February 9, 2022

For Immediate Release

Real Estate Investment Trust
Japan Logistics Fund, Inc. (Security Code: 8967)
Representative: Naohiro Kameoka, Executive Director

Asset Management Company
Mitsui & Co., Logistics Partners Ltd.
Representative: Naohiro Kameoka, President
Contact: Ryota Sekiguchi, Finance & IR Dept.
TEL +81-3-3238-7171

Notice Concerning Status of Redevelopment Project of Urayasu Logistics Center

Mitsui & Co., Logistics Partners Ltd. (hereinafter referred to as "MLP"), the asset management company of Japan Logistics Fund, Inc. (hereinafter referred to as "JLF"), hereby announces the status of the redevelopment project of Urayasu Logistics Center (hereinafter referred to as the "Property") that was announced through the "Notice Concerning Redevelopment Project of Urayasu Logistics Center" dated September 14, 2020 as detailed below.

Although the Property is a development property that has not yet been completed as of February 9, 2022, MLP also provides an overview of the Property and a summary of the appraisal report as of January 31, 2022.

1. Outline of the redevelopment project

(1) Summary of the Property

Property number	Name of the Property	Planned acquisition date	Constructor	Planned acquisition price (Millions of yen)	Appraisal value (Millions of yen)	Payment method
M-2	Urayasu Logistics Center	August 1, 2022 (Note 1)	Hazama Ando Corporation	8,781 (Note 2)	15,300 (Note 3)	Installments (Note 4)

(Note 1) With respect to the Property acquired on May 9, 2005, JLF will implement a redevelopment project to demolish the existing building (hereinafter, as the case may be, referred to as the "Old Building") and construct a new building (hereinafter, as the case may be, referred to as the "New Building"), and then upon completion of such redevelopment project, JLF plans to acquire a New Building. The planned acquisition date indicates the scheduled date of delivery from the constructor of the New Building as of the date of this press release to JLF.

(Note 2) The amount provided here is the sum of the land purchase price of 2,469 million yen set forth in the original purchase agreement and the estimated construction cost of 6,311 million yen as of the date of this press release. Therefore, the planned acquisition price differs from the amount of costs required for the acquisition of said New Building.

Disclaimer: This press release is an announcement concerning the status, etc. of redevelopment project of the property owned by JLF and is not an offer to sell or a solicitation of any offer to buy the securities of JLF in the United States or elsewhere. Any investment decision should be made based upon your own judgement.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

(Note 3) The amount provided here is the appraisal value as of January 31, 2022. Since the building is not completed as of the timing of pricing, an appraisal of uncompleted buildings, etc. based on the real estate appraisal standards has been conducted, and the amount of such appraisal is provided here. The same applies hereinafter.

(Note 4) Each amount specified in the construction contract is paid at the time of start of construction and at the interim, and the remaining amount including additional construction cost, etc. is paid at the time of delivery.

(2) Construction work

The demolition of the Old Building of the Property started in September 2020 and was completed in February 2021. The verification of building construction for the New Building was obtained in February 2021, and the construction of the New Building of the Property has started. As of today, construction of the New Building is scheduled to be completed in July 2022, and delivery thereof is scheduled to be made on August 1, 2022 (hereinafter, as the case may be, referred to as the "Scheduled Delivery Date").

The construction cost of the New Building is estimated to be 6,311 million yen as of today.


Old Building


Ground Breaking Ceremony


Foundation


Frame construction


Illustration of the building after the redevelopment (Note)

(Note) This is a rendering image of the building after the redevelopment and may differ from the actual building.

(3) Tenant leasing

As of March 5, 2021, approximately one year and five months prior to the Scheduled Delivery Date, a fixed-term building lease contract (Note) was executed with NX NP Logistics Co., Ltd. for all of the Property with August 1, 2022 as the (scheduled) start date of the lease period.

Disclaimer: This press release is an announcement concerning the status, etc. of redevelopment project of the property owned by JLF and is not an offer to sell or a solicitation of any offer to buy the securities of JLF in the United States or elsewhere. Any investment decision should be made based upon your own judgement.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

As a result of the conclusion of the said contract, the Property is expected to be 100% occupied from immediately after the delivery and the profitability is also expected to improve due to the higher rent than initially expected.

(Note) The lease based on said contract is subject to the condition that the New Building scheduled to be acquired through the redevelopment project has been completed and the lessor takes delivery from the constructor.

(4) Effects of the project

With the progress of (2) and (3) above, the effects of this project are expected to be as follows

	Before redevelopment (A)	After redevelopment		Increase/decrease (B)-(A)
		Assumptions (as of September 14, 2020)	Assumptions (as of February 9, 2022 (B))	
Acquisition price (planned)	2,902 million yen	9,019 million yen (Note 1)	8,781 million yen (Note 1)	5,879 million yen (+ 203%)
Appraisal value	5,270 million yen (Note 2)	—	15,300 million yen	10,030 million yen (+ 190%)
Appraisal gain	2,517 million yen (Note 3)	3,186 million yen (Note 4)	6,518 million yen (Note 5)	4,000 million yen (+ 159%)
Floor area ratio (Note 6)	49.9%	195.1%	194.3%	144.4pt
Gross leasable area	9,543.72 ㎡	36,394.00 ㎡	37,378.68 ㎡	27,834.96 ㎡ (+ 292%)
Annual NOI	131 million yen (Note 7)	502 million yen (Note 8)	602 million yen (Note 9)	470 million yen (+ 356%)

(Note 1) The amount provided here is the amount calculated by adding the construction cost of 6,549 million yen estimated as of September 14, 2020 for the same date and the construction cost of 6,311 million yen estimated as of February 9, 2022 for the same date, respectively, to the land purchase price of 2,469 million yen set forth in the original purchase agreement.

(Note 2) The amount provided here is the appraisal value as of July 31, 2020, which is before the demolition of the Old Building.

(Note 3) Appraisal value (as of July 31, 2020) minus book value (as of July 31, 2020)

(Note 4) Survey price* minus estimated book value (as of September 14, 2020)

* As the building of the Property after the redevelopment has not yet been completed, a survey report (as of September 1, 2020) was obtained from Tanizawa Sogo Appraisal Co., Ltd., which report was prepared based on a price survey adding assumed conditions to the building and its lease agreement after the completion. This price survey is not an appraisal in accordance with the real estate appraisal standards.

(Note 5) Appraisal value (as of January 31, 2022) minus planned acquisition price

(Note 6) Total floor area (floor area subject to the calculation of plot ratio) / site area x 100

(Note 7) The amount is estimated based on the assumption that the occupancy rate is 100% as of September 14, 2020, based on the actual results for the fiscal period ended July 31, 2020.

(Note 8) The amount represents an annual forecast assuming a 100% occupancy rate as of September 14, 2020, excluding special factors for the year of completion, and is not a forecast at the time of completion.

(Note 9) Appraisal NOI* based on the appraisal as of January 31, 2022, not the forecast at the time of completion.

* "Appraisal NOI" refers to the net operating revenues (i.e., the amount obtained by deducting operating expenses from operating revenues) using the direct capitalization approach as stated in the real estate appraisal report, and is the revenues before depreciation is deducted. Appraisal NOI differs from NCF, which is the amount after adding investment gain such as security deposits and deducting capital expenditures. The same applies hereinafter.

Disclaimer: This press release is an announcement concerning the status, etc. of redevelopment project of the property owned by JLF and is not an offer to sell or a solicitation of any offer to buy the securities of JLF in the United States or elsewhere. Any investment decision should be made based upon your own judgement.

This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

In addition, an NOI yield (Note 10) of 6.9% after the redevelopment, and an ROIC (Note 11) of 6.9% regarding the redevelopment project are assumed.

(Note 10) Appraisal NOI based on an appraisal as of January 31, 2022 / Planned acquisition price x 100

(Note 11) (Annual NOI after redevelopment - Annual NOI before redevelopment) / Invested capital in redevelopment
The invested capital in redevelopment is the sum of the demolition cost of the Old Building, the loss on disposal of fixed assets, and the construction cost of the New Building assumed as of the date hereof.

(5) Financing

Of the construction cost of the New Building of 6,311 million yen estimated as of the date hereof, 1,272 million yen has already been paid to the constructors, etc. (Note), including Hazama Ando Corporation and Nikken Sekkei Construction Management, Inc. and the remaining 5,039 million yen is scheduled to be paid in March 2022 and August 2022. Proceeds from the issuance of new investment units resolved at JLF's Board of Directors Meeting held on February 9, 2022, borrowings and cash on hand will be applied to such payment.

(Note) For an overview of the contractors, etc., please refer to the "Notice Concerning Urayasu Logistics Center Redevelopment Project" dated September 14, 2020.

2. Details of the Property

(1) Outline of the Property

<table>
<tr><th colspan="6">Overview of the asset</th></tr>
<tr><td colspan="2">Asset type</td><td>Real estate trust beneficiary right</td><td rowspan="6">Outline of engineering report (Note 4)</td><td>Surveyor</td><td>Shimizu Corporation</td></tr>
<tr><td colspan="2">Planned acquisition date</td><td>May 9, 2005 and other date(s) (Note 1)</td><td>Date of report</td><td>January 21, 2022</td></tr>
<tr><td colspan="2">Planned acquisition price</td><td>8,781 million yen (Note 2)</td><td>Emergency repairs</td><td>-</td></tr>
<tr><td colspan="2">Appraisal value</td><td>15,300 million yen (Note 3)</td><td>Short-term repairs</td><td>-</td></tr>
<tr><td colspan="2">Trustee</td><td>Sumitomo Mitsui Trust Bank, Limited</td><td>Long-term repairs</td><td>15,239 thousand yen</td></tr>
<tr><td colspan="2">Winding up of the trust</td><td>May 31, 2024</td><td>PML value</td><td>11.3%</td></tr>
<tr><td rowspan="6">Land</td><td>Location</td><td>79 Minato, Urayasu, Chiba</td><td rowspan="6">Building</td><td>Structure/ Floors (Note 5)</td><td>Reinforced concrete and steel structure with 4 stories (planned)</td></tr>
<tr><td>Area</td><td>19,136m^2</td><td>Completion date (Note 6)</td><td>July 2022 (scheduled)</td></tr>
<tr><td>Zoning</td><td>Quasi-industrial area</td><td>Gross floor area (Note 5)</td><td>41,929.90m^2 (planned)</td></tr>
<tr><td>Plot ratio</td><td>200%</td><td>Gross leasable area (Note 7)</td><td>37,378.68 ㎡ (planned)</td></tr>
<tr><td>Building-to-land ratio</td><td>60%</td><td>Use (Note 5)</td><td>Warehouse (planned)</td></tr>
<tr><td>Form of ownership</td><td>Ownership rights</td><td>Form of ownership</td><td>Ownership rights</td></tr>
<tr><td colspan="2">Property management company</td><td>To be decided.</td><td colspan="2">Collateral</td><td>None</td></tr>
</table>

Disclaimer: This press release is an announcement concerning the status, etc. of redevelopment project of the property owned by JLF and is not an offer to sell or a solicitation of any offer to buy the securities of JLF in the United States or elsewhere. Any investment decision should be made based upon your own judgement.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

Number of tenants (Note 7)	1	Name of tenant (Note 7)	NX NP Logistics Co., Ltd.
Annual rent (Note 7)	Not disclosed (Note 8)	Deposits and guarantees (Note 7)	Not disclosed (Note 8)
Space leased (Note 7)	37,378.68m^2	Occupancy rate (note 7)	100.0%

Remarks:

MLP decided to implement the following redevelopment project at the Board of Directors Meeting held on September 14, 2020.

(1) Contents of Redevelopment Project

Construction Cost (planned)	:	6,549 million yen
Period of new construction (scheduled)	:	From March 2021 to July 2022
Timing of completion of construction (scheduled)	:	July 2022

(2) Outline of the Property after Redevelopment

Acquisition price (planned) (Note 1)		9,019 million yen
	Land price (ratio)	2,575 million yen (28.6%)
	Building price (ratio)	6,443 million yen (71.4%)
Building (Note 2)	Structure/Floors	Reinforced concrete and steel structure with 4 stories
	Timing of construction	July 2022 (scheduled)
	Building area	11,036.33 m^2
	Floor area subject to volume	37,350.33 m^2
	Status of floor-area ratio usage	195.1%
	Gross leasable area (Note 3)	37,378.68 m^2
	Use	Warehouse, office

(Note 1) The amount provided here is calculated by adding the construction cost of 6,549 million yen (planned) for the building after the redevelopment as of the time of the decision on the project to the land purchase price of 2,469 million yen set forth in the original purchase agreement.

(Note 2) Based on the representation of the basic plan drawing as of the time of the decision on the project.

(Note 3) The "gross leasable area" is calculated based on the leased floor space, etc. of the building described in the fixed-term building lease agreement for the Property.

(Note 4) The foregoing information is based on the plan as of October 28, 2021, not the definitive situation after the redevelopment.

(Note 1) The date of May 9, 2005, the date of acquisition of the Property by JLF, is indicated. With respect to the Property, JLF will conduct a redevelopment project to demolish the existing building and construct a new building, and will acquire a new building upon completion of such redevelopment project. The scheduled acquisition date of such building scheduled as of the date of this press release is August 1, 2022.

(Note 2) The amount provided here is calculated by adding the construction cost of 6,311 million yen estimated as of the date of this press release to the land purchase price of 2,469 million yen set forth in the original purchase agreement. Such amount differs from the amount of costs required for the acquisition of a new building to be acquired by JLF in the course of the above-mentioned redevelopment project.

(Note 3) The amount provided here is an appraisal value as of January 31, 2022. Since the building is not completed as of the timing of pricing, an appraisal of uncompleted buildings, etc. based on the real estate appraisal standards has been conducted, and the amount of such appraisal is provided here.

(Note 4) The figure provided here is based on a building status assessment report prepared pursuant to the plan as of today. Such plan may change in the future, and the above-mentioned building status assessment report may also be subject to change. The details shown above do not constitute any guarantee or definite promise about the substance of the building status assessment report as of the acquisition of the Property.

(Note 5) Said information is based on the application for verification of building construction for the Property, and is subject to change in the future.

(Note 6) This information is based on the plan as of the date of this press release. The above-mentioned scheduled completion date

Disclaimer: This press release is an announcement concerning the status, etc. of redevelopment project of the property owned by JLF and is not an offer to sell or a solicitation of any offer to buy the securities of JLF in the United States or elsewhere. Any investment decision should be made based upon your own judgement.

This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

may be subject to change hereafter.

(Note 7) As of March 5, 2021, a fixed-term building lease contract was executed with Nittsu NP Logistics Co., Ltd. (currently NX NP Logistics Co., Ltd.) for all of the Property with August 1, 2022 as the (scheduled) start date of the lease period, and said information is based on the contents of such contract. However, the lease based on such contract is subject to the condition that the new building to be acquired through the redevelopment project is completed and that the building is delivered from the constructor to lessor.

(Note 8) Not disclosed due to lack of tenant consent.

Disclaimer: This press release is an announcement concerning the status, etc. of redevelopment project of the property owned by JLF and is not an offer to sell or a solicitation of any offer to buy the securities of JLF in the United States or elsewhere. Any investment decision should be made based upon your own judgement.

This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

(2) Outline of the appraisal

Outline of the appraisal (Note 1)	
Appraisal value	15,300 million yen
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Timing of pricing	January 31, 2022

Category	Details	Overview
Income approach	15,300 million yen	
Direct capitalization approach	15,600 million yen	
Operating revenues	Not disclosed (Note 2)	
Total potential revenue	Not disclosed (Note 2)	
Vacancies and other losses	Not disclosed (Note 2)	
Operating expenses	Not disclosed (Note 2)	
Maintenance expenses	Not disclosed (Note 2)	
Utilities	24 million yen	
Maintenance and repairs	6 million yen	
PM fee	Not disclosed (Note 2)	
Tenant recruitment costs, etc.	Not disclosed (Note 2)	
Real estate taxes	64 million yen	
Property insurance premium	Not disclosed (Note 2)	
Other expenses	8 million yen	
Net operating revenues	602 million yen	
Investment gain on lump-sum payment	Not disclosed (Note 2)	
Capital expenditures	Not disclosed (Note 2)	
Net revenues	593 million yen	
Cap rate	3.8%	
DCF approach	15,100 million yen	
Discount rate	3.8% / 3.9%	
Terminal cap rate	4.0%	
Cost approach	15,300 million yen	
Land (ratio)	53.8%	
Building (ratio)	46.2%	
Matters taken into consideration in deciding the appraisal value	There is no applicable matter.	

(Note 1) This information is a summary of the real estate appraisal report prepared for the entire Property (land and building). As the building has not been completed as of the date of valuation, an appraisal of the uncompleted building, etc. based on the Real Estate Appraisal Standards has been conducted, and the amount based on such appraisal is stated.

Disclaimer: This press release is an announcement concerning the status, etc. of redevelopment project of the property owned by JLF and is not an offer to sell or a solicitation of any offer to buy the securities of JLF in the United States or elsewhere. Any investment decision should be made based upon your own judgement.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.

(Note 2)	The information as to this item is not disclosed because disclosure of such information may lead to speculation about the level of leasing conditions and outsourcing costs, which may adversely affect the efficient management of JLF and thus harm the interests of unitholders.

3. Future outlook

For details of JLF's forecasts of its management situation, please refer to "Notice Concerning Amendment of Forecasts for the Six-Month Period Ending July 31, 2022 and Forecasts for the Six-Month Period Ending January 31, 2023" published today.

End

(Press Release for Reference)

- Notice Concerning Redevelopment Project of Urayasu Logistics Center on September 14, 2020

*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.

Disclaimer: This press release is an announcement concerning the status, etc. of redevelopment project of the property owned by JLF and is not an offer to sell or a solicitation of any offer to buy the securities of JLF in the United States or elsewhere. Any investment decision should be made based upon your own judgement.
This press release does not constitute an offer of securities in the United States. The investment units have not been, and will not be, registered under the United States Securities Act of 1933 (the "Securities Act"). The investment units may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The investment units referred to above will not be offered, publicly or otherwise, in the United States.