

REIT Financial Report for the 16th Fiscal Period Ended July 31, 2013

September 13, 2013

Name of REIT issuer: Japan Logistics Fund, Inc. Stock exchange listing: Tokyo Stock Exchange
 Code number: 8967 URL: <http://8967.jp/eng>
 Representative: Takayuki Kawashima, Executive Director
 Name of Asset management company: Mitsui & Co., Logistics Partners Ltd.
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Scheduled date for submission of Securities Report: October 30, 2013

Scheduled date for commencing dividend payments: October 4, 2013

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, % represents change from the previous period)

1. Performance for the 16th Fiscal Period (February 1, 2013 to July 31, 2013)

(1) Operating Results

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
16 th Fiscal Period	5,992	1.8	2,464	(18.5)	2,126	(21.1)	2,125	(21.1)
15 th Fiscal Period	5,888	4.5	3,025	4.3	2,696	3.0	2,695	3.0

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
16 th Fiscal Period	14,362	2.1	1.3	35.5
15 th Fiscal Period	18,214	2.7	1.7	45.8

(2) Dividends

	Dividends per Unit (including Distributions in excess of earnings)	Dividends per Unit (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Dividends (including Distributions in excess of earnings)	Total Dividends (excluding Distributions in excess of earnings)	Total Dividends of Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	Yen	Yen	Yen	Millions of yen	Millions of yen	Millions of yen		
16 th Fiscal Period	17,500	14,362	3,138	2,590	2,125	464	99.9	2.1
15 th Fiscal Period	18,215	18,215	0	2,695	2,695	0	100.0	2.7

(Note 1) The ratio of net asset value reduction is "0.005" with respect to the payment of distributions in excess of earnings, which is deemed as return of capital. This calculation methodology is pursuant to Article 23, Paragraph 1, Item 3 of the Act on Special Measures Concerning Taxation.

(Note 2) Payout Ratio = Total Dividends/Net Income x 100 (figures are rounded down to the nearest decimal place)

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
As of 16 th Fiscal Period	171,836	99,685	58.0	673,551
15 th Fiscal Period	160,617	100,255	62.4	677,403

(Reference) Unitholders' equity 16th Fiscal Period: ¥99,685 million 15th Fiscal Period: ¥100,255 million

(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
16 th Fiscal Period	3,757	(6,655)	8,805	16,657
15 th Fiscal Period	4,351	(9,547)	6,382	10,749

2. Forecasts for the 17th Fiscal Period (August 1, 2013 to January 31, 2014) and the 18th Fiscal Period (February 1, 2014 to July 31, 2014)

(% 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
17 th Fiscal Period	6,608	10.3	3,445	39.8	2,991	40.7	2,990	40.7	18,000	0
18 th Fiscal Period	6,764	2.4	3,493	1.4	3,073	2.7	3,072	2.7	18,500	0

(Reference) Forecast for net income per 17th Fiscal Period: ¥18,000 18th Fiscal Period: ¥18,500

3. 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 end of period

16th Fiscal Period: 148,000 units 15th Fiscal Period: 148,000 units

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

16th Fiscal Period: 0 unit 15th Fiscal 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 13, 2013.

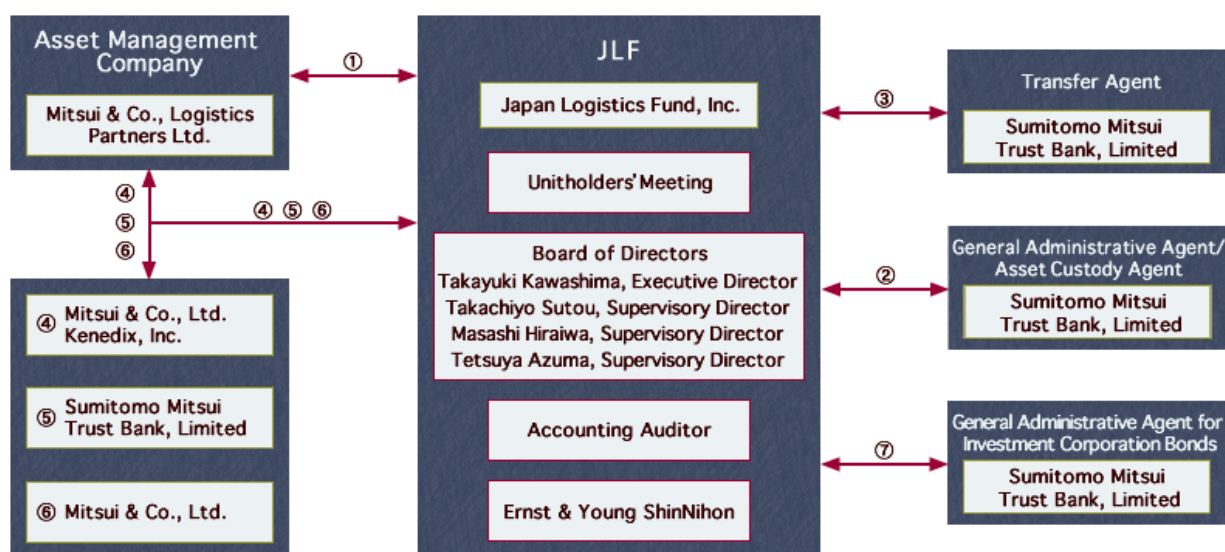
* Explanation on the appropriate use of forecasts and other notes

(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by the Japan Logistics Fund, Inc. (hereafter referred to as "JLF"), and the actual operating results, etc. may differ significantly from that anticipated by JLF due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and write-off of noncurrent assets.

For notes regarding assumptions on which the forecasts are based and the use of 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 Service Agreement
 ② Service Agreement for General Administration and Asset Custody
 ③ Service Agreement for Transfer Agency and Manager of Special Accounts
 ④ Pipeline Agreement
 ⑤ Basic Service Agreement for Brokerage, Information on Real Estate to Be Transacted and Support for Acquisition of Newly Developed Properties
 ⑥ Basic Agreement for Support Services Relating to Property Acquisitions
 ⑦ Fiscal Agency Agreement

(Note 1) The names of JLF and its affiliates, asset management roles and outline of related operations (including other major related parties of JLF) are omitted from disclosure, as there have been no material changes since the latest Securities Report (submitted on April 26, 2013).

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 (submitted on April 26, 2013).

(2) Asset Management Status

(i) Summary of Results for the 16th Fiscal Period

A. Background of JLF

JLF is the first Japanese REIT specializing in logistics properties with real estates and other properties 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) (hereafter, "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 on May 9 of the same year (security code: 8967).

As of the end of the 16th fiscal period (July 31, 2013), JLF had a total of 32 properties under management (total acquisition price ¥164,518 million) including Kashiwa Logistics Center (acquisition cost ¥3,725 million) and Fukuoka Hakozaki Futo Logistics Center (acquisition price ¥2,797 million) which were acquired during the period, and the total assets amounted to ¥171,836 million.

B. Investment Environment and Management Performance

During the 16th fiscal period ended July 31, 2013, the Japanese economy bounced back mildly as bold monetary easing and expeditious fiscal stimulus through the "Abenomics", economic policies of the Abe administration, took effect. Investments in the public and housing sectors continued to increase and personal consumption remained steady with the improving consumer mind. The recovery in business confidence as seen in these signs, combined with the monetary easing by the Bank of Japan, resulted in

active J-REIT market with many REITs acquiring properties and increasing capital by public offering. Also, following the previous fiscal period, more J-REITs investing in logistics facilities listed their stocks, reinforcing the status of logistics facilities as valid investment assets. In the logistic facilities leasing market, growing third party logistics (hereinafter, “3PL”) companies as well as internet commerce companies and apparel companies continued to drive the demand for large logistics facilities.

Under these circumstances, JLF used its independent property search and acquired Kashiwa Logistics Center in March 2013 from an outside developer through a negotiated deal. In April, JLF acquired Fukuoka Hakozaki Futo Logistics Center by sale-and-lease-back, the property developed and used by one of JLF’s existing tenants as its major base in Kyushu. In July, JLF agreed on the acquisition of Musashimurayama Logistics Center (date of acquisition: August 1, 2013) as a result of utilizing the pipeline function of the Mitsui & Co. Group. With respect to existing properties, the demolition of Yachiyo Logistics Center, which is under the second OBR (Own Book Redevelopment; redevelopment of properties owned by JLF) project, was completed.

C. Capital Procurement

During the 16th fiscal period ended July 31, 2013, JLF financed ¥3,500 million long term loans for the acquisition of Kashiwa Logistics Center. JLF also effectively concluded refinance of ¥4,000 million long term loans matured on March 2013, with significantly extended maturities. In these finances, JLF concluded long term loans with an average loan term of ten years, successfully extending the average loan term and reducing the average debt cost by leveraging positive borrowing environment for J-REITs. In addition, at the end of the fiscal period, JLF borrowed ¥8,000 million short term loans for the acquisition of Musashimurayama Logistics Center. As a result, total interest-bearing debt as of the end of the 16th fiscal period amounted to ¥64,200 million, and its LTV (Note) was 33.1% (31.7% after the acquisition of Musashimurayama Logistics Center), reflecting its conservative financial strategy. JLF holds the highest-level credit rating among all J-REITs and intends to maintain its financial policy of securing a sound balance sheet and adequate liquidity on-hand.

(Note) $LTV = \text{Interest-bearing debt} / \text{appraisal value} \times 100$ (Figures are rounded off to the first decimal place.)

The LTV after the acquisition of Musashimurayama Logistics Center is calculated by adding its appraisal value at the time of acquisition on the value determined as of the end of the 16th fiscal period.

Credit rating of JLF at the end of the 16th fiscal period

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA (Outlook: Stable)
	Long-term issue rating	#1st unsecured investment corporation bonds AA
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 ¥5,992 million, operating income of ¥2,464 million, ordinary income of ¥2,126 million and net income of ¥2,125 million.

In order to take advantage of the application of a special taxation measure under Article 67, Item 15 (Act on Special Measures 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 retained earnings as of the end of the fiscal period excluding fractions below one yen of the amount of dividends per investment unit. As a result, JLF’s dividend per investment unit was ¥14,362.

In addition, as loss on write-offs of noncurrent assets in relation to demolition work for Yachiyo Logistics Center OBR project significantly reduced distributions from earnings, JLF determined to distribute ¥464 million from total net asset to level out the total amounts of distributions in accordance with its policy regarding distributions in excess of earnings set out in the Articles of Incorporation. As a result, the distribution in excess of earnings per investment unit was ¥3,138.

(ii) Outlook for the Next Fiscal Period

A. Recognition of the Environment

The Japanese economy is expected to recover at a moderate pace against the background of robust domestic demand and recovery in U.S. and other overseas economies. Investments in the public and housing sectors will increase and personal consumption will also grow continuously with the support of an improving employment environment. As the currency market and stock market have entered a correction stage after rapid depreciation of the yen and a rise in stock market prices in expectation of Abenomics, the TSE REIT Index has stabilized after the rise since the end of 2012. However, the financing environment for J-REITs will remain favorable and active property acquisitions will continue.

In the logistics market, 3PL companies and internet commerce companies will continue to drive lease demand and there will be a strong demand for large-scale multi-tenant facilities favored by these tenants. On the other hand, there are considerable numbers of 3PL companies and internet commerce companies that choose facilities other than large-scale multi-tenant facilities, as their needs are quite diverse. JLF believes that the level of diversity in properties constructing JLF's portfolio is important in order to establish a stable revenue basis by satisfying various tenant needs.

JLF announced its new growth strategy "stable + Growth" in March 2013 and regards its execution as the highest management priority. As for "stable," JFL will aim to stabilize per unit distributions by leveraging its diversified portfolio established based on knowledge as a pioneering logistics REIT as well as its conservative financial strategy. As for "+ Growth," JFL aims to increase unrealized gains and dividend per unit by acquiring properties not solely dependent on sponsors, but securing from various sources through various methods with various structures such as one-to-one deal and joint ownership. In September 2013, JLF has determined to acquire three properties with a total acquisition price of ¥19,171 million, and the issuance of new investment units by public offering as a large step to execute "stable + Growth." For JLF, this public offering is the first time in last three years.

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, and the network of the asset management company.

The properties currently held by JLF have an average leasing period of 5.9 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 the properties owned 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 distribution 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 achieving high competitiveness. In order to avoid unnecessary price competition, JLF will work to have 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 to satisfy specifications that meet 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 current fiscal period (July 31, 2013) 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:	16,000
Base date for calculation of distribution:	August 1, 2013

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

Maximum number of new investment units to be issued:	2,000
Base date for calculation of distribution:	August 1, 2013
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.

<The Use of proceeds >

The net proceeds from the public offering shall be used for the acquisition of the beneficiary right of domestic real estate trust (Three assets; Total amount of acquisition: ¥19,171,000,000) ("Newly Acquired Assets") which are specified in "Notice Concerning the Acquisition of New Assets (3 Properties)" dated September 13, 2013. Residual proceeds, if any, will be used to partial repayment of borrowings with respect to the acquisition of the Newly Acquired Assets. The net proceeds from the issue of new units by Third-party Allotment will be used for partial repayment of the borrowings.

[Reference Information]

< Acquisition of New Property >

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

[M-22 Musashimurayama Logistics Center]

Assets to be acquired	The trust beneficiary right of real estate	
Acquisition price	¥8,650 million	
Scheduled date of acquisition	August 1, 2013	
Location (address)	1-26-1 Inadaira, Musashimurayama-shi, Tokyo	
Purpose of use	Warehouse	
Site area	32,745.39m ² (Note)	
Total floor area	40,884.25m ² (Note)	
Structure	Steel frame with aluminum roofing sheet 4-story building (Note)	
Date of completion	July 8, 2003 (Note)	
Type of ownership	Land: Ownership	Building: Ownership

(Note) According to the indication of the reserved land registration record

< Newly Acquired Assets >

JLF decided to acquire the following properties after the end of the fiscal period and before the date of this Financial Report.

[M-23 Kashiwa Logistics Center II (Land)]

Assets to be acquired	The trust beneficiary right of real estate	
Acquisition price	¥2,500 million	
Scheduled date of acquisition	September 20, 2013	
Location (address)	1823-1, Fujigaya, Kashiwa, Chiba	
Zoning	Not specified (urbanization control area)	
Site area	54,418.30 m ² (Note 1)	
Type of ownership	Land: Ownership	

(Note) According to the indication of the reserved land registration record

[M-24 Shin-Koyasu Logistics Center]

Assets to be acquired	Trust beneficiary right of real estate (51% joint ownership)	
Acquisition price	¥9,696 million	
Scheduled date of acquisition	October 1, 2013	
Location (address)	3-12 Moriyacho, Kanagawa-ku, Yokohama, Kanagawa	
Purpose of use	Warehouse, office (Note 1)	
Site area	39,104.77 m ² (Note 1) (Note 2)	
Total floor area	60,207.27 m ² (Note 1) (Note 2)	
Structure	Steel frame with deck roof of metal-plated steel sheeted roofing, 4-story building (Note 1)	
Date of completion	May 11, 2012 (Note 1)	
Type of ownership	Land: Ownership	Building: Ownership

(Note 1) According to the indication of the reserved land registration record

(Note 2) The figures represent the entire portion of the property.

[T-8 Tajimi Logistics Center]

Assets to be acquired	Trust beneficiary right of real estate (75% joint ownership)	
Acquisition price	¥6,975 million	
Scheduled date of acquisition	October 20, 2013	
Location (address)	10-6-136 Asahigaoka, Tajimi, Gifu, and others	
Purpose of use	Warehouse, guard station (Note 1)	
Site area	56,341.43m ² (Note 1) (Note 2)	
Total floor area	75,605.23m ² (Note 1) (Note 2)	
Structure	Steel frame with alloy-plated steel roofing sheet, 5-story building, and other (Note 1)	
Date of completion	September 13, 2012 (Note 1)	
Type of ownership	Land: Ownership	Building: Ownership

(Note 1) According to the indication of the reserved land registration record

(Note 2) The figures represent the entire portion of the property.

<Debt Financing>

JLF borrowed funds after the fiscal closing and before the date of this document, as shown below.

Lender	Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation
Amount borrowed	¥4,000 million	¥4,000 million
Interest rate	0.35%	0.35%
Borrowing date	August 30, 2013	August 30, 2013
Maturity date	September 30, 2013	September 30, 2013
Borrowing method / Secured or not	Based on the Commitment Line Agreement concluded on August 1, 2012 Unsecured/Non-guaranteed	
Repayment method	Lump-sum payment on the maturity date	
Purpose	To refinance the existing loan	

JLF decided to borrow funds after the fiscal closing and before the date of this document, as shown below.

Lender	Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation
Amount borrowed	¥1,000 million	¥1,000 million
Interest rate	To be decided	To be decided
Borrowing date	September 19, 2013	September 19, 2013
Maturity date	October 7, 2013	October 7, 2013
Borrowing method/Secured or not	Based on the Commitment Line Agreement concluded on August 1, 2012 Unsecured/Non-guaranteed	
Repayment method	Lump-sum payment on the maturity date	
Purpose	To acquire the beneficiary right of domestic real estate trusts and to pay expenses related to this acquisition	

Lender	Mizuho Bank, Ltd.	Sumitomo Mitsui Banking Corporation
Amount borrowed	¥7,500 million	¥7,500 million
Interest rate	To be decided	To be decided
Borrowing date	September 30, 2013	September 30, 2013
Maturity date	October 31, 2013	October 31, 2013
Borrowing method/Secured or not	Unsecured/Non-guaranteed	
Repayment method	Lump-sum payment on the maturity date	
Purpose	To acquire the beneficiary right of domestic real estate trusts and to pay expenses related to this acquisition	

Lender	Sumitomo Mitsui Trust Bank, Limited	Mitsubishi UFJ Trust and Banking Corporation
Amount borrowed	¥4,000 million	¥4,000 million
Interest rate	To be decided	To be decided
Borrowing date	September 30, 2013	September 30, 2013
Maturity date	October 7, 2013	October 7, 2013
Borrowing method/Secured or not	Based on the Commitment Line Agreement concluded on August 1, 2012 Unsecured/Non-guaranteed	
Repayment method	Lump-sum payment on the maturity date	
Purpose	To refinance the existing loan	

D. Forecasts

Forecasts for the 17th fiscal period (August 1, 2013 to January 31, 2014) and the 18th fiscal period (February 1, 2014 to July 31, 2014) are as follows. Please refer to "Assumptions Underlying the Forecasts for the 17th fiscal period (August 1, 2013 to January 31, 2014) and the 18th fiscal period (February 1, 2014 to July 31, 2014)" 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
Fiscal period ending										
January 31, 2014	6,608	10.3	3,445	39.8	2,991	40.7	2,990	40.7	18,000	0
July 31, 2014	6,764	2.4	3,493	1.4	3,073	2.7	3,072	2.7	18,500	0

(Note) The figures above were computed at the time when certain assumptions were made, and the actual net income, dividends, etc. may differ depending on various changes in conditions. 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 17th fiscal period (August 1, 2013 to January 31, 2014) and the 18th fiscal period (February 1, 2014 to July 31, 2014)

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> Fiscal Period Ending January 31, 2014: (August 1, 2013 to January 31, 2014) Fiscal Period Ending July 31, 2014 (February 1, 2014 to July 31, 2014)
Properties owned	<ul style="list-style-type: none"> Forecasts assume a total of 36 properties in the investment portfolio, including 33 existing properties as of September 13, 2013 and 3 new properties scheduled to be acquired thereafter (Kashiwa Logistics Center II (land), Shin-Koyasu Logistics Center and Tajimi Logistics Center). No other acquisition/sale of properties is assumed. There may be fluctuation caused by additional acquisition or sale of properties.
Total number of investment units issued	<ul style="list-style-type: none"> Forecasts assume 166,000 units outstanding, consisting of 148,000 units outstanding as of September 13, 2013; and new issuances of 16,000 units by way of public offering and 2,000 by third-party allotment, which are to be resolved at the Board of Directors meeting on September 13, 2013. For the new issuance by third-party allotment, forecasts assume the issuance of the maximum allowable number of 2,000 units.
Interest-bearing debt	<ul style="list-style-type: none"> As of September 13, 2013, the balance of JLF's interest-bearing debt was ¥64.2 billion. JLF will execute new borrowings in the amount of ¥25 billion to fund the acquisition costs of the three new properties detailed in the section "Properties owned" and the repayment of short-term debt of ¥8 billion. The ¥10 billion out of the ¥25 million new borrowings will mature on October 7, 2013 and is assumed to be repaid using the proceeds from the new issuance of investment units (public offering) and cash on hand. The repayment of the remaining ¥15 billion, due on October 31, 2013, is assumed to be made by using the proceeds from the new issuance of investment units (third-party allotment) and new borrowings (¥14 billion). The ¥64.2 billion interest-bearing debt as of September 13, 2013 includes the long-term debt maturing in January 2014 (¥2 billion) and in July 2014 (¥5 billion). Forecasts assume funding repayments of such maturing debt by new borrowings and cash on hand. Forecasts also assume new borrowings of ¥1.8 billion in the fiscal period ending January 31, 2014 and another 1.8 billion in the fiscal period ending July 31, 2014, which will be used to partially fund the construction of new buildings under the redevelopment project for Yachiyo Logistics Center. As a result, the balance of interest-bearing debt is projected at ¥72 billion as of January 31, 2014 and ¥73.8 billion as of July 31, 2014.
Operating revenue	<ul style="list-style-type: none"> The rent revenue is estimated based on the lease contracts in effect as of September 13, 2013 and taking into account the fluctuation factors such as the market environment and rent levels based on negotiations with lessees.
Operating expenses	<ul style="list-style-type: none"> Generally, in real estate purchase and sale, 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 Musashimurayama Logistics Center acquired as of

	<p>August 1, 2013 and the scheduled acquisition of new properties stated in the “Properties owned” section, ¥50 million of the property tax and city planning tax in total will be capitalized.</p> <ul style="list-style-type: none"> Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. <table border="1"> <thead> <tr> <th></th> <th>Fiscal Period ending January 31, 2014</th> <th>Fiscal Period Ending July 31, 2014</th> </tr> </thead> <tbody> <tr> <td>Taxes and dues:</td> <td>¥503 million</td> <td>¥598 million</td> </tr> <tr> <td>Outsourcing services:</td> <td>¥143 million</td> <td>¥140 million</td> </tr> <tr> <td>Repair:</td> <td>¥88 million</td> <td>¥115 million</td> </tr> <tr> <td>Depreciation:</td> <td>¥1,517 million</td> <td>¥1,563 million</td> </tr> <tr> <td>Other:</td> <td>¥245 million</td> <td>¥180 million</td> </tr> </tbody> </table> 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. 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. Depreciation, including incidental expenses and additional capital expenditure for the future, is calculated using the straight-line method. 		Fiscal Period ending January 31, 2014	Fiscal Period Ending July 31, 2014	Taxes and dues:	¥503 million	¥598 million	Outsourcing services:	¥143 million	¥140 million	Repair:	¥88 million	¥115 million	Depreciation:	¥1,517 million	¥1,563 million	Other:	¥245 million	¥180 million
	Fiscal Period ending January 31, 2014	Fiscal Period Ending July 31, 2014																	
Taxes and dues:	¥503 million	¥598 million																	
Outsourcing services:	¥143 million	¥140 million																	
Repair:	¥88 million	¥115 million																	
Depreciation:	¥1,517 million	¥1,563 million																	
Other:	¥245 million	¥180 million																	
Non-Operating Expenses	<ul style="list-style-type: none"> 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 ¥410 million for the Fiscal Period Ending January 31, 2014 and ¥420 million for the Fiscal Period Ending July 31, 2014. Forecasts include ¥45 million in costs for the issuance of new investment units resolved at the Board of Directors meeting on September 13, 2013. 																		
Dividends per Unit (Excluding distributions in excess of earnings)	<ul style="list-style-type: none"> Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF. The amount of dividends per unit may fluctuate, due to various factors such as acquisition/sale of assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the issuance of new investment units. 																		
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> JLF does not plan at present any distributions in excess of earnings. 																		
Other	<ul style="list-style-type: none"> The forecasts assume that no revisions that impact the above projections are made to laws, regulations, tax rules, accounting standards, listing rules, the rules of The Investment Trust Association, Japan, or others. The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions. 																		

(3) Investment risks

For details of risks related to repayment of the loans, please refer to “Investment Risks” described on a Securities Registration Statement submitted on September 13, 2013.

3. Financial Statements

(1) Balance Sheet

	(Thousands of yen)	
	16 th Fiscal Period (as of July 31, 2013)	15 th Fiscal Period (as of January 31, 2013)
Assets		
Current assets		
Cash and deposits	13,694,895	8,026,046
Cash and deposits in trust	3,038,894	2,798,945
Operating accounts receivable	50,246	45,315
Prepaid expenses	33,696	15,078
Deferred tax assets	19	15
Consumption taxes receivable	11,096	-
Income taxes receivable	9	199
Other	325	40
Total current assets	16,829,185	10,885,641
Noncurrent assets		
Property, plant and equipment		
Buildings	6,219,142	6,217,747
Accumulated depreciation	(981,820)	(898,688)
Buildings, net	5,237,322	5,319,058
Structures	120,895	120,895
Accumulated depreciation	(31,923)	(28,964)
Structures, net	88,972	91,930
Tools, furniture and fixtures	770	770
Accumulated depreciation	(241)	(183)
Tools, furniture and fixtures, net	528	586
Land	6,391,096	6,391,096
Construction in progress	17,865	-
Buildings in trust	84,294,969	80,865,254
Accumulated depreciation	(13,301,591)	(12,397,520)
Buildings in trust, net	70,993,378	68,467,734
Structures in trust	2,525,344	2,444,030
Accumulated depreciation	(702,353)	(656,577)
Structures in trust, net	1,822,990	1,787,452
Tools, furniture and fixtures in trust	22,039	22,811
Accumulated depreciation	(9,999)	(9,265)
Tools, furniture and fixtures in trust, net	12,039	13,546
Land in trust	70,156,310	67,408,393
Total property, plant, and equipment	154,720,504	149,479,798
Intangible assets		
Other	469	539
Total intangible assets	469	539
Investments and other assets		
Long-term prepaid expenses	254,722	214,891
Guarantee deposits	10,010	10,010
Other	2,000	2,000
Total investments and other assets	266,732	226,901
Total noncurrent assets	154,987,705	149,707,238
Deferred assets		
Investment corporation bond issuance costs	20,003	24,268
Total deferred assets	20,003	24,268
Total assets	171,836,894	160,617,148

	(Thousands of yen)	
	16 th Fiscal Period (as of July 31, 2013)	15 th Fiscal Period (as of January 31, 2013)
Liabilities		
Current liabilities		
Operating accounts payable	591,469	448,869
Short-term loans payable	8,000,000	-
Current portion of long-term loans payable	7,000,000	6,000,000
Distribution payable	8,148	8,598
Accrued expenses	595,051	577,684
Income taxes payable	752	668
Consumption taxes payable	-	34,679
Advances received	1,037,682	1,009,465
Provision for loss on disaster	-	23,131
Total current liabilities	17,233,105	8,103,097
Noncurrent liabilities		
Investment corporation bond	8,000,000	8,000,000
Long-term loans payable	41,200,000	38,700,000
Tenant leasehold and security deposits	1,048,017	1,074,027
Tenant leasehold and security deposits in trust	4,593,827	4,408,942
Long-term deposits received	76,349	75,325
Total noncurrent liabilities	54,918,194	52,258,294
Total liabilities	72,151,299	60,361,392
Net assets		
Unitholders' equity		
Unitholders' capital	97,559,929	97,559,929
Surplus		
Unappropriated retained earnings (undisposed loss)	2,125,665	2,695,827
Total surplus	2,125,665	2,695,827
Total unitholders' equity	99,685,594	100,255,756
Total net assets	99,685,594	100,255,756
Total liabilities and net assets	171,836,894	160,617,148

(2) Statement of Income and Retained Earnings

	(Thousands of yen)	
	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Operating revenue		
Rent revenue-real estate	5,810,339	5,705,763
Other lease business revenue	182,457	182,886
Total operating revenue	5,992,797	5,888,649
Operating expenses		
Expenses related to rent business	2,946,746	2,294,769
Asset management fee	477,776	461,355
Asset custody fee	16,175	15,933
Administrative service fees	26,137	26,480
Directors' compensations	5,400	4,800
Other operating expenses	55,901	59,420
Total operating expenses	3,528,137	2,862,760
Operating income	2,464,660	3,025,889
Non-operating income		
Interest income	294	280
Interest on securities	994	2,028
Refund of property taxes	-	-
Interest on refund	-	1,662
Insurance income	1,458	5,995
Reversal of distribution payable	270	1,380
Other	3,018	6
Total non-operating income		11,353
Non-operating expenses		
Interest expenses	264,944	256,688
Borrowing related expenses	34,018	35,652
Interest expenses on investment corporation bond	37,791	38,350
Amortization of investment corporation bond issuance costs	4,264	4,335
Other	0	5,500
Total non-operating expenses	341,019	340,526
Ordinary income	2,126,658	2,696,716
Income before income taxes	2,126,658	2,696,716
Income taxes-current	1,004	932
Income taxes-deferred	(3)	0
Total income taxes	1,000	932
Net income	2,125,658	2,695,783
Retained earnings brought forward	7	43
Unappropriated retained earnings (undisposed loss)	2,125,665	2,695,827

(3) Statement of Changes in Net Assets

	(Thousands of yen)	
	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Unitholders' equity		
Unitholders' capital		
Balance at the beginning of period	97,559,929	97,559,929
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of period	97,559,929	97,559,929
Surplus		
Unappropriated retained earnings (undisposed loss)		
Balance at the beginning of period	2,695,827	2,618,015
Changes of items during the period		
Dividends from surplus	(2,695,820)	(2,617,972)
Net income	2,125,658	2,695,783
Total changes of items during the period	(570,161)	77,811
Balance at the end of period	2,125,665	2,695,827
Total surplus		
Balance at the beginning of period	2,695,827	2,618,015
Changes of items during the period		
Dividends from surplus	(2,695,820)	(2,617,972)
Net income	2,125,658	2,695,783
Total changes of items during the period	(570,161)	77,811
Balance at the end of period	2,125,665	2,695,827
Total unitholders' equity		
Balance at the beginning of period	100,255,756	100,177,944
Changes of items during the period		
Dividends from surplus	(2,695,820)	(2,617,972)
Net income	2,125,658	2,695,783
Total changes of items during the period	(570,161)	77,811
Balance at the end of period	99,685,594	100,255,756
Total net assets		
Balance at the beginning of period	100,255,756	100,177,944
Changes of items during the period		
Dividends from surplus	(2,695,820)	(2,617,972)
Net income	2,125,658	2,695,783
Total changes of items during the period	(570,161)	77,811
Balance at the end of period	99,685,594	100,255,756

(4) Distribution Information

	(Yen)	
	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
I. Unappropriated retained earnings	2,125,665,362	2,695,827,124
II. Addition for distributions in excess of earnings		
Refund from total capital	464,424,000	-
II. Dividend	2,590,000,000	2,695,820,000
Dividend per unit	17,500	18,215
Distributions of earnings	2,125,576,000	2,695,820,000
Distributions of earnings per unit	14,362	18,215
Distributions in excess of earnings	464,424,000	-
Distributions in excess of earnings per unit	3,138	-
III. Retained earnings to be carried forward	89,362	7,124
Method of calculation of distributions	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special measures Concerning Taxation. Based on these policies, JLF decided to distribute earnings of ¥2,125,576,000, which is the maximum multiple of total number of investment units issued 148,000 units within the amount of unappropriated retained earnings at the end of period.</p> <p>In addition, JLF determined to distribute ¥464,424,000 as distributions in excess of earnings (return of total net asset) to level out the total amounts of dividends in accordance with its policy regarding cash distributions in excess of earnings set out in Article 39(2) of the Articles of Incorporation (Note), as loss on write-offs of noncurrent assets in relation to demolition work for Yachiyo Logistics Center OBR project significantly reduced distributions of earnings.</p> <p>Since the total distributions (including distributions in excess of earnings) for the 16th fiscal period encompassing the redevelopment of Yachiyo Logistics Center was forecasted as ¥2,590,000,000 in the</p>	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special measures Concerning Taxation. Based on these policies, JLF decided to distribute earnings of ¥2,695,820,000, which is the maximum multiple of total number of investment units issued 148,000 units within the amount of unappropriated retained earnings at the end of period.</p> <p>JLF does not make cash distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.</p>

management plan as of March 2013 in order to stabilize dividend per unit amounts, the amount obtained by deducting distributions of earnings of ¥2,125,576,000 from this amount was determined as distributions in excess of earnings.

- (Note) In cases where the amount of income is less than 90% of the distributable dividend amount or where JLF deems appropriate, JLF can distribute the amount determined by JLF but not exceeding the amount equivalent to depreciation and amortization during the fiscal period as cash distributions in excess of earnings. In cases where loss on write-offs of noncurrent assets and other accounting losses arising in relation to redevelopment of properties owned by JLF are expected to significantly reduce distributions, JFL will make distributions in excess of earnings in order to level out dividend amounts, as it “deems appropriate.”

(5) Statement of Cash Flows

	(Thousands of yen)	
	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Net cash provided by (used in) operating activities		
Income before income taxes	2,126,658	2,696,716
Depreciation and amortization	1,336,837	1,284,098
Amortization of investment corporation bond issuance costs	4,264	4,335
Interest income	(294)	(280)
Interest on securities	(994)	(2,028)
Interest expenses	302,736	295,039
Loss on write-offs of noncurrent assets	354,289	12,107
Decrease (Increase) in operating accounts receivable	(4,931)	3,086
Decrease (Increase) in consumption taxes receivable	(11,096)	127,744
Increase (decrease) in consumption taxes payable	(34,679)	34,679
Increase (decrease) in operating accounts payable	4,833	170,043
Increase (decrease) in accrued expenses	13,643	19,216
Increase (decrease) in advances received	28,217	43,457
Other, net	(63,315)	(66,123)
Subtotal	4,056,167	4,622,091
Interest income received	1,289	2,308
Interest expenses paid	(299,011)	(271,352)
Income taxes paid	(730)	(1,054)
Net cash provided by (used in) operating activities	3,757,714	4,351,993
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(50,003)	(41,220)
Purchase of property, plant and equipment in trust	(6,763,919)	(9,531,619)
Purchase of Intangible Assets	-	(405)
Proceeds from tenant leasehold and security deposits	39,600	-
Repayments of tenant leasehold and security deposits	(65,610)	(155,499)
Proceeds from tenant leasehold and security deposits in trust	184,884	281,354
Repayments of tenant leasehold and security deposits in trust	-	(100,078)
Net cash provided by (used in) investing activities	(6,655,048)	(9,547,467)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	8,000,000	-
Proceeds from long-term loans payable	7,500,000	13,000,000
Repayment of long-term loans payable	(4,000,000)	(4,000,000)
Distributions paid	(2,694,811)	(2,617,611)
Net cash provided by (used in) financing activities	8,805,188	6,382,388
Net increase (decrease) in cash and cash equivalents	5,907,854	1,186,914
Cash and cash equivalents at the beginning of period	10,749,666	9,562,752
Cash and cash equivalents at the end of period	16,657,520	10,749,666

(6) Notes on Assumption of Going Concern

Not applicable

(7) Summary of Significant Accounting Policies

(i) Depreciation Method for Noncurrent 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 45 years
Tools, furniture, and fixtures	2 to 15 years

B. Intangible assets

The straight-line method is used.

(ii) Accounting for deferred assets

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

(iii) Accounting for provisions

Provision for loss on disaster

Loss for physical damage caused by the Great East Japan Earthquake in March of 2011 is provided at a rationally estimated amount at the end of the period.

(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 16th period, the property tax, etc. were included in the acquisition cost of real estate were ¥35,081 thousand yen. In the 15th period, the property tax, etc. included in the acquisition cost of real estate were ¥6,033 thousand yen.

(v) Definition of cash and cash equivalent in the statement of cash flows

Cash and cash equivalent consists of cash on hand, cash in trust, deposit and deposit in trust which is easily withdrawn, and short-term investment, which is easily convertible into cash, with low risks on price fluctuation and with maturity of redemption at less than three months.

(vi) Other significant basis for preparation of financial statements

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

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

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

(a) Cash and deposits in trust

(b) Buildings in trust, Structures in trust, 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)	
	16 th Fiscal Period (as of July 31, 2013)	15 th Fiscal Period (as of January 31, 2013)
Total amount specified in the commitment line contracts	10,000,000	10,000,000
Loan balance at end of period	8,000,000	-
Outstanding loan commitments at end of period	2,000,000	10,000,000

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

	(Thousands of yen)	
	16 th Fiscal Period (as of July 31, 2013)	15 th Fiscal Period (as of January 31, 2013)
	50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income (loss) from real estate leasing business

	(Thousands of yen)			
	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)		15 th Fiscal Period (from August 1, 2012 to January 31, 2013)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	5,689,148		5,584,573	
Land rents received	16,638		16,638	
Facility charges	104,552	5,810,339	104,552	5,705,763
Other lease business revenue				
Parking charges	17,649		17,926	
Utilities charges	149,754		152,399	
Other operating income	15,053	182,457	12,559	182,886
Total real estate leasing business revenue	5,992,797		5,888,649	
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	490,942		440,368	
Outsourcing service expenses	137,182		143,356	
Utilities expenses	157,894		161,091	
Repair expenses	52,987		180,816	
Insurance expenses	20,918		21,013	
Other expenses related to rent business	45,988		51,987	
Depreciation	1,336,767		1,284,028	
Loss on write-offs of noncurrent assets	704,065		12,107	
Total real estate leasing business expenses	2,946,746		2,294,769	
(iii) Income (loss) from real estate leasing business				
((i) - (ii))	3,046,050		3,593,880	

[Notes to Statement of Changes in Net Assets]

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

	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	148,000 units	148,000 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)	
	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Cash and deposits	13,694,895	8,026,046
Cash and deposits in trust	3,038,894	2,798,945
Long-term deposits received (Note)	(76,269)	(75,325)
Cash and cash equivalents	16,657,520	10,749,666

(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)	
	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Future lease payments receivable		
Due within one year	10,252,760	10,128,328
Due after one year	52,488,583	52,812,221
Total	62,741,344	62,940,549

[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 may utilize derivative transactions solely for the purpose of hedging foreign exchange risk, interest rate fluctuation risk, and other risks arising from liabilities associated with JLF. JLF does not currently engage in derivative transactions.

JLF invests surplus funds in securities and monetary claims with a focus on safety and liquidity, and does not invest only for acquiring profit from aggressive investment.

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

Deposits are one means of investing the surplus funds of JLF and are exposed to credit risk such as the bankruptcy of deposit

financial institutions. JLF works to mitigate credit risk by shortening the period of deposits and dealing with deposit financial institutions with high credit ratings.

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

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

Tenant leasehold and security deposits are deposits received from tenants and are exposed to liquidity risk associated with the repayment obligation arising when a tenant moves out. JLF strives to mitigate such liquidity risk by securing liquidity on hand, etc. as done with loans payable and investment corporation bonds, as well as manages liquidity risk by preparing cash flow management sheet and other methods.

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.

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

Amounts on the Balance Sheet, fair value and their difference as of July 31, 2013 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	13,694,895	13,694,895	-
(2)Cash and deposits in trust	3,038,894	3,038,894	-
Total assets	16,733,790	16,733,790	-
(1)Short-term loans payable	8,000,000	8,000,000	-
(2)Current portion of long-term loans payable	7,000,000	7,077,595	77,595
(3)Long-term loans payable	41,200,000	41,648,739	448,739
(4)Investment corporation bond	8,000,000	8,068,800	68,800
Total liabilities	64,200,000	64,795,135	595,135

Amounts on the Balance Sheet, fair value and their difference as of January 31, 2013 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	8,026,046	8,026,046	-
(2)Cash and deposits in trust	2,798,945	2,798,945	-
Total assets	10,824,991	10,824,991	-
(1)Short-term loans payable	-	-	-
(2)Current portion of long-term loans payable	6,000,000	6,027,168	27,168
(3)Long-term loans payable	38,700,000	39,271,417	571,417
(4)Investment corporation bond	8,000,000	8,072,800	72,800
Total liabilities	52,700,000	53,371,385	671,385

(Note 1) Method of calculating fair value of financial instruments

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) Short-term loans payable

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.

(2) Current portion of long-term loans payable, (3) 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.

(4) Investment corporation bond

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

(Note 2) Scheduled redemption amount of financial claims after the closing date
16th Fiscal Period (as of July 31, 2013)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	13,694,895	-	-	-	-	-
Cash and deposits in trust	3,038,894	-	-	-	-	-
Total	16,733,790	-	-	-	-	-

15th Fiscal Period (as of January 31, 2013)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	8,026,046	-	-	-	-	-
Cash and deposits in trust	2,798,945	-	-	-	-	-
Total	10,824,991	-	-	-	-	-

(Note 3) Scheduled repayment amount of long-term loans payable and other interest bearing debt after the closing date
16th Fiscal Period (as of July 31, 2013)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Short-term loans payable	8,000,000	-	-	-	-	-
Long-term loans payable	7,000,000	5,000,000	1,700,000	5,000,000	5,500,000	24,000,000
Investment corporation bond	-	-	8,000,000	-	-	-
Total	15,000,000	5,000,000	9,700,000	5,000,000	5,500,000	24,000,000

15th Fiscal Period (as of January 31, 2013)

(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	6,000,000	10,000,000	-	2,700,000	7,000,000	19,000,000
Investment corporation bond	-	-	8,000,000	-	-	-
Total	6,000,000	10,000,000	8,000,000	2,700,000	7,000,000	19,000,000

[Notes to Investment Securities]

Not applicable to the 16th and 15th fiscal period.

[Notes to Derivatives]

(i) Transactions applicable to hedge accounting

Not applicable to the 16th and 15th fiscal period.

(ii) Transactions not applicable to hedge accounting

Not applicable to the 16th and 15th fiscal period.

[Notes to Retirement Benefits]

Not applicable to the 16th and 15th fiscal period.

[Tax Effect Accounting]

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

	(Thousands of yen)	
	16 th Fiscal Period (as of July 31, 2013)	15 th Fiscal Period (as January 31, 2013)
Deferred tax assets		
Enterprise tax not deductible	19	15
Total deferred tax assets	19	15
Deferred tax assets, net	19	15

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

	16 th Fiscal Period (as of July 31, 2013)	15 th Fiscal Period (as January 31, 2013)
Effective statutory tax rate	36.59%	36.59%
Adjustments		
Deductible cash distributions	(36.57%)	(36.58%)
Other	0.03%	0.02%
Effective tax rate after applying tax effect accounting	0.05%	0.03%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 16th and 15th fiscal period, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the 16th and 15th fiscal period.

(ii) Subsidiaries and affiliates

Not applicable to the 16th and 15th fiscal period.

(iii) Sister companies

Not applicable to the 16th and 15th fiscal period.

(iv) Directors and principal individual unitholders

16th Fiscal Period (from February 1, 2013 to July 31, 2013)

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.,	-	Payment of asset management fee to Mitsui & Co., Logistics	523,430 (Note 2) (Note 3)	Accrued expenses	337,175 (Note 3)

				Logistics Partners Ltd.		Partners Ltd. (Note 1)			
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(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 contains acquisition fee of 45,654 thousand yen which was included to 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.

15th Fiscal Period (from August 1, 2012 to January 31, 2013)

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)	524,355 (Note 2) (Note 3)	Accrued expenses	323,993 (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 contains acquisition fee of 63,000 thousand yen which was included to 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.

(Note 4) Kenichiro Matsuoka resigned as the executive director of JLF on October 23, 2012. Instead, Takayuki Kawashima was appointed as the new executive director on the same day. The amount includes the transactions when Mr. Matsuoka was the executive director.

[Notes to Asset Write-off Obligations]

Not applicable to the 16th and 15th fiscal 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)

	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Amount on the Balance Sheet		
Balance at beginning of period	149,479,798	141,525,343
Changes during period	5,222,840	7,954,455
Balance at end of period	154,702,638	149,479,798
Fair value at end of period	194,067,000	182,446,000

(Note 1) The amount on the Balance Sheet is the acquisition cost less accumulated depreciation

(Note 2) The increase of the lease properties in the 16th period is mainly by the acquisition of Kashiwa Logistics center (¥3,780,164,000) and the acquisition of Fukuoka Hakozaki Futo Logistics center (¥2,927,520,000). The increase of the lease properties in the 15th period is mainly by the acquisition of Tatsumi Logistics center (¥9,092,221,000).

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

The balance sheet does not include construction in progress for Yachiyo Logistics Center (¥17,865,000 for the 16th fiscal period), as its land appraisal value is included as term-end market value because it is under development.

The income (loss) concerning lease properties, etc. for the 16th and 15th fiscal 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

16th Fiscal Period (from February 1, 2013 to July 31, 2013)

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
Tri-net Logistics Co., Ltd. (Note 1)	- (Note 2)	Real estate leasing business
Sagawa Express Co., Ltd.	- (Note 2)	Real estate leasing business
NAKANO SHOKAI Co., Ltd	- (Note 2)	Real estate leasing business

(Note 1) A consolidated subsidiary of Mitsui & Co., Ltd.

(Note 2) Not disclosed, since tenants' consents could not be obtained.

15th Fiscal Period (from August 1, 2012 to January 31, 2013)

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
Tri-net Logistics Co., Ltd.	- (Note)	Real estate leasing business
Sagawa Express Co., Ltd.	- (Note)	Real estate leasing business

(Note) Not disclosed, since tenants' consents could not be obtained.

[Per Unit Information]

	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Net assets per unit	¥673,551	¥677,403
Net income per unit	¥14,362	¥18,214

(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)

	16 th Fiscal Period (from February 1, 2013 to July 31, 2013)	15 th Fiscal Period (from August 1, 2012 to January 31, 2013)
Net income	2,125,658	2,695,783
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	2,125,658	2,695,783
Average number of investment units during period	148,000 units	148,000 units

[Notes to Significant Subsequent Events]

Issue 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: 16,000
Base date for calculation of distribution: August 1, 2013

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

Number of new investment units to be issued: 2,000
Base date for calculation of distribution: August 1, 2013
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.

<The Use of proceeds >

The net proceeds from the public offering shall be used for the acquisition of the beneficiary right of domestic real estate trust (Three assets; Total amount of acquisition: ¥19,171,000,000) ("Newly Acquired Assets") which are specified in "Notice Concerning Acquisition of New Assets (3 Properties)" dated September 13, 2013. Residual proceeds, if any, will be used to partial repayment of borrowings with respect to the acquisition of the Newly Acquired Assets. The net proceeds from the issue of new units by Third-party Allotment will be used for partial repayment of the borrowings.

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

There is no change in the total amount of investment as no capital increase, etc. was performed during the period. The following provides a summary of capital increase, etc. in the past periods.

Date	Summary	Total number of investment units issued		Total investments (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)

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

(Note 2) Investment units were newly issued at the price of ¥550,000 per unit (underwriting value of ¥530,750) for the purpose of procuring funds to acquire a new property.

(Note 3) Investment units were newly issued through third-party allotment at the price of ¥530,750 per unit for the purpose of procuring funds to acquire a new property.

(Note 4) Investment units were newly issued at the price of ¥793,800 per unit (underwriting value of ¥767,070) for the purpose of procuring funds to acquire a new property.

(Note 5) Investment units were newly issued through third-party allotment at the price of ¥767,070 per unit for the purpose of procuring funds to acquire a new property.

(Note 6) Investment units were newly issued at the price of ¥971,180 per unit (underwriting value of ¥937,486) for the purpose of procuring funds to acquire a new property.

(Note 7) Investment units were newly issued at the price of ¥624,680 per unit (underwriting value of ¥602,784) for the purpose of procuring funds to acquire a new property.

(Note 8) Investment units were newly issued through third-party allotment at the price of ¥602,784 per unit for the purpose of partially appropriating the funds to repay loans.

(Note 9) Investment units were newly issued at the price of ¥627,590 per unit (underwriting value of ¥605,592) for the purpose of procuring funds to acquire a new property.

(Note 10) Investment units were newly issued through third-party allotment at the price of ¥605,592 per unit for the purpose of partially appropriating the funds to repay loans.

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, 2013 are as follows.

Title	Name		
Executive Director	Takayuki Kawashima		
Supervisory Director	Takachiyo Sutou	Masashi Hiraiwa	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, 2013, are as follows.

Title	Name			
President	Takayuki Kawashima			
Director	Isao Kuramoto	Yukio Hishida		
	Makoto Takasugi	Hideyuki Fukuta	Futoshi Itani	Akihiro Asano
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)	16 th Fiscal Period (as July 31, 2013)		15 th Fiscal Period (as January 31, 2013)	
			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	6,033	3.5	6,078	3.8
		Kinki/Chubu/Kyushu Areas	5,684	3.3	5,724	3.6
		Other Areas	—	0.0	-	0.0
	Subtotal	11,717	6.8	11,802	7.3	
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	117,160	68.2	114,545	71.3
		Kinki/Chubu/Kyushu Areas	16,043	9.3	13,247	8.2
		Other Areas	9,780	5.7	9,883	6.2
	Subtotal	142,984	83.2	137,677	85.7	
Deposits and other assets (Note 5)			17,134	10.0	11,137	6.9
Total assets			171,836	100.0	160,617	100.0

(Note 1) Descriptions under "5. Reference Information" are effective as of July 31, 2013, as a general rule, unless otherwise indicated.

(Note 2) For region, please refer to "Geographical regions" 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 ¥3,038 million for the 15th fiscal period. and of ¥2,798 million for the 15th fiscal 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	Chubu Area	Bay areas along the Osaka Bay and adjacent to consumption areas in and around Osaka-shi, between Osaka and Kobe, between Kyoto and Osaka, as well as along the Kinki Expressway
Kyushu Area		Nagoya Port area, Komaki-shi, Kasugai-shi, Toyota-shi
Other Areas		Fukuoka-shi
		Areas where locational advantage can be attained, e.g. close to consumption areas

	16 th Fiscal Period (as July 31, 2013)		15 th Fiscal Period (as January 31, 2013)	
	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	72,151	42.0	60,361	37.6
Total net assets	99,685	58.0	100,255	62.4
Total assets	171,836	100.0	160,617	100.0

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

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

(2) Real estate investment portfolio

(i) List of portfolio properties

JLF owns the following real estate, etc.

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	% of the portfolio (Note 3)	Total leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
M-1	Funabashi	Trust beneficiary right of real estate	8,675	5.3	29,556.79	29,003.44	3	98.1	13.0
M-2	Urayasu	Trust beneficiary right of real estate	2,902	1.8	9,543.72	9,543.72	1	100.0	18.3
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	0.9	11,225.72	11,225.72	1	100.0	21.1 (Note 7)
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	1.5	10,616.80	10,616.80	1	100.0	17.6
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	3.6	31,790.42	31,790.42	1	100.0	13.8
M-6	Funabashi	Trust beneficiary right of real estate	5,700	3.5	35,134.44	35,134.44	2	100.0	7.1
M-7	Funabashi Nishiura II	Trust beneficiary right of real estate	9,330	5.7	73,859.32	73,859.32	1	100.0	11.5
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	6.6	41,630.54	41,630.54	1	100.0	14.6
M-9	Narashino	Trust beneficiary right of real estate	1,690	1.0	2,442.87	2,442.87	1	100.0	11.3
M-10	Yokosuka	Trust beneficiary right of real estate	3,305	2.0	21,364.11	-	-	0.0	22.0 (Note 7)
M-11	Yachiyo	Trust beneficiary right of real estate	1,662 (Note 8)	1.0	-	-	-	0.0	-
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	6.0	35,882.64	35,882.64	3	100.0	16.3
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	3.2	32,389.70	32,389.70	1	100.0	7.6
M-14	Urayasu Chidori II	Real estate	1,640	1.0	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	Real estate	4,550	2.8	18,686.12	18,686.12	1	100.0	11.8
M-16	Shinonome	Trust beneficiary right of real	11,800	7.2	16,175.31 (Note 9)	16,175.31 (Note 9)	1	100.0	14.4

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	% of the portfolio (Note 3)	Total leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
		estate							
M-17	Narashino II	Trust beneficiary right of real estate	7,875	4.8	43,208.86 (Note 9)	43,208.86 (Note 9)	3	100.0	11.1
M-18	Ichikawa II	Trust beneficiary right of real estate	17,415	10.6	66,497.99 (Note 9)	66,497.99 (Note 9)	2	100.0	4.2
M-19	Souka	Trust beneficiary right of real estate	6,360	3.9	21,320.42 (Note 9)	21,320.42 (Note 9)	3	100.0	12.7
M-20	Tatshumi	Trust beneficiary right of real estate	9,000	5.5	29,394.56	29,394.56	1	100.0	14.6
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	2.3	20,546.46	20,546.46	1	100.0	9.7
subtotal for the Tokyo Metropolitan Area			131,554	80.0	557,459.59	535,542.13	29	96.1	-
T-1	Daito	Trust beneficiary right of real estate	9,762	5.9	92,730.14	92,730.14	1	100.0	13.8
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	2.5	23,726.80	23,726.80	1	100.0	14.1
T-3	Chubu Haruhi (land title)	Real estate	685	0.4	10,457.02	10,457.02	1	100.0	-
T-4	Kadoma	Real estate	989	0.6	7,293.92	7,293.92	1	100.0	13.3
T-5	Komaki	Real estate	2,100	1.3	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	Real estate	1,800	1.1	10,708.41	10,708.41	1	100.0	8.3
T-7	Fukuoka Hakozaki Futo	Trust beneficiary right of real estate	2,797	1.7	24,463.69	24,463.69	1	100.0	1.0
Subtotal for Kinki/Chubu/Kyushu Areas			22,229	13.5	178,866.43	178,866.43	7	100.0	-
O-1	Maebashi	Trust beneficiary right of real estate	1,230	0.7	3,455.53	3,455.53	1	100.0	9.0
O-2	Hanyu	Trust beneficiary right of real estate	1,705	1.0	3,518.58	3,518.58	1	100.0	11.6
O-3	Saitama Kisai	Trust beneficiary right of real estate	4,010	2.4	24,574.40	24,574.40	1	100.0	10.5
O-4	Kazo	Trust beneficiary right of real estate	3,790	2.3	25,130.62	25,130.62	1	100.0	9.5

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	% of the portfolio (Note 3)	Total leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
Subtotal for other Areas			10,735	6.5	56,679.13	56,679.13	4	100.0	-
Portfolio total			164,518	100.0	793,005.15	771,087.69	40	97.2	8.8

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

(Note 2) The acquisition price is indicated with figures below one million yen omitted.

(Note 3) % 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 4) 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 Chubu Haruhi Logistics Center (land title), the leasable area of land indicated in the lease contract is provided. The same applies for each description under "5. Reference Information".

(Note 5) 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 piece of real estate, etc. 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 6) 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 7) Earthquake insurance is secured as the PML value exceeds 20%.

(Note 8) The figure obtained by deducting ¥603 million corresponding to the building demolished in July 2013 from the contract sales price of ¥2,266 million is indicated.

(Note 9) Figures for quasi-co-ownership are indicated.

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Souka Logistics Center II: 50%

(ii) Diversification of portfolio

Diversification of portfolio properties owned by JLF is described below.

A. Ratio by region

Region	Total leasable area (m ²)	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	557,459.59	70.3	131,554	80.0
Kinki/Chubu/Kyushu Areas	178,866.43	22.6	22,229	13.5
Other Areas	56,679.13	7.1	10,735	6.5
Total	793,005.15	100.0	164,518	100.0

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

B. Ratio by total rentable area (Note 1)

Total rentable area (m ²)	Number of properties	Ratio (%) (Note 2)	Acquisition price (Millions of yen)	Ratio (%) (Note 2)
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Over 30,000 m ²	11	34.4	100,247	60.9
Over 10,000 m ² but 30,000 m ² or less	13	40.6	50,353	30.6
10,000 m ² or less	8	25.0	13,918	8.5
Total	32	100.0	164,518	100.0

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

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

C. Ratio by leasehold period

Leasehold period (Residual period)	Leased area (m ²)	Ratio (%) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	146,592.70	19.0	2,376	20.8
Over 5 years but within 10 years	158,190.00	20.5	2,396	21.0
Over 3 years but within 5 years	101,167.90	13.1	1,340	11.8
Within 3 years (initial agreement)	293,233.93	38.0	4,082	35.8
Within 3 years (automatic renewal)	71,903.16	9.3	1,212	10.6
Total	771,087.69	100.0	11,408	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.

(iii) Performance of portfolio properties

The following provides a summary of performance for the 15th fiscal 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.
- "Appraisal value at end of period" indicates appraisal value calculated based on the balance sheet date defined by Tanizawa Sōgō Appraisal Co., Ltd. and DAIWA REAL ESTATE APPRAISAL CO.,LTD. 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.
- 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
Time of commencement	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013
Time of termination	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013
Number of days under management	181	181	181	181	181
Book value at end of period	7,078	2,835	1,388	2,274	5,430
Appraised value at end of period	8,850	5,200	1,680	3,120	9,180
DCF method	8,850	5,200	1,700	3,110	9,110
Discount rate	5.2%	5.0%	5.5%	4.9%/5.1%	4.7%/4.9%
Terminal capitalization rate	5.4%	5.2% (Note 1)	6.0%	5.4%	5.0%
DC method	-	-	1,720	3,130	9,330
Capitalization rate	-	-	5.8%	5.2%	4.8%
Cumulated price	4,460	4,040	1,380	2,420	6,690
(i) Total real estate leasing business revenue	473	121	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Rent revenue - real estate	415	121			
Other lease business revenue	58	—			
(ii) Total real estate leasing business expenses	188	18			
Taxes and dues	23	7			
Outsourcing service expenses	25	1			
Utilities expenses	43	—			
Repair expenses	3	1			
Insurance expenses	1	0			
Other expenses related to rent business	12	1			
Depreciation and amortization	78	6	10	13	48
Loss on write-off of noncurrent assets	-	0	0	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	284	103	39	63	157
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	363	109	49	76	206
(v) Capital expenditure	0	0	0	8	12
(vi) NCF (= (iv) - (v))	362	108	49	68	193

(Note 1) The terminal value discount rate is provided. The final capitalization rate reflects the reclamation sales price.

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

(Millions of yen)

Property No.	M-6	M-7	M-8	M-9	M-10
Name of real estate, etc.	Funabashi Nishiura Logistics Center	Funabashi Nishiura Logistics Center II	Kawasaki Logistics Center	Narashino Logistics Center	Yokosuka Logistics Center
Time of commencement	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013
Time of termination	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013
Number of days under management	181	181	181	181	181
Book value at end of period	4,786	8,101	10,166	1,572	3,279
Appraised value at end of period	6,950	12,300	12,300	2,120	3,130
DCF method	6,950	12,300	12,800	2,100	3,130
Discount rate	4.9%/5.1%	5.0%/5.2%	4.8%/5.0%	5.3%	5.6%
Terminal capitalization rate	5.3%	5.6%	5.2%	5.3%	6.2%
DC method	6,960	12,200	12,800	2,160	3,120
Capitalization rate	5.1%	5.4%	5.0%	5.1%	6.0%
Cumulated price	3,660	6,160	8,520	1,120	1,540
(i) Total real estate leasing business revenue	221	392	Not disclosed (Note)	61	0
Rent revenue - real estate	207	390		60	-
Other lease business revenue	14	2		1	0
(ii) Total real estate leasing business expenses	105	122		17	49
Taxes and dues	25	21		3	11
Outsourcing service expenses	3	3		0	4
Utilities expenses	11	-		-	1
Repair expenses	1	1		-	0
Insurance expenses	0	1		0	1
Other expenses related to rent business	0	1		1	1
Depreciation and amortization	61	92	70	11	29
Loss on write-off of noncurrent assets	0	0	0	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	115	269	275	44	(49)
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	177	362	346	56	(20)
(v) Capital expenditure	7	12	49	0	89
(vi) NCF (= (iv) - (v))	169	350	297	55	(109)

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

(Millions of yen)

Property No.	M-11	M-12	M-13	M-14	M-15
Name of real estate, etc.	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center	Yachiyo Logistics Center II	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center
Time of commencement	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013
Time of termination	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013
Number of days under management	181	181	181	181	181
Book value at end of period	1,685	8,884	4,701	1,555	4,477
Appraised value at end of period	2,270	10,200	6,450	1,650	4,850
DCF method	2,270	10,200	6,470	1,630	4,820
Discount rate	5.0%	5.4%	5.0%/5.2%	5.0%	5.0%/5.1%
Terminal capitalization rate	5.4%	5.5%	5.6%	5.1%	5.1%
DC method	2,380 (Note 1)	10,200	6,390	1,690	4,910
Capitalization rate	4.6% (Note 1)	5.3%	5.4%	4.9%	4.9%
Cumulated price	2,150 (Note 1)	6,500	3,500	1,330	3,130
(i) Total real estate leasing business revenue			193		
Rent revenue - real estate			193		
Other lease business revenue			—		
(ii) Total real estate leasing business expenses			91		
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	14	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses			0		
Utilities expenses			0		
Repair expenses			4		
Insurance expenses			0		
Other expenses related to rent business			1		
Depreciation and amortization	17	84	69	16	29
Loss on write-off of noncurrent assets	699 (Note 3)	0	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	(704)	201	102	27	95
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	12	287	172	44	124
(v) Capital expenditure	-	2	1	-	0
(vi) NCF (= (iv) - (v))	12	284	170	44	123

(Note 1) Revenue and land capitalization rate based on the land residual method are indicated in the “DC method” cells and the comparable price is provided in the “cumulated price” cell.

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

(Note 3) Includes ¥349 million as demolition cost for the redevelopment of the Yachiyo Logistics Center.

(Millions of yen)

Property No.	M-16	M-17	M-18	M-19	M-20
Name of real estate, etc.	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)	Ichikawa Logistics Center II (Note 1)	Souka Logistics Center (Note 1)	Tatsumi Logistics Center
Time of commencement	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013
Time of termination	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013
Number of days under management	181	181	181	181	181
Book value at end of period	11,706	7,388	16,881	6,253	8,998
Appraised value at end of period	12,600	8,640	19,400	6,870	9,780
DCF method	12,600	8,680	19,400	6,900	9,800
Discount rate	5.1%	5.2%	4.8%/4.9%	5.0%	4.7%/4.9%
Terminal capitalization rate	5.2%	5.3%	5.1%	5.3%	5.1%
DC method	12,700	8,540	19,400	6,800	9,720
Capitalization rate	5.0%	5.1%	4.9%	5.1%	4.9%
Cumulated price	9,100	4,870	15,000	5,700	9,160
(i) Total real estate leasing business revenue	352	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Rent revenue - real estate	352				
Other lease business revenue	0				
(ii) Total real estate leasing business expenses	82				
Taxes and dues	27				
Outsourcing service expenses	0				
Utilities expenses	-				
Repair expenses	0				
Insurance expenses	0				
Other expenses related to rent business	0				
Depreciation and amortization	53	91	120	65	51
Loss on write-off of noncurrent assets	-	-	0	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	270	140	373	121	202
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	323	231	495	187	253
(v) Capital expenditure	0	0	7	1	-
(vi) NCF (= (iv) - (v))	323	231	487	185	253

(Note 1) Figures for quasi-co-ownership are indicated. Shinonome Logistics Center: 47%; Narashino Logistics Center II: 90%; 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-21	T-1	T-2	T-3	T-4
Name of real estate, etc.	Kashiwa Logistics Center	Daito Logistics Center	Osaka Fukuzaki Logistics Center	Chubu Haruhi Logistics Center (land title)	Kadoma Logistics Center
Time of commencement	March 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013	February 1, 2013
Time of termination	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013
Number of days under management	153	181	181	181	181
Book value at end of period	3,747	9,513	3,620	731	1,082
Appraised value at end of period	4,140	16,500	5,460	817	1,240
DCF method	4,120	17,000	5,460	848	1,250
Discount rate	5.4%	5.5%	5.3%	5.2%	5.3%/5.5%
Terminal capitalization rate	5.8%	5.6%	5.4%	5.4%	5.6%
DC method	4,170	17,100	5,470	-	1,230
Capitalization rate	5.6%	5.4%	5.2%	-	5.4%
Cumulated price	2,590	10,600	2,620	-	1,230
(i) Total real estate leasing business revenue			163	16	
Rent revenue - real estate			163	16	
Other lease business revenue			-	-	
(ii) Total real estate leasing business expenses			51	3	
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	17	3	Not disclosed (Note)
Outsourcing service expenses			0	0	
Utilities expenses			-	-	
Repair expenses			0	-	
Insurance expenses			0	-	
Other expenses related to rent business			2	0	
Depreciation and amortization	33	87	30	-	9
Loss on write-off of noncurrent assets	0	0	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	73	407	111	12	27
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	107	495	142	12	36
(v) Capital expenditure	1	4	-	-	-
(vi) NCF (= (iv) - (v))	106	490	142	12	36

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

(Millions of yen)

Property No.	T-5	T-6	T-7	O-1	O-2
Name of real estate, etc.	Komaki Logistics Center	Komaki Logistics Center II	Fukuoka Hakozaki Futo Logistics Center	Maebashi Logistics Center	Hanyu Logistics Center
Time of commencement	February 1, 2013	February 1, 2013	April 30, 2013	February 1, 2013	February 1, 2013
Time of termination	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013	July 31, 2013
Number of days under management	181	181	93	181	181
Book value at end of period	2,000	1,869	2,910	1,074	1,519
Appraised value at end of period	1,920	1,590	3,040	1,390	1,920
DCF method	1,920	1,590	3,040	1,380	1,900
Discount rate	5.3%/5.5%	5.2%/5.4%	5.3%	5.7%	5.6%
Terminal capitalization rate	5.6%	5.6%	5.8%	5.7%	5.7%
DC method	1,910	1,600	3,040	1,410	1,950
Capitalization rate	5.4%	5.4%	5.6%	5.5%	5.5%
Cumulated price	1,060	1,060	2,850	702	1,110
(i) Total real estate leasing business revenue				43	59
Rent revenue - real estate				43	59
Other lease business revenue				-	-
(ii) Total real estate leasing business expenses				14	17
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	3	3
Outsourcing service expenses				0	0
Utilities expenses				-	-
Repair expenses				-	-
Insurance expenses				0	0
Other expenses related to rent business				0	0
Depreciation and amortization	14	17	17	10	12
Loss on write-off of noncurrent assets	0	0	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	42	32	(18)	29	41
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	56	49	(0)	39	54
(v) Capital expenditure	0	0	-	-	-
(vi) NCF (= (iv) - (v))	56	49	(0)	39	54

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

(Millions of yen)

Property No.	O-3	O-4
Name of real estate, etc.	Saitama Kisai Logistics Center	Kazo Logistics Center
Time of commencement	February 1, 2013	February 1, 2013
Time of termination	July 31, 2013	July 31, 2013
Number of days under management	181	181
Book value at end of period	3,629	3,557
Appraised value at end of period	4,340	4,170
DCF method	4,330	4,190
Discount rate	5.3%/5.5%	5.4%
Terminal capitalization rate	5.7%	5.5%
DC method	4,360	4,110
Capitalization rate	5.5%	5.3%
Cumulated price	2,490	2,780
(i) Total real estate leasing business revenue		
Rent revenue - real estate		
Other lease business revenue		
(ii) Total real estate leasing business expenses		
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses		
Utilities expenses		
Repair expenses		
Insurance expenses		
Other expenses related to rent business		
Depreciation and amortization	36	46
Loss on write-off of noncurrent assets	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	82	-
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	119	113
(v) Capital expenditure	-	3
(vi) NCF (= (iv) - (v))	119	110

(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
Shinkiba Logistics Center (Koto-ku, Tokyo)	Renewal of automatic fire alarm equipment	December 2012	8	-	-
Kawasaki Logistics Center (Kawasaki-shi, Kanagawa)	Renewal of power supply equipment	November 2012	8	-	-
Urayasu chidori Logistics Center II (Urayasu-shi, Chiba)	Renewal of cargo elevators	September 2012	7	-	-
Other real estate, etc.	-	-	66		
Total			91		

(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 15th fiscal period totals ¥206 million. In addition, repair expenses of ¥52 million are classified under operating expenses for the fiscal period.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note)
Yokosuka Logistics Center (Yokosuka-shi, Kanagawa)	Refurbishment of exterior walls, etc.	From April 2013 To July 2013	87
Kawasaki Logistics Center (Kawasaki-shi, Kanagawa)	Renewal of cargo elevators	From March 2013 To July 2013	46
Funabashi Nishiura Logistics Center II (Funabashi-shi, Chiba)	Renewal of switchboard	From May 2013 To July 2013	10
Other real estate, etc.	-	-	45
Capital expenditure due to disaster			16
Total			206

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

*Capital expenditure due to disasters

Capital expenditure in the 16th fiscal period included ¥16 million expended for the following work due to the Great East Japan Earthquake that occurred in March 2011.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note 1)
Urayasu chidori Logistics Center (Urayasu-shi, Chiba)	Renewal of fence basement and gate of front entrance	July 2013	10
Ichikawa Logistics Center II (Ichikawa-shi, Chiba) (Note 2)	Renewal of exterior asphalt pavement	From June 2013 To July 2013	4
Ichikawa Logistics Center II (Ichikawa-shi, Chiba) (Note 2)	Installation of new basement for tower sign	From June 2013 To July 2013	1
Total			16

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

(Note 2) Figures corresponding to quasi-co-ownership (90%) are indicated.

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

Not applicable

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

(i) 10 major tenants

The following tenants use the 10 largest areas of real estate owned and leased by JLF as of July 31, 2013.

Name of tenant	Name of real estate, etc.	Leased area (m ²)	Lease ratio (%) (Note 2)
Tri-net Logistics Co., Ltd.	Funabashi Nishiura Logistics Center II	73,859.32	9.6
	Urayasu Chidori Logistics Center	31,790.42	4.1
	Funabashi Nishiura Logistics Center	28,076.16	3.6
	Subtotal	133,725.90	17.3
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	92,730.14	12.0
NAKANO SHOKAI Co., Ltd.	Tatsumi Logistics Center	29,394.56	3.8
	Fukuoka Hakozaki Futo Logistics Center	24,463.69	3.2
	Narashino Logistics Center II (Note 2)	16,731.38	2.2
	Shinkiba Logistics Center	10,616.80	1.4
	Urayasu Chidori Logistics Center II (Note 3)	6,192.80	0.8
	Subtotal	87,399.23	11.3
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,407.57	6.7
Nippon Express Co., Ltd.	Kashiwa Logistics Center	20,546.46	2.7

Name of tenant	Name of real estate, etc.	Leased area (m ²)	Lease ratio (%) (Note 2)
	Yokohama Fukuura Logistics Center	21,966.84	2.9
	Subtotal	42,513.30	5.5
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	41,630.54	5.4
Amazon Japan Logistics K.K.	Yachiyo Logistics Center II	32,389.70	4.2
Sagawa Express Co., Ltd.	Shinonome Logistics Center (Note 2)	16,175.31	2.1
	Yokohama Fukuura Logistics Center	3,806.58	0.5
	Hanyu Logistics Center	3,518.58	0.5
	Maebashi Logistics Center	3,455.53	0.4
	Narashino Logistics Center	2,442.87	0.3
	Subtotal	29,398.87	3.8
Hitachi Transport System, Ltd.	Kazo Logistics Center	25,130.62	3.3
Trancom Co., Ltd.	Saitama Kisai Logistics Center	24,574.40	3.2
Total for all tenants		771,087.69	100.0

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

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

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

(ii) Information concerning major real estate and other properties

The following is a list of real estate, etc. accounting for 10% or more of the total real estate leasing business revenue for the fiscal period.

Name of real estate, etc.	Ichikawa Logistics Center II
Total number of tenants	2
Real estate leasing business revenue	Not disclosed (Note 1)
Ratio to the total amount of real estate leasing business revenue	Not disclosed (Note 1)
Leased area (m ²)	66,497.99 (Note 2)
Total leasable area (m ²)	66,497.99 (Note 2)
Occupancy rate in the past five years	
January 31, 2009	—
July 31, 2009	—
January 31, 2010	—
July 31, 2010	—
January 31, 2011	100.0%
July 31, 2011	100.0%
January 31, 2012	100.0%
July 31, 2012	100.0%
January 31, 2013	100.0%
July 31, 2013	100.0%

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

(Note 2) Figures corresponding to quasi-co-ownership (90%) are indicated.