

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 the Amendment of Asset Management Guideline

Mitsui & Co., Logistics Partners Ltd. (hereinafter referred to as “MLP”), the asset manager of Japan Logistics Fund Inc. (hereafter referred to as “JLF”), announced today that the board of directors of MLP has decided to amend its Asset Management Guideline as described below.

1. Main Contents and Rationale for the Change

- (1) In the provisions concerning investment stance, MLP clarifies that JLF may acquire land for development, construct a building on the land as the client, and acquire the building (what is called greenfield development). In addition, MLP makes a new provision regarding points to keep in mind when undertaking greenfield development (For details on the change, refer to Appendix 1. And for MLP’s approach to risk management for greenfield development, refer to Appendix 2).

In the past, JLF has carried out four cases of redevelopment projects of the properties held by JLF by itself (OBR: Own Book Redevelopment) and has realized an increase in revenue and asset value. In addition, in September 2020, JLF made the decision to implement a redevelopment project for the Urayasu Logistics Center, and this project is currently progressing smoothly. MLP amends its Asset Management Guideline in order to further expand investment opportunities by applying its knowledge of logistics properties development, which it has cultivated through OBR projects, to greenfield development.

- (2) At the 11th General Meeting of Unitholders held on October 21, 2020, JLF made the necessary changes to part of its Articles of Incorporation so that dividends, etc. on investment units of JLF would be subject to the tax exemption system in connection with the introduction of the Nippon Individual Saving Account (NEW NISA), a tax-exempt program for small investments. In accordance with the partial amendment to the Articles of Incorporation, the Asset Management Guideline will be amended. (For details on the change, refer to the Appendix 1.)

2. Date of the Change

July 21, 2021

3. Future Prospects

There is no impact on the forecast for the fiscal period ending July 2021 (the 32nd period) and the fiscal period ending January 2022 (the 33rd period).

(End)

*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.

Main contents of the changes (Underlined parts have been changed)

Before	After
<p>2. Investment policy (Omitted)</p> <p>2) Investment stance (Omitted)</p> <p>(A) Acquisition policy (Omitted)</p> <p>c. Portfolio construction (i) Use of investment target The primary investment targets shall be real estate used for logistics facilities. Real estate used for data centers and other telecommunication facilities and real estate that is not being used for logistics facilities at the time of acquisition but may be converted or redeveloped to be used for logistics facilities (hereinafter referred to as “Other Real Estate”) may become investment targets. (Omitted)</p> <p>e. Investment in development projects When investing in real estate that is under development or scheduled to be developed (hereinafter referred to as "Development Real Estate"), MLP shall make investment decisions comprehensively after carefully considering risks related to the completion and delivery of the properties, risks related to securing tenants after the completion of building, and other risks related to Development Real Estate. <u>In principle, acquisition of Development Real Estate shall be conditional upon completion of the building.</u></p> <p>(Omitted)</p>	<p>2. Investment policy (Omitted)</p> <p>2) Investment stance (Omitted)</p> <p>(A) Acquisition policy (Omitted)</p> <p>c. Portfolio construction (i) Use of investment target The primary investment targets shall be real estate used for logistics facilities. Real estate used for data centers and other telecommunication facilities and real estate that is not being used for logistics facilities at the time of acquisition but may be <u>constructed</u>, converted or redeveloped to be used for logistics facilities (hereinafter referred to as “Other Real Estate”) may become investment targets. (Omitted)</p> <p>e. Investment in development projects When investing in real estate that is under development or scheduled to be developed (hereinafter referred to as "Development Real Estate"), MLP shall make investment decisions comprehensively after carefully considering risks related to the completion and delivery of the properties, risks related to securing tenants after the completion of building, and other risks related to Development Real Estate. If JLF invests in the Development Real Estate in collaboration with a third party as a business partner (including a case where JLF acquires land for development and acquires a building that the third party builds on the land; hereinafter “Collaborative Development Investment”), MLP shall examine the degree of difficulty of development, the period and cost required for development, the profitability after completion of development and the third party’ s creditworthiness, track record in the development of logistics facilities, expertise, and technical capabilities (including accuracy in construction, management capability, and design capacity), and shall make investment decisions comprehensively after carefully considering risks related to the completion and delivery of the properties, risks related to securing tenants after the completion of building, the credit risk of the third party, and other risks related to investment in Collaborative Development Investment. <u>In addition, in cases JLF acquires land for development, constructs a building on the land as the client, and acquires the building (hereinafter referred to as "Investment in Independent Development"). MLP shall examine the degree of difficulty of development, the period and cost required for development, and the profitability after completion of development, and shall make investment decisions comprehensively after carefully considering risks related to the completion and delivery of the properties, risks related to securing tenants after the completion of building, and other risks related to Investment in Independent Development.</u></p> <p>(Omitted)</p>

Before	After
<p>(C) Portfolio management policy (Omitted) <u>(Added)</u></p> <p>(Omitted)</p> <p>(G) Acquisition of Other Real Estate (Omitted)</p> <p>JLF shall strategically invest in secondary investment targets that are not being used for logistics facilities at the time of acquisition but may be converted or redeveloped to be used for logistics facilities. In this case, MLP shall examine the lease agreements with tenants and the facility management condition at the time of acquisition, and shall make an investment decision after carefully considering the operational risk in the period up to the commencement of operation of the logistics facilities after conversion or rebuilding.</p> <p>6. Investment restrictions</p> <p>1) Investment restrictions based on the Articles of Incorporation The investment restrictions based on the Articles of Incorporation are as follows. (Omitted)</p> <p>(B) Restrictions on derivative transactions JLF shall invest in rights related to derivative transactions only for the purpose of <u>hedging foreign exchange risks, interest rate fluctuation risks and other risks arising from</u> liabilities of JLF (Article 33, Paragraph 2). (Omitted)</p>	<p>(C) Portfolio management policy (Omitted)</p> <p><u>g. Investment in independent development</u> <u>In the case of implementing the construction of a building as independent development investment, MLP shall make decision based on comprehensive assessments of the schedule from the decision to implement the construction of the building to its completion, the location of the property, the profitability expected to be realized after the completion of the building in accordance with the building plan drawings, and other factors.</u></p> <p>(Omitted)</p> <p>(G) Acquisition of Other Real Estate (Omitted)</p> <p>JLF shall strategically invest in secondary investment targets that are not being used for logistics facilities at the time of acquisition but may be <u>constructed,</u> converted or redeveloped to be used for logistics facilities. In this case, MLP shall examine <u>the real estate condition,</u> the lease agreements with tenants and the facility management condition at the time of acquisition, and shall make an investment decision after carefully considering the operational risk in the period up to the commencement of operation of the logistics facilities after <u>construction,</u> conversion or rebuilding.</p> <p>6. Investment restrictions</p> <p>1) Investment restrictions based on the Articles of Incorporation The investment restrictions based on the Articles of Incorporation are as follows. (Omitted)</p> <p>(B) Restrictions on derivative transactions JLF shall invest in rights related to derivative transactions <u>listed in "3. Investment targets (i) Types of assets to be invested (c) m." above only for the purpose of reducing risks of price and interest rate fluctuations related to</u> liabilities of JLF (Article 33, Paragraph 2). (Omitted)</p>

(Reference) MLP's approach to risk management for greenfield development

