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For Immediate Release

Real Estate Investment Trust

Japan Logistics Fund, Inc. (Security Code: 8967)
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Asset Management Company

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Notice Concerning Determination of the Date of Delivery and the Fund Source

Japan Logistics Fund, Inc. (hereinafter referred to as “JLF”) announced today that regarding the acquisition of Aisai Logistics Center (hereinafter “the Property”) described in “Notice Concerning Acquisition of New Assets announced on November 28, 2018 (hereafter referred to as the “November 28, 2018 Notice”) and “Notice Concerning Change of the Scheduled Date of Delivery” announced on March 13, 2020 (hereinafter referred to as the “March 13, 2020 Notice”), it has determined the date of delivery and the fund source.

For further details about acquisition of the Property, please refer to the November 28, 2018 Notice and the March 13, 2020 Notice.

1. Outline of the acquisition

(1) The Property

Highlights

- **The fourth project of Forward commitments on development projects (note), one of the unique features of JLF.**
- **Determined the date of delivery as March 1, 2021 through negotiation with the seller.**
- **Acquired with 10.0% discount to the appraisal value, and achieved higher profitability compared to simple acquisition from the market.**
- **Business partner for the development of the Property will moved in as a tenant with a long-term lease contract after the acquisition.**

(Note) Joint investment with business partner by leveraging JLF’s development know-how accumulated through past OBR (Own Book Redevelopment) projects. The business partner company constructs a logistics facility on the development field sourced by JLF, and JLF acquires the real estate after development. At the start of development, JLF and the business partner company agree that the JLF will acquire the real estate after development.

Property number	Name of the Property	Scheduled date of delivery	Seller	Acquisition price (million yen) (Note 1)	Appraisal value (million yen) (Note 2)	Expected NOI yield (based on acquisition price) (Note 3)
T-12	Aisai Logistics Center	March 1, 2021	LONCO JAPAN co., ltd	2,510	2,790	5.4%

(Note 1) Overhead cost of the acquisition, fixed asset tax, city planning tax and consumption tax are not included in the acquisition price.

(Note 2) Appraisal value is as of January 31, 2021.

(Note 3) Expected NOI yield (Acquisition price base) = Expected NOI / acquisition price x 100% (Figures are rounded off to the first decimal place.)

Expected NOI is a normalized estimate of medium-term based on annual income and expense projections by Mitsui & Co., Logistics Partners Ltd. (hereinafter referred to as the "asset manager") and is not the forecast at the time of acquisition of the property nor the forecast for the fiscal period ending July 2021.

(2) Fund source

Cash on hand

(3) Payment method

Lump-sum payment on the date of delivery

2. Outline of the seller

Name	LONCO JAPAN co., ltd
Head office location	1-11-10 Higashi-kobayashi, Higashinari-ku, Osaka, Osaka
Representative	Yasuyuki Fukunishi, President
Main business	Management and operation of logistics centers, transportation, etc.
Capital	92 million (as of December 31, 2020)
Date of establishment	April 6, 1989
Net asset	Not disclosed (Note)
Total asset	Not disclosed (Note)
Major shareholders	Not disclosed (Note)
Relation to JLF or MLP	No capital or personnel relationship involved. The company does not fall under an interested party of JLF and the asset manager. The company has concluded a lease agreement with JLF for another property that JLF owns.

(Note) Not disclosed, for unable to obtain the seller's consent.

3. Current condition of the seller

The acquisition of the Property does not fall under an interested party of either JLF or the asset manager.

4. Future prospects

The Forecasts for the Fiscal Period Ended January 2021 (the 31st Period from August 1, 2020 to January 31, 2021) and the Fiscal Period Ending July 31, 2021 (the 32nd Period from February 1, 2021 to July 31, 2021) announced in the REIT Financial Report for the Fiscal Period Ended July 31, 2020 (The 30th Period) (released September 14, 2020) assumed that JLF would acquire the Property on March 31, 2021. However, the impact of the change in acquisition date on performance in the Fiscal Period Ending July 2021 (from February 1, 2021 to July 31, 2021) is minimal and there is no change to the forecasts for these periods.

In addition, JLF will announce the Forecasts for the Fiscal Period Ending July 31, 2021 (from February 1, 2021 to July 31, 2021) and the Fiscal Period Ending January 31, 2022 (from August 1, 2021 to January 31, 2022) reflecting the acquisition of the Property in the REIT Financial Report for the Fiscal Period ended January 31, 2021 (to be released on March 17, 2021).

5. Details of the Property

(1) Outline of the Property (The Changes from the March 13, 2020 Notice are underlined.)

[T-12 Aisai Logistics Center]

Outline of the asset		Outline of the appraisal		
Asset type	Real estate	Real estate appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD	
Scheduled Date of the acquisition	<u>March 1, 2021</u>	Date of the appraisal	<u>January 31, 2021</u>	
Acquisition price	2,510 million yen	Appraisal value	<u>2,790 million yen</u>	
Land	Location	32-6, Eda, Minami-Gota-cho, Aisai, Aichi and Others	Income approach	<u>2,790 million yen</u>
	Site area (Note 1)	10,067.77 m ²	Discounted cash flow approach	<u>2,770 million yen</u>
	Zoning	Not specified (Urbanization control area)		
	Floor-area ratio	200%		
	Building-to-land ratio	60%	Discount rate	<u>4.3%</u>
	Type of ownership	Ownership	Terminal cap rate	<u>4.7%</u>
Building	Structure/Story (Note 1)	Steel structure, 3 stories	Direct capitalization approach	<u>2,830 million yen</u>
	Date of the completion (Note 1)	January 28, 2020		
	Total floor area (Note 1)	13,852.46 m ²	Cap rate	<u>4.5%</u>
	Total rentable area	13,852.46 m ²		
	Usage (Note 1)	Warehouse		
	Type of ownership	Ownership	Cost approach	<u>2,900 million yen</u>
Property management company	<u>Hankyu Hanshin Building Management Co., Ltd.</u>	Land (Percentage)	<u>31.0%</u>	
Collateral	None	Building (Percentage)	<u>69.0%</u>	
Outline of the lease contract (Note 2)		Outline of engineering report		
Number of tenants	1	Survey company	Shimizu Corporation	
Names of tenant	LONCO JAPAN co., ltd	Issue date of the report	<u>February 4, 2021</u>	
Annual rent (excluding consumption tax)	Not disclosed (Note 3)	Urgent repairs	-	
Lease deposit	Not disclosed (Note 3)	Short-term repairs	-	
Total rent area	13,852.46 m ²	Long-term repairs	<u>1,500 thousand yen</u>	
Occupancy	100.0% (Expected)	PML	<u>11.5%</u>	
Expected income/expense (Note 4)		Design company, construction company and building certification company		
Income (including auxiliary income)	Not disclosed (Note 5)	Design company	Yano Architects	
Expected NOI	<u>134 million yen</u>	Construction company	Yano Construction Co., Ltd.	
Expected NOI yield (based on acquisition price)	<u>5.4%</u> (Note 6)	Building certification company	Japan Constructive Inspect Association	
Remarks: <u>JLF has agreed with Aichi Prefecture and the seller that for 10 years from the date of conclusion of the land transfer agreement between Aichi Prefecture and the seller (November 30, 2018), JLF shall obtain Aichi Prefecture's prior written consent before transferring the ownership of all or part of the Property by sale and purchase, etc. or establishing rights for the purpose of use and revenue.</u>				
(Note 1) The outline shown here is according to the real estate registry and may differ from the present state.				

- (Note 2) Based on the content of a fixed term building lease contract with a termination clause that is due to be concluded between JLF and LONCO JAPAN on November 30, 2018.
- (Note 3) Not disclosed, for unable to obtain the tenant's consent.
- (Note 4) The figures are estimated annual revenue which was calculated from medium-term rent income based on leasing conditions of the Property, estimated by asset manager, and from medium-term expense projections by the asset manager which does not include special factors. Therefore, it is not NOI estimated figures at the time of Property acquisition. Also, those figures are not the forecast for the fiscal period ending July 2021.
- (Note 5) JLF does not disclose these items because their disclosure may enable the lease conditions and others, which could break relationship with tenants and could have a negative impact on the efficient operations of JLF and cause disadvantages to investors.
- (Note 6) The figure is expected NOI divided by the acquisition price.

(2) Outline of the appraisal

[T-12 Aisai Logistics Center]

Appraisal value	2,790 million yen
Real estate appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD
Date of appraisal	January 31, 2021

Item	Details	Outline
Income approach value	2,790 million yen	Appraisal performed based on DCF approach as a standard, with validation using the direct capitalization approach
Direct capitalization approach	2,830 million yen	
Operating revenues	Not disclosed (Note)	
Total potential revenue	Not disclosed (Note)	Appraisal based on market rent price levels for the subject real estate
Loss such as vacancy	0 yen	Not assumed.
Operating expenses	Not disclosed (Note)	
Maintenance	0 yen	Not assumed.
Utilities expenses	0 yen	Not assumed.
Repairs	2 million yen	Appraisal by applying set allocations to figures based on ER and comparable transactions
Property management fee	Not disclosed (Note)	Appraisal based on a standard monthly outsourcing fee
Expenses for recruiting tenants	0 yen	Not assumed.
Real estate taxes	16 million yen	Estimated value
Casualty insurance premium	Not disclosed (Note)	Appraisal based on a standard rate, with no earthquake insurance subscribed
Other expenses	1 million yen	Appraisal based on earnings samples and the like
Net operating income	132 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	5 million yen	Appraisal by applying set allocations to figures based on ER and comparable transactions
Net cash flow	127 million yen	
Capitalization rate	4.5%	Appraisal by comparing multiple transaction yields from comparable regions within the same market and neighboring areas, and by comprehensively taking into consideration trends and the like in the real estate investment market
DCF method	2,770 million yen	
Discount rate	4.3%	Appraisal by factoring individual risks related to the subject real estate on top of a base warehouse yield calculated by a build-up approach for financial products
Terminal cap rate	4.7%	Appraisal by incorporating future forecasting uncertainties based on a capitalization yield
Cost approach	2,900 million yen	
Land percentage	31.0%	
Building percentage	69.0%	
Remarks	Not applicable	

(Note) JLF does not disclose these items because their disclosure may enable the lease terms and level of fees to be estimated, which could have a negative impact on the efficient operations of JLF and cause disadvantages to investors.

(End)

*JLF's website: <https://8967.jp/>

[Appendix]

Portfolio list after acquisition of the asset

Property number	Property name	Location	Acquisition price (Million Yen)	Ratio (Note 1)
M-2	Urayasu	Urayasu, Chiba	2,469 (Note 2)	0.9%
M-3	Hiratsuka	Hiratsuka, Kanagawa	1,466	0.5%
M-4	Shinkiba	Koto-ku, Tokyo	2,454	0.9%
M-5	Urayasu Chidori	Urayasu, Chiba	6,000	2.2%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	2.1%
M-8	Kawasaki	Kawasaki-ku, Kawasaki, Kanagawa	10,905	4.0%
M-9	Narashino	Narashino, Chiba	1,690	0.6%
M-11	Yachiyo	Yachiyo, Chiba	7,892 (Note 3)	2.9%
M-12	Yokohama Fukuura	Kanazawa-ku, Yokohama, Kanagawa	9,800	3.6%
M-13	Yachiyo II	Yachiyo, Chiba	5,300	1.9%
M-14	Urayasu Chidori II	Urayasu, Chiba	1,640	0.6%
M-15	Ichikawa	Ichikawa, Chiba	4,550	1.7%
M-16	Shinonome	Koto-ku, Tokyo	11,800	4.3%
M-17	Narashino II	Narashino, Chiba	7,875	2.9%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	6.4%
M-19	Souka	Souka, Saitama	14,440 (Note 4)	5.3%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	3.3%
M-21	Kashiwa	Kashiwa, Chiba	3,725	1.4%
M-22	Musashimurayama	Musashimurayama, Tokyo	8,650	3.2%
M-23	Kashiwa II	Kashiwa, Chiba	3,795 (Note 5)	1.4%
M-24	Shin-Koyasu	Kanagawa-ku, Yokohama, Kanagawa	9,696	3.6%
M-25	Misato	Misato, Saitama	3,873	1.4%
M-26	Sagamihara	Midori-ku, Sagamihara, Kanagawa	8,032	3.0%
M-27	Chiba-Kita	Hanamigawa-ku, Chiba, Chiba	1,459	0.5%
M-28	Chiba-Kita II	Inage-ku, Chiba, Chiba	4,608	1.7%
M-29	Urayasu Chidori III	Urayasu, Chiba	1,053	0.4%
M-30	Zama	Zama, Kanagawa	1,728	0.6%
M-31	Shinkiba II	Koto-ku, Tokyo	15,270	5.6%
M-32	Yokohama Machida	Machida, Tokyo	25,452	9.4%
M-34	Shiroi	Shiroi, Chiba	3,875	1.4%

Property number	Property name	Location	Acquisition price (Million Yen)	Ratio (Note 1)
M-35	Toda	Toda, Saitama	2,052	0.8%
M-36	Ichikawa III	Ichikawa, Chiba	3,850	1.4%
M-37	Fujisawa	Fujisawa, Kanagawa	4,305	1.6%
M-38	Hanyu	Hanyu, Saitama	1,705	0.6%
M-39	Saitama Kisai	Kazo, Saitama	4,010	1.5%
M-40	Kazo	Kazo, Saitama	3,790	1.4%
Metropolitan Area (Bay, Inland) Subtotal			231,326	85.2%
T-1	Daito	Daito, Osaka	9,762 (Note 6)	3.6%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	1.5%
T-3	Kiyosu	Kiyosu, Aichi	3,010 (Note 7)	1.1%
T-4	Kadoma	Kadoma, Osaka	989	0.4%
T-5	Komaki	Komaki, Aichi	2,100	0.8%
T-6	Komaki II	Komaki, Aichi	1,800	0.7%
T-7	Fukuoka Hakozaiki Futo	Fukuoka, Fukuoka	2,797	1.0%
T-9	Fukuoka Kashiihama	Fukuoka, Fukuoka	2,750	1.0%
T-10	Kasugai	Kasugai, Aichi	3,500 (Note 8)	1.3%
T-11	Takatsuki	Takatsuki, Osaka	1,560	0.6%
T-12	Aisai	Aisai, Aichi	2,510	0.9%
T-13	Osaka Nishiyodogawa	Osaka, Osaka	2,600	1.0%
Osaka Area, Nagoya Area and Fukuoka Area Subtotal			37,475	13.8%
O-1	Maebashi	Maebashi, Gunma	1,230	0.5%
O-5	Sendaiko-kita	Sendai, Miyagi	1,600	0.6%
Other Area Subtotal			2,830	1.0%
Portfolio Total after acquisition of the new asset			271,631	100.0%

(Note 1) The figures represent the proportion of the acquisition price to the overall portfolio after the acquisition of the asset, rounded off to the first decimal place.

(Note 2) The figure is calculated by deducting the costs associated with write-offs and demolition of the former building in December 2020 (432 million yen).

(Note 3) The figure is calculated by deducting the costs associated with write-offs and demolition of the former building in July 2013 (603 million yen), and adding the amount stated in the construction contract relating to the building after redevelopment (including the construction contract for additional works) (6,230 million yen) to the sale price stated in the initial sales contract (2,266 million yen).

(Note 4) The figure is the sum of the acquisition prices on March 27, 2012 and February 6, 2017.

(Note 5) Ownership of land with land lease rights was acquired on September 20, 2013, and the building was acquired on March 1, 2018.

(Note 6) The figure is calculated by deducting the costs associated with write-offs and demolition of the former building in July 2009 (291 million yen), and adding the amount stated in the construction contract relating to the Warehouse III (2,437 million yen) to the sale price stated in the initial sales contract (7,617 million yen).

(Note 7) The figure is calculated by adding the construction price relating to the redevelopment of the building (2,325 million yen) to the sale price stated in the initial sales contract (685 million yen).

(Note 8) The figure is calculated by adding the acquisition price for the newly constructed building by redevelopment (2,670 million yen) to the sale price stated in the initial sales contract (830 million yen).