

October 3, 2023

For immediate release

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Notice Concerning the Acquisition of Domestic Real Estate Trust Beneficiary Interest

Advance Logistics Investment Corporation (“ADL”) announces that ITOCHU REIT Management Co., Ltd. (“IRM”), the asset management company to which ADL entrusts the management of its assets resolved today to acquire the real estate trust beneficiary interest in the property listed below (“Asset to Be Acquired”).

This acquisition is the first acquisition of a property by ADL from other than the sponsor.(ITOCHU Corporation, ITOCHU Property Development, Ltd.) In addition to strong sponsor support, the asset management company will continue to focus on property acquisitions through its own routes in order to enhance unitholder value.

1. Overview of Asset to Be Acquired

| Property type<br>(Note 1) | Property number<br>(Note 2) | Property name | Location                         | Planned acquisition price<br>(millions of yen) (Note 3) |
|---------------------------|-----------------------------|---------------|----------------------------------|---|
| Logistics real estate     | L-14                        | LOGITRES Sano | Sano City,<br>Tochigi Prefecture | 1,670   |

(Note 1) The “Property type” shown for ADL’s Asset to Be Acquired follows the classification of property type indicated in ADL’s investment policy. The same shall apply hereinafter.

(Note 2) “Property number” is a number allocated to the property according to property type; L stands for logistics real estate. The same shall apply hereinafter.

(Note 3) The “Planned acquisition price” is the purchase price of the relevant Asset to Be Acquired as indicated in the agreement for the sale and purchase of the trust beneficiary interest (the “Sale Agreement”) for the relevant asset. The purchase price does not include acquisition costs, consumption tax or local consumption tax.

(Note 4) The Sale Agreement falls under a forward commitment etc. as specified in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. specified by the Financial Services Agency of Japan (future-dated sale agreements under which settlement and handover of the property are to take place not less than one (1) month after agreement execution, as well as any other comparable agreements).

Under the Sale Agreement, if the seller or the purchaser fails to perform any of its obligations pursuant to such agreement in material respect or if it is found that the seller or the purchaser is in breach of any of its representations and warranties in material respect and the purpose of the Sale Agreement cannot be attained, the other party may cancel the Sale Agreement after warning the defaulting party specifying a deadline and the defaulting party fails to cure such default or breach by such deadline (unless it comes to fall under the cases set forth in the clause of risk of loss in the Sale Agreement), and if the Sale Agreement is cancelled, the other party will be entitled to demand payment of a penalty equal to 20% of an amount of the purchase price less consumption taxes etc. (even in a case where the amount of damage that has actually occurred exceeds the penalty amount, the amount exceeding such amount may not be claimed)

- |     |                                  |   |
|-----|----------------------------------|---|
| (1) | Sale and purchase agreement Date | October 3, 2023   |
| (2) | Planned acquisition date         | March 29, 2024 or a date to be separately agreed upon with the seller |

|                       |   |
|-----------------------|---|
| (3) Seller            | Please refer to the Section 4. Seller Profile below.  |
| (4) Acquisition funds | Treasury funds and borrowings   |
| (5) Settlement method | Deposit of 167 million yen paid at the time of signing the contract.<br>Payment of remaining balance at the time of delivery. |

## 2. Reason for Acquisition

The decision to acquire the Asset to Be Acquired was taken to enhance the portfolio and increase profitability. These objectives are based on ADL's basic principles, which call for maximization of unitholder value through management aimed at securing stable revenues and growth of investment assets over the medium to long term, in accordance with the asset management target properties and guidelines stipulated in ADL's Articles of Incorporation.

Further, ADL has determined that the tenants of the Asset to Be Acquired conform to the Policies on Tenant Selection stated in the annual securities report for the ninth fiscal period filed on May 30, 2023.

## 3. Details of the Asset to Be Acquired

The tables below (the "Individual Asset Table") show a summary of the Asset to Be Acquired. When consulting the Individual Asset Table, please refer also to the immediately following explanations of the terms used therein. In principle, unless otherwise noted, all information included in the table is current as of September 30, 2023.

### (1) Property type

- The "Property type" shown for ADL's Asset to Be Acquired follows the classification of property type indicated in ADL's investment policy.

### (2) Summary of specified asset

- "Planned acquisition date" is the planned acquisition date as indicated in the Sale Agreement. Please note that the planned acquisition date is subject to change as agreed upon between ADL and the seller.
- "Planned acquisition price" is the purchase price of the Asset to Be Acquired as indicated in the Sale Agreement. The purchase price does not include acquisition costs and consumption tax or local consumption tax.
- "Trustee" as indicated in the "Overview of trust beneficiary interest" is the trustee or the intended trustee of the respective Asset to Be Acquired.
- "Trust maturity date" as indicated in the "Overview of trust beneficiary interest" is the date of termination of the trust period in the trust agreement or the date of termination of the trust period as scheduled for alteration at the time of the acquisition by ADL.
- "Type of ownership" of "Land" and "Building" indicates the type of rights held, or to be held, by ADL, the trustee, or the intended trustee.
- Location of "Land" indicates the address of the building according to the registry (or one of the addresses where there are multiple addresses). Additionally, the "Lot area" for "Land" and the "Completion date," "Total floor area," "Structure / number of floors" and "Type" for "Building" are as indicated in the registry, and may differ from the current situation. Please note that the "Total floor area" of "Buildings" indicates the sum of the total floor area of the main building and annex buildings, while the "Completion date," "Structure / number of floors" and "Type" of building indicate those of the main building not including annex buildings.
- "Zoning" of "Land" is the type of land use listed in Article 8, Paragraph 1, Item 1 of the City Planning Act (Law No. 100 of 1968, as amended).
- "Floor-area ratio" of "Land" indicates the upper limit for floor-area ratio (designated floor-area ratio). The designated floor-area ratio may be modified, increased or decreased according to the width of adjacent roadways or other factors, and may differ from the floor-area ratio actually applied.
- "Building coverage ratio" for "Land" indicates the upper limit for building coverage ratio (designated building coverage ratio) as stipulated in the city plan based on zoning and other factors. The designated building coverage ratios may be modified, increased or decreased depending on whether the building is a fire-resistant building in a fire control area or for other reasons, and the designated building coverage ratios may differ from the building coverage ratio actually applied.
- "Collateral" refers to the details of collateral, if applicable.

- “PM company” is the property management company to which the property management operations are entrusted or are to be entrusted.
- “Master lessee” refers to the master lease company with which a master lease agreement has been, or is to be, executed.
- “Type of master lease” is indicated either as “Pass-through type” or “Sublease type,” depending on the content of the master lease agreement with the master lessee. In the case of a pass-through type master lease, the lessor, in principle, receives the amount equivalent to the sum of the rent paid by end tenants. In the case of a sublease type master lease, the lessor receives a fixed rental sum regardless of any fluctuation in the rent received from the end tenants. The master lease agreements executed, or to be executed, in respect of the Asset to Be Acquired are in all cases of the “pass-through” type.
- “Number of tenants” under “Tenant details” indicates the total number of tenants (or the number of end tenants, where a pass-through type master lease agreement has been, or is to be, executed; the same shall apply hereinafter in “3. Details of the Asset to Be Acquired”) based on the lease agreement executed and activated for the respective real estate property or trust real estate property (lease agreements relating to roofs and parking lots are excluded; where a pass-through type master lease agreement has been, or is to be, executed, the figure is based on the number of the lease agreements with end tenants. The same shall apply hereinafter in “3. Details of the Asset to Be Acquired”). However, where the same tenant has executed multiple lease agreements in respect of the Asset to Be Acquired, such tenant shall be counted as a single tenant when calculating “Number of tenants.”
- “Name of main tenant” under “Tenant details” indicates the name of the tenant with the largest leased area as indicated in the lease agreement executed and activated in respect of respective real estate property or the trust real estate property.
- “Annual rent” under “Tenant details” indicates the total amount of the annual rent, including common area charges, stipulated in the lease agreement executed and activated for the respective real estate property or trust real estate property, rounded down to the nearest unit (where only a monthly rent is stipulated, the amount indicated is the annual rent calculated according to the provisions of the lease agreement). Please note that account is not taken of periods of free rent or rent holiday.
- “Tenant leasehold/security deposits” under “Tenant details” indicates the total amount of leasehold/security deposits stipulated in the lease agreement executed and activated in respect of the respective real estate property or trust real estate property, rounded down to the nearest unit.
- “Leased area” under “Tenant details” indicates the total leased area as indicated in the lease agreement executed and activated in respect of the respective real estate property or trust real estate property.
- “Total leasable area” under “Tenant details” indicates the sum of (i) the leased area indicated in the lease agreement executed and activated for the respective real estate property or trust real estate property; and (ii) the vacant space deemed to be leasable based on building floor plans. Please note that, in the lease agreements, the indicated leased area may include a portion not included in the total floor area, and that the leased or leasable area may therefore exceed total floor area. Specifically in the case of logistics real estate, where the eaves area is included in leased or leasable area, the latter figure may considerably exceed total floor area.
- “Occupancy rate” under “Tenant details” indicates the ratio of leased area to total leasable area of the Asset to Be Acquired, rounded to the first decimal place.
- “Remarks” are matters considered important with respect to utilization of and rights related to the Asset to Be Acquired as of September 30, 2023, or matters that are considered important in terms of their potential impact on or other relevance to the valuation, profitability or disposability of the Asset to Be Acquired.

|   |   |                                    |
|---|---|------------------------------------|
| Property name                               | LOGITRES Sano   |                                    |
| Property type                               | Logistics real estate   |                                    |
| Type of specified asset <sup>(Note 1)</sup> | Real estate trust beneficiary interest                                |                                    |
| Planned acquisition date                    | March 29, 2024 or a date to be separately agreed upon with the seller |                                    |
| Planned acquisition price                   | ¥1,670 million  |                                    |
| Overview of trust beneficiary interest      | Trustee   | Sumitomo Mitsui Trust Bank, Ltd.   |
|   | Entrustment date  | March 29, 2024 <sup>(Note 3)</sup> |
|   | Trust maturity date   | March 31, 2034 <sup>(Note 3)</sup> |

|                      |  |  |
|----------------------|--|--|
| Land                 | Type of ownership                                      | Proprietary ownership                                      |
|                      | Location   | 238-1 Furukawada, Tajimacho, Sano City, Tochigi Prefecture |
|                      | Lot area   | 7,061.49m <sup>2</sup>                                     |
|                      | Zoning   | Semi-industrial exclusive district                         |
|                      | Floor-area ratio                                       | 200%   |
|                      | Building coverage ratio                                | 60%  |
| Building             | Type of ownership                                      | Proprietary ownership                                      |
|                      | Completion date  | March 10, 2023   |
|                      | Total floor area                                       | 7,144.20 m <sup>2</sup>                                    |
|                      | Structure / number of floors                           | Steel, alloy-plated steel sheet roof, 2F                   |
|                      | Type   | Warehouse  |
| Collateral           | Not applicable   |  |
| PM company           | ITOCHU Urban Community Ltd.                            |  |
| Master lessee        | ITOCHU Urban Community Ltd.                            |  |
| Type of master lease | Pass-through   |  |
| Tenant details       | Number of tenants                                      | 1  |
|                      | Name of main tenant                                    | Takuyo Corporation Limited                                 |
|                      | Annual rent <sup>(Note 2)</sup>                        | Undisclosed  |
|                      | Tenant leasehold/security deposits <sup>(Note 2)</sup> | Undisclosed  |
|                      | Leased area  | 7,144.20m <sup>2</sup>                                     |
|                      | Total leasable area                                    | 7,144.20 m <sup>2</sup>                                    |
|                      | Occupancy rate   | 100.0%   |
| Remarks              | None in particular                                     |  |

(Note 1) As of October 3, 2023, it is a physical property, but trust beneficiary interests in real estate are scheduled to be established on March 29, 2024.

(Note 2) Undisclosed as ADL was not able to obtain the tenant's consent.

(Note 3) Subject to change due to change in acquisition date.

#### 4. Seller Profile

The seller is a domestic business company, but the outline of the seller is not disclosed because we have not obtained approval from the seller to disclose the name, etc. There are no noteworthy capital, personal, or business relationships between the seller and ADL or IRM, nor are there any noteworthy capital, personal, or business relationships between affiliated persons or companies of ADL or IRM and those of the seller. In addition, neither the said company nor the related persons or related companies of the said company fall under the category of related parties of the ADL or IRM.

#### 5. Details of Property Purchasers

This property was not acquired from a party that has a special interest relationship with ADR or IRM.

#### 6. Intermediary Overview

The intermediary is a domestic company, but the outline of the intermediary is not disclosed because we have not obtained approval from the intermediary to disclose the name, etc. There are no noteworthy capital, personal, or business relationships between the intermediary and ADL or IRM, nor are there any noteworthy capital, personal,

or business relationships between affiliated persons or companies of ADL or IRM and those of the intermediary. In addition, neither the said company nor the related persons or related companies of the said company fall under the category of related parties of the ADL or IRM.

#### 7. Outlook

The impact of this acquisition is negligible, and there are no changes to the operating forecasts for the fiscal year ending August 31, 2023 (March 1, 2023 to August 31, 2023) and the fiscal year ending February 29, 2024 (September 1, 2023 to February 29, 2024) that were announced in the "Financial Report for the 9th Fiscal Period Ended February 29, 2023 (REIT)" dated April 17, 2023.

**8. Summary of Appraisal Report**

LOGITRES Sano

| <b>Summary of appraisal report</b>                    |  |  |
|---|--|--|
| Property name   | LOGITRES Sano                          |  |
| Appraisal value <sup>(Note 1)</sup>                   | ¥1,770,000 thousand                    |  |
| Appraiser   | JLL Morii Valuation & Advisory K.K.    |  |
| Date of appraisal                                     | September 1, 2023                      |  |
| Item  | Details (thousands of yen)<br>(Note 1) | Comments, etc.   |
| Estimated value based on income method                | 1,770,000                              | Estimate calculated using the direct capitalization method and the DCF method.   |
| Estimated value based on direct capitalization method | 1,810,000                              |  |
| (1) Operating revenues                                | Undisclosed <sup>(Note 1)</sup>        |  |
| a. Effective gross income                             | Undisclosed <sup>(Note 1)</sup>        |  |
| b. Losses from vacancy, etc.                          | Undisclosed <sup>(Note 1)</sup>        |  |
| (2) Operational expenses                              | Undisclosed <sup>(Note 1)</sup>        |  |
| a. Building maintenance costs                         | Undisclosed <sup>(Note 1)</sup>        |  |
| b. Utility expenses                                   | Undisclosed <sup>(Note 1)</sup>        |  |
| c. Repair expenses                                    | Undisclosed <sup>(Note 1)</sup>        |  |
| d. Property management fees                           | Undisclosed <sup>(Note 1)</sup>        |  |
| e. Tenant soliciting fees, etc.                       | Undisclosed <sup>(Note 1)</sup>        |  |
| f. Taxes and public dues                              | Undisclosed <sup>(Note 1)</sup>        |  |
| g. Insurance premiums                                 | Undisclosed <sup>(Note 1)</sup>        |  |
| h. Other expenses                                     | Undisclosed <sup>(Note 1)</sup>        |  |
| (3) Net operating income                              | 73,988                                 | (1) – (2)  |
| (4) Earnings from temporary deposits                  | 213                                    | Assessed based on assumption of 1.0% investment yield.   |
| (5) Capital expenditure                               | 149                                    | Calculated based on engineering report and similar deals.  |
| Net cash flow   | 74,053                                 | (3) + (4) – (5)  |
| Capitalization rate                                   | 4.1%                                   | Assessed based on the level of return in each district, by taking into account rates of return, etc. of similar properties, as well as the location, building conditions, and contract conditions, etc. of the subject property.   |
| Estimated value based on DCF method                   | 1,720,000                              |  |
| Discount rate   | 3.9%                                   | Assessed by comprehensively taking into account the individuality of the relevant asset with reference to the investment yields of similar properties.   |
| Terminal capitalization rate                          | 4.3%                                   | Assessed, referring to return on transactions of comparable properties, comprehensively taking into account future trends of investment yields, investment risks in the property, general forecasts of the future economic growth rate, real estate prices and the trend of rent level, etc. |
| Integrated value                                      | 1,670,000                              |  |

|  |  |       |  |
|--|--|-------|--|
|  | Proportion of land                               | 39.0% |  |
|  | Proportion of building                           | 61.0% |  |
|  | Other matters for consideration by the appraiser | None  |  |

(Note 1) As it includes content for which the tenant's consent to disclosure has not been obtained and data which allow the calculation of such content, the disclosure of this item would damage the relationship of trust with the tenants. This would make it difficult to maintain the lessor-lessee relationship and create other difficulties which might ultimately damage investors' interests. Therefore such information is not disclosed except for items for which disclosure is deemed to pose no obstacle.

End

### About Advance Logistics Investment Corporation

Advance Logistics Investment Corporation is a J-REIT specializing in logistics facilities, managed by ITOCHU REIT Management Co., Ltd. (IRM), the asset management company of the ITOCHU Group. We 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/>

Attachments

Features of Asset to Be Acquired

(Property number. L-14) LOGITRES Sano

■ Location Characteristics

The property is located approximately 5 km from the Sano Fujioka Interchange on the Tohoku Expressway via the Sano Bypass on National Route 50. It is approximately 1 hour and 15 minutes from central Tokyo, and as a base in the northern Kanto area, it is in a suitable logistics location that can cover Tochigi, Ibaraki, Gunma and northern Saitama prefectures. It is also conveniently located for commuting, approximately 110 meters (2 minutes' walk) from Tajima Station on the Tobu Sano Line, giving it an advantage in terms of securing a workforce. The property is located in a semi-industrial zone, with a concentration of factories, roadside stores, logistics facilities, etc. in the surrounding area, enabling operations 24 hours a day, 365 days a year.

■ Property Features

The property is a two-story box-type logistics facility used by one tenant. The warehouse has a pillar span of 10.50-12.00m x 10.50m, and two cargo elevators on the first and second floors. The entire building is equipped with LED lighting, and offices, employee restrooms, and hot water supply rooms are located on the first floor, making it a well-equipped logistics facility with a good working environment.

■ Area Map and Photograph of Asset to Be Acquired





Photograph



(Taken September 2023)