



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:  
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Notice Concerning Execution of Merger Agreement of ITOCHU REIT Management Co., Ltd. ,  
Asset Management Company

ITOCHU REIT Management Co., Ltd. (hereinafter referred to as "IRM"), the asset management company to which ITOCHU Advance Logistics Investment Corporation (hereinafter referred to as "IAL") entrusts the management of its assets, announced that it has resolved at its Board of Directors meeting held today to enter into a merger agreement, effective June 1, 2022, with AD Investment Management Co., Ltd. ("ADIM")(the "Merger"). The Merger relates to the asset management companies, IRM and ADIM, and not to the investment corporations for which each asset management company is entrusted with asset management.

## 1. Overview of the Merger

In ITOCHU Group, IRM is entrusted with the asset management of IAL, a listed investment corporation that mainly invests in logistics facilities, and ADIM is entrusted with the asset management of Advance Residence Investment Corporation ("ADR"), a listed investment corporation that mainly invests in rental residences.

The Merger between IRM and ADIM is decided with the aim of building a more stable management foundation by integrating the know-how of each asset management company and consolidating management resources, and thereby further enhancing unitholders value.

The Merger will be an absorption-type merger, with ADIM as the surviving company and IRM as the absorbed company. The company name of ADIM after the Merger (the "New Merged Company") is scheduled to be changed to "ITOCHU REIT Management Co., Ltd. For details, please refer to "5. Overview of the Parties to the Merger" and "6. Post-Merger Status (Overview of the New Merged Company)" in this document.

In addition, prior to the Merger, ADIM has decided to become the founding planner of Advance Private Investment Corporation ("ADP"), a new open-ended unlisted private real estate investment corporation whose investment targets are not limited to real estate for specific purposes, to prepare for its establishment, and therefore to apply for registration to commence investment advisory and agency business under the Financial Instruments and Exchange Act in order to newly engage in the investment advisory business. For further information about ADP, please contact ADIM.

As a result of the above, the New Merged Company will be engaged in multiple asset management businesses, including two listed investment corporations that mainly invest in rental residences and logistics facilities, respectively, comprehensive unlisted investment corporations, and private funds. Taking the opportunity of this Merger, the New Merged Company will strive for further growth as an asset management company.

## 2. Effects of the Merger

(1) Expansion of investment opportunities and acquisition of property information

The Merger will increase the recognition in the real estate market due to the increase of assets size under management, together with diversification of investment opportunities by being engaged in the management of multiple investment corporations. In addition to that, sharing of information channels and resources by each company will lead to the improvement of research capabilities and the expansion of acquisition opportunities.

(2) Sharing know-how of each company

Through the Merger, each company will share its own expertise in asset management operations, etc., in order to enhance further.

(3) Strengthen human resource development and recruitment capabilities

Employees will gain a wide range of business experience through management of multiple investment corporations whose assets are rental residences, logistics facilities and others, which is expected to further enhance their skills. In addition to that, by emphasizing diversified business involvement as a strength in the recruitment market, we hope to secure excellent human resources.

3. System to prevent conflicts of interest

The New Merged Company will be entrusted with the asset management of two listed investment corporations, IAL and ADR, an unlisted investment corporation, ADP and private funds (IAL, ADR, ADP and private funds are hereinafter collectively referred to as “Managed Funds”). Since each IAL, ADR, ADP and private funds invest in logistics facilities, rental residences, and other various types of real estate that are not limited to specific uses respectively, there is a possibility that the Managed Funds may compete for opportunities to acquire properties.

The New Merged Company will prevent arbitrary allocation of property information and conflicts of interest among the Managed Funds by setting the order of priority for consideration when obtaining property information as follows.

« Priority order of consideration for property(planned) »

The decision on which funds to consider for the acquisition of individual properties shall be made at the Investment Information Review Meeting of the New Merged Company, based on the following table by providing a certain consideration period to the prior fund. If that provided period elapsed or the fund declines the acquisition of the property, the consideration right will be transferred to the next-ranked fund.

	<b>First</b>	<b>Second</b>	<b>Third</b>
Logistics facilities, etc. (Note 1)	IAL	ADP	Private Fund
Rental residences, etc. (Note 2)	ADR	ADP	Private Fund
Others (Note 3)	ADP	Private Fund	-

(Note 1) Refers to logistics facilities, factories, data centers, communication facilities, research facilities, supply processing facilities, renewable energy facilities, etc. in which IAL invests.

(Note 2) Refers to domestic rental residences, student apartments, student dormitories, and healthcare facilities in which ADR invests.

(Note 3) Refers to domestic real estate (commercial, office, hotel, etc.) other than logistics facilities etc. and rental residences, etc.

However, in cases where seller or other related parties appoint specific fund as a preferred candidate or other such special circumstances exist, the above rules will not apply.

4. Summary of the Merger (Schedule, Method, Allotment)

(1) Schedule

The Merger is scheduled to take place upon approval by a resolution of the Extraordinary General Meeting of Shareholders of IRM and ADIM to be held on April 1, 2022.

Date of resolution by the Board of Directors	January 27, 2022
Date of conclusion of the merger agreement	January 27, 2022



Date of General Meeting of Shareholders	April 1, 2022 (planned)
Effective date of the Merger	June 1, 2022
Date of registration of the Merger	Early June 2022 (planned)
Date of notification to the Prime Minister	Early June 2022 (planned)

(2) Method

An absorption-type merger in which ADIM will be the surviving company and IRM will be dissolved.

(3) Allotment

Since the shareholders of ADIM and IRM and their shareholding ratio are the same, the Merger will not involve the delivery of new shares and other assets as consideration.

5.Outline of the parties to the Merger

	Surviving Company	Dissolving Company
(1)Name	AD Investment Management Co., Ltd.(ADIM)	ITOCHU REIT Management Co., Ltd. (IRM)
(2)Address	1-105 Kanda Jimbocho, Chiyoda-ku, Tokyo	3-6-5 Kojimachi, Chiyoda-ku, Tokyo
(3)Name and title of representative	Takeshi Takano President	Junichi Shoji Representative Director, President & CEO
(4) Principal business	Investment management business, Type II Financial Instruments Business, etc.	Investment management business
(5) Capital	300 million yen	150 million yen
(6) Date of establishment	February 2005	February 2017
(7) Net assets	2,552 million yen (as of March 2021)	853 million yen(as of March 2021)
(8) Total assets	3,794 million yen (As of March 2021)	1,054 million yen (As of March 2021)
(9)Major shareholders and Shareholding Ratio	ITOCHU Corporation 80% · ITOCHU Property Development, Ltd. 20%	
(10) Relationship between the Investment Corporation/Asset Manager and the Other Company		
Capital relationship	Not applicable	
Personnel relationship	One director of ADIM concurrently serves as a part-time director of IRM. IRM has accepted two employees loaned from ADIM.	
Business relationship	Not applicable	
Status as a related party	The parent company of IRM and ADIM is ITOCHU Corporation. As a result, IRM is a related party of ADIM.	

6.Post-Merger Status (Overview of the New Merged Company)

	New Merged Company
(1)Name	ITOCHU REIT Management Co., Ltd. (planned)
(2)Location	Jimbocho Mitsui Building, 105, Kanda Jimbocho 1-chome, Chiyoda-ku, Tokyo
(3)Name and title of representative	To be announced
(4)Business description	Investment management business, Type II Financial Instruments Business, investment advisory and agency business (planned) etc.
(5) Capital	300 million yen
(6) Fiscal year end	March
(7) Net assets*	3,406 million yen
(8) Total assets*	4,848 million yen

\*Calculated as a simple aggregate of the amounts in the accounts of both companies as of March 31, 2021.



## 7. Future Prospects

### (1) Amendment to the asset management agreement

There is no plan to change the asset management agreement concluded between IRM and IAL as of today.

### (2) Changes in the structure of the asset management company

The New Merged Company will establish the Residence Division, the Logistics Division and the Private Placement Division and will conduct asset management operations for each investment corporation.

In addition to that, as investors have become increasingly interested in corporate responsibility for sustainability, including environmental, social, and governance (ESG) issues in recent years, the Sustainability Promotion Department will be established in the General Affairs and Management Division to put these principles and goals into practice.

For details, please refer to the attached organizational chart. The details of the directors of the New Merged Company will be announced as soon as determined.

### (3) Changes to the Investment Management Decision-Making Structure and Rules on Compliance and Interested Parties, etc.

In principle, the decision-making flow and structure of ADIM, the surviving company will be adopted. However, any changes that may be necessary due to the increase in the number of funds under management will be determined through future discussions.

### (4) Change in investment policy

There will be no change in the investment policy of IAL as a result of the Merger.

### (5) Changes to agreements with sponsors, etc.

There is no plan to change the contracts concluded with sponsors, etc. as of today.

### (6) Prospect for the continuation of the listing of the investment corporation

The listing of IAL is scheduled to be maintained as before.

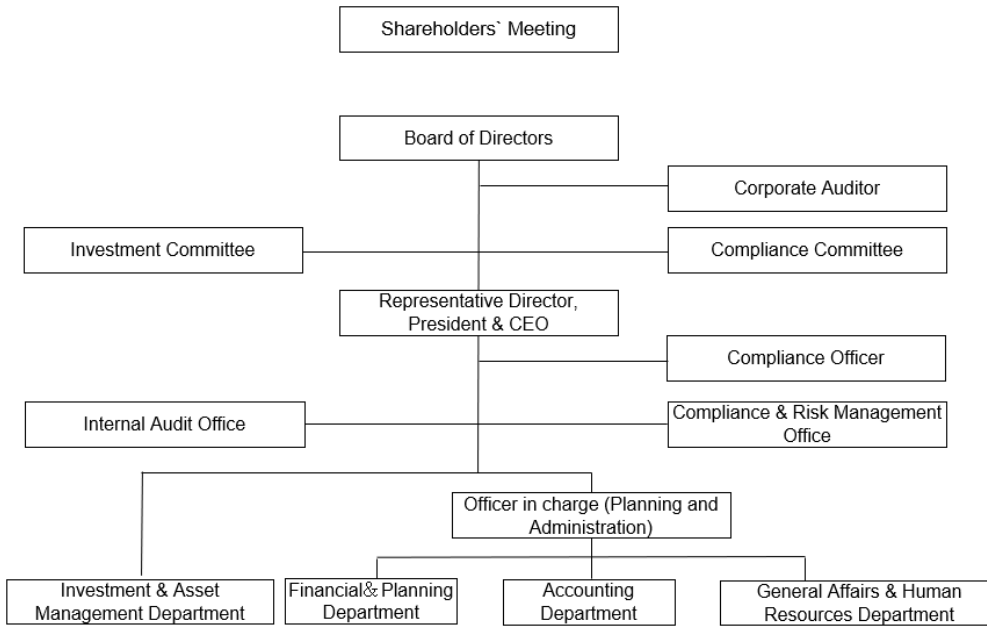
If there is any change to the matters described as planned in this document, we will make announcement to that effect.

\*Address of the Investment Corporation's website: <https://www.ial-reit.com>

\*Contact of ADIM: AD Investment Management Co., Ltd.  
TEL : 03-3518-0480



(Attachment)  
Current Organization Chart



New Organization Chart (as of June 1, 2022(planned))

