

June 3, 2019

For Immediate Release

Real Estate Investment Trust

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Notice Concerning Change of the Date of Delivery and Completion of the Asset Acquisition

Japan Logistics Fund, Inc. (hereinafter referred to as “JLF”) announced today that regarding the acquisition of Toda Logistics Center (hereinafter “the Property”) described in “Notice Concerning Acquisition of a New Asset” announced on June 21, 2018, it has changed the date of delivery and completed the acquisition.

1. Outline of the acquisition

(1) New asset

Property number	Name of the property	Date of delivery (Note 1)	Seller	Acquisition price (million yen) (Note 2)	Appraisal value (million yen)	Expected NOI yield (Acquisition price base) (Note 3)
M-35	Toda Logistics Center	June 3, 2019	Nakano Shokai co.,ltd.	2,052	2,250	4.8%

(Note 1) It has been changed from May 31, 2019 when JLF described “Notice Concerning Acquisition of a New Asset” announced on June 21, 2018.

(Note 2) Overhead cost of the acquisition, fixed asset tax, city planning tax and consumption tax are not included in the acquisition price.

(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 based on annual income and expense projections and is not the forecast at the time of acquisition of the Property nor the forecast for the fiscal period ending July 2019.

- (2) Fund source Loans and Cash in hand
 (Please refer to “Notice Concerning Determination of the Fund Source for Acquisition of a New Asset and Borrowing Capital”, announced on May 29, 2019.)
- (3) Payment method Lump-sum payment on the date of delivery

2. Outline of the seller

Please refer to the notice dated June 21, 2018.

3. Current condition of the seller

The acquisition of the Property does not fall under the acquisition from a person with special interest in JLF and MLP.

4. Outline of the broker

There is no broker in the acquisition of the Property.

5. Future prospects

In the Forecasts for the Fiscal Period ending July 2019 (from February 1, 2019 to July 31, 2019) and the Fiscal Period ending January 2020 (from August 1, 2019 to January 31, 2020) announced in the REIT Financial Report for the Fiscal Period ended January 31, 2019 (released on March 12, 2019), the acquisition of the Property was reflected, and there is no change to the forecast for this period.

6. Details of the New asset

(1) Outline of the new asset

Outline of the asset		Outline of the appraisal		
Asset type	Trust beneficiary right of real estate	Real estate appraiser	The Tanizawa Sogo Appraisal Co., Ltd.	
Date of the acquisition	June 3, 2019	Date of the appraisal	May 20, 2019	
Acquisition price	2,052 million yen	Appraisal Value	2,250 million yen	
Trustee	Sumitomo Mitsui Trust Bank, Limited.			
Winding-up of the trust	June 30, 2029			
Land	Location	974 , Mukoda, Bijogi, Toda city, Saitama and Others	Income approach	2,250 million yen
	Site area	3,620.00 m ²	Discounted cash flow approach	2,230 million yen
	Zoning	Industrial area		
	Floor-area ratio	200%	Discount rate	4.1% / 4.2% / 4.3%
	Building-to-land ratio	60%		
	Type of ownership	Ownership		
Building	Structure/Story (Note 1)	Steel-frame structure, alloyplated steel sheet roof, 4 stories	Direct capitalization approach	2,280 million yen
	Date of the completion (Note 1)	April 5, 2019		
	Total floor area (Note 1)	7,219.44 m ²		
	Total rentable area	6,638.58 m ²		
	Usage (Note 1)	Warehouse	Cost approach	2,170 million yen
	Type of ownership	Ownership		
Property management company (planned)	XYMAX ALPHA Corporation	Land (Percentage)	44.3%	
Collateral	None			Building (Percentage)
Outline of the lease contract		Outline of engineering report		
Number of tenants	1	Survey company	Shimizu Corporation	
Names of major tenant	Not disclosed (Note 2)	Issue date of the report	May 15, 2019	
Annual rent (excluding consumption tax)	Not disclosed (Note 2)	Urgent repairs	-	
Lease deposit	Not disclosed (Note 2)	Short-term repairs	-	
Total rent area (Note 3)	6,638.58 m ²	Long-term repairs	2,870 thousand yen	
Occupancy	100.0%	PML	11.7%	
Expected income/expense (Note 4)		Design company, construction company and building certification company		
Income (including auxiliary income)	Not disclosed (Note 5)	Design company	Sanesu Construction Co., Ltd.	
Expected NOI	98 million yen	Construction company	Sanesu Construction Co., Ltd.	
Expected NOI yield (based on acquisition price)	4.8% (Note 6)	Building certification company	Japan Constructive Inspect Association	
Remarks: None				
(Note 1) The outline shown here is according to the real estate registry, and may differ from the present state.				
(Note 2) Not disclosed, for unable to obtain the tenant's consent.				
(Note 3) In general, there are minor differences between the definition of "rentable area" as determined by JLF and the definition of "rent area" as determined by the lease contracts (including pre-lease contract). The total rent area represents the sum of the rent area included in the rentable area. It is possible that some of the rent area is not included in the rentable area.				
(Note 4) The figures are not forecasts for revenue from the Property as of the date of acquisition of the Property, but normalized estimations based on annual income and expenses projections.				
(Note 5) JLF does not disclose these items because their disclosure may enable the lease terms and level of outsourcing fees to be estimated, which 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 2,052 million yen, which is the acquisition price.				

(2) Outline of the appraisal
[M-35 Toda Logistics Center]

Appraisal value	2,250 million yen
Real estate appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Date of appraisal	May 20, 2019

Item	Details	Outline
Income approach value	2,250 million yen	Appraisal performed based on DCF approach as a standard, with validation using the direct capitalization approach
Direct capitalization approach	2,280 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	0 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	13 million yen	Estimated value
Casualty insurance premium	Not disclosed (Note)	Appraisal based on a standard rate, with no earthquake insurance subscribed
Other expenses	0 million yen	Appraisal based on earnings samples and the like
Net operating income	96 million yen	
Profit on the investment of a lump sum	Not disclosed (Note)	
Capital expenditure	1 million yen	Appraisal by applying set allocations to figures based on ER and comparable transactions
Net cash flow	95 million yen	
Capitalization rate	4.2%	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	2,230 million yen	
Discount rate	4.1%/4.2%/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	4.4%	Appraisal by incorporating future forecasting uncertainties based on a capitalization yield
Cost approach	2,170 million yen	
Land percentage	44.3%	
Building percentage	55.7%	
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)

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.

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

[Appendix]

Portfolio list after acquisition of a new asset

Property number	Property name	Location	Acquisition price (Million Yen)	Ratio (Note 1)
M-2	Urayasu	Urayasu, Chiba	2,902	1.0%
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	2.1%
M-6	Funabashi Nishiura	Funabashi, Chiba	5,700	2.0%
M-8	Kawasaki	Kawasaki, Kanagawa	10,905	3.8%
M-9	Narashino	Narashino, Chiba	1,690	0.6%
M-11	Yachiyo	Yachiyo, Chiba	7,892 (Note 2)	2.8%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	9,800	3.4%
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	1.6%
M-16	Shinonome	Koto-ku, Tokyo	11,800	4.1%
M-17	Narashino II	Narashino, Chiba	7,875	2.8%
M-18	Ichikawa II	Ichikawa, Chiba	17,415	6.1%
M-19	Souka	Souka, Saitama	14,440 (Note 3)	5.1%
M-20	Tatsumi	Koto-ku, Tokyo	9,000	3.2%
M-21	Kashiwa	Kashiwa, Chiba	3,725	1.3%
M-22	Musashimurayama	Musashimurayama, Tokyo	8,650	3.0%
M-23	Kashiwa II	Kashiwa, Chiba	3,795 (Note 4)	1.3%
M-24	Shin-Koyasu	Yokohama, Kanagawa	9,696	3.4%
M-25	Misato	Misato, Saitama	3,873	1.4%
M-26	Sagamihara	Sagamihara, Kanagawa	8,032	2.8%
M-27	Chiba-Kita	Chiba, Chiba	1,459	0.5%
M-28	Chiba-Kita II	Chiba, Chiba	4,608	1.6%
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	5.4%
M-32	Yokohama Machida	Machida, Tokyo	25,452	8.9%

Property number	Property name	Location	Acquisition price (Million Yen)	Ratio (Note 1)
M-35	Toda	Toda, Saitama	2,052	0.7%
M-36	Ichikawa III	Ichikawa, Chiba	3,850	1.4%
Metropolitan Area (Bay, Inland) Subtotal			214,073	75.2%
T-1	Daito	Daito, Osaka	9,762 (Note 5)	3.4%
T-2	Osaka Fukuzaki	Osaka, Osaka	4,096	1.4%
T-3	Kiyosu	Kiyosu, Aichi	3,010 (Note 6)	1.1%
T-4	Kadoma	Kadoma, Osaka	989	0.3%
T-5	Komaki	Komaki, Aichi	2,100	0.7%
T-6	Komaki II	Komaki, Aichi	1,800	0.6%
T-7	Fukuoka Hakozaki Futo	Fukuoka, Fukuoka	2,797	1.0%
T-8	Tajimi	Tajimi, Gifu	9,310 (Note 7)	3.3%
T-9	Fukuoka Kashiihama	Fukuoka, Fukuoka	2,750	1.0%
T-10	Kasugai	Kasugai, Aichi	3,500 (Note 8)	1.2%
T-11	Takatsuki	Takatsuki, Osaka	1,559	0.5%
T-13	Osaka Nishiyodogawa	Osaka, Osaka	2,600	0.9%
Kinki Area, Chubu Area and Kyushu Area Subtotal			44,274	15.5%
O-1	Maebashi	Maebashi, Gunma	1,230	0.4%
O-2	Hanyu	Hanyu, Saitama	1,705	0.6%
O-3	Saitama Kisai	Kazo, Saitama	4,010	1.4%
O-4	Kazo	Kazo, Saitama	3,790	1.3%
O-5	Sendaiko-kita	Sendai, Miyagi	1,600	0.6%
Other Area Subtotal			12,335	4.3%
Portfolio Total after acquisition of the new asset			270,682	95.0%
Assets to which forward commitment, etc. is applied				
M-33	Yachiyo III	Yachiyo, Chiba	3,286 (Note 9)	1.2%
M-34	Shiroi	Shiroi, Chiba	4,052 (Note 10)	1.4%
M-37	Fujisawa	Fujisawa, Kanagawa	4,305 (Note 10)	1.5%
T-12	Aisai	Aisai, Aichi	2,510 (Note 10)	0.9%

Property number	Property name	Location	Acquisition price (Million Yen)	Ratio (Note 1)
Total Portfolio after acquisition of the assets to be newly acquired (Including assets to which forward commitment, etc. is applied)			284,835	100.0%

- (Note 1) The figures represent the proportion of the acquisition price to the overall portfolio after the acquisitions of new assets (including forward commitment assets), rounded off to the first decimal place. The planned dates of acquisition of “M-33 Yachiyo Logistics Center III”, “M-34 Shiroy Logistics Center” and “T-12 Aisai Logistics Center”, assets to which forward commitments, etc. are applied, have not yet been decided as of today, the planned date of acquisition of “M-37 Fujisawa Logistics Center” is August 1, 2019 (or a date agreed separately by JLF and the seller).
- (Note 2) 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 3) The figure is the sum of the acquisition prices on March 27, 2012 and February 6, 2017.
- (Note 4) The figure is the sum of the acquisition prices on September 20, 2013 and March 1, 2018.
- (Note 5) 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 6) The figure is calculated by adding the construction cost relating to the redevelopment (2,325 million yen) to the sale price stated in the initial sales contract (685 million yen).
- (Note 7) The sum of the acquisition price on October 8, 2013 and November 4, 2014.
- (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).
- (Note 9) The figure indicates the sale price stated in the initial sales contract. Because the sales contract stipulates that unless a lease contract in the form and with content that satisfy JLF (hereinafter the “Qualified Lease Contract” in this Note 9) is concluded for this entire property by the date of delivery of the property or unless any other effective Qualified Lease Contract is concluded as of the date of delivery, 124 million yen shall be deducted from the sale price, and such sale price may change in the future.
- (Note 10) The figure indicates the purchase price that is determined to be stated in the sale and purchase agreement. Such purchase price may change in the future as the Sale and Purchase Agreement specifies that if contract prices or other costs for the development of this property fluctuate in the period up to and including the date of delivery of the property, the purchase price shall be changed accordingly.