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For Immediate Release

Real Estate Investment Trust

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**Notice Concerning Submission of an Amendment of Shelf Registration Statement
for Issuance of Green Bonds**

Japan Logistics Fund, Inc. (hereinafter referred as “JLF”) announced today that it has filed an amendment of shelf registration statement (the original shelf registration statement was submitted on June. 27, 2019) in preparation for issuance of (undecided) series of unsecured bonds (hereinafter referred as “Green bonds”) to the Director General of the Kanto Local Finance Bureau. Details are as follows.

1. Content of the amendment of shelf registration statement for issuance of the Green Bonds

JLF today submitted the amendment to shelf registration statement for investment corporation bonds that contains information pertaining to the green bonds in preparation for issuance to the Director General of the Kanto Local Finance Bureau. JLF plans to use all of the proceeds from the green bonds to acquire specified assets that meet the Eligible Criteria (described in “3. Overview of a green finance framework,” below) (hereinafter referred as the “Green Eligible Assets”), renovation work, etc., or to fund the repayment or redemption of borrowings (including green loans) or investment corporation bonds (including green bonds) required for these projects.

2. Purpose and background of the issuance of the Green Bonds

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

As its initiatives for environment and society, the Asset Manager 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, the Asset Manager shall ensure legal compliance, establish risk management systems and strive for timely and appropriate information disclosure to investors and other

relevant persons.

As part of these efforts, JLF is working to promote green buildings by acquiring environmental certification for the properties it owns. As of today, of the properties owned by JLF, 13 properties have acquired DBJ Green Building Certification, a certification system for real estate with environmental and social considerations by Development Bank of Japan Inc, as well as 1 property acquired five stars rating, the highest rating under the Building-Housing Energy-Efficiency Labeling System (“BELS”), and the ZEB Ready evaluation.

Moreover, in the 2020 GRESB Real Estate Assessment, JLF received a Four-Stars in GRESB Rating, which is based on GRESB Overall Score and its quintile position relative to global participants. It also won a Green Star designation for the third 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.

In addition to further promoting ESG initiatives, JLF is considering issuing Green Bonds as one of the means of expanding its fund procurement.

3. 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 (Note 1), the Green Bond Guidelines 2020 (Note 2), the Green Loan Principles (Note 3) and the Green Loan and Sustainability Linked Loan Guidelines 2020 (Note 4).

For the content of the Green Finance Framework, please refer to the followings.

(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

(3) Reporting

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 certification (type of certification, level of certification)
- 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

(4) Evaluation by Third-Party Entities

JLF has obtained a Green 1(F) (highest for JCR Green Finance Evaluation (Note 5)) 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 (Note 6).

(Note 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."

(Note 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.

(Note 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."

(Note 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.

(Note 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.

(Note 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 improves the environment or the funds raised are not properly allocated to environmental projects).

(End)

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

This notice is the English translation of the announcement in Japanese on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.