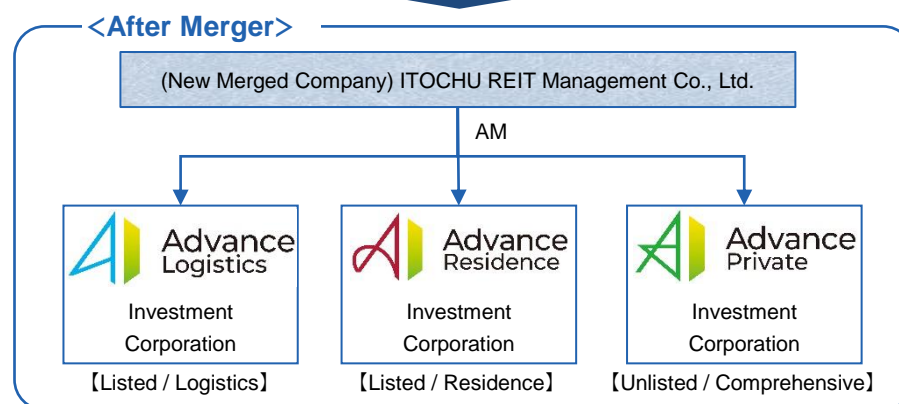
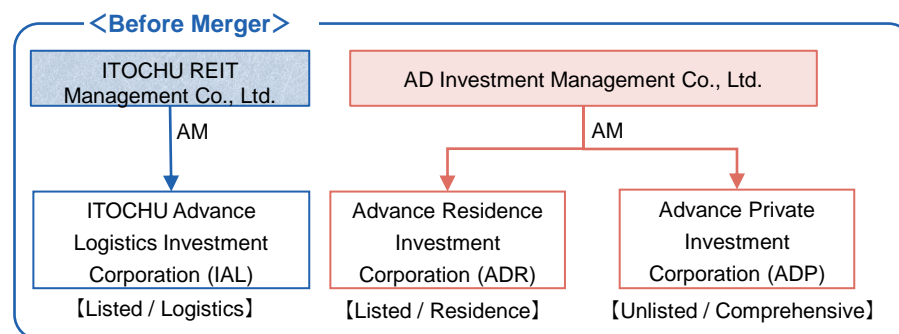
Development / Leasing

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

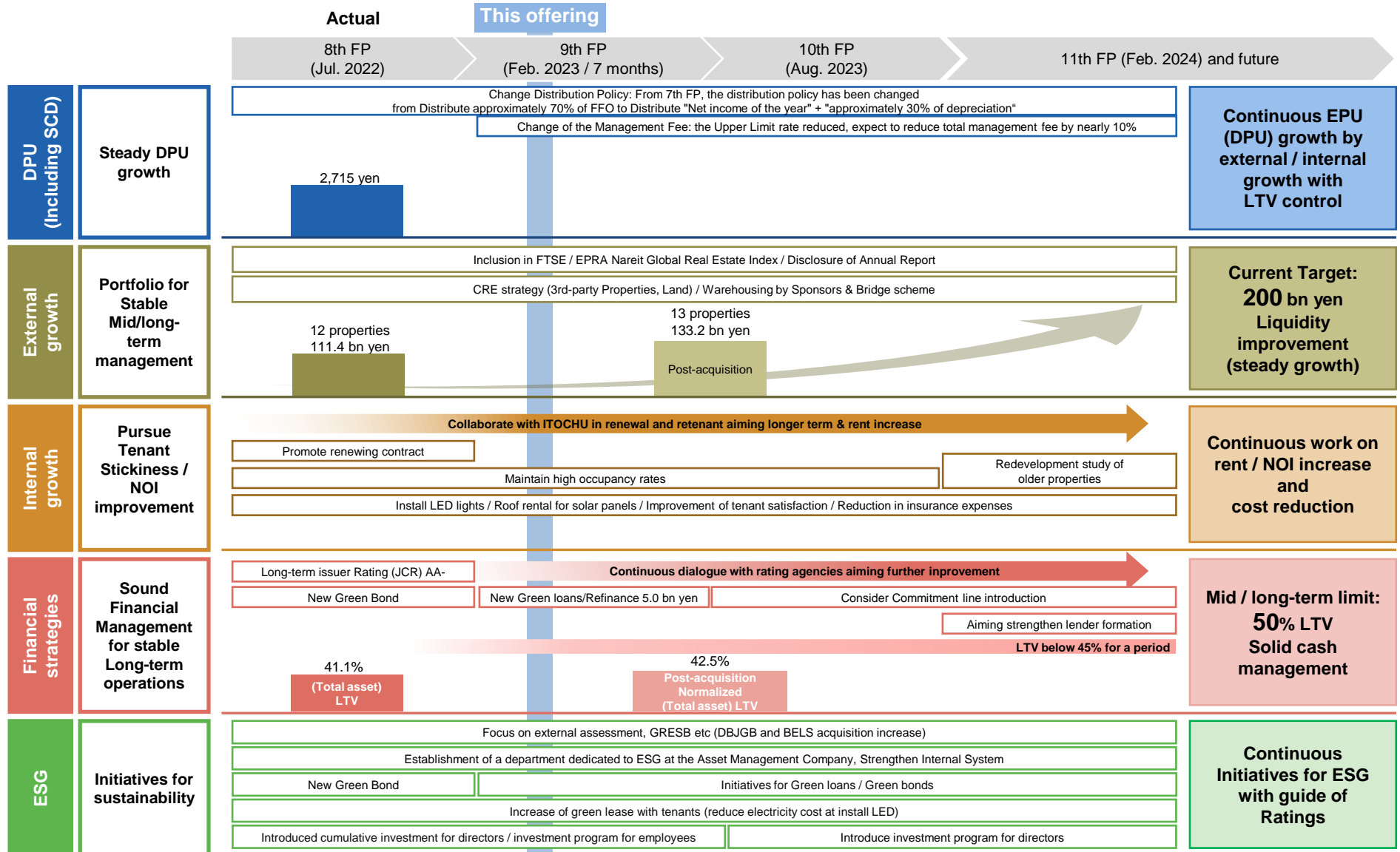
Overview of the Merger of Management Company

1. Expansion of investment opportunities / Acquisition of property information
2. Sharing know-how of each company
3. Strengthen human resource development & recruitment capabilities



Strategic Roadmap

Aim to maximize unitholder value and long-term solid management by implementing steady measures



Internal Growth Strategies / Long term Stable Cash Flow based on ITOCHU Corporation's Leasing Capabilities

Securing long-term stable profitability by exclusive contracts of whole facility with quality tenants on long-term basis, by timely capturing customers location strategy and facility needs through ITOCHU Group's network

Implemented Measures for Revenue Increase

- ✓ **Concluded contract with tenants expiring September 2022**
 - IMPConcluded contracts with tenants of IMP Atsugi
 - Extended contract period and increased rents without down time and free rent
- ✓ **Started negotiation with tenants expiring in September 2023**
 - Negotiating with two tenants of IMP Moriya for contract renewal
- ✓ **Cost Reduction**
 - Reduce insurance expenses by reviewing umbrella liability insurance
- ✓ **New Looptop Leasing**
 - Solar roof lease at IMP Inzai 2 starts from February 2023

Long-term lease contracts with quality reliable tenants

(Post-acquisition)

Tenant industry (based on annual rent)

Manufacturer 1.6%
Retail 4.8%
3PL 53.6%
Major 3PL 40.3%
E-commerce + major 3PL 77.6% (End of the 8th FP)
E-commerce 40.0%

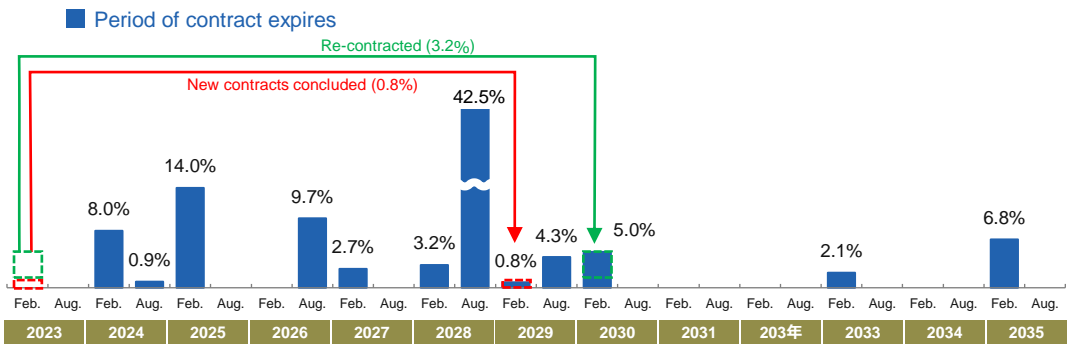
Remaining lease term (based on annual rent)

7 years or more 10.7%
Less than 1 year 3.1%
1 year or more To less than 3 years 19.7%
Average period 4.9year
5.2year
5 years or more To less than 7 years 50.8%
3 years or more To less than 5 years 15.6%

Effective utilization of vacant floors

- ✓ **Effective utilization of only vacant floor**
 - Utilize the only vacant office space at IMP Noda as an emergency stockpile to provided to tenants in the event of a disaster

Post-acquisition, Timing of Lease Expiration (based on annual rent)



Maintain a stable cash flow with an occupancy rate of over 99.9% since IPO

Features and Basic Strategies – Initiatives for ESG –

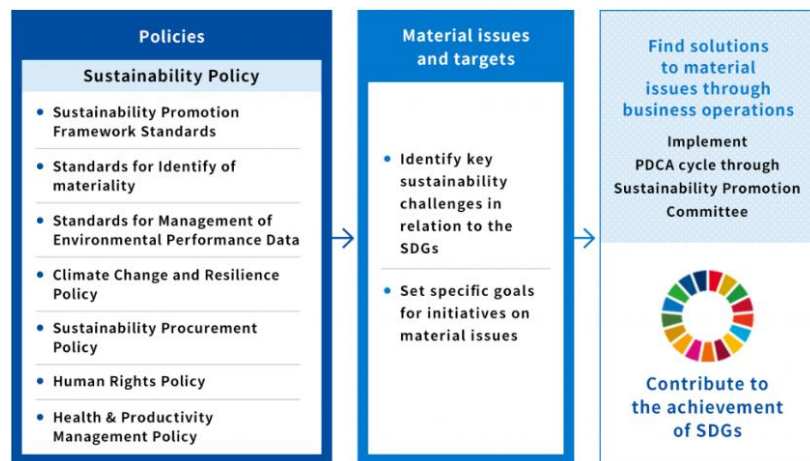
Expressing Strong commitment to ESG with sponsor groups



Sustainability Policy of the Asset Management Company

1. Legal compliance and the establishment of an organizational structure
2. Efforts toward achievement of a decarbonized society
3. Resource conservation and waste reduction
4. Employee education
5. Collaboration with internal and external stakeholders
6. Transparent disclosure

Pursuing sustainability as an organization in a systematic manner



ITOCHU Group's Commitment

Sustainability at the ITOCHU Group (concept diagram)

Aiming for a sustainable society, we advocate capitalism that contributes to all stakeholders, that is, "three-way good capitalism", and through our main business, we will achieve the "Sustainable Development Goals (SDGs)" such as maintaining the infrastructure for living and improving the environment

The United Nations Global Compact

WE SUPPORT



ITOCHU joined in April 2009

TCFD (Task Force on Climate-related Financial Disclosures)



ITOCHU Corporation announced its support for the TCFD recommendations in May 2019

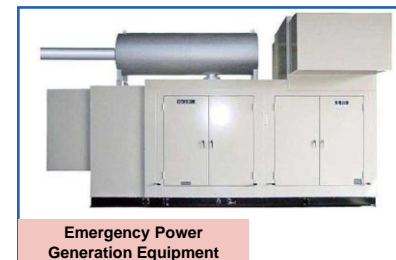
Initiatives in Construction and Real Estate Sectors

As a business to deal in properties closely related to people's lives in particular, ITOCHU emphasizes security and safety of residents and users in promoting business in order to protect people's lives and social infrastructure from serious disasters increasing in recent years

<Examples>



Emergency Supplies Storehouse
Store water, food, portable toilets for tenants.
Built in IMP Noda and IMP Atsugi 2



Emergency Power Generation Equipment
Enables operation continuity at emergency by supplying power for a certain time. Built in IMP Atsugi 2

※IMP Atsugi2 is a property developed by sponsor for which ADL holds preferential negotiation right.

Establishment of Materiality, Target and KPI –ESG initiatives

Identify materiality as a key sustainability issue. Set targets and KPIs to achieve medium- to long-term growth.

Category	Long-term Vision	Materiality	Targets・KPI	Related SDG's	Specific Approach
Environment	Climate Change Initiatives (Contributing to the Realization of Decarbonized Society)	Management and reduction of energy and water consumption, CO2 emissions, and waste generation	By FY2030 (compared to FY2020) <ul style="list-style-type: none"> Reduce energy consumption by 10% (basic unit) CO2 emissions (GHG) <ul style="list-style-type: none"> SCOPE 1-3: 10% reduction (basic unit) SCOPE 3: Identify corresponding categories, determine scope, and calculate Water consumption: No increase per unit Waste: No increase per unit 	   	<ul style="list-style-type: none"> Manage and disclose targets and results Install LED lighting and energy-saving equipment Promote introduction of renewable energy
		Acquisition of environmental and energy-saving certifications	By FY2030 Ratio of environmental and energy-saving certifications acquisition to be 90% or more (based on total floor area)	 	<ul style="list-style-type: none"> Acquire Green Building Certification and BELS
		Cooperation with Stakeholders to Promote Environment Friendly Operations	<ul style="list-style-type: none"> Conduct periodic training and monitoring of suppliers Conclusion of contracts with green lease clauses for new tenants Conducted periodic training for employees of asset management companies 	   	<ul style="list-style-type: none"> Conduct supplier awareness activities and monitoring Conduct employee education on sustainability improvement and reduce CO2 emission at asset management company
Social	Climate Change Initiatives (Contributing to the Realization of Decarbonized Society)	Improving Tenant's Satisfaction through Engagement	<ul style="list-style-type: none"> Conduct periodic tenant satisfaction surveys Install disaster prevention maps in all properties and expand emergency supplies Distributed Sustainability Guide to all tenants Conduct education on sustainability at all properties Conduct disaster drills and lifesaving drills Promote new amenity services 	  	<ul style="list-style-type: none"> Conduct periodic tenant satisfaction surveys Conclude contracts with green lease clauses Conduct educational activities on sustainability
		Contribution to Local Communities	<ul style="list-style-type: none"> Promote agreements with municipalities for disasters Install AED equipment in multiple properties Promote installation of donation-type vending machines Support employees' volunteer activities / make donations to charitable organizations, etc. Consider holding events to promote local employment 	 	<ul style="list-style-type: none"> Provide shelter for residents and storage of supplies in the event of disasters in cooperation with local governments
		Pursuit of Unitholders' Profit through Customer-Oriented Business Conduct	<ul style="list-style-type: none"> Establish system to manage conflicts of interest of multiple funds. Implement honest and transparent information disclosure Pursuit unitholders' interests by management fee linked to investment performance 	 	<ul style="list-style-type: none"> same as targets & KPI
		Promoting Diversity and Talent Development	<ul style="list-style-type: none"> Average years of service: 5 years or more % of female employees: 30% or more % of female managers: over 15% Training programs & support acquire qualifications for employees. 	  	<ul style="list-style-type: none"> Fair employment selection/ equal opportunity in employment Career development support Provide employees with skill development training and support for qualification acquisition
		Creating a rewarding work environment	<ul style="list-style-type: none"> Paid leave utilization rate: over 70% Zero turnover due to life events, childcare and nursing care. % of employees using child nursing care leave: 50% or more Frequency of occupational accidents: Zero Implementation of employee satisfaction survey 	 	<ul style="list-style-type: none"> Childcare & nursing care leave, volunteer leave systems, hourly paid leave system, etc. Health management practices Conducting employee satisfaction
Governance	Strengthening Governance	Creating a rewarding work environment	<ul style="list-style-type: none"> Improvement of governance structure Increase number of fund directors / female directors: 25% female directors Implement internal compliance training and achieved 100% participation rate Maintain / improve the effectiveness of the Board of Directors & Board of Corporate Officers. 		<ul style="list-style-type: none"> Compliance committee and investment committee Sustainability Promotion Committee Conflict of interest transaction rules
		Strengthening Resilience	<ul style="list-style-type: none"> Response to severe disasters (earthquakes, floods, etc.) Respond to TCFD (climate change risk/opportunity assessment) Conduct BCP training once a year 		<ul style="list-style-type: none"> Identify risks based on PML values, etc. Identify climate-related risks/ opportunities/strategies Strengthen disaster preparedness and BCP systems

Initiatives for ESG (E) Environmental Initiatives (1)

Steadily implementing various measures to contribute to climate change initiatives and the realization of a decarbonized society. Newly established a department specializing in ESG and strengthened internal system

Response to climate-related risk



- Joined the TCFD consortium
- Identify climate change risks / opportunities and Planning of strategies

Long-term Targets for Decarbonized Society

Promote various measures with an awareness of longer-term initiatives

Item	Long-term target
Total energy consumption	Reduce 10% (per unit) by FY2030 (compared to FY2020)
Total CO ₂ emissions	Reduce 10% (per unit) by FY2030 (compared to FY2020)
Total water consumption	No increase (per unit) by FY2030 (compared to FY2020)
Total waste generation	No increase (per unit) by FY2030 (compared to FY2020)

Continuous Acquisition of Environmental Data

Achieved high environmental data acquisition coverage rate and promote environmental measures with the cooperation of tenant companies

Categories	FY2018	FY2019	FY2020	FY2021
Energy consumption	100%	100%	100%	100%
CO ₂ emissions	100%	100%	100%	100%
Water consumption	92%	95%	95%	96%
Waste amount	44%	80%	89%	100%

Comprehensive digitization of prospectuses



- In consideration of the environmental burden, we will abolish the paper printing of the prospectus and reduce paper, ink, etc.

Awarded "Green Star" Status with "4-Star" Rating



Having been highly evaluated by GRESB for its proactive implementation of environmental initiatives, ADL was awarded "Green Star" status and granted "4-star" in the GRESB Rating, in 2021 which is a five level rating system (the highest level is "five star")

2018	2019	2020	2021
(Listed in September)	★★★	★★★★	★★★★
	3-star	4-star	4-star

Active Promotion of Measures to Improve Evaluation



Install rainwater storage tanks to reuse rainwater for watering plants and exterior watering



Install sub-meters on automatic sprinklers and monitor water consumption in more detail to save water

Initiatives to Green Financing

- 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"
- Issuance of the second green bonds in February 2022.
- Refinancing with a 5.0 billion yen green loan in August 2022

Initiatives for ESG (E) Environmental Initiatives (2)

Active Acquisition of Environmental Certification

- Set a target to maintain at 90% of properties with certificates of Green building.
- Remain committed to acquisitions of certificates



BELS

Property	Total floor area (m)	DBJ assessment (★~★★★★★)	BELS assessment (★~★★★★★)
IMP Atsugi	19,297.60	Under consideration	Under consideration
IMP Kashiwa	31,976.44	★★★ 2021	Under consideration
IMP Noda	62,750.90	★★★ 2021	Under consideration
IMP Moriya	18,680.16	★★★★★ 2021	★★★★★ 2019
IMP Misato	22,506.53	★★★★★ 2021	★★★★★ 2019
IMP Chiba-Kita	9,841.24	Under consideration	★★★★★ 2019
IMP Inzai	110,022.51	★★★★★ 2021	★★★★★ 2019
IMP Moriya 2	6,779.95	-	-
IMP Kashiwa 2	117,435.21	★★★★★ 2020	★★★★★ 2020
IMP Inzai 2	26,938.75	★★★★★ 2021	★★★★★ 2021
IMP Tokyo-Adachi	27,872.43	★★★★★ 2021	★★★★★ 2021
IMP Miyoshi	10,300.66	★★★★★ 2021	★★★★★ 2021
Total	464,402.38	428,483.59	343,597.49
Percentage of properties certified		92.3%	74.0%

Energy Consumption Reduction and Resource Saving

Active Introduction of CO2-free electricity

- Solar panel at IMP Ichikawa-Shiohama is provided by VPP Japan an investee of ITOCHU. Entire facility uses CO2-free electricity
- Expand use of CO2-free electricity provided by ITOCHU mainly in future development properties



Renewable Diesel Proposal

- Introducing renewable fuel that ITOCHU and ITOCHU ENEX Co., Ltd. provide to tenant companies as an alternative to conventional diesel fuel
- ITOCHU Group will work to reduce CO2 emissions in the logistics business

Examples of Initiatives for Assets Owned by the investment corporation

<Water consumption reduction>



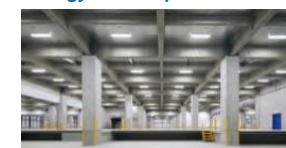
Installing water-saving toilet system

<CO₂ emissions reduction>



Promoting CO₂ emissions reduction in cooperation among tenants based on applicable law

<Energy consumption reduction>



LED lighting

<Green lease agreements>



Installing LED based on green lease agreements

<Greening>



Greening parking lots

<Renewable energy generation>



Greening parking lots

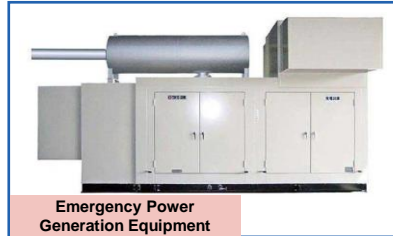
Initiatives for ESG (S) Social Contribution

Logistics Continuity at Emergencies



Emergency Supplies Storehouse

Store water, food, portable toilets for tenants. Built in IMP Noda (Non-occupied office area) and IMP Atsugi 2



Emergency Power Generation Equipment

Enables operation continuity at emergency by supplying power for a certain time. Built in IMP Atsugi 2

※IMP Atsugi 2 is a property developed by sponsor for which ADL holds preferential negotiation right.

ESG Initiatives with Suppliers

- Distribute sustainability guidebooks to major business partners, including property management companies.
- Conduct annual survey to business partners on their sustainability-related initiatives

Cooperation with Tenant Companies

Tenant satisfaction survey

- Implemented since 2020. In addition to facility, management questions are newly added.
- FY2021 survey was conducted by an outside research organization to gather more fair and straight-forward opinions.
- Understand tenants use of current facilities and utilize it for our operation and facility improvement

Ensuring employee safety



An individual specification was adopted whereby employees are able to 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

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 management and sharing of environmental performance data

Coexistence with Local Communities

Signed an Agreement with Noda City to provide IMP Noda in the event of a disaster



- Signed "Agreement on Acceptance of Evacuees and Relief Supplies in the Event of Disaster" with Noda City, Chiba Prefecture in May 2022
- Provide IMP Noda as a storage and management facility for relief supplies and a temporary evacuation site for disaster victims in the event of a disaster

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



ITOCHU Uneedus

Utilize the company as a place where people with handicap such as disabilities can work

Cleanup Activities



本資産運用会社のオフィス周辺における清掃活動を定期的に実施（2021年11月10日）

Other Activities

■ Participation in blood donation

Asset Management Company's employees actively participate in the blood donation event at ITOCHU Headquarters

■ Ecocap Campaign

Collecting plastic bottle caps and donating them to "Vaccines for the World's Children"

■ Donate unused stationery to NGOs

Supporting the activities of NPOs and other organizations through unused stationery

Initiatives for ESG (G) Governance

Management Fees

- Fee structure that is linked to unitholders' profit
- Review the current management fee structure to enhance unitholder value linked with strengthened revenue base through asset size expansion and by rationalization effect of account closing operations, etc, reducing total fee by nearly 10% (from 9th FP)

Management fee I	Total assets × <u>0.1%</u> (upper limit) ⇒ (From 9th FP) 0.05% (upper limit)
Management fee II	NOI of rental business × 5.0% (upper limit)
Management fee III	Income before income taxes × Adjusted EPU × <u>0.005%</u> (upper limit) ⇒ (From 9th FP) 0.004% (upper limit)

Asset acquisition fee	Interested parties : Acquisition price × 0.5% (upper limit) Others : Acquisition price × 1.0% (upper limit)
Asset disposition fee	Disposition price × 0.5% (upper limit) (0% when loss on asset disposition incurred)
M&A fee	Appraisal Value of succeeded assets × 1.0% (upper limit)

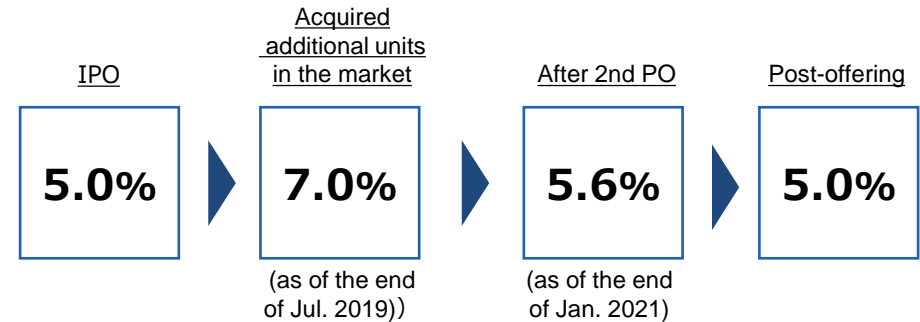
Publication of ESG Report



- Issue ESG report to further broaden and deepen understanding of our initiatives among unitholders and other stakeholders

ITOCHU Corporation's same-boat investment

- ITOCHU Corporation continues “same-boat investment” since IPO of ADL



Align interests with unitholders

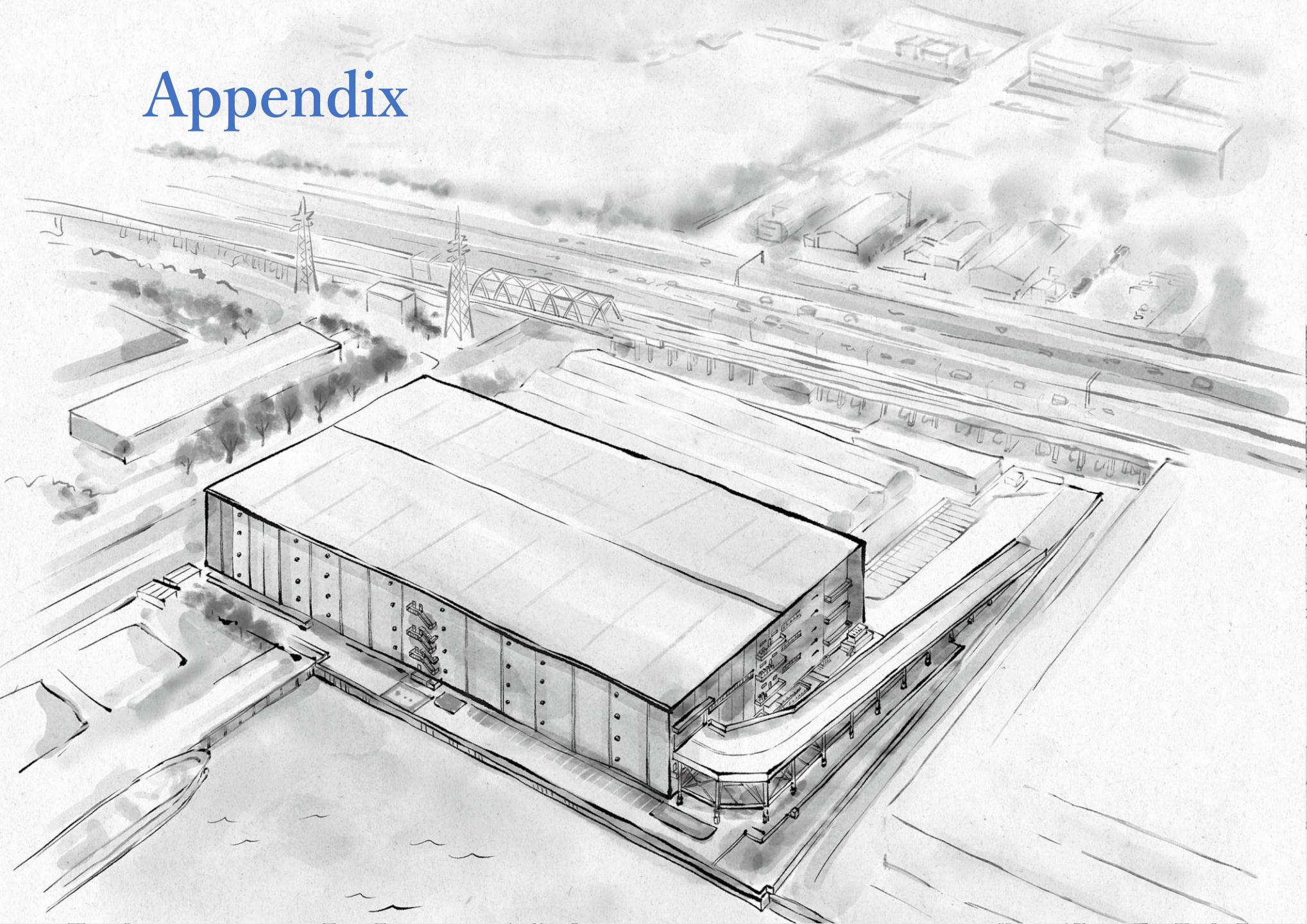
- Cumulative unit investment program is introduced to full time directors of Asset Management Company
- Investment unit ownership program has been introduced to non director employee

Facilitate the alignment of interests of unitholders with directors and employees of Asset Management Company

Expansion of compliance rules

- Analyzing the gap with FSA guidelines, and formulating regulations and manuals, etc to cope with global money laundering and terrorist financing measures (company-wide control / business process control) required by the FSA etc.
- In-house training on money laundering and terrorist financing measures has been completed. Aim for further understanding and penetration within the company

Appendix



Financial Results of the 8th Fiscal Period (Jul. 2022)

Reduced repair and other expenses resulted in higher DPU than forecast

DPU

8th FP (Jul. 2022) **2,715 yen**
vs forecast +26 yen (+ 1.0%)

7th FP
(Jan. 2022)

FFO per Unit

8th FP (Jul. 2022) **3,648 yen**
vs forecast + 26 yen (+ 0.7%)

8th FP
(Jul. 2022)

Breakdown of Difference (8th FP forecast vs 8th FP)

(MN Yen)	Actual	Forecast (announced on Mar. 17, 2022) (A)	Actual (B)	Difference (B) - (A)
Operating revenues	3,178	3,173	3,182	+8
Operating income	1,550	1,511	1,525	+13
Ordinary income	1,414	1,375	1,390	+15
Net income	1,413	1,374	1,389	+15
DPU (including surplus cash distribution (SCD))	2,755 yen	2,689 yen	2,715 yen	+26 yen
DPU (excluding SCD)	2,356 yen	2,290 yen	2,316 yen	+26 yen
SCD per unit	399 yen	399 yen	399 yen	-
FFO	2,213	2,173	2,189	+15
FFO payout ratio※	74.7%	74.2%	74.4%	+0.1 pt
Ratio of SCD to depreciation	30.0%	30.0%	30.0%	0.0 pt
FFO per unit	3,688 yen	3,621 yen	3,648 yen	+26 yen
AFFO※	2,112	2,155	2,179	+24
AFFO payout ratio	74.7%	74.9%	74.8%	-0.1 pt
AFFO per unit	3,685 yen	3,591 yen	3,631 yen	+40 yen
Total number of investment units outstanding	600,127	600,127	600,127	-

【Operating revenues】	
Increase in utility revenues	+8
【Operating income】	
Increase in utility expenses	-8
Decrease in repair expenses	+6
Increase in asset management fees	-4
Decrease in other expenses	+11

Management with unitholder value in mind

Merger of Asset Management Company

- Expansion of investment opportunities / Acquisition of property information
- Sharing know-how of each company
- Strengthen human resource development & recruitment capabilities

The Management Fee Change

- Aiming to improve unitholder value through expansion of asset size and merger effects

The Distribution Policy Change

- Strengthen returns to unitholders while continuing cash management that does not impair financial stability

Continuous efforts to improve dividends

Continue to consider measures that contribute to improving unitholder value going forward

Merger of Asset Management Company(Jun. 1, 2022)






After the merger, the management structure was changed to one asset management company managing multiple funds. Steadily realize the effects of the merger and build a more robust and expansive Collaborative Growth Relationship with the sponsor by strengthening the business foundation

Specific Merger Effects of Asset Management Company

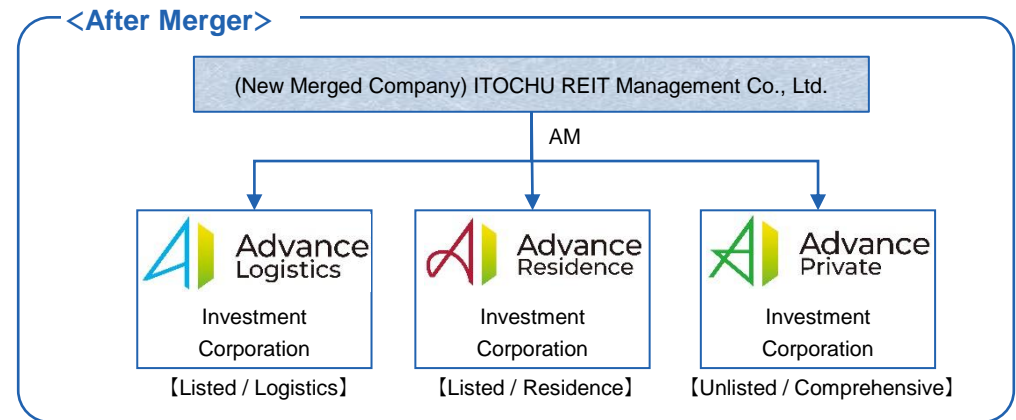
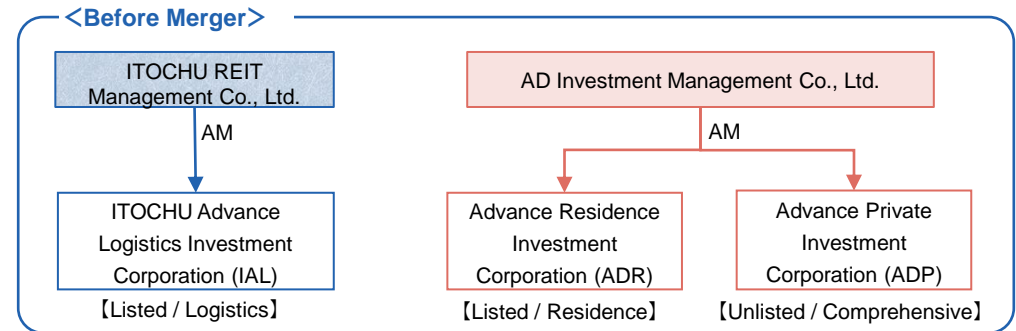
1. Strengthen property information collection capabilities
2. Strengthen operation structure by integrating back-office functions
3. Utilize engineering unit functions (first-class registered architect office)
4. Establish department specializing in ESG and reinforcement of initiatives
5. Human Resource Development

Order of Consideration for Asset acquisition

- Principle of Listed REIT Priority

Name	1st	2nd
Logistics facilities	 Advance Logistics ADL	 Advance Private ADP
Rental residences	 Advance Residence ADR	 Advance Private ADP
Others	 Advance Private ADP	—

Overview of the Merger of Management Company



Management fee change (reduction of upper limit) and Distribution policy change

Changed the asset management fee structure in order to connect the expansion of the asset size and merger effect to the improvement of unitholder value and Strengthen returns to unitholders by changing distribution policy while continuing conservative cash management

Outline of the management fee change

	Current		After change
Management fee I	Total assets × 0.1% (upper limit)	Half upper limit	Management fee I
			Total assets × 0.05% (upper limit)
Management fee II	NOI of rental business × 5.0% (upper limit)	No change in upper limit	Management fee II
			NOI of rental business × 5.0% (upper limit)
Management fee III	Income before income taxes × Adjusted EPU × 0.005% (upper limit)	Reduce upper limit	Management fee III
			Income before income taxes × Adjusted EPU × 0.004% (upper limit)

※ from 9th FP

Outline of the distribution policy change

Before

Distribute approximately 70% of FFO



After
(from 7th FP)

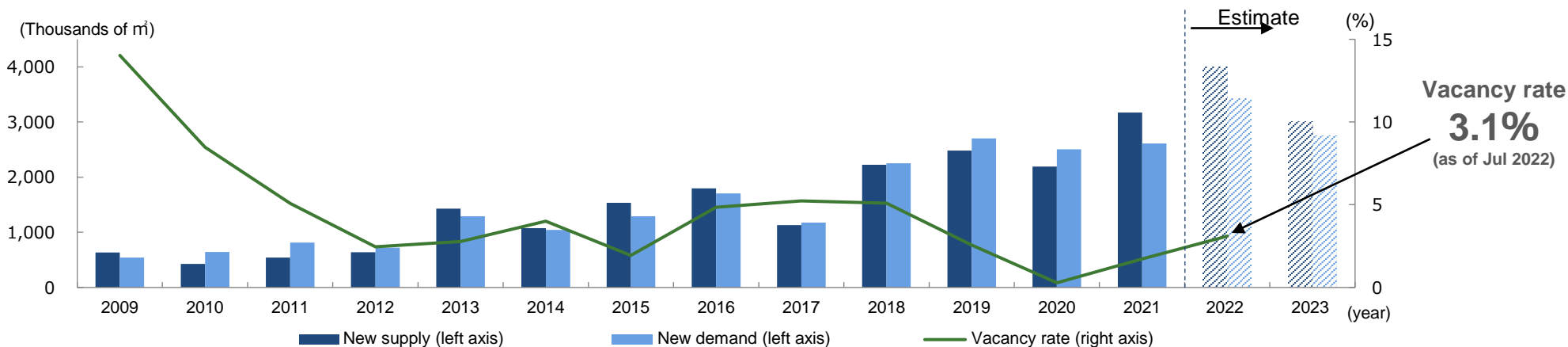
Distribute "Net income of the year"
+ "approximately 30% of depreciation"

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

While demand remains strong in the COVID-19, vacancy rates are on a gradual upward trend due to an increase in supply

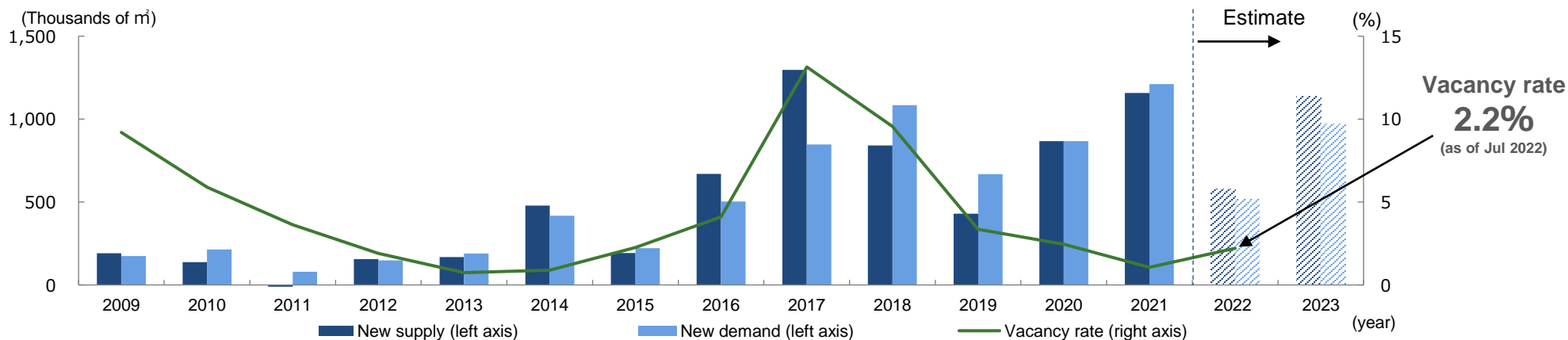
■ While supply and demand remains strong in the Kanto area, further increase of supply is expected to raise vacancy rate in the future

Vacancy Rate and Supply and Demand Balance in Kanto Area



■ Supply-demand balance in the Kansai area shifted from tight to balanced, the vacancy rate increased three consecutive quarters

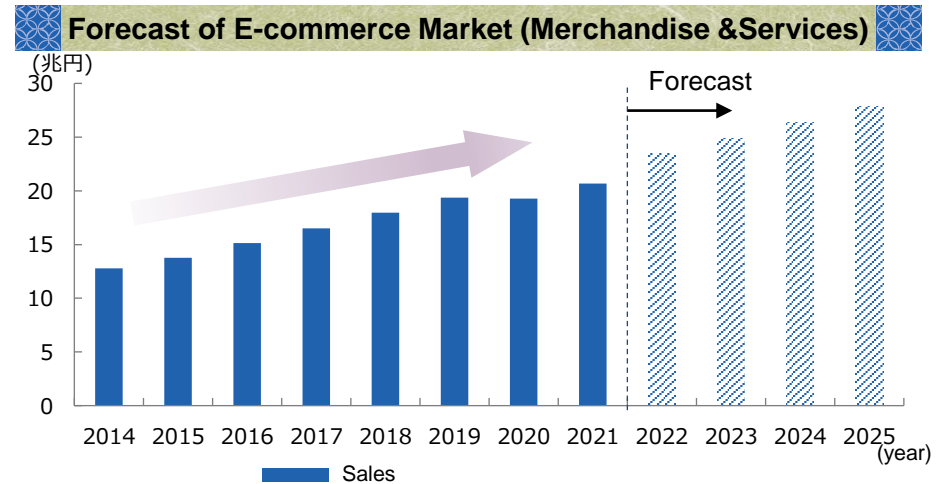
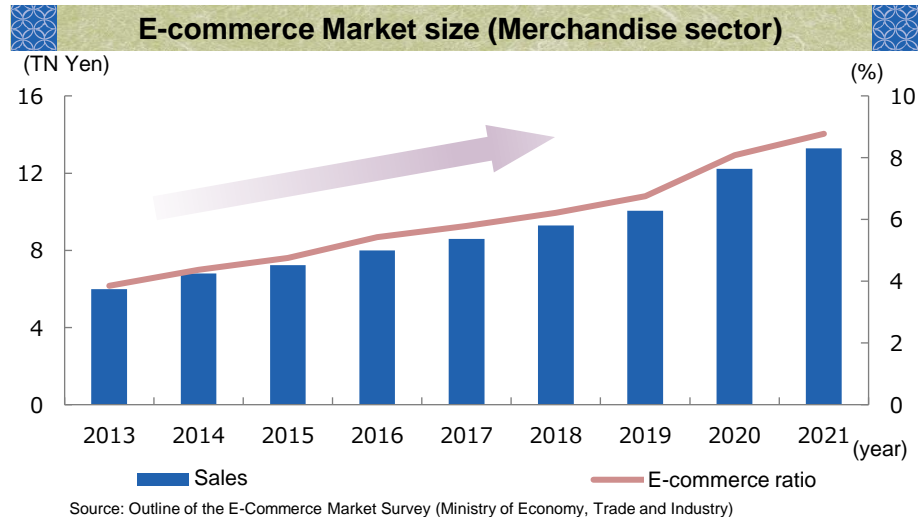
Vacancy Rate and Supply and Demand Balance in Kansai Area



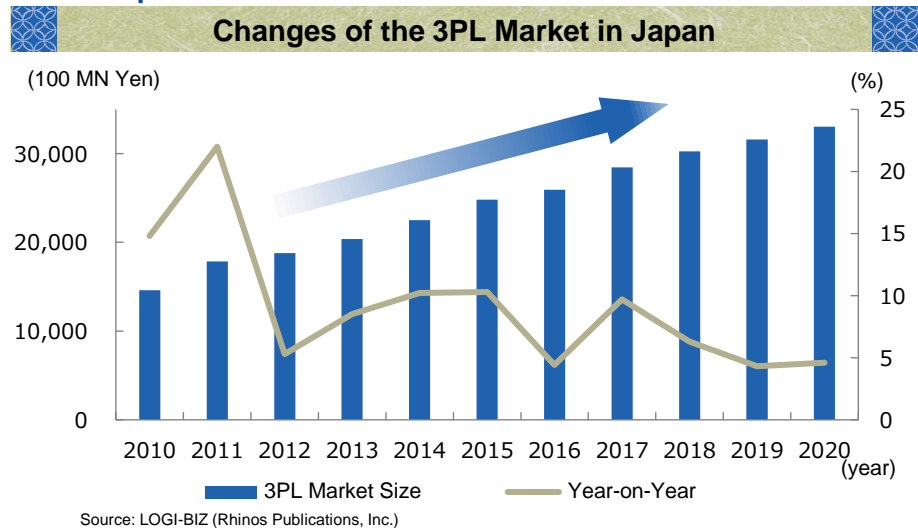
Market Overview (2) E-commerce·3PL market trend

Expansion of e-commerce and 3PL markets boosts logistics real estate market

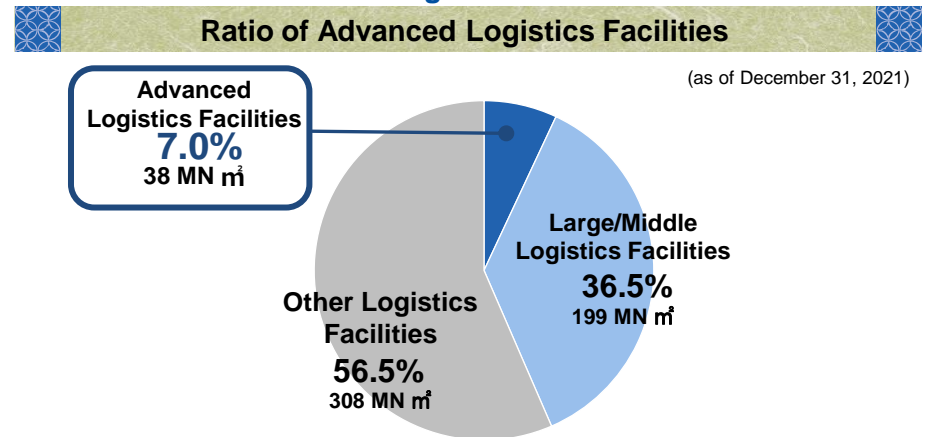
■ COVID-19 accelerated spread of e-commerce which is expected to grow further going forward



■ 3PL expansion boosts advanced facilities demand



■ The number of advanced logistics facilities in all is rare



Source: Compiled by K.K. Ichigo Real Estate Service based on Statistics on Building Starts (Ministry of Land, Infrastructure, Transport and Tourism) and Summary Report on Prices of Fixed Assets (Ministry of Internal Affairs and Communications)

Portfolio Information

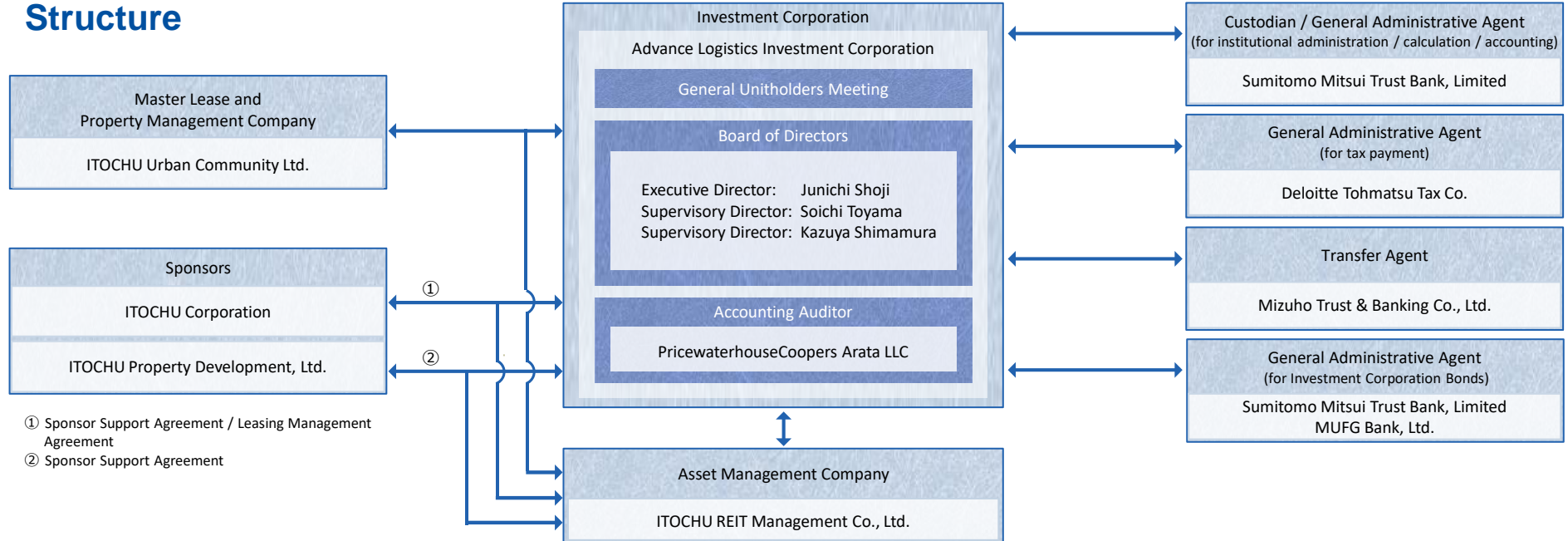
Continue to build a long-term stable portfolio

(Post-acquisition)

Category	Property No.	Property name	Location	Acquisition price (MN Yen)	Book value at the end of the period (MN Yen)	Appraisal value (MN Yen)	Unrealized gains (MN Yen)	Appraisal NOI yield (%)	Direct cap Rate (%)	Total floor area (㎡)	Property age (years)	Occupancy Rate (%)	PML (%)
Acquired Properties	L-1	IMP Atsugi	Atsugi City, Kanagawa	5,300	5,124	6,480	1,355	5.0	4.0	A: 3,909.97 B:15,387.63	10.1	100.0	A: 8.9 B: 8.2
	L-2	IMP Kashiwa	Kashiwa City, Chiba	6,140	5,831	7,320	1,488	5.1	4.2	31,976.44	7.6	100.0	5.4
	L-3	IMP Noda	Noda City, Chiba	12,600	11,954	15,100	3,145	4.9	4.0	62,750.90	6.7	99.5	1.8
	L-4	IMP Moriya	Tsukuba Mirai City, Ibaraki	3,200	2,995	3,840	844	5.3	4.3	18,680.16	5.5	100.0	5.4
	L-5	IMP Misato	Misato City, Saitama	6,100	5,838	7,460	1,621	5.0	4.0	22,506.53	5.2	100.0	4.4
	L-6	IMP Chiba-Kita	Chiba City, Chiba	2,600	2,498	3,110	611	5.3	4.3	9,841.24	4.8	100.0	4.9
	L-7	IMP Inzai	Inzai City, Chiba	27,810	26,268	32,600	6,331	5.1	4.2	110,022.51	4.6	100.0	1.5
	L-8	IMP Moriya 2	Tsukuba Mirai City, Ibaraki	750	736	935	198	6.7	4.5	6,779.95	27.8	100.0	7.3
	L-9	IMP Kashiwa 2	Kashiwa City, Chiba	28,320	27,663	33,000	5,336	4.7	3.9	117,435.21	4.1	100.0	2.9
	L-10	IMP Inzai 2	Inzai City, Chiba	5,367	5,289	6,090	800	5.0	4.3	26,938.75	3.6	100.0	2.7
	L-11	IMP Yokyo-Adachi	Adachi ward, Tokyo	10,915	10,910	11,900	989	4.2	3.8	27,872.43	4.4	100.0	5.0
	L-12	IMP Moyoshi	Miyoshi Town Iruma Country, Saitama	2,320	2,309	2,670	360	5.0	4.2	10,300.66	3.0	100.0	5.6
Property to be Acquired	L-13	IMP Ichikawa-Shiohama	Ichikawa City, Chiba	21,800	-	23,900	2,100	4.0	3.6	57,724.00	3.2	100.0	3.4
Total / Average				133,222	107,420	154,405	25,184	4.7	4.1	522,126.38	4.9	99.9	2.6

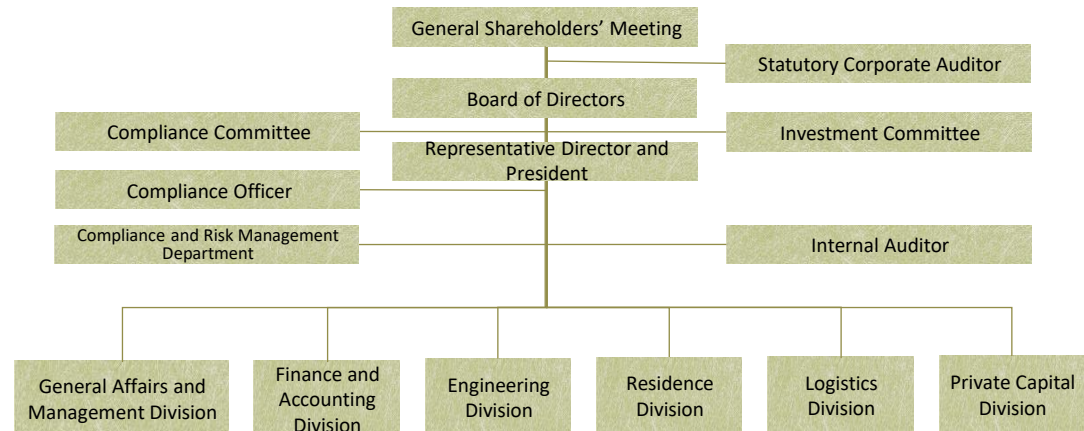
About the Investment Corporation and the Asset Management Company

Structure



Overview of the Asset Management Company As of Jul. 31, 2022

Company name	ITOCHU REIT Management Co., Ltd. ※AD Investment Management Co., Ltd. changed its trade name due to the merger in June 2022.
Established	February 2, 2005
Capital	300 million yen
Shareholders	ITOCHU Corporation 80% ITOCHU Property Development, Ltd. 20%
Main business	Investment management
Licenses and registrations	Financial Instruments Business Registration: Director of Kanto Local Finance Bureau (Kinsho) No. 309 Building Lots and Building Transactions Business License, Governor of Tokyo (4) No. 84325 Discretionary Transaction Agent License, Minister of Land, Infrastructure, Transport and Tourism, Registration No. 37 First-class Registered Architect Office: Registered with the Governor of Tokyo, No. 58856



Notes to the Statement

* Unless otherwise noted, **figures expressed in whole numbers are rounded down to the nearest unit, and figures expressed in decimal numbers are rounded off to the nearest digit.**

* The "IMP" in the property name is an abbreviation for "i Missions Park," a logistics facility developed by the ITOCHU Group.

* P26

Calculated as below, as of December 2021

- Logistics facility: All logistics facility in Japan (incl. lease, non-lease)
- Large/Middle: Amongst above, gross floor area from 5,000 m² and less 10,000 m²
- Advanced: Amongst above, gross floor area 10,000 m² or more, younger than 20 years, lease only

* Unless otherwise noted, other words assume the following

【3PL】 "3PL" stands for "Third Party Logistics," a form of logistics in which a third party, an external specialist, proposes comprehensive logistics reforms to the shipper, from ordering and receiving of goods and inventory management to computerization, and undertakes logistics operations on a collective basis.

【Major 3PL】 "Major 3PLs" refers to 3PLs with consolidated group sales exceeding 100 billion yen.

【E-commerce】 "EC" stands for Electric Commerce and refers to electronic commerce (e.g., online shopping).

【NAV】 "NAV" stands for net asset value. It is calculated as (Appraisal value - Book value of assets held + Net asset value on the balance sheet - Distributions for the each period).

【NAV per unit】 "NAV per unit" is NAV divided by the total number of investment units.

【Price/NAV】 "Price /NAV" is the unit price divided by the NAV per unit.

【FFO】 "FFO" is calculated as (net income (excluding gain or loss on the sale of real estate) + depreciation costs + profit and loss carried forward from the previous period).

【AFFO】 AFFO is calculated as (FFO - capital expenditure).

【FFO (AFFO) payout ratio】 "FFO (AFFO) payout ratio" is calculated as ((total distributions + total surplus cash distributions) ÷ FFO (AFFO))

【Occupancy rate】 "Occupancy rate" indicates the ratio of leased area to leasable area

【PML】 "PML" stands for "Probable Maximum Loss", the expected maximum loss ratio, and the figures are shown in the earthquake risk assessment report provided by the survey vendor.

Disclaimer

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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 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.

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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

Advance Logistics Investment Corporation

Contact	Asset management company ITOCHU REIT Management Co., Ltd. Logistics Strategy Department
TEL	0120-300-780 +81-3-6821-5484
Business hours	11:00 - 15:30 (Excluding weekends, national holidays, and days off at the end and beginning of the year) *11:00 - 15:00 on December 29 and 30 (In the case of business day) *We are currently adopting staggered working hours to deal with the COVID-19, so our business hours will be shortened.
Address	1-105 Kanda-Jinbocho, Chiyoda-ku, Tokyo 101-0051, Japan