

## **Disclaimer**

This document has been prepared solely for the purpose of providing Dutch investors with certain information under Article 23 of the European Alternative Investment Fund Managers Directive (European Directive 2011/61/EU) as implemented in the Netherlands. Accordingly, you should not use this document for any other purpose.

The units of Japan Logistics Fund, Inc. (“JLF” or the “AIF”) are being marketed in the Netherlands under section 1:13b of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, or the “Wft”). In accordance with this provision, Mitsui & Co., Logistics Partners Ltd. (“MLP” or the “AIFM”) has notified the Dutch Authority for the Financial Markets of its intention to offer these units in the Netherlands. The units of JLF will not, directly or indirectly, be offered, sold, transferred or delivered in the Netherlands, except to or by individuals or entities that are qualified investors (*gekwalificeerde beleggers*) within the meaning of Article 1:1 of the Wft, and as a consequence neither the AIFM nor the AIF is subject to the license requirement pursuant to the Wft. The AIFM is therefore solely subject to limited ongoing regulatory requirements as referred to in Article 42 of the AIFMD.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) no offer of units of JLF may be made to the public in that Relevant Member State except in circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of units shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive, or a supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purpose of this provision, the expression “an offer of units to the public” in relation to any units in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the units to be offered so as to enable an investor to decide to purchase or subscribe the units, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

## **Article 23 (1)(a)**

### Objectives of the AIF:

JLF is the first J-REIT specifically dedicated to logistics properties, with target areas include Tokyo Metropolitan area, Kinki area, Chubu area and Kyushu area. Based on the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951; including revisions enforced thereafter) (the “AITIC”), JLF was founded on February 22, 2005 by Mitsui & Co., Logistics Partners Ltd. as the asset management company, and was listed on the REIT section of the Tokyo Stock Exchange on May 9 of the same year (security code: 8967).

### Investment strategy:

Compared with other asset types, logistics properties tend to have less liquidity in the acquisition market. JLF believes, therefore, that collecting a broad range of information and making precise investment decisions based on the information gathered is the only way to achieve high quality property acquisitions. In order to avoid unnecessary price competition, JLF strives to gain early access to property information and promote off-market transactions by leveraging our extensive networks of sponsors and the information sourcing channels of MLP. When acquiring properties, JLF makes investment decisions focusing on the location and versatility of properties, which are essential factors in pursuing long-term stability in managing logistics properties. As a general rule, JLF avoids acquiring properties with unique structural features that suit only certain types of tenants in certain industries. Instead, JLF prefers properties with specifications that meet broad logistical demand. To minimize fluctuations in revenue arising from factors such as rent reduction request from tenants or unexpected tenants’ departure, JLF acquires properties that will help reduce the risk of over-concentration of tenants by avoiding excessive dependency on a single tenant or industry, and will help diversify lease period expirations.

### Types of assets the AIF may invest in:

JLF shall primarily invest in real estate, etc. described in (1) below. JLF may invest in specified assets, such as real estate backed securities etc. (Together with real estate, assets described (2) below, and real estate backed securities defined in (3) below, hereafter “real estate related assets”).

- (1) Real estate, etc.
  - a. Real estate
  - b. Leasehold rights
  - c. Surface rights
  - d. Trust beneficiary rights of real estate, leasehold rights or surface rights
- (2) JLF may invest in specified assets provided in the following items as well as real estate, etc.
  - a. Beneficiary rights of money trusts with the purpose of investing in real estate, leasehold rights or surface rights;

- b. Silent partnership equity; the investments in an agreement among investors and the operator promising that a) the operator shall invest in real estate, b) investors shall finance the investment, and c) make distribution of profits from such investment among investors;
  - c. Beneficiary rights of money trusts with the purpose of investing mainly in the silent partnership equity interests;
- (3) Real estate backed securities (the following securities which invest more than one-half of assets in real estate or assets set forth in Paragraph (2) above)
- a. Preferred equity securities (defined in Article 2 Paragraph 9 of the Act on the Securitization of Assets (Act No. 105 of 1998, as amended; the “Asset Securitization Act”));
  - b. Beneficial certificates (as defined in Article 2 Paragraph 7 of the AITIC);
  - c. Investment units (as defined in Article 2 Paragraph 15 of the AITIC);
  - d. Beneficial certificates of specified purpose trust (as defined in Article 2 Paragraph 15 of the Asset Securitization Act (excluding such falling under the assets set forth in Item a. or c. of Paragraph (2) above)).
- (4) JLF may invest in specified assets provided in the followings as well as real estate related assets.
- a. Deposits;
  - b. Call loans;
  - c. Government bonds;
  - d. Municipal bonds;
  - e. Corporate bonds;
  - f. Debentures issued under special acts (as defined in Article 2 Paragraph 1 Item 3 of the Financial Instruments and Exchange Act (the “FIEA”));
  - g. Certificate of deposit;
  - h. Commercial papers;
  - i. Specified corporate bonds provided in the Asset Securitization Act (as defined in Article 2 Paragraph 1 Item 4 of the FIEA);
  - j. Beneficial certificates of loan trust (as defined in Article 2 Paragraph 1 Item 12 of the FIEA);
  - k. Monetary receivables (as defined in Article 3 Item 7 of the Order for Enforcement of the AITIC (excluding deposits and calls loans);
  - l. Beneficiary rights of money trusts with the purpose of investing in the assets set forth in Item a. through k. above;
  - m. Interests relating to a derivative transaction (as defined in Article 3 Item 2 of the Order for Enforcement of the AITIC);

- n. Power generation facilities for renewable energy (as defined in Article 3 Item 11 of the Order for Enforcement of the AITIC)
  - o. Right to operate public facility for investment (as defined in Article 3 Item 12 of the Order for Enforcement of the AITIC)
- (5) JLF may invest in the assets provided in the followings, if necessary.
- a. Trademark right and exclusive right to use or non-exclusive right to use under the Trademark Act (Act No. 127 of 1959, as amended) (limited to trademark right in conjunction with the investment in assets set forth in Paragraph (1) or (2) above);
  - b. Beneficiary rights of money trusts with the purpose of investing in the assets set forth in Item a. above;
  - c. Carbon dioxide equivalent quotas as defined in the Act on Promotion of Global Warming Countermeasures (Act No. 117 of 1998, as amended) and any other rights similar thereto or emission rights (including emission rights regarding greenhouse gases);
  - d. Equities (limited to equities of the companies, etc. that manage real estate acquired in conjunction with the investment in assets set forth in Paragraph (1) or (2) above)
  - e. Chattel as defined in the Civil Act (excluding assets set forth in Paragraph (4) Item n. above)
  - f. Other assets acquired in conjunction with the investment in specified assets in which JLF primarily invests.
- (6) Rights to be indicated on securities as defined in Article 2 Paragraph 2 of the FIEA, even when securities indicating these rights are not issued, shall be deemed as securities indicating these rights, and Paragraph (1) to (5) above shall apply.

*Techniques it may employ and all associated risks;*

JLF believes that constructing diversified portfolio, in terms of region, property types, size, and age of the building, is imperative to satisfy variety of tenant needs in the long-term perspective. In order to maintain this diversity, JLF will flexibly replace assets. Collaboration with MLP's sponsors, Mitsui & Co., Sumitomo Mitsui Trust Bank, and Kenedix, is also critical to secure pipelines for future acquisitions. JLF also conducts large scale asset enhancement investments in order to satisfy tenants' needs and obtain longer stable lease contracts. One of the unique strategies JLF employs is the redevelopment of its holding properties ("Own Book Redevelopment" or "OBR"). By conducting OBRs, JLF is able to increase total rentable area, and thus increase revenues.

The principal risks with respect to investment in JLF are as follows:

(i) Risks related to the marketability of the investment securities or the investment corporation bonds

- Risk associated with the fluctuation of market prices of the investment units or investment corporation bonds of JLF
- Risk associated with the distribution of cash
- Risk associated with the fluctuation of income and expenses
- Risk due to the fact that the rights of unitholders and the rights of shareholders are not always identical
- Risk associated with JLF's investment units transactions in the market
- Risk associated with the redemption and coupon payment of the investment corporation bonds of JLF

(ii) Risks related to the management policy of the investment corporation

- Risk due to the fact that the investment target is limited to logistics properties
- Risk associated with the dependency on a small number of tenants
- Risk associated with single tenant properties
- Risk of not being able to purchase properties from Mitsui & Co., Ltd., Sumitomo Mitsui Trust Bank, Limited and Kenedix, Inc. as planned
- Risk of not being able to acquire or transfer of real estate
- Risk associated with funding through issuance of new investment units, borrowings and issuance of investment corporation bonds
- Risk associated with the dilution of value when new investment units are issued
- Risk associated with redevelopment projects (OBR)

(iii) Risks related to parties concerned and framework of the investment corporation

- Risk associated with the dependency on Mitsui & Co., Ltd., Mitsui & Co. Asset Management Holdings Ltd., Sumitomo Mitsui Trust Bank, Limited and Kenedix, Inc., and with conflicts of interest
- Risk associated with the dependency on interested parties of JLF and with conflicts of interest
- Risk of dependency on executive officers of JLF and personnel of MLP
- Risk associated with changes in the investment policy of JLF
- Risk of bankruptcy or deregistration of JLF
- Risk associated with deposits and guarantees

(iv) Legal risks related to beneficial interests of real estate and trusts

- Risk associated with defects of real estate
- Risk associated with lease contracts
- Risk that accompanies damage, loss and deterioration of real estate due to disasters, and degradation of the surrounding environment
- Risk associated with owner liability and repair/maintenance costs related to real estate

- Risk associated with administrative laws and regulations related to real estate
  - Risk associated with the establishment or amendment of laws
  - Risk of being affected by bankruptcy, etc. of the seller
  - Risk associated with the master lease company
  - Risk associated with subleasing
  - Risk associated with the use of real estate by tenants, etc.
  - Risk associated with joint-ownership of properties
  - Risk associated with sectional ownership buildings
  - Risk associated with properties with leased land
  - Risk associated with properties with leased building
  - Risk associated with properties with limited proprietary right of land
  - Risk associated with development properties, etc.
  - Risk associated with detrimental substances
  - Risk associated with specific facilities under the Water Pollution Prevention Act
  - Risk associated with reserve land
  - Specific risk when owning real estate in the form of trust beneficiary rights
  - Risk associated with joint-ownership, etc. of trust beneficiary rights
  - Risk related to forward commitment, etc.
  - Risk related to landfill
- (v) Risks related to a taxation system
- Risk associated with requirements for dividend deductibility
  - Risk of dividend deductibility requirements not being fulfilled ex-post facto due to corrections following tax inquiries, etc.
  - Risk of reduced tax system accompanying the acquisition of real estate not being applied
  - Risk associated with changes in the general tax system
- (vi) Other
- Risk associated with expert reports, etc.
  - Risk associated with the dependency on market reports
  - Risk associated with the application of impairment accounting
  - Risk of increased tax burden due to discrepancy between accounting and taxation
  - Risk associated with investment in silent partnership equity interests

Any applicable investment restrictions:

JLF is subject to investment restrictions under Japanese laws and regulations (e.g., the AITIC and the FIEA) as well as its articles of incorporation.

JLF must invest primarily in specified assets as defined in the AITIC. Specified assets include, but are not limited to, securities, real estate, leasehold rights, surface rights (i.e., right to use land for the purpose of having a structure on it) or trust beneficiary rights of securities or real estate,

leasehold rights or surface rights. A listed J-REIT must invest substantially all of its assets in real estate, real estate related assets and liquid assets as provided by the listing requirements. Real estate in this context includes, but is not limited to, real estate, leasehold rights, surface rights, and trust beneficiary interests for these assets, and real estate related assets in this context include, but not limited to, silent partnership equity interests for investment in real estate. Pursuant to the AITIC, investment corporations may not develop buildings by themselves. However, AITIC does not prohibit investment corporations to be a contractee of the redevelopment of the properties they own, as long as the redevelopment project matches the Financial Services Agency's guidelines. JLF may become a contractee of redevelopment projects.

The articles of incorporation restricts JLF to conduct the following investments;

- (1) Speculative investments in securities and monetary claims.
- (2) Speculative use of derivatives instruments (derivative transactions which do not intend to hedge risks.)
- (3) Investments in non-Japanese real estate and real estate related securities.
- (4) Investments in assets denominated in foreign currencies.

*Circumstances in which the AIF may use leverage;*

JLF may take out loans or issue long-term or short-term investment corporation bonds for the purpose of acquiring assets, repair of properties, payment for dividends, payment for working capital of JLF, or repayment of liabilities (including repayment of tenant leasehold or security deposits, and liabilities related to loans or investment corporation bonds) and other activities.

*The types and sources of leverage permitted and associated risks;*

JLF may raise funds through loans and investment corporation bonds.

Associated risks are;

- There are risks of delinquency in payment of principal or interest, or insolvency with regard to investment corporation bonds due to deterioration of JLF's credit status or other reasons.
- There is no guarantee that loans and issuance of investment corporation bonds can be made at a timing or on terms that JLF desires since the possibility and terms of loans and issuance of investment corporation bonds are affected by JLF's economic credibility, interest rate environment and other factors. As a result, there is a possibility that JLF cannot purchase assets that it had planned to purchase, is forced to sell assets that it had not planned to sell, or faces cash-flow constraint.
- In cases where JLF makes loans or issues investment corporation bonds, financial covenants such as restricting dividends payment (including distribution in excess of earnings) may be imposed, collateral may be set to assets under management, or changes to articles of incorporation may be restricted. Such restrictions may affect the operation of JLF or may have

a negative influence over the amount of dividends payment. All of JLF's debts as of January 31, 2017 are unsecured; however, financial covenants have been imposed prescribing that a certain level of financial indicator figures must be maintained based on assets and liabilities, etc.

- The interest rate of loans and investment corporation bonds depends on the market trend at the time of the loan or issuance of the investment corporation bond, and will be influenced by subsequent market trends if the interest rate is variable. If the interest rate of the loan and investment corporation bond rise or if the amount of JLF's loan and investment corporation bonds issuance increase, the amount of JLF's interest payment will increase. Such increase may have a negative impact on the amount of dividends payment.

Any restrictions on leverage:

a. Purpose of borrowings

JLF may use loans or issue investment corporation bonds (including the short-term investment corporation bonds) in order to maintain stable revenue and grow AUM steadily. The money raised through loans and investment corporation bonds are used to finance the acquisition of assets, repair of properties, payment for dividends, payment for working capital of JLF, or repayment of liabilities (including refund of tenant leasehold or security deposits, and liabilities related to loans or investment corporation bonds) (Article 37 Paragraph 1 and 2 of the article of incorporation).

b. Maximum amount of borrowings

The maximum amount of loans and investment corporation bonds shall be 1 trillion yen, respectively, and the aggregate amount shall not exceed 1 trillion yen (Article 37 Paragraph 4 of the article of incorporation).

c. Lenders

In case of loans, JLF shall borrow such funds only from the qualified institutional investors as defined in Article 2 Paragraph 3 Item 1 of the FIEA (limited to the institutional investors provided for in Article 67-15 of the Special Taxation Measures Act) (Article 37 Paragraph 1 of the article of incorporation).

Any restrictions on collateral and asset reuse arrangements:

In case of loans or issuing investment corporation bonds, JLF may provide its assets as collateral (Article 37 Paragraph 3 of the article of incorporation).

Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF:

The upper limit of the percentage of the balance of borrowings and investment corporation bonds to JLF's total assets (hereinafter referred to as the "Percentage") will be 60%. However, the Percentage may temporarily exceed 60% due to acquisitions of new assets, etc. In order to secure



the financial health and future margin for growth, JLF will maintain conservative level of the Percentage for the time being.

**Article 23(1) (b)**

Procedures by which the AIF may change its investment strategy or investment policy, or both:

Since MLP carries out investment management in accordance with the articles of incorporation, based on Asset Management Agreement with JLF, MLP will prepare Management Guidelines as internal rules, and prescribe investment policies, etc. The formulation and revisions of the Management Guidelines will, after being prepared at the Acquisition & Leasing Department, be submitted to the Investment Management Committee as an advisory organization of the board of directors. Investment Management Committee will deliberate the Management Guidelines in detail whether the investment policies stated in the Management Guidelines are appropriate in managing the assets in accordance with JLF's articles of incorporation, in consideration of the trends of the real estate and capital markets as well as the economic environment. If the Management Guidelines are deemed appropriate, they will be submitted to the Compliance Committee, where they will be deliberated in detail from compliance perspectives. The contents of the deliberations at the two committees (including contents of minority opinions) will be forwarded to the board of directors as opinions of the two committees, except when the opinions are referred back by the Compliance Officer or an external expert to the Acquisition & Leasing Department. The board of directors will examine the opinions carefully and make a decision. They will then be reported to the board of directors meeting of JLF. The Management Guidelines will be subject to consideration of review once a year in principle. However, the Guidelines may not be revised as a result of the consideration. In addition, they will be reviewed when there are significant changes in the economic situation.

Changes to the articles of incorporation require a quorum. To form that quorum, unitholders owning a majority of units outstanding must be in attendance. Additionally, they require at least two-thirds of the votes from that quorum.

**Article 23(1) (c)**

Main legal implications of the contractual relationship entered into for the purpose of investment, including information on jurisdiction, on the applicable law and on the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established;

JLF has entered into the following agreements with MLP:

- Asset Management Agreement

JLF has entered into the following agreements with Mitsui & Co., Ltd.:

- Agreement Related to Support for the Acquisition of Logistics Real Estate
- Basic Agreement Related to Operational Support Service in the Acquisition of Properties

JLF has entered into the following agreements with Sumitomo Mitsui Trust Bank, Limited:

- Basic Agreement Related to the Provision of Brokerage Information on Real Estate and the like / Agreement Related to the Support of the Acquisition of Development Properties
- Agreement for Administrative Agent
- Agreement for Asset Custody
- Agreement for Administration of Unitholder Registry
- Agreement for Administration of Specified Accounts
- Fiscal Agency Agreement

JLF has entered into the following agreements with Kenedix Inc.:

- Agreement Related to Support for the Acquisition of Logistics Real Estate

JLF has entered into the following agreements with DBJ Securities Co., Ltd.

- Agreement for of Private Placement and the Investment Corporation Bond Registry Agent

All of the above agreements are governed by Japanese law.

JLF is not involved in or threatened by any legal arbitration, administrative or other proceedings, the results of which might, individually or in the aggregate, be material.

**Article 23(1) (d)**

The identity of the AIFM, the AIF's depositary, auditor and any other service providers and a description of their duties and the investors' rights;

(a) AIFM: Mitsui & Co., Logistics Partners Ltd.

Asset Management Agreement

Term	The term shall not be specified.
Renewal	Not applicable.
Cancellation	<p>i. JLF and MLP may cancel the Agreement on the condition that either party sends a written notice to the other party three months in advance, JLF obtains a resolution at a Unitholders' Meeting, and MLP receives consent from JLF. However, JLF shall not provide such consent without the approval of a Unitholders' Meeting or the Prime Minister.</p> <p>ii. If any of the following situations occurs, JLF may cancel the Agreement pursuant to a resolution of the board of directors.</p> <p>(i) If MLP is in breach of any of the provisions of the Agreement (however, this shall not apply if the relevant breach is correctable and MLP successfully implements such correction within 30 business days of the receipt of a recommendation for such correction from JLF).</p> <p>(ii) If MLP is found to be in breach of its representation or guarantee of the Agreement (however, this shall not apply to any case where if the said breach is correctable, MLP successfully implements a correction within 30 business days of</p>

	<p>the receipt of a recommendation for such correction from JLF).</p> <p>(iii) If a petition for the suspension of payment, the commencement of bankruptcy proceedings, the commencement of civil rehabilitation proceedings, the commencement of corporate rehabilitation proceedings or the commencement of special liquidation proceedings, or the suspension of transactions with a clearing house, or the receipt of an order for attachment to its important properties, among other factors, occurs to MLP.</p> <p>(iv) Any serious case other than those specified above due to which the continuation of entrusting asset management services is not permissible.</p> <p>iii. JLF may cancel the Agreement if any of items (i) to (iii) below is applicable to MLP.</p> <p>(i) If MLP is no longer a financial instruments business operator as defined in the FIEA (limited to an operator of investment management businesses as defined in the FIEA, which is licensed and approved respectively under Article 3, Paragraph 1 and Article 50, Paragraph 2, Item 1 of the Building Lots and Buildings Transaction Business Act (Act No. 176 of 1952, including subsequent amendments (hereinafter called the “Buildings Transaction Business Act”).</p> <p>(ii) If any item in Article 200 of the AITIC is applicable.</p> <p>(iii) If MLP is dissolved.</p>
Revision, etc.	Revisions may be made based on a written agreement between JLF and MLP pursuant to proceedings prescribed in laws and regulations.

(b) Basic Agreement Related to the Provision of Brokerage Information on Real Estate and the like / Agreement Related to the Support of the Acquisition of Development Properties: Sumitomo Mitsui Trust Bank, Ltd.

Basic Agreement Related to the Provision of Brokerage Information on Real Estate and the like

Term	The Agreement as of this date is effective until March 17, 2018.
Renewal	Unless the respective parties send a written notice to the other parties 30 days before the expiration, the Agreement shall be extended for a further year under the same terms and conditions. The same process shall be applied thereafter.
Cancellation	Not applicable.
Revision, etc.	The provisions in the Agreement may be changed or corrected subject to a written agreement between all parties to the Agreement.

Agreement Related to the Support of the Acquisition of Development Properties

Term	The Agreement as of this date is effective until March 17, 2018.
Renewal	Unless the respective parties send a written notice to the other parties 30 days before the expiration, the Agreement shall be extended for a further year under the

	same terms and conditions. The same process shall be applied thereafter.
Cancellation	Not applicable.
Revision, etc.	The provisions in the Agreement may be changed or corrected subject to a written agreement between all parties to the Agreement.

(c) Administrative agent, asset custodian, administrator of unitholder registry, administrator of specified accounts, and administrative agent related to investment corporation bonds: Sumitomo Mitsui Trust Bank, Ltd.

Agreement for Administrative Agent

Term	The Agreement as of this date is effective until February 22, 2018.
Renewal	If either JLF or the Administrative Agent does not send a written notice to the other party three months before the expiration of the agreement, the Agreement shall be deemed to be extended for one year from the day after the expiration date, and the same shall be applied thereafter. However, if JLF is dissolved during the term of the Agreement, it shall be effective until the date of dissolution.
Cancellation	<p>i. Either party may cancel the Agreement by sending a written notice to the other party three months before such cancellation. However, if the Administrative Agent cancels the Agreement, the enforcement of such cancellation may be extended for another 90 days from the cancellation date specified in the cancellation notice until JLF concludes an agency agreement related to administrative services with any party other than the Administrative Agent, considering that JLF is obligated to entrust administration services pursuant to laws and regulations.</p> <p>ii. Either JLF or the Administrative Agent may cancel the Agreement immediately by sending a written notice to the other party if any of the following items is applicable to the said party.</p> <p>(i) If the other party is deemed to be in violation of the respective provisions of the Agreement and is likely to cause significant difficulty in continuing the implementation of the Agreement.</p> <p>(ii) If a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, corporate rehabilitation proceedings, or special liquidation proceedings is filed, or the suspension of transactions with a clearing house arises.</p>
Revision, etc.	Revisions may be made based on a written agreement between JLF and the Administrative Agent pursuant to the proceedings prescribed in laws and regulations.

### Agreement for Asset Custody

Term	The Agreement as of this date is effective until February 22, 2018.
Renewal	If either JLF or the Asset Custodian does not send a written notice to the other party three months before the expiration of agreement, the Agreement shall be deemed to be extended for one year from the day after the expiration date, and the same shall be applied thereafter. However, if JLF is dissolved during the term of the agreement, it shall be effective until the date of dissolution.
Cancellation	<p>i. Either party may cancel the Agreement by sending a written notice to the other party three months before such cancellation. However, if the Asset Custodian cancels the Agreement, the enforcement of such cancellation may be extended for another 90 days from the cancellation date specified in the cancellation notice until JLF concludes an agency agreement related to asset custody services with any party other than the Asset Custodian, considering that JLF is obligated to entrust asset custody services pursuant to laws and regulations.</p> <p>ii. Either JLF or the Asset Custodian may cancel the Agreement immediately by sending a written notice to the other party if any of the following items is applicable to the said party.</p> <p>(i) If the other party is deemed to be in violation of the respective provisions of the Agreement and is likely to cause significant difficulty in continuing the implementation of the Agreement.</p> <p>(ii) If a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings, corporate rehabilitation proceedings, or special liquidation proceedings is filed, or the suspension of transactions with a clearing house arises.</p>
Revision, etc.	If any difficulty in the implementation of the Agreement arises, or is likely to arise, due to laws and regulations, or other circumstances attributable to either or both of the parties, the Agreement may be revised through discussions between JLF and the Asset Custodian. The parties shall ensure that such revision is consistent with and based on the relevant laws and regulations, as well as JLF's regulations, the implementation of which shall be subject to written documents (documents of JLF shall include those that indicate approval by the Board of Directors).

### Agreement for Administration of Unitholder Registry

Term	The Agreement shall be effective on the date of conclusion, and no term shall be specified.
Renewal	Not applicable.
Cancellation	<p>The Agreement may be terminated pursuant to any of the following items.</p> <p>i. If the parties agree to termination in writing. In such a case, the Agreement shall</p>

	<p>cease to be effective on a date to be agreed to by the parties.</p> <p>ii. If either party sends a cancellation notice to the other party. In such a case, the Agreement shall cease to be effective on a date to be agreed to by the parties that is more than three months after the date of the arrival of such notice.</p> <p>iii. A written notice of cancellation sent by either party to the other party, if a petition for the commencement of bankruptcy proceedings, civil rehabilitation proceedings or corporate rehabilitation proceedings, or special liquidation proceedings, or the suspension of transactions with a clearing house occurs to the other party. In such a case, the Agreement shall cease to be effective on the date specified in the said notice.</p> <p>iv. A written notice of cancellation sent by either party to the other party that is considered to be in violation of the Agreement and to be likely to cause significant difficulty in continuing the implementation of the Agreement. In such a case, the Agreement shall be terminated two weeks after the date of the arrival of the said notice.</p>
Revision, etc.	To be defined through discussions between the parties.

#### Agreement for Administration of Specified Accounts

Term	The Agreement shall be effective on the date of conclusion, and no term shall be specified.
Renewal	Not applicable.
Cancellation	<p>If any of items i to v below arises, the Agreement may be terminated as specified below.</p> <p>i. If there is no subscriber to the specific account. The Agreement shall cease to be effective upon the completion of the procedures for cancelling all the specified accounts, which shall be undertaken promptly by the Administrator of the specified accounts.</p> <p>ii. If none of the transferred investment units issued by JLF is handled by Japan Securities Depository Center, Inc. pursuant to the Act on Book-Entry of Company Bonds, Shares, etc. The Agreement shall cease to be effective upon the completion of the procedures for cancelling all the specified accounts, which shall be undertaken promptly by the Administrator of the specified accounts.</p> <p>iii. If either party sends a written cancellation notice to the other party that is considered to be in violation of the Agreement and to be likely cause significant difficulty in continuing the implementation of the Agreement. The Agreement shall be terminated two weeks after the date of the arrival of the said notice. However, if a date of termination is specified in the notice, it shall cease to be effective on such designated date.</p>

	<p>iv. If the Administrator of specified accounts, with whom JLF has concluded the agreement for administration of unitholder registry, notifies JLF in writing of the cancellation of the Agreement due to the termination of the agreement for administration of unitholder registry or any background that allows the Administrator of specified accounts to exercise cancellation rights to the Agreement. In such a case, the termination date of the Agreement shall be based on the provisions in the latter part of iii above.</p> <p>v. If the Administrator of the specified accounts notifies JLF in writing of the cancellation of the Agreement due to unsuccessful efforts to settle a revision to the account administration service fees between the parties, despite the occurrence of circumstances not attributable to the provisions in the tariff of the account administration service fees, as a result of fluctuations in the economic situation and changes in the specifications of the account administration services. In such a case, the termination date of the Agreement shall be based on the provisions in the latter part of iii above.</p>
Revision, etc.	If any revision to the Agreement is required due to changes in laws and regulations, or instructions from the supervising authorities or the Japan Securities Depository Center, among other factors, the parties shall implement such revision promptly through discussions between them.

#### Fiscal Agency Agreement

##### (Second series of investment corporation bonds)

Term	The term of the agreement shall not be specified.
Renewal	Not applicable.
Cancellation	JLF and the Administrative Agent related to the second series of investment corporation bonds may cancel the Agreement at any time through discussions.
Revision, etc.	Whenever any change is necessary to the matters specified in the Agreement, JLF and the Administrative Agent related to the second series of investment corporation bonds shall enter into an agreement mutually regarding such change.

##### (Third series of investment corporation bonds)

Term	The term of the agreement shall not be specified.
Renewal	Not applicable.
Cancellation	The JLF and the Administrative Agent related to the third series of investment corporation bonds may cancel the Agreement at any time through discussions.
Revision, etc.	Whenever any change is necessary to the matters specified in the Agreement, the JLF and the Administrative Agent related to the third series of investment corporation bonds shall enter into an agreement mutually regarding such change.

(Fifth series of investment corporation bonds)

Term	The term of the agreement shall not be specified.
Renewal	Not applicable.
Cancellation	The JLF and the Administrative Agent related to the fifth series of investment corporation bonds may cancel the Agreement at any time through discussions.
Revision, etc.	Whenever any change is necessary to the matters specified in the Agreement, the JLF and the Administrative Agent related to the fifth series of investment corporation bonds shall enter into an agreement mutually regarding such change.

(d) Agreement Related to Support for the Acquisition of Logistics Real Estate: Kenedix Inc.

Term	The Agreement as of this date is effective until March 17, 2018.
Renewal	Unless the respective parties send a written notice to the other parties 30 days before the expiration, the Agreement shall be extended for a further year under the same terms and conditions. The same process shall be applied thereafter.
Cancellation	Not applicable.
Revision, etc.	The provisions in the Agreement may be changed or corrected subject to a written agreement between all parties to the Agreement.

(e) Agreement for of Private Placement and the Investment Corporation Bond Registry Agent: DBJ Securities Co., Ltd.

(Fourth series of investment corporation bond)

Term	Not determined.
Renewal	Not prescribed.
Cancellation	<p>i. The administrative agent for the fourth investment corporation bond may cancel this Agreement if any of the conditions specified fails to be met.</p> <p>(i) The statement and guarantee of facts about JLF under this Agreement are true and accurate in material matters. This includes the case of violation to the extent to which it produces no significant adverse impact on the implementation of this Agreement.</p> <p>(ii) Contracts to be concluded by JLF in connection with the investment corporate bond have been lawfully executed, and no event due to which the contracts should be cancelled has occurred.</p>
Revision, etc.	In the event that it becomes necessary to revise any provision of this Agreement, JLF and the administrative agent for the fourth investment corporation bonds shall enter into consultation on it and implement the said revision on the basis of a written agreement executed by them.



(f) Accounting auditors: Ernst & Young ShinNihon LLC

JLF appoints Ernst & Young ShinNihon LLC as accounting auditor.

An accounting auditor is selected by means of a resolution at a Unitholders' Meeting (Article 26 of the Regulations). The term of office of an accounting auditor shall continue until the closing time of the first Unitholders' Meeting to be held around the first announcement of financial results one year after the auditor undertakes the service. The accounting auditor shall be considered to be reappointed at the said Unitholders' Meeting unless otherwise resolved at the said Meeting (Article 27 of the Regulations).

(g) Parent company of MLP/Company that provides information on properties for potential acquisition as well as operational support services: Mitsui & Co., Ltd.

Agreement Related to Support for the Acquisition of Logistics Real Estate

Term	The Agreement as of this date is effective until March 17, 2018.
Renewal	Unless the respective parties send a written notice to the other parties 30 days before the expiration, the Agreement shall be extended for a further year under the same terms and conditions. The same process shall be applied thereafter.
Cancellation	Not applicable.
Revision, etc.	The provisions in the Agreement may be changed or corrected subject to a written agreement between all parties to the Agreement.

Basic Agreement Related to Operational Support Service in the Acquisition of Properties

Term	The Agreement as of this date is effective until March 17, 2018.
Renewal	Unless the respective parties send a written notice to the other parties 30 days before the expiration, the Agreement shall be extended for a further year under the same terms and conditions. The same process shall be applied thereafter.
Cancellation	Not applicable.
Revision, etc.	The provisions in the Agreement may be changed or corrected subject to a written agreement between all parties to the Agreement.

**Article 23(1) (e)**

Description of how the AIFM is complying with the requirements of Article 9(7);

Not applicable.

**Article 23(1) (f)**

Description of any delegated management function as referred to in Annex I by the AIFM and of any safekeeping function delegated by the depositary, the identification of the delegate and any conflicts of interest that may arise from such delegations;

Not applicable. There is no delegation of such functions beyond MLP, which is responsible for portfolio and risk management, and the Custodian, which is responsible for safekeeping activities.

**Article 23(1) (g)**

Description of the AIF's valuation procedure and the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19;

1. The method and standard of JLF's asset valuation are set by type of investment target asset as follows:

(1) Real estate, leasehold rights or surface rights

These assets will be evaluated by the value derived from deducting accumulated depreciation from the acquisition cost. Depreciation of buildings and equipment is calculated by the straight-line method. However, if the calculation method adopted by JLF is deemed inappropriate by reasonable grounds and can be reasonably deemed as being no problem in terms of investor protection, it can be changed to another calculation method in accordance with laws and regulations.

(2) Trust beneficiary rights that entrust only real estate, leasehold rights or surface rights

If the trust assets are assets stated in the above (1), they will be evaluated in accordance with the above (1); if they are financial assets and liabilities, they will be evaluated by the value proportionate to the equity interest of beneficiary rights of the said trust assets by deducting the total amount of liabilities from the total amount of assets upon appraising them in accordance with Japanese GAAP.

(3) Beneficiary rights of money trusts that aim to manage investments in real estate, leasehold rights or surface rights

If the trust assets are comprised by assets stated in the above (1), they will be evaluated in accordance with the above (1); if they are financial assets and liabilities, they will be evaluated by the value proportionate to the equity interest of beneficiary rights of the said trust assets by deducting the total amount of liabilities from the total amount of assets upon evaluating them in accordance with Japanese GAAP.

(4) Silent partnership equity interests concerning real estate

If the silent partnership equity interests are comprised by assets stated in the above (1), they will be evaluated in accordance with the above (1); if they are financial assets and liabilities, they will be evaluated by the value proportionate to the equity interests of the said silent partnership by deducting the total amount of liabilities from the total amount of assets upon evaluating them in accordance with Japanese GAAP.

(5) Beneficiary rights of money trusts that aim to manage investments in silent partnership equity interests concerning real estate

The silent partnership equity interests that are the trust assets will be evaluated in accordance with the above (4). Financial assets and liabilities will be evaluated by the value proportionate to the equity interests of beneficiary rights of the said trust by deducting the total amount of liabilities from the total amount of assets upon evaluating them in accordance with Japanese GAAP.

(6) Real estate securities and marketable securities

If there is a market price to the said securities, the value based on the market price will be used. If there is no market price, a rationally derived value will be used for appraisal.

(7) Monetary claims

Monetary claims will be evaluated by the amount derived by deducting bad debt reserve from the acquisition cost. However, in cases where the said monetary claim was acquired at a lower value or higher value than the amount of the claim and when the nature of the difference between the acquisition amount and the amount of the claim is recognized as interest adjustment, the monetary claim will be evaluated by the amount derived by deducting bad debt reserve from the value calculated based on the amortized cost method.

(8) Beneficiary rights of money trusts that aim to manage investments in deposits, call loans, certificates of deposit, securities and monetary claims

Valuation will be made in accordance with the valuation method of the said investment assets prescribed in the above (1) to (7) and the following (9) and (10), in accordance with the assets that is managed. Financial assets and liabilities will be evaluated by the value proportionate to the equity interests of beneficiary rights of the said trust by deducting the total amount of liabilities from the total amount of assets upon evaluating them in accordance with Japanese GAAP.

(9) Rights related to derivatives trading

a. Claims and obligations generated by trade of derivatives listed on exchanges

These claims and obligations will be evaluated by the value derived based on the final price (closing price. If there is no closing price, the indicative price (the lowest publicized asked quotation or the highest bid quotation; if both are publicized, the medium price of the two)) of the said exchange. If there is no final price on the day, the value derived based on the final price immediately before the day will be used for valuation.

b. Claims and obligations generated by trade of derivatives non-listed on exchanges

These claims and obligations will be evaluated by the value derived by a reasonable method that will be considered as the market price. If it is deemed extremely difficult to calculate a fair value, the acquisition cost will be used for valuation.

c. Notwithstanding the above, hedge accounting may be applied to trades that are recognized as hedge transactions by Japanese GAAP, and special treatment may be applied to transactions that fulfill requirements of special treatment of interest rate swaps according to accounting standards for financial instruments and practical guidelines concerning financial instruments accounting.

(10) Others

Assets that are not stipulated above will be appraised by the appraisal value that is appropriate in accordance with the AITIC and appraisal regulations of the Investment Trusts Association, Japan, or Japanese GAAP.

2. When making valuation by a different method than the above 1. for the investment assets stated in (1) or (2) below for the purpose of indicating the price on asset management reports and the like, they shall be made by a method stated in (1) or (2) below.

(1) Real estate, lease rights or surface rights

These shall be evaluated by the appraisal value derived by appraisals by a real estate appraiser, etc. in principle.

(2) Beneficiary rights of trust that entrust real estate, surface rights or lease rights, and silent partnership equity interests concerning real estate

Assets comprising trust assets or silent partnership equity interests and stated in the above (1) will be evaluated in accordance with the above (1); financial assets will be evaluated by the value proportionate to the said silent partnership equity interest or equity interest of trust beneficiary rights by deducting the total amount of liabilities from the total amount of assets upon evaluating them in accordance with Japanese GAAP.

**Article 23(1) (h)**

Description of the AIF's liquidity risk management, including the redemption rights both in normal and in exceptional circumstances, and the existing redemption arrangements with investors;

In order to manage liquidity risk of JLF, MLP monitors JLF's cash flow every month, maintains minimum cash of about 3 billion yen, and secure 15.5 billion yen of commitment line agreements as of September 30, 2017. In addition, JLF diversifies maturity date of loans and investment corporation bonds so that the cash needs for debt repayment does not concentrate at one time. As JLF is a closed-end investment corporation, unitholders are not entitled to request the redemption of their investment.

**Article 23(1) (i)**

Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by the investors;

[Administrative rewards, etc.]

1. Directors' remuneration

(1) Remuneration for each executive director shall be an amount decided at the board of directors meeting (up to 800,000 yen per executive director per month.)

(2) Remuneration for each supervisory director shall be an amount decided at the board of directors meeting (up to 350,000 yen per supervisory director per month.)

## 2. Asset management fees paid to MLP

The amount, calculation method and payment date of fees paid to MLP shall be as below. JLF shall pay MLP the amount of the fees and the amounts equal to its consumption tax and local consumption tax.

### (1) Management fee I

The upper limit shall be JLF's total assets calculated by methods prescribed below multiplied by an annual rate of 0.5%\* for the "Calculation Period I" and the "Calculation Period II" respectively. Calculation Period I starts from the following day of the previous JLF's fiscal period end to the last day of the third month thereafter. Calculation Period II starts from the following day of the last day of the Calculation Period I to the fiscal period end (calculated on a pro-rate basis by the actual number of days of the said calculation periods, with 365 days as one year.)

\* The annual rate shall be 0.4% until otherwise agreed between JLF and MLP.

The amount of total assets for the Calculation Period I

The amount of total assets shall be the figure stated in the balance sheet for JLF's latest fiscal period (only balance sheets that obtained approval of Article 131, Paragraph 2 of the AITIC.)

The amount of total assets for Calculation Period II

If JLF acquired or sold assets during the Calculation Period I, the amount shall be the sum of the figure stated in the balance sheet for JLF's latest fiscal period and the net amount of the sale and the acquisition during the Calculation Period I.

The fees for Calculation Period I shall be paid within two months from the last day of Calculation Period I, and the fees for Calculation Period II shall be paid within two months from the fiscal period end.

### (2) Management fee II

The upper limit shall be the amount equal to 5%\* of the amount calculated by deducting the sum of real estate leasing business expenses (excluding depreciation and write-off of fixed assets) from JLF's real estate leasing business revenues for the fiscal period. The fee shall be paid within three months from each fiscal period end.

\* The amount equal to 3% until otherwise agreed between JLF and MLP.

### (3) Acquisition fee

In cases where JLF acquired specified assets stipulated in the Article 32, Paragraph 1 or Paragraph 2 of the articles of incorporation, 0.7% of the acquisition price shall be paid as acquisition fee within a month after delivery of the asset. However, the amount may be an amount decided within a range up to the aforesaid amount upon approval of JLF's board of directors meeting.

### (4) Transfer fee

In cases where JLF transferred specified assets stipulated in the Article 32, Paragraph 1 or Paragraph 2 of the articles of incorporation, 0.5% of the transfer price shall be paid as transfer fee

within one month after delivery of the asset. However, the amount may be an amount decided within a range up to the aforesaid amount upon approval of JLF's board of directors meeting.

(5) OBR fee

In cases where JLF conducted OBR of specified assets stipulated in the Article 32, Paragraph 1 or Paragraph 2 of the articles of incorporation, 0.7% of the construction cost related to the OBR shall be paid as OBR fee within one month after the completion of the OBR. However, the amount may be an amount decided within a range up to the aforesaid amount upon approval of JLF's board of directors meeting.

3. Commission paid to administrative agents, asset custodian, administrator of unitholder registry, administrator of specified accounts and administrative agents related to investment corporation bonds

Administrative fees that are the compensation for the asset custodian, administrative agents, administrator of unitholder registry, administrator of specified accounts and administrative agents related to investment corporation bonds to perform each of their duties are as below and will be paid by money transfer to the designated accounts.

(1) Remuneration related to asset custody operations

JLF shall pay the asset custodian as compensation for performing outsourced operations an outsource fee of up to an amount equal to 0.02% of total assets as well as associated consumption tax and local consumption tax. The asset custodian shall charge JLF by the last day of the month following the month to which the last day of each fiscal period belongs, and JLF shall pay by the last day of the month following the month to which the day that JLF received the charge belongs.

(2) Remuneration for administrative agents that carry out administrative work

JLF shall pay the administrative agents as compensation for performing outsourced administrative operations an outsource fee of up to an amount equal to 0.085% of total assets as well as consumption tax and local consumption tax. The administrative agents shall charge JLF by the last day of the month following the month to which the last day of each fiscal period belongs, and JLF shall pay by the last day of the month following the month to which the day that JLF received the charge belongs.

(3) Remuneration for administrator of unitholder registry

- a. JLF shall pay the administrator of unitholder registry an amount calculated based on the outsourced administrative fees chart below as outsourced administrative fees. However, administrative fees that are not stipulated in the chart below shall be stipulated upon discussion between JLF and the administrator of unitholder registry on a case-by-case basis.
- b. In case significant economic environment change has occurred or the range of administration has changed, administrative fees that are not stipulated in above a. shall be stipulated upon discussion between JLF and the administrator of unitholder registry on a case-by-case basis.

c. The administrator of unitholder registry shall charge JLF by the 15<sup>th</sup> date from the last day of the previous month, and JLF shall pay by the last day of the month to which the day that JLF received the charge belongs.

(4) Remuneration for administrator of specified accounts

- a. JLF shall pay the administrator of specified accounts an amount calculated based on the outsourced administrative fees chart below as account management administration fees. However, fees related to administrative work not stipulated in the chart below shall be stipulated upon discussion between JLF and the administrator of specified accounts on a case-by-case basis.
- b. In case significant economic environment change has occurred or the range of administration has changed, administrative fees that are not stipulated in above a. shall be stipulated upon discussion between JLF and the administrator of specified accounts on a case-by-case basis.
- c. The administrator of specified accounts shall charge JLF by the 15<sup>th</sup> date from the last day of the previous month, and JLF shall pay by the last day of the month to which the day that JLF received the charge belongs.

(5) Remuneration for administrative agents related to investment corporation bonds

• 2<sup>nd</sup> Investment corporation bonds

As fees related to administrative work for payment of principal and interest, the following amount and amounts equal to its consumption tax and local consumption tax shall be paid to the administrative agent.

Payments fund for principal and interest payment fee

For payment of principal: 0.075 of 10,000<sup>th</sup> of the principal paid

For payment of interest: 0.075 of 10,000<sup>th</sup> of principal

In addition, the following amount and amounts equal to its consumption tax and local consumption tax shall be paid to administrative agents as fees related to administration of retirement by purchase:

0.075 of 10,000<sup>th</sup> of the retired amount

• 3<sup>rd</sup> Investment corporation bonds

As fees related to administrative work for payment of principal and interest, the following amount and amounts equal to its consumption tax and local consumption tax shall be paid to the administrative agent.

Payments fund for principal and interest payment fee

For payment of principal: 0.075 of 10,000<sup>th</sup> of the principal paid

For payment of interest: 0.075 of 10,000<sup>th</sup> of principal

In addition, the following amount and amounts equal to its consumption tax and local consumption tax shall be paid to administrative agents as fees related to administration of retirement by purchase:

0.075 of 10,000<sup>th</sup> of the retired amount

• 4<sup>th</sup> Investment corporation bonds

JLF has paid a total of 7,776,000 yen, inclusive of consumption tax and local consumption tax, to the administrative agent for its fourth investment corporation bond for its administrative service.

• 5<sup>th</sup> Investment corporation bonds

JLF has paid fees an amount separately agreed, up to 7,600,000 yen, to the fiscal agent for its fifth investment corporation bond for its administrative services regarding finance, issuance, and payment agent.

As fees related to administrative work for payment of principal and interest, the following amount and amounts equal to its consumption tax and local consumption tax shall be paid to the administrative agent.

Payments fund for principal and interest payment fee

For payment of principal: 0.075 of 10,000<sup>th</sup> of the principal paid

For payment of interest: 0.075 of 10,000<sup>th</sup> of principal

In addition, the following amount and amounts equal to its consumption tax and local consumption tax shall be paid to administrative agents as fees related to administration of retirement by purchase:

0.075 of 10,000<sup>th</sup> of the retired amount

<Outsourced administrative fees chart>

■ General administrative fees

Fee item	Fee calculation unit and calculation method
1. Basic fee	<p>(1) One sixths of the total amount of sectional calculation per unitholder according to the following stages based on the number of unitholders of the latest total unitholder notification. However, the minimum monthly charge shall be 200,000 yen:</p> <p>Up to 5,000 unitholders: 480 yen            Up to 10,000 unitholders: 420 yen            Up to 30,000 unitholders: 360 yen            Up to 50,000 unitholders: 300 yen            Up to 100,000 unitholders: 260 yen            100,001 unitholders or more: 225 yen</p> <p>(2) Unitholders removed from the register            70 yen per unitholder</p>
2. Dividend administration fee	<p>(1) The total amount of sectional calculation per unitholder according to the following stages based on the number of unitholders of the total unitholder notification as of the record date. However, the minimum charge shall be 350,000 yen.</p> <p>Up to 5,000 unitholders: 120 yen</p>



	<p>Up to 10,000 unitholders: 110 yen  Up to 30,000 unitholders: 100 yen  Up to 50,000 unitholders: 80 yen  Up to 100,000 unitholders: 60 yen  100,001 unitholders or more: 50 yen</p> <p>(2) 150 yen per designated transfer payment  (3) Split of postal savings dividend receipt  100 yen per sheet  (4) Application of special tax rate  150 yen per case  (5) Dividend statement preparation  15 yen per case</p>
3. Dividend payment fee	<p>(1) Dividend receipt and postal giro payment notice  450 yen per receipt/notice  (2) Receipt for unpaid dividends and postal giro payment notice as of the end of each month  3 yen per receipt/notice</p>
4. Various filings/research/certification fee	<p>(1) 300 yen per filing  (2) 1,200 yen per research  (3) 600 yen per certification  (4) 1,200 yen per investment unit transfer certificate  (5) 300 yen per individual unitholder notice  (6) 300 yen per information supply request  (7) 300 yen per individual number (My Number) registration</p>
5. Various notice dispatch fee	<p>(1) Enclosing and dispatch fee—up to two enclosed items  (Mechanical enclosure) 25 yen per mail  Additional 5 yen per additional enclosed item  (2) Enclosing and dispatch fee—up to two enclosed items  (Manual enclosure) 40 yen per mail  Additional 10 yen per additional enclosed item  (3) Postcard dispatch fee: 8 yen per card  (4) Address printing fee: 15 yen per mail  (5) Verification fee: 10 yen per verification  (6) Material exchange, etc. dispatch fee: 60 yen per mail</p>
6. Returned mail sorting fee	200 yen per mail
7. Fees related to general meeting of unitholders	<p>(1) Voting form preparation fee  15 yen per voting form  (2) Voting form totaling fee</p>

	<p>a. If the unitholder registry administrator carries out totaling registration: 70 yen per voting form Totaling fee of diverse exercise of votes: Additional 70 yen per case Totaling fee of competing agenda such as unitholder proposals, etc.: Additional 70 yen per case However, the minimum charge shall be 70,000 yen.</p> <p>b. If JLF carries out totaling registration: 35 yen per voting form However, the minimum charge shall be 30,000 yen.</p> <p>(3) General meeting of unitholders' reception support, etc. 10,000 yen per person per day</p> <p>(4) Data storage fee 70,000 yen per storage</p>
8. Investor list preparation fee	<p>(1) If listing all unitholders 20 yen per unitholder</p> <p>(2) If listing part of the unitholders 20 yen per corresponding unitholder</p>
9. CD-ROM preparation fee	<p>(1) If all unitholders are subject 15 yen per unitholder</p> <p>(2) If part of the unitholders are subject 20 yen per corresponding unitholder However, the minimum charge shall be 50,000 yen for both (1) and (2).</p> <p>(3) Investor information analysis CD-ROM preparation fee An addition of 30,000 yen</p> <p>(4) CD-ROM copy fee 27,500 yen per CD-ROM</p>
10. Copying fee	30 yen per copy sheet
11. Dividend transfer unitholder solicitation fee	50 yen per unitholder

■ Transfer system-related fees

Fee item	Fee calculation unit and calculation method
1. New address/name data process fee	100 yen per new address/name data
2. Total unitholder notification data process fee	150 yen per total unitholder notification data

3. Individual number (My Number) data process fee	300 yen per registration
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■Account management administration fees

Fee item	Fee calculation unit and calculation method
1. Special account management fee	The total amount of sectional calculation per subscriber according to the following stages based on the number of corresponding subscriber as of the end of each month. However, the minimum monthly charge shall be 20,000 yen. Up to 5,000 subscribers: 150 yen Up to 10,000 subscribers: 130 yen 10,001 subscribers or more: 110 yen
2. Transfer fee	800 yen per request of transfer
3. Various filings brokerage fee	300 yen per filing
4. Individual number (My Number) registration fee	300 yen per registration

4. Remuneration for accounting auditors

Remuneration for accounting auditors shall be an amount decided by the board of directors meeting that is less than 15 million yen for each accounting term that is the subject of audit, and shall be paid within 3 months.

**Article 23(1) (j)**

Description of how the AIFM ensures a fair treatment of investors, and whenever an investor obtain preferential treatment or the right to obtain preferential treatment, a description of that preferential treatment, the type of investors who obtain such preferential treatment and, where relevant, their legal or economic links with the AIF or AIFM;

Under Article 77 paragraph 4 of the AITIC, which applies the requirements of Article 109 paragraph 1 of the Companies Act to investment corporations, investment corporations are required to treat unitholders equally depending on the number and content of units held.

**Article 23(1) (k)**

The latest annual report referred to in Article 22;

Not applicable. The semiannual reports of the JLF are, however, available at;

<http://8967.jp/eng/cms/ir/disclosure.html>

**Article 23(1) (l)**The procedure and conditions for the issue and sale of units or shares;

## a. Minimum equity requirement

Minimum equity of JLF must be 50 million yen (Article 7 of the articles of incorporation).

## b. Issuance of new investment units

JLF is authorized under the articles of incorporation to issue up to 10 million units. Within that limit, JLF may offer newly issued investment units to the subscribers upon approval of the board of directors. Executive director has authority to decide net proceeds per newly issued investment unit. However, the price must be fair value compared to the value of the assets owned by JLF, and requires approval of the board of directors (Article 5, Paragraph 1 and 3 of the articles of incorporation).

## c. Domestic subscription requirement

Over 50% of the total net proceeds from the newly issued investment units must be subscribed by Japanese domestic investors (Article 5, Paragraph 2 of the articles of incorporation).

**Article 23(1) (m)**Latest net asset value of the AIF or latest market price of the unit or share of the AIF, in accordance with Article 19;

Latest net asset value of JLF (as of July 31, 2017): 215.0 billion JPY

Latest market capitalization of JLF (as of September 29, 2017): 193.3 billion JPY

JLF's investment units are listed at the Tokyo Stock Exchange, and their market price is publicly available.

**Article 23(1) (n)**Historical performance of the AIF, where available;

The units of JLF were listed on the Tokyo Stock Exchange on May 9, 2005.

The most recent five fiscal period performance of the units is as follows.

Fiscal period	Total Assets (JPY million)	Total Net Assets (JPY million)	Total unitholders' equity per unit (book value) (JPY)
July 31, 2017	232,405	128,706	146,257
January 31, 2017	209,500	128,634	146,175
July 31, 2016	209,384	128,605	146,142
January 31, 2016	209,459	128,592	146,127
July 31, 2015	199,146	118,987	143,358

**Article 23(1) (o)**

Identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflict of interest in relation thereto are managed and the provision in the contract with the depositary on the possibility of transfer and reuse of AIF assets, and information about any transfer of liability to the prime broker that may exist;

Not applicable.

**Article 23(1) (p)**

Description of how and when the information required under paragraphs 4 and 5 will be disclosed;

The MLP will disclose the matters described in Articles 23(4) and 23(5) periodically through its website (<http://8967.jp/eng/>).

**Article 23(2)**

The AIFM shall inform the investors before they invest in the AIF of any arrangement made by the depositary to contractually discharge itself of liability in accordance with Article 21(13);

Not applicable.

The AIFM shall also inform investors of any changes with respect to depositary liability without delay;

Not applicable.

**Article 23(4)(a)**

Percentage of the AIF's assets which are subject to special arrangements arising from their illiquid nature. The percentage shall be calculated as the net value of those assets subject to special arrangements divided by the net asset value of the AIF concerned;

There are no assets that are subject to special arrangements arising from their illiquid nature.

Overview of any special arrangements, including whether they relate to side pockets, gates or other arrangements;

There are no such special arrangements.

Valuation methodology applied to assets which are subject to such arrangements;

There are no such special arrangements.

How management and performance fees apply to such assets;

There are no such special arrangements.

**Article 23(4)(b)**

Any new arrangements for managing the liquidity of the AIF;

Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

For each AIF that the AIFM manages that is not an unleveraged closed-end AIF, notify to investors whenever they make changes to its liquidity management systems (which enable an AIFM to monitor the liquidity risk of the AIF and to ensure the liquidity profile of the investments of the AIF complies with its underlying obligations) that are material in accordance with Article 106(1) of the Level 2 implementing EU legislation (ie. there is a substantial likelihood that a reasonable investor, becoming aware of such information, would reconsider its investment in the AIF, including because such information could impact an investor's ability to exercise its rights in relation to its investment, or otherwise prejudice the interests of one or more investors in the AIF);

Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

Immediately notify investors where they activate gates, side pockets or similar special arrangements or where they decide to suspend redemptions;

Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

Overview of changes to liquidity arrangements, even if not special arrangements;

Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

Terms of redemption and circumstances where management discretion applies, where relevant;

JLF is a closed-end investment corporation, and unitholders are not entitled to request the redemption of their investment.

Also any voting or other restrictions exercisable, the length of any lock-up or any provision concerning 'first in line' or 'pro-rating' on gates and suspensions shall be included;

Nor applicable.

**Article 23(4)(c)**

The current risk profile of the AIF and the risk management systems employed by the AIFM to manage those risks;

The appropriateness and effectiveness of the risk management structure are regularly evaluated and enhanced by the MLP.

Deposits are exposed to risks of bankruptcy of the financial institutions which hold the deposit, and other credit risks. Such risks are, however, managed by limiting short-term deposits and depositing financial institutions with high credit ratings.

Loans and investment corporation bonds are mainly used for asset acquisition or debt repayment, etc. While loans and bonds are exposed to liquidity risk at the time of due date and maturity date, such risk is controlled by diversifying lenders and maturity and due dates, diversifying financing means, establishing commitment lines to secure liquidity as well as monitoring cash flows periodically. JLF has 15.5 billion yen of commitment lines as of September 30, 2017.

Debt with a floating interest rate is exposed to interest rate fluctuation risks. JLF will manage the risk by maintaining conservative level of LTV, by increasing fixed-rate debt ratio, and by using derivative instruments for hedging purpose.

Measures to assess the sensitivity of the AIF's portfolio to the most relevant risks to which the AIF is or could be exposed;

No such measures have been implemented.

If risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded a description of the circumstances and the remedial measures taken;

No such situation has occurred.

#### **Article 23(5)(a)**

Any changes to the maximum amount of leverage which the AIFM may employ on behalf of the AIF, calculated in accordance with the gross and commitment methods. This shall include the original and revised maximum level of leverage calculated in accordance with Articles 7 and 8 of the Level 2 implementing EU Legislation, whereby the level of leverage shall be calculated as the relevant exposure divided by the net asset value of the AIF;

Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

Any right of the reuse of collateral or any guarantee granted under the leveraging agreement, including the nature of the rights granted for the reuse of collateral and the nature of the guarantees granted;

No such right or guarantee exists.

Details of any change in service providers relating to the above;

Any new arrangements or change in applicable arrangements will be disclosed at an appropriate time.

**Article 23(5)(b)**

Information on the total amount of leverage employed by the AIF calculated in accordance with the gross and commitment methods;

The aggregate amount of interest bearing debt is 94.7 billion as of July 31, 2017.