

Japan Logistics Fund, Inc.

Supplemental Material to the Press Releases Announced Today

- Notice Concerning the Acquisition of Real estate trust beneficiary right and Disposition of Real Estate Asset
  (Acquisition of Ishikari Logistics Center (45% quasi-co-ownership interest) and Disposition of Kadoma Logistics Center)

- Notice Concerning Revision of Forecast for the Six-Month Period Ending January 31, 2026

December 12, 2025

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

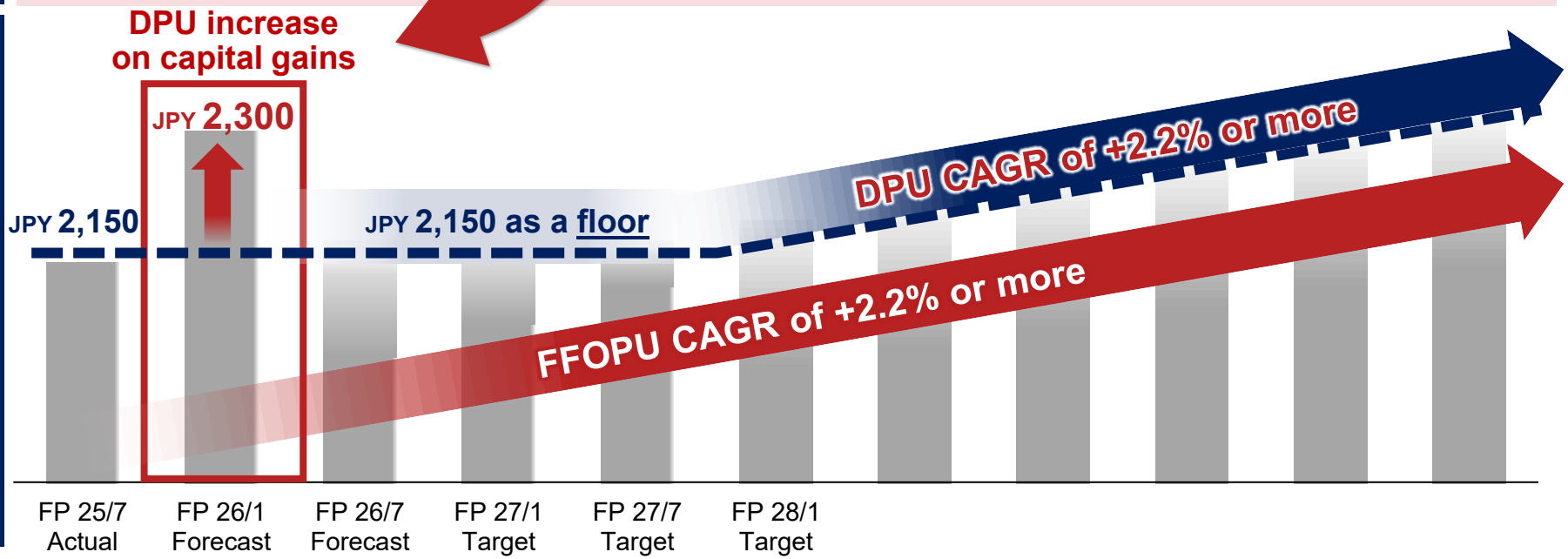
The Transaction and Growth Strategy

Implement asset replacement to continue achieving FFOPU growth of +2.2% or more
Revise forecasted DPU for FP 26/1 upward by 7.0% due to higher capital gains

Tactics to achieve an average annual FFOPU growth rate of +2.2%

	A. Rental growth	B. Capital recycling	C. Contain costs
Core Growth Tactics	■ Enhance rental growth rates and rent hike opportunities →Annual average topline growth of 1.1% through 6% to 7% re-leasing spreads X 17% of leases renewing per year.	■ Advance property dispositions and re-investments that contribute to FFOPU growth ■ Implement unit buybacks at attractive implied cap rates ■ Acquire pipeline properties with advantageous yields	■ Contain cost inflation through efficient financial operations and leasing business cost controls
Contribution toward FFOPU growth	+1.7% CAGR	+1.7% CAGR	-1.2% CAGR
	+2.2% CAGR		

Approximation of DPU (image)



The Transaction Overview

Drive FFOPU growth and secure future rent increase potential through asset replacement

Acquisition	Disposition
Ishikari LC (quasi co-ownership 45%)	Kadoma LC

1 Replacing assets with high-efficiency investment property



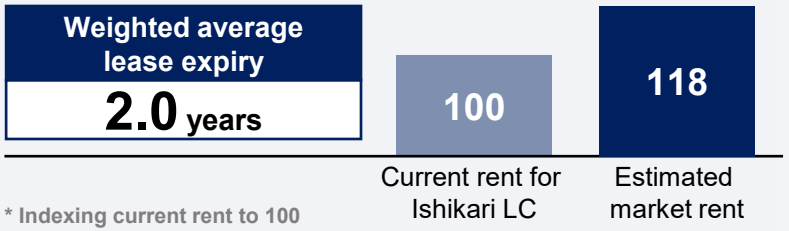
- Appraisal value JPY 1,070 M
- Acquisition price JPY 1,042 M
- 2.6% discount
- +290bps
- Implied cap rate 4.2%
- Acquisition yield 7.1%
- Reshuffling
- Disposition yield 3.2%
- 44.4% premium
- Disposition price JPY 2,730 M
- Appraisal value JPY 1,890 M
- Expected capital gain JPY 1,512M

2 Future rent Increase potential

Property with high rent increase potential

Operational flexibility to come with 100% ownership

Comparison of current rent with market rent



Property where asset value has been maximized

Renewals at upper market rent levels

IRR during holding period

IRR	Holding period
9.1%	18.5 years

Progress / Plans and benefits of Capital Recycling

Boost FFOPU and capture future growth potential through high-efficiency re-investment
Continue executing effective capital recycling utilizing disposition candidates

Track and Plans record of Sell／Re-invest

Transaction	2024	2025		2026		2027	
	Jul.	Jan.	Jul.	Jan.	Jul.	Jan.	Jul.
Sell	Urayasu Chidori II (JPY 2,060M)	Komaki II (JPY 2,250M)	Ichikawa II (18%) Komaki (JPY 7,290M)	Ichikawa II (18%) Kadoma (JPY 7,670M)	Ichikawa II (18%) (JPY 4,940M)	Ichikawa II (18%) (JPY 4,940M)	Ichikawa II (18%) (JPY 4,940M)
Buy	Ishikari(55%) Settsu (JPY 2,173M)	-	Kita Nagoya (50%) Narashino II(10%) Inzai (JPY 7,857M)	Kita Nagoya (50%) Ishikari (45%) (JPY 6,342M)	Funabashi Nishiura III (33%) (JPY 5,181M)	Funabashi Nishiura III (33%) (JPY 5,181M)	Funabashi Nishiura III (34%) (JPY 5,338M)
Unit Buybacks	-	JPY 2,652M	JPY 1,490M	Up to JPY 4,000M	Ongoing program setup considerations		

Ongoing recycling considerations

Shift to high-yield pipeline acquisitions if unit buybacks do not progress

1 Capital recycling cognizant of investment efficiency

Disposition yield 3.8%

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Acquisition yield* 4.6%

Buyback effect 4.5~4.7%

+

2 Acquire FFOPU growth potential

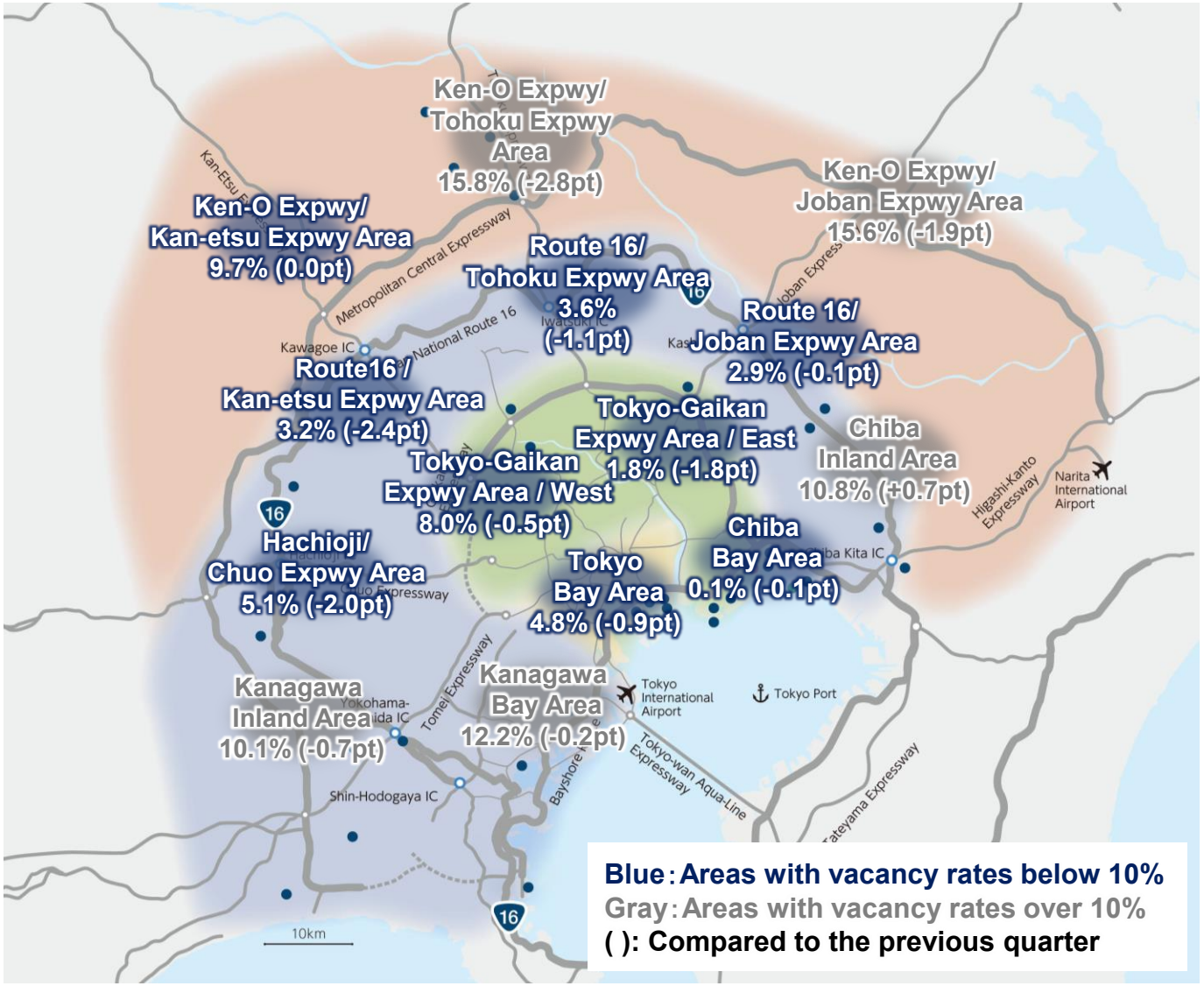
Properties acquired rent gap 15.8%

Sell properties where asset value has been maximized and buy properties with room for rental growth

*Acquisition yields are calculated before taking into account the reduction entry due to the exchange.

(Reference) Vacancy Rates by Area and Trends in Property Holdings in the Tokyo Metropolitan Area

Vacancy absorption advanced across most areas, leading to an improvement in the vacancy rate



Note

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- “FFOPU” means FFO per unit, and “FFO” is calculated using the following formula. The same applies hereafter.
  FFO = Net income + Depreciation costs, etc. + loss on disposal of fixed assets + capital losses - capital gains
- “Contribution toward FFOPU growth” is an estimate by the asset management company of the contribution of each growth tactic to FFOPU for the fiscal period ended July 2025, based on certain assumptions. Actual FFOPU may vary, and the figures in this estimate do not guarantee growth.
- "re-leasing spread" is based on the status of the lease contracts that have matured or leases planned to contract, excluding contracts with a term of one year or less, regular lease contracts, and contracts that experienced a vacancy period (downtime) upon renewal. The percentage change in adjusted rents and facility charges, taking into account free rents before and after contract renewal in each fiscal period, is expressed as a weighted average based on the respective adjusted rents and facility charges before contract renewal. Therefore, re-leasing spread (%) does not necessarily correspond to the increase or decrease in rent income of JLF in any given fiscal period.
- “Implied cap rate (Implied CR)” refers to the real estate yield sought by investors, calculated based on the investment unit price, using the following formula. The same applies hereafter.
  Implied CR = Total appraisal NOI of JLF’s portfolio properties as of the end of the previous fiscal period / [Market capitalization of JLF’s investment units as of each date + Total interest-bearing debt as of the end of the previous fiscal period + Security deposits and guarantee money as of the end of the previous fiscal period + Security deposits and guarantee money in trust as of the end of the previous fiscal period + Long-term deposits as of the end of the previous fiscal period − (Cash and deposits as of the end of the previous fiscal period + Cash and deposits in trust as of the end of the previous fiscal period)]
  On page 3, the figure is calculated based on market capitalization on December 5, 2025.
- “DPU” means distribution per unit. The same applies hereafter.

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- “Disposition yield” is calculated by dividing the appraisal NOI of the disposed property by the sale price. The same applies hereafter.
- “Acquisition yield” is calculated by dividing the appraisal NOI of the acquired property by the acquisition price. The same applies hereafter.
- “Expected capital gain” of Kadoma Logistics Center provided is the disposition price less expenses related to the disposition and the book value as of the disposition date and may differ from the actual real estate capital gain.
- “Discount” and “Premium” refer to the discount on the acquisition price or the premium on the disposition price compared to appraisal value and are calculated using the following formula.
  Discount = (Appraisal value - Acquisition price) ÷ Appraisal value X 100
  Premium = (Disposition price - Appraisal value) ÷ Appraisal value X 100
- “Internal rate of return (IRR) for the holding period” related to Kadoma LC is calculated using the following assumptions.
  Holding period: From JLF’s date of acquisition through JLF’s date of disposition.
  NCF: Actuals used from the date of acquisition through fiscal period ended July 2025. Estimates used for the fiscal period ending January 2026.
- 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.
- In the graph “Comparison of current rent with 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. The “Estimated market rent” refers to the median of the expected new rental levels obtained from the market report by CBRE k.k. for Ishikari LC. The “Estimated market rent” is 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.

Note

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- “Disposition yield” and “Acquisition yield” on this page are calculated based on properties that have been sold/acquired or are planned to be sold/acquired during the period from the fiscal period ended July 2024 to the fiscal period ending July 2027.
- For the fiscal period ending July 2026 and later, planned acquisition price for Funabashi Nishiura LC III and planned disposition price for Ichikawa LC II are calculated using estimated amounts to arrive at a total amount. The planned acquisition price for Funabashi Nishiura LC III and the planned disposition price for the quasi-ownership interests in Ichikawa LC 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.
- “Buyback effect” represents the range of implied cap rate based on investment unit prices during the periods in which JLF conducted buybacks in the fiscal periods ended January 2025 and July 2025.
- “Properties acquired rent gap” is calculated using the following formula, based on the market rent and the current rent stipulated in lease agreements effective as of December 12, 2025, for properties acquired or planned to be acquired during the period from the fiscal period ended July 2024 to the fiscal period ending July 2027:
  Rent gap = (Market rent − Current rent) / Current rent
  The 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. This does not guarantee the actual contracted rent or that rent increases will occur in line with the rent gap.

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- The figures in “Vacancy Rates by Area in Property Holdings in the Tokyo Metropolitan Area” are based on a survey conducted by CBRE K.K. as of the end of September 2025 at the request of JLF and its asset management company.