

REIT Financial Report for the Fiscal Period ended July 31, 2014 (The 18th Period)

September 11, 2014

Name of REIT issuer: Japan Logistics Fund, Inc. Stock exchange listing: Tokyo Stock Exchange
 Security Code: 8967 URL: <http://8967.jp/eng>
 Representative: Takayuki Kawashima, Executive Director
 Name of Asset management company: Mitsui & Co., Logistics Partners Ltd.
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Scheduled date for submission of Securities Report: October 30, 2014

Scheduled date for commencing dividend payments: October 3, 2014

IR Material: Will be posted on the website

IR Meeting: Will be held for institutional investors and security analysts

(Figures are rounded down to the nearest million yen, % represents change from the previous period)

1. Performance for the Fiscal Period ended July 2014 (The 18th Period from February 1, 2014 to July 31, 2014)

(1) Operating Results

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The 18 th Period	6,972	4.9	3,534	2.6	3,108	2.9	3,106	2.9
The 17 th Period	6,645	10.9	3,446	39.8	3,021	42.1	3,020	42.1

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
The 18 th Period	3,743	2.7	1.6	44.6
The 17 th Period	3,783	2.8	1.7	45.5

(Note) JLF has conducted 5-for-1 investment unit split, as record date of January 31, 2014 and as effective date of February 1, 2014. For comparison purpose, figures of Net Income per Unit above are calculated assuming the split has occurred at the beginning of the Fiscal Period ended July 2013 (The 16th Period).

(2) Dividends

	Dividends per Unit (excluding Distributions in excess of earnings)	Total Dividends (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Dividends of Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
The 18 th Period	3,743	3,106	0	0	99.9	2.7
The 17 th Period	18,196	3,020	0	0	100.0	2.6

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

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
The 18 th Period	200,456	116,666	58.2	140,561
The 17 th Period	193,278	116,579	60.3	140,457

(Note) JLF has conducted 5-for-1 investment unit split, as record date of January 31, 2014 and as effective date of February 1, 2014. For comparison purpose, figures of Net Assets per Unit above are calculated assuming the split has occurred at the beginning of the Fiscal Period ended July 2013 (The 16th Period).

(Reference) Unitholders' equity The 18th Period: 116,666 million yen The 17th Period: 116,579 million yen

(4) Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
The 18 th Period	5,276	(9,036)	3,441	8,025
The 17 th Period	4,265	(30,403)	17,824	8,344

2. Forecasts for the Fiscal Period ending January 2015 (The 19th Period from August 1, 2014 to January 31, 2015) and the Fiscal Period ending July 2015 (The 20th Period from February 1, 2015 to July 31, 2015)

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
The 19 th Period	9,417	35.1	5,847	65.4	5,439	75.0	5,438	75.1	3,900	0
The 20 th Period	7,014	(25.5)	3,524	(39.7)	3,121	(42.6)	3,120	(42.6)	3,760	0

(Reference) Forecast for net income per unit The 19th Period: 3,900 yen The 20th Period: 3,760 yen

* Other

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

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

- (2) Number of investment units issued and outstanding

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

The 18th Period: 830,000 units The 17th Period: 166,000 units

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

The 18th Period: 0 unit The 17th 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 25.

* Explanation on the financial audit

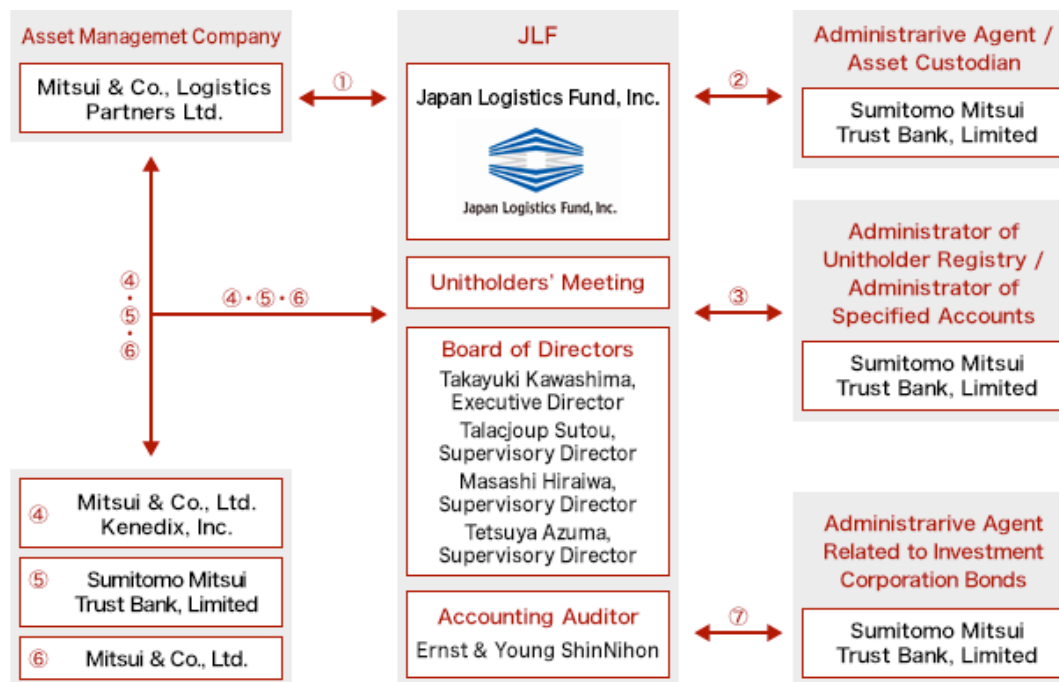
Financial audit procedures in accordance with the Financial Instruments and Exchange Act have not yet finished as of September 11, 2014.

* Explanation on the appropriate use of forecasts and other notes

(Note to forward-looking statements)

- This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by the Japan Logistics Fund, Inc. (hereafter referred to as "JLF"), and the actual operating results, etc. may differ significantly from that anticipated by JLF due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "2. Management Discussions and Analysis (2) Asset Management Status (ii) Outlook for the Next Fiscal Period D. Forecasts" on page 8.
- JLF has conducted 5-for-1 investment unit split, as record date of January 31, 2014 and as effective date of February 1, 2014. Figures described in "2. Forecasts for the Fiscal Period ending January 2015 (The 19th Period from August 1, 2014 to January 31, 2015), 2014) and the Fiscal Period ending July 2015 (The 20th Period from February 1, 2015 to July 31, 2015)" are calculated based on the investment units issued and outstanding of 830,000 units.

1. Overview of Affiliates of JLF



① Asset Management Agreement

② Agreement for Administrative Agent and Asset Custody

③ Agreement for Administration of Unitholder Registry and Specified Accounts

④ Agreement Related to Support for the Acquisition of Logistics Real Estate

⑤ Basic Agreement Related to the Provision of Brokerage Information on Real Estate and the like / Agreement Related to the Support of the Acquisition of Development Properties

⑥ Basic Agreement Related to Operational Support Service in the Acquisition of Properties

⑦ Fiscal Agency Agreement

(Note) The names of JLF and its affiliates, asset management roles and outline of related operations (including other major related parties of JLF) are omitted from disclosure, as there have been no material changes since the latest Securities Report (submitted on April 28, 2014).

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 28, 2014).

(2) Asset Management Status

(i) Summary of Results for the Fiscal Period ended July 2014 (The 18th Period)

A. Background of JLF

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

As of the end of the 18th Period (July 31, 2014), JLF had a total of 38 properties under management (total acquisition price: 198,963 million yen), including two properties (total acquisition price: 6,623 million yen) that were acquired during the period. And its total assets amounted to 200,456 million yen.

B. Investment Environment and Management Performance

During the 18th Period, the Japanese economy continued on its mild recovery trend despite the impact of the last-minute demand and negative response generated by the consumption tax hike. Capital expenditure saw a gradual increase as corporate earnings improved, and personal consumption and investment in the housing sector remained steady amid the improving environment in employment and personal income.

In the logistics facilities leasing market, the acceleration of the omni-channel strategy that integrates physical stores with the online stores, the enhancement of handling of same-day delivery by Internet commerce companies, and the growth of third-party logistics companies (hereinafter, “3PL”) drove robust demand for large-scale logistics facilities leasing. While the supply of new floor area continued due to the completion of large-scale logistics facilities, it was largely absorbed by this robust demand, and vacancy rates remained low. In the logistics facilities acquisition market, a robust supply and demand balance as well as a further drop in funding costs fostered bullish investment activities by real estate investors, including new entries into the market, leading to a rise in logistics real estate prices.

Under these circumstances, JLF acquired Misato Logistics Center (3,873 million yen) and Fukuoka Kashiihama Logistics Center (2,750 million yen) in March 2014. Both transactions were done on a one-to-one negotiation basis through a sponsor route, and JLF believes it acquired quality properties at below the market price in logistics property market where prices have drastically surged. With respect to existing properties, JLF have completed pre-leasing of the Yachiyo Logistics Center, JLF’s second OBR (Own Book Redevelopment: redevelopment of properties owned by JLF) project. JLF successfully finished leasing of the overall property prior to the completion of its construction work.

C. Capital Procurement

During the 18th Period, JLF raised funds through long-term borrowing (3,500 million yen) as well as the issuance of investment corporation bonds (3,000 million yen) with a term of 15 years, the longest term since the Lehman collapse, in order to appropriate them for the purchase of new properties. Furthermore, with regard to borrowings that reached the repayment due date in February 2014 (5,000 million yen), JLF was able to achieve extending the borrowing period and reducing its debt cost simultaneously, on the back of a favorable funding environment for the J-REIT market.

As a result, as of the end of the 18th Period, the total amount of interest-bearing debt was 74,700 million yen and the LTV (Loan to Value) (Note) ratio was 32.0%, thus JLF continues to conduct stable financial operations. In addition, JLF obtained the first AA+ (outlook: stable) rating for a J-REIT from Japan Credit Rating Agency, Ltd. (JCR) during the 18th Period. JLF maintains the highest-level credit rating among all J-REITs, including issuer ratings that have already been obtained, and intends to maintain its financial policy of securing a sound balance sheet and adequate on-hand liquidity

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

(Figures are rounded off to the first decimal place)

Credit rating of JLF at the end of the 18th Period

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA (Outlook: Stable)
	Long-term bond rating	#1st unsecured investment corporation bonds #2nd unsecured investment corporation bonds #3rd unsecured investment corporation bonds AA
Japan Credit Rating Agency, Ltd. (JCR)	Issuer rating	AA+ (Outlook: stable)
Moody’s Japan K.K. (Moody’s)	Issuer rating	A1 (Outlook: Stable)

D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 6,972 million yen, operating income of 3,534 million yen, ordinary income of 3,108 million yen and net income of 3,106 million yen.

In order to take advantage of the application of a special taxation measure under Article 67, Item 15 (Act on Special Measures Concerning Taxation; Act No. 26 of 1957; including revisions enforced thereafter) (hereafter, the “Special Taxation Measures Act”) that allows the maximum amount of distribution of earnings to be treated as a tax-deductible expense, JLF decided to distribute to unitholders the full amount of net income excluding fractions below one yen of the amount of dividends per investment unit. As a result, JLF’s dividend per investment unit was 3,743 yen.

(ii) Outlook for the Next Fiscal Period

A. Recognition of the Environment

The Japanese economy is expected to continue on a modest recovery trend due to increases in capital expenditure, steady personal consumption and investment in the housing sector, and an increase in exports owing to the expansion of economies abroad, particularly the U.S., all of which should drive economic growth. However, caution is required with regard to the negative impact on the Japanese economy in the event geopolitical risks become obvious, leading to confusion in overseas economies and financial markets. In addition, if the economic recovery begins later than expected and monetary easing by the Bank of Japan is prolonged, JLF believes that there is a risk of asset prices rising out of line with real value.

In the logistics facilities leasing market, large-scale new supplies are expected to continue; however, the supply and demand situation should remain tight overall due to robust demand from the retail industry, which is accelerating the implementation of omni-channel strategies, as well as from 3PLs that handle daily supplies. However, it is necessary to pay attention to issues confronting the logistics industry, such as the surge in fuel costs and personnel costs due to a shortage of drivers. In the acquisition market, the drop in funding costs has further pushed down the expected rate of returns of real estate investors, as investors’ funds have concentrated in logistics real estate with relatively high yields compared to offices, etc. As a result, overheated competition for property acquisitions has continued mainly in the four major urban areas, and JLF anticipates a continued surge in transaction prices of logistics real estate.

JLF does not intend to actively participate in the competition amid such a punishing purchasing environment, but will seek to manage its assets from long-term market perspectives in order to establish a resilient portfolio that enables sustainable growth in the future.

B. Future Asset Management Policies and Issues to be Addressed

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

(a) Operational management of portfolio properties

- Leasing management

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

The properties currently held by JLF have an average leasing period of 7.2 years when calculated on a weighted average basis using annual rent, indicating that JLF will continue to earn stable income.

- Strengthening of tenant relations

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

- Appropriate property maintenance and additional investment

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

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

(b) Acquisition of new properties

- Sourcing of property information

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

- Specifications of properties for acquisition

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

- Diversification of portfolio

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

(c) Financial strategy

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

C. Significant Subsequent Events

Significant subsequent events that took place at JLF after the end of the previous fiscal period (the 18th Period) are described below:

[Disposition of Properties]

JLF has decided to dispose the following assets on September 11, 2014.

[Funabashi Nishiura Logistics Center II and Yokosuka Logistics Center]

Type of the assets	: The trust beneficiary right of real estate
Expected disposition price	: 14,000 million yen
Date of contract	: September 11, 2014
Expected date of disposition	: September 30, 2014
Buyer	: Japan Logistics II TMK
Impact on profit & loss	: JLF will recognize gain on sales of properties of 2,620 million yen, and retain 2,200 million yen of reserve for reduction entry by special provisions for replacement from the gain in the fiscal period ending January 2015 (the 19 th Period from August 1, 2014 to January 31, 2015).

[Reference Information]

<Scheduled Acquisition of New Property >

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

[M-26 Sagamihara Logistics Center]

Assets to be acquired	Trust beneficiary right of real estate	
Expected acquisition price	8,032 million yen	
Expected date of acquisition	March 3, 2015 (Note1)	
Location	5-9-1 Nishi-Hashimoto, Midori-ku, Sagamihara, Kanagawa	
Usage	Warehouse, office, guard station (Note2)	
Site area	22,020.77m ² (Note2)	
Total floor area	44,019.92m ² (Note2)	
Structure/Story	Steel frame with alloy-plated steel roofing sheet, 5-story building, and other (Note2)	
Date of completion	February 18, 2014 (Note2)	
Type of ownership	Land: Ownership	Building: Ownership

(Note1) The acquisition of Sagamihara Logistics Center corresponds to the "Forward Commitment" stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." by the Financial Services Agency. Forward Commitment is defined as a post-dated acquisition agreement, in which the actual transaction or closing takes place in one month or later.

(Note2) This outline shown here is indicated according to the real estate registry, and may differ from the present state.

[T-9 Tajimi Logistics Center]

Assets to be acquired	Trust beneficiary right of real estate (25% joint ownership)	
Expected acquisition price	¥2,335 million	
Expected date of acquisition	November 4, 2014	
Location	10-6-136 Asahigaoka, Tajimi, Gifu, and others	
Purpose of use	Warehouse, guard station (Note 1)	
Site area	56,341.43m ² (Note 1) (Note 2)	
Total floor area	75,605.23m ² (Note 1) (Note 2)	
Structure/Story	Steel frame with alloy-plated steel roofing sheet, 5-story building, and other (Note 1)	
Date of completion	September 13, 2012 (Note 1)	
Type of ownership	Land: Ownership	Building: Ownership

(Note 1) This outline shown here is indicated according to the real estate registry, and may differ from the present state.

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

<Debt Financing>

JLF decided to change the conditions of the existing loan after the end of the fiscal period and before the date of this Financial Report.

The conditions after the change is as follows;

	Before	After
Lender	Sumitomo Mitsui Banking Corporation	Sumitomo Mitsui Banking Corporation
Amount borrowed	5,000 million yen	5,000 million yen
Interest rate	1.97625% (Note)	To be decided
Borrowing date	September 17, 2009	September 17, 2009
Maturity date	September 17, 2014	October 1, 2014
Borrowing method / Secured or not	Unsecured/Non-guaranteed	
Repayment method	Lump-sum payment on the maturity date	
Purpose	To refinance the existing loan	

(Note) Interest Rate Applicable Period: September 17, 2009 ~ September 17, 2014

D. Forecasts

Forecasts for the Fiscal Period ending January 2015 (The 19th Period from August 1, 2014 to January 31, 2015) and the Fiscal Period ending July 2015 (The 20th Period from February 1, 2015 to July 31, 2015) are as follows. Please refer to "Assumptions Underlying the Forecasts for the 19th Period (from August 1, 2014 to January 31, 2015) and the 20th Period (from February 1, 2015 to July 31, 2015)" for the assumptions underlying these forecasts.

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
The 19 th Period	9,417	35.1	5,847	65.4	5,439	75.0	5,438	75.1	3,900	0
The 20 th Period	7,014	(25.5)	3,524	(39.7)	3,121	(42.6)	3,120	(42.6)	3,760	0

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

Assumptions Underlying the Forecasts for the 19th Period (from August 1, 2014 to January 31, 2015) and the 20th Period (from February 1, 2015 to July 31, 2015)

Item	Assumptions
Period	<ul style="list-style-type: none"> Fiscal Period ending January 2015 (The 19th Period from August 1, 2014 to January 31, 2015) Fiscal Period ending July 2015 (The 20th Period from February 1, 2015 to July 31, 2015)
Properties owned	<ul style="list-style-type: none"> Forecasts assume a total of 37 properties. The number consists of 38 properties JLF owns as of September 11, excluding 2 properties (Funabashi Nishiura II Logistics Center and Yokosuka Logistics Center) JLF intends to dispose in September 2014, and including Tajimi Logistics Center (additional acquisition of 25% interest) expected to acquire in November 2014 as well as Sagami-hara Logistics center expected to acquire in March 2015. The acquisition of Sagami-hara Logistics Center applies as "Forward Commitment" defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." No other acquisition/sale of properties is assumed. There may be fluctuation caused by additional acquisition/sale of properties.
Total number of investment units issued	<ul style="list-style-type: none"> Forecasts assume 830,000 investment units outstanding.
Interest-bearing debt	<ul style="list-style-type: none"> Among the interest-bearing debt of 74.7 billion yen outstanding as of September 11, 2014, 5,000 million yen will come due on the fiscal period ending January 2015. JLF intends to repay this loan by using the proceeds

	<p>from the above mentioned asset disposition.</p> <ul style="list-style-type: none"> To procure the acquisition of above mentioned Sagamihara Logistics Center JLF will borrow new debt of 1,500 million yen. Expected interest-bearing debt outstanding at the end of the fiscal period ending January 2015 and fiscal period ending July 2015 are 69,700 million yen and 71,200 million yen respectively. 																		
Operating revenue	<ul style="list-style-type: none"> The rent revenue is estimated based on the lease contracts in effect as of September 11, 2014 and taking into account the fluctuation factors such as the market environment and rent levels based on negotiations with lessees. Gain on sales of properties of 2,620 million yen from above mentioned asset disposition is included in the fiscal period ending January 2015. (Please refer to the following “Dividends per Unit (Excluding distributions in excess of earnings)”. 																		
Operating expenses	<ul style="list-style-type: none"> Generally, in real estate purchase and sale, property tax and city planning tax are prorated based on the period of ownership with the previous holder and settled at the time of acquisition. JLF, however, capitalizes the amount of settlement as part of the acquisition cost. With respect to Tajimi Logistics Center expected to additionally acquire the 25% of interest in November 2014 and Sagamihara Logistics Center expected to acquire in March 2014, the property tax and city planning tax of 3 million yen and 47 million yen will be capitalized respectively. Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. <table border="1" data-bbox="414 761 1181 1019"> <thead> <tr> <th></th> <th>Fiscal Period Ending January 2015</th> <th>Fiscal Period ending July 2015</th> </tr> </thead> <tbody> <tr> <td>Taxes and dues:</td> <td>565 million yen</td> <td>639 million yen</td> </tr> <tr> <td>Outsourcing services:</td> <td>153 million yen</td> <td>171 million yen</td> </tr> <tr> <td>Repair:</td> <td>194 million yen</td> <td>50 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,587 million yen</td> <td>1,669 million yen</td> </tr> <tr> <td>Other:</td> <td>327 million yen</td> <td>253 million yen</td> </tr> </tbody> </table> Expenses other than depreciation and loss on write-offs of noncurrent assets are calculated based on past track records with expense fluctuation factors taken into account. Actual repair expenses for each operating period may differ considerably from forecasts, mainly because unexpected repair expenses may be incurred due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one fiscal period to another, and repair expense, by nature, are not incurred on a regular basis. Depreciation, together with capitalized costs and additional capital expenditure expected to incur, is calculated using the straight-line method. Including 50 million yen of consumption tax expense in accordance with the decrease of proportion of taxable sales, which is caused as a result of the above mentioned disposition of the assets. 		Fiscal Period Ending January 2015	Fiscal Period ending July 2015	Taxes and dues:	565 million yen	639 million yen	Outsourcing services:	153 million yen	171 million yen	Repair:	194 million yen	50 million yen	Depreciation:	1,587 million yen	1,669 million yen	Other:	327 million yen	253 million yen
	Fiscal Period Ending January 2015	Fiscal Period ending July 2015																	
Taxes and dues:	565 million yen	639 million yen																	
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Repair:	194 million yen	50 million yen																	
Depreciation:	1,587 million yen	1,669 million yen																	
Other:	327 million yen	253 million yen																	
Non-Operating Expenses	<ul style="list-style-type: none"> Non-operating expenses including interest expenses and interest expenses on investment corporation bonds, etc. of the fiscal period ending January 2015 and the fiscal period ending July 2015 are assumed to be 420 million yen and 403 million yen respectively. 																		
Dividends per Unit (Excluding distributions in excess of earnings)	<ul style="list-style-type: none"> Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF. The amount of dividends per unit may fluctuate, due to various factors such as acquisition/sale of assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the issuance of new investment units. From 2,620 million yen of the gain on sale of properties in the fiscal period ending January 2015, JLF will retain 2,200 million yen of reserve for reduction entry by special provisions for replacement defined under Article 2-2-28 Ordinance on Accountings of Investment Corporations, in accordance with the stipulations under Article 67-15 of the Act on Special Measures Concerning Taxation “Special Provisions for Taxation on Investment Corporations” as well as the stipulations under Article 66-2 of the Ordinance for Enforcement of the Act on Special Measures Concerning Taxation “Special Provisions for Taxation in the Case of Advance Acquisition of Land ,etc. in 2009 and 2010”. The actual amount of the reserve may change. No further reserve or reverse of the reserve is assumed. 																		
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> JLF does not plan any distributions in excess of earnings at this moment. 																		

Other	<ul style="list-style-type: none">▪ The forecasts assume that no revisions that impact the above projections are made to laws, regulations, tax rules, accounting standards, listing rules, the rules of The Investment Trust Association, Japan, or others.▪ The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions.
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(3) Investment risks

Please refer to “Investment Risks” described on the latest Securities Report (submitted on April 28, 2014).

3. Financial Statements**(1) Balance Sheet**

	(Thousands of yen)	
	The 18 th Period (as of July 31, 2014)	The 17 th Period (as of January 31, 2014)
Assets		
Current assets		
Cash and deposits	4,744,229	5,057,043
Cash and deposits in trust	3,581,039	3,584,382
Operating accounts receivable	45,455	39,290
Prepaid expenses	32,734	13,840
Deferred tax assets	24	15
Consumption taxes receivable	-	421,659
Other	44	45
Total current assets	8,403,528	9,116,276
Noncurrent assets		
Property, plant and equipment		
Buildings	6,232,909	6,232,909
Accumulated depreciation	(1,139,929)	(1,056,739)
Buildings, net	5,092,980	5,176,170
Structures	120,895	120,895
Accumulated depreciation	(37,839)	(34,881)
Structures, net	83,055	86,014
Tools, furniture and fixtures	770	770
Accumulated depreciation	(356)	(298)
Tools, furniture and fixtures, net	413	471
Land	6,391,096	6,391,096
Construction in progress	4,422,462	2,221,581
Buildings in trust	101,626,274	97,148,571
Accumulated depreciation	(16,086,343)	(14,663,027)
Buildings in trust, net	8,539,930	82,485,544
Structures in trust	3,079,242	2,994,638
Accumulated depreciation	(836,097)	(768,241)
Structures in trust, net	2,243,144	2,226,396
Tools, furniture and fixtures in trust	24,374	23,944
Accumulated depreciation	(12,543)	(11,344)
Tools, furniture and fixtures in trust, net	11,831	12,600
Land in trust	87,775,251	85,161,157
Total property, plant, and equipment	191,560,166	183,761,032
Intangible assets		
Other	2,849	3,210
Total intangible assets	2,849	3,210
Investments and other assets		
Investment securities	91,017	15,075
Long-term prepaid expenses	333,079	333,519
Guarantee deposits	10,010	10,010
Other	2,000	2,000
Total investments and other assets	436,106	360,605
Total noncurrent assets	191,999,123	184,124,847
Deferred assets		
Investment corporation bond issuance costs	54,150	37,343
Total deferred assets	54,150	37,343
Total assets	200,456,802	193,278,468

	(Thousands of yen)	
	The 18 th Period (as of July 31, 2014)	The 17 th Period (as of January 31, 2014)
Liabilities		
Current liabilities		
Operating accounts payable	684,826	371,621
Current portion of long-term loans payable	5,000,000	10,000,000
Distribution payable	5,721	7,091
Accrued expenses	770,148	676,882
Income taxes payable	732	735
Consumption taxes payable	85,831	-
Advances received	1,217,793	1,166,179
Deposits received	-	355
Total current liabilities	7,765,054	12,222,865
Noncurrent liabilities		
Investment corporation bond	14,000,000	11,000,000
Long-term loans payable	55,700,000	47,200,000
Tenant leasehold and security deposits	1,016,891	999,117
Tenant leasehold and security deposits in trust	5,009,093	4,979,435
Long-term deposits received	299,492	297,241
Total noncurrent liabilities	76,025,477	64,475,793
Total liabilities	83,790,531	76,698,659
Net assets		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	114,023,665	114,023,665
Deduction from unitholders' capital	(464,424)	(464,424)
Unitholders' capital	113,559,241	113,559,241
Surplus		
Unappropriated retained earnings	3,107,029	3,020,567
Total surplus	3,107,029	3,020,567
Total unitholders' equity	116,666,270	116,579,808
Total net assets	116,666,270	116,579,808
Total liabilities and net assets	200,456,802	193,278,468

(2) Statement of Income and Retained Earnings

	(Thousands of yen)	
	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
Operating revenue		
Rent revenue-real estate	6,804,440	6,454,637
Other lease business revenue	166,728	190,458
Distribution revenue from silent partnership	1,010	276
Total operating revenue	6,972,179	6,645,372
Operating expenses		
Expenses related to rent business	2,758,601	2,544,558
Asset management fee	565,315	543,838
Asset custody fee	19,285	18,225
Administrative service fees	30,204	28,048
Directors' compensations	5,400	5,400
Other operating expenses	58,833	59,009
Total operating expenses	3,437,641	3,199,079
Operating income	3,534,538	3,446,292
Non-operating income		
Interest income	356	283
Interest on securities	739	324
Interest on refund	126	156
Insurance income	13,039	2,436
Reversal of distribution payable	1,183	1,201
Other	248	0
Total non-operating income	15,694	4,401
Non-operating expenses		
Interest expenses	319,031	296,828
Borrowing related expenses	37,313	37,254
Investment unit issuance expenses	-	43,072
Interest expenses on investment corporation bond	75,008	42,130
Amortization of investment corporation bond issuance costs	5,747	4,509
Other	5,000	5,500
Total non-operating expenses	442,100	429,295
Ordinary income	3,108,131	3,021,397
Income before income taxes	3,108,131	3,021,397
Income taxes-current	1,143	915
Income taxes-deferred	(9)	4
Total income taxes	1,133	919
Net income	3,106,997	3,020,478
Retained earnings brought forward	31	89
Unappropriated retained earnings	3,107,029	3,020,567

(3) Statement of Changes in Net Assets

The 18th Period (from February 1, 2014 to July 31, 2014)

(Thousands of yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital			Surplus		Total Unitholders' Equity	
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings	Total Surplus		
Balance at the beginning of period	114,023,665	(464,424)	113,559,241	3,020,567	3,020,567	116,579,808	116,579,808
Changes of items during the period							
Dividends from surplus	-	-	-	(3,020,536)	(3,020,536)	(3,020,536)	(3,020,536)
Net income	-	-	-	3,106,997	3,106,997	3,106,997	3,106,997
Total changes of items during the period	-	-	-	86,461	86,461	86,461	86,461
Balance at the end of period	114,023,665	(464,424)	113,559,241	3,107,029	3,107,029	116,666,270	116,666,270

The 17th Period (from August 1, 2013 to January 31, 2014)

(Thousands of yen)

	Unitholders' equity						Total Net Assets
	Unitholders' capital			Surplus		Total Unitholders' Equity	
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	Unappropriated retained earnings	Total Surplus		
Balance at the beginning of period	97,559,929	-	97,559,929	2,125,665	2,125,665	99,685,594	99,685,594
Changes of items during the period							
Issuance of new investment units	16,463,736	-	16,463,736	-	-	16,463,736	16,463,736
Distributions in excess of earnings	-	(464,424)	(464,424)	-	-	(464,424)	(464,424)
Dividends from surplus	-	-	-	(2,125,576)	(2,125,576)	(2,125,576)	(2,125,576)
Net income	-	-	-	3,020,478	3,020,478	3,020,478	3,020,478
Total changes of items during the period	16,463,736	(464,424)	15,999,312	894,902	894,902	16,894,214	16,894,214
Balance at the end of period	114,023,665	(464,424)	113,559,241	3,020,567	3,020,567	116,579,808	116,579,808

(4) Distribution Information

	(Yen)	
	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
I. Unappropriated retained earnings	3,107,029,232	3,020,567,363
II. Distributions	3,106,690,000	3,020,536,000
Distributions per unit	3,743	18,196
III. Retained earnings to be carried forward	339,232	31,363
Method of calculation of distributions	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on these policies, JLF decided to distribute earnings of 3,106,690,000 yen, which is the maximum multiple of total number of investment units issued 830,000 units within the amount of unappropriated retained earnings at the end of period.</p> <p>JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.</p>	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on these policies, JLF decided to distribute earnings of 3,020,536,000 yen, which is the maximum multiple of total number of investment units issued 166,000 units within the amount of unappropriated retained earnings at the end of period.</p> <p>JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.</p>

(5) Statement of Cash Flows

	(Thousands of yen)	
	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	3,108,131	3,021,397
Depreciation and amortization	1,614,933	1,519,546
Investment unit issuance expenses	-	43,072
Amortization of investment corporation bond issuance costs	5,747	4,509
Interest income	(356)	(283)
Interest on securities	(739)	(324)
Interest expenses	394,039	338,958
Loss on write-offs of noncurrent assets	12,241	22,560
Decrease (increase) in operating accounts receivable	(6,165)	10,956
Decrease (increase) in consumption taxes receivable	421,659	(410,562)
Increase (decrease) in consumption taxes payable	85,831	-
Increase (decrease) in operating accounts payable	(104,992)	(60,357)
Increase (decrease) in accrued expenses	17,545	55,945
Increase (decrease) in advances received	51,614	128,496
Other, net	(20,078)	(59,506)
Subtotal	5,579,411	4,614,410
Interest income received	1,096	607
Interest expenses paid	(302,723)	(328,908)
Payments for loss on disaster	-	(19,963)
Income taxes paid	(1,146)	(922)
Net cash provided by (used in) operating activities	5,276,637	4,265,223
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,209,680)	(2,229,609)
Purchase of property, plant and equipment in trust	(6,798,070)	(28,492,385)
Purchase of intangible assets	-	(2,908)
Proceeds from tenant leasehold and security deposits	83,583	-
Repayments of tenant leasehold and security deposits	(65,809)	(48,900)
Proceeds from tenant leasehold and security deposits in trust	150,948	905,272
Repayments of tenant leasehold and security deposits in trust	(121,290)	(519,664)
Purchase of investment securities	(76,199)	(15,769)
Proceeds from redemption of investment securities	344	694
Net cash provided by (used in) investing activities	(9,036,174)	(30,403,270)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	3,000,000	41,000,000
Decrease in short-term loans payable	(3,000,000)	(49,000,000)
Proceeds from long-term loans payable	8,500,000	11,000,000
Repayment of long-term loans payable	(5,000,000)	(2,000,000)
Proceeds from issuance of investment units	-	16,463,736
Payments for investment unit issuance expenses	(15,000)	(28,072)
Proceeds from issuance of investment corporation bonds	3,000,000	3,000,000
Payments for investment corporation bond issuance costs	(23,149)	(21,015)
Distributions paid	(3,020,722)	(2,589,856)
Net cash provided by (used in) financing activities	3,441,128	17,824,791
Net increase (decrease) in cash and cash equivalents	(318,408)	(8,313,255)
Cash and cash equivalents at the beginning of period	8,344,265	16,657,520
Cash and cash equivalents at the end of period	8,025,857	8,344,265

(6) Notes on Assumption of Going Concern

Not applicable

(7) Summary of Significant Accounting Policies

(i) Standards and method of valuation of securities

Securities

Available-for-sale securities

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

For the silent partnership equity interest, the method of allocating the partnership's profit/loss is based on JLF's proportional interest.

(ii) Depreciation Method for Noncurrent Assets

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

The straight-line method is used.

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

Buildings	2 to 50 years
Structures	2 to 48 years
Tools, furniture, and fixtures	2 to 15 years

B. Intangible assets

The straight-line method is used.

(iii) Accounting for deferred assets

A. Investment unit issuance expenses

Investment unit issuance expenses are expensed as incurred.

B. Investment corporation bond issuance costs

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

(iv) Accounting for income and expenses

Accounting for property taxes

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

The amount of property tax, etc. paid to the seller as part of settlement for acquisition of real estate and real estate in trust is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. In the 18th Period, the property tax, etc. included in the acquisition cost of real estate was 42,042 thousand yen. In the 17th Period, the property tax, etc. included in the acquisition cost of real estate was 49,959 thousand yen.

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

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

(vi) Other significant basis for preparation of financial statements

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

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

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

(a) Cash and deposits in trust

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

(c) Tenant leasehold and security deposits in trust

B. Method of accounting for consumption taxes

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

(8) Notes to Financial Statements

[Notes to Balance Sheet]

(i) Commitment Line Contracts

JLF has the commitment line contracts with the banks.

	(Thousands of yen)	
	The 18 th Period (as of July 31, 2014)	The 17 th Period (as of January 31, 2014)
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 period	10,000,000	10,000,000

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

	(Thousands of yen)	
	The 18 th Period (as of July 31, 2014)	The 17 th Period (as of January 31, 2014)
	50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income (loss) from real estate leasing business

	(Thousands of yen)			
	The 18 th Period (from February 1, 2014 to July 31, 2014)		The 17 th Period (from August 1, 2013 to January 31, 2014)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	6,597,679		6,270,675	
Land rents received	95,576		74,087	
Facility charges	111,184	6,804,440	109,873	6,454,637
Other lease business revenue				
Parking charges	6,021		12,216	
Utilities charges	147,949		164,728	
Other operating income	12,757	166,728	13,513	190,458
Total real estate leasing business revenue		6,971,169		6,645,095
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	598,148		489,122	
Outsourcing service expenses	166,510		144,670	
Utilities expenses	161,945		180,677	
Repair expenses	127,011		84,185	
Insurance expenses	22,450		22,615	
Other expenses related to rent business	55,720		81,347	
Depreciation	1,614,572		1,519,379	
Loss on write-offs of noncurrent assets	12,241		22,560	
Total real estate leasing business expenses		2,758,601		2,544,558
(iii) Income from real estate leasing business				
((i) - (ii))		4,212,567		4,100,537

[Notes to Statement of Changes in Net Assets]

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

	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
Total number of investment units authorized	10,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	833,000 units	166,000 units

[Notes to Statement of Cash Flows]

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

	(Thousands of yen)	
	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
Cash and deposits	4,744,229	5,057,043
Cash and deposits in trust	3,581,039	3,584,382
Long-term deposits received (Note)	(299,412)	(297,160)
Cash and cash equivalents	8,025,856	8,344,265

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

[Lease Transactions]

Operating lease transactions (as a lessor)

	(Thousands of yen)	
	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
Future lease payments receivable		
Due within one year	12,530,414	12,444,174
Due after one year	63,766,388	64,910,031
Total	76,296,802	77,357,206

[Financial Instruments]

(i) Matters concerning the status of financial instruments

A. Policies on financial instruments

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

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

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

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

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

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

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

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

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

C. Description of financial instruments

Fair value of financial instruments comprises value based on market prices or rationally calculated value in the case the market prices are not available. As certain assumptions are applied in performing calculation of such value, the value may differ if different assumptions are used.

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

Amounts on the Balance Sheet, fair value and their difference as of July 31, 2014 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	4,744,229	4,744,229	—
(2)Cash and deposits in trust	3,581,039	3,581,039	—
Total assets	8,325,269	8,325,269	—
(1)Current portion of long-term loans payable	5,000,000	5,043,359	43,359
(2)Long-term loans payable	55,700,000	56,585,712	885,712
(3)Investment corporation bond	14,000,000	14,218,000	218,000
Total liabilities	74,700,000	75,847,071	1,147,071

Amounts on the Balance Sheet, fair value and their difference as of January 31, 2014 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	5,057,043	5,057,043	—
(2)Cash and deposits in trust	3,584,382	3,584,382	—
Total assets	8,641,426	8,641,426	—
(1)Current portion of long-term loans payable	10,000,000	10,121,410	121,410
(2)Long-term loans payable	47,200,000	47,667,402	467,402
(3)Investment corporation bond	11,000,000	11,080,200	80,200
Total liabilities	68,200,000	68,869,012	669,012

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

Assets

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

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

Liabilities

(1) Short-term loans payable

The fair value of these is presented same as the book value, as they are settled in the short term period and

accordingly fair value is almost equal to book value.

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

The fair value is calculated by discounting principal and interest at a rate to be applied when same amounts of loans are newly borrowed.

(4) Investment corporation bond

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

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

The 18th Period (as of July 31, 2014)

	Amount on the balance sheet (Thousands of yen)
Investment securities *	91,017

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

The 17th Period (as of January 31, 2014)

	Amount on the balance sheet (Thousands of yen)
Investment securities *	15,075

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

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

The 18th Period (as of July 31, 2014)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	4,744,229	-	-	-	-	-
Cash and deposits in trust	3,581,039	-	-	-	-	-
Total	8,325,269	-	-	-	-	-

The 17th Period (as of January 31, 2014)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	5,057,043	-	-	-	-	-
Cash and deposits in trust	3,584,382	-	-	-	-	-
Total	8,641,426	-	-	-	-	-

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

The 18th Period (as of July 31, 2014)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term loans payable	5,000,000	1,700,000	6,000,000	5,500,000	6,500,000	36,000,000
Investment corporation bond	-	8,000,000	-	-	-	6,000,000
Total	5,000,000	9,700,000	6,000,000	5,500,000	6,500,000	42,000,000

The 17th Period (as of January 31, 2014)

	(Thousands of yen)					
	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term loans payable	10,000,000	-	2,700,000	7,000,000	2,500,000	35,000,000
Investment corporation bond	-	8,000,000	-	-	-	3,000,000
Total	10,000,000	8,000,000	2,700,000	7,000,000	2,500,000	38,000,000

[Notes to Investment Securities]

Not applicable to the 18th and 17th Period.

[Notes to Derivatives]

(i) Transactions applicable to hedge accounting

Not applicable to the 18th and 17th Period.

(ii) Transactions not applicable to hedge accounting

Not applicable to the 18th and 17th Period.

[Notes to Retirement Benefits]

Not applicable to the 18th and 17th Period.

[Tax Effect Accounting]

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

	(Thousands of yen)	
	The 18 th Period (as of July 31, 2014)	The 17 th Period (as of January 31, 2014)
Deferred tax assets		
Enterprise tax not deductible	24	15
Total deferred tax assets	24	15
Deferred tax assets, net	24	15

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

	The 18 th Period (as of July 31, 2014)	The 17 th Period (as of January 31, 2014)
Effective statutory tax rate	36.59%	36.59%
Adjustments		
Deductible cash distributions	(36.57%)	(36.58%)
Other	0.02%	0.02%
Effective tax rate after applying tax effect accounting	0.04%	0.03%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 18th and 17th Period, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the 18th and 17th Period.

(ii) Subsidiaries and affiliates

Not applicable to the 18th and 17th Period.

(iii) Sister companies

Not applicable to the 18th and 17th Period.

(iv) Directors and principal individual unitholders

The 18th Period (from February 1, 2014 to July 31, 2014)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Takayuki Kawashima	-	-	Executive Director of Japan Logistics Fund, Inc. and President of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	612,209 (Note 2) (Note 3)	Accrued expenses	406,946 (Note 3)

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

(Note 2) Asset management fee contains acquisition fee of 194,856 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.

The 17th Period (from August 1, 2013 to January 31, 2014)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Takayuki Kawashima	-	-	Executive Director of Japan Logistics Fund, Inc. and President of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	738,694 (Note 2) (Note 3)	Accrued expenses	389,118 (Note 3)

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

(Note 2) Asset management fee contains acquisition fee of 194,856 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.

[Notes to Asset Write-off Obligations]

Not applicable to the 18th and 17th Period.

[Notes to Lease Properties]

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

	(Thousands of yen)	
	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
Amount on the Balance Sheet		
Balance at beginning of period	181,539,450	154,702,638
Changes during period	5,598,253	26,836,811
Balance at end of period	187,137,704	181,539,450
Fair value at end of period	233,383,000	224,221,000

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

(Note 2) The increase of the lease properties in the 18th Period is mainly by the acquisition of Misato Logistics center (3,927,861 thousand yen) and Fukuoka Kashiihama Logistics center (2,802,218 thousand yen). The increase of the lease properties in the 17th Period is mainly by the acquisition of Musashimurayama Logistics center (8,737,230 thousand yen), Kashiwa Logistics center II (land) (2,526,451 thousand yen), Shin-Koyasu Logistics center (9,784,658 thousand yen) and Tajimi Logistics center (7,244,634 thousand yen).

(Note 3) The fair value at the end of the 17th Period is the appraisal value provided by an outside real estate appraiser. The fair value at the end of the 18th Period is the sum of the disposition price for Funabashi Nishiura Logistics Center and Yokosuka Logistics Center which JLF decided to sell on September 11, 2014, and the appraisal value provided by an outside real estate appraiser for the remaining properties. The amount on the Balance sheet of Yachiyo Logistics Center does not include construction in progress (4,422,462 thousand yen for the 18th Period, 2,221,581 thousand yen for the 17th Period), as its land appraisal value is included as term-end market value because it is under development.

The income (loss) concerning lease properties, etc. for the 18th and 17th Periods is indicated under "Notes to Statement of Income and Retained Earnings" above.

[Segment Information]

(i) Segment information

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

(ii) Related information

The 18th Period (from February 1, 2014 to July 31, 2014)

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

	(Thousands of yen)	
Name of tenant	Net revenue	Related segment
Tri-net Logistics Co., Ltd. (Note 1)	- (Note 2)	Real estate leasing business
Sagawa Express Co., Ltd.	- (Note 2)	Real estate leasing business

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

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

The 17th Period (from August 1, 2013 to January 31, 2014)

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

(Thousands of yen)

Name of tenant	Net revenue	Related segment
Tri-net Logistics Co., Ltd. (Note 1)	- (Note 2)	Real estate leasing business
Sagawa Express Co., Ltd.	- (Note 2)	Real estate leasing business

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

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

[Per Unit Information]

	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
Net assets per unit	140,561 yen	140,475 yen
Net income per unit	3,743 yen	3,783 yen

(Note 1) JLF has conducted a 5-for-1 investment unit split with a record date of January 31, 2014 and an effective date of February 1, 2014. Net asset per unit and Net income per unit above are calculated assuming the split occurred at the beginning of the 16th Period.

(Note 2) Net income per unit was calculated by dividing net income by average number of investment units during period. Diluted net income per unit is not stated as there are no dilutive investment units.

(Note 3) The calculation of net income per unit is based on the following.

(Thousands of yen)

	The 18 th Period (from February 1, 2014 to July 31, 2014)	The 17 th Period (from August 1, 2013 to January 31, 2014)
Net income	3,106,997	3,020,478
Amount not attributable to common unitholders	-	-
Net income pertaining to common investment units	3,106,997	3,020,478
Average number of investment units during period	830,000 units	798,260 units

[Notes to Significant Subsequent Events]

[Disposition of Properties]

JLF has decided to dispose the following properties on September 11, 2014.

[Funabashi Nishiura Logistics Center II and Yokosuka Logistics Center]

Type of the assets : The trust beneficiary right of real estate

Expected disposition price : 14,000 million yen

Date of contract : September 11, 2014

Expected date of disposition : September 30, 2014

Buyer : Japan Logistics II TMK

Impact on profit & loss : JLF will recognize gain on sales of properties of 2,620 million yen, and retain 2,200 million

yen of reserve for reduction entry by special provisions for replacement from the gain in the fiscal period ending January 2015 (from August 1, 2014 to January 31, 2015).

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

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

Date	Summary	Total number of investment units issued		Unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
February 22, 2005	Private placement offering	1,000	1,000	500	500	(Note 1)
May 6, 2005	Capital increase through public offering	55,700	56,700	29,562	30,062	(Note 2)
June 1, 2005	Capital increase through third-party allotment	2,800	59,500	1,486	31,548	(Note 3)
February 8, 2006	Capital increase through public offering	46,500	106,000	35,668	67,217	(Note 4)
March 8, 2006	Capital increase through third-party allotment	2,800	108,800	2,147	69,365	(Note 5)
August 31, 2007	Capital increase through public offering	13,500	122,300	12,656	82,021	(Note 6)
February 23, 2010	Capital increase through public offering	8,500	130,800	5,123	87,145	(Note 7)
March 25, 2010	Capital increase through third-party allotment	500	131,300	301	87,446	(Note 8)
August 30, 2010	Capital increase through public offering	16,000	147,300	9,689	97,136	(Note 9)
September 24, 2010	Capital increase through third-party allotment	700	148,000	423	97,559	(Note 10)
September 13, 2013	Distribution in Excess of Earnings	-	148,000	(464)	97,095	(Note 11)
October 2, 2013	Capital increase through public offering	16,000	164,000	14,634	111,729	(Note 12)
October 28, 2013	Capital increase through third-party allotment	2,000	166,000	1,829	113,559	(Note 13)
February 1, 2014	Investment Unit Split	664,000	830,000	-	113,559	(Note 14)

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

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

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

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

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

(Note 6) Investment units were newly issued at the price of 971,180 yen per unit (net proceeds of 937,486 yen) for new properties acquisition.

(Note 7) Investment units were newly issued at the price of 624,680 yen per unit (net proceeds of 602,784 yen) for a new property acquisition.

(Note 8) Investment units were newly issued through third-party allotment at the price of 602,784 yen per unit for partial repayment of bank loans.

(Note 9) Investment units were newly issued at the price of 627,590 yen per unit (net proceeds of 605,592 yen) for a new property acquisition.

(Note 10) Investment units were newly issued through third-party allotment at the price of 605,592 yen per unit for partial repayment of

bank loans.

- (Note 11) Distribution in Excess of Earnings was resolved at the price of 3,138 yen per unit in order to level out the loss associated with OBR.
- (Note 12) Investment units were newly issued at the price of 947,700 yen per unit (net proceeds of 914,652 yen) for new properties acquisition and partial repayment of bank loans.
- (Note 13) Investment units were newly issued through third-party allotment at the price of 914,652 yen per unit for partial repayment of bank loans.
- (Note 14) JLF has implemented a 5 - for - 1 investment unit split.

4. Changes in Directors

(1) Changes in Directors of JLF

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

Directors of JLF as of July 31, 2014 are as follows.

Title	Name		
Executive Director	Takayuki Kawashima		
Supervisory Director	Takachiyo Sutou	Masashi Hiraiwa	Tetsuya Azuma

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

(2) Changes in Directors of the asset management company

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

Directors of the asset management company as of July 31, 2014, are as follows.

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

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

5. Reference Information

(1) Asset composition of JLF

Type of assets	Use of assets	Region (Note 2)	The 18 th Period (as of July 31, 2014)		The 17 th Period (as of January 31, 2014)	
			Total amount owned (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)	Total amount owned (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)
Real estate	Logistics facility	Tokyo Metropolitan Area	5,962	3.0	6,007	3.1
		Kinki/Chubu/Kyushu Areas	5,605	2.8	5,646	2.9
		Other Areas	-	0.0	-	0.0
	Subtotal	11,567	5.8	11,653	6.0	
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	140,327	70.0	137,107	70.9
		Kinki/Chubu/Kyushu Areas	25,670	12.8	23,101	12.0
		Other Areas	9,572	4.8	9,676	5.0
	Subtotal	175,570	87.6	169,885	87.9	
Deposits and other assets (Note 5)			13,319	6.6	11,739	6.1
Total assets			200,456	100.0	193,278	100.0

(Note 1) Descriptions under "5. Reference Information" are effective as of July 31, 2014, as a general rule, unless otherwise indicated.

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

(Note 3) The total amount owned is based on the figures posted on the Balance Sheets as of the end of the fiscal period (real estate and real estate in trust are presented in book values after depreciation), and figures below one million yen have been omitted. The amounts of construction in progress are not included.

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

(Note 5) Deposits and other assets include; deposit in trust assets of 3,581 million yen for the 18th Period and of 3,584 million yen for the 17th Period, Investment securities of 91 million yen for the 18th Period and of 15 million yen for the 17th Period, Construction in progress of 4,422 million yen for the 18th Period and of 2,221 million yen for the 17th Period.

<Area classification>

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

	The 18 th Period (as of July 31, 2014)		The 17 th Period (as of January 31, 2014)	
	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	83,790	41.8	76,698	39.7
Total net assets	116,666	58.2	116,579	60.3
Total assets	200,456	100.0	193,278	100.0

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

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

(2) Investment Securities

(i) Major investment securities

A. Stocks

Not applicable

B. Investment securities other than stocks

(Thousands of yen)

Type	Name	Face Value	Book Value	Interest Receivable	Interest Payable	Market Value (Note 2)	Unrealized Gain/Loss	Remarks
Silent Partnership Agreement	Silent Partnership Equity Interests Logistics Fund III Limited Liability Company as the Proprietor (Note 1)	-	91,017	-	-	91,017	-	(Note 1)
Total		-	91,017	-	-	91,017	-	

(Note 1) Logistics Fund III Limited Liability Company has the following investments. Each entity's substantive investment targets are also indicated. Through the acquisition of the Silent Partnership Equity Interests, JLF will obtain preferential negotiation rights concerning the acquisition of trust beneficiary right of real estate, but will not be obliged to acquire if JLF does not want. JLF's interest is 4.19% of the entire investment in the silent partnership.

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

(Note 2) Book value is noted as market value.

(ii) List of portfolio properties

JLF owns the following real estate, etc.

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	% of the portfolio (Note 3)	Total leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
M-1	Funabashi	Trust beneficiary right of real estate	8,675	4.4	29,556.79	29,556.79	1	100.0	13.0
M-2	Urayasu	Trust beneficiary right of real estate	2,902	1.5	9,543.72	3,540.26	1	37.1	18.3
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	0.7	11,225.72	11,225.72	1	100.0	21.1 (Note 7)
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	1.2	10,616.80	10,616.80	1	100.0	17.6
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	3.0	31,790.42	31,790.42	1	100.0	13.8
M-6	Funabashi	Trust beneficiary right of real estate	5,700	2.9	35,134.44	35,134.44	2	100.0	7.1

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-7	Funabashi Nishiura II	Trust beneficiary right of real estate	9,330	4.7	73,859.32	73,859.32	1	100.0	11.5
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	5.5	41,630.54	41,630.54	1	100.0	14.6
M-9	Narashino	Trust beneficiary right of real estate	1,690	0.8	2,442.87	2,442.87	1	100.0	11.3
M-10	Yokosuka	Trust beneficiary right of real estate	3,305	1.7	21,234.51	21,234.51	1	100.0	22.0 (Note 7)
M-11	Yachiyo	Trust beneficiary right of real estate	1,662 (Note 8)	0.8	-	-	-	-	-
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	4.9	35,882.64	35,882.64	3	100.0	16.3
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	2.7	32,389.70	32,389.70	1	100.0	7.6
M-14	Urayasu Chidori II	Real estate	1,640	0.8	6,192.80	-	-	0.0	13.1
M-15	Ichikawa	Real estate	4,550	2.3	18,686.12	18,686.12	1	100.0	11.8
M-16	Shinonome	Trust beneficiary right of real estate	11,800	5.9	16,175.31 (Note 9)	16,175.31 (Note 9)	1	100.0	14.4
M-17	Narashino II	Trust beneficiary right of real estate	7,875	4.0	43,208.86 (Note 9)	43,208.86 (Note 9)	3	100.0	11.1
M-18	Ichikawa II	Trust beneficiary right of real estate	17,415	8.8	66,497.99 (Note 9)	66,497.99 (Note 9)	2	100.0	4.2
M-19	Souka	Trust beneficiary right of real estate	6,360	3.2	21,320.42 (Note 9)	21,320.42 (Note 9)	3	100.0	12.7
M-20	Tatsumi	Trust beneficiary right of real estate	9,000	4.5	29,394.56	29,394.56	1	100.0	14.6
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	1.9	20,546.46	20,546.46	1	100.0	9.7
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	4.3	40,884.25	40,884.25	1	100.0	11.9
M-23	Kashiwa II (land)	Trust beneficiary right of real estate	2,500	1.3	54,418.30	54,418.30	1	100.0	-
M-24	Shin-Koyasu	Trust beneficiary right of real estate	9,696	4.9	29,674.47 (Note 9)	28,121.06 (Note 9)	3	94.8	11.4
M-25	Misato	Trust beneficiary right of real estate	3,873	1.9	19,407.18	19,407.18	1	100.0	10.9

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	% of the portfolio (Note 3)	Total leasable area (m ²) (Note 4)	Leased area (m ²) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
subtotal for the Tokyo Metropolitan Area			156,274	78.5	701,714.19	687,964.52	33	98.0	-
T-1	Daito	Trust beneficiary right of real estate	9,762	4.9	92,730.14	92,730.14	1	100.0	13.8
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	2.1	23,726.80	23,726.80	1	100.0	14.1
T-3	Chubu Haruhi (land)	Real estate	685	0.3	10,457.02	10,457.02	1	100.0	-
T-4	Kadoma	Real estate	989	0.5	7,293.92	7,293.92	1	100.0	13.3
T-5	Komaki	Real estate	2,100	1.1	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	Real estate	1,800	0.9	10,708.41	10,708.41	1	100.0	8.3
T-7	Fukuoka Hakozaki Futo	Trust beneficiary right of real estate	2,797	1.4	24,463.69	24,463.69	1	100.0	1.0
T-8	Tajimi	Trust beneficiary right of real estate	6,975	3.5	56,703.92 (Note 9)	56,703.92 (Note 9)	1	100.0	10.8
T-9	Fukuoka Kashihama	Trust beneficiary right of real estate	2,750	1.4	21,201.15	21,201.15	3	100.0	1.0
Subtotal for Kinki/Chubu/Kyushu Areas			31,954	16.1	256,771.50	256,771.50	11	100.0	-
O-1	Maebashi	Trust beneficiary right of real estate	1,230	0.6	3,455.53	3,455.53	1	100.0	9.0
O-2	Hanyu	Trust beneficiary right of real estate	1,705	0.9	3,518.58	3,518.58	1	100.0	11.6
O-3	Saitama Kisai	Trust beneficiary right of real estate	4,010	2.0	24,574.40	24,574.40	1	100.0	10.5
O-4	Kazo	Trust beneficiary right of real estate	3,790	1.9	25,130.62	25,130.62	1	100.0	9.5
Subtotal for other Areas			10,735	5.4	56,679.13	56,679.13	4	100.0	-
Portfolio total			198,963	100.0	1,015,164.82	1,001,415.15	48	98.6	8.9

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

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

(Note 3) % of the portfolio represents the ratio of the acquisition price of each piece of real estate, etc. to the total acquisition price of real estate, etc. owned by JLF, and is indicated by rounding off to the first decimal place.

(Note 4) The total leasable area is the registered floor area less any area of space not considered for rent. With regard to items for which a more accurate leasable area can be confirmed based on the building floor plan attached to the lease contract, the area recognized to be leasable is indicated as per such floor plan. For Kashiwa Logistics Center II (land) and Chubu Haruhi Logistics Center (land), the leasable area of land indicated in the lease contract is provided. The same applies for each description under "5. Reference

Information".

- (Note 5) The leased area represents the total area as part of the total leasable area of the area of the building (or land) indicated in the lease contract of each piece of real estate, etc. It is possible in each lease contract that the portion not included in the leasable area is part of the area for rent concerning the building provided in the lease contract. The same applies for each description under "5. Reference Information."
- (Note 6) As for the PML (Probable Maximum Loss) figures, Shimizu Corporation has prepared an earthquake risk research report with regard to portfolio properties owned by JLF. Such report, however, does not guarantee the contents provided and simply reflects the opinion of the research institution. PML is the projected loss ratio in an earthquake. While no consistent, clear definition of PML is available, it is the ratio of projected loss amount against building replacement cost for which the loss value and the probability rate against large and small earthquakes that could possibly occur in a period of 475 years were computed and statistically applied. The calculations are performed based on onsite research on each respective property, assessment of building status, checking consistency with the floor plan, ground conditions at each site, regional factors, and structural conditions. Loss herein refers to physical damage only, and does not take into consideration secondary damage to people's lives and other facilities in the vicinity. Damage factors include structural damage and internal and external physical damage, and do not consider fire on site caused by an earthquake or fire spreading from another facility.
- (Note 7) Earthquake insurance is secured as the PML value exceeds 20%.
- (Note 8) The figure obtained by deducting 603 million yen corresponding to the building demolished in July 2013 from the contract sales price of 2,266 million yen is indicated.
- (Note 9) Figures for quasi-co-ownership are indicated.
- Shinonome Logistics Center : 47%
 - Narashino Logistics Center II : 90%
 - Ichikawa Logistics Center II : 90%
 - Souka Logistics Center : 50%
 - Shin-Koyasu Logistics Center II : 51%
 - Tajimi Logistics Center : 75%

(iii) Diversification of portfolio

Diversification of portfolio properties owned by JLF is described below.

A. Ratio by region

Region	Total leasable area (m ²)	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	701,714.19	69.1	156,274	78.5
Kinki/Chubu/Kyushu Areas	256,771.50	25.3	31,954	16.1
Other Areas	56,679.13	5.6	10,735	5.4
Total	1,015,164.82	100.0	198,963	100.0

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

B. Ratio by total rentable area (Note 1)

Total rentable area (m ²)	Number of properties	Ratio (%) (Note 2)	Acquisition price (Millions of yen)	Ratio (%) (Note 2)
Over 30,000 m ²	15	39.5	128,068	64.4
Over 10,000 m ² but 30,000 m ² or less	15	39.5	56,976	28.6
10,000 m ² or less	8	21.1	13,918	7.0
Total	38	100.0	198,963	100.0

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

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

C. Ratio by leasehold period

Leasehold period (Residual period)	Leased area (m ²)	Ratio (%) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	236,906.18	23.7	3,291	24.5
Over 5 years but within 10 years	301,156.85	30.1	4,248	31.7

Over 3 years but within 5 years	90,214.02	9.0	997	7.4
Within 3 years (initial agreement)	296,555.04	29.6	3,644	27.2
Within 3 years (automatic renewal)	76,583.06	7.6	1,229	9.2
Total	1,001,415.15	100.0	13,411	100.0

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

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

(iv) Performance of portfolio properties

The following provides a summary of performance for the 18th Period of real estate, etc. owned by JLF.

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

- The amounts indicated under "Performance data" are not intended to provide or guarantee future values.
- "Appraisal value at end of period" indicates appraisal value calculated based on the balance sheet date defined by Tanizawa Sōgō Appraisal Co., Ltd., DAIWA REAL ESTATE APPRAISAL CO.,LTD. and Japan Real Estate Institute as the date of value estimate in accordance with the asset evaluation methods and standards specified under the Articles of Incorporation of JLF as well as the rules set forth by the Investment Trusts Association, Japan.
- Amounts are presented with figures below one million yen omitted, and are posted on an accrual basis in principle.
- "Real estate leasing business revenue" includes rent, common area maintenance fees, and income from parking charges, utilities expenses, and other.
- "Taxes and public dues" includes property tax and city planning tax. As a general rule, the obligation to pay property tax and city planning tax comes into effect on January 1 of each year. Such tax payments, however, are not posted as real estate leasing business expenses, as JLF, when settling property and city planning taxes incurred at the time of property acquisition, includes the amount settled as part of the acquisition cost.
- "Repair expenses" may vary when JLF holds properties for a long period of time as such expenses differ from period to period, and, by nature, do not arise on a regular basis.
- "Insurance expenses" posted represents the portion of casualty insurance corresponding to the respective period.
- "Other expenses" includes trust fees.

(Millions of yen)

Property No.	M-1	M-2	M-3	M-4	M-5
Name of real estate, etc.	Funabashi Logistics Center	Urayasu Logistics Center	Hiratsuka Logistics Center	Shinkiba Logistics Center	Urayasu Chidori Logistics Center
Time of commencement	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014
Time of termination	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014
Number of days under management	181	181	181	181	181
Book value at end of period	7,331	2,823	1,377	2,253	5,335
Appraised value at end of period	6,910	4,420	1,710	3,260	9,320
DCF method	6,920	4,420	1,740	3,270	9,230
Discount rate	5.0%/5.1%	5.1%	5.4%	4.7%/4.9%	4.6%/4.8%
Terminal capitalization rate	5.3%	5.3% (Note 1)	5.9%	5.2%	4.9%
DC method	6,880	-	1,750	3,250	9,530
Capitalization rate	5.1%	-	5.7%	5.0%	4.7%
Cumulated price	4,260	4,120	1,360	2,430	6,720
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	80	6	10	13	47
Loss on write-off of noncurrent assets	10	-	0	1	-
(iii) Income from real estate leasing business (= (i) - (ii))	67	67	41	63	159
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	158	73	51	78	207
(v) Capital expenditure	417	-	8	3	-
(vi) NCF (= (iv) - (v))	(259)	73	43	75	207

(Note 1) The terminal value discount rate is provided. Terminal value is calculated based on residual land value method.

(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, 2014	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014
Time of termination	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014
Number of days under management	181	181	181	181	181
Book value at end of period	4,669	7,943	10,033	1,549	3,225
Appraised value at end of period	7,250	11,700	12,400	2,170	2,670
DCF method	7,250	11,700	12,900	2,150	2,710
Discount rate	4.7%/4.9%	4.8%/5.0%	4.7%/4.9%	5.2%	5.3%/5.5%
Terminal capitalization rate	5.1%	5.4%	5.1%	5.2%	6.1%
DC method	7,250	11,600	12,800	2,210	2,560
Capitalization rate	4.9%	5.2%	4.9%	5.0%	5.9%
Cumulated price	3,730	6,630	7,910	1,120	1,510
(i) Total real estate leasing business revenue	222	392	Not disclosed (Note)	60	Not disclosed (Note)
Rent revenue - real estate	207	390		60	
Other lease business revenue	15	2		0	
(ii) Total real estate leasing business expenses	111	139		16	
Taxes and dues	25	20		3	
Outsourcing service expenses	4	3		0	
Utilities expenses	13	-		-	
Repair expenses	5	16		0	
Insurance expenses	0	1		0	
Other expenses related to rent business	1	3		0	
Depreciation and amortization	60	93	72	11	30
Loss on write-off of noncurrent assets	0	0	0	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	111	252	275	43	(17)
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	172	345	347	55	12
(v) Capital expenditure	3	28	5	-	2
(vi) NCF (= (iv) - (v))	169	317	342	55	10

(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, 2014	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014
Time of termination	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014
Number of days under management	181	181	181	181	181
Book value at end of period	1,685	8,714	4,567	1,542	4,419
Appraised value at end of period	3,350	10,300	6,670	1,650	4,960
DCF method	3,350	10,300	6,680	1,630	4,940
Discount rate	4.8%/5.0%	5.3%	4.9%/5.1%	4.9%	4.9%/5.0%
Terminal capitalization rate	5.3%	5.4%	5.4%	5.0%	5.0%
DC method	-	10,400	6,640	1,680	5,010
Capitalization rate	-	5.2%	5.2%	4.8%	4.8%
Cumulated price	3,180 (Note 1)	6,420	3,540	1,350	3,250
(i) Total real estate leasing business revenue	0	Not disclosed (Note 2)	193	0	Not disclosed (Note 2)
Rent revenue - real estate	-		193	-	
Other lease business revenue	0		-	0	
(ii) Total real estate leasing business expenses	8		93	24	
Taxes and dues	4		14	4	
Outsourcing service expenses	-		0	1	
Utilities expenses	-		0	0	
Repair expenses	3		6	0	
Insurance expenses	-		0	0	
Other expenses related to rent business	0		1	0	
Depreciation and amortization	-	84	69	16	28
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	(8)	201	100	(24)	94
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	(8)	285	170	(7)	123
(v) Capital expenditure	-	-	5	-	-
(vi) NCF (= (iv) - (v))	(8)	285	164	(7)	123

(Note 1) Cumulated price is calculated by summing land value and building value, making some adjustments considering that the building is under construction.

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

(Millions of yen)

Property No.	M-16	M-17	M-18	M-19	M-20
Name of real estate, etc.	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)	Ichikawa Logistics Center II (Note 1)	Souka Logistics Center (Note 1)	Tatsumi Logistics Center
Time of commencement	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014
Time of termination	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014
Number of days under management	181	181	181	181	181
Book value at end of period	11,605	7,210	16,641	6,122	8,895
Appraised value at end of period	13,200	8,830	20,200	7,120	10,200
DCF method	13,100	8,870	20,200	7,150	10,200
Discount rate	4.9%	5.0%/5.1%	4.6%/4.7%	4.8%	4.5%/4.7%
Terminal capitalization rate	5.0%	5.2%	4.9%	5.1%	4.9%
DC method	13,300	8,720	20,200	7,050	10,100
Capitalization rate	4.8%	5.0%	4.7%	4.9%	4.7%
Cumulated price	9,000	4,770	15,200	6,700	9,100
(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	77				
Taxes and dues	26				
Outsourcing service expenses	0				
Utilities expenses	-				
Repair expenses	0				
Insurance expenses	0				
Other expenses related to rent business	0				
Depreciation and amortization	48	91	120	65	51
Loss on write-off of noncurrent assets	0	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	275	127	370	120	202
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	323	218	491	185	253
(v) Capital expenditure	0	-	-	0	-
(vi) NCF (= (iv) - (v))	323	218	491	185	253

(Note 1) Figures for quasi-co-ownership are indicated. Shinonome Logistics Center : 47% ; Narashino Logistics Center II : 90% ; Ichikawa Logistics Center II : 90% ; Souka Logistics Center : 50%

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

(Millions of yen)

Property No.	M-21	M-22	M-23	M-24	M-25
Name of real estate, etc.	Kashiwa Logistics Center	Musashimurayama Logistics Center	Kashiwa Logistics Center II (land)	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center
Time of commencement	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014	March 4, 2014
Time of termination	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014
Number of days under management	181	181	181	181	150
Book value at end of period	3,666	8,568	2,526	9,677	3,901
Appraised value at end of period	4,290	9,310	2,540	10,600	4,290
DCF method	4,270	9,340	2,540	10,600	4,270
Discount rate	5.2%	4.9%/5.0%	5.8%	4.3%	4.9%
Terminal capitalization rate	5.6%	5.2%	5.8% (Note 2)	4.9%	5.3%
DC method	4,320	9,240	2,540 (Note 2)	10,600	4,340
Capitalization rate	5.4%	5.0%	5.8% (Note 2)	4.8%	5.1%
Cumulated price	2,540	8,230	1,890 (Note 2)	9,440	3,070
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note 3)	Not disclosed (Note 3)	Not disclosed (Note 3)	Not disclosed (Note 3)	Not disclosed (Note 3)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	40	85	-	64	26
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	79	165	74	177	74
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	119	250	74	241	100
(v) Capital expenditure	0	2	-	-	-
(vi) NCF (= (iv) - (v))	119	247	74	241	100

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

(Note 2) Terminal capitalization rate indicates terminal value discount rate, DC method indicates the value calculated by DCF with fixed-term and its discount rate, and Cumulated price indicates the land value in proportion to the land and land lease right ratio.

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

(Millions of yen)

Property No.	T-1	T-2	T-3	T-4	T-5
Name of real estate, etc.	Daito Logistics Center	Osaka Fukuzaki Logistics Center	Chubu Haruhi Logistics Center (land)	Kadoma Logistics Center	Komaki Logistics Center
Time of commencement	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014	February 1, 2014
Time of termination	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014
Number of days under management	181	181	181	181	181
Book value at end of period	9,356	3,569	731	1,064	1,971
Appraised value at end of period	17,100	5,510	833	1,270	1,800
DCF method	17,600	5,510	864	1,280	1,780
Discount rate	5.4%	5.2%	5.1%	5.2%/5.4%	5.2%/5.4%
Terminal capitalization rate	5.5%	5.3%	5.3%	5.5%	5.5%
DC method	17,600	5,520	-	1,250	1,830
Capitalization rate	5.3%	5.1%	-	5.3%	5.3%
Cumulated price	10,600	2,640	-	1,210	1,040
(i) Total real estate leasing business revenue		163	16		
Rent revenue - real estate		163	16		
Other lease business revenue		-	-		
(ii) Total real estate leasing business expenses		51	3		
Taxes and dues	Not disclosed (Note)	17	3	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses		0	0		
Utilities expenses		-	-		
Repair expenses		0	-		
Insurance expenses		0	-		
Other expenses related to rent business		2	0		
Depreciation and amortization	86	30	-	9	14
Loss on write-off of noncurrent assets	0	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	414	112	12	29	42
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	501	142	12	39	56
(v) Capital expenditure	16	-	-	-	-
(vi) NCF (= (iv) - (v))	484	142	12	39	56

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

(Millions of yen)

Property No.	T-6	T-7	T-8	T-9	O-1
Name of real estate, etc.	Komaki Logistics Center II	Fukuoka Hakozaki Futo Logistics Center	Tajimi Logistics Center (Note 1)	Fukuoka Kashiihama Logistics Center	Maebashi Logistics Center
Time of commencement	February 1, 2014	February 1, 2014	February 1, 2014	March 25, 2014	February 1, 2014
Time of termination	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014	July 31, 2014
Number of days under management	181	181	181	129	181
Book value at end of period	1,837	2,857	7,107	2,778	1,054
Appraised value at end of period	1,620	3,140	8,100	3,000	1,400
DCF method	1,620	3,160	8,025	3,040	1,390
Discount rate	5.1%/5.3%	5.2%	5.3%	5.3%	5.7%
Terminal capitalization rate	5.5%	5.7%	6.0%	5.6%	5.7%
DC method	1,630	3,100	8,175	2,900	1,410
Capitalization rate	5.3%	5.5%	5.6%	5.4%	5.5%
Cumulated price	1,030	2,800	7,365	2,700	622
(i) Total real estate leasing business revenue					43
Rent revenue - real estate					43
Other lease business revenue					-
(ii) Total real estate leasing business expenses					17
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	3
Outsourcing service expenses					0
Utilities expenses					-
Repair expenses					2
Insurance expenses					0
Other expenses related to rent business					0
Depreciation and amortization	17	26	82	23	10
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	32	63	154	47	26
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	49	89	236	71	36
(v) Capital expenditure	-	-	-	-	-
(vi) NCF (= (iv) - (v))	49	89	236	71	36

(Note 1) Figures for quasi-co-ownership are indicated. Tajimi Logistics Center:75%

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

(Millions of yen)

Property No.	O-2	O-3	O-4
Name of real estate, etc.	Hanyu Logistics Center	Saitama Kisai Logistics Center	Kazo Logistics Center
Time of commencement	February 1, 2014	February 1, 2014	February 1, 2014
Time of termination	July 31, 2014	July 31, 2014	July 31, 2014
Number of days under management	181	181	181
Book value at end of period	1,494	3,557	3,465
Appraised value at end of period	1,960	4,430	4,270
DCF method	1,940	4,430	4,290
Discount rate	5.5%	5.2%/5.4%	5.3%
Terminal capitalization rate	5.6%	5.6%	5.4%
DC method	1,990	4,440	4,210
Capitalization rate	5.4%	5.4%	5.2%
Cumulated price	1,100	2,450	2,700
(i) Total real estate leasing business revenue	59	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate	59		
Other lease business revenue	-		
(ii) Total real estate leasing business expenses	23		
Taxes and dues	3		
Outsourcing service expenses	0		
Utilities expenses	-		
Repair expenses	5		
Insurance expenses	0		
Other expenses related to rent business	0		
Depreciation and amortization	12	36	46
Loss on write-off of noncurrent assets	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	36	79	65
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	48	115	111
(v) Capital expenditure	-	0	0
(vi) NCF (= (iv) - (v))	48	115	111

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

(3) Capital expenditure for assets under management

(i) Scheduled capital expenditure

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

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen) (Note)		
			Total amount	Payment for the period	Total amount paid
Funabashi Logistics Center (Funabashi, Chiba)	Large scale renewal (2 nd stage)	January 2015	168	-	-
Kawasaki Logistics Center (Kawasaki, Kanagawa)	Renewal of bathrooms and staff kitchens	January 2015	83	-	-
Urayasu Chidori Logistics Center (Urayasu, Chiba)	Exterior wall renewal	from October 2014 to January 2015	60	-	-
Other real estate, etc.	-	-	362		
Total			674		

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

(ii) Capital expenditure during the fiscal period

The following provides a summary of major construction work applicable to capital expenditure performed during the fiscal period in connection with the real estate, etc. owned by JLF. Capital expenditure for the 18th Period totals 494 million yen. In addition, repair expenses of 127 million yen are classified under operating expenses for the fiscal period.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note)
Funabashi Logistics Center (Funabashi, Chiba)	Large scale renewal	July 2014	414
Daito Logistics Center (Daito, Osaka)	Water-supply pipe renewal	July 2014	16
Funabashi Nishiuara Logistics Center II (Funabashi, Chiba)	Water-supply pipe renewal	July 2014	12
Other real estate, etc.	-	-	51
Total			494

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

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

Not applicable

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

10 major tenants

The following tenants use the 10 largest areas of real estate owned and leased by JLF as of July 31, 2014.

Name of tenant	Name of real estate, etc.	Leased area (m ²)	Lease ratio (%) (Note 1)
Tri-net Logistics Co., Ltd.	Funabashi Nishiura Logistics Center II	138,880.64	13.9
	Urayasu Chidori Logistics Center		
	Funabashi Nishiura Logistics Center		
	Fukuoka Hakozaki Futo Logistics Center		
Nippon Express Co., Ltd.	Tajimi Logistics Center (Note 2)	99,217.22	9.9
	Yokohama Fukuura Logistics Center		
	Kashiwa Logistics Center		
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	92,730.14	9.3
Nakano Shokai co.,ltd.	Tatsumi Logistics Center	81,206.43	8.1
	Fukuoka Hakozaki Futo Logistics Center		
	Narashino Logistics Center II (Note 2)		
	Shinkiba Logistics Center		
	Urayasu Chidori Logistics Center II		
Sumitomo Mitsui Finance & Leasing Co., Ltd.	Kashiwa Logistics Center II (land)	54,418.30	5.4
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,401.57	5.1
Ricoh Logistics Systems Co., Ltd.	Osaka Fukuzaki Logistics Center	43,760.60	4.4
	Shin-Koyasu Logistics Center (Note 2)		
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	41,630.54	4.2
VANTEC CORPORATION	Musashimurayama Logistics Center	40,884.25	4.1
Sagawa Express Co., Ltd.	Shinonome Logistics Center (Note 2)	35,737.77	3.6
	Shin-Koyasu Logistics Center (Note 2)		
	Yokohama Fukuura Logistics Center		
	Hanyu Logistics Center		
	Maebashi Logistics Center		
	Narashino Logistics Center		
Total for all tenants		1,001,415.15	100.0

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

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

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center : 51%

Tajimi Logistics Center : 75%