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For Immediate Release

Real Estate Investment Trust

Japan Logistics Fund, Inc. (Security Code: 8967)

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Notice Concerning Change of the Scheduled Date of Delivery

Japan Logistics Fund, Inc. (hereinafter referred to as “JLF”) announced today that regarding the acquisition of Aisai Logistics Center (hereinafter “the Property”) described in “Notice Concerning Acquisition of New Assets” (hereafter referred to as the “Notice”) announced on November 28, 2018, it has changed the scheduled date of delivery.

JLF will also update the outline of the Property as well as the outline of the appraisal as of January 31, 2020.

1. Outline of the acquisition

(1) The Property

| Property number | Name of the property | Scheduled date of delivery | Seller | Acquisition price (million yen) (Note 1) | Appraisal value (million yen) (Note 2) | Expected NOI yield (Acquisition price base) (Note 3) |
|-----------------|------------------------|----------------------------|-----------------------|--|--|--|
| T-12 | Aisai Logistics Center | To be Decided (Note 4) | LONCO JAPAN co., Ltd. | 2,510 | 2,740 | 5.2% |

(Note 1) Overhead cost of the acquisition, fixed asset tax, city planning tax and consumption tax are not included in the acquisition price.

(Note 2) Since the building has not yet been completed as of the appraisal date, an appraisal of the unfinished building in accordance with real estate appraisal standards was conducted. The figure in the table is based on an appraisal conducted on the assumption that the building to be constructed for Fujisawa Logistics Center and Aisai Logistics Center are completed as per the design drawings, building certification is issued and building registration is also complete. The same applies below.

(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 of medium-term based on annual income and expense projections by the Asset management company and is not the forecast at the time of acquisition of the Property nor the forecast for the fiscal period ending July 2021.

(Note 4) The delivery date will be decided between February 27, 2021 and March 31, 2021 by an agreement between JLF and LONCO JAPAN co., Ltd. (hereinafter “LONCO JAPAN”).

- (2) Fund source To be decided
JLF will announce the financing method for these properties as soon as it has been decided.
- (3) Payment method Lump-sum payment on the date of delivery
The Purchase Agreement, corresponds to the forward commitment, etc. (Note)
stipulated in the “Comprehensive Guidelines for Supervision of Financial Instruments
Business Operators, etc.” set by the Financial Services Agency. Please refer to “4.
Financial impact on JLF when the forward commitment, etc. cannot be fulfilled”
regarding the contents of the termination clause.
(Note) A post-dated acquisition contract, in which the actual transactions or closing take place one
month or more after the conclusion of a contract. The same will apply hereafter.

2. Outline of the seller

Please refer to the press release dated November 28, 2018.

3. Current condition of the seller

The seller of the property does not fall under an interested party of either JLF or the asset manager.

4. Financial impact on JLF when the forward commitment, etc. cannot be fulfilled

The cancellation clauses, etc. expected to be stipulated in the Purchase Agreement (Aisai Logistics Center) are as shown below. However, failure to procure funds corresponding to the transaction amount does not constitute a non-performance of the buyer's obligations under the Purchase Agreement (Aisai Logistics Center). Therefore, unless JLF violates its obligations under the Purchase Agreement (Aisai Logistics Center), JLF does not bear an obligation to pay monies such as the penalties set forth in (2) below. For that reason, even in the event that JLF is unable to procure funds and perform the forward commitment and the like, that event is deemed to have little or no potential to have great impact on the financials and the like of JLF.

- (1) If either party breaches the Purchase Agreement (Aisai Logistics Center), the other party may request performance specifying a reasonable period and may cancel the Purchase Agreement (Aisai Logistics Center) if performance is not made within such period.
- (2) If one of the parties cancels the Purchase Agreement (Aisai Logistics Center) in accordance with (1) above, the cancelling party may demand that the other party pay a penalty in an amount equivalent to 20% of the purchase price. The party which breached the Purchase Agreement (Aisai Logistics Center) shall also compensate the other party for all damage incurred by the other party as a result of such breach.

5. Future prospects

The date of delivery are expected to be after February 27, 2021. Therefore, there is no impact on the forecast for the fiscal period ending July 2020 (30th period) and the fiscal period ending January 2021 (31st period).

6. Details of the Property

(1) Outline of the Property

[T-12 Aisai Logistics Center]

| Outline of the asset | | | Outline of the appraisal (Note 8) | | |
|---|---------------------------------|---|---|--|--|
| Asset type | | Real estate | Real estate appraiser | | DAIWA REAL ESTATE APRAISAL CO.,LTD |
| Scheduled Date of the acquisition | | To be decided (Note 1) | Date of the appraisal | | January 31, 2020 |
| Acquisition price | | 2,510 million yen | Appraisal value | | 2,740 million yen |
| Land | Location | 32-6, Eda, Minami-Gota-cho, Aisai, Aichi and Others | Income approach | | 2,740 million yen |
| | Site area (Note 2) | 10,067.77 m ² | Discounted cash flow approach | | 2,730 million yen |
| | Zoning | Not specified (Urbanization control area) | | | |
| | Floor-area ratio | 200% | | | |
| | Building-to-land ratio | 60% | Discount rate | | 4.4% |
| | Type of ownership | Ownership | Terminal cap rate | | 4.8% |
| Building | Structure/Story (Note 2) | Steel sturcture 3 stories | Direct capitalization approach | | 2,760 million yen |
| | Date of the completion (Note 2) | January 28, 2020 | | | |
| | Total floor area (Note 2) | 13,852.46 m ² | | | |
| | Total rentable area | 13,852.46 m ² (Expected) | Cap rate | | 4.6% |
| | Usage (Note 2) | Warehouse | | | |
| | Type of ownership | Ownership | | | |
| Property management company | | To be decided | Cost approach | | 2,940 million yen |
| Collateral | | None | Land (Percentage) | | 30.1% |
| | | | Building (Percentage) | | 69.9% |
| Outline of the lease contract (Note 3) | | | Outline of engineering report (Note 9) | | |
| Number of tenants | | 1 | Survey company | | Shimizu Corporation |
| Names of tenant | | LONCO JAPAN co.,ltd. | Issue date of the report | | October 31, 2018 |
| Annual rent (excluding consumption tax) | | Not disclosed (Note 4) | Urgent repairs | | - |
| Lease deposit | | Not disclosed (Note 4) | Short-term repairs | | - |
| Total rent area | | 13,852.46 m ² (Expected) | Long-term repairs | | 1,685 thousand yen |
| Occupancy | | 100.0% (Expected) | PML | | 11.5% |
| Expected income/expense (Note 5) | | | Design company, construction company and building certification company | | |
| Income (including auxiliary income) | | Not disclosed (Note 6) | Design company | | Yano Architects |
| Expected NOI | | 130 million yen | Construction company | | Yano Construction Co., Ltd. |
| Expected NOI yield (based on acquisition price) | | 5.2 % (Note 7) | Building certification company | | Japan Constructive Inspect Association |
| Remarks: | | | | | |
| Prerequisite assumptions include that JLF has completed the financing for the acquisiton and the Building meets specifications set forth in The Purchase Agreement. | | | | | |
| (Note 1) The delivery date will be decided between February 27, 2021 and March 31, 2021 by an agreement between JLF and LONCO JAPAN. | | | | | |
| (Note 2) The outline shown here is according to the real estate registry, and may differ from the present state. | | | | | |

- (Note 3) Based on the content of a fixed term building lease contract with a termination clause that is due to be concluded between JLF and LONCO JAPAN on November 30, 2018. LONCO JAPAN plans to move into the Property as lessee after the sale of the Property.
- (Note 4) Not disclosed, for unable to obtain the tenant's consent.
- (Note 5) The figures are normalized estimate of medium-term based on annual income and expense projections by the Asset management company and are not the forecast at the time of acquisition of the Property nor the forecast for the fiscal period ending July 2021.
- (Note 6) 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 7) The figure is expected NOI divided by 2,510 million yen, which is the acquisition price.
- (Note 8) Since the Building was not complete as of the appraisal date, an appraisal of the unfinished building, etc. in accordance with real estate appraisal standards was conducted. The figure in the table is based on an appraisal conducted on the assumption that the Property is completed as per the design drawings, building certification is issued and building registration is also complete.
- (Note 9) The information is based on an engineering report produced on the assumption of the plan as of the date of this release. Such plan may be changed in the future and the details of the abovementioned engineering report may also be subject to change in the future. The details shown above do not constitute any guarantee or definite promise of the details of the engineering report as of acquisition of the Property. JLF plans to obtain an engineering report again when acquiring the Property.

(2) Outline of the appraisal

[T-12 Aisai Logistics Center] (Note 1)

| | |
|-----------------------|-------------------------------------|
| Appraisal value | 2,740 million yen |
| Real estate appraiser | DAIWA REAL ESTATE APPRAISAL CO.,LTD |
| Date of appraisal | January 31, 2020 |

| Item | Details | Outline |
|--|------------------------|--|
| Income approach value | 2,740 million yen | Appraisal performed based on DCF approach as a standard, with validation using the direct capitalization approach |
| Direct capitalization approach | 2,760 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 | 2 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 | 17 million yen | Estimated value |
| Casualty insurance premium | Not disclosed (Note) | Appraisal based on a standard rate, with no earthquake insurance subscribed |
| Other expenses | 1 million yen | Appraisal based on earnings samples and the like |
| Net operating income | 131 million yen | |
| Profit on the investment of a lump sum | Not disclosed (Note 2) | |
| Capital expenditure | 5 million yen | Appraisal by applying set allocations to figures based on ER and comparable transactions |
| Net cash flow | 126 million yen | |
| Capitalization rate | 4.6% | 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 | 2,730 million yen | |
| Discount rate | 4.4% | 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 | 4.8% | Appraisal by incorporating future forecasting uncertainties based on a capitalization yield |
| Cost approach | 2,940 million yen | |
| Land percentage | 30.1% | |
| Building percentage | 69.9% | |
| Remarks | Not applicable | |

(Note 1) As of the date of the appraisal, the building has not yet been completed, and thus the appraisal value of the Property was calculated by using “Appraisal of Uncompleted Buildings” stipulated in the Real Estate Appraisal Standards. As a result, the appraisal is carried out based on the assumption that this building is a property after completion that has been completed as planned, has received the delivery of the inspection certificate and has undergone registration.

(Note 2) 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/>