

REIT Financial Report for the Fiscal Period ended July 31, 2015 (The 20<sup>th</sup> Period)

September 1, 2015

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  
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Scheduled date for submission of Securities Report: October 29, 2015

Scheduled date for commencing dividend payments: October 1, 2015

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

## (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 20 <sup>th</sup> Period	7,074	(24.9)	3,601	(38.6)	3,210	(41.2)	3,209	(41.2)
The 19 <sup>th</sup> Period	9,416	35.1	5,862	65.9	5,456	75.6	5,456	75.6

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
The 20 <sup>th</sup> Period	3,866	2.7	1.6	45.4
The 19 <sup>th</sup> Period	6,573	4.6	2.7	57.9

## (2) Dividends

	Dividends per Unit (excluding Distributions in excess of earnings)	Total Dividends (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Dividends of Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
The 20 <sup>th</sup> Period	3,866	3,208	0	0	99.9	2.7
The 19 <sup>th</sup> Period	3,900	3,237	0	0	59.3	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)

Dividends per unit on the 19<sup>th</sup> Period was calculated by deducting 2,219 million yen of reserve for reduction entry of special provisions of replaced property from net income of the period, and dividing the amount by the number of units outstanding.

## (3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
The 20 <sup>th</sup> Period	199,146	118,987	59.7	143,358
The 19 <sup>th</sup> Period	197,785	119,015	60.2	143,392

(Reference) Unitholders' equity The 20<sup>th</sup> Period: 118,987 million yen The 19<sup>th</sup> Period: 119,015 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 20 <sup>th</sup> Period	4,658	(9,639)	(1,236)	6,975
The 19 <sup>th</sup> Period	18,338	(5,064)	(8,106)	13,193

2. Forecasts for the Fiscal Period ending January 2016 (The 21<sup>st</sup> Period from August 1, 2015 to January 31, 2016) and the Fiscal Period ending July 2016 (The 22<sup>nd</sup> Period from February 1, 2016 to July 31, 2016)

(% 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 21 <sup>st</sup> Period	7,549	6.7	3,973	10.3	3,520	9.7	3,519	9.7	4,000	0
The 22 <sup>nd</sup> Period	7,587	0.5	3,918	(1.4)	3,520	0.0	3,519	0.0	4,000	0

(Reference) Forecast for net income per unit      The 22<sup>nd</sup> Period:      4,000 yen      The 21<sup>st</sup> Period:      4,000 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 20<sup>th</sup> Period:      830,000 units      The 19<sup>th</sup> Period:      830,000 units

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

The 20<sup>th</sup> Period:      0 unit      The 19<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 27.

\* Explanation on the financial audit

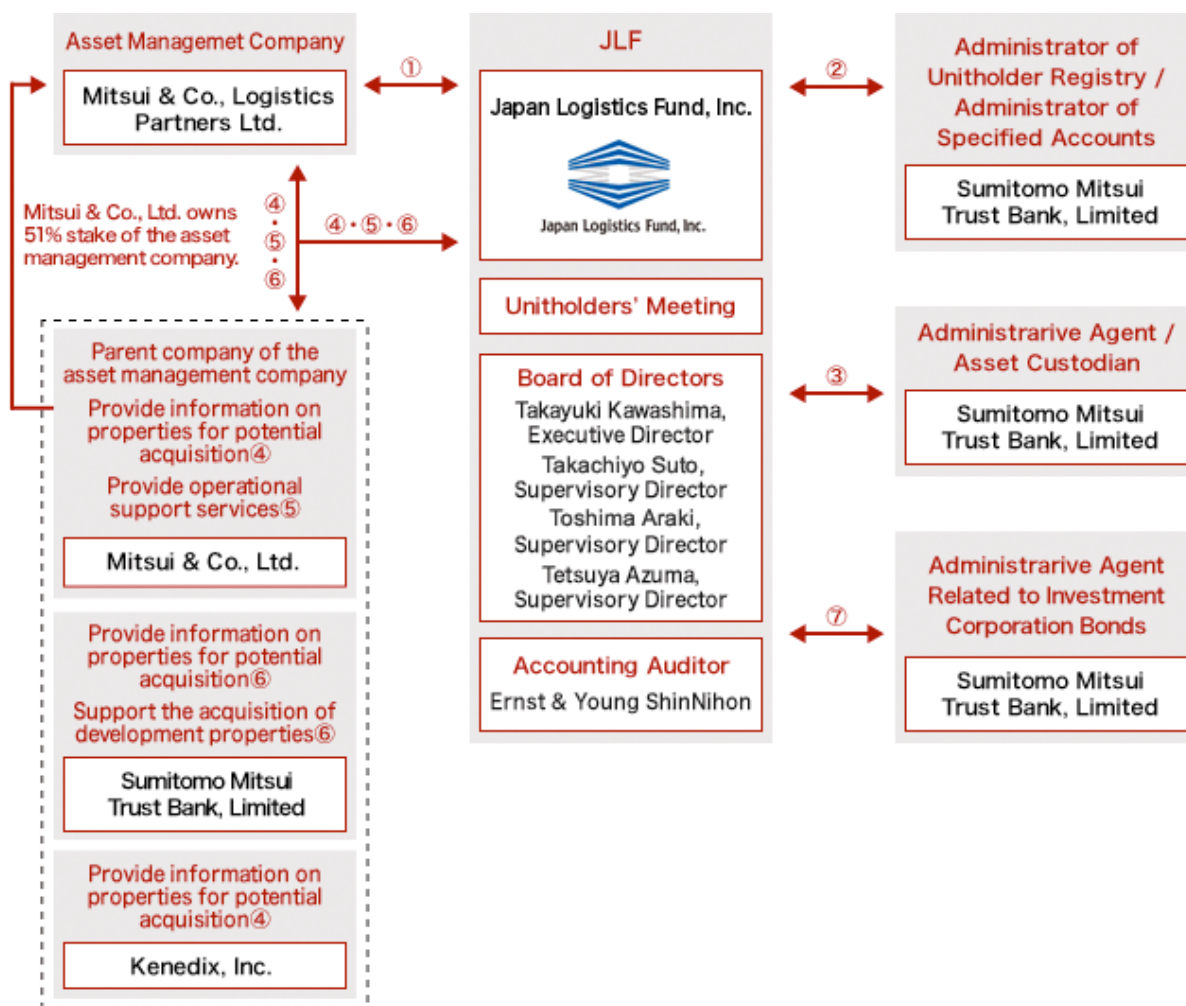
Financial audit procedures in accordance with the Financial Instruments and Exchange Act have not yet finished as of September 1, 2015.

\* 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 9.

1. Overview of Affiliates of JLF



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

(Note) 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 April 28, 2015).

## 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 April 28, 2015).

### (2) Asset Management Status

#### (i) Summary of Results for the Fiscal Period ended July 2015 (The 20<sup>th</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 20<sup>th</sup> Period (July 31, 2015), JLF had a total of 38 properties under management (total acquisition price: 203,755 million yen), including two properties (total acquisition price: 8,862 million yen) that were acquired during the period. And its total assets amounted to 199,146 million yen.

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

During the 20<sup>th</sup> fiscal period under review, the Japanese economy continued to recover moderately as a result of primarily the gradual increase in capital expenditure based on growth in corporate earnings, as well as strong consumer spending in response to steady improvement in employment and personal income.

In the logistics facilities leasing market, growth in demand for large logistics facilities was driven by the establishment and expansion of distribution centers by e-commerce businesses, retailers aiming to enter online retailing, and third-party logistics (3PL) providers. In the Tokyo metropolitan area, a decrease in vacancies of existing property in the central district helped reduce the vacancy rate. The vacancy rate has also been steadily falling in the Kinki region, despite a temporary rise due to supply of new property.

In the logistics facilities acquisition market, investors both in Japan and abroad are extremely eager to invest in logistics facilities, which would yield returns higher than those on other types of investment properties, such as offices. Such appetite of investors caused the competition to further intensify amid low interest rates and weak yen due to the monetary easing of the Bank of Japan.

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 Sagamihara Logistics Center (8,032 million yen) and Kasugai Logistics Center (Land) (830 million yen). For existing property, JLF actively implemented value-up works, such as building a new hazardous material warehouse and replacing lights with LED lights to strengthen its relationships with tenants. Yachiyo Logistics Center, completed in December 2014, is fully occupied and has started operation, which raised the occupancy rate of the overall portfolio to 99.7%.

##### C. Capital Procurement

During the 20<sup>th</sup> period, JLF raised funds amounting to 2,000 million yen through long-term borrowings for the purpose of purchasing new property. It also fixed the rate of interest payable through an interest rate swap for the first time. As a result, JLF extended the borrowing period and reduced the cost of debt financing.

As a result, as of the end of the 20<sup>th</sup> Period, the total amount of interest-bearing debt stood at 71,700 million yen and the LTV (Loan to Value) (Note) was 28.8%, 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)  $LTV = \text{Interest-bearing debt} / \text{appraisal value} \times 100$

(Figures are rounded off to the first decimal place)

Credit rating of JLF at the end of the 20<sup>th</sup> Period

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA (Outlook: Stable)
	Long-term bond rating	#1st unsecured investment corporation bonds #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 7,074 million yen, operating income of 3,601 million yen, ordinary income of 3,210 million yen and net income of 3,209 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 3,866 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 the employment and personal income. However, risks that significantly affect the Japanese economy, such as economic trends in emerging and resource countries, the development of debt issues in Europe, and the pace at which the U.S. economy recovers need to be continuously monitored.

The recent expected yield for investors on the multi-tenant logistics facilities in the Tokyo Metropolitan Bay area is lower (the prices are higher) than the level before the Great Recession, suggesting that the logistics facilities acquisition market has become overheated. While development projects have been continuously announced amid the rising land prices and construction expenses caused by the overheated trading market, JLF suspects that fall in demand due to the large supply of properties may lead to inability of developers to sell properties at the rent levels they expect. JLF also thinks that attention must be paid to the possibility of substantial growth in the expected yields (the prices are lower) on logistics facilities as the interest rate rises when the monetary easing ends in the future.

In this environment, JLF believes that ensuring "appropriate prices" in the purchase of property will be more important than ever. As an important step towards achieving six months ahead of schedule the targets in the medium-term business plan "stable + Growth," announced in March 2013, and moving on to the next stage "stable + Growth 2.0"(Note), JLF has decided to purchase four properties in September 2015 and execute a public offering for the first time in two years.

(Note) JLF and MLP have started discussions regarding the development of "stable + Growth 2.0," JLF's medium-term business plan set to follow "stable + Growth." However, at this time it has not yet been decided when this plan will be implemented. The name "stable + Growth 2.0" may also be changed.

## 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 7.2 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

Significant subsequent events that took place at JLF after the end of the fiscal period ended July 31, 2015 are described below:

Issuance of new investment units:

Board of Directors of JLF has resolved the issuance of new investment units and the secondary offering of investment units as detailed below. Issue price per unit and other items will be determined at a future Board of Directors' meeting.

< Issuance of new investment units through public offering >

Number of new investment units to be issued: 47,500 units  
Base date for calculation of distribution: August 1, 2015

< Issuance of new investment units by a third-party allotment (Note) >

Maximum number of new investment units to be issued: 2,500 units  
Base date for calculation of distribution: August 1, 2015  
Allottee: SMBC Nikko Securities Inc.

(Note ) The units to be issued by third-party allotment may not be subscribed in whole or in part, and as a result, the subscription right will be forfeited and the final number of units with respect to the third-party allotment may be reduced to the same extent, or the issue itself may be suspended.

< Use of Proceeds >

Net proceeds from the public offering will be appropriated for a part of funds for JLF to purchase newly acquired assets. The remainder will be appropriated for the future acquisition of the properties, repayment of borrowings, and redemption of investment corporation bonds. Net proceeds from the issuance of new investment units through third-party allotment will be appropriated for the future acquisition of the properties, repayment of borrowings, and redemption of investment corporation bonds, and the proceeds will be deposited with a financial institution until they are expended.

## [Reference Information]

< Acquisition of Properties >

JLF acquired the following property after the end of the fiscal period and before the date of this Financial Report.

[M-27 Chiba-kita Logistics Center]

Asset acquired	Real estate	
Acquisition price	1,459 million yen	
Date of acquisition	September 4, 2015	
Location	1004 Yokodocho, Hanamigawa-ku, Chiba, Chiba	
Usage	Warehouse, office, guard station (Note)	
Site area	21,605.94m <sup>2</sup> (Note)	
Total floor area	15,298.53m <sup>2</sup> (Note)	
Structure/Story	Steel frame with galvanized steel sheet roof, 4-story building, and other (Note)	
Date of completion	October 30, 1995 (Note)	
Type of ownership	Land: Ownership	Building: Ownership

(Note) This outline shown here is indicated according to the real estate registry, and may differ from the present state.

## [M-28 Chiba-kita Logistics Center II]

Asset acquired	Trust beneficiary right of real estate	
Acquisition price	4,608 million yen	
Date of acquisition	September 11, 2015	
Location	55-1 Naganumacho, Inage-ku, Chiba, Chiba	
Usage	Warehouse, office (Note)	
Site area	22,684.43m <sup>2</sup> (Note)	
Total floor area	25,818.00m <sup>2</sup> (Note)	
Structure/Story	Steel frame with deck roof, 4-story building (Note)	
Date of completion	March 24, 1997 (Note)	
Type of ownership	Land: Ownership	Building: Ownership

(Note) This outline shown here is indicated according to the real estate registry, and may differ from the present state.

## [M-29 Urayasu Chidori Logistics Center III]

Asset acquired	Trust beneficiary right of real estate	
Acquisition price	1,053 million yen	
Date of acquisition	September 11, 2015	
Location	15-19 Chidori, Urayasu, Chiba	
Usage	Warehouse, office (Note)	
Site area	4,322.32m <sup>2</sup> (Note)	
Total floor area	5,314.80m <sup>2</sup> (Note)	
Structure/Story	Steel-frame, steel-reinforced concrete structure, galvanized steel sheet roof, 4-story building (Note)	
Date of completion	December 18, 1998 (Note)	
Type of ownership	Land: Ownership	Building: Ownership

(Note) This outline shown here is indicated according to the real estate registry, and may differ from the present state.

## [M-30 Zama Logistics Center]

Asset acquired	Trust beneficiary right of real estate (Note 1)	
Acquisition price	1,728 million yen	
Date of acquisition	October 1, 2015	
Location	1-1-43 Komatsubara, Zama, Kanagawa	
Usage	Warehouse, office, plant (Note 2)	
Site area	9,889.49m <sup>2</sup> (Note 2)	
Total floor area	9,358.53m <sup>2</sup> (Note 2)	
Structure/Story	Steel frame with galvanized steel sheet roof, 3-story building (Note 2)	
Date of completion	October 12, 2000 (Note 2)	
Type of ownership	Land: Ownership	Building: Ownership

(Note 1) This property has not yet placed in trust beneficiary right as of today. The seller will entrust the property before JLF's acquisition.

(Note 2) This outline shown here is indicated according to the real estate registry, and may differ from the present state.

## &lt; Redevelopment Project &gt;

Mitsui & Co., Logistics Partners Ltd. (hereafter referred to as "MLP"), the asset management company of JLF, resolved at the Board of Directors' meeting held on September 1, 2015 to execute OBR (Own Book Redevelopment) of Kiyosu Logistics Center (land). The aim of this project is to construct a new building on a piece of land held by JLF, while enabling redevelopment to be carried out without causing non-recurring loss associated with the demolition of the existing building such as write-off of fixed assets. See "Notice Concerning Redevelopment Project of Kiyosu Logistics Center (Land)" announced on September 1, 2015, for the details of this project.

(Note) Chubu Haruhi Logistics Center (land) was renamed to Kiyosu Logistics Center (land) on July 31, 2015. The same applies to the following.



## &lt;Debt Financing&gt;

JLF borrowed fund after the end of the fiscal period and before the date of this Financial Report.

Lender	Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation	Sumitomo Mitsui Banking Corporation
Amount borrowed	2,000 million yen	2,000 million yen	1,000 million yen
Interest rate	Base rate (1- month JPY TIBOR by "JBA" (Japanese Bankers Association)) (Not2) + 0.20%		
Borrowing date	September 10, 2015		
Maturity date	September 25, 2015		
Borrowing method / Secured or not	Based on the Commitment Line Agreement concluded on August 1, 2014 Unsecured/Non-guaranteed		
Repayment method	Lump-sum payment on the maturity date		
Purpose	To acquire real estate and trust beneficiary right of domestic real estate and to pay expenses related to this acquisition		

(Note) Please refer to JBA TIBOR administration's website (<http://www.jbatibor.or.jp/english/rate/>) for more information regarding JPY TIBOR of JBA.

## D. Forecasts

Forecasts for the Fiscal Period ending January 2016 (The 21<sup>st</sup> Period from August 1, 2015 to January 31, 2016) and the Fiscal Period ending July 2016 (The 22<sup>nd</sup> Period from February 1, 2016 to July 31, 2016) are as follows. Please refer to "Assumptions Underlying the Forecasts for the 21<sup>st</sup> Period (from August 1, 2015 to January 31, 2016) and the 22<sup>nd</sup> Period (from February 1, 2016 to July 31, 2016)" 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 21 <sup>st</sup> Period	7,549	6.7	3,973	10.3	3,520	9.7	3,519	9.7	4,000	0
The 22 <sup>nd</sup> Period	7,587	0.5	3,918	(1.4)	3,520	0.0	3,519	0.0	4,000	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 21<sup>st</sup> Period (from August 1, 2015 to January 31, 2016) and the 22<sup>nd</sup> Period (from February 1, 2016 to July 31, 2016)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> <li>Fiscal Period Ending January 31, 2016: August 1, 2015 to January 31, 2016</li> <li>Fiscal Period Ending July 31, 2016: February 1, 2016 to July 31, 2016</li> </ul>
Properties owned	<ul style="list-style-type: none"> <li>Forecasts assume a total of 42 properties in the portfolio, including 38 existing properties as of September 1, 2015 and 4 newly acquired assets scheduled to be acquired thereafter (Chiba-Kita Logistics Center, Chiba-Kita Logistics Center II, Urayasu Chidori Logistics Center III and Zama Logistics Center). No other acquisitions and sales of properties is assumed.</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, consisting of 830,000 units outstanding as of September 1, 2015; and new issuances of 47,500 units by way of public offering and 2,500 by third-party allotment, which are to be resolved at the Board of Directors meeting on September 1, 2015.</li> <li>For the new issuance by third-party allotment, forecasts assume the issuance of the maximum allowable number of 2,500 units.</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>As of September 1, 2015, the balance of JLF's interest-bearing debt was 71,700 million yen. JLF will execute new borrowings in the amount of 5,000 million yen to fund the acquisition costs of the four newly acquired assets detailed</li> </ul>

	<p>in the section “Properties owned”. Though the new borrowings will mature on September 25, 2015, these borrowings will be repaid using the proceeds from the new issuance of investment units (public offering).</p> <ul style="list-style-type: none"> <li>Among the interest-bearing debt of 71,700 million yen outstanding as of September 1, 2015, the investment corporation bond will come due on the fiscal period ending January 2016 (8,000 million yen) and the long-term loan will come due on the fiscal period ending July 2016 (1,700 million yen). Forecasts assumes a part of the proceeds from the new issuance of investment units (public offering and third-party allotment) and new borrowings will be used to refinance those debts. The proceeds from the new issuance of investment units (public offering) will be used for refinancing the debts only if there is any residual amount remains after using purchase of the newly acquired assets and refinancing of the short-term debt used to purchase these assets.</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 September 1, 2015 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. With respect to the scheduled acquisition of new properties stated in the “Properties owned” section, 16 million yen of the property tax and city planning tax in total will be capitalized.</li> <li>Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. <table border="1" data-bbox="422 750 1173 996"> <thead> <tr> <th></th> <th>Fiscal Period ending January 31, 2016</th> <th>Fiscal Period Ending July 31, 2016</th> </tr> </thead> <tbody> <tr> <td>Taxes and dues:</td> <td>620 million yen</td> <td>685 million yen</td> </tr> <tr> <td>Outsourcing services:</td> <td>180 million yen</td> <td>175 million yen</td> </tr> <tr> <td>Repair:</td> <td>77 million yen</td> <td>83 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,722 million yen</td> <td>1,714 million yen</td> </tr> <tr> <td>Other:</td> <td>251 million yen</td> <td>270 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 January 31, 2016	Fiscal Period Ending July 31, 2016	Taxes and dues:	620 million yen	685 million yen	Outsourcing services:	180 million yen	175 million yen	Repair:	77 million yen	83 million yen	Depreciation:	1,722 million yen	1,714 million yen	Other:	251 million yen	270 million yen
	Fiscal Period ending January 31, 2016	Fiscal Period Ending July 31, 2016																	
Taxes and dues:	620 million yen	685 million yen																	
Outsourcing services:	180 million yen	175 million yen																	
Repair:	77 million yen	83 million yen																	
Depreciation:	1,722 million yen	1,714 million yen																	
Other:	251 million yen	270 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 414 million yen for the Fiscal Period Ending January 31, 2016 and 398 million yen for the Fiscal Period Ending July 31, 2016.</li> <li>Forecasts include 39 million yen in costs in the fiscal period ending January 31, 2016 for the issuance of new investment units resolved at the Board of Directors meeting on September 1, 2015.</li> </ul>																		
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 September 1, 2015.

## 3. Financial Statements

## (1) Balance Sheet

(Thousands of yen)

	The 20 <sup>th</sup> Period (as of July 31, 2015)	The 19 <sup>th</sup> Period (as of January 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	3,764,732	10,096,832
Cash and deposits in trust	3,477,634	3,361,095
Operating accounts receivable	132,827	40,377
Prepaid expenses	32,872	12,945
Deferred tax assets	28	5
Consumption taxes receivable	-	79,598
Income taxes receivable	839	992
Other	24	882
<b>Total current assets</b>	<b>7,408,960</b>	<b>13,592,729</b>
Non-current assets		
Property, plant and equipment		
Buildings	6,334,203	6,283,789
Accumulated depreciation	(1,294,516)	(1,210,023)
Buildings, net	5,039,686	5,073,765
Structures	124,636	122,575
Accumulated depreciation	(43,774)	(40,810)
Structures, net	80,861	81,765
Tools, furniture and fixtures	770	770
Accumulated depreciation	(471)	(413)
Tools, furniture and fixtures, net	298	356
Land	7,266,512	6,391,096
Buildings in trust	106,736,225	102,161,856
Accumulated depreciation	(16,808,271)	(15,321,516)
Buildings in trust, net	89,927,953	86,840,339
Structures in trust	3,191,511	3,072,835
Accumulated depreciation	(852,412)	(788,913)
Structures in trust, net	2,339,099	2,283,921
Tools, furniture and fixtures in trust	23,111	20,778
Accumulated depreciation	(13,609)	(12,579)
Tools, furniture and fixtures in trust, net	9,501	8,198
Land in trust	86,649,520	83,062,950
<b>Total property, plant and equipment</b>	<b>191,313,433</b>	<b>183,742,393</b>
Intangible assets		
Other	3,392	3,852
<b>Total intangible assets</b>	<b>3,392</b>	<b>3,852</b>
Investments and other assets		
Investment securities	77,573	79,897
Long-term prepaid expenses	288,449	306,117
Guarantee deposits	10,010	10,010
Other	2,000	2,000
<b>Total investments and other assets</b>	<b>378,032</b>	<b>398,024</b>
<b>Total non-current assets</b>	<b>191,694,858</b>	<b>184,144,270</b>
Deferred assets		
Investment corporation bond issuance costs	42,227	48,139
<b>Total deferred assets</b>	<b>42,227</b>	<b>48,139</b>
<b>Total assets</b>	<b>199,146,046</b>	<b>197,785,140</b>

(Thousands of yen)

	The 20 <sup>th</sup> Period (as of July 31, 2015)	The 19 <sup>th</sup> Period (as of January 31, 2015)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Operating accounts payable	185,055	980,988
Current portion of investment corporation bond	8,000,000	8,000,000
Current portion of long-term loans payable	1,700,000	-
Distribution payable	5,762	5,771
Accrued expenses	714,167	695,515
Income taxes payable	746	621
Accrued consumption taxes	9,009	-
Advances received	1,237,970	1,173,774
<b>Total current liabilities</b>	<b>11,852,712</b>	<b>10,856,671</b>
<b>Non-current liabilities</b>		
Investment corporation bond	6,000,000	6,000,000
Long-term loans payable	56,000,000	55,700,000
Tenant leasehold and security deposits	790,072	941,348
Tenant leasehold and security deposits in trust	5,248,738	5,007,168
Long-term deposits received	266,599	264,346
<b>Total non-current liabilities</b>	<b>68,305,410</b>	<b>67,912,863</b>
<b>Total liabilities</b>	<b>80,158,122</b>	<b>78,769,535</b>
<b>Net assets</b>		
<b>Unitholders' equity</b>		
<b>Unitholders' capital</b>		
Unitholders' capital, gross	114,023,665	114,023,665
Deduction from unitholders' capital	(464,424)	(464,424)
<b>Unitholders' capital</b>	<b>113,559,241</b>	<b>113,559,241</b>
<b>Surplus</b>		
<b>Voluntary retained earnings</b>		
Reserve for reduction entry of special provisions of replaced property	2,219,363	-
<b>Total voluntary retained earnings</b>	<b>2,219,363</b>	<b>-</b>
<b>Unappropriated retained earnings (undisposed loss)</b>	<b>3,209,318</b>	<b>5,456,363</b>
<b>Total surplus</b>	<b>5,428,682</b>	<b>5,456,363</b>
<b>Total unitholders' equity</b>	<b>118,987,923</b>	<b>119,015,605</b>
<b>Total net assets</b>	<b>118,987,923</b>	<b>119,015,605</b>
<b>Total liabilities and net assets</b>	<b>199,146,046</b>	<b>197,785,140</b>

## (2) Statement of Income and Retained Earnings

(thousands of yen)

	The 20th Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
Operating revenue		
Rent revenue - real estate	6,886,049	6,616,322
Other lease business revenue	182,565	179,053
Gain on sales of real estate properties	-	2,618,320
Distribution revenue of silent partnership	5,826	3,189
Total operating revenue	7,074,441	9,416,885
Operating expenses		
Expenses related to rent business	2,776,102	2,833,868
Asset management fee	581,025	561,765
Asset custody fee	19,372	19,418
Administrative service fees	30,506	31,023
Directors' compensations	5,400	5,700
Other operating expenses	60,927	102,257
Total operating expenses	3,473,334	3,554,033
Operating income	3,601,106	5,862,851
Non-operating income		
Interest income	414	333
Interest on securities	322	1,665
Interest on refund	397	-
Insurance income	6,438	924
Compensation income	-	11,111
Reversal of distribution payable	584	547
Other	939	14
Total non-operating income	9,095	14,597
Non-operating expenses		
Interest expenses	278,808	290,839
Borrowing related expenses	34,711	35,362
Interest expenses on investment corporation bonds	80,251	82,970
Amortization of investment corporation bond issuance costs	5,912	6,010
Other	0	5,500
Total non-operating expenses	399,683	420,682
Ordinary income	3,210,518	5,456,767
Income before income taxes	3,210,518	5,456,767
Income taxes - current	1,222	723
Income taxes - deferred	(22)	18
Total income taxes	1,199	742
Net income	3,209,318	5,456,024
Retained earnings brought forward	-	339
Unappropriated retained earnings (undisposed loss)	3,209,318	5,456,363

## (3) Statement of Changes in Net Assets

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

(Thousands of yen)

	Unitholders' equity							Total unitholders' equity	Total net assets
	Unitholders' capital			Surplus					
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
				Reserve for reduction entry of special provisions of replaced property	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

The 19<sup>th</sup> Period (from August 1, 2014 to January 31, 2015)

(Thousands of yen)

	Unitholders' equity							Total unitholders' equity	Total net assets
	Unitholders' capital			Surplus					
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
				Reserve for reduction entry of special provisions of replaced property	Voluntary retained earnings				
Balance at beginning of current period	114,023,665	(464,424)	113,559,241	-	-	3,107,029	3,107,029	116,666,270	116,666,270
Changes of items during period									
Dividends of surplus						(3,106,690)	(3,106,690)	(3,106,690)	(3,106,690)
Net income						5,456,024	5,456,024	5,456,024	5,456,024
Total changes of items during period	-	-	-	-	-	2,349,334	2,349,334	2,349,334	2,349,334
Balance at end of current period	114,023,665	(464,424)	113,559,241	-	-	5,456,363	5,456,363	119,015,605	119,015,605

## (4) Distribution Information

	(Yen)	
	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
I. Unappropriated retained earnings	3,209,318,806	5,456,363,765
II. Distributions	3,208,780,000	3,237,000,000
Distributions per unit	3,866	3,900
III. Voluntary reserve		
Provision of reserve for reduction entry of special provisions of replaced property	-	2,219,363,765
IV. Retained earnings to be carried forward	538,806	-

## Method of calculation of distributions

The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on 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.

JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.

The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on these policies, JLF decided to distribute earnings of 3,237,000,000 yen, which was calculated by deducting reserve for reduction entry of special provisions of replaced property defined in Article 66.2 of the Act on Special Measures Concerning Taxation from net income for the period.

JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.

## (5) Statement of Cash Flows

(thousands of yen)

	The 20th Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes	3,210,518	5,456,767
Depreciation	1,669,380	1,583,835
Amortization of investment corporation bond issuance costs	5,912	6,010
Interest income	(414)	(333)
Interest income on securities	(322)	(1,665)
Interest expenses	359,060	373,809
Loss on retirement of non-current assets	30,968	82,307
Decrease (increase) in operating accounts receivable	(92,450)	5,078
Decrease (increase) in consumption taxes refund receivable	79,598	(79,598)
Increase (decrease) in accrued consumption taxes	9,009	(85,831)
Increase (decrease) in operating accounts payable	(334,563)	272,714
Increase (decrease) in accrued expenses	21,375	(5,696)
Increase (decrease) in advances received	64,195	(44,019)
Decrease in property plant and equipment in trust due to sales	-	11,172,323
Other, net	(2,101)	45,545
Subtotal	5,020,168	18,781,247
Interest income received	736	1,999
Interest expenses paid	(361,783)	(443,107)
Income taxes paid	(945)	(1,826)
Net cash provided by (used in) operating activities	4,658,176	18,338,312
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(996,760)	(1,908,654)
Purchase of property, plant and equipment in trust	(8,735,538)	(3,088,207)
Purchase of intangible assets	-	(786)
Proceeds from tenant leasehold and security deposits	4,030	54,510
Proceeds from tenant leasehold and security deposits in trust	86,667	48,178
Repayments of tenant leasehold and security deposits in trust	(403)	(180,156)
Proceeds from redemption of investment securities	2,440	10,939
Net cash provided by (used in) investing activities	(9,639,565)	(5,064,176)
<b>Cash flows from financing activities</b>		
Increase in short-term loans payable	2,000,000	-
Decrease in short-term loans payable	(2,000,000)	-
Proceeds from long-term loans payable	2,000,000	-
Repayments of long-term loans payable	-	(5,000,000)
Payments for bond issuance costs	-	(239)
Dividends paid	(3,236,424)	(3,106,093)
Net cash provided by (used in) financing activities	(1,236,424)	(8,106,332)
Net increase (decrease) in cash and cash equivalents	(6,217,813)	5,167,804
Cash and cash equivalents at beginning of period	13,193,661	8,025,857
Cash and cash equivalents at end of period	6,975,847	13,193,661



(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

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 20<sup>th</sup> Period, the property tax, etc. included in the acquisition cost of real estate was 55,470 thousand yen. In the 19<sup>th</sup> Period, the property tax, etc. included in the acquisition cost of real estate was 3,115 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 20 <sup>th</sup> Period (as of July 31, 2015)	The 19 <sup>th</sup> Period (as of January 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 20 <sup>th</sup> Period (as of July 31, 2015)	The 19 <sup>th</sup> Period (as of January 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	-
Reversal in the statement of income and retained earnings	-	-
Amount on the balance sheet	2,219,363 thousand yen	-
Provision as disclosed in (4) Distribution Information	-	2,219,363 thousand yen
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 20 <sup>th</sup> Period (as of July 31, 2015)	The 19 <sup>th</sup> Period (as of January 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 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)		The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	6,654,353		6,409,400	
Land rents received	108,741		95,576	
Facility charges	122,955	6,886,049	111,345	6,616,322
Other lease business revenue				
Parking charges	8,931		5,837	
Utilities charges	161,739		158,627	
Other operating income	11,895	182,565	14,588	179,053
Total real estate leasing business revenue		7,068,614		6,795,375
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	620,770		576,526	
Outsourcing service expenses	164,930		159,019	
Utilities expenses	173,964		174,971	
Repair expenses	58,438		169,066	
Insurance expenses	21,662		21,546	
Other expenses related to rent business	36,446		66,979	
Depreciation	1,668,920		1,583,451	
Loss on write-offs of noncurrent assets	30,968		82,307	
Total real estate leasing business expenses		2,776,102		2,833,868
(iii) Income from real estate leasing business				
((i) - (ii))		4,292,512		3,961,507

## Breakdown of gain on asset transfer

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

Not applicable.

The 19<sup>th</sup> Period (from August 1, 2014 to January 31, 2015)

## Funabashi Nishiura II Logistics Center and Yokosuka Logistics Center

	(Thousands of yen)
Proceeds from sales of real estate properties	14,000,000
Cost of real estate properties sold	11,172,323
Other associated selling expenses	209,356
Gain on sales of real estate properties	2,618,320

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

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

	The 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	830,000 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 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
Cash and deposits	3,764,732	10,096,832
Cash and deposits in trust	3,477,634	3,361,095
Long-term deposits received (Note)	(266,519)	(264,266)
Cash and cash equivalents	6,975,847	13,193,661

(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 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
Future lease payments receivable		
Due within one year	12,345,929	12,562,926
Due after one year	65,537,235	65,863,524
Total	77,883,165	78,426,450

## [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 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	-	-	-

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

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	10,096,832	10,096,832	-
(2)Cash and deposits in trust	3,361,095	3,361,095	-
Total assets	13,457,927	13,457,927	-
(1)Current portion of investment corporation bond	8,000,000	8,040,000	40,000
(2)Current portion of long-term loans payable	-	-	-
(3)Investment corporation bond	6,000,000	6,355,200	355,200
(4)Long-term loans payable	55,700,000	57,336,806	1,636,806
Total liabilities	69,700,000	71,732,006	2,032,006

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

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

The 19<sup>th</sup> Period (as of January 31, 2015)

	Amount on the balance sheet (Thousands of yen)
Investment securities *	79,897

\*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 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	-	-	-	-	-

The 19<sup>th</sup> Period (as of January 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	10,096,832	-	-	-	-	-
Cash and deposits in trust	3,361,095	-	-	-	-	-
Total	13,457,927	-	-	-	-	-

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

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

The 19<sup>th</sup> Period (as of January 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	-	2,700,000	8,000,000	2,500,000	8,500,000	34,000,000
Investment corporation bond	8,000,000	-	-	-	-	6,000,000
Total	8,000,000	2,700,000	8,000,000	2,500,000	8,500,000	40,000,000

[Notes to Investment Securities]

Not applicable to the 20<sup>th</sup> and 19<sup>th</sup> Period.

[Notes to Derivatives]

(i) Transactions not applicable to hedge accounting

Not applicable to the 20<sup>th</sup> and 19<sup>th</sup> Period.

(ii) Transactions applicable to hedge accounting

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.

The 19<sup>th</sup> Period (from August 1, 2014 to January 31, 2015)

Not applicable.

[Notes to Retirement Benefits]

Not applicable to the 20<sup>th</sup> and 19<sup>th</sup> Period.

[Tax Effect Accounting]

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

	(Thousands of yen)	
	The 20 <sup>th</sup> Period (as of July 31, 2015)	The 19 <sup>th</sup> Period (as of January 31, 2015)
Deferred tax assets		
Enterprise tax not deductible	28	5
Total deferred tax assets	28	5
Deferred tax assets, net	28	5

- (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 20 <sup>th</sup> Period (as of July 31, 2015)	The 19 <sup>th</sup> Period (as of January 31, 2015)
Effective statutory tax rate	34.15%	34.16%
Adjustments		
Deductible cash distributions	(34.13%)	(20.26%)
Provision of reserve for reduction entry of special provisions of replaced property	-	(13.89%)
Other	0.02%	0.00%
Effective tax rate after applying tax effect accounting	0.04%	0.01%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 20<sup>th</sup> and 19<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 20<sup>th</sup> and 19<sup>th</sup> Period.

- (ii) Subsidiaries and affiliates

Not applicable to the 20<sup>th</sup> and 19<sup>th</sup> Period.

- (iii) Sister companies

Not applicable to the 20<sup>th</sup> and 19<sup>th</sup> Period.

- (iv) Directors and principal individual unitholders

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

Classifi- cation	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 &amp; 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.



The 19<sup>th</sup> Period (from August 1, 2014 to January 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)	691,723 (Note 2) (Note 3)	Accrued expenses	388,434 (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 asset transfer fee of 70,000 thousand yen, acquisition fee of 16,345 thousand yen, and OBR fee of 43,612 thousand yen, which was included in the book value of the 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 20<sup>th</sup> and 19<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 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
Amount on the balance sheet		
Balance at the beginning of the period	183,742,393	187,137,704
Changes during the period	7,571,040	(3,395,311)
Balance at the end of the period	191,313,433	183,742,393
Fair value at the end of the period	248,938,000	236,327,000

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

(Note 2) The increase of the lease properties in the 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). The increase of the lease properties in the 19<sup>th</sup> Period is mainly by the additional acquisition of Tajimi Logistics Center (2,424,158 thousand yen) and the completion of OBR of Yachiyo Logistics Center (6,355,253 thousand yen). The decrease in the 19<sup>th</sup> Period is mainly by the transfer of Funabashi Nishiura Logistics Center II and Yokosuka Logistics Center (total amount: 11,172,323 thousand yen combined).

(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 20<sup>th</sup> and 19<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 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.

The 19<sup>th</sup> Period (from August 1, 2014 to January 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 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
Net assets per unit	143,358 yen	143,392 yen
Net income per unit	3,866 yen	6,573 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 20 <sup>th</sup> Period (from February 1, 2015 to July 31, 2015)	The 19 <sup>th</sup> Period (from August 1, 2014 to January 31, 2015)
Net income	3,209,318	5,456,024
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	3,209,318	5,456,024
Average number of investment units during period	830,000 units	830,000 units

## [Notes to Significant Subsequent Events]

Issuance of new investment units:

Board of Directors of JLF has resolved the issuance of new investment units and the secondary offering of investment units as detailed below. Issue price per unit and other items will be determined at a future Board of Directors' meeting.

## &lt; Issuance of new investment units through public offering &gt;

Number of new investment units to be issued: 47,500 units  
Base date for calculation of distribution: August 1, 2015

## &lt; Issuance of new investment units by a third-party allotment (Note) &gt;

Maximum number of new investment units to be issued: 2,500 units  
Base date for calculation of distribution: August 1, 2015  
Allottee: SMBC Nikko Securities Inc.

(Note) The units to be issued by third-party allotment may not be subscribed in whole or in part, and as a result, the subscription right will be forfeited and the final number of units with respect to the third-party allotment may be reduced to the same extent, or the issue itself may be suspended.

## &lt; Use of Proceeds &gt;

Net proceeds from the public offering will be appropriated for a part of funds for JLF to purchase newly acquired assets. The remainder will be appropriated for the future acquisition of the properties, repayment of borrowings, and redemption of investment corporation bonds. Net proceeds from the issuance of new investment units through third-party allotment will be appropriated for the future acquisition of the properties, repayment of borrowings, and redemption of investment corporation bonds, and the proceeds will be deposited with a financial institution until they are expended.

## (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)

(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.

#### 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 July 31, 2015 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 July 31, 2015, are as follows.

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

(Note) 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 20 <sup>th</sup> Period (as of July 31, 2015)		The 19 <sup>th</sup> Period (as of January 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	5,901	3.0	5,945	3.0
		Kinki/Chubu/Kyushu Areas	6,486	3.3	5,601	2.8
		Other Areas	-	0.0	-	0.0
	Subtotal	12,387	6.2	11,546	5.8	
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	141,962	71.3	134,867	68.2
		Kinki/Chubu/Kyushu Areas	27,589	13.9	27,859	14.1
		Other Areas	9,373	4.7	9,468	4.8
	Subtotal	178,926	89.8	172,195	87.1	
Deposits and other assets (Note 5)			7,832	3.9	14,042	7.1
Total assets			199,146	100.0	197,785	100.0

(Note 1) Descriptions under "5. Reference Information" are effective as of July 31, 2015, 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 3,477 million yen for the 20<sup>th</sup> Period and of 3,361 million yen for the 19<sup>th</sup> Period, Investment securities of 77 million yen for the 20<sup>th</sup> Period and of 79 million yen for the 19<sup>th</sup> Period.

#### <Area classification>

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		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
Chubu Area		Nagoya Port area, Komaki-shi, Kasugai-shi, Toyota-shi
Kyushu Area		Fukuoka-shi
Other Areas		Areas where locational advantage can be attained, e.g. close to consumption areas

	The 20 <sup>th</sup> Period (as of July 31, 2015)		The 19 <sup>th</sup> Period (as of January 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	80,158	40.3	78,769	39.8
Total net assets	118,987	59.7	119,015	60.2
Total assets	199,146	100.0	197,785	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)	-	77,573	-	-	77,573	-	
Total		-	77,573	-	-	77,573	-	

(Note 1) Logistics Fund III Limited Liability Company has the following investments. Each entity's substantive investment assets are also indicated as follows. Through the acquisition of the Silent Partnership Equity Interests, JLF has preferential negotiation rights to acquire trust beneficiary right of real estate or real estate without obligation. JLF's interest is 4.17% 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 July 31, 2015 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	7,423	6,880	4.3
M-2	Urayasu	Trust beneficiary right of real estate	2,902	2,812	4,740	1.4
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,356	1,790	0.7
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,278	3,440	1.2
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	5,282	8,380	2.9
M-6	Funabashi	Trust beneficiary right of real estate	5,700	4,586	7,940	2.8
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,986	11,500	5.4
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,528	2,290	0.8
M-11	Yachiyo (Note 5)	Trust beneficiary right of real estate	7,892 (Note 6)	7,960	10,900	3.9

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-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	8,563	10,700	4.8
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	4,443	7,090	2.6
M-14	Urayasu Chidori II	Real estate	1,640	1,538	1,760	0.8
M-15	Ichikawa	Real estate	4,550	4,363	5,270	2.2
M-16	Shinonome (Note 7)	Trust beneficiary right of real estate	11,800	11,512	14,200	5.8
M-17	Narashino II (Note 7)	Trust beneficiary right of real estate	7,875	7,031	9,400	3.9
M-18	Ichikawa II (Note 7)	Trust beneficiary right of real estate	17,415	16,402	21,400	8.5
M-19	Souka (Note 7)	Trust beneficiary right of real estate	6,360	5,992	7,590	3.1
M-20	Tatsumi	Trust beneficiary right of real estate	9,000	8,793	10,900	4.4
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,587	4,440	1.8
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	8,404	9,710	4.2
M-23	Kashiwa II (land)	Trust beneficiary right of real estate	2,500	2,526	2,540	1.2
M-24	Shin-Koyasu (Note 7)	Trust beneficiary right of real estate	9,696	9,568	11,100	4.8
M-25	Misato	Trust beneficiary right of real estate	3,873	3,838	4,430	1.9
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	8,084	9,400	3.9
subtotal for the Tokyo Metropolitan Area			157,901	147,864	187,790	77.5
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 8)	9,208	18,100	4.8
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,509	5,950	2.0
T-3	Kiyosu (land)	Real estate	685	731	848	0.3
T-4	Kadoma	Real estate	989	1,096	1,570	0.5
T-5	Komaki	Real estate	2,100	1,970	1,900	1.0
T-6	Komaki II	Real estate	1,800	1,812	1,700	0.9
T-7	Fukuoka Hakozaiki Futo	Trust beneficiary right of real estate	2,797	2,806	3,330	1.4
T-8	Tajimi (Note 9)	Trust beneficiary right of real estate	9,310 (Note 10)	9,325	11,200	4.6
T-9	Fukuoka Kashihama	Trust beneficiary right of real estate	2,750	2,738	3,170	1.3
T-10	Kasugai (land)	Real estate	830	875	1,040	0.4



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)
Subtotal for Kinki/Chubu/Kyushu Areas			35,119	34,075	48,808	17.2
O-1	Maebashi	Trust beneficiary right of real estate	1,230	1,034	1,390	0.6
O-2	Hanyu	Trust beneficiary right of real estate	1,705	1,470	1,920	0.8
O-3	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,495	4,600	2.0
O-4	Kazo	Trust beneficiary right of real estate	3,790	3,373	4,430	1.9
Subtotal for other Areas			10,735	9,373	12,340	5.3
Portfolio total			203,755	191,313	248,938	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) OBR has completed on December 15, 2014.

(Note 6) 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 7) 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 II : 51%

(Note 8) 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 9) JLF additionally acquired 25% of co-ownership on November 4, 2014.

(Note 10) The figure states the sum of the acquisition prices on October 8, 2013 and November 4, 2014.

B. The outline of portfolio properties held as of July 31, 2015: The status of leasing of real estate properties, etc.

Property Number	Name of the Logistics Center	Total leasable area (m <sup>2</sup> ) (Note 4)	Leased area (m <sup>2</sup> ) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
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

Property Number	Name of the Logistics Center	Total leasable area (m <sup>2</sup> ) (Note 4)	Leased area (m <sup>2</sup> ) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
M-6	Funabashi	35,134.44	35,134.44	2	100.0	7.1
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 (Note 5)	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 6)	16,175.31	16,175.31	1	100.0	14.4
M-17	Narashino II (Note 6)	43,208.86	43,208.86	3	100.0	11.1
M-18	Ichikawa II (Note 6)	66,497.99	66,497.99	2	100.0	4.2
M-19	Souka (Note 6)	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 6)	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
subtotal for the Tokyo Metropolitan Area		707,513.54	704,283.58	35	99.5	-
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)	10,457.02	10,457.02	1	100.0	-
T-4	Kadoma (Note 7)	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 4)	Leased area (m <sup>2</sup> ) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
T-8	Tajimi (Note 8)	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		291,562.97	291,562.97	12	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		1,055,755.64	1,052,525.68	51	99.7	8.7

(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 Kiyosu 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) OBR has completed on December 15, 2014.

(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 II : 51%

(Note 7) The construction of the attached buildings (warehouse with leasable area of 122.26 m<sup>2</sup>) has been completed as of June 26, 2015. They began to be leased on July 1, 2015.

(Note 8) JLF additionally acquired 25% of joint ownership on November 4, 2014.

## (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	707,513.54	67.0	157,901	77.5
Kinki/Chubu/Kyushu Areas	291,562.97	27.6	35,119	17.2
Other Areas	56,679.13	5.4	10,735	5.3
Total	1,055,755.64	100.0	203,755	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	42.1	136,998	67.2
Over 10,000 m <sup>2</sup> but 30,000 m <sup>2</sup> or less	15	39.5	54,501	26.7
10,000 m <sup>2</sup> or less	7	18.4	12,256	6.0
Total	38	100.0	203,755	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	223,301.55	21.2	3,106	22.1
Over 5 years but within 10 years	401,443.14	38.1	5,064	36.0
Over 3 years but within 5 years	126,333.49	12.0	1,821	13.0
Within 3 years	301,447.50	28.6	4,056	28.9
Total	1,052,525.68	100.0	14,049	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 20<sup>th</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	181	181	181	181	181
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
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	93	6	10	14	46
Loss on write-off of noncurrent assets	0	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	123	16	41	61	155
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	217	22	52	75	202
(v) Capital expenditure	91	1	-	2	-
(vi) NCF (= (iv) - (v))	126	21	52	73	202

(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	181	181	181	181	181
(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		0		
(ii) Total real estate leasing business expenses	105		16		
Taxes and dues	25		3		
Outsourcing service expenses	4		0		
Utilities expenses	12		-		
Repair expenses	0		0		
Insurance expenses	0		0		
Other expenses related to rent business	0		0		
Depreciation and amortization	61	74	10	78	78
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	116	271	44	(9)	207
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	177	346	54	69	286
(v) Capital expenditure	-	-	-	24	1
(vi) NCF (= (iv) - (v))	177	346	54	44	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	181	181	181	181	181
(i) Total real estate leasing business revenue	193	Not disclosed (Note 2)	Not disclosed (Note 2)	353	Not disclosed (Note 2)
Rent revenue - real estate	193			352	
Other lease business revenue	-			0	
(ii) Total real estate leasing business expenses	82			107	
Taxes and dues	14			26	
Outsourcing service expenses	0			0	
Utilities expenses	0			-	
Repair expenses	1			0	
Insurance expenses	0			0	
Other expenses related to rent business	1			0	
Depreciation and amortization	64	16	28	48	91
Loss on write-off of noncurrent assets	-	-	-	30	-
(iii) Income from real estate leasing business (= (i) - (ii))	111	25	94	245	151
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	175	42	122	324	242
(v) Capital expenditure	-	-	1	34	1
(vi) NCF (= (iv) - (v))	175	42	121	290	240

(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	Musashimurayama Logistics Center
Number of days under management	181	181	181	181	181
(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	85
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	380	122	202	82	165
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	501	188	253	120	250
(v) Capital expenditure	-	-	-	-	6
(vi) NCF (= (iv) - (v))	501	188	253	120	244

(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	T-1
Name of real estate, etc.	Kashiwa Logistics Center II (land)	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center	Sagamihara Logistics Center	Daito Logistics Center
Number of days under management	181	181	181	151	181
(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	61	87
Loss on write-off of noncurrent assets	-	-	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	74	193	80	145	417
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	74	257	111	207	504
(v) Capital expenditure	-	13	-	-	5
(vi) NCF (= (iv) - (v))	74	243	111	207	498

(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.	T-2	T-3	T-4	T-5	T-6
Name of real estate, etc.	Osaka Fukuzaki Logistics Center	Kiyosu Logistics Center (land)	Kadoma Logistics Center	Komaki Logistics Center	Komaki Logistics Center II
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue	Not disclosed (Note)	16	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate		16			
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	29	-	9	15	17
Loss on write-off of noncurrent assets	-	-	-	0	0
(iii) Income from real estate leasing business (= (i) - (ii))	116	12	30	34	32
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	146	12	40	50	49
(v) Capital expenditure	-	-	49	0	1
(vi) NCF (= (iv) - (v))	146	12	(9)	50	48

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

(Millions of yen)

Property No.	T-7	T-8	T-9	T-10	O-1
Name of real estate, etc.	Fukuoka Hakozaiki Futo Logistics Center	Tajimi Logistics Center	Fukuoka Kashiihama Logistics Center	Kasugai Logistics Center (land)	Maebashi Logistics Center
Number of days under management	181	181	181	100	181
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	43
Rent revenue - real estate					43
Other lease business revenue					-
(ii) Total real estate leasing business expenses					15
Taxes and dues					3
Outsourcing service expenses					0
Utilities expenses					-
Repair expenses					-
Insurance expenses					0
Other expenses related to rent business					1
Depreciation and amortization	25	110	28	-	10
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	64	205	59	13	28
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	89	315	88	13	38
(v) Capital expenditure	0	-	5	-	-
(vi) NCF (= (iv) - (v))	88	315	83	13	38

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

(Millions of yen)

Property No.	O-2	O-3	O-4
Name of real estate, etc.	Hanyu Logistics Center	Saitama Kisai Logistics Center	Kazo Logistics Center
Number of days under management	181	181	181
(i) Total real estate leasing business revenue	59	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate	59		
Other lease business revenue	-		
(ii) Total real estate leasing business expenses	17		
Taxes and dues	3		
Outsourcing service expenses	0		
Utilities expenses	-		
Repair expenses	0		
Insurance expenses	0		
Other expenses related to rent business	0		
Depreciation and amortization	12	34	46
Loss on write-off of noncurrent assets	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	41	61	68
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	53	96	114
(v) Capital expenditure	-	7	-
(vi) NCF (= (iv) - (v))	53	88	114

(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
Funabashi Nishiura Logistics Center (Funabashi, Chiba)	Elevator replacement	November 2015	12	-	-
Daito Logistics Center (Daito, Osaka)	Installment of lighting equipment	January 2016	9	-	-
Saitama Kisai Logistics Center (Kazo, Saitama)	Exterior wall renewal	August 2015	6	-	-
Other real estate, etc.	-	-	53		
Total			82		

(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 20<sup>th</sup> Period totals 249 million yen. In addition, repair expenses of 58 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)
Funabashi Logistics Center (Funabashi, Chiba)	Large scale renewal (3rd stage)	March 2015	89
Kadoma Logistics Center (Kadoma, Osaka)	Building a new hazardous material warehouse	June 2015	47
Shinonome Logistics Center (Koto, Kanagawa)	Installment of LED illuminations	June 2015	33
Other real estate, etc.	-	-	79
Total			249

(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 July 31, 2015.

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	11.2
	Yokohama Fukuura Logistics Center		
	Kashiwa Logistics Center		
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	92,730.14	8.8
Nakano Shokai co.,ltd.	Tatsumi Logistics Center	81,206.43	7.7
	Fukuoka Hakozaki Futo Logistics Center		
	Narashino Logistics Center II (Note 2)		
	Shinkiba Logistics Center		
Hitachi Transport System, Ltd.	Yachiyo Logistics Center	68,163.22	6.5
	Kazo Logistics Center		
Tri-net Logistics Co., Ltd.	Urayasu Chidori Logistics Center	65,021.32	6.2
	Funabashi Nishiura Logistics Center		
	Fukuoka Kashiihama Logistics Center		
Sumitomo Mitsui Finance & Leasing Co., Ltd.	Kashiwa Logistics Center II (land)	54,418.30	5.2
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,401.57	4.9
Ricoh Logistics Systems Co., Ltd.	Osaka Fukuzaki Logistics Center	47,062.37	4.5
	Shin-Koyasu Logistics Center (Note 2)		
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	44,010.20	4.2
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	41,630.54	4.0
Total for all tenants		1,052,525.68	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%