

For immediate release

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Notice Concerning the Borrowing of Funds

Advance Logistics Investment Corporation (“ADL”) hereby announces that it decided today to conduct a borrowing of funds (the “Borrowings”), as follows.

1. Overview of the Borrowings

Category (Note 1)	Lender	Borrowing Amount (Millions of yen)	Interest Rate	Borrowing Date	Borrowing Method	Repayment Date	Repayment Method	Collateral
Short-term	Sumitomo Mitsui Banking Corporation	170	Base interest rate + 0.150% (Note 2)	October 19, 2022	Loan agreement executed on October 17, 2022 with lenders shown at left	May 31, 2023	Bullet repayment	Unsecured and non-guaranteed
		1,200	Base interest rate + 0.150% (Note 2)			September 29, 2023		
	Subtotal	1,370	-	-	-	-	-	-
Long-term	Loan syndicate with Sumitomo Mitsui Banking Corporation as arranger	2,180	Base interest rate + 0.290% (Note 3) (Note 4)	October 19, 2022	Loan agreement executed on October 17, 2022 with lenders shown at left	September 29, 2028	Bullet repayment	Unsecured and non-guaranteed
		2,800	Base interest rate + 0.365% (Note 3) (Note 4)			April 30, 2030		
		2,200	Base interest rate + 0.340% (Note 3) (Note 4)	April 3, 2023	Loan agreement executed on March 30, 2023 with lenders shown at left	March 29, 2030		
		3,000	Base interest rate + 0.390% (Note 3) (Note 4)			March 31, 2031		
	Subtotal	10,180	-	-	-	-	-	-
Total		11,550	-	-	-	-	-	-

(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. The above long-term borrowings are hereinafter referred to as the “Long-Term Borrowings.”

(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 (<https://www.jbatibor.or.jp/english/>).

(Note 3) The base interest rate is the 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

Note: This press release is intended to disclose to the public the borrowing of funds by ADL, and is not an offer to sell or a solicitation of any offer to buy the securities of ADL in the United States or elsewhere. Any investment decision should be made based upon your own judgement.

[\(https://www.jbatibor.or.jp/english/\)](https://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 and interest rate, etc. may also change.

2. Reason for Borrowings

The Borrowings will be used to finance the acquisition of asset to be acquired, as stated in the press release published today entitled “Notice Concerning the Acquisition and Leasing of Domestic Real Estate Trust Beneficiary Interest,” as well as expenses incidental thereto.

3. Amount, Purpose, and Expenditure Date of Funds to Be Procured

(1) Amount to be procured

¥11,550 million in total

The amount to be procured on October 19, 2022: ¥6,350 million

The amount to be procured on April 3, 2023: ¥5,200 million

(2) Specific use of proceeds and expenditure date

(i) Funds to be procured on October 19, 2022

On October 19, 2022, to finance the acquisition cost of the above-mentioned asset for acquisition (i.e., i Missions Park Ichikawa-Shiohama (70% quasi-co-ownership interest)), as well as expenses incidental thereto

(ii) Funds to be procured on April 3, 2023

On April 3, 2023, to finance the acquisition cost of the above-mentioned asset for acquisition (i.e., i Missions Park Ichikawa-Shiohama (30% quasi-co-ownership interest)), as well as expenses incidental thereto

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4. Outstanding Loan Balance after the Borrowings

(Millions of yen)

	Before the Borrowings	After the Borrowings (As of April 3, 2023)	Increase/Decrease
Short-term debt	-	1,370	1,370
Long-term debt	43,740	53,920	10,180
Total amount of debt	43,740	55,290	11,550
Investment corporation bonds	3,500	3,500	-
Total amount of debt and investment corporation bonds	47,240	58,790	11,550
Other interest-bearing debt	-	-	-
Total interest-bearing debt	47,240	58,790	11,550

(Note) After the execution of this loan (as of April 3, 2023), part of the long-term loans payable will be long-term loans payable within one year.

5. 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)	3.8 years	4.3 years	0.5 years
Ratio of loans with fixed interest rate (Note 4)	94.7%	93.4 %	(1.3 point)

(Note 1) The figures are estimated on the assumption that all the Borrowings are not executed as of April 3, 2023 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 3, 2023 in order to show the impact of the Borrowings solely and calculated on the assumption that the Interest Rate Swap Agreement will be concluded for the Long-Term Borrowings 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.

6. 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 October 4, 2022 (available in Japanese only).

End

Advance Logistics Investment Corporation is a J-REIT specializing in logistics facilities, managed by ITOCHU REIT Management Corporation, the asset management company of the ITOCHU Group. We will aim for stable management and growth through an extended cooperative relationship with our sponsor, the ITOCHU Group.

"Advance" is the common brand name of the real estate investment corporation managed by ITOCHU REIT Management Co., Ltd.

ADL website: <https://www.adl-reit.com/en/>

IRM website: <https://www.itc-rm.co.jp/en/>

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