

REIT Financial Report for the Fiscal Period ended January 31, 2016 (The 21<sup>st</sup> Period)

March 14, 2016

Name of REIT issuer: Japan Logistics Fund, Inc. Stock exchange listing: Tokyo Stock Exchange  
 Security code: 8967 URL: <http://8967.jp/eng>  
 Representative: Takayuki Kawashima, Executive Director

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

Scheduled date for submission of Securities Report: April 27, 2016

Scheduled date for commencing dividend payments: April 6, 2016

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 2016 (The 21<sup>st</sup> Period from August 1, 2015 to January 31, 2016)

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The 21 <sup>st</sup> Period	7,554	6.8	3,991	10.8	3,549	10.6	3,548	10.6
The 20 <sup>th</sup> Period	7,074	(24.9)	3,601	(38.6)	3,210	(41.2)	3,209	(41.2)

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
The 21 <sup>st</sup> Period	4,092	2.9	1.7	47.0
The 20 <sup>th</sup> Period	3,866	2.7	1.6	45.4

## (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 Dividends of Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
The 21 <sup>st</sup> Period	4,033	3,549	0	0	100.0	2.8
The 20 <sup>th</sup> Period	3,866	3,208	0	0	99.9	2.7

(Note) Payout Ratio = Total Dividends (excluding Distributions in excess of earnings)/Net Income x 100 (figures are rounded down to the nearest decimal place)

## (3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
As of The 21 <sup>st</sup> Period	209,459	128,592	61.4	146,127
The 20 <sup>th</sup> Period	199,146	118,987	59.7	143,358

(Reference) Unitholders' equity The 21<sup>st</sup> Period: 128,592 million yen The 20<sup>th</sup> Period: 118,987 million yen

## (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 21 <sup>st</sup> Period	5,714	(8,935)	6,019	9,773
The 20 <sup>th</sup> Period	4,658	(9,639)	(1,236)	6,975

2. Forecasts for the Fiscal Period ending July 2016 (The 22<sup>nd</sup> Period from February 1, 2016 to July 31, 2016) and the Fiscal Period ending January 2017 (The 23<sup>rd</sup> Period from August 1, 2016 to January 31, 2017)

(% 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 22 <sup>nd</sup> Period	7,592	0.5	3,922	(1.7)	3,547	0.0	3,546	(0.1)	4,030	0
The 23 <sup>rd</sup> Period	7,529	(0.8)	3,927	0.1	3,547	0.0	3,546	0.0	4,030	0

(Reference) Forecast for net income per unit      The 23<sup>rd</sup> Period:      4,030 yen      The 22<sup>nd</sup> Period:      4,030 yen

\* 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 21<sup>st</sup> Period:      880,000 units      The 20<sup>th</sup> Period:      830,000 units

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

The 21<sup>st</sup> Period:      0 unit      The 20<sup>th</sup> 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 24.

\* Explanation on the financial audit

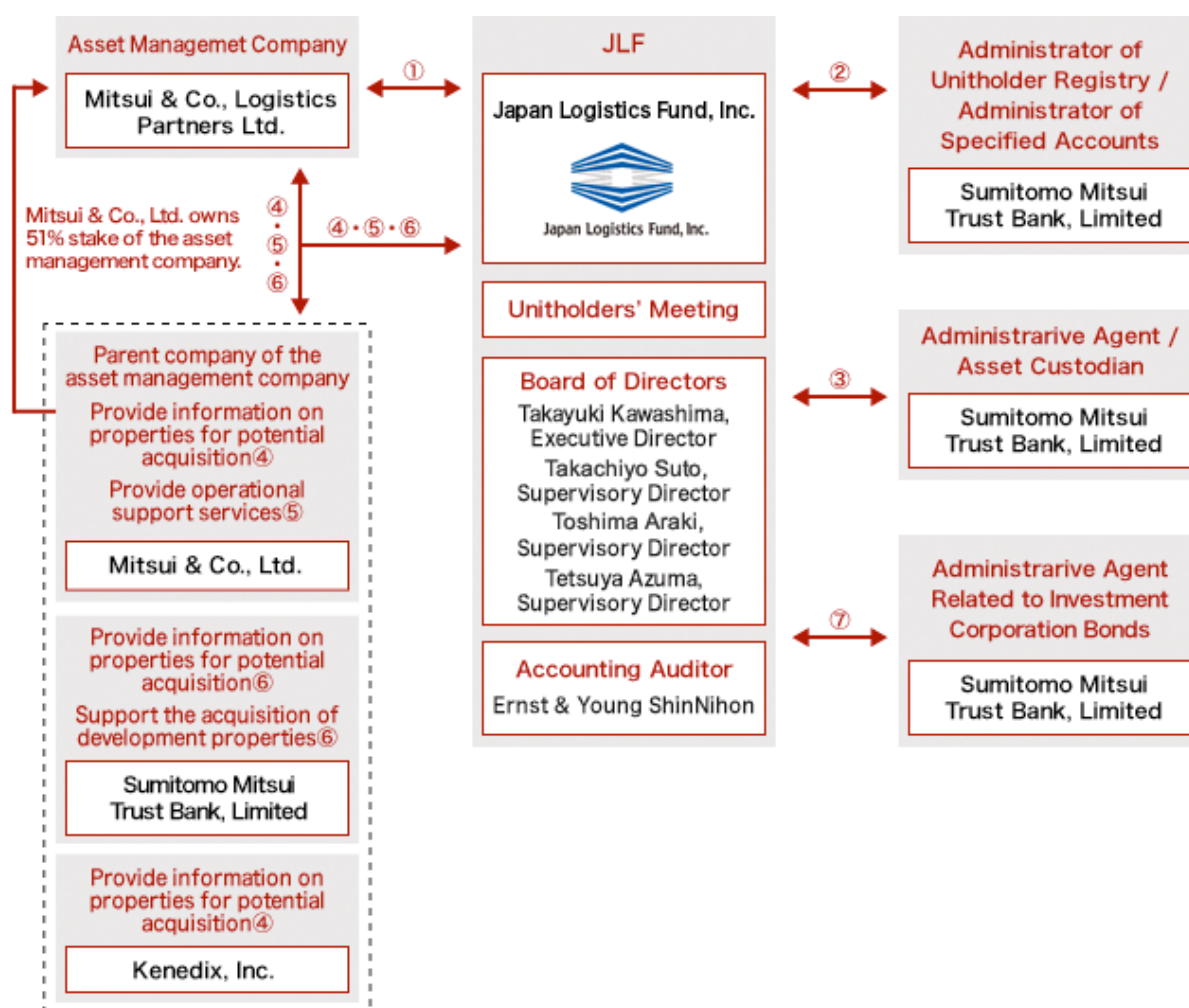
Financial audit procedures in accordance with the Financial Instruments and Exchange Act have not yet finished as of March 14, 2016.

\* Explanation on the appropriate use of forecasts and other notes

(Note to forward-looking statements)

1. 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 "2. Management Discussions and Analysis (2) Asset Management Status (ii) Outlook for the Next Fiscal Period D. Forecasts" on page 7.

## 1. Overview of Affiliates of JLF



- ① Asset Management Agreement  
 ② Agreement for Administration of Unitholder Registry and Specified Accounts  
 ③ Agreement for Administrative Agent and Asset Custody  
 ④ Agreement Related to Support for the Acquisition of Logistics Real Estate  
 ⑤ Basic Agreement Related to Operational Support Service in the Acquisition of Properties  
 ⑥ Basic Agreement Related to the Provision of Brokerage Information on Real Estate and the like / Agreement Related to the Support of the Acquisition of Development Properties  
 ⑦ Fiscal Agency Agreement

(Note 1) The names of JLF and its affiliates, asset management roles and outline of related operations (including other major related parties of JLF) are omitted from disclosure, as there have been no material changes since the latest Securities Report (Japanese) (submitted on October 29, 2015).

(Note 2) Mitsui & Co., Ltd. plans to transfer all shares of the asset management company to Mitsui & Co. Asset Management Holdings Ltd., its wholly owned subsidiary expected to be established on April 1, 2016, on expected execution date of April 27, 2016. On the execution date of the share transfer, Mitsui & Co. Asset Management Holdings Ltd. will fall under a major shareholder, the parent company, and a specified related corporation of the asset management company, and Mitsui & Co., Ltd. will no longer fall under a major shareholder of the asset management company (continue to fall under the parent company and a specified interested corporation of the asset management company).

## 2. Management Discussions and Analysis

### (1) Asset Management Policies

Disclosure is omitted, as there have been no material changes in the "Investment Policy," "Investment Target," and "Distribution Policy" since the latest Securities Report (Japanese) (submitted on October 29, 2015).

### (2) Asset Management Status

#### (i) Summary of Results for the Fiscal Period ended January 2016 (The 21<sup>st</sup> 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 the end of the 21<sup>st</sup> Period (January 31, 2016), JLF had a total of 42 properties under management (total acquisition price: 212,603 million yen), including 4 properties (total acquisition price: 8,848 million yen) that were acquired during the period. And its total assets amounted to 209,459 million yen.

##### B. Investment Environment and Management Performance

During the 21<sup>st</sup> fiscal period under review, the Japanese economy as a whole continued to recover moderately, primarily as a result of the gradual increase in capital expenditure based on growth in corporate earnings and strong consumer spending in response to steady improvement in employment and personal income, despite some impact of slower growth in emerging economies on exports and production.

In the logistics properties leasing market, growth in demand for large logistics properties was driven by the establishment and expansion of distribution centers by e-commerce businesses, retailers strengthening logistics functions, and third-party logistics (3PL) providers. In the Tokyo metropolitan area, however, the gap between asking rent level and the actual rent level demanded by tenants widened in some areas as a result of the continued supply of large new facilities over the last few years, and cases were observed in which lease terms for new properties were relaxed and there was a fall in the contract rate of tenants at the time of completion.

In the logistics properties acquisition market, investors both in Japan and abroad were even more eager to invest in logistics properties, which would yield higher returns than those on other types of investments, as investment opportunities were decreasing due to the monetary easing worldwide.

Under these circumstances, JLF promoted the acquisition of property at "appropriate prices" based on the characteristics of individual pieces of property, such as the location and building specifications through off-market transactions, rather than competitive bidding. It purchased four properties, namely Chiba Kita Logistics Center, Chiba Kita Logistics Center II, Urayasu Chidori Logistics Center III, and Zama Logistics Center (total acquisition price 8,848 million yen, total appraisal value 10,110 million yen, average discount from appraisal value of 12.5%). In association with the acquisition of these properties, JLF executed a public offering for the first time in two years. JLF announced the medium-term business plan "stable + Growth" in March 2013 and has been managing investment, aiming for stable distribution and sustainable growth. As a result of the acquisition of the four properties and the public offering, JLF was able to achieve the target dividends per unit of 4,000 yen set in "stable + Growth" six months ahead of schedule. As an effort for continuous internal growth, JLF has also decided to implement the redevelopment of Kiyosu Logistics Center, which will be the third round of OBR (Own Book Redevelopment, which means the redevelopment of properties held by JLF on its own).

##### C. Capital Procurement

In the fiscal period under review, JLF raised 9,264 million yen through the public offering for the purpose of raising funds for the acquisition of new properties. As a result, the number of investment units issued stood at 880,000 units at the end of the fiscal period under review (an increase of 50,000 units from the end of the previous fiscal period), and gross unitholders' capital came to 122,823 million yen (up 9,264 million yen from the end of the previous fiscal period).

JLF also raised long-term loans of 8,000 million yen from several financial institutions to appropriate them to funds to redeem investment corporation bonds that came due. As a result, JLF also prolonged the debt financing period and reduced debt financing costs.

As a result, as of the end of the 21<sup>st</sup> Period, the total amount of interest-bearing debt stood at 71,700 million yen and the LTV (Loan to Value) (Note) was 27.1%, thus JLF continues to conduct stable financial operations. Furthermore, JLF has maintained the highest-level credit rating among all J-REITs, and intends to continue its financial policy of securing a sound balance sheet and adequate on-hand liquidity.

(Note) LTV = Interest-bearing debt / appraisal value x 100

(Figures are rounded off to the first decimal place)

Credit rating of JLF at the end of the 21<sup>st</sup> Period

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA (Outlook: Stable)
	Long-term bond rating	#2nd unsecured investment corporation bonds #3rd unsecured investment corporation bonds AA
Japan Credit Rating Agency, Ltd. (JCR)	Issuer rating	AA+ (Outlook: stable)
Moody's Japan K.K. (Moody's)	Issuer rating	A1 (Outlook: Stable)

## D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 7,554 million yen, operating income of 3,991 million yen, ordinary income of 3,549 million yen and net income of 3,548 million yen.

Concerning Taxation; Act No. 26 of 1957; including revisions enforced thereafter) (hereafter, the "Special Taxation Measures Act") that allows the maximum amount of distribution of earnings to be treated as a tax-deductible expense, JLF decided to distribute to unitholders the full amount of net income excluding fractions below one yen of the amount of dividends per investment unit. As a result, JLF's dividend per investment unit was 4,033 yen.

## (ii) Outlook for the Next Fiscal Period

## A. Recognition of the Environment

The Japanese economy is expected to continue on a mild recovery trend due to strong domestic demand based largely on a gradual increase in capital expenditure, backed by growth in domestic corporate earnings, and strong consumer spending associated with steady improvement in employment and personal income. The quantitative and qualitative monetary easing policy with a negative interest rate implemented by the Bank of Japan is expected to stimulate the economy in terms of capital expenditure and other aspects. However, risks that significantly affect the Japanese economy, such as economic trends in emerging countries, the development of refugee crisis in Europe, the pace of the U.S. economy recovery, and geopolitical risks in the Middle East and East Asia need to be continuously monitored.

In the logistics facilities market, development projects have been continuously announced even in the environment where land prices and construction expenses are rising against the backdrop of the strong willingness of investors in Japan and abroad to invest, and development areas are also expanding. JLF believes that recent new properties have an aspect whereby they will be forced to set a relatively high asking rent even in emerging areas, as the developers need to recover high development costs. Meanwhile, as the potential demand of tenants, which was accumulated in the environment where new supply was limited after the Great Financial Crisis, has been absorbed by the rise in supply in the last few years, the supply-demand balance is being relaxed. As the number of properties that take time to decide on tenants and that are forced to ease the lease terms is increasing in some areas, given that tenants have strengthened the tendency of carefully evaluating the location, building specifications and rent, JLF believes that properties could be unable to be sold at a price based on the rent level assumed by developers. In the financial market, JLF also considers that it is necessary to pay attention to the possibility that the expected yield of logistics facilities will rise significantly (the price will fall) associated with a rise in interest rates due to the termination of monetary easing in the future.

In this environment, JLF will maintain the existing policy of realizing stable distribution per unit and sustainable growth and will make efforts to build a framework that will enable it to respond accurately to future changes in the financial and real estate markets, in order to achieve a new medium-term business plan "stable + Growth 2.0", following the last plan "stable + Growth."

## 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 7.1 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 additional investments 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.

C. Significant Subsequent Events

Not applicable

[Reference Information]

< Issuance of Investment Corporation Bond >

JLF issued the following investment corporation bond after the end of the fiscal period and before the date of this Financial Report.

Name of the bond	Japan Logistics Fund, Inc. #4th Unsecured Bond (private offering to qualified institutional investors)
Total amount of the bond issue	1.7 billion yen
Coupon	0.535%
Subscription date	February 4, 2016
Payment date	February 8, 2016
Collateral	There is no secured mortgage or guarantee on the bond. There are no assets reserved as security for the bond.
Redemption method and date	The entire amount will be redeemed on February 8, 2028. The bonds may be repurchased at any time upon notifying the investors by document prior to the repurchase. In case JLF repurchases, JLF will pay accrued interest as well as break funding cost (if any) to the investors on the date of repurchase.
Use of proceeds	Repayment of an existing long-term loan

## D. Forecasts

Forecasts for the Fiscal Period ending July 2016 (The 22<sup>nd</sup> Period from February 1, 2016 to July 31, 2016) and the Fiscal Period ending January 2017 (The 23<sup>rd</sup> Period from August 1, 2016 to January 31, 2017) and are as follows. Please refer to "Assumptions Underlying the Forecasts for the 22<sup>nd</sup> Period (from February 1, 2016 to July 31, 2016) and the 23<sup>rd</sup> Period (from August 1, 2016 to January 31, 2017)" 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 22 <sup>nd</sup> Period	7,592	0.5	3,922	(1.7)	3,547	0.0	3,546	(0.1)	4,030	0
The 23 <sup>rd</sup> Period	7,529	(0.8)	3,927	0.1	3,547	0.0	3,546	0.0	4,030	0

(Note) 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 (excluding distributions in excess of earnings) and distributions in excess of earnings per unit.

Assumptions Underlying the Forecasts for the 22<sup>nd</sup> Period (from February 1, 2016 to July 31, 2016) and the 23<sup>rd</sup> Period (from August 1, 2016 to January 31, 2017)

Item	Assumptions																		
Calculation period	<ul style="list-style-type: none"> <li>Fiscal Period Ending July 31, 2016 : February 1, 2016 to July 31, 2016</li> <li>Fiscal Period Ending January 31, 2017: August 1, 2016 to January 31, 2017</li> </ul>																		
Properties owned	<ul style="list-style-type: none"> <li>Forecasts assume a total of 42 properties in the portfolio as of March 14, 2016.</li> <li>There may be fluctuation caused by additional acquisitions or sales of properties.</li> </ul>																		
Total number of investment units issued	<ul style="list-style-type: none"> <li>The forecasts assume 880,000 units outstanding as of March 14, 2016.</li> </ul>																		
Interest-bearing debt	<ul style="list-style-type: none"> <li>Among the interest-bearing debt of 71,700 million yen outstanding as of March 14, 2016, 1,000 million yen of long-term loan will come due on the fiscal period ending January 2017. JLF intends to refinance the interest-bearing debt.</li> </ul>																		
Operating revenue	<ul style="list-style-type: none"> <li>The rent revenue is estimated based on the lease contracts in effect as of March 14, 2016 and taking into account the fluctuation factors such as the market environment and rent levels based on negotiations with lessees.</li> </ul>																		
Operating expenses	<ul style="list-style-type: none"> <li>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, however, capitalizes the amount of settlement as part of the acquisition cost.</li> <li>Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. <table border="1" style="margin-left: 40px;"> <thead> <tr> <th></th> <th>Fiscal Period ending July 31, 2016</th> <th>Fiscal Period Ending January 31, 2017</th> </tr> </thead> <tbody> <tr> <td>Taxes and dues:</td> <td>682 million yen</td> <td>682 million yen</td> </tr> <tr> <td>Outsourcing services:</td> <td>176 million yen</td> <td>176 million yen</td> </tr> <tr> <td>Repair:</td> <td>89 million yen</td> <td>61 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,705 million yen</td> <td>1,697 million yen</td> </tr> <tr> <td>Other:</td> <td>273 million yen</td> <td>253 million yen</td> </tr> </tbody> </table> </li> <li>Expenses other than depreciation and loss on write-offs of noncurrent assets are calculated based on past truck records with expense fluctuation factors taken into account.</li> <li>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.</li> <li>Depreciation, including incidental expenses and additional capital expenditure for the future, is calculated using the straight-line method.</li> </ul>		Fiscal Period ending July 31, 2016	Fiscal Period Ending January 31, 2017	Taxes and dues:	682 million yen	682 million yen	Outsourcing services:	176 million yen	176 million yen	Repair:	89 million yen	61 million yen	Depreciation:	1,705 million yen	1,697 million yen	Other:	273 million yen	253 million yen
	Fiscal Period ending July 31, 2016	Fiscal Period Ending January 31, 2017																	
Taxes and dues:	682 million yen	682 million yen																	
Outsourcing services:	176 million yen	176 million yen																	
Repair:	89 million yen	61 million yen																	
Depreciation:	1,705 million yen	1,697 million yen																	
Other:	273 million yen	253 million yen																	
Non-Operating Expenses	<ul style="list-style-type: none"> <li>Non-operating expenses excluding the costs related to issuance of new investment units but including interest expenses and interest expenses on investment corporation bonds, etc. are assumed at 375 million yen for the Fiscal Period Ending July 31, 2016 and 381million yen for the Fiscal Period Ending January 31, 2017.</li> </ul>																		

Item	Assumptions
Dividends per Unit (Excluding distributions in excess of earnings)	<ul style="list-style-type: none"> <li>▪ Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF.</li> <li>▪ The amount of 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.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>▪ JLF does not plan at present any distributions in excess of earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions.</li> </ul>

(3) Investment risks

For details of risks related to repayment of the loans, please refer to “Investment Risks” described on a Securities Registration Statement (Japanese) submitted on October 29, 2015.



**3. Financial Statements**

## (1) Balance Sheet

(Thousands of yen)

	The 21 <sup>st</sup> Period (as of January 31, 2016)	The 20 <sup>th</sup> Period (as of July 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	6,297,144	3,764,732
Cash and deposits in trust	3,745,434	3,477,634
Operating accounts receivable	325,233	132,827
Prepaid expenses	13,664	32,872
Deferred tax assets	6	28
Income taxes receivable	1,909	839
Other	70	24
Total current assets	10,383,464	7,408,960
Non-current assets		
Property, plant and equipment		
Buildings	7,017,457	6,334,203
Accumulated depreciation	(1,392,814)	(1,294,516)
Buildings, net	5,624,642	5,039,686
Structures	176,122	124,636
Accumulated depreciation	(48,518)	(43,774)
Structures, net	127,604	80,861
Tools, furniture and fixtures	770	770
Accumulated depreciation	(529)	(471)
Tools, furniture and fixtures, net	241	298
Land	8,044,883	7,266,512
Buildings in trust	109,340,312	106,736,225
Accumulated depreciation	(18,338,465)	(16,808,271)
Buildings in trust, net	91,001,847	89,927,953
Structures in trust	3,259,992	3,191,511
Accumulated depreciation	(918,188)	(852,412)
Structures in trust, net	2,341,804	2,339,099
Tools, furniture and fixtures in trust	23,735	23,111
Accumulated depreciation	(14,737)	(13,609)
Tools, furniture and fixtures in trust, net	8,998	9,501
Land in trust	91,593,017	86,649,520
Total property, plant and equipment	198,743,039	191,313,433
Intangible assets		
Other	3,059	3,392
Total intangible assets	3,059	3,392
Investments and other assets		
Investment securities	2,634	77,573
Long-term prepaid expenses	277,668	288,449
Guarantee deposits	10,010	10,010
Other	2,000	2,000
Total investments and other assets	292,313	378,032
Total non-current assets	199,038,412	191,694,858
Deferred assets		
Investment corporation bond issuance costs	37,749	42,227
Total deferred assets	37,749	42,227
<b>Total assets</b>	<b>209,459,625</b>	<b>199,146,046</b>

(Thousands of yen)

	The 21 <sup>st</sup> Period (as of January 31, 2016)	The 20 <sup>th</sup> Period (as of July 31, 2015)
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	435,656	185,055
Current portion of investment corporation bond	-	8,000,000
Current portion of long-term loans payable	2,700,000	1,700,000
Distribution payable	5,920	5,762
Accrued expenses	705,131	714,167
Income taxes payable	631	746
Accrued consumption taxes	164,809	9,009
Advances received	1,342,066	1,237,970
Deposits received	353	-
Total current liabilities	5,354,569	11,852,712
Non-current liabilities		
Investment corporation bond	6,000,000	6,000,000
Long-term loans payable	63,000,000	56,000,000
Tenant leasehold and security deposits	820,906	790,072
Tenant leasehold and security deposits in trust	5,362,847	5,248,738
Long-term deposits received	328,875	266,599
Total non-current liabilities	75,512,629	68,305,410
Total liabilities	80,867,199	80,158,122
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	123,288,165	114,023,665
Deduction from unitholders' capital	(464,424)	(464,424)
Unitholders' capital	122,823,741	113,559,241
Surplus		
Voluntary retained earnings		
Reserve for reduction entry of special provisions of replaced property	2,219,363	2,219,363
Total voluntary retained earnings	2,219,363	2,219,363
Unappropriated retained earnings (undisposed loss)	3,549,321	3,209,318
Total surplus	5,768,685	5,428,682
Total unitholders' equity	128,592,426	118,987,923
Total net assets	128,592,426	118,987,923
Total liabilities and net assets	209,459,625	199,146,046

## (2) Statement of Income and Retained Earnings

(thousands of yen)

	The 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
Operating revenue		
Rent revenue - real estate	7,351,937	6,886,049
Other lease business revenue	192,855	182,565
Distribution revenue of silent partnership	9,886	5,826
Total operating revenue	7,554,679	7,074,441
Operating expenses		
Expenses related to rent business	2,850,266	2,776,102
Asset management fee	603,086	581,025
Asset custody fee	20,039	19,372
Administrative service fees	31,871	30,506
Directors' compensations	5,400	5,400
Other operating expenses	52,347	60,927
Total operating expenses	3,563,012	3,473,334
Operating income	3,991,667	3,601,106
Non-operating income		
Interest income	337	414
Interest on securities	-	322
Interest on refund	-	397
Insurance income	1,794	6,438
Compensation income	600	-
Reversal of distribution payable	557	584
Other	0	939
Total non-operating income	3,289	9,095
Non-operating expenses		
Interest expenses	291,985	278,808
Borrowing related expenses	36,801	34,711
Investment unit issuance expenses	37,391	-
Interest expenses on investment corporation bonds	68,246	80,251
Amortization of investment corporation bond issuance costs	4,478	5,912
Other	6,500	0
Total non-operating expenses	445,404	399,683
Ordinary income	3,549,552	3,210,518
Income before income taxes	3,549,552	3,210,518
Income taxes - current	748	1,222
Income taxes - deferred	21	(22)
Total income taxes	770	1,199
Profit	3,548,782	3,209,318
Retained earnings brought forward	538	-
Unappropriated retained earnings (undisposed loss)	3,549,321	3,209,318

(3) Statement of Changes in Net Assets  
The 21<sup>st</sup> Period (from August 1, 2015 to January 31, 2016)

(Thousands of yen)

	Unitholders' equity								Total net assets
	Unitholders' capital			Surplus				Total unitholders' equity	
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholder's capital	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
				Reserve for reduction entry of special provisions of replaced property	Voluntary retained earnings				
Balance at beginning of current period	114,023,665	(464,424)	113,559,241	2,219,363	2,219,363	3,209,318	5,428,682	118,987,923	118,987,923
Changes of items during period									
Issuance of new investment units	9,264,500		9,264,500					9,264,500	9,264,500
Dividends of surplus						(3,208,780)	(3,208,780)	(3,208,780)	(3,208,780)
Profit						3,548,782	3,548,782	3,548,782	3,548,782
Total changes of items during period	9,264,500	-	9,264,500	-	-	340,002	340,002	9,604,502	9,604,502
Balance at end of current period	123,288,165	(464,424)	122,823,741	2,219,363	2,219,363	3,549,321	5,768,685	128,592,426	128,592,426

The 20<sup>th</sup> Period (from February 1, 2015 to July 31, 2015)

(Thousands of yen)

	Unitholders' equity								Total net assets
	Unitholders' capital			Surplus				Total unitholders' equity	
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholder's capital	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
				Reserve for reduction entry of special provisions of replaced property	Voluntary retained earnings				
Balance at beginning of current period	114,023,665	(464,424)	113,559,241	-	-	5,456,363	5,456,363	119,015,605	119,015,605
Changes of items during period									
Provision of reserve for reduction entry of special provisions of replaced property				2,219,363	2,219,363	(2,219,363)	-	-	-
Dividends of surplus						(3,237,000)	(3,237,000)	(3,237,000)	(3,237,000)
Net income						3,209,318	3,209,318	3,209,318	3,209,318
Total changes of items during period	-	-	-	2,219,363	2,219,363	(2,247,044)	(27,681)	(27,681)	(27,681)
Balance at end of current period	114,023,665	(464,424)	113,559,241	2,219,363	2,219,363	3,209,318	5,428,682	118,987,923	118,987,923

## (4) Distribution Information

	(Yen)	
	The 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
I. Unappropriated retained earnings	3,549,321,469	3,209,318,806
II. Distributions	3,549,040,000	3,208,780,000
Distributions per unit	4,033	3,866
III. Retained earnings to be carried forward	281,469	538,806
Method of calculation of distributions	<p>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 earnings of 3,549,040,000 yen, which is the maximum multiple of total number of investment units issued 880,000 units within the amount of unappropriated retained earnings at the end of period.</p> <p>JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.</p>	<p>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 earnings of 3,208,780,000 yen, which is the maximum multiple of total number of investment units issued 830,000 units within the amount of unappropriated retained earnings at the end of period.</p> <p>JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.</p>

## (5) Statement of Cash Flows

(thousands of yen)

	The 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
Cash flows from operating activities		
Income before income taxes	3,549,552	3,210,518
Depreciation	1,718,125	1,669,380
Investment unit issuance expenses	37,391	-
Amortization of investment corporation bond issuance costs	4,478	5,912
Interest income	(337)	(414)
Interest income on securities	-	(322)
Interest expenses	360,231	359,060
Loss on retirement of non-current assets	7,824	30,968
Decrease (increase) in operating accounts receivable	(192,405)	(92,450)
Decrease (increase) in consumption taxes refund receivable	-	79,598
Increase (decrease) in accrued consumption taxes	155,799	9,009
Increase (decrease) in operating accounts payable	251,172	(334,563)
Increase (decrease) in accrued expenses	13,571	21,375
Increase (decrease) in advances received	104,096	64,195
Other, net	89,333	(2,101)
Subtotal	6,098,836	5,020,168
Interest income received	337	736
Interest expenses paid	(382,839)	(361,783)
Income taxes paid	(1,934)	(945)
Net cash provided by (used in) operating activities	5,714,399	4,658,176
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,517,285)	(996,760)
Purchase of property, plant and equipment in trust	(7,638,372)	(8,735,538)
Proceeds from tenant leasehold and security deposits	30,834	4,030
Proceeds from tenant leasehold and security deposits in trust	192,209	86,667
Repayments of tenant leasehold and security deposits in trust	(78,100)	(403)
Proceeds from redemption of investment securities	75,229	2,440
Net cash provided by (used in) investing activities	(8,935,484)	(9,639,565)
Cash flows from financing activities		
Increase in short-term loans payable	13,000,000	2,000,000
Decrease in short-term loans payable	(13,000,000)	(2,000,000)
Proceeds from long-term loans payable	8,000,000	2,000,000
Redemption of investment corporation bonds	(8,000,000)	-
Proceeds from issuance of investment units	9,264,500	-
Payments for investment unit issuance expenses	(37,391)	-
Dividends paid	(3,208,064)	(3,236,424)
Net cash provided by (used in) financing activities	6,019,043	(1,236,424)
Net increase (decrease) in cash and cash equivalents	2,797,958	(6,217,813)
Cash and cash equivalents at beginning of period	6,975,847	13,193,661
Cash and cash equivalents at end of period	9,773,806	6,975,847

(6) Notes on Assumption of Going Concern

Not applicable

(7) Summary of Significant Accounting Policies

(i) Standards and method of valuation of securities

Securities

Available-for-sale securities

Non-marketable securities are stated at cost determined by the moving average method.

The silent partnership equity interest are stated by allocating the partnership's profit/loss based on JLF's proportional interest.

(ii) 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 50 years
Structures	2 to 48 years
Tools, furniture, and fixtures	2 to 15 years

B. Intangible assets

The straight-line method is used.

(iii) Accounting for deferred assets

A. Investment unit issuance expenses

All expensed at time of cash out.

B. Investment corporation bond issuance costs

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

(iv) 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 period out of those determined to be charged.

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 21<sup>st</sup> Period, the property tax, etc. included in the acquisition cost of real estate was 16,898 thousand yen. In the 20<sup>th</sup> Period, the property tax, etc. included in the acquisition cost of real estate was 55,470 thousand yen.

(v) Hedge accounting method

A. Hedge accounting method

The special treatment of interest rate swap for hedge accounting method applies because the interest rate swaps satisfy the requirements for this special treatment.

B. Hedging method and hedging objective

Hedging method: Interest rate swap transactions

Hedging objective: Interest on debt

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

The assessment of hedge effectiveness is not performed because the interest rate swaps satisfy the requirements for this special treatment.

(vi) 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.

(vii) Other significant basis for preparation of financial statements

A. Accounting for trust beneficiary right of real estate as trust asset

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

Of the trust assets accounted for under the respective account, 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, Machinery and equipment 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.

(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 21 <sup>st</sup> Period (as of January 31, 2016)	The 20 <sup>th</sup> Period (as of July 31, 2015)
Total amount specified in the commitment line contracts	13,000,000	13,000,000
Loan balance at end of period	-	-
Outstanding loan commitments at end of period	13,000,000	13,000,000

(ii) 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 21 <sup>st</sup> Period (as of January 31, 2016)	The 20 <sup>th</sup> Period (as of July 31, 2015)
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.	
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

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

	(Thousands of yen)	
	The 21 <sup>st</sup> Period (as of January 31, 2016)	The 20 <sup>th</sup> Period (as of July 31, 2015)
	50,000	50,000



## [Notes to Statement of Income and Retained Earnings]

## Breakdown of income from real estate leasing business

	(Thousands of yen)			
	The 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)		The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	7,100,833		6,654,353	
Land rents received	114,210		108,741	
Facility charges	136,893	7,351,937	122,955	6,886,049
Other lease business revenue				
Parking charges	10,081		8,931	
Utilities charges	168,131		161,739	
Other operating income	14,642	192,855	11,895	182,565
Total real estate leasing business revenue		7,544,793		7,068,614
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	620,552		620,770	
Outsourcing service expenses	180,518		164,930	
Utilities expenses	175,468		173,964	
Repair expenses	88,869		58,438	
Insurance expenses	22,833		21,662	
Other expenses related to rent business	36,544		36,446	
Depreciation	1,717,654		1,668,920	
Loss on write-offs of noncurrent assets	7,824		30,968	
Total real estate leasing business expenses		2,850,266		2,776,102
(iii) Income from real estate leasing business				
((i) - (ii))		4,694,526		4,292,512

## [Notes to Statement of Changes in Net Assets]

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

	The 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	880,000 units	830,000 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 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
Cash and deposits	6,297,144	3,764,732
Cash and deposits in trust	3,745,434	3,477,634
Long-term deposits received (Note)	(268,772)	(266,519)
Cash and cash equivalents	9,773,806	6,975,847

(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 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
Future lease payments receivable		
Due within one year	13,810,916	12,345,929
Due after one year	66,982,541	65,537,235
Total	80,793,457	77,883,165

## [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.

Investment securities are the equity interests in the silent partnership, and are exposed to credit risks of the silent partnership as well as to price fluctuation risk of the real estate market. JLF tries to reduce these risks by monitoring the financial status of the silent partnership and environment of the real estate market.

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 “(v) 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, 2016 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	6,297,144	6,297,144	-
(2)Cash and deposits in trust	3,745,434	3,745,434	-
Total assets	10,042,578	10,042,578	-
(1)Current portion of investment corporation bond	-	-	-
(2)Current portion of long-term loans payable	2,700,000	2,716,816	16,816
(3)Investment corporation bond	6,000,000	6,405,000	405,000
(4)Long-term loans payable	63,000,000	64,770,025	1,770,025
Total liabilities	71,700,000	73,891,842	2,191,842
Derivative transactions	-	-	-

Amounts on the Balance Sheet, fair value and their difference as of July 31, 2015 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	3,764,732	3,764,732	-
(2)Cash and deposits in trust	3,477,634	3,477,634	-
Total assets	7,242,367	7,242,367	-
(1)Current portion of investment corporation bond	8,000,000	8,016,800	16,800
(2)Current portion of long-term loans payable	1,700,000	1,715,748	15,748
(3)Investment corporation bond	6,000,000	6,299,400	299,400
(4)Long-term loans payable	56,000,000	57,911,497	1,911,497
Total liabilities	71,700,000	73,943,446	2,243,446
Derivative transactions	-	-	-

(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 investment corporation bond, (3) Investment corporation bond

The reference value disclosed by the Japan Securities Dealers Association is used as the fair value.

(2)Current portion of long-term loans payable, (4) Long-term loans payable

The fair value is calculated by discounting principal and interest at a rate to be applied when same amounts of loans are newly borrowed. (Regarding the long-term loans that are hedged by the interest rate swaps, the fair value is calculated by discounting principal and interest at a rate to be applied when same amounts of loans are newly borrowed. Because the interest rate swaps for special treatment are treated together with the long-term borrowings to be hedged, the principal includes the market value of the swaps.)

Derivative transactions

See "Notes to Derivatives" below.

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

The 21<sup>st</sup> Period (as of January 31, 2016)

Not applicable.

The 20<sup>th</sup> Period (as of July 31, 2015)

	Amount on the balance sheet (Thousands of yen)
Investment securities *	77,573

\*The fair value of the investment securities is not disclosed because there is no quoted market price available for these securities and it is extremely difficult to determine the fair value.

(Note 3) Scheduled redemption amount of financial claims after the closing date  
The 21<sup>st</sup> Period (as of January 31, 2016)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	6,297,144	-	-	-	-	-
Cash and deposits in trust	3,745,434	-	-	-	-	-
Total	10,042,578	-	-	-	-	-

The 20<sup>th</sup> Period (as of July 31, 2015)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	3,764,732	-	-	-	-	-
Cash and deposits in trust	3,477,634	-	-	-	-	-
Total	7,242,367	-	-	-	-	-

(Note 4) Scheduled repayment amount of long-term loans payable and other interest bearing debt after the closing date  
The 21<sup>st</sup> Period (as of January 31, 2016)

(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	2,700,000	8,000,000	2,500,000	10,500,000	7,000,000	35,000,000
Investment corporation bond	-	-	-	-	-	6,000,000
Total	2,700,000	8,000,000	2,500,000	10,500,000	7,000,000	41,000,000

The 20<sup>th</sup> Period (as of July 31, 2015)

(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	1,700,000	6,000,000	5,500,000	6,500,000	2,000,000	36,000,000
Investment corporation bond	8,000,000	-	-	-	-	6,000,000
Total	9,700,000	6,000,000	5,500,000	6,500,000	2,000,000	42,000,000

[Notes to Investment Securities]

Not applicable to the 21<sup>st</sup> and 20<sup>th</sup> Period.

[Notes to Derivatives]

(i) Transactions not applicable to hedge accounting

Not applicable to the 21<sup>st</sup> and 20<sup>th</sup> Period.

(ii) Transactions applicable to hedge accounting

The 21<sup>st</sup> Period (from August 1, 2015 to January 31, 2016)

The following table shows the contract amount on the closing date for the hedge accounting method, or the amount equal to the principals specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedging targets	Contract amount, etc. (thousand yen)		Market value (thousand yen)	Method used to calculate the market value
				Amount that exceeds one year		
Special treatment of interest rate swap	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	—

\* Because the interest rate swaps for special treatment are treated together with the long-term borrowings to be hedged, their market value is included in the market value of the long-term borrowings.

The 20<sup>th</sup> Period (from February 1, 2015 to July 31, 2015)

The following table shows the contract amount on the closing date for the hedge accounting method, or the amount equal to the principals specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedging targets	Contract amount, etc. (thousand yen)		Market value (thousand yen)	Method used to calculate the market value
				Amount that exceeds one year		
Special treatment of interest rate swap	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	2,000,000	2,000,000	*	—

\* Because the interest rate swaps for special treatment are treated together with the long-term borrowings to be hedged, their market value is included in the market value of the long-term borrowings.

[Notes to Retirement Benefits]

Not applicable to the 21<sup>st</sup> and 20<sup>th</sup> Period.

[Tax Effect Accounting]

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

	(Thousands of yen)	
	The 21 <sup>st</sup> Period (as of January 31, 2016)	The 20 <sup>th</sup> Period (as of July 31, 2015)
Deferred tax assets		
Enterprise tax not deductible	6	28
Total deferred tax assets	6	28
Deferred tax assets, net	6	28

(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 21 <sup>st</sup> Period (as of January 31, 2016)	The 20 <sup>th</sup> Period (as of July 31, 2015)
Effective statutory tax rate	32.31%	34.15%
Adjustments		
Deductible cash distributions	(32.31%)	(34.13%)
Other	0.02%	0.02%
Effective tax rate after applying tax effect accounting	0.02%	0.04%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 21<sup>st</sup> and 20<sup>th</sup> Period, for JLF does not have affiliates.

## [Transactions with Related Parties]

## (i) Parent company and principal corporate unitholders

Not applicable to the 21<sup>st</sup> and 20<sup>th</sup> Period.

## (ii) Subsidiaries and affiliates

Not applicable to the 21<sup>st</sup> and 20<sup>th</sup> Period.

## (iii) Sister companies

Not applicable to the 21<sup>st</sup> and 20<sup>th</sup> Period.

## (iv) Directors and principal individual unitholders

The 21<sup>st</sup> Period (from August 1, 2015 to January 31, 2016)

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	Takayuki Kawashima	-	-	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)	665,022 (Note 2) (Note 3)	Accrued expenses	434,488 (Note 3)

(Note 1) This is a transaction executed by Takayuki Kawashima 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 acquisition fee of 61,936 thousand yen which was included in 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.

The 20<sup>th</sup> Period (from February 1, 2015 to July 31, 2015)

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	Takayuki Kawashima	-	-	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)	643,059 (Note 2) (Note 3)	Accrued expenses	419,167 (Note 3)

(Note 1) This is a transaction executed by Takayuki Kawashima 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 acquisition fee of 62,034 thousand yen which was included in 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 to Asset Write-off Obligations]

Not applicable to the 21<sup>st</sup> and 20<sup>th</sup> Period.

## [Notes to Lease Properties]

JLF holds logistics properties (including land) 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 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
Amount on the balance sheet		
Balance at the beginning of the period	191,313,433	183,742,393
Changes during the period	7,429,605	7,571,040
Balance at the end of the period	198,743,039	191,313,433
Fair value at the end of the period	264,762,000	248,938,000

(Note 1) The amount on the balance sheet is acquisition cost less accumulated depreciation.

(Note 2) The increase of the lease properties in the 21<sup>st</sup> Period is mainly by the acquisition of Chiba Kita Logistics Center (1,509,001 thousand yen), Chiba Kita Logistics Center II (4,653,030 thousand yen), Urayasu Chidori Logistics Center III (1,068,474 thousand yen) and Zama Logistics Center (1,751,894 thousand yen). The increase of the lease properties in the 20<sup>th</sup> Period is mainly by the acquisition of Sagamihara Logistics Center (8,145,763 thousand yen) and Kasugai Logistics Center (land) (875,416 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 21<sup>st</sup> and 20<sup>th</sup> 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 21<sup>st</sup> Period (from August 1, 2015 to January 31, 2016)

## 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 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 operating revenue on the Statement of Income.

The 20<sup>th</sup> Period (from February 1, 2015 to July 31, 2015)

## 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 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

(Thousands of yen)

Name of tenant	Net revenue	Related segment
Sagawa Express Co., Ltd.	- (Note )	Real estate leasing business

(Note ) Not disclosed, since the tenant's consent could not be obtained.

[Per Unit Information]

	The 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
Net assets per unit	146,127yen	143,358 yen
Net income per unit	4,092 yen	3,866 yen

(Note 1) Net income per unit was calculated by dividing net income by average number of investment units during period.

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

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

	(Thousands of yen)	
	The 21 <sup>st</sup> Period (from August 1, 2015 to January 31, 2016)	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)
Net income	3,548,782	3,209,318
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	3,548,782	3,209,318
Average number of investment units during period	867,105 units	830,000 units

[Notes to Significant Subsequent Events]

Not applicable.



## (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)

(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.

#### 4. Changes in Directors

##### (1) Changes in Directors of JLF

Changes in Directors of JLF had been otherwise disclosed under the rule of timely disclosure.

Directors of JLF as of January 31, 2016 are as follows.

Title	Name		
Executive Director	Takayuki Kawashima		
Supervisory Director	Takachiyo Sutou	Toshima Araki	Tetsuya Azuma

(Note) Executive Director and Supervisory Directors do not own investment units of JLF under their own or other names.

##### (2) Changes in Directors of the asset management company

Changes in Directors of the asset management company had been otherwise disclosed under the rule of timely disclosure.

Directors of the asset management company as of January 31, 2016, are as follows.

Title	Name			
President	Takayuki Kawashima (Note 1)			
Director	Koki Shoji	Yukio Hishida		
	Makoto Takasugi	Hideyuki Fukuta	Takafumi Arimura	Taro Kaminaga
Corporate Auditor	Ichiro Tsutsumi			

(Note 1) Takayuki Kawashima is to leave on June 21, 2016, and Keita Tanahashi is to take office on the same day.

(Note 2) Directors and Corporate Auditors do not own investment units of JLF under their own or other names.

## 5. Reference Information

## (1) Asset composition of JLF

Type of assets	Use of assets	Region (Note 2)	The 21 <sup>st</sup> Period (as of January 31, 2016)		The 20 <sup>th</sup> Period (as of July 31, 2015)	
			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	7,350	3.5	5,901	3.0
		Kinki/Chubu/Kyushu Areas	6,447	3.1	6,486	3.3
		Other Areas	-	0.0	-	0.0
	Subtotal	13,797	6.6	12,387	6.2	
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	148,342	70.8	141,962	71.3
		Kinki/Chubu/Kyushu Areas	27,318	13.0	27,589	13.9
		Other Areas	9,285	4.4	9,373	4.7
	Subtotal	184,945	88.3	178,926	89.8	
Deposits and other assets (Note 5)			10,716	5.1	7,832	3.9
Total assets			209,459	100.0	199,146	100.0

(Note 1) Descriptions under "5. Reference Information" are effective as of January 31, 2016, 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. The amounts of construction in progress are not included.

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

(Note 5) Deposits and other assets include; deposit in trust assets of 3,745 million yen for the 21<sup>st</sup> Period and of 3,477 million yen for the 20<sup>th</sup> Period, Investment securities of 2 million yen for the 21<sup>st</sup> Period and of 77 million yen for the 20<sup>th</sup> Period.

## &lt;Area classification&gt;

Area classification		Major areas
Tokyo Metropolitan Area	Bay areas	Shinagawa-ku (Ooi, etc.), Koto-ku (Shin-kiba, Shiomi, Tatsumi, etc.), Oota-ku (Haneda area, etc.), Yokohama-shi, Kawasaki-shi, Urayasu-shi, Funabashi-shi
	Inland areas	Around national route No. 16, Tama district of Tokyo, Southern Saitama, Eastern Kanagawa, and Northwestern Chiba
Kinki Area	Chubu Area	Bay areas along the Osaka Bay and adjacent to consumption areas in and around Osaka-shi, between Osaka and Kobe, between Kyoto and Osaka, as well as along the Kinki Expressway
Kyushu Area		Nagoya Port area, Komaki-shi, Kasugai-shi, Toyota-shi
Other Areas		Fukuoka-shi
		Areas where locational advantage can be attained, e.g. close to consumption areas

	The 21 <sup>st</sup> Period (as of January 31, 2016)		The 20 <sup>th</sup> Period (as of July 31, 2015)	
	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	80,867	38.6	80,158	40.3
Total net assets	128,592	61.4	118,987	59.7
Total assets	209,459	100.0	199,146	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

(Thousands of yen)

Type	Name	Aggregate face value	Book value	Interest receivable	Interest payable	Appraisal value (Note 2)	Valuation gain or loss	Remarks
Silent Partnership Equity Interests	Silent Partnership Equity Interests in Logistics Fund III Limited Liability Company as the business operator (Note 1)	-	2,634	-	-	2,634	-	
Total		-	2,634	-	-	2,634	-	

(Note 1) Logistics Fund III Limited Liability Company had the following investments. However, as JLF exercised its preferential negotiation rights to acquire trust beneficiary rights or real estate, JLF acquired all the following assets in the fiscal period ended January 31, 2016. JLF's interest is 4.34% of the entire investment in the silent partnership.

- Silent partnership investment with Vega Limited Liability Company as a business operator / Logistics Fund III : Urayasu Logistics Center (trust beneficiary right of real estate)
- Preferred investment in TMK Sirius / Logistics Fund III : Zama Logistics Center (real estate)
- Silent partnership investment with Spica Limited Liability Company as a business operator / Logistics Fund III : Chiba Kita Logistics Center (trust beneficiary right of real estate)

(Note 2) The book value is used as the appraisal value.

## (ii) List of portfolio properties

JLF owns the following real estate, etc.

## A. The outline of portfolio properties held as of January 31, 2016 is as follows: 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)	Appraised value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-1	Funabashi	Trust beneficiary right of real estate	8,675	7,329	7,020	4.1
M-2	Urayasu	Trust beneficiary right of real estate	2,902	2,806	4,860	1.4
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,346	1,830	0.7
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,264	3,520	1.2
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	5,235	8,560	2.8
M-6	Funabashi Nishiura	Trust beneficiary right of real estate	5,700	4,527	7,950	2.7
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,915	11,700	5.1
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,517	2,290	0.8
M-11	Yachiyo	Trust beneficiary right of real estate	7,892 (Note 5)	7,995	11,300	3.7
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	8,485	10,900	4.6
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	4,385	7,220	2.5

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraised value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-14	Urayasu Chidori II	Real estate	1,640	1,521	1,800	0.8
M-15	Ichikawa	Real estate	4,550	4,334	5,390	2.1
M-16	Shinonome (Note 6)	Trust beneficiary right of real estate	11,800	11,465	14,400	5.6
M-17	Narashino II (Note 6)	Trust beneficiary right of real estate	7,875	6,942	9,580	3.7
M-18	Ichikawa II (Note 6)	Trust beneficiary right of real estate	17,415	16,282	22,400	8.2
M-19	Souka (Note 6)	Trust beneficiary right of real estate	6,360	5,927	7,940	3.0
M-20	Tatshumi	Trust beneficiary right of real estate	9,000	8,742	11,400	4.2
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,550	4,530	1.8
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	8,347	9,890	4.1
M-23	Kashiwa II (land)	Trust beneficiary right of real estate	2,500	2,526	2,540	1.2
M-24	Shin-Koyasu (Note 6)	Trust beneficiary right of real estate	9,696	9,504	11,400	4.6
M-25	Misato	Trust beneficiary right of real estate	3,873	3,806	4,520	1.8
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	8,010	9,550	3.8
M-27	Chiba Kita	Real estate	1,459	1,494	1,850	0.7
M-28	Chiba Kita II	Trust beneficiary right of real estate	4,608	4,619	5,170	2.2
M-29	Urayasu Chidori III	Trust beneficiary right of real estate	1,053	1,063	1,390	0.5
M-30	Zama	Trust beneficiary right of real estate	1,728	1,743	1,940	0.8
subtotal for the Tokyo Metropolitan Area			166,749	155,692	202,840	78.4
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 7)	9,131	18,100	4.6
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,479	6,080	1.9
T-3	Kiyosu (land)	Real estate	685	731	862	0.3
T-4	Kadoma	Real estate	989	1,086	1,600	0.5
T-5	Komaki	Real estate	2,100	1,956	1,940	1.0
T-6	Komaki II	Real estate	1,800	1,795	1,740	0.8
T-7	Fukuoka Hakozaiki Futo	Trust beneficiary right of real estate	2,797	2,781	3,390	1.3
T-8	Tajimi	Trust beneficiary right of real estate	9,310 (Note 8)	9,215	11,400	4.4

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraised value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
T-9	Fukuoka Kashihama	Trust beneficiary right of real estate	2,750	2,709	3,230	1.3
T-10	Kasugai (land)	Real estate	830	877	1,050	0.4
Subtotal for Kinki/Chubu/Kyushu Areas			35,119	33,765	49,392	16.5
O-1	Maebashi	Trust beneficiary right of real estate	1,230	1,024	1,390	0.6
O-2	Hanyu	Trust beneficiary right of real estate	1,705	1,458	1,930	0.8
O-3	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,474	4,670	1.9
O-4	Kazo	Trust beneficiary right of real estate	3,790	3,327	4,540	1.8
Subtotal for other Areas			10,735	9,285	12,530	5.0
Portfolio total			212,603	198,743	264,762	100.0

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

(Note 2) Acquisition price and book value are indicated with figures below one million yen omitted.

(Note 3) Appraisal value 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. and Japan Real Estate Institute 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 figure is calculated by deducting 603 million yen of write-off cost of the former building from the acquisition price stated in the initial sales contract of 2,266 million yen, and adding 6,230 million yen stated in the construction contract relating to the Building (including the construction contract for additional works).

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

Shinonome Logistics Center : 47%

Narashino Logistics Center II : 90%

Ichikawa Logistics Center II : 90%

Souka Logistics Center : 50%

Shin-Koyasu Logistics Center : 51%

(Note 7) The figure is calculated by deducting 291 million yen of write-off cost of the building from the acquisition price stated in the initial sales contract of 7,617 million yen, and adding 2,437 million yen stated in the construction contract relating to the redevelopment of the Warehouse III.

(Note 8) The acquisition price states the sum of on October 8, 2013 and November 4, 2014.

B. The outline of portfolio properties held as of January 31, 2016: The status of leasing of real estate properties, etc.

Property Number	Name of the Logistics Center	Total leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-1	Funabashi	29,556.79	29,556.79	1	100.0	13.0
M-2	Urayasu	9,543.72	6,313.76	2	66.2	18.3
M-3	Hiratsuka	11,225.72	11,225.72	1	100.0	21.1 (Note 4)
M-4	Shinkiba	10,616.80	10,616.80	1	100.0	17.6
M-5	Urayasu Chidori	31,790.42	31,790.42	1	100.0	13.8
M-6	Funabashi Nishiura	35,134.44	35,134.44	2	100.0	7.1

Property Number	Name of the Logistics Center	Total leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-8	Kawasaki	41,630.54	41,630.54	1	100.0	14.6
M-9	Narashino	2,442.87	2,442.87	1	100.0	11.3
M-11	Yachiyo	56,882.98	56,882.98	2	100.0	1.7
M-12	Yokohama Fukuura	35,882.64	35,882.64	3	100.0	16.3
M-13	Yachiyo II	32,389.70	32,389.70	1	100.0	7.6
M-14	Urayasu Chidori II	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	18,686.12	18,686.12	1	100.0	11.8
M-16	Shinonome (Note 5)	16,175.31	16,175.31	1	100.0	14.4
M-17	Narashino II (Note 5)	43,208.86	43,208.86	3	100.0	11.1
M-18	Ichikawa II (Note 5)	66,497.99	66,497.99	2	100.0	4.2
M-19	Souka (Note 5)	21,320.42	21,320.42	3	100.0	12.7
M-20	Tatsumi	29,394.56	29,394.56	1	100.0	14.6
M-21	Kashiwa	20,546.46	20,546.46	1	100.0	9.7
M-22	Musashimurayama	40,884.25	40,884.25	1	100.0	11.9
M-23	Kashiwa II (land)	54,418.30	54,418.30	1	100.0	-
M-24	Shin-Koyasu (Note 5)	29,674.47	29,674.47	2	100.0	11.4
M-25	Misato	19,407.18	19,407.18	1	100.0	10.9
M-26	Sagamihara	44,010.20	44,010.20	1	100.0	12.3
M-27	Chiba Kita	14,828.38	14,828.38	1	100.0	8.4
M-28	Chiba Kita II	25,080.00	25,080.00	1	100.0	6.8
M-29	Urayasu Chidori III	5,314.80	5,314.80	1	100.0	10.9
M-30	Zama	9,358.53	9,358.53	1	100.0	11.8
subtotal for the Tokyo Metropolitan Area		762,095.25	758,865.29	39	99.6	-
T-1	Daito	92,730.14	92,730.14	1	100.0	13.8
T-2	Osaka Fukuzaki	23,726.80	23,726.80	1	100.0	14.1
T-3	Kiyosu (land) (Note 6)	-	-	-	0.0	-
T-4	Kadoma	7,416.18	7,416.18	1	100.0	13.3
T-5	Komaki	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	10,708.41	10,708.41	1	100.0	8.3
T-7	Fukuoka Hakozaiki Futo	24,463.69	24,463.69	1	100.0	1.0

Property Number	Name of the Logistics Center	Total leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
T-8	Tajimi	75,605.23	75,605.23	1	100.0	10.8
T-9	Fukuoka Kashihama	21,201.15	21,201.15	3	100.0	1.0
T-10	Kasugai (land)	15,767.90	15,767.90	1	100.0	-
Subtotal for Kinki/Chubu/Kyushu Areas		281,105.95	281,105.95	11	100.0	-
O-1	Maebashi	3,455.53	3,455.53	1	100.0	9.0
O-2	Hanyu	3,518.58	3,518.58	1	100.0	11.6
O-3	Saitama Kisai	24,574.40	24,574.40	1	100.0	10.5
O-4	Kazo	25,130.62	25,130.62	1	100.0	9.5
Subtotal for other Areas		56,679.13	56,679.13	4	100.0	-
Portfolio total		1,099,880.33	1,096,650.37	54	99.7	8.6

(Note 1) The total leasable area is the registered floor area less any area of space not considered for rent. With regard to items for which a more accurate leasable area can be confirmed based on the building floor plan attached to the lease contract, the area recognized to be leasable is indicated as per such floor plan. For Kashiwa Logistics Center II (land) and Kasugai Logistics Center (land), the leasable area of land indicated in the lease contract is provided. The same applies for each description under "5. Reference Information".

(Note 2) The leased area represents the total area as part of the total leasable area of the area of the building (or land) indicated in the lease contract of each properties. It is possible in each lease contract that the portion not included in the leasable area is part of the area for rent concerning the building provided in the lease contract. The same applies for each description under "5. Reference Information."

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

(Note 5) Figures for co-ownership are indicated.

Shinonome Logistics Center : 47%

Narashino Logistics Center II : 90%

Ichikawa Logistics Center II : 90%

Souka Logistics Center : 50%

Shin-Koyasu Logistics Center : 51%

(Note 6) As the lease agreement with the tenant of the land expired on November 30, 2015, JLF has launched the redevelopment project to construct a new building.



## (iii) Diversification of portfolio

Diversification of portfolio properties owned by JLF is described below.

## A. Ratio by region

Region	Total leasable area (m <sup>2</sup> )	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	762,095.25	69.3	166,749	78.4
Kinki/Chubu/Kyushu Areas	281,105.95	25.6	35,119	16.5
Other Areas	56,679.13	5.2	10,735	5.0
Total	1,099,880.33	100.0	212,603	100.0

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

## B. Ratio by total rentable area (Note 1)

Total rentable area (m <sup>2</sup> )	Number of properties	Ratio (%) (Note 2)	Acquisition price (Millions of yen)	Ratio (%) (Note 2)
Over 30,000 m <sup>2</sup>	16	38.1	136,998	64.4
Over 10,000 m <sup>2</sup> but 30,000 m <sup>2</sup> or less	16	38.1	59,883	28.2
10,000 m <sup>2</sup> or less	10	23.8	15,722	7.4
Total	42	100.0	212,603	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 <sup>2</sup> )	Ratio (%) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	217,340.10	19.8	2,866	19.7
Over 5 years but within 10 years	449,035.13	40.9	5,986	41.2
Over 3 years but within 5 years	135,692.02	12.4	1,941	13.4
Within 3 years	294,583.12	26.9	3,740	25.7
Total	1,096,650.37	100.0	14,535	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 21<sup>st</sup> 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-1	M-2	M-3	M-4	M-5
Name of real estate, etc.	Funabashi Logistics Center	Urayasu Logistics Center	Hiratsuka Logistics Center	Shinkiba Logistics Center	Urayasu Chidori 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	94	6	10	14	46
Loss on write-off of noncurrent assets	3	0	0	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	120	27	39	63	159
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	217	34	50	77	206
(v) Capital expenditure	4	0	0	-	-
(vi) NCF (= (iv) - (v))	213	34	50	77	206

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

(Millions of yen)

Property No.	M-6	M-8	M-9	M-11	M-12
Name of real estate, etc.	Funabashi Nishiura Logistics Center	Kawasaki Logistics Center	Narashino Logistics Center	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	222	Not disclosed (Note)	60	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate	207		60		
Other lease business revenue	15		-		
(ii) Total real estate leasing business expenses	108		15		
Taxes and dues	25		3		
Outsourcing service expenses	4		0		
Utilities expenses	12		-		
Repair expenses	2		0		
Insurance expenses	0		0		
Other expenses related to rent business	1		0		
Depreciation and amortization	61	74	10	79	78
Loss on write-off of noncurrent assets	0	1	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	113	223	44	191	205
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	175	299	55	270	284
(v) Capital expenditure	3	5	-	0	-
(vi) NCF (= (iv) - (v))	172	294	55	269	284

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

(Millions of yen)

Property No.	M-13	M-14	M-15	M-16	M-17
Name of real estate, etc.	Yachiyo Logistics Center II	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	193	Not disclosed (Note 2)	Not disclosed (Note 2)	354	Not disclosed (Note 2)
Rent revenue - real estate	193			354	
Other lease business revenue	-			0	
(ii) Total real estate leasing business expenses	85			76	
Taxes and dues	14			26	
Outsourcing service expenses	0			0	
Utilities expenses	0			-	
Repair expenses	3			0	
Insurance expenses	0			0	
Other expenses related to rent business	1			0	
Depreciation and amortization	64	16	28	47	91
Loss on write-off of noncurrent assets	-	-	-	-	1
(iii) Income from real estate leasing business (= (i) - (ii))	108	25	95	278	143
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	173	42	124	325	235
(v) Capital expenditure	6	-	-	0	3
(vi) NCF (= (iv) - (v))	166	42	124	325	232

(Note 1) Figures for joint ownership are indicated. Shinonome Logistics Center : 47% , Narashino Logistics Center II : 90%

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

(Millions of yen)

Property No.	M-18	M-19	M-20	M-21	M-22
Name of real estate, etc.	Ichikawa Logistics Center II (Note 1)	Souka Logistics Center (Note 1)	Tatsumi Logistics Center	Kashiwa Logistics Center	Musashi murayama 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 2)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	120	65	51	37	59
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	379	123	202	82	190
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	499	188	253	119	250
(v) Capital expenditure	0	0	-	-	2
(vi) NCF (= (iv) - (v))	499	188	253	119	248

(Note 1) Figures for joint ownership are indicated. Ichikawa Logistics Center II : 90% , Souka Logistics Center : 50%

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

(Millions of yen)

Property No.	M-23	M-24	M-25	M-26	M-27
Name of real estate, etc.	Kashiwa Logistics Center II (land)	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center	Sagamihara Logistics Center	Chiba Kita Logistics Center
Number of days under management	184	184	184	184	150
(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	-	64	31	73	14
Loss on write-off of noncurrent assets	-	-	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	74	196	80	179	34
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	74	261	111	253	49
(v) Capital expenditure	-	0	-	-	0
(vi) NCF (= (iv) - (v))	74	260	111	253	48

(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-28	M-29	M-30	T-1	T-2
Name of real estate, etc.	Chiba Kita Logistics Center II	Urayasu Chidori Logistics Center III	Zama Logistics Center	Daito Logistics Center	Osaka Fukuzaki Logistics Center
Number of days under management	143	143	123	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	33	4	8	87	29
Loss on write-off of noncurrent assets	-	-	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	77	26	30	415	116
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	110	31	39	504	146
(v) Capital expenditure	-	-	-	11	-
(vi) NCF (= (iv) - (v))	110	31	39	492	146

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

(Millions of yen)

Property No.	T-3	T-4	T-5	T-6	T-7
Name of real estate, etc.	Kiyosu Logistics Center (land)	Kadoma Logistics Center	Komaki Logistics Center	Komaki Logistics Center II	Fukuoka Hakozaki Futo Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	11	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate	11				
Other lease business revenue	-				
(ii) Total real estate leasing business expenses	3				
Taxes and dues	3				
Outsourcing service expenses	0				
Utilities expenses	-				
Repair expenses	-				
Insurance expenses	-				
Other expenses related to rent business	0				
Depreciation and amortization	-	10	15	17	25
Loss on write-off of noncurrent assets	-	-	0	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	7	35	37	32	64
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	7	45	52	49	89
(v) Capital expenditure	-	-	1	-	-
(vi) NCF (= (iv) - (v))	7	45	50	49	89

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



(Millions of yen)

Property No.	T-8	T-9	T-10	O-1	O-2
Name of real estate, etc.	Tajimi Logistics Center	Fukuoka Kashiihama Logistics Center	Kasugai Logistics Center (land)	Maebashi Logistics Center	Hanyu 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)	43	59
Rent revenue - real estate				43	59
Other lease business revenue				-	-
(ii) Total real estate leasing business expenses				14	20
Taxes and dues				3	3
Outsourcing service expenses				0	0
Utilities expenses				-	-
Repair expenses				-	1
Insurance expenses				0	0
Other expenses related to rent business				0	1
Depreciation and amortization	110	28	-	10	12
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	205	60	24	29	39
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	315	89	24	39	51
(v) Capital expenditure	-	-	-	-	-
(vi) NCF (= (iv) - (v))	315	89	24	39	51

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

(Millions of yen)

Property No.	O-3	O-4
Name of real estate, etc.	Saitama Kisai Logistics Center	Kazo Logistics Center
Number of days under management	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		
Outsourcing service expenses		
Utilities expenses		
Repair expenses		
Insurance expenses		
Other expenses related to rent business		
Depreciation and amortization	34	46
Loss on write-off of noncurrent assets	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	40	66
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	75	112
(v) Capital expenditure	13	-
(vi) NCF (= (iv) - (v))	61	112

(Note) 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
Urayasu Chidori Logistics Center (Urayasu, Chiba)	Exterior wall renewal	April 2016	49	-	-
Narashino Logistics Center II (Narashino, Chiba)	Renewal of exterior asphalt	July 2016	18	-	-
Funabashi Nishiura Logistics Center (Funabashi, Chiba)	Elevator replacement	March 2016	12	-	-
Other real estate, etc.	-	-	91		
Total			171		

(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. Capital expenditure for the 21<sup>st</sup> Period totals 56 million yen. In addition, repair expenses of 88 million yen are classified under operating expenses for the fiscal period.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note)
Saitama Kisai Logistics Center (Kazo, Saitama)	Exterior wall renewal	October 2015	6
Daito Logistics Center (Daito, Osaka)	Installment of lighting equipment	December 2015	6
Yachiyo Logistics Center II (Yachiyo, Chiba)	Renewal of elevator	January 2016	6
Other real estate, etc.	-	-	36
Total			56

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

## (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 January 31, 2016.

Name of tenant	Name of real estate, etc.	Leased area (m <sup>2</sup> )	Lease ratio (%) (Note 1)
Nippon Express Co., Ltd.	Tajimi Logistics Center	118,118.53	10.8
	Yokohama Fukuura Logistics Center		
	Kashiwa Logistics Center		
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	92,730.14	8.5
Hitachi Transport System, Ltd.	Yachiyo Logistics Center	82,991.60	7.6
	Kazo Logistics Center		
	Chiba Kita Logistics Center		
Nakano Shokai co.,ltd.	Tatsumi Logistics Center	81,206.43	7.4
	Fukuoka Hakozaki Futo Logistics Center		
	Narashino Logistics Center II (Note 2)		
	Shinkiba Logistics Center		
Tri-net Logistics Co., Ltd.	Urayasu Chidori Logistics Center	65,021.32	5.9
	Funabashi Nisihura Logistics Center		
	Fukuoka Kashiihama Logistics Center		
Sumitomo Mitsui Finance & Leasing Co., Ltd.	Kashiwa Logistics Center II (land)	54,418.30	5.0
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,401.57	4.7
Ricoh Logistics Systems Co., Ltd.	Osaka Fukuzaki Logistics Center	47,062.37	4.3
	Shin-Koyasu Logistics Center (Note 2)		
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	44,010.20	4.0
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	41,630.54	3.8
Total for all tenants		1,096,650.37	100.0

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

(Note 2) The portion of co-ownership of beneficiary right of real estate in trust is owned, but data pertaining to the entire property (100%) is provided.

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center : 51%