



# Japan Logistics Fund, Inc.

## Supplementary Materials to Today's Press Releases

- Notice Concerning Disposition of Real Estate Trust Beneficiary Rights (Urayasu Chidori Logistics Center III and Kawasaki Logistics Center)
- Notice Concerning Revision of Forecasts for the Six-Month Periods Ending July 31, 2026 and January 31, 2027

May 27, 2026

## Pursuit of Growth in FFO per Unit (FFOPU)

KPI

- Average annual growth rate: +2.2% or more
- Target for FP Jan. 2028: JPY 2,500



### Core Growth Measures

#### Rent increases

Improving rent growth and renewal rates

#### Capital recycling

Enhancing asset efficiency

This initiative

#### Cost control

Efficient financial and portfolio management

### Additional Growth Opportunities

LTV capacity

To be leveraged incrementally

Disciplined follow-on offering

To be considered carefully

**By continuously selling assets whose value has been maximized, we realize embedded value (property sales for nine consecutive fiscal periods)**

## Urayasu Chidori Logistics Center III

|   |                          |
|---|--------------------------|
| Location  | Urayasu, Chiba           |
| Completion  | December 1998            |
| Planned disposition date                                | June 2026                |
| Planned disposition price                               | JPY 2,400 million        |
| Appraisal value   | JPY 1,790 million        |
| Difference between the disposition price and book value | JPY <b>1,366</b> million |

- ✓ Asset value maximized after more than 10 years of ownership
- ✓ Sold at a **34.1%** premium to appraisal value
- ✓ Disposal yield: **3.1%**
- ✓ Holding-period IRR: **12.3%** (expected)

## Kawasaki Logistics Center

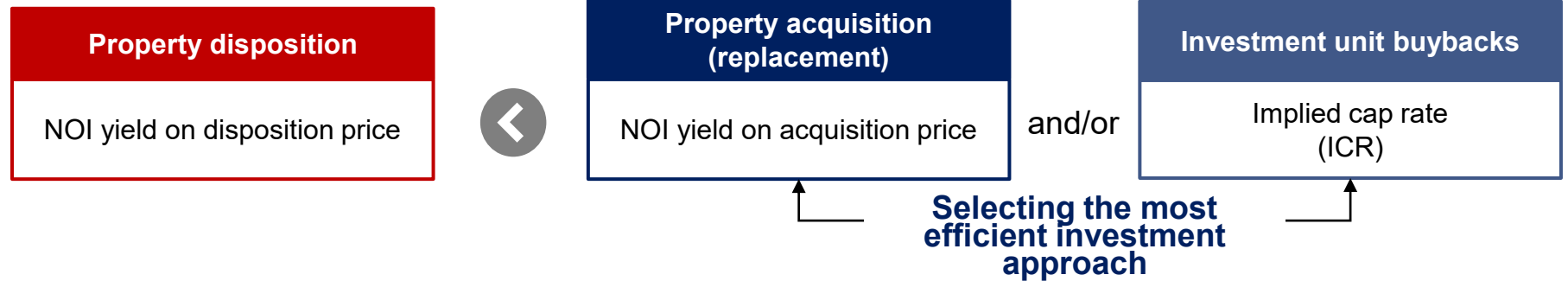
**((1)–(4): 25% quasi co-ownership interest each)**

|   |   |
|---|---|
| Location  | Kawasaki, Kanagawa  |
| Completion  | July 1989   |
| Planned disposition date                                | (1) Dec 2026 / (2) Jun 2027 / (3) Aug 2027 / (4) Feb 2028 |
| Planned disposition price                               | JPY 12,400 million (JPY 3,100 million each)               |
| Appraisal value   | JPY 12,400 million  |
| Difference between the disposition price and book value | JPY <b>3,635</b> million                                  |

- ✓ Strong long-term income contribution  
->Holding-period IRR: **6.1%** (expected)
- ✓ Phased **sales over four fiscal periods** secured near-term gains
- ✓ Assets with limited further upside were sold at appraised value, securing funds for reinvestment

In the near term, capital recycling is accelerating

We aim to drive FFOPU growth by effectively utilizing our ample reinvestment capacity.



| Transaction                                 | 2026  | 2027                                |                                     | 2028           |                | Amount        | Capital Recycling Potential   |
|---|---|-------------------------------------|-------------------------------------|----------------|----------------|---------------|---|
|   | Jul.  | Jan.                                | Jul.                                | Jan.           | Jul.           |               |   |
| <b>Sell</b>                                 | Urayasu Chidori III<br>Ichikawa II (18%)                        | Kawasaki (25%)<br>Ichikawa II (18%) | Kawasaki (25%)<br>Ichikawa II (18%) | Kawasaki (25%) | Kawasaki (25%) | JPY<br>29.6 B | Disposal candidate properties /<br>Portfolio NOI yield<br>About JPY 32.0 B / 4.1% |
| <b>Ongoing recycling considerations</b>     |   |                                     |                                     |                |                |               |   |
| <b>Buy</b>                                  | Funabashi<br>Nishiura III (33%)<br>Tosu<br>Yokohama Torihamacho | Funabashi<br>Nishiura III (33%)     | Funabashi<br>Nishiura III (34%)     | TBD            | TBD            | JPY<br>18.1 B | Acquisition pipeline properties /<br>NOI yield<br>About 100 B+ / High 4% range    |
| <b>Ongoing program setup considerations</b> |   |                                     |                                     |                |                |               |   |
| <b>Unit Buyback</b>                         | Executed  | TBD                                 | TBD                                 | TBD            | TBD            | JPY<br>28 M   | Buyback (execution level in FP 26/7)<br><b>ICR of 4.5%+</b>                       |

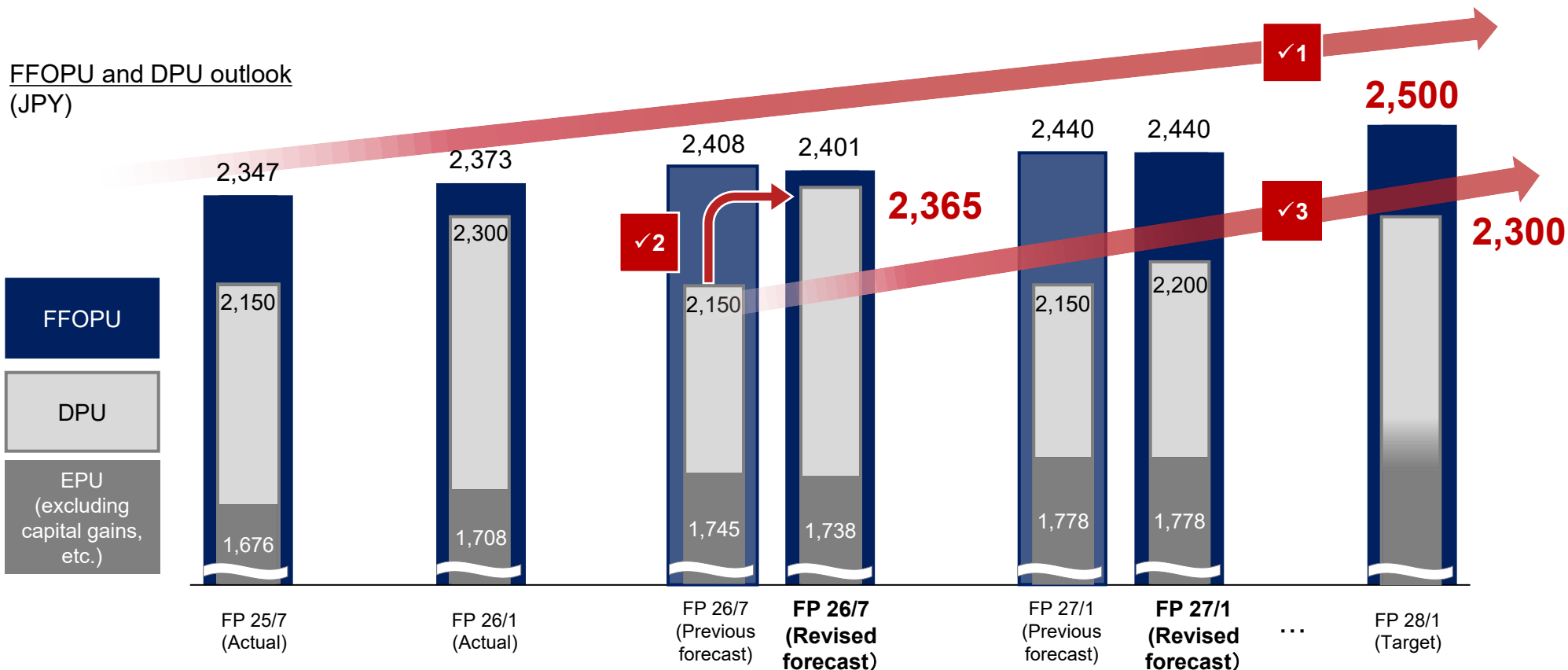
Reinvestment and distribution capacity : **JPY 11.5 B**

In addition to making distributions, reinvestment through **property acquisition and unit buybacks** is under consideration, taking investment efficiency into account.

(The earnings forecast announced today assumes the acquisition of a certain property)

## Continuing to pursue FFOPU growth.

**In light of the accelerated pace of capital recycling, we plan to raise the DPU level.**



|       |    |   |
|-------|----|---|
| FFOPU | ✓1 | <b>We will continue FFOPU growth</b> through rent increases and capital recycling while maintaining the target of JPY 2,500 for FP Jan. 2028                                    |
| DPU   | ✓2 | <b>DPU for the FP Jul. 2026 is increased by 10% from the previous forecast</b> , driven by substantial capital gains  |
| DPU   | ✓3 | <b>Along with FFOPU growth, DPU growth will also be pursued</b> , and a new target of JPY 2,300 for FP Jan. 2028 is set (CAGR of +4.6% from the FP Jul. 2026 previous forecast) |

## P.2

- “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 + Losses on sale of properties, etc. – Gains on sale of properties, etc.

## P.3

- “Difference between the disposition price and book value” is the disposition price less the book value as of the disposition date and differs from the actual real estate capital gain.
- “Disposition yield” is calculated by dividing the appraisal NOI of the disposed property by the sale price. The same applies hereafter.
- “IRR (Internal rate of return) during the holding period” for the disposed properties is calculated using the following assumptions.  
Holding period: From JLF’s date of acquisition through JLF’s planned date of disposition.  
NCF: Actuals used from the date of acquisition through fiscal period ended January 2026. Estimates as of the date of this document are used for the fiscal period ending July 2026 and thereafter.

## P.4

- Implied cap rate refers to the real estate yield sought by investors, calculated based on the investment unit price, using the following formula.  
Implied cap rate = 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)]
- Figures in “Capital Recycling Potential” are based on the following.
  - “Disposal candidate properties” represents the total appraisal value of properties that JLF considers as disposition candidates as of the date of this document and does not indicate that disposition has been decided. Properties for which disposition has already been decided are excluded.
  - “Portfolio NOI yield” is calculated for properties held as of the end of the fiscal period ended January 2026 using the following formula.  
Portfolio NOI yield = Total appraised NOI / Total appraisal value.
  - “Acquisition pipeline properties” amount represents the total assumed acquisition price calculated for properties where JLF has obtained priority negotiation rights.
  - “NOI yield” for acquisition pipeline properties is calculated for those properties for which calculation is feasible, by dividing the total appraised NOI by the total assumed acquisition price. For properties for which JLF has obtained appraisal reports, the calculation is based on such appraisal reports. For properties for which JLF has not obtained appraisal reports, the calculation is based on appraisal reports obtained by the bridge party.
  - “Buyback (execution level in FP26/7)” represents the implied cap rate based on the unit price level set as the purchase price for the buybacks executed by JLF during the fiscal period ending July 2026.

## P.5

- “DPU” means distribution per unit.
- “EPU (excluding capital gains, etc.)” is calculated by deducting per-unit capital gains, etc. from DPU.  
“Per-unit capital gains, etc.” is calculated using the following formula.  
(Gains on sale of properties, etc. – Losses on sale of properties, etc. + Reversal of retained earnings - Transfer to retained earnings) / Number of investment units outstanding

- Monetary amounts are rounded down to millions or thousands of yen.
- Percentage figures are rounded off to the first decimal place.
- This material contains forward-looking business results, plans, and management targets and strategies. Such forward-looking statements are based on current assumptions and premises, including those regarding anticipated future developments and business environment trends, and these assumptions and premises may not always be correct. Actual results could differ considerably because of a variety of factors.
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