

REIT Financial Report for the 14th Fiscal Period Ended July 31, 2012

September 7, 2012

Name of REIT issuer: Japan Logistics Fund, Inc. Stock exchange listing: Tokyo Stock Exchange
 Code number: 8967 URL: <http://8967.jp/eng>
 Representative: Kenichiro Matsuoka, Executive Director

Name of asset management company: Mitsui & Co., Logistics Partners Ltd.
 Representative: Takayuki Kawashima, President, CEO
 Contact: Kenichiro Matsuoka, Director, CFO TEL: +81-3-3238-7171
 Scheduled date for submission of Securities Report: October 26, 2012
 Scheduled date for commencing dividend payments: October 2, 2012
 IR Material: Will be posted on the website
 IR Meeting: Will be held for institutional investors and security analysts

(Figures are rounded down to the nearest million yen)

1. Performance for the 14th Fiscal Period (February 1, 2012 to July 31, 2012)

(1) Operating Results

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
14 th Fiscal Period	5,637	1.4	2,899	0.8	2,618	0.9	2,617	0.9
13 th Fiscal Period	5,561	0.6	2,877	-2.6	2,596	-2.7	2,595	9.7

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
14 th Fiscal Period	17,688	2.6	1.8	46.5
13 th Fiscal Period	17,538	2.6	1.8	46.7

(2) Dividends

	Dividends per Unit (excluding distributions in excess of earnings)	Total Dividends	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distributions to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
14 th Fiscal Period	17,689	2,617	0	0	100.0	2.6
13 th Fiscal Period	17,538	2,595	0	0	99.9	2.6

(Note) 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 July 31, 2012	151,545	100,177	66.1	676,878
January 31, 2012	144,759	100,155	69.2	677,727

(Reference) Unitholders' equity 14th Fiscal Period: ¥100,177 million 13th Fiscal Period: ¥100,155 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
14 th Fiscal Period	3,529	-6,545	3,905	9,562
13 th Fiscal Period	3,777	-481	-2,366	8,672

2. Forecasts for the 15th Fiscal Period (August 1, 2012 to January 31, 2013) and the 16th Fiscal Period (February 1, 2012 to July 31, 2013)

(% 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, 2013	5,865	4.0	3,005	3.7	2,666	1.8	2,665	1.8	18,000	0
July 31, 2013	5,839	-0.4	2,913	-3.1	2,591	-2.8	2,590	-2.8	17,500	0

(Reference) Forecast for net income per unit 15th Fiscal Period: ¥18,000 16th Fiscal Period: ¥17,500

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	14 th Fiscal Period:	148,000 units	13 th Fiscal Period:	148,000 units
(ii) Number of treasury investment units issued and outstanding at end of period	14 th Fiscal Period:	0 unit	13 th 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 23.

* Explanation on the financial audit

Financial audit procedures in accordance with the Financial Instruments and Exchange Act has not yet finished as of September 7, 2012.

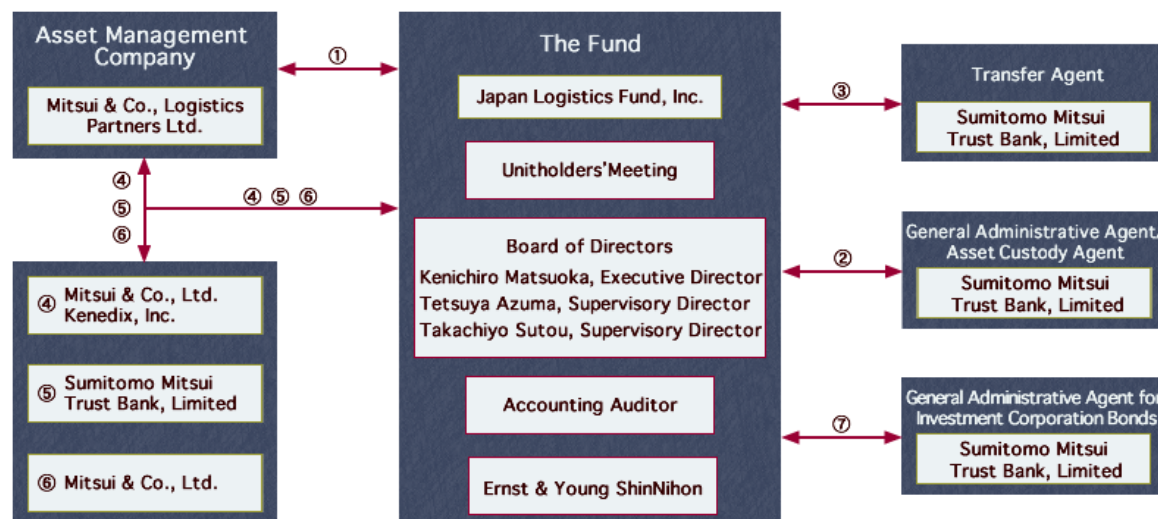
* Explanation on the appropriate use of s and other notes

(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, "the Fund"), and the actual operating results, etc. may differ significantly from that anticipated by the Fund due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution. For notes regarding assumptions on which the forecasts are based and the use of forecasts, please refer to "2. Asset Management Policies and Management Status (2) Asset Management Status (ii) Outlook for the Next Fiscal Period D. Forecasts."

1. Overview of Affiliates of the Fund

The management structure of the Fund as of September 7, 2012 is as illustrated below.



- 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 the Fund and its affiliates, asset management roles and outline of related operations (including other major related parties of the Fund) are omitted from disclosure, as there have been no material changes since the latest Securities Report (submitted on April 25, 2012).

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 25, 2012).

(2) Asset Management Status

(i) Summary of Results for the 14th Fiscal Period

A. Background of the Fund

The Fund 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"), the Fund 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 14th fiscal period (July 31, 2012), the Fund manages a total of 29 properties (total acquisition value of ¥149,600 million), and the total value of assets amounts to ¥151,545 million.

B. Investment Environment and Management Performance

During the fiscal period ended July 31, 2012, Japanese economy suffered from export slump caused by the deepening sovereign debt crisis in Europe, the decreasing overseas demand under increasing uncertainty in prospects of the world economy, and the drawn-out yen appreciation. While in public sector, economic stimulus for recovery from the effects of the Great East Japan Earthquake (hereafter, "the Earthquake") has finally actualized. Capital expenditures in private sector also showed the sign of turn-around. Thanks to the improving consumer mind as well as green car subsidy and tax benefits, individual consumption bounced back mildly. Together with growing housing investments, domestic demand remained steady in total.

<Leasing Market>

Demand for large logistics facilities remained robust, backed by moves towards consolidation of logistics functions and cooperative delivery aimed at enhancing efficiency. The accelerated opening of new business hubs by expanding third party logistics (3PL) companies and by the growing internet commerce companies also supported the strong demand. As a result, occupancy rate in Tokyo Metropolitan Area and other major cities remained high. While ask-price of rent in some areas indicated the possibility of rise due to this high occupancy rate, high cost consciousness of tenants persisted though. Expecting completion of several newly developed logistics facilities, some tenants were cautious about initiating new lease contracts. The overall rent level remained flat.

<Acquisition Market>

In addition to existing logistic properties investors, some foreign players and private REITs (non-listed open-end real estate

investment corporations) emerged as new buyers. Activities in the acquisition market of Japanese logistic properties kept growing. Smooth increase of occupancy rate as well as expanding floor demand from 3PL companies and the Internet commerce companies motivated developers including major real estate companies to explore land acquisition opportunities for future logistics facilities construction.

Under these circumstances, the Fund acquired its 29th property, Souka Logistics Center, in March 2012, and increased its earnings by 0.9% from the previous fiscal period. The Fund also continued to take initiatives to secure stable portfolio earnings, which included the conclusion of over 10-year fixed-term lease contract with Arata Corporation in Komaki II Logistics Center. The Fund successfully maintained its high occupancy rates in the properties owned and recorded an overall occupancy rate of 97.0% at the end of the fiscal period.

C. Capital Procurement

During the 14th fiscal period ended July 31, 2012, the Fund financed ¥6,500 million for Souka Logistics Center acquisition. The Fund also effectively concluded refinancing of ¥6,500 million long term loans with significantly extending its maturity. In these finances, the Fund challenged 7-year long term loans for the first time, and successfully achieved extending average loan term and reducing overall debt cost simultaneously, by leveraging positive lending attitude of Japanese financial institutions and historically low level interest rate. As a result, total interest-bearing debt as of the end of the 14th fiscal period amounted to ¥43,700 million, and its LTV (Note) was 25.1%, reflecting a conservative financial management policy. The Fund 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.)

Credit rating of the Fund at the end of the 13th fiscal period

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA (Outlook: Stable)
	Long-term issue rating	First issue of 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, the Fund posted operating revenue of ¥5,637 million, operating income of ¥2,899 million, ordinary income of ¥2,618 million and net income of ¥2,617 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, the Fund 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, the Fund's dividend per investment unit was ¥17,689.

(ii) Outlook for the Next Fiscal Period

A. Recognition of the Environment

While overseas demand remains uncertain due primarily to the effects of world economic slowdowns and the impact of the strong yen, the Japanese economy is expected to stay on a moderate recovery path. Investments associated with the post-Earthquake restoration both in public and private sectors, and steady individual consumption driven by foods, beverages, and consumer staples through the internet commerce will lead the economy. In financial, favorable lending attitude of domestic financial institutions toward real estate investments will last. Brisk equity market will absorb J-REIT public offerings including new J-REITs IPOs. Further J-REIT market expansion is expected.

<Leasing Market>

While several development projects will be completed in coming year, robust floor demand is expected to continue. The 3PLs and the Internet commerce businesses will be the core tenants for those floor demands. Redeployment from small/ decrepit facilities located in the midst of the Tokyo Metropolitan Area also drives the demand. As a result, the supply-demand balance will be stable for mid-term span. However, in some areas supply of the floor temporarily exceeds its demand. The Fund will carefully and accurately identify appropriate demand level based on the tenants' industry and merchandizes specifications.

<Acquisition Market>

Several prime logistics facilities are expected to complete within one year. That may provide acquisition opportunities to the Fund. Still, rent stability of logistics business and robust floor demand from 3PL companies and the Internet commerce companies encourage investors to pay more attention to the logistics facilities. Some players are actually aggressively deploying their capital in this market. In addition, accelerating acquisition by private REITs and expected IPOs of new J-REITs investing in logistics facilities may lead further competition in the acquisition market.

B. Future Asset Management Policies and Issues to be Addressed

In such an investment environment, the Fund 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, the Fund 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 the Fund 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 the Fund have an average leasing period of 6.3 years when calculated on a weighted average basis using annual rent, indicating that the Fund will continue to earn stable income.

• Strengthening of tenant relations

The Fund will promote the improvement of the overall satisfaction level of tenants by maintaining close contact with existing tenants. Specifically, the Fund 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

The Fund conducts repairs and renovations of properties owned by keeping related costs at a certain level. In addition, the Fund 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, the Fund 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, the Fund 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, the Fund 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, the Fund 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, the Fund avoids acquiring, in particular, properties with unique structural and facility features that suit only certain types of tenants in certain industries. Rather, the Fund'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, the Fund 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

- The Fund 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, the Fund will diversify funding sources and repayment due dates. Furthermore, with regard to tenant leasehold and security deposits, the Fund will use such deposits to partially fund property acquisitions to exercise efficient cash management.

C. Significant Subsequent Events

Not applicable

[Reference Information]

< Acquisition of New Property >

The Fund decided to acquire the following property after the end of the fiscal period and before the date of this Financial Report.

[M-20 Tatsumi Logistics Center]

Assets to be acquired	The trust beneficiary right of real estate	
Acquisition price	¥9,000 million	
Scheduled date of acquisition	September 3, 2012	
Location (Address)	8-5, Tatsumi 3-chome, Koto-ku, Tokyo	
Purpose of use	Warehouse	
Site area	9,939.01m ² (Note)	
Total floor area	29,394.56m ² (Note)	
Structure	Reinforced concrete, Steel-framed structure w/ steel roof, 5-story building	
Date of completion	February 20, 2012	
Type of ownership	Land: Ownership	Building: Ownership

(Note) According to the indication of the real estate registry

<Debt Financing>

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

Lender	Sumitomo Mitsui Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation	Resona Bank, Ltd.
Amount borrowed	¥1,000 million	¥1,000 million	¥1,000 million
Interest rate	0.70375%	0.70375%	0.70375%
Borrowing date	August 31, 2012	August 31, 2012	August 31, 2012
Maturity date	August 31, 2017	August 31, 2017	August 31, 2017
Borrowing method/Secured or not	Unsecured/Non-guaranteed		
Repayment method	Lump-sum payment on the maturity date		
Purpose	Acquisition of the trust beneficiary right of real estate		

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Trust Bank, Ltd.	Mitsubishi UFJ Trust and Banking Corporation
Amount borrowed	¥2,000 million	¥2,000 million	¥2,000 million
Interest rate	0.89000%	1.28000%	1.28000%
Borrowing date	August 31, 2012	August 31, 2012	August 31, 2012
Maturity date	August 31, 2019	August 31, 2022	August 31, 2022
Borrowing method/Secured or not	Unsecured/Non-guaranteed		
Repayment method	Lump-sum payment on the maturity date		
Purpose	Acquisition of the trust beneficiary right of real estate		

The Fund decided to refinance its existing loan after the fiscal closing and before the date of this document, as shown below.

Lender	Mizuho Corporate Bank, Ltd.
Amount borrowed	¥4,000 million
Interest rate	To be decided
Borrowing date	September 18, 2012
Maturity date	August 31, 2020
Borrowing method/Secured or not	Unsecured/Non-guaranteed
Repayment method	Lump-sum payment on the maturity date
Purpose	To refinance the existing loan

<General Unitholders' Meeting>

General unitholders' meeting will be held on October 23, 2012.

D. Forecasts

Forecasts for the 15th fiscal period (August 1, 2012 to January 31, 2013) and the 16th fiscal period (February 1, 2013 to July 31, 2013) are as follows. Please refer to "Assumptions for Forecasts" 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, 2013	5,865	4.0	3,005	3.7	2,666	1.8	2,665	1.8	18,000	0
July 31, 2013	5,839	-0.4	2,913	-3.1	2,591	-2.8	2,590	-2.8	17,500	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 dividend distribution.

Assumptions Underlying the Forecasts for the 15th Fiscal Period (August 1, 2012 to January 31, 2013) and the 16th Fiscal Period (February 1, 2013 to July 31, 2013)

Item	Assumption
Properties owned	<ul style="list-style-type: none"> Forecasts assume that the Fund owns a total of 30 properties including 29 existing properties as of July 31, 2012, plus Tatsumi Logistics Center acquired on September 3, 2012, and no other acquisitions or sales are made. There may be fluctuations caused by additional acquisitions and sales of properties.
Total number of investment units issued	<ul style="list-style-type: none"> Forecasts assume 148,000 units as of July 31, 2012.
Interest-bearing debt	<ul style="list-style-type: none"> As of September 7, 2012, the Fund's interest-bearing debt balance totals ¥52,700 million. The forecasts assume that the balance of interest-bearing debt in the 15th and 16th fiscal periods. The forecasts assume that among the interest-bearing debt of ¥52,700 million as of September 7, 2012, long-term loans payable of ¥4,000 million due in the 15th fiscal period and long-term loans payable of ¥4,000 million due in the 16th fiscal period will be refinanced by new loans or cash in hand.
Operating revenue	<ul style="list-style-type: none"> The rent revenue is estimated based on the lease contracts in effect as of September 7, 2012 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"> Of the expenses related to rent business, which comprise the core part of operating expenses, expenses other than depreciation are computed based on the past actual results and taking into account the expense fluctuation factors. 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. The Fund, however, recognizes the amount of settlement as part of the acquisition cost. With respect to Tatsumi Logistics Center, which was acquired on September 3, 2012, the settlement amount for property tax, city planning tax, etc. included in the acquisition cost is approximately ¥6 million. Repair expenses for buildings are assumed to be ¥192 million for the 15th fiscal period, and ¥212 million for the 16th fiscal period. Actual repair expenses for each operating period, however, may differ considerably from forecasts mainly because repair expenses may be incurred suddenly due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one fiscal period to another, and repair expenses, by nature, are not incurred on a regular basis. Taxes and public dues are assumed to be ¥450 million for the 15th fiscal period and ¥494 million for the 16th fiscal period. Outsourcing expenses are assumed to be ¥133 million for the 15th fiscal period and ¥133 million for the 16th fiscal period. Depreciation, including incidental expenses and additional capital expenditure for the future, is calculated using the straight-line method and is assumed to be ¥1,284 million for the 15th fiscal period and ¥1,288 million for the 16th fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> Non-operating expenses (including interest expenses, interest expenses on investment corporation bonds, and others) are assumed to be ¥340 million for the 15th fiscal period and ¥322 million for the 16th fiscal period.
Dividends per unit	<ul style="list-style-type: none"> Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of the Fund. The amount of dividends per unit may fluctuate, due to various factors such as transfer of management assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the additional issuance of new investment units.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> The Fund currently has no plan to distribute cash 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 Trusts 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. Financial Statements

(1) Balance Sheets

	(Thousands of yen)	
	13 th Fiscal Period (as of January 31, 2012)	14 th Fiscal Period (as of July 31, 2012)
Assets		
Current assets		
Cash and deposits	6,156,733	6,968,222
Cash and deposits in trust	2,516,127	2,668,912
Operating accounts receivable	47,834	48,401
Prepaid expenses	15,378	33,134
Deferred tax assets	20	16
Consumption tax receivable	-	127,744
Income taxes receivable	14	58
Other	40	40
Total current assets	8,736,149	9,846,531
Noncurrent assets		
Property, plant and equipment		
Buildings	6,140,563	6,185,350
Accumulated depreciation	-733,842	-815,534
Buildings, net	5,406,720	5,369,815
Structures	120,895	120,895
Accumulated depreciation	-23,048	-26,006
Structures, net	97,846	94,888
Tools, furniture and fixtures	500	500
Accumulated depreciation	-105	-143
Tools, furniture and fixtures, net	394	356
Land	6,391,096	6,391,096
Buildings in trust	73,184,985	77,194,839
Accumulated depreciation	-10,212,300	-11,265,592
Buildings in trust, net	62,972,684	65,929,246
Structures in trust	2,358,980	2,398,295
Accumulated depreciation	-544,462	-600,181
Structures in trust, net	1,814,517	1,798,114
Machinery and equipment in trust	1,842	-
Accumulated depreciation	-413	-
Machinery and equipment in trust, net	1,428	-
Tools, furniture and fixtures in trust	17,017	21,453
Accumulated depreciation	-6,574	-7,874
Tools, furniture and fixtures in trust, net	10,442	13,578
Land in trust	59,219,717	61,928,246
Total property, plant, and equipment	135,914,848	141,525,343
Intangible assets		
Other	239	609
Total intangible assets	239	609
Investments and other assets		
Long-term prepaid expenses	63,279	132,091
Guarantee deposits	10,000	10,010
Other	2,000	2,000
Total investments and other assets	75,279	144,101
Total noncurrent assets	135,990,368	141,670,054
Deferred assets		
Investment corporation bond issuance costs	32,891	28,603
Total deferred assets	32,891	28,603
Total assets	144,759,408	151,545,189

	(Thousands of yen)	
	13 th Fiscal Period (as of January 31, 2012)	14 th Fiscal Period (as of July 31, 2012)
Liabilities		
Current liabilities		
Operating accounts payable	454,407	601,074
Current portion of long-term loans payable	10,500,000	8,000,000
Distribution payable	10,038	9,618
Accrued expenses	511,796	535,187
Income taxes payable	728	650
Accrued consumption taxes	79,774	—
Advances received	942,215	966,007
Provision for loss on disaster	23,606	23,131
Total current liabilities	12,522,569	10,135,669
Noncurrent liabilities		
Investment corporation bond	8,000,000	8,000,000
Long-term loans payable	18,700,000	27,700,000
Tenant leasehold and security deposits	1,283,136	1,229,526
Tenant leasehold and security deposits in trust	4,098,066	4,227,666
Long-term deposits received	-	74,382
Total noncurrent liabilities	32,081,203	41,231,575
Total liabilities	44,603,772	51,367,244
Net assets		
Unitholders' equity		
Unitholders' capital	97,559,929	97,559,929
Surplus		
Unappropriated retained earnings (undisposed loss)	2,595,706	2,618,015
Total surplus	2,595,706	2,618,015
Total unitholders' equity	100,155,636	100,177,944
Total net assets	*2 100,155,636	*2 100,177,944
Total liabilities and net assets	144,759,408	151,545,189

(2) Statements of Income

	(Thousands of yen)			
	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)		14 th Fiscal Period (from February 1, 2012 to July 31, 2012)	
Operating revenue				
Rent revenue-real estate	*1	5,407,863	*1	5,481,085
Other lease business revenue	*1	153,395	*1	156,308
Total operating revenue		5,561,259		5,637,394
Operating expenses				
Expenses related to rent business	*1	2,156,307	*1	2,206,711
Asset management fee		431,472		436,716
Asset custody fee		14,384		14,904
Administrative service fees		24,716		24,564
Directors' compensations		5,400		3,600
Other operating expenses		51,869		50,942
Total operating expenses		2,684,150		2,737,440
Operating income		2,877,108		2,899,954
Non-operating income				
Interest income		257		251
Interest on securities		1,296		1,638
Refund of property taxes		-		4,145
Interest on refund		-		997
Insurance income		14,357		4,217
Reversal of distribution payable		891		1,654
Other		0		8
Total non-operating income		16,803		12,913
Non-operating expenses				
Interest expenses		219,175		222,991
Borrowing related expenses		29,930		28,824
Interest expenses on investment corporation bonds		38,281		37,858
Amortization of investment corporation bond issuance costs		4,335		4,288
Other		5,500		0
Total non-operating expenses		297,222		293,961
Ordinary income		2,596,688		2,618,905
Income before income taxes		2,596,688		2,618,905
Income taxes-current		1,024		968
Income taxes-deferred		-1		3
Total income taxes		1,023		972
Net income		2,595,665		2,617,932
Retained earnings brought forward		41		82
Unappropriated retained earnings (undisposed loss)		2,595,706		2,618,015

(3) Statements of Unitholders' Equity

	(Thousands of yen)			
	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)		14 th Fiscal Period (from February 1, 2012 to July 31, 2012)	
Unitholders' equity				
Unitholders' capital				
Balance at the start of current 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 current period	*1	97,559,929	*1	97,559,929
Surplus				
Unappropriated retained earnings (undisposed loss)				
Balance at the start of current period		2,366,709		2,595,706
Changes of items during the period				
Dividends from surplus		-2,366,668		-2,595,624
Net income		2,595,665		2,617,932
Total changes of items during the period		228,997		22,308
Balance at the end of current period		2,595,706		2,618,015
Total surplus				
Balance at the start of current period		2,366,709		2,595,706
Changes of items during the period				
Dividends from surplus		-2,366,668		-2,595,624
Net income		2,595,665		2,617,932
Total changes of items during the period		228,997		22,308
Balance at the end of current period		2,595,706		2,618,015
Total unitholders' equity				
Balance at the start of current period		99,926,638		100,155,636
Changes of items during the period				
Dividends from surplus		-2,366,668		-2,595,624
Net income		2,595,665		2,617,932
Total changes of items during the period		228,997		22,308
Balance at the end of current period		100,155,636		100,177,944
Total net assets				
Balance at the start of current period		99,926,638		100,155,636
Changes of items during the period				
Dividends from surplus		-2,366,668		-2,595,624
Net income		2,595,665		2,617,932
Total changes of items during the period		228,997		22,308
Balance at the end of current period		100,155,636		100,177,944

(4) Financial Statements Pertaining to Allotment of Funds

(Yen)

	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)	14 th Fiscal Period (from February 1, 2012 to July 31, 2012)
I. Unappropriated retained earnings	2,595,706,984	2,618,015,586
II. Dividends	2,595,624,000	2,617,972,000
Dividends per unit	17,538	17,689
III. Balance to be carried forward	82,984	43,586

Method of calculation of distributions

The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of the Fund, and shall exceed the amount equivalent to 90% of the distributable dividend amount of the Fund provided in Article 67.15 of the Special Taxation Measures Act. Based on these policies, the Fund decided to provide income distribution totaling ¥2,595,624,000, which is the maximum integral multiple of the total number of investment units issued of 148,000 units and which does not exceed the amount of unappropriated retained earnings for the fiscal period.

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

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 the Fund, and shall exceed the amount equivalent to 90% of the distributable dividend amount of the Fund provided in Article 67.15 of the Special Taxation Measures Act. Based on these policies, the Fund decided to provide income distribution totaling ¥2,617,972,000, which is the maximum integral multiple of the total number of investment units issued of 148,000 units and which does not exceed the amount of unappropriated retained earnings for the fiscal period.

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

(5) Statements of Cash Flows

	(Thousands of yen)	
	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)	14 th Fiscal Period (from February 1, 2012 to July 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes	2,596,688	2,618,905
Depreciation and amortization	1,178,873	1,230,976
Amortization of investment corporation bond issuance costs	4,335	4,288
Interest income	-257	-251
Interest on securities	-1,296	-1,638
Interest expenses	257,457	260,849
Loss on retirement of noncurrent assets	62,348	57,672
Decrease (Increase) in operating accounts receivable	-24,536	-567
Decrease (Increase) in consumption taxes refund receivable	-	-127,744
Increase (decrease) in accrued consumption taxes	-127,770	-79,774
Increase (decrease) in operating accounts payable	155,154	-131,354
Increase (decrease) in accrued expenses	-6,465	8,661
Increase (decrease) in advances received	-12,953	23,791
Other, net	42,900	-88,222
Subtotal	4,124,477	3,775,590
Interest income received	1,554	1,889
Interest expenses paid	-260,093	-246,526
Payments for loss on disaster	-87,218	-475
Income taxes paid	-1,079	-1,091
Net cash provided by (used in) operating activities	3,777,640	3,529,387
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-6,400	-47,782
Purchase of property, plant and equipment in trust	-321,181	-6,573,303
Proceeds from tenant leasehold and security deposits	-	27,000
Repayments of tenant leasehold and security deposits	-54,510	-80,610
Proceeds from tenant leasehold and security deposits in trust	282	129,599
Repayments of tenant leasehold and security deposits in trust	-100,078	-
Payments for guarantee deposits	-	-10
Net cash provided by (used in) investing activities	-481,888	-6,545,105
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	1,000,000	13,000,000
Repayment of long-term loans payable	-1,000,000	△6,500,000
Dividends paid	-2,366,396	△2,594,390
Net cash provided by (used in) financing activities	-2,366,396	3,905,609
Net increase (decrease) in cash and cash equivalents	929,355	889,891
Cash and cash equivalents at beginning of period	7,743,505	8,672,860
Cash and cash equivalents at end of period	*1 8,672,860	*1 9,562,752

(6) Notes on Assumption of Going Concern

Not applicable.

(7) Notes on Matters Concerning Significant Accounting Policies

1. Method of depreciation of noncurrent assets

(1) 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
Machinery and equipment	12 years
Tools, furniture, and fixtures	2 to 15 years

(2) Intangible assets

The straight-line method is used.

2. Accounting for deferred assets

Investment corporation bond issuance costs

Items are amortized over the term until redemption using the straight-line method.

3. Accounting for provisions

Provision for loss on disaster

Expenses for physical damage caused by the Great East Japan Earthquake, which occurred in March of 2011, are accounted for by posting a rationally estimated amount at the end of the fiscal period.

4. Accounting standards 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 held are accounted for as expenses related to rent business by posting the amounts corresponding to the respective fiscal period from the amounts of tax determined to be charged.

The amount of property tax, etc. associated with the acquisition of property or trust beneficiary right with property as trust asset paid as the settlement amount to the transferor in the initial year is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. In the 13th period, no property tax, etc. was included in the acquisition cost of real estate. In the 14th period, the property tax, etc. included in the acquisition cost of real estate was ¥26,833 thousand yen.

5. Definition of cash and cash equivalent in the statements of cash flows

Cash and cash equivalent comprises cash and cash in trust, cash and cash in trust in deposits, and short-term / low-risk bonds that will mature within 3 months, has high liquidity, and has little price volatility.

6. Other significant matters that serve as the basis of preparation of financial statements

(1) Accounting method for trust beneficiary right with real estate, etc. as trust asset

With regard to trust beneficiary right with real estate, etc. in holding as trust asset, all assets and liabilities as well as all revenue and expense items associated with all trust assets are accounted for under the respective account items of the Balance Sheets and Statements of Income.

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

(i) Cash and deposits in trust

(ii) Buildings in trust; structures in trust; machinery and equipment in trust; tools, furniture, and fixtures in trust; and land in trust

(iii) Tenant leasehold and security deposits in trust

(2) Method of accounting for consumption taxes

The tax-exclusion method is used for state and local consumption tax.

(8) Notes to Financial Statements

[Notes to Balance Sheets]

1. Commitment Line Agreements

The Fund has the commitment line contracts with the banks.

	(Thousands of yen)	
	13 th Fiscal Period (as of January 31, 2012)	14 th Fiscal Period (as of July 31, 2012)
Total amount specified in the commitment line contracts	10,000,000	10,000,000
Loan balance at end of period	-	-
Outstanding loan commitments at end of fiscal period	10,000,000	10,000,000

2. Minimum amount of net assets prescribed in Article 67, Item 4 of the Investment Trust Act

	(Thousands of yen)	
	13 th Fiscal Period (as of January 31, 2012)	14 th Fiscal Period (as of July 31, 2012)
	50,000	50,000

[Notes to Statements of Income]

1. Breakdown of income (loss) from the real estate leasing business

	(Thousands of yen)			
	13 th Fiscal Period (as of January 31, 2012)		14 th Fiscal Period (as of July 31, 2012)	
A. Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	5,301,728		5,364,508	
Land rents received	16,638		16,638	
Facility charges	89,497	5,407,863	99,938	5,481,085
Other lease business revenue				
Parking charges	16,074		17,455	
Utilities charges	127,064		127,751	
Other operating income	10,255	153,395	11,102	156,308
Total real estate leasing business revenue	5,561,259		5,637,394	
B. Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	487,400		451,643	
Outsourcing service expenses	119,705		128,598	
Utilities expenses	129,751		132,337	
Repair expenses	116,960		144,432	
Insurance expenses	21,663		20,925	
Other expenses related to rent business	39,632		40,161	
Depreciation and amortization	1,178,844		1,230,940	
Loss on retirement of noncurrent assets	62,348		57,672	
Total real estate leasing business expenses	2,156,307		2,206,711	
C. Income from real estate leasing business				
(A - B)	3,404,951		3,430,682	

[Notes to Statements of Unitholders' Equity]

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

	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)	14 th Fiscal Period (from February 1, 2012 to July 31, 2012)
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued	148,000 units	148,000 units

[Notes to Statements of Cash Flows]

1. Relationship between cash and cash equivalents at end of period and the amount on the balance sheets

	(Thousands of yen)	
	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)	14 th Fiscal Period (from February 1, 2012 to July 31, 2012)
Cash and deposits	6,156,733	6,968,222
Cash and deposits in trust	2,516,127	2,668,912
Long-term deposits received (Note)	-	-74,382
Cash and cash equivalents	8,672,860	9,562,752

(Note) "Long-term deposits received" means that among the cash and deposits in trust of some properties of the trust beneficiary right of real estate, a part of the deposit which is restricted to withdraw by the co-ownership agreement of those properties.

[Notes to Lease transactions]

Operating lease transactions (as lessor)

	(Thousands of yen)	
	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)	14 th Fiscal Period (from February 1, 2012 to July 31, 2012)
Future lease payments receivable		
Due within one year	8,924,329	9,187,947
Due after one year	50,226,504	49,456,083
Total	59,150,834	58,644,031

[Notes to Financial Instruments]

1. Matters concerning the status of financial instruments

(1) Policies on financial instruments

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

When procuring funds through interest-bearing debt, the Fund comprehensively takes into account the conditions in the capital market and the financial environment, the capital structure of the Fund and lease terms with tenants, impact on existing unitholders, and other factors, projects 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.

The Fund 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 the Fund. The Fund does not currently engage in derivative transactions.

The Fund invests surplus funds in securities and monetary claims with a focus on safety and liquidity, and will not pursue aggressive investment aimed solely at acquiring investment profit.

(2) Description of financial instruments and associated risks, and the risk management system

Deposits are one means of investing the surplus funds of the Fund and are exposed to credit risk such as the bankruptcy of the deposit financial institution. The Fund works to mitigate credit risk by limiting the period of deposits to short term and dealing with deposit financial institutions with high credit ratings.

Loans 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. The Fund strives to mitigate liquidity risk by diversifying lenders, repayment periods, and means of funds procurement and securing liquidity on hand by setting commitment lines, while managing liquidity risk by preparing funding charts and other methods.

As some loans are borrowed on variable interest rates, they are exposed to the risk of higher interest payment. The Fund works to mitigate the risk of higher interest payment by maintaining a conservative interest-bearing debt ratio as well as heightening the ratio of borrowings through long-term fixed interest rate loans.

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. The Fund 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 funding charts and other methods.

(3) Description of financial instruments an

Fair values of financial instruments include values based on market prices and rationally calculated values in the case that market prices are not available. As certain assumptions are applied in performing calculation of such values, the values may differ if varying assumptions are used.

2. Matters concerning fair values, etc. of financial instruments

Amounts on the Balance Sheets, fair values and their difference as of January 31, 2012 are as follows;

(Thousands of yen)

	Amount on the balance sheets	Fair value	Difference
(1) Cash and deposits	6,156,733	6,156,733	—
(2) Cash and deposits in trust	2,516,127	2,516,127	—
Total assets	8,672,860	8,672,860	—
(1) Current portion of long-term loans payable	10,500,000	10,577,116	77,116
(2) Long-term loans payable	18,700,000	19,086,236	386,236
(3) Investment corporation bond	8,000,000	8,044,800	44,800
Total liabilities	37,200,000	37,708,152	508,152

Amounts on the Balance Sheets, fair values and their difference as of July 31, 2012 are as follows;

(Thousands of yen)

	Amount on the balance sheets	Fair value	Difference
(1) Cash and deposits	6,968,222	6,968,222	—
(2) Cash and deposits in trust	2,668,912	2,668,912	—
Total assets	9,637,134	9,637,134	—
(1) Current portion of long-term loans payable	8,000,000	8,074,912	74,912
(2) Long-term loans payable	27,700,000	28,107,117	407,117
(3) Investment corporation bond	8,000,000	8,064,000	64,000
Total liabilities	43,700,000	44,246,030	546,030

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

Assets

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

These items are recognized at book value as they are settled in the short term and fair values are almost equal to book values.

Liabilities

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

The fair values are calculated at a discount using the ratio expected when assuming the total amount of interest and principal is newly borrowed.

(3) 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

13th Fiscal Period (as of January 31, 2012)

(Thousands of yen)

Due	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	6,156,733	-	-	-	-	-
Cash and deposits in trust	2,516,127	-	-	-	-	-
Total	8,672,860	-	-	-	-	-

14th Fiscal Period (as of July 31, 2012)

(Thousands of yen)

Due	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	6,968,222	-	-	-	-	-
Cash and deposits in trust	2,668,912	-	-	-	-	-
Total	9,637,134	-	-	-	-	-

(Note 3) Scheduled repayment amount of long-term loans payable and other interest bearing debt after the closing date

13th Fiscal Period (as of January 31, 2012)

(Thousands of yen)

Due	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	10,500,000	6,000,000	10,000,000	—	2,700,000	—
Cash and deposits in trust	—	—	—	8,000,000	—	—
Total	10,500,000	6,000,000	10,000,000	8,000,000	2,700,000	—

14th Fiscal Period (as of July 31, 2012)

(Thousands of yen)

Due	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	8,000,000	7,000,000	5,000,000	1,700,000	5,000,000	9,000,000
Cash and deposits in trust	—	—	—	8,000,000	—	—
Total	8,000,000	7,000,000	5,000,000	9,700,000	5,000,000	9,000,000

[Notes to Investment Securities]

Not applicable to the 13th and 14th fiscal period.

[Notes to Derivatives]

1. Transactions applicable to hedge accounting

Not applicable to the 13th and 14th fiscal period.

2. Transactions not applicable to hedge accounting

Not applicable to the 13th and 14th fiscal period.

[Notes to Retirement Benefits]

Not applicable to the 13th and 14th fiscal period.

[Notes to Tax Effect Accounting]

1. Breakdown of major causes of deferred tax assets and deferred tax liabilities

(Thousands of yen)

	13 th Fiscal Period (as of January 31, 2012)	14 th Fiscal Period (as of July 31, 2012)
Deferred tax assets		
Exclusion from local corporate tax deductibles	20	16
Total deferred tax assets	20	16
Deferred tax assets, net	20	16

2. Breakdown by major item of causes of material difference between the effective statutory tax rate and the rates of income taxes after applying tax-effect accounting

(Thousands of yen)

	13 th Fiscal Period (as of January 31, 2012)	14 th Fiscal Period (as of July 31, 2012)
Effective statutory tax rate	39.33%	39.33%
Adjustments		
Dividends paid included in deductibles	-39.31%	-39.31%
Other	0.02%	0.02%
Effective income tax rate after the application of tax effect accounting	0.04%	0.04%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 13th and 14th fiscal period, for the Fund does not have affiliates.

[Notes to Transactions with Related Parties]

1. Parent company and principal corporate unitholders

Not applicable to the 13th and 14th fiscal period.

2. Affiliates

Not applicable to the 13th and 14th fiscal period.

3. Sister companies

Not applicable to the 13th and 14th fiscal period.

4. Directors and principal individual unitholders

13th Fiscal Period (from August 1, 2011 to January 31, 2012)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction description	Transaction amount (Thousands of yen)	Amount	Balance at end of period (Thousands of yen)
Director or the close relative	Reiji Fujita	-	-	Executive Director of Japan Logistics Fund, Inc. and President, CEO of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	431,472 (Note 2)	Accrued expenses	299,699 (Note 2)

(Note 1) This is a transaction executed by Reiji Fujita as the representative of a third party (Mitsui & Co., Logistics Partners Ltd.), and the fee is in line with the Articles of Incorporation of the Fund.

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

14th Fiscal Period (from February 1, 2012 to July 31, 2012)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction description	Transaction amount (Thousands of yen)	Amount	Balance at end of period (Thousands of yen)
Director or the close relative	Kenichiro Matsuoka	-	-	Executive Director of Japan Logistics Fund, Inc. and Director, CFO of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	481,236 (Note 2) (Note 3)	Accrued expenses	308,637 (Note 3)

(Note 1) This is a transaction executed by Kenichiro Matsuoka as a director of a third party (Mitsui & Co., Logistics Partners Ltd.), and the fee is in line with the Articles of Incorporation of the Fund.

(Note 2) Asset management fee contains acquisition fee of 44,520 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) Reiji Fujita stepped down as the executive director of the Fund on June 28, 2012. Instead, Kenichiro Matsuoka was appointed as the new executive director on June 29, 2012. The amount includes the transactions when Mr. Fujita was the executive director.

[Notes to Asset Write-off Obligations]

Not applicable to the 13th and 14th fiscal period.

[Notes to Lease Properties]

The Fund holds logistics properties (including land) for lease in the Tokyo Metropolitan area and other areas. The amounts on the Balance Sheets as of July 31, 2011, changes during the fiscal period, and fair values of lease properties are as follows.

(Thousands of yen)

	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)	14 th Fiscal Period (from February 1, 2012 to July 31, 2012)
Amount on the Balance Sheets		
Balance at beginning of period	136,914,730	135,914,848
Changes during period	-999,881	5,610,494
Balance at end of period	135,914,848	141,525,343
Fair value at end of period	167,362,000	174,195,000

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

(Note 2) The increase of the lease properties in the 14th period is mainly by the acquisition of Souka Logistics center (6,438,348 thousand yen).

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

The income (loss) concerning lease properties, etc. for the 13th and 14th fiscal periods is indicated under "Notes to Statements of Income" above.

[Notes to Segment Information]

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

2. Related information

13th Fiscal Period (from August 1, 2011 to January 31, 2012)

(1) 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 Statements of Income.

(2) Information by region

(i) Net sales

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

(ii) 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 Sheets.

(3) Information by major client

(Thousands of yen)

Name of client	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
SETTSU WAREHOUSE Co., Ltd.	- (Note 2)	Real estate leasing business

(Note 1) A consolidated subsidiary of Mitsui & Co., Ltd. The same applies hereafter.

(Note 2) Not disclosed, for unable to obtain the tenants' consent.

14th Fiscal Period (from February 1, 2012 to July 31, 2012)

(1) 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 Statements of Income.

(2) Information by region

(i) Net sales

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

(ii) 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 Sheets.

(3) Information by major client

(Thousands of yen)

Name of client	Net revenue	Related segment
Tri-net Logistics Co., Ltd.	- (Note)	Real estate leasing business
Sagawa Express Co., Ltd.	- (Note)	Real estate leasing business
SETTSU WAREHOUSE Co., Ltd.	- (Note)	Real estate leasing business

(Note) Not disclosed, for unable to obtain the tenants' consent.

[Notes to Per Unit Information]

	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)	14 th Fiscal Period (from February 1, 2012 to July 31, 2012)
Net assets per unit	¥676,727	¥676,878
Net income per unit	¥17,538	¥17,688

(Note 1) Net income per unit was calculated by; Net income / Average units outstanding during the 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)

	13 th Fiscal Period (from August 1, 2011 to January 31, 2012)	14 th Fiscal Period (from February 1, 2012 to July 31, 2012)
Net income	2,595,665	2,617,932
Amount not available to common unitholders	—	—
Net income pertaining to common investment units	2,595,665	2,617,932
Average number of investment units during period	148,000 units	148,000 units

[Notes to Significant Subsequent Events]

Not applicable.

(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 the Fund, 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 the Fund

On June 29, 2012, Kenichiro Matsuoka was appointed as the executive director of the Fund. Reiji Fujita, ex-executive director, stepped down on June 28, 2012.

Directors of the Fund as of July 31, 2012 are as follows.

Title	Name	
Executive Director	Kenichiro Matsuoka	
Supervisory Director	Takachiyo Sutou	Tetsuya Azuma

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

(2) Changes in directors of the asset management company

The following change in directors took place at Mitsui & Co., Logistics Partners Ltd., the asset management company to which the Fund entrusts the management of assets.

Appointment	April 1, 2012	Director	Yukio Hishida
	June 29, 2012	President	Takayuki Kawashima
Retire	March 31, 2012	Director	Satoru Miyagawa
	June 29, 2012	President	Reiji Fujita
	June 29, 2012	Corporate Auditor	Ichiro Tanaka

Directors of the asset management company as of July 31, 2012, are as follows.

Title	Name			
President, CEO	Takayuki Kawashima			
Director	Kenichiro Matsuoka	Satoru Miyagawa		
	Masato Hisamune	Masahiko Tsumoto	Hiroshi Yoshida	Akihiro Asano
Corporate Auditor	Nobuyoshi Itoigawa			

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

5. Reference Information

(1) Asset composition of the Fund

Type of assets	Use of assets	Region (Note 2)	13 th Fiscal Period (as of January 31, 2012)		14 th Fiscal Period (as of July 31, 2012)	
			Total amount held (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)	Total amount held (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)
Real estate	Logistics facility	Tokyo Metropolitan Area	6,169	4.3	6,123	4.0
		Kinki/Chubu/Kyushu Areas	5,726	4.0	5,732	3.8
		Other Areas	—	0.0	—	0.0
	Subtotal		11,896	8.2	11,856	7.8
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	100,502	69.4	106,331	70.2
		Kinki/Chubu/Kyushu Areas	13,461	9.3	13,347	8.8
		Other Areas	10,054	6.9	9,989	6.6
	Subtotal		124,018	85.7	129,669	85.6
Deposits and other assets (Note 5)			8,844	6.1	10,019	6.6
Total assets			144,759	100.0	151,545	100.0

(Note 1) Descriptions under "5. Reference Information" are effective as of January 31, 2012, 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.

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

(Note 5) Deposits and other assets include deposit in trust assets of ¥2,516 million for the 13th fiscal period and of ¥2,668 million for the 14th 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 Fukuoka-shi
Other Areas		Areas where locational advantage can be attained, e.g. close to consumption areas

	13 th Fiscal Period (as of January 31, 2012)		14 th Fiscal Period (as of July 31, 2012)	
	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	44,603	30.8	51,367	33.9
Total net assets	100,155	69.2	100,177	66.1
Total assets	144,759	100.0	151,545	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

The Fund 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	5.8	29,556.79	29,003.44	3	98.1	13.0
M-2	Urayasu	Trust beneficiary right of real estate	2,902	1.9	9,543.72	9,543.72	1	100.0	18.3
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1.0	11,225.72	11,225.72	1	100.0	21.1 (Note 7)
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	1.6	10,616.80	10,616.80	1	100.0	17.6
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	4.0	31,790.42	31,790.42	1	100.0	13.8
M-6	Funabashi	Trust beneficiary right of real estate	5,700	3.8	35,134.44	35,134.44	2	100.0	7.1
M-7	Funabashi Nishiura II	Trust beneficiary right of real estate	9,330	6.2	73,859.32	73,859.32	1	100.0	11.5
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	7.3	41,630.54	41,630.54	1	100.0	14.6
M-9	Narashino	Trust beneficiary right of real estate	1,690	1.1	2,442.87	2,442.87	1	100.0	11.3
M-10	Yokosuka	Trust beneficiary right of real estate	3,305	2.2	21,364.11	-	-	0.0	22.0 (Note 7)
M-11	Yachiyo	Trust beneficiary right of real estate	2,266	1.5	17,689.95	17,689.95	1	100.0	9.1
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	6.6	35,882.64	35,882.64	3	100.0	16.3
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	3.5	32,389.70	32,389.70	1	100.0	7.6

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-14	Urayasu Chidori II	Real estate	1,640	1.1	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	Real estate	4,550	3.0	18,686.12	18,686.12	1	100.0	11.8
M-16	Shinonome	Trust beneficiary right of real estate	11,800	7.9	16,175.31 (Note 8)	16,175.31 (Note 8)	1	100.0	14.4
M-17	Narashino II	Trust beneficiary right of real estate	7,875	5.3	43,208.86 (Note 8)	43,208.86 (Note 8)	3	100.0	11.1
M-18	Ichikawa II	Trust beneficiary right of real estate	17,415	11.6	66,497.99 (Note 8)	66,497.99 (Note 8)	2	100.0	4.2
M-19	Souka	Trust beneficiary right of real estate	6,360	4.3	21,320.42 (Note 8)	21,320.42 (Note 8)	3	100.0	12.7
ubtotal for the Tokyo Metropolitan Area			119,433	79.8	525,208.5 ₂	503,291.0 ₆	28	95.8	-
T-1	Daito	Trust beneficiary right of real estate	9,762	6.5	92,730.14	92,730.14	1	100.0	13.8
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	2.7	23,726.80	23,726.80	1	100.0	14.1
T-3	Chubu Haruhi (land title)	Real estate	685	0.5	10,457.02	10,457.02	1	100.0	-
T-4	Kadoma	Real estate	989	0.7	7,293.92	7,293.92	1	100.0	13.3
T-5	Komaki	Real estate	2,100	1.4	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	Real estate	1,800	1.2	10,708.41	10,708.41	1	100.0	8.3
Subtotal for Kinki/Chubu/Kyushu Areas			19,432	13.0	154,402.7 ₄	154,402.7 ₄	6	100.0	-
O-1	Maebashi	Trust beneficiary right of real estate	1,230	0.8	3,455.53	3,455.53	1	100.0	9.0
O-2	Hanyu	Trust beneficiary right of real estate	1,705	1.1	3,518.58	3,518.58	1	100.0	11.6
O-3	Saitama Kisai	Trust beneficiary right of real	4,010	2.7	24,574.40	24,574.40	1	100.0	10.5

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)
		estate							
O-4	Kazo	Trust beneficiary right of real estate	3,790	2.5	25,130.62	25,130.62	1	100.0	9.5
Subtotal for other Areas			10,735	7.2	56,679.13	56,679.13	4	100.0	-
Portfolio total			149,600	100.0	736,290.39	714,372.93	38	97.0	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 the Fund, 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 rented 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 the Fund. 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) 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 the Fund 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	525,208.52	71.3	119,433	79.8
Kinki/Chubu/Kyushu Areas	154,402.74	21.0	19,432	13.0
Other Areas	56,679.13	7.7	10,735	7.2
Total	736,290.39	100.0	149,600	100.0

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

B. Ratio by total leasable area

Total leasable area (m ²)	Number of properties	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Over 30,000 m ²	9	31.0	82,087	54.9
Over 10,000 m ² but 30,000 m ² or less	13	44.8	55,257	36.9
10,000 m ² or less	7	24.1	12,256	8.2
Total	29	100.0	149,600	100.0

(Note) 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 (Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	183,913.24	25.7	3,064,053,564	28.6
Over 5 years but within 10 years	97,642.15	13.7	1,427,646,912	13.3
Over 3 years but within 5 years	183,039.44	25.6	2,095,809,096	19.6
Within 3 years (initial agreement)	177,874.94	24.9	2,864,964,108	26.8
Within 3 years (automatic renewal)	71,903.16	10.1	1,248,168,444	11.7
Total	714,372.93	100.0	10,700,642,124	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. Figures below one million yen are omitted. Until the 13th fiscal period, parking charges were included in rent. From 14th, parking charges were excluded from the rent.

(iii) Performance of portfolio properties

The following provides a summary of performance for the 14th fiscal period of real estate, etc. owned by the Fund.

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

- The amounts indicated under "Performance data" are not intended to provide or guarantee future values.
- Amounts are presented with figures below one million yen omitted, and are posted on an accrual basis in principle.
- "Real estate leasing business revenue" includes rent, common area maintenance fees, and income from parking charges, utilities expenses, and other.
- "Taxes and public dues" includes property tax and city planning tax. As a general rule, the obligation to pay property tax and city planning tax comes into effect on January 1 of each year. Such tax payments, however, are not posted as real estate leasing business expenses, as the Fund, 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 the Fund 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, 2012	February 1, 2012	February 1, 2012	February 1, 2012	February 1, 2012
Time of termination	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012
Number of days under management	182	182	182	182	182
Book value at end of period	7,224	2,843	1,408	2,286	5,516
Appraised value at end of period	8,910	4,870	1,740	3,050	9,370
DC method	8,910	4,870	1,750	3,030	9,260
Discount rate	5.2%	5.1% (Note 1)	5.6%	5.0%/5.2%	4.9%/5.1%
Terminal capitalization rate	5.5%	- (Note 1)	6.1%	5.5%	5.2%
DC method	-	-	1,800	3,110	9,620
Capitalization rate	-	-	5.8%	5.2%	4.9%
Cumulated price	4,510	4,080	1,480	2,570	6,760
(i) Total real estate leasing business revenue	464	121	Not disclosed (Note 2)	Not disclosed (Note 2)	247
Rent revenue - real estate	414	121			247
Other lease business revenue	50	-			-
(ii) Total real estate leasing business expenses	208	17			74
Taxes and dues	23	7			16
Outsourcing service expenses	25	1			4
Utilities expenses	35	-			-
Repair expenses	1	0			0
Insurance expenses	1	0			0
Other expenses related to rent business	12	1			0
Depreciation and amortization	82	6	10	13	50
Loss on write-off of noncurrent assets	25	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	255	103	40	64	172
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	363	110	50	77	222
(v) Capital expenditure	26	-	0	1	-
(vi) NCF (= (iv) - (v))	337	110	49	75	222

(Note 1) The terminal value discount rate is 5.4%. 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, 2012	February 1, 2012	February 1, 2012	February 1, 2012	February 1, 2012
Time of termination	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012
Number of days under management	182	182	182	182	182
Book value at end of period	4,905	8,253	10,219	1,594	3,243
Appraised value at end of period	6,870	12,000	12,800	2,080	3,080
DC method	6,820	12,100	13,200	2,050	3,070
Discount rate	5.0%/5.2%	5.0%/5.2%	5.1%	5.5%	5.7%
Terminal capitalization rate	5.4%	5.8%	5.3%	5.5%	6.3%
DC method	6,970	11,900	13,500	2,140	3,100
Capitalization rate	5.1%	5.5%	5.0%	5.2%	6.0%
Cumulated price	3,740	6,290	8,560	1,180	1,590
(i) Total real estate leasing business revenue	219	392	Not disclosed (Note)	60	Not disclosed (Note)
Rent revenue - real estate	206	390		60	
Other lease business revenue	13	2		0	
(ii) Total real estate leasing business expenses	114	143		17	
Taxes and dues	25	21		3	
Outsourcing service expenses	3	3		0	
Utilities expenses	10	-		-	
Repair expenses	5	23		-	
Insurance expenses	0	1		0	
Other expenses related to rent business	0	1		0	
Depreciation and amortization	67	91	69	11	24
Loss on write-off of noncurrent assets	0	0	-	-	24
(iii) Income from real estate leasing business (= (i) - (ii))	105	248	286	43	-30
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	172	340	355	55	19
(v) Capital expenditure	14	24	-	-	-
(vi) NCF (= (iv) - (v))	157	315	355	55	-272

(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, 2012	February 1, 2012	February 1, 2012	February 1, 2012	February 1, 2012
Time of termination	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012
Number of days under management	182	182	182	182	182
Book value at end of period	2,070	9,052	4,839	1,588	4,535
Appraised value at end of period	2,330	10,000	6,260	1,680	4,680
DC method	2,270	9,970	6,250	1,650	4,630
Discount rate	5.6%	5.5%	5.2%/5.4%	5.2%	5.2%/5.3%
Terminal capitalization rate	6.1%	5.6%	5.8%	5.3%	5.3%
DC method	2,570	10,200	6,270	1,750	4,810
Capitalization rate	5.8%	5.3%	5.5%	5.0%	5.0%
Cumulated price	1,790	6,620	3,150	1,340	3,180
(i) Total real estate leasing business revenue			193		
Rent revenue - real estate			193		
Other lease business revenue			-		
(ii) Total real estate leasing business expenses			87		
Taxes and dues			14		
Outsourcing service expenses			0		
Utilities expenses			0		
Repair expenses			-		
Insurance expenses			0		
Other expenses related to rent business			1		
Depreciation and amortization	17	85	70	16	29
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	49	200	106	26	95
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	66	285	176	43	124
(v) Capital expenditure	-	-	-	-	-
(vi) NCF (= (iv) - (v))	66	285	176	43	124

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

(Millions of yen)

Property No.	M-16	M-17	M-18	M-19	T-1
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	Daito Logistics Center
Time of commencement	February 1, 2012	February 1, 2012	February 1, 2012	March 27, 2012	February 1, 2012
Time of termination	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012
Number of days under management	182	182	182	127	182
Book value at end of period	11,810	7,565	17,114	6,383	9,666
Appraised value at end of period	12,300	8,350	18,700	6,620	16,300
DC method	12,200	8,330	18,600	6,600	16,700
Discount rate	5.3%	5.4%	5.0%/5.1%	5.2%	5.6%
Terminal capitalization rate	5.4%	5.5%	5.3%	5.5%	5.7%
DC method	12,500	8,380	18,800	6,650	17,100
Capitalization rate	5.1%	5.2%	5.0%	5.2%	5.4%
Cumulated price	9,100	5,000	15,100	5,850	10,900
(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	81				
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	54	88
Loss on write-off of noncurrent assets	-	-	-	-	6
(iii) Income from real estate leasing business (= (i) - (ii))	270	146	384	87	395
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	323	237	505	142	490
(v) Capital expenditure	-	0	-	-	13
(vi) NCF (= (iv) - (v))	323	236	505	142	477

(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.	T-2	T-3	T-4	T-5	T-6
Name of real estate, etc.	Osaka Fukuzaki Logistics Center	Chubu Haruhi Logistics Center (land title)	Kadoma Logistics Center	Komaki Logistics Center	Komaki Logistics Center II
Time of commencement	February 1, 2012	February 1, 2012	February 1, 2012	February 1, 2012	February 1, 2012
Time of termination	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012
Number of days under management	182	182	182	182	182
Book value at end of period	3,681	731	1,101	2,207	1,872
Appraised value at end of period	5,280	795	1,180	1,900	1,560
DC method	5,250	826	1,160	1,900	1,550
Discount rate	5.5%	5.4%	5.6%	5.4%/5.6%	5.3%/5.5%
Terminal capitalization rate	5.6%	5.7%	5.7%	5.7%	5.7%
DC method	5,360	-	1,220	1,910	1,590
Capitalization rate	5.3%	-	5.4%	5.4%	5.4%
Cumulated price	2,680	-	1,270	1,080	1,090
(i) Total real estate leasing business revenue	163	16	Not disclosed (Note)	Not disclosed (Note)	0
Rent revenue - real estate	163	16			-
Other lease business revenue	-	-			0
(ii) Total real estate leasing business expenses	53	3			23
Taxes and dues	17	3			4
Outsourcing service expenses	0	0			2
Utilities expenses	-	-			0
Repair expenses	0	-			-
Insurance expenses	0	-			0
Other expenses related to rent business	2	-			0
Depreciation and amortization	31	-	10	14	15
Loss on write-off of noncurrent assets	-	-	0	0	0
(iii) Income from real estate leasing business (= (i) - (ii))	110	12	27	41	-23
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	141	12	37	55	-7
(v) Capital expenditure	-	-	0	0	44
(vi) NCF (= (iv) - (v))	141	12	37	54	-52

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

(Millions of yen)

Property No.	O-1	O-2	O-3	O-4
Name of real estate, etc.	Maebashi Logistics Center	Hanyu Logistics Center	Saitama Kisai Logistics Center	Kazo Logistics Center
Time of commencement	February 1, 2012	February 1, 2012	February 1, 2012	February 1, 2012
Time of termination	July 31, 2012	July 31, 2012	July 31, 2012	July 31, 2012
Number of days under management	182	182	182	182
Book value at end of period	1,094	1,545	3,701	3,647
Appraised value at end of period	1,370	1,860	4,230	4,030
DC method	1,360	1,840	4,200	4,030
Discount rate	5.8%	5.8%	5.5%/5.7%	5.6%
Terminal capitalization rate	5.8%	5.9%	5.9%	5.7%
DC method	1,400	1,920	4,290	4,030
Capitalization rate	5.5%	5.6%	5.6%	5.4%
Cumulated price	729	1,140	2,570	2,880
(i) Total real estate leasing business revenue	43	59	Not disclosed (Note)	126
Rent revenue - real estate	43	59		126
Other lease business revenue	-	-		-
(ii) Total real estate leasing business expenses	15	24		62
Taxes and dues	3	3		13
Outsourcing service expenses	0	0		1
Utilities expenses	-	-		0
Repair expenses	-	6		0
Insurance expenses	0	0		0
Other expenses related to rent business	0	0		0
Depreciation and amortization	10	13	36	45
Loss on write-off of noncurrent assets	0	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	28	34	80	63
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	39	48	117	109
(v) Capital expenditure	0	-	-	40
(vi) NCF (= (iv) - (v))	38	48	117	68

(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 the Fund 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
Kawasaki Logistics Center (Kawasaki-shi, Kanagawa)	Elevator replacement	December 2012	40	-	-
Funabashi Nishiura Logistics Center II (Funabashi-shi, Chiba)	Elevator replacement	December 2012	15	-	-
Funabashi Logistics Center (Funabashi-shi, Chiba)	Fire suppression system replacement	December 2012	9	-	-
Other real estate, etc.	-	-	60		
Capital expenditure due to disaster	-	-	19		
Total			145		

(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 the Fund. Capital expenditure for the 14th fiscal period totals ¥460 million. In addition, repair expenses of ¥144 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)	Value Up	From February 2012 to July 2012	246
Yokosuka Logistics Center (Yokosuka-shi, Kanagawa)	Exterior wall repair	From June 2012 to July 2012	40
Kazo Logistics Center (Kazo-shi, Saitama)	Electric power generator installment	From February 2012 to May 2012	40
Other real estate, etc.	-	-	133
Total			460

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

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

Not applicable

(4) Summary of tenants

(i) Summary of leasing status

The following provides a summary of the leasing status of real estate, etc. owned by the Fund. In general, the status is based on the leasing contracts effective as of July 31, 2012.

Name of property	Name of tenant	Business lines	Leased area (m ²)	Annual rent (Millions of yen) (Note 1) (Note 2) (Note 3)	Expiry of contract	Lease deposits and guarantees (Millions of yen) (Note 2) (Note 3)
Funabashi Logistics Center	Yamato Transport Co., Ltd.	Trucking business	757.03	685	December 31, 2012	524
			264.46		April 30, 2013	
			19,795.05		October 31, 2013	
	Sojitz Corporation	Other investment business	7,833.88	129	October 31, 2013	90
	Other (one company)	-	353.02	5	-	3
Property total	-	29,003.44	821	-	619	
Urayasu Logistics Center	Nippon Steel Trading Co., Ltd.	Steel sales and construction work	9,543.72	242	May 27, 2014	121
Hiratsuka Logistics Center	Nissho Shipping Co., Ltd.	Warehousing, transport, and railroad transport services	11,225.72	Not disclosed	August 31, 2013	Not disclosed
Shinkiba Logistics Center	Nakano Shokai Co., Ltd.	General merchandise warehousing and transport agency business	10,616.80	Not disclosed	February 28, 2015	Not disclosed
Urayasu Chidori Logistics Center	Tri-net Logistics Co., Ltd.	General merchandise warehousing business	31,790.42	494	January 10, 2013	247
Funabashi Nishiura Logistics Center	Tri-net Logistics Co., Ltd.	General merchandise warehousing business	28,076.16	Not disclosed	January 31, 2016	Not disclosed
	Chubu Transport Co., Ltd.	Warehousing and transport business	7,058.28	Not disclosed	January 31, 2016	Not disclosed
	Property total	-	35,134.44	414	-	217
Funabashi Nishiura Logistics Center II	Tri-net Logistics Co., Ltd.	General merchandise warehousing business	73,859.32	780	October 13, 2015	130
Kawasaki Logistics Center	Sagawa Global Logistics Co., Ltd.	Transport-related services	41,630.54	Not disclosed	August 31, 2013	Not disclosed
Narashino Logistics Center	Sagawa Express Co., Ltd.	General merchandise trucking business	2,442.87	121	October 20, 2025	60
Yokosuka Logistics Center	-	-	-	-	-	-
Yachiyo Logistics Center	TOTO LTD.	Sanitary ware manufacturing	17,689.95	Not disclosed	March 31, 2012	Not disclosed
Yokohama Fukuura Logistics Center	Sagawa Express Co., Ltd.	General merchandise trucking business	3,806.58	Not disclosed	March 20, 2027	Not disclosed
	Terrada Warehouse Company	Office leasing, General merchandise warehousing business	10,109.22	Not disclosed	March 20, 2019	Not disclosed
	Nippon Express Co., Ltd.	General merchandise trucking business	12,000.10	Not disclosed	January 31, 2015	Not disclosed
			9,966.74			
Property total	-	35,882.64	Not disclosed	-	Not disclosed	
Yachiyo Logistics Center II	Amazon Japan Logistics Co., Ltd.	Mail order sales and general logistics service	32,389.70	387	September 30, 2022	129

Name of property	Name of tenant	Business lines	Leased area (m ²)	Annual rent (Millions of yen) (Note 1) (Note 2) (Note 3)	Expiry of contract	Lease deposits and guarantees (Millions of yen) (Note 2) (Note 3)
Urayasu Chidori Logistics Center II	Nakano Shokai Co., Ltd.	General merchandise warehousing and transport agency business	6,192.80	Not disclosed	February 7, 2014	Not disclosed
Ichikawa Logistics Center	Tokyo Logistics Factory Co., Ltd.	General merchandise warehousing and general merchandise trucking business	18,686.12	Not disclosed	March 31, 2023	Not disclosed
Shinonome Logistics Center (Note 4)	Sagawa Express Co., Ltd.	General merchandise trucking business	34,415.56	1,500	February 20, 2026	2,750
Narashino Logistics Center II (Note 4)	Nakano Shokai Co., Ltd.	General merchandise warehousing and transport agency business	18,590.42	Not disclosed	January 31, 2013	Not disclosed
	Yamato Logistics Co., Ltd.	Truck and freight transport service	15,109.07	Not disclosed	October 31, 2015	Not disclosed
	Mitsui-Soko Logistics Co., Ltd.	General merchandise warehousing and transport agency business	14,310.36	Not disclosed	October 31, 2014	Not disclosed
	Property total	-	48,009.85	Not disclosed	-	Not disclosed
Ichikawa Logistics Center II (Note 4)	TOMY Company, Ltd.	Wholesale of toys and entertainment products	57,112.86	Not disclosed	November 1, 2019	Not disclosed
	JR EAST LOGISTICS CO., LTD.	General merchandise trucking business	16,773.80	Not disclosed	May 31, 2017	Not disclosed
	Property total	-	73,886.66	Not disclosed	-	Not disclosed
Souka Logistics Center (Note 4)	Mitsui-Soko Co., Ltd.	Warehousing	20,639.35	Not disclosed	March 31, 2017	Not disclosed
	Koyama Kigyo Co., Ltd.	Warehousing	11,000.85	Not disclosed	January 31, 2020	Not disclosed
	Sangetsu Co., Ltd.	Wholesale of construction materials	11,000.64	Not disclosed	April 30, 2018	Not disclosed
	Property Total		42,640.84	Not disclosed		Not disclosed
Daito Logistics Center	SETTSU WAREHOUSE Co., Ltd.	General merchandise warehousing and general merchandise trucking business	3,493.64	Not disclosed	May 31, 2029	Not disclosed
			89,236.50		July 31, 2030	
Osaka Fukuzaki Logistics Center	Ricoh Logistics System Co., Ltd.	General merchandise trucking business and general merchandise warehousing business	23,726.80	326	November 30, 2014	210
Chubu Haruhi Logistics Center (land title)	Mitsubishi Shokuhin Co., Ltd.	Wholesale of dry food	10,457.02	33	November 30, 2015	-
Kadoma Logistics Center	Kowa Company, Ltd.	Manufacture and sale of pharmaceuticals, etc.	7,293.92	Not disclosed	March 31, 2013	Not disclosed
Komaki Logistics Center	NIPPON ACCESS, INC.	Wholesale of foodstuffs	9,486.45	Not disclosed	August 31, 2014	Not disclosed
Komaki Logistics Center II	Arata Corporation	Wholesale	10,708.41	Not disclosed	August 31, 2022	Not disclosed
Maebashi Logistics Center	Sagawa Express Co., Ltd.	General merchandise trucking business	3,455.53	87	February 20, 2025	43
Hanyu Logistics Center	Sagawa Express Co., Ltd.	General merchandise trucking business	3,518.58	118	October 20, 2025	59

Name of property	Name of tenant	Business lines	Leased area (m ²)	Annual rent (Millions of yen) (Note 1) (Note 2) (Note 3)	Expiry of contract	Lease deposits and guarantees (Millions of yen) (Note 2) (Note 3)
Saitama Kisai Logistics Center	TRANCOM CO., LTD.	General merchandise trucking business	24,574.40	Not disclosed	May 31, 2017	Not disclosed
Kazo Logistics Center	Hitachi Transport System, Ltd.	General merchandise trucking business	25,130.62	Not disclosed	April 30, 2018	Not disclosed

(Note 1) 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. Figures below one million yen are omitted. Until the 13th fiscal period, parking charges were included in rent. From 14th, parking charges were excluded from the rent.

(Note 2) Figures are rounded down to the nearest million yen.

(Note 3) "Not disclosed" signifies that the tenant did not agree to disclosing the amount.

(Note 4) 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%

Souka Logistics Center: 50%

(ii) Major tenants (tenants with 10% or more of total leasable area)

Major tenants (tenants with 10% or more of total leasable area) of real estate, etc. owned by the Fund are listed below.

Name of tenant	Business Lines	Name of real estate, etc.	Leased area (m ²)	Annual rent (Millions of yen) (Note 1)	Lease deposits and guarantees (Millions of yen) (Note 1)	Lease ratio (%) (Note 2)
Tri-net Logistics Co., Ltd.	General merchandise warehousing business	Funabashi Nishiura Logistics Center II	73,859.32	780	130	10.3
		Urayasu Chidori Logistics Center	31,790.42	494	247	4.5
		Funabashi Nishiura Logistics Center	28,076.16	Not disclosed (Note 3)	Not disclosed (Note 3)	3.9
		Subtotal	133,725.90	Not disclosed (Note 3)	Not disclosed (Note 3)	18.7
SETTSU WAREHOUSE Co., Ltd.	General merchandise warehousing and general merchandise trucking business	Daito Logistics Center	92,730.14	Not disclosed (Note 3)	Not disclosed (Note 3)	13.0
Total for all tenants			714,372.93	10,700	5,456	100.0

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

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

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

(iii) Lease terms of major tenants

Lease terms given to major tenants (tenants with 10% or more of total leasable area) of real estate, etc. owned by the Fund are as follows.

Tri-net Logistics Co., Ltd.	
Funabashi Nishiura Logistics Center II	
Expiry of contract:	October 13, 2015
Type of contract:	Normal lease contract (10-year term)
Change in rent:	No particular provision.
Contract renewal:	If, at least 6 months prior to the expiry of the term of leasehold, the lessor does not notify the lessee in writing to reject renewal of the contract and the lessee does not notify the lessor to terminate the contract, the leasehold agreement is renewed for one year from the date following the expiry of the leasehold period, and the same applies thereafter.
Cancellation before expiry:	As a general rule, the contract cannot be cancelled during the course of the term. The lessee shall, if cancelling the contract due to circumstances of the lessee, pay the lessor penalty fee of lease deposits plus rent for the residual period of the leasehold term from the date of cancellation to expiry.
Urayasu Chidori Logistics Center	
Expiry of contract:	January 10, 2013
Type of contract:	Fixed-term lease contract (7-year term)
Change in rent:	Rent cannot be changed.
Contract renewal:	There is no renewal of contract; provided, however, that parties agree to re-enter into the contract.
Cancellation before expiry:	The contract cannot be cancelled during the course of the term.
Funabashi Nishiura Logistics Center	
Expiry of contract:	January 31, 2016
Type of contract:	Fixed-term lease contract (10-year term)
Change in rent:	Rent cannot be changed during the five years from the initial date of the leasehold contract. If, after five years have passed since the initial date of the leasehold contract, there are revisions to the rates of taxes and public dues associated with the land and buildings, a new taxation system is introduced, or significant changes to economic conditions take place, rent may be changed based on discussion by the parties.
Contract renewal:	There is no renewal of contracts. If, however, the parties agree to the terms and conditions for re-entering into a contract based on discussion at least 6 months prior to the expiry of the leasehold period, the leasehold contract may be newly concluded starting from the date following the expiry of the original leasehold period.
Cancellation before expiry:	The contract cannot be cancelled.
SETTSU WAREHOUSE Co., Ltd.	
Daito Logistics Center	
<Warehouse I, Warehouse II, Office I>	
Expiry of contract:	July 31, 2030
Type of contract:	Normal lease contract (20-year term)
Change in rent:	Discussion on changes in rent may be held every two years after August 1, 2010 (hereafter, "the date of change in leasehold period") (every year after 20 years have passed since the date of change in leasehold period) in consideration of fluctuations in economic conditions, increase in taxes and public dues and other burdens associated with the land or building, rent prices of buildings in the vicinity, and other factors.
Contract renewal:	The contract is automatically renewed for another period of three years under the same terms and conditions if no particular indication of intent in writing to the other party is made at least 12 months prior to the expiry of the leasehold period, and the same applies thereafter.

Cancellation before expiry:	<p>The contract cannot be cancelled for 15 years from the date of change in leasehold period. The contract may be cancelled if 15 years have passed since the date of change in leasehold period by written notification of the intent at least 12 months prior to the desired cancellation date.</p> <p>In the event that the other party violates the provisions of the leasehold contract, the contract may be cancelled if the other party does not take corrective action despite having been given a warning in writing with the appropriate period of correction specified. If the lessee falls under a situation subject to cancellation stipulated under the leasehold contract, the lessor may immediately cancel the contract by written notification. In the case that the lessor cancels the contract, the lessee pays a penalty fee, (i) the restoration cost and (ii) the amount of rent for the residual period up to the day when 15 years pass from the date of change in the leasehold period. If, however, the lessee introduces a candidate for an alternative lessee and the lessor enters into a new leasehold contract under terms and conditions of a substantially comparable level or higher, the lessee is exempted from paying, with regard to (ii) above, the amount of rent corresponding to the period after the start of rent payment based on the new leasehold contract.</p>
<Office II>	
Expiry of contract:	May 31, 2029
Type of contract:	Normal lease contract (20-year term)
Change in rent:	As a general rule, rent cannot be changed.
Contract renewal:	The contract is automatically renewed for another period of three years under the same terms and conditions if no particular indication of intent in writing to the other party is made at least 12 months prior to the expiry of the leasehold period, and the same applies thereafter.
Cancellation before expiry:	As a general rule, the contract cannot be cancelled. In the event, however, that the other party violates the provisions of the leasehold contract, the contract may be cancelled if the other party does not take corrective action despite having been given a written warning with an appropriate period of correction specified. If the lessee falls under a situation subject to cancellation stipulated under the leasehold contract, the lessor may immediately cancel the contract by written notification. In the case that the lessor cancels the contract, the lessee pays as penalty fee, (i) the restoration cost and (ii) the amount of rent for the residual period up to the expiry of the leasehold period. If, however, the lessee introduces a candidate for an alternative lessee and the lessor enters into a new leasehold contract under terms and conditions of a substantially comparable level or higher, the lessee is exempted from paying, with regard to (ii) above, the amount of rent corresponding to the period after the start of rent payment based on the new leasehold contract.
<Warehouse III>	
Expiry of contract:	July 31, 2030
Type of contract:	Normal lease contract (20-year term)
Change in rent:	The rent remains unchanged for 10 years since the start of the leasehold period. Discussion on change in rent may be held every five years after 10 years have passed since the start date of the leasehold (every three years after 20 years have passed since the date of start of leasehold) in consideration of fluctuations in economic conditions, increase in taxes and public dues and other burdens associated with the land or building, rent prices of buildings in the vicinity, and other factors.
Contract renewal:	The contract is automatically renewed for another period of three years under the same terms and conditions if no particular indication of intent in writing to the other party is made at least 12 months prior to the expiry of the leasehold period, and the same applies thereafter.
Cancellation before expiry:	<p>The contract cannot be cancelled for 15 years from the start date of the leasehold. The contract may be cancelled if 15 years have passed since the start date of the leasehold by written notification of the intent at least 12 months prior to the desired cancellation date.</p> <p>In the event the other party violates the provisions of the leasehold contract, the contract may be cancelled, regardless of the above, if the other party does not take corrective action despite having been given a warning in writing with an appropriate period of correction specified. If the lessee falls under a situation subject to cancellation stipulated under the leasehold contract, the lessor may immediately cancel the contract by written notification. In the case that the lessor cancels the contract, the lessee pays as a penalty fee, (i) the restoration cost and (ii) the amount of rent for the residual period up to the day 15 years pass from the start date of the leasehold period. If, however, the lessee introduces a candidate for an alternative lessee and the lessor enters into a new leasehold contract under terms and conditions of a substantially comparable level or higher, the lessee is exempted from paying, with regard to (ii) above, the amount of rent corresponding to the period after the start of rent payment based on the new leasehold contract.</p>

(5) 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	Daito Logistics Center
Total number of tenants	2	1
Real estate leasing business revenue	Not disclosed (Note 1)	Not disclosed (Note 1)
Ratio to the total amount of real estate leasing business revenue	Not disclosed (Note 1)	Not disclosed (Note 1)
Leased area (m ²)	66,497.99 (Note 2)	92,730.14
Total leasable area (m ²)	66,497.99 (Note 2)	92,730.14
Occupancy rate in the past five years		
January 31, 2008	-	100.0%
July 31, 2008	-	100.0%
January 31, 2009	-	100.0%
July 31, 2009	-	100.0%
January 31, 2010	-	100.0%
July 31, 2010	-	100.0%
January 31, 2011	100.0%	100.0%
July 31, 2011	100.0%	100.0%
January 31, 2012	100.0%	100.0%
July 31, 2012	100.0%	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.

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