Japan Logistics Fund

Supplemental Material to the Press Release Announced Today

Notice Concerning the Acquisition and Disposition of Domestic Real Estate Trust Beneficiary Rights through Swaps and the Acquisition of Domestic Real Estate Trust Beneficiary Rights, as well as the Resulting Dissolution and Commencement of Lease Agreements for Operating Assets

Notice Concerning Revision of Forecast for the Six-Month Period Ending July 31, 2025

January 16, 2025

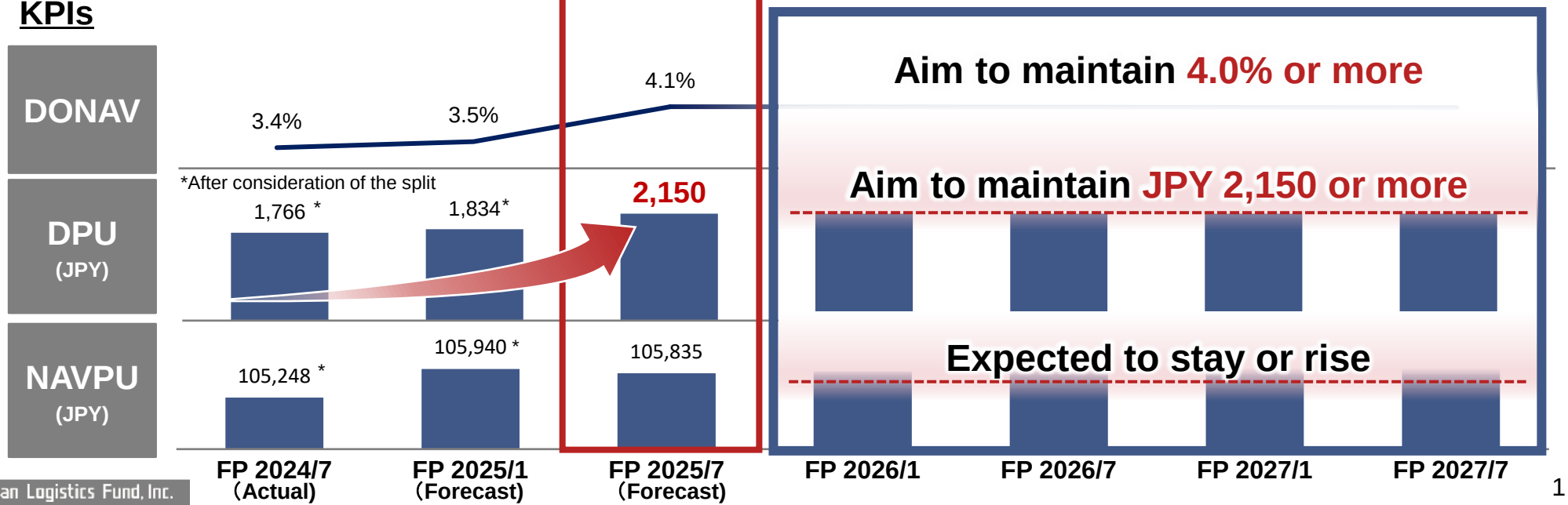
Mitsui & Co., Logistics Partners Limited
https://8967.jp

Expect to reach DPU target (JPY 2,100) aimed at recovering price to NAV by advancing our capital recycling strategy (property dispositions and re-investment)

Transaction schedule

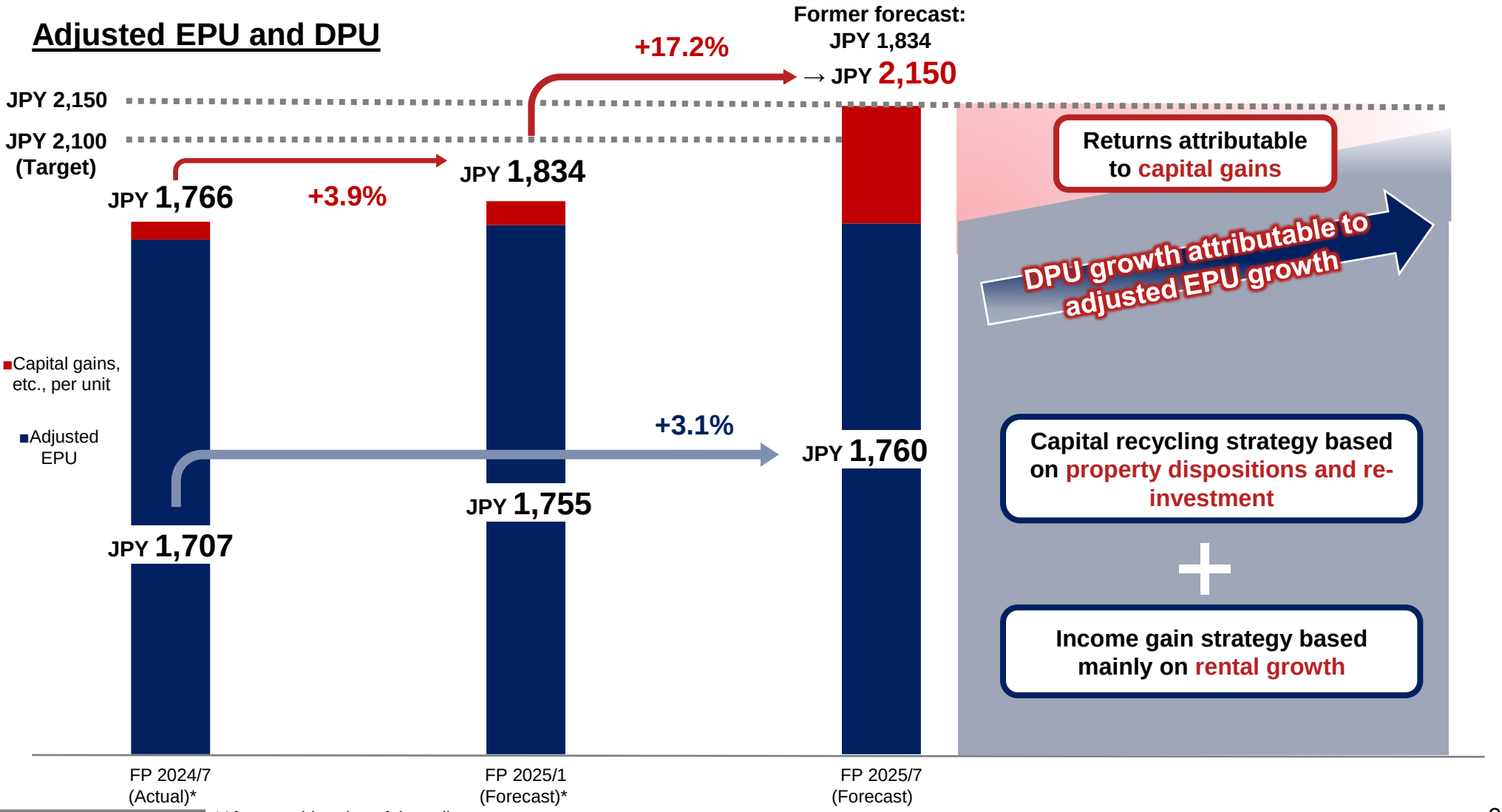
Transaction	Sell ⇔ Buy	FP 2025/7	FP 2026/1	FP 2026/7	FP 2027/1	FP 2027/7
Swap (1)	Ichikawa II (36%) ⇔ Kita Nagoya	Ichikawa II 18% ⇔ Kita Nagoya 50%	Ichikawa II 18% ⇔ Kita Nagoya 50%			
Swap (2)	Ichikawa II (54%) ⇔ Funabashi Nishiura III			Ichikawa II 18%⇔ Funabashi Nishiura III 33%	Ichikawa II 18%⇔ Funabashi Nishiura III 33%	Ichikawa II 18%⇔ Funabashi Nishiura III 34%
Acquisition (1)	Narashino II (10%)	Narashino II 10%				

KPIs



Rental growth and these transactions to drive growth adjusted EPU
Going forward, aim to keep JPY 2,150 DPU and growth in adjusted EPU

Adjusted EPU and DPU



*After consideration of the split

Benefits from the Swap: Progress in our capital recycling strategy

Greater potential for asset value appreciation
Should also achieve growth in adjusted EPU through re-investment (property acquisitions) cognizant of investment efficiency

1. Realize and increase in asset value appreciation

Buy

Properties for potential for asset value appreciation

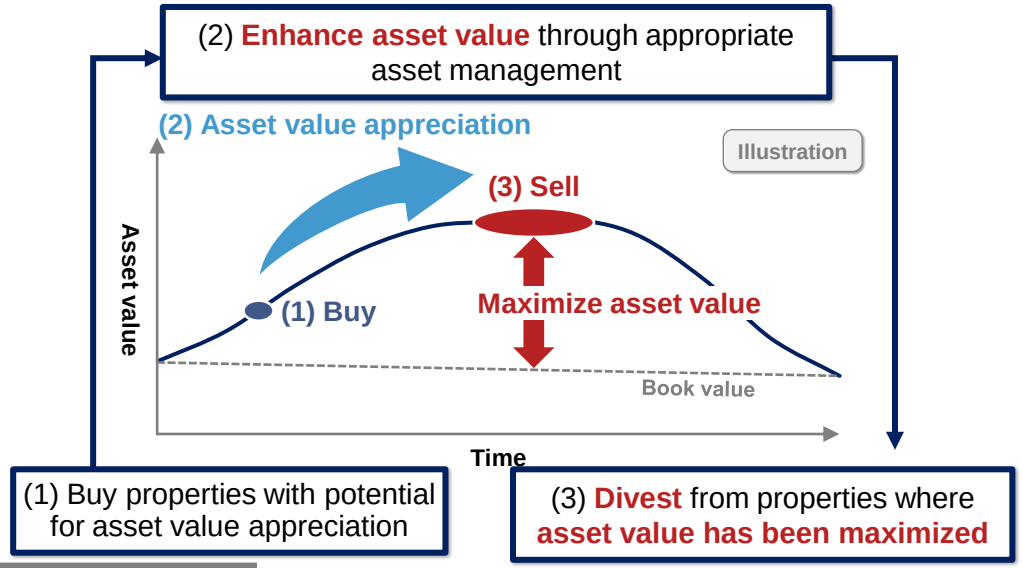
Kita Nagoya
・Short term opportunities for rental growth due to rent gaps

Funabashi Nishiura III
・Potential for future rental growth due to rent gaps and rare location

Sell

Property where asset value has been maximized

Ichikawa II
・Appraisal value up 35.0% vs. time of acquisition (7.2% IRR over holding period)
・Asset value maximized through recent rental growth



2. Re-investment cognizant of investment efficiency

Property acquisitions above implied cap rate

	Appraisal NOI yield (after reduction)	Implied cap rate
Kita Nagoya	5.6%	9/12/2024～1/10/2025: 4.4%～4.7%
Funabashi Nishiura III	5.7%	

3. Increase adjusted EPU due to re-investment

Increased NOI after depreciation through the Swap

(per period)

484 Million yen → **+131**million yen → 352 Million yen

Assets to be acquired resulting from the Swaps (Kita Nagoya, Funabashi Nishiura III)	Asset to be disposed resulting from the Swaps (Ichikawa II)

The Assets to be acquired from the Transaction

Buy: Kita Nagoya LC

Swap ①

(1) 50% quasi-co-ownership interest
(2) 50% quasi-co-ownership interest



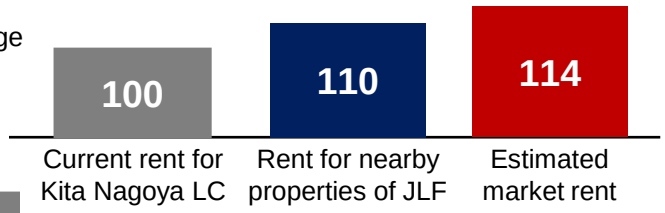
Location	Kita Nagoya, Aichi
Planned date of acquisition	(1) Feb. 2025 (2) Aug. 2025
Planned acquisition price (*after reduction)	Total 10,600 Million yen (Total 7,963 Million yen)
Appraisal Value	10,800 Million yen
Gloss leasable Area	42,751.60㎡
Occupancy Rate	100%

Appraisal NOI yield (after reduction)	NOI yield after depreciation (after reduction)	Discount from appraisal value (after reduction)
5.6%	**4.7%**	**35.6%**

- A property with **rent gaps** that has the potential for rent increases in a short period of time.
- This location offers excellent access to the Meishin Expressway and Nagoya Expressway, is close to downtown Nagoya, and has high convenience for both wide-area and frequent delivery.
- A four-story, large multi-tenant facility with a highly versatile design and sloped access, capable of being divided into four rental spaces based on tenant needs.

Comparison of current rent with nearby properties and market rent (current rent indexed to 100)

weighted average lease expiry **1.3 years**



Buy: Funabashi Nishiura LC III

Swap ②

(1) 33% quasi-co-ownership interest
(2) 33% quasi-co-ownership interest
(3) 34% quasi-co-ownership interest



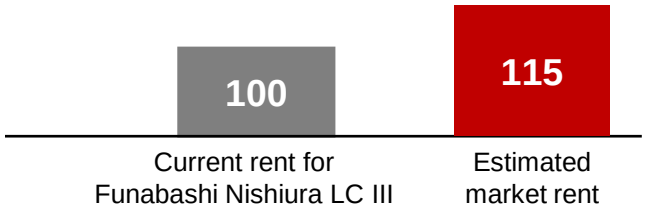
Location	Funabashi, Chiba
Planned date of acquisition	(1) Feb. 2026 (2) Aug. 2026 (3) Feb. 2027
Planned acquisition price (*after reduction)	Total 15,700 Million yen (Total 11,779 Million yen)
Appraisal Value	16,720 Million yen
Gloss leasable Area	56,556.95㎡
Occupancy Rate	100%

Appraisal NOI yield (after reduction)	NOI yield after depreciation (after reduction)	Discount from appraisal value (after reduction)
5.7%	**5.0%**	**41.9%**

- A property with **rent gaps and located in a rare area**, with the potential for future rent increases.
- It is strategically situated close to a major consumer area in central Tokyo, with good transportation access, providing advantages as a hub for urban distribution.
- In addition to featuring a highly versatile design that allows for efficient warehouse operations, it offers rental space starting from approximately 1,100 tsubo

Comparison of current rent with market rent (current rent indexed to 100)

weighted average lease expiry **2.3 years**



The Assets to be acquired / disposed from the Transaction

Buy：Narashino LC II

Acquisition ①

10% quasi-co-ownership interest



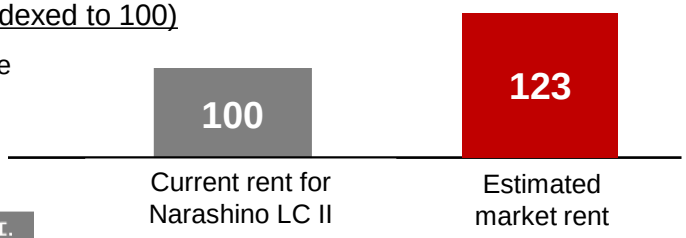
Location	Narashino, Chiba
Planned date of acquisition	Feb. 2025
Planned acquisition price	1,244 Million yen
Appraisal Value	1,250 Million yen
Gloss leasable Area	48,342.83㎡ (equivalent to 100%)
Occupancy Rate	100%

Appraisal NOI yield (100% ownership interest)	NOI yield after depreciation (100% ownership interest)	Unrealized gain as a % (100% ownership interest)
5.5%	**4.1%**	**78.6%**

- In addition to having **a rental gap**, this allows for flexible and agile management through full ownership
- The location offers excellent access to the Bay Area Road and the Higashi-Kanto Expressway, making it suitable for consumer-oriented logistics covering from central Tokyo to the Keiyo coastal area
- A highly versatile five-story logistics facility with a ramp and standard specifications
- In addition to approximately 60 truck berths, it features cargo elevators and vertical conveyors on each floor, providing high operational efficiency

Comparison of current rent with market rent (current rent indexed to 100)

weighted average lease expiry **2.0 years**



Sell：Ichikawa LC II

Swap①、Swap②

(1)~(5) 18% quasi-co-ownership interest each



Location	Ichikawa, Chiba
Planned date of disposition	(1) Feb. 2025 (2) Aug. 2025 (3) Feb. 2026 (4) Aug. 2026 (5) Feb. 2027
Planned disposition price	Total 24,700 Million yen
Appraisal Value	24,700 Million yen
Gloss leasable Area	74,516.70㎡ (equivalent to 100%)
Occupancy Rate	100%

Difference between the planned disposition price and the book value

10,336 Million yen

- The appraisal value is expected to increase by 35.0% from the time of acquisition decision to the end of November 2024, and the unrealized gain as a% is projected to rise to 72.0%.
- It has been determined that the property can **maximize its value**, as lease agreements have been successfully renewed with the occupying tenants at the targeted rent level.
- The internal rate of return (IRR) during the holding period is estimated to be 7.2%

Unitholder returns and portfolio management through the utilization of exchange transactions

- Reversal of reserve for reduction entry special provisions of replaced property
- Reduction entries of the acquisition book value

➢ Unitholder returns
➢ Improvement of yields on acquired properties
➢ Acquisition of capital gain potential

(See P7)

(Reference) Portfolio changes

		Before Transaction	Assets to be acquired			Asset to be disposed	After Transaction
			Kita Nagoya	Funabashi Nishiura III	Narashino II (10% quasi-co-ownership interest)	Ichikawa II (90% quasi-co-ownership interest)	
Appraisal value	JPY Million	411,310	10,800	16,720	12,500*	24,700	415,580
Unrealized gain	JPY Million	157,150	2,836	4,940	5,502*	10,336	154,832
Unrealized gain as a %	%	61.8	35.6	41.9	78.6*	72.0	59.4
Appraisal NOI yield	%	5.8	5.6	5.7	5.5*	3.7**	5.8
NOI yield after depreciation	%	4.5	4.7	5.0	4.1*	2.9**	4.5
No. of properties		52	1	1	1	1	53
Number of tenants		71	3	4	1	2	76
Gross leasable area	㎡	1,380,826.52	42,751.60	56,556.95	48,342.83*	74,516.70*	1,417,904.34
Occupancy rate	%	99.5	100.0	100.0	100.0	100.0	99.5
NAVPU	JPY	105,940	-	-	-	-	106,308
LTV based on appraisal value	%	29.1	-	-	-	-	28.8

*Based on 100% ownership interest
**Based on planned disposition price

Achieves unitholder returns and portfolio profitability.
Also secures potential for capital gains.

Applicable tax treatment	Benefits
Reversal of reserve for reduction entry special provisions of replaced property from sale of Ichikawa II	**(1) Unitholder returns (DPU growth)** • Reversal of **JPY 160** per unit in each period (FP25/7 through FP27/7) • Unitholder returns of post-reduction capital gains. Book capital gains of **JPY 283** per unit in FP25/7
Reduced entry of acquisition book value due to swap	**(2) Higher yields on acquisition properties** • Secure high appraisal NOI yields Kita Nagoya: **5.6%**. Funabashi Nishiura III: **5.7%**
	(3) Future potential for capital gains • Secure abundant unrealized gains Kita Nagoya: **JPY 2,836 Million** Funabashi Nishiura III: **JPY 4,940 Million**

Notes

Notes on Future Performance, Amounts, and Figures

- The amounts and figures for the period ending January 2026 and thereafter in this document are merely estimated values calculated by the asset manager based on certain premises and conditions as of the date of this document. Actual values may significantly differ depending on the future operational status of JLF. The same applies below. In particular, as of the date of this document, the planned acquisition price for the assets to be acquired under Swap (2), the planned disposition price for the assets to be disposed under Swap (2), and the reduction amount are all undetermined. Therefore, any fluctuations in these numbers will also affect the amounts and figures calculated based on them (DONAV, DPU, NAVPU, capital gain (after reduction), unitholder returns, Planned Acquisition Price (estimated after reduction), appraisal NOI yield (after reduction), NOI after depreciation yield (after reduction), discount from appraisal value (after reduction), difference between the planned disposition price and the book value, unrealized gains, and unrealized gain ratio, etc.). The same applies below.

Undetermined Figures as of the Date of This Document

The planned acquisition price for the assets to be acquired under Swap (2) and the planned disposition price for the assets to be disposed under Swap (2)

- In the trust beneficiary rights exchange agreement related to Swap (2), both the planned acquisition price for the assets to be acquired under Swap (2) and the planned disposition price for the assets to be disposed under Swap (2) are to be determined based on the appraisal value obtained by JLF and the exchange party, with the valuation date being within three months prior to the first planned swap date, and will be established by the end of January 2026, in accordance with the calculation method specified in the trust beneficiary rights exchange agreement. Therefore, the planned acquisition price for the assets to be acquired under Swap (2), the planned disposition price for the assets to be disposed under Swap (2), and the exchange difference, which is the difference between the two, are all currently undetermined.
  Based on the appraisal values of the assets to be acquired under Swap (2) and the assets to be disposed under Swap (2), the estimated planned acquisition price for the assets to be acquired under Swap (2) is a total of 15,700 million yen (5,181 million yen each for the 1st and 2nd swaps, and 5,338 million yen for the 3rd swap), while the estimated planned disposition price for the assets to be disposed under Swap (2) is a total of 14,820 million yen (4,940 million yen each for the 1st through 3rd swaps). These amounts are merely estimates calculated based on certain premises and conditions, and may significantly differ from the actual planned acquisition price of the assets to be acquired under Swap (2) and the planned disposition price of the assets to be disposed under Swap (2). The same applies below.

Reduction Amount (Amount of Reduction Entries Applied under the Provisions of Article 50 of the Corporation Tax Law)

- In this transaction, JLF plans to apply the provisions of Article 50 of the Corporation Tax Law regarding the injection of the “inclusion in deductible expenses of the amount of reduction of assets acquired through a swap”. It is expected to perform reduction entries by utilizing a portion of the capital gains from the assets to be disposed under Swap (1) and Swap (2). As JLF intends to determine the reduction amount within the limits of reduction entries that can be implemented during its fiscal period when each swap is executed, there is a possibility that these expected values may fluctuate significantly depending on the future operational status of JLF. The same applies below.

P1

- On January 31, 2025, JLF plans to cancel all of its own units acquired in accordance with the resolution of Board of Directors held on September 11, 2024, and effective February 1, 2025, JLF plans to split its investment units in a 1-to-3 ratio. Accordingly, JLF has changed its DPU target from 6,300 yen to 2,100 yen, and information for the fiscal period ending January 2025 and earlier has been converted to post-split figures. The same applies hereafter.
- “Price to NAV” refers to a multiple of the investment unit price versus Net Asset Value per Unit (NAVPU).
- “DPU” means distributions per unit.
- “DONAV” is calculated using the following formula and is used by JLF as an indicator of a J-REIT‘s capital efficiency.
  DPU for the given fiscal period ÷ NAVPU as of the end of that fiscal period *2
- "NAVPU" refers to an estimate regarding the net asset value per unit based on the appraisal value of the assets held as calculated using the following formula and differs from net asset value per unit based on the net asset value on the balance sheet.
  (Net assets on the balance sheet as of the end of the relevant period - Total distributions for the relevant period + Total appraisal value of assets held as of the end of the relevant period - Total book value of assets held as of the end of the relevant period) ÷ Number of investment units issued and outstanding as of the end of the relevant period

Notes

P2
- “Adjusted EPU” excludes “Capital gains, etc., per unit” as defined below from DPU from each fiscal period and is an EPU figures adjusted for the impact on DPU from capital gains, etc.
- “Capital gains, etc., per unit” is calculated by dividing capital gains from the sale of real estate, less expenses (AM fees, non-exempt consumption tax, temporary increase in maintenance and repair expenses resulting from the booking of capital gains from the sale of real estate) resulting from the sale of assets held and taking into account the amount the reversal/addition of the reserve for reduction entry, by the number of investment units outstanding and reflects the real impact on DPU from capital gains, etc.
- Information for the fiscal period ending January 2026 and beyond provided on this page are estimates and targets provided by the asset manager as of the date of this document and may differ from actual results.

P3
- It is difficult to clearly determine whether asset value has indeed been maximized. Here, the expression “properties where asset value has been maximized” is used in reference to Ichikawa II, since the asset manager has determined that rent and leasing conditions, etc. have reached levels targeted and its asset value has been generally maximized in the management of JLF.
- “Internal rate of return (IRR) for the holding period” related to Ichikawa II was calculated using the following assumptions.
  Holding period: From JLF’s date of acquisition (September 3, 2010) through JLF’s planned dates of disposition (February 3, 2025, August 1, 2025, February 2, 2026, August 3, 2026, February 1, 2027)
  NCF: Actuals used from the date of acquisition through fiscal period ended July 2024. Estimates used for the fiscal period ending January 2025 through the fiscal period ending July 2027.
- “Appraisal NOI yield” is calculated using a weighted average of appraisal NOI yield based on the planned acquisition price. Note that "Appraisal NOI" refers to the net operating income based on the direct capitalization method as stated in the respective real estate appraisal report and is the income before deducting depreciation expenses. In the Kita Nagoya and the Funabashi Nishiura III, the estimated acquisition prices after reduction as of the date of this document are used in the calculation. The same applies hereafter.
- “Implied cap rate” is the investor's required property yield and on this page is calculated using the following formula;
  Total appraised NOI of JLF-owned properties at the end of the period ended July 2024 ÷ [total market value of JLF's units as of September 12, 2024, through January 10, 2025 + total interest-bearing debt + security deposits and guarantee + security deposits and guarantee in trust + long-term deposits - (cash and deposits + cash and deposits in trust)]
- “NOI after depreciation (per period)” for the assets to be acquired (Kita Nagoya and Funabashi Nishiura III) reflects the real estate leasing business profit under the assumption that the rental conditions as of the date of this document remain in effect for each property and that all swap and sale transactions have been completed.
  “NOI after depreciation (per fiscal period) “ is an estimated value calculated based on the formula above and does not guarantee or promise the amount of NOI after depreciation (per fiscal period) at the time all transactions are completed.

P4-5
- Regarding Kita Nagoya Logistics Center and Funabashi Nishiura Logistics Center III, JLF plans to acquire quasi-ownership interests at each planned acquisition date, but this page presents figures equivalent to a total of 100% ownership that JLF will acquire.
- Planned acquisition price for Funabashi Nishiura III and the planned disposition price for Ichikawa II are calculated using estimated amounts to arrive at a total amount. The planned acquisition price for Funabashi Nishiura III and the planned disposition price for the quasi-ownership interests in Ichikawa II to be transferred after February 2026 are scheduled to be determined by the end of January 2026 based on the appraisal values obtained by JLF and the exchange party, so there is a possibility that the stated amounts may fluctuate.
- Regarding the “Planned acquisition price (after reduction)”, JLF plans to conduct reduction entries utilizing a portion of the capital gains from the assets to be disposed. The amounts refer to the planned acquisition price of the assets to be acquired, after deducting the estimated reduction amount.
- For Narashino Logistics Center II, JLF intends to acquire a 10% quasi-ownership interest, but the gross leasable area is presented based on the entire building. Additionally, the appraisal NOI yield, NOI after depreciation yield, and Unrealized gain as a %presented are all projected values after 100% ownership.
- For Ichikawa Logistics Center II, JLF plans to transfer quasi-ownership interests at each planned disposition time, but this page contains figures equivalent to a total of 90% ownership that JLF will transfer.

Notes

P4-5

- In the graph “Comparison of current rent with (nearby properties and) market rent (current rent indexed to 100)”, the “Current rent” refers to the rent stipulated in the lease agreements that are effective as of the date of this document. For Funabashi Nishiura III, the rent for main building is referenced. The “Estimated market rent” refers to the median of the expected new rental levels obtained from the market report by CBRE k.k. for each property acquisition. In the graph for Kita Nagoya, the “JLF Nearby Property Rent” refers to the average rent stipulated in the valid lease agreements for “Kiyosu Logistics Center”, as well as the pipeline properties “Ichinomiya Logistics Center” and “Ichinomiya Logistics Center II”, as of the end of November 2024. “Estimated market rent” and “Rent for nearby properties of JLF” are merely figures calculated by the asset manager as a reference to determine whether or not there are potential for rent increase. They do not guarantee the actual contracted rent, nor do they guarantee that the rent will be increased commensurate with such figures.
- The “Weighted Average Lease Expiry” is calculated as a weighted average of the remaining periods until the contract expiration as stated in each lease agreement as of the date of this document, based on the leased area.

P6

- The information “Before Transaction” includes data as of December 31, 2024. However, the appraisal value and the appraisal NOI yield, as well as the NOI yield after depreciation are calculated using the appraisal value and NOI from the appraisal report as of the end of July 2024. The appraisal NOI yield and the NOI yield after depreciation for Ichikawa II are calculated by dividing by the planned disposition price.
- “Unrealized gain” refers to the amount obtained by subtracting the book value from the appraisal value (if the difference is negative, it is an unrealized loss). “Unrealized gain as a %” is calculated by the following formula.
  (Appraisal value - book value) ÷ book value
  However, “Unrealized gain” for assets to be acquired, the planned acquisition price (after reduction for Kita Nagoya and Funabashi Nishiura III) is subtracted from appraisal value. Here, unrealized gain as a % is calculated using the following formula.
  (Appraisal value - planned acquisition price (after reduction for Kita Nagoya and Funabashi Nishiura III)) ÷ planned acquisition price (after reduction for Kita Nagoya and Funabashi Nishiura III)
- The “Appraisal LTV” is calculated using the following formula.
  Total interest-bearing liabilities ÷ Total appraisal value.

P7

- JLF has booked JPY 2,219 Million in reserve for reduction entry of special provisions of replaced property with regard to Ichikawa II (land), which will be reversed as a result of the sale of the asset as part of these transactions. That reversal will be applied in installments in each fiscal period in proportion to progress in the sale of the asset and will be allocated to cash distributions.
- For Swaps (1) and (2), JLF plans to apply reduction entries for the acquired assets under the provisions of Article 50 of the Corporation Tax Law, “Inclusion in deductible expenses of the amount of reduction of assets acquired through a swap”. In the fiscal period ending July 2025, with regard to Kita Nagoya, JPY 2,636 Million reduction entry will be applied, and the book value will become JPY 7,963 Million. Similar reduction entries shall be made for assets to be acquired in the fiscal period ending January 2026 and beyond, but those amounts are yet to be determined as of the date of this document.

Disclaimer

Monetary values have been rounded down.

Percentages have been rounded to the first decimal point.

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