

## PROMOTION OF ENVIRONMENTAL AND/OR SOCIAL CHARACTERISTICS – SFDR PRE-CONTRACTUAL DISCLOSURE

Product name: Japan Logistics Fund, Inc.

Legal entity identifier: 3538004KZWISCQO70151

*Japan Logistics Fund, Inc. (“JLF”) promotes environmental or social characteristics, but does not have as its objective a sustainable investment within the meaning of Article 9(1) of Regulation (EU) 2019/2088 (“SFDR”). JLF has no employees in accordance with the prohibition on having employees under the Act on Investment Trusts and Investment Corporations of Japan and relies on Mitsui & Co., Logistics Partners Ltd. (the “Asset Manager”), to manage and operate the properties in JLF’s portfolio. The Asset Manager and JLF are hereinafter referred to collectively as “we,” “us” or “our” unless noted otherwise. References to “fiscal year” or “FY” are to the 12 months began or beginning April 1 of the year specified in line with the fiscal year of the Asset Manager, unless noted otherwise.*

Does this financial product have a sustainable investment objective?	
<input type="checkbox"/> <b>Yes</b>	<input checked="" type="checkbox"/> <b>No</b>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective</b> : __% <div style="margin-left: 20px;"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy   <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy           </div>	<input type="checkbox"/> <b>It promotes Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <div style="margin-left: 20px;"> <input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy   <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy   <input type="checkbox"/> with a social objective           </div>
<input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective</b> : __%	<input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>

### ***What environmental and/or social characteristics are promoted by Japan Logistics Fund, Inc.?***

JLF invests primarily in logistics properties and aspire to achieve stability and growth in dividends over the mid-to-long-term. At the same time, the Asset Manager closely studies the impact of JLF’s portfolio on environmental factors such as CO<sub>2</sub> emissions, energy consumption, water consumption, asbestos and soil contamination as well as social factors on tenants, including with respect to antisocial forces and the work environment, and on relationships with the community. Such factors are considered for every investment decision, along with the profitability of the property.

We believe that an investment corporation should conduct its business toward achieving sustainable society from a long-term perspective by making contributions to people, local communities, and the natural environment. The Asset Manager makes efforts to reduce our environmental burden and earn the trust of our stakeholders through its asset management. In addition, the Asset Manager ensures that we comply with applicable laws, conducts risk management and makes timely and appropriate disclosures to investors and other parties. The Asset Manager has established a Sustainability Policy and has formed a Sustainability Promotion Liaison Meeting, which promotes ESG initiatives. Our Sustainability Policy includes our basic policy on how

we can contribute to the environment, improve the work environment, ensure compliance, and collaborate with each stake holder. In order to advance its ESG initiatives, the Asset Manager has established and operates an environmental management system (“EMS”) to formulate (Plan), implement and operate (Do), inspect and correct (Check), and evaluate and review (Act) sustainability management policies and material ESG targets.

JLF does not have a specific index designated as a reference benchmark to determine whether JLF is aligned with the environmental or social characteristics that it promotes.

We implement various environmental initiatives including the following.

- *Addressing climate change.* We contribute to the creation of low-carbon society through our initiatives including greenhouse gas reductions (e.g. installation of LED light bulbs and solar panels), and we also make efforts to adapt to climate hazards and natural disasters (e.g. obtaining and reviewing updated engineering reports). Our target KPI is to reduce Scope 1 and 2 GHG emissions by 42% by FY2030 compared to the levels in FY2021 and to achieve carbon neutrality by FY2050.
- *Consent with and support of TCFD.* In July 2021, the Asset Manager announced its support of the June 2017 recommendations by the Task Force on Climate-related Financial Disclosures (“TCFD”), which was established by the Financial Stability Board in December 2015 to develop recommendations for more effective climate-related disclosures. The Asset Manager has participated in the TCFD Consortium, a group of Japanese companies that support TCFD recommendations. The TCFD Consortium meets from time to time to discuss how to disclose and use climate-related information effectively to support informed decisions by investors.
- *Responding to transitional risks – improving facilities to save energy and conducting ESG efforts with tenants.* We are prepared to address what we call the “transitional risks”, the policy, regulatory, market and reputational risks associated with climate change. In order to save energy, we have replaced old lighting equipment with LED lighting equipment (which covered 85.0% of JLF’s properties by total floor area under the Building Standards Act of Japan as of January 31, 2025), and the estimated yearly reduction of electronic power consumption from LED conversion carried out from February 1, 2024 to January 31, 2025 is 328,875kWh. We aim to maintain an installation rate of LED lighting equipment of 80% or higher in JLF’s properties, based on total floor area under the Building Standards Act of Japan, through FY2030. We have also renewed air-conditioning equipment (31 units were renewed during the period from February 1, 2024 to January 31, 2025) and installed photovoltaic panels on the rooftop of some of JLF’s properties (12 properties as of March 31, 2024, which generated 6,262,701 kWh of electricity in FY2023). In addition, we cooperate with tenants on environmental efforts, including by providing ESG training sessions for tenants. We have entered into “green leases” with some tenants, which require tenants to cooperate with us on implementing environmentally-friendly initiatives; 73.3% of JLF’s properties were subject to green leases as of March 31, 2025. We aim to increase the percentage of JLF’s properties which is subject to green leases to 75% or higher by the end of FY2025 as the short-term target KPI and by the end of FY2030 as the mid-term target KPI, in each case based on leasable area. We have also implemented “greening”, the process of selection and planting of plants, initiatives at JLF’s properties such as installing green roofs, greening of walls, setting up of green zones and protection of native species, which we believe would help suppress temperature rise at the properties caused by heat-island phenomena and improve visual aesthetics. We contribute to biodiversity conservation by planting indigenous plant species. As of March 31, 2025, we have implemented the greening initiatives at 15.2% of JLF’s properties by land area.
- *Responding to physical risks – greenification and countermeasures against disasters.* We promote greenification of rooftops and the grounds surrounding all of JLF’s properties to mitigate the urban heat island effect, which describes the higher temperatures experienced in urban areas due to

buildings because they absorb and re-emit heat more than natural landscapes. Additionally, we take countermeasures to protect buildings from disasters, including raising the level of building foundations to help avoid electrical system failures in JLF's properties.

- *Promote resource circulation.* We strive to minimize water use in our business activities by improving efficiency and reducing consumption. We promote greening of buildings to help suppress temperature increases caused by the urban heat island effect and improve the aesthetics of our logistics properties. We also contribute to biodiversity conservation by planting indigenous plants. In addition, we endeavor to minimize waste from JLF's properties by monitoring and conducting appropriate management.
- *Conducting soil contamination surveys.* We conduct soil contamination surveys when acquiring properties and require the seller to ensure that all chemical substances are removed before the acquisition, and do not consider investing in properties that do not meet the standards for soil contamination and other environmental contamination in accordance with the Air Pollution Control Act and the Soil Contamination Countermeasures Act of Japan and other environmental laws and ordinances, unless the underlying lands meet our voluntary standards for evaluation and determination of soil contamination.

We implement various social initiatives at JLF's properties including the following.

- *Disaster response and building safety.* JLF and the Asset Manager examine the safety of buildings, including whether they comply with applicable laws, and earthquake risks associated with buildings at the time of acquiring properties by obtaining engineering reports. In addition, the Asset Manager reviews the safety of our buildings on an ongoing basis by obtaining updated engineering reports about every five years for all of JLF's properties. The Asset Manager has established disaster policies and procedures to ensure that damages are minimized, ensure business operation continues, and achieve fast recovery in a time of disaster. We have installed on-site power generators at some of JLF's properties that can be used during a power outage, and toilets that are available even during a disaster at some properties.
- *Initiatives to stimulate local communities.* We redevelop JLF's properties and engage in joint efforts with partners to develop modern, large-scale logistics properties so that these properties can contribute to revitalization of the local economy. Additionally, we recruit mobile phone companies to install their antennas at JLF's properties, which has improved cellular coverage in the community surrounding JLF's properties. We regularly conduct technical evaluations of environmental and social risks of all of JLF's properties, not only to conduct risk management, but also evaluate environmental initiatives.
- *Connection with local community.* We have improved channels of communication with tenants and local residents through various initiatives, including cleaning activities in cooperation with property managers, building managers and tenants. We also help to keep tenants and local residents safe by installing security cameras at some of JLF's properties to monitor areas surrounding the property and on vending machines inside JLF's properties.
- *Initiatives aimed at enhancing tenant satisfaction.* In order to create a pleasant working environment for users of JLF's properties, we have enhanced amenities at some of JLF's properties, by adding break rooms and kiosks and regularly assessing and improving air-conditioning.
- *Creating a healthy and pleasant working environment.* The Asset Manager conducts an employee satisfaction survey on an annual basis for all employees. The survey results and proposals based on such results are reported annually by the CEO. The Asset Manager has a family leave program, a special paid leave program and a flexible working hour program. The Asset Manager supports its

employees' health and safety by providing financial aid for their health exams. The Asset Manager has a hotline for employees which allow them to consult an attorney anonymously to report harassment or other workplace issues, either inside or outside the Asset Manager.

- ***What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by Japan Logistics Fund, Inc.?***

We use the following indicators to measure the attainment of the E/S characteristics we promote.

- *Policy on acquiring external certifications.* We are evaluated under the GRESB Real Estate Assessment, which is an annual benchmarking assessment to measure the level of ESG integration achieved by real estate companies and funds. In 2024, we have received the 5 Stars rating, the highest rank in GRESB Rating, based on GRESB's overall evaluation. In addition, we have received the Green Star designation by GRESB in 2024 for the seventh consecutive year, reflecting our high performance in areas of management and policy, and implementation and measurement, with respect to environmental, social and sustainability-related activities.
- *Principles for Responsible Investment ("PRI").* Mitsui & Co. Asset Management Holdings Ltd., a parent company of the Asset Manager, became a ratifying institution of PRI in 2024 and adopted PRI's six core principles.
- *Science Based Targets ("SBT") certification.* The SBT Initiative is an international initiative that encourages companies to set science-based GHG emissions reduction targets to achieve 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," and certifies companies' GHG emissions reduction targets that are scientifically consistent with the goals set forth in the Paris Agreement. In 2022, we have received the SBT certification from the SBT Initiative for our target KPI of reducing Scope 1 and 2 GHG emissions by 42% by FY2030 compared to the levels in FY2021 and achieving carbon neutrality by FY2050.
- *Policy on the acquisition of green building certifications.* To track the environmental performance of JLF's properties, we use environmental certifications issued by third-party organizations such as the Development Bank of Japan's Green Building Certification ("DBJ Certification"), Building Energy-efficiency Labeling System certification ("BELS Certification"), SMBC Sustainable Building Assessment Loan Program, Certification for Comprehensive Assessment System for Built Environment Efficiency ("CASBEE") for Real Estate and Certification for CASBEE for New Construction. With respect to DBJ Certification, we consider a property to have sufficient environmental certification if it received a 3-star ranking or higher out of DBJ Certification's 5-star ranking system. With respect to BELS Certification, we consider a property to have sufficient environmental certification if it received a 3-star ranking or higher out of BELS Certification's 5-star ranking system and after April 2024, Levels 4 or higher out of BELS Certification's seven levels (levels 0-6) system. With respect to CASBEE, we consider a property to have sufficient environmental certification if it received a Rank B+ or higher out of the CASBEE ranking system for Real Estate or New Construction featuring Rank S (excellent), Rank A (very good), Rank B+ (good), Rank B- (slightly inferior) and Rank C (inferior). We refer DBJ Certification, BELS Certification, CASBEE and other environmental certifications collectively as "green building certifications", and consider JLF's properties that receive any such sufficient level of green building certifications or equivalent level of environmental certifications as "Green Eligible Assets".

As of March 31, 2025, with respect to BELS, we received 5 Stars for 21 properties and Levels 6 for 4 properties (the assessment result is represented by seven levels (levels 0-6) after April 2024); 1 property was recognized as "Net Zero Energy Building" or ZEB, which is a designation given to buildings that achieve a reduction in primary energy (i.e., fossil fuel energy) consumption of 100%

or more; and 20 properties were recognized as “ZEB Ready”, which is a designation given to buildings that achieve a reduction in primary energy consumption of 50% or more as compared to the standard primary energy consumption, excluding renewable energy, set by BELS. With respect to the SMBC Sustainable Building Assessment Loan Program, 1 property received Bronze, representing the first time the SMBC Sustainable Building Assessment Loan Program awarded a rank to a logistics property. With respect to the Certification for CASBEE for Real Estate, 6 properties received the S rating, 43 properties received the A rating and 3 properties received the B+ rating. With respect to the Certification for CASBEE for New Construction, 1 property received the A rating. As of March 31, 2025, 98.9% of JLF’s properties (based on total floor area under the Building Standards Act of Japan) had obtained sufficient level of green building certification and had qualified as Green Eligible Assets. We aim to maintain the percentage of JLF’s properties with green building certifications of at least 95% until the end of FY2025 as our short-term target KPI and until the end of FY2030 as our mid-term target KPI, in each case based on total floor area under the Building Standards Act of Japan.

- *Tracking and disclosing environmental performance.* The Asset Manager tracks and monitors various data on environmental performance of JLF’s properties, such as greenhouse gas emissions, energy consumption (including gas/fuel consumption and electricity consumption), water usage, and waste as follows.

Item		Unit	FY2022	FY2023	Increase/ decrease (compared to FY2022)	Percentage increase/ decrease (compared to FY2022)
Greenhouse gas	Total Greenhouse gas emissions (*1)	t-CO <sub>2</sub>	27,958	24,983	-2,975	-10.64%
	Total Greenhouse gas emissions intensity (*2)	t-CO <sub>2</sub> /m <sup>2</sup>	0.019	0.016	-0.002	-12.32%
	Scope 1	t-CO <sub>2</sub>	0	0	0	-
	Scope 2	t-CO <sub>2</sub>	753	623	-130	-17.26%
	Non-fossil fuel certificate utilization	t-CO <sub>2</sub>	753	623	-130	-17.26%
	Total CO <sub>2</sub> emissions	t-CO <sub>2</sub>	0	0	0	-
	Scope 3	t-CO <sub>2</sub>	27,205	24,360	-2,845	-10.45%

	Non-fossil fuel certificate utilization(*3)	t-CO <sub>2</sub>	10	1	-9	-88.95%
	Total CO <sub>2</sub> emissions	t-CO <sub>2</sub>	27,195	24,359	-2,836	-10.42%
Energy consumption	Total energy consumption	MWh	64,231	62,610	-1,621	-2.52%
	Total energy consumption intensity	MWh/m <sup>2</sup>	0.043	0.041	-0.002	-4.36%
Water usage	Water usage	m <sup>3</sup>	125,986	123,787	-2,199	-1.74%
	Total water usage intensity	m <sup>3</sup> /m <sup>2</sup>	0.085	0.082	-0.003	-3.59%
Waste	Total waste generated	t	10,166	10,602	+435	+4.28%
	Amount of waste recycled	t	8,373	7,879	-493	-5.89%
	Waste recycling rate	%	82.4	74.3	-8.1	-9.83%

\*1 Calculated based on the Act on Promotion of Global Warming Countermeasures of Japan. 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 thereunder.

\*2 Intensity = Consumption / Total floor area under the Building Standards Act of Japan (adjusted by occupancy ratio)

\*3 The amount of non-fossil fuel certificates purchased is prioritized for the deduction of Scope 1 and Scope 2, and if there is a surplus, it is deducted for Scope 3. 1,740MWh (equivalent of 762 t-CO<sub>2</sub>) of non-fossil fuel certificates was purchased in FY2022 and 1,501MWh (equivalent of 624 t-CO<sub>2</sub>) of non-fossil fuel certificates was purchased in FY2023. The national average emissions factor is used to convert the amount of non-fossil fuel certificates purchased into t-CO<sub>2</sub>.

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

- *ESG efforts with tenants and the conclusion of green leases.* We cooperate with tenants on environmental efforts, including by providing ESG training sessions for tenants. In addition, we have concluded “green leases” with some tenants, which stipulate the tenants to cooperate with us on implementing environmentally friendly initiatives. As of March 31, 2025, green leases accounted for 73.3% of JLF’s properties based on leasable area. We aim to increase the percentage of JLF’s properties which is subject to green leases to 75% by the end of FY2025 as the short-term

target KPI and by the end of FY2030 as the mid-term target KPI, in each case based on leasable area.

- *What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?*

Not applicable.

- *How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*

Not applicable.

## **Principal Adverse Impacts**

### ***Does Japan Logistics Fund, Inc. take into account principal adverse impacts on sustainability factors?***

Yes, we collect on an ongoing basis select information on JLF's existing portfolio regarding the principal adverse impact indicators, including exposure to fossil fuels through real estate assets, exposure to energy-inefficient real estate assets, greenhouse gas emissions and energy consumption intensity. We aim to manage the risk connected to principal adverse impacts from our investment decisions in several ways, including general screening criteria and due diligence.

- *Exposure to fossil fuels through real estate assets.* JLF does not invest in real estate assets involved in the extraction, storage, transport or manufacture of fossil fuels.
- *Exposure to energy-inefficient real estate assets.* We consider properties other than Green Eligible Assets to be energy-inefficient. As of March 31, 2025, 1.1% of JLF's properties (based on total floor area under the Building Standards Act of Japan) had not obtained sufficient level of green building certification and had not qualified as Green Eligible Assets. As described in more detail above, we implement as appropriate measures to reduce the environmental impact of these properties, including by obtaining environmental certifications.
- *Greenhouse gas emissions intensity.* The greenhouse gas emissions intensity of JLF's properties was 0.021 t-CO<sub>2</sub>/m<sup>2</sup> in FY2021, 0.019 t-CO<sub>2</sub>/m<sup>2</sup> in FY2022 and 0.016 t-CO<sub>2</sub>/m<sup>2</sup> in FY2023. Our target KPI is to reduce Scope 1 and 2 GHG emissions by 42% by FY2030 compared to the levels in FY2021 and to achieve carbon neutrality by FY2050.
- *Energy consumption intensity.* The total energy consumption intensity of JLF's properties (based on total floor area under the Building Standards Act of Japan) was 0.046 MWh/m<sup>2</sup> (in FY2021), 0.043 MWh/m<sup>2</sup> (in FY2022) and 0.041 MWh/m<sup>2</sup> (in FY2023).

We believe that investment decisions that negatively affect climate or other environment-related resources, or have negative implications for society, can have a significant impact to risk and value creation for our unitholders. To this end, we consider the principal adverse impacts of our investment decisions on the above sustainability factors throughout all major steps of the investment decision and management process throughout the lifecycle of the properties in JLF's portfolio.

We consider, both at the entity-level (i.e., the Asset Manager) and at the fund-level (i.e. Japan Logistics Fund, Inc.), principal adverse impacts of our investment decisions on sustainability factors. Under the Investment Trust Act of Japan, we (Japan Logistics Fund, Inc.) are prohibited from having any employees and are required

to outsource asset management to a third party. Accordingly, as discussed in detail elsewhere, any consideration at the fund-level of principal adverse impacts of our investment decisions on sustainability is principally conducted by the Asset Manager, subject to approval of JLF's Board of Directors. In addition to the Asset Manager's contractual obligations to us under the asset management agreement, the Financial Instruments and Exchange Act of Japan provides that the Asset Manager owes us a fiduciary duty in conducting its activities, including making investment decisions informed by sustainability considerations.

More information related to principal adverse impacts on sustainability factors can be found on the website: <https://8967.jp/en/esg/disclosure.html>

## **Investment Strategy**

### ***What investment strategy does Japan Logistics Fund, Inc. follow?***

JLF invests directly or indirectly through trust beneficiary interests in real estate. Therefore, due diligence (including the assessment of good governance practices) in relation to investee companies is not applicable. The investment and due diligence policies as described below are related to real estate and real estate-related assets.

JLF invests primarily in logistics properties and aspire to achieve stability and growth in dividends over the mid-to-long-term. At the same time, the Asset Manager closely studies the impact of JLF's portfolio on environmental factors such as CO<sub>2</sub> emissions, energy consumption, water consumption, asbestos and soil contamination as well as social factors on tenants, including with respect to antisocial forces and the work environment, and on relationships with the community. Such factors are considered for every investment decision, along with the profitability of the property.

In order to conduct sustainable asset management while maximizing the value of JLF's properties, we have taken into consideration ESG factors in our investment and asset management processes. In particular, we have established a green finance framework ("Green Finance Framework") in accordance with the Green Bond Principles 2021, the Green Bond Guidelines 2022, the Green Loan Principles 2023 and the Green Loan Guidelines 2022:

- Green Bond Principles 2021 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).
- Green Bond Guidelines 2022 refers to the guidelines formulated and published in March 2017 and revised in March 2020 and July 2022 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.
- 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.
- Green Loan Guidelines 2022 refer to the guidelines formulated and published in March 2020 and revised in July 2022 by the Ministry of the Environment of Japan. 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.



- *Green Finance Framework.* Our Green Finance Framework meets the four requirements set forth in the Green Bond Principles 2021 with respect to (1) use of procured funds, (2) project selection criteria and process, (3) fund management methods, and (4) reporting. Our Green Finance Framework was given the Green 1(F) rating, the highest rank under the JCR Green Finance Evaluation, which is conducted by Japan Credit Rating Agency, Ltd. (JCR) on the policy for issuance of green bonds or green loans based on the Green Bond Principles 2021, the Green Bond Guidelines 2022, the Green Loan Principles 2023 and the Green Loan Guidelines 2022.

(1) *Use of procured funds:* Net proceeds from borrowings or investment corporation bonds issued under our Green Finance Framework are used for the acquisition of Green Eligible Assets (defined below), Green Eligible Renovations (defined below) or repayment or redemption of loans or investment corporation bonds required for Green Eligible Assets.

- Green Eligible Assets are defined as follows,:

i. Green buildings

Assets that have obtained or will obtain one of the following certifications as of the payment date of the bond or the date of the loan, as the case may be, or the reporting date described in (4) below under our Green Finance 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 (FY2016 standard) (\*1)

\*1: Excluding logistics facilities with BEI = 0.75 or more

- (e) The following levels BELS certification (FY2024 standard)

Non-residential: Level 4 to Level 6(\*2)

\*2: New acquisitions of existing buildings built before 2016 must be Level 3 or above and excluding buildings with outdated legality (factories, etc. (including logistics facilities): BEI = over 0.75)

- (f) Silver rank to Platinum rank in LEED certification (v4.0 or later for BD+C)

ii. Energy-saving performance

Properties with an energy reduction rate (“ERR”) of 30% or higher

- Green Eligible Renovations are defined as follows:

Green Eligible Renovations are renovations that have been completed within the past 36 months from the date of payment of the bond or date of the loan or will be completed, and that meet any of the following criteria.

- i. Improvement in the number of stars or rank by one or more levels Green Eligible Assets.
- ii. Reduction of CO<sub>2</sub> emissions, energy consumption, or water consumption by 30% or more at the property where the renovation is performed.
- iii. Other environmentally beneficial improvements (expected to reduce usage or emissions by 30% or more compared to previous levels at the property where the renovation is performed.
- iv. Installation or acquisition of equipment related to renewable energy

- (2) *Project selection criteria and process:* A representative of the Finance & IR Department of the Asset Manager selects projects that meet the eligibility criteria, and the final decision is made by the president of the Asset Manager.
- (3) *Fund management methods:* Funds raised under our Green Finance Framework are used to pay for Green Eligible Assets and are tracked and managed by the Finance & IR Department, and we ensure that, as of each fiscal period-end, the total amount of green loans and bonds outstanding does not exceed the maximum amount of green-eligible liabilities, which are calculated as the total amount of assets that meet the eligibility criteria *multiplied by* loan-to-value (“LTV”) ratio, calculated as inter-bearing liabilities, divided by total assets.
- (4) *Reporting:* If there are unappropriated funds at the time of issuance of the bond or borrowing of the loan, we 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 such bond or loan and the maximum amount of green-eligible liabilities will be disclosed. Relevant information will be disclosed on an annual basis until the corresponding bond or loan balance is reduced to zero.

We ensure the investment strategy is implemented on a continuous basis by establishing and maintaining appropriate eligibility criteria for Green Eligible Assets and Green Eligible Renovations. The Asset Manager’s Finance & IR Department tracks the funds raised under our Green Finance Framework to ensure that they are used only toward Green Eligible Assets and Green Eligible Renovations, and we confirm the total amount of green loans and bonds outstanding does not exceed the total amount of assets that meet the eligibility criteria *multiplied by* LTV ratio based on total assets.

In order to promote ESG initiatives, the Asset Manager’s President & CEO and the Managing director of each department convene a Sustainability Promotion Liaison Meeting generally once every three months to review our sustainability policy, goals and initiatives pertaining and how our investments are performing against the foregoing.

We also make the following annual disclosures:

- Green building certification for acquired assets (e.g., number, type, etc.)
- Use metrics
  - Energy consumption
  - Greenhouse gas (GHG) emissions
  - Amount of water used
  - Total weight of waste
- Renovations

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 Green building certification (types and grade of certification)
- Amount of renewable energy generated and estimated reduction in greenhouse gas (GHG) emissions
- Energy consumption, greenhouse gas (GHG) emissions and water consumption, as applicable

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the E/S characteristics promoted by Japan Logistics Fund, Inc.?***

We ensure that the properties that JLF invests in are environmentally-sound by acquiring third-party certifications under our Greene Finance Framework, which are described in detail above. Proposals for sustainability projects (either property acquisition or renovation) are made by the representative of the Finance & IR Department of the Asset Manager, and final decisions are made by the President and CEO of the Asset Manager. When we select assets for investment in connection with our Green Finance Framework, the relevant property or renovation must meet our Green Eligible Assets eligibility criteria. In addition, the Asset Manager's Finance & IR Department tracks the funds raised under our Green Finance Framework to ensure that they are used only toward Green Eligible Assets and Green Eligible Renovations, and we confirm the total amount of green loans and bonds outstanding does not exceed the total amount of assets that meet the eligibility criteria multiplied by LTV ratio based on total assets.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

When investing in properties using our Green Finance Framework, we do not consider properties that do not meet the eligibility criteria for Green Eligible Assets. We conduct soil contamination surveys when acquiring properties, and do not consider investing in properties that do not meet the standards for soil contamination and other environmental contamination in accordance with the Air Pollution Control Act and the Soil Contamination Countermeasures Act of Japan and other environmental laws and ordinances, unless the lands meet our voluntary standards for evaluation and determination of soil contamination.

- ***What is the policy to assess good governance practices of investee companies and Japan Logistics Fund, Inc.?***

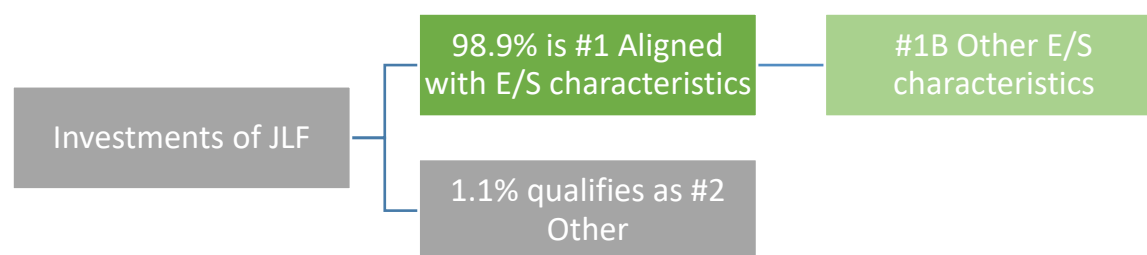
JLF does not invest in investee companies and has therefore opted to provide information on the governance policies adopted by JLF and the Asset Manager. JLF, along with the Asset Manager, has introduced the following measures to assess and enhance our own governance systems:

- *Additional reporting process from the Asset Manager.* Under the asset management agreement, we have the right to receive a variety of reports from the Asset Manager and the right to inspect the Asset Manager's book and records, to be able to supervise the Asset Manager's operations.
- *Prevention of insider trading and conflict-of-interest transactions.* We have set established insider trading controls to prevent insider trading by directors. We also have established rules on conflict-of-interest transactions. We are not allowed to carry out related-party transactions without the approval of the Asset Manager's Internal Controls Committee and Board of Directors.
- *Transparent and appropriate information disclosure.* We have a policy of disclosing information in an appropriate and timely manner, in accordance to the requirements established by the Investment Trusts Act, the Financial Instruments and Exchange Act of Japan, the Tokyo Stock Exchange. The Asset Manager's Finance & IR Department has responsibility to manage information disclosure. Each relevant department is required to immediately report to Finance & IR Department material information on asset management, accounting, compliance and other matters that may require disclosure. As necessary, a disclosure committee is convened. In general, approval from the President and CEO is required for all disclosure.

## Asset Allocation

### *What is the asset allocation planned for Japan Logistics Fund, Inc.?*

As of March 31, 2025, 98.2% of JLF's properties had obtained the Certification for CASBEE for Real Estate, 2.8% had obtained the CASBEE Certification for Buildings (New Construction), and 47.3% had obtained the BELS Certification, in each case based on total floor area under the Building Standards Act of Japan. In total, 98.9% of JLF's properties qualified as Green Eligible Assets (based on total floor area under the Building Standards Act of Japan) as of March 31, 2025. We aim to maintain the percentage of JLF's properties with green building certifications of at least 95% until the end of FY2025 as our short-term target KPI and until the end of FY2030 as our mid-term target KPI, in each case based on total floor area under the Building Standards Act of Japan.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

- *How does the use of derivatives attain the environmental or social characteristics promoted by the investment units of Japan Logistics Fund, Inc.?*

Not applicable.

*To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?*

Not applicable.

- *Does JLF invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy?*

No. JLF does not invest in real estate assets involved in fossil gas and/or nuclear energy-related activities.

- ***What is the minimum share of investments in transitional and enabling activities?***

Not applicable.

***What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?***

Not applicable.

***What is the minimum share of socially sustainable investments?***

Not applicable.

***What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?***

As of March 31, 2025, 1.1% of JLF’s properties (based on total floor area under the Building Standards Act of Japan) had not obtained sufficient level of green building certifications and had not qualified as Green Eligible Assets. We adopt environmental measures such as LED installation and solar panel installation, and aim to acquire certification accordingly.

We do not consider investing in properties that do not meet the standards for soil contamination and other environmental contamination in accordance with the Air Pollution Control Act and the Soil Contamination Countermeasures Act of Japan and other environmental laws and ordinances from JLF’s properties. However, even in cases where soil contamination exists or there is a possibility of soil contamination to a certain degree or more, investment can be made only when such land meet our voluntary standards for evaluation and determination of soil contamination. These standards specify the key environmental factors, such as level of land contamination, in making an investment decision, and establish a fixed soil evaluation workflow to avoid arbitrary decision-making. We consider the investment eligibility and also conduct inspection with the experts.

## **Index as Reference Benchmark**

***Is a specific index designated as a reference benchmark to determine whether Japan Logistics Fund, Inc. is aligned with the environmental or social characteristics that it promotes?***

Not applicable. JLF does not have a specific index designated as a reference benchmark to determine whether JLF is aligned with the environmental or social characteristics that it promotes.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by of Japan Logistics Fund, Inc. and with the investment strategy?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- *Where can the methodology used for the calculation of the designated index be found?*

Not applicable.

## **More Product-specific Information**

### *Where can I find more product-specific information online?*

More product-specific information can be found on the website: <https://8967.jp/en/esg/index.html>.

## **Note Regarding the EU Taxonomy Regulation**

As set out above, JLF promotes certain environmental characteristics.

The Asset Manager is required, under Regulation (EU) 2020/852 (the “EU Taxonomy Regulation”), to disclose whether its assets are aligned with the environmental objectives formulated in the EU Taxonomy regulation. The EU Taxonomy Regulation is complemented by technical standards and screening criteria. The technical screening criteria for the first two environmental objectives (climate change mitigation and climate change adaptation) were adopted in December 2021 and amended in June 2023. The amended criteria apply as of January 1, 2024. The technical screening criteria for the other four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) were adopted in June 2023. They apply as of January 1, 2024.

JLF invests in economic activities that are eligible under the EU Taxonomy Regulation in respect of climate change mitigation and/or climate change adaptation. This means that screening criteria for these investments have been or will be developed. The Asset Manager expressly states that in view of the fact that the regulations are still under development or have only recently been adopted and/or amended and the fact that, as a result thereof, data on alignment of JLF’s investments with these environmental objectives and climate related goals in line with the EU Taxonomy Regulation are not sufficiently available, the Asset Manager is not currently in a position to disclose on an accurate and reliable basis to what extent JLF’s investments technically qualify as Taxonomy-aligned or “environmentally sustainable” within the specific meaning of the EU Taxonomy Regulation. JLF’s investments may have a positive contribution to these environmental objectives and may therefore eventually be considered Taxonomy-aligned, but at this stage, the Asset Manager is required to state that there is no minimum proportion of JLF’s investments that qualify as such.

The Asset Manager further states that the “do no significant harm” principle applies only to those investments underlying the financial product that takes into account the EU criteria for environmentally sustainable economic activities. The investments underlying the other portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## **INTEGRATION OF SUSTAINABILITY RISKS IN THE INVESTMENT DECISIONS, AND THE IMPACT OF SUCH RISKS ON THE RETURNS OF JAPAN LOGISTICS FUND, INC. (SFDR ARTICLE 6 DISCLOSURE)**

We have established the Sustainability Promotion Liaison Meeting, which generally meets at least once every three months to review the sustainability policy, goals and various sustainability initiatives. We have also established an environmental management system, or EMS, to improve on ESG matters. The progress on ESG KPIs is monitored and reported at least once a year to the Sustainability Promotion Liaison Meeting, the President and CEO, Representative Director and the Board of Directors of the Asset Manager, and the PDCA cycle is used to make continuous improvement.

Under this organizational structure, we have instituted a number of initiatives to promote E/S characteristics. Such initiatives include climate change initiatives, initiatives for saving/reducing energy consumption, local community initiatives, and initiatives for employees'/tenant's initiatives.

In order to conduct sustainable asset management while maximizing the value of JLF's properties, we have taken into consideration ESG factors in our investment and asset management processes. In addition, we have established a Green Finance Framework in related to fund procurement.

While sustainability issues will severely impact our business activities, we believe that such issues may also become potential business opportunities to create new value for sustainable growth. Accordingly, we position our commitment to sustainability as one of the top priority in our management strategies. We also believe that integrating sustainability factors alongside traditional financial and operational metrics in our investment decision process helps us make a more holistic assessment of a property's risks and opportunities and is commensurate with the pursuit of superior risk-adjusted returns. In other words, we believe that if we fail to consider ESG factors enough in the investment decision-making process, it may cause increases in capital cost and even reduce investors' returns. If our ESG initiatives are not sufficient, the investment units of JLF may be excluded from ESG-focused stock indices or may be excluded from investment by investors who use the status of ESG initiatives as one of their investment criteria. As a result, the investment unit price may be adversely affected.

We 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, we have divided the analysis into scenarios assuming a 1.5°C temperature rise and a 4°C temperature rise to incorporate uncertainties arising from the progression of climate change into business strategies.

Details of the scenario analysis conducted by JLF in March 2025 can be found below.

### **Scenarios considered**

	Publishing institution or organization	1.5°C Scenario	4°C Scenario
Transition risks	IEA (International Energy Agency)	IEA World Energy Outlook2024 NZE	IEA World Energy Outlook2024 STEPS
Physical risks	IPCC	IPCC AR6 SSP1-1.9	IPCC AR6 SSP5-8.5

### **Physical risks**

The assets in which JLF invests are exposure to physical climate risks. These can manifest themselves through, for example, floods, storms, heatwaves and limited access to natural resources. This can potentially lead to reduction in value of the assets in which JLF invests. Specifically for JLF, the following risks are particularly relevant. More information can be found on the website: <https://8967.jp/en/esg/environment.html>

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	
<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
<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>	<ul style="list-style-type: none"> <li>• Implement 1 initiative related to business continuity planning (BCP)</li> </ul>	Middle impact	Middle impact

## Transition risks

The assets in which JLF invests are exposed to transition risks. These can manifest themselves through, for example, changes in regulations, technical developments and/or social developments. Such developments may result in reduction in value of the assets in which JLF invests. Specifically, the following transition risks are relevant for JLF and its assets. More information can be found on the website: <https://8967.jp/en/esg/environment.html>.



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	
<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 and 2 GHG emissions 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 100% 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
<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
<ul style="list-style-type: none"> <li>Lower tenant demand and asset values at facilities with</li> </ul>	<ul style="list-style-type: none"> <li>Lower rental revenue, NOI and asset values due to</li> </ul>	Short term	<ul style="list-style-type: none"> <li>Promote the introduction of green leases from the</li> </ul>	<ul style="list-style-type: none"> <li>Implement green leases in 75% of</li> </ul>	Middle impact	Large impact

low environmental performance	falling rents and rising vacancy rates at facilities with low environmental performance		perspective of both operations and facility improvement to contribute to the environment through collaboration with tenants.	portfolio by FY2025. <ul style="list-style-type: none"> <li>Implement green leases in 75% of portfolio by FY2030.</li> <li>Exchange opinions on ESG with 100% of tenants (once each year)</li> </ul>		
<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 to maintain at least 95% of portfolio until the end of FY2025.</li> <li>Acquire green building certifications to maintain at least 95% of portfolio until the end of FY2030.</li> </ul>	Middle impact	Large impact

### Social and governance risks

*Risk associated with social license to operate:* In order to continue its business, JLF needs to acquire and maintain the trust of the local communities where its properties are located and various other stakeholders. The Asset Manager engages in activities that are socially meaningful, such as clean-up activities around the assets under management and donations to socially important causes.