

November 18, 2020

For immediate release

Real Estate Investment Trust Securities Issuer:  
ITOCHU Advance Logistics Investment Corporation  
3-6-5 Kojimachi, Chiyoda-ku, Tokyo, Japan  
Representative: Junichi Shoji, Executive Director  
(Securities Code: 3493)

Asset Management Company:  
ITOCHU REIT Management Co., Ltd.  
Representative: Junichi Shoji, Representative director,  
President & CEO  
Inquiries: Keiichi Yoshida, Director and CFO  
TEL: +81-3-3556-3901

Notice Concerning the Borrowing of Funds (Increase of Borrowing Amount)

ITOCHU Advance Logistics Investment Corporation (“IAL”) hereby announces that, with respect to the borrowing of funds disclosed in a release dated November 9, 2020, entitled “Notice Concerning the Borrowing of Funds” (“Borrowings”), IAL determined today to increase the originally expected borrowing amount as follows.

1. Increase of Borrowing Amount

As announced in a release dated November 16, 2020, entitled “Notice Concerning the Determination of Prices for the Issuance of New Investment Units and Secondary Offering,” the amount of funds to be procured through issuance of new investment units has been finalized. In response to this, IAL has determined to increase the amount of the Borrowings from originally expected 12,916 million yen to **13,516 million yen** in total.

2. Overview of the Borrowings (revised amounts underlined)

| Category<br>(Note 1) | Lender  | Borrowing<br>Amount<br>(Millions of<br>yen) | Interest Rate                                       | Borrowing<br>Date    | Borrowing<br>Method  | Repayment<br>Date     | Repayment<br>Method | Collateral                          |
|----------------------|---|---|---|----------------------|--|-----------------------|---------------------|-------------------------------------|
| Short-term           | Loan syndicate<br>with Sumitomo<br>Mitsui Banking<br>Corporation as<br>arranger | 433   | Base interest rate +<br>0.150%<br>(Note 2)          | April 1,<br>2021     | Loan<br>agreement<br>executed on<br>March 30,<br>2021 with<br>lenders shown<br>at left | March 31,<br>2022     | Bullet<br>repayment | Unsecured<br>and non-<br>guaranteed |
|                      | Subtotal  | 433   | -   | -                    | -  | -                     | -                   | -                                   |
| Long-term            | Sumitomo Mitsui<br>Banking<br>Corporation                                       | 730   | Base interest rate +<br>0.150%<br>(Note 2)          | November<br>20, 2020 | Loan agreement<br>executed on<br>November 18,<br>2020 with lender<br>shown at left     | November<br>22, 2021  | Bullet<br>repayment | Unsecured<br>and non-<br>guaranteed |
|                      | Loan syndicate<br>with Sumitomo<br>Mitsui Banking<br>Corporation as<br>arranger | <u>4,783</u><br>(Note 6)                    | Base interest rate +<br>0.215%<br>(Note 3) (Note 4) | April 1,<br>2021     | Loan agreement<br>executed on<br>March 30, 2021<br>with lenders<br>shown at left       | September<br>30, 2025 |                     |                                     |
|                      |   | <u>5,000</u><br>(Note 6)                    | Base interest rate +<br>0.315%<br>(Note 3) (Note 4) | April 1,<br>2021     |  | September<br>30, 2027 |                     |                                     |
|                      |   | <u>2,570</u><br>(Note 6)                    | Base interest rate +<br>0.390%<br>(Note 3) (Note 4) | April 1,<br>2021     |  | March 30,<br>2029     |                     |                                     |
|                      | Subtotal  | <u>13,083</u>                               | -   | -                    | -  | -                     | -                   | -                                   |

Note: This press release is intended to disclose to the public the borrowing of funds by IAL, and is not an offer to sell or a solicitation of any offer to buy the securities of IAL in the United States or elsewhere. Any investment decision should be made based upon your own judgement.  
This press release does not constitute an offer of securities in the United States of America. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.



| Category<br>(Note 1) | Lender | Borrowing<br>Amount<br>(Millions of<br>yen) | Interest Rate | Borrowing<br>Date | Borrowing<br>Method | Repayment<br>Date | Repayment<br>Method | Collateral |
|----------------------|--------|---|---------------|-------------------|---------------------|-------------------|---------------------|------------|
| Total                |        | <u>13,516</u>                               | -             | -                 | -                   | -                 | -                   | -          |

(Note 1) “Short-term” refers to a borrowing period of no more than one year from the borrowing date to the repayment date, and “long-term” refers to a borrowing period of more than one year from the borrowing date to the repayment date. The same applies hereinafter.

(Note 2) The base interest rate is the one-month Japanese yen TIBOR (calculated on a 365-day basis) announced by the TIBOR Administration of the Japan Bankers Association (JBA). The Japanese yen TIBOR can be checked on the TIBOR Administration’s website (<http://www.jbatibor.or.jp/english/>).

(Note 3) The base interest rate is the one-month Japanese yen TIBOR (calculated on a 365-day basis) or three-month Japanese yen TIBOR (calculated on a 365-day basis) announced by the TIBOR Administration of the Japan Bankers Association (JBA). The Japanese yen TIBOR can be checked on the TIBOR Administration’s website (<http://www.jbatibor.or.jp/english/>).

(Note 4) An interest rate swap agreement (the “Interest Rate Swap Agreement”) is scheduled to be concluded in order to fix the interest rate. The details of the Interest Rate Swap Agreement will be separately announced once it is determined.

(Note 5) For the borrowings above, loan agreements have not been concluded as of today. Therefore, it is not guaranteed the borrowings will be made, and the amount of borrowings, etc. may also change.

(Note 6) As of today, IAL plans to draw down each of the long-term borrowings scheduled to be drawn down on April 1, 2021 from the loan syndicate with Sumitomo Mitsui Banking Corporation as arranger in the amounts indicated above. However, IAL may reduce the amount of the long-term borrowing with the repayment date of September 30, 2025 and increase the amount of the long-term borrowing with the repayment date of March 30, 2029. Even in the case of such changes, the total borrowing amount of 13,516 million yen will not be changed.

### 3. Future outlook

Because the impact caused by the aforementioned change is not material, there are no revisions to the forecast of financial results for the fiscal periods ending January 2021, July 2021 and January 2022, as disclosed in a release dated November 9, 2020, entitled “Notice Concerning Revisions to the Forecasts of Financial Results for the Fiscal Periods Ending January 2021 and July 2021, and the Forecasts of Financial Results for the Fiscal Period Ending January 2022.”

In line with the increase of borrowing amount, (1) Outstanding Loan Balance after the Borrowings, as well as (2) Impact of the Borrowings on Financial Indicators, as disclosed in a release dated November 9, 2020, entitled “Notice Concerning the Borrowing of Funds,” are hereby modified as follows (modifications underlined):

#### (1) Outstanding Loan Balance after the Borrowings

(Millions of yen)

|  | Before the Borrowings | After the Borrowings<br>(As of April 1, 2021) | Increase/Decrease    |
|--|-----------------------|---|----------------------|
| Short-term debt  | -                     | 433   | 433                  |
| Long-term debt   | 33,140                | <u>46,223</u> (Note)                          | <u>13,083</u> (Note) |
| Total amount of debt                                     | 33,140                | <u>46,656</u>                                 | <u>13,516</u>        |
| Investment corporation bonds                             | 1,500                 | 1,500   | -                    |
| Total amount of debt and<br>investment corporation bonds | 34,640                | <u>48,156</u>                                 | <u>13,516</u>        |
| Other interest-bearing debt                              | -                     | -   | -                    |
| Total interest-bearing debt                              | 34,640                | <u>48,156</u>                                 | <u>13,516</u>        |

(Note) After the execution of this loan (as of April 1, 2021), part of the long-term loans payable will be long-term loans within one year.

Note: This press release is intended to disclose to the public the borrowing of funds by IAL, and is not an offer to sell or a solicitation of any offer to buy the securities of IAL in the United States or elsewhere. Any investment decision should be made based upon your own judgement.  
This press release does not constitute an offer of securities in the United States of America. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.



(2) Impact of the Borrowings on Financial Indicators

|  | Not considering the Borrowings (Note 1) | Considering the Borrowings (Note 2) | Increase/Decrease |
|--|---|-------------------------------------|-------------------|
| Average remaining term of loans (Note 3)         | 4.4 years                               | 4.7 years                           | 0.3 years         |
| Ratio of loans with fixed interest rate (Note 4) | 100%                                    | 97.6%                               | (2.4) point       |

(Note 1) The figures are estimated on the assumption that all the Borrowings are not executed as of April 1, 2021 in order to show the impact of the Borrowings solely.

(Note 2) The figures are estimated on the assumption that all the Borrowings are executed as of April 1, 2021 in order to show the impact of the Borrowings solely and calculated on the assumption that the Interest Rate Swap Agreement will be concluded in order to fix the interest rate by the time.

(Note 3) The figures are calculated as weighted average of the remaining terms of the interest-bearing debt based on the amount of debt. All figures have been rounded to one decimal place.

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

4. Other Matters

With respect to the risks associated with the Borrowings, there are no material revisions to the matters set forth in “Part II (Reference Information), II. (Supplementary Information for Reference Documents), 3. (Investment Risks)” of the Securities Registration Statement filed on November 9, 2020 (available in Japanese only).

End

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

Note: This press release is intended to disclose to the public the borrowing of funds by IAL, and is not an offer to sell or a solicitation of any offer to buy the securities of IAL in the United States or elsewhere. Any investment decision should be made based upon your own judgement.  
This press release does not constitute an offer of securities in the United States of America. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the “Securities Act”). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.