



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: Hiromu Shinoda, GM, Finance & Planning
Department
TEL: +81-3-3556-3901

Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds) and Prepayment of Loan

ITOCHU Advance Logistics Investment Corporation (hereinafter referred to as the "Investment Corporation") today hereby announces its decision to issue green bonds (hereinafter referred to as "the Green Bonds") and to prepay the borrowings with the proceeds of the Green Bonds and cash reserves (hereinafter referred to as "the Prepayment") as follows.

1. Outline of the Green Bond

- (1) Name of the Green Bonds : ITOCHU Advance Logistics Investment Corporation 2nd Unsecured Investment Corporation Bonds (with pari passu conditions among specified investment corporation bonds) (titled "IAL Green Bonds")
- (2) Total issue amount : JPY 2,000 million
- (3) Form of bond certificate : In accordance with the provisions of the Act on Book Entry of Corporate Bonds and Shares of Japan, bond certificates will not be issued for the Green Bonds.
- (4) Issue price : 100 yen per face value of 100 yen
- (5) Redemption price : 100 yen per face value of 100 yen
- (6) Interest rate : 0.4700% per annum
- (7) Denomination price : JPY 100 million
- (8) Offering method : Public offering
- (9) Subscription date : Friday, February 4, 2022
- (10) Payment date : Friday, February 18, 2022
- (11) Collateral : The Green Bonds are unsecured and unguaranteed, and there is no asset particularly secured for the Green Bonds.
- (12) Redemption method and date : The total amount of the Green Bonds will be redeemed on February 18, 2032. Redemption by purchase will be available any time on and after the following days of the payment dates except for the case separately determined by the depository.
- (13) Interest payment date : February 18 and August 18 of each year, or if such date falls on a bank holiday, the immediately preceding bank business day
- (14) Credit rating : AA- (Japan Credit Rating Agency, Ltd. (JCR))
- (15) Financial covenant : Negative pledge clause is attached.
- (16) Fiscal agent, issuing agent and paying agent : MUFG Bank, Ltd.
- (17) Underwriters : Mizuho Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
SMBC Nikko Securities Inc.

2. Reasons for the issuance

IAL and its asset manager, ITOCHU REIT Management Co., Ltd. (“IRM”) aims to achieve environmental, social, and governance (ESG) focused asset management, thereby increasing unitholders’ value over the mid to long-term. To that end, IAL and IRM has established the “Basic Sustainability Policy” as well as the Sustainability Committee for executing such policy, and in accordance with the policy, ensure that sustainability-related initiatives are practiced organizationally, and have been investing in and managing logistics facilities that excel in environmental footprint reduction and disaster resilience.

Against such backdrop, IAL and IRM have decided to issue the Green Bonds with aims to use the proceeds for carrying out sustainability-promoting initiatives in line with the aforementioned “Basic Sustainability Policy,” as well as to proactively recognize the required level of ESG practice through dialogs with various investors and apply such knowledge to asset management strategy.

3. Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

(1) Amount of funds to be raised (estimated net proceeds)

¥1,984 million

(2) Specific use of funds to be procured and scheduled expenditure date

The entire amount the Green Bonds will be used for the repayment of borrowings (including refinancing thereof) at the time of acquisition of i Missions Park Inzai, which is an asset that meets the criteria of a green qualified asset (as described in "4 Eligibility of the Green Bond as a green bond" below) on February 28, 2022.

Name of property	Obtained certification	Rank
i Missions Park Inzai	DBJ Green Building Certification	Five-star (the highest rank): ★★★★★
	BELS	Five-star (the highest rank): ★★★★★

4. Eligibility of the Green Bonds as a green bond

In preparation for green financing, including issuance of green bonds, IAL has established a “Green Financing Framework” (“IAL Green Financing Framework”) and had the framework evaluated by a third-party institution, the Japan Credit Rating Agency, Ltd. (“JCR”) and received the highest “Green 1 (F)” status in the “JCR Green Finance Framework Evaluation”.

The proceeds from green financing will be applied, in its entirety, to costs of acquisition of, repayment of loans borrowed for acquisition of, or redemption of investment corporation bonds issued for acquisition of, green eligible assets. For details of green finance (including green bonds), please refer to the "Green Finance" page on the website of the Investment Corporation.

<https://www.ial-reit.com/ja/sustainability/greenfinance.html>

5. Investors who declared intention to invest in the Green Bonds

Listed below are investors to date who have declared their intention to invest in the Green Bonds and agreed to disclose their names (listed in alphabetical order):

- DaitokyoShinkumi Credit Cooperative
- HYOGO SHINKIN BANK
- KOITO MANUFACTURING CO., LTD.
- Mutual Aid Foundation for Japan Postal Group
- Nishihyogo Shinkin Bank
- Osaka Shoko Shinkin Bank
- SHIZUOKA YAIZU SHINKIN BANK
- THE KOSAN SHINKIN BANK
- The Sawayaka Shinkin Bank
- TOKUSHIMA SHINKIN BANK

6. Details of the Prepayment

- (1) Date of the Prepayment : February 28, 2022
 (2) Amount of the Prepayment : 2,010 million yen
 (3) Source of the funds for the Prepayment : Funds procured by issuance of the Green Bonds as well as cash on hand

7. Details of bank loans subject to the Prepayment

Category (Note 1)	Lender	Repayment Amount (Millions of yen)	Borrowing Date	Repayment Date	Repayment Method	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	870	Sep. 7, 2021	Aug. 31, 2022	Full payment upon maturity	Unsecured and non-guaranteed
	Mizuho Bank, Ltd.	610				
	Sumitomo Mitsui Trust Bank, Limited	530				
Total		2,010	—	—	—	—

(Note 1) “Short-term” refers to debt maturing within one year from the borrowing date.

(Note 2) For details of the bank loans, please refer to our press release entitled “Notice Concerning Debt Financing (Green Loans) and Repayment of Loan” dated July 29, 2021.

8. Loan status after the issuance of the Green Bonds and the Prepayment

(Millions of yen)

	Before execution	After execution	Increase/Decrease
Short-term debt	5,300	3,290	(2,010)
Long-term debt	40,490	40,490	
Total amount of debt	45,790	43,780	(2,010)
Investment corporation bonds	1,500	3,500	2,000
Total interest-bearing debt	47,290	47,280	(10)

(Note) “Short-term loans” refers to loans with a maturity of no more than one year from today, and “long-term loans” refers to loans with a maturity of over one year from today.

9. Future outlook

Because the impact caused by the issuance of the Green Bonds and the Prepayment on IAL’s operations are not material, there are no revisions to the forecast of financial results for the fiscal period ending January 2022 (from August 1, 2021 to January 31, 2022) and for the fiscal period ending July 2022 (from February 1, 2022 to July 31, 2022), as disclosed in IAL’s “Summary of Financial Results for the Sixth Fiscal Period Ended July 31, 2021” dated September 15, 2021.

10. Other matters necessary for investors to appropriately understand and evaluate the above information

With respect to the risks associated with the issuance and redemption of the Green Bonds, as well as the Prepayment, there are no revisions to the matters set forth in the “Investment Risks” section of the Shelf Registration Supplements filed on February 4, 2022.

End

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