

For immediate release

Real Estate Investment Trust Securities Issuer:
 Advance Logistics Investment Corporation
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 Representative: Junichi Shoji, Executive Director
 (Securities Code: 3493)

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Notice Concerning Issuance of New Investment Units and Secondary Offering

Advance Logistics Investment Corporation (“ADL”) announces that it resolved at its Board of Directors meeting held today to issue new investment units and to conduct a secondary offering, as follows:

1. Issuance of new investment units through public offering (primary offering)

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| (1) | Number of investment units to be offered | 70,773 units |
| (2) | Amount to be paid in (purchase price) per unit | To be determined
The amount to be paid in (purchase price) shall be determined at a Board of Directors meeting to be held on any business date between Wednesday, October 12, 2022, and Monday, October 17, 2022 (“Offer Price Determination Date”). |
| (3) | Total amount to be paid in (total amount of purchase price) | To be determined |
| (4) | Issue price (offer price) per unit | To be determined
The issue price (offer price) shall be determined on the Offer Price Determination Date, taking into consideration the level of demand and other circumstances under a tentative price which is calculated by multiplying (i) the price of ADL’s investment units as of the closing of ordinary trading on Tokyo Stock Exchange, Inc. (the “TSE”) on the Offer Price Determination Date (or, if there is no closing price available on such date, the closing price on the immediately preceding date) by (ii) a number from 0.90 to 1.00, with any fraction less than one yen being rounded down to the nearest yen, in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, Etc. of Securities stipulated by the Japan Securities Dealers Association. |
| (5) | Total amount of issue price (offer price) | To be determined |
| (6) | Offering method | Investment units shall be offered through a primary offering and shall be purchased and underwritten in full by a group of underwriters (collectively referred to as the “Underwriters”). |
| (7) | Underwriting agreement | The Underwriters shall pay to ADL the total amount to be paid in (total amount of purchase price) for this offering on the payment date indicated in (11) below, and receive as proceeds the difference between the total amount of issue price (offer price) and the total amount to be paid in (total amount of purchase price). ADL will not pay an underwriting commission to the Underwriters. |
| (8) | Offering unit | One (1) unit or more in multiples of one (1) unit |
| (9) | Subscription period | The following business day of the Offer Price Determination Date |
| (10) | Payment period for deposit in securities | From the business day immediately following the Offer Price Determination Date to the second business day following the Offer Price Determination Date |
| (11) | Payment date | A business day during the period from Tuesday, October 18, 2022, to Friday, |

Note: This press release is intended to disclose to the public the issuance of new investment units and secondary offering 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.

October 21, 2022, which shall be four business days after the Offer Price Determination Date

- (12) Delivery and settlement date The following business day of the payment date stated in (11) above
- (13) The amount to be paid in (purchase price) per unit, issue price (offer price) per unit and other matters necessary for the issuance of new investment units will be determined at a future Board of Director's meeting.
- (14) The aforementioned items are on condition that the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act takes effect.

2. Secondary offering of investment units through over-allotment (More details provided below under Reference, "1. Secondary offering through over-allotment and other matters")

- (1) Number of units to be offered 3,500 units
The above-mentioned number indicates the maximum number of investment units to be offered in the secondary offering through over-allotment, which one of the Underwriters of the primary offering ("the Allottee"), may carry out separately from the primary offering after taking into consideration market demand and other factors from the primary offering. The number may be reduced or the offering through over-allotment itself may not take place at all depending on market demand and other circumstances in the primary offering. After taking these factors into account, the Board of Directors will decide on the number of investment units to be offered at its meeting to be held on the Offer Price Determination Date.
- (2) Seller The Allottee
- (3) Distribution price To be determined
The distribution price per unit will be determined at the Board of Directors' meeting to be held on the Offer Price Determination Date, and will be the same as the issue price (offer price) per unit in the primary offering.
- (4) Total amount of distribution price To be determined
- (5) Offering method The Allottee will carry out the secondary offering of the ADL investment units separately from the primary offering by borrowing up to 3,500 units (the "Borrowed Units") from ITOCHU Corporation, after taking into account market demand and other circumstances in the primary offering.
- (6) Offering unit One (1) unit or more in multiples of one (1) unit
- (7) Subscription period The same as the primary offering
- (8) Payment period for deposit in securities The same as the primary offering
- (9) Delivery and settlement date The same as the primary offering
- (10) The secondary offering through over-allotment shall not take place if the primary offering has been cancelled.
- (11) The distribution price and other matters necessary for the secondary offering of investment units will be determined at a future Board of Directors' meeting.
- (12) The aforementioned items are on condition that the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act takes effect.

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3. Issuance of new investment units through a third-party allotment (More details provided below under Reference, “1. Secondary offering through over-allotment and other matters”)

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| (1) | Total number of units to be offered | 3,500 units |
| (2) | Amount to be paid in (purchase price) per unit | To be determined
The amount to be paid in (purchase price) per unit will be determined at the Board of Directors’ meeting to be held on the Offer Price Determination Date, and will be the same as the amount to be paid in (purchase price) per unit in the primary offering. |
| (3) | Total issue amount | To be determined |
| (4) | Allottee and allotted investment units | The Allottee: 3,500 units |
| (5) | Offering unit | One (1) unit or more in multiples of one (1) unit |
| (6) | Final date of subscription | Tuesday, November 15, 2022 |
| (7) | Payment date | Wednesday, November 16, 2022 |
| (8) | If all or part of the investment units have not been subscribed on or before the final date of subscription noted in (6) above, the issuance of such investment units shall be cancelled. | |
| (9) | The issuance of new investment units through a third-party allotment shall not take place if the primary offering has been cancelled. | |
| (10) | The amount to be paid in (purchase price) and other matter necessary for the issuance of investment units through the third-party allotment will be decided at a future Board of Directors meeting of ADL. | |
| (11) | The items above shall be on condition that the Securities Registration Statement filed in accordance with the Financial Instruments and Exchange Act of Japan takes effect. | |

Reference

1. Secondary offering through over-allotment and other matters

The Allottee may carry out the secondary offering of ADL investment units separately from the primary offering, by borrowing up to 3,500 units from ITOCHU Corporation (secondary offering through over-allotment), after taking into account market demand and other circumstances in the primary offering. The number of investment units to be offered in the secondary offering through over-allotment has been capped at 3,500; however, this number may be reduced or the offering through over-allotment itself may not take place at all depending on market demand and other circumstances.

In order to ensure that the Allottee will acquire the investment units necessary for returning the Borrowed Units to ITOCHU Corporation in connection with the secondary offering through over-allotment, ADL’s Board of Directors resolved at a meeting held today to designate the Allottee as the allottee of 3,500 units of ADL investment units issuable through third-party allotment (“Third-Party Allotment,” and together with the primary offering, hereinafter collectively referred to as the “Offering”), with a payment date on Wednesday, November 16, 2022.

In addition, the Allottee may, during the period from the date immediately following subscription period for the primary offering and the secondary offering through over-allotment to Friday, November 11, 2022 (“Syndicate Cover Transaction Period”), purchase, on TSE, ADL investment units offered in the secondary offering through over-allotment for the purpose of returning the Borrowed Units (“Syndicate Cover Transaction”). All ADL investment units purchased by the Allottee through the Syndicate Cover Transaction will be appropriated in full for returning the Borrowed Units. During the Syndicate Cover Transaction Period, the Allottee may, at its discretion, choose not to engage in the Syndicate Cover Transaction or to terminate the Syndicate Cover Transaction prior to reaching the maximum number of units to be offered in the secondary offering through over-allotment.

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Furthermore, the Allottee may engage in stabilizing transactions in relation to the primary offering and the secondary offering through over-allotment, and to appropriate all or part of ADL's investment units purchased through such stabilizing transactions to return the Borrowed Units.

The number of ADL investment units which the Allottee plans to acquire through the Third-Party Allotment is (i) the number of investment units offered in the secondary offering through over-allotment less (ii) the number of investment units which have been purchased through stabilizing transactions and the Syndicate Cover Transaction, and appropriated for returning the Borrowed Units. Therefore, all or part of the investment units issued by the Third-Party Allotment may not be subscribed for, and as a result, the number of investment units actually issued for the Third-Party Allotment may decrease due to the forfeiture of subscription rights, or issuance itself may not take place at all.

Decisions on whether or not to execute the secondary offering through over-allotment as well as the number of units to be offered in the secondary offering through over-allotment, if any, will be made on the Offer Price Determination Date. If no secondary offering through over-allotment takes place, the Allottee will not borrow ADL investment units from ITOCHU Corporation. Accordingly, in such event, the Allottee will not subscribe for investment units through the Third-Party Allotment, and the issuance of new units by third-party allotment will not take place at all due to the forfeiture of subscription rights. Similarly, in such event, the Syndicate Cover Transaction on the TSE will not be exercised.

Any of the above transactions shall be conducted by the Allottee in consultation with another Underwriter.

2. Change in total number of investment units issued and outstanding

Number of investment units outstanding at present	600,127 units	
New investment units issued through the primary offering	70,773 units	
Total number of investment units outstanding after the primary offering	670,900 units	
Maximum number of investment units issued through the Third-Party Allotment	3,500 units	(Note)
Total number of investment units outstanding after the Third-Party Allotment	674,400 units	(Note)

(Note) These figures represent the number of investment units on the assumption that the maximum number of investment units issuable through the Third-Party Allotment has been issued and subscribed for by the Allottee.

3. Objective and Rationale for the Issuance

After taking into consideration market trends, levels of distributions per unit and other circumstances, ADL has decided to issue the new investment units for the purpose of acquiring new real estate trust beneficiary interests with the proceeds, thereby expanding the asset size and further ensuring stable profitability and quality portfolio, based on the fact that ADL recognizes 45% as the upper limit of the LTV on total assets for a period.

4. Total amount to be procured, use of proceeds, and scheduled outlay period

(1) Total amount to be procured (approximate net proceeds)

10,878,000,000 yen (maximum)

(Note) The above figure represents the sum of (i) 10,366,000,000 yen in net proceeds from the primary offering and (ii) maximum amount of 512,000,000 yen in net proceeds from the issuance of new investment units through Third-Party Allotment, and is an estimate calculated based on the investment unit price as of the close of ordinary trading on TSE on Tuesday, September 20, 2022.

(2) Specific use of proceeds and scheduled outlay period

Net proceeds from the primary offering (10,366,000,000 yen) are scheduled to be used to partially fund the

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acquisition of the new specified asset (as defined in Article 2, Paragraph 1 of the Act on Investment Trusts and Investment Corporations of Japan; the same shall apply hereinafter) by the end of October 2022. The amount of proceeds from the issuance of new investment units through the third-party allotment (up to 512,000,000 yen) are scheduled to be used to partially fund the acquisition of the new specified asset or to fund a partial repayment of the borrowings by the end of April 2023. In addition, if there is a surplus, it will be used to partially fund future acquisitions of specified assets.

For details of the new specified asset, please refer to our press release entitled “Notice Concerning the Acquisition and Leasing of Domestic Real Estate Trust Beneficiary Interest” dated today.

(Note) The above net proceeds from the primary offering is estimates calculated based on the investment unit price as of the close of ordinary trading on TSE on Tuesday, September 20, 2022. The proceeds will be deposited to financial institutions until expenditure of the same.

5. Designated purchaser of the investment units

Not applicable.

6. Forecast of operating results

Please refer to the press release entitled “Notice Concerning Revisions to the Forecasts of Financial Results for the Fiscal Periods Ending February 2023 and August 2023” dated today.

7. Restrictions on sale and additional issuance

- (1) In relation to the primary offering, ITOCHU Corporation will reach an agreement with the Allottee not to sell any of ADL investment units it has been holding since prior to the Offering (i.e., 33,635 units) without a prior written consent of the Allottee, during a period from the day immediately following the Offer Price Determination Date through the date on which 180 calendar days have elapsed counting from the delivery and settlement date of the primary offering.

Assuming that such agreement is reached, the Allottee will reserve the right to either shorten the above-mentioned period or remove such restriction in whole or in part at their discretion.

- (2) In relation to the primary offering, ADL will reach an agreement with the joint lead managers not to issue additional investment units (excluding the issuance of investment units through the Third-Party Allotment or an investment unit split) during a period from the day immediately following the Offer Price Determination Date through the date on which 90 days have elapsed counting from the delivery and settlement date of the primary offering without the prior written consent of the joint lead managers.

In this situation, the joint lead managers will reserve the right to either shorten the above-mentioned period or remove such restriction in whole or in part at their discretion.

End

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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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