



# 2023

## Sustainability Report

 **Japan Logistics Fund, Inc.**  
日本ロジスティクスファンド投資法人

Asset Management Company  
Mitsui & Co., Logistics Partners Ltd.

## Top message

In recent years, investors and other stakeholders have taken greater interest in real estate funds and their ESG initiatives, including response to environmental challenges such as climate change, contributions to society, and strengthening of governance. Moreover, some are looked to as benchmarks for evaluating medium- to long-term risk management and new revenue-generating opportunities.

Based on our Guidelines for ESG Initiatives, MLP has focused its efforts on sustainability management to solve ESG challenges and move toward achieving a sustainable society. In 2021, we accelerated efforts aimed at sustainability management. We signed on to the Principles for Responsible Investment (PRI) and the Principles for Financial Action for the 21st century (the PFA 21), announced our agreement with the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD), and joined the TCFD Consortium.

In managing the assets of Japan Logistics Fund, Inc. (JLF), we have positioned response to climate change as one of the ESG materialities and aim to achieve net zero Scope 1 and 2 greenhouse gas emissions by FY 2050. Additionally, we have put forth the target of reducing greenhouse gas emissions 42% by FY 2030 (compared to FY 2021) as a medium-term target toward achieving net zero. We have also acquired SBT certification for SMEs, which certifies the target aligns with the Paris Agreement. In FY 2022, we achieved net zero Scope 1 and 2 greenhouse gas emissions by purchasing non-fossil fuel certificates. We will study measures aimed at achieving net zero on a sustainable basis

moving forward.

We also acquired the highest rating (5 stars) in the 2022 GRESB Real Estate Assessment. JLF acquired a A rating with MSCI ESG as of end of July, 2023. And JLF has been included in the MSCI Japan ESG Select Leaders Index. We have made high ratings among third-party institutions.

We will continue to delve deeper with our ESG initiatives, contribute to realizing a sustainable society through our asset management business, and pursue sustainable growth in unitholder value.

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



## Editorial Policy

Mitsui & Co., Logistics Partners Ltd. (MLP) and Japan Logistics Fund, Inc. (JLF), which are managed by MLP, proactively address ESG issues based on the belief that it is important to address ESG issues, and disclose such information to stakeholders through their websites and other means. JLF has been disclosing its ESG activities to stakeholders through its website. JLF has published "Sustainability Report 2023" to consolidate the ESG-related information disclosed on the MLP and JLF websites, and to more clearly communicate our ESG initiatives.

The Sustainability Report 2023 was prepared with reference to the GRI Standards as a report to be referred to by stakeholders with a high level of interest in ESG.

JLF and MLP will continue to improve the Sustainability Report to make it even more comprehensive by referring to your comments on it, and JLF and MLP hope that it will become a tool that can be effectively used for dialogue with our stakeholders.

### Cautionary Statement Regarding Forward-Looking Statements

The data and projections disclosed in this report are based on judgments and information available as of the date of publication of this report, and involve known and unknown risks, uncertainties, and other factors, and are not guarantees of the achievement of these goals and projections or of future performance. Such risks, uncertainties and other factors include, but are not limited to, those described in the Investment Corporation's most recent Annual Securities Report and other documents, and JLF undertakes no obligation to publicly update or revise any forward-looking statements. Therefore, the use of this information and materials should be made at the discretion of the user,

after cross-checking with information obtained by other means. JLF assumes no responsibility whatsoever for any damages resulting from the use of this material.

month of issue	August 2023
Target period	This report focuses on the initiatives for April 2022 to March 2023, and also includes some policies and activities for the current year (the FP March 2024).
Update Frequency	Issued once a year
Reference Guidelines	GRI Standards
For inquiries, please contact	jlf_ir@m-lp.net

# Table of Contents

Top message	2	<b>Social Initiatives</b>	
Editorial Policy	3	Communication with stakeholders (Stakeholder engagement)	46
Table of Contents	4	Respect for human rights	47
About Us	5	Promotion of diversity, equity & inclusion (DEI)	47
Investment Policy	8	An engaged workplace environment	47
		Initiatives for Local Communities and Tenants	54
<b>Sustainability Management</b>		<b>Corporate Governance</b>	
Guidelines for ESG Initiatives	10	Structure of the Investment Corporation	60
<b>External certifications, consent with initiatives, and ESG data collection</b>		Compliance and Risk management	64
Policy on acquiring external certifications	21	Corporate Conduct	68
Consent with initiatives	23	Information disclosure	71
ESG Data	25	<b>Green finance</b>	
<b>Environmental Initiatives</b>		1. Overview of a green finance framework	74
Climate Change	30	2. Fund allocation status	77
Resource circulation	39	3. Green Bond	77
Green building commitment extends to existing buildings (Policy on the Acquisition of Green Building Certifications, greenification of building)	41	4. Green Loan	78
		5. Green Eligible Assets	79

# About Us

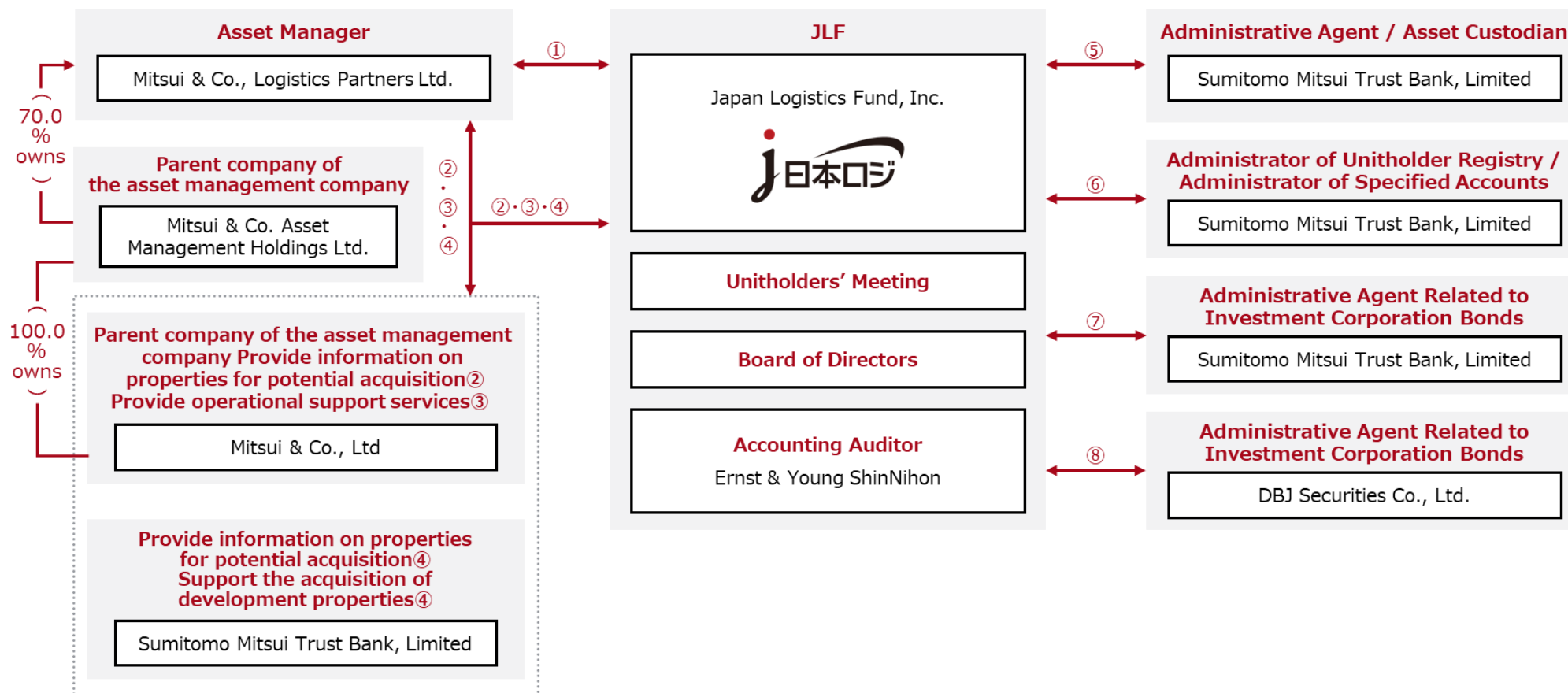
## Investment Trust

Company Name	Japan Logistics Fund, Inc
Executive Director	Ryota Sekiguchi
Address	3-2-1, Nishikanda, Chiyoda-ku, Tokyo, 101-0065, Japan
Asset Management Company	Mitsui & Co., Logistics Partners Ltd.
Contact e-mail	<a href="mailto:jlf_ir@m-lp.net">jlf_ir@m-lp.net</a>

## Asset Management Company

Company Name	Mitsui & Co., Logistics Partners Ltd.
Address	Chiyoda First Bldg. 13th Floor South Wing, 3-2-1, Nishikanda, Chiyoda-ku, Tokyo, 101-0065, Japan
Established	July 13, 2004
Paid-in Capital	150 million yen
Shareholders	Mitsui & Co. Asset Management Holdings Ltd. (70.0%) Sumitomo Mitsui Trust Bank, Limited. (20.0%) Kenedix, Inc. (10.0%)
Management	President & CEO: Seiichi Suzuki Directors (full-time) : Ryota Sekiguchi / Satoshi Kikkawa Directors (part-time): Tamotsu Hagino, Hidehito Okinaka, Mitsuhiro Koyama Corporate Auditors: Jun Notoya
Registrations and Licenses	<ul style="list-style-type: none"> <li>Investment management business; Director of Kanto Local Finance Bureau (Kinsho) Registration No. 400</li> <li>Building lots and building transaction business; Tokyo Governor's Office license (4) No.83559</li> <li>Discretionary transaction agent; Minister of Land, Infrastructure, and Transport Approval No. 27</li> </ul>

## Structure of JLF

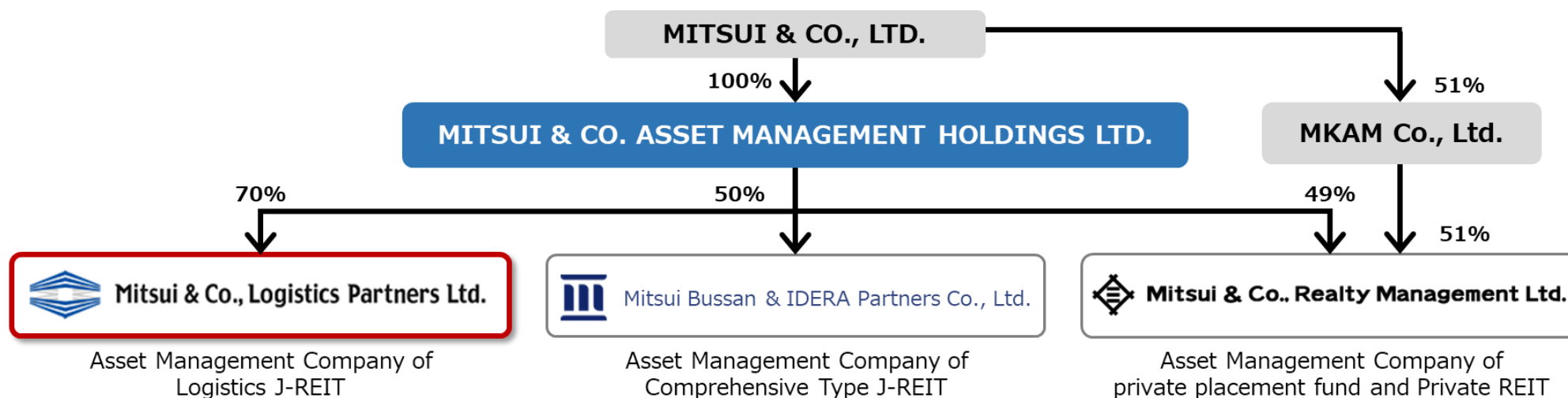


- ① Asset Management Agreement
- ② Agreement Related to Support for the Acquisition of Logistics Real Estate
- ③ Basic Agreement Related to Operational Support Service in the Acquisition of Properties
- ④ Basic Agreement Related to the Provision of Brokerage Information on Real Estate and the like / Agreement Related to the Support of the Acquisition of Development Properties
- ⑤ Agreement for Administrative Agent and Asset Custody
- ⑥ Agreement for Administration of Unitholder Registry and Specified Accounts
- ⑦ Fiscal Agency Agreement
- ⑧ Agreement for Administration of Private Placement and Investment Corporation Bond Registry

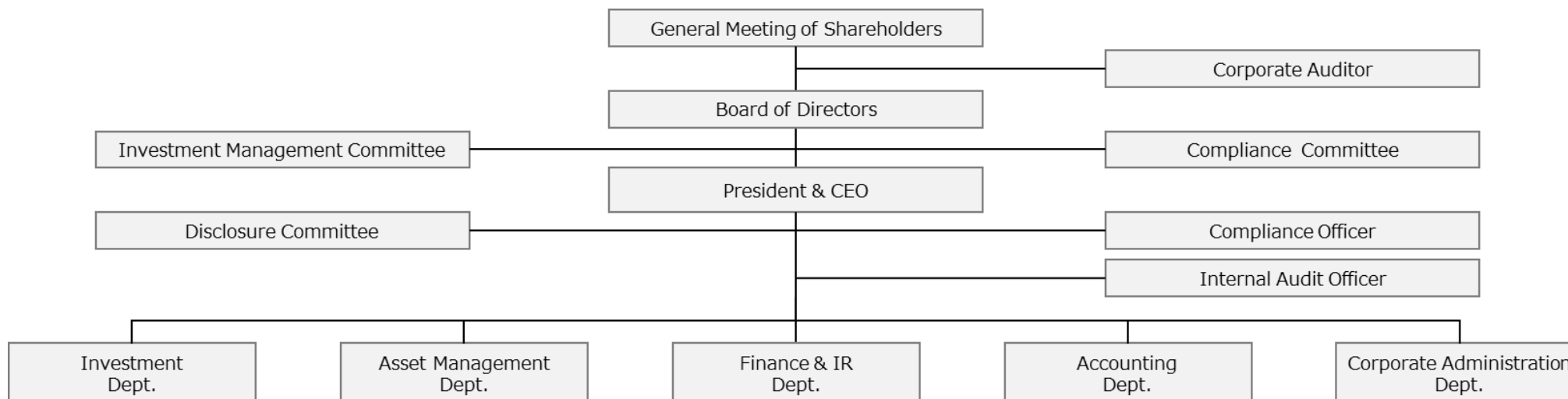
## Structure of MLP

MITSUI & CO. ASSET MANAGEMENT HOLDINGS LTD.

Group Structure



Organization Chart of MLP





## Investment Policy

As Japan's first logistics REIT, Japan Logistics Fund, Inc. (JLF) leverages the expertise of its asset manager, MLP. MLP's ability to discern trends in logistics and the economy and its knowledge and experience gained in actual logistics settings help JLF secure stable revenues over the mid-to long-term and maximize profits for our unitholders.

### Investment Target

The primary investment targets shall be real estate used for logistics facilities. Real estate used for data centers and other telecommunication facilities and real estate that is not being used for logistics facilities at the time of acquisition but may be converted or redeveloped to be used for logistics facilities (hereinafter "Other Real Estate") may become investment targets. The target ratios of investment in the mid-to long-term of real estate used for logistics facilities and Other Real Estate shall be as stated below. The target ratios are targets in the mid-to long-term, and the targets may not be achieved within a certain period in the course of the acquisition of assets.

Use	Investment ratio by use
Logistics facilities (primary investment targets)	90% or more
Other Real Estate (secondary investment targets)	10% or fewer

### Investment Region

To mitigate changes in earnings caused by economic fluctuations, earthquakes and other circumstances that may have significant effects on specific regions, the Company shall consider geographic

diversification in the portfolio. Considering population distribution, regional gross production, consuming region markets and producing region markets, trends in logistics, including port logistics, and indicators to measure needs, the Company shall determine the target ratios of investment in the mid-to long-term of the geographical segments as stated below. The target ratios are targets in the mid-to long-term, and the targets may not be achieved within a certain period in the course of the acquisition of assets.

Area Classification	Target ratio
Tokyo Metropolitan Area	50~80%
Osaka Area, Nagoya Area and Fukuoka Area	20~40%
Other Area	5~10%

Tokyo Metropolitan area consists of Tokyo, Kanagawa, Chiba and Saitama Prefectures.

The Osaka area consists of Osaka, Kyoto and Hyogo Prefectures.

The Nagoya area consists of Aichi, Gifu and Mie Prefectures.

The Fukuoka area consists of Fukuoka and Saga Prefectures.

Other area consists of regions other than the above.



# Sustainability Management

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## Table of Contents

### Guidelines for ESG Initiatives

#### Basic Stance

#### Sustainability Policy

1. Contribute to sustainable environment
2. Support respect for human rights and labor practices
3. Create a pleasant and healthy work environment and endeavor to educate officers and employees
4. Cooperate and coordinate multimodally with a wide range of stakeholders
5. Ensure legal compliance and establish corporate governance and risk management systems
6. Disclose information to investors and other relevant persons and utilize environmental certifications and evaluations
7. Review the Policy

#### Sustainability Promotion Structure

1. Sustainability Promotion Liaison Meeting
2. Important ESG matters (materialities)
3. Environmental Management System

#### Results of FY2022 materiality

## Sustainability Management

MLP an asset manager of JLF has established "Guidelines for ESG Initiatives".

## Guidelines for ESG Initiatives

### Basic Stance

Mitsui & Co., Logistics Partners Ltd. (hereinafter referred to as the "MLP"), as the asset manager for Japan Logistics Fund, Inc. (hereinafter referred to as the "JLF"), recognizes the importance of environmental, social and governance (ESG) aspects in real estate investment management business.

As its initiatives for environment and society, MLP shall consider reducing the environmental burden and building trust with various stakeholders in and outside the company, and aims at realizing a sustainable society and contributing to society through the conduct of investment management operations. Moreover, in its corporate governance initiatives, MLP shall ensure legal compliance, establish risk management systems and strive for timely and appropriate information disclosure to investors and other relevant persons.

MLP has established a "Sustainability Policy" (hereinafter sometimes referred to as the "Policy") and shall promote ESG initiatives which shall be led by "Sustainability Promotion Liaison Meeting." Furthermore, to advance its ESG initiatives, MLP shall identify and set sustainability targets for important matters related to ESG (materialities) and build and manage an Environmental Management System (EMS).

### Sustainability Policy

MLP has established a "Sustainability Policy," as described below, with an eye to conducting a real estate investment management business that considers the reduction of the environmental burden, safety and security and the improvement of comfort, as well as a variety of different types of coordination and cooperation with various stakeholders.

#### 1. Contribute to sustainable environment

To achieve the social responsibility of improving environmental performance of the managed properties, MLP shall contribute to environmental sustainability by continuously reducing the environmental impact of the managed properties and mitigating environmental burden.

- ① Improve efficiency in energy use and respond to climate change and net zero

MLP shall endeavor to reduce CO2 emissions by advancing the more efficient use of energy in real estate operations. MLP will also introduce technologies and facilities that conserve or generate energy and switch to power sources with lower carbon dioxide emission factors, among other things. Furthermore, MLP will strive to address climate change in a manner that is cognizant of net zero targets that align with the Paris Agreement.

## ② Preserve water environment

MLP shall work to preserve water environment by conserving water and introducing water-saving equipment, among other measures.

## ③ Promote resource saving and waste disposal reduction

MLP shall work to implement initiatives for resource saving and waste disposal reduction through the three Rs (reduce, reuse and recycle).

## ④ Consider biodiversity

Through landscape management and so forth that give consideration to biodiversity, MLP strives to coexist with the natural environment and contribute to building a society in harmony with nature.

## ⑤ Consider environmental attributes of building materials

In executing repair work and add-value renovations of properties, MLP shall consider using environmentally friendly building materials.

## 2. Support respect for human rights and labor practices

MLP will respect human rights in accordance with international norms and based on the Mitsui & Co., Ltd., Group human rights policy and will not tolerate discrimination or inhumane treatment based on race, nationality, gender, disability, religion, age, or any other grounds, and will strive to guarantee equal opportunity. These include, but are not limited to, freedom of association, the right to collective bargaining, the elimination of forced labor, unreasonably low wages and long working hours, and the abolition of child labor.

MLP strives to promote opportunities for productive and decent work, work that is rewarding and humane. MLP is also mindful to have a

work environment and practices where freedom, fairness, safety, and human dignity exist.

## 3. Create a pleasant and healthy work environment and endeavor to educate officers and employees

Recognizing that human resources are its greatest asset, MLP shall work to create a healthy and pleasant work environment where each officer and employee can perform to their maximum potential by promoting acceptance and respect for each other's individuality, pursuing equity in the provision of opportunities, and creating an organization that allows individuality to flourish (diversity, equity & inclusion "DEI"). In addition, MLP will strive to create a healthy and comfortable work environment with consideration for work-life balance and promote human resource development initiatives through assistance toward professional education and training and the establishment of an evaluation feedback system.

In the implementation of this Policy, MLP shall also endeavor to improve social and environmental awareness among its officers and employees by continuously conducting educational and familiarization activities.

## 4. Cooperate and coordinate multimodally with a wide range of stakeholders

MLP shall stress dialogues with tenants, property managers and other business partners, as well as local communities and other external stakeholders, work to build trust relationships with them and strive to promote ESG initiatives.

MLP shall consider health, safety and comfort of the tenants occupying the properties, practice disaster prevention drills based on

public and private partnerships and promote initiatives based on a business continuity plan (BCP).

## 5. Ensure legal compliance and establish corporate governance and risk management systems

### ① Ensure legal compliance

Recognizing legal compliance as one of the most important management initiatives, Directors of MLP shall lead efforts to promote legal compliance in the execution of business operations and ensure that officers and employees are fully aware of the importance of legal compliance. In addition, all officers and employees shall not only comply with laws, regulations and rules but endeavor to uphold high moral values and to sincerely and appropriately carry out their duties.

### ② Establish corporate governance and risk management systems

MLP has established internal systems for the development of regulations, rules, procedures and manuals to be observed in its business conduct and the enhancement of corporate governance, in its effort to improve transparency in decision-making and avoiding conflicts of interest and to manage and mitigate various risks associated with the execution of business operations.

## 6. Disclose information to investors and other relevant persons and utilize environmental certifications and evaluations

MLP shall strive to proactively disclose information pertaining to the Policy and the status of implementation of initiatives based on the Policy to investors and other relevant persons. In addition, it shall explore the utilization of environmental certifications and evaluations in order to materialize the outcome of initiatives based on the Policy.

## 7. Review the Policy

To ensure the effectiveness of the Policy, MLP shall review the Policy, considering social situations, changes in people's awareness, advances in technology and other circumstances.

## Sustainability Promotion Structure

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### 1. Sustainability Promotion Liaison Meeting

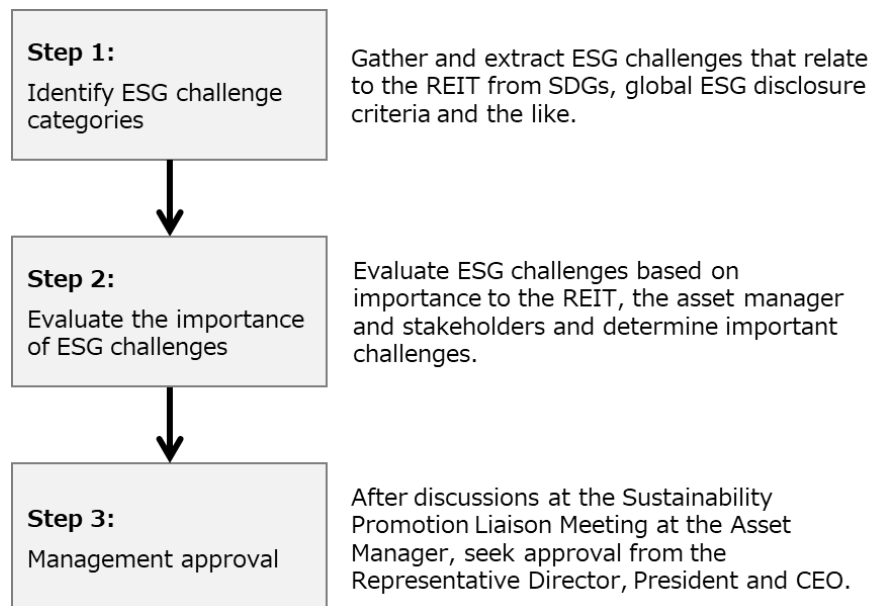
Sustainability Promotion Liaison Meeting shall pursue ESG initiatives in accordance with the Sustainability Policy.

Our Sustainability Promotion Liaison Meeting is run and managed by our Finance & IR Department, with our President and CEO as Supervisor of Sustainability Promotion. Regular meetings are held once every three months, in general, with participation from the President & CEO, Officers in Charge, Department Management Director and other department personnel. There, participants review the Sustainability Policy and Goals and various sustainability initiatives considering circumstances in society and the state of operations at JLF.

### 2. Important ESG matters (materialities)

JLF and MLP shall select from among various ESG issues, those ESG issues that JLF should address and identify important ESG matters (materialities) that JLF should tackle. For each materiality, KPIs (action plans and targets) shall be set and managed so as to drive ESG activities deeper.

## ① Important ESG matters (materialities) identification process



## ② Responding to SDGs








To further promote management with a focus on ESG, JLF and MLP shall identify important matters (materialities) that should be prioritized and clarify targets for strongly related SDGs.


MLP aim to strengthen our response to social issues, including SDGs, to maintain and improve our competitiveness, and to contribute to the realization of a sustainable society.

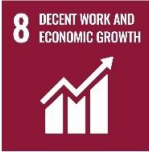


Important ESG matters (materialities) are managed in general by Chief Financial Officer, department in charge of each item (Including Compliance Officer and Internal Audit Officer) is set, and the officer in charge of the department in charge (or Compliance Officer and Internal Audit Officer) plays a central role in setting, managing, and promoting targets.







## ③ Important ESG matters (materialities) for JLF and MLP

Category	Important challenge	Direction/Target	Medium- to long-term KPIs*	FY 2023 KPIs	SDGs
E	Response to climate change	Manage and reduce energy consumption and CO2 emissions	<ul style="list-style-type: none"> <li>• scope 1.2 GHG emission reduction targets : <ul style="list-style-type: none"> <li>– 42% reduction by FY2030 (compared to FY2021)</li> <li>– Net zero by FY2050</li> </ul> </li> <li>• Conducted 1 ESG study session for at least 75% of tenants (Once each year)</li> <li>• Conducted 1 ESG study session for all PM companies (Once each year)</li> </ul>	<ul style="list-style-type: none"> <li>• Conducted 1 ESG study session for at least 75% of tenants</li> <li>• Conducted 1 ESG study session for all PM companies</li> </ul>	 
		Environmental Compliance	<ul style="list-style-type: none"> <li>• To enhance the competitiveness of our properties, JLF and MLP will consider installing high-environmental performance equipment</li> <li>• Continue to work to acquire green certifications, such as Green Building Certifications</li> </ul>	<ul style="list-style-type: none"> <li>• Acquire green building certifications in 90% of portfolio by FY2025</li> </ul>	<ul style="list-style-type: none"> <li>• Acquire green building certifications in 85% of portfolio by FY2023</li> </ul> 
		Collaboration with tenants to be environmentally friendly	<ul style="list-style-type: none"> <li>• Promote the introduction of green leases from the perspective of both operations and facility improvements to contribute to the environment through collaboration with tenants.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement green leases in 70% of portfolio by FY2025.</li> <li>• Exchange opinions on ESG with at least 75% of tenants (Once each year)</li> </ul>	<ul style="list-style-type: none"> <li>• Implement green leases in 65% of portfolio by FY2023.</li> <li>• Exchange opinions on ESG with at least 75% of tenants</li> </ul>  
		Resilience (business continuity)	<ul style="list-style-type: none"> <li>• Implement strategies to increase resilience against intensifying natural disasters to lower the risk of damages to portfolio profitability caused by disasters.</li> <li>• In addition, JLF and MLP will carry out planned repair work on properties in response to changes</li> </ul>	<ul style="list-style-type: none"> <li>• Consider and implement 1 initiative related to business continuity planning (BCP)</li> </ul>	<ul style="list-style-type: none"> <li>• Implement 1 initiative related to business continuity planning (BCP) (Plan to prepare a list of emergency construction vendors related to BCP)</li> </ul>  

Category	Important challenge	Direction/Target	Medium- to long-term KPIs*	FY 2023 KPIs	SDGs
		in weather patterns.			
E	Support a recycling economy	Strive to preserve the water environment by conserving water, introducing water-saving equipment and the like.	<ul style="list-style-type: none"> <li>Distribute informational posters and pamphlets with at least 75% of tenants (Once each year)</li> </ul>	<ul style="list-style-type: none"> <li>Distribute informational posters and pamphlets with 75% or more of tenants.</li> </ul>	

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.	<ul style="list-style-type: none"> <li>Achieve 75% usage of paid leave days by 2025.</li> <li>Health examinations (target: 100%)</li> <li>Percentage of feedback interviews conducted (100%)</li> <li>Yearly training in diversity, equity &amp; inclusion (DEI) (Once each year)</li> </ul>	<ul style="list-style-type: none"> <li>Health examinations (target: 100%)</li> <li>Percentage of feedback interviews conducted (100%)</li> <li>Yearly training in diversity, equity &amp; inclusion (DEI)</li> </ul>	 
	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.	<ul style="list-style-type: none"> <li>At least 15 hours of training per employee per year.</li> </ul>	<ul style="list-style-type: none"> <li>At least 15 hours of training per employee.</li> </ul>	



Category	Important challenge	Direction/Target	Medium- to long-term KPIs*	FY 2023 KPIs	SDGs
	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.	<ul style="list-style-type: none"> <li>Making social contributions (Once each year)</li> </ul>	<ul style="list-style-type: none"> <li>Making social contributions at least once</li> </ul>	 
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.	<ul style="list-style-type: none"> <li>IR with individual investors (Sixth each year)</li> </ul>	<ul style="list-style-type: none"> <li>IR with institutional investors: 260 meetings</li> <li>IR with individual investors: Conducted on average 6 times</li> </ul>	
	Strengthen governance	Raise awareness of compliance and effect thorough adherence to laws and regulations by implementing training.	Compliance training <ul style="list-style-type: none"> <li>Training participation: 100%</li> <li>Training time: 6 hours/each year</li> </ul>	Compliance training <ul style="list-style-type: none"> <li>Training participation: 100%</li> <li>Training time: 6 hours</li> </ul>	
		Establish a sophisticated governance structure and implement fair corporate governance	<ul style="list-style-type: none"> <li>Attendance rate of directors at JLF's board meetings annual average of at least 90%</li> </ul>	<ul style="list-style-type: none"> <li>Attendance rate of directors at JLF's board meetings annual average of at least 90%</li> </ul>	

\* The numerical values of the quantitative targets of the KPIs will be verified for adequacy at the time of the annual review, and revisions such as target improvement will be considered as necessary. For those KPIs for which no fiscal year is specified, JLF and MLP will aim to achieve them continuously until 2030.

### 3. Environmental Management System

For important ESG matters (materialities) independent environmental management systems (EMS) are built and run to continually achieve improvement on the issue.

At MLP which manages JLF KPIs are set and confirmed to endeavor to improve challenges identified by important ESG matters (materialities).

For environmental KPIs, JLF track environmental performance data on energy consumption, greenhouse gas (GHG) emissions, water consumption, and waste generation by property on an annual basis, and obtain third-party assurance based on the International Standard on Assurance Engagements (ISAE3000) from an independent assurance engagement organization. JLF aim to achieve our reduction targets through accurate data and analysis of causes.

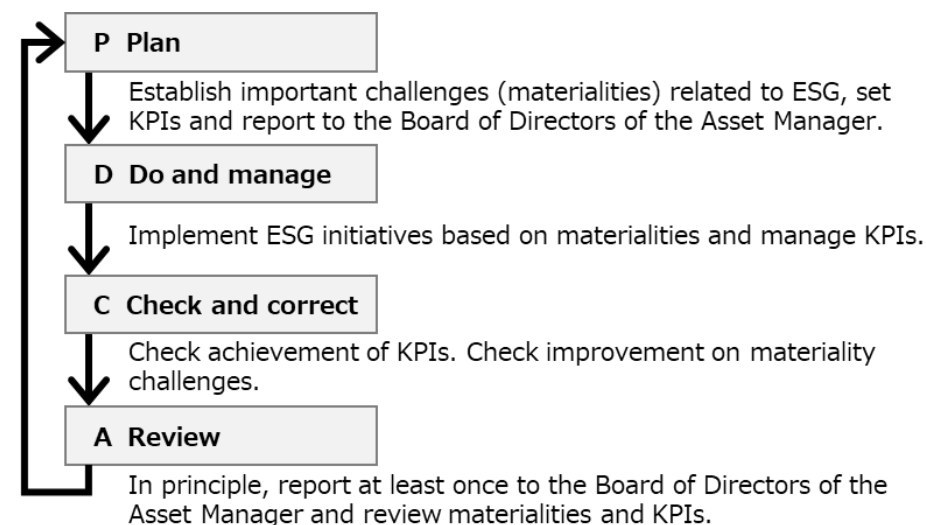
In addition to environmental performance data, progress on materiality KPIs is monitored and reported at least once a year to the Sustainability Promotion Liaison Meeting, President, Representative Director and CEO and the Board of Directors, and a PDCA cycle is implemented, including a review of materialities and KPIs.

[Environmental Management System (EMS) Flowchart]

MLP



[Conceptual diagram of the PDCA cycle]



## Results of FY2022 materiality

Category	Important challenge		Direction/Target	KPI	Results for FY2022
E	Response to climate change	Manage and reduce energy consumption and CO2 emissions	Endeavor to reduce CO2 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.	<ul style="list-style-type: none"> <li>scope 1.2 GHG emission reduction targets :               <ul style="list-style-type: none"> <li>– 42% reduction by FY2030 (compared to FY2021)</li> <li>– Net zero by FY2050</li> </ul> </li> <li>Distribute informational posters and pamphlets (covering 75% or more of portfolio every year).</li> <li>Implement ESG study groups (covering 75% or more of tenants every year).</li> </ul>	<ul style="list-style-type: none"> <li>In FY 2022, achieved net zero scope 1.2 greenhouse gas emissions by purchasing non-fossil fuel certificates</li> <li>Distribute educational posters (at least 75% of properties) ⇒ Achieved 100%</li> <li>Conducting ESG study sessions (for at least 75% of tenants every year) ⇒ Achieved 100%</li> </ul>
		Environmental Compliance	Continue to work to acquire green certifications, such as Green Building Certifications	<ul style="list-style-type: none"> <li>Acquire green building certifications in 75% of portfolio by FY2022.</li> <li>Acquire green building certifications in 90% of portfolio by FY2025.</li> </ul>	<ul style="list-style-type: none"> <li>Has acquired green building certifications in 79.7% of portfolio at the end of FY2022.</li> </ul>
		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.	<ul style="list-style-type: none"> <li>Implement green leases in 50% of portfolio by FY2022.</li> <li>Implement green leases in 70% of portfolio by FY2025.</li> <li>Exchange opinions with tenants on ESG. (75% or more of tenants every year)</li> </ul>	<ul style="list-style-type: none"> <li>Has implemented green leases in 63.1% of portfolio at the end of FY 2022.</li> <li>Exchanged opinions with tenants on ESG (covering 100% of tenants).</li> </ul>
		Resilience (business continuity)	Implement strategies to increase resilience against intensifying natural disasters to lower the risk of damages to portfolio profitability caused by disasters.	<ul style="list-style-type: none"> <li>Develop tools for BCP operation and build a cooperative system with related companies.</li> </ul>	<ul style="list-style-type: none"> <li>Consolidate PBM companies</li> <li>Organize tools related to BCP</li> <li>Prepare list of emergency construction vendors to enhance ability to procure general contractors and other partners</li> </ul>
	Support a recycling economy		Strive to preserve the water environment by conserving water, introducing water-saving equipment and the like.	<ul style="list-style-type: none"> <li>Distribute informational posters and pamphlets (covering 75% or more of portfolio every year).</li> </ul>	<ul style="list-style-type: none"> <li>Distributed educational materials to all tenants (covering 100% of tenants)</li> </ul>

Category	Important challenge	Direction/Target	KPI	Results for FY2022
S	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.	<ul style="list-style-type: none"> <li>Achieve 75% usage of paid leave days by 2025.</li> <li>Health examinations (target: 100%)</li> <li>Percentage of feedback interviews conducted (100%)</li> <li>Yearly training in diversity, equity &amp; inclusion (DEI) (to be achieved continuously through FY2030)</li> </ul>	<ul style="list-style-type: none"> <li>Average number of paid holidays used Use 75% by FY 2025 ⇒ FY 2022: 83.0%</li> <li>Percentage of employees who have received health examinations (target: 100%) ⇒ 100%</li> <li>Percentage of feedback interviews held (100%) ⇒ 100%</li> <li>Yearly training in diversity, equity &amp; inclusion (DEI)⇒ Held training one</li> </ul>
	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.	<ul style="list-style-type: none"> <li>At least 15 hours of training per employee per year (to be achieved continuously through FY2030).</li> </ul>	<ul style="list-style-type: none"> <li>Average hours of attendance : 17 hours/person</li> </ul>
	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.	<ul style="list-style-type: none"> <li>Making social contributions at least once a year</li> </ul>	<ul style="list-style-type: none"> <li>Making social contributions</li> </ul>
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.	<ul style="list-style-type: none"> <li>IR with institutional investors: 230 meetings in FY2022</li> <li>IR with individual investors: Conducted on average 6 times a year (to be achieved continuously through FY2030)</li> </ul>	FY2022 <ul style="list-style-type: none"> <li>IR with institutional investors: 289 meetings</li> <li>IR with individual investors: 9 times</li> </ul>
	Strengthen governance	Raise awareness of compliance and effect thorough adherence to laws and regulations by implementing training.	Compliance training (FY2022) <ul style="list-style-type: none"> <li>Training participation: 100%</li> <li>Training time: 6 hours/year</li> </ul>	Compliance training <ul style="list-style-type: none"> <li>Training participation: 100%</li> <li>Training time: 6 hours/year</li> </ul>
		Establish a sophisticated governance structure and implement fair corporate governance	<ul style="list-style-type: none"> <li>Attendance rate of directors at JLF's board meetings annual average of at least 90%</li> </ul>	<ul style="list-style-type: none"> <li>Attendance rate of directors at JLF's board meetings: 97.1%</li> </ul>

# External certifications, consent with initiatives, and ESG data collection

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## Table of Contents

### Policy on acquiring external certifications

#### Participation in the GRESB Real Estate Assessment

Overview of GRESB Assessment

Assessment Result

#### MSCI ESG Ratings Evaluation Results

MSCI Japan ESG Select Leaders Index

### Consent with initiatives

Principles for Responsible Investment (PRI)

Obtaining of SBT Approval

the Principles for Financial Action for the 21st century  
(the PFA 21)

### ESG Data

1. Performance results
2. Status of green building certification
3. Status of asset manager employees

## Policy on acquiring external certifications

JLF actively pursues ESG activities. Based on the belief it is important to obtain objective evaluations and certifications of its activities, JLF aims to obtain certifications.

### Participation in the GRESB Real Estate Assessment

#### Overview of GRESB Assessment

GRESB is an annual benchmarking assessment to measure ESG (Environmental, Social and Governance) integration of real estate companies and funds, as well as the name of organization which runs the assessment. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI).

Currently, 170 Investor Members (with more than \$51 trillion in assets under management) use GRESB data for their investment decision-making and engagement with investees, and several institutions from Japan including Government Pension Investment Fund (GPIF) utilize GRESB Assessment results. In 2022, 1,820 listed or private real estate companies and funds participated in GRESB Real Estate Assessment. Please refer to GRESB's website for more details (<https://gresb.com/>).

#### Assessment Result

In the 2022 GRESB Real Estate Assessment, JLF received the highest rank "five Stars" in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants. It also received a Green Star for the fifth consecutive year by achieving high performance both in "Management Component" that evaluates policies and organizational structure for ESG promotion, and "Performance Component" that assesses environmental performance and tenant

engagement of properties owned.

JLF also received the highest "A Level" for the GRESB Public Disclosure, which assess the width of ESG disclosure.



### MSCI ESG Ratings Evaluation Results

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".

JLF has received an "A" rating (As of end of July 2023).





## MSCI Japan ESG Select Leaders Index

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MSCI Japan ESG Select Leaders Index is composed of companies elected by MSCI from among the constituents of the MSCI Japan IMI Index for excellence in ESG initiatives and has been selected by the Government Pension Investment Fund (GPIF) for its passive management index.

JLF is a constituent of the MSCI Japan ESG Select Leaders Index created and published by MSCI.

## 2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

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## Consent with initiatives

### Principles for Responsible Investment (PRI)

Mitsui & Co., Logistics Partners, Ltd, the asset manager of JLF (MLP), agrees with the basic philosophy of PRI and became a ratifying institution in August 2021.

*Signatory of:*



\* Principles for Responsible Investment (PRI): Investment principles advocated to the finance industry by then Secretary General of the United Nations in 2006. PRI sets forth the following six principles necessary to fulfill ESG responsibilities through investment activities.

[the six Principles for Responsible Investment]

1. We will incorporate ESG issues into investment analysis and decision-making processes.
2. We will be active owners and incorporate ESG issues into our ownership policies and practices.
3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.
4. We will promote acceptance and implementation of the Principles within the investment industry.
5. We will work together to enhance our effectiveness in implementing the Principles.
6. We will each report on our activities and progress towards implementing the Principles.

### Obtaining of SBT Approval

JLF has set targets to reduce GHG emissions by the fiscal year ending March 2031. These targets are science-based targets following the goals of the Paris Agreement that “aims to keep the global average temperature well below 2°C above pre-industrial levels and pursue efforts to limit global warming to 1.5°C.” JLF has received the Science Based Targets (SBT) certification from the international SBT initiative in 2022.



### Certification Details

Item	Coverage	Base year	Target year	Target
GHG emissions (scope1+2)	All Properties	FY 2021	FY 2030	42% reduction in total emissions
GHG emissions (scope3)	All Properties	FY 2021	FY 2030	Calculate and reduce total emissions

## the Principles for Financial Action for the 21st century (the PFA 21)

MLP agrees with the basic philosophy of the PFA 21 and became a ratifying institution in July 2021.



\* the PFA 21: The PFA21 has been established by drafting committee with participation of various financial institutions in October 2011 as the action guidelines of financial institutions who seek to fulfill their roles and responsibilities in shaping a sustainable society.

### [The Principles]

1. Recognize the responsibilities and roles that one should fulfill, and promote the best efforts toward the formation of a sustainable society through each business, taking into account the perspective of a preventive approach.
2. We will contribute to the formation of a sustainable global society through the development and provision of financial products and services that contribute to the development of "industries that contribute to the formation of a sustainable society" represented by the environmental industry and the improvement of competitiveness.
3. From the perspective of regional promotion and sustainability improvement, we will support the environmental consideration of small and medium-sized enterprises, the improvement of citizens' environmental awareness, disaster preparedness and community activities.

4. Recognizing that it is important for diverse stakeholders to collaborate in the formation of a sustainable society, we will endeavor not only to participate in such efforts but also to take a proactive role.
5. In addition to complying with environment-related laws and regulations, we will actively work to reduce the environmental burden such as resource saving and energy saving, and strive to reach out to our suppliers.
6. Recognizing that activities to enhance the sustainability of society are management issues, we will endeavor to disclose information on our efforts.
7. In order to actively implement the above efforts in daily work, we will raise the awareness of our executives and employees regarding environmental and social issues.

# ESG Data

## 1. Performance results

Item	Unit	FY2021	FY2022	increase/decrease	Percentage increase/decrease
Total energy consumption	MWh	64,894	64,231	-663	-1.02%
Fuels	MWh	3,514	3,681	+168	+4.77%
Electricity	MWh	61,381	60,550	-831	-1.35%
Renewable energy self-consumption	MWh	163	376	+213	+130.93%
Utilization of renewable energy-derived electricity	MWh	0	649	+649	-
Energy use intensity <sup>(*1)</sup>	MWh/m <sup>2</sup>	0.046	0.043	-0.003	-5.69%
Non-fossil fuel certificate utilization	MWh	0	1,740	1,740	-

Item	Unit	FY2021	FY2022	increase/decrease	Percentage increase/decrease
Total Greenhouse gas emissions <sup>(*2)</sup>	t-CO2	29,192	27,958	-1,234	-4.22%
Total Greenhouse gas emissions intensity <sup>(*1)</sup>	t-CO2/m <sup>2</sup>	0.021	0.019	-0.002	-8.75%
scope1	t-CO2	0	0	0	-
scope2	t-CO2	792	753	-39	-4.92%
Non-fossil fuel certificate utilization <sup>(*3)</sup>	t-CO2	0	753	+753	-
Total CO2 emissions	t-CO2	792	0	-792	-
scope3	t-CO2	28,400	27,205	-1,195	-4.20%
Non-fossil fuel certificate utilization <sup>(*3)</sup>	t-CO2	0	10	+10	-
Total CO2 emissions	t-CO2	28,400	27,195	-1,205	-4.24%

Item	Unit	FY2021	FY2022	increase/decrease	Percentage increase/decrease
Total water usage	m <sup>3</sup>	121,673	125,986	+4,313	+3.54%
Public drinking water	m <sup>3</sup>	119,513	123,430	+3,917	+3.27%
Recycling water	m <sup>3</sup>	2,160	2,557	+397	+18.36%
Water use intensity <sup>(*1)</sup>	m <sup>3</sup> /m <sup>2</sup>	0.086	0.085	-0.001	-1.34%

Item	Unit	FY2021	FY2022	increase/decrease	Percentage increase/decrease
Total weight of non-hazardous waste	t	9,218	10,166	+948	+10.28%
Amount recycled	t	7,200	8,373	+1,173	+16.28%
Recycle rate	%	78.1	82.4	+4.3	+5.50%

Item	Unit	FY2021	FY2022
Number of properties <sup>(*4)</sup>	Properties	51	52
Floor space <sup>(*5)</sup>	m <sup>2</sup>	1,459,991	1,501,960
Percentage of whole portfolio covered <sup>(*6)</sup>	%	100	100

\*1 Intensity = Consumption / Total floor area under the Building Standard Law (adjusted by occupancy rate)

\*2 Calculated based on the Act on Promotion of Global Warming Countermeasures ("Global Warming Countermeasures Act"). For the emission factors, the actual emission factors provided for in the Ministerial Order on Calculation of Greenhouse Gas Emissions from Business Activities of Specified Emitters are checked every year. scope 3 aggregates category 13.

\*3 The amount of non-fossil certificates purchased in FY2022 is 762 t-CO<sub>2</sub>, priority is given to scope 1 and scope 2 deductions, and any surplus is used for scope 3 deductions.

\*4 Include properties acquired or sold within the fiscal year.

\*5 Total gross total floor area under the Building Standard Law after taking co-ownership into account in the subject property.

\*6 Calculated based on the total floor area under the Building Standard Law after taking co-ownership into account.

\*7 The figures for each year are calculated based on co-ownership.

\*8 The figures for each year are calculated based on the information provided in the Criteria section of the "Environmental Information (details) PDF".

A limited assurance has been obtained from a third-party institution (Ernst & Young ShinNihon LLC) with regard to the following "Environmental information (details)", which served as the basis for the above "Environmental Performance Results".

[Environmental information \(details\) PDF](#)

[Third party assurance report](#)

## 2. Status of green building certification

Percentage of portfolio with green building certification  
(as of July 31, 2023)

Type of certification	Number of properties	total floor area under the Building Standard Law (㎡)	Percentage of portfolio (by area)
Certification for CASBEE for Real Estate	36	1,078,553.03	71.8%
BELS Certification	16	520,615.27	34.7%
CASBEE Certification for Buildings (New Construction)	1	41,968.06	2.8%
Percentage of portfolio with green building certification	41	1,196,687.83	79.7%

\* Some properties have multiple certifications, so the total of the figures for each certification does not equal the figure for the "Percentage of portfolio with green building certification".

Properties with Certification for CASBEE for Real Estate

Certification	Property
S	M-11 Yachiyo Logistics Center
	M-37 Fujisawa Logistics Center
A	M-4 ShinKiba Logistics Center
	M-5 Urayasu Chidori Logistics Center
	M-6 Funabashi Nishiura Logistics Center
	M-9 Narashino Logistics Center
	M-12 Yokohama Fukuura Logistics Center
	M-13 Yachiyo Logistics Center II
	M-17 Narashino Logistics Center II
	M-18 Ichikawa Logistics Center II

Certification	Property
A	M-19 Souka Logistics Center
	M-21 Kashiwa Logistics Center
	M-22 Musashimurayama Logistics Center
	M-24 Shin-Koyasu Logistics Center
	M-25 Misato Logistics Center
	M-26 Sagamiara Logistics Center
	M-27 Chiba Kita Logistics Center
	M-28 Chiba Kita Logistics Center II
	M-29 Urayasu Chidori Logistics Center III
	M-31 Shinkiba Logistics Center II
	M-32 Yokohama Machida Logistics Center
	M-34 Shiroy Logistics Center
	M-35 Toda Logistics Center
	M-38 Hanyu Logistics Center
	M-39 Saitama Kisai Logistics Center
	M-40 Kazo Logistics Center
	M-42 Itabashi Logistics Center
	T-3 Kiyosu Logistics Center
	T-7 Fukuoka Hakozaki Futo Logistics Center
	T-9 Fukuoka Kashiihama Logistics Center
	T-10 Kasugai Logistics Center
B+	M-14 Urayasu Chidori Logistics Center II
	M-20 Tatsumi Logistics Center
	M-36 Ichikawa Logistics Center III
	T-5 Komaki Logistics Center
	T-6 Komaki Logistics Center II

## Properties with BELS certification

Certification	Property
Five Star 『ZEB』	M-41 Kuki Logistics Center
Five Star ZEB Ready	M-2 Urayasu Logistics Center
	M-6 Funabashi Nishiura Logistics Center
	M-11 Yachiyo Logistics Center
	M-13 Yachiyo Logistics Center II
	M-17 Narashino Logistics Center II
	M-19 Souka Logistics Center
	M-21 Kashiwa Logistics Center
	M-22 Musashimurayama Logistics Center
	M-27 Chiba-kita Logistics Center
	M-30 Zama Logistics Center
	M-34 Shiroy Logistics Center
	T-6 Komaki Logistics Center II
	T-12 Aisai Logistics Center
Five Star	M-15 Ichikawa Logistics Center
	T-7 Fukuoka Hakozaki Futo Logistics Center

## Properties with CASBEE Certification for Buildings (New Construction)

Certification	Property
A	M-2 Urayasu Logistics Center

## 3. Status of asset manager employees

Item	FY2022
Total executives and employees	35 persons
Percentage of full-time employees	100%
Male	24 persons
Female	11 persons
Percentage of female executives and employees	31%
Average Number of Years of Attendance	5.9 years
Number of retirees	0 person
Percentage of retirees	0%
Number of managers	5 persons
Number of male managers	4 persons
Number of female managers	1 person
Percentage of employees with disabilities	0%
Percentage of foreign employees	0%
of those who have lived abroad	9.7%
Response rate to health examination	100%
Paid leave acquisition rate	83.0%



# Environmental Initiatives



## Table of Contents

### Climate Change

Our approach to climate change

Expressing Support for TCFD (and participating in the TCFD Consortium)

Governance

Strategies

Risk management

Measures and targets

Responding to transitional risks

Energy saving

Energy creation

ESG efforts with tenants and the conclusion of a green lease

Responding to physical risks

Greenification of buildings (mitigation of heat island phenomena)

Flooding countermeasures

Disaster response and safety of buildings

### Resource circulation

Water saving

Biodiversity

Waste Management

Soil contamination prevention and soil contamination countermeasures

### Green building commitment extends to existing buildings

Targets (KPI)

Acquiring green building certifications

Acquiring green building certifications in greenfield developments

Green building training and earning qualifications

Percentage of greenified properties

Environmental performance data coverage rate

Rate of conversion to LED lighting

ESG educational activities for tenants

### Summary of Certification

Certification for CASBEE for Real Estate

BELS Certification

CASBEE Certification for Buildings (New Construction)



# Climate Change

## Our approach to climate change

In recent years, the frequent occurrence of extreme weather such as heat waves and heavy rains have had a tremendous impact on the environment and society, as well as lifestyles and corporate activities. According to the most recent scientific opinion on climate change, The Sixth Assessment Report of the United Nations Intergovernmental Panel on Climate Change (IPCC AR6), there is no doubt that human influence has warmed the atmosphere, oceans, and land, and that widespread and rapid changes are occurring in the atmosphere, oceans, cryosphere, and biosphere, which are caused by human emissions of greenhouse gases.

It is hoped that frameworks for reducing greenhouse gases such as the 2015 Paris Agreement are accelerated, and initiatives addressing climate change are pursued as a responsibility to society by not only nations and governments, but also the private sector.

The Paris Agreement aims to suppress the rise in the earth's average temperature to well below 2°C and strives to contain the rise to 1.5°C. To achieve this goal, it aims to achieve a balance between the emission and absorption of man-made greenhouse gases in the latter half of this century. At COP27, the importance of achieving the 1.5°C target was included in the "Mitigation Work Plan," and countries are to strengthen their efforts to achieve the target. This could fundamentally alter the direction of social and economic activities for decades to come.

Under the Paris Agreement, the world's nations are taking action toward a decarbonized society across the globe in the latter half of this century. At the same time that Japan and other major nations around the world

are thoroughly implementing energy conservation and substantially expanding renewable energy, which are key to a decarbonized society for the world as a whole in the latter half of this century, nations are striving to achieve both economic growth and countermeasures against global warming. The world's blue-chip companies are pioneering a variety of initiatives, recognizing the business risks and opportunities presented by climate change.

Such being the case, JLF and MLP strive to contribute to the shift toward a low-carbon society through initiatives including greenhouse gas reductions at the same time they adapt to natural disasters and other events resulting from climate change.

JLF and MLP have identified ESG materialities that JLF should address and have developed a recognition of how to address climate change.

To address climate change, detailed analysis has been performed and a strategy formulated, based on the TCFD recommendations.

### Targets (KPI)

scope 1.2 GHG emission reduction targets :

- 42% reduction by FY2030 (compared to FY2021)
- Net zero by FY2050

## Expressing Support for TCFD (and participating in the TCFD Consortium)

In July 2021, Mitsui & Co., Logistics Partners Ltd. (MLP), JLF's asset manager, expressed its support for the TCFD recommendations and joined the TCFD Consortium, an organization of supporting companies in

Japan, to promote collaboration, continuous improvement and dialog with investors and all stakeholders through the enhancement of information disclosures related to initiatives and policies related to climate change.

The TCFD is a Task Force on Climate-related Financial Disclosures established by the Financial Stability Board (FSB) to study the disclosure of Climate-related information and the involvement of financial institutions. Its recommendations have been released to the public to advocate the ascertainment and disclosure of governance, strategy, metrics and targets and risk management by corporations, given the severe risks to the global economy posed by climate change.

The TCFD Consortium is an integrated body of companies, financial institutions and other organizations that support TCFD that was established to deliberate on initiatives aimed at effective information disclosures by corporations and the appropriate use of such information disclosures by financial institutions and the like in investment decisions. JLF and MLP promote risk management and conduct information disclosures related to climate change based on the TCFD recommendations.

As set forth in the Environmental Management System (EMS) under the advancement and supervisory body, the Sustainability Advancement Organization, ESG initiatives are reported to and discussed with the Sustainability Promotion Liaison Meeting and MLP's President and CEO and Board of Directors, and initiatives to address climate change are run and managed within the Environmental Management System (EMS).



## Governance

JLF's asset manager, MLP, has established Guidelines for ESG Initiatives, which sets forth matters related to the advancement of sustainability, including addressing climate change. Our Sustainability Promotion Liaison Meeting is run and managed by our Finance & IR Department, with our President & CEO as Supervisor of Sustainability Promotion. Regular meetings are held once every three months, in general, with participation from the President & CEO, Officers in Charge, Department Management Director and other department personnel. There, participants review the Sustainability Policy and Goals and various sustainability initiatives considering circumstances in society and the state of operations at JLF.

Moreover, the Sustainability Promotion Liaison Meeting identifies ESG materialities, establishes and manages KPIs (action plans and targets), and reports to the Board of Directors.

Please refer to Sustainability Management for more information on the organization for advancing sustainability (including measures to address climate change), including an overview of the Sustainability Promotion Liaison Meeting.

## Strategies

JLF and MLP identify risks and opportunities accompanying climate change, build an organization capable of conducting scenario-based analysis and reviews risks and opportunities annually. In doing so, JLF and MLP have divided the analysis into scenarios assuming a 1.5°C temperature rise and a 4°C rise to incorporate uncertainties arising from the progression of climate change into business strategies.

Details of the scenario analysis conducted by JLF in March 2023 can be found below.

[Scope of the scenario analysis]

Covers all properties owned by JLF.

[Scenarios considered]

	Publishing institution or organization	1.5°C scenario	4°C scenario
Transitional risks	IEA (International Energy Agency)	IEA World Energy Outlook2022 NZE	IEA World Energy Outlook2022 STEPS
Physical risks	IPCC	IPCC AR6 SSP1-1.9	IPCC AR6 SSP5-8.5

[Scenario-based world view according to JLF and MLP]

【1.5°C scenario】

Under the 1.5°C scenario, stringent regulatory and tax policies and the like are implemented to achieve a decarbonized society. As a result, emissions of greenhouse gases are on a declining trend and temperatures rise 1.5°C compared to levels seen before the industrial revolution.

The introduction of an expensive carbon tax in Japan, aimed at suppressing CO2 emissions, results in taxes on CO2 emissions from portfolio properties. Additionally, stronger environmental regulations such as energy conservation standards lead to higher operating costs, such as renovations for compliance. Moreover, stronger regulations drive tenants to be more selective about the properties they occupy, leading

to a decline in demand for properties with poor energy conservation performance compared to the competition. Furthermore, owners who possess many such properties may face higher fund-raising costs from investors and lenders. Meanwhile, increased frequency and intensity of damage due to climate change will be contained to a certain extent, keeping physical risks relatively low.

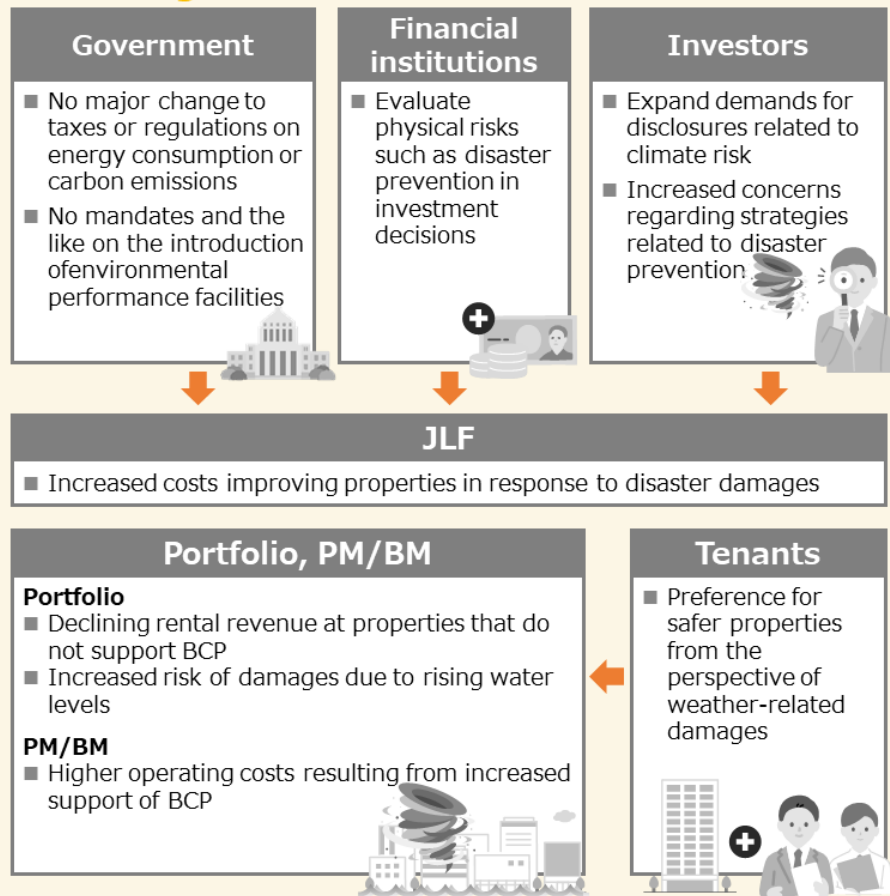
【4°C scenario】

Under the 4°C scenario, stringent regulatory and tax policies and the like are not implemented to address climate change. As a result, emissions of greenhouse gases continue to rise, and temperatures rise 4°C compared to levels seen before the industrial revolution. Intensifying natural disasters, rising sea levels and increasingly severe weather cause an increase in property repair and maintenance costs, and the rise in average temperatures increases utilities expenses. These and other factors cause physical risks to rise, and products and services with superior BCP support enjoy increased competitiveness. Meanwhile, transitional risks remain low as governments fail to strengthen regulations.

## World view

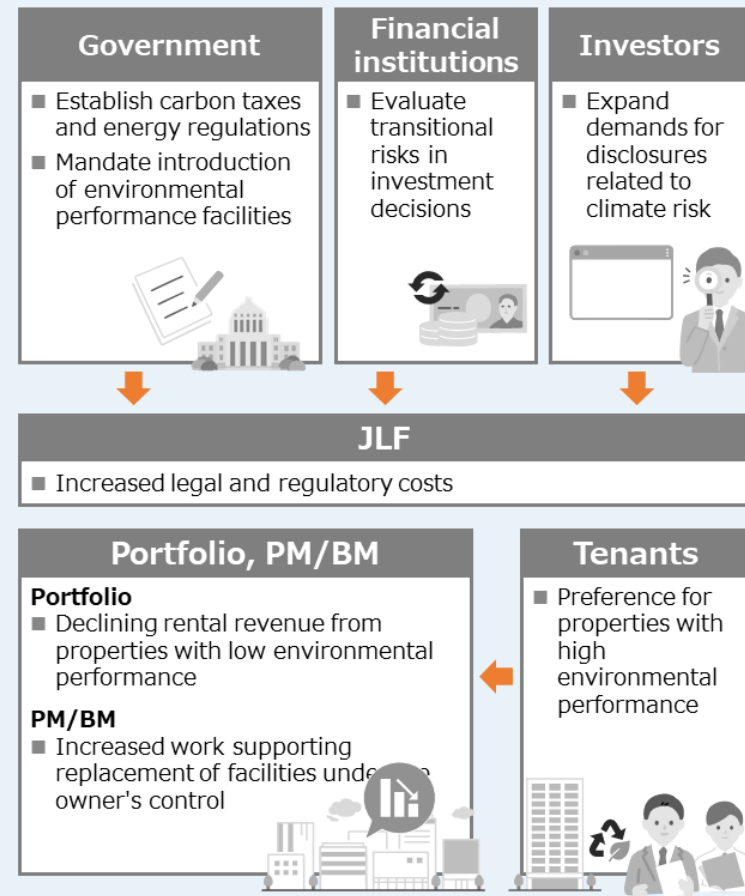
## World view at 4°C

**More intense typhoons and flooding. More severe effects from chronic temperature rise and rising sea levels.**



## World view at 1.5°C

**More typhoons and flooding. Chronic climate change progresses to a certain extent.**



## Legend

■ : Stakeholder

➡ : Impact

## [Climate-related risks/opportunities and response measures]

		Drivers related to real estate operations	Financial impact on JLF (JLF's challenges)	Timeline	Risk management, measures and initiatives (Strategy: Opportunities and direction)	KPI/KPIs and Targets	Financial Impact 4°C/1.5°C	
Transitional risks	Policy and Legal	<ul style="list-style-type: none"> <li>Strengthened energy regulations (including reporting mandates)</li> <li>Possible introduction of carbon tax (carbon pricing)</li> </ul>	<ul style="list-style-type: none"> <li>Increased business expenses from introduction of facilities to support reporting, payments to third-party vendors, etc.</li> <li>Increased costs from complying with future regulations, including renovation work and the introduction of renewable energy</li> <li>Increased tax burden in connection to property greenhouse gas emissions</li> </ul>	Medium term	<ul style="list-style-type: none"> <li>Strengthen engagement with tenants and PM companies to support compliance with energy regulations</li> <li>Study matters such as energy conservation, power generation and switching power sources to reduce greenhouse gas emissions</li> </ul>	<ul style="list-style-type: none"> <li>scope 1.2 GHG emission reduction targets :               <ul style="list-style-type: none"> <li>42% reduction by FY2030 (compared to FY2021)</li> <li>Net zero by FY2050</li> </ul> </li> <li>Conducted 1 ESG study session for at least 75% of tenants(Once each year)</li> <li>Conducted 1 ESG study session for all PM companies(Once each year)</li> </ul>	Small impact	large impact
	Technology	<ul style="list-style-type: none"> <li>Delays in responding to the evolution in and adoption of renewable-energy and energy-conservation technologies and resulting loss of property competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Declining rental revenue due to relative underperformance in rent pricing and increased vacancy rates</li> </ul>	Medium term	<ul style="list-style-type: none"> <li>Study introduction of high environmental-performance facilities to bolster property competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Consideration of energy conservation measures utilizing external certification</li> </ul>	Small impact	large impact
	Market	<ul style="list-style-type: none"> <li>Lower tenant demand and asset values at facilities with low environmental performance</li> </ul>	<ul style="list-style-type: none"> <li>Lower rental revenue, NOI and asset values due to falling rents and rising vacancy rates at facilities with low environmental performance</li> </ul>	Short term	<ul style="list-style-type: none"> <li>Promote the introduction of green leases from the perspective of both operations and facility improvements to contribute to the environment through collaboration with tenants.</li> </ul>	<ul style="list-style-type: none"> <li>Implement green leases in 65% of portfolio by FY2023.</li> <li>Implement green leases in 70% of portfolio by FY2025.</li> <li>Exchange opinions on ESG with at least 75% of tenants(Once each year)</li> </ul>	middle impact	large impact
	Reputation	<ul style="list-style-type: none"> <li>Deterioration in procurement terms for market participants that have not responded to climate change risks</li> </ul>	<ul style="list-style-type: none"> <li>Increased fund-raising costs due to climate risks</li> </ul>	Short term	<ul style="list-style-type: none"> <li>Study green finance and the like to leverage increased investment opportunities from institutional investors who focus on ESG investing</li> </ul>	<ul style="list-style-type: none"> <li>Acquire green building certifications in 85% of portfolio by FY2023.</li> <li>Acquire green building certifications in 90% of portfolio by FY2025.</li> </ul>	middle impact	large impact

		Drivers related to real estate operations	Financial impact on JLF (JLF's challenges)	Timeline	Risk management, measures and initiatives (Strategy: Opportunities and direction)	KPI/KPIs and Targets	Financial Impact 4°C/1.5°C	
Physical risks	Acute	<ul style="list-style-type: none"> <li>Risk of damage from intensifying typhoons and flooding</li> </ul>	<ul style="list-style-type: none"> <li>Higher repair and maintenance costs and insurance premiums</li> <li>Increased rental opportunity losses due to building destruction or damage</li> </ul>	Short term	<ul style="list-style-type: none"> <li>Strengthen BCP support to enhance property competitiveness</li> </ul>	<ul style="list-style-type: none"> <li>Implement 1 initiative related to business continuity planning (BCP)</li> </ul>	large impact	middle impact
	Chronic	<ul style="list-style-type: none"> <li>Risk of damages from changes to meteorological patterns and rising sea levels, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Occurrence of large-scale renovation costs</li> <li>Higher repair and maintenance costs resulting from increased operational burden from HVAC equipment</li> </ul>	Medium term	<ul style="list-style-type: none"> <li>Implement planned repairs and maintenance at properties in response to changing meteorological patterns to enhance property competitiveness</li> </ul>	same as above	middle impact	middle impact

[Strategy (including opportunities) given the scenario analysis]

Under the 1.5°C scenario, in the absence of investments aimed at improving property environmental performance, there is risk of a declining market presence and increasing impact on asset operations, such as tenant departures. Therefore, study ways to source renewable energy, such as switching existing power supply agreements and purchasing green energy certificates. Also, aim to enhance energy efficiency through energy conservation, energy generation, and the like.

Meanwhile, under the 4°C scenario, real estate with greater resilience against damage from intensifying severe weather events would enjoy enhanced competitiveness. JLF believes the properties owned by JLF possess competitiveness in terms of safety and countermeasures against damage. Therefore, continue current initiatives while raising the bar

even higher to maintain and enhance competitiveness in the market and increase business resilience.

### Risk management

JLF and its asset manager, MLP, recognize climate-related risks as risks related to addressing global warming. Therefore, the President and CEO and the rest of the Sustainability Promotion Liaison Meeting identify climate-related risks and discuss matters including how to manage those risks.

The due diligence process when considering new asset acquisitions encompasses various studies of climate-related risks as a basis for deliberations at the investment committee and eventual investment decision at the Board of Directors. Specifically, water submersion levels



according to various hazard maps are investigated in connection with the possibility of flooding or water submersion at the target property. Also, post-acquisition the Sustainability Promotion Liaison Meeting manages and monitors overall risk related to sustainability, including climate change risks.

Based on the risk management rules overseen by the Board of Directors, MLP annually identifies, monitors and evaluates risks in each workflow of each department and reports status thereof to the Board of Directors as appropriate. In connection with climate-related risks, risk categories are selected and evaluated in accordance with the workflows of each department, and risk mitigation measures are studied as necessary.

### Measures and targets

Initiatives aimed at mitigating risk or realizing opportunities are, to the extent possible, assigned KPIs. Monitoring and goal-setting takes place to manage these KPIs. Moreover, additional KPIs are studied where necessary to adopt to or mitigate climate change.

See below for targets and actual performance related to KPIs for greenhouse gas emissions.

### Greenhouse gas reduction targets

scope 1.2 GHG emission reduction targets :

- 42% reduction by FY2030 (compared to FY2021)
- Net zero by FY2050

### Actual greenhouse gas emissions

Item	Unit	FY2021	FY2022	increase/ decrease	Percentage increase/ decrease
Total Greenhouse gas emissions <sup>(*1)</sup>	t-CO2	29,192	27,958	-1,234	-4.22%
Total Greenhouse gas emissions intensity <sup>(*2)</sup>	t-CO2/m <sup>2</sup>	0.021	0.019	-0.002	-8.75%
scope1	t-CO2	0	0	0	-
scope2	t-CO2	792	753	-39	-4.92%
Non-fossil fuel certificate utilization	t-CO2	0	753	+753	-
Total CO2 emissions	t-CO2	792	0	-792	-
scope3	t-CO2	28,400	27,205	-1,195	-4.20%
Non-fossil fuel certificate utilization	t-CO2	0	10	10	-
Total CO2 emissions	t-CO2	28,400	27,195	-1,205	-4.24%

\*1 Calculated based on the Act on Promotion of Global Warming Countermeasures ("Global Warming Countermeasures Act"). For the emission factors, the actual emission factors provided for in the Ministerial Order on Calculation of Greenhouse Gas Emissions from Business Activities of Specified Emitters are checked every year. scope 3 aggregates category 13.

\*2 Intensity = Consumption / Total floor area under the Building Standard Law (adjusted by occupancy ratio)

\*3 The amount of non-fossil certificates purchased in FY2022 is 762 t-CO2, priority is given to scope 1 and scope 2 deductions, and any surplus is used for scope 3 deductions.

\*4 The figures for each year are calculated based on co-ownership.



## Responding to transitional risks

### Energy saving

Replace existing lighting equipment with LED lightings to save energy and extend lighting lifetimes. When replacing lighting equipment, JLF shares the estimates of expected energy savings with its tenants in advance. In some cases, an agreement is executed where JLF receives a portion of the savings in electricity charges as rental income.

JLF intends to promote the use of LEDs in the properties it owns, aiming to achieve 80% LED conversion by 2025, and will promote efforts to improve environmental performance from the time of acquisition.

#### ① Installation of a variety of LED lighting equipment

(As of January 31, 2023)

Area converted to LED lightings	Annual savings*
1,280,852 m <sup>2</sup> (80.1% of the portfolio)	445,288kWh

\* Due to construction work implemented in the fiscal period ended January 31, 2023



Office



Warehouse



Warehouse

#### ② Renewal of air-conditioning equipment

JLF endeavors to save energy by upgrading to the latest, energy-efficient HVAC systems.

Track record (August 1, 2022 through July 31, 2023)

Units upgrade
36 units (6.5% of the total number of units installed in owned properties)



### Energy creation

#### Installation of photovoltaic panels

Rooftop solar panels are installed to generate power from renewable energy. (Results for FY2022)

Solar installations	Annual power generation
11 properties	5,876,871kWh



### ESG efforts with tenants and the conclusion of a green lease

Cooperation from tenants is essential for JLF to conserve energy in its portfolio properties.

ESG efforts with tenants and the conclusion of a green lease. JLF

cooperates with tenants on its environmental efforts. In particular, JLF shares information on energy and water consumption with tenants and calls for energy saving, water saving, sorting and reduction of waste, and idling stop. In addition, JLF encourages tenant companies to raise their environmental awareness by working on the visualization of the amount of power generated by photovoltaic panels by setting up a dedicated tablet at a logistics facility in some properties it holds (Yokohama Machida).

JLF has also concluded a green lease with some tenants, which stipulates the promotion of environmental consciousness for both the building owner and tenants.

Percentage of Green leases implemented  
(as of March 31, 2023)

Number of tenants	Percentage of portfolio (by area)
45	64.1%

Percentage of ESG training sessions held for tenants  
(as of March 31, 2023)

Number of tenants	Percentage of portfolio (by area)
79	100%

Responding to physical risks

Greenification of buildings (mitigation of heat island phenomena)

Plants play an important role in mitigating heat island phenomena, with their ability to absorb CO2 and lower temperatures.

Greenification of buildings is said to be useful in mitigating heat island effects and contribute to containing the rise of atmospheric

temperatures through effects including the reduction of sensible heat emitted from concrete structures and plant transpiration.

As part of its efforts to adopt to climate change, JLF pursues greenification. Greenification is being pursued actively on the building roofs and within the grounds of logistics facilities.

Flooding countermeasures

As a countermeasure against flooding during typhoons or sudden heavy downpours, JLF raises the land upon which development or redevelopment properties are to stand.

Additionally, JLF prevents flooding by raising the level of foundations for high-voltage stepdown transformer cubicles to help avoid electrical system failures in its logistics centers.

Disaster response and safety of buildings

The asset management company works to maintain the safety of buildings in peacetime and promotes efforts to prevent damage from expanding and quickly implements recovery when a disaster occurs.

JLF and its asset management company obtain engineering reports at the time of property acquisition, and conduct diagnostics on the legal compliance and safety of buildings. JLF also periodically obtains continuing engineering reports for properties owned, and strives to maintain the safety of its buildings.

In addition, the asset management company has established a business continuity plan and has established the necessary internal systems to prevent the spread of damage in the event of a disaster and to ensure business continuity and the early restoration of normal operations in the event of a disaster. Furthermore, a communication and confirmation system including property managers has been established to promptly

confirm the status of properties owned in the event of a disaster. Moreover, some of our properties are equipped with private power generation facilities that can be used in the event of a power outage,

and toilets that can be used even in the event of a disaster by using private power generation and well water.

## Resource circulation

### Water saving

[Basic Policy on Water Resources Management]

JLF understands water resources and their sustainable use to be an essential element in JLF's business activities and their sustainability. In this context, JLF strives to minimize water use across its business activities by improving efficiency and reducing consumption.

#### ① Installation of water saving toilet facilities



JLF is committed to water conservation by upgrading to modern toilets and sinks with improved water efficiency.

#### ② Introduction of water-saving equipment





## Biodiversity

[Facility greening (rooftop greening, wall greening, setup of greenbelt, protection of native species)]

By actively promoting green roofs, walls and zones on its logistics properties, JLF helps suppress temperature rise caused by heat island phenomena and improve visual aesthetics in the communities. JLF also contributes to biodiversity conservation by planting indigenous plant species.



## Waste Management

JLF endeavors to minimize waste from properties in the portfolio through monitoring of waste volumes and appropriate management.

## Soil contamination prevention and soil contamination countermeasures

JLF conducts soil contamination surveys when acquiring properties. Furthermore, on joint developments pursued with partners, JLF has invested in urban brownfield development properties on joint projects

with partners, ensuring that enough countermeasures have been implemented on the brownfield land.

For example, in a joint development project with a partner pursued in the Tokyo Metropolitan Area, the plot to be developed was formerly the site for a manufacturing plant, and chemical substances presumed to have been used at the plant were detected in the soil. Although the impact on human health would have been negligible, the level detected exceeded legally permissible levels. JLF confirmed that the landowner removed the chemical substances and land remediation was approved by a third party and the local municipality before moving forward with the development.

Soil contamination would have remained if the land were left idle, but JLF's pursuit of the property development together with its partner contributed to environmental improvement in the locality.



## Green building commitment extends to existing buildings

### (Policy on the Acquisition of Green Building Certifications, greenification of building)

JLF views the solving of environmental challenges such as climate change to be an important management challenge for JLF's sustainable business activities and a business strategy aimed at realizing sustainability. That is why JLF invests in environmentally friendly properties (including development and redevelopment properties) and strives to enhance energy efficiency through the management of its portfolio by implementing environmentally friendly and energy-conservation measures. The aim is to build an environmentally friendly portfolio. To promote our efforts, JLF and MLP have set KPIs for environmentally friendly investment (including development and redevelopment) and management, such as the acquisition of green building certifications as a percentage of the portfolio.

#### Targets (KPI)

##### Acquiring green building certifications

Target for the acquisition of green building certifications on portfolio assets (as a percentage of total floor area under the Building Standard Law )

Raise up to 85% by the end of FY2023

Raise up to 90% by the end of FY2025

Our target for acquisition of green certification on portfolio assets (as a percentage of total floor area under the Building Standard Law) is as follows.

Percentage of portfolio with green building certification  
(as of July 31, 2023)

Type of certification	Number of properties	Total floor area under the Building Standard Law (m <sup>2</sup> )	Percentage of portfolio (by area)
Certification for CASBEE for Real Estate	36	1,078,553.03	71.8%
BELS Certification	16	520,615.27	34.7%
CASBEE Certification for Buildings (New Construction)	1	41,968.06	2.8%
Percentage of portfolio with green building certification	41	1,196,687.83	79.7%

\* Some properties have multiple certifications, so the total of the figures for each certification does not equal the figure for the "Percentage of portfolio with green building certification".

### Acquiring green building certifications in greenfield developments

In addition to redeveloping portfolio properties (OBR) itself, JLF also works with business partners to develop logistics facilities. Sometimes, those developments take place on unused land such as greenfield space. In such cases, JLF seeks to design environmentally friendly properties for development or redevelopment projects and acquire green building certifications.

### Green building training and earning qualifications

Some asset manager employees are qualified as CASBEE evaluators. Furthermore, relevant department employees participate in study sessions and deepen their knowledge of green building certifications.

### Percentage of greenified properties

100% of portfolio properties reside on greenified lots, and JLF and MLP plan to maintain that 100% as a medium- to long-term target out to 2030.

### Environmental performance data coverage rate

JLF's environmental performance data coverage rate is 100%, and JLF and MLP plan to maintain that 100% as a medium- to long-term target out to 2030.

### Rate of conversion to LED lighting

JLF aims to convert at least 80% of its portfolio to LED lighting by FY 2025 and pursues energy conservation measures to improve environmental performance of properties post-acquisition.

### ESG educational activities for tenants

Cooperation from tenants who use JLF portfolio properties is essential to

reduce the environmental burden. JLF believes there is room to further reduce the environmental burden of portfolio properties by enhancing environmental awareness among tenants who use water and electricity and treat waste.

Specifically, JLF and MLP distribute pamphlets and flyers about environmental awareness, and employees from MLP (JLF's asset manager) lead ESG study sessions for tenants.

As a medium- to long-term target out to FY 2030, MLP aims to target 75% of tenants every year with pamphlet distributions and ESG study sessions.

### Summary of Certification

#### Certification for CASBEE for Real Estate

#### Certification for CASBEE for Real Estate

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. 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").

For details of CASBEE Certification, please refer to the following website.

- Website of CASBEE Certification:  
(<https://www.ibec.or.jp/CASBEE/english/certificationE.htm>)



## Properties with Certification for CASBEE for Real Estate

Certification	Property
S	M-11 Yachiyo Logistics Center
	M-37 Fujisawa Logistics Center
A	M-4 ShinKiba Logistics Center
	M-5 Urayasu Chidori Logistics Center
	M-6 Funabashi Nishiura Logistics Center
	M-9 Narashino Logistics Center
	M-12 Yokohama Fukuura Logistics Center
	M-13 Yachiyo Logistics Center II
	M-17 Narashino Logistics Center II
	M-18 Ichikawa Logistics Center II
	M-19 Souka Logistics Center
	M-21 Kashiwa Logistics Center
	M-22 Musashimurayama Logistics Center
	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-31 Shinkiba Logistics Center II
	M-32 Yokohama Machida Logistics Center
	M-34 Shiroy Logistics Center
	M-35 Toda Logistics Center
	M-38 Hanyu Logistics Center
	M-39 Saitama Kisai Logistics Center
	M-40 Kazo Logistics Center
	M-42 Itabashi Logistics Center

Certification	Property
A	T-3 Kiyosu Logistics Center
	T-7 Fukuoka Hakozaki Futo Logistics Center
	T-9 Fukuoka Kashiihama Logistics Center
	T-10 Kasugai Logistics Center
B+	M-14 Urayasu Chidori Logistics Center II
	M-20 Tatsumi Logistics Center
	M-36 Ichikawa Logistics Center III
	T-5 Komaki Logistics Center
	T-6 Komaki Logistics Center II

## BELS Certification

## Overview about the BELS

BELS is a third party certification system in Japan that indicates the energy efficiency of buildings. Starting in April 2016, real estate companies (and others) are required to strive to display the energy efficiency of buildings based on the Act on the Improvement of Energy Consumption Performance of Buildings (“Building Energy Efficiency Act”). Specific indication method is stipulated in the guidelines for energy efficiency labels of buildings, BELS is evaluated based on the same guideline, and the assessment result is represented by a number of stars (one star “★” to five stars “★★★★★”).

A Net Zero Energy Building (“ZEB”) is a building that aims at zero energy balance with considerably reduced annual energy consumption by saving as much energy as possible with better heat insulation, solar shading, natural energy and high-efficiency equipment, coupled with creating energy by photovoltaic power generation (or other energy generating methods), while maintaining a comfortable environment.

In addition, in the BELS certification system, it is possible to obtain certification under 4 levels (『ZEB』, Nearly ZEB, ZEB Ready, and ZEB Oriented).

For details about BELS and ZEB, please refer to the following:

- BELS (Japanese only):  
(<https://www.hyoukakyokai.or.jp/bels/bels.html>)
- ZEB (Japanese only):  
(<http://www.env.go.jp/earth/zeb/index.html>)

### Properties with BELS Certification

Certification	Property
Five Star 『ZEB』	M-41 Kuki Logistics Center
Five Star ZEB Ready	M-2 Urayasu Logistics Center
	M-6 Funabashi Nishiura Logistics Center
	M-11 Yachiyo Logistics Center
	M-13 Yachiyo Logistics Center II
	M-17 Narashino Logistics Center II
	M-19 Souka Logistics Center
	M-21 Kashiwa Logistics Center
	M-22 Musashimurayama Logistics Center
	M-27 Chiba-kita Logistics Center
	M-30 Zama Logistics Center
	M-34 Shiroy Logistics Center
	T-6 Komaki Logistics Center II
	T-12 Aisai Logistics Center
Five Star	M-15 Ichikawa Logistics Center
	T-7 Fukuoka Hakozaiki Futo Logistics Center

### CASBEE Certification for Buildings (New Construction)

#### Overview of CASBEE Certification for Buildings (New Construction)

A system for evaluating the overall environmental performance of a building. Evaluates and rates the environmental performance of buildings based on energy and resource conservation, recycling and other environmental burden reductions as well as interior comfort and landscaping.

#### the Certification Rank

Urayasu Logistics Center after redevelopment has acquired CASBEE-A rank under Certification for Buildings (New Construction).

In addition, Yachiyo Logistics Center after the redevelopment project and Ichikawa Logistics Center II, Yokohama Machida Logistics Center received an A rating under Certification for Buildings (New Construction) (the three properties currently expired as five years have passed from the date of acquisition).



Urayasu Logistics Center



Yachiyo Logistics Center



Ichikawa Logistics Center II



Yokohama Machida Logistics Center

# Social Initiatives



## Table of Contents

**Communication with stakeholders  
(Stakeholder engagement)**

**Respect for human rights**

**Promotion of diversity, equity & inclusion (DEI)**

**An engaged workplace environment**

1. Implementation of employee satisfaction survey

**Development of excellent human resources**

1. Support for acquiring qualifications
2. Implementation of In-house Training
3. Appropriate performance evaluations and feedback processes

**Consideration for work-life balance**

1. Practice work-life balance
2. Promoting health and improving benefits
3. Employee hotline
4. Investment unit accumulated investment system

**Human Resources Pipeline Development Strategy**

**Initiatives for Local Communities and Tenants**

**Initiatives to contribute to society**

1. disaster response and building safety
2. Initiatives aimed at activating local communities
3. Connection with the local community

**Initiatives aimed at enhancing tenant satisfaction**

1. Implementation of a tenant satisfaction survey
2. Consideration for the safety, amenity and health of users

**ESG efforts with property managers**

## Communication with stakeholders (Stakeholder engagement)

JLF's stakeholders encompass a broad range of players, from its unitholders, lenders and bondholders to its tenants, service providers such as property management firms, building management firms and engineers, the communities in which its properties reside and government. JLF continues to build long-term relationships with its diverse range of stakeholders and achieve sustainable management.

Stakeholder	Relationship with JLF	ESG initiatives / Engagement
Employees (asset manager)	Form a work environment where a diverse base of talent--the source of a company's competitiveness--can be actively engaged.	<ul style="list-style-type: none"> <li>• Expand human resource development programs.</li> <li>• Promote a comfortable work environment and work-life balance.</li> <li>• Form a corporate culture rooted in mutual respect of human rights and diversity.</li> </ul>
Tenants, PM, BM and construction companies, etc.	Secure competitive edge by putting in place an environment that is attractive to tenants, including safety, comfort and convenience. Maintain competitive edge of portfolio properties through collaboration and the sharing of values related to ESG.	<ul style="list-style-type: none"> <li>• Conserve energy and reduce green-house gas emissions</li> <li>• Generate energy (introduce solar power systems, etc.)</li> <li>• Conserve water</li> <li>• Separate, reduce and recycle waste products</li> <li>• Hold regular ESG study sessions and opinion exchange forums</li> <li>• Survey tenant satisfaction</li> </ul>
Community	Secure competitive edge by creating an environment that is attractive to the local community.	<ul style="list-style-type: none"> <li>• Community beautification activities</li> <li>• Crime prevention</li> <li>• Contributions to the health and comfort of community residents</li> </ul>
Unitholders, Lenders and Bondholders	Stable fund-raising and enhancement of unitholder value over the medium to long term based on relationships of trust	<ul style="list-style-type: none"> <li>• Activities aimed at building constructive dialogs:</li> <li>• Earnings presentations and IR meetings</li> <li>• Provision of financial and non-financial information through our website</li> </ul>
Government	Collaboration in building communities	<ul style="list-style-type: none"> <li>• Cooperation with government policies through property development, ownership and management</li> <li>• Greenification of facilities</li> <li>• Measures against soil contamination</li> <li>• Acquisition of CASBEE certifications</li> <li>• Participation in government-led community building programs</li> </ul>



## Respect for human rights

In accordance with the Mitsui & Co. Human Rights Policy and to help foster a workplace environment in which all officers and employees can play an active role and grow, the asset manager of JLF (MLP) strives to prevent the occurrence of human rights violations, including all forms of harassment, and has registered with the Mitsui & Co. Ltd., hotline, which allows anonymous reporting and consultation to a retained lawyer in the event of any trouble, harassment, or other problems occurring inside or outside the company.

[Link](#) to Mitsui & Co. Human Rights Policy

## Promotion of diversity, equity & inclusion (DEI)

MLP respects the individuality and diversity of each employee and promotes diversity, equity and inclusion (DEI) to preserve and foster a free and vigorous corporate culture. As a member of the Mitsui & Co. Group, MLP aligns with the Mitsui & Co. Group Code of Conduct and promote various initiatives with an awareness of diversity that mutually accepts and respects individuality, equity that pursues fairness in the provision of opportunities, and inclusion that allows employees to demonstrate their individuality and make the most of it as an organization.

[Link](#) to Mitsui & Co. Group Conduct Guidelines—With Integrity—

## An engaged workplace environment

Regarding human resources as the largest asset, MLP makes efforts to create a healthy and pleasant working environment so that individual officers and employees will be able to fully exercise their abilities and advances efforts for the cultivation of human resources through professional education, training and assistance.

In addition, to implement these guidelines, the asset management company will make efforts to raise the awareness of the officers and employees by continuously implementing educational and enlightenment activities with consideration for the environment and society.

## 1. Implementation of employee satisfaction survey

JLF's asset manager (MLP) conducts an employee satisfaction survey on an annual basis for all employees (both full-time and part-time employees alike).

MLP fleshes out the thoughts of employees on the substance of their work and the workplace environment (health and welfare) through the survey and the results are leveraged to generate ideas on how best to encourage employees to exhibit their abilities. Furthermore, social activities among employees are organized to facilitate the realization of these ideas. Feedback on the survey results and idea generation is also given annually by the CEO. MLP strive to achieve an average overall satisfaction score of 3.5 or higher each year.

Results of the latest employee satisfaction survey  
(Third-Party Surveys)

Implementation year	FY2020	FY2021	FY2022
Response rate	100%	100%	100%
Overall Satisfaction*	4.15	3.82	3.78

\* Average score for overall satisfaction on a 5-point scale

[Feedback based on the results of the 2021 Employee Satisfaction Survey]

- From the results of the Employee Satisfaction Survey, MLP learned that many employees place high importance on the "personnel evaluation system" and "education and training."
- In order to maintain the high level of satisfaction with each content and improve items that lack satisfaction, ESG materiality was set to "Employee Job Satisfaction and Wellness" and

"Employee Performance and Career Development," and "Feedback Interviews" was added as a KPI. New numerical targets were set for training hours.

[Feedback based on the results of the 2022 Employee Satisfaction Survey]

- Based on the employee satisfaction survey results, MLP confirmed that many employees are focused on how they are evaluated by their supervisor and the personnel evaluation system.
- To maintain areas of high satisfaction and improve areas with insufficient satisfaction, MLP has set KPIs under ESG materialities for "Respect for Diversity, Employee Motivation and Wellness" and "Employee Performance and Career Development" and will continue to set numerical targets as KPIs for conducting feedback interviews and educational training hours.

## Development of excellent human resources

### 1. Support for acquiring qualifications

Qualification acquisition assistance program is available to all employees and officers (full-time and part-time employees alike) to support those who are willing to brush up their skills.



## Overview and Track Record of our Qualification Acquisition Assistance Program

(As of March 31, 2023)

### Qualification and number of employees who hold that qualification

ARES Master	14
Residential land and building trader	21
Securities analyst	2
CASBEE real estate evaluator	2
Building business manager	4
Real estate appraiser	1
First class architect	2
Second class architect	1
Bookkeeping level 1	1
Bookkeeping level 2	10
Bookkeeping level 3	7

### Those qualified for subsidies

All officers and employees

(Not limited to full-time employees. Includes part-time workers.)

### Contents of subsidies

Course tuition, test fees and registration fees, in full

	FY2022
Number of persons eligible for eligibility assistance	14 persons
Eligibility Grant Amount	173,300 JPY

## 2. Implementation of In-house Training

MLP regularly conducts training for compliance and employee development, targeting all officers and employees (both full-time and part-time employees alike).

Based on the human resource development program of Mitsui & Co., (sponsor of JLF), all officers and employees (including regular employees and contract employees) are encouraged to participate in compliance and legal training, ESG training, real estate training, business skill improvement training, management and leadership training, training on the promotion of diversity, equity & inclusion (DEI), etc., as well as external seminars, etc., to develop the human resources of officers and employees.

### Main contents

#### [Compliance and Legal Training]

Compliance Officer holds study sessions and invites outside lecturers (Lawyer) on topics such as information management / transactions with interested parties / understanding and responding to financial regulations / anti-social forces / insider trading regulations / statutory books and documents / major findings in securities inspections of financial instruments business operators, etc.

#### [ESG Training]

In addition to holding internal study sessions and exchanges of opinions on the world situation regarding ESG, investor interest, and what JLF should do, MLP also holds study sessions with external lecturers and encourage participation in external seminars.

#### [Real Estate Training (Job-specific development training)]

Training on the real estate market is conducted regularly, bringing in

outside lecturers, realizing a program that enhances expertise with information on market trends and other knowledge required for real estate investment management.

[Business skill improvement training]

MLP encourages participation in Mitsui & Co.'s Business skill improvement programs and outside seminars and training and provide opportunities to improve business skills such as logical thinking/finance/presentation.

[Management and Leadership Training at multiple levels]

One of Mitsui & Co.'s human resource development programs, this is a succession planning program for employees at multiple levels and candidates for management positions in their respective positions.

[Training on the promotion of diversity, equity & inclusion (DEI)]

MLP understands the importance of promoting diversity, equity & inclusion (DEI). MLP provides training opportunities for employees to create an organization that leverages the individuality and diversity of each employee.

In FY 2022, MLP provided training opportunities conducted by the Mitsui & Co. Group.

[Training Achievements]

	FY2021
Average training hours per employee	17 hours
Number of trainees	35 persons
Training Assistance Expenses	420,000JPY

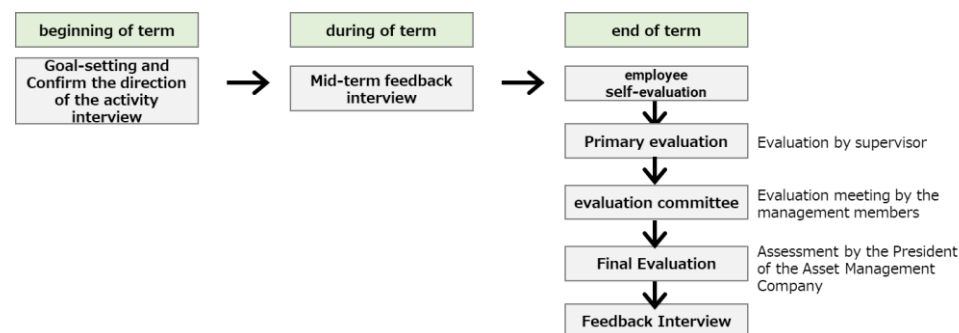
	FY2022		
	Average training hours	Average number of participants	Number of trainings
Compliance and Legal Training	1 hours	35 persons (100%)	6
ESG Training	1.5 hours	35 persons (100%)	2
Real Estate Training	1 hours	19 persons (56%)	9
Management and Leadership Training	11 hours	3 persons (9%)	2
Training on the promotion of DEI	1.5 hours	35 persons (100%)	1

### 3. Appropriate performance evaluations and feedback processes

MLP seeks to make evaluations transparent by having supervisors set goals and hold feedback interviews every year with all employees (including both full-time and part-time workers) and providing opportunities for consensus formation among supervisors and the employees they supervise. Specifically, meetings are conducted at the beginning of the fiscal period to set goals and confirm the direction of work activities. Moreover, mid-period and period-end feedback interviews are held, too. At the meeting at the beginning of the period, all employees (including both full-time and part-time workers) confirm with their supervisor the goals they set out to achieve and activities aimed at overcoming challenges. The mid-period feedback interview is a forum for supervisors to confirm goals and progress and clarify how problems get solved and processes for achieving goals. At the period-end feedback interview, the level of achievement of goals and processes is confirmed and feedback is

provided on the basis for evaluation results and future challenges. The evaluation method comprises evaluations of performance and capabilities. For performance evaluations, quantitative and qualitative targets are set and the level of achievement is evaluated. Capabilities evaluations are based on the extent to which the employee exhibited capabilities expected of that person's grade. Evaluation studies take place three times for each officer and employee to ensure fairness and impartiality in evaluation.

#### Personnel evaluation and feedback system



#### Percentage of personnel interviews conducted

	FY2022
Percentage of feedback interviews conducted	100%
Percentage of goal-setting interviews conducted	100%

\* For direct hire employees.

### Consideration for work-life balance

#### 1. Practice work-life balance

MLP believes leveraging support systems will help promote diversity,

equity & inclusion (DEI). MLP strives to enhance systems and support with consideration for work-life balance, including the enhancement of the childcare leave and the nursing care leave systems and the flexible working hour system, enabling each office and employee to be able to continue working energetically according to their lifestyles.

[Support for achieving balance between work and raising a family]

All officers and employees (Both full-time and part-time employees alike) are eligible for the family leave program, which has been more fulfilling than legal requirements since FY 2014. The work environment allows any officers and employees, regardless of gender, to actively participate in family responsibilities as part of a program that promotes achieving a work-life balance.

- Childbirth attendance leave system: Able to take up to three days
- Salary during leave before and after childbirth and childcare leave: Salary will be paid for up to eight weeks after the commencement of childcare leave, during the leave, before and after childbirth.

[Special paid leave system]

MLP has introduced a special paid leave system to increase the motivation of officers and employees and fulfill their daily needs.

- Anniversary (one day a year)
- Volunteering (five days a year)
- Recognition of many years of service (10 years, 15 years and 20 years) and the payment of a special bonus
- Long-term injury and disease holiday (maximum 40 days): Paid leave that lost effect can be accumulated and taken as leave during long-term injury or disease

## [Flexible working hour system]

All officers and employees (Both full-time and part-time employees alike) are eligible for flexible workhour and hourly paid leave programs. These programs are designed to help officers and employees achieve harmony between work and life in a way that suits their individual lifestyles. JLF has a work environment where individuals' work volumes are assessed, and a reasonable working style is achieved in each department. Thus, there was no need to set up no-overtime days; officers and employees can adjust their workloads as necessary and complete their work before the workday is over.

## [Introduction of WFH (working from home) system]

A temporary WFH system was introduced following the first declaration of the state of emergency in 2020, and WFH system was subsequently continued as an emergency response to the COVID-19 disaster.

One and a half years after the introduction of WFH system, the Asset Manager decided that executives and employees would be able to perform their duties to the best of their abilities without any change from normal times, and in December 2021, the system was permanently installed.

MLP believes that the introduction of the WFH system will enable each and every officer and employee of the MLP to be active as an employee regardless of where they work.

## 2. Promoting health and improving benefits

MLP strives to promote health and improve benefits for all officers and employees (Both full-time and part-time employees alike)

through the following initiatives:

All officers and employees receive support to maintain good health and safety in the form of health check-ups and partial financial aid for health examinations.

As for benefits, a corporate defined benefit pension fund has been introduced in addition to a complete social insurance system.

### Status of Asset Management Company Officers and Staff

Item	FY2022
Total executives and employees	35 persons
Percentage of full-time employees	100%
Male	24 persons
Female	11 persons
Percentage of female executives and employees	31%
Average Number of Years of Attendance	5.9 years
Number of retirees	0 person
Percentage of retirees	0%
Number of managers	5 persons
Number of male managers	4 persons
Number of female managers	1 person
Percentage of employees with disabilities	0%
Percentage of foreign employees	0%
of those who have lived abroad	9.7%

Item	FY2022
Response rate to health examination	100%
Paid leave acquisition rate	83.0%

#### Number of childcare leave recipients

	FY2022
male	0 person
female	0 person

#### Percentage of special paid leave system used

	FY2022
Anniversary day off	72%
Volunteer Leave	0%
Recognition of many years of service leave	0%

\* One employee was eligible for Recognition of many years of service leave in FY2022.

### 3. Employee hotline

In the event an employee falls victim to harassment or some other problem, either inside or outside the company, he/she can notify and consult an assigned attorney anonymously via a hotline.

### 4. Investment unit accumulated investment system

All MLP employees (including full-time and part-time employees) and officers may use a brokerage firm's cumulative investment system to acquire JLF investment units. The aim is to support benefits and wealth formation over the medium to long term for employees and

the like and raise awareness of business performance improvement at JLF.

### Human Resources Pipeline Development Strategy

The asset manager of JLF (MLP) formulate recruitment plans in accordance with their medium- to long-term business plans. Based on the business plan, MLP has a system in place to determine "which departments," "when," and "what kind of personnel" are needed and assign the right people at the right time.

In order to maximize the use of our recruiters' talent pool, MLP has put in place a system that makes it easy to recruit the right people by constantly sharing future recruitment plans with our recruiters.

# Initiatives for Local Communities and Tenants

## Initiatives to contribute to society

### 1. disaster response and building safety

MLP strives to maintain the safety of buildings during normal times and promotes initiatives to prevent the spread of damage in the event of a disaster and to achieve early recovery in the event of a disaster.

#### ① Diagnosis of building safety and earthquake risk

JLF and MLP diagnose the compliance and safety of buildings at the time of acquiring properties by obtaining an engineering report. Furthermore, JLF and MLP quantitatively analyze the risk of collapse due to earthquakes and make acquisition decisions based on risk assumptions, referring to “liquefaction prediction maps” published by various government agencies regarding liquefaction and tsunami in the event of an earthquake.

In addition, the asset management company is working to maintain the safety of buildings held by regularly obtaining an engineering report on an ongoing basis.

#### ② Efforts for resilience against disasters

MLP has established the internal structure necessary to prevent damages from expanding, secure business continuation and quickly recover to a normal state of work when a disaster occurs. In addition, to promptly verify the condition of assets held when a disaster occurs, the asset management company has developed a communication and verification system involving the property

manager.

On top of that, the asset management company has installed on-site power generators that can be used during a power outage and toilets that are available for use even during a disaster by using private power generation and well water at some properties.

### 2. Initiatives aimed at activating local communities

#### ① Urban Development (Local Community Revitalization through property development and redevelopment)

Through the redevelopment of portfolio properties (OBR) and joint development with business partners, JLF contributes to enhanced logistics activity and the revitalization of urban areas. Some of the tenants who occupy space in JLF facilities handle consumer staples. As such, JLF’s ownership of logistics facilities supports the provision of lifestyle and infrastructure services in communities. Moreover, in recent years, welcoming e-commerce players as tenants has enabled JLF to contribute to the provision of convenient services. Within logistics facilities, products are stored, sorted, packed and shipped. By building and providing modern large-scale logistics facilities, JLF contributes to a more vibrant local economy through job creation and the like.

JLF has a track record of redevelopment (OBR) of five of its properties, including the Urayasu Logistics Center.

JLF also has a track record of joint development with partner companies.

For example, for the Aisai Logistics Center, Enterprise Agency of Aichi



Prefecture approached JLF about participating in a proposal-based bidding process to revitalize the city by using land for sale in the prefecture.

JLF submitted a proposal to develop a new logistics facility in cooperation with a partner company to create employment, and the proposal was selected from among several proposals.

The partner company actually constructed Aisai Logistics Center, which JLF acquired and operated, thereby contributing to the creation of local employment and the revitalization of the local economy.

When developing underutilized land or greenfield sites such as the Aisai Logistics Center, JLF will consider acquiring green building certification after the acquisition by also taking the environment into consideration.



Aisai Logistics Center

## ② Provision of lifestyle infrastructure to the community

JLF recruits mobile phone companies to install their antennas on portfolio properties, which has contributed to improved cellular coverage in the community.

## ③ Building Versatility

JLF owns highly versatile facilities, with space that can be converted to office or manufacturing applications. This enables a wide variety of tenants to make continuous use of the facilities over the long term, thereby contributing to regional revitalization.

For example, the Itabashi Logistics Center is located in Tokyo's 23 wards, which is convenient to transportation and attracts office space needs, and while the tenants primarily use the space for storage, they also have an office to serve as their "headquarters base."

The company has an office as its "headquarter base" and also offers "photography use of available space. The facility can be used for either storage or office space after tenants vacate.

In addition, JLF also owns many other properties in the 23 wards of Tokyo and close to the city center, which can be used not only as logistics facilities but also as office and exhibition space.



Itabashi Logistics Center

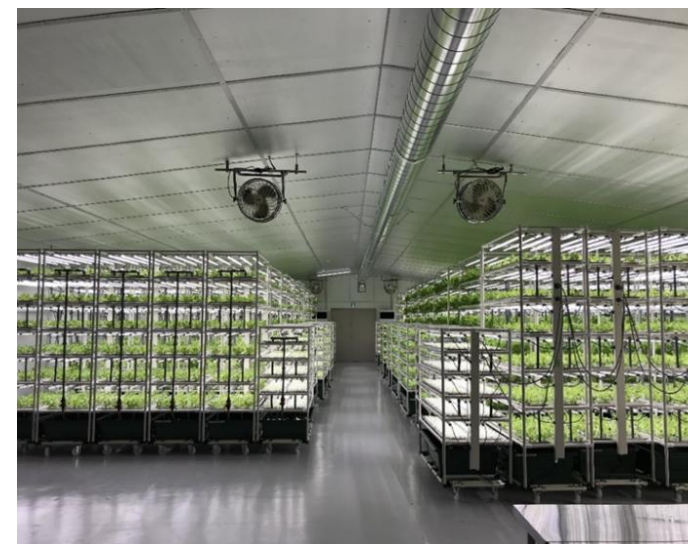
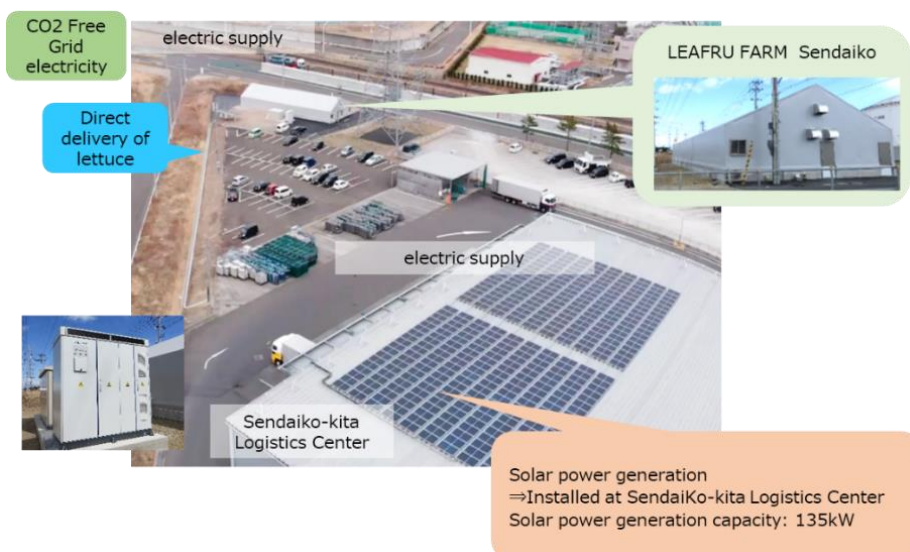
#### ④ Regional revitalization through collaboration with local businesses

JLF cooperates with local companies in projects to revitalize the local communities of the properties it owns and to promote environmental conservation activities.

Sendaiko-kita Logistics Center is participating in a plant factory project using carbon-free electricity promoted by Tohoku Electric Power Co., Inc., PLANTS LABORATORY INC., York-Benimaru Co. The plant factory is operated by Plants Laboratory, together with local farmers, on a plot of land adjacent to the SendaiKo-kita Logistics Center, and uses renewable energy obtained from solar panels installed on the roof of the SendaiKo-kita Logistics Center. Since April 2022, vegetables have been shipped to YORK BENIMARU CO., LTD.

<https://solution-next.tohoku-epco.co.jp/news/detail/id=192>

(Japanese only)



#### ⑤ Technical Evaluation of Environmental and Social Risks at Portfolio Assets

JLF regularly conducts technical evaluations of environmental and social risks of portfolio assets. Aside from conducting risk management, JLF also evaluates environmental initiatives.

More specifically, based on a building condition evaluation report acquired once every 5 years, JLF drafts maintenance plans aimed at facilitating the long-term use of the building. Additionally, a portfolio PML is calculated every fiscal period, and the potential impact in the event of an earthquake is evaluated.

As part of the appraisal of portfolio assets that takes place each fiscal period, property access and public transportation availability are also reviewed in calculating an appraisal value.

### 3. Connection with the local community

#### ① Contribution to the local community

JLF works to vitalize communication with tenants and local residents through cleaning activities in cooperation with the property managers, the building management companies and tenants.



#### ② Contribution to the safety of the local community

JLF works to contribute to the safety of tenants and local residents by installing security cameras that are able to monitor areas surrounding the property, on vending machines at the facility for some properties.

#### ③ Contributing to communities through natural disaster agreements with municipalities

JLF executed the Agreement on Storage of Goods in the Event of a Disaster with Kanagawa Prefecture and the Agreement on Cooperation in Providing Facilities, etc. in the Event of a Disaster, etc. with the Soka Yashio Fire Fighting Union as part of our efforts to contribute to communities through natural disaster agreements.

### Initiatives aimed at enhancing tenant satisfaction

#### 1. Implementation of a tenant satisfaction survey

JLF implements a tenant satisfaction survey to obtain the requests and opinions of tenants. JLF shares survey results with the property manager and the building management company, which leads to improvements in building specifications, equipment and services.

#### 2. Consideration for the safety, amenity and health of users

JLF checks the compliance of properties when it acquires them and the compliance and safety of properties after acquiring them by regularly obtaining an ER to enable users to be able to safely use the properties.

In addition, to create a pleasant working environment for the users, JLF considers the health of the users and enhances amenities by setting up a cafeteria, break room and a kiosk at some properties and regularly assessing the air-conditioning.



Kiosk



Cafeteria



## ESG efforts with property managers

When JLF implements ESG efforts for its properties, JLF asks property managers for cooperation. JLF also sets requirements for corporate ethics, human rights and industrial health and safety for the property managers and monitors whether those requirements are practiced.

Additionally, to enhance ties with third-party property managers, JLF holds training sessions with these property management companies on sustainability and ESG. JLF also shares with them the results and targets on energy consumption for the properties they manage as part of its efforts to engage their cooperation in achieving these targets.

Percentage of ESG training sessions held for property managers  
(as of March 31, 2023)

Number of properties	Percentage of portfolio
52	100.0%

Percentage of property managers receiving energy consumption reports  
(FY2022)

Number of properties	Percentage of portfolio
52	100.0%

# Corporate Governance



## Table of Contents

### Structure of the Investment Corporation

#### Description of the Institutions

1. General Unitholders' Meeting
2. Executive and Supervisory Directors and the Board of Directors
3. Accounting Auditor

#### Internal Control Structure

Organization, Personnel and Procedures As They Relate to Internal Controls and Supervision by Supervisory Directors

Internal Controls, Supervision by the Supervisory Directors and Collaboration with the Auditor

Status of a Management Regime vis-à-vis Entities Related to JLF

### Compliance and Risk management

#### Compliance Initiatives

Management system and programs for Overall Compliance (legal compliance, anti-corruption and respect for labor and human rights)

Compliance Promotion Regime

#### Risk Management Regime

##### Rules Against Conflicts of Interest

1. Basic Principles
2. The Scope of Interested Parties
3. Transactions Subject to the Rules
4. Flow Decision-making for Transactions with Interested Parties

### Corporate Conduct

#### Corporate Conduct

Shutting Out Relationships with Antisocial Forces

Bribery and Anti-Corruption Policy

Whistleblowers protection

Extent of grievance reporting or escalation procedures

#### Initiatives related to governance at the asset manager and the asset manager's parent company

Initiatives of the governance

Initiatives of the parent company of the asset manager

### Information disclosure

#### Information disclosure and reporting

1. Engagement with investors
2. Specific IR activities
3. Scope and term and timing of renewal of Sustainability reports

# Structure of the Investment Corporation

Japan Logistics Fund, Inc. (JLF) shall have at least one executive director and at least two supervisory directors. Additionally, there shall be at least one more supervisory director than there are executive directors.

The institutions of JLF comprise: a general meeting of JLF unitholders; one executive director; four supervisory directors; a board of directors meeting comprising JLF's executive and supervisory directors; and an accounting auditor. [Please click here \(link to an overview of the investment corporation\)](#) for its present composition.

## Description of the Institutions

### 1. General Unitholders' Meeting

Specific matters related to JLF as set forth in the Act on Investment Trusts and Investment Corporations (AITIC) or in JLF's Articles of Incorporation (Articles) are to be decided at a general unitholders' meeting made up of JLF unitholders. Unless otherwise stipulated by law or the Articles, decisions at the general unitholders' meeting are to be made based on a majority of votes by unitholders in attendance. Changes to the Articles or other decisions set forth under AITIC Article 93(2)2 (Special Decisions) require a quorum. To form that quorum, unitholders owning a majority of units outstanding must be in attendance. Additionally, Special Decisions require at least two-thirds of the votes from that quorum. General unitholders' meetings take place once every two years in principle.

### 2. Executive and Supervisory Directors and the Board of Directors

In addition to executing the business of JLF, an executive director has the authority to take any judicial or extra-judicial acts related to the business of JLF on behalf of JLF.

A supervisory director has the authority to supervise the conduct of business by the executive director(s).

The board of directors (Board) has the authority to approve the convocation of a general unitholders' meeting and the execution of other specific responsibilities set forth in the AITIC. The Board also has the authorities set forth in the AITIC and the Articles, as well as the authority to supervise the conduct of business by the executive director(s). Unless otherwise stipulated by law or the Articles, decisions at a Board meeting require that a majority of persons qualified to vote are in attendance and that a majority of those in attendance vote in favor.



## [Officer selection criteria]

## ① REIT officers (as of July 31, 2023)

Title	Name	Reasons for selection	Attendance at Board of Directors meetings for the fiscal year ended January 31, 2023
Executive officer	Naohiro Kameoka (*1)	Expected to manage based on a broad perspective, including knowledge and experience in asset management	7 times/ 7 times (100%)
Supervisory officer	Toshima Araki	Expected to supervise management based on a broad perspective, including knowledge and experience as a legal expert.	2 times/ 2 times (100%)
Supervisory officer	Yumiko Kikuchi (*2)	Expected to supervise management based on a broad perspective, including knowledge and experience as an expert in real estate.	6 times/ 7 times (85.7%)
Supervisory officer	Tsuyoshi Oyama	Expected to supervise management based on a broad perspective, including knowledge and experience as an expert in Risk Management.	7 times/ 7 times (100%)

Title	Name	Reasons for selection	Attendance at Board of Directors meetings for the fiscal year ended January 31, 2023
Supervisory officer	Motomi Oi	Expected to supervise management based on a broad perspective, including knowledge and experience as an expert in tax and accounting.	7 times/ 7 times (100%)
Supervisory officer	Kanae Kamoshita	Expected to supervise management based on a broad perspective, including knowledge and experience as a legal expert.	5 times/ 5 times (100%)

\*1 Naohiro kameoka resigned as Executive Director on July 31, 2023.

Therefore, Ryota Sekiguchi, who was elected as a substitute executive director at the general meeting of unitholders held on October 20, 2022, was newly appointed as an executive director as of August 1, 2023. The executive director and supervisory directors may be directors of other corporations other than those listed above, but none of them have any interest in JLF.

\*2 Name provided here is the individual's maiden name and name used for professional purposes, however, the individual's name under the family register is Yumiko Ishida.

\*3 At the general meeting of unitholders held on October 20, 2022, Yumiko Kikuchi, Tsuyoshi Oyama and Motomi Ooi were reappointed as supervisory officer, and Kanae Kamoshita was newly appointed and assumed office on the same day. Former supervisory officer Toshima Araki resigned on the same day.

## [Gender Diversity in Board Composition]

Current ratio of female board members	60%
---------------------------------------	-----

## [Matters related to officers]

Total compensation for the executive officer and supervisory officers in the fiscal period ended January 2023 are as follows.

Title	Name	Total compensation for each officer for the fiscal period ended January 2023 (thousands of yen)
Executive officer	Naohiro Kameoka	-
Supervisory officer	Toshima Araki	900
Supervisory officer	Yumiko Kikuchi	1,800
Supervisory officer	Tsuyoshi Oyama	1,800
Supervisory officer	Motomi Oi	1,800
Supervisory officer	Kanae Kamoshita	1,200

### 3. Accounting Auditor

In addition to auditing the financial statements and the like of JLF, if the Accounting Auditor (Auditor) finds the conduct of business by the executive director(s) to be improper or discovers any material violation of law or the Articles, the Auditor shall report to a

supervisory director and take other actions set forth by law.

## Accounting auditor

Accounting auditor	Continuing accounting period
Ernst & Young ShinNihon LLC	From February 2005 until present

## Accounting Auditor's Remuneration

	Fiscal period ended January 31, 2023 (thousands of yen)
Compensation based on audit attestation services	12,500

## Internal Control Structure

### Organization, Personnel and Procedures As They Relate to Internal Controls and Supervision by Supervisory Directors

The executive director(s) holds a Board meeting once a month in principle and reports on matters for approval as set forth by law. The executive director(s) also reports detailed information on the operations of JLF and the status of business operations at JLF's asset manager, Mitsui & Co., Logistics Partners Ltd. (MLP). Based on this reporting process, the supervisory directors, who are in a position of independence from MLP or interested parties, acquire accurate information and maintain a regime capable of supervising the status of business operations by the executive director(s).

Under the asset management agreement, JLF has the right to receive a variety of reports from MLP. Through the exercise of said right, JLF maintains a regime capable of supervising the status of business operations at MLP. Furthermore, JLF has set forth insider trading control rules and strives to prevent insider trading by directors.

## Internal Controls, Supervision by the Supervisory Directors and Collaboration with the Auditor

To secure effective auditing through the implementation of organizational and efficient supervision with limited personnel resources, the supervisory directors perform supervision from a position of expertise backed by their own experience and knowledge.

In addition to auditing the financial statements and the like of JLF, if the Auditor finds the conduct of business by the executive director(s) to be improper or discovers any material violation of law or the Articles, the Auditor shall report to a supervisory director and take other actions set forth by law. In doing so, the Auditor attempts to work together with the supervisory directors.

## Status of a Management Regime vis-à-vis Entities Related to JLF

The executive director of JLF simultaneously holds the concurrent position of the director of MLP. In that capacity, the executive director receives reports on a daily basis on the status of business operations from the administrative agent and other entities and reports the status of business operations at these various related entities to the supervisory directors at Board meetings. Additionally, the executive director learns about the status of internal controls and governance at the related entities as necessary to put in place a regime for managing the status of business operations.

# Compliance and Risk management

## Compliance Initiatives

### Management system and programs for Overall Compliance (legal compliance, anti-corruption and respect for labor and human rights)

At the asset management company, decisions about and validation of a variety of compliance issues are conducted with the Board of Directors at the top and with the Compliance Officer and the Internal Controls Committee acting within the scope of their respective authorities and responsibilities.

The asset management company takes the following preemptive actions to avoid problems before they arise.

- Develop a compliance manual as a specific reference tool for the purpose of achieving compliance with laws, regulations and the like
- Organize internal rules aimed at managing primary risks related to compliance, such as preventing conflict-of-interest transactions and shutting out any relationships with anti-social forces.
- Implement annual reviews of risk management, evaluation and countermeasures.
- Implement annual internal audits on all operations, including compliance, anti-corruption and ethical standards.
- Introduce a Whistleblowers protection system.
- Instill thorough knowledge of compliance among all officers and employees through regularly conducted training and the like.

\* All officers and employees (Both full-time and part-time employees alike) at the asset management company are subject to compliance training.

## Compliance Promotion Regime

The asset manager (MLP) achieves compliance through the following structure.

Governance bodies	Primary roles
Board of Directors	The Board of Directors supervises and oversees the maintenance of a regime for complying with laws, regulations and the like, based on the recognition that thoroughly complying with laws, regulations and the like at MLP and JLF is of the utmost importance for management.
Internal Controls Committee	An Internal Controls Committee has been established as an advisory body to the Board of Directors. Its purpose is to, in principle, meet monthly and as needed if called by the Compliance Officer, to deliberate important matters related to compliance with laws, regulations and the like and provide its opinion to the Board of Directors.
Compliance Officer	A Compliance Officer has been established as an entity with the purpose of checking compliance with laws, regulations and the like in the overall conduct of business as well as the preparation, amendment and removal of internal rules and regulations and compliance with those rules and regulations.

## Risk Management Regime

MLP has established Risk Management Regulations, and the Board of Directors oversees the development of risk management policies and the organization of an appropriate risk management regime. With MLP Internal Audit Office Manager providing oversight and each department's general manager responsible for risk management within their respective organizations, risks associated with all operations (such as ESG, investment, financial, clerical and systems risks) are identified and monitored once a year to the extent appropriate for the substance of each risk.

Moreover, the head of the internal audit organization reports on the status of risk management annually to the Board of Directors of the asset management company, checks what measures need to be taken and reviews the effectiveness of risk management processes. JLF has in place a system of oversight of risk management by the Board of Directors.

## Rules Against Conflicts of Interest

MLP sets forth the following rules for transactions, including the acquisition of operating assets, that MLP causes JLF to enter into with an interested party of MLP.

### 1. Basic Principles

MLP must not cause JLF to enter into transactions to benefit the interests of interested parties at the expense of the interests of JLF.

## 2. The Scope of Interested Parties

Interested party	Examples *
1. Interested parties as stipulated by AITIC Article 201(1)	<ul style="list-style-type: none"> <li>• Mitsui &amp; Co., Ltd.</li> <li>• Mitsui &amp; Co. Asset Management Holdings Ltd.</li> <li>• Mitsui Bussan &amp; Idera Partners Co.,Ltd.</li> <li>• Subsidiaries of Mitsui &amp; Co., Ltd.</li> <li>• Sumitomo Mitsui Trust Bank, Ltd.</li> </ul> <p>And others</p>
2. Shareholders with a stake of 5% or more of MLP's outstanding shares	<ul style="list-style-type: none"> <li>• Mitsui &amp; Co. Asset Management Holdings Ltd. (Interested party under the AITIC)</li> <li>• Sumitomo Mitsui Trust Bank, Ltd. (Interested party under the AITIC)</li> <li>• Kenedix, Inc.</li> </ul>
3. Corporations owning more than 50% of voting rights in any parties applicable to 2 above.	<ul style="list-style-type: none"> <li>• Mitsui &amp; Co., Ltd.</li> <li>• Sumitomo Mitsui Trust Holdings, Inc.</li> </ul> <p>And others</p>

Interested party	Examples *
4. Corporations in which any parties applicable to 2 or 3 above own more than 50% of voting rights, either directly or indirectly.	<ul style="list-style-type: none"> <li>Subsidiaries of Sumitomo Mitsui Trust Bank, Ltd.</li> <li>Subsidiaries of Kenedix, Inc.</li> </ul> And others
5. Special purpose companies in which any parties applicable to 1 or 2 above own more than a 50% equity stake, silent partnership stake or preferred stake.	<ul style="list-style-type: none"> <li>Industrial REIT Five Ltd.</li> </ul> And others
6. Corporations that have entered into asset management agreement with any parties applicable to 1 or 2 above.	<ul style="list-style-type: none"> <li>Special purpose companies that have entered into asset management agreement with a subsidiary of Mitsui &amp; Co., Ltd.</li> </ul> And others

\* Represents only some examples and is by no means comprehensive.

### 3. Transactions Subject to the Rules

Transaction	Transaction terms and conditions
1. Acquisition of operating assets (real estate, real estate beneficial interests in trust and other assets)	Real estate and the like shall be acquired at an amount that is equal to or lower than the appraisal value (for development properties, the amount shown in a pricing survey) per a real estate appraiser that is independent from MLP.
2. Sale of operating assets (real estate, real estate beneficial interests in trust and other assets)	Real estate and the like shall be sold at an amount that is equal to or higher than the appraisal value (for development properties, the amount shown in a pricing survey) per a real estate appraiser that is independent from MLP.
3. Lease of operating assets	Lease shall be made at appropriate leasing terms taking into consideration market rent and the like based on market data and the like prepared by a third party.
4. Outsourcing of property management services	After acquiring estimates from multiple bidders, the work shall be outsourced at rational terms taking into consideration the volume and substance of the service.



Transaction	Transaction terms and conditions
5. Brokerage of property purchases, sales and leasing	A rational amount of compensation shall be paid taking into account the difficulty of the service, the price of the purchase, sale or lease agreement, and other factors. The amount of the compensation shall fall within the range stipulated in the Building Lots and Buildings Transaction Business Act. (In the case of beneficial interests in trust, compensation shall be based on the lot or building that is subject to the interest.)
6. Placing orders for construction work	After acquiring estimates from multiple bidders, the order shall be placed at rational contract terms taking into consideration the difficulty, the timeframe and other factors of the construction work.
7. Investments in stakes and the like in silent partnerships	Investments in stakes and the like in silent partnerships shall be made at rational and reasonable terms.
8. Other transactions	Terms of the transactions must be fair and reasonable.

#### 4. Flow Decision-making for Transactions with Interested Parties

- (1) In the event that MLP causes JLF to enter into a transaction falling under the above “3. Transactions Subject to the Rules” with an interested party, MLP must confirm that the terms of the transaction fall within the scope set forth above in 3., and that the transaction shall be subject to deliberation by the Compliance Committee and the approval of the MLP’s Board of Directors except in cases where the transaction is a minor transaction as set forth below in (2) a. and b. Each department shall submit the prescribed documents to the MLP’s Board of Directors when entering into a transaction with an interested party in accordance with the type of transaction.
- (2) Minor transactions that do not require deliberation by the Compliance Committee and the approval of the MLP’s Board of Directors are set forth below in a. and b.
  - a. Transactions concerning the acquisition or transfer of securities, the lending and borrowing of securities, the acquisition or transfer of real estate, or the lending and borrowing of real estate  
Transactions set forth in Article 245-2 of the Ordinance for the Enforcement of the Act on Investment Trusts and Investment Corporations with a contracted amount of less than 50 million yen per transaction
  - b. Transactions other than those set forth above in a.  
Transactions with a contracted amount of less than 50 million yen per transaction
- (3) In the event that JLF enters into a transaction with an interested party and the transaction falls under the transactions set forth below, the approval of the JLF’s Board of Directors and the

consent of JLF based on said approval shall be obtained prior to the execution of the transaction with an interested party after obtaining the approval of the MLP's Board of Directors based on the above (1) and (2).

- a. Acquisition or transfer of securities
- b. Lending and borrowing of securities
- c. Acquisition or transfer of real estate
- d. Lending and borrowing of real estate

- (4) Notwithstanding the above (3), the following transactions do not require the approval of the JLF's Board of Directors and the consent of JLF based on said approval  
Transactions prescribed in Article 245-2 of the Ordinance for the Enforcement of the Act on Investment Trusts and Investment Corporations

## Corporate Conduct

### Corporate Conduct

#### Shutting Out Relationships with Antisocial Forces

MLP has organized a regime of rules and regulations (Basic Policy on Antisocial Forces, Officer and Employee Code of Conduct, Legal Compliance Management Rules, and Guidelines for Handling the Advance Confirmation of Transaction Counterparties) and implements training for all officers and employees to instill a thorough awareness for shutting out any relationships with antisocial forces.

#### Bribery and Anti-Corruption Policy

MLP has formulated a code of conduct for officers and employees, which stipulates compliance by officers and employees with laws and regulations, prohibition of harassment, prohibition of acts that may cause conflicts of interest, prohibition of insider trading, prohibition of bribery, reporting when violations are discovered, etc. In addition, a

specific guide for achieving compliance with laws and regulations, the "The Company has also established a Compliance Manual, a specific guide to ensure compliance with laws and regulations and strives to prevent misconduct.

Regarding specific procedures to be taken upon discovery of violations, etc., compliance management rules have been established, and various reporting contacts have been set up, including the sponsor's external reporting contact, such as the compliance officer and president, etc., which are reported to the internal control committee of the asset management company, the board of directors, and the board of directors of the investment corporation as necessary.

Training for officers and employees regarding compliance with laws and regulations, etc., is conducted on a regular basis to ensure that they are thoroughly informed about the prevention of fraud. Furthermore, MLP strives to prevent problems from occurring during annual internal audits.

## Whistleblowers protection

All officers and employees (both full-time and part-time employees alike) that learn of an action that may violate laws, regulations, internal regulations, the code of conduct, or other corporate ethics, are to report to the Compliance Officer, Head of the internal audit organization, a department general manager, the CEO, or a corporate auditor. If the officer or employee (both full-time and part-time employees alike) wishes to report the conduct anonymously, they may report to a third-party contact point (an attorney, for example) set up by Mitsui & Co., Ltd. Through these measures, MLP aims to prevent or quickly discover and correct problems.

In compliance with the Whistleblower Protection Act, the Legal Compliance Management Rules stipulate protecting whistleblowers through the preservation of confidentiality about whistleblower reports, protection of personal information and prohibition of termination of employment status or unfair treatment. There are limitations placed on communications involving information such as the person's name. Access to the report's contents is limited to persons involved in handling the matter, and the whistleblower shall not be treated unfairly as a result of lodging the report.

## Extent of grievance reporting or escalation procedures

MLP properly manages grievance and complaints according to its regulations (Code of Conduct for Officers and Employees, Compliance Management Regulations, and Compliance Manual). MLP has established reporting contacts such as the Compliance Officer and the President, as well as the sponsor's external reporting contact, to ensure early resolution, prevent recurrence and confidentiality. MLP is also a member of The Investment Trusts Association, Japan, which outsources

mediation to the non-profit Securities and Financial Instruments Mediation Assistance Center.

Follow the link below for inquiries. (Japanese only)

<https://www.m-lp.net/inquiry/index.html>

### [Compliance-Related Achievements]

	FY2022
Number of compliance training sessions conducted	6 times
Total Political Contributions	0 JPY
Number of fraud- and corruption-related exposures	0 case
Number of fraud and corruption-related disciplinary actions and dismissals	0 case
Fines, penalties, and settlement costs related to fraud and corruption	0 JPY

### [Administrative Dispositions]

	FY2022
Administrative action from regulatory agencies	0 case

## Initiatives related to governance at the asset manager and the asset manager's parent company

### Initiatives of the governance

#### ① Asset Management Fees

An asset management fee structure has been introduced that ties fees to distributions per unit and seeks alignment with unitholder interests.

Fee type	Fee structure
Asset Management Fee 1	Linked to NOI
Asset Management Fee 2	Linked to net income and DPU
Acquisition Fee	Linked to acquisition price of newly acquired asset
Redevelopment Fee	Linked to the construction cost in the event a portfolio asset is redeveloped

## ② Officer and Employee Personnel Evaluations Remuneration structure designed for Same Boat with investors

- Compensation tied to JLF operational performance

MLP sets management indexes tied to JLF's operational performance, and MLP officers and employees (including both full-time and contract employees) are evaluated based on their level of achievement and contribution, which in turn gets reflected in compensation.

- Sustainability-related incentives

Sustainability performance is reflected in the compensation of MLP officers and employees (including both full-time and contract employees).

## ③ Incentive bonus linked to JLF's performance

Officers and employees are evaluated based on the level of achievement and contribution in relation to established KPIs linked to the operational status of the REIT.

## ④ Investment unit accumulated investment system

All MLP employees (including full-time and part-time employees) and officers may use a brokerage firm's cumulative investment system to acquire JLF investment units. The aim is to support benefits and wealth formation over the medium to long term for employees and the like and raise awareness of business performance improvement at JLF.

## Initiatives of the parent company of the asset manager

Mitsui & Co. Asset Management Holdings Ltd., the parent company of the asset manager of JLF (MLP), holds a certain number of investment units of JLF.

# Information disclosure

## Information disclosure and reporting

### 1. Engagement with investors

#### Basic policy

The REIT holds as its basic policy to appropriately conduct prompt, accurate and fair information disclosure based on a constant perspective of the investor and requires the asset manager to conduct appropriate information disclosure based on that policy.

In the event information related to the asset manager, the portfolio assets or the like such that would be stipulated as timely disclosure items at the Tokyo Stock Exchange, the asset manager shall promptly communicate that information to the REIT and prepare and provide the necessary materials to conduct timely disclosure. Furthermore, at the asset manager, responsibilities related to information disclosure reside in Finance&IR Dept.. When the departments indicated in the above organizational chart learn of any important information related to asset management, accounting, compliance or the like that requires disclosure, those departments shall immediately report that information to Finance&IR Dept.. Doing so allows for the concentration and unified management of information at Finance&IR Dept., where responsibility for information disclosure lies. Finance&IR Dept. shall study the need (or lack thereof) for timely disclosure and the timing, submit the information to legal checks as necessary, and, in the event more detailed study is necessary, study the matter upon holding a disclosure committee, and for that information for which disclosure is deemed necessary, conduct disclosure pending approval from the President and

CEO.

Through these structures at the asset manager involving information disclosure, the REIT achieves a structure that secures prompt, accurate and fair information disclosure.

### 2. Specific IR activities

#### (i) IR for analysts and institutional investors

- Each fiscal period, MLP holds an earnings presentation from the President, CEO and Representative Director of the asset manager.
- Following the earnings presentation, MLP holds one-on-one meetings with institutional investors inside and outside of Japan.

#### (ii) IR for individual investors

- MLP actively participates in various IR events and presentations for individual investors held by securities firms.
- MLP conducts earnings presentations for investors and meetings to report on operations following the General Unitholders' Meeting.

#### (iii) Post IR materials on the REIT's website

- MLP posts IR materials such as securities filings, earnings briefs and press releases on the JLF's website.
- The JLF's website: <https://8967.jp/en/>

**(iv) Establishment of a disclosure committee**

- Principles and basic policies are established and internal structures are prepared in relation to legally required disclosures and timely disclosures.
- Highly urgent and important IR matters are studied and countermeasures are planned.

**3. Scope and term and timing of renewal of Sustainability reports**

Scope of the report: Japan Logistics Fund, Inc. and Mitsui & Co., Logistics Partners Ltd. (the asset manager)

Term:

One year every year, from April through March of the following year

Timing of renewal:

In principle, July or August each year

Guidelines of reference:

JLF refers to the GRI standards of the Global Reporting Initiative (GRI) for policies and reporting of activities related to ESG.

Contact point for ESG:

Please direct ESG-related inquiries to:

Asset manager	Mitsui & Co., Logistics Partners, Ltd.
E-Mail address	<a href="mailto:jlf_ir@m-lp.net">jlf_ir@m-lp.net</a>



# Green finance

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## Table of Contents

### **1. Overview of a green finance framework**

**I. use of procured funds**

**II. Project selection criteria and process**

**III. Fund management methods**

**IV. Reporting**

### **2. Fund allocation status**

### **3. Green Bond**

### **4. Green Loan**

### **5. Green Eligible Assets**

## Green Finance

Green finance refers to bonds (green bonds) and borrowings (green loans) to raise funds specifically for initiatives in the environmental field. In principle, it is procured in accordance with the "Green Bond Principles" set forth by the International Capital Market Association, etc. Through the procurement of funds through the Green Finances, JLF aims to stimulate demand from new investors who are interested in ESG investments, and to strengthen its fund procurement base by expanding its investor base. In addition, JLF will further promote ESG initiatives by understanding the expected level of ESG through dialogue with institutional investors interested in ESG and reflecting the content of such dialogue in its asset management.

# 1. Overview of a green finance framework

To conduct green financing (hereinafter referred as the "Green Finance") including the issuance of the Green Bonds, JLF has formulated a green finance framework (hereinafter referred as the "Green Finance Framework") in accordance with the Green Bond Principles 2018<sup>(\*1)</sup>, the Green Bond Guidelines 2020<sup>(\*2)</sup>, the Green Loan Principles<sup>(\*3)</sup> and the Green Loan and Sustainability Linked Loan Guidelines 2020<sup>(\*4)</sup>.

JLF has developed a green finance framework that conforms to the four requirements set forth by the Green Bond Principles ((1) use of procured funds, (2) project selection criteria and process, (3) fund management methods, and (4) reporting).

JLF has obtained a Green 1(F) (highest for JCR Green Finance Evaluation<sup>(\*5)</sup>) rating in preliminary evaluation for the competence of its Green Finance Framework from Japan Credit Rating Agency, Ltd. (JCR). Please refer to JCR's website: <https://www.jcr.co.jp/en/greenfinance/> Further, regarding obtaining third-party evaluation upon issuing the green bonds, JCR, which is the issuance supporter, has received notification from the Green Finance Organization Japan of decision of

granting subsidy under the Ministry of the Environment's FY2020 Financial Support Program for Green Bond Issuance<sup>(\*6)</sup>.

\*1 "Green Bond Principles 2018" are the guidelines for green bond issuance formulated by the Green Bond Principles Executive Committee, a non-government organization whose secretariat is the International Capital Market Association (ICMA), and are hereafter referred to as "Green Bond Principles."

\*2 "Green Bond Guidelines 2020" refers to the guidelines formulated and published in March 2017 and revised in March 2020 by the Ministry of the Environment of Japan (hereafter "Green Bond Guidelines"). The Green Bond Guidelines, in accordance with the Green Bond Principles, seek to provide market participants with illustrative examples of specific approaches and interpretations tailored to the Japanese market to aid with decision-making regarding green bonds, thereby spurring green bond issuance and investment in Japan.

\*3 "Green Loan Principles" are the guidelines for loans formulated by Loan Market Association (LMA) and Asia Pacific Loan Market Association (APLMA) that limit the uses of proceeds to projects with environmental objectives, and are hereafter referred to as the "Green Loan Principles."

\*4 "Green Loan and Sustainability-Linked Loan Guidelines 2020" refer to the guidelines formulated and published in March 2020 by the Ministry of the Environment of Japan, and are hereafter referred to as the "Green Loan and Sustainability-Linked Loan Guidelines." The Guidelines, in accordance with the Green Loan Principles for green loans, seek to provide borrowers, lenders and other market participants with illustrative examples of specific approaches and interpretations tailored to the Japanese market to aid with decision-making regarding green loans, thereby spurring utilization of green loans in Japan.

\*5 "JCR Green Finance Framework Evaluation" is a third-party evaluation on the policy for the issuance of green bonds or the borrowing of green loans (green finance policy) of an issuer or a borrower based on the Green Bond Principles formulated by the ICMA, the Green Loan Principles formulated by the LMA and the APLMA and the Green Bond Guidelines and the Green Loan and Sustainability Linked Loan Guidelines formulated by the Ministry of the Environment. In this evaluation, JCR conducts "Greenness Evaluation" to assess whether the projects stated in the green finance policy of the issuer or the borrower fall under green projects, and assess allocated to green projects, as well as "Management, Operation and Transparency Evaluation" to assess the management and operation system and transparency of the issuer or the borrower. Then, as the overall evaluation results of these assessments, the "JCR Green

Finance Framework Evaluation" is determined. By the way, in order to distinguish the "JCR Green Finance Framework Assessment" from the assessment of individual bonds or borrowings, an "F" is added to the end of the assessment symbol.

\*6 "Financial Support Program for Green Bond Issuance" refers to the program that provides subsidies for the expenses incurred by registered issuance supporter that support companies, municipalities and other bodies who seek to issue green bonds in granting outside review, consultation on establishing a green bond framework, etc. The requirements for the eligible green bonds are that the entire proceeds of the bonds are to be used for green projects and that it has to satisfy all the following at the time of issuance.

- (i) Has to satisfy any of the following at the time of issuance of the green bonds:
  - a. A project that contributes mainly to domestic decarbonization (renewable energy, energy efficiency, etc.)
    - Projects for which equal to or more than half of the proceeds, or equal to or more than half of the number of projects is domestic decarbonization-related project.
  - b. Has high effects on decarbonization and vitalization of local economy
    - Decarbonization effects – Those whose subsidy amount per ton of domestic CO2 reduction is less than the specified amount
    - Effects of vitalization of local economy – Projects that are expected to contribute to effects on vitalization of local economy as part of the ordinance and plan, etc. decided by the municipality, projects for which investment by municipalities can be anticipated, etc.
- (ii) The green bond framework has to be confirmed by an external review organization for compliance with the Green Bond Guidelines before issuance.
- (iii) It must not be a so-called green-wash bond (a bond that claims itself as "green bond" even though it does not actually improve the environment or the funds raised are not properly allocated to environmental projects).

## I. use of procured funds

### ① Use of proceeds of the Green Finance

Net proceeds from the Green Finance will be used for the acquisition of green buildings that meet the following Green Eligible Asset, the implementation of renovation work, etc., or the repayment and redemption of loans (including green loans) or investment corporation bonds (including green bonds) required for these projects.

### ② Eligible criteria

The eligible criteria for Green Eligible Assets and renovation work that are eligible for green finance investment are as follows

### [Green Eligible Assets eligibility criteria]

Eligible criteria for Green Eligible Assets are those that meet the following conditions (i) or (ii).

#### (i) Green Buildings

Assets that have obtained or will obtain one of the following certifications by the following third-party certification organizations (hereinafter referred as "Green Building Certification") valid as of the payment date of the Green Bond, the date of the Green Loan, or the reporting date under the Framework

- (a) 3 to 5 stars in DBJ Green Building certification
- (b) B+ to S ranks in CASBEE Building (new construction)
- (c) B+ to S rank in CASBEE Real Estate
- (d) 3 stars to 5 stars in BELS certification
- (e) Silver rank to Platinum rank in LEED certification
- (f) Third-party certifications other than the aforementioned certifications that have the same level of evaluation

#### (ii) Energy-saving performance

Properties with an ERR value of 30% or higher

### [Renovation Eligibility Criteria]

Eligible criteria for renovation work refer to renovation work that has been completed or will be completed within the past 36 months from the date of payment of the green bond or the date of the green loan, and that is intended to meet any of the following criteria for the assets owned by JLF.

- Improvement in the number of stars or rank by one or more levels in any of Green Building Certification.
- Reduction of CO2 emissions, energy consumption, or water consumption by 30% or more
- Other environmentally beneficial improvements (expected to reduce usage or emissions by 30% or more compared to previous levels)
- Installation or acquisition of equipment related to renewable energy

## II. Project selection criteria and process

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A representative of the Finance & IR department of MLP selects projects that meet the eligibility criteria, and the final decision is made by the president of MLP.

## III. Fund management methods

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- ① Funds raised through green finance are used to pay for green-eligible assets and are tracked and managed by Finance & IR department in the internal system.
- ② Confirmation that the total amount of green finance outstanding does not exceed the maximum amount of green-eligible liabilities (total amount of assets that meet the eligibility criteria x total asset LTV) for each fiscal period.

## IV. Reporting

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If there are unappropriated funds at the time of issuance of the green bond or borrowing of the green loan, JLF will disclose the appropriation plan. In the event that assets subject to the use of funds are sold before

the redemption or repayment period, the balance of green finance and the maximum amount of green-eligible liabilities will be disclosed, upon explaining the balance is managed in portfolio level.

In addition, any other major changes in the situation will also be disclosed on JLF's website. The information will be disclosed on an annual basis until the corresponding green finance balance is reduced to zero.

Furthermore, the following items will be disclosed on JLF's website once a year.

- Number and type of Green Building Certification for acquired assets
- Specific usage volume
  - Energy consumption
  - Greenhouse gas (CO2) emissions
  - Amount of water used
  - Total weight of waste
- For renovation work

In addition to the content and subject of the renovation work, quantitative indicators of any of the following before and after the renovation work

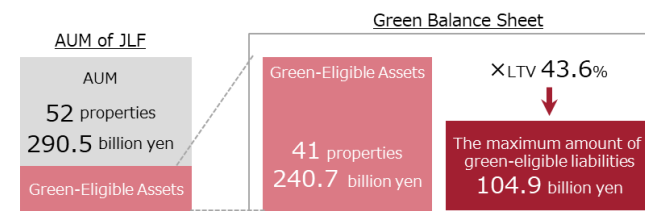
- Status of acquisition of environmental certifications (types of certifications acquired, certification levels)
- The amount of renewable energy generated and the estimated reduction in greenhouse gas (CO2) emissions due to power generation
- Energy consumption, greenhouse gas (CO2) emissions, or water consumption

## 2. Fund allocation status

	(Million yen)	
	Amount	Unappropriated amount
Green Finance	11,500	-
Green Bonds	2,000	-
Green Loans	9,500	-
The maximum amount of green-eligible liabilities (Total acquisition price of Green Eligible Assets x LTV based on Total Assets)	104,933	

(Reference) The maximum amount of green-eligible liabilities

**The maximum amount of green-eligible liabilities**  
**= Total amount of assets that meet the eligibility criteria x total asset LTV**



As of July 31, 2023.

As for LTV, as of January 31, 2023

## 3. Green Bond

	Amount (million yen)	Interest Rate	Issuance Date	Redemption Date	Description	Assets to be appropriated
7th Unsecured Bond (with special pari passu conditions among the specified investment corporation bond) (Green Bonds)	2,000	0.490%	April 26, 2021	April 25, 2031	Non-collateralized Non-guaranteed	Yokohama Machida Logistics Center
Total	2,000					

## 4. Green Loan

Lender	Amount (million yen)	Interest Rate	Issuance Date	Redemption Date	Description	Assets to be appropriated
The Norinchukin Bank (Green Loan)	1,000	0.43%	Aug. 31, 2021	Aug. 31, 2029	Non-collateralized Non-guaranteed	Souka Logistics Center
Nippon Life Insurance Company (Green Loan)	2,000	0.32%	Aug. 31, 2021	Jan. 31, 2027	Non-collateralized Non-guaranteed	Yokohama Machida Logistics Center
Nippon Life Insurance Company (Green Loan)	1,000	0.68%	Aug. 31, 2022	Aug. 31, 2030	Non-collateralized Non-guaranteed	Tatsumi Logistics Center
Tokio Marine & Nichido Fire Insurance Co., Ltd. (Green Loan)	2,000	0.41%	Aug. 31, 2022	Feb. 28, 2027	Non-collateralized Non-guaranteed	Yokohama Machida Logistics Center
SBI Shinsei Bank, Limited (Green Loan)	1,000	0.82%	Sep. 30, 2022	Sep. 30, 2030	Non-collateralized Non-guaranteed	Shinkiba Logistics Center II
The Norinchukin Bank (Green Loan)	1,000	0.82%	Nov. 30, 2022	May. 31, 2030	Non-collateralized Non-guaranteed	Yokohama Fukuura Logistics and others
Nippon Life Insurance Company (Green Loan)	500	1.13%	Feb. 28, 2023	Aug. 31, 2032	Non-collateralized Non-guaranteed	Kashiwa Logistics Center
The Norinchukin Bank (Green Loan)	1,000	1.18%	Feb. 28, 2023	Feb. 29, 2032	Non-collateralized Non-guaranteed	Kashiwa Logistics Center
Total	9,500					



## 5. Green Eligible Assets (\*1)(\*2)

Name	Acquisition Price (million yen)	Eligible criteria	
		CASBEE	BELS
M-2 Urayasu Logistics Center	8,745	A CASBEE for New Construction	★★★★★ ZEB Ready
M-4 ShinKiba Logistics Center	2,454	A	
M-5 Urayasu Chidori Logistics Center	6,000	A	
M-6 Funabashi Nishiura Logistics Center	5,700	A	★★★★★ ZEB Ready
M-9 Narashino Logistics Center	1,690	A	
M-11 Yachiyo Logistics Center	7,892	S	★★★★★ ZEB Ready
M-12 Yokohama Fukuura Logistics Center	9,800	A	
M-13 Yachiyo Logistics Center II	5,300	A	★★★★★ ZEB Ready
M-14 Urayasu Chidori Logistics Center II	1,640	B+	
M-15 Ichikawa Logistics Center	4,550		★★★★★
M-17 Narashino Logistics Center II	7,875	A	★★★★★ ZEB Ready
M-18 Ichikawa Logistics Center II	17,415	A	
M-19 Souka Logistics Center	14,440	A	★★★★★ ZEB Ready
M-20 Tatsumi Logistics Center	9,000	B+	

Name	Acquisition Price (million yen)	Eligible criteria	
		CASBEE	BELS
M-21 Kashiwa Logistics Center	3,725	A	★★★★★ ZEB Ready
M-22 Musashimurayama Logistics Center	8,650	A	★★★★★ ZEB Ready
M-24 Shin-Koyasu Logistics Center	9,696	A	
M-25 Misato Logistics Center	3,873	A	
M-26 Sagamihara Logistics Center	8,032	A	
M-27 Chiba-kita Logistics Center	1,459	A	★★★★★ ZEB Ready
M-28 Chiba-kita Logistics Center II	4,608	A	
M-29 Urayasu Chidori Logistics Center III	1,053	A	
M-30 Zama Logistics Center	1,728		★★★★★ ZEB Ready
M-31 Shinkiba Logistics Center II	15,270	A	
M-32 Yokohama Machida Logistics Center	25,452	A	
M-34 Shiroy Logistics Center	3,875	A	★★★★★ ZEB Ready
M-35 Toda Logistics Center	2,052	A	
M-36 Ichikawa Logistics Center III	3,850	B+	

Name	Acquisition Price (million yen)	Eligible criteria	
		CASBEE	BELS
M-37 Fujisawa Logistics Center	4,305	S	
M-38 Hanyu Logistics Center	1,705	A	
M-39 Saitama Kisai Logistics Center	4,010	A	
M-40 Kazo Logistics Center	3,790	A	
M-41 Kuki Logistics Center	8,577		★★★★★ 『ZEB』
M-42 Itabashi Logistics Center	4,105	A	
T-3 Kiyosu Logistics Center	3,010	A	
T-5 Komaki Logistics Center	2,100	B+	
T-6 Komaki Logistics Center II	1,800	B+	★★★★★ ZEB Ready
T-7 Fukuoka Hakozaki Futo Logistics Center	2,797	A	★★★★★
T-9 Fukuoka Kashiihama Logistics Center	2,750	A	
T-10 Kasugai Logistics Center	3,500	A	
T-12 Aisai Logistics Center	2,510		★★★★★ ZEB Ready

Green Eligible Assets	240,786
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\*1 Green-eligible assets are those held as of July 31, 2023.

\*2 Figures are rounded down to the nearest million yen.