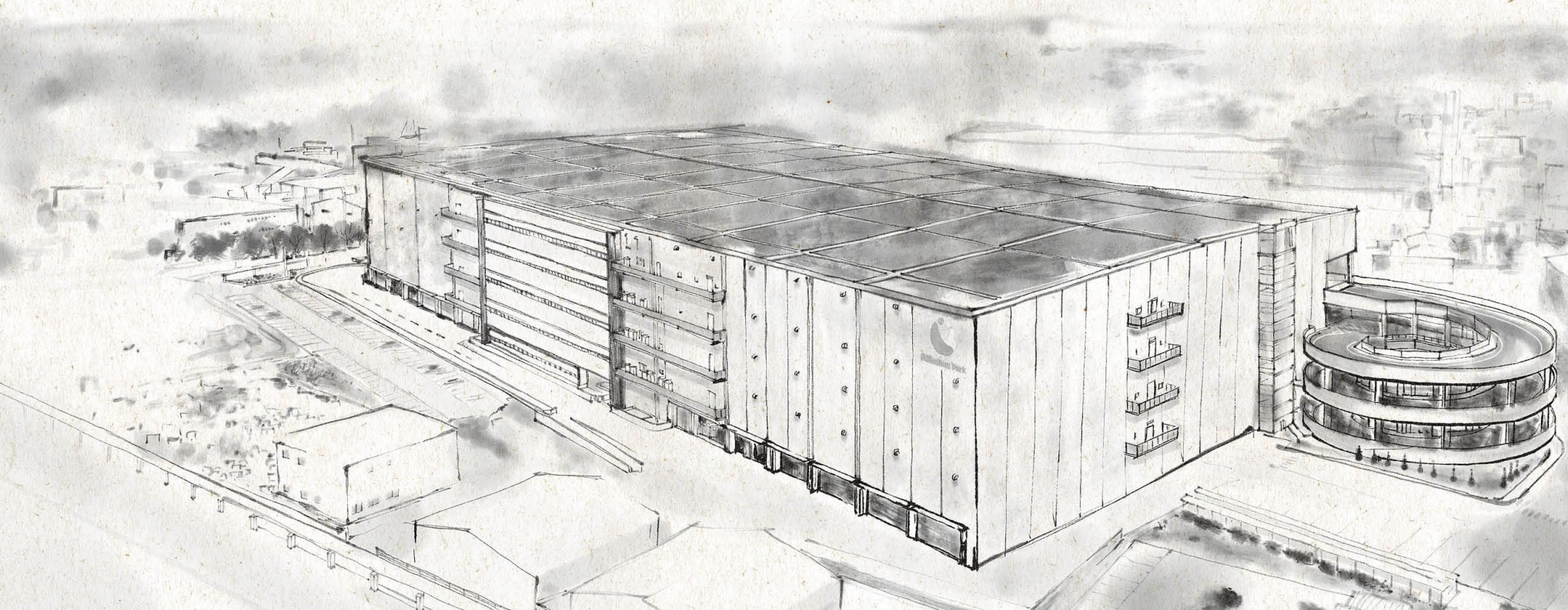




Securities code : 3493

ITOCHU Advance Logistics Investment Corporation

Supplementary Materials ② for the 2nd Follow-on Offering and Properties to be Acquired



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Asset Size will Exceed 110 Billion Yen through Timely Acquisition (based on (anticipated) acquisition price⁽¹⁾)

Acquisition of 4 properties by utilizing the pipeline of the ITOCHU Group⁽²⁾

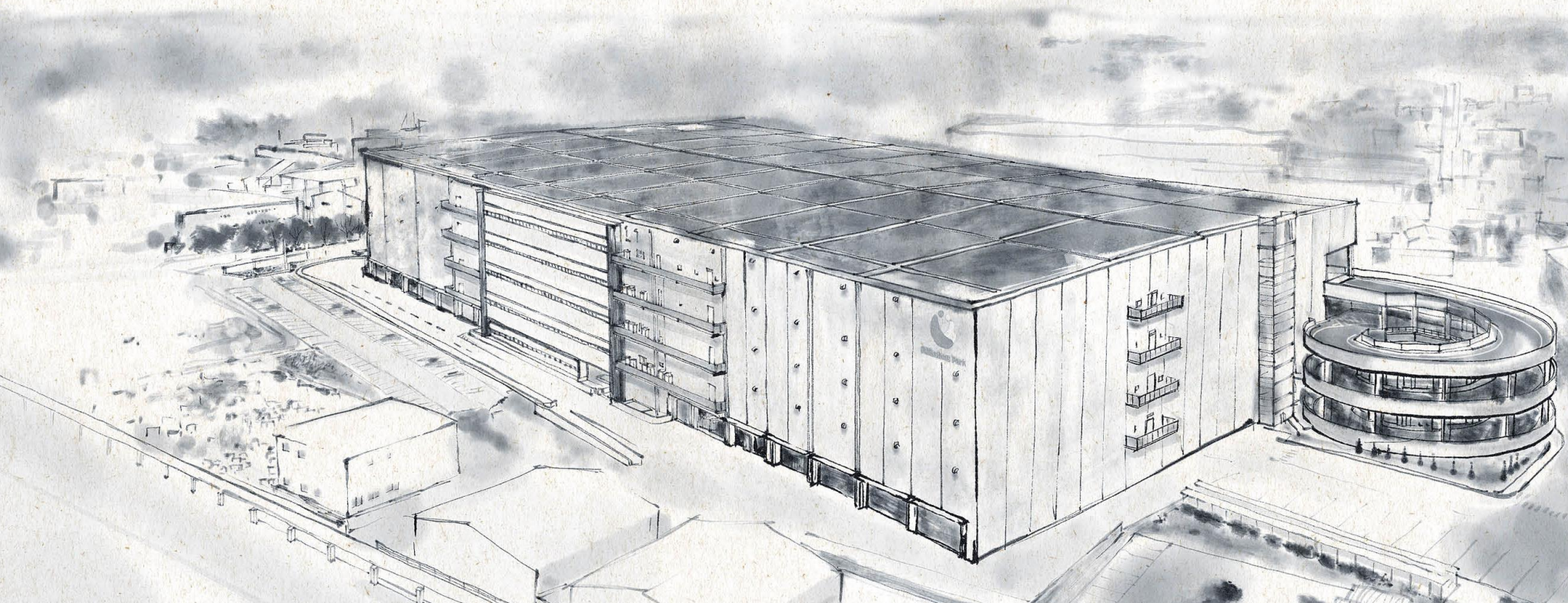
Timely external growth following the 1st follow-on offering⁽³⁾ in early 2020

Improve the Quality of the Portfolio through Acquisition of Properties only in the Kanto Area⁽⁴⁾

Acquisition of recently constructed properties located around National Route 16⁽⁵⁾ or in 23 wards of Tokyo

Strengthen stability of cash flow by execution of long-term lease contracts with quality tenants

**Asset Size will Exceed 110 Billion Yen
through Timely Acquisition**



Acquisition of 4 Properties by Utilizing the Pipeline of the ITOCHU Group

Outline of Properties to be Acquired

Total anticipated acquisition price
27.3 BN Yen

Total appraisal value⁽¹⁾
28.0 BN Yen

Average property age⁽²⁾
(based on anticipated acquisition price)
2.1 Years

Average occupancy rate⁽³⁾
100.0%

Ratio of properties located in Kanto area⁽⁴⁾
(based on anticipated acquisition price)
100.0%



i Missions Park Inzai 2



i Missions Park Kashiwa 2
(30% quasi-co-ownership interest) (additional acquisition)



i Missions Park Tokyo-Adachi



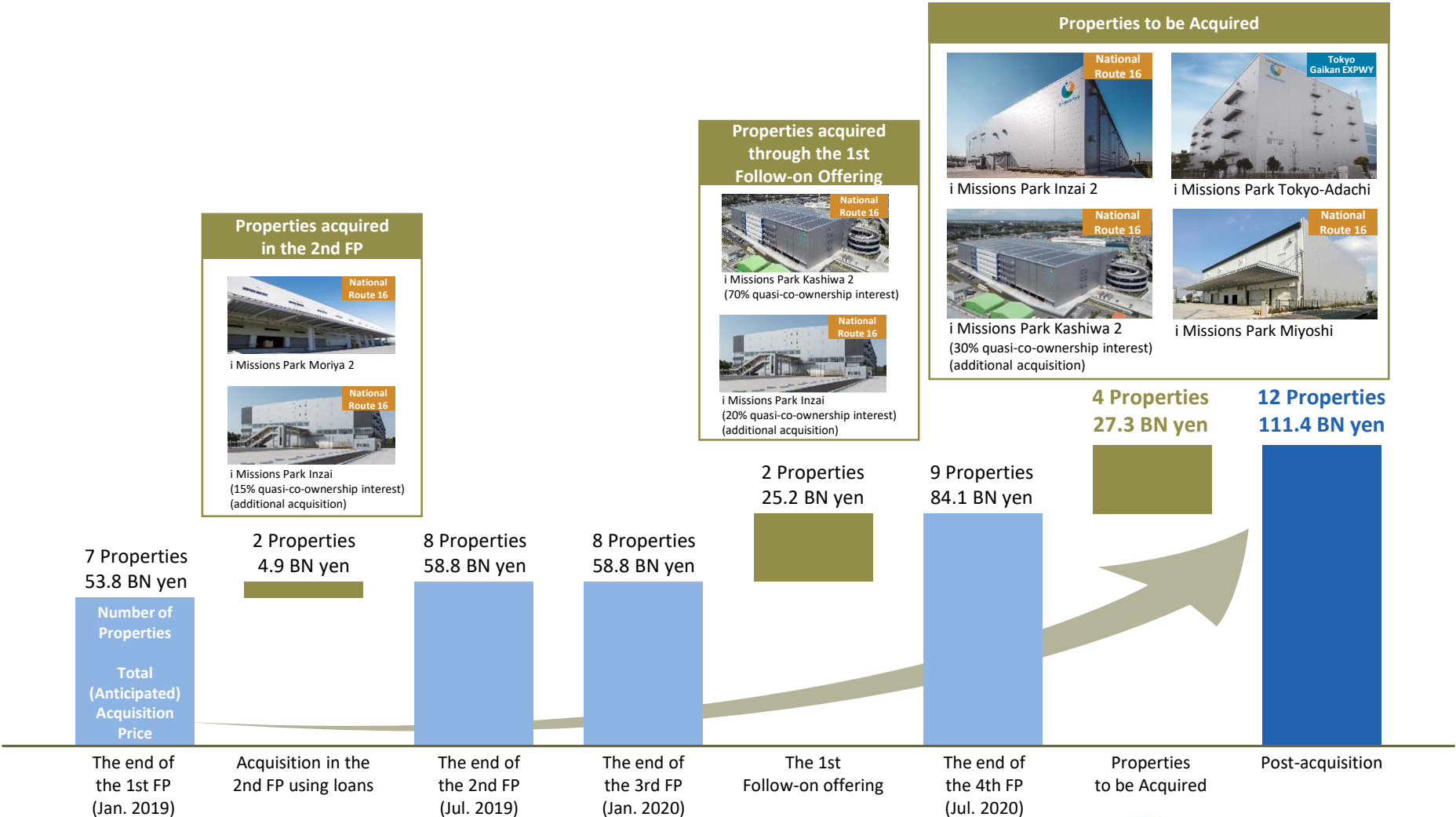
i Missions Park Miyoshi

	As of the end of the FP 2020/7 (the 4th FP)	Properties to be Acquired					Post-acquisition portfolio ⁽⁵⁾
		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 ⁽⁶⁾	9 Properties	1 Property	1 Property (additional acquisition of quasi-co-ownership interest)	1 Property	1 Property	4 Properties (including additional acquisition of quasi-co-ownership interest)	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 ⁽⁷⁾	27,322 MN Yen	111,422 MN Yen
Appraisal value	90,989 MN Yen	5,580 MN Yen	9,020 MN Yen	11,000 MN Yen	2,450 MN Yen	28,050 MN Yen	119,519 MN Yen
(Average) Appraisal NOI yield ⁽⁸⁾	5.0%	5.0%	4.6%	4.2%	5.0%	4.5%	4.9%

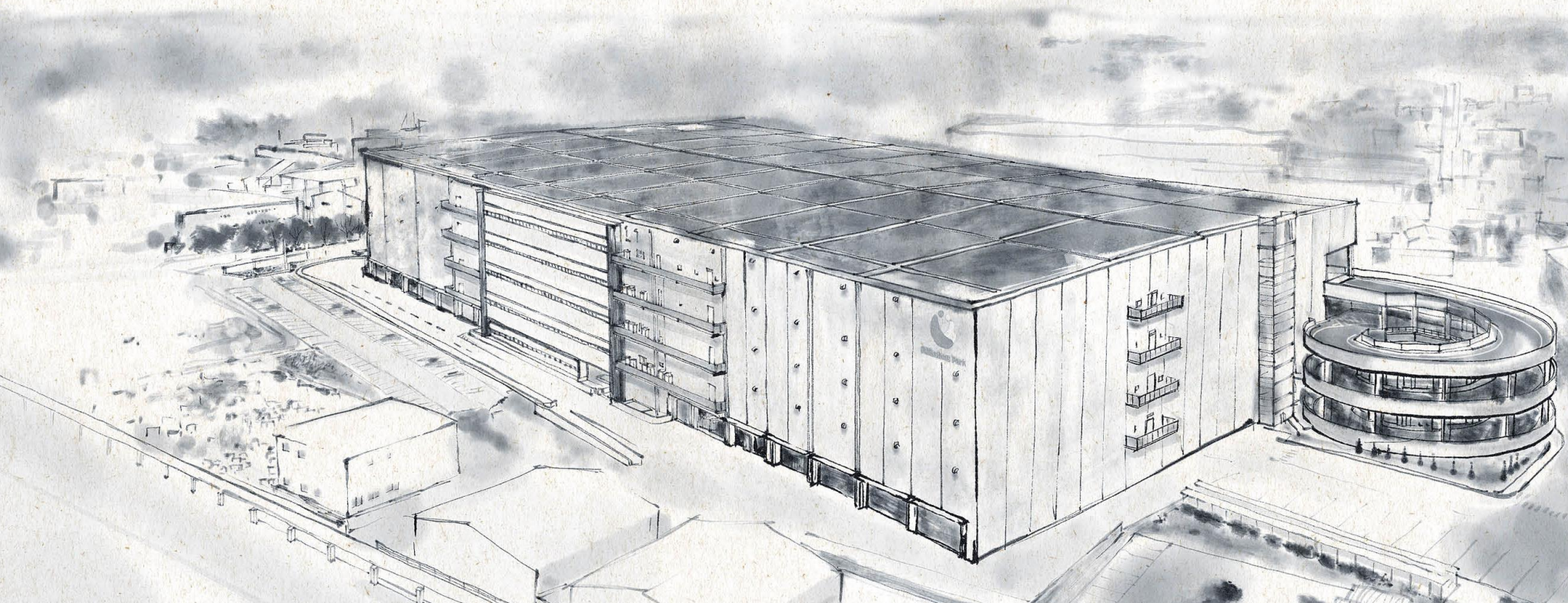
※ In calculating the total appraisal value of post-acquisition portfolio, the appraisal value of i Missions Park Kashiwa 2, part of which will be additionally acquired through this offering, is based on the normal value of the whole property after the Corporation has acquired full interest stated in the real estate appraisal report with August 31, 2020 as the appraisal date. Therefore, the appraisal value as of the end of the 4th fiscal period ending July 2020 plus that of the properties to be acquired does not match that of post-acquisition portfolio.

Timely External Growth Following the 1st Follow-on Offering in Early 2020

Acquisition of properties through a timely follow-on offering
to increase the total (anticipated) acquisition price to over 110 billion yen
-External growth for improving the stability of the portfolio and the liquidity of investment units-



Improve the Quality of the Portfolio through Acquisition of Properties only in the Kanto area



Properties to be Acquired (1/2)

i Missions Park Inzai 2

National Route 16 Kanto area Single tenant



Location



Basic specification

Standard-floor area	13,499.81m ²
Effective ceiling height	6.5m
Column spacing	11.7m × 10.5m
Floor load	1.5t/m ²

Location	Inzai City, Chiba
Anticipated acquisition date ⁽²⁾	November 20, 2020
Anticipated acquisition price	5,367 MN yen
Appraisal value	5,580 MN yen
Appraisal NOI yield	5.0%
Completion date ⁽³⁾	March 11, 2019
Total floor area ⁽³⁾	26,938.75m ²
Total leasable area ⁽⁴⁾	27,007.68m ²
Structure, Floor number ⁽³⁾	S, alloy-plated steel sheet, 2F
Number of tenants ⁽⁵⁾	1

Highlights⁽¹⁾

A low-rise logistics facility that can cover the metropolitan area as an interregional jurisdiction base by using National Route 16, a major ring road.

- Location characteristics**
- Access to Chiba, Saitama, and eastern Tokyo is possible by using National Route 16. Access from Kashiwa Interchange and Chiba-Kita Interchange is also possible.
 - It also functions as a transit point for air cargo from Narita Airport. Bus stops located within walking distance would make it easy to attract staff.
- Property features**
- Equipped with truck berths on the south side of the 1st floor. Offices located on both sides of the building would make it possible to rent separately.
 - A break room on the 2nd floor as part of user-friendly design for employees.

i Missions Park Kashiwa 2

(30% quasi-co-ownership interest) (additional acquisition)

National Route 16 Kanto area Single tenant



Location



Basic specification

Standard-floor area	25,018.89m ²
Effective ceiling height	1F~4F: 5.5m 5F: 6.5m
Column spacing	11.0m × 11.0m
Floor load	1.5t/m ²

Location	Kashiwa City, Chiba
Anticipated acquisition date	November 20, 2020
Anticipated acquisition price	8,720 MN yen
Appraisal value	9,020 MN yen
Appraisal NOI yield	4.6%
Completion date	August 20, 2018
Total floor area ⁽⁶⁾	117,435.21m ² (35,230.56m ²)
Total leasable area ⁽⁶⁾	35,064.96m ²
Structure, Floor number	RC/S, alloy-plated steel sheet, 6F
Number of tenants	1

Highlights

Logistics facility equipped with double rampways located close to Kashiwa Interchange, where National Route 16 and Joban Expressway cross

- Location characteristics**
- Located in Toyofuta Industrial Park close to Kashiwa Interchange on Joban Expressway. Well suited for logistics operations as 24-hour operation is allowed.
 - Kashiwa-Tanaka Station on Tsukuba Express railway within walking distance (approx. 1.2km) and residential area nearby would make it easier to attract staff.
- Property features**
- Equipped with double rampways and truck berths on the 1st to fourth floors. Ensuring general functionality adaptable to future multi-tenant use.
 - Rooftop fitted with solar panels (tenant assets).



Properties to be Acquired (2/2)

i Missions Park Tokyo-Adachi

Tokyo
Gaikan
EXPWY

Kanto
area

Single
tenant



Basic specification	
Standard-floor area	5,489.07m ²
Effective ceiling height	1F~4F: 5.5m 5F: 5.0m
Column spacing	12.0m × 10.2m
Floor load	1.5t/m ²

Location	Adachi Ward, Tokyo
Anticipated acquisition date	April 1, 2021
Anticipated acquisition price	10,915 MN yen
Appraisal value	11,000 MN yen
Appraisal NOI yield	4.2%
Completion date	May 17, 2018
Total floor area	27,872.43m ²
Total leasable area	27,979.20m ²
Structure, Floor number	RC/S, alloy-plated steel sheet, 5F
Number of tenants	1

Highlights

A rare logistics facility located in Tokyo Metropolis with excellent access to the center of the Tokyo.

Location characteristics

- Located close to Adachi-Iriya Interchange. The delivery to Tokyo is possible in one hour. Well suited for logistics operations with the access to Ogi-ohashi Interchange and Kahei Interchange
- The surrounding area is residential area and it would make it easier to attract staff. Located in a distribution complex would allows 24-hour operation.

Property features

- Highly functional logistics facility that provides versatile storage functions and convenient commuting.
- Equipped with truck berths on the west side of the 1st floor. Offices located on both sides of the building would make it possible to rent separately.

i Missions Park Miyoshi

National
Route 16

Kanto
area

Single
tenant



Basic specification	
Standard-floor area	5,129.13m ²
Effective ceiling height	1F: 6.5m 2F: 7.4m
Column spacing	9.4m × 10.6m
Floor load	1.5t/m ²

Location	Iruma County Miyoshi Town, Saitama
Anticipated acquisition date	April 1, 2021
Anticipated acquisition price	2,320 MN yen
Appraisal value	2,450 MN yen
Appraisal NOI yield	5.0%
Completion date	September 20, 2019
Total floor area	10,300.66m ²
Total leasable area	10,320.52m ²
Structure, Floor number	S, alloy-plated steel sheet, 3F
Number of tenants	1

Highlights

A rare, low-rise logistics facility in an area close to Tokyo with excellent access to an expressway interchange

Location characteristics

- Close to Tokorozawa Interchange (approx. 3.2km). The surrounding area has a high concentration of logistics needs for consumer goods, such as food and beverage, which can bear a high rent burden.
- The full operation⁽¹⁾ of Miyoshi Smart Interchange after 2021 fiscal year would improve the convenience.

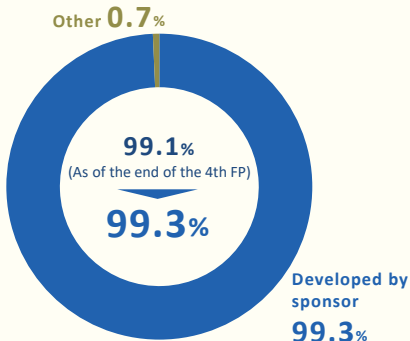
Property features

- Equipped with truck berths on 1st floor. Low-rise logistics with highly efficient specifications for receiving and shipping beverages, publications, paper, etc.
- A break room on the 2nd floor as part of user-friendly design for employees.

Post-acquisition Portfolio

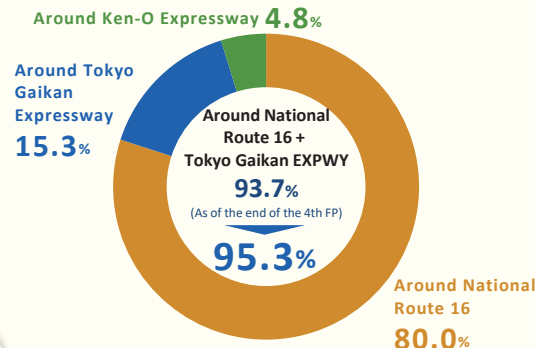
Utilization of the ITOCHU Group's two business platforms

Properties developed by sponsor Sponsor development ratio⁽³⁾ (based on (anticipated) acquisition price)



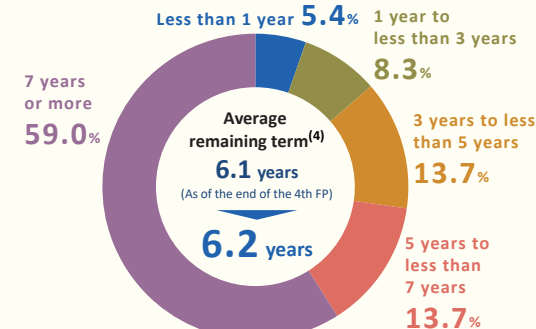
Additional acquisition of recently constructed properties located around National Route 16 and Tokyo Gaikan EXPWY

Investment area Investment area ratio (based on (anticipated) acquisition price)

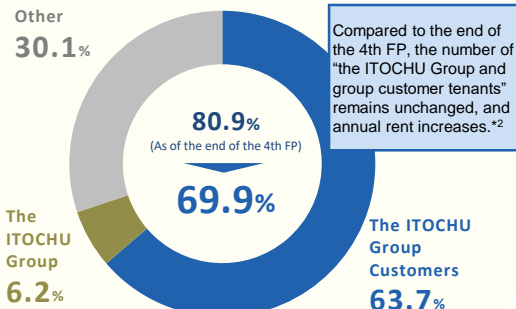


Long-term lease contracts executed with E-commerce⁽¹⁾ operators and major 3PL⁽²⁾ operators also for the Properties to be Acquired

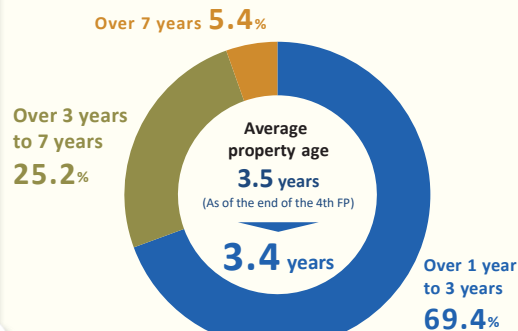
Remaining lease term Remaining lease term⁽⁴⁾ ratio (based on annual rent⁽⁵⁾)



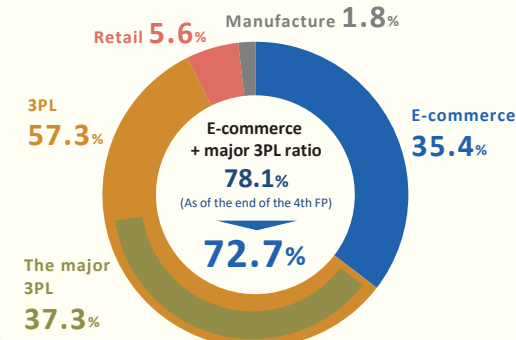
The ITOCHU Group and the Group customer tenant The ITOCHU Group and group customer⁽⁶⁾ tenant ratio (based on annual rent)



Property age Property age⁽⁷⁾ ratio (based on (anticipated) acquisition price)



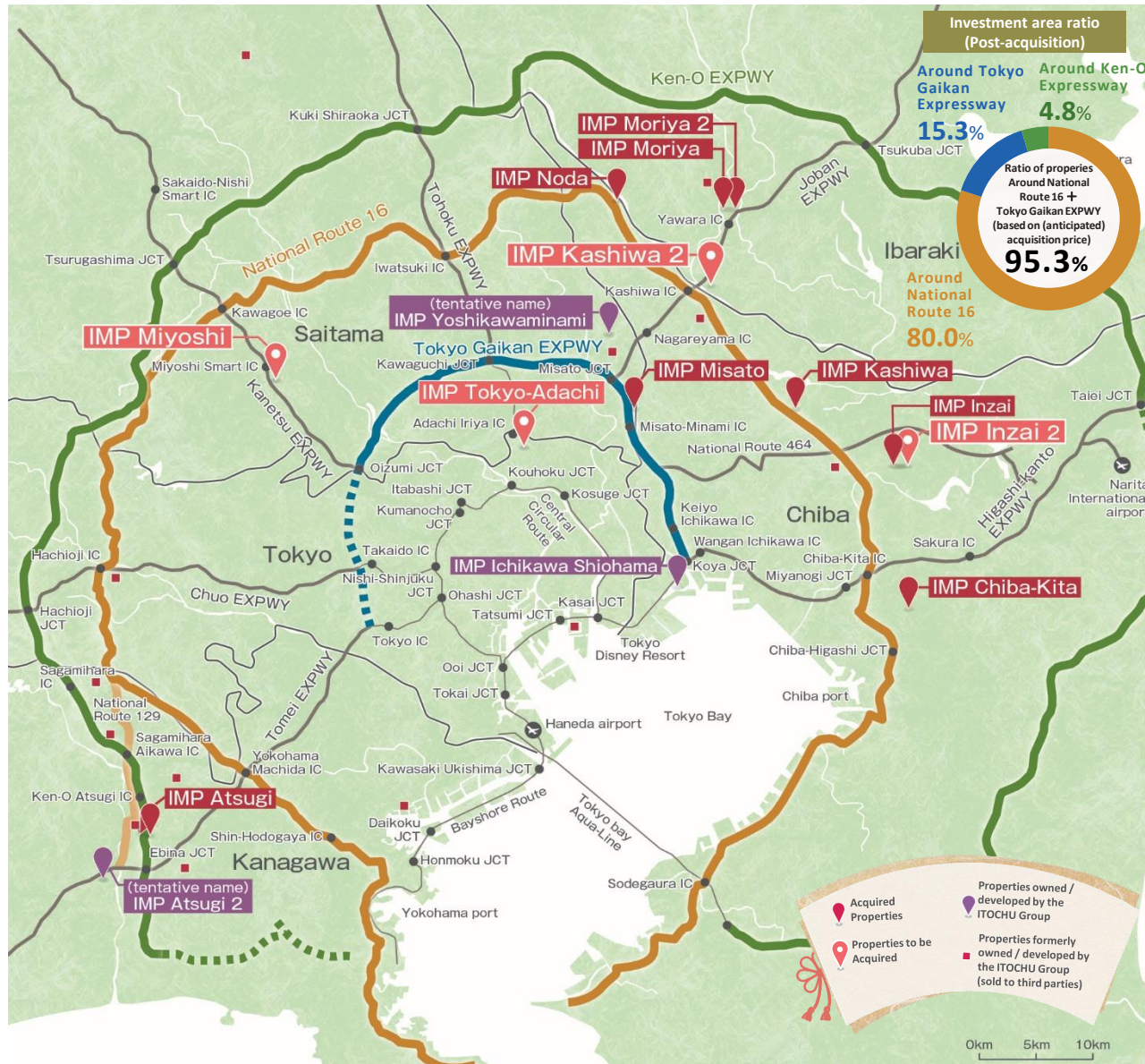
Tenant industry Tenant industry ratio (based on annual rent)



※1 For the remaining lease term ratio and average remaining term, except the average remaining term as of the end of the 4th fiscal period, those of one tenant whose term has expired in the period ending January 2021, as the term of the contract expired before November 9, 2020, are calculated based on the lease term and rent after the recontract.

※2 The number of "the ITOCHU Group and group customer tenants" remains the same as at the end of the 4th fiscal period and after the anticipated acquisition, but due to the additional acquisition of i Missions Park Kashiwa 2, the annual rent from "the ITOCHU Group and group customer tenants" after the anticipated acquisition will increase compared to the end of the 4th fiscal period.

Location of IAL's Post-acquisition Portfolio and the Logistics Properties Owned/Developed by the ITOCHU Group

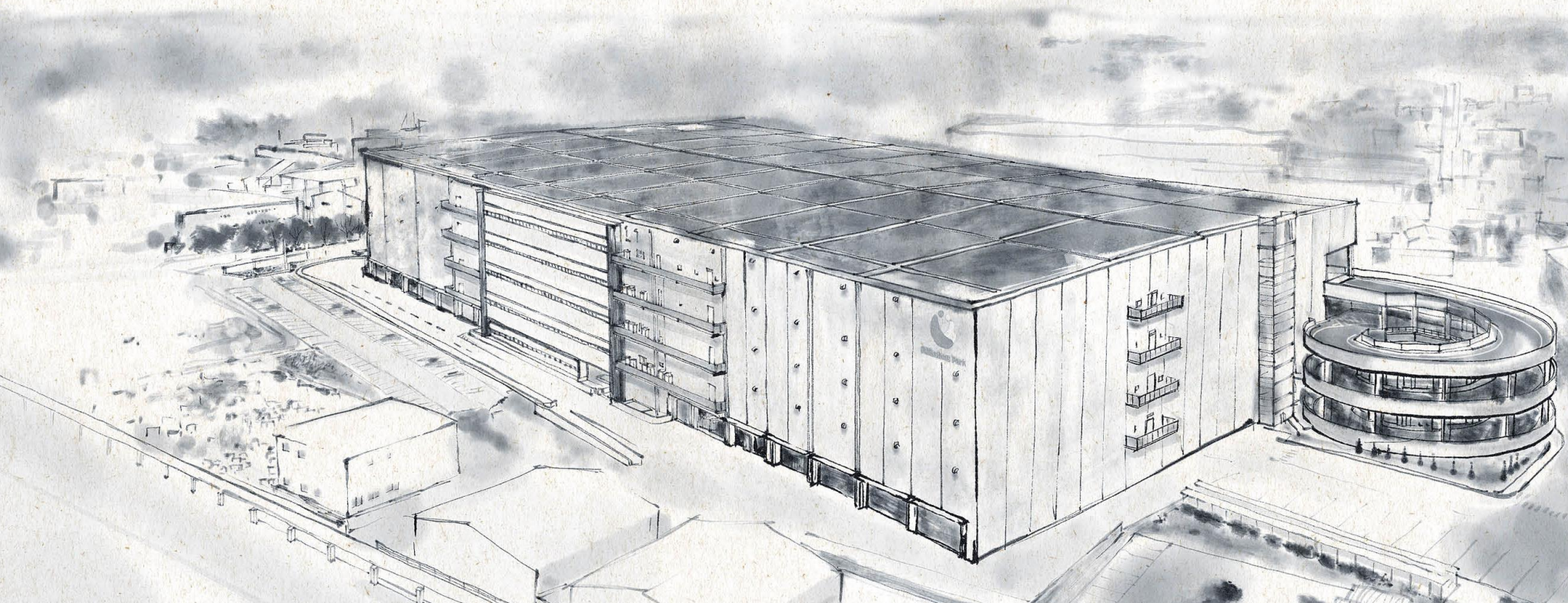


Acquired Properties

Properties to be Acquired

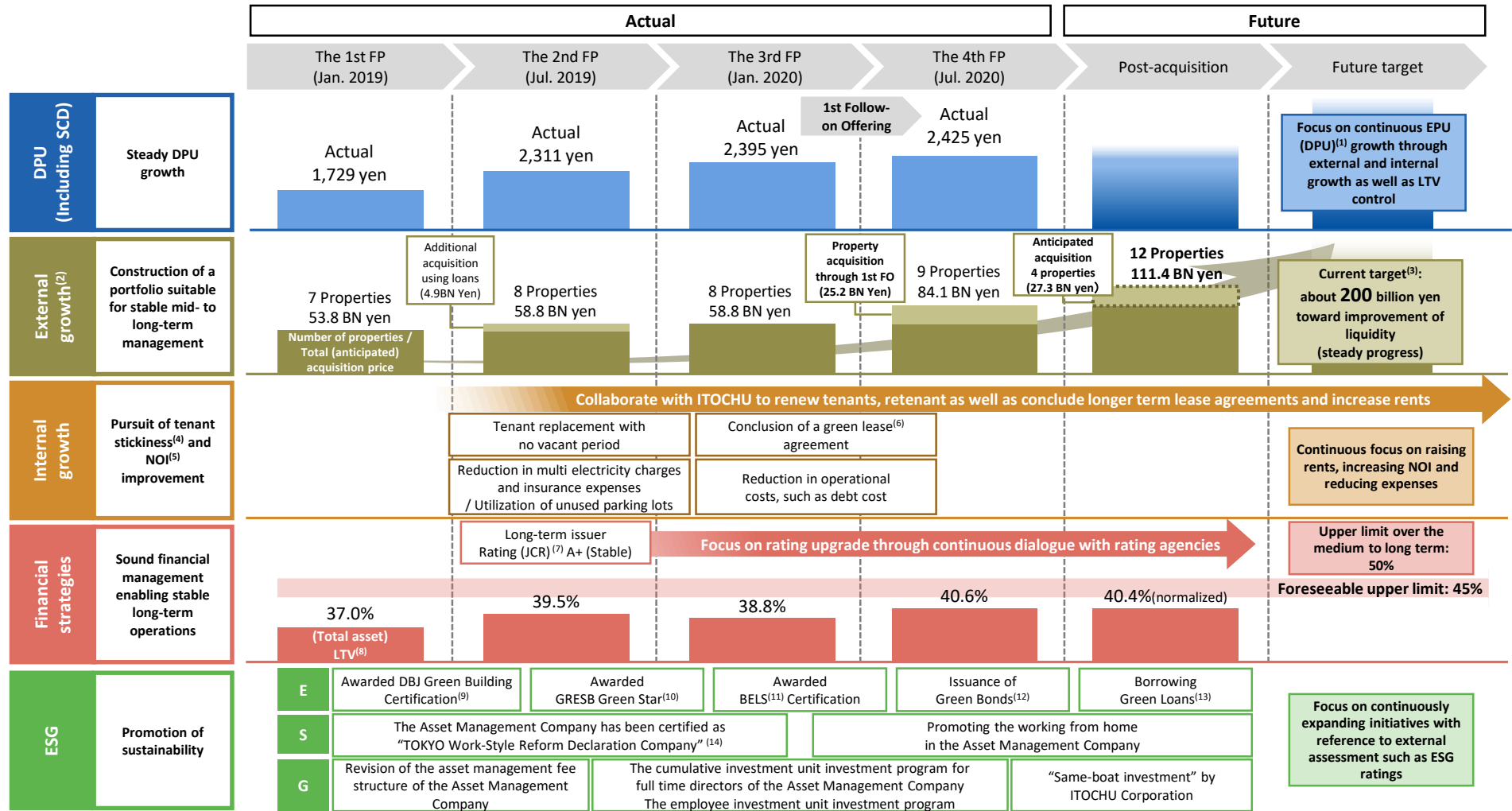
Properties owned / developed by the ITOCHU Group

Growth Strategies to Continuously Enhance Unitholder Value



Strategic Roadmap

Steadily implementing measures for long-term stable management, aiming for improvement of unitholder value



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⁽¹⁾: 3 properties with total floor area of about 91,054m²

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

Preferential negotiation right	Tokyo Bay area
	
i Missions Park Ichikawa Shiohama	
Property name	i Missions Park Ichikawa Shiohama
Location	Ichikawa City, Chiba
Total floor area	57,724m ²

(tentative name) i Missions Park Yoshikawa Minami	
Property name	(tentative name) i Missions Park Yoshikawa Minami
Location	Yoshikawa City, Saitama
Total floor area	About 17,848m ²

New pipeline

(tentative name) i Missions Park Atsugi 2	
Property name	(tentative name) i Missions Park Atsugi 2
Location	Isehara City, Kanagawa
Total floor area	About 15,482m ²

Properties developed by Third-party

Identification of asset securitization needs utilizing the ITOCHU Group's network⁽²⁾ and CRE⁽³⁾ strategy

Logistics real estate with reliable tenants
and long-term stable earnings

(actively consider property locations other than Kanto and Kansai area⁽⁴⁾)

Other real estate (process centers⁽⁵⁾, etc.) and 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

Internal Growth Strategies

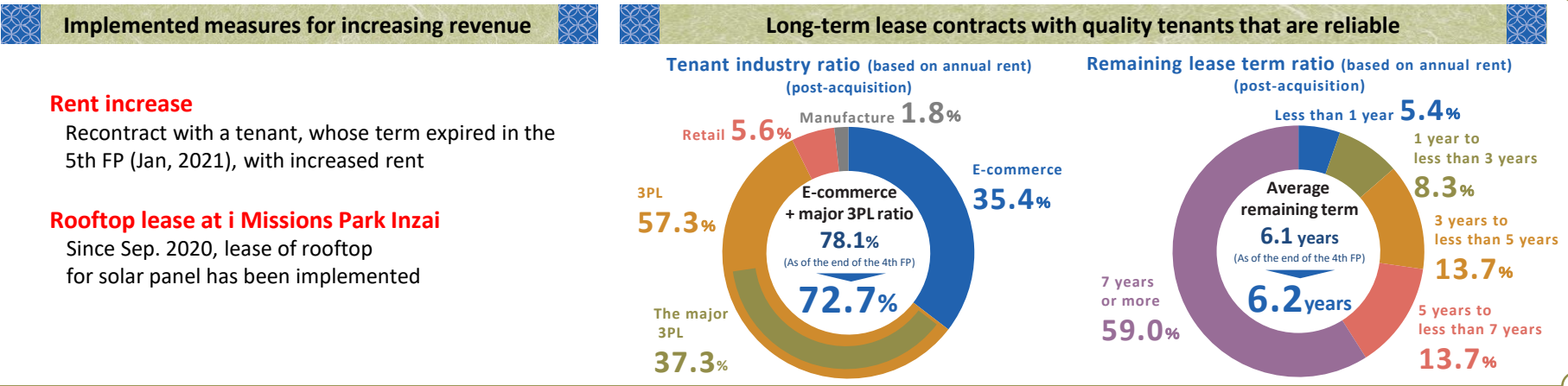
Long-term Stable Cash Flow based on ITOCHU Corporation's Leasing Capabilities

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.

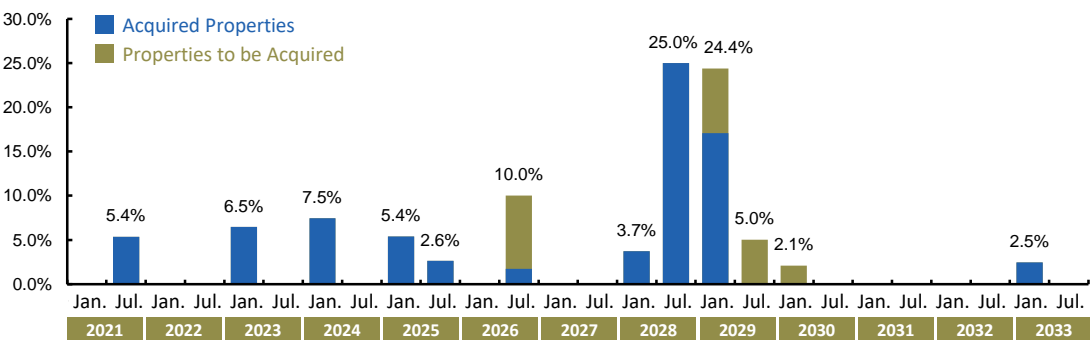
Fundamental policy on leasing

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

Engagement policy



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



Occupancy rate (before and after the anticipated acquisition)

Maintain a stable cash flow with an occupancy rate⁽¹⁾ of over 99.9% since listing

Occupancy rate⁽²⁾ (post-acquisition)
99.9%

※ For the remaining lease term ratio, average remaining term, and timing of lease expiration, except the average remaining term as of the end of the 4th fiscal period, those of one tenant, whose term expires in the period ending January 2021, as the term of the contract expired before November 9, 2020, are calculated based on the lease term and rent after the recontract.

Financial Strategies (1)

Establishment of Strong Financial Base Sufficient for Long-term Asset Management

Extended the maturity dates, fixed the interest rates, and expanded the lender base
Continued financial management with consideration for borrowing capacity to grow further

Financial Highlights (post-acquisition)

Interest-bearing debt⁽¹⁾
46.3 BN yen

Normalized (Total asset) LTV⁽²⁾
40.4%

Fixed interest ratio⁽³⁾
100.0%

Borrowing capacity⁽⁴⁾
(Assuming LTV can be increased up to 45%)
9.5 BN yen

Long-term issuer rating (JCR)⁽⁵⁾
A+(stable)

<Overview of Anticipated Borrowings⁽⁶⁾>

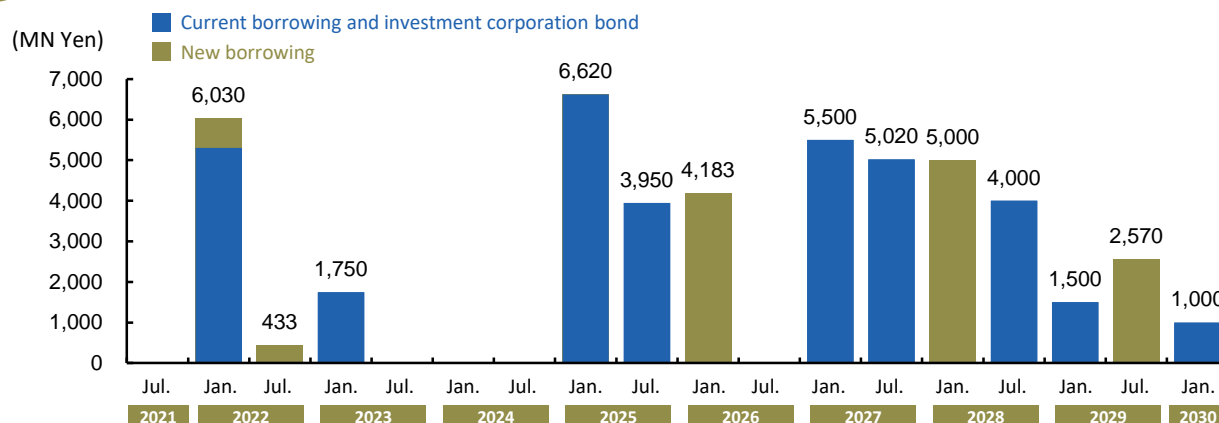
Lender	Anticipated borrowing amount ⁽⁷⁾	Interest rate	Anticipated borrowing date	Anticipated repayment date	Repayment method	Use of proceeds	Collateral
Sumitomo Mitsui Banking Corporation	730 MN yen	Base Rate + 0.15% ⁽⁸⁾	Nov. 20, 2020	Nov. 22, 2021	Bullet repayment	Funds for acquisitions of Properties to be Acquired and other related expenses	Unsecured and non-guaranteed
	433 MN yen	Base Rate + 0.15% ⁽⁸⁾		Mar. 31, 2022			
Syndicate arranged by Sumitomo Mitsui Banking Corporation	4,183 MN yen	Base Rate + 0.215% ⁽⁹⁾	Apr. 1, 2021	Sep. 30, 2025			
	5,000 MN yen	Base Rate + 0.315% ⁽⁹⁾		Sep. 30, 2027			
	2,570 MN yen	Base Rate + 0.39% ⁽⁹⁾		Mar. 30, 2029			
Total	12,916 MN yen						

Financial Strategies (2)

Solid Cash Management Policy in Preparation for Various Purposes

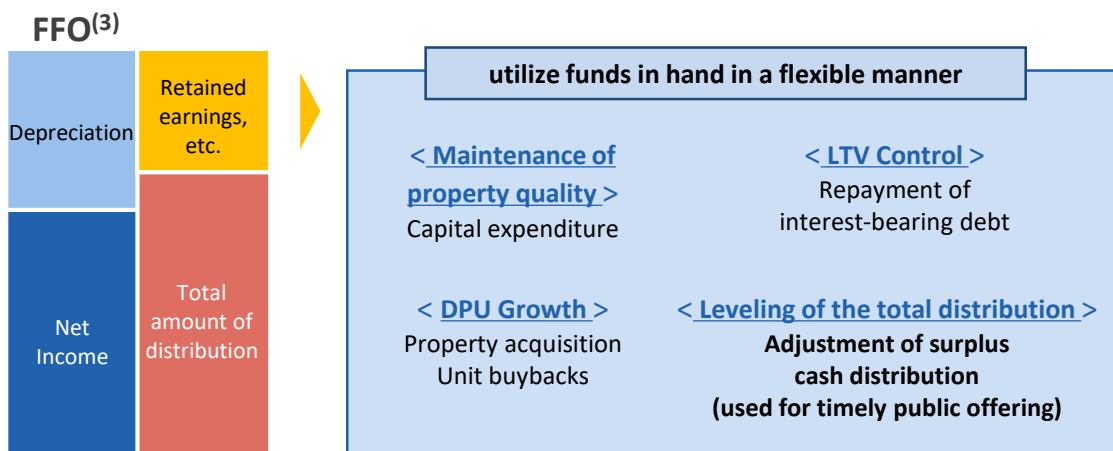
Continue to secure and to utilize funds appropriate way for enhancing unitholder value

Maturity Ladder (post-acquisition)⁽¹⁾



- ✓ After the maturity date in the 7th FP (Jan. 2022), no major refinancing will occur for three years.
- ✓ Aim to further enhance financial stability and improve credit ratings by dispersing repayment dates with new financing for external growth

Cash Management Policy⁽²⁾



- ✓ Distribution policy set around “70% of FFO”
- ✓ Ability to select the use of funds that will most contribute to enhancing unitholder value and utilize funds in hand after distribution in a flexible manner

Initiatives for ESG : Basic Policy

Strong commitment to ESG initiatives



GRESB Real Estate Assessment

In recognition of our strong commitment to ESG, approximately one year after our listing, we were awarded “Green Star” status by GRESB Real Estate Assessment and granted “three-star” in the GRESB Rating. We will be reviewed in FY 2020.

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

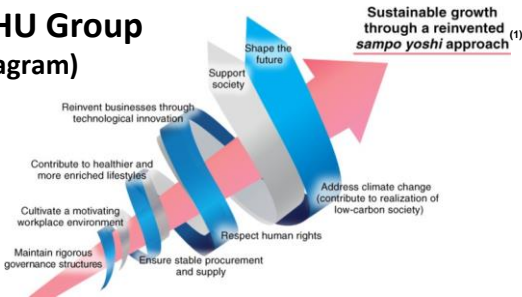
ITOCHU Group's Commitment

The United Nations Global Compact⁽²⁾

ITOCHU Corporation participated in April 2009



Sustainability at the ITOCHU Group (concept diagram)



TCFD (Task Force on Climate-related Financial Disclosures)⁽³⁾

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



Initiatives for ESG : Examples



Active Acquisition of External Environmental Certification



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



★★★★★ 3 properties
★★★★★ 1 property
(i Missions Park Inzai and other 3 properties)

<Percentage of properties certified>
Total floor area basis (m²) • Post-acquisition

DBJ Green Building

78.2%

Total 464,402.38m²
Certified properties 363,371.75m²

BELS

34.7%

Total 464,402.38m²
Certified properties 161,050.44m²



Proactive Promotion of Green Financing

- **First Green bond issuance in Dec. 2019**
Had the Green finance framework evaluated by a third party, JCR, and received the highest "Green 1 (F)" status in the "JCR Green Finance Framework Evaluation"⁽¹⁾
- **Used green loans partially for the acquisition of the properties acquired through the 1st follow-on offering conducted at the beginning of January 2020**



Align interest of the Asset Management Company's employees with that of unitholders

- Full time directors of the Asset Management Company have enrolled in the cumulative investment unit investment program
- An employee investment unit ownership program has been introduced for non-director employees



Energy Consumption Reduction and Resources Conservation

<Energy consumption reduction>



Installing LED lighting

<Water consumption reduction>



Installing water saving toilet system and vanities

<Greening>



Installing
Greening parking lots

<Renewable energy generation>



Installing
Solar panels

<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

<Tenant education>



Raising awareness
through posters, etc.



Initiatives for Employees

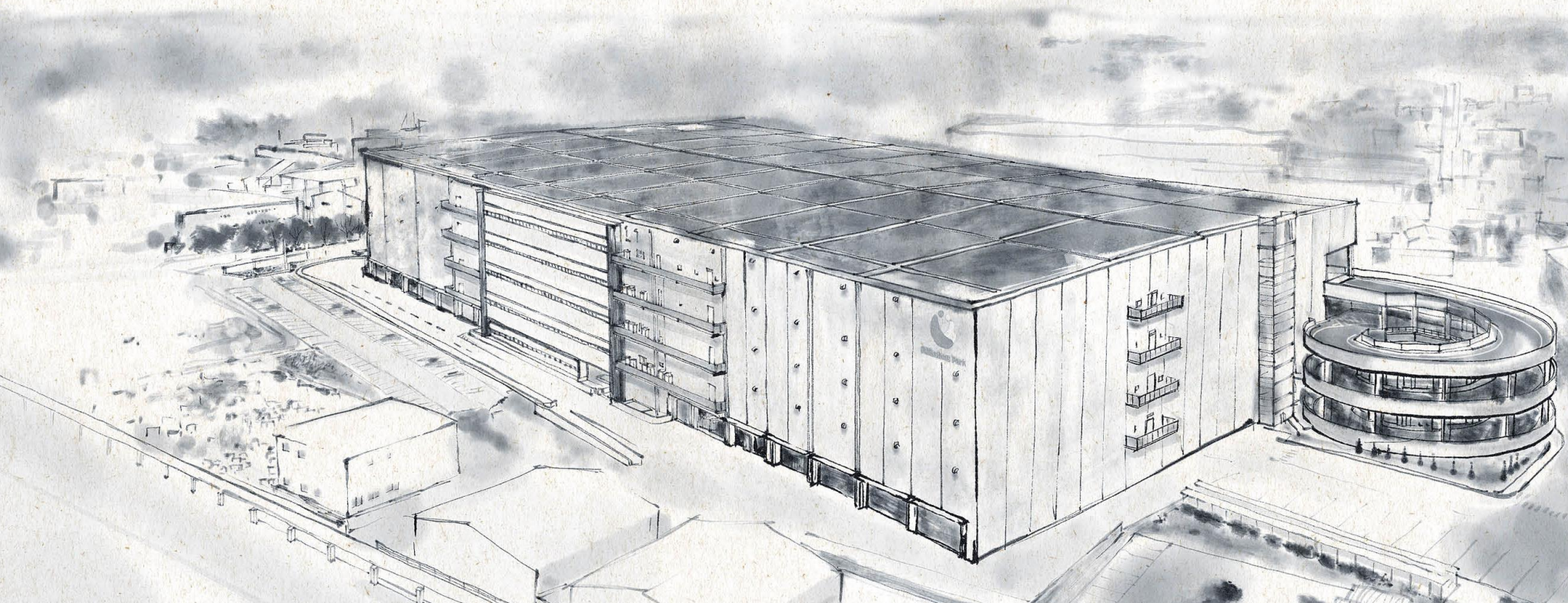
- **TOKYO Work-Style Reform Declaration Company**
Approved as a company committed to "TOKYO Work-Style Reform Declaration Company," a program promoted by the Tokyo Metropolitan Government
- **Measures against COVID-19**
For prevention of COVID-19 cluster infection and reduction of infection risks,
 1. wearing masks, installing sanitizers, droplet prevention partitions in conference rooms and shoe cleaning mats at the entrance
 2. promoting remote work and flex time



Proactively promote alignment of interests of ITOCHU Corporation, the sponsor, with that of unitholders

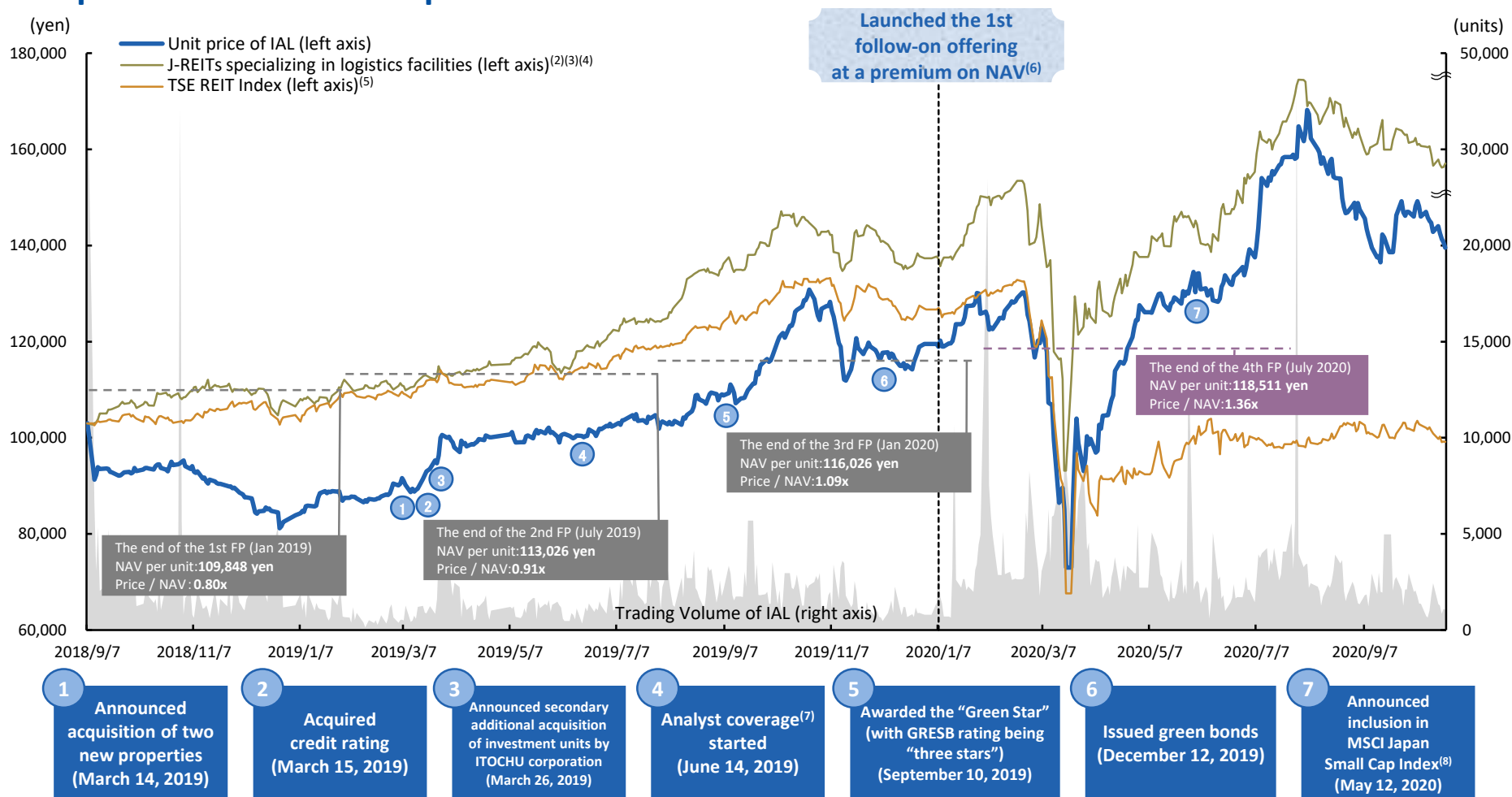
- ITOCHU Corporation's "same-boat investment" in IAL

Appendix



Implemented Initiatives and Unit Price Trend

IAL has carried out a series of measures, which contributed to unitholder value. After the 1st follow-on offering, unit price performed steadily, and as of the end of the 4th FP, unit price was above NAV per unit⁽¹⁾.



Overview of the Investment Portfolio (Post-acquisition Portfolio)

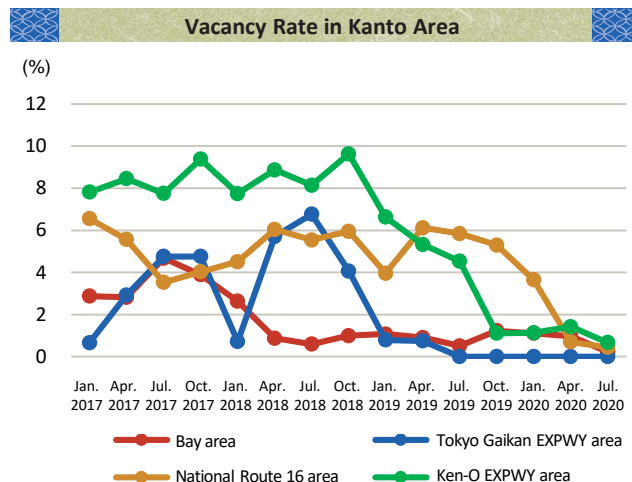
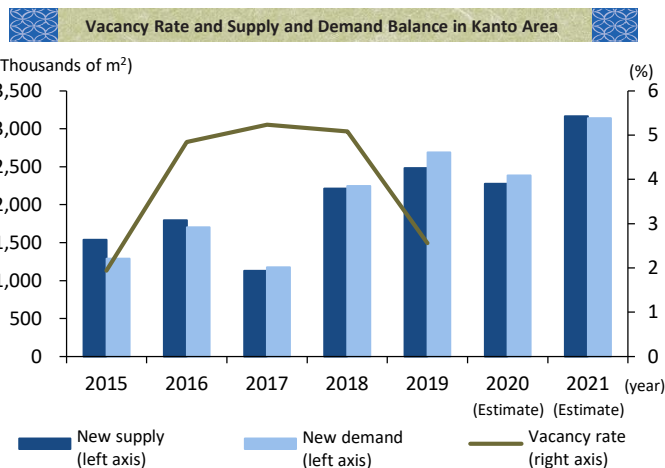
Category	Property No.	Property name	Location	(Anticipated) acquisition price (MN Yen)	Appraisal value (MN Yen)	Appraisal NOI yield (%)	Total floor area (m ²)	Property age (years)	Occupancy rate (%)
Acquired Properties	L-1	i Missions Park Atsugi ⁽¹⁾	Atsugi City, Kanagawa	5,300	5,850	5.0	Bld. A: 3,909.97 Bld. B: 15,387.63	Bld. A: 8.2 Bld. B: 8.2	100.0
	L-2	i Missions Park Kashiwa	Kashiwa City, Chiba	6,140	6,840	5.1	31,976.44	5.6	100.0
	L-3	i Missions Park Noda	Noda City, Chiba	12,600	13,800	4.9	62,750.90	4.8	99.5
	L-4	i Missions Park Moriya ⁽²⁾	Tsukuba Mirai City, Ibaraki	3,200	3,460	5.2	18,680.16	3.6	100.0
	L-5	i Missions Park Misato	Misato City, Saitama	6,100	6,940	5.0	22,506.53	3.3	100.0
	L-6	i Missions Park Chiba-Kita ⁽³⁾	Chiba City, Chiba	2,600	2,850	5.3	9,841.24	2.9	100.0
	L-7	i Missions Park Inzai ⁽³⁾	Inzai City, Chiba	27,810	29,800	5.1	110,022.51	2.7	100.0
	L-8	i Missions Park Moriya 2 ⁽⁴⁾	Tsukuba Mirai City, Ibaraki	750	849	6.6	6,779.95	25.9	100.0
	L-9	i Missions Park Kashiwa 2 ^{(3) (5)} (70% quasi-co-ownership interest)	Kashiwa City, Chiba	19,600	20,600	4.8	117,435.21 (82,204.64)	2.2	100.0
Subtotal / Average ⁽⁶⁾				84,100	90,989	5.0	399,290.54 (364,059.97)	3.8	99.9
Properties to be Acquired	L-9	i Missions Park Kashiwa 2 ^{(3) (5)} (30% quasi-co-ownership interest) (additional acquisition)	Kashiwa City, Chiba	8,720	9,020	4.6	117,435.21 (35,230.56)	2.2	100.0
	L-10	i Missions Park Inzai 2	Inzai City, Chiba	5,367	5,580	5.0	26,938.75	1.7	100.0
	L-11	i Missions Park Tokyo-Adachi	Adachi Ward, Tokyo	10,915	11,000	4.2	27,872.43	2.5	100.0
	L-12	i Missions Park Miyoshi ⁽³⁾	Iruma County Miyoshi Town, Saitama	2,320	2,450	5.0	10,300.66	1.1	100.0
Total / Average (post-acquisition)				111,422	119,519	4.9	464,402.38	3.4	99.9

※ In calculating the appraisal value in the "Total/Average (post-acquisition)" column, the appraisal value of i Missions Park Kashiwa 2, a part of which will be additionally acquired through this offering, is based on the normal value of the whole property after the Corporation has acquired full interest stated in the real estate appraisal report with August 31, 2020 as the appraisal date. Therefore, the sum of the appraised value in "Subtotal / Average" column plus that of properties to be acquired does not match that of in the "Total/Average (post-acquisition)" column.

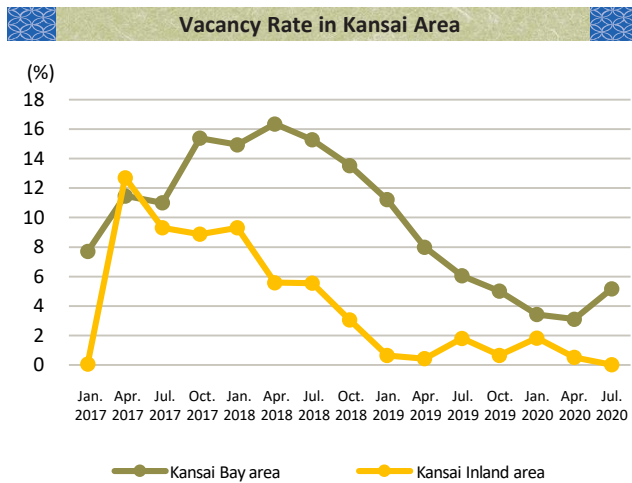
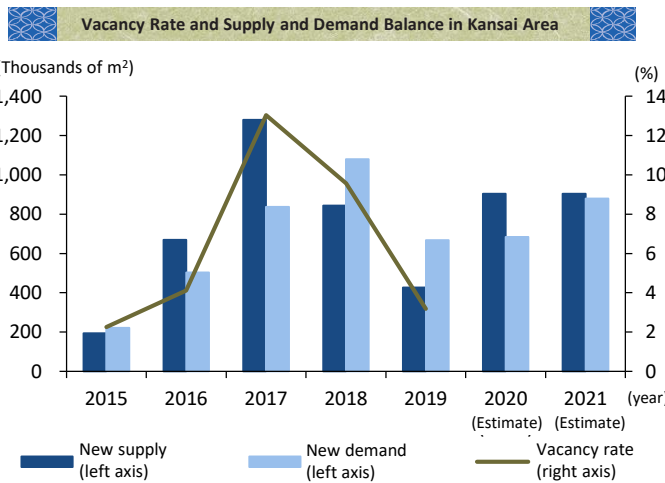


Market Overview (1/2) Supply / Demand Balance of Logistics Facilities

Logistics market in Kanto / Kansai area⁽¹⁾



Vacancy rate has by and large remained low in Kanto area. Around National Route 16 where had new supply continued, vacancy rate has lowered significantly to less than 1%.



In Kansai area, in the absence of large supply, vacancy rate remains low against the backdrop of strong demand.
 In Kansai Bay area⁽²⁾, vacancy rate remains low despite an upward trend as of the end of July 2020.
 In Kansai Inland area⁽²⁾, although the supply is large, vacancy rate remains stable.

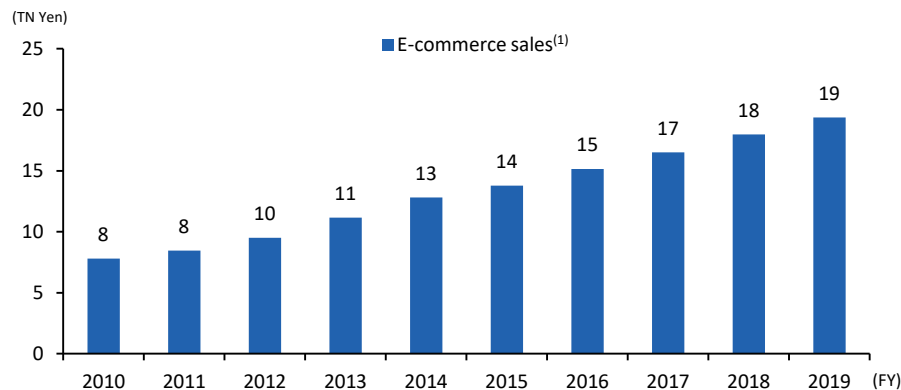
Source: K.K. Ichigo Real Estate Service

Acquired properties are located in Kanto area where the supply / demand balance remains stable

Market Overview (2/2) Trends in E-Commerce Related Indicators

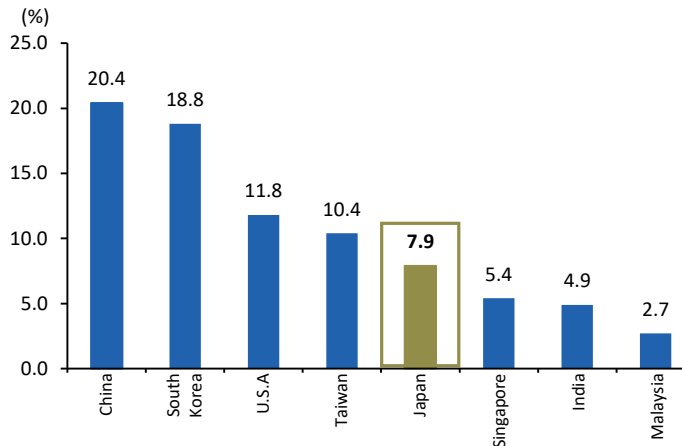
Expansion of E-commerce and 3PL markets and increasing frequent, small-lot deliveries

Market Size of Online Shopping



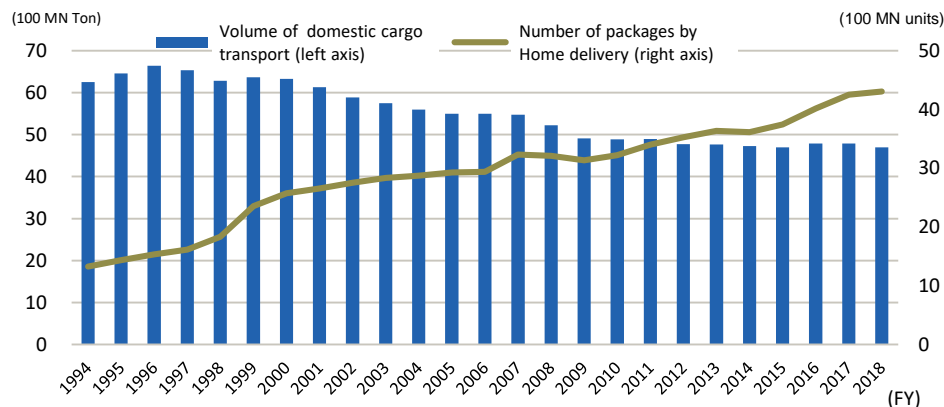
Source: Outline of the E-Commerce Market Survey (Ministry of Economy, Trade and Industry)

E-Commerce Penetration Rate in Major Countries⁽²⁾



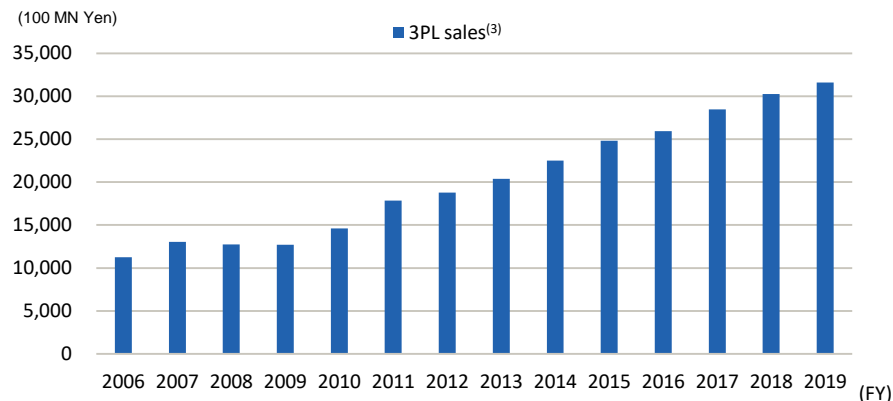
Source: Outline of the E-Commerce Market Survey (Ministry of Economy, Trade and Industry) (2018)

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



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 Size in Japan

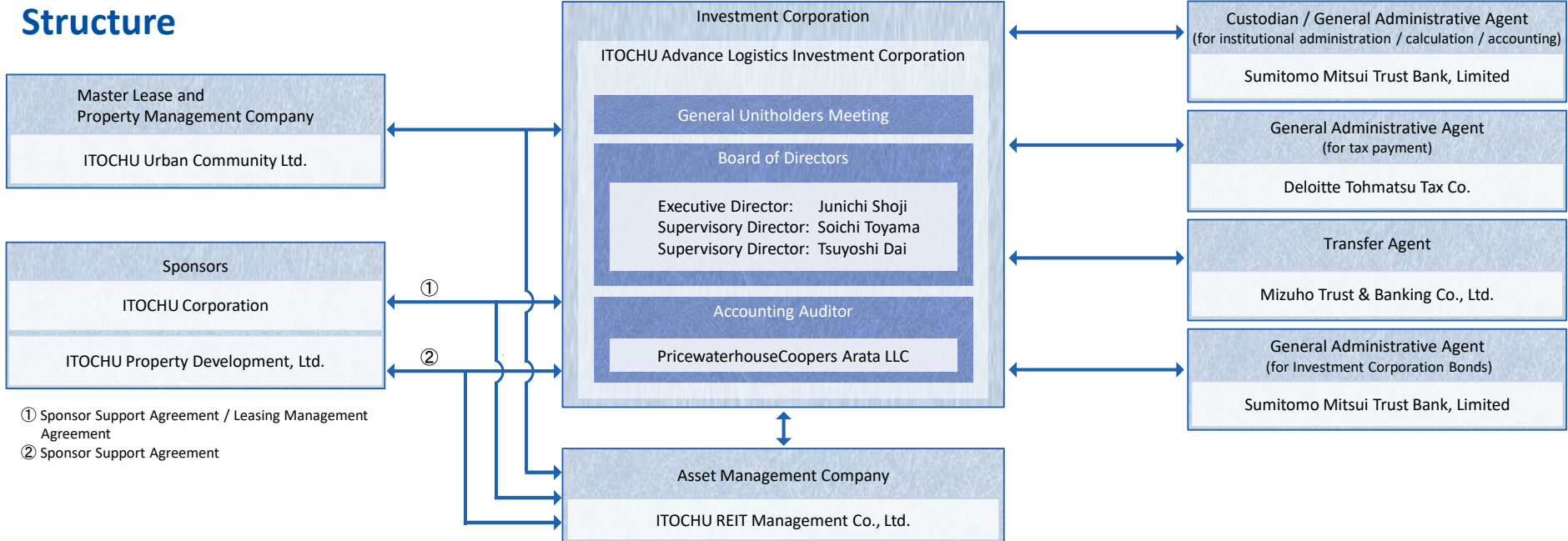


Source: LOGI-BIZ (Rhinos Publications, Inc.) (September, 2020)



About the Investment Corporation and the Asset Management Company

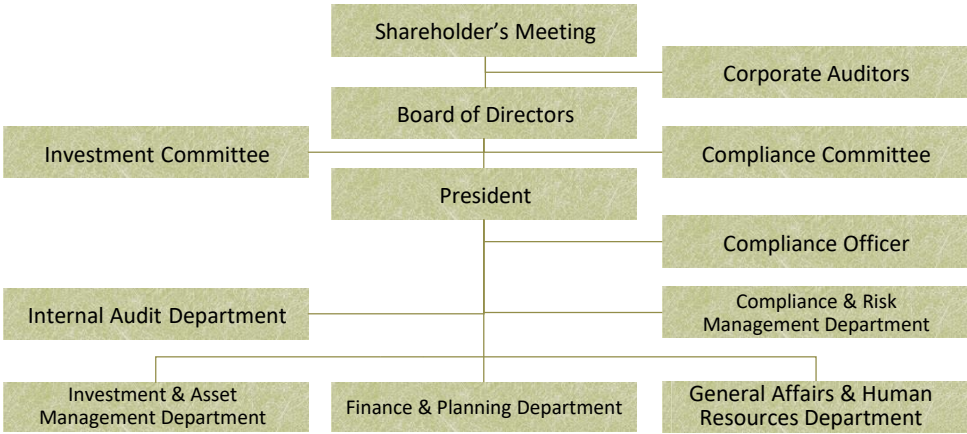
Structure



Overview of the Asset Management Company

As of Oct. 27, 2020

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



Unless otherwise noted, monetary amounts and areas in this material are truncated, and ratios are rounded to the first decimal place. Thus, an aggregate of such figures may not add up.

Page 3

- (Note 1) "Acquisition price" is the sale and purchase price of the properties as indicated in the respective sale and purchase agreements for the Acquired Properties, and "anticipated acquisition price" is the sale and purchase price of the Properties to be Acquired as indicated in the respective sale and purchase agreements for the Properties to be Acquired, and where the acquisition price and anticipated acquisition price are both referenced "(anticipated) acquisition price" is used. The sale and purchase price does not include consumption tax, local consumption tax and other costs required for the acquisition.
- (Note 2) "ITOCHU Group" refers to the corporate group consisting of ITOCHU Corporation and its 204 consolidated subsidiaries and 85 equity method affiliates (as of June 30, 2020).
- (Note 3) "1st Follow-on Offering" refers to the offering that closed on February 3, 2020, the first public offering after listing.
- (Note 4) "Kanto area" refers to Tokyo, Kanagawa, Chiba, Saitama and Ibaraki Prefectures.
- (Note 5) "Bay area" refers to the bay area of 23 wards of Tokyo, "Tokyo Gaikan EXPWY area" refers to the area surrounded by the Tokyo Outer Ring Road, excluding the Bay area, "National Route 16 area" refers to the area from the outer side of the Tokyo Outer Ring Road to the line of National Route 16, and "Ken-O EXPWY area" refers to the area outside of National Route 16 (whose center is the Metropolitan Area Central Road (Ken-O Expressway), a ring road that runs through Tokyo, Saitama, Ibaraki and Chiba Prefectures), which are determined by K.K. Ichigo Real Estate Service as "Bay area," "Tokyo Gaikan EXPWY area," "National Route 16 area" and "Ken-O EXPWY area," respectively. IAL has classified the Kanto area into four categories: "Around Tokyo Gaikan EXPWY," "Around National Route 16," "Around Ken-O Expressway" and "Tokyo Bay area," and each of them refers to the same area as "Tokyo Gaikan EXPWY area," "National Route 16 area," "Ken-O EXPWY area" and "Bay area," respectively.

Page 5

- (Note 1) "Appraisal value" of each Property to be Acquired represents the appraisal value indicated in the respective real estate appraisal report with August 31, 2020 being the valuation date. The sum of the Post-acquisition "Appraisal value" (the Post-acquisition is defined in Note 5 on Page 5 in this material) is based on the appraisal value indicated in the respective real estate appraisal report with July 31, 2020 being the valuation date for the Acquired Properties (excluding i Missions Park Kashiwa 2), and August 31, 2020 being the valuation date for the Properties to be Acquired (excluding i Missions Park Kashiwa 2) and for i Missions Park Kashiwa 2, "Appraisal value" represents the normal value of the whole property after IAL has acquired full interest indicated in the real estate appraisal report, with August 31, 2020 being the valuation date. The appraisals of each of the Acquired Properties and each of the Assets to be Acquired was entrusted to Tanizawa Sogo Appraisal Co., Ltd., Japan Real Estate Institute and DAIWA REAL ESTATE APPRAISAL CO., LTD.
- (Note 2) "Property Age" of the Properties to be Acquired refers to the age of the respective real estate property or trust real estate property from the date of new construction in the registry to November 9, 2020, rounded to the first decimal place, and "Average Property Age" of the Properties to be Acquired refers to the weighted average of the Property Age of the Properties to be Acquired based on the anticipated acquisition price.
- (Note 3) "Occupancy Rate" of the Properties to be Acquired refers to the ratio of the leased area (the Leased area as indicated in the lease agreement executed and activated in respect of the respective real estate property or trust real estate property as of August 31, 2020) to the Leasable Area (this term is defined in Note 4 on Page 8 in this material.) of the respective Properties to be Acquired as of August 31, 2020, rounded to the first decimal place. "Average Occupancy Rate" of the Properties to be Acquired refers to the ratio of the total Leased area to the total Leasable Area of the respective Property to be Acquired, rounded to the first decimal place. However, the Occupancy rate or Average Occupancy Rate of each property is rounded down to 99.9% in cases where the rounding results in 100.0%.
- (Note 4) "Ratio of properties located in Kanto area" of the Properties to be Acquired refers to the ratio of the sum of the anticipated acquisition price of the Properties to be Acquired located in the Kanto area to the total anticipated acquisition price.
- (Note 5) "Post-acquisition" refers to April 1, 2021, when the acquisition of the Properties to be Acquired is completed. However, the figures for the Post-acquisition portfolio are simply calculated by adding up the figures for the Acquired Properties and the Properties to be Acquired at a certain time under certain assumptions, and these figures may not coincide with the Post-acquisition actual figures. For example, the base date for calculating the Property Age and the Remaining lease term is November 9, 2020, and the figures for the leases are in principle the same as the figures in the respective lease agreement executed and activated in respect of the respective real estate property or trust real estate property as of August 31, 2020, except as otherwise stated in this material.

Page 5 (continued)

- (Note 6) As the acquisition of i Missions Park Kashiwa 2 represents an additional acquisition of the remaining co-ownership interest of the real estate trust beneficiary interests in the property, excluding the co-ownership interest that IAL has already acquired, the Post-acquisition Number of Properties is calculated as one property together with the co-ownership interest that IAL has already acquired.
- (Note 7) The anticipated acquisition price of i Missions Park Miyoshi is the total acquisition price of each quasi-co-ownership interest that is scheduled to be acquired from the respective sellers.
- (Note 8) "Appraisal NOI yield" of the Property to be Acquired refers to the ratio of the Appraisal NOI of each Property to be Acquired (the amount of net operating income (the amount obtained by deducting operating expenses from operating income), which is before depreciation and amortization, under the direct capitalization method as stated in the respective real estate appraisal report to the anticipated acquisition price and it is rounded to the first decimal place; The Appraisal NOI is different from net cash flow (NCF), which is calculated by adding investment income such as leasehold deposits and deducting capital expenditures. With regard to i Missions Park Kashiwa 2 (30% quasi-co-ownership interest) (additional acquisition), the figure corresponding to the quasi co-ownership interest (30%) of the Property to be Acquired is used. The figure in the total (average) Appraisal NOI yield of the Properties to be Acquired is the weighted average of the appraisal NOI yield of each Property to be Acquired based on the anticipated acquisition price, rounded to the first decimal place. The "Average Appraisal NOI yield" as of the end of the 4th fiscal period is the weighted average of the total appraisal NOI of each Acquired Properties based on the acquisition price, rounded to the first decimal place. The Post-acquisition "Average Appraisal NOI yield" is the weighted average of the sum of the appraisal NOI of each Acquired Property and each Property to be Acquired based on the (anticipated) acquisition price, rounded to the first decimal place. The average Appraisal NOI yield has been calculated by the Asset Manager and is not the figure indicated in the real estate appraisal report. The Appraisal NOI yield may differ from the Post-acquisition actual figures. The Appraisal NOI is based on the real estate appraisal report with July 31, 2020 being the valuation date for the Acquired Properties (excluding i Missions Park Kashiwa 2), and August 31, 2020 being the valuation date for the Properties to be Acquired (excluding i Missions Park Kashiwa 2) and for i Missions Park Kashiwa 2, the Appraisal NOI represents the net operating income based on the direct capitalization method after IAL has acquired full interest indicated in the real estate appraisal report, with August 31, 2020 being the valuation date.

Page 8

- (Note 1) "Highlights" are based on the descriptions in the report on the logistics facility market research commissioned by IAL and the Asset Manager to K.K. Ichigo Real Estate Service to conduct market research of the real estate market. The said research and analysis are the judgment and opinion of the researcher at a certain point in time, and the validity and accuracy of the content are not guaranteed.
- (Note 2) The "Anticipated acquisition date" is the scheduled acquisition date described in the respective sale and purchase agreement. Please note that the anticipated acquisition date is subject to change as agreed upon between IAL and the seller.
- (Note 3) "Completion date," "Total floor area" and "Structure, Floor number" are as indicated in the registry, and may differ from the current situation. Please note that the "Total floor area" indicates the sum of the total floor area of the main building and annex buildings, while the "Completion date" indicates that of the main building not including annex buildings. RC means reinforced concrete and S means steel.
- (Note 4) "Leasable area" refers to the sum of (i) the Leased area indicated in the respective lease agreement executed and activated for the respective real estate property or trust real estate property as of August 31, 2020 (excluding lease agreements for roofs and parking lots; furthermore in the case of pass-through type master lease agreement (a master lease agreement in which the lessor, in principle, receives the amount equivalent to the sum of the rent paid by end tenants and the lessor may receive the rent only in the case of the sublease is actually executed) has been or is scheduled to be executed, the Leased area indicated in the lease agreement with end tenants; and (ii) the vacant portion deemed to be leasable based on building floor plans. Please note that, in the individual 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 the Total floor area. Specifically in the case of logistics real estate, where the eaves area is included in the leased or leasable area, the latter figure may considerably exceed the Total floor area.
- (Note 5) "Number of Tenants" refers to the total number of tenants (or the number of end tenants, where a pass-through type master lease agreement has been or is scheduled to be executed) under the respective lease agreement executed and activated for the respective real estate property or trust real estate property as of August 31, 2020. However, where the same tenant has executed or is scheduled to execute multiple lease agreements in respect of any Property to be Acquired, such tenant shall be counted as a single tenant when calculating "Number of Tenants."

Page 8 (continued)

- (Note 6) IAL plans to acquire a 30% share in the quasi-co-ownership of the real estate trust beneficiary interests. The figure in parentheses for the Total floor area is in proportion to the quasi-co-ownership interests that IAL plans to acquire in the property (i.e., 30%), rounded down to the second decimal place. In addition, the figure in the Leasable area is in proportion to the quasi-co-ownership share that IAL plans to acquire in the property (i.e., 30%), rounded down to the second decimal place. IAL has already acquired a 70% share in the quasi-co-ownership of the real estate trust beneficiary interests of such property on February 3, 2020.
- (Note 7) "IMP" is an abbreviation for i Missions Park.

Page 9

- (Note 1) "Full operation" refers to the change from a smart interchange which allows entry and exit in one direction only (half), to a structure that allows entry and exit in two directions (full).

Page 10

- (Note 1) "E-commerce" is a generic term for commercial transactions conducted via the Internet, computers and other electronic means.
- (Note 2) "3PL", 3rd Party Logistics, refers to the outsourcing of overall corporate logistics operations. Utilizing the 3PL will enable companies that do not handle their own direct logistics operations (client companies) to plan and operate an optimal system for those client companies by using outside logistics companies to handle operations from procurement to inventory storage and delivery. "Major 3PLs" refers to the 3PL business tenants in the Acquired Properties and the Properties to be Acquired, which have consolidated sales of more than 100 billion yen for the group including the 3PL business tenants.
- (Note 3) Post-acquisition "Sponsor development ratio" is the ratio of the properties developed by the ITOCHU Group (including, but not limited to, special purpose companies (including special purpose companies that have been dissolved and liquidated as of November 9, 2020) in which the ITOCHU Group has invested (including, but not limited to, investments in silent partnerships) (the "Properties developed by Sponsor") to the Post-acquisition portfolio, based on an (anticipated) acquisition price. The center of the pie chart indicates the Sponsor development ratio of the portfolio as of the end of the 4th fiscal period and the Post-acquisition portfolio. In addition, "Sponsor" refers to ITOCHU Corporation and ITOCHU Property Development, Ltd. as of November 9, 2020.
- (Note 4) "Remaining lease term" is the period from November 9, 2020 to the expiration date as indicated in the lease agreements executed and activated as of August 31, 2020 for the respective real estate property or trust real estate property that constitutes the Post-acquisition portfolio. The Post-acquisition "Average remaining term" is calculated as the weighted average of the Remaining lease term of the Acquired Properties and the Properties to be Acquired, based on annual rent for the Post-acquisition entire portfolio, and is rounded to the first decimal place. The "Average remaining term" as of the end of the 4th fiscal period is the weighted average of the period from July 31, 2020 to the expiration date as indicated in the lease agreements executed and activated as of July 31, 2020 for the Acquired Properties, based on annual rent for the entire portfolio as of July 31, 2020, and is rounded to the first decimal place. However, the remaining lease term ratio and average remaining term except the average remaining term as of the end of the 4th fiscal period, for the one tenant whose term has expired in the period ending January 2021, as the term of the contract expired before November 9, 2020, are calculated based on the lease term and rent after the recontract.
- (Note 5) "Annual rent" refers to the total amount of annual rent including common expenses (if only monthly rent is stipulated, the annual rent calculated in accordance with the lease agreement) under respective lease agreement executed and activated for the respective real estate property or trust real estate property as of August 31, 2020. Free rent and rent holidays (i.e. exemption from payment of rent for a specific month) as of the same date shall not be considered.
- (Note 6) "ITOCHU Group Customer" means any company that is a customer of the ITOCHU Group (companies that have a business relationship with the ITOCHU Group, its consolidated subsidiaries, equity method affiliates, and consolidated subsidiaries of equity method affiliates). The "ITOCHU Group and Group Customer Tenants" are tenants who belong to the ITOCHU Group or the ITOCHU Group Customer.

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(Note 7) Post-acquisition "Property Age" refers to the age of the respective real estate property or trust real estate property from the date of new construction in the registry to November 9, 2020, rounded to the first decimal place. Post-acquisition "Average Property Age" refers to the weighted average of the Post-acquisition Property Age based on the (anticipated) acquisition price. As i Missions Park Atsugi consists of two logistics properties (Building A and Building B), the age of Building B, the older of the two buildings, is used in the calculation.

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(Note 1) As of November 9, 2020, regardless of the existence of preferential negotiation rights, IAL has not entered into specific negotiation with the ITOCHU Group for the acquisition of any property owned /developed by the ITOCHU Group, other than the Properties to be Acquired, and IAL has no plans to acquire any such properties and there is no guarantee that IAL will be able to do so in the future. In addition, as of November 9, 2020, the ITOCHU Group does not own any properties formerly owned / developed by the ITOCHU Group but sold to third parties, and therefore IAL will not be able to acquire such properties from the ITOCHU Group. The picture of i Missions Park Ichikawa Shiohama is based on the plans at the time of development and may differ from actual conditions.

Page 13

(Note 1) "EPU" is net income per unit and "DPU" is cash distribution per unit.

(Note 2) The Post-acquisition figures for "External growth" indicates the total amount of the (anticipated) acquisition price of the Acquired Properties and the Properties to be Acquired, and the target figures are target of the total amount of the (anticipated) acquisition price after the future acquisitions.

(Note 3) "Current target" for External growth is the target as of November 9, 2020, and the realization or timing of the targets are not guaranteed.

(Note 4) "Tenant stickiness" is a relationship that is fostered by building a trusting relationship with tenants through close communication with them, and which maintains the tenant's intention to continue to rent by recontract the lease agreement even after its expiration date.

(Note 5) "NOI" refers to real estate rental revenue deducted real estate rental business expenses.

(Note 6) "Green lease" refers to a contract or memorandum of understanding between an owner and a tenant, in which the owner and the tenant work together to voluntarily make agreements on reducing environmental burdens such as energy consumption reduction of real estate and improving the office environment through contracts and memorandums of understanding, etc. and then implement such agreements. For example, in some cases, IAL has agreed with tenants to reduce their electricity rates by switching to LED lighting fixtures and that tenants will pay additional green lease fees.

(Note 7) "Long-term Issuer Rating (JCR)" is a credit rating on IAL and not on investment units of IAL. In addition, there is no credit rating for the investment units that has been provided or made available for inspection by a credit rating agency, or is scheduled to be provided or made available for inspection by a credit rating agency, at the request of IAL.

(Note 8) "Normalized (Total Assets) LTV" refers to the ratio of total interest-bearing debt to total assets. The LTV at the end of each fiscal period is the ratio of total interest-bearing debt to total assets on the balance sheet as of the end of each fiscal period. Please refer to Note 2 on page 16 of this material for the Post-acquisition "Normalized (Total Assets) LTV".

(Note 9) "DBJ Green Building Certification" is a certification system established by the Development Bank of Japan Inc. in April 2011 to support real estate that is environmentally and socially conscious ("Green Building"). Based on a comprehensive evaluation that includes responses to various stakeholders, including disaster prevention and community considerations, in addition to the environmental performance of the property, real estate is evaluated and certified as being socially and economically desirable, and supportive of such efforts. There are five evaluation ranks (★ to ★★★★★) for this certification.

(Note 10) "GRESB" is the name of an annual benchmark assessment that measures environmental, social and governance (ESG) considerations of real estate companies and funds, and was established in 2009 mainly by a group of major European pension funds. The GRESB Real Estate Board assesses sustainability efforts on a company-by-company basis, rather than on an individual property basis. Green Star is a title awarded to businesses that are recognized for excellence in both management and policy and implementation and measurement.

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- (Note 11) "BELS" is a system designed to ensure that third-party organizations properly evaluate and display the energy efficiency and conservation performance of non-residential buildings in accordance with the Guidelines for the Evaluation of Non-Residential Buildings for Energy Conservation Performance Labeling (2013) established by the Ministry of Land, Infrastructure, Transport and Tourism (Since April 2016, it has become one of the third party certification systems specified in the Guidelines for Indication of Energy Consumption Performance of Buildings (Notification of the Ministry of Land, Infrastructure, Transport and Tourism No. 489 of 2016, as amended) based on Article 7 of the Act on Improvement of Energy Consumption Performance of Buildings (Act No. 53 of 2015, as amended), and houses have been added to the scope of application). Under this system, regardless of whether the building is new or existing, a third-party organization evaluates the energy-saving performance of the building based on various measures, and the evaluation is indicated in five levels (★ to ★★★★★).
- (Note 12) "Green bonds" are bonds issued by companies, local governments and other issuing entities to procure funds to be allocated to green projects that produce tangible environmental improvements. The bonds are issued in principle in accordance with the Green Bond Principles established by the International Capital Market Association ("ICMA"). The "Green Bond Principles" are guidelines for issuing green bonds established by the Green Bond Principles Executive Committee, a private organization that ICMA serves as the secretariat for.
- (Note 13) "Green Loan" generally refers to a loan that complies with the Green Loan Principles. "Green Loan Principles" means the guidelines established by the Loan Market Association and the Asia Pacific Loan Market Association for limiting the use of loans to the environmental sector.
- (Note 14) "TOKYO Work-Style Reform Declaration Company" is a company that makes a company-wide effort to reduce long working hours and promote the use of annual paid leave, etc., by setting targets and details of measures to be taken over the next two to three years in a written declaration.
- (Note 15) The Post-acquisition figures concerning IAL are estimated figures as of November 9, 2020, calculated under certain assumptions, and these figures may not coincide with the Post-acquisition actual figure.

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- (Note 1) As of November 9, 2020, regardless of the existence of preferential negotiation rights, IAL has not entered into specific negotiation with the ITOCHU Group for the acquisition of any property owned / developed by the ITOCHU Group, other than the Properties to be Acquired, and IAL has no plans to acquire any such properties and there is no guarantee that IAL will be able to do so in the future. As of November 9, 2020, the developments of (tentative name) i Missions Park Yoshikawa Minami and (tentative name) i Missions Park Atsugi 2 have not been completed. The total floor of each property is based on plans as of November 9, 2020. The picture of i Missions Park Ichikawa Shiohama is based on the plans at the time of development and may differ from actual conditions.
- (Note 2) "ITochu Group's network" refers to the overall flow of raw materials through processing, trading, etc., to suppliers, manufacturers, retailers and consumers, and then to their commercialization and consumption.
- (Note 3) "CRE" refers to Corporate Real Estate. It means the initiative for the properties held by the companies and the strategic use of them.
- (Note 4) "Kansai area" refers to Osaka, Kyoto, Hyogo, Nara and Shiga prefectures.
- (Note 5) "Process center" is the property used as a centralized location for the purchase, processing and delivery of perishable goods.

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- (Note 1) "Occupancy rate" for the Acquired Properties is the ratio of the total Leased area to the total Leasable area of each Acquired Property as of the end of each month, rounded to the first decimal place. However, in cases where the rounding results in 100.0%, the figure is rounded down to 99.9%.
- (Note 2) "Occupancy Rate (post-acquisition)" is the ratio of the total Leased area to the total Leasable area of each property as of August 31, 2020, rounded to the first decimal place, for the Acquired Properties and the Properties to be Acquired. However, in cases where the rounding results in 100.0%, the figure is rounded down to 99.9%.

Page 16

- (Note 1) The Post-acquisition "Interest-bearing debt" is calculated by the following formula.
 The Post-acquisition Interest-bearing debt = Total amount of interest-bearing debt on the balance sheet as of July 31, 2020 + the amount of the borrowings described in "Overview of Anticipated Borrowings" (collectively, the "New Borrowings")* - 1,513 million yen in borrowing repaid at October 30, 2020 - 1,163 million yen in the borrowing to be repaid by the consumption tax refunds for the Properties to be Acquired (collectively, the "Anticipated Tax Loan Repayment").
 *The amount of the New Borrowings is calculated based on the estimated borrowing amount as of November 9, 2020, taking into account the estimated total amount of the paid-in price, 15,577,000,000 yen, in the Offering, which means the public offering which the board of IAL decided in November 9, 2020 (the "Public offering") and the third-party allotment of the investment unit which the board of IAL decided on November 9, 2020 (the "Third-Party Allotment"), as of November 9, 2020. The final amount to be borrowed is subject to change by the time of execution, taking into account the net proceeds from the Public offering and other factors. As of November 9, 2020, no loan agreement has been entered into for the New Borrowings and there can be no assurance that the New Borrowings will actually be executed. Therefore, Post-acquisition Interest-bearing debt, Post-acquisition Normalized (Total Assets) LTV, Post-acquisition Fixed interest ratio, and Post-acquisition Borrowing capacity (Assuming LTV can be increased up to 45%) may change due to changes in the borrowing amount or the failure to draw down the loan.
- (Note 2) The Post-acquisition "Normalized (Total assets) LTV" is calculated by the following formula.
 The Post-acquisition Interest-bearing debt ÷ the Post-acquisition total assets
 The Post-acquisition total assets = Total assets on the balance sheet as of July 31, 2020 + the amount of the New Borrowings + the total amount of the paid-in price in the Offering* - 1,513 million yen in borrowing repaid at October 30, 2020 - 1,163 million yen in the Anticipated Tax Loan Repayment.
 *Total amount of the paid-in price in the Offering is calculated based on the investment unit price as of the close of ordinary trading on TSE on October 23, 2020 (142,100 yen), and is on the assumption that all of the investment units to be issued through the Third-Party Allotment will be subscribed by SMBC Nikko Securities Inc. and the full amount to be paid in will be paid by SMBC Nikko Securities Inc. Therefore, if the actual total amount of paid-in price with respect to the Public offering or the Third-Party Allotment is less than the aforementioned assumption, or if payment is not made for part or all of the Third-Party Allotment, total amount of the paid-in price with respect to the Public offering and that with respect to the Third-Party Allotment will be less than the amount indicated above, and the actual Post-acquisition Normalized (Total assets) LTV may be higher than the figure indicated above, and the Post-acquisition Borrowing capacity (Assuming LTV can be increased up to 45%) may be lower than the figure indicated above. Conversely, if the actual total amount of the paid-in price is higher than the aforementioned assumption, total amount of the purchase price with respect to the Public offering and that with respect to Third-Party Allotment will be higher than the amount indicated above, and the actual Post-acquisition Normalized (Total assets) LTV may be lower than the figure indicated above, and the Post-acquisition Borrowing capacity (Assuming LTV can be increased up to 45%) may be higher than the figure indicated above.
- (Note 3) The Post-acquisition "Fixed interest ratio" is calculated by dividing the total amount of interest-bearing debt with fixed interest rates after the anticipated acquisition (including borrowings whose interest rates have been or will be fixed based on interest rate swap agreements) by the interest-bearing debt after the anticipated acquisition. However 1,163 million yen in the Anticipated Tax Loan Repayment is not included in each amount of interest-bearing debt. As of November 9, 2020, the interest rate swap agreement for the New Borrowings has not been entered into, and therefore, it is not guaranteed that the interest rate will actually be fixed. Therefore, the Post-acquisition Fixed interest ratio may vary depending on whether the interest rate swap agreement is entered into or not, and the content of the interest rate swap agreement to be actually entered into, and may not match the actual Post-acquisition figure.
- (Note 4) The Post-acquisition "Borrowing capacity (assuming LTV can be increased up to 45%)" represents the approximate amount of additional funds to be procured only by borrowing from financial institutions and issuing investment corporation bonds, etc. on the assumption that it is possible to increase the Post-acquisition "Normalized (total asset) LTV" to 45%. It does not guarantee that it will be possible to raise such amount of debt financing or to acquire properties with the debt financing to be raised.
- (Note 5) The "Long-term issuer rating (JCR)" is a credit rating on IAL and not on investment units of IAL. In addition, there is no credit rating that has been provided or made available for inspection by a credit rating agency, or that is scheduled to be provided or made available for inspection by a credit rating agency, at the request of IAL.
- (Note 6) As of November 9, 2020, no loan agreements have been entered into, and "Overview of Anticipated Borrowings" is based on plans as of November 9, 2020, and there can be no assurance that actual borrowings will be made, and the actual amount of borrowings and other factors are subject to change. In addition, we plan to enter into interest rate swap agreements to fix interest rates on borrowings other than the 730 million yen and 433 million yen consumption tax loans. However, as of November 9, 2020, no interest rate swap agreements have been entered into, and therefore there is no assurance that interest rates will actually be fixed.

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- (Note 7) "Anticipated borrowing amount" is the anticipated borrowing amount of the New Borrowing as of November 9, 2020, taking into account the anticipated amount of the total paid-in price in the Offering as of November 9, 2020. The final borrowing amount is subject to change by the time of the execution, taking into account the amount of net proceeds from the Offering and other factors. The New Borrowing includes a loan to be repaid by the consumption tax refunds for the Properties to be Acquired (the "Consumption tax loan").
- (Note 8) The base interest rate for loans with repayment dates of November 22, 2021 and March 31, 2022 is the 1-month Japanese Yen TIBOR published by the JBA TIBOR management organization.
- (Note 9) The base interest rate for loans with repayment dates of September 30, 2025, September 30, 2027, and March 30, 2029 is the 1-month or 3-month Japanese Yen TIBOR published by the JBA TIBOR management organization.

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- (Note 1) This table shows the diversification of maturity dates of the borrowings and investment corporation bonds, including the New Borrowings, but as of November 9, 2020, no loan agreement for the New Borrowings has been entered into. It is based on the plan as of November 9, 2020, and there is no guarantee that the New Borrowings will actually be executed, and the actual amount of the New Borrowings may be subject to change.
- (Note 2) Under the Rule of real estate investment trusts and real estate investment corporations by the Investment Trusts Association of Japan, a closed-end investment corporation may make a return of its capital in an amount up to 60% of the total accumulated depreciation calculated at the end of the accounting period less the total accumulated depreciation recorded at the end of the previous accounting period, which falls under the category of a reduction-of-capital, etc. distribution for the purpose of taxation. However, in the event that IAL deems it inappropriate to do so based on factors such as the economic environment, trends in the real estate and rental markets, the status of assets held and the financial status of IAL, there is a possibility that IAL may not make distributions in excess of the distributable amount. For details, please refer to the Annual Securities Report dated October 27, 2020, "Part I: Fund Information, Section 1: Fund Status, 2 Investment Policy, (3) Distribution Policy, (ii) distributions in excess of the distributable amount (Section 39-2 of the Article of Incorporation)". Please note that this is only an image and does not represent the ratio of net income to actual FFO.
- (Note 3) "FFO", Funds From Operations, refers to net income (excluding gains and losses on sale of real estate) plus depreciation for the fiscal period.

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- (Note 1) For details of "sampo yoshi approach," the corporate philosophy of the ITOCHU Group, please refer to "Part I: Fund Information, Section 1: Fund Status, 2 Investment Policy, (1) Investment Policy, (i) Basic Strategy of IAL (b) the missions of the ITOCHU Group and IAL" in the Annual Securities Report dated October 27, 2020.
- (Note 2) "The United Nations Global Compact" is a voluntary initiative in which companies and organizations demonstrate responsible and creative leadership to act as good members of society and participate in the creation of a global framework for achieving sustainable growth.
- (Note 3) "The Task Force on Climate-related Financial Disclosures (TCFD)" was established in 2015 by the Financial Stability Board (FSB), which is comprised of central banks and financial regulators from major countries. In June 2017, the TCFD recommended that companies disclose business risks and opportunities arising from medium- and long-term climate change, the impact of these risks and opportunities, and their specific responses on their financial condition and strategies, in order to reduce the risk of financial market instability.

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- (Note 1) The "JCR Green Finance Framework Assessment" is not an assessment of individual green bonds or green loans, but rather of the green bond issuance or green loan borrowing policy of the issuer, etc., and is based on the JCR's assessment of compliance with the green bond principles, green loan principles, or green bond guidelines prepared by the Ministry of the Environment. The evaluation is described from Green1 (F), which is the top rank, to Green5 (F).

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(Note 1) "NAV per unit" = Appraisal Net Asset Value / the number of investment units issued and outstanding.

(Note 2) "J-REITs specializing in logistics facilities" refer to J-REITs whose ratio of the logistics facilities is equal to or exceeds 80% in terms of (anticipated) acquisition price as of October 9, 2020, and include Japan Logistics Fund, Inc., GLP J-REIT, Nippon Prologis REIT, Inc., LaSalle LOGIPORT REIT, Mitsui Fudosan Logistics Park Inc., Mitsubishi Estate Logistics REIT Investment Corporation, CRE Logistics REIT, Inc., SOSiLA Logistics REIT, Inc. and IAL.

(Note 3) The index of "J-REITs specializing in logistics facilities" is a market capitalization-weighted index with the date of listing of IAL (September 7, 2018) as the base date and J-REITs specializing in logistics facilities are included for calculation (newly listed on the TSE REIT market are added to the index at the end of the month, last business day, following the date of their new listing). It is calculated by the Asset Manager with reference to the formula for calculating the TSE REIT Index published by the Tokyo Stock Exchange. The formula is as follows.

Index of J-REITs specializing in logistics facilities = Market Capitalization of J-REITs specializing in logistics facilities / Base Market Capitalization of J-REITs specializing in logistics facilities x Base Value

Market Capitalization of J-REITs specializing in logistics facilities = the sum of the market capitalization of each J-REIT specializing in logistics facilities listed on Bloomberg on each calculation date of the "J-REITs specializing in logistics facilities" index.

Base Market Capitalization of J-REITs specializing in logistics facilities = Base Market Capitalization of J-REITs specializing in logistics facilities on the Business Day prior to such calculation date x (Base Market Capitalization of J-REITs specializing in logistics facilities on the Business Day prior to such calculation date \pm Adjusted Amount Due to Market Capitalization Change Event*) \div Base Market Capitalization of J-REITs specializing in logistics facilities on the Business Day prior to such calculation date. The "Base Market Value of J-REITs specializing in logistics facilities" on the Record Date shall be equal to the Base Market Value of J-REITs specializing in logistics facilities on the record date.

Base value = the IAL's unit price on the record date (103,000 yen per unit)

*The "Adjusted Amount Due to Market Capitalization Change Event" is calculated by the following formula. The changes in the "J-REITs specializing in logistics facilities" show the changes in the index of the J-REIT specializing in logistics facilities relative to the issue price (103,000 yen per unit) on the record date. Therefore, the "Adjusted Amount Due to Market Capitalization Change Event" of each J-REIT specializing in logistics facilities is set to zero if no reasons for changes in market capitalization occurred on the relevant calculation date.

Adjusted Amount Due to Market Capitalization Change Event = the number of units increased or decreased due to reasons for changes in market capitalization of each J-REIT specializing in logistics facilities x the closing price of the REIT on the business day prior to the corresponding date

"Market Capitalization Change Event" means an increase in the number of investment units due to a capital increase, the cancellation of own investment units, an increase or decrease in the number of the investment corporations listed on the TSE REIT market, etc. In the case of a public offering, the revision shall be the day after the payment date, in the case of a third-party allotment, the revision shall be made seven business days after the payment date, and in the case of cancellation of own investment units, the revision shall be made at the end of the month (last business day) following the date of cancellation of own investment units. In the case of a new listing on the Tokyo Stock Exchange REIT market, the end of the month following the date of the new listing (the last business day) shall be the revision date, and the adjustment shall be made using the unit price on the business day before the date of the adjustment.

(Note 4) The index of "J-REITs specializing in logistics facilities" is calculated by the Asset Manager and the method of calculation is not the same as that of the TSE REIT Index. Therefore, the comparability of this index is limited.

(Note 5) The change in the closing price of the TSE REIT Index on the Tokyo Stock Exchange shows the change in value relative to the closing price of the TSE REIT Index on September 7, 2018 (1,744.7 pt.), assuming that the closing price of the TSE REIT Index on September 7, 2018 (1,744.7 pt.) is the same as the issue price of IAL on the same day (103,000 yen).

(Note 6) "Launch at a premium on NAV" refers to the filing of a securities registration statement for a public offering with an unit price above the most recent NAV per unit.

(Note 7) "Analyst Coverage" means that analysts affiliated with a securities company analyze the performance, etc. of IAL and make recommendations and reviews, etc. for IAL's investment units.

(Note 8) The "MSCI Japan Small Cap Index" is an index designed to measure the performance of the small cap segment of the Japanese market, as calculated and published by MSCI Inc.

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- (Note 1) i Missions Park Atsugi consists of two logistics properties (Building A and Building B), and the total floor area and property age are the figures for each logistics property.
- (Note 2) The appraisal value of the land with respect to i Missions Park Moriya is based on the value corresponding to 70% of the land appraised in the appraisal report.
- (Note 3) The acquisition prices of i Missions Park Chiba-Kita, i Missions Park Inzai, i Missions Park Kashiwa 2 and i Missions Park Miyoshi are the sum of the (anticipated) acquisition prices of the quasi-co-ownership interests in the properties that were acquired or are to be acquired by the IAL from the respective sellers.
- (Note 4) The appraisal value of the land with respect to i Missions Park Moriya 2 is the value corresponding to the 30% of the land appraised in the appraisal report.
- (Note 5) The total floor spaces of i Missions Park Kashiwa 2 (70% quasi co-ownership interest) and i Missions Park Kashiwa 2 (30% quasi co-ownership interest) (additional acquisition) corresponding to each the quasi-co-ownership are shown in parentheses, rounded down to the second decimal place.
- (Note 6) "Subtotal/Average" provides information on portfolio as of July 31, 2020, and "Appraisal value" and "Appraisal NOI yield" are based on the real estate appraisal report as of July 31, 2020. "Property age" is the weighted average of the property age from the date of new construction on the registry of the respective real estate property or trust real estate property to November 9, 2020, based on the anticipated acquisition price, rounded to the first decimal place. "Total floor area" is the sum of each property taking into consideration quasi-co-ownership interests, rounded down to the second decimal place and shown in parentheses. "Occupancy rate" is the ratio of the total Leased area to the total leasable area of each property as of August 31, 2020, rounded to the first decimal place. However, the occupancy rate is rounded down to 99.9% in cases where the result of rounding results in 100.0%.

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- (Note 1) In this "Logistics market in Kanto / Kansai area", "Kansai area" refers to Osaka, Kyoto and Hyogo prefectures. "New supply", "New demand" and "Vacancy rate" are calculated by K.K. Ichigo Real Estate Service for rental logistics facilities with total floor area or site area of 10,000 m² or more. In addition, the following facilities are excluded from the survey. Therefore, not all rental logistics facilities with a total floor area or site area of 10,000 m² or more are included in the survey.
- (1) Facilities used for purposes other than real estate leasing (e.g., logistics facilities owned by a logistics company and used mainly by the company itself, but partly under a lease agreement with a third party)
 - (2) Facilities where the public sector is involved in real estate development or operation (e.g., properties developed by the quasi-public corporation)
 - (3) Facilities with lease agreements between affiliated companies (e.g., where the parent company owns the land and building and the logistics subsidiary leases it)
- The number of properties surveyed according to the above classifications is 452 in the Kanto area and 127 in the Kansai area (as of July 2020), and in addition to compiling publicly available data as of September 7, 2020, on-site confirmations and interviews were conducted on tenant occupancy and vacancy conditions at each property.
- The figures for "New supply" and "New demand" for 2020 and 2021 are only forecasts, and these forecasts are the results of regression analysis based on economic indicators that are highly relevant to the logistics facility market, based on a forecast model and generated by K.K. Ichigo Real Estate Service. Such forecasts are based on certain assumptions and hypotheses, and may differ from actual results. The supply and demand data for the calendar year are calculated from quarterly data and are therefore the sum of the current year's supply and demand from February to January of the following year.
- "New supply" refers to the increase or decrease in leasable area (the total leasable area of the relevant leasable logistics facilities) due to new operations or demolition of the leased logistics facilities that have been subject to the survey.
- "New demand" refers to the increase or decrease in leased space (the total area of leased space in the relevant leased logistics facilities occupied by tenants) due to the opening of new locations, expansion of floor space, closure, consolidation, etc. of the leased logistics facilities that have been subject to the survey.
- "Vacancy rate" refers to the figure obtained by dividing the vacant floor space of the leased logistics facilities that have been subject to the survey (the total of the vacant floor space of the relevant leased logistics facilities) by the leasable floor space. Vacancy rate for each year is based on data as of October of each year.
- (Note 2) "Kansai Bay area" refers to the bay area of Osaka and Hyogo prefectures, and "Kansai Inland area" refers to the area excluding the bay area of Osaka and Hyogo prefectures, as well as the area of Kyoto prefecture as determined by K.K. Ichigo Real Estate Service.

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- (Note 1) "E-commerce sales" are figures compiled by K.K. Ichigo Real Estate Service. from the Ministry of Economy, Trade and Industry's "Survey of Actual Conditions of Ecommerce Transactions". E-commerce sales are estimates of the value of Internet transactions between businesses and consumers, and are based on the value of transactions conducted via the Internet for all goods and services for personal consumption. Market estimates are calculated and totaled for each of these markets.
- (Note 2) "E-commerce Penetration Rate in Major Countries" are figures compiled by the Ministry of Economy, Trade and Industry's "Survey of Actual E-Commerce Transactions".
- (Note 3) "3PL Sales" are figures compiled by K.K. Ichigo Real Estate Service from Logi-Biz (Sep., 2020). indicates the total sales of 3PL companies that responded to a survey of major 3PL companies conducted by Logi-Biz. Sales figures for some companies include estimates by Logistics Business Monthly based on interviews and other data. Except for some companies, the figures are based on the data as of the fiscal year ended March 31. These figures are based on the responses of some of the businesses that responded to the survey, and therefore do not necessarily reflect trends in the overall market. Factors contributing to the change in sales include an increase in the number of respondent businesses and a change in the number of respondent businesses.