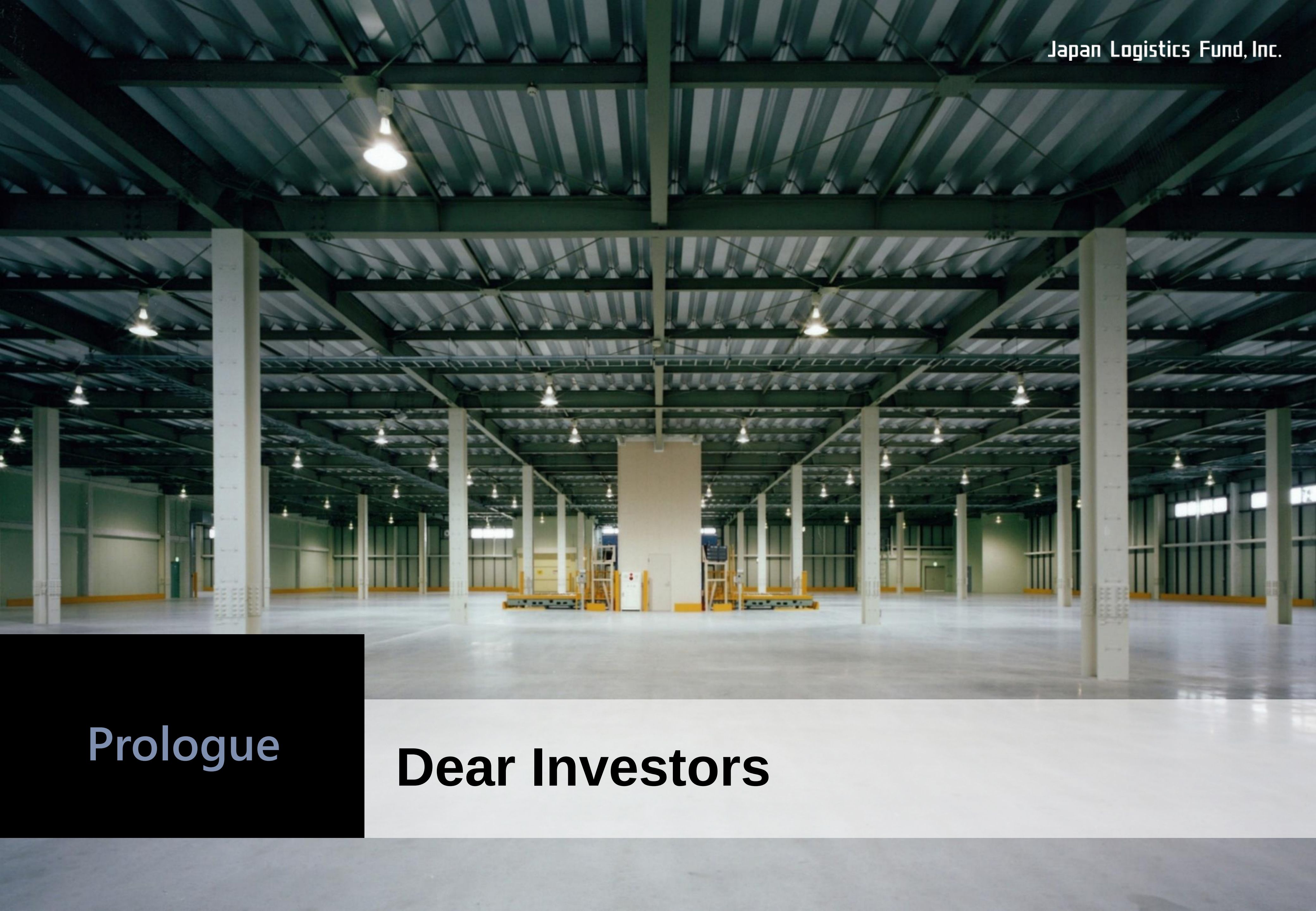
Japan Logistics Fund, Inc.

for the Fiscal Period ended January 2024

Presentation Material

Spring / Summer 2024

Mitsui & Co., Logistics Partners Ltd.
https://8967.jp/en/



Prologue

Dear Investors

Dear Investors

Japan Logistics Fund (JLF) pursues the following ideal:

To be a logistics J-REIT that continues to enjoy investor support based on its diverse and independent growth strategy, strong and high-quality balance sheet, and differentiated management operations.

Employees of the asset manager share this ideal, consider a diverse range of growth methods that leverage JLF's unique qualities, select the optimal maneuvers given the external environment at the time, and execute with agility. By doing so, we aim to continue to deliver stable growth in DPU and NAV despite changes in the environment.

Since I became President and CEO, I have had discussions with many investors. Some of these investors have voiced concerns about the negative impact on earnings from interest rate increases and inflation, or about potential dilution if JLF were to overextend itself during an equity issuance. As we exit this long period of low interest rates and deflation, performance disparities among individual J-REITs will emerge based on their ability to respond to environmental changes.

JLF has built up an effective track record of 18 years, the longest among logistics REITs in Japan, through steady-handed operations. JLF's focus on prime locations has strengthened its cash generation capabilities and built up a portfolio with an abundant reserve of potential capital gains. The balance sheet is strong, stable and diversified, with a high percentage of fixed-rate debt. And the asset manager has been mindful of capital costs in building out an acquisition pipeline. Combined, these factors contribute to the uniqueness of JLF. By leveraging what makes JLF so unique, we will continue to respond to the environment in front of us while we drive stable growth.

Although the J-REIT market has softened recently, the broader real estate market continues to be strong. By acquiring cheap investment units in the J-REIT market while in the real estate market we sell properties where value has peaked out, we can enhance unitholder value and return profits to investors by realizing capital gains.

We will continue to hold steadfast to our ideals while we act with agility in response to the external environment and deliver high-quality investment returns. We hope to enjoy your continued support.

Seiichi Suzuki
President and CEO
Mitsui & Co., Logistics Partners Ltd.

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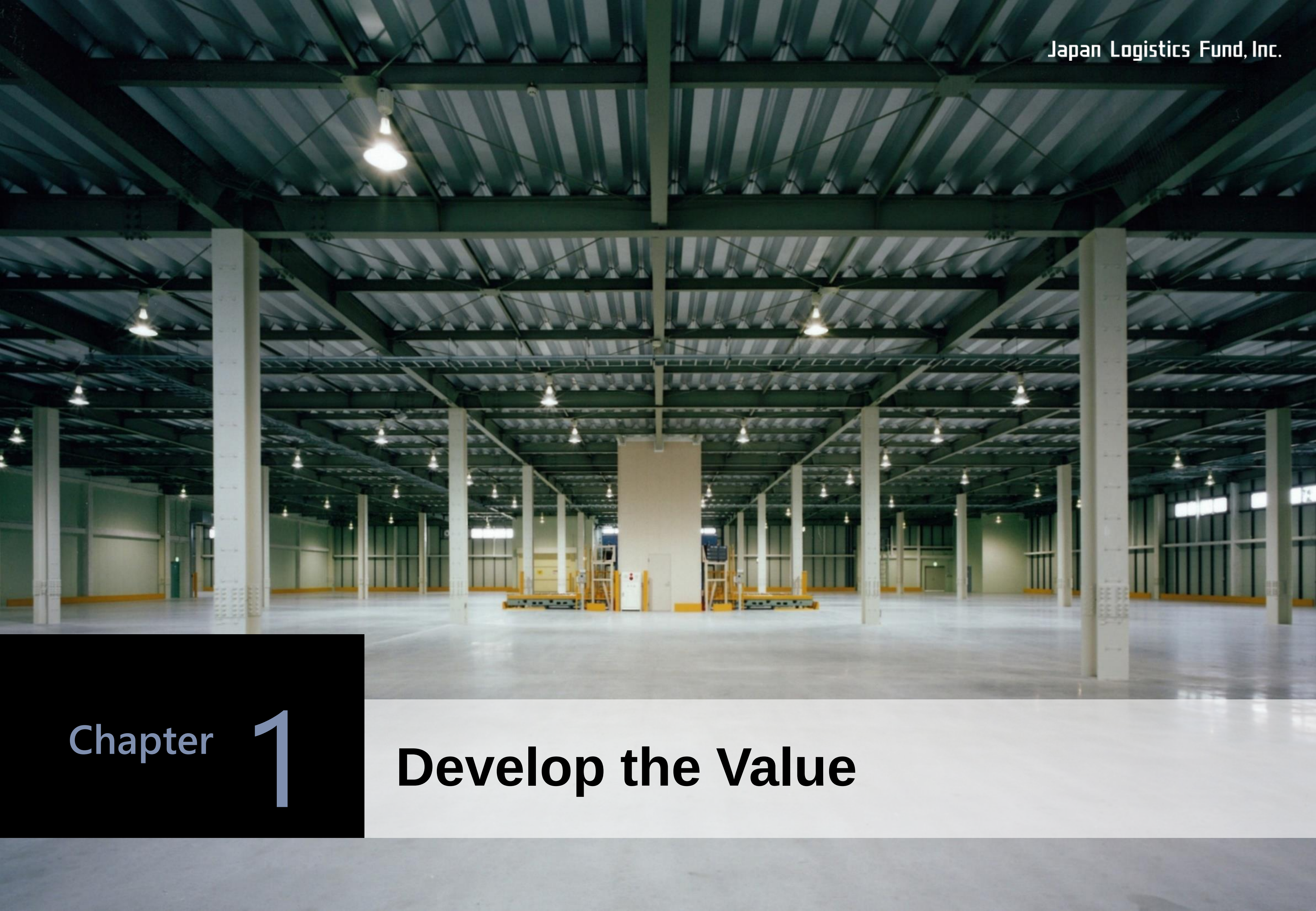
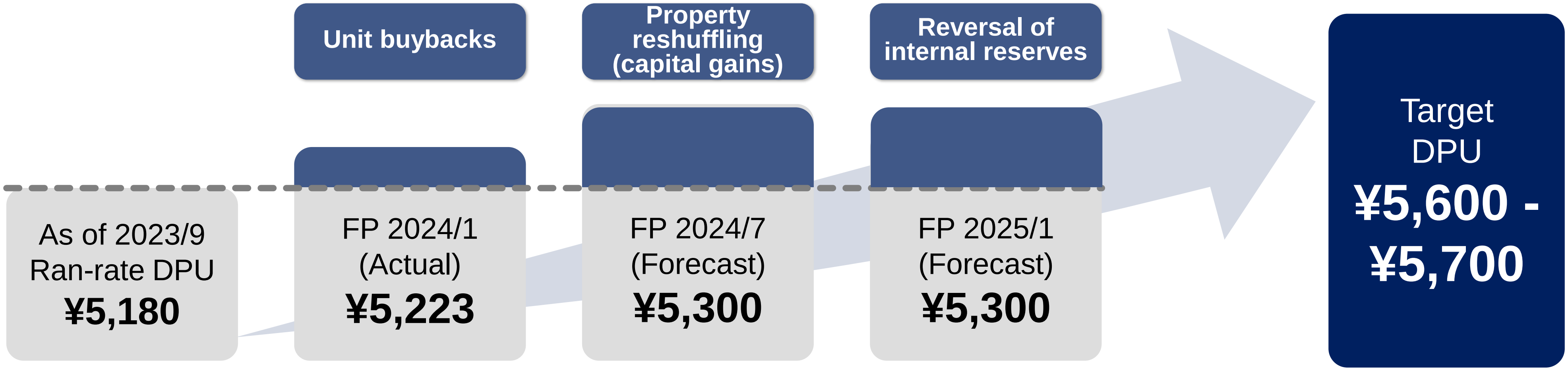


Chapter 1

Develop the Value

Growing DPU and NAVPU

Distributions per Unit (DPU)



Unit buybacks

Property reshuffling (capital gains)

Reversal of internal reserves

As of 2023/9
Ran-rate DPU
¥5,180

FP 2024/1
(Actual)
¥5,223

FP 2024/7
(Forecast)
¥5,300

FP 2025/1
(Forecast)
¥5,300

Target
DPU
¥5,600 - ¥5,700

- **Compound annual DPU growth rate of 4.5% since IPO**
- Solid growth in DPU (EPU) based on **rent growth, unit buybacks and property reshuffling**
- **Continue unitholder returns (add-on to DPU)** by reversing internal reserves until **the next external growth**

Net Asset Value per Unit (NAVPU)

FP 2006/1
(Actual)
¥113,614

**5.8%
CAGR**

As of
2024/3/31
(Forecast)
¥312,361

Achieved solid growth in NAVPU, boasting **industry-leading level of unrealized gain** as % of portfolio (59.5%)

Develop the Value

Execute independent strategy capable of responding to changes in the external environment
Maintain stability and generate growth opportunities

	Independence **Competitive edge built by JLF**	×	**Resilience to changes in the external environment** **Advancing strategies that can reduce risk and capture growth opportunities based on a variety of business environments**
Portfolio strategy	**(Asset Management)** ■ Rent gap and negotiation abilities ■ Portfolio in favorable locations **(Debt Management)** ■ Favorable credit		**(Asset Management)** ■ Control the length of lease contracts ■ Introduce CPI escalator clauses into leases and negotiation rent according to lease durations ■ Avert risk of operating cost inflation (utilities) **(Debt Management)** ■ Diversify debt maturities and lock in interest rates to reduce risk of higher rates
Investment strategy / Capital policy	**(Investment Management)** ■ Diverse acquisition means ■ Cooperative development and OBR projects that structurally generate superior yields **(Capital Management)** ■ Rich unrealized gain ■ Structurally advantageous liquidity on hand		**(Investment Management)** ■ Select independent acquisition methods in response to the external environment ■ Increase pipeline with consideration for capital costs **(Capital Management)** ■ Implement appropriate capital policies in consideration of unit price, capital cost and the like
ESG strategy	■ High ESG ratings from third parties		■ Advance an understanding and appropriate response to ESG risks and opportunities

Initiatives in FP 24/1 and beyond

Amid rising capital costs, take action with agility to continue to improve earnings, implement appropriate capital policies, and guide JLF through the initiatives it should take.

Discussion of the environment

Capital costs rise as investment unit price softens

Internal factors

Analysis of factors

Concerns of higher inflation and interest rates eroding earnings

Concerns whether inappropriate capital policies may be implemented

Counter measures

Direction at JLF

Continue to grow earnings amid higher inflation and interest rates

Specific measures

- Control cycle of maturities of leases and loans
- Continue strong rental growth in FP 24/1. Suppress debt cost increase on re-financing.

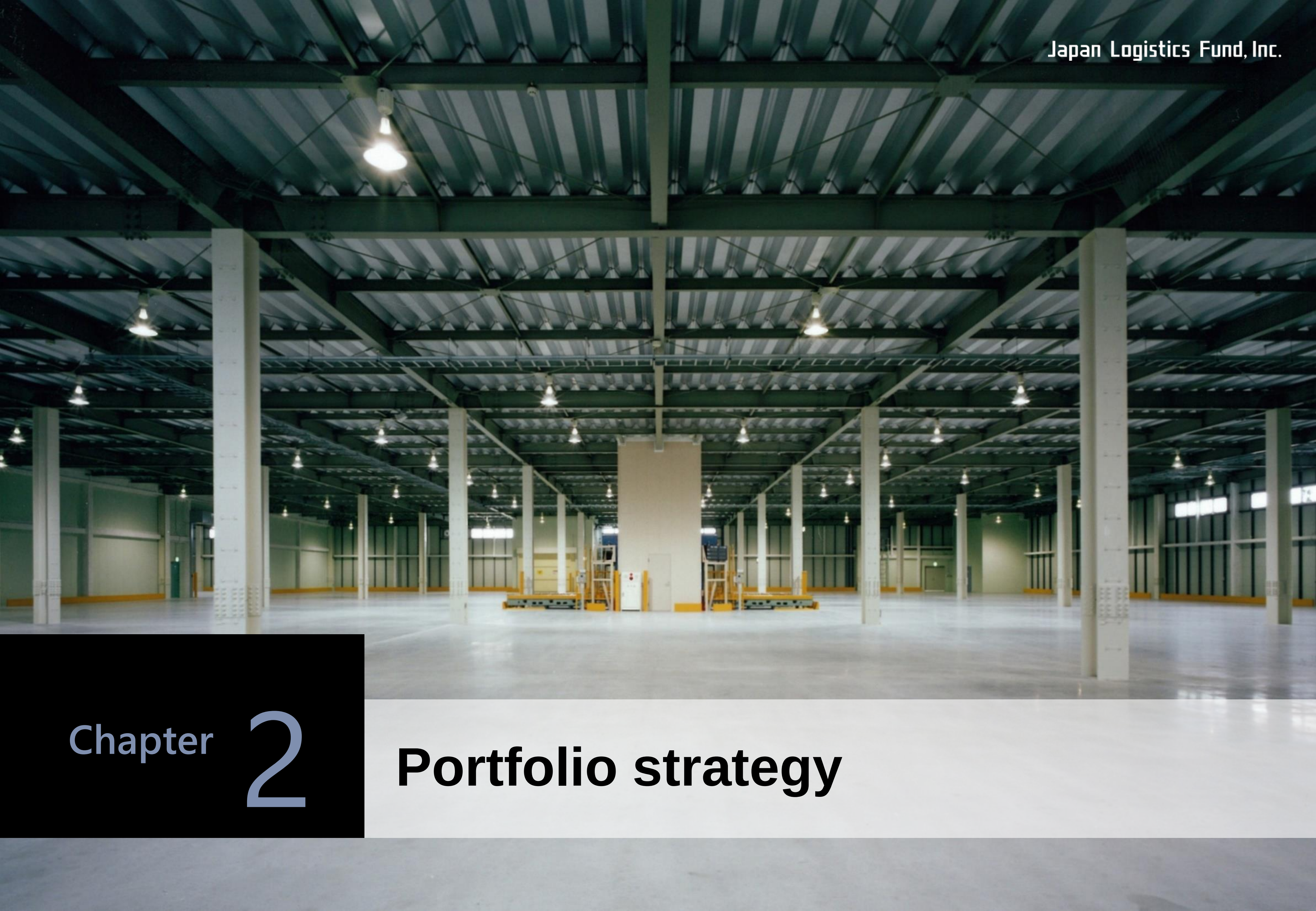
See Chapter 2

Clarify capital policies
Implement appropriate capital policies

Specific measures

- Deploy strategies with flexibility and agility depending on investment unit price and capital costs
- Implement unit buybacks and property reshuffling in FP 24/1 and beyond.

See Chapter 3



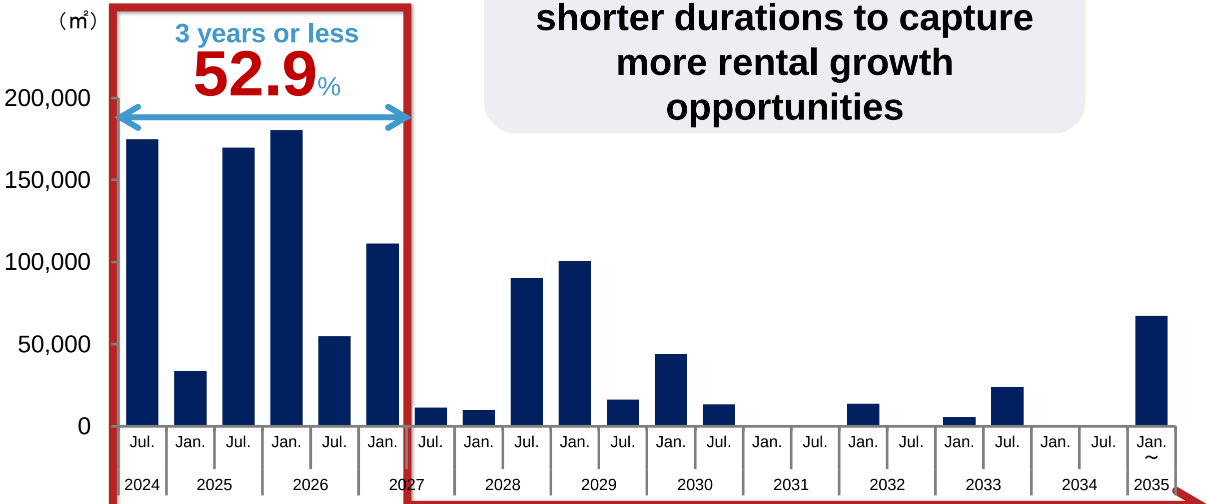
Chapter 2

Portfolio strategy

Earnings structure adopted to rate increases

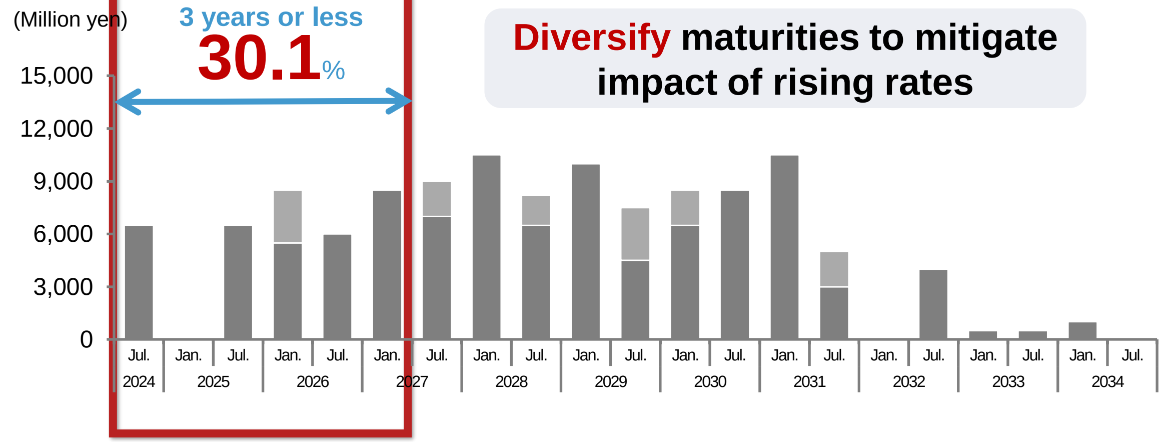
Build a structure capable of growing profit in the face of rising rates by controlling the maturities cycle of leases and loans

Lease maturity ladder



Concentrate maturities into shorter durations to capture more rental growth opportunities

Debt maturity (redemption) ladder



Diversify maturities to mitigate impact of rising rates

Debt cost as a % of revenues

Limited impact from rising debt costs

Rental revenue
9,825 million yen/FP

About 4.5% →

Debt cost
437 million yen/FP

Per unit impact of rental growth vs. interest rate hikes

(Cumulative rental growth - Cumulative increase in debt costs / Number of investment units outstanding)

Aim for rental growth to drive profit growth

(JPY)		Rental growth upon renewal			
		+2%	+3%	+4%	+5%
Applicable re-fi rates	1.0%	+45	+103	+160	+218
	1.2%	+7	+64	+121	+179
	1.4%	-32	+25	+83	+140
	1.6%	-71	-13	+44	+101

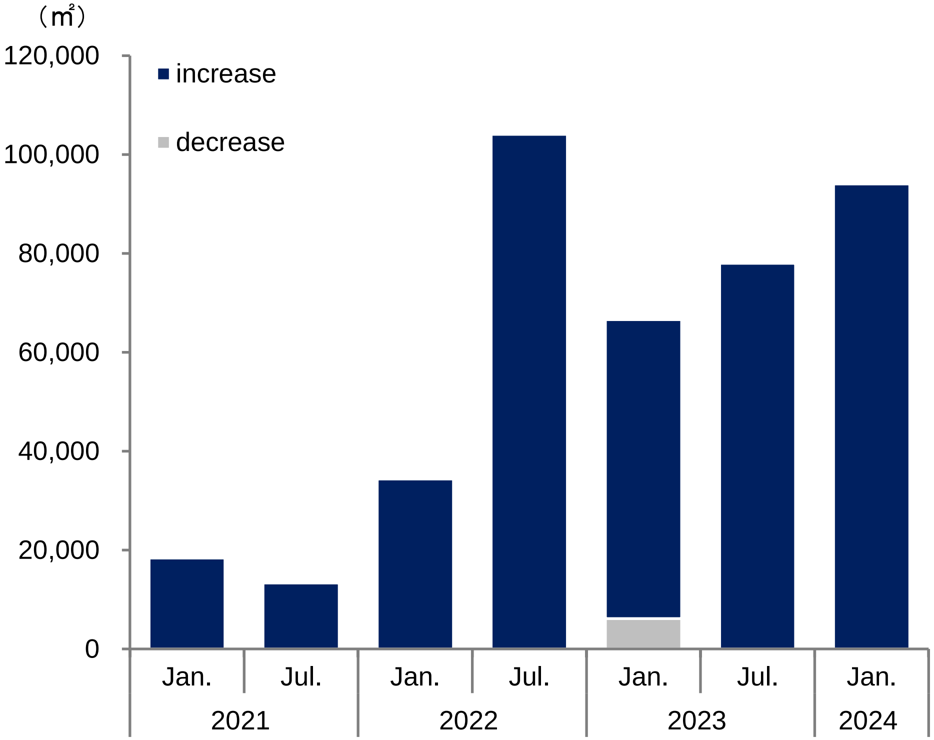
Lease agreements

Respond to rate hikes and inflation by controlling lease maturities and driving strong rental growth
Review terms & conditions of lease agreements and secure resilience to environmental changes

Rent change (%) upon renewal

Most recent rent change +6.6%

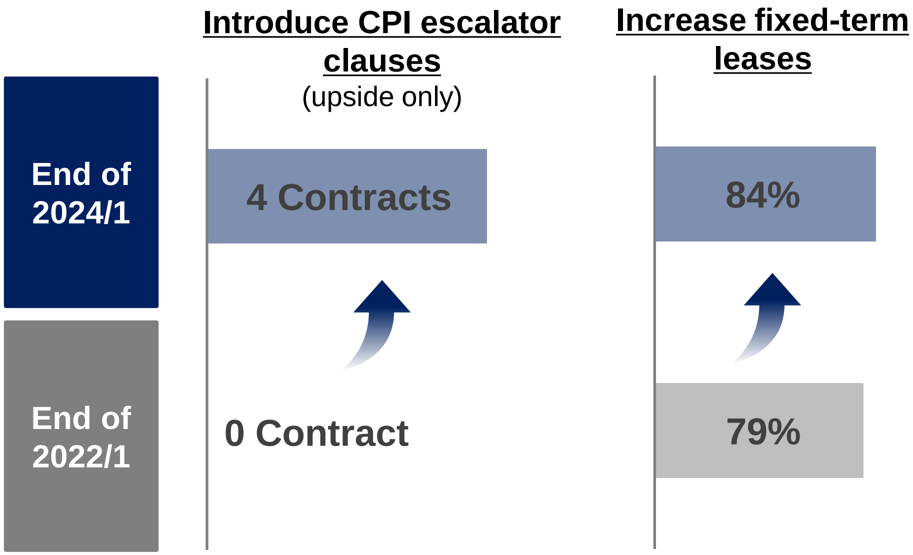
Rent change	+3.2%	+9.7%	+10.0%	+7.9%	+6.3%	+6.3%	+3.8%



Control lease durations

Weighted average lease expiry	**4.5** years

Review terms & conditions



Introduce CPI escalator clauses
(upside only)

Increase fixed-term leases

	Introduce CPI escalator clauses	Increase fixed-term leases
End of 2024/1	4 Contracts	84%
End of 2022/1	0 Contract	79%

Debt funding

Secure resilience against interest rate increases by diversifying debt maturities and loan durations and maintaining a high percentage of debt on fixed rates

Changes in debt portfolio

	End of 2022/1	End of 2024/2
Amount of debt	114,700 million yen	119,700 million yen
Weighted average duration	8.9 years	8.4 years
Weighted average maturity	4.3 years	4.5 years
Weighted average cost	0.68%	0.68%
Fixed interest as a % of debt	100%	100%
TONA SWAP (10-year)	0.22%	0.93%
10-year JGB yield	0.17%	0.71%

Recent borrowing terms and conditions (Compared to other J-REITs)

	JLF		All J-REIT average (Excluding JLF)
Weighted average duration of debt	7.2 years	>	5.2 years
Fixed interest as a % of debt	100%	>	43.7%

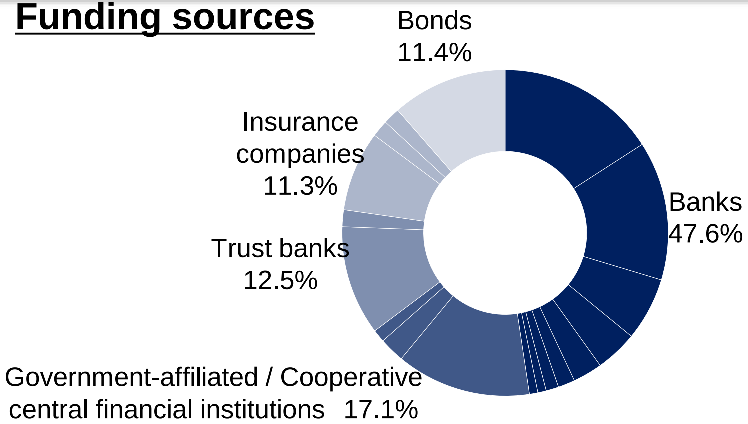
Consider some floating-rate debt to suppress interest rate costs

Leverage favorable credit to build relationships with diverse range of financial institutions and maintain a stable financial foundation

(as of January 31, 2024)

Credit ratings	LTV	Commitment line limit
JCR **AA (stable)** **R&I** **AA- (stable)**	LTV based on total assets 43.7% LTV based on appraisal value 29.1%	**31,900** **million yen**

Funding sources



Chapter 3

Investment strategy / Capital policies

Investment strategies and capital policies aligned with capital costs

Deploy strategies with flexibility and agility depending on capital costs and investment unit price

Foundation for the strategy

Building out the pipeline

Cognizant of capital costs
Secure flexibility in acquisition timing

Optimal management of portfolio properties
Selection of candidate properties for disposition

Select for disposition properties where value has been maximized

Active IR

Promote engagement

Strategy aligned with capital costs

Recent initiatives

1 If the investment unit price is undervalued

A Over the short term

Implement measures to improve capital costs

- Implement unit buybacks
- Sell properties at prices above appraisal value
- Acquire properties leveraging sale proceeds and cash on hand
- Unitholder returns through the reversal of internal reserves

B Over the long term

Execute growth strategy independent of PO

- Acquire properties leveraging debt

2 If the unit price supports growth in DPU and NAVPU

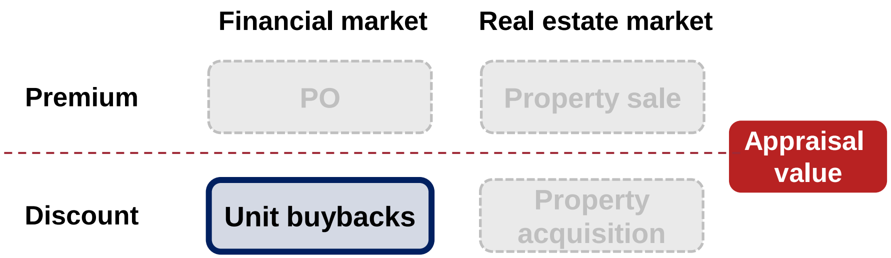
Acquire properties through PO

Measures to improve capital costs--recent initiatives

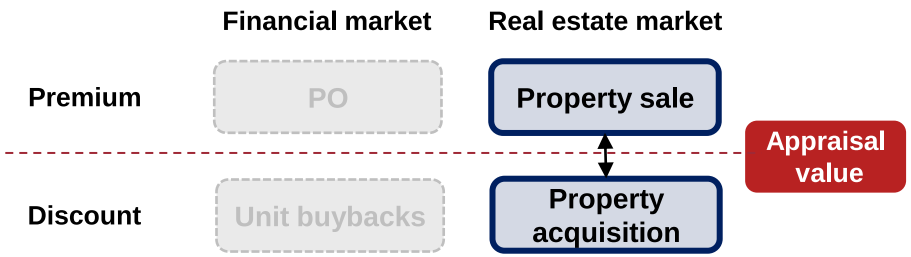
Recent initiatives

	November 2023 - January 2024 **Unit buybacks**	March 2024 **Reshuffling assets**
Purpose	✓ Message about our **view of capital costs** ✓ Promote our **agility** ✓ Bolster **unitholder returns**	✓ **Buy low ⇔ Sell high** ✓ Promote earnings strength of pipeline ✓ Bolster **unitholder returns**
Effects	➢ Future **DPU growth (about +20 yen)** ➢ Enhance valuation from market qualitatively	➢ **Positive effect compared to property disposition + unit buybacks** (DPU: about +10 yen. LTV based on total assets:Neutral) ➢ Secure **capital gains and internal reserves**

Strategic thinking



	Financial market	Real estate market
Premium	PO	Property sale
Discount	**Unit buybacks**	Property acquisition



	Financial market	Real estate market
Premium	PO	**Property sale**
Discount	Unit buybacks	**Property acquisition**

Measures to improve capital costs--unit buybacks and property dispositions

Overview of recent unit buybacks

% of investment units outstanding	0.4% (Number of investment units outstanding after cancellation: 903,700)
Units acquired/amount spent	3,300 units / 936 million yen
Timing	November 24, 2023 - January 12, 2024

Overview of recent assets reshuffling

Acquisition Ishikari Logistics Center (55% quasi-co-ownership interest)

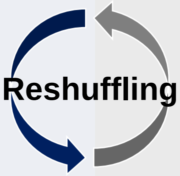
Appraisal value
1,360 million yen

Acquisition price
1,311 million yen


CASBEE 2 buildings graded A, 1 graded B+

Property has potential for future profitability growth

- About 15km from Sapporo Station. Close to Ishikari Bay New Port. Good access to Shin-Chitose Airport.
- Rent gap creates potential for future profitability growth


Reshuffling

NOI yield
6.8% 5.2%

Implied cap rate
4.0% - 4.8%

Disposition Urayasu Chidori Logistics Center II

Sale price
2,060 million yen

Appraisal value
1,940 million yen

Gain on property sale
682 million yen

Return some to unitholders, the remainder to internal reserves

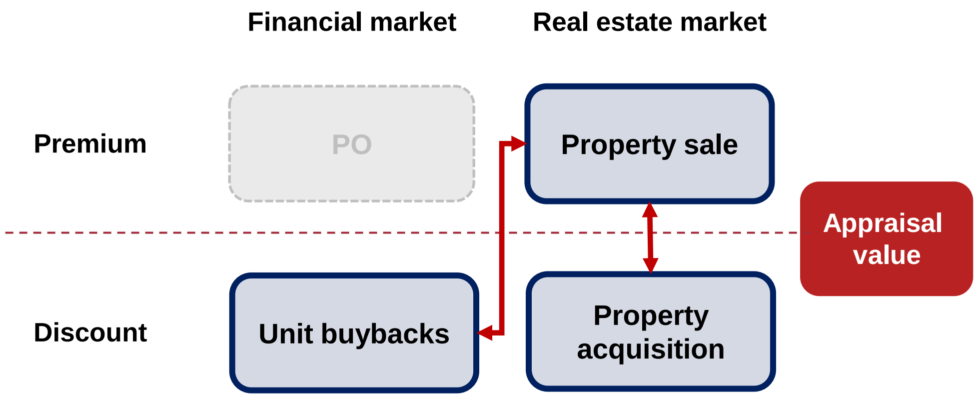
Asset value had been maximized

- Locked in upper end of market rent on long-term lease
- Consider timing of major maintenance and repairs

Measures to improve capital costs--Initiatives moving forward

Next steps

- ➢ **Choose from a rich selection and study combining multiple options**
- ➢ **Select the appropriate strategy to enhance unitholder returns over the medium to long term**



Unit buybacks

- ✓ If the investment unit price is undervalued study scale, timing and balance of DPU growth, unitholder returns, LTV level, and investment wherewithal

Property sale

- ✓ Study sale of properties where asset value has been maximized and reshuffling as appropriate
- ✓ On property sales, consider the change in portfolio profitability resulting from reshuffling

Property acquisition

- ✓ Study buying properties from the pipeline leveraging sale proceeds and cash on hand
- ✓ Consider implied cap rate vs. acquisition yield

Cash management and LTV control

Cash management

Leverage effectively our superior liquidity and internal reserves compared to other logistics REITs

Liquidity

Deposits balance (as of the end of January 2024)	**10,425** million yen
Liquidity on hand equivalent to depreciation costs	About **2,700** million yen/year

Unit buybacks

Property acquisition

Leverage to boost DPU

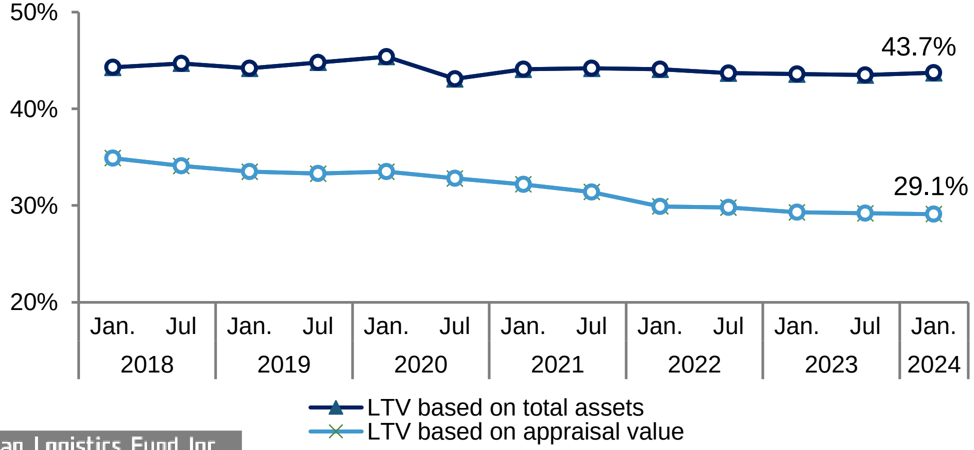
Internal reserves

Cumulative reserve for reduction entry
942 million yen (1,012 yen/unit)

LTV control

Study leveraging up to buy properties depending on capital costs
But maintain LTV control and a sound financial standing

Change in LTV



Borrowing power

LTV based on total assets	
Up to 45% (30.2% LTV based on appraisal value)	**Up to 50% (34.6% LTV based on appraisal value)**
6,283 million yen	**34,280** million yen

Direction for new borrowings

When leveraging up to buy properties, study floating rates to suppress debt costs

Basic direction for follow-on offerings

Set criteria for going forward with a follow-on offering that is cognizant of growth in DPU and NAVPU / Consider disciplined follow-on offerings

Criteria for going forward with a follow-on offering

1 **Accretive to DPU**

2 **Accretive to NAVPU**

3 **Acquiring properties at a yield above implied cap rate**

Pipeline yields and implied cap rate

Build a pipeline centered around cooperative developments that are structurally capable of generating superior yields

Property name	Pipeline property		Recent J-REIT acquisitions
Appraisal NOI yield	**Average High 4% range**	>	**Average 4.1%**
Comparison to market yield	**Average +50bps** approximately	>	Average **+29bps**
Discount from appraisal value	Average 7% Approximately	>	Average 3.7%

Change in implied cap rate

Pipeline properties

Generating acquisition opportunities cognizant of capital costs through diverse and unique approaches such as development projects
Build bridge structures to enhance flexibiliity and agility in timing of acquisitions

Category		Property name	Leasing situation	Gross floor area	Completion of construction	Bridge period
Engagement in development projects	**Cooperative development with business partner**	Amagasaki	Done	13,595m^2	**2022/12 Completed**	Until April 2, 2026
		Ichinomiya	Done	65,348m^2	**2023/9 Completed**	Until March 31, 2026
		Fukuoka Tachiarai	Done	13,118m^2	**2023/7 Completed**	4 years after completion of construction
		Ichinomiya II	-	61,047m^2	**2023/12 Completed**	4 years after it is leased up
		Kazo II	-	16,112m^2	**2024/3 Completed**	4 years after completion of construction
		Narita	-	12,081m^2	2025	3 years after completion of construction
Acquisition of operating assets	Off-market transactions with other players	Hokkaido project	Done	Not disclosed	**Completed**	Until March 31, 2026
		Ishikari (Co-ownership stake: 45%)	Done	21,845m^2	**Completed**	Until March 29, 2026
		Gunma Ota **New**	Done	42,325m^2	**Completed**	Until February 27, 2027
	Acquire land with potential for future OBR projects	Osaka Suminoe (land) **New**	Done	-	-	Until March 24, 2027
	CRE proposal	Shin Kiba project	Done	22,851m^2	**Completed**	Until February 21, 2027
	Sponsor developments	Inland Osaka project **New**	-	About 90,000m^2	2025	Under negotiation
	Sponsor referral	Hidaka	-	17,203m^2	2024	3 years 4 months after completion

Chapter 4

ESG strategy

Promoting ESG for Sustainable Business Value Creation

Advance an awareness of risks and opportunities and appropriate responses in relation to ESG and engage in improving ESG issues

Acquired external evaluations

- In 2023, acquired 5-star GRESB rating, the highest rating for a J-REIT

GRESB
★★★★★ 2023

- Acquired A rating from MSCI ESG. Included in MSCI Japan ESG Select Leaders Index in 2022. (as of March 15, 2024)

MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

Set net zero targets

- FY 2022: **Achieve net zero** through the purchase of non-fossil-fuel certificates
- FY 2023: **Forecast to achieve net zero** through the purchase of non-fossil-fuel certificates

(Scope1/2 greenhouse gas reduction targets)

- **Reduce 42%** by FY 2030 (vs FY 2021)
- **Net zero** by FY 2050
- **Acquired SBT validation for SMEs**, validating that JLF's FY 2030 targets align with the Paris Agreement

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Procurement of Green Finance

- FP 2024/1 and beyond: Procure green loans of **5,500 million yen**
- Total green financing: **17,000 million yen**

Progress in green building certifications

- Acquired green building certifications at **47** properties (**88.2%** of portfolio)

CASBEE

BELS

See ESG Initiatives for details

Chapter 5

Earnings Overview and Forecasts

FP 2024/1 Results

		FP 2023/7 FP 36th Actual （A）	FP 2024/1 FP 37th Actual （B）	Period-on-period change （B-A）	FP 2024/1 FP 37th Forecast (as of Sep. 13, 2023) （C）	Vs. forecast （B-C）
Operating revenue	(JPY Million)	10,139	10,147	+8	10,230	-82
NOI	(JPY Million)	8,203	8,254	+51	8,232	+22
NOI after Depreciation	(JPY Million)	6,286	6,355	+69	6,332	+23
Net income	(JPY Million)	4,810	4,861	+50	4,829	+32
DPU	（JPY）	**5,151**	**5,223**	**+72**	**5,170**	**+53**
FFO/unit	(JPY)	7,203	7,264	+61	7,205	+59
Number of investment units outstanding	(Investment units)	934,000	930,700	-3,300	934,000	-3,300
Number of properties	(Number of properties)	52	52	-	52	-
Period-end Appraisal Values	(JPY Million)	409,550	411,210	+1,660		
Unrealized gain as % of portfolio	(%)	58.1	59.7	+1.6 pts		
Amount of interest-bearing liabilities	(JPY Million)	119,700	119,700	-	119,700	-
LTV based on appraisal value	(%)	29.2	29.1	-0.1 pt		
BPS	(JPY)	153,419	153,004	-415		
NAVPU	(JPY)	309,436	312,939	+3,503		

Vs. previous period

Impact on net income (JPY million)

Increase in rent revenue and facility charges	+22
Decrease in leasing fees, etc.	+20
Existing properties, Others (lower depreciation costs, lower repair and maintenance costs, etc.)	+25
G&A expenses (Hold a general unitholders’ meeting)	-6
Non-operating P/L (increase in interest expenses and others)	-12

Vs. forecast

Impact on net income (JPY million)

Lower repair and maintenance costs	+14
Improvement in balance of utilities costs	+6
Existing properties, Other (Insurance income, etc.)	+2
G&A expenses	+7
Non-operating P/L (decrease in interest expenses and others)	+1

FP 2024/7 Forecast

		FP 2024/1 FP 37th Actual （A）	FP 2024/7 FP 38th Forecast （B）	Difference （B-A）
Operating revenue	(JPY Million)	10,147	10,758	+610
of which gain on sales of real estate properties	(JPY Million)	-	682	+682
NOI	(JPY Million)	8,254	8,062	-192
NOI after Depreciation	(JPY Million)	6,355	6,168	-187
Net income	(JPY Million)	4,861	5,308	+447
Provision(-) / Reversal(+) for reserve for reduction entry	(JPY Million)	-	-376	-376
DPU	(JPY)	**5,223**	**5,300**	**+77**
FFO/unit	(JPY)	7,264	7,006	-258
Number of investment units outstanding	(Investment units)	930,700	930,700	-
Number of properties	(Number of properties)	52	52	-
Occupancy rate at period-end	(%)	100.0	98.6	-1.4pts
Period-end Appraisal Values	(JPY Million)	411,210	410,630	-580
Amount of interest-bearing liabilities	(JPY Million)	119,700	119,700	-
LTV based on appraisal value	(%)	29.1	29.2	+0.1pt

Vs. previous period result (Impact on net income)(JPY million)

gain on sales of real estate properties	+682
Factors affecting NOI after depreciation	
Ishikari LC Revenue from acquisition	+22
Urayasu Chirdori II Loss of revenue from disposition	-21
Others in existing properties	
Decrease in rent revenue and facility charges (Average occupancy rate during the period 100%→98.3%)	-122
Increase in leasing fees, etc.	-61
Others	-4
G&A expenses increase in asset management fees, etc.	-52
Non-operating P/L decrease in interest expenses and others	+5

FP 2025/1 Forecast

		FP 2024/7 FP 38th Actual (A)	FP 2025/1 FP 39th Forecast (B)	Difference (B-A)
Operating revenue	(JPY Million)	10,758	10,231	-527
of which gain on sales of real estate properties	(JPY Million)	682	-	-682
NOI	(JPY Million)	8,062	8,202	+140
NOI after Depreciation	(JPY Million)	6,168	6,319	+151
Net income	(JPY Million)	5,308	4,829	-479
Provision(-) / Reversal(+) for reserve for reduction entry	(JPY Million)	-376	+104	+480
DPU	(JPY)	**5,300**	**5,300**	**-**
FFO/unit	(JPY)	7,006	7,212	+206
Number of investment units outstanding	(Investment units)	930,700	930,700	-
Number of properties	(Number of properties)	52	52	-
Occupancy rate at period-end	(%)	98.6	100.0	+1.4pts
Period-end Appraisal Values	(JPY Million)	410,630	410,630	-
Amount of interest-bearing liabilities	(JPY Million)	119,700	119,700	-
LTV based on appraisal value	(%)	29.2	29.2	-

Vs. previous period result (Impact on net income)(JPY million)

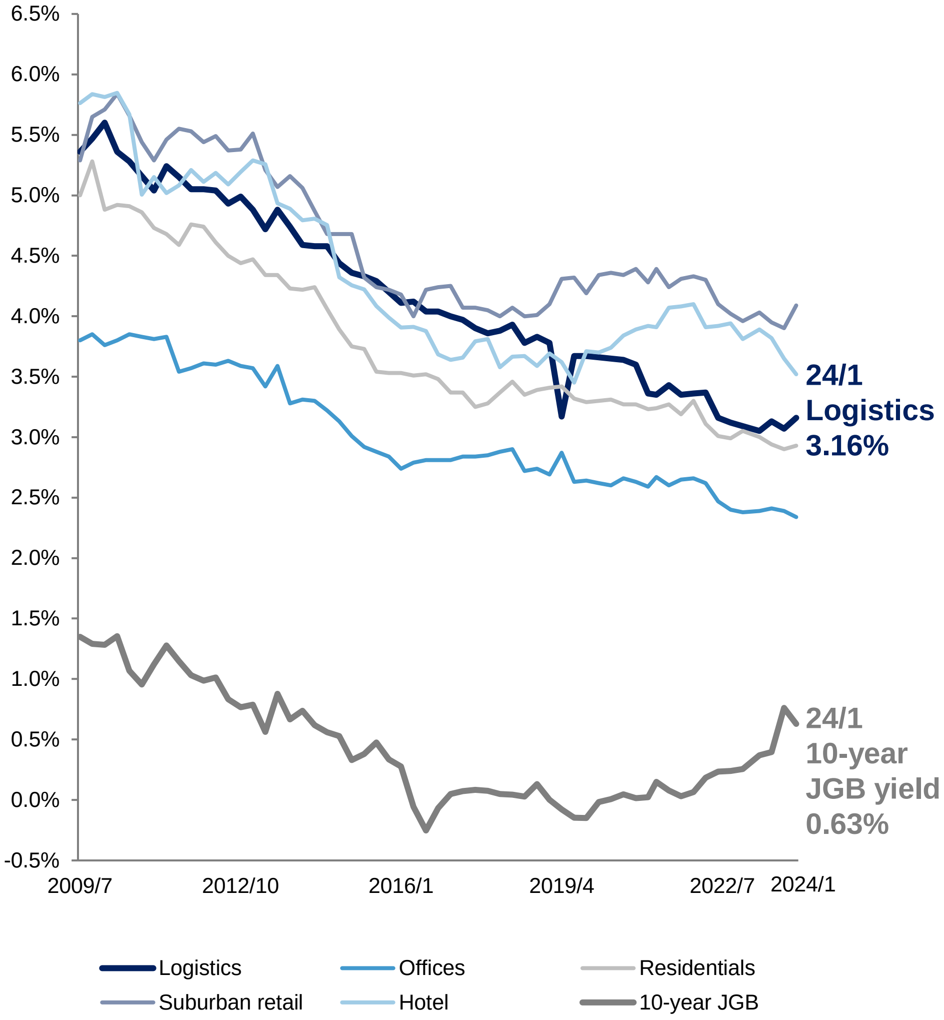
Loss of gain on sales of real estate properties	-682
Factors affecting NOI after depreciation	
Ishikari LC Full contribution of revenue from acquisition	+16
Urayasu Chidori LC II Loss of revenue from disposition	-6
Others in existing properties	
Decrease in repair and maintenance costs	+68
Increase in rent revenue and facility charges (Average occupancy rate during the period 98.3%→99.0%)	+63
Others	+9
G&A expenses decrease in asset management fees, etc.	+54
Non-operating P/L increase in interest expenses and others	-2

Chapter 6

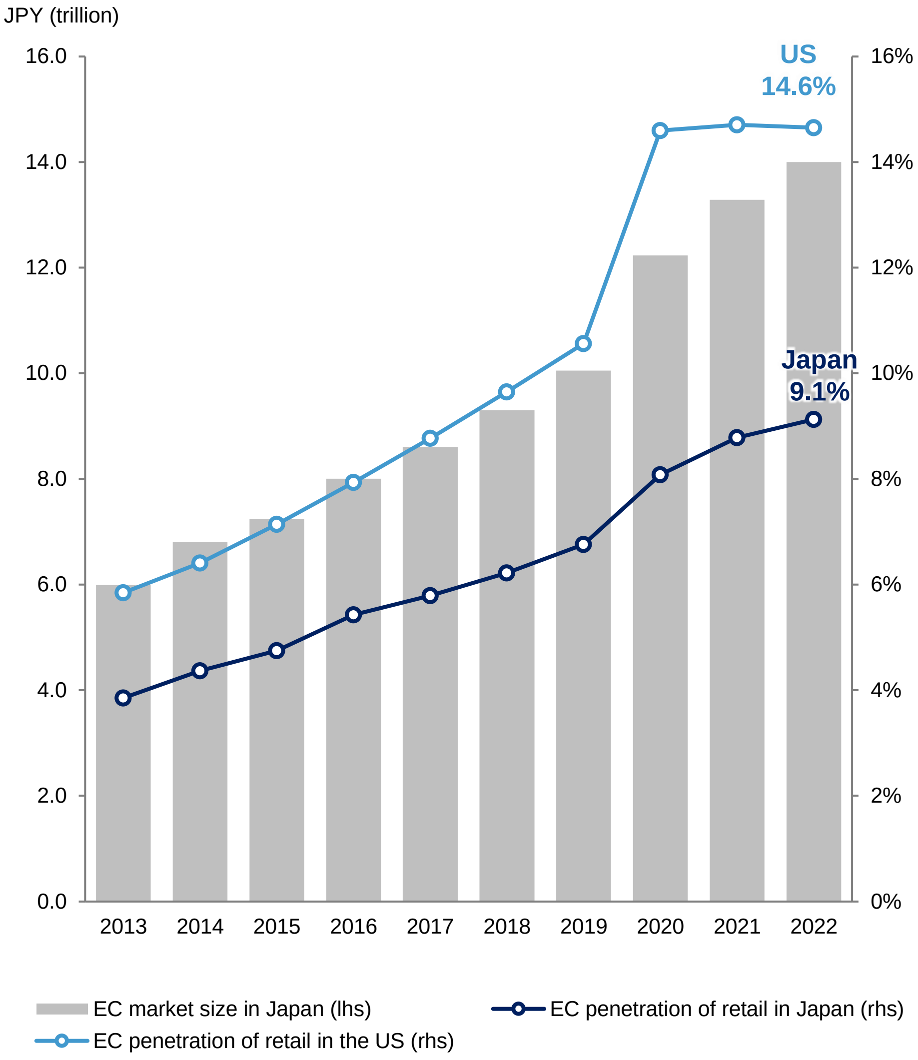
Logistics Real Estate Market

Logistics property market data

CBRE real estate investor survey (by asset type) / 10-year JGB yield

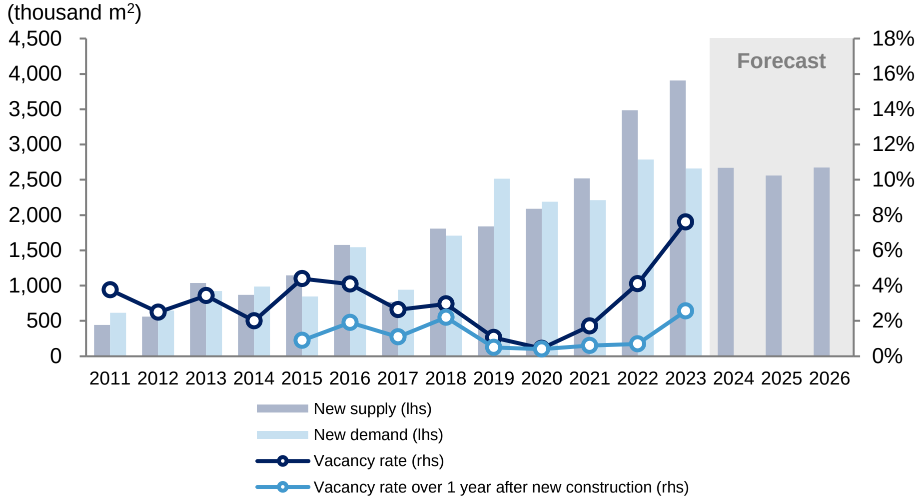


Merchandise EC market size and EC penetration of retail (Japan and US)

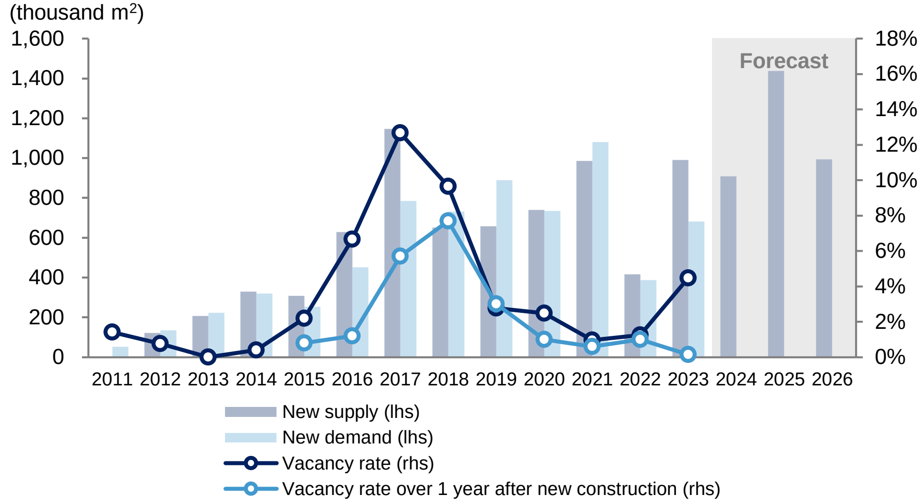


Supply & demand balance of logistics facilities

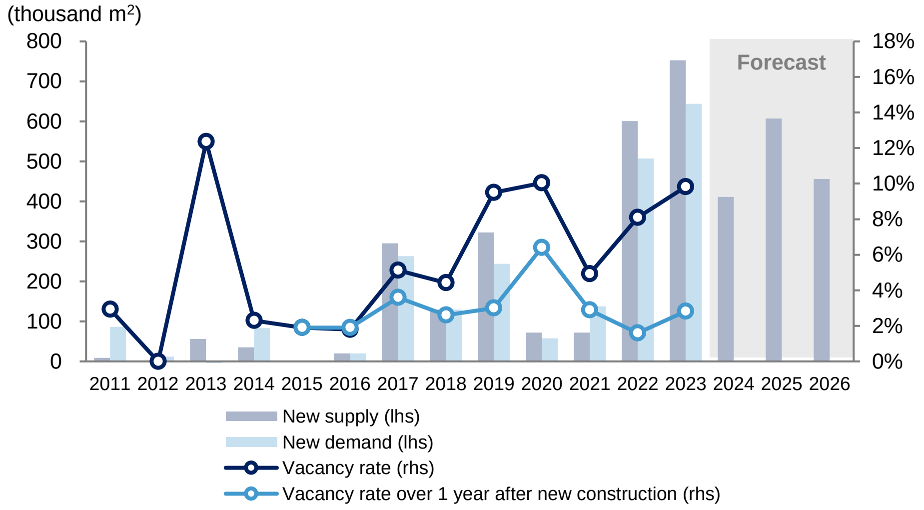
Tokyo Metropolitan Area



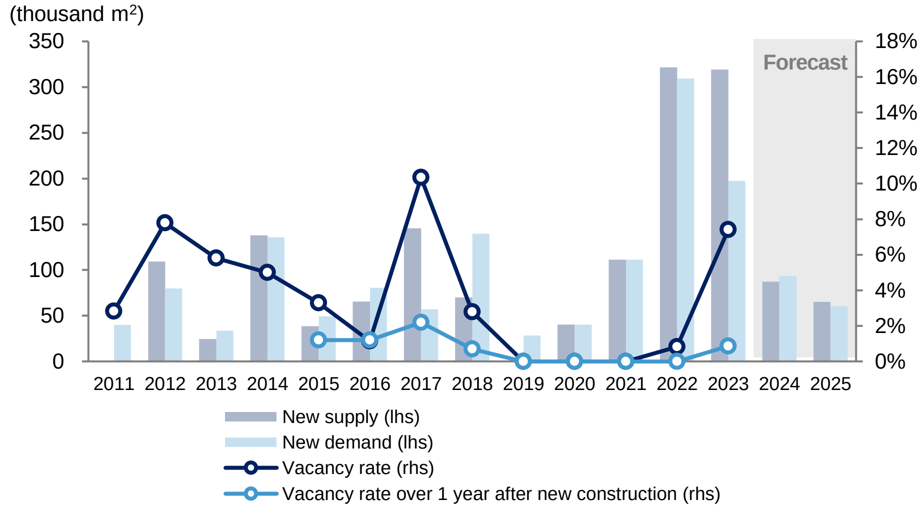
Greater Osaka Area



Greater Nagoya Area

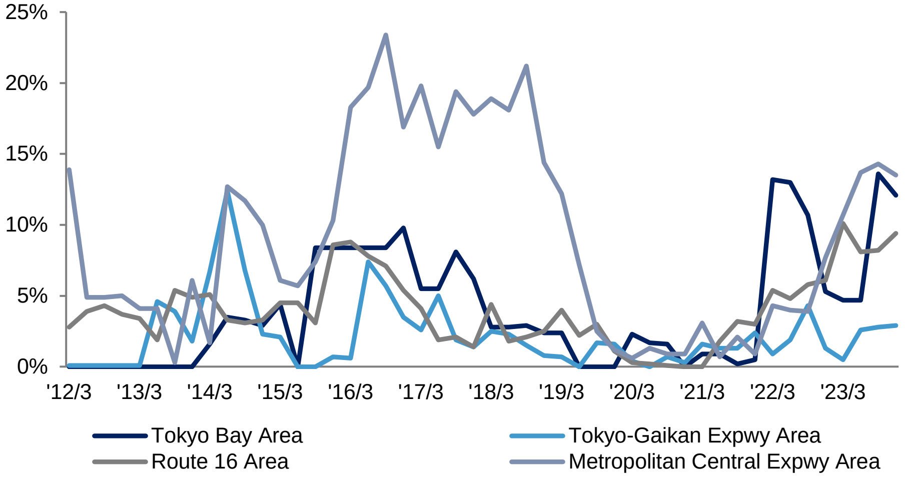


Greater Fukuoka Area

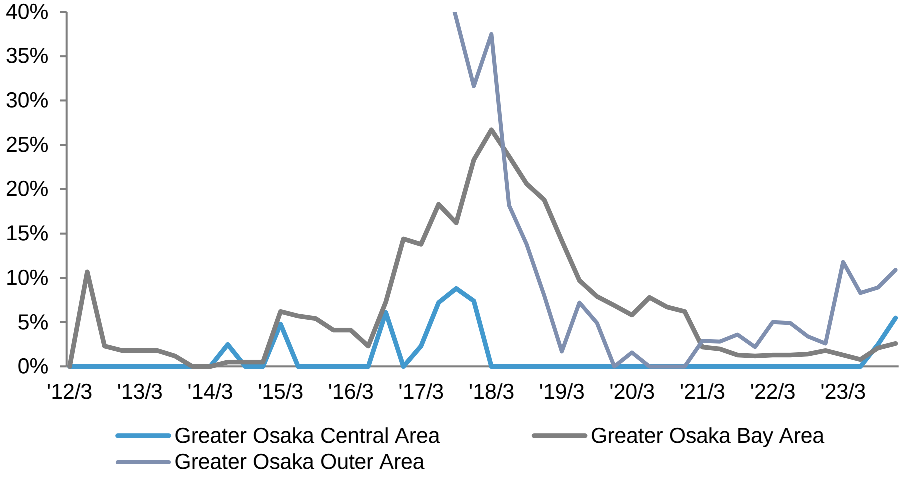


Tenant demand by area

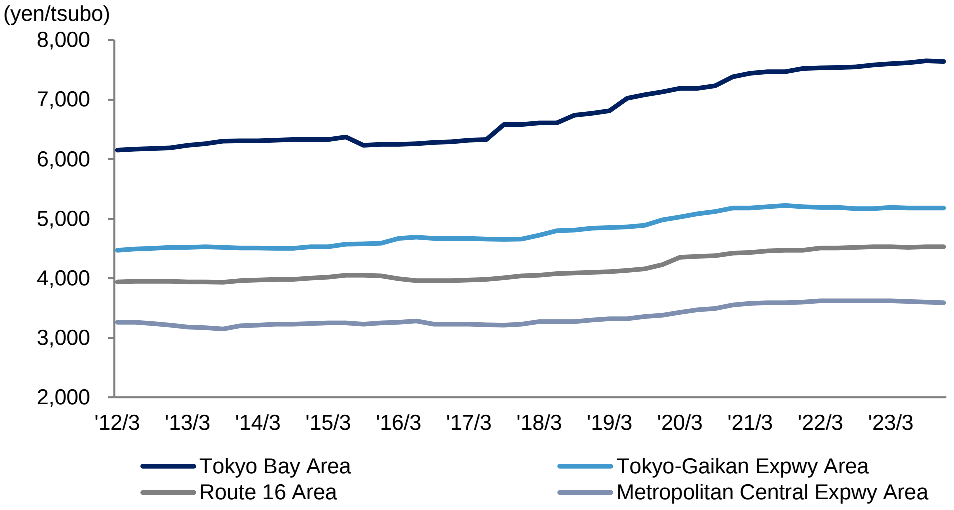
Vacancy rate by submarket (Tokyo Met. area)



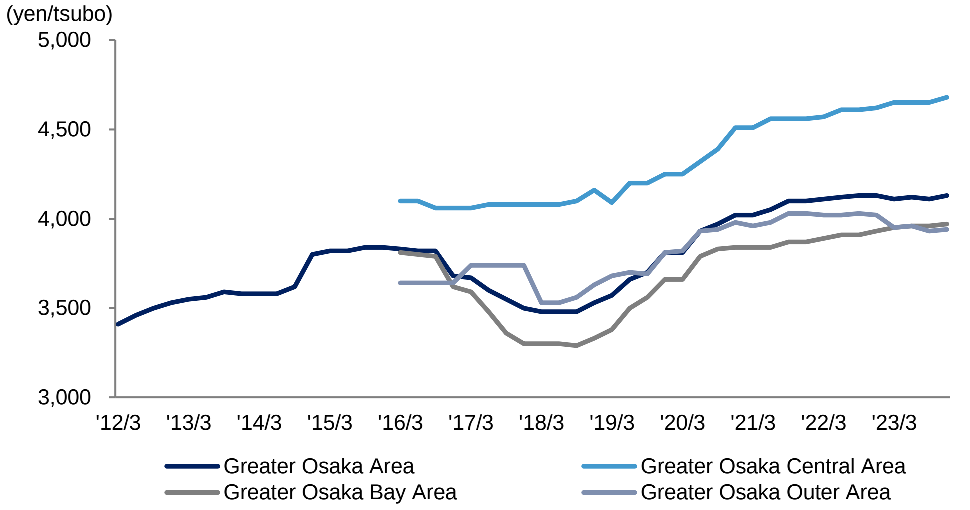
Vacancy rate by submarket (Greater Osaka area)



Effective rent by submarket (Tokyo Met. area)



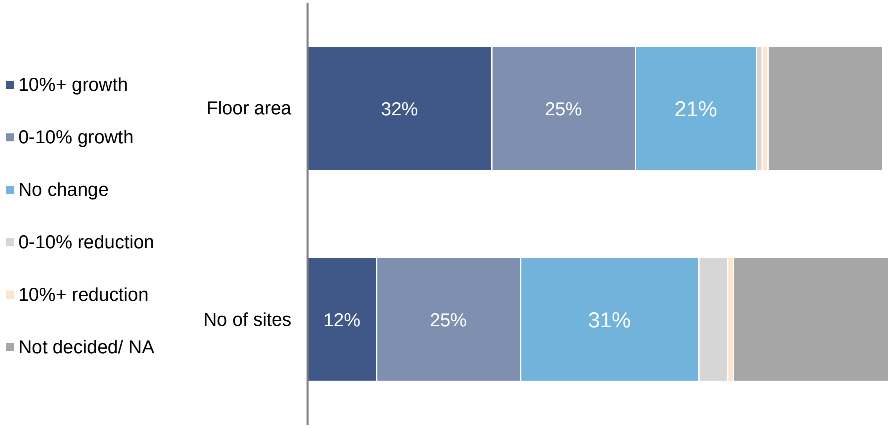
Effective rent by submarket (Greater Osaka area)



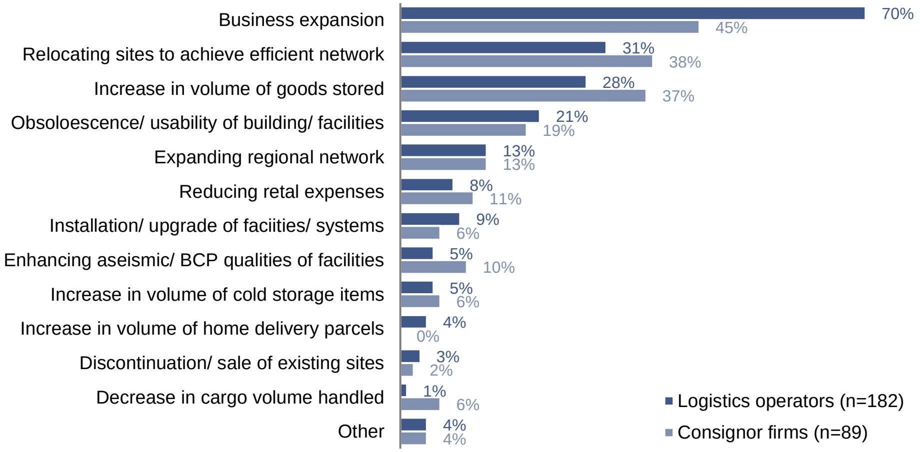
Tenant attitude etc.

Tenant appetite and reasons for logistics network expansion

(1) Logistics network plans for the next three years (n=225)

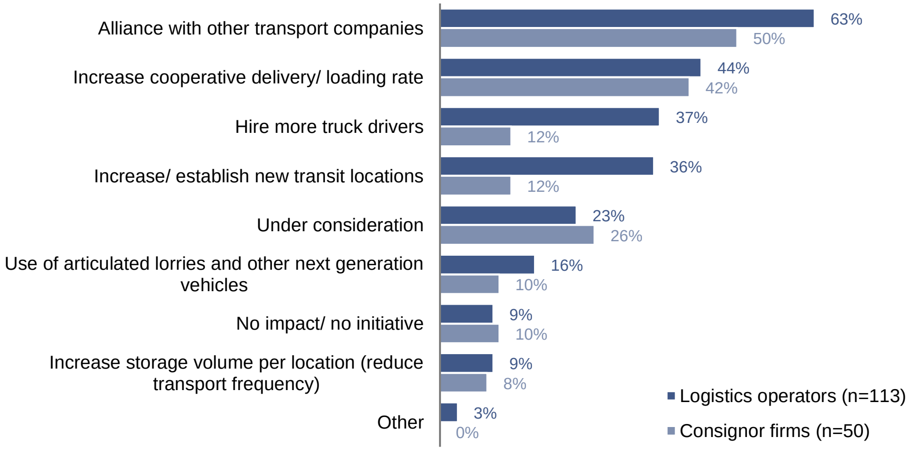


(2) Reasons for logistics network plans (up to three answers allowed)

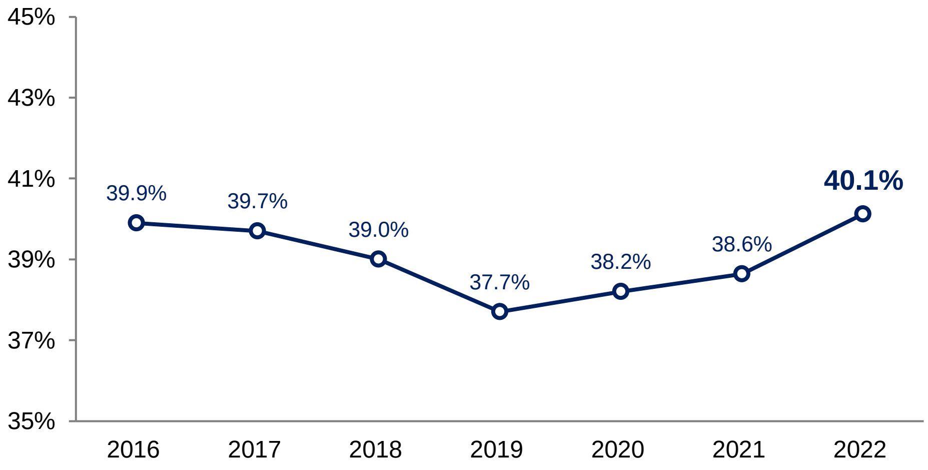


Data on the 2024 Truck Driver Problem

(3) Initiatives to address the "2024 problem" (multiple answers allowed)



(4) Changes in truck loading efficiency in Japan



Appendix

Overview of JLF

Overview of Japan Logistics Fund, Inc. (JLF)

(as of March 15, 2024)

Date of IPO	May 9, 2005 (Securities code: 8967)
Investment targets	Primarily logistics properties
Sponsors	Mitsui & Co., Ltd. (70%), Sumitomo Mitsui Trust Bank (20%), Kenedix (10%)

Asset size	JPY **290,590** million	**No. of properties**	**52** properties	**Portfolio appraisal value**	JPY **411,210** million

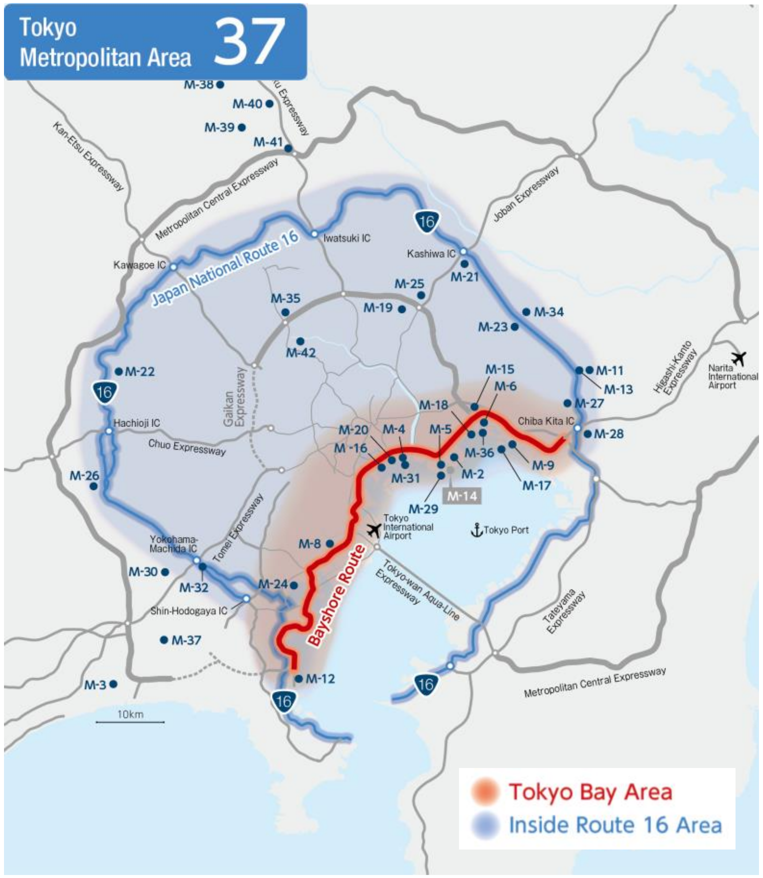
Stable portfolio with excellent locations and tenant parcels

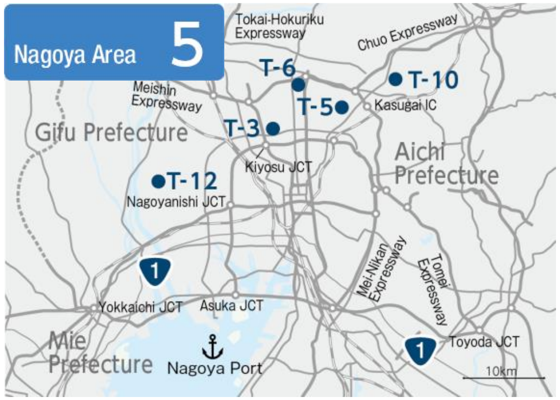
JLF's 3 strengths

Large unrealized gain rooted in high-quality portfolio

Independent growth strategy including cooperative developments with business partners

JLF's portfolio map





Number of Properties 52

Region	Number of properties	Ratio	Investment region
Tokyo Metropolitan	37	85.7%	50~80%
Osaka, Nagoya, Fukuoka	12	12.9%	20~40%
Others	3	1.4%	5~10%
Total	52	100%	100%

Tokyo Metropolitan Area

M-2	Urayasu Logistics Center
M-3	Hiratsuka Logistics Center
M-4	Shinkiba Logistics Center
M-5	Urayasu Chidori Logistics Center
M-6	Funabashi Nishiura Logistics Center
M-8	Kawasaki Logistics Center
M-9	Narashino Logistics Center
M-11	Yachiyo Logistics Center
M-12	Yokohama Fukuura Logistics Center
M-13	Yachiyo Logistics Center Ⅱ
M-14	Urayasu Chidori Logistics Center Ⅱ ●
M-15	Ichikawa Logistics Center
M-16	Shinonome Logistics Center
M-17	Narashino Logistics Center Ⅱ
M-18	Ichikawa Logistics Center Ⅱ
M-19	Souka Logistics Center
M-20	Tatsumi Logistics Center
M-21	Kashiwa Logistics Center
M-22	Musashimurayama Logistics Center
M-23	Kashiwa Logistics Center Ⅱ
M-24	Shin-Koyasu Logistics Center
M-25	Misato Logistics Center
M-26	Sagamihara Logistics Center
M-27	Chiba Kita Logistics Center
M-28	Chiba Kita Logistics Center Ⅱ
M-29	Urayasu Chidori Logistics Center Ⅲ
M-30	Zama Logistics Center
M-31	Shinkiba Logistics Center Ⅱ
M-32	Yokohama Machida Logistics Center
M-34	Shiroi Logistics Center
M-35	Toda Logistics Center
M-36	Ichikawa Logistics Center Ⅲ
M-37	Fujisawa Logistics Center
M-38	Hanyu Logistics Center
M-39	Saitama Kisai Logistics Center
M-40	Kazo Logistics Center
M-41	Kuki Logistics Center
M-42	Itabashi Logistics Center

Osaka Area

T-1	Daito Logistics Center
T-2	Osaka Fukuzaki Logistics Center
T-4	Kadoma Logistics Center
T-11	Takatsuki Logistics Center
T-13	Osaka Nishiyodogawa Logistics Center
T-14	**Amagasaki Logistics Center** ●

Nagoya Area

T-3	Kiyosu Logistics Center
T-5	Komaki Logistics Center
T-6	Komaki Logistics Center Ⅱ
T-10	Kasugai Logistics Center
T-12	Aisai Logistics Center

Fukuoka Area

T-7	Fukuoka Hakozaki Futo Logistics Center
T-9	Fukuoka Kashiihama Logistics Center

Other Area

O-1	Maebashi Logistics Center
O-5	Sendaiko-kita Logistics Center
O-6	**Ishikari Logistics Center** ●

● New Assets Acquisition ● Assets to be Acquired ● Assets Sold

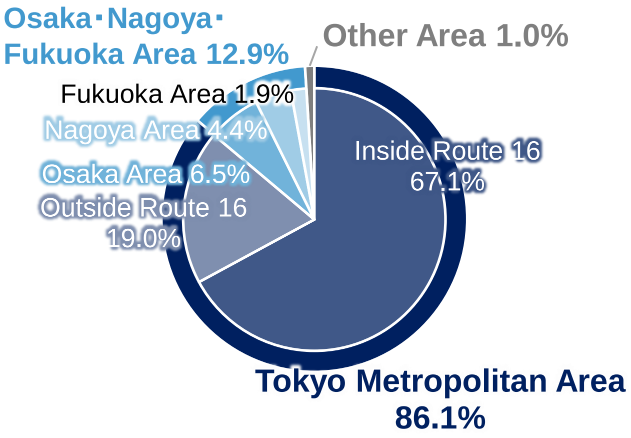
Stable portfolio

Excellent locations and stable tenant parcels buffer the portfolio from the external environment
Aim to improve profitability by endeavoring to raise rent upon lease expiration

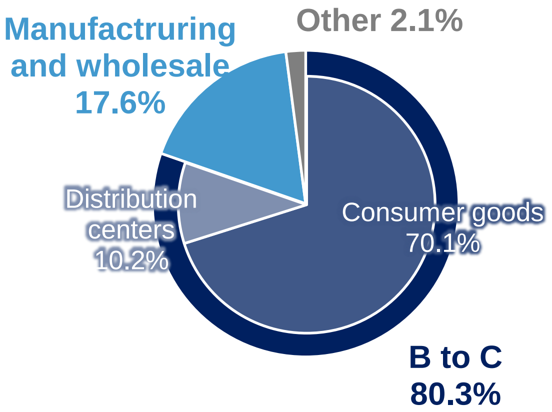
Portfolio status (as of March 15, 2024)

Occupancy rate	Average occupancy rate since IPO	NOI yield
100.0%	98.7%	6.4%
Occupancy rate at end of FP 24/7 (Forecast)	**Occupancy rate at end of FP 25/1 (Forecast)**	**NOI yield after depreciation**
98.6%	100.0%	4.9%

Diversification of Region
(as of March 15, 2024)

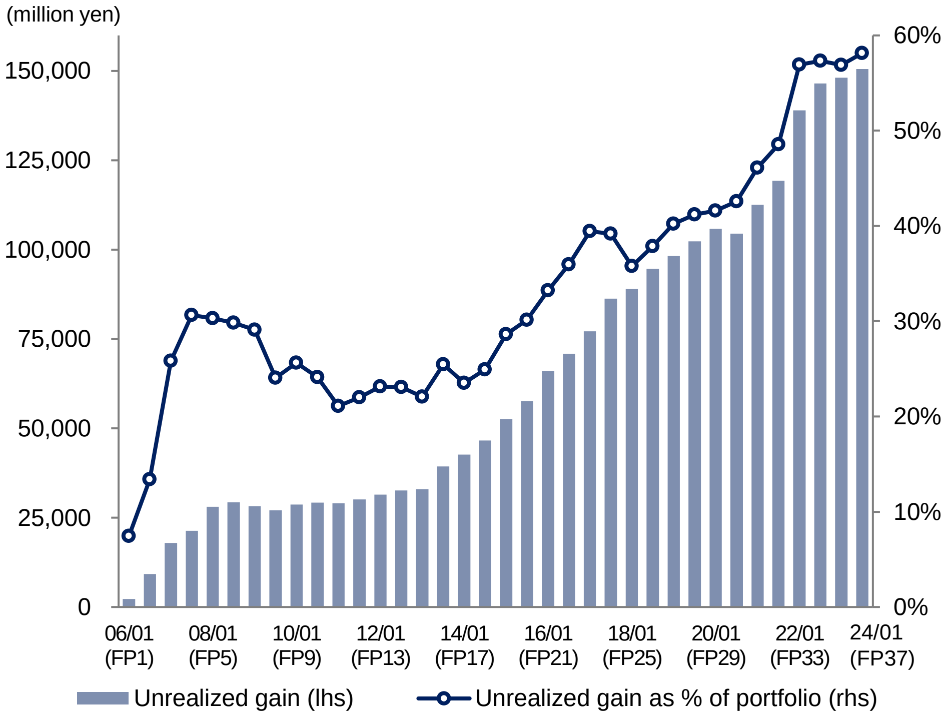


Tenant Goods Classification
(as of March 15, 2024)



JLF’s abundant unrealized gain

Top-class unrealized gain as % of portfolio among J-REITs



Unrealized gain as % of portfolio is top class among J-REITs

JLF	J-REIT average	Logistics REIT’s average
59.7% (Unrealized gain: JPY 153.7 Billion)	25.7%	25.7%

Resilience to environmental changes

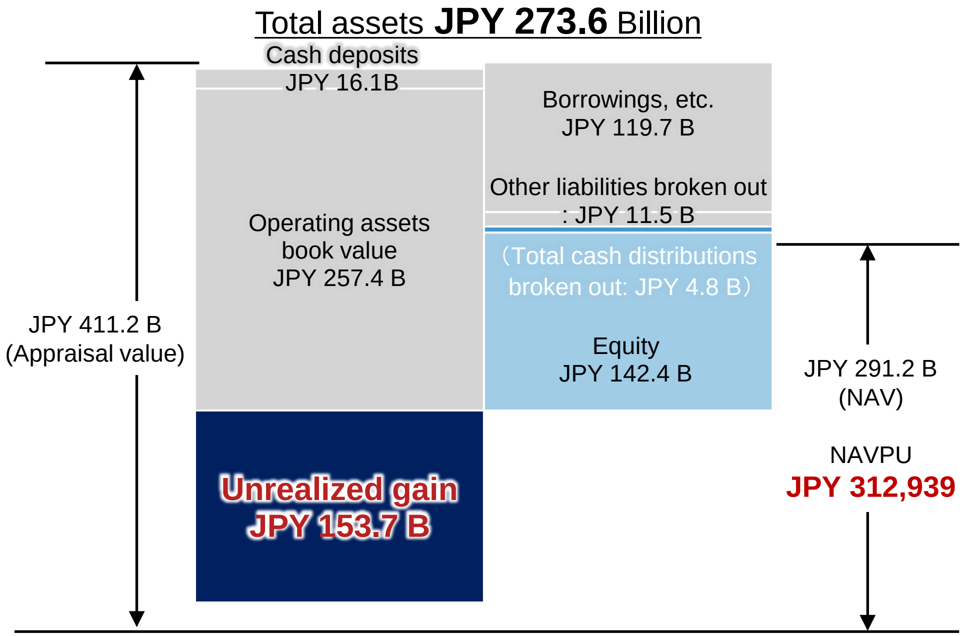
Drop (%) in appraisal values required to eliminate unrealized gain

JLF **37.4%** vs. J-REIT average 20.5%

Drop (%) in appraisal values required to bring LTV to 50%

JLF **41.8%** vs. J-REIT average 24.4%

Unrealized gain and NAV (as of the end of FP 2024/1)



Total assets **JPY 273.6** Billion

Cash deposits
JPY 16.1B

Borrowings, etc.
JPY 119.7 B

Other liabilities broken out
: JPY 11.5 B

Operating assets
book value
JPY 257.4 B

（Total cash distributions
broken out: JPY 4.8 B）

Equity
JPY 142.4 B

JPY 411.2 B
(Appraisal value)

JPY 291.2 B
(NAV)

NAVPU
JPY 312,939

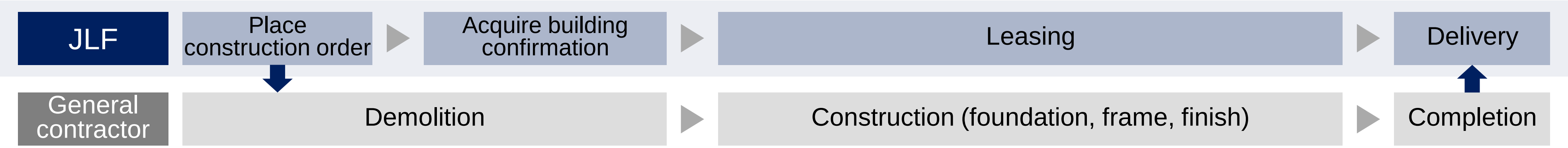
**Unrealized gain
JPY 153.7 B**

JLF’s unique growth strategy (Own Book Redevelopment #1)

What is OBR?

Own Book Redevelopment ＝ Redevelopment of properties owned by JLF

OBR value chain

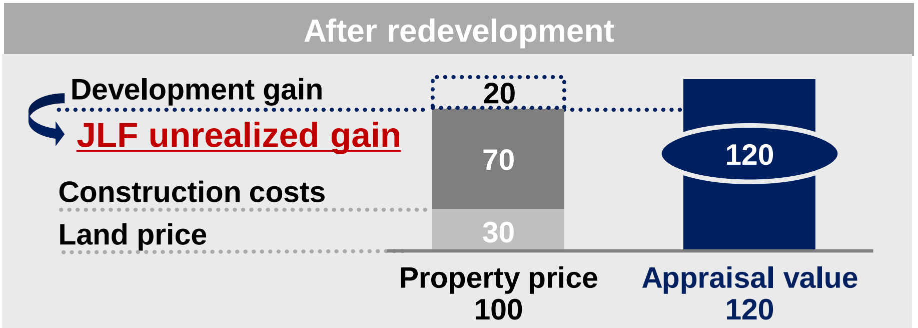


Criteria for executing OBR projects

- Excellent location with tenant demand
- Low book value on building due to aging, etc.
- Significant untapped floor area ratio
- Great potential for rent growth

Acquisition price structure

Leverage untapped floor area ratio to <u>capture unrealized gain</u> corresponding to development gain



(Note) The figures provided for post-redevelopment property price and appraisal value are conceptual and do not represent actual values.

JLF’s unique growth strategy (Own Book Redevelopment #2)

Track record of OBR

Properties	 Daito Logistics Center	 Yachiyo Logistics Center	 Kiyosu Logistics Center	 Kasugai Logistics Center	 Urayasu Logistics Center
Increase in leasable area	+21.7%	+221.6%	+89.0%	+30.3%	+291.7%
Actual NOI yield (Post OBR)	9.8%	6.7%	8.9%	6.6%	7.3%
Appraisal NCFCR (Post OBR)	5.4%	5.2%	4.7%	4.8%	3.8%

OBR potential

Study implementing OBR projects at appropriate timing while being mindful of its impact on the portfolio

- **Currently 8 OBR candidates**
- **Approximately 158,000m^2 potential addition to GFA (equivalent to approximately 11% of portfolio)**

Lease maturities at OBR-candidate properties

	～ FP 2027/1 (～ 3 years)	～ FP 2029/1 (～5 years)	FP 2029/7～ (5+ years)
Number of properties	5	1	2

Independent growth strategy (Cooperative developments with business partners)

Benefits of cooperative development

- **Can acquire at relatively high yields by taking some of the development gain**
- **We can independently select the submarket, specifications, tenant and timing of the property acquisition**
- **No capital outlays while the development is under construction**

Cooperative development value chain

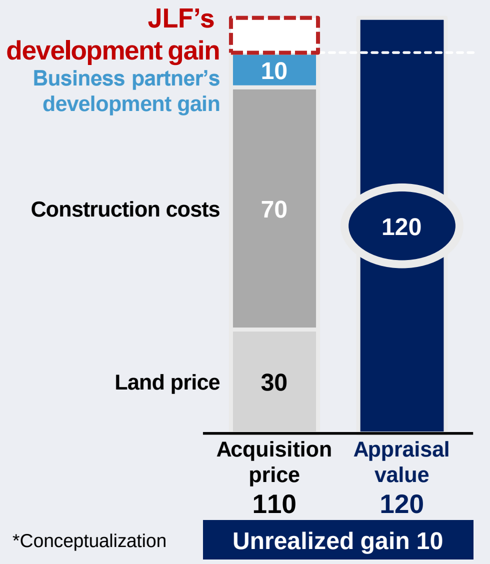
Deal sourcing	Development	Bridge	Acquisition and ownership
JLF or business partner	business partner	Leasing company, etc.	JLF

Leasing

JLF and business partner

Acquisition price structure

Able to secure advantageous yield



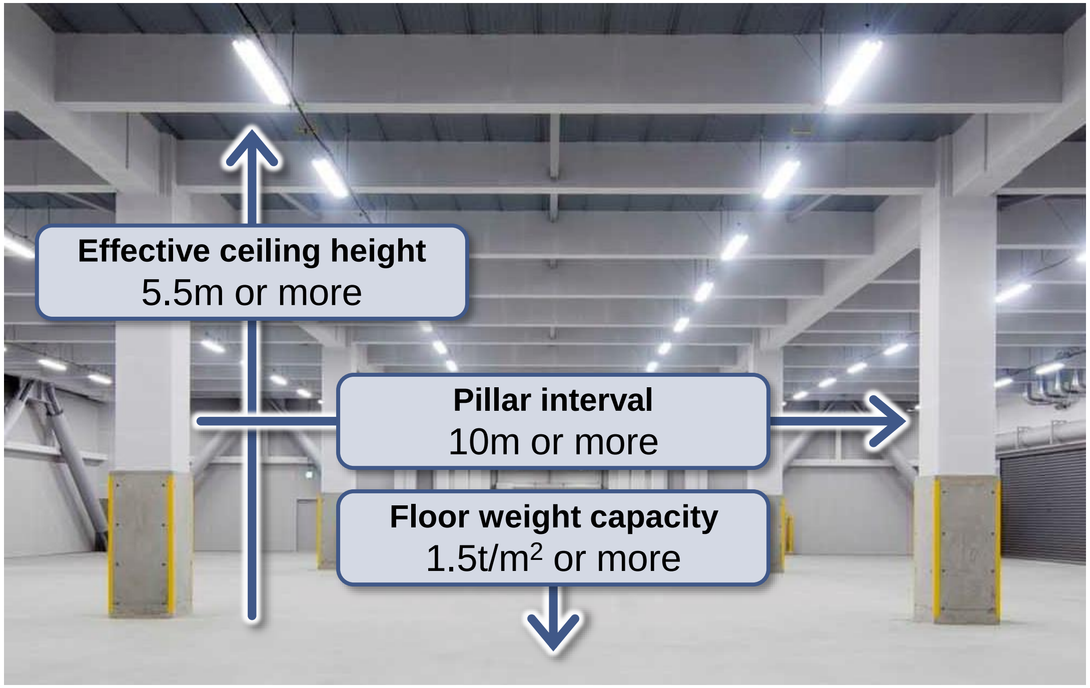
*Conceptualization

Partner	Constructor	Lease company	Logistics company	Logistics company
Sourcing	JLF			Tenant
Leasing	JLF		- (Tenant decided before business decision is made)	
Property	 Yachiyo Logistics Center III	 Shiroi Logistics Center	 Aisai Logistics Center	 Toda Logistics Center
NOI yield (At the time of acquisition)	5.9%	6.3%	5.3%	4.7%
Appraisal NCFCR (At the time of acquisition)	4.4%	4.7%	4.5%	4.2%

Specifications of logistics facilities

(Reference) Typical specs of JLF properties

Inside

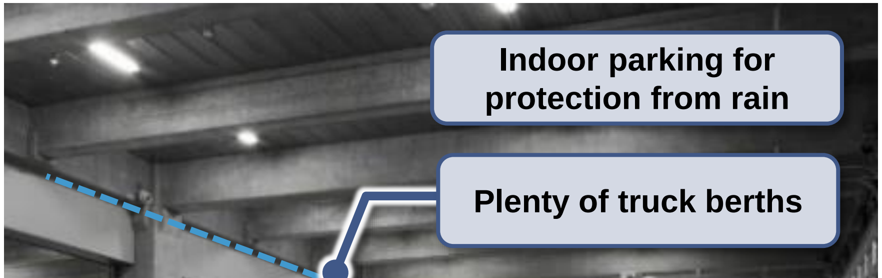


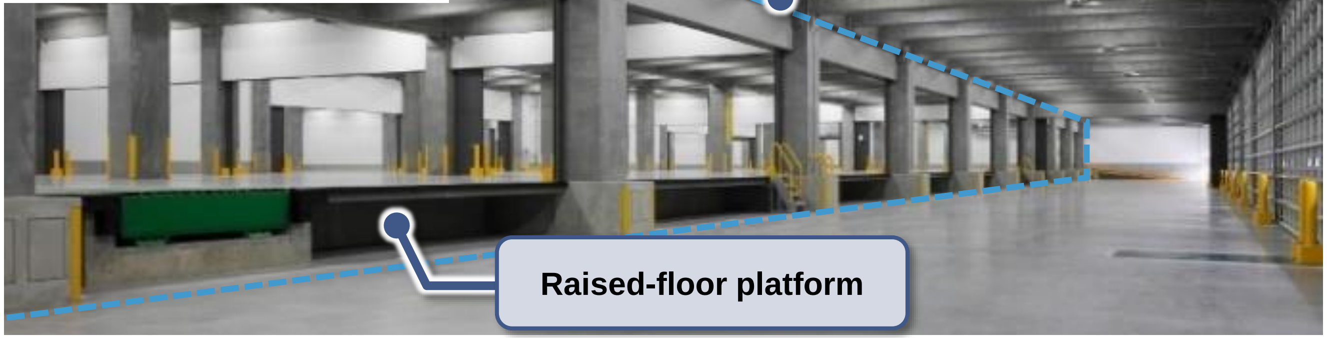
Effective ceiling height
5.5m or more

Pillar interval
10m or more

Floor weight capacity
$1.5t/m^2$ or more

Truck berth





Indoor parking for protection from rain

Plenty of truck berths

Raised-floor platform

Pipeline Properties

Amagasaki Logistics Center

Cooperative development with business partners

Location	Amagasaki Hyogo
Area	13,595㎡
Occupancy rate	100%

- **Second cooperative development project** with JA Mitsui Leasing Tatemono
- Plan to acquire **fully leased** development at about **10%-15% discount to appraisal value**
- Location provides access to major consumer markets of Osaka and Kobe
- Walking distance to train station

Ichinomiya Logistics Center

Cooperative development with business partners

Location	Ichinomiya Aichi
Area	65,348㎡
Tenant Offer Rate	100%

- **Cooperative development** with Tokyo Tatemono
- Located at the intersection between the Meishin and the Tokai-Hokuriku Expressways and close to central Nagoya. Great potential to serve as an important logistics point for **either long hauls or frequent deliveries.**
- Large-scale multi-tenant facility with a high degree of versatility and standard specifications that **can support a broad range of tenant needs and subdivision (as small as 1,000 tsubo)**

Fukuoka Tachiarai Logistics Center

Cooperative development with business partners

Location	Tachiarai Mii, Fukuoka
Area	13,118㎡
Occupancy rate	100%

- **Second cooperative development project** with builder Matsuo Construction Group
- **Great access to Tosu Junction**, a key logistics point that connects multiple highways in Kyushu, making the location very competitive for both local and long-range transport.
- Two-story, box-type logistics facility with a great deal of versatility and standard specifications.

Ishikari Project (Co-ownership stake: 45%)

Off-market transactions

Location	Ishikari Hokkaido
Area	21,845㎡
Occupancy rate	100%

- **Off-market transaction with another player** leveraging the asset manager's network
- Located within about 15 km of Sapporo, the location has high potential as a collection and delivery base for consumption areas such as Sapporo and its surrounding cities.
- Located within a corporate complex in the area of the Ishikari Bay New Port, an international trading port. Good access to New Chitose Airport, making it possible to **handle ocean freight and Air cargo can also be handled.**

Property dispositions

Every period assess whether asset value has been maximzed for each property, consider impact of property disposition and study effective timing of disposition

Selection of properties for disposition

Checklist for selecting properties for disposition

Has the asset value been maximized?

- **Room for earnings growth**
  - Rent gap
  - Term of lease
  - Feasibility of redevelopment or value-up work
- **Mid/long-term cost projections**
- **Assumed sale price, etc.**

×

Impact of property disposition

- **Change in NOI after reshuffling**
- **Qualitative change in portfolio**
- **Assumed capital gain**
- **How much could go to internal reserves?**

Leverage capital gain and sale proceeds

Uses for capital gains

1 Return profits to unitholders

2 Internal reserves (leverage to stabilize future operations)

Uses for sale proceeds

1 Acquire properties (Reshuffling）
Acquire properties that contribute to qualitative or profit enhancement of portfolio

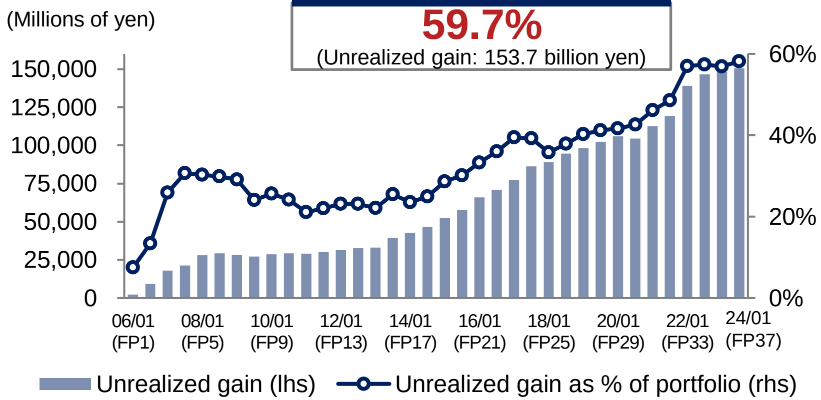
2 Unit buybacks

Plenty of unrealized gain

Unrealized gain as % of portfolio

59.7%

(Unrealized gain: 153.7 billion yen)



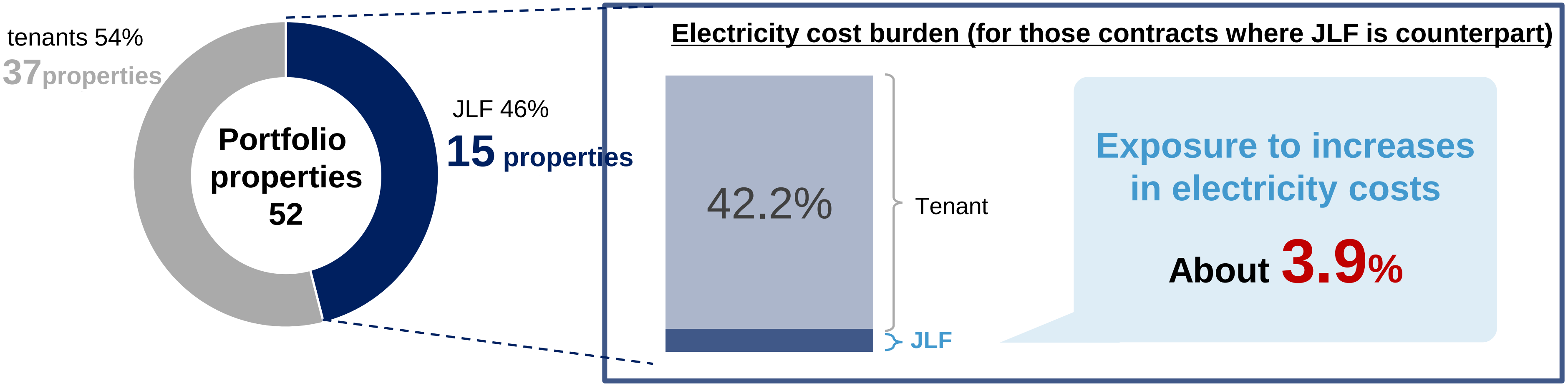
Responding to Risk of Operational Cost Increases

Limited impact from rising electricity costs by converting tenant lease contracts

Electricity contracts at portfolio properties

Contract counterpart to power utility

As of the end of January 2024



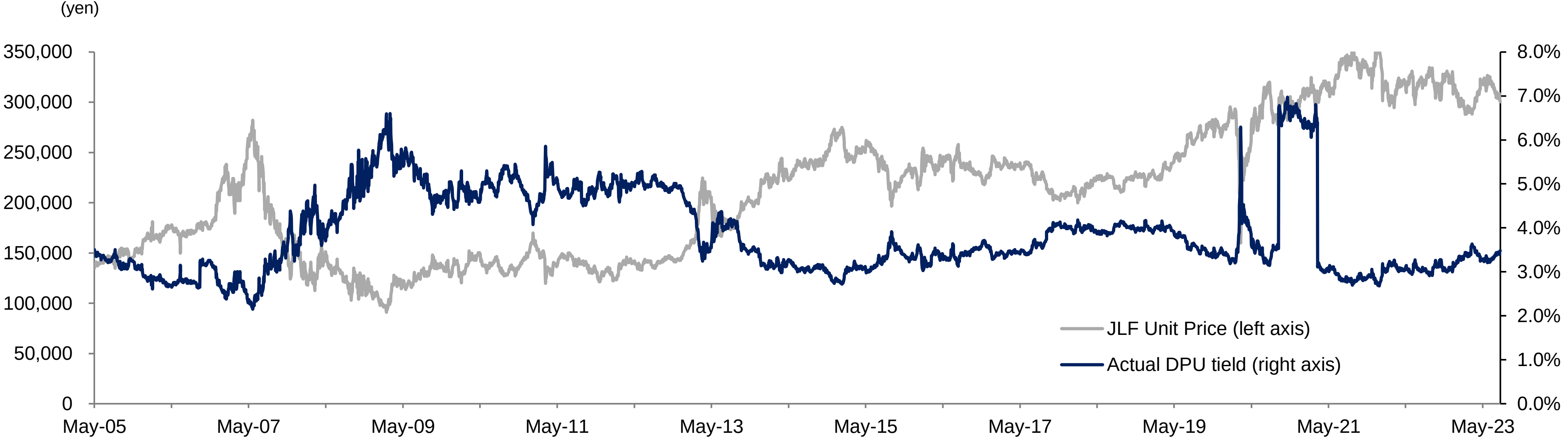
Before switching the electric utility agreement				
JLF's margin	=	**Revenue** Amount collected from tenant	−	**Expense** Electric utility bill
		Fee (fixed) X Usage		Fee (varies based on fuel adjustment fee) X Usage

After switching the electric utility agreement				
JLF's margin	=	**Revenue** Amount collected from tenant	=	**Expense** Electric utility bill

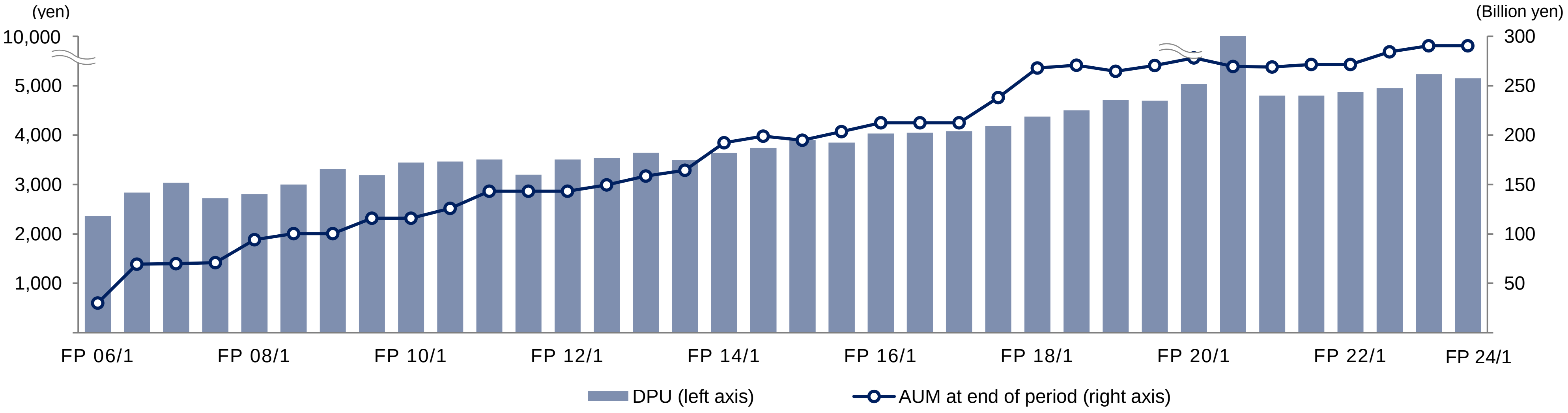
At cost

Performance since listing

Investment unit price and yield on actual DPU



AUM and actual DPU



ESG Initiatives

Accelerate ESG initiatives

To take a sustained approach to achieving improvements in ESG challenges, we have reorganized internally, acquired external ESG evaluations and signed on to initiatives

Sustainability Management

Building a management structure that is mindful of sustainability, adopting the philosophy of sustainability into management and business endeavors.

1	**Create sustainability policy**
2	**Important challenges related to ESG Identifying Materialities**
3	**Establish Sustainability Advancement Communication Committee**
4	**Management involvement Building an Environmental Management System (EMS)**

Acquiring external certifications

- Acquired a **5-star** GRESB rating in 2023, **the highest level** for a J-REIT
- Acquired A MSCI ESG rating and included the MSCI Japan ESG Select Leaders Index in 2022. (as of March 15, 2024)

GRESB ★★★★★ 2023

MSCI ESG RATINGS A

CCC | B | BB | BBB | A | AA | AAA

Consent with initiatives

PRI and the PFA 21

Incorporated ESG issues in investment decision-making and signed on to initiatives aimed at forming a sustainable society

Signatory of:

PRI Principles for Responsible Investment

21世紀金融行動原則

For more information on our ESG initiatives, please see our 2023 Sustainability Report.

Accelerate ESG initiatives (Important ESG matters)

Identified important ESG matters (Materialities) that we should address as a REIT and an asset management company

Category	Important challenge		Direction/Target
E	**Response to climate change**	**Manage and reduce energy consumption and CO2 emissions**	Endeavor to reduce CO_2 emissions by introducing technologies and facilities that use energy efficiently, conserve energy or generate energy and switching to power sources with low emissions coefficients, among other things.
		Environmental Compliance	Continue to work to acquire green certifications, such as Green Building Certifications.
		Collaboration with tenants to be environmentally friendly	Promote the introduction of green leases from the perspective of both operations and facility improvements to contribute to the environment through collaboration with tenants.
		Resilience (business continuity)	Implement a strategy for raising resilience against intensifying disasters to mitigate risk of damage to portfolio profitability caused by disasters. Implement planned maintenance of properties in response to changes in meteorological patterns.
	Support a recycling economy		Strive to preserve the water environment by conserving water, introducing water-saving equipment and the like.
S	**Respect for Diversity, Employee motivation and wellness**		Strive to create a work environment where each employee is healthy in body and soul and feels as if they are leading a fulfilled lifestyle in society.
	Employee performance and career development		Aim to improve human resources by encouraging employee self-improvement through the provision of continuous education opportunities and incentives to acquire credentials.
	Contribute to the community		Actively contribute to the community based on the understanding that an important challenge to business continuity is gaining social license to operate based on a relationship of trust with the community.
G	**Disclosure to and dialog with stakeholders**		Build relationships of trust through active disclosure including non-financial information such as ESG-related activities and constructive dialog with stakeholders.
	Strengthen governance		Enhance compliance awareness and effect thorough adherence to laws and regulations by implementing training.

Accelerate ESG initiatives for Environment (1)

Implement various initiatives for the environment with a primary focus on climate change

Greenification of the portfolio

Acquired green building certifications
for **47** properties
(**88.2%**)
in the portfolio
(as of March 15, 2024)

BELS

CASBEE

Performance results

Fiscal year	Primary energy consumption (GJ)	Greenhouse gas emissions (t-CO2)	Water consumption (m^3)	Total waste (t)
2022(a)	64,231	**27,958**	**125,986**	**10,166**
2021(b)	64,894	**29,192**	**121,673**	**9,218**
a-b	**-663**	**-1,234**	**+4,313**	**+948**

Environmental initiative case studies

(1) Energy conservation

Conversion to LED lighting

Installed at about 1,325 km² to date
(82.9%: based on GFA)

(2) Energy generation

Solar panel installations

Installed at 11 properties to date
(Annual power generation: 5,876 MWh)
(FY 2022)

(3) Initiatives with tenants

Executing green leases
Executed with a total of 49 tenants to date
(Equivalent to 70.1% of portfolio GLA)

Green leases signed in FP 2024/1

100%

Accelerate ESG initiatives for Environment (2)

Overview of strategy under TCFD recommendations

1 Identify financial risks and opportunities related to operations under 1.5℃ and 4℃ scenarios

2 Establish responses and set KPIs for mitigating financial risk and generating business opportunities

Scenario analysis	**1.5℃ scenario** Stronger environmental regulations	**4℃ scenario** Intensification of wind and water damage, etc.
Financial risks	**Transitional risks** Increased environmental costs	**Physical risks** Higher repair and maintenance costs and insurance premiums
Responses	■ Increase proportion of green buildings ■ Strengthen engagement with tenants and PM companies	■ Establish broad framework for BCP scheme ■ Regularly review long-term repair and maintenance plans

TCFD: Measures and Targets

Set targets for greenhouse gas emissions related to JLF's business

- **Reduce 42% by FY 2030 (compared to FY 2021)**
- **Net zero by FY 2050**

Acquired SBT validation for SMEs
for GHG emissions reduction targets for FY2030

→Plan to achieve net-zero in FY2023 by **purchasing non-fossil certificates**

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Accelerate ESG initiatives for social

Develop a better work environment for asset manager employees
Contribute to local communities through the management of logistics facilities

Actions aimed at officers and employees of the asset manager

1 Promoting Diversity Equity Inclusion (DEI)

- Promote acceptance and respect for each other's individuality, pursue fairness in providing opportunities, and create an organization where individuality can flourish (DEI)

2 Develop a better work environment

- Develop a better environment through company culture and practices
  - Flexible working hour system, Childcare and nursing care leave, and Special paid leave system, etc.

3 Acquisition and development talented employees

- Support for skill development of executives and employees
  - Support for acquiring qualifications and implementation of in-house training

4 Putting asset manager in the same boat with JLF

- Introduce systems to align interests of JLF and officers and employees of the asset manager
  - Compensation linked to JLF's DPU
  - Program facilitating buying of JLF investment units (investment unit accumulation program)

Initiatives aimed at activating local communities

1 Urban development

- Property developments and redevelopment projects large-scale logistics properties contribute to revitalization of local economy by creating jobs in the vicinities

2 Provision of a better work environment for workers in warehouses

- Install cafeteria and other spaces for rest
- Set up retail shops

Cafeterias (Kuki Logistics Center)

3 Provision of lifestyle infrastructure to the community

- Host installations of telecom antennas
- Executed Agreement on Storage of Goods in the Event of a Disaster with Kanagawa Prefecture and Agreement on Cooperation in Providing Facilities, etc. in the Event of a Disaster, etc. with the Soka Yashio Fire Fighting Union

Accelerate ESG initiatives for governance

Organize internal structures that bolster governance aimed at achieving operational management that is consistent with unitholder value

Asset management fee structure consistent with unitholder interests

	Fee structure	Asset manager incentives
AM fee 1	Linked to NOI	■ Asset size growth accompanied by growth in cash flows ■ Growth in cash flows through management of portfolio assets
AM fee 2	**Linked to Net income and DPU**	■ **DPU stability and growth**
Acquisition fee	Linked to Acquisition amount	■ Asset size growth accompanied by growth in cash flows
Redevelopment fee	Linked to Construction amount	■ Enhance shareholder value (cash flows and asset values) through implementation of OBR strategy

Supervisory directors with diverse expertise

Name	Expertise
Yumiko Kikuchi	Real estate (Real estate appraiser)
Tsuyoshi Oyama	Risk management (Former Associate Director-General of the BoJ's Financial System and Bank Examination Department)
Motomi Oi	Finance and accounting (CPA)
Kanae Kamoshita	Law (Attorney)

Regulations on trade conditions in transactions with interested parties

Transactions	Trade conditions
Acquisition of assets under management	Acquire at a price below the appraisal value
Sale of assets under management	Sale at a price above the appraisal value
Brokerage of purchase and sale and lease	Reasonable amount within the range of remuneration stipulated in the Real Estate Brokerage Act

Accelerate ESG initiatives for green finance

Green finance framework

Overview	Created a green finance framework in compliance with ICMA's Green Bond Principles
Third-party evaluations	**Acquired the highest rank (Green 1(F))** in the JCR Green Finance Framework Evaluation from Japan Credit Rating Agency (JCR)

Green Bond Principles	JLF green finance framework
1) Use of procured funds	**Fund acquisitions or maintenance and repairs of green-qualified assets** or **allocate to the repayment or redemption** of borrowings or bonds required for such purposes
2) Project selection criteria and process	The representative director of the asset manager approves the evaluation and selection of assets subject to green finance
3) Fund management methods	Establish a green-qualified debt ceiling as a ceiling for green finance by **multiplying LTV based on total assets by the acquisition price of the green-qualified asset**
4) Reporting	Once a year, publish **CO_2 emissions and energy consumption volumes, etc.** on our website

Green finance track record (as of March 31, 2024)

	Procurement amount (JPY Million)
Green bond	2,000
Green loan	15,000
Total green finance	17,000
Green-qualified debt ceiling	115,787

Reference: Green-qualified debt ceiling = green-qualified asset X LTV based on total assets

Notes

P5

- “DPU” means distribution per unit.
- "Run-rate DPU" means the DPU per fiscal period adjusted for one-time expenses, such as the amount equivalent to property tax and city planning tax for the year of acquisition.
- "NAVPU" refers to an estimate regarding the net asset value per unit based on the appraisal value of the assets held, and differs from the net asset value per unit based on the net asset value on the balance sheet. The "NAV per unit" for "as of the end of Mar. 2024" is calculated by the following formula, taking into account the sale of property on March 27, 2024 and the acquisition of property on March 29, 2024. (Net assets on the balance sheet for the fiscal period ended January 2024 - Total distributions for the fiscal period ended January 2024 + Total appraised value of assets held as of the end of the fiscal period ended January 2024 - Book value of assets held as of the end of the fiscal period ended January 2024 (Total of appraised value of assets held as of the end of the fiscal period + appraised value of Ishikari Logistics Center - appraised value of Urayasu Chidori Logistics Center II - acquisition price of Ishikari Logistics Center + estimated book value of Urayasu Chidori Logistics Center II at the time of sale) / number of investment units issued and outstanding as of the end of the fiscal period ended January 2024
- JLF conducted a 5-for-1 unit split effective February 1, 2014 (fiscal period ended July 31, 2014); the number of investment units issued and outstanding at the end of the fiscal period was calculated based on the assumption that the said unit split was conducted in the fiscal period ended January 31, 2006.
- "Unrealized gain" refers to the amount obtained by subtracting the book value from the appraisal value as of the end of each fiscal period (if the difference is negative, it is an unrealized loss).
- The "unrealized gain as a % of the portfolio" is calculated by the following formula, taking into account the sale of property on March 27, 2024 and the acquisition of property on March 29, 2024. (Total appraisal value as of the end of the fiscal period ended January 2024 of assets held as of the end of the fiscal period ended January 2024- Total book value of assets held as of the end of the fiscal period ended January 2024+ Appraisal value of Ishikari Logistics Center - Appraisal value of Urayasu Chidori Logistics Center II - (Total acquisition price of Ishikari Logistics Center + estimated book value of Urayasu Chidori Logistics Center II as of the sale date) / (Total book value of assets held as of the end of the fiscal period + acquisition price of Ishikari Logistics Center - estimated book value of Urayasu Chidori Logistics Center II as of the sale date) (the estimated book value of Urayasu Chidori Logistics Center II as of the sale date)

P6

- “Cooperative development” (hereinafter referred to as "Cooperative development with business partners") refers to initiatives aimed at acquiring logistics properties at a discount compared to acquisitions through bidding in the real estate trading market, through the involvement of JLF in the development of logistics properties from the initial stages. The same applies hereafter.
- “OBR” is an abbreviation for Own Book Redevelopment and refers to JLF itself redeveloping a property owned in JLF's portfolio.
- “Redevelopment" means the act of demolishing a building on land owned by JLF and constructing a new building on that land (including collaboration between JLF and a construction company to construct a new building on JLF land and then acquisition by JLF of the building from the construction company at some time after its completion). The same applies hereafter.

P9

- The graphs in " Lease maturity ladder " are as of February 1, 2024
- “52.9% within 3 years” is calculated by the following formula.
- Gross leased area of all fixed-term building lease contracts valid as of February 1, 2024, and expiring by the end of the fiscal period ending January 2027 (including contracts slated to convert from an ordinary lease contract to a fixed-term building lease contract) ÷ Gross leased area of all lease contracts valid as of February 1, 2024.
- The graphs in "Debt maturity (redemption) ladder" are as of February 1, 2024.
- “Rental revenues" are the sum of rental revenues, land rent, and common expenses, and are the actual figures for the fiscal period ended January 2024.
- “Debt cost" is the sum of interest expense, loan-related costs, interest on investment corporation bonds, and amortization of investment corporation bond issuance costs, and is the actual figure for the fiscal period ended January 2024.
- The table "Per unit impact of rental growth vs. rate hikes" is based on the status of lease contracts and repayment (redemption) of debt as of February 1, 2024, and is calculated by dividing the difference between the cumulative increase in revenue per period according to the rate of rent increase at the time of lease renewal and the cumulative increase in expenses per period according to the interest rate at the time of refinancing by the total number of investment units outstanding.

Notes

P10

- The graphs in "Rent change (%) upon renewal" are based on the status of the lease contracts that have matured or are scheduled to mature during the period from August 1, 2020 to January 31, 2024. However, ordinary lease contracts, lease contracts with a contract term of one year or less and lease contracts that have been or will be subject to a period of vacancy (downtime) are excluded.
- "Rent change" is the percentage change in adjusted rents and facility charges, taking into account free rents before and after contract renewal in each fiscal period, expressed as a weighted average based on the respective adjusted rents and facility charges before contract renewal. Therefore, the rate of change in rent does not necessarily correspond to the increase or decrease in rent income of JLF in any given fiscal period.
- “Control of lease durations” is calculated as a weighted average based on real rent and facility charges for the duration of the subject lease agreements (excluding ordinary leases). Calculations for “recent leases” are based on leases (excluding ordinary leases) that expired between August 1, 2020, and the end of January 31, 2024 and “total portfolio” are based on leases (excluding ordinary leases) in effect as of March 15, 2024.
- "Weighted average lease expiry" is calculated as the rent-weighted average of "the period until the end of each lease contract for the lease contracts" that has been executed and commenced or will be commenced as of March 15, 2024.
- "Introduction of CPI escalator clauses" refers to the number of leases executed at each point in time that provide for the possibility of discussing rent variability linked to CPI.
- The “increase in the percentage of fixed-term leases” is calculated by dividing the percentage of fixed-term lease contracts concluded at each point in time by the annual rent at each point in time.

P11

- The “weighted average duration” is calculated as an average of the funding duration stipulated in JLF's interest-bearing debt contract weighted by the funding amount.
- "Weighted average maturity" is calculated by weighting the period from each point in time to repayment (reimbursement) date stipulated in the contract for the interest-bearing debt of JLF by the amount of funds raised.
- "Weighted average cost" refers to the weighted average of the applicable interest rates on JLF's interest-bearing debt, plus the annualized and prorated up-front fees, investment corporation bond issuance costs and other expenses, weighted by the amount raised.
- “Fixed interest as a % of debt” indicates the ratio calculated by dividing total interest-bearing debt with fixed interest rates (including interest-bearing debt whose interest rates have become fixed through interest rate swaps) by total interest-bearing debt.
- “TONA SWAP (10-year)” references the 10-year offered rates for swap rates (TONA swap) provided on page 9154 of Refinitiv Screen TKFX.
- The "10-Year JGB Yield" refers to the Ask Rate figure displayed on the Refinitiv screen JP10YT=RR page.
- For the figures provided under “recent borrowing terms and conditions (compared to other REITs)”, the "Average of all REITs (excluding JLF)" refers to the average of the borrowings or interest rate swap agreements disclosed by J-REITs excluding JLF as of January 31, 2024, which were executed between August 1, 2023, and March 15, 2024.
- "Credit Ratings" is as of March 15, 2024, and may change in the future.
- “LTV” is calculated using the following formula. The same shall apply hereinafter.
- “LTV based on total assets” = total interest-bearing debt / total assets
- “LTV based on appraisal value” = total interest-bearing debt / total appraisal value

P14

- With respect to "DPU growth (about +20 yen)" under "Unit buybacks," the impact on DPU for the fiscal period ended January 2024 is calculated for the acquisition and cancellation of own investment units, which was resolved at the JLF board meeting held on November 22, 2023. Regarding "DPU growth: about +10 yen" under "Property reshuffling," the impact on DPU is estimated based on the full-year contribution of the increase and stripping of revenue from the acquisition of Ishikari Logistics Center (55% quasi co-ownership interest) and the sale of Urayasu Chidori Logistics Center II, which were decided on March 15, 2024. The "DPU effect" under "Property Reshuffling" is a trial calculation and may change depending on future leasing and other operating conditions and other circumstances.

Notes

P15

- The "NOI yield" (hereafter, "appraisal NOI yield") of Ishikari Logistics Center (55% quasi co-ownership interest), which has been newly acquired, is calculated by dividing the NOI based on the appraisal as of the end of January 2024 by the appraisal price and rounding to the nearest tenth. "Appraisal NOI" refers to the net operating income based on the direct capitalization method as stated in the respective real estate appraisal report, and is the income before deducting depreciation expenses.
- The "NOI yield" of Urayasu Chidori Logistics Center II, which has been sold, is the sum of the actual NOI for the fiscal periods ended July 2023 and January 2024 divided by the book value at the end of January 31, 2024, rounded to one decimal place.
- “Implied CR” is the investor's property demand yield, calculated on the basis of unit price, using the following formula. The same applies hereinafter.
- Total appraisal NOI of properties owned by JLF as of the end of the previous period ÷ Total market value of JLF's investment units as of each date + [Total debt as of the end of the previous period + Security deposits and guarantee money as of the end of the previous period + Security deposits and guarantee money in trust as of the end of the previous period + Long-term deposits as of the end of the previous period - (cash and deposits as of the end of the previous period + cash and deposits in trust as of the end of the previous period)]
- The “Capital gain” on the sale of Urayasu Chidori Logistics Center II represents the difference between the sale price and the estimated book value as of the sale date, which may differ from the actual gain on sale of the property.

P17

- "Cash deposits balance" is the sum of cash deposits and cash deposits in trust as of the end of January 2024, less the allocation cash distributions for the fiscal period ended January 2024
- "Liquidity on hand corresponding to depreciation" is the total depreciation for the fiscal periods ending July 31, 2024(estimated) and January 31, 2025 (estimated), less the total capital expenditures for construction in the same periods (estimated).
- “Cumulative reserve for reduction entry" is the balance of the reserve for reduction entry as of the end of the fiscal period ended January 2024, plus the amount expected to be retained from gains on the sale of Urayasu Chidori Logistics Center II.
- “Borrowing capacity" is the difference between the balance of debt as of the end of January 2024 and the total balance of debt that would result from raising debt to the stated level of “LTV based on total assets”, based on total assets as of the end of January 2024.

P18

- The "Property Pipeline" covers Amagasaki, Ichinomiya, Fukuoka Tachiarai, Ichinomiya II, Kazo II, Narita, Hokkaido project, Ishikari (45% quasi co-ownership), Gunma Ota, Shin Kiba project, Inland Osaka project, and Hidaka, and is weighted based on the estimated acquisition price as of the date of this document.
- "Comparison to market yield" for pipeline properties is calculated by the following formula.
- Appraisal NOI yield as of the most recent appraisal date - Direct capitalization yield based on the appraisal as of the most recent appraisal date
- For pipeline properties for which JLF has obtained an appraisal, the calculation is based on the said appraisal, and for properties for which JLF has not obtained an appraisal, the calculation is based on the appraisal obtained by the bridge partner.
- The "Appraisal discount rate" is calculated using the following formula
- (appraisal value of the asset - expected acquisition price of the asset) ÷ appraisal value of the asset
- The 'Recent logistics REIT acquisitions' is calculated as a weighted average on an acquisition price basis, referring to publicly available information on logistics facilities acquired or to be acquired by J-REITs after April 1 2023, as published as of February 29, 2024.
- With regard to “Amagasaki", JLF entered into a purchase agreement with Ricoh Leasing Company, Ltd. Said purchase agreement falls under a forward commitment (FC) as set forth under the Financial Services Agency's Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. JLF's anticipated acquisition date shall be a date falling on or before April 2, 2026, as specified by JLF.
- With regard to “Osaka inland Project”, JLF has submitted a letter of intent to purchase, in response to which JLF has received from the Mitsui & Co. Group a Letter of Agreement (hereinafter referred to as “LOA”) regarding its intent to sell. The LOA is not legally binding and does not guarantee that a purchase agreement for the property subject to Project A will be entered into between JLF and the Mitsui & Co. Group.

Notes

P18

- With regard to “Ichinomiya”, “Fukuoka Tachiarai”, “Ichinomiya II”, “Kazo II”, “Narita”, “Hokkaido Project”, “Ishikari Project (Co-ownership stake: 45%)”, “Gumma Ota”, “Osaka Suminoe (land)”, “Shin Kiba Project”, “Osaka inland Project” and the “Hidaka”, as of March 15, 2024, JLF has no concrete plans to make an acquisition.
- “Bridge” refers to a structure wherein a leasing company or the like has ownership of a property for which JLF has entered into a forward commitment or otherwise wishes to acquire at some point in the future, and JLF obtains first right of refusal from the leasing company or the like. Subject to certain requirements, JLF plans to acquire the subject property by exercising its first right of refusal at a time of its discretion. Furthermore, the “bridge period” refers to the period of time within which JLF may acquire a property subject to a forward commitment, or the period of time within which JLF may exercise its first right of refusal. For those properties for which JLF has obtained a first right of refusal, that does not guarantee that a purchase agreement to acquire the subject property will be entered into between JLF and the leasing company or the like.

P21

- The "MSCI Japan ESG Select Leaders Index" is composed of companies that excel in ESG evaluation, selected from among the constituents of the MSCI Japan IMI Index. The inclusion of JLF in any MSCI index, and the use of MSCI logos, trademarks, service marks or index names herein, do not constitute a sponsorship, endorsement or promotion of JLF by MSCI or any of its affiliates. the MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.
- MSCI ESG Ratings researches, analyzes, and rates the extent to which companies adequately manage ESG-related risks and opportunities, and provides an overall corporate ESG rating on a seven-point scale from "AAA" to "CCC".
- “GRESB” is the name of an organization that conducts and evaluates ESG issues for real estate companies and funds annually. It was established in 2009 mainly by a group of major European pension funds that led the Principles for Responsible Investment (PRI). “GRESB Rating” is a five-grade evaluation of the overall score according to the global ranking.
- "Green building certification" refers to "Certification for CASBEE for Real Estate", "CASBEE Certification for Buildings (New Construction)" and "BELS certification" in this material.
- CASBEE is a method designed to comprehensively assess the environmental efficiency of buildings and promoted throughout Japan under the guidance of the Ministry of Land, Infrastructure Transport and Tourism. The CASBEE® Building (New Construction) evaluation certification is based on CASBEE®-Building (New Construction), which evaluates buildings based on their design at the time of construction, using a 5-level scale (S rank: ★★★★★ - C rank: ★).
- Certification for CASBEE for Real Estate is a system where third-party institutions examine and certify assessment results prepared in accordance with CASBEE for Real Estate. The certification rating is represented by the number of stars on a four-tier scale from five stars “★★★★★” (“S”) to two stars “★★” (“B”).
- "BELS certification" is a third-party certification system that publishes the energy saving performance of buildings.
- Science Based Targets (SBT) are targets set by companies 5 to 15 years in the future that are consistent with the levels required by the Paris Agreement (which aims to limit the global temperature increase to well below 2° C above pre-industrial levels and 1.5° C below pre-industrial levels). The SBT for small and medium-sized enterprises (SMEs) is a set of greenhouse gas emission reduction targets set by companies for the next five to 15 years, consistent with the levels required by the Greenhouse Gas Protocol. SBT for small and medium-sized enterprises" refers to SBTs set for small and medium-sized enterprises by the SBT Secretariat, which certifies SBTs.
- “Non-fossil certificates” are certificates for the “environmental value” of electricity generated from non-fossil sources, such as renewable energy, and are traded via the Japan Electric Power Exchange (JEPX). The electricity for which the non-fossil certificates are purchased can be regarded as having zero CO2 emissions.

P25 and P26

- These forecasts have been calculated based on certain assumptions made as of March 15, 2024 and are subject to change as a result of factors including fluctuations in rental revenue resulting from tenant turnover, the purchase or sale of real estate, and the issuance of additional investment units. Furthermore, these forecasts are no guarantee of the amount of cash distributions.

P27

- The graph in "CBRE real estate investor survey (by asset type) / 10-year JGB yield" is based on a survey conducted by CBRE K.K. at the request of JLF and its asset management company.
- The graph in "Merchandise EC market size and EC penetration of retail (Japan and US)" is prepared by the asset management company based on date from the Ministry of Economy, Trade and Industry and the U.S. Census Bureau.

Notes

P28

- The graphs in "Supply & demand balance of logistics facilities" show trends in newly demanded area, newly supplied area and occupancy rates for medium- to large-scale logistics facilities for lease in the four major metropolitan areas (Tokyo Metropolitan, Greater Osaka Area, Greater Nagoya Area, and Greater Fukuoka Area), calculated based on a survey conducted by CBRE K.K. at the request of JLF and its asset management company. However, the supply forecast for the Greater Fukuoka Area represents the forecast for new supply area of large-scale logistics facilities for lease.

P29

- The graphs in "Tenant demand by area" are based on a survey conducted by CBRE K.K. at the request of JLF and its asset management company.

P30

- The graphs (i) to (iii) and (v) are based on a survey conducted by CBRE K.K. in March 2023 on companies using logistics facilities in Japan, whether they own or lease them. The graph in (iv) is also based on the Annual Report on Automobile Statistics and Transport, which contains a survey on changes in truck loading efficiency in Japan, conducted by the Information Production Division, Policy Bureau, Ministry of Land, Infrastructure, Transport and Tourism.

P33

- Percentages for each “sponsor” indicate percentage of equity ownership in JLF’s asset manager, Mitsui & Co., Logistics Partners Limited. The “Mitsui & Co., Ltd. (70%)” is the percentage of equity ownership in Mitsui & Co., Asset Management Holdings, which is the wholly owned subsidiary of Mitsui & Co.

P34

- "Percentage by area" is calculated based on an acquisition price for the properties held as of March 31, 2024.

P35

- "Average occupancy rate since IPO" is calculated by simply averaging the fiscal period-end occupancy rate from the fiscal period ended January 31, 2006 to the fiscal period ended January 31, 2024.
- "Weighted average lease period" and "Weighted average lease expiry" is calculated as the rent-weighted average of "each lease contract period" and "the period until the end of each lease contract for the lease contracts" that has been executed and commenced or will be commenced as of March 15, 2024.
- ”NOI yield" and "NOI yield after depreciation" are calculated by dividing the NOI and NOI after depreciation for the period ended January 31, 2024 by the number of operating days and multiplying by 365 days to obtain an annualized figure, which is then divided by the book value at the end of the period. “NOI" is the amount of rental revenue less rental expenses (excluding depreciation). “NOI after depreciation" is the amount obtained by adding back depreciation and loss on retirement of fixed assets from NOI. The same applies hereafter.
- In the graph of “Tenant Goods Classification”, facilities whose main purpose is transshipment or sorting of cargos are categorized as “Distribution centers”.

P36

- JLF's unrealized gain and unrealized gain as a percentage of portfolio values are current as of the end of the fiscal period ended January 2024. Unrealized gain as a percentage of portfolio for the “J-REIT average” and “Logistics REITs average” are calculated based on the most recent financial results available as of the end of February 2024 (excluding JLF) and the weighted average is taken based on book value. “Logistics REITs” refer to J-REITs that include real estate and the like provided for logistics facilities as a main investment target, according to its investment code.

P37

- The property value and the appraisal value after redevelopment shown in the "After Redevelopment" table are figures for conceptual purposes only and may differ from the actual values.

Notes

P38
- The "Actual NOI yield post OBR (actual)" is calculated using the following formula
- （Actual NOI yield after OBR* = Actual NOI* after OBR (annualized) / book value at end of period
- The "Appraisal NCFCR* post OBR" is based on the actual results for the cruising period.
- \- The "Appraisal NCFCR" uses the direct capitalization rate based on the appraisal after the implementation of OBR.
- "OBR-candidate properties" refers to an already-acquired asset that, as a result of the Asset Manager's verification of the profitability and investment effect, etc. of demolishing or retiring the existing building and constructing a new building with an area at the maximum legal floor area ratio, is judged to have an investment effect that exceeds a certain level. This does not constitute a decision on their future redevelopment as of March 15, 2024.
- "OBR candidates (8 properties)" is the total number of properties that JLF considers to be candidates for the OBR at present and does not mean that JLF has decided on future redevelopment. For one of the 8 properties, a regular building lease agreement has been concluded with the tenant.
- The "potential addition to GFA" refers to the expected increase in gross floor area per the above verification and that increase as a percentage of the gross floor area of the newly built asset. It is an estimate assuming the construction of a building up to the maximum legally allowable gross floor area, which may not necessarily be the same as the actual floor area in the building resulting from an OBR project.
- The lease contract maturity of the potential candidates is based on the maturity of the lease contract effective as of March 15, 2024 to be concluded with the tenant occupying the potential candidates.

P.39
- "Appraisal NOI yield at the time of acquisition" is the appraisal NOI based on an appraisal as of the time the acquisition was decided divided by the acquisition price.
- The "NCFCR at time of acquisition" is the direct capitalization rate based on the appraisal at the time of the decision to acquire the property.

P40
- The pictures shown on this page are for illustration purposes only. Not all JLF properties possess standard specifications.

P42
- JLF's unrealized gain and unrealized gain as a percentage of portfolio values are current as of the end of the fiscal period ended January 2024.

P43
- The percentages of "contract counterpart to power utility" and "electricity charges" are calculated based on the gross floor area under the Building Standard Law. The percentages for "Contract counterpart to power utility" and "Electricity cost burden (for those contracts where JLF is counterpart)" are calculated on the basis of the gross floor area under the Building Standard Law. With regard to “Electricity cost burden (for those contracts where JLF is counterpart)”, the total floor area under the Building Standard Law of the compartment where JLF is effectively bearing the electricity charges as at the end of the fiscal period ended January 31, 2024 is classified as 'JLF’.

P44
- The "actual DPU yield" is calculated using the following formula
- Sum of the actual DPU for the two most recent fiscal periods based on JLF's published financial data as at the respective dates ÷ unit price as at the respective dates.
- The DPU for the period ended January 31, 2006 was calculated by dividing the actual value by five and dividing the actual value by the actual DPU for the period ended January 31, 2006 by the actual DPU for the period ended January 31, 2007. The DPU for the period ended January 31, 2006 is the actual value divided by 5, multiplied by the calculation period of 182.5 days, which is half a year, and rounded down to the nearest decimal place.

P46
- “PRI” (Principles for Responsible Investing) is a network of international investors for realizing the 6 principles for the financial industry advocated by then Secretary-General of the United Nations, Kofi Anan. The principles advocate incorporating ESG issues into investment decision-making and aims to improve long-term investment returns for beneficiaries by incorporating these perspectives into the decision-making process.

Notes

P48

- "Percentage of green leases" is the number of leases that include green lease covenants as a percentage of all leases executed in the fiscal period ended January 2024.

P49

- "TCFD (Task Force on Climate-related Financial Disclosure)" was established in 2015 by Financial Stability Board (FSB), which consists of central banks and financial regulators from major countries. In June 2017, FSB recommended that companies disclose business risks and opportunities arising from medium- to long-term climate change, their impact on financial performance, and specific measures and strategies to reduce the risk of financial market instability.

P52

- "ICMA Green Bond Principles" are guidelines involving the issuance of green bonds, created by the Green Bond Principles Executive Committee, a private entity serving as an executive office for the International Capital Markets Association (ICMA).
- "Green-qualified assets" refer to specific assets that fulfill qualification criteria.
- "Green finance track record" is current as of March 15, 2024.

Notes

Notes

Notes

Disclaimer

- Monetary amounts are rounded down to millions or thousands of yen.
- Percentage figures are rounded off to the first decimal place.
- This material contains forward-looking business results, plans, and management targets and strategies. Such forward-looking statements are based on current assumptions and premises, including those regarding anticipated future developments and business environment trends, and these assumptions and premises may not always be correct. Actual results could differ considerably because of a variety of factors.
- This material has not been prepared for the purpose of soliciting the purchase of the investment units of Japan Logistics Fund ("JLF") or to solicit the signing of other financial product transaction contracts. In making investments, investors should do so based on their own judgment and responsibility.
- The investment units of JLF are closed-end fund investment units, whereby investment units are not redeemable at the request of investors. Investors wishing to liquidate their investment units will in principle need to sell them to third parties. The market value of the investment units will be influenced by investor supply and demand at securities exchanges and will fluctuate in accordance with the situation for interest rates, economic circumstances, real estate prices, and other market factors. It is therefore possible that investors will not be able to sell the investment units at their acquisition price and, as a result, will suffer losses.
- JLF plans to make cash distributions to investors, but whether distributions are made and the amount thereof are not guaranteed under any circumstances. Gains or losses on the sale of real estate, losses on the disposal of fixed assets accompanying the replacement of structures, and other factors can cause fiscal-period income to vary greatly, causing the amount of distributions paid to investors to change.
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