

REIT Financial Report for the Fiscal Period ended January 31, 2021 (The 31st Period)

March 17, 2021

Name of REIT issuer: Japan Logistics Fund, Inc. Stock exchange listing: Tokyo Stock Exchange
 Security code: 8967 URL: <https://8967.jp/en>
 Representative: Naohiro Kameoka, Executive Director

Name of asset management company: Mitsui & Co., Logistics Partners Ltd.
 Representative: Naohiro Kameoka, President
 Contact: Ryota Sekiguchi, General Manager, Finance & IR Dept.
 TEL: +81-(0)3-3238-7171

Scheduled date for submission of Securities Report: April 28, 2021
 Scheduled date for commencing dividend payments: April 8, 2021
 IR Material: Will be posted on the website
 IR Meeting: Will be held for institutional investors and security analysts

(Figures are rounded down to the nearest million yen)

1. Performance for the Fiscal Period ended January 2021 (The 31st Period from August 1, 2020 to January 31, 2021)

(1) Operating Results ($\%$ represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of	%	Millions of	%	Millions of	%	Millions of	%
The 31 st Period	9,120	-39.3	4,514	-55.5	4,120	-57.7	4,120	-57.8
The 30 th Period	15,036	55.3	10,151	104.6	9,753	114.1	9,752	114.1

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
The 31 st Period	4,552	3.0	1.6	45.2
The 30 th Period	10,775	7.1	3.7	64.9

(2) Dividends

	Dividends per Unit (excluding Distributions in excess of earnings)	Total Dividends (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
The 31 st Period	4,800	4,344	-	-	105.4	3.2
The 30 th Period	9,830	8,896	-	-	91.2	6.5

(Note) Payout Ratio = Total Dividends/Net Income x 100 (figures are rounded down to the nearest decimal place)

Dividends per unit for the fiscal period ended January 2021 were calculated by adding 224 million yen as reversal of reserve for reduction entry to unappropriated retained earnings for the fiscal period under review and dividing it by the total number of investment units issued and outstanding.

Dividends per unit for the fiscal period ended July 2020 were calculated by dividing the amount after deducting 856 million yen from the unappropriated retained earnings for the period as provision for reserve for reduction entry by the number of investment units issued and outstanding.

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
The 31 st Period	259,848	134,810	51.9	148,950
The 30 th Period	266,019	139,600	52.5	154,241

(4) Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
The 31 st Period	4,519	-982	-8,893	14,162
The 30 th Period	24,610	-4,610	-10,555	19,518

2. Forecasts for the Fiscal Period ending July 2021 (the 32nd Period from February 1, 2021 to July 31, 2021) and the Fiscal Period ending January 2022 (the 33rd Period from August 1, 2021 to January 31, 2022)

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distribution s in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
The 32 nd Period	9,158	0.4	4,238	-6.1	3,849	-6.6	3,848	-6.6	4,800	0
The 33 rd Period	9,166	0.1	4,791	13.0	4,372	13.6	4,371	13.6	4,800	0

(Reference) Forecast for net income per unit The 32nd Period: 4,252 yen The 33rd Period: 4,830 yen

(Note) Dividends per unit for the fiscal period ending July 31, 2021 are calculated based on the assumption of using part of the internal reserves (496 million yen) for payment in addition to distributing the unappropriated retained earnings of 3,848 million yen for the said fiscal period.

* Other

(1) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

- (i) Changes in accounting policies due to revisions to accounting standards None
- (ii) Changes in accounting policies other than (i) None
- (iii) Changes in accounting estimates None
- (iv) Restatement of prior period financial statements after error corrections None

(2) Number of investment units issued and outstanding

- (i) Number of investment units (including treasury investment units) issued and outstanding at the end of each period

The 31st Period: 905,073 units The 30th Period: 905,073 units

- (ii) Number of treasury investment units issued and outstanding at end of period

The 31st Period: 0 unit The 30th Period: 0 unit

(Note) For the number of investment units serving as the basis of calculation of net income per unit, please refer to "Per Unit Information" on page 32.

* This Financial Report is outside the scope of audit by a certified public accountant or an audit corporation.

* Remarks:

(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by the Japan Logistics Fund, Inc. (hereafter referred to as "JLF"), and the actual operating results, etc. may differ significantly from that anticipated by JLF due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "1. Management Discussions and Analysis (1) Asset Management Status (ii) Outlook for the Next Fiscal Period D. Forecasts" on page 9.

Table of Contents

1. Management Discussions and Analysis	4
(1) Asset Management Status	4
(i) Summary of Results for the Fiscal Period ended January 2021 (The 31 st Period)	4
(ii) Outlook for the Next Fiscal Period	5
(2) Investment risks	11
2. Financial Statements	12
(1) Balance Sheet	12
(2) Statement of Income and Retained Earnings	14
(3) Statement of Changes in Net Assets	15
(4) Distribution Information	17
(5) Statement of Cash Flows	18
(6) Notes on Assumption of Going Concern	19
(7) Summary of Significant Accounting Policies	19
(8) Notes to Financial Statements	21
(9) Changes in the total number of investment units issued and outstanding	33
3. Reference Information	35
(1) Asset composition of JLF	35
(2) Investment Securities	36
(i) Major investment securities	36
(ii) List of portfolio properties	36
(iii) Diversification of portfolio	41
(iv) Performance of portfolio properties	42
(3) Capital expenditure for assets under management	53
(i) Scheduled capital expenditure	53
(ii) Capital expenditure during the fiscal period	53
(iii) Reserve for long-term repair plan (reserve for repairs)	53
(4) Overview of tenants and major real estate and other properties	54

1 Management Discussions and Analysis

(1) Asset Management Status

(i) Summary of Results for the Fiscal Period ended January 2021 (The 31st Period)

A. Background of JLF

JLF is the first J-REIT dedicated to “logistics properties” with real estate and other assets used for logistic facilities primarily in the Tokyo Metropolitan, Kinki, Chubu and Kyushu areas as investment targets. Based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including revisions enforced thereafter) (hereinafter, “the Investment Trust Act”), JLF was founded on February 22, 2005 with Mitsui & Co., Logistics Partners Ltd. as the founding planner, and was listed on the REIT section of the Tokyo Stock Exchange, Inc. (hereinafter, “Tokyo Stock Exchange”) on May 9 of the same year (security code: 8967).

As of January 31, 2021 (the end of the 31st Period), JLF owns 49 properties under management with total acquisition price of 269,121 million yen and total assets of 259,848 million yen.

B. Investment Environment and Management Performance

During the 31st fiscal period under review, the Japanese economy continued to face extremely difficult conditions due to the impact of the COVID-19 infections in Japan and overseas, but the underlying tone of the economy is picking up. The overseas economy is recovering, despite the impact of the re-emergence of infectious diseases in some areas, and as a result, exports and industrial production are continuing to increase in the Japanese economy. Corporate earnings and business sentiment are gradually improving after deteriorating significantly, and capital investment has stopped declining as a whole, although it varies by industry. The employment and income environment continues to weaken due to the impact of infectious diseases, and although personal consumption is gradually picking up, there is increasing downward pressure on consumption of services such as food and beverage and accommodation.

On the other hand, in the logistics real estate leasing market, the expansion of the e-commerce market is accelerating due to the impact of the COVID-19 infection, and e-commerce related companies are aggressively moving to expand their bases. Logistics companies are also capturing the expansion needs of manufacturers seeking to expand their e-commerce business and companies seeking to improve the efficiency of their logistics operations, resulting in steady demand for logistics facilities. In the Tokyo metropolitan area in particular, although the supply of new facilities continues, the need for large-scale facilities is driving demand, and as a result the vacancy rate remains low.

In this environment, the occupancy rate of JLF's portfolio as of the end of the current fiscal period was 98.8%, maintaining a favorable occupancy status. In addition, JLF is promoting portfolio management that focuses on long-term cash flow stability through "ACTIVE Asset Management," which aims to improve the stability and growth of distributions per unit. As an initiative of this ACTIVE Asset Management in the fiscal period under review, we decided on the redevelopment project of the Urayasu Logistics Center, which is the fifth phase of "OBR (Own Book Redevelopment)" (Note), a characteristic growth strategy of the Investment Corporation. We have also begun renovation work on the Chiba-Kita Logistics Center with the aim of increasing earnings by closing the significant rent gap. We will continue to take such initiatives for organic growth that do not depend on external capital as opportunities arise.

(Note) OBR (Own Book Redevelopment) is the redevelopment of properties held by JLF by itself.

C. Overview of Financial Strategy

During the 31st fiscal period under review, JLF refinanced 4,000 million yen in loans maturing in August 2020 and 3,000 million yen in loans maturing in December 2020, in order to reduce debt financing costs and lengthen the average loan period. As a result, the total amount of interest-bearing debt as of the end of the current fiscal period was 114,700 million yen, and the loan-to-value (LTV) ratio was 44.1% on a total asset basis (Note 1) and 32.2% on an appraisal value basis (Note 2), demonstrating continued stable financial management.

(Note 1) Total assets-based LTV (%) = Interest-bearing debt / total assets x 100 (figures are rounded off to one decimal place)

(Note 2) Appraisal value-based LTV (%) = Interest-bearing debt / appraisal value at the end of the fiscal period x 100 (figures are rounded off to one decimal place)

Credit rating of JLF at the end of the 31st Period

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA- (Outlook: Stable)
	Long-term bond rating	#2 nd unsecured investment corporation bonds #3 rd unsecured investment corporation bonds #5 th unsecured investment corporation bonds AA-
Japan Credit Rating Agency, Ltd. (JCR)	Issuer rating	AA (Outlook: Stable)
	Bond rating	#6 th unsecured investment corporation bonds AA

D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 9,120 million yen, operating income of 4,514 million yen, ordinary income of 4,120 million yen and net income of 4,120 million yen.

In this fiscal period, the "Special provisions for taxation in the case of advanced acquisition of land, etc. in 2009 and 2010" (Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments)) was applied. (Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments)) (Article 66-2 of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments)) (hereinafter referred to as the "Special Taxation Measures Law") (Article 66-2). Based on this policy, JLF decided to distribute 4,344 million yen, which is the sum of unappropriated retained earnings and the reversal of the reserve for reduction entry of 224 million yen, as distributions on earnings. As a result, JLF's dividend per investment unit was 4,800 yen.

(ii) Outlook for the Next Fiscal Period

A. Recognition of the Environment

Looking at the economic environment in Japan, although there is still a sense of caution about the COVID-19 infection for the time being, the economy is expected to improve at a moderate pace as the effects of the infection gradually abate, thanks to the recovery of foreign demand, an accommodative financial environment, and the effects of the government's economic measures. However, there is a high degree of uncertainty regarding the timing of the convergence of the COVID-19 infection and the impact it will have on the domestic and overseas economies, so we need to keep a close watch on the situation.

In the logistics real estate leasing market, strong demand is expected to continue due to the expansion of the e-commerce market, which will continue even under the influence of the new coronavirus infection. The supply-demand balance is unlikely to be significantly disrupted. In the market for the sale and purchase of logistics real estate, funds are flowing into the Japanese real estate market amid the continuing low interest rate environment worldwide, and many investors are paying attention to the defensive nature of logistics facilities, so transaction yields will remain low and the acquisition environment is expected to remain severe.

Under this environment, we will continue to pursue "stability" and "growth" in distributions per unit by seizing opportunities to acquire properties through relative transactions, etc., while continuing to manage properties through "ACTIVE Asset Management" in a manner that is less susceptible to changes in the environment such as OBR.

B. Future Asset Management Policies and Issues to be Addressed

In such an investment environment, JLF will pursue asset management aimed at achieving stable earnings over the medium to long term based on the following policies.

(a) Operational management of portfolio properties

• Leasing management

In renewing existing lease contracts, JLF will seek ways to ensure a stable revenue flow, including promoting the option of shifting to a long-term lease contract. When a tenant decides to move out JLF will perform leasing activities based on this policy so that leases are maintained without any discontinuity and revenues are secured by leveraging its sponsor network, intermediary companies well versed in logistics properties and in tenant information for respective regions, as well as the network of the asset

management company.

The properties currently held by JLF have an average leasing period of 5.1 years when calculated on a weighted average basis using annual rent, indicating that JLF will continue to earn stable income.

- Strengthening of tenant relations

JLF will promote the improvement of the overall satisfaction level of tenants by maintaining close contact with existing tenants. Specifically, JLF responds to tenant's needs for expanding rental space and improving the property conditions of existing logistics facilities, making functional improvements in line with the needs of tenants and the industry and implementing renewals.

- Appropriate property maintenance and additional investment

JLF conducts repairs and renovations of properties owned by keeping related costs at a certain level. In addition, JLF strives to maintain an optimal level of maintenance management of its properties by selecting appropriate property management companies that can provide efficient management in line with the characteristics of each property, improving the management quality of the asset management company, and standardizing various procedures.

Furthermore, JLF considers OBR (Own Book Redevelopment)(Note), disposition, and asset reshuffle if necessary, taking into consideration tenant requests, the leasing needs of facilities, floor area ratios, and other factors in determining portfolio properties that have locational advantages in the leasing market and those that can gain higher competitiveness through building/facility renewal while identifying properties that no longer offer economic benefits due to the increased maintenance cost burden caused by deterioration over time.

(b) Acquisition of new properties

- Sourcing of property information

Unlike other asset types, logistics properties have limited transaction volumes in the market. Therefore, JLF believes that collecting a broad range of information and making precise investment decisions based on the information gathered lead to achieve high competitiveness. In order to avoid unnecessary price competition, JLF will work to obtain early access to property information and promote negotiated transactions by leveraging the extensive networks of sponsors and the information sourcing channels of the asset management company.

- Specifications of properties for acquisition

When acquiring properties, JLF will make investment decisions with a focus on the location and versatility of properties which are essential factors in pursuing stable and long-term management of logistics properties. As a general rule, JLF avoids acquiring, in particular, properties with unique structural and facility features that suit only certain types of tenants in certain industries. Rather, JLF's most important criterion for making investment decisions is versatility of specifications that can satisfy broad logistical demand.

- Diversification of portfolio

To minimize fluctuations in revenue arising from factors such as a tenant's request to lower rent or a tenant moving out of a property, JLF acquires properties that will help reduce risk of over-concentration of tenants by avoiding excessive dependency on single tenant or industry of tenants and diversifying lease period expirations.

(c) Financial strategy

- JLF sets its highest priority on the sustainable growth of dividends per unit while making sure to maintain a conservative interest-bearing debt ratio in pursuing financial activities, including raising funds through bank loans and increasing capital through public offerings. When pursuing interest-bearing debt financing, JLF will diversify funding sources and repayment due dates. Furthermore, with regard to tenant leasehold and security deposits, JLF will use such deposits to partially fund property acquisitions to exercise efficient cash management.

In addition, JLF will consider the buyback and cancellation of its own investment units as required as part of its capital policy in order to improve capital efficiency and the return to unitholders.

Not applicable.

[Reference Information]

<Acquisition of a new property >

JLF acquired the following property after the end of the fiscal period ended January 2021 up until the date of this Report.

[T-12 Aisai Logistics Center]

Asset type	Real estate	
Acquisition price	2,510 million yen	
Date of delivery	March 1, 2021	
Location	32-6, Eda, Minami-Gota-cho, Aisai, Aichi	
Usage	Warehouse (Note)	
Site area	10,067.07m ² (Note)	
Total floor area	13,852.46m ² (Note)	
Structure / story	Steel frame 3 stories building with alloy-plated steel sheet roof (Note)	
Date of completion	January 28, 2020 (Note)	
Type of ownership	Land: Ownership	Building: Ownership

(Note) The outline shown here is based on the real estate registry, and may differ from the present state.

<Loans >

JLF borrowed the following loans after the end of the period up until the date of this report.

Lender	Sumitomo Mitsui Banking Corporation	MUFG Bank, Ltd.	Sumitomo Mitsui Trust Bank, Limited
Amount borrowed	400 million yen	400 million yen	700 million yen
Interest rate	1-month JPY TIBOR by JBA + 0.225% (Note)	1-month JPY TIBOR by JBA + 0.250% (Note)	
Date of borrowing	February 26, 2021		
Repayment date	May 31, 2021		
Borrowing method/security	Loan based on a commitment line agreement dated on August 1, 2018 Unsecured/non-guaranteed	Loans based on commitment line agreements dated on July 31, 2020 Unsecured/non-guaranteed	
Repayment method	Lump-sum repayment on due date		
Use of funds	To repay an existing loan		

Lender	Sumitomo Mitsui Banking Corporation		
Amount borrowed	2,000 million yen	2,000 million yen	2,000 million yen
Interest rate	1-month JPY TIBOR by JBA + 0.170% (Note)	0.35830%	0.55761%
Date of borrowing	February 26, 2021		
Repayment date	February 28, 2022	February 28, 2025	August 31, 2028
Borrowing method/security	Unsecured/non-guaranteed		
Repayment method	Lump-sum repayment on due date		
Use of funds	To repay an existing loan		

Lender	Nippon Life Insurance
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	Company
Amount borrowed	1,500 million yen
Interest rate	0.60000%
Date of borrowing	February 26, 2021
Repayment date	February 28, 2031
Borrowing method/security	Unsecured/non-guaranteed
Repayment method	Lump-sum repayment on due date
Use of funds	To repay an existing loan

(Note) Regarding JPY TIBOR, please refer to JBA (Japanese Bankers Association) TIBOR administration's website (<http://www.jbatibor.or.jp/english/rate/>) for more information.

D. Forecasts

Forecasts for the Fiscal Period ending July 2021 (the 32nd Period from February 1, 2021 to July 31, 2021) and the Fiscal Period ending January 2022 (the 33rd Period from August 1, 2021 to January 31, 2022) are as follows. Please refer to "Assumptions Underlying the Forecasts for the 32nd Period (from February 1, 2021 to July 31, 2021) and the 33rd Period (from August 1, 2021 to January 31, 2022)" for the assumptions underlying these forecasts.

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
The 32 nd Period	9,158	0.4	4,238	-6.1	3,849	-6.6	3,848	-6.6	4,800	0
The 33 rd Period	9,166	0.1	4,791	13.0	4,372	13.6	4,371	13.6	4,830	0

(Note 1) The figures above were computed under certain assumptions, and the actual net income, dividends, etc. may differ depending on various factors. In addition, the forecasts are not intended to guarantee any amount of dividends per unit.

(Note 2) Dividends per unit for the fiscal period ending July 31, 2021 are calculated based on the assumption of using part of the internal reserves (496 million yen) for payment in addition to distributing the unappropriated retained earnings of 3,848 million yen for the said fiscal period.

Assumptions Underlying the Forecasts for the 32nd Period (from February 1, 2021 to July 31, 2021) and the 33rd Period (from August 1, 2021 to January 31, 2022)

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> Fiscal Period Ending July 2021: February 1, 2021 to July 31, 2021 Fiscal Period Ending January 2022: August 1, 2021 to January 31, 2022 																					
Properties owned	<ul style="list-style-type: none"> JLF owned 49 properties as of January 31, 2021, and acquired Aisai Logistics Center on March 31, 2021. Neither the acquisition nor the disposition of any other properties is expected until the end of the Fiscal Period ending January 2022. As a result, the forecast assumes JLF owns 50 properties as of the end of the Fiscal Period ending July 2021 and the end of the Fiscal Period ending January 2022. There may be fluctuations, mainly due to the transfer of assets under management. 																					
Total number of investment units issued	<ul style="list-style-type: none"> The number of investment units issued as of March 17, 2021 is 905,073 units, assuming there will be no other additional issuance of new investment units or buyback/cancellation of own investment units. 																					
Interest-bearing debt	<ul style="list-style-type: none"> Among the interest-bearing debt of 114,700 million yen outstanding as of March 17, 2021, JLF will repay long-term borrowings of 1,500 million yen due in the Fiscal Period ending July 2021 and long-term borrowings of 9,000 million yen due in the Fiscal Period ending January 2022 by using new long-term loans. The interest-bearing debt outstanding is expected to be 114,700 million yen as of the end of the Fiscal Period ending July 2021 and January 2022. 																					
Operating revenue	<ul style="list-style-type: none"> The rent revenue is estimated based on the lease contracts in effect as of March 17, 2021 and considering the fluctuation factors such as the market environment and rent levels based on negotiations with lessees. 																					
Operating expenses	<ul style="list-style-type: none"> Generally, in real estate transactions, property tax and city planning tax are prorated based on the period of ownership with the previous holder and settled at the time of acquisition. JLF includes the amount of such settlement in the acquisition cost. With respect to Aisai Logistics Center, which was acquired on March 1, 2021, the property tax, city planning tax, and other amounts settled in the calculation of acquisition costs for these logistics centers are expected to total approximately 15 million yen. <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;">Fiscal Period Ending July 31, 2021</th> <th style="text-align: center;">Fiscal Period Ending January 31, 2022</th> </tr> </thead> <tbody> <tr> <td>Taxes and dues:</td> <td style="text-align: right;">816 million yen</td> <td style="text-align: right;">816 million yen</td> </tr> <tr> <td>Outsourcing services:</td> <td style="text-align: right;">262 million yen</td> <td style="text-align: right;">262 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td style="text-align: right;">431 million yen</td> <td style="text-align: right;">213 million yen</td> </tr> <tr> <td>Depreciation:</td> <td style="text-align: right;">1,900 million yen</td> <td style="text-align: right;">1,862 million yen</td> </tr> <tr> <td>Loss on write-offs of noncurrent assets:</td> <td style="text-align: right;">273 million yen</td> <td style="text-align: right;">9 million yen</td> </tr> <tr> <td>Other:</td> <td style="text-align: right;">300 million yen</td> <td style="text-align: right;">266 million yen</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Expenses other than depreciation and loss on write-offs of noncurrent assets are calculated based on past track records with expense fluctuation factors taken into account. Real estate leasing business expenses for the fiscal period ending July 31, 2021 include expenses associated with demolition work related to the Urayasu Logistics Center OBR (redevelopment) project (221 million yen in loss on retirement of noncurrent assets) and expenses associated with renovation work for the Chiba-Kita Logistics Center (218 million yen in repair expenses and 7 million yen in loss on retirement of noncurrent assets). Actual repair expenses for each operating period may differ considerably from forecasts, mainly because unexpected repair expenses may be incurred due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one fiscal period to another, and repair expense, by nature, are not incurred on a regular basis. 		Fiscal Period Ending July 31, 2021	Fiscal Period Ending January 31, 2022	Taxes and dues:	816 million yen	816 million yen	Outsourcing services:	262 million yen	262 million yen	Repair expenses:	431 million yen	213 million yen	Depreciation:	1,900 million yen	1,862 million yen	Loss on write-offs of noncurrent assets:	273 million yen	9 million yen	Other:	300 million yen	266 million yen
	Fiscal Period Ending July 31, 2021	Fiscal Period Ending January 31, 2022																				
Taxes and dues:	816 million yen	816 million yen																				
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Other:	300 million yen	266 million yen																				

Item	Assumptions
	<ul style="list-style-type: none"> • Depreciation is calculated using the straight-line method, with considering incidental expenses and additional capital expenditure for the future. • Among operating expenses other than real estate leasing business, asset management fees are expected to be 766 million yen for the fiscal period ending July 31, 2021 and 778 million yen for the fiscal period ending January 31, 2022. The amendment to the Articles of Incorporation was approved at the general unitholders' meeting held on October 21, 2020, and the asset management fees for the fiscal period ending July 31, 2021 and thereafter are calculated based on the amended management fee system.
Non-Operating Expenses	<ul style="list-style-type: none"> • As non-operating expenses, JLF assumes 389 million yen for the fiscal period ending July 31, 2021 and 419 million for the fiscal period ending January 31, 2022. Regarding the interest expenses and interest expenses on investment corporation bonds among the non-operating expenses, JLF assumes 352 million yen for the fiscal period ending July 2021 and 380 million yen for the fiscal period ending January 31, 2022. Regarding depreciation of financing-related expenses among the non-operating expenses, JLF assumes 31 million yen for the fiscal period ending July 31, 2021 and 32 million yen for the fiscal period ending January 31, 2022.
Dividends per Unit (Excluding distributions in Excess of earnings)	<ul style="list-style-type: none"> • Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF. • Dividends per unit for the fiscal period ending July 31, 2021 are calculated based on the assumption of using part of the internal reserves (496 million yen) for payment in addition to distributing the unappropriated retained earnings of 3,848 million yen for the said fiscal period. • Dividends per unit for the fiscal period ending January 31, 2022 are calculated based on the assumption of distributing the unappropriated retained earnings of 4,371 million yen for the said fiscal period. • Dividends per unit may fluctuate, due to various factors such as acquisitions and sales of assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the issuance of new investment units.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> • JLF does not plan any distributions in excess of earnings at this moment.
Other	<ul style="list-style-type: none"> • The forecasts assume that no revisions that impact the above projections are made to laws, regulations, tax rules, accounting standards, listing rules, the rules of The Investment Trust Association, Japan, or others. • The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions.

(2) Investment risks

For details of risks related to repayment of the loans, please refer to "Investment Risks" described on a Securities Report (Japanese) submitted on October 28, 2020.

2. Financial Statements

(1) Balance Sheet

	(Thousands of yen)	
	As of July 31, 2020	As of January 31, 2021
Assets		
Current assets		
Cash and deposits	15,528,650	10,082,918
Cash and deposits in trust	4,178,384	4,268,938
Operating accounts receivable	512,553	574,595
Prepaid expenses	5,292	7,179
Consumption taxes receivable	-	421,645
Other	69	45
Total current assets	20,224,950	15,355,323
Non-current assets		
Property, plant and equipment		
Buildings	17,333,482	17,461,216
Accumulated depreciation	-2,836,366	-3,071,075
Buildings, net	14,497,116	14,390,141
Structures	508,918	509,194
Accumulated depreciation	-118,655	-130,061
Structures, net	390,263	379,132
Tools, furniture and fixtures	1,570	1,570
Accumulated depreciation	-708	-753
Tools, furniture and fixtures, net	861	816
Land	12,689,952	12,689,952
Construction in progress	-	35,842
Buildings in trust	122,416,908	122,578,679
Accumulated depreciation	-29,066,063	-30,412,456
Buildings in trust, net	93,350,845	92,166,222
Structures in trust	3,444,285	3,484,786
Accumulated depreciation	-1,357,512	-1,401,455
Structures in trust, net	2,086,772	2,083,331
Tools, furniture and fixtures in trust	36,593	36,022
Accumulated depreciation	-21,786	-22,327
Tools, furniture and fixtures in trust, net	14,807	13,695
Land in trust	122,358,070	122,358,070
Construction in progress in trust	37,240	-
Total property, plant and equipment	245,425,929	244,117,204
Intangible assets		
Other	410	8,223
Total intangible assets	410	8,223
Investments and other assets		
Long-term prepaid expenses	303,379	306,323
Deferred tax assets	11	13
Guarantee deposits	10,020	10,020
Other	2,000	2,000
Total investments and other assets	315,410	318,356
Total non-current assets	245,741,751	244,443,784
Deferred assets		
Investment corporation bond issuance costs	52,622	49,051
Total deferred assets	52,622	49,051
Total assets	266,019,324	259,848,159

(Thousands of yen)

	As of July 31, 2020	As of January 31, 2021
Liabilities		
Current liabilities		
Operating accounts payable	932,507	1,019,398
Current portion of long-term borrowings	16,000,000	18,000,000
Distributions payable	6,745	9,254
Accrued expenses	825,388	835,284
Income taxes payable	842	876
Accrued consumption taxes	1,352,231	—
Advances received	1,642,643	1,629,110
Deposits received	43	—
Other	80	80
Total current liabilities	20,760,482	21,494,004
Non-current liabilities		
Investment corporation bonds	11,700,000	11,700,000
Long-term borrowings	87,000,000	85,000,000
Leasehold and guarantee deposits received	1,299,861	1,191,920
Leasehold and guarantee deposits received in trust	5,333,148	5,311,898
Long-term deposits received	243,098	244,393
Derivatives liabilities	82,533	95,189
Total non-current liabilities	105,658,641	103,543,403
Total liabilities	126,419,124	125,037,407
Net assets		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	132,245,145	132,245,145
Deduction from unitholders' capital	※2 -4,900,686	※2 -4,900,686
Unitholders' capital, net	127,344,458	127,344,458
Surplus		
Voluntary retained earnings		
Reserve for reduction entry of special provisions of replaced property	※3 2,219,363	※3 2,219,363
Reserve for tax purpose reduction entry	366,036	1,222,036
Total voluntary retained earnings	2,585,399	3,441,399
Unappropriated retained earnings (undisposed loss)	9,752,874	4,120,082
Total surplus	12,338,274	7,561,482
Total unitholders' equity	139,682,733	134,905,941
Valuation and translation adjustments		
Deferred gains or losses on hedges	-82,533	-95,189
Total valuation and translation adjustments	-82,533	-95,189
Total net assets	※4 139,600,200	※4 134,810,751
Total liabilities and net assets	266,019,324	259,848,159

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	Fiscal period ended July 31, 2020	Fiscal period ended January 31, 2021
Operating revenue		
Leasing business revenue	※1 9,071,318	※1 8,874,502
Other leasing business revenue	※1 299,657	※1 245,694
Gain on sales of real estate properties	※2 5,665,087	-
Total operating revenue	15,036,063	9,120,197
Operating expenses		
Expenses related to leasing business	※1 3,983,926	※1 3,692,768
Asset management fee	739,039	764,365
Asset custody fee	27,204	25,340
Administrative service fees	35,779	40,150
Remuneration for directors (and other officers)	5,400	5,700
Other operating expenses	93,671	77,489
Total operating expenses	4,885,021	4,605,814
Operating profit	10,151,042	4,514,383
Non-operating income		
Interest income	22	22
Interest on tax refund	32	65
Reversal of distribution payable	390	489
Other	0	90
Total non-operating income	446	668
Non-operating expenses		
Interest expenses	306,394	298,822
Borrowing related expenses	29,572	31,104
Interest expenses on investment corporation bonds	57,382	58,599
Amortization of investment corporation bond issuance costs	3,532	3,570
Other	1,000	2,000
Total non-operating expenses	397,881	394,097
Ordinary profit	9,753,606	4,120,954
Profit before income taxes	9,753,606	4,120,954
Income taxes - current	846	880
Income taxes - deferred	-9	-1
Total income taxes	837	878
Profit	9,752,769	4,120,075
Retained earnings brought forward	105	7
Unappropriated retained earnings (undisposed loss)	9,752,874	4,120,082

(3) Statement of Changes in Net Assets
The 31st Period (from August 1, 2020 to January 31, 2021)

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus					Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	Voluntary retained earnings			Unappropriated retained earnings (undisposed loss)	Total surplus	
				Reserve for reduction entry of special provisions of replaced property	Reserve for tax purpose reduction entry	Voluntary retained earnings			
Balance at beginning of period	132,245,145	-4,900,686	127,344,458	2,219,363	366,036	2,585,399	9,752,874	12,338,274	139,682,733
Changes during period									
Reserve for reduction entry					856,000	856,000	-856,000	-	-
Dividends of surplus							-8,896,867	-8,896,867	-8,896,867
Profit							4,120,075	4,120,075	4,120,075
Net changes in items other than unitholders' equity									
Total changes during period	-	-	-	-	856,000	856,000	-5,632,791	-4,776,791	-4,776,791
Balance at end of period	132,245,145	-4,900,686	127,344,458	2,219,363	1,222,036	3,441,399	4,120,082	7,561,482	134,905,941

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	-82,533	-82,533	139,600,200
Changes during period			
Reserve for reduction entry			-
Dividends of surplus			-8,896,867
Profit			4,120,075
Net changes in items other than unitholders' equity	-12,656	-12,656	-12,656
Total changes during period	-12,656	-12,656	-4,789,448
Balance at end of period	-95,189	-95,189	134,810,751

The 30th Period (from February 1, 2020 to July 31, 2020)

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus					Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	Voluntary retained earnings			Unappropriated retained earnings (undisposed loss)	Total surplus	
				Reserve for reduction entry of special provisions of replaced property	Reserve for tax purpose reduction entry	Voluntary retained earnings			
Balance at beginning of period	132,245,145	-4,900,686	127,344,458	2,219,363	366,036	2,585,399	4,556,242	7,141,642	
Changes during period									
Dividends of surplus							-4,556,137	-4,556,137	-4,556,137
Profit							9,752,769	9,752,769	9,752,769
Net changes in items other than unitholders' equity									
Total changes during period	-	-	-	-	-	-	5,196,632	5,196,632	5,196,632
Balance at end of period	132,245,145	-4,900,686	127,344,458	2,219,363	366,036	2,585,399	9,752,874	12,338,274	139,682,733

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	-94,204	-94,204	134,391,896
Changes during period			
Dividends of surplus			-4,556,137
Profit			9,752,769
Net changes in items other than unitholders' equity	11,671	11,671	11,671
Total changes during period	11,671	11,671	5,208,303
Balance at end of period	-82,533	-82,533	139,600,200

(4) Distribution Information

	(Yen)	
	The 31 st Period (from August 1, 2020 to January 31, 2021)	The 30 th Period (from February 1, 2020 to July 31, 2020)
I. Unappropriated retained earnings	4,120,082,763	9,752,874,739
II. Reversal of voluntary retained earnings		
Reversal of reserve for reduction entry	224,267,637	-
III. Distributions	4,344,350,400	8,896,867,590
(Distributions per unit)	(4,800)	(9,830)
IV. Voluntary retained earnings		
(Provision for reserve for reduction entry)	-	856,000,000
V. Retained earnings to be carried forward	-	7,149

Method of calculation of distributions

The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on this policy, JLF decided to distribute 4,344,350,400 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (905,073 units) and does not exceed the amount obtained by adding the reversal amount of the reserve for reduction entry to unappropriated retained earnings. JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.

The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on these policies, JLF decided to distribute 8,896,867,590 yen, the amount remaining after deducting 856,000,000 yen which is within the limit of the reserve for reduction entry stipulated in Article 66-2 of the Act from the current unappropriated retained earnings, as a profit distribution. JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.

(5) Statement of Cash Flows

(Thousands of yen)

	Fiscal period ended July 31, 2020	Fiscal period ended January 31, 2021
Cash flows from operating activities		
Profit before income taxes	9,753,606	4,120,954
Depreciation	1,928,063	1,887,616
Amortization of investment corporation bond issuance costs	3,532	3,570
Interest income	-22	-22
Interest expenses	363,777	357,422
Loss on retirement of non-current assets	52,538	284,039
Decrease (increase) in operating accounts receivable	18,238	-62,041
Decrease (increase) in consumption taxes refund receivable	-	-421,645
Increase (decrease) in accrued consumption taxes	1,317,572	-1,352,231
Decrease (increase) in prepaid expenses	1,843	-1,886
Decrease (increase) in long-term prepaid expenses	54,227	-2,943
Increase (decrease) in operating accounts payable	-149,408	69,077
Increase (decrease) in accrued expenses	-27,453	19,524
Increase (decrease) in advances received	-27,071	-13,532
Decrease in property, plant and equipment due to sale	3,345,619	-
Decrease in property, plant and equipment in trust due to sale	8,346,646	-
Other, net	-6,307	-508
Subtotal	24,975,401	4,887,391
Interest received	22	22
Interest paid	-364,577	-367,051
Income taxes (paid) refund	-657	-846
Net cash provided by (used in) operating activities	24,610,188	4,519,516
Cash flows from investing activities		
Purchase of property, plant and equipment	-3,938,046	-251,166
Purchase of property, plant and equipment in trust	-482,673	-593,343
Purchase of intangible assets	-	-8,420
Proceeds from leasehold and guarantee deposits received	144,569	44,089
Refund of leasehold and guarantee deposits received	-84,322	-152,029
Proceeds from leasehold and guarantee deposits received in trust	517	2,320
Refund of leasehold and guarantee deposits received in trust	-250,861	-23,569
Net cash provided by (used in) investing activities	-4,610,817	-982,120
Cash flows from financing activities		
Proceeds from short-term borrowings	4,000,000	-
Repayments of short-term borrowings	-10,000,000	-
Proceeds from long-term borrowings	-	7,000,000
Repayments of long-term borrowings	-	-7,000,000
Distributions paid	-4,555,164	-8,893,868
Net cash provided by (used in) financing activities	-10,555,164	-8,893,868
Net increase (decrease) in cash and cash equivalents	9,444,205	-5,356,472
Cash and cash equivalents at beginning of period	10,074,354	19,518,559
Cash and cash equivalents at end of period	※ 1 19,518,559	※ 1 14,162,087

(6) Notes on Assumption of Going Concern

Not applicable to the 31st Period.

(7) Summary of Significant Accounting Policies

(i) Depreciation method for non-current assets

A. Property, plant, and equipment (including trust assets)

The straight-line method is used.

The useful lives of property, plant and equipment are listed below.

Buildings	2 to 64 years
Structures	2 to 48 years
Tools, furniture, and fixtures	2 to 15 years

B. Intangible assets

The straight-line method is used.

(ii) Accounting for deferred assets

Investment corporation bond issuance costs

Investment corporation bond issuance costs are amortized by the straight-line method over the period through redemption.

(iii) Accounting for income and expenses

Accounting for property taxes

Property tax, city planning tax, depreciable asset tax, and the like levied on real estate assets and other properties are accounted for as expenses related to rent business at the amounts corresponding to the fiscal period.

The amount of property tax, etc. paid to the seller as part of settlement for acquisition of real estate and real estate in trust is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. In the 30th Period, the property tax, etc. included in the acquisition cost of real estate was not applicable. In the 31st Period, the property tax, etc. included in the acquisition cost of real estate was 12,365 thousand yen.

(iv) Hedge accounting method

A. Hedge accounting method

Deferred hedge accounting is applied.

However, specially designated accounting is applied to transactions that meet the requirements for specially designated accounting for interest swaps.

B. Hedging method and hedging objective

Hedging method: Interest rate swap transactions

Hedged items: Interest on borrowings

C. Hedging policy

JLF utilizes derivative transactions to hedge the risks specified in the Articles of Incorporation of the Investment Corporation based on its risk management policy.

D. Method of assessing hedge effectiveness

Hedge effectiveness is assessed by making a comparison between the cumulative total of cash flow fluctuations attributable to hedged items and the cumulative total of cash flow fluctuations attributable to the means of hedging, and examining the ratio of these totals of fluctuations. However, the assessment of effectiveness is not conducted for transactions that meet the requirements for specially designated accounting for interest swaps.

(v) Scope of cash and cash equivalents in the statement of cash flows

Cash and cash equivalents consist of cash on hand, cash in trust, deposits and deposits in trust withdrawable on demand, and short-term investments, which are easily convertible into cash, with low risk of price fluctuation and with a maturity of less than three months.

(vi) Other significant basis for preparation of financial statements

A. Accounting for trust beneficiary right for real estate, etc. as trust asset

With regard to trust beneficiary right for real estate, etc. held as trust asset, all assets and liabilities as well as all revenue and expense items associated with trust assets are accounted for under the respective account items of the Balance Sheet and Statement of Income and Retained Earnings.

Of the trust assets accounted for under the respective account items, the following items with significance are separately indicated on the Balance Sheet.

(a) Cash and deposits in trust

(b) Buildings in trust, Structures in trust, Tools, furniture and fixtures in trust, and Land in trust

(c) Tenant leasehold and security deposits in trust

B. Method of accounting for consumption taxes

Transactions subject to consumption taxes are recorded at amounts exclusive of consumption taxes.

(Accounting standards not yet applied)

- Accounting Standards Board of Japan (“ASBJ”) Statement No. 29, Accounting Standard for Revenue Recognition, revised on March 31, 2020
- ASBJ Guidance No. 30, Implementation Guidance on Accounting Standard for Revenue Recognition, revised on March 31, 2020
- ASBJ Guidance No. 19, Implementation Guidance on Disclosures about Fair Value of Financial Instruments, revised on March 31, 2020

(1) Overview

The International Accounting Standards Board (“IASB”) and the Financial Accounting Standards Board (“FASB”) have jointly developed the new and comprehensive accounting standard for revenue recognition, and have published “Revenue from Contracts with Customers” (IFRS 15 by IASB and Topic 606 by FASB) in May 2014. As IFRS 15 shall be adopted in the IFRS-based financial statements for periods beginning on or after January 1, 2018, and in the U.S. GAAP-based financial statements for periods beginning after December 15, 2017, ASBJ has developed and published the comprehensive accounting standard and implementation guidance for revenue recognition accordingly.

As the basic policy of ASBJ for the development of new accounting standard for revenue recognition, from the point of view of the comparability between the financial statements based on IFRS or U.S. GAAP and Japanese GAAP as a benefit for the consistency with IFRS 15, the accounting standard in Japan has been established while adopting the basic principle of IFRS 15, and in the case that there is an item that the actual practice conducted in Japan is considered, the alternate treatments are added within the scope not to fail the comparability.

(2) Scheduled date of application

The above standards will be applied from the beginning of the fiscal period ending January 31, 2022.

(3) Impact of applying the accounting standards

The Company is currently evaluating the effect of the adoption of this accounting standard and implementation guidance on its financial statements.

- ASBJ Statement No. 30, Accounting Standard for Fair Value Measurement, issued on July 4, 2019
- ASBJ Statement No. 10, Accounting Standard for Financial Instruments, revised on July 4, 2019
- ASBJ Guidance No. 31, Implementation Guidance on Accounting Standard for Fair Value Measurement, issued on July 4, 2019
- ASBJ Guidance No. 19, Implementation Guidance on Disclosures about Fair Value of Financial Instruments, revised on March 31, 2020

(1) Overview

IASB and FASB have established similar contents and detailed guidance regarding fair value measurement (IFRS 13 “Fair Value Measurement” in IFRS and Accounting Standards Codification Topic 820 “Fair Value Measurement” in U.S. GAAP). In light of this establishment, ASBJ has worked on the consistency of Japanese GAAP with such international accounting standards regarding the guidance on fair value of financial instruments and disclosures, and issued these standards and implementation guidance listed above. As the basic policy of ASBJ for the development of accounting standards for fair value measurement, by using the unified measurement method, from the view point of improvement of the comparability of financial statements among domestic and foreign companies, ASBJ decided to adopt all the provisions of IFRS 13 basically. In addition, considering the practices that have been executed in our country, within the scope not to significantly impair the comparability between the financial statements, the other treatments to the individual items are defined.

(2) Expected implementation date

The standard will be effective from the beginning of the fiscal period ending January 31, 2022.

(3) Impact of the application of the relevant standard, etc.

JLF is in the process of evaluating the monetary impacts on financial statements attributable to the application of the Accounting Standard for Fair Value Measurement, etc.

- ASBJ Statement No. 31, Accounting Standard for Disclosure of Accounting Estimates, issued on March 31, 2020

(1) Overview

IASB issued a revised International Accounting Standard No.1 (“IAS 1”), “Presentation of Financial Statements” in 2003. The disclosure of “Sources of estimation uncertainty” is required in paragraph 125 of IAS 1, as highly useful information to the users of financial statements, and the disclosure as notes information has been requested to be considered under Japanese GAAP as well. Accordingly, ASBJ developed and issued Accounting Standard for Disclosure of Accounting Estimates.

As the basic policy of ASBJ for the development of the Accounting Standard, by showing the principle (disclosure purpose) rather than expanding individual notes, a company should judge its own specific disclosure content in light of the disclosure purpose. For the development, the provisions in the paragraph 125 of IAS 1 were used as a reference.

(2) Scheduled date of application

The standard will be effective from the end of the fiscal period ending July 31, 2021.

- ASBJ Statement No.24, Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections, revised on March 31, 2020

(1) Overview

In response to the recommendation considering the enhancement of note information in regards to “Principles and Procedures of Accounting Treatment Adopted When Related Accounting Standards Are Uncertain”, ASBJ revised Accounting Standard for Accounting Policy Disclosures, Accounting Changes and Error Corrections.

Working to improve the note information related to “Principles and Procedures of Accounting Treatment Adopted When Related Accounting Standards Are Uncertain”, the provision of Financial Accounting Principles (note 1-2) will be followed to avoid influencing actual practice when the relevant accounting standards exist.

(2) Scheduled date of application

The standard will be effective from the end of the fiscal period ending July 31, 2021.

(8) Notes to Financial Statements

[Notes to Balance Sheet]

(i) Commitment line contracts

JLF has the commitment line contracts with the banks.

	(Thousands of yen)	
	The 31 st Period (as of January 31, 2021)	The 30 th Period (as of July 31, 2020)
Total amount specified in the commitment line contracts	17,500,000	17,500,000
Loan balance at end of period	-	-
Outstanding loan commitments at end of period	17,500,000	17,500,000

(ii) Status of cancellation of Buybacks

	The 31 st Period (as of January 31, 2021)	The 30 th Period (as of July 31, 2020)
	19,927 units	19,927 units
	4,436,262 thousand yen	4,436,262 thousand yen

(Note) There are no cancelled buybacks during the Fiscal Period under review.

(iii) The breakdown of reserve for reduction entry of special provisions of replaced property prescribed in Article 2, Paragraph 2, Item 28 of the Ordinance on Accounting of Investment Corporations is as follows.

Items	Breakdown	
	The 31 st Period (as of January 31, 2021)	The 30 th Period (as of July 31, 2020)
Corresponding property	Ichikawa Logistics Center II / land	
Reason for recognition and amount	Gain on sales of real estate properties of 2,618,320 thousand yen due to sales of Funabashi Nishiura Logistics Center II and Yokosuka Logistics Center.	
Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.	
Description of reversal in the period	Not applicable.	
	The 31 st Period (as of January 31, 2021)	The 30 th Period (as of July 31, 2020)
Balance before provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen
Reversal in the statement of income and retained earnings	-	-
Amount on the balance sheet	2,219,363 thousand yen	2,219,363 thousand yen
Provision as disclosed in (4) Distribution Information	-	-
Reversal as disclosed in (4) Distribution Information	-	-
Balance after provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen

(iv) Minimum amount of net assets prescribed in Article 67, Item 4 of the Investment Trusts Act

	(Thousands of yen)	
	The 31 st Period (as of January 31, 2021)	The 30 th Period (as of July 31, 2020)
	50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income from real estate leasing business

	(Thousands of yen)			
	The 31 st Period (from August 1, 2020 to January 31, 2021)		The 30 th Period (from February 1, 2020 to July 31, 2020)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	8,640,791		8,839,165	
Land rents received	600		600	
Facility charges	233,110	8,874,502	231,553	9,071,318
Other lease business revenue				
Parking charges	25,544		25,163	
Utilities charges	204,433		203,436	
Other operating income	16,716	245,694	71,058	299,657
Total real estate leasing business revenue		9,120,197		9,370,976
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	804,713		832,808	
Outsourcing service expenses	261,325		263,804	
Utilities expenses	197,039		205,484	
Repair expenses	186,897		549,210	
Insurance expenses	24,203		25,770	
Other expenses related to rent business	47,540		126,292	
Depreciation	1,887,008		1,928,016	
Loss on retirement of non-current assets	284,039		52,538	
Total real estate leasing business expenses		3,692,768		3,983,926
(iii) Income from real estate leasing business				
((i) - (ii))		5,427,429		5,387,049

Breakdown of Gain on sales of real estate properties

The 31st Period (from August 1, 2020 to January 31, 2021)

Not applicable.

The 30th Period (from February 1, 2020 to July 31, 2020)

Tajimi Logistics center

	(Thousands of yen)
Revenue for disposition of the property	13,900,000
Book value of the property	8,346,646
Other expense on the disposition	204,418
Gain on sales of real estate properties	5,348,935

Yachiyo Logistics center III

	(Thousands of yen)
Revenue for disposition of the property	3,700,000
Book value of the property	3,345,619
Other expense on the disposition	38,228
Gain on sales of real estate properties	316,152

[Notes to Statement of Changes in Net Assets]

Total number of investment units authorized and total number of investment units issued and outstanding

	The 31 st Period (from August 1, 2020 to January 31, 2021)	The 30 th Period (from February 1, 2020 to July 31, 2020)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	905,073 units	905,073 units

[Notes to Statement of Cash Flows]

Relationship between cash and cash equivalents at end of period and the amount on the balance sheet

	(Thousands of yen)	
	The 31 st Period (from August 1, 2020 to January 31, 2021)	The 30 th Period (from February 1, 2020 to July 31, 2020)
Cash and deposits	10,082,918	15,528,650
Cash and deposits in trust	4,268,938	4,178,384
Long-term deposits received (Note)	-189,770	-188,475
Cash and cash equivalents	14,162,087	19,518,559

(Note) "Long-term deposits received" means the deposits for which the withdrawal is restricted based on the co-ownership agreement for the property in trust.

[Lease Transactions]

Operating lease transactions (as a lessor)

	(Thousands of yen)	
	The 31 st Period (from August 1, 2020 to January 31, 2021)	The 30 th Period (from February 1, 2020 to July 31, 2020)
Future lease payments receivable		
Due within one year	15,863,519	16,074,686
Due after one year	49,605,164	57,497,014
Total	65,468,683	73,571,701

[Financial Instruments]

(i) Matters concerning the status of financial instruments

A. Policies on financial instruments

JLF procures funds mainly by additionally issuing investment units, borrowing funds, or issuing investment corporation bonds for the purpose of securing funds required for acquisition of assets and repair of assets, payments of dividends, and operation of JLF or repayment of debts.

When procuring funds through interest-bearing debt, JLF comprehensively takes into account the conditions in the capital market and the financial environment, the capital structure of JLF and lease terms with tenants, impact on the existing unitholders, and other factors, expects the future changes in economic and social conditions, and selects an effective means of procuring funds in terms of long or short loan periods and fixed or variable interest rates.

JLF uses derivative transactions for the purpose of hedging interest rate fluctuation risk and other risks and does not enter into derivative transactions for speculative or trading purpose.

JLF invests surplus funds in securities and monetary claims with a focus on safety and liquidity, and does not engage into speculative investment.

B. Description of financial instruments and associated risks, and the risk management system

Deposits are one means of investing the surplus funds of JLF and are exposed to credit risk such as the bankruptcy of deposit financial institutions. JLF works to mitigate credit risk by shortening the period of deposits and dealing with deposit financial institutions with high credit ratings.

Loans payable and investment corporation bonds are used primarily for acquisition of assets and repayments of debts, and are exposed to liquidity risk at the time of repayment/redemption. JLF strives to mitigate liquidity risk by diversifying lenders, repayment periods, and means of funds procurement and by securing liquidity on hand by setting commitment lines and manages liquidity risk by preparing cash flow management sheet and other methods.

As some loans are borrowed on variable interest rates, they are exposed to the risk of higher interest payment. JLF works to mitigate the risk of higher interest payment by maintaining a lower interest-bearing debt ratio as well as heightening the ratio of loan with long-term fixed interest rate.

Variable interest rate borrowings are exposed to the risk of interest rate fluctuations. Derivative transactions are used to hedge the risk of fluctuations in the interest rate payable for a portion of the borrowings. See “(iv) Hedge accounting method” above under “Summary of Significant Accounting Policies” for details about the hedging method, hedged items, hedging policy, and method of assessing hedge effectiveness, etc. in hedge accounting.

C. Description of financial instruments

Fair value of financial instruments comprises value based on market prices or rationally calculated value in the case the market prices are not available. As certain assumptions are applied in performing calculation of such value, the value may differ if different assumptions are used. In addition, the contract value of derivative transactions, which is presented in the following section entitled “Notes to Derivatives” is not an exact representation of market risk attributable to derivative transactions.

(ii) Matters concerning fair value, etc. of financial instruments

Amounts on the Balance Sheet, fair value and their difference as of January 31, 2021 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Cash and deposits	10,082,918	10,082,918	-
(2) Cash and deposits in trust	4,268,938	4,268,938	-
Total assets	14,351,857	14,351,857	-
(1) Current portion of long-term loans payable	18,000,000	18,023,068	23,068
(2) Investment corporation bond	11,700,000	11,877,791	177,791
(3) Long-term loans payable	85,000,000	86,281,185	1,281,185
Total liabilities	114,700,000	116,182,046	1,482,046
Derivative transactions *	(95,189)	(95,189)	-

*Net amounts are shown for credits and liabilities attributable to derivative transactions, and the total of the items that constitute net liabilities is shown in negative.

Amounts on the Balance Sheet, fair value and their difference as of July 31, 2020 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Cash and deposits	15,528,650	15,528,650	-
(2) Cash and deposits in trust	4,178,384	4,178,384	-
Total assets	19,707,035	19,707,035	-
(1) Current portion of long-term loans payable	16,000,000	16,050,748	50,748
(2) Investment corporation bond	11,700,000	11,850,428	150,428
(3) Long-term loans payable	87,000,000	88,311,488	1,311,488
Total liabilities	114,700,000	116,212,665	1,512,665
Derivative transactions *	(82,533)	(82,533)	-

*Net amounts are shown for credits and liabilities attributable to derivative transactions, and the total of the items that constitute net liabilities is shown in negative.

(Note 1) Matters concerning the method of calculating the market value of financial instruments and derivative transactions.

Assets

(1) Cash and deposits, (2) Cash and deposits in trust

The fair value of these is presented same as the book value, as they are settled in the short-term period and accordingly fair value is almost equal to book value.

Liabilities

(1) Current portion of long-term loans payable, (3) Long-term loans payable

The fair value of long-term loans with fixed interest rates is calculated by discounting such loans at rates that would be applied if new loans with the same amount are borrowed under similar terms and conditions. (However, long-term loans that are subject to specially designated accounting for interest swaps are calculated by discounting such loans at reasonably estimated rates that would be applied if new loans with the same amount are borrowed under similar terms and conditions.

(2) Investment corporation bond

When quoted market prices are available, the fair value is determined based on the reference value issued by the Japan Securities Dealers Association.

When quoted market prices are not available, the fair value is determined based on the present value calculated by discounting the total amount of principal and interest using a discount rate that reflects the remaining period and credit risk of the corresponding investment corporation bond.

Derivative transactions

See "Notes to Derivatives" below.

(Note 2) Financial instruments for which fair value is difficult to determine.

Not applicable to the 31st and 30th Periods.

(Note 3) Scheduled redemption of financial claims after the closing date.

The 31st Period (as of January 31, 2021)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	10,082,918	-	-	-	-	-
Cash and deposits in trust	4,268,938	-	-	-	-	-
Total	14,351,857	-	-	-	-	-

The 30th Period (as of July 31, 2020)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	15,528,650	-	-	-	-	-
Cash and deposits in trust	4,178,384	-	-	-	-	-
Total	19,707,035	-	-	-	-	-

(Note 4) Scheduled repayment amount of long-term loans payable and other interest-bearing debt after the closing date.

The 31st Period (as of January 31, 2021)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term loans payable	18,000,000	19,000,000	16,500,000	6,500,000	7,000,000	36,000,000
Investment corporation bond	-	-	-	-	3,000,000	8,700,000
Total	18,000,000	19,000,000	16,500,000	6,500,000	10,000,000	44,700,000

The 30th Period (as of July 31, 2020)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term loans payable	16,000,000	18,500,000	17,000,000	15,500,000	4,500,000	31,500,000
Investment corporation bond	-	-	-	-	-	11,700,000
Total	16,000,000	18,500,000	17,000,000	15,500,000	4,500,000	43,200,000

[Notes to Investment Securities]

Not applicable to the 31st and 30th Periods.

[Notes to Derivatives]

- (i) Transactions not applicable to hedge accounting
Not applicable to the 31st and 30th Periods.

- (ii) Transactions applicable to hedge accounting

The 31st Period (from August 1, 2020 to January 31, 2021)

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	9,000,000	7,000,000	-95,189	Based on prices and other conditions presented by financial institutions
Special treatment for hedge accounting of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	-

* Because the interest rate swaps accounted for using the special treatment are treated together with the hedged long-term borrowings, their fair value is included in that of the long-term borrowings.

The 30th Period (from February 1, 2020 to July 31, 2020)

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	9,000,000	9,000,000	-82,533	Based on prices and other conditions presented by financial institutions
Special treatment for hedge accounting of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	-

* Because the interest rate swaps accounted for using the special treatment are treated together with the hedged long-term borrowings, their fair value is included in that of the long-term borrowings.

[Notes to Retirement Benefits]

Not applicable to the 31st and 30th Periods.

[Tax Effect Accounting]

(i) Breakdown of major causes of deferred tax assets and deferred tax liabilities

	(Thousands of yen)	
	The 31 st Period (as of January 31, 2021)	The 30 th Period (as of July 31, 2020)
Deferred tax assets, current		
Enterprise tax not deductible	13	11
Deferred gains or losses on hedges	29,946	25,964
Subtotal deferred tax, current	29,959	25,976
Valuation Allowance	-29,946	-25,964
Total deferred tax assets, current	13	11
Deferred tax assets, net, current	13	11

(ii) Breakdown by major cause of material difference between the effective statutory tax rate and the effective tax rate after applying tax effect accounting

	The 31 st Period (as of January 31, 2021)	The 30 th Period (as of July 31, 2020)
Effective statutory tax rate	31.46%	31.46%
Adjustments		
Deductible cash distributions	-33.17%	-28.70%
Provision of reserve for reduction entry	-	-2.76%
Reversal of reserve for reduction entry	1.71%	-
Other	0.01%	0.01%
Effective tax rate after applying tax effect accounting	0.02%	0.01%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 31st and 30th Periods, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the 31st and 30th Periods.

(ii) Subsidiaries and affiliates

Not applicable to the 31st and 30th Periods.

(iii) Sister companies

Not applicable to the 31st and 30th Periods.

(iv) Directors and principal individual unitholders

The 31st Period (from August 1, 2020 to January 31, 2021)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Naohiro Kameoka	-	-	Executive Director of Japan Logistics Fund, Inc. and President of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	764,365 (Note 2)	Accrued expenses	545,776 (Note 2)

(Note 1) This is a transaction executed by Naohiro Kameoka as President of a third party (Mitsui & Co., Logistics Partners Ltd.), and the fee is in line with the Articles of Incorporation of JLF.

(Note 2) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

The 30th Period (from February 1, 2020 to July 31, 2020)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Naohiro Kameoka	-	-	Executive Director of Japan Logistics Fund, Inc. and President of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	854,167 (Note 2) (Note 3)	Accrued expenses	524,740 (Note 3)

(Note 1) This is a transaction executed by Naohiro Kameoka as President of a third party (Mitsui & Co., Logistics Partners Ltd.), and the fee is in line with the Articles of Incorporation of JLF.

(Note 2) Asset management fee includes disposition fee of 88,000 thousand yen, and acquisition fee of 27,128 thousand yen, which were capitalized on the book value of the acquired properties.

(Note 3) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

[Notes July to Asset Write-off Obligations]

Not applicable to the 31st and 30th Periods.

[Notes to Lease Properties]

JLF holds logistics properties for lease in the Tokyo Metropolitan area and other areas. The amounts on the Balance Sheet changes during the fiscal period, and fair value of lease properties are as follows

(Thousands of yen)

	The 31 st Period (from August 1, 2020 to January 31, 2021)	The 30 th Period (from February 1, 2020 to July 31, 2020)
Amount on the balance sheet		
Balance at the beginning of the period	245,388,688	254,415,529
Changes during the period	-1,307,326	-9,026,840
Balance at the end of the period	244,081,362	245,388,688
Fair value at the end of the period	356,630,000	349,850,000

(Note 1) The amount on the balance sheet is acquisition cost less accumulated depreciation. The amount on the balance sheet does not include the amount of the construction in progress.

(Note 2) The increase of the lease properties in the 30th period is mainly by the acquisition of Shiroy Logistics Center (3,962,219 thousand yen) and the decrease is mainly by the disposition of Tajimi Logistics Center (8,346,646 thousand yen) and Yachiyo Logistics Center III (3,345,619 thousand yen).

(Note 3) The fair value at the end of the fiscal period is the appraisal value provided by an outside real estate appraiser.

The income concerning lease properties, etc. for the 31st and 30th Periods is indicated under "Notes to Statement of Income and Retained Earnings" above.

[Segment Information]

(i) Segment information

Description is omitted as JLF engages in a single segment of the real estate leasing business.

(ii) Related information

The 31st Period (from August 1, 2020 to January 31, 2021)

A. Information by product and service

Description is omitted as net sales for external customers in a single product/service category exceed 90% of the operating revenue on Statement of Income and Retained Earnings.

B. Information by region

(a) Net sales

Description is omitted as net sales for external customers in Japan exceed 90% of the operating revenue on the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the Balance Sheet.

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

The 30th Period (from February 1, 2020 to July 31, 2020)

A. Information by product and service

Description is omitted as net sales for external customers in a single product/service category exceed 90% of the operating revenue on Statement of Income and Retained Earnings.

B. Information by region

(a) Net sales

Description is omitted as net sales for external customers in Japan exceed 90% of the operating revenue on the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

Description is omitted as the amount of property, plant, and equipment located in Japan exceeds 90% of the property, plant, and equipment on the Balance Sheet.

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

[Per Unit Information]

	The 31 st Period (from August 1, 2020 to January 31, 2021)	The 30 th Period (from February 1, 2020 to July 31, 2020)
Net assets per unit	148,950yen	154,241yen
Profit per unit	4,552yen	10,775yen

(Note 1) Profit per unit was calculated by dividing profit by average number of investment units during period.

Diluted profit per unit is not stated as there are no dilutive investment units.

(Note 2) The calculation of profit per unit is based on the following.

	(Thousands of yen)	
	The 31 st Period (from August 1, 2020 to January 31, 2021)	The 30 th Period (from February 1, 2020 to July 31, 2020)
Profit	4,120,075	9,752,769
Amount not attributable to common unitholders	-	-
Profit pertaining to common investment units	4,120,075	9,752,769
Average number of investment units during period	905,073 units	905,073 units

[Notes to Significant Subsequent Events]

Not applicable to the 31st and 30th Periods.

(9) Changes in the total number of investment units issued and outstanding

Investment Units Issued and Outstanding and Changes of the Unitholders' capital are as follows.

Date	Summary	Total number of investment units issued		Unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
February 22, 2005	Private placement offering	1,000	1,000	500	500	(Note 1)
May 6, 2005	Capital increase through public offering	55,700	56,700	29,562	30,062	(Note 2)
June 1, 2005	Capital increase through third-party allotment	2,800	59,500	1,486	31,548	(Note 3)
February 8, 2006	Capital increase through public offering	46,500	106,000	35,668	67,217	(Note 4)
March 8, 2006	Capital increase through third-party allotment	2,800	108,800	2,147	69,365	(Note 5)
August 31, 2007	Capital increase through public offering	13,500	122,300	12,656	82,021	(Note 6)
February 23, 2010	Capital increase through public offering	8,500	130,800	5,123	87,145	(Note 7)
March 25, 2010	Capital increase through third-party allotment	500	131,300	301	87,446	(Note 8)
August 30, 2010	Capital increase through public offering	16,000	147,300	9,689	97,136	(Note 9)
September 24, 2010	Capital increase through third-party allotment	700	148,000	423	97,559	(Note 10)
September 13, 2013	Distribution in Excess of Earnings	-	148,000	-464	97,095	(Note 11)
October 2, 2013	Capital increase through public offering	16,000	164,000	14,634	111,729	(Note 12)
October 28, 2013	Capital increase through third-party allotment	2,000	166,000	1,829	113,559	(Note 13)
February 1, 2014	Investment Unit Split	664,000	830,000	-	113,559	(Note 14)
September 16, 2015	Capital increase through public offering	47,500	877,500	8,801	122,360	(Note 15)
October 15, 2015	Capital increase through third-party allotment	2,500	880,000	463	122,823	(Note 16)
September 27, 2017	Capital increase through public offering	42,750	922,750	8,509	131,332	(Note 17)
October 19, 2017	Capital increase through third-party allotment	2,250	925,000	447	131,780	(Note 18)
July 13, 2018	Cancellation	-11,000	914,000	-2,436	129,344	(Note 19)
January 11, 2019	Cancellation	-8,927	905,073	-1,999	127,344	(Note 20)

(Note 1) Upon establishment of JLF, investment units were issued at the price of 500,000 yen per unit.

(Note 2) Investment units were newly issued at the price of 550,000 yen per unit (net proceeds of 530,750 yen) for new properties acquisition.

(Note 3) Investment units were newly issued through third-party allotment at the price of 530,750 yen per unit for new properties acquisition.

(Note 4) Investment units were newly issued at the price of 793,800 yen per unit (net proceeds of 767,070 yen) for new properties acquisition.

(Note 5) Investment units were newly issued through third-party allotment at the price of 767,070 yen per unit for new properties acquisition.

- (Note 6) Investment units were newly issued at the price of 971,180 yen per unit (net proceeds of 937,486 yen) for new properties acquisition.
- (Note 7) Investment units were newly issued at the price of 624,680 yen per unit (net proceeds of 602,784 yen) for a new property acquisition.
- (Note 8) Investment units were newly issued through third-party allotment at the price of 602,784 yen per unit for partial repayment of bank loans.
- (Note 9) Investment units were newly issued at the price of 627,590 yen per unit (net proceeds of 605,592 yen) for a new property acquisition.
- (Note 10) Investment units were newly issued through third-party allotment at the price of 605,592 yen per unit for partial repayment of bank loans.
- (Note 11) Distribution in Excess of Earnings was resolved at the price of 3,138 yen per unit in order to level out the loss associated with OBR.
- (Note 12) Investment units were newly issued at the price of 947,700 yen per unit (net proceeds of 914,652 yen) for new properties acquisition and partial repayment of bank loans.
- (Note 13) Investment units were newly issued through third-party allotment at the price of 914,652 yen per unit for partial repayment of bank loans.
- (Note 14) JLF has implemented a 5 - for - 1 investment unit split.
- (Note 15) Investment units were newly issued at the price of 191,782 yen per unit (net proceeds of 185,290 yen) for partial new properties acquisition and repayment of borrowings with respect to the acquisition of new properties.
- (Note 16) Investment units were newly issued through third-party allotment at the price of 185,290 yen per unit for financing future acquisition of specified assets, partial repayment of the borrowings or partial redemption of the investment corporation bond.
- (Note 17) Investment units were newly issued at the price of 206,017 yen per unit (net proceeds of 199,044 yen) for partial repayment of borrowings with respect to the acquisition of new properties and making up the decline in cash on hand used for the acquisitions.
- (Note 18) Investment units were newly issued through third-party allotment at the price of 199,044 yen per unit for financing future acquisition of specified assets and repayment of the borrowings.
- (Note 19) Investment units were repurchased through open-market transactions on the Tokyo Stock Exchange from March 14, 2018 to May 31, 2018 based on a discretionary transaction contract with a securities broker. All the acquired investment units were cancelled on July 13, 2018 based on a resolution at a meeting of the Board of Directors of JLF held on June 27, 2018.
- (Note 20) Investment units were repurchased through open-market transactions on the Tokyo Stock Exchange from September 13, 2018 to October 31, 2018 based on a discretionary transaction contract with a securities broker. All the acquired investment units were cancelled on January 11, 2019 based on a resolution at a meeting of the Board of Directors of JLF held on November 28, 2018.

3. Reference Information

(1) Asset composition of JLF

Type of assets	Use of assets	Region (Note 2)	The 31 st Period (as of January 31, 2021)		The 30 th Period (as of July 31, 2020)	
			Total amount owned (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)	Total amount owned (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)
Real estate	Logistics facility	Tokyo Metropolitan Area	10,884	4.2	10,853	4.1
		Kinki Area, Chubu Area and Kyushu Area	14,978	5.8	15,110	5.7
		Other Areas	1,597	0.6	1,613	0.6
	Subtotal		27,460	10.6	27,578	10.4
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	198,435	76.4	199,676	75.1
		Kinki Area, Chubu Area and Kyushu Area	17,248	6.6	17,191	6.5
		Other Areas	937	0.4	942	0.4
	Subtotal		216,621	83.4	217,810	81.9
Deposits and other assets (Note 5)			15,766	6.1	20,630	7.8
Total assets			259,848	100.0	266,019	100.0

(Note 1) Descriptions under "3. Reference Information" are effective as of January 31, 2021, as a general rule, unless otherwise indicated.

(Note 2) For region, please refer to "Area classification" below.

(Note 3) The total amount owned is based on the figures posted on the Balance Sheets as of the end of the fiscal period (real estate and real estate in trust are presented in book values after depreciation), and figures below one million yen have been omitted.

(Note 4) Figures are rounded off to the first decimal place.

(Note 5) Deposits and other assets include; deposit in trust assets of 4,268 million yen for the 31st Period and of 4,178 million yen for the 30th Period.

<Area classification>

Area classification	Region
Tokyo Metropolitan Area	Tokyo, Kanagawa, Chiba and Saitama
Kinki Area	Osaka, Hyogo and Kyoto
Chubu Area	Aichi, Gifu and Mie
Kyushu Area	Fukuoka and Saga
Other Areas	Other than above

	The 31 st Period (as of January 31, 2021)		The 30 th Period (as of July 31, 2020)	
	Amount (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)	Amount (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)
Total liabilities	125,037	48.1	126,419	47.5
Total net assets	134,810	51.9	139,600	52.5
Total assets	259,848	100.0	266,019	100.0

(Note 1) Figures below one million yen are omitted.

(Note 2) Figures are rounded off to the first decimal place.

(2) Investment Securities

(i) Major investment securities

A. Stocks

Not applicable

B. Securities other than stocks

Not applicable

(ii) List of portfolio properties

JLF owns the following real estate, etc.

A. The outline of portfolio properties (Acquisition price, etc.)

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-2	Urayasu	Trust beneficiary right of real estate	2,469 (Note 5)	2,498	5,590	0.9
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,250	1,860	0.5
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,153	3,710	0.9
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	4,923	9,730	2.2
M-6	Funabashi Nishiura	Trust beneficiary right of real estate	5,700	4,140	7,830	2.1
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,471	12,600	4.1
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,430	2,380	0.6
M-11	Yachiyo	Trust beneficiary right of real estate	7,892 (Note 6)	7,204	12,600	2.9
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	7,745	12,100	3.6
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	3,815	7,990	2.0
M-14	Urayasu Chidori II	Real estate	1,640	1,409	1,850	0.6
M-15	Ichikawa	Real estate	4,550	4,078	6,020	1.7
M-16	Shinonome (Note 7)	Trust beneficiary right of real estate	11,800	11,071	15,100	4.4
M-17	Narashino II (Note 7)	Trust beneficiary right of real estate	7,875	6,224	10,500	2.9
M-18	Ichikawa II (Note 7)	Trust beneficiary right of real estate	17,415	15,198	23,900	6.5
M-19	Souka	Trust beneficiary right of real estate	14,440 (Note 8)	13,473	17,500	5.4
M-20	Tatsumi	Trust beneficiary right of real estate	9,000	8,241	12,300	3.3
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,328	4,640	1.4
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	7,845	10,900	3.2
M-23	Kashiwa II	Trust beneficiary right of real estate	3,795 (Note 9)	3,677	4,440	1.4
M-24	Shin-Koyasu (Note 7)	Trust beneficiary right of real estate	9,696	8,887	12,300	3.6

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-25	Misato	Trust beneficiary right of real estate	3,873	3,491	4,920	1.4
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	7,273	11,400	3.0
M-27	Chiba Kita	Real estate	1,459	1,375	2,050	0.5
M-28	Chiba Kita II	Trust beneficiary right of real estate	4,608	4,484	6,080	1.7
M-29	Urayasu Chidori III	Trust beneficiary right of real estate	1,053	1,041	1,550	0.4
M-30	Zama	Trust beneficiary right of real estate	1,728	1,738	2,430	0.6
M-31	Shinkiba II	Trust beneficiary right of real estate	15,270	15,098	19,100	5.7
M-32	Yokohama Machida	Trust beneficiary right of real estate	25,452	25,004	27,100	9.5
M-34	Shiroi	Real estate	3,875	4,021	4,980	1.4
M-35	Toda	Trust beneficiary right of real estate	2,052	2,044	2,360	0.8
M-36	Ichikawa III	Trust beneficiary right of real estate	3,850	3,843	5,260	1.4
M-37	Fujisawa	Trust beneficiary right of real estate	4,305	4,259	4,470	1.6
M-38	Hanyu	Trust beneficiary right of real estate	1,705	1,350	1,990	0.6
M-39	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,166	4,970	1.5
M-40	Kazo	Trust beneficiary right of real estate	3,790	3,057	4,990	1.4
Subtotal for the Tokyo Metropolitan Area			231,326	209,320	299,490	86.0
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 10)	8,789	19,500	3.6
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,301	6,810	1.5
T-3	Kiyosu	Real estate	3,010 (Note 11)	2,869	5,600	1.1
T-4	Kadoma	Real estate	989	1,010	1,600	0.4
T-5	Komaki	Real estate	2,100	1,810	2,070	0.8
T-6	Komaki II	Real estate	1,800	1,646	1,610	0.7
T-7	Fukuoka Hakozaiki Futo	Trust beneficiary right of real estate	2,797	2,647	3,730	1.0
T-9	Fukuoka Kashiihama	Trust beneficiary right of real estate	2,750	2,508	3,530	1.0
T-10	Kasugai	Real estate	3,500 (Note 12)	3,473	4,850	1.3
T-11	Takatsuki	Real estate	1,560	1,577	1,800	0.6

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
T-13	Osaka Nishiyodogawa	Real estate	2,600	2,590	2,790	1.0
Subtotal for Kinki Area, Chubu Area and Kyushu Area			34,965	32,226	53,890	13.0
O-1	Maebashi	Trust beneficiary right of real estate	1,230	937	1,330	0.5
O-5	Sendaiko-kita	Real estate	1,600	1,597	1,920	0.6
Subtotal for other Areas			2,830	2,534	3,250	1.1
Portfolio total			269,121	244,081	356,630	100.0

(Properties to be acquired, etc.)

Property Number	Name of the properties (Note 13)	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
T-12	Aisai	Real estate	2,510 (Note 14)	-	2,790	-

(Note 1) Listed properties are primarily used as logistics facilities.

(Note 2) Acquisition price and book value are rounded down to the nearest million yen. The book value does not include the construction in progress.

(Note 3) Appraisal value, as a general rule, at end of period indicates appraisal value calculated based on the balance sheet date defined by Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. Japan Real Estate Institute and CBRE, Inc. as the date of value estimate in accordance with the asset evaluation methods and standards specified under the Articles of Incorporation of JLF as well as the rules set forth by the Investment Trusts Association, Japan.

(Note 4) % of the portfolio represents the ratio of the acquisition price of each piece of real estate, etc. to the total acquisition price of real estate, etc. owned by JLF, and is indicated by rounding off to the first decimal place.

(Note 5) The amount is calculated by subtracting 432 million yen, the amount equivalent to the building that was demolished in December 2020, from the acquisition price of 2,902 million yen stated in the original purchase agreement.

(Note 6) The amount is calculated by subtracting 603 million yen, the amount equivalent to the building that was demolished in July 2013, from the acquisition price of 2,266 million yen stated in the original purchase agreement, and adding 6,230 million yen, the construction price for the redevelopment of the building.

(Note 7) Figures for co-ownership are indicated.

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center: 51%

(Note 8) The figure is the sum of the acquisition prices on March 27, 2012 and February 6, 2017.

(Note 9) The figure is the sum of the acquisition prices on September 20, 2013 and March 1, 2018.

(Note 10) The amount is calculated by subtracting 291 million yen, the amount equivalent to the building that was demolished in July 2009, from the acquisition price of 7,617 million yen stated in the original purchase agreement, and adding 2,437 million yen, the construction price of the redeveloped Warehouse III.

(Note 11) The amount is the sum of the acquisition price of 685 million yen stated in the original purchase agreement and the construction price of 2,325 million yen for the redevelopment of the building.

(Note 12) The amount is calculated by adding the acquisition price of 2,670 million yen for the building newly constructed through the redevelopment project to the acquisition price of 830 million yen stated in the original purchase agreement.

(Note 13) The Purchase Agreement regarding the properties to be acquired, corresponds to the forward commitment, etc. stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." set by the Financial Services Agency.

(Note 14) The figure is the acquisition price stipulated in the purchase agreement. The acquisition of this property for 2,510 million yen was completed on March 1, 2021.

B. The outline of portfolio properties (The status of leasing of real estate properties, etc.)

Property Number	Name of the Logistics Center	Total leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-2	Urayasu (Note 4)	-	-	-	0.0	-
M-3	Hiratsuka	11,418.57	11,418.57	1	100.0	(Note 5) 21.1
M-4	Shinkiba	11,595.40	11,595.40	1	100.0	17.6
M-5	Urayasu Chidori	31,829.55	31,829.55	1	100.0	13.8
M-6	Funabashi Nishiura	34,723.80	34,723.80	3	100.0	7.1
M-8	Kawasaki	46,667.00	46,667.00	1	100.0	14.6
M-9	Narashino	4,123.60	4,123.60	1	100.0	11.3
M-11	Yachiyo	56,882.98	56,882.98	2	100.0	1.7
M-12	Yokohama Fukuura	40,160.35	40,160.35	3	100.0	16.3
M-13	Yachiyo II	32,389.75	32,389.75	1	100.0	7.6
M-14	Urayasu Chidori II	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	18,735.76	18,735.76	1	100.0	11.8
M-16	Shinonome (Note 6)	24,380.84	24,380.84	1	100.0	14.4
M-17	Narashino II (Note 6)	43,508.54	43,508.54	2	100.0	11.1
M-18	Ichikawa II (Note 6)	67,065.02	67,065.02	2	100.0	4.2
M-19	Souka	55,300.10	55,300.10	3	100.0	12.7
M-20	Tatsumi	29,810.84	29,810.84	1	100.0	14.6
M-21	Kashiwa	20,550.73	20,550.73	1	100.0	9.7
M-22	Musashimurayama	40,884.25	40,884.25	1	100.0	11.9
M-23	Kashiwa II	50,159.55	50,159.55	1	100.0	7.1
M-24	Shin-Koyasu (Note 6)	36,251.63	36,251.63	2	100.0	11.4
M-25	Misato	19,405.45	19,405.45	1	100.0	10.9
M-26	Sagamihara	42,733.37	42,733.37	1	100.0	12.3
M-27	Chiba Kita	14,828.38	0.00	0	0.0	8.4
M-28	Chiba Kita II	25,595.13	25,595.13	1	100.0	6.8
M-29	Urayasu Chidori III	5,587.80	5,587.80	1	100.0	10.9
M-30	Zama	9,352.06	9,352.06	1	100.0	11.8
M-31	Shinkiba II	41,270.00	41,270.00	3	100.0	11.3
M-32	Yokohama Machida	65,657.14	65,657.14	6	100.0	12.2
M-34	Shiroi	25,653.79	25,653.79	1	100.0	9.4

Property Number	Name of the Logistics Center	Total leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-35	Toda	7,219.40	7,219.40	1	100.0	11.7
M-36	Ichikawa III	24,740.88	24,740.88	1	100.0	10.9
M-37	Fujisawa	16,443.72	16,443.72	1	100.0	12.3
M-38	Hanyu	5,919.53	5,919.53	1	100.0	11.6
M-39	Saitama Kisai	24,574.14	24,574.14	1	100.0	10.5
M-40	Kazo	25,189.47	25,189.47	1	100.0	9.5
Subtotal for the Tokyo Metropolitan Area		1,016,801.32	1,001,972.94	51	98.5	-
T-1	Daito	97,390.99	97,390.99	1	100.0	12.9
T-2	Osaka Fukuzaki	23,736.68	23,736.68	1	100.0	14.1
T-3	Kiyosu	20,438.09	20,438.09	1	100.0	10.0
T-4	Kadoma	7,416.19	7,416.19	1	100.0	13.3
T-5	Komaki	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	11,104.45	11,104.45	1	100.0	8.3
T-7	Fukuoka Hakozaiki Futo	24,463.69	24,463.69	1	100.0	1.0
T-9	Fukuoka Kashiihama	21,217.48	21,217.48	2	100.0	1.0
T-10	Kasugai	22,246.29	22,246.29	1	100.0	8.9
T-11	Takatsuki	7,305.33	7,305.33	1	100.0	9.5
T-13	Osaka Nishiyodogawa	10,213.81	10,213.81	1	100.0	10.2
Subtotal for Kinki Area, Chubu Area and Kyushu Area		255,019.45	255,019.45	12	100.0	-
O-1	Maebashi	5,416.42	5,416.42	1	100.0	9.0
O-5	Sendaiko-Kita	10,634.24	10,634.24	1	100.0	10.6
Subtotal for other Areas		16,050.66	16,050.66	2	100.0	-
Portfolio total		1,287,871.43	1,273,043.05	65	98.8	8.5

(Note 1) The total leasable area is calculated based on the leased area for the building described in the lease agreement for each property. The same applies to the information provided in “3. Reference Information” here.

(Note 2) The leased area is the sum of the leased floor area of the building as stated in the lease agreement for each property. The same applies to the information provided in “3. Reference Information” here.

(Note 3) As for the PML (Probable Maximum Loss) figures, Shimizu Corporation has prepared an earthquake risk research report with regard to portfolio properties owned by JLF. Such report, however, does not guarantee the contents provided and simply reflects the opinion of the research institution. PML is the projected loss ratio in an earthquake. While no consistent, clear definition of PML is available, it is the ratio of projected loss amount against building replacement cost for which the loss value and the probability rate against large and small earthquakes that could possibly occur in a period of 475 years were computed and statistically applied. The calculations are performed based on onsite research on each respective property, assessment of building status, checking consistency with the floor plan, ground conditions at each site, regional factors, and structural conditions. Loss herein refers to physical damage only, and does not take into consideration secondary damage to people’s lives and other facilities in the vicinity. Damage factors include structural damage and internal and external physical damage, and do not consider fire on site caused by an earthquake or fire spreading from another facility.

(Note 4) A redevelopment project to construct a new building has begun in September 2020.

(Note 5) Earthquake insurance is secured as the PML value exceeds 20%.

(Note 6) Figures for co-ownership are indicated.

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center: 51%

(iii) Diversification of portfolio

Diversification of portfolio properties owned by JLF is described below.

A. Ratio by region

Region	Total leasable area (m ²)	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	1,016,801.32	79.0	231,326	86.0
Kinki Area, Chubu Area and Kyushu Area	255,019.45	19.8	34,965	13.0
Other Areas	16,050.66	1.2	2,830	1.1
Total	1,287,871.43	100.0	269,121	100.0

(Note) Figures are rounded off to the first decimal place.

B. Ratio by total rentable area (Note 1)

Total rentable area (m ²)	Number of properties	Ratio (%) (Note 2)	Acquisition price (Millions of yen)	Ratio (%) (Note 2)
Over 30,000 m ²	17	34.7	177,785	66.1
Over 10,000 m ² but 30,000 m ² or less	21	42.9	73,119	27.2
10,000 m ² or less	11	22.4	18,216	6.8
Total	49	100.0	269,121	100.0

(Note 1) Properties are classified based on total rentable area (100% of total leasable area with respect to co-owned properties) and their portfolio proportions are indicated.

(Note 2) Figures are rounded off to the first decimal place.

C. Ratio by leasehold period

Leasehold period (Residual period)	Leased area (m ²)	Ratio (%) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	92,260.39	7.2	1,346	7.8
Over 5 years but within 10 years	252,001.35	19.8	3,714	21.6
Over 3 years but within 5 years	406,240.20	31.9	5,330	31.0
Within 3 years	522,541.11	41.0	6,825	39.6
Total	1,273,043.05	100.0	17,217	100.0

(Note 1) Figures are rounded off to the first decimal place.

(Note 2) Annual rent represents either annual rent in the lease contract or monthly rent in the lease contract times 12. If the property has multiple tenants, the number is the sum of the all contracts.

(iv) Performance of portfolio properties

The following provides a summary of performance for the 31st Period of real estate, etc. owned by JLF.

The "performance data" for each piece of real estate, etc. provide the following.

- The amounts indicated under "Performance data" are not intended to provide or guarantee future values.
- Amounts are presented with figures below one million yen omitted, and are posted on an accrual basis in principle.
- "Real estate leasing business revenue" includes rent, common area maintenance fees, and income from parking charges, utilities expenses, and other.
- "Taxes and public dues" includes property tax and city planning tax. As a general rule, the obligation to pay property tax and city planning tax comes into effect on January 1 of each year. Such tax payments, however, are not posted as real estate leasing business expenses, as JLF, when settling property and city planning taxes incurred at the time of property acquisition, includes the amount settled as part of the acquisition cost.
- "Repair expenses" may vary when JLF holds properties for a long period of time as such expenses differ from period to period, and, by nature, do not arise on a regular basis.
- "Insurance expenses" posted represents the portion of casualty insurance corresponding to the respective period.
- "Other expenses" includes trust fees.

(Millions of yen)

Property No.	M-2	M-3	M-4	M-5	M-6
Name of real estate, etc.	Urayasu Logistics Center	Hiratsuka Logistics Center	Shinkiba Logistics Center	Urayasu Chidori Logistics Center	Funabashi Nishiura Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	5	9	14	36	43
Loss on write-off of noncurrent assets	248	-	0	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	-264	37	62	176	111
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	-10	47	77	213	154
(v) Capital expenditure	-	-	10	7	1
(vi) NCF (= (iv) - (v))	-10	47	67	206	153

(Note) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	M-8	M-9	M-11	M-12	M-13
Name of real estate, etc.	Kawasaki Logistics Center	Narashino Logistics Center	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center	Yachiyo Logistics Center II
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue		60			193
Rent revenue - real estate		60			193
Other lease business revenue		-			-
(ii) Total real estate leasing business expenses		13			81
Taxes and dues	Not disclosed (Note)	4	Not disclosed (Note)	Not disclosed (Note)	13
Outsourcing service expenses		0			0
Utilities expenses		-			0
Repair expenses		-			2
Insurance expenses		0			0
Other expenses related to rent business		0			0
Depreciation and amortization	78	7	80	78	63
Loss on write-off of noncurrent assets	2	0	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	191	46	191	207	112
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	272	54	271	285	176
(v) Capital expenditure	198	2	-	-	9
(vi) NCF (= (iv) - (v))	74	52	271	285	166

(Note) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	M-14	M-15	M-16	M-17	M-18
Name of real estate, etc.	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)	Ichikawa Logistics Center II (Note 1)
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue			355		
Rent revenue - real estate			354		
Other lease business revenue			0		
(ii) Total real estate leasing business expenses			77		
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	27	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses			0		
Utilities expenses			-		
Repair expenses			2		
Insurance expenses			0		
Other expenses related to rent business			0		
Depreciation and amortization	11	26	44	77	107
Loss on write-off of noncurrent assets	-	-	1	0	1
(iii) Income from real estate leasing business (= (i) - (ii))	28	93	277	178	394
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	40	120	324	256	503
(v) Capital expenditure	-	6	24	2	9
(vi) NCF (= (iv) - (v))	40	113	299	253	493

(Note 1) Figures for joint ownership are indicated.

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

(Note 2) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	M-19	M-20	M-21	M-22	M-23
Name of real estate, etc.	Souka Logistics Center	Tatsumi Logistics Center	Kashiwa Logistics Center	Musashi murayama Logistics Center	Kashiwa Logistics Center II
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	117	45	39	47	36
Loss on write-off of noncurrent assets	-	-	0	-	3
(iii) Income from real estate leasing business (= (i) - (ii))	211	207	71	196	96
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	329	252	111	243	135
(v) Capital expenditure	127	4	5	26	24
(vi) NCF (= (iv) - (v))	201	248	106	217	110

(Note) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	M-24	M-25	M-26	M-27	M-28
Name of real estate, etc.	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center	Sagamihara Logistics Center	Chiba Kita Logistics Center	Chiba Kita Logistics Center II
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	58	31	73	13	30
Loss on write-off of noncurrent assets	12	0	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	188	79	149	4	107
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	259	111	223	17	138
(v) Capital expenditure	22	0	-	9	-
(vi) NCF (= (iv) - (v))	237	111	223	8	138

(Note 1) Figures for joint ownership are indicated. Shin-Koyasu Logistics Center: 51%

(Note 2) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	M-29	M-30	M-31	M-32	M-34
Name of real estate, etc.	Urayasu Chidori Logistics Center III	Zama Logistics Center	Shinkiba Logistics Center II	Yokohama Machida Logistics Center	Shiroi Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	5	8	84	94	43
Loss on write-off of noncurrent assets	0	0	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	30	50	300	383	71
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	35	59	385	478	115
(v) Capital expenditure	0	2	0	12	9
(vi) NCF (= (iv) - (v))	34	56	384	466	106

(Note 1) Not disclosed as the tenant did not agree to disclosure.

Property No.	M-35	M-36	M-37	M-38	M-39
Name of real estate, etc.	Toda Logistics Center	Ichikawa Logistics Center III	Fujisawa Logistics Center	Hanyu Logistics Center	Saitama Kisai Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	59	Not disclosed (Note)
Rent revenue - real estate				59	
Other lease business revenue				-	
(ii) Total real estate leasing business expenses				13	
Taxes and dues				3	
Outsourcing service expenses				0	
- Utilities expenses				-	
Repair expenses				-	
Insurance expenses				0	
Other expenses related to rent business				0	
Depreciation and amortization	14	22	30	7	32
Loss on write-off of noncurrent assets	-	-	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	34	102	63	46	89
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	48	124	93	54	122
(v) Capital expenditure	-	-	-	0	-
(vi) NCF (= (iv) - (v))	48	124	93	53	122

(Note) Not disclosed as the tenant did not agree to disclosure.

Property No.	M-40	T-1	T-2	T-3	T-4
Name of real estate, etc.	Kazo Logistics Center	Daito Logistics Center	Osaka Fukuzaki Logistics Center	Kiyosu Logistics Center	Kadoma Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	43	85	23	33	10
Loss on write-off of noncurrent assets	0	0	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	67	389	125	97	34
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	112	474	149	130	45
(v) Capital expenditure	9	217	-	-	2
(vi) NCF (= (iv) - (v))	103	256	149	130	42

(Note) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	T-5	T-6	T-7	T-9	T-10
Name of real estate, etc.	Komaki Logistics Center	Komaki II Logistics Center	Fukuoka Hakozaki Futo Logistics Center	Fukuoka Kashiihama Logistics Center	Kasugai Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	15	17	26	27	36
Loss on write-off of noncurrent assets	-	-	-	9	-
(iii) Income from real estate leasing business (= (i) - (ii))	31	33	63	26	77
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	47	50	89	62	113
(v) Capital expenditure	-	-	6	3	-
(vi) NCF (= (iv) - (v))	47	50	83	59	113

(Note) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	T-11	T-13	O-1	O-5
Name of real estate, etc.	Takatsuki Logistics Center	Osaka Nishiyodogawa Logistics Center	Maebashi Logistics Center	Sendaiko-kita Logistics Center
Number of days under management	184	184	184	184
(i) Total real estate leasing business revenue	Not disclosed (Note 2)	Not disclosed (Note 2)	43	Not disclosed (Note 2)
Rent revenue - real estate			43	
Other lease business revenue			-	
(ii) Total real estate leasing business expenses			12	
Taxes and dues			2	
Outsourcing service expenses			0	
Utilities expenses			-	
Repair expenses			-	
Insurance expenses			0	
Other expenses related to rent business			0	
Depreciation and amortization	10	12	7	16
Loss on write-off of noncurrent assets	-	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	26	41	31	43
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	36	54	39	60
(v) Capital expenditure	0	-	3	-
(vi) NCF (= (iv) - (v))	36	54	36	60

(Note 1) Not disclosed as the tenant did not agree to disclosure.

(3) Capital expenditure for assets under management

(i) Scheduled capital expenditure

Major scheduled capital expenditures associated with the planned repair work for real estate, etc. owned by JLF are listed below. The following scheduled expenditures include those accounted for as expenses.

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen) (Note)		
			Total amount	Payment for the period	Total amount paid
Shinonome Logistics Center (Koto, Tokyo)	Rooftop and outer wall waterproofing, and greening work	From October, 2020 to August, 2022	186	-	-
Daito Logistics Center (Daito, Osaka)	Remodeling work of Warehouse I	From April, 2020 to August, 2022	734	110	110
Chiba-kita Logistics Center (Chiba, Chiba)	Full-scale renewal	From November, 2020 to May, 2021	301	-	-
Chiba-kita Logistics Center (Chiba, Chiba)	Elevator renewal work	May, 2021	37	-	-
Chiba-kita Logistics Center (Chiba, Chiba)	Vertical carrier renewal work	May, 2021	47	-	-
Urayasu Chidori Logistics Center III (Urayasu, Chiba)	High-voltage power receiving and transforming equipment renewal work	January, 2022	18	-	-
Osaka Fukuzaki Logistics Center (Osaka, Osaka)	LED lighting installation	July, 2021	33	-	-
Komaki Logistics Center II (Komaki, Aichi)	Elevator renewal work	March, 2021	26	-	-
Maebashi Logistics Center (Maebashi, Gunma)	Air conditioner renewal work	December, 2021	11	-	-

(Note) Figures are rounded down to the nearest million yen.

(ii) Capital expenditure during the fiscal period

The following provides a summary of major construction work applicable to capital expenditure performed during the fiscal period in connection with the real estate, etc. owned by JLF.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note 1)
Kawasaki Logistics Center (Kawasaki, Kanagawa)	Rooftop waterproofing	January, 2021	191
Daito Logistics Center (Daito, Osaka)	Remodeling work of Warehouse I (Note 2)	January, 2021	178

(Note 1) Figures are rounded down to the nearest million yen.

(Note 2) Of the total amount of construction work scheduled to be carried out over the period from April 2020 to August 2022, the amount of work completed in the fiscal period ending January 2021 is shown.

(iii) Reserve for long-term repair plan (reserve for repairs)

Not applicable

(4) Overview of tenants and major real estate and other properties

10 major tenants

The following tenants use the 10 largest areas of real estate owned and leased by JLF as of July 31, 2020.

Name of tenant	Name of real estate, etc.	Leased area (m ²)	Lease ratio (%) (Note 1)
Nakano Shokai co., ltd.	Kashiwa Logistics Center II	137,615.49	10.8
	Tatsumi Logistics Center		
	Fukuoka Hakozaki Futo Logistics Center		
	Fukuoka Kashiihama Logistics Center		
	Shinkiba Logistics Center		
	Shinkiba Logistics Center II		
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	119,637.28	9.4
	Kasugai Logistics Center		
SBS RICOH LOGISTICS SYSTEM Co., Ltd.	Osaka Fukuzaki Logistics Center	62,333.57	4.9
	Shin-Koyasu Logistics Center (Note 2)		
	Souka Logistics Center		
SAGAWA EXPRESS CO., LTD.	Hanyu Logistics Center	57,376.56	4.5
	Yokohama Fukuura Logistics Center		
	Narashino Logistics Center		
	Shin-Koyasu Logistics Center (Note 2)		
	Maebashi Logistics Center		
	Shinonome Logistics Center (Note 2)		
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,874.96	4.1
-(Note 3)	-(Note 3)	48,854.63	3.8
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	46,667.00	3.7
Hitachi Transport System Metropolitan Co., Ltd.	Yachiyo Logistics Center	43,032.60	3.4
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	42,733.37	3.4
VANTEC CORPORATION	Musashi Murayama Logistics Center	40,884.25	3.2
Total for all tenants		1,273,043.05	100.0

(Note 1) Figures are rounded off to the first decimal place.

(Note 2) Figures for co-ownership are indicated.

Shinonome Logistics Center II: 47%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center: 51%

(Note 3) Not disclosed as the tenant did not agree to disclosure.