



Ticker Symbol: 3493

ITOCHU Advance Logistics Investment Corporation

Fifth Fiscal Period (Ended January 2021)

Investor Presentation Material

(March 17, 2021)



President Message



IAL launched the second follow-on offering in the fifth fiscal period and announced the acquisition of four properties. As a result, IAL's portfolio will grow to 111.4 billion yen from the previous 84.1 billion yen and the liquidity will be further expanded. I believe that the success of the deal is largely thanks to the generous support we receive from our unitholders and stakeholders, for which I am truly grateful.

We implemented the additional surplus cash distribution taking into account the dilution resulted from the above follow-on offering. In the summary of the fifth fiscal period financial results dated on March 17, 2021 (please refer to "IR Library" page under "Investor Relations" section of our website), we announced our distributions per unit (DPU) of 2,517 yen (up from the latest forecast of 2,508 yen). As disclosed, we expect further DPU growth for the sixth and seventh fiscal periods (ending July 2021 and January 2022), forecasting 2,464 yen (up from the initial forecast of 2,455 yen) and 2,557 yen (up from the initial forecast of 2,550 yen), respectively.

In the fifth fiscal period, we achieved the longer-term lease agreements and rent increases in terms of internal growth as well as the above external growth. Furthermore, we also worked on roof rental for solar panels, reduction in operating expenses and initiatives for ESG.

JCR evaluated IAL's solid track record and future investment stance, and changed the outlook of IAL's long-term issuer rating, from A+(stable) to A+(positive), on February 1, 2021. IAL will continue to focus on stable cash management and work hard to upgrade rating to AA.

The logistics real estate market has not suffered any significant impact from COVID-19, and instead, the robust demand for logistics operators is becoming apparent mainly due to staying at home and spending and expansion of online shopping. At present, we have not received any incident reports, which related COVID-19 from our tenants that would have a significant impact on their operation, and our business is also going well. However, we will continue forward with external and internal growth, ESG initiatives, solid cash management, and considering a new distribution strategy. Additionally, in furtherance of our commitment to be the J-REIT that is valued by its stakeholders, IAL will continue to work hard for reinforcing governance with an awareness of its social responsibilities and public missions.

We are fully aware of our mission, "Meet the expectation of our unitholders", and we will remain committed to making aggressive moves in order to be the J-REIT of your choice.

Junichi Shoji
Representative Director, President & CEO
ITOCHU REIT Management Co., Ltd.

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Response to COVID-19

Tenant	Each tenant is taking different preventive measures, for example: measuring employees' body temperature; keeping social distancing at offices and employees' lounges; and placing division panels, best for its own workplace management. Operations are being carried out without any major problems
Asset Management Company	Under the circumstances where remote work and sliding commuting hours are adopted, IRM operates the asset management of IAL without delay

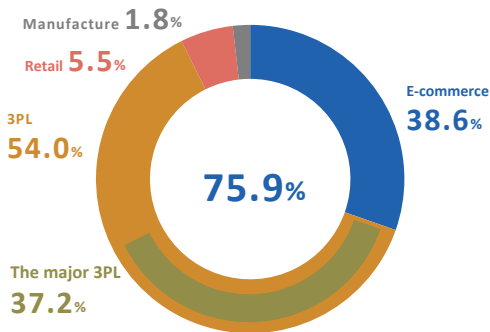
Tenant industry and package composition with stable CF to be expected even under the influence of COVID-19

(Forecast for April 1, 2021)

Tenant Industry and Package Composition

Tenant Industry (based on annual rent)

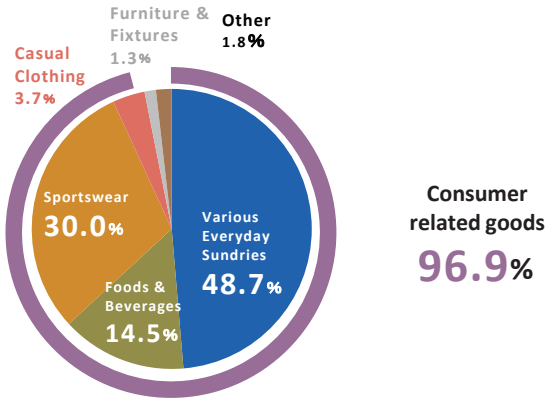
• Recession proof and stable CF with high E commerce major 3PL ratio



Breakdown of retailers:
▪ Discount supermarket
▪ ITOCHU Group (Casual Clothing)

Major Packages Tenants Handle (based on annual tenants' rents) ※1

• Primarily consumer related packages and packages resilient and unsusceptible to economic ups and downs



※1 The calculations of packages are based on what we heard from respective tenants. Accordingly, different types of packages may be handled at some parts of space

Highlights

(Note)
4.8% is calculated based on all properties including new properties acquired in the 5th FP. Based on those as of the end of 4th FP, actual NOI yield is 5.2%

Operational Highlights <as of the End of the 5th Fiscal Period (Jan. 2021) >

Appraisal NOI yield **5.0%**

Actual NOI yield **4.8%**
(based on acquisition price)

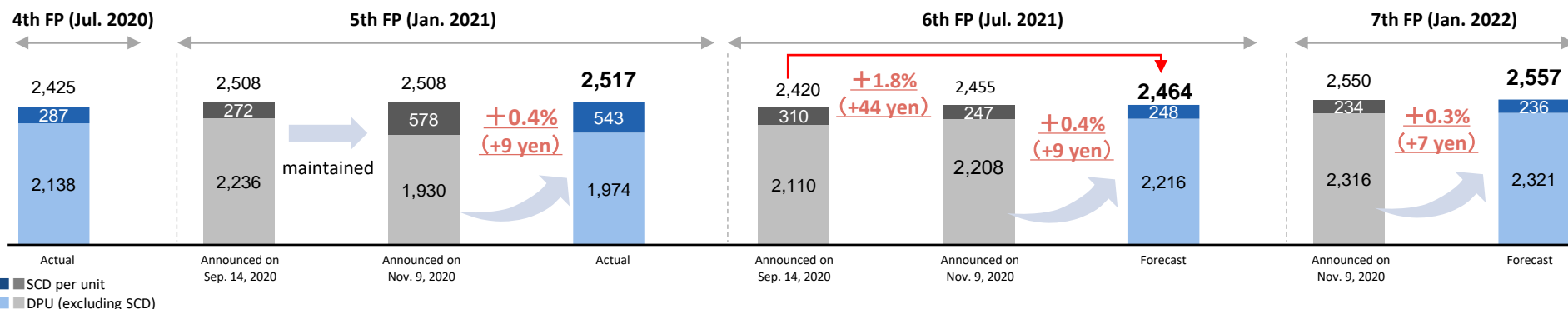
Occupancy rate

99.9%

Appraisal value
5th FP (Jan. 2021) **108.4 BN Yen**
4th FP (Jul. 2020) 90.9 BN Yen

NAV per unit
5th FP (Jan. 2021) **126,473 yen**
(+6.7%)
4th FP (Jul. 2020) 118,511 yen

Unrealized gains
5th FP (Jan. 2021) **12.0 BN Yen**
(ratio of unrealized gain 12.4%)
4th FP (Jul. 2020) 8.0 BN Yen
(ratio of unrealized gain 9.7%)



Measures Highlights

As a result of the evaluation for the truck record that promoted the measures in rapid succession since the listing, credit rating outlook was changed, and the result became **A + positive**.

External Growth

• Made the second public offering in 2020

Acquired four quality properties and expanded the asset size (based on an acquisition price) over **111.4 billion yen**

Internal Growth

• Re-contracted a lease agreement with two tenants.

Increased rents and concluded longer-term lease agreements

- Further generated new profits through parking lot lease to third parties
- Installed LED lighting (common/exclusive areas) to reduce expenses and improve tenant satisfaction

Financial Strategies

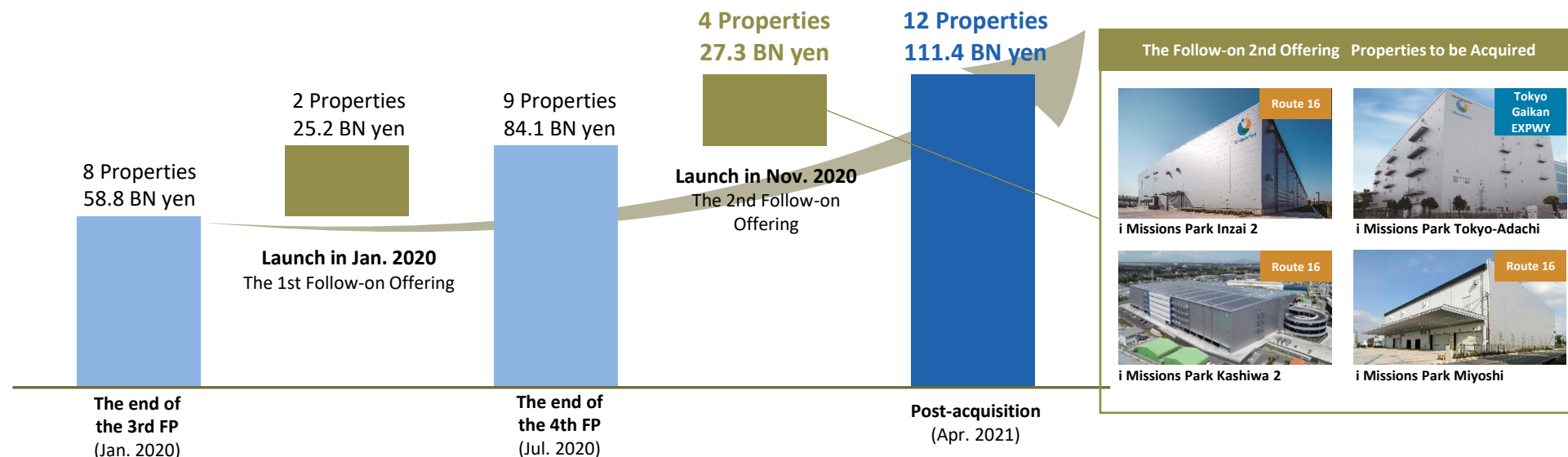
- Maintained stabilized LTV after repayment of consumption tax loan at **40.9%** (based on total assets) after the second public offering (at the end of the 7th FP (Jan. 2022))
- Financing capacities when increasing LTV (based on total assets) to 45% are **8.5 billion yen**

ESG

- Awarded "Green Star" status by GRESB Real Estate Assessment and granted "four star" in the GRESB Rating
- Used **green loans** partially as new loans
- Started the tenant satisfaction survey
- Expanded the compliance rules as needed (response to money laundering)

Overview of the Second Public Offering

Asset Size grows to **111.4 Billion Yen** through **2 Public Offerings** in 2020.

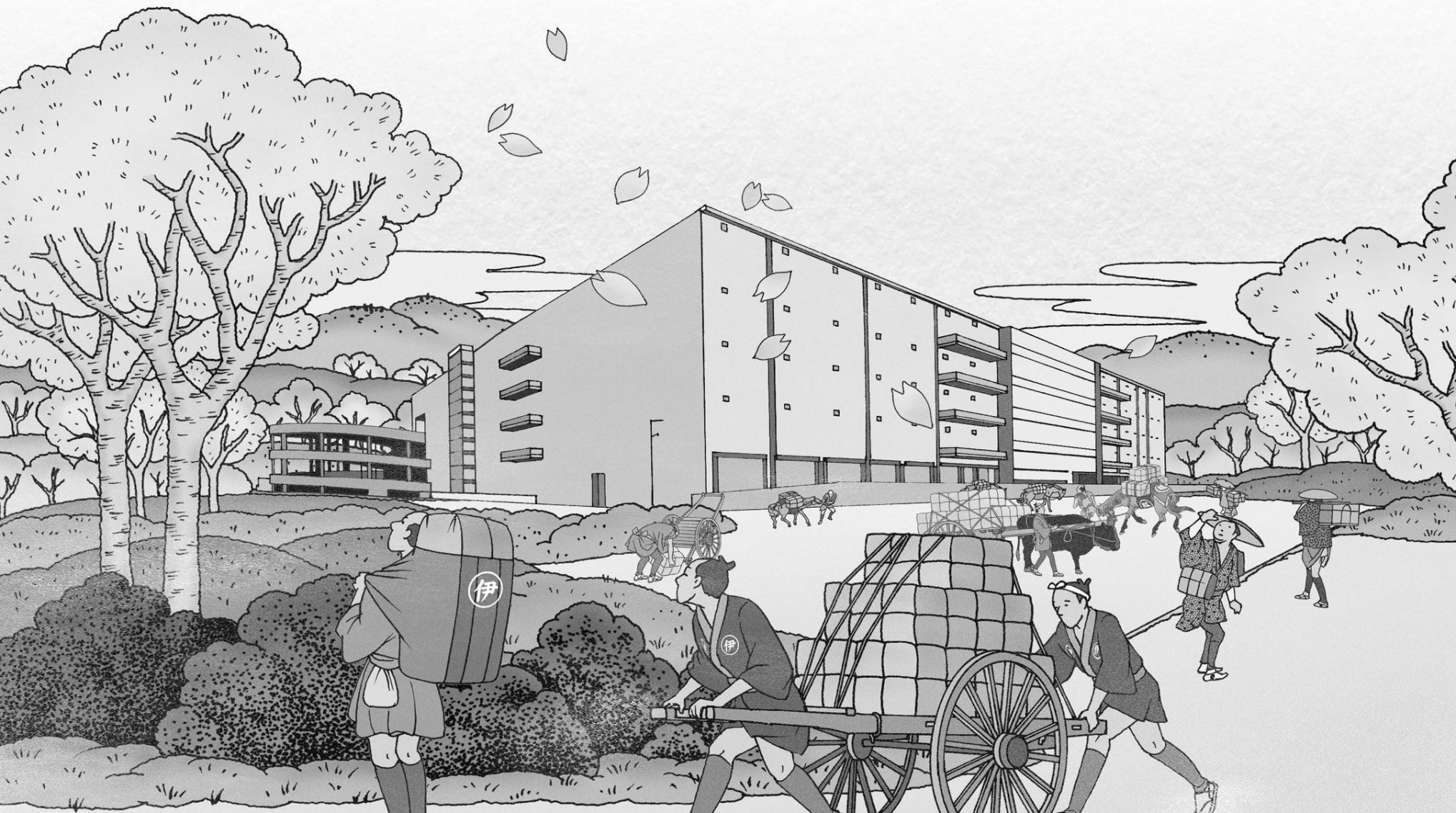


Overview of the Second Public Offering

	end of July 2020 (4th FP)	Properties to be Acquired					Post-acquisition portfolio
		i Missions Park Inzai 2	i Missions Park Kashiwa 2 (30% quasi-co-ownership interest) (additional acquisition)	i Missions Park Tokyo-Adachi	i Missions Park Miyoshi	Total / Average	
Number of Properties	9 Properties						12 Properties
(Anticipated) acquisition price	84,100 MN Yen	5,367 MN Yen	8,720 MN Yen	10,915 MN Yen	2,320 MN Yen	27,322 MN Yen	111,422 MN Yen
Appraisal value (※1)	90,989 MN Yen	5,680 MN Yen	9,210 MN Yen	11,000 MN Yen	2,450 MN Yen	28,340 MN Yen	121,862 MN Yen
(Average) Appraisal NOI yield (※1)	5.0%	5.0%	4.6%	4.2%	5.0%	4.5%	4.9%
Notes		acquired	acquired	To be acquired on April 1, 2021	To be acquired on April 1, 2021		

*1 The appraisal value and appraisal NOI yield of the assets (to be) acquired are calculated using the appraisal value as of the end of the 5th FP (Jan. 2021) for i Missions Park Inzai 2 and i Missions Park Kashiwa 2 (30% quasi-co-ownership interest) and using the appraisal value disclosed on November 9, 2020 for i Missions Park Tokyo Adachi and i Missions Park Miyoshi as they are yet to be acquired. In addition, the total appraisal value and average appraisal NOI yield after the acquisition of the assets (to be acquired) are calculated by incorporating the figures for i Missions Park Tokyo Adachi and i Missions Park Miyoshi into the figures as of the end of the 5th FP (Jan. 2021) based on the above assumptions

Financial Results



Financial Results of the 5th Fiscal Period (Jan. 2021)

DPU

5th fiscal period (Jan. 2021) Actual **2,517 yen**
vs forecast +9 yen (+0.4%) / period on period +92 yen (+3.8%)

4th fiscal period
(Jul. 2020)

FFO per Unit

5th fiscal period (Jan. 2021) Actual **3,144 yen**
vs forecast +50 yen (+1.6%)

5th fiscal period
(Jan. 2021)

(MN Yen)	Actual	Forecast (announced on Nov. 9, 2020) (A)	Actual (B)	Difference (B) - (A)
Operating revenues	2,399	2,610	2,606	-4
Operating income	1,193	1,301	1,323	+21
Ordinary income	1,047	1,163	1,185	+22
Net income	1,046	1,162	1,184	+22
DPU (including surplus cash distribution (SCD))	2,425 yen	2,508 yen	2,517 yen	+9 yen
DPU (excluding SCD)	2,138 yen	1,930 yen	1,974 yen	+44 yen
SCD per unit	287 yen	578 yen	543 yen	-35 yen
FFO	1,684	1,864	1,886	+22
FFO payout ratio	70.0%	81.1%	80.1%	-1.0 pt
Ratio of SCD to depreciation	21.9%	49.6%	46.4%	-3.2 pt
FFO per unit	3,465 yen	3,094 yen	3,144 yen	+50yen
AFFO※	1,671	1,855	1,886	+31
AFFO payout ratio	70.5%	81.5%	80.1%	-1.4 pt
AFFO per unit	3,438 yen	3,078 yen	3,144 yen	+66 yen
Total number of investment units outstanding	486,000	602,500	600,127	-2,373

Breakdown of Difference (5th FP forecast vs 5th FP)

【Operating revenues】

Decrease in utility revenues -4

【Operating income】

Decrease in building management expenses +1
Decrease in utility expenses +5
Decrease in repair expenses +6
Increase in asset management fees -5
Decrease in administrative service fees +1

【Ordinary income】

Decrease in Interest on tax refund -1
Decrease in expenses for issuance cost of new investment units +1
Decrease in TSE related expenses +1

Total number of investment units outstanding has decreased compared to that disclosed on November 9, 2020.

※ FFO is calculated by adding depreciation costs for the applicable fiscal period to net income (excluding gain or loss on the sale of real estate).
AFFO is calculated by deducting capital expenditure from FFO. The AFFO formula has been changed and the AFFO for 4th FP actual and 5th FP forecast(announced on Nov. 9, 2020) is calculated on this formula respectively. (Previously, AFFO was calculated by deducting capital expenditures from FFO, and adding loan related non cash expenses.)
FFO (AFFO) payout ratio is calculated by dividing the sum of total distributions and total surplus cash distributions by FFO (AFFO), rounded to the first decimal place.

Earning Forecasts for the 6th Fiscal Period (Jul. 2021) and the 7th Fiscal Period (Jan. 2022)

(MN Yen)	5th fiscal period (Jan. 2021)	6th fiscal period (Jul. 2021)		7th fiscal period (Jan. 2022)
	Actual (A)	Forecast (B)	Difference (B-A)	Forecast
Operating revenues	2,606	3,062	+456	3,173
Operating income	1,323	1,469	+146	1,542
Ordinary income	1,185	1,330	+144	1,393
Net income	1,184	1,329	+145	1,392
DPU (including surplus cash distribution (SCD))	2,517 yen	2,464 yen	-53	2,557 yen
DPU (excluding SCD)	1,974 yen	2,216 yen	+242	2,321 yen
SCD per unit	543 yen	248 yen	-295	236 yen
FFO	1,886	2,111	+224	2,191
FFO payout ratio	80.1%	70.0%	-10.1 pt	70.0%
Ratio of SCD to depreciation	46.4%	19.0%	-27.4 pt	17.7%
FFO per unit	3,144 yen	3,519 yen	+375 yen	3,651 yen
AFFO	1,886	2,078	+191	2,151
AFFO payout ratio	80.1%	71.2%	-8.9 pt	71.3%
AFFO per unit	3,144 yen	3,463 yen	+319 yen	3,585 yen
Total number of investment units outstanding	600,127	600,127	-	600,127

Breakdown of Difference (5th FP actual vs 6th FP forecast)

【Operating revenues】

IMP Kashiwa 2(30%) and IMP Inzai 2 contributes to full 6th FP
Acquisition of IMP Tokyo-Adachi and IMP Miyoshi in 6th FP

Increase in rent revenues	+453
Increase in utility revenues	+2

【Operating income】

IMP Kashiwa 2(30%) and IMP Inzai 2 contributes to full 6th FP
Acquisition of IMP Tokyo-Adachi and IMP Miyoshi in 6th FP

Increase in utility expenses	-3
Increase in building management expenses	-2
Increase in repair expenses	-13
Increase in PM fee	-2
Increase in insurance expenses	-1
Increase in depreciation	-79
Increase in asset management fees	-62
Increase in sponsor contract expenses	-3

Increase in property and city planning taxes* -120

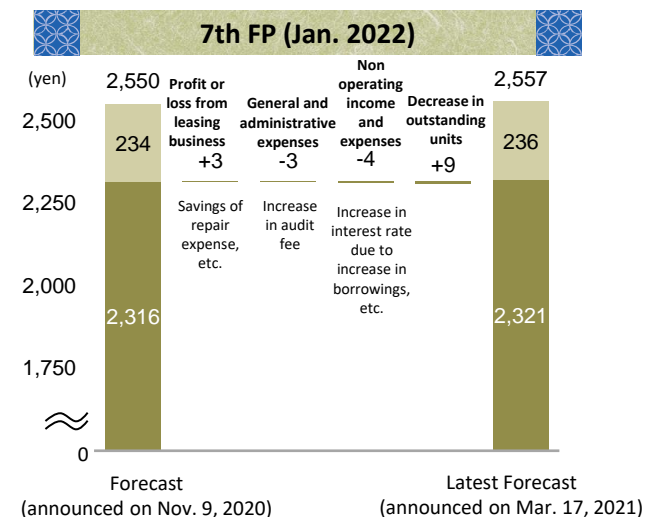
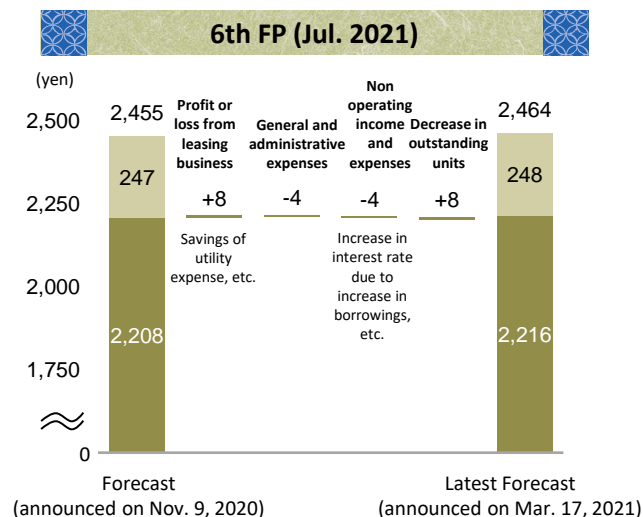
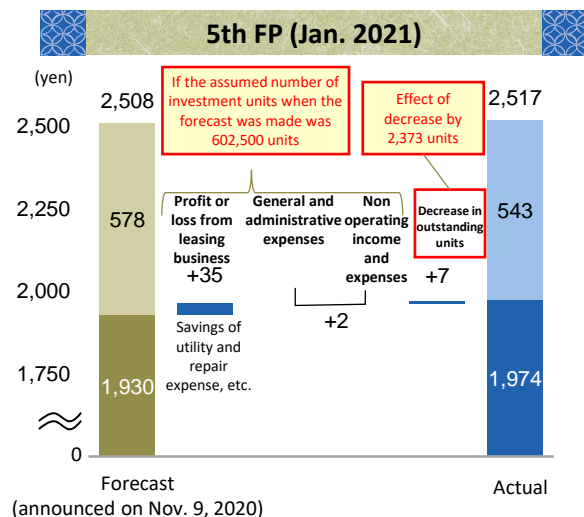
*IMP Inzai (20%)・IMP Kashiwa 2・IMP Inzai 2

【Ordinary income】

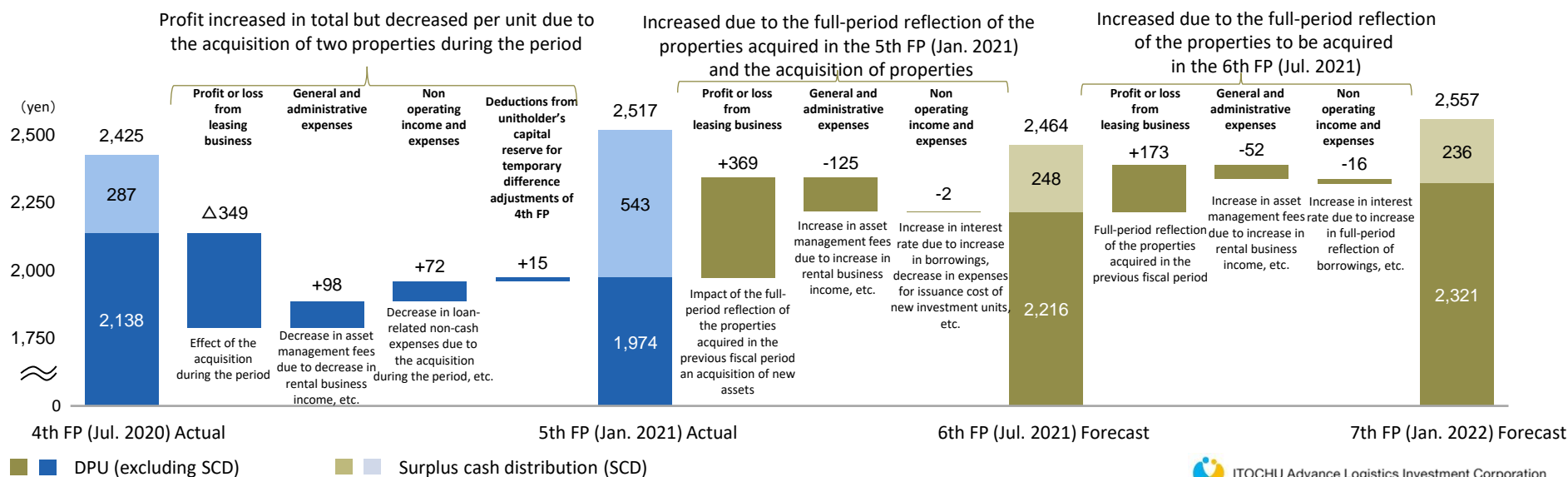
Increase Decrease in borrowing related expenses	-33
Decrease in expenses for issuance cost of new investment units (5th FP)	+17
Decrease in temporary expenses (5th FP)	+13

Total number of investment units outstanding has decreased compared to that disclosed on November 9, 2020.

Comparison of DPU with the Forecast Disclosed on November 9, 2020



Change of DPU from 4th FP to 7th FP

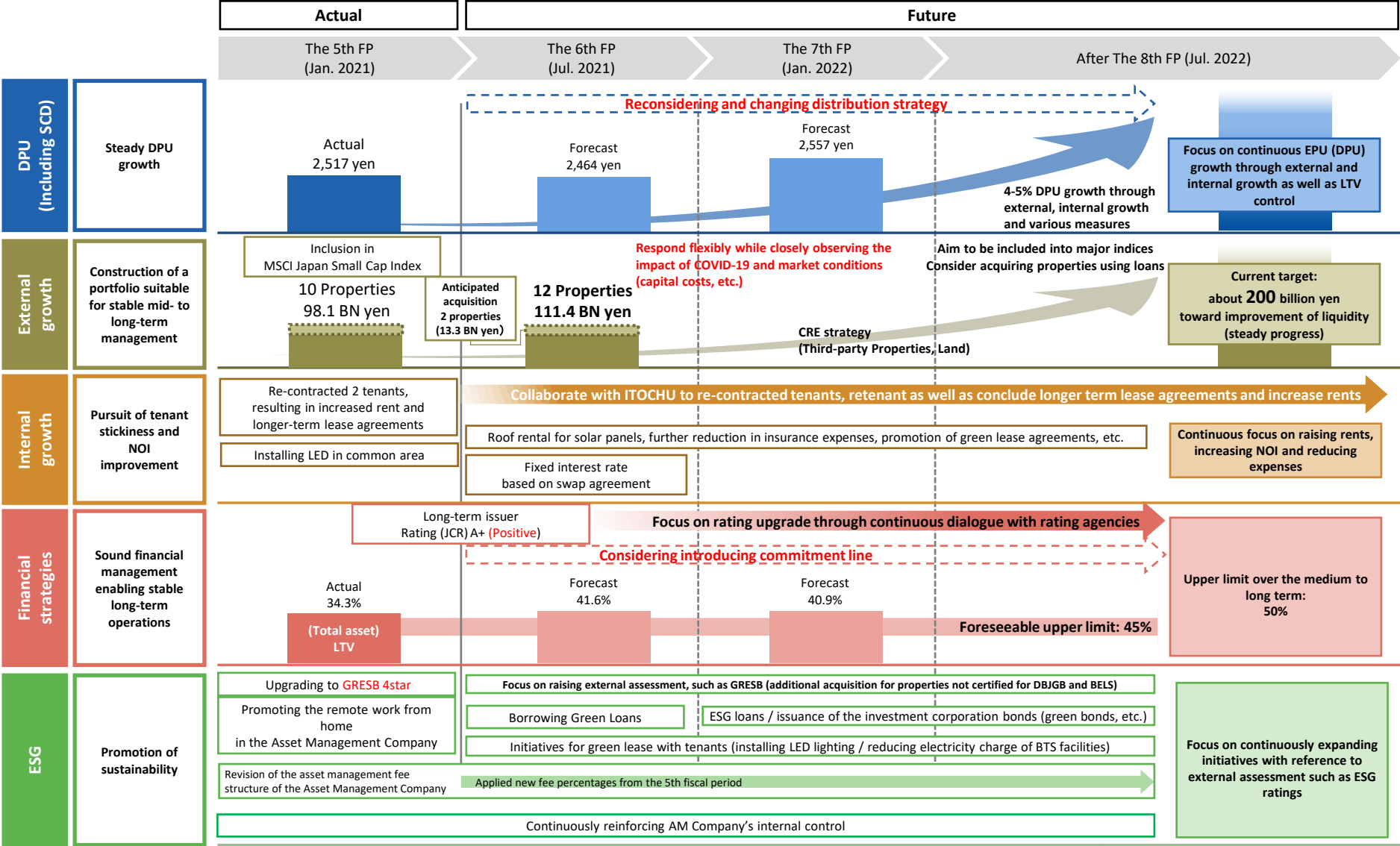


Growth Strategies



Strategic Roadmap

Aiming for long-term stable improvement of unitholder value by implementing measures though steady management.



External Growth Strategies

Steady Expansion of the Asset Size through Selective Investment in Quality Properties

<Portfolio Policy>

Carefully select quality properties that can maintain and improve the quality and profitability of the portfolio, and acquire at appropriate level of NOI yield in the area

Although the portfolio has been resilient under COVID-19, we are seeking to build a portfolio focused on tenants (long-term lease contracts) and locations that can be expected to generate long-term stable cash flow.

<Properties>

Properties developed by Sponsor

Utilize the sponsor support and continue to acquire properties at appropriate level of NOI yield in consideration of property location

Properties owned / developed by the ITOCHU Group: 5 properties with total floor area of about 222,952m²

Disclosed pipeline (as of the end of the 4th FP)



New pipeline



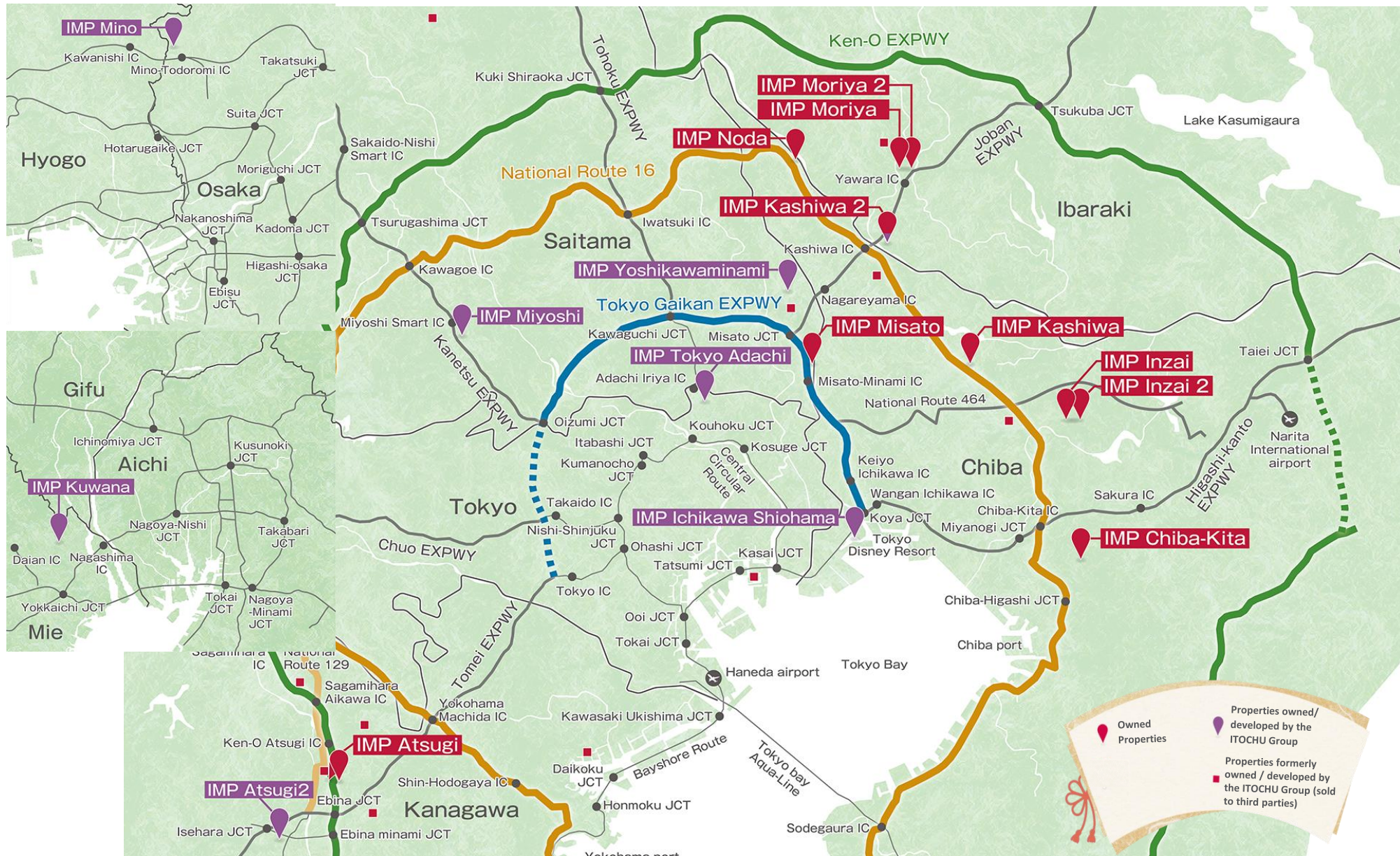
Third-party Properties

Identify asset securitization needs including CRE needs in collaboration with ITOCHU Corporation and ITOCHU Property Development

- 1 Acquire quality properties satisfying various CRE needs through the CRE strategy utilizing the ITOCHU Group's network
- 2 Logistics real estate capable of realizing tenant stickiness and long-term stable earnings (actively consider areas other than Kanto and Kansai)
- 3 Other real estate (process centers, etc.), land

By taking advantage of the features of the quality properties with stable cash flow, proactively utilize the bridge scheme and warehousing by the sponsors depending on the conditions

Portfolio Map



Internal Growth Strategies

Long term Stable Cash Flow Based on ITOCHU Corporation's Leasing Capabilities

Secure long-term stable profitability by leasing to quality tenants which rent entire buildings on a long-term basis with a timely understanding of customers location strategy and needs through the ITOCHU Group's network.

Fundamental policy on leasing

Realizing long-term, stable cash flow based on long-term lease contracts with quality tenants

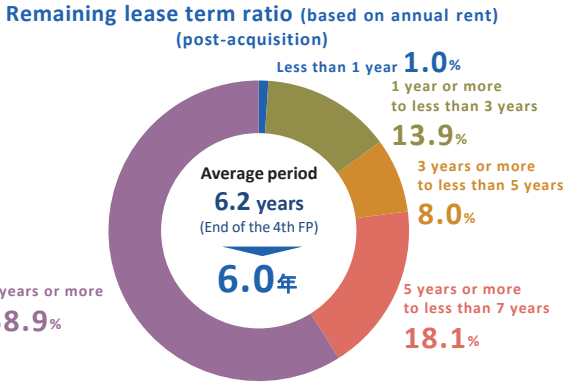
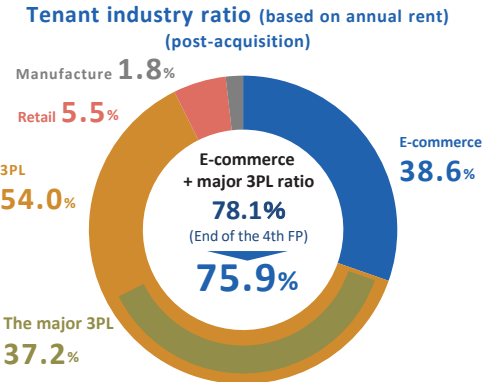
Engagement policy

(Forecast for April 1, 2021)

Implemented measures for increasing revenue

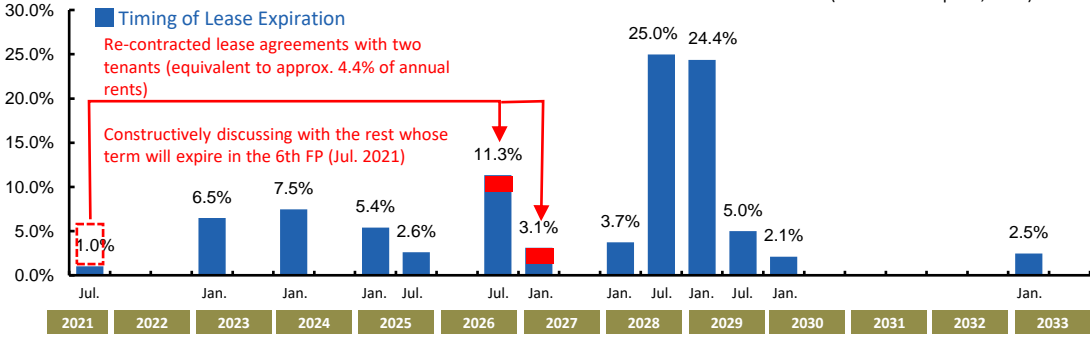
- Longer-term lease agreements / Rent increase**
Re-contracted of an agreement with two tenants, whose term will expire in the 6th FP (Jul. 2021), with increased rent
- Start of parking lot lease to third parties**
Utilization of unused parking lots
- Installing LED lighting**
Common/exclusive areas
Reduction in utility expenses and improvement in tenant satisfaction
- Rooftop Lease**
Commencement of rooftop lease for solar panel from the 5th FP at IMP Inzai

Long-term lease contracts with quality tenants that are reliable



Timing of Lease Expiration (based on annual rent) (post-acquisition)

(Forecast for April 1, 2021)



Occupancy rate

(before and after the anticipated acquisition)

Maintain a stable cash flow with an occupancy rate of over 99.9% since listing

Occupancy rate (post-acquisition)
99.9%

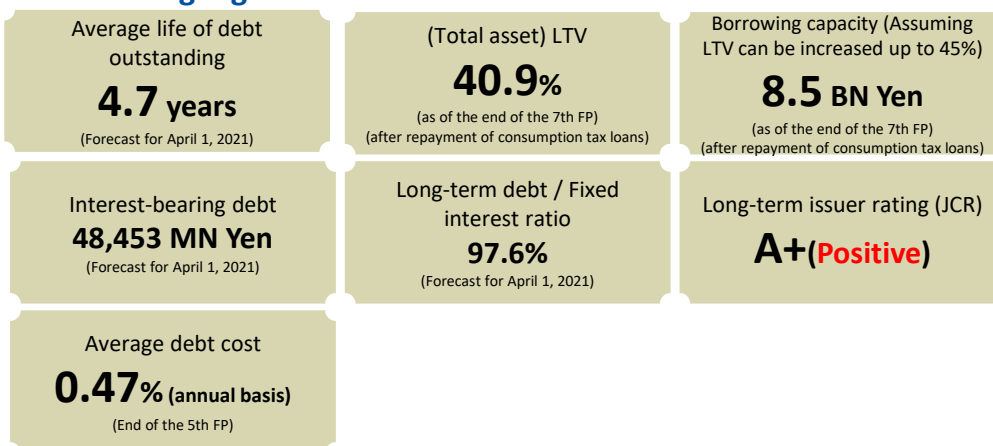
Financial Strategies(1)

Establishment of Strong Financial Base Enough for Long term Asset Management

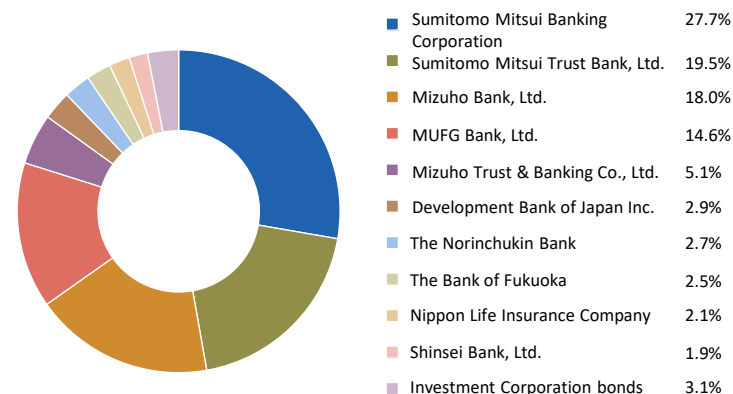
Rating outlook changed to A+ (Positive) by building up a track record of management.

Under promotion of extending maturity dates, and fixing interest rates. Continued financial management with consideration for financial capacities.

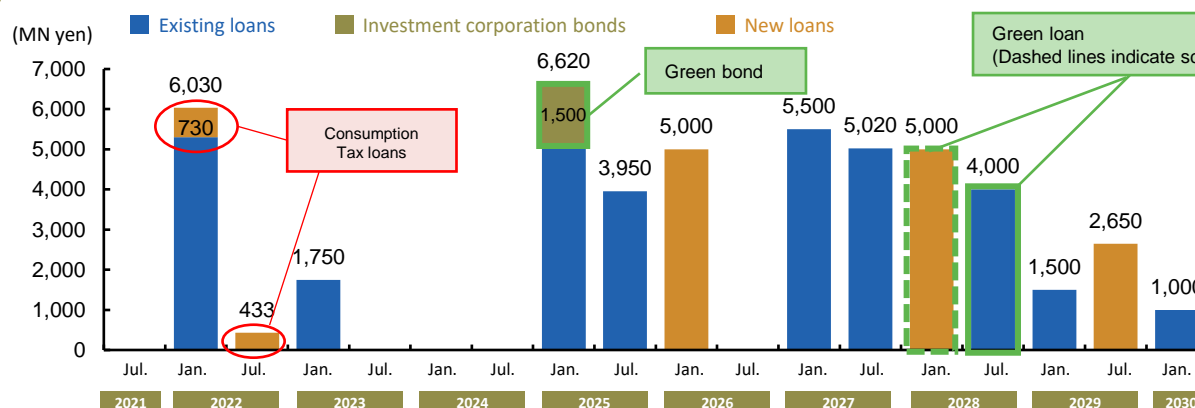
Financial Highlights



Diversified Interest-bearing Debt (Forecast for April 1, 2021)



Maturity Ladder (Forecast for April 1, 2021) (all loans are unsecured and non-guaranteed)

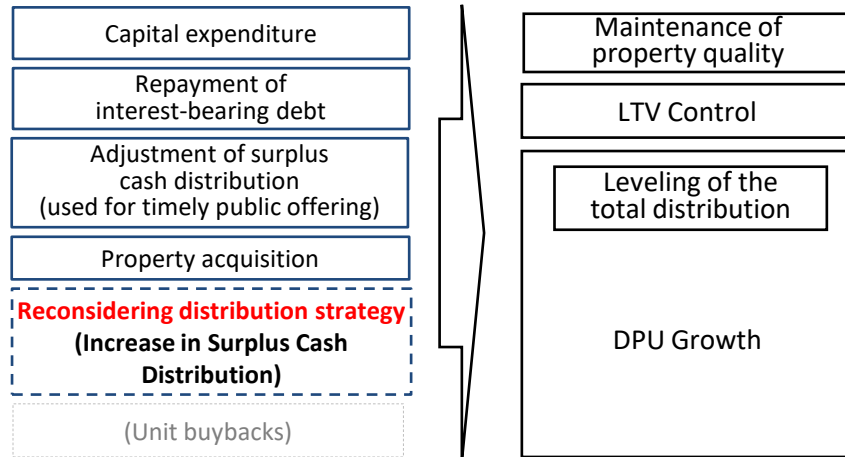


- ✓ Consider the procedures for refinancing 5.3 billion yen in the 7th FP (Jan. 2022) (maturity in September 2021) in advance
- ✓ After the above loan maturity, no major refinancing will occur in three years. Aim further enhancement of financial stability by expanding the asset size (new financing)
- ✓ Consider introducing commitment line

Financial Strategies(2)

Solid Cash Management Policy in Preparation for Various Purposes

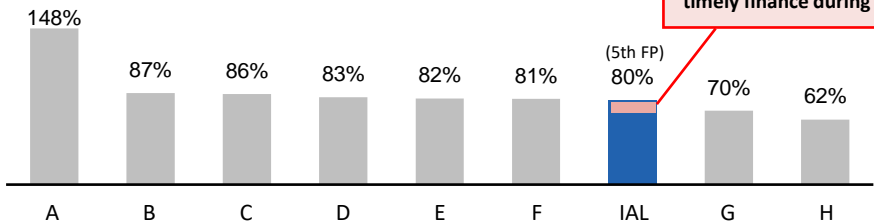
Currently considering the measures for further enhancing unitholder value while giving consideration to cash management



Comparison of FFO Payout Ratios for J-REITs Specializing in Logistics Facilities

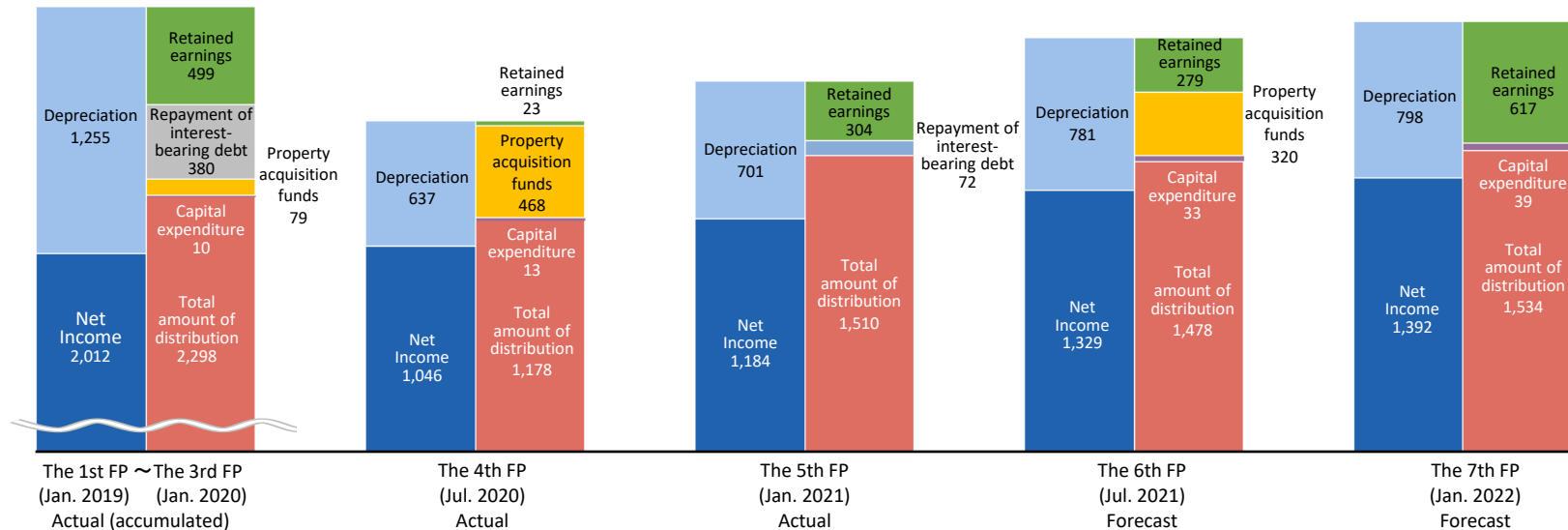
Distribution policy with a guideline set at 70% of FFO
The FFO payout ratio is lower than that of competitors

Adjusted surplus cash distribution in the 5th FP (Jan. 2021) due to timely finance during the period.



※ Calculated based on the most recent securities report disclosed by each investment corporation as of the date of this document. The payout ratio of the investment corporation which sold properties during the relevant fiscal period may be higher than that for the normal fiscal period.

(MN yen)



*Any change in the distribution policy (revision of the distribution strategy) requires a change in the asset management guidelines. The change in the asset management guidelines has not yet been decided and is still under consideration, and there is no guarantee of future change.
In addition, surplus cash distribution is made with a guideline set at 70% of FFO (up to 30% of depreciation) in the current asset management guidelines

Initiatives for ESG : Basic Policy

Strong commitment to ESG initiatives



GRESB Real Estate Assessment

In recognition of our strong commitment to ESG, granted “4-star” in the GRESB Rating.

Timely implementation
of measures at an early stage

The Asset Management Company's sustainability-related basic policy



Environment

- 1 Reduce energy consumption (decarbonization) and conserve resources
- 2 Utilize environmental certification programs



Society

- 1 Place importance on human resources training
- 2 Respect human rights and promote workplace reforms
- 3 Implement sustainability policies together with suppliers
- 4 Cooperate with tenants
- 5 Benefit areas surrounding properties and the real estate market as a whole



Governance

- 1 Comply with the law and prohibit improper conduct
- 2 Disclose accurate and timely information to unitholders and other stakeholders
- 3 Build sound relations with the ITOCHU Group and other stakeholders

ITOCHU Group's Commitment

The United Nations Global Compact

ITOCHU Corporation participated in April 2009

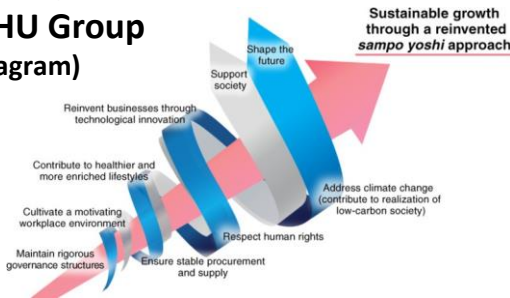


TCFD (Task Force on Climate-related Financial Disclosures)

ITOCHU Corporation announced its support for the TCFD in May 2019.



Sustainability at the ITOCHU Group (concept diagram)



Initiatives for ESG (E) Environmental Initiatives

Awarded "Green Star" Status with "Four Star" GRESB Rating



Having been highly evaluated by GRESB for its proactive implementation of initiatives, such as disclosure of environmental data, acquisition of DBJ Green Building certification, improvement in the working environment, and participation in community services, IAL was awarded "Green Star" status and granted "four star" in the GRESB Rating, which is a five-level rating system (the highest level is "five star")

外部環境認証の積極的な取得



★★★★★ 1 property
★★★★ 5 properties
(i Missions Park Inzai and other 5 properties)



★★★★★ 4 properties
★★★★ 1 property
(i Missions Park Inzai and other 4 properties)

<Percentage of properties certified>
(Total floor area basis (m²) • as of January 31, 2021)

DBJ Green Building

85.3%

Total 426,229.29m²
Certified properties 363,371.75m²

BELS

65.3%

Total 426,229.29m²
Certified properties 278,485.65m²

※as of January 31, 2021

※Act on Advancement of Integration and Streamlining of Distribution Business.

Proactive Promotion of Green Financing

- Had the framework evaluated by a third-party institution, JCR, and received the highest "Green 1 (F)" status in the "JCR Green Finance Framework Evaluation"
- We will use **green loans** partially for the borrowings in April 2021

Energy Consumption Reduction and Resources Saving

<Energy consumption reduction>



LED lighting

<Renewable energy generation>



Solar panels

<Tenant education>



Raising awareness through posters, etc.

<Water consumption reduction>



Installing water-saving toilet system

<CO₂ emissions reduction>



Promoting CO₂ emissions reduction in cooperation among tenants based on applicable law

<Conclusion of green lease agreements>



Installing LED based on green lease agreements

<Greening>



Greening parking lots

Initiatives for ESG (S) Social Contribution

ESG Initiatives with Suppliers

Distribution of sustainability guidebooks to major business partners, including property management companies
Annual survey on their sustainability-related initiatives

Cooperation with Tenant Companies

Statement of ESG-related clauses in lease agreement (Green lease clause)

Revision of lease agreement format
Enhancement of the system to pursue ESG initiatives in cooperation with tenants, such as environmental performance data management and sharing

Tenant satisfaction survey

Implemented since 2020
Understand how tenants use their current facilities and utilize it for facility operation and equipment improvement

Ensuring employee safety



An individual specification was adopted whereby employees enter the building via elevator access to the second floor directly from the parking lot. This ensures safety by creating separate lines of movement for pedestrians and trucks

Coexistence with Local Communities

Support for education



The ITOCHU Foundation

Participate in donation campaigns by ITOCHU Foundation which aims for fostering the healthy development of children

Helping people with disabilities



Ethical Purchasing

Purchase from the ITOCHU group company that hires people with disabilities

Volunteer activities



ITOCHU Baseball School

Participated as volunteers in the baseball classes for children with disabilities, held by ITOCHU Corporation

Consideration to local communities



Community Cleanup

As a member of its community, IRM has its employees participate in community cleanup in the neighborhood.

Initiatives for Employees

TOKYO Work-Style Reform Declaration

Approved as a company committed to "TOKYO Work-Style Reform Declaration," a program promoted by the Tokyo Metropolitan Government



▪ Hourly paid leave

Allowing employees to take leaves on an hourly basis

▪ Sliding working hours

Allowing employees to adjust starting and finishing times of daily working hours

Measures against COVID-19

For reduction of infection risks,

1. wearing masks, installing disinfections, splash prevention partitions in conference rooms and shoe cleaning mats at the entrance

2. promoting the working from home and flex time

Support for acquiring expertise

In collaboration with the ITOCHU Group, actively support for study session / correspondence course for employees



▪ Study session for obtaining the qualification of real estate transaction agent

The ITOCHU Group holds a study session every week inviting outside lecturers
Several employees of the Asset Management Company also participate in it

Initiatives for ESG (G) Governance

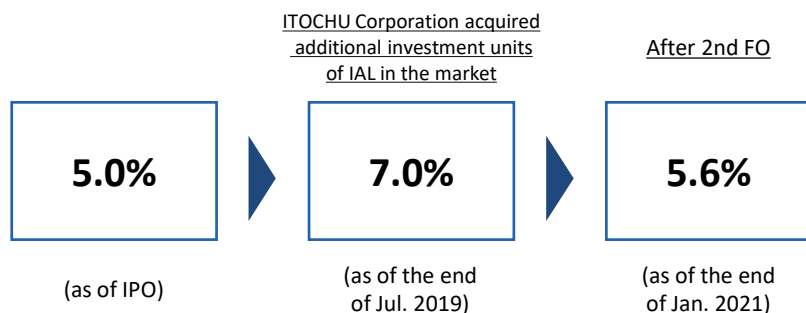
Management Fees

- Amended the management fee structure to further align interests with unitholder
- Apply new percentage from the 5th FP (Jan. 2021)

Management fee I	Total assets × 0.1% (upper limit)
Management fee II	NOI of rental business × 5.0% (upper limit)
Management fee III	Income before income taxes × Adjusted EPU × 0.005% (upper limit)
Asset disposition fee	Disposition price × 0.5% (upper limit) (0% where loss on asset disposition is incurred)

ITOCHU Corporation's "same-boat investment" in IAL

ITOCHU Corporation continues "same-boat investment" since IAL's IPO



Align interests of the Asset Management Company's employees with those of unitholders

- Full time directors of the Asset Management Company started utilizing the cumulative investment unit investment program
- As for non director employee investment unit ownership program has been introduced

Facilitate the alignment of interests of unitholders with those of the Asset Management Company's directors and employees

Personnel structure mainly consisting of employees not seconded from sponsors

Personnel structure of asset management companies

(As of April. 1, 2021)

	Total	Of which, employees seconded from the ITOCHU Group
Full time Director	2	0
Employees	14	2
Total	16	2

- Representative director, president & CEO has resigned from sponsor and joined the Asset Management Company. No seconded employees are appointed to serve positions of general manager or above, except for general manager in charge (seconded from AD Investment Management Co., Ltd.)
- One employee is seconded from ITOCHU Corporation and one from ITOCHU Property Development.

Expansion of compliance rules

Appointed external experts to begin planning the rules for global money laundering measures (company-wide controls and business process controls) as required by the Financial Services Agency, etc.

Portfolio



Acquisition of Quality Properties Further Improves the Portfolio

Further improved the quality portfolio which is characterized by long term stability achieved through selective investment, tenant stickiness, and strong sponsor support

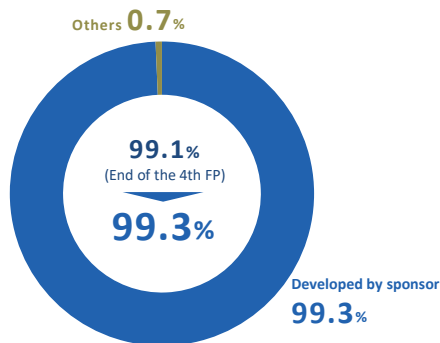
(as of Apr. 1, 2021)

Strong Sponsor Support

Realty and
Logistics (R/L)
platform

Group-wide
Merchant Channel
(M/C) platform

Properties developed by sponsor
(based on acquisition price)



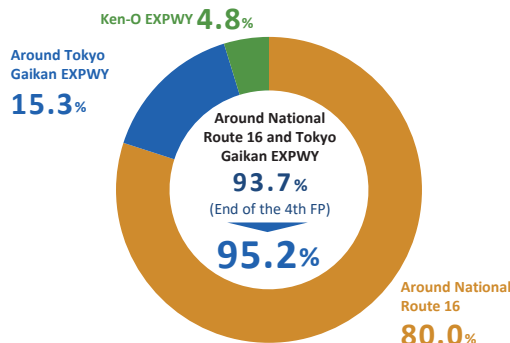
Portfolio with Young and Conveniently Located Properties

Convenient
location

Young
Properties

Location

(based on acquisition price)



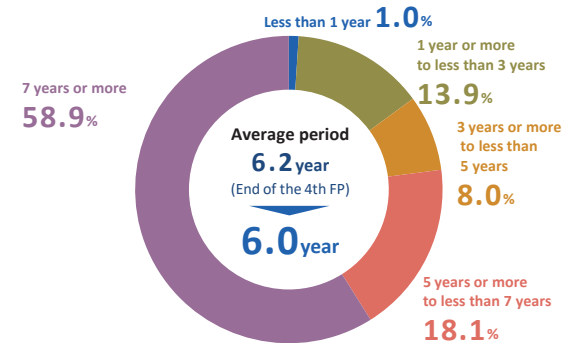
Long term Contracts with Quality Tenants

Long-term lease
contract

Quality tenants

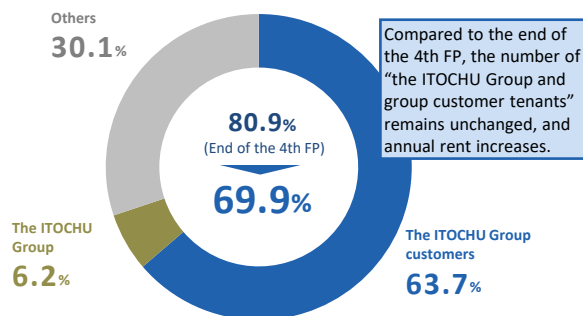
Remaining lease term

(based on annual rent)



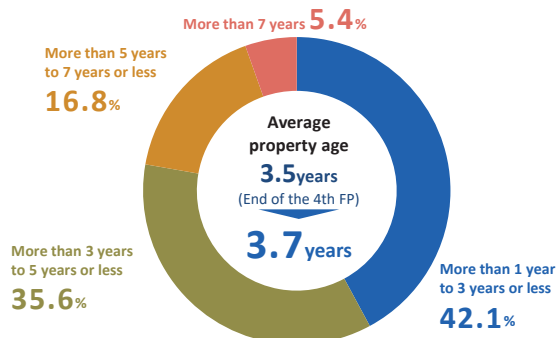
The ITOCHU Group and the Group customer tenant

(based on annual rent)



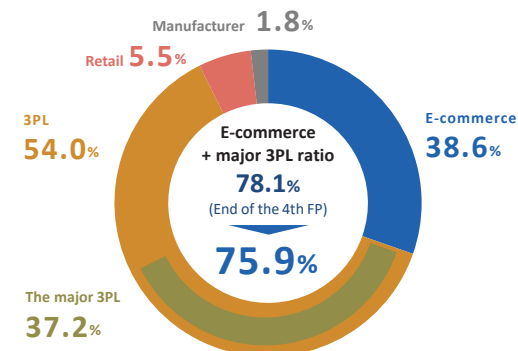
Property age

(based on acquisition price)



Tenant industry

(based on annual rent)



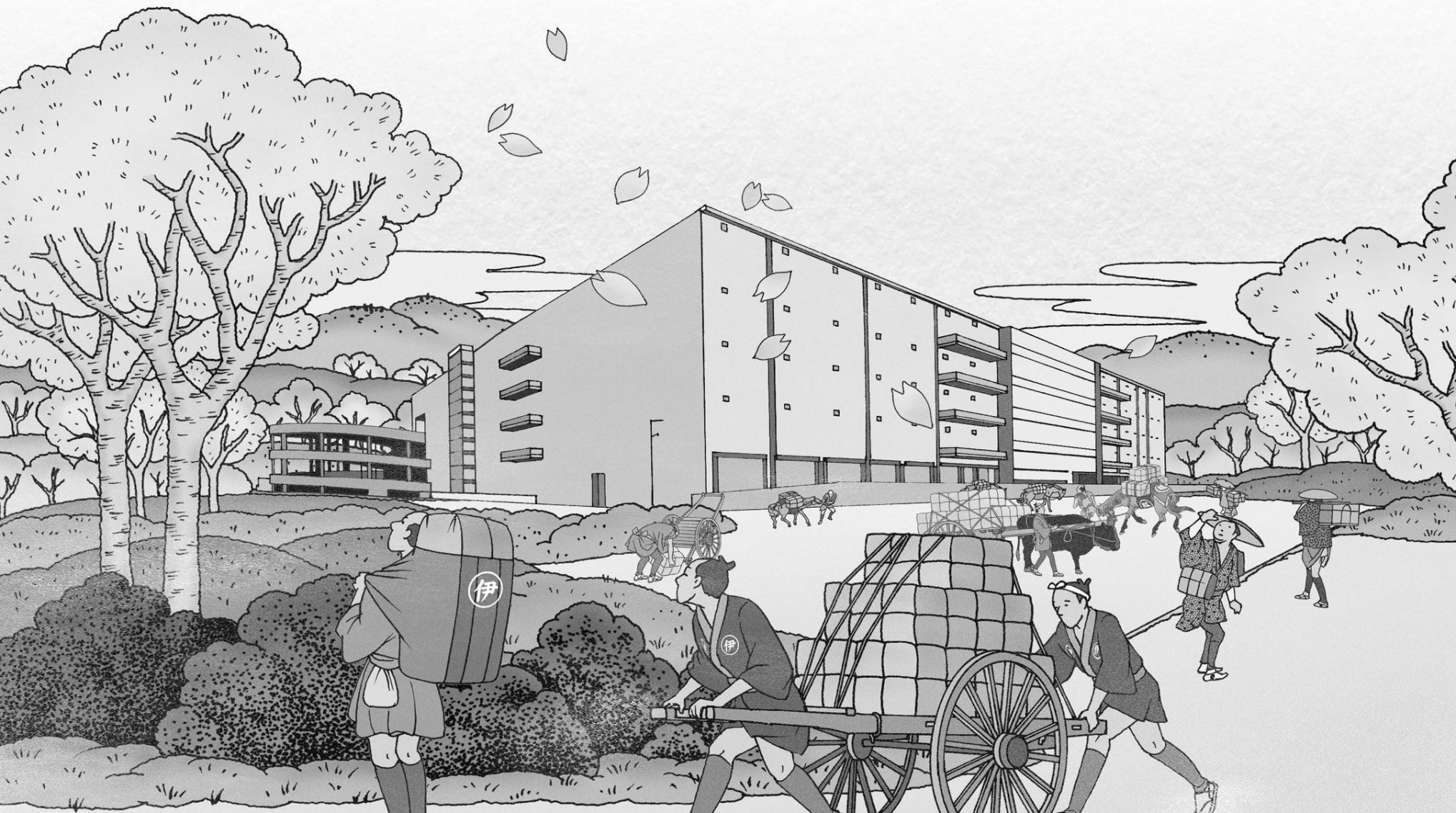
※1 Ratios are rounded to the first decimal place.

※2 3PL stands for third party logistics, which is defined as a firm or a third party that offers a comprehensive logistics innovation to shippers from product orders and inventory management, and is entrusted with comprehensive logistics services.

※3 Major 3PLs mean 3PLs with consolidated sales exceeding 100 billion yen including such 3PLs.

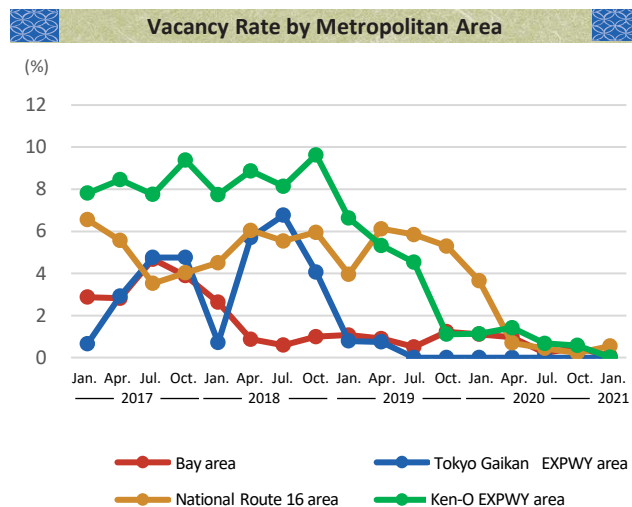
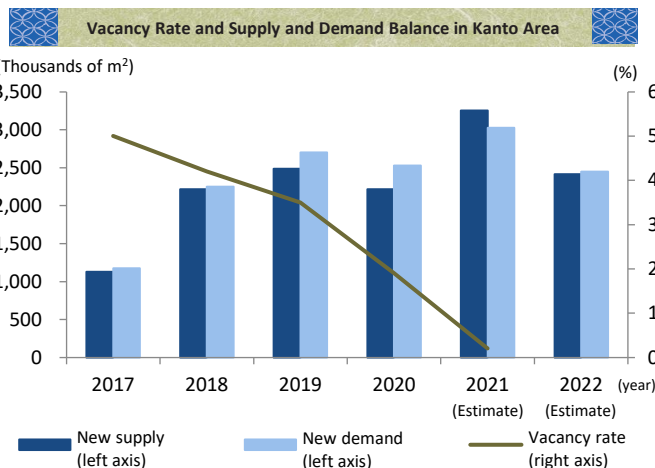


Market Overview

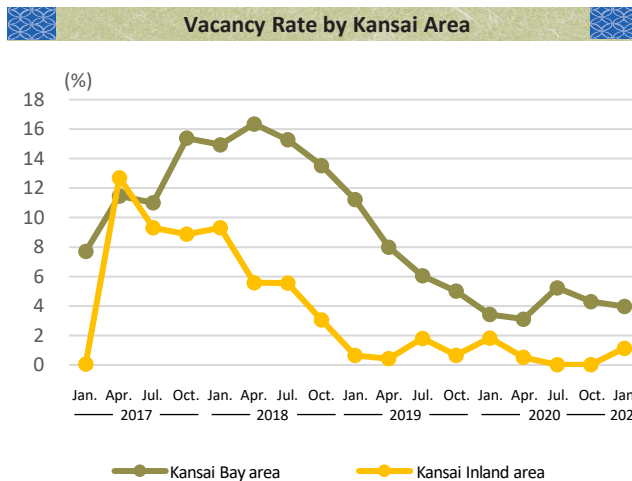
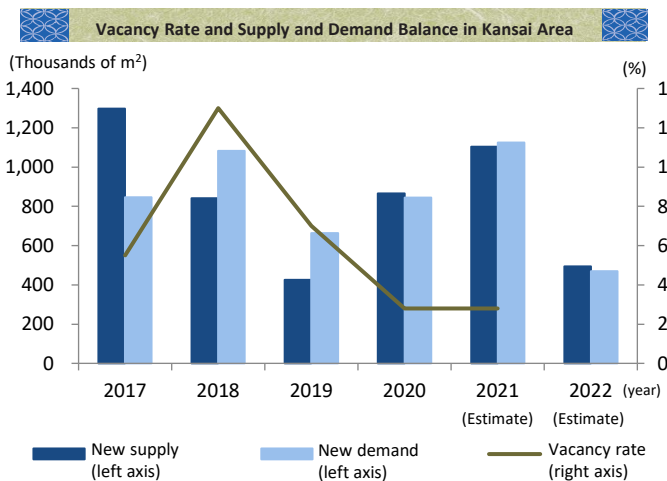


Market Overview (1) Supply / Demand Balance of Logistics Facilities

Logistics market in Kanto / Kansai area



Vacancy rate has remained low in Kanto area.
In National Route 16 where had new supply continued, vacancy rate has improved significantly to less than 1%.



In Kansai area, in the absence of large supply, vacancy rate remains low against the backdrop of strong demand.
It continued to improve vacancy rate in Kansai Bay area, and it remains stable and low vacancy rate in Kansai Inland area despite large supply.

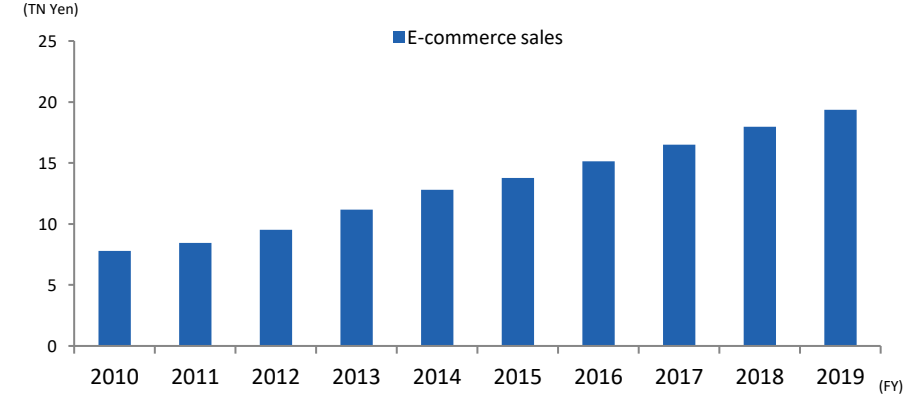
Source: K.K. Ichigo Real Estate Service

In addition to existing portfolio, pipeline properties are also located in Kanto area.
Properties to be developed by sponsors have been expanded to regional metropolitan areas.
In these areas, supply / demand balance remains stable.

Market Overview (2) Trends in E Commerce Related Indicators

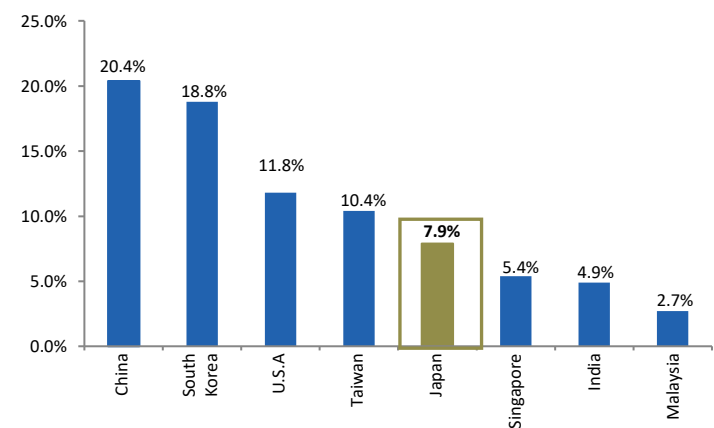
Expansion of e-commerce and 3PL markets increases delivery frequency and smaller parcels

Market Size of Online Shopping



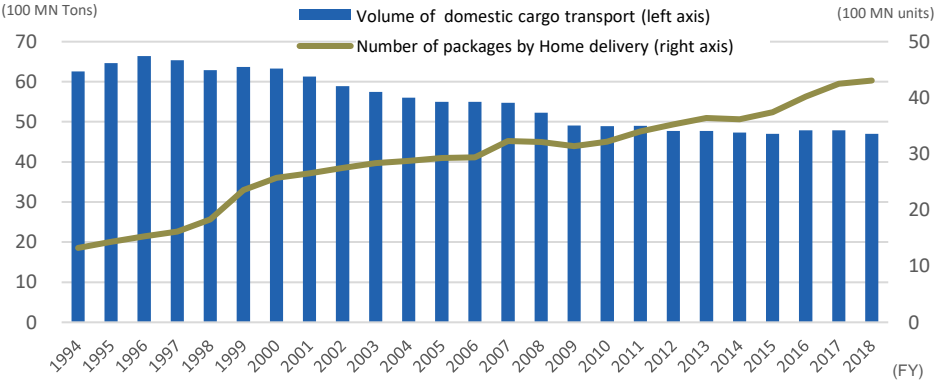
Source: Outline of the E-Commerce Market Survey (Ministry of Economy, Trade and Industry)

E-commerce Ratio of Major Countries



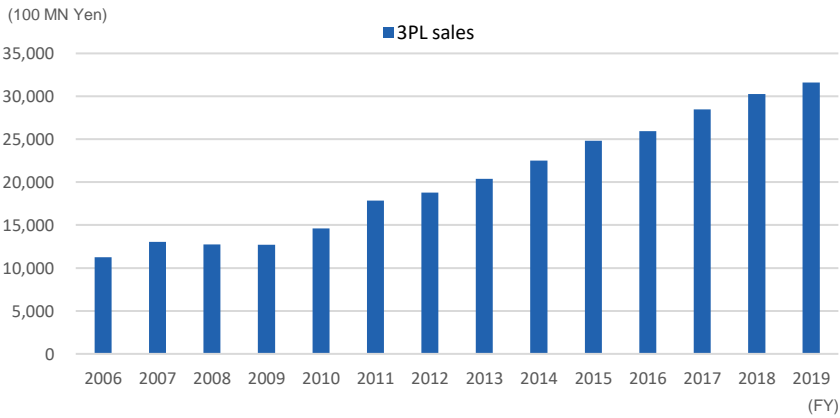
Source: Outline of the E-Commerce Market Survey (Ministry of Economy, Trade and Industry)

Changes in the Number of Packages by Home Delivery and the Volume of Domestic Cargo Transport



Source: Traffic Statistics (Ministry of Land, Infrastructure, Transport and Tourism)
FY2018 Survey of the number of packages by home delivery
(Ministry of Land, Infrastructure, Transport and Tourism)

Changes of the 3PL Market in Japan

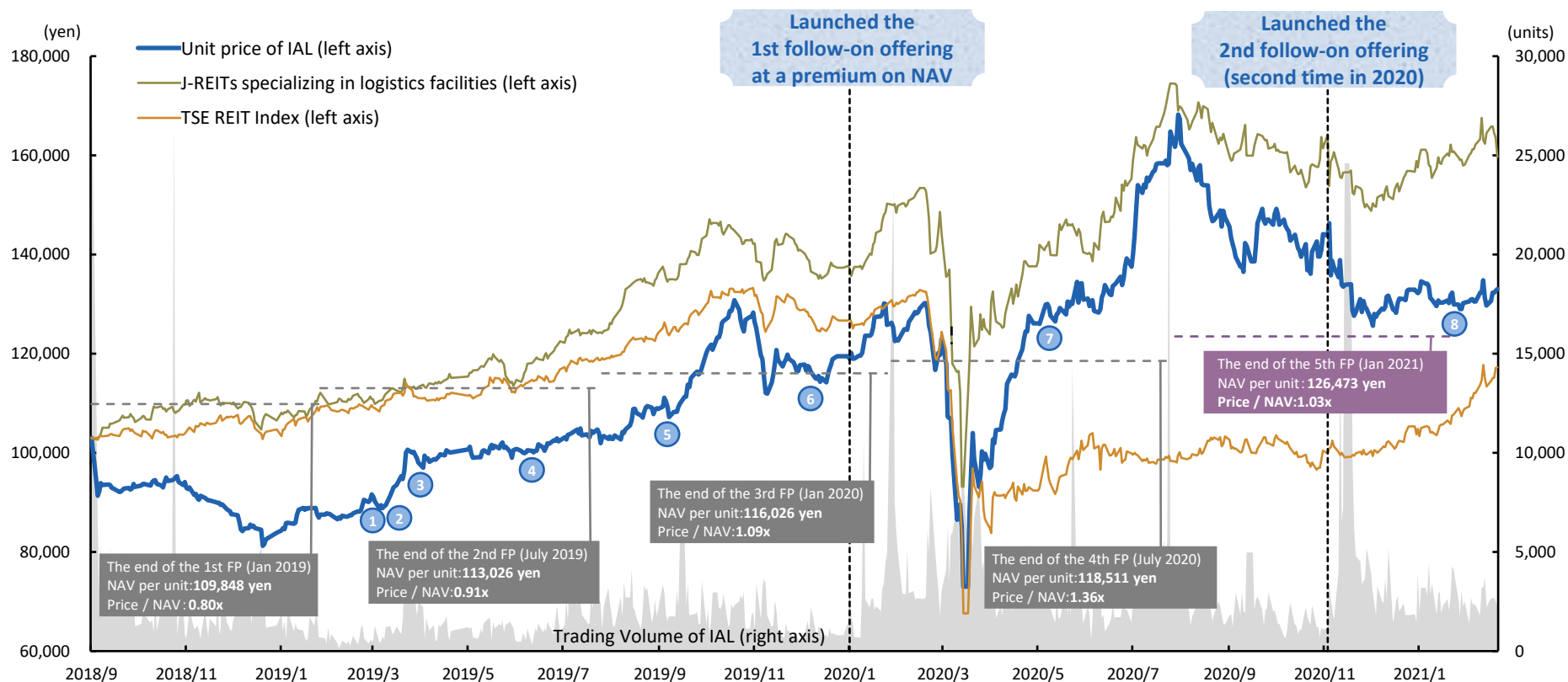


Source: LOGI-BIZ (Rhinos Publications, Inc.)

Appendix



Implemented Initiatives and Unit Price Trend



- 1** Announced acquisition of two new properties (March 14, 2019)
- 2** Acquired credit rating (March 15, 2019)
- 3** Announced secondary additional acquisition of investment units by ITOCHU corporation (March 26, 2019)
- 4** Analyst coverage started (June 14, 2019)
- 5** Awarded the "Green Star" (with GRESB rating being "three stars") (September 10, 2019)
- 6** Issued green bonds (December 12, 2019)
- 7** Announced inclusion in MSCI Japan Small Cap Index (May 12, 2020)
- 8** JCR changed the outlook of IAL's long-term issuer rating to A+(positive) from A+(stable) (February 1, 2021)

※ Changes in TSE REIT Index and J-REITs specializing in logistics facilities are indexed based on IAL's initial public offering price, 103,000 yen, with IAL's listing day as the start date. J-REITs specializing in logistics facilities are weighted for market capitalization.

Income Statement and Balance Sheet

5th fiscal period (January 2021)

Income Statement	(Thousands of Yen) 5th Fiscal Period From August 1, 2020 to January 31, 2021
Operating revenues	
Rental revenues	2,578,905
Other rental revenues	27,144
Total operating revenue	<u>2,606,049</u>
Operating expenses	
Property related expenses	935,491
Asset management fees	297,722
Asset custody fees / Administrative service fees	9,574
Directors' compensation	2,640
Other operating expenses	37,381
Total operating expenses	<u>1,282,810</u>
Operating income	<u>1,323,238</u>
Non-operating income	
Interest income	19
Interest on refund	1,363
Total non-operating income	<u>1,382</u>
Non-operating expenses	
Interest expenses on loans payable	82,959
Interest expenses on investment corporation bonds	2,274
Amortization of investment unit issuance	17,622
Amortization of investment corporation bond issuance costs	1,276
Borrowing related expenses	18,706
Other	16,092
Total non-operating expenses	<u>138,932</u>
Ordinary income	<u>1,185,688</u>
Income before income taxes	<u>1,185,688</u>
Income taxes-current	934
Income taxes-deferred	(3)
Total income taxes	<u>931</u>
Net income	<u>1,184,757</u>
Accumulated earnings brought forward	<u>172</u>
Unappropriated retained earnings (undisposed loss)	<u>1,184,930</u>

Balance Sheet	(Thousands of Yen) 5th Fiscal Period As of January 31, 2021
Assets	
Current assets	
Cash and deposits	2,592,377
Cash and deposits in trust	3,378,321
Operating accounts receivable	54,690
Consumption taxes receivable	522,720
Prepaid expenses	50,836
Other	-
Total current assets	<u>6,598,946</u>
Non-current assets	
Property, plant and equipment	
Buildings in trust	56,142,882
Accumulated depreciation	<u>(2,298,574)</u>
Buildings in trust, net	<u>53,844,307</u>
Structures in trust	2,119,976
Accumulated depreciation	<u>(188,508)</u>
Structures in trust, net	<u>1,931,467</u>
Machinery and equipment in trust	1,572,688
Accumulated depreciation	<u>(107,871)</u>
Machinery and equipment in trust, net	<u>1,464,817</u>
Tools, furniture and fixtures in trust	2,084
Accumulated depreciation	<u>(498)</u>
Tools, furniture and fixtures in trust, net	<u>1,585</u>
Land in trust	<u>39,172,735</u>
Total property, plant and equipment	<u>96,414,913</u>
Intangible assets	
Software	3,104
Total intangible assets	<u>3,104</u>
Investments and other assets	
Lease and guarantee deposits	10,000
Long-term prepaid expenses	151,538
Deferred tax asset	15
Total investments and other assets	<u>161,554</u>
Total noncurrent assets	<u>96,579,572</u>
Deferred assets	
Investment corporation bond issuance costs	9,785
Total deferred assets	<u>9,785</u>
Total assets	<u>103,188,305</u>

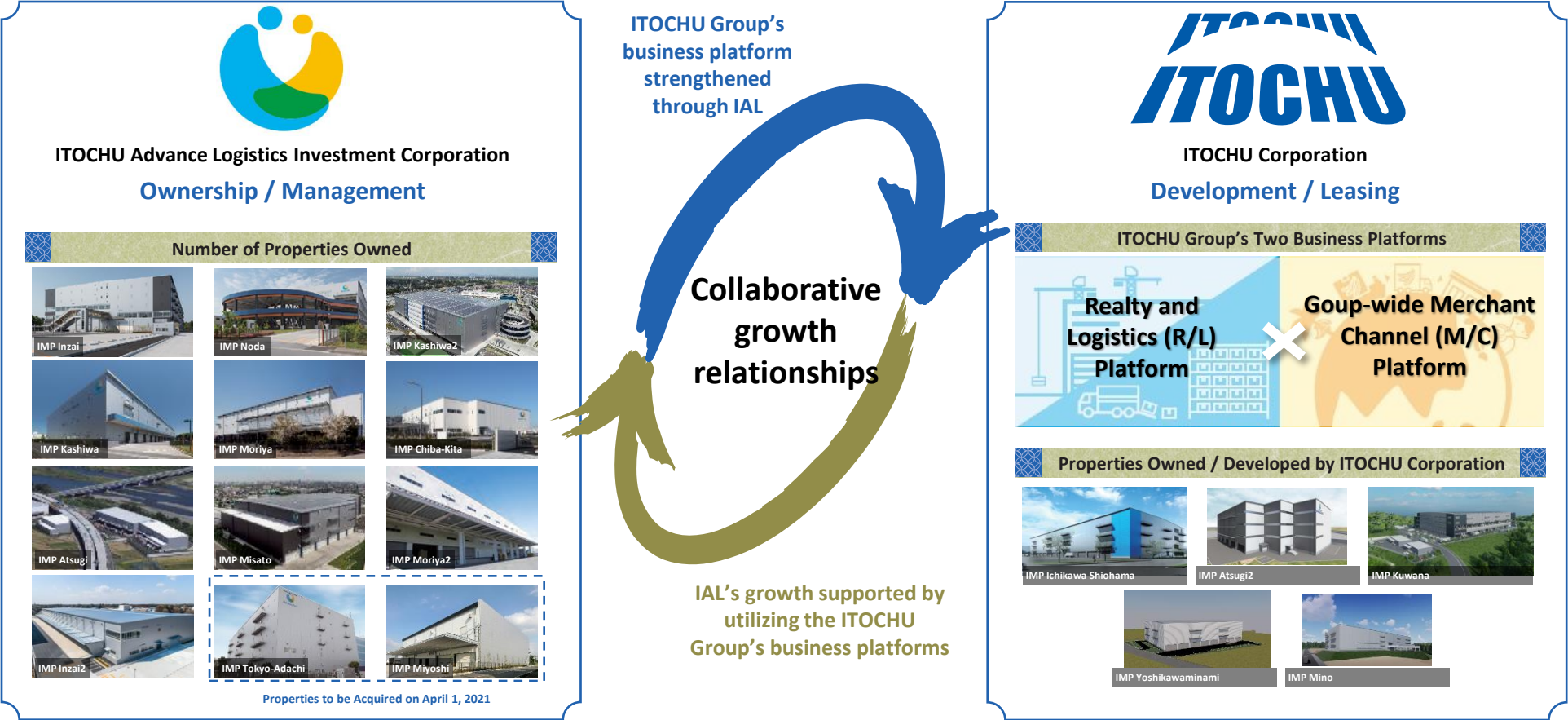
	(Thousands of Yen) 5th Fiscal Period As of January 31, 2021
Liabilities	
Current Liabilities	
Accounts payable	95,842
Short-term loans payable	-
Accounts payable-other	47,917
Accrued expenses	366,267
Current portion of long-term loans payable	6,030,000
Income taxes payable	931
Advances received	521,253
Other	24,221
Total current liabilities	<u>7,086,433</u>
Noncurrent liabilities	
Investment Corporation Bonds	1,500,000
Long-term loans payable	27,840,000
Tenant leasehold and security deposits	-
Tenant leasehold and security deposits in trust	1,346,310
Other	2,182
Total noncurrent liabilities	<u>30,688,493</u>
Total liabilities	<u>37,774,926</u>
Net assets	
Unitholders' equity	
Unitholders' capital	64,647,572
Deductions from unitholder's capital	
Reserve for temporary difference adjustments	-
Other deductions from unitholder's capital	<u>(419,124)</u>
Total deductions from unitholder's capital	<u>(419,124)</u>
Unitholders' capital, net	<u>64,228,447</u>
Surplus	
Unappropriated retained earnings (undisposed loss)	1,184,930
Total surplus	<u>1,184,930</u>
Total unitholders' equity	<u>65,413,378</u>
Total net assets	<u>65,413,378</u>
Total liabilities and net assets	<u>103,188,305</u>



Basic Strategies (1)

Build a growth spiral based on collaborative growth relationships

By taking advantage of the support provided by the sponsor group, which has a rich history of developing and acquiring logistics real estate (Reality and Logistics Platform) and a network of approximately 100,000 clients (Group-wide Merchant Channel Platform)



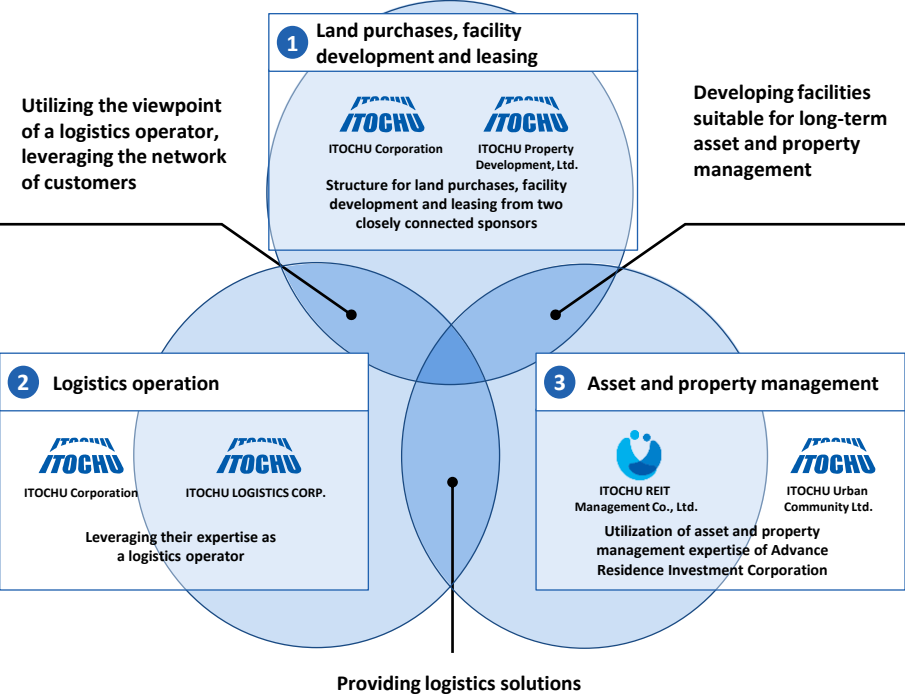
Basic Strategies (2)

A dual business platform that provides the foundation for the collaborative growth relationships

Realty and Logistics (R/L) Platform

- 1 Strength in land purchases, facility development and leasing of logistics real estate, honed through accumulated **development experience** since FY2004
- 2 Experience as a **logistics operator**
- 3 Utilization of expertise gained in **J-REIT management**

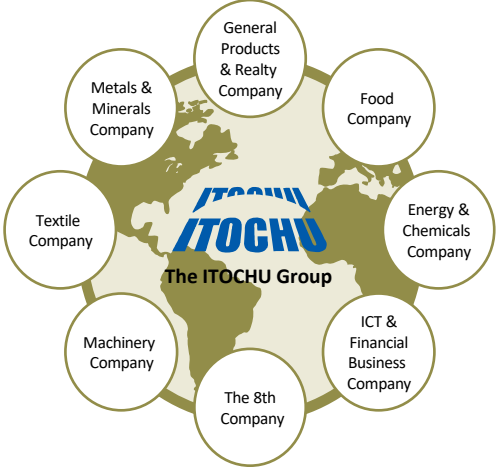
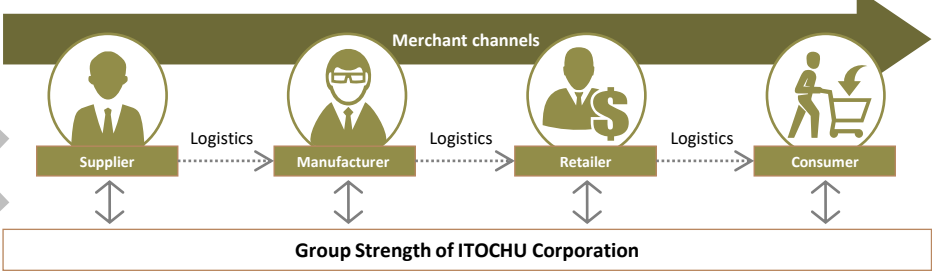
Real Estate & Logistics function of General Products & Realty Company of ITOCHU Corporation, which has integrated responsibility for 1, 2 and 3



Group-wide Merchant Channel (M/C) Platform

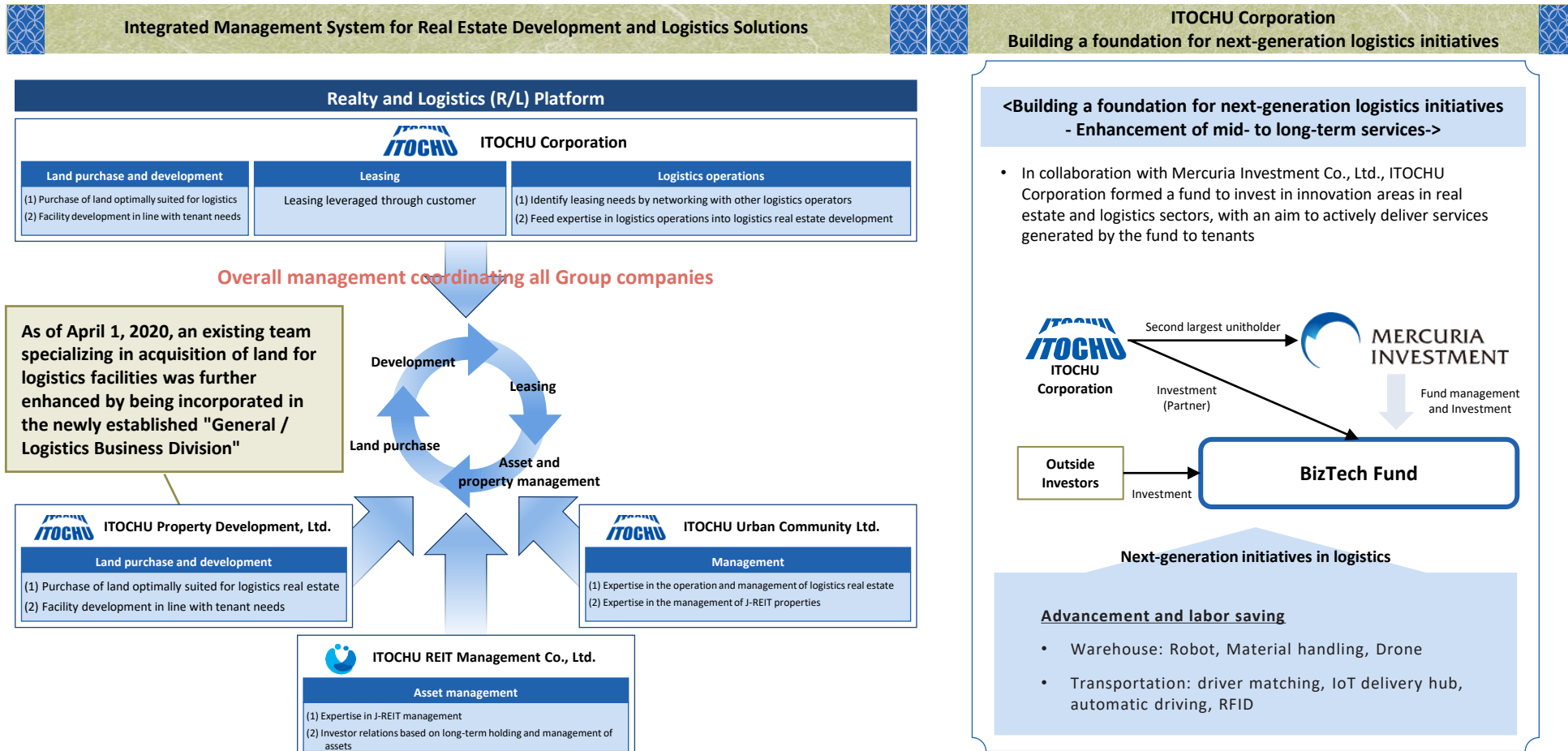
- 1 Extensive customer network covering **100,000 companies**
- 2 A wide business domain covering **upstream to downstream merchant channels**
- 3 Strong presence in **consumer-related businesses**

General trading company that has transactional relationships at the **management level** encompassing 1, 2 and 3



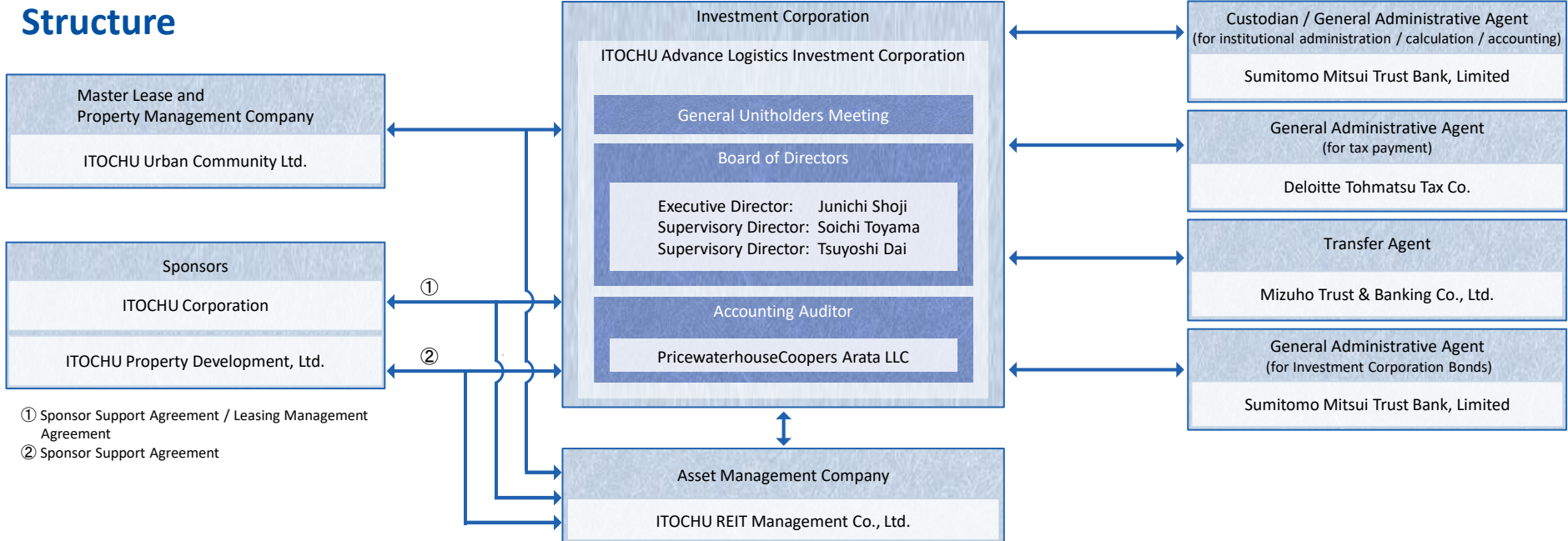
The ITOCHU Group

The ITOCHU Corporation has the Construction, Realty & Logistics Division, which is a single organization responsible for handling both the real estate development business and the logistics solutions business. By bringing together the human resources of the two business sectors, the ITOCHU Group has built a system which takes integrated responsibility for land purchase, development, leasing and asset and property management in the field of logistics real estate. ITOCHU Corporation includes optimization of value chain and smart distribution systems in its FY 2019-2021 Medium Term Management Plan.



About the Investment Corporation and the Asset Management Company

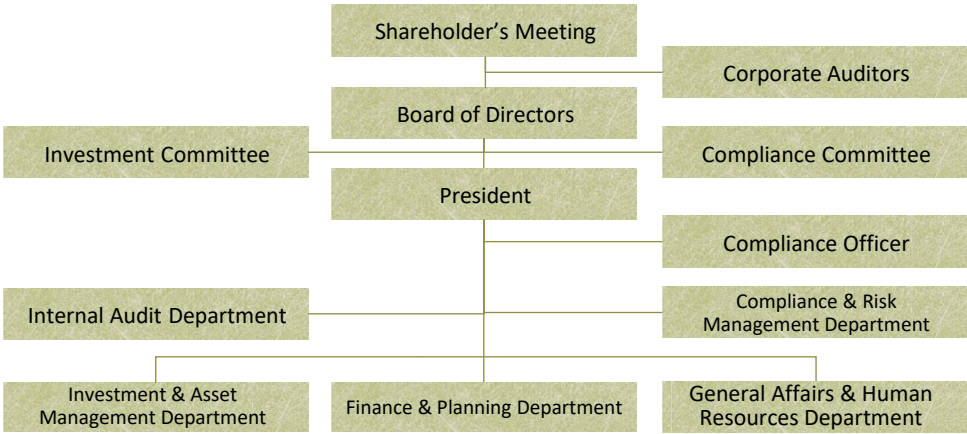
Structure



Overview of the Asset Management Company

As of Jan. 31, 2021

Company name	ITOCHU REIT Management Co., Ltd.
Established	February 15, 2017
Capital	150 million yen
Shareholders	ITOCHU Corporation 80% ITOCHU Property Development, Ltd. 20%
Main business	Investment management
Licenses and registrations	Financial Instruments Business License, Director of the Kanto Finance Bureau, (Kinsho) Registration No. 3027 Building Lots and Building Transactions Business License, Governor of Tokyo (1) No. 100434 Discretionary Transaction Agent License, Minister of Land, Infrastructure, Transport and Tourism, Registration No. 121



Incorporation of Quality Properties toward More Solid Portfolio

Continue to build a long-term stable portfolio by additionally acquiring new assets

(As of Jan. 31, 2021)

Category	Property No.	Property name	Location	Acquisition price (MN Yen)	Book value at the end of the period (MN Yen)	Appraisal value (MN Yen)	Unrealized gains (MN Yen)	Appraisal NOI yield (%)	Total floor area (m ²)	Property age (years)	Occupancy Rate (%)
Acquired Properties	L-1	i Missions Park Atsugi	Atsugi City, Kanagawa	5,300	5,205	5,980	774	5.0	Bld. A: 3,909.97 Bld. B: 15,387.63	8.4	100.0
	L-2	i Missions Park Kashiwa	Kashiwa City, Chiba	6,140	5,967	6,980	1,012	5.1	31,976.44	5.9	100.0
	L-3	i Missions Park Noda	Noda City, Chiba	12,600	12,231	14,200	1,968	4.9	62,750.90	5.0	99.5
	L-4	i Missions Park Moriya	Tsukuba Mirai City, Ibaraki	3,200	3,084	3,520	435	5.2	18,680.16	3.8	100.0
	L-5	i Missions Park Misato	Misato City, Saitama	6,100	5,955	7,090	1,134	5.0	22,506.53	3.5	100.0
	L-6	i Missions Park Chiba-Kita	Chiba City, Chiba	2,600	2,548	2,900	351	5.3	9,841.24	3.2	100.0
	L-7	i Missions Park Inzai	Inzai City, Chiba	27,810	27,015	30,500	3,484	5.1	110,022.51	2.9	100.0
	L-8	i Missions Park Moriya 2	Tsukuba Mirai City, Ibaraki	750	747	862	114	6.6	6,779.95	26.1	100.0
	L-9	i Missions Park Kashiwa 2	Kashiwa City, Chiba	28,320	28,272	30,700	2,427	4.7	117,435.21	2.5	100.0
	L-10	i Missions Park Inzai 2	Inzai City, Chiba	5,367	5,386	5,680	293	5.0	26,938.75	1.9	100.0
Total / Average (5th fiscal period (Jan. 2021))				98,187	96,414	108,412	11,997	5.0	426,229.29	3.7	99.9

※1 Book value at the end of the fiscal period and unrealized gains are rounded down to the nearest unit.

※2 Appraisal NOI yield is based on acquisition price. Figures are rounded to the first decimal place.

※3 Property age rounded to the first decimal place.

※4 Occupancy rate indicates the ratio of leased area to leasable area, rounded to the first decimal place.



Revenue and Expenditure for Each Properties

5th fiscal period (January 2021)

(Thousands of Yen)

Property number	L-1	L-2	L-3	L-4	L-5	L-6	L-7	L-8	L-9	L-10	
Property name	i Missions Park Atsugi	i Missions Park Kashiwa	i Missions Park Noda	i Missions Park Moriya	i Missions Park Misato	i Missions Park Chiba- Kita	i Missions Park Inzai	i Missions Park Moriya 2	i Missions Park Kashiwa 2	i Missions Park Inzai 2	Total
Number of operating days in the 5th fiscal period	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	184 days	73 days	-
(A) Total revenues from property leasing			407,955								2,606,049
Rental revenues			392,794								2,578,905
Other rental revenues			15,160								27,144
(B) Total property-related expenses			175,069								935,491
Taxes and public dues			40,002								160,274
Property management fees	-	-	21,397	-	-	-	-	-	-	-	39,367
Utility expenses			14,413								23,157
Repair expenses			-								792
Insurance expenses			1,267								7,790
Trust fees			250								2,055
Others			9								94
Depreciation	27,847	45,461	97,729	29,813	39,064	16,554	249,282	7,831	172,120	16,253	701,959
(C) Income from property leasing (A) - (B)	104,392	107,588	232,886	64,568	113,440	52,296	474,485	19,912	456,058	44,928	1,670,558
(D) NOI (= (C) + depreciation)	132,240	153,049	330,615	94,382	152,504	68,851	723,768	27,744	628,179	61,182	2,372,517

※ For properties other than i Missions Park Noda, items other than depreciation, leasing business gains and losses, and leasing business NOI are undisclosed as IAL was not able to obtain the tenant's consent.
Figures are rounded down to the nearest thousand yen.



Overview of Appraisal Value

As of the end of the 5th fiscal period (January 2021)

Category	Property No.	Property name	Location	Acquisition price (MN Yen)	Book value (A) (MN Yen)	Appraisal value (B) (MN Yen)	Direct cap rate (%)	Unrealized gains (B)-(A) (MN Yen)
Logistics real estate	L-1	i Missions Park Atsugi	Atsugi city, Kanagawa	5,300	5,205	5,980	4.3%	774
	L-2	i Missions Park Kashiwa	Kashiwa City, Chiba	6,140	5,967	6,980	4.4%	1,012
	L-3	i Missions Park Noda	Noda City, Chiba	12,600	12,231	14,200	4.3%	1,968
	L-4	i Missions Park Moriya	Tsukuba Mirai City, Ibaraki	3,200	3,084	3,520	4.6%	435
	L-5	i Missions Park Misato	Misato City, Saitama	6,100	5,955	7,090	4.2%	1,134
	L-6	i Missions Park Chiba-Kita	Chiba City, Chiba	2,600	2,548	2,900	4.6%	351
	L-7	i Missions Park Inzai	Inzai City, Chiba	27,810	27,015	30,500	4.5%	3,484
	L-8	i Missions Park Moriya 2	Tsukuba Mirai City, Ibaraki	750	747	862	4.8%	114
	L-9	i Missions Park Kashiwa 2	Kashiwa City, Chiba	28,320	28,272	30,700	4.2%	2,427
	L-10	i Missions Park Inzai 2	Inzai City, Chiba	5,367	5,386	5,680	4.6%	293
Total				98,187	96,414	108,412	-	11,997

※ Book value and unrealized gains and losses are rounded down to the nearest unit.



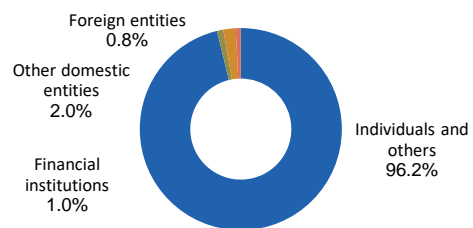
Status of Unitholders

5th fiscal period (January 2021)

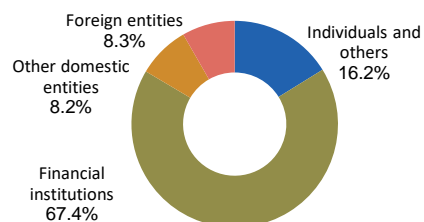
Number of unitholders and units by type of unitholders

	Unit holders	Ratio	Investment units (unit)	Ratio
Individuals and others	13,738	96.2%	97,038	16.2%
Financial institutions (including securities companies)	150	1.0%	404,382	67.4%
Other domestic entities	281	2.0%	48,924	8.2%
Foreign entities	117	0.8%	49,783	8.3%
Total	14,286	100.0%	600,127	100.0%

Breakdown by number of unitholders



Breakdown by number of units



Major unitholders (Top 10 unitholders)

	Name	No. of units held	Percentage of units issued and outstanding
1	Custody Bank of Japan, Ltd. (Trust Account)	98,337	16.4%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	80,442	13.4%
3	Custody Bank of Japan, Ltd. (Securities Investment Trust Account)	43,167	7.2%
4	ITOCHU Corporation	33,635	5.6%
5	The Nomura Trust and Banking Co., Ltd. (Investment Trust)	26,933	4.5%
6	The Shinkumi Federation Bank	12,999	2.2%
7	Custody Bank of Japan, Ltd. (Money Trust Tax Account)	11,153	1.9%
8	The Hachijuni Bank, Ltd.	9,782	1.6%
9	THE HYAKUJUSHI BANK, LTD.	9,628	1.6%
10	AICHI BANK, LTD.	8,510	1.4%
Total (top 10 unitholders)		334,586	55.8%

※ Percentages are rounded to the first decimal place.



Disclaimer

This material is for informational purpose only, and is not intended to solicit, or recommend the purchase or sale of specific securities, financial instruments, or transactions.

This document is not a disclosure document based on the Financial Instruments and Exchange Act, the Act on Investment Trusts and Investment Corporations, or the listing rules of the Tokyo Stock Exchange.

This document contains information on ITOCHU Advanced Logistics Investment Corporation (hereinafter referred to as "the Investment Corporation".), as well as tables and data prepared by ITOCHU REIT MANAGEMENT CORPORATION (hereinafter referred to as "Asset Management Company".) based on data and indicators published by third parties. It also includes statements regarding the Asset Management Company's current analysis, judgment, and other views on these matters.

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Ticker Symbol: 3493

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