

REIT Financial Report for the Fiscal Period ended July 31, 2019 (The 28th Period)

September 12, 2019

Name of REIT issuer: Japan Logistics Fund, Inc. Stock exchange listing: Tokyo Stock Exchange
 Security code: 8967 URL: <https://8967.jp/eng>
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Scheduled date for submission of Securities Report: October 30, 2019

Scheduled date for commencing dividend payments: October 4, 2019

IR Material: Will be posted on the website

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

(Figures are rounded down to the nearest million yen)

1. Performance for the Fiscal Period ended July 2019 (The 28th Period from February 1, 2019 to July 31, 2019)

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of	%	Millions of	%	Millions of	%	Millions of	%
The 28 th Period	9,190	-7.4	4,651	-11.4	4,255	-8.1	4,254	-8.1
The 27 th Period	9,928	9.3	5,248	14.5	4,628	11.7	4,628	12.5

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
The 28 th Period	4,700	3.2	1.6	46.3
The 27 th Period	5,093	3.4	1.8	46.6

(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 Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
The 28 th Period	4,700	4,253	-	-	99.9	3.2
The 27 th Period	4,710	4,262	-	-	92.1	3.2

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

Dividends per unit for the fiscal period ended January 2019 were calculated by dividing the amount after deducting 366 million yen from the unappropriated retained earnings for the period as provision for reserve for reduction entry by the number of investment units issued and outstanding.

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
The 28 th Period	260,709	134,087	51.4	148,151
The 27 th Period	259,262	134,144	51.7	148,213

(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 28 th Period	5,700	-6,314	-2,262	11,230
The 27 th Period	13,921	-2,909	-9,116	14,106

2. Forecasts for the Fiscal Period ending January 2020 (the 29th Period from August 1, 2019 to January 31, 2020) and the Fiscal Period ending July 2020 (the 30th Period from February 1, 2020 to July 31, 2020)

(% 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 29 th Period	9,517	3.6	4,896	5.3	4,490	5.5	4,489	5.5	4,960	-
The 30 th Period	9,355	-1.7	4,747	-3.1	4,326	-3.6	4,325	-3.6	4,780	-

(Reference) Forecast for net income per unit The 29th Period: 4,960yen The 30th Period: 4,779yen

* 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 28th Period: 905,073 units The 27th Period: 905,073 units

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

The 28th Period: 0 unit The 27th Period: 0 unit

(Note) For the number of investment units serving as the basis of calculation of net income per unit, please refer to "Per Unit Information" on page 27.

* This Financial Report is outside the scope of audit by a certified public accountant or an audit corporation.

* Remarks:

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

Table of Contents

1. Management Discussions and Analysis	4
(1) Asset Management Status	4
(i) Summary of Results for the Fiscal Period ended July 2019 (The 28th Period)	4
(ii) Outlook for the Next Fiscal Period	5
(2) Investment risks	9
2. Financial Statements	10
(1) Balance Sheet	10
(2) Statement of Income and Retained Earnings	12
(3) Statement of Changes in Net Assets	13
(4) Distribution Information	15
(5) Statement of Cash Flows	16
(6) Notes on Assumption of Going Concern	17
(7) Summary of Significant Accounting Policies	17
(8) Notes to Financial Statements	18
(9) Changes in the total number of investment units issued and outstanding	28
3. Reference Information	30
(1) Asset composition of JLF	30
(2) Investment Securities	31
(i) Major investment securities	31
(ii) List of portfolio properties	31
(iii) Diversification of portfolio	37
(iv) Performance of portfolio properties	38
(3) Capital expenditure for assets under management	50
(i) Scheduled capital expenditure	50
(ii) Capital expenditure during the fiscal period	50
(iii) Reserve for long-term repair plan (reserve for repairs)	50
(4) Overview of tenants and major real estate and other properties	51

1 Management Discussions and Analysis

(1) Asset Management Status

(i) Summary of Results for the Fiscal Period ended July 2019 (The 28th Period)

A. Background of JLF

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

As of July 31, 2019 (the end of the 28th Period), JLF had a total of 48 properties under management with total acquisition price of 270,682 million yen and total assets of 260,709 million yen.

B. Investment Environment and Management Performance

During the 28th fiscal period under review, the Japanese economy maintained its moderate expansion trend, aided by strong domestic demand attributable to factors such as a gradual increase in capital expenditure on the back of solid corporate earnings and a rise in consumer spending in response to a steady improvement in employment and income conditions, although exports and production appeared to be affected by the slowdown of the global economy.

The Tokyo Stock Exchange REIT Index surpassed 2,000 points for the first time in about 11 years. This was attributable to funds that the J-REIT industry attracted under the following situations: 1) the trend of dividend increase continued throughout the industry, 2) dividend yields remained relatively high despite the low interest environment persisting globally, and 3) the stability of J-REIT drew domestic and foreign investors’ interest against the backdrop of globally unstable stock markets.

In the logistics properties acquisition market, domestic and foreign investors continued to have a strong appetite for yields due to the persistent low interest rate environment. Given the limited transactions of logistics properties in the market, namely JLF’s investment targets, the market capitalization rate continued to stick at a low level.

In the logistics properties leasing market, demand for logistics facilities expanded against the backdrop of the expansion of the e-commerce market and the increasing number of small store openings including convenience stores that rely on delivery to replenish items. The vacancy rate of logistics facilities continued to be low, helped by strong demand nationwide, as shown by a record high level of demand for new facilities in the Tokyo metropolitan area, although the new supply of such facilities remained at high levels. Regarding rent levels, actual rents are gradually increasing with stable demand anticipated.

Under these circumstances, JLF advanced its unique initiatives by utilizing its knowledge as an asset manager in the hope of acquiring new properties in the 28th fiscal period under review at yield rates that were relatively higher than those in the market. As a result of such efforts, it acquired Ichikawa Logistics Center III (acquisition price of 3,850 million yen and expected NOI yield (Note) of 6.6%) and Toda Logistics Center (acquisition price of 2,052 million yen and expected NOI yield of 4.8%) in March and June 2019, respectively. In addition, in terms of the management of existing properties, the operation rate of its entire portfolio, which stood at 99.9% as of the end of the 28th fiscal period under review, maintained good operating conditions.

(Note) Expected NOI yield = Expected NOI / acquisition price x 100

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

Expected NOI is a normalized estimate based on annual income and expense projections and is not the forecast at the time of acquisition of the Property.

C. Overview of Financial Strategy

During the 28th fiscal period under review, JLF sought to reduce debt financing costs and extend the duration of borrowings by refinancing the borrowings of 4,500 million yen that came due in March 2019. In addition, it financed the short-term loan of 2,000 million yen with the aim of implementing flexible financing strategies with respect to part of the acquisition funds for Toda Logistics Center (acquisition price: 2,052 million yen) that JLF acquired in June.

As of the end of the 28th fiscal period under review, the total amount of interest-bearing debt stood at 116,700 million yen, and LTV (Loan to Value) was 44.8% based on total assets (Note 1) and 33.3% based on the appraisal value (Note 2), indicating the continuation of stable financial operations.

(Note 1) Total assets-based LTV (%) = Interest-bearing debt / total assets x 100 (figures are rounded off to one decimal place)

(Note 2) Appraisal value-based LTV (%) = Interest-bearing debt / appraisal value at the end of the fiscal period x 100 (figures are rounded off to one decimal place)

(Note 3) On July 25, 2019, JLF decided to finance the short-term loan of 4,000 million yen on August 1, 2019 with respect to part of the acquisition funds for Fujisawa Logistics Center (acquisition price: 4,305 million yen).

Credit rating of JLF at the end of the 28th Period

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA- (Outlook: Stable)
	Long-term bond rating	#2 nd unsecured investment corporation bonds #3 rd unsecured investment corporation bonds #5 th unsecured investment corporation bonds AA
Japan Credit Rating Agency, Ltd. (JCR)	Issuer rating	AA (Outlook: Stable)

D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 9,190 million yen, operating income of 4,651 million yen, ordinary income of 4,255 million yen and net income of 4,254 million yen. Based on 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 4,700 yen.

(ii) Outlook for the Next Fiscal Period

A. Recognition of the Environment

Looking at the economic environment in Japan, domestic demand is expected to increase thanks mainly to the significantly easing financial environment and underpinning of government expenditure, maintaining the positive circulation mechanism from income to expenditure in both corporate and household divisions, although demand will be affected by the consumption tax hike. In addition, it appears that overseas economies are expected to continue to grow steadily as a whole, and exports are anticipated to continue seeing a gradual upward trend. Against these backgrounds, the domestic economy is anticipated to continue expanding. However, given the many uncertainties regarding political developments in the United States and Europe, particularly the direction of the U.S. trade policy as to mainly trade conflicts between the U.S. and China, it is necessary to be mindful of the risk that turmoil in the international financial market and the further appreciation of the yen, among other things, will have a negative impact on the Japanese economy.

In the logistics properties acquisition market, some investors are expected to maintain a strong appetite for yields because of the continued low interest rate environment, but other investors are wary of sales prices that remain at high levels. The market capitalization rate is likely to maintain a downward trend, albeit limited in degree.

In the logistics properties leasing market, strong demand is expected to continue as the e-commerce market continues to expand. Regarding properties in good locations with excellent equipment specifications, there is a growing tendency for people to look for a property before completion. Although the vacancy rate may rise temporarily due to the effect of new supply, the vacancy rate is projected to decrease again, except for some areas. The rent level is expected to remain stable because it is quite unlikely that the supply-demand balance will worsen significantly.

Under these circumstances, JLF will continue to pursue “growth” and “stability” in dividends per unit by solidly managing its portfolio.

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 4.9 years when calculated on a weighted average basis using annual rent, indicating that JLF will continue to earn stable income.

• Strengthening of tenant relations

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

• Appropriate property maintenance and additional investment

JLF conducts repairs and renovations of properties owned by keeping related costs at a certain level. In addition, JLF strives to maintain an optimal level of maintenance management of 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 OBR (Own Book Redevelopment)(Note), disposition, and asset reshuffle 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.

(Note) “OBR” refers to the redevelopment of JLF’s own property by itself. The same apply hereafter.

(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.

In addition, JLF will consider the buyback and cancellation of its own investment units as required as part of its capital policy in order to improve capital efficiency and the return to unitholders.

C. Significant Subsequent Events

Not applicable to the 28th Period (from February 1, 2019 to July 31, 2019).

[Reference Information]

<Acquisition of new properties>

JLF acquired the following property after the end of the fiscal period up until the date of this Report.

[M-37 Fujisawa Logistics Center]

Asset type	Trust beneficiary right of real estate	
Acquisition price	4,305 million yen	
Date of delivery	August 1, 2019	
Location	9 Kiriharacho, Fujisawa, Kanagawa	
Usage	Warehouse (Note)	
Site area	8,262.80m ² (Note)	
Total floor area	16,421.11m ² (Note)	
Structure/Story	Steel-frame structure, alloy plated steel sheet roof, 4 stories (Note)	
Date of completion	May 17, 2019 (Note)	
Type of ownership	Land: Ownership	Building: Ownership

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

[M-33 Yachiyo Logistics Center III]

Asset type	Trust beneficiary right of real estate	
Acquisition price	3,286 million yen	
Date of delivery	September 2, 2019	
Location	2040-1 Aza-Otsuka, Kamikoya, Yachiyo, Chiba and Others	
Usage	Warehouse (Note)	
Site area	9,432.88m ² (Note)	
Total floor area	18,942.84m ² (Note)	
Structure/Story	Steel-frame structure with deck roof, 4 stories	
Date of completion	August 22, 2018 (Note)	
Type of ownership	Land: Ownership	Building: Ownership

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

<Loan >

JLF borrowed the following loan after the end of the period up until the date of this report.

Lender	Sumitomo Mitsui Trust Bank, Limited
Amount borrowed	4,000 million yen
Interest rate	1-month JPY TIBOR by "JBA" (Japanese Bankers Association) (Note 1) + 0.16%
Date of borrowing	August 1, 2019
Repayment date	March 31, 2020
Borrowing method/security	Unsecured and non-guaranteed
Repayment method	Lump-sum repayment on due date
Use of funds	For an acquisition of Fujisawa Logistics Center

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

<Holding of a general meeting of unitholders>

At a meeting of the Board of Directors held on September 12, 2019, JLF decided to propose the partial amendment of the Article of Incorporation of JLF, appointment of an Executive Director (candidate: Naohiro Kameoka, who is a President of the asset management company) and one alternative Executive Directors (candidates: Yasushi Ogaku, who is a Director, General Manager of Acquisition & Leasing Dept. and Property Management Dept. of the asset management company) as well as three Supervisory Directors (candidates: Takachiyo Suto, Toshima Araki and Tetsuya Azuma, who are currently Supervisory Directors), as an agenda item to be discussed at the tenth general meeting of investors that will be held on October 24, 2019.

D. Forecasts

Forecasts for the Fiscal Period ending January 2020 (the 29th Period from August 1, 2019 to January 31, 2020) and the Fiscal Period ending July 2020 (the 30th Period from February 1, 2020 to July 31, 2020) are as follows. Please refer to "Assumptions Underlying the Forecasts for the 29th Period (from August 1, 2019 to January 31, 2020) and the 30th Period (the 30th Period from February 1, 2020 to July 31, 2020)" 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 29 th Period	9,517	3.6	4,896	5.3	4,490	5.5	4,489	5.5	4,960	-
The 30 th Period	9,355	-1.7	4,747	-4.2	4,326	-3.6	4,325	-3.6	4,780	-

(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.

Assumptions Underlying the Forecasts for the 29th Period (from August 1, 2019 to January 31, 2020) and the 30th Period (the 30th Period from February 1, 2020 to July 31, 2020)

Item	Assumptions																											
Calculation period	<ul style="list-style-type: none"> • Fiscal Period Ending January, 2020: August 1, 2019 to January 31, 2020 • Fiscal Period Ending July, 2020: February 1, 2020 to July 31, 2020 																											
Properties owned	<ul style="list-style-type: none"> • JLF owned 48 properties as of July 31, 2019 (the end of the fiscal period ended July 2019) and acquired Fujisawa Logistics Center on August 1, 2019, and Yachiyo Logistics Center III on September 2, 2019. As of September 12, 2019, JLF owns 50 properties. • JLF assumes that it acquires Shiroy Logistics Center in May 2020 (planned acquisition price: 4,052 million yen), and that neither the acquisition nor the disposition of any other properties is expected until the end of the Fiscal Period ending July 2020. As a result, the forecast assumes JLF owns 50 properties as of the end of the Fiscal Period ending January 2020, and 51 properties as of the end of the Fiscal Period ending July 2020. • The acquisitions of Shiroy Logistics Center correspond to the forward commitment, etc. stipulated in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” set by the Financial Services Agency. The acquisition prices may change due to the condition of the acquisitions. • There may be fluctuations, mainly due to the transfer of assets under management. 																											
Total number of investment units issued	<ul style="list-style-type: none"> • The number of investment units issued as of September 12, 2019 is 905,073 units, assuming there will be no other additional issuance of new investment units or buyback/cancellation of own investment units. 																											
Interest-bearing debt	<ul style="list-style-type: none"> • Among the interest-bearing debt of 120,700 million yen outstanding as of September 12, 2019, JLF will use borrowings to repay a long-term borrowing of 2,000 million yen due in the Fiscal Period ending January 2020 and a short-term borrowing of 6,000 million yen due in the Fiscal Period ending July 2020. • With respect to the projected acquisition of Shiroy Logistics Center, JLF assumes to use debt. • The interest-bearing debt outstanding is expected to be 120,700 million yen as of the end of the Fiscal Period ending January 2020 and 122,700 million yen as of the end of the Fiscal Period ending July 2020. 																											
Operating revenue	<ul style="list-style-type: none"> • The rent revenue is estimated based on the lease contracts (with respect to Shiroy Logistics Center, lease contracts effective as of acquisition dates) in effect as of September 12, 2019 and considering the fluctuation factors such as the market environment and rent levels based on negotiations with lessees. 																											
Operating expenses	<ul style="list-style-type: none"> • Generally, in real estate transactions, property tax and city planning tax are prorated based on the period of ownership with the previous holder and settled at the time of acquisition. JLF includes the amount of such settlement in the acquisition cost. With respect to Ichikawa Logistics Center III, Toda Logistics Center, Fujisawa Logistics Center and Yachiyo Logistics Center III, which were acquired after January 2019, the property tax, city planning tax, and other amounts settled in the calculation of acquisition costs for these logistics centers are expected to total approximately 35 million yen. <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="text-align: center; width: 35%;">Fiscal Period Ending January 31, 2020</th> <th style="text-align: center; width: 35%;">Fiscal Period Ending July 31, 2020</th> </tr> </thead> <tbody> <tr> <td>Taxes and dues:</td> <td style="text-align: right;">811 million yen</td> <td style="text-align: right;">866 million yen</td> </tr> <tr> <td>Outsourcing services:</td> <td style="text-align: right;">302 million yen</td> <td style="text-align: right;">272 million yen</td> </tr> <tr> <td>Utilities expenses:</td> <td style="text-align: right;">256 million yen</td> <td style="text-align: right;">229 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td style="text-align: right;">198 million yen</td> <td style="text-align: right;">140 million yen</td> </tr> <tr> <td>Insurance expenses:</td> <td style="text-align: right;">26 million yen</td> <td style="text-align: right;">25 million yen</td> </tr> <tr> <td>Depreciation:</td> <td style="text-align: right;">2,031 million yen</td> <td style="text-align: right;">2,035 million yen</td> </tr> <tr> <td>Loss on write-offs of noncurrent assets:</td> <td style="text-align: right;">23 million yen</td> <td style="text-align: right;">59 million yen</td> </tr> <tr> <td>Other:</td> <td style="text-align: right;">46 million yen</td> <td style="text-align: right;">65 million yen</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • 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 is calculated using the straight-line method, with considering incidental expenses and additional capital expenditure for the future. 		Fiscal Period Ending January 31, 2020	Fiscal Period Ending July 31, 2020	Taxes and dues:	811 million yen	866 million yen	Outsourcing services:	302 million yen	272 million yen	Utilities expenses:	256 million yen	229 million yen	Repair expenses:	198 million yen	140 million yen	Insurance expenses:	26 million yen	25 million yen	Depreciation:	2,031 million yen	2,035 million yen	Loss on write-offs of noncurrent assets:	23 million yen	59 million yen	Other:	46 million yen	65 million yen
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Item	Assumptions
Non-Operating Expenses	<ul style="list-style-type: none"> • The forecasts assume 407 million yen for the fiscal period ending January 31, 2020, and 421 million yen for the fiscal period ending July 31, 2020 as Non-operating expenses including interest expenses and interest expenses on investment corporation bonds, etc., respectively. • Regarding the interest expenses and interest expenses on investment corporation bonds among the Non-operating expenses, the figure assume 371 million yen for the fiscal period ending January 2020 and 386 million yen for the fiscal period ending July 31, 2020. • Regarding depreciation of financing-related expenses among the Non-operating expenses, the figure assume 30 million yen for the fiscal period ending January 2020 and 30 million yen for the fiscal period ending July 31, 2020.
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. • Regarding the dividends per unit for the Fiscal Period ending January 2020, the figure assumes the unappropriated retained earnings of 4,489 million yen will be distributed. • Regarding the dividends per unit for the Fiscal Period ending July 2020, the figure assumes the unappropriated retained earnings of 4,326 million yen will be distributed. • Dividends per unit may fluctuate, due to various factors such as acquisitions and sales of assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the issuance of new investment units.
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.

(2) Investment risks

For details of risks related to repayment of the loans, please refer to “Investment Risks” described on a Securities Report (Japanese) submitted on April 25, 2019.

2. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	The 28 th Period (As of July 31, 2019)	The 27 th Period (As of January 31, 2019)
Assets		
Current assets		
Cash and deposits	7,100,103	10,065,546
Cash and deposits in trust	4,317,067	4,236,691
Operating accounts receivable	531,807	576,871
Prepaid expenses	40,936	14,782
Consumption taxes receivable	40,268	-
Income taxes receivable	-	3
Other	19	18
Total current assets	12,030,202	14,893,915
Non-current assets		
Property, plant and equipment		
Buildings	14,359,190	14,337,673
Accumulated depreciation	-2,445,052	-2,250,510
Buildings, net	11,914,137	12,087,162
Structures	387,003	387,003
Accumulated depreciation	-100,094	-90,985
Structures, net	286,909	296,018
Tools, furniture and fixtures	770	770
Accumulated depreciation	-693	-693
Tools, furniture and fixtures, net	77	77
Land	11,774,123	11,772,388
Buildings in trust	126,543,252	123,713,323
Accumulated depreciation	-27,150,871	-25,471,888
Buildings in trust, net	99,392,381	98,241,435
Structures in trust	3,537,666	3,468,519
Accumulated depreciation	-1,275,536	-1,214,478
Structures in trust, net	2,262,130	2,254,041
Tools, furniture and fixtures in trust	29,495	29,068
Accumulated depreciation	-20,068	-19,257
Tools, furniture and fixtures in trust, net	9,427	9,811
Land in trust	122,834,287	119,507,295
Construction in progress in trust	2,670	-
Total property, plant and equipment	248,476,145	244,168,230
Intangible assets		
Other	553	659
Total intangible assets	553	659
Investments and other assets		
Long-term prepaid expenses	146,739	141,149
Deferred tax assets	27	-
Guarantee deposits	10,020	10,020
Other	2,000	2,000
Total investments and other assets	158,787	153,169
Total non-current assets	248,635,485	244,322,059
Deferred assets		
Investment corporation bond issuance costs	43,627	46,364
Total deferred assets	43,627	46,364
Total assets	260,709,315	259,262,339

(Thousands of yen)

	The 28 th Period (As of July 31, 2019)	The 27 th Period (As of January 31, 2019)
Liabilities		
Current liabilities		
Operating accounts payable	445,288	1,088,130
Short-term borrowings	2,000,000	-
Current portion of long-term borrowings	2,000,000	6,500,000
Distributions payable	6,377	6,313
Accrued expenses	819,121	819,982
Income taxes payable	1,165	605
Accrued consumption taxes	-	295,944
Advances received	1,651,075	1,586,420
Other	80	80
Total current liabilities	6,923,108	10,297,476
Non-current liabilities		
Investment corporation bonds	9,700,000	9,700,000
Long-term borrowings	103,000,000	98,500,000
Leasehold and guarantee deposits received	1,223,480	1,223,480
Leasehold and guarantee deposits received in trust	5,431,934	5,093,037
Long-term deposits received	246,551	255,593
Derivatives liabilities	96,243	48,618
Total non-current liabilities	119,698,209	114,820,728
Total liabilities	126,621,317	125,118,205
Net assets		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	132,245,145	132,245,145
Deduction from unitholders' capital	※2 -4,900,686	※2 -4,900,686
Unitholders' capital, net	127,344,458	127,344,458
Surplus		
Voluntary retained earnings		
Reserve for reduction entry of special provisions of replaced property	※3 2,219,363	※3 2,219,363
Reserve for tax purpose reduction entry	366,036	-
Total voluntary retained earnings	2,585,399	2,219,363
Unappropriated retained earnings (undisposed loss)	4,254,382	4,628,929
Total surplus	6,839,782	6,848,293
Total unitholders' equity	134,184,241	134,192,752
Valuation and translation adjustments		
Deferred gains or losses on hedges	-96,243	-48,618
Total valuation and translation adjustments	-96,243	-48,618
Total net assets	※4 134,087,997	※4 134,144,133
Total liabilities and net assets	260,709,315	259,262,339

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	The 28 th Period (From February 1, 2019 to July 31, 2019)	The 27 th Period (From August 1, 2018 to January 31, 2019)
Operating revenue		
Leasing business revenue	※1 8,860,487	※1 8,711,267
Other leasing business revenue	※1 329,933	※1 291,285
Gain on sales of real estate properties	-	※2 926,092
Total operating revenue	9,190,421	9,928,645
Operating expenses		
Expenses related to leasing business	※1 3,639,633	※1 3,771,557
Asset management fee	744,581	745,365
Asset custody fee	25,193	25,249
Administrative service fees	38,043	38,605
Remuneration for directors (and other officers)	5,400	5,400
Other operating expenses	86,087	93,986
Total operating expenses	4,538,940	4,680,164
Operating profit	4,651,481	5,248,480
Non-operating income		
Interest income	21	22
Insurance claim income	-	10,754
Reversal of distribution payable	556	413
Other	262	3
Total non-operating income	840	11,192
Non-operating expenses		
Interest expenses	309,410	331,834
Borrowing related expenses	31,121	239,954
Interest expenses on investment corporation bonds	52,506	53,342
Amortization of investment corporation bond issuance costs	2,737	2,783
Other	1,021	2,786
Total non-operating expenses	396,798	630,702
Ordinary profit	4,255,523	4,628,971
Profit before income taxes	4,255,523	4,628,971
Income taxes - current	1,168	605
Income taxes - deferred	-27	14
Total income taxes	1,140	619
Profit	4,254,382	4,628,352
Retained earnings brought forward	-	577
Unappropriated retained earnings (undisposed loss)	4,254,382	4,628,929

(3) Statement of Changes in Net Assets

The 28th Period (from February 1, 2019 to July 31, 2019)

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus				Treasury investment units	Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
				Reserve for reduction entry of special provisions of replaced property	Voluntary retained earnings				
Balance at beginning of current period	132,245,145	-4,900,686	127,344,458	2,219,363	-	2,219,363	4,628,929	6,848,293	134,192,752
Changes of items during period									
Reserve for tax purpose reduction entry					366,036	366,036	-366,036	-	-
Dividends of surplus							-4,262,893	-4,262,893	-4,262,893
Profit							4,254,382	4,254,382	4,254,382
Net changes of items other than unitholders' equity									
Total changes of items during period	-	-	-	-	366,036	366,036	-374,547	-8,511	-8,511
Balance at end of current period	132,245,145	-4,900,686	127,344,458	2,219,363	366,036	2,585,399	4,254,382	6,839,782	134,184,241

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	-48,618	-48,618	134,144,133
Changes of items during period			
Reserve for tax purpose reduction entry			-
Dividends of surplus			-4,262,893
Profit			4,254,382
Net changes of items other than unitholders' equity	-47,625	-47,625	-47,625
Total changes of items during period	-47,625	-47,625	-56,136
Balance at end of current period	-96,243	-96,243	134,087,997

The 27th Period (from August 1, 2018 to January 31, 2019)

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus				Treasury investment units	Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	Voluntary retained earnings		Unappropriated retained earnings (undisposed loss)	Total surplus		
				Reserve for reduction entry of special provisions of replaced property	Voluntary retained earnings				
Balance at beginning of current period	132,245,145	-2,900,794	129,344,350	2,219,363	2,219,363	4,116,319	6,335,683	-	135,680,034
Changes of items during period									
Dividends of surplus						-4,115,742	-4,115,742		-4,115,742
Profit						4,628,352	4,628,352		4,628,352
Acquisition of own investment units								-1,999,892	-1,999,892
Retirement of own investment units		-1,999,892	-1,999,892					1,999,892	-
Net changes of items other than unitholders' equity									
Total changes of items during period	-	-1,999,892	-1,999,892	-	-	512,610	512,610	-	-1,487,281
Balance at end of current period	132,245,145	-4,900,686	127,344,458	2,219,363	2,219,363	4,628,929	6,848,293	-	134,192,752

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	22,454	22,454	135,702,489
Changes of items during period			
Dividends of surplus			-4,115,742
Profit			4,628,352
Acquisition of own investment units			-1,999,892
Retirement of own investment units			-
Net changes of items other than unitholders' equity	-71,073	-71,073	-71,073
Total changes of items during period	-71,073	-71,073	-1,558,355
Balance at end of current period	-48,618	-48,618	134,144,133

(4) Distribution Information

	(Yen)	
	The 28 th Period (from February 1, 2019 to July 31, 2019)	The 27 th Period (from August 1, 2018 to January 31, 2019)
I. Unappropriated retained earnings	4,254,382,683	4,628,929,980
II. Distributions	4,253,843,100	4,262,893,830
Distributions per unit	4,700	4,710
III. Voluntary retained earnings (Provision for reserve for reduction entry)	-	366,036,150
III. Retained earnings to be carried forward	539,583	-
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 4,253,843,100 yen, which is the maximum multiple of total number of investment units issued 905,073 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 4,262,893,830 yen, the amount remaining after deducting 366,036,150 yen which is within the limit of the reserve for reduction entry stipulated in Article 66-2 of the Act from the current unappropriated retained earnings, as a profit distribution.</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 28 th Period (From February 1, 2019 to July 31, 2019)	The 27 th Period (From August 1, 2018 to January 31, 2019)
Cash flows from operating activities		
Profit before income taxes	4,255,523	4,628,971
Depreciation	1,971,486	1,984,502
Amortization of investment corporation bond issuance costs	2,737	2,783
Interest income	-21	-22
Interest expenses	361,917	385,177
Loss on retirement of non-current assets	25,733	167,981
Decrease (increase) in operating accounts receivable	36,711	-34,735
Decrease (increase) in consumption taxes refund receivable	-40,268	-
Increase (decrease) in accrued consumption taxes	-295,944	-68,731
Increase (decrease) in operating accounts payable	-286,521	347,795
Increase (decrease) in accrued expenses	10,975	-17,678
Increase (decrease) in advances received	64,654	5,639
Decrease in property, plant and equipment in trust due to sale	-	6,879,060
Other, net	-32,606	67,810
Subtotal	6,074,377	14,348,555
Interest received	21	22
Interest paid	-373,527	-396,878
Payments associated with disaster loss	-	-28,839
Income taxes (paid) refund	-604	-901
Net cash provided by (used in) operating activities	5,700,266	13,921,957
Cash flows from investing activities		
Purchase of property, plant and equipment	-47,080	-2,638,116
Purchase of property, plant and equipment in trust	-6,605,915	-303,702
Proceeds from leasehold and guarantee deposits received	-	110,000
Proceeds from leasehold and guarantee deposits received in trust	409,397	7,587
Refund of leasehold and guarantee deposits received in trust	-70,500	-85,200
Net cash provided by (used in) investing activities	-6,314,098	-2,909,431
Cash flows from financing activities		
Proceeds from short-term borrowings	2,000,000	-
Proceeds from long-term borrowings	4,500,000	9,000,000
Repayments of long-term borrowings	-4,500,000	-12,000,000
Purchase of treasury investment units	-	-1,999,892
Distributions paid	-4,262,273	-4,116,109
Net cash provided by (used in) financing activities	-2,262,273	-9,116,001
Net increase (decrease) in cash and cash equivalents	-2,876,106	1,896,524
Cash and cash equivalents at beginning of period	14,106,749	12,210,224
Cash and cash equivalents at end of period	※1 11,230,643	※1 14,106,749

(6) Notes on Assumption of Going Concern

Not applicable to the 28th Period.

(7) Summary of Significant Accounting Policies

(i) Depreciation method for non-current assets

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

The straight-line method is used.

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

Buildings	2 to 64 years
Structures	2 to 48 years
Tools, furniture, and fixtures	2 to 15 years

B. Intangible assets

The straight-line method is used.

(ii) Accounting for deferred assets

Investment corporation bond issuance costs

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

(iii) 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 fiscal period.

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 28th Period, the property tax, etc. included in the acquisition cost of real estate was 24,948 thousand yen. In the 27th Period, the property tax, etc. included in the acquisition cost of real estate was 414 thousand yen.

(iv) Hedge accounting method

A. Hedge accounting method

Deferred hedge accounting is applied.

However, specially designated accounting is applied to transactions that meet the requirements for specially designated accounting for interest swaps.

B. Hedging method and hedging objective

Hedging method: Interest rate swap transactions

Hedged items: Interest on borrowings

C. Hedging policy

JLF utilizes derivative transactions to hedge the risks specified in the Articles of Incorporation of the Investment Corporation based on its risk management policy.

D. Method of assessing hedge effectiveness

Hedge effectiveness is assessed by making a comparison between the cumulative total of cash flow fluctuations attributable to hedged items and the cumulative total of cash flow fluctuations attributable to the means of hedging, and examining the ratio of these totals of fluctuations. However, the assessment of effectiveness is not conducted for transactions that meet the requirements for specially designated accounting for interest swaps.

(v) Scope of cash and cash equivalents in the statement of cash flows

Cash and cash equivalents consist of cash on hand, cash in trust, deposits and deposits in trust withdrawable on demand, and short-term investments, which are easily convertible into cash, with low risk of price fluctuation and with a maturity of less than three months.

(vi) Other significant basis for preparation of financial statements

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

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

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

(a) Cash and deposits in trust

(b) Buildings in trust, Structures in trust, Tools, furniture and fixtures in trust, Land in trust, and Construction in progress 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.

(Accounting standards not yet applied)

- “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29 on March 30, 2018, Accounting Standards Board of Japan)
- “Implementation Guidance on Accounting Standard for Revenue Recognition” (ASBJ Guidance No. 30 on March 30, 2018, Accounting Standards Board of Japan)

A. Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States have jointly developed comprehensive accounting standards for revenue recognition and published “Revenue from Contracts with Customers” (IFRS 15 in IASB and Topic 606 in FASB) in May 2014. Given the situation where IFRS 15 will be applied in a fiscal year beginning on or after January 1, 2018 and that Topic 606 will be applied in a fiscal year beginning after December 15, 2017, the Accounting Standards Board of Japan (ASBJ) has developed comprehensive accounting standards for revenue recognition and published them together with the Implementation Guidance. The basic policy of ASBJ when it developed the accounting standards for revenue recognition was to specify accounting standards, with the incorporation of the basic principles of IFRS 15 as a starting point, from the perspective of comparability between financial statements, which is one of the benefits of maintaining compatibility with IFRS 15. The basic policy also stipulates that if there is an item to which we should give consideration, such as practices that have been conducted thus far in Japan, an alternative treatment will be added to the extent to which it will not undermine the comparability.

B. Scheduled date of application

The above standards will be applied from the beginning of the fiscal period ending January 31, 2022.

C. Impact of applying the accounting standards

The level of the impact on the financial statements of applying the “Accounting Standard for Revenue Recognition” and the like is currently under review.

(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 28 th Period (as of July 31, 2019)	The 27 th Period (as of January 31, 2019)
Total amount specified in the commitment line contracts	17,500,000	18,500,000
Loan balance at end of period	-	-
Outstanding loan commitments at end of period	17,500,000	18,500,000

(ii) Status of cancellation of Buybacks

	The 28 th Period (as of January 31, 2019)	The 27 th Period (as of July 31, 2019)
	19,927 units	19,927 units
	4,436,262 thousand yen	4,436,262 thousand yen

(Note) There are no cancelled buybacks during the Fiscal Period under review.

(iii) The breakdown of reserve for reduction entry of special provisions of replaced property prescribed in Article 2, Paragraph 2, Item 28 of the Ordinance on Accounting of Investment Corporations is as follows.

Items	Breakdown	
	The 28 th Period (as of July 31, 2019)	The 27 th Period (as of January 31, 2019)
Corresponding property	Ichikawa Logistics Center II / land	
Reason for recognition and amount	Gain on sales of real estate properties of 2,618,320 thousand yen due to sales of Funabashi Nishiura Logistics Center II and Yokosuka Logistics Center.	
Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.	
Description of reversal in the period	Not applicable.	
	The 28 th Period (as of July 31, 2019)	The 27 th Period (as of January 31, 2019)
Balance before provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen
Reversal in the statement of income and retained earnings	-	-
Amount on the balance sheet	2,219,363 thousand yen	2,219,363 thousand yen
Provision as disclosed in (4) Distribution Information	-	-
Reversal as disclosed in (4) Distribution Information	-	-
Balance after provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen

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

	(Thousands of yen)	
	The 28 th Period (as of July 31, 2019)	The 27 th Period (as of January 31, 2019)
	50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income from real estate leasing business

	(Thousands of yen)			
	The 28th Period (from February 1, 2019 to July 31, 2019)		The 27th Period (from August 1, 2018 to January 31, 2019)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	8,642,689		8,494,105	
Land rents received	600		600	
Facility charges	217,197	8,860,487	216,562	8,711,267
Other lease business revenue				
Parking charges	24,427		23,953	
Utilities charges	225,214		254,470	
Other operating income	80,291	329,933	12,861	291,285
Total real estate leasing business revenue		9,190,421		9,002,553
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	812,171		803,164	
Outsourcing service expenses	249,687		288,628	
Utilities expenses	233,957		267,180	
Repair expenses	271,436		164,390	
Insurance expenses	26,880		26,530	
Other expenses related to rent business	48,386		69,479	
Depreciation	1,971,380		1,984,202	
Loss on retirement of non-current assets	25,733		167,981	
Total real estate leasing business expenses		3,639,633		3,771,557
(iii) Income from real estate leasing business				
((i) - (ii))		5,550,787		5,230,995

Breakdown of Gain on sales of real estate properties

The 28th Period (from February 1, 2019 to July 31, 2019)

Not applicable.

The 27th Period (from August 1, 2018 to January 31, 2019)

Funabashi Logistics center

	(Thousands of yen)
Sales proceeds	7,900,000
Book value of property sold	6,878,546
Other sales expenses	95,360
Gain on sales of real estate properties	926,092

[Notes to Statement of Changes in Net Assets]

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

	The 28th Period (from February 1, 2019 to January 31, 2019)	The 27th Period (from August 1, 2018 to January 31, 2019)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	905,073 units	905,073 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 28th Period (from February 1, 2019 to July 31, 2019)	The 27th Period (from August 1, 2018 to January 31, 2019)
Cash and deposits	7,100,103	10,065,546
Cash and deposits in trust	4,317,067	4,236,691
Long-term deposits received (Note)	-186,528	-195,489
Cash and cash equivalents	11,230,643	14,106,749

(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 28th Period (from February 1, 2019 to July 31, 2019)	The 27th Period (from August 1, 2018 to January 31, 2019)
Future lease payments receivable		
Due within one year	15,014,810	15,428,240
Due after one year	51,678,525	54,417,131
Total	66,693,336	69,845,372

[Financial Instruments]

(i) Matters concerning the status of financial instruments

A. Policies on financial instruments

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

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

JLF uses derivative transactions for the purpose of hedging interest rate fluctuation risk and other risks and does not enter into derivative transactions for speculative or trading purpose.

JLF invests surplus funds in securities and monetary claims with a focus on safety and liquidity, and does not engage into speculative investment.

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

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

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

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

Variable interest rate borrowings are exposed to the risk of interest rate fluctuations. Derivative transactions are used to hedge the risk of fluctuations in the interest rate payable for a portion of the borrowings. See “(iv) Hedge accounting method” above under “Summary of Significant Accounting Policies” for details about the hedging method, hedged items, hedging policy, and method of assessing hedge effectiveness, etc. in hedge accounting.

C. Description of financial instruments

Fair value of financial instruments comprises value based on market prices or rationally calculated value in the case the market prices are not available. As certain assumptions are applied in performing calculation of such value, the value may differ if different assumptions are used. In addition, the contract value of derivative transactions, which is presented in the following section entitled “Notes to Derivatives” is not an exact representation of market risk attributable to derivative transactions.

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

Amounts on the Balance Sheet, fair value and their difference as of July 31, 2019 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Cash and deposits	7,100,103	7,100,103	-
(2) Cash and deposits in trust	4,317,067	4,317,067	-
Total assets	11,417,171	11,417,171	-
(1) Short-term loans payable	2,000,000	2,000,000	-
(2) Current portion of long-term loans payable	2,000,000	2,002,787	2,787
(3) Investment corporation bond	9,700,000	10,263,319	563,319
(4) Long-term loans payable	103,000,000	104,550,605	1,550,605
Total liabilities	116,700,000	118,816,713	2,116,713
Derivative transactions *	-96,243	-96,243	-

*Net amounts are shown for credits and liabilities attributable to derivative transactions, and the total of the items that constitute net liabilities is shown in negative.

Amounts on the Balance Sheet, fair value and their difference as of January 31, 2019 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Cash and deposits	10,065,546	10,065,546	-
(2) Cash and deposits in trust	4,236,691	4,236,691	-
Total assets	14,302,238	14,302,238	-
(2) Current portion of long-term loans payable	6,500,000	6,526,844	26,844
(3) Investment corporation bond	9,700,000	10,224,417	524,417
(4) Long-term loans payable	98,500,000	100,093,289	1,593,289
Total liabilities	114,700,000	116,844,551	2,144,551
Derivative transactions *	-48,618	-48,618	-

*Net amounts are shown for credits and liabilities attributable to derivative transactions, and the total of the items that constitute net liabilities is shown in negative.

(Note 1) Matters concerning the method of calculating the market value of financial instruments and derivative transactions.

Assets

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

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

Liabilities

(1) Short-term loans payable

The fair value of Short-term loans payable 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 of long-term loans with fixed interest rates is calculated by discounting such loans at rates that would be applied if new loans with the same amount are borrowed under similar terms and conditions. (However, long-term loans that are subject to specially designated accounting for interest swaps are calculated by discounting such loans at reasonably estimated rates that would be applied if new loans with the same amount are borrowed under similar terms and conditions.

(2) Investment corporation bond

When quoted market prices are available, the fair value is determined based on the reference value issued by the Japan Securities Dealers Association.

When quoted market prices are not available, the fair value is determined based on the present value calculated by discounting the total amount of principal and interest using a discount rate that reflects the remaining period and credit risk of the corresponding investment corporation bond.

Derivative transactions

See "Notes to Derivatives" below.

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

Not applicable to the 28th and 27th Periods.

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

The 28th Period (as of July 31, 2019)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	7,100,103	-	-	-	-	-
Cash and deposits in trust	4,317,067	-	-	-	-	-
Total	11,417,171	-	-	-	-	-

The 27th Period (as of January 31, 2019)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	10,065,546	-	-	-	-	-
Cash and deposits in trust	4,236,691	-	-	-	-	-
Total	14,302,238	-	-	-	-	-

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

The 28th Period (as of July 31, 2019)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Short-term loans payable	2,000,000	-	-	-	-	-
Long-term loans payable	2,000,000	16,000,000	18,500,000	17,000,000	15,500,000	36,000,000
Investment corporation bond	-	-	-	-	-	9,700,000
Total	4,000,000	16,000,000	18,500,000	17,000,000	15,500,000	45,700,000

The 27th Period (as of January 31, 2019)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term loans payable	6,500,000	7,000,000	18,000,000	19,000,000	16,500,000	38,000,000
Investment corporation bond	-	-	-	-	-	9,700,000
Total	6,500,000	7,000,000	18,000,000	19,000,000	16,500,000	47,700,000

[Notes to Investment Securities]

Not applicable to the 28th and 27th Periods.

[Notes to Derivatives]

(i) Transactions not applicable to hedge accounting

Not applicable to the 28th and 27th Periods.

(ii) Transactions applicable to hedge accounting

The 28th Period (from February 1, 2019 to July 31, 2019)

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	9,000,000	9,000,000	-96,243	Based on prices and other conditions presented by financial institutions
Special treatment for hedge accounting of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	—

* Because the interest rate swaps accounted for using the special treatment are treated together with the hedged long-term borrowings, their fair value is included in that of the long-term borrowings.

The 27th Period (from August 1, 2018 to January 31, 2019)

The following table shows the contract amount on the closing date for derivative transactions, or the amount corresponding to the principal specified in the contract.

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	9,000,000	9,000,000	-48,618	Based on prices and other conditions presented by financial institutions
Special treatment for hedge accounting of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	—

* Because the interest rate swaps accounted for using the special treatment are treated together with the hedged long-term borrowings, their fair value is included in that of the long-term borrowings.

[Notes to Retirement Benefits]

Not applicable to the 28th and 27th Periods.

[Tax Effect Accounting]

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

	(Thousands of yen)	
	The 28 th Period (as of July 31, 2019)	The 27 th Period (as of January 31, 2019)
Deferred tax assets, current		
Enterprise tax not deductible	27	-
Deferred Hedge gains or losses	30,278	15,358
Deferred gains or losses on hedges	30,305	15,358
Valuation Allowance	-30,278	-15,358
Total deferred tax assets, current	27	-
Deferred tax assets, net, current	27	-

(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 28 th Period (as of July 31, 2019)	The 27 th Period (as of January 31, 2019)
Effective statutory tax rate	31.51%	31.51%
Adjustments		
Deductible cash distributions	-31.50%	-29.02%
Provision for reserve for reduction entry	-%	-2.49%
Other	0.02%	0.01%
Effective tax rate after applying tax effect accounting	0.03%	0.01%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 28th and 27th Periods, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the 28th and 27th Periods.

(ii) Subsidiaries and affiliates

Not applicable to the 28th and 27th Periods.

(iii) Sister companies

Not applicable to the 28th and 27th Periods.

(iv) Directors and principal individual unitholders

The 28th Period (from February 1, 2019 to July 31, 2019)

Classify - cation	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Yasushi Ogaku	-	-	Executive Director of Japan Logistics Fund, Inc. and Director, General Manager of Acquisition & Leasing Dept. and Property Management Dept. of Mitsui & Co., Logistics Partners Ltd.	0.0%	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	785,896 (Note 2) (Note 3)	Accrued expenses	531,048 (Note 3)

(Note 1) This is a transaction executed by Yasushi Ogaku as Director, General Manager of Acquisition & Leasing Dept. and Property Management Dept of a third party (Mitsui & Co., Logistics Partners Ltd.), and the fee is in line with the Articles of Incorporation of JLF.

(Note 2) Asset management fee includes acquisition fee of 41,314 thousand yen, which were capitalized on 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 27th Period (from August 1, 2018 to January 31, 2019)

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	Keita Tanahashi	-	-	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)	803,065 (Note 2) (Note 3)	Accrued expenses	518,342 (Note 3)

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

(Note 2) Asset management fee includes disposition fee of 39,500 thousand yen, and acquisition fee of 18,200 thousand yen, which were capitalized on 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 July to Asset Write-off Obligations]

Not applicable to the 28th and 27th Periods.

[Notes to Lease Properties]

JLF holds logistics properties 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 28 th Period (from February 1, 2019 to July 31, 2019)	The 27 th Period (from August 1, 2018 to January 31, 2019)
Amount on the balance sheet		
Balance at the beginning of the period	244,168,230	249,991,933
Changes during the period	4,305,244	-5,823,703
Balance at the end of the period	248,473,474	244,168,230
Fair value at the end of the period	350,810,000	342,390,000

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

(Note 2) The increase of the lease properties in the 28th period is mainly by the acquisition of Ichikawa Logistics Center III (3,925,973 thousand yen), and Toda Logistics Center (2,092,028 thousand yen). The increase of the lease properties in the 27th period is mainly by the acquisition of Osaka Nishiyodogawa Logistics Center (2,635,242 thousand yen), and the decrease of the lease properties in the 27th period is mainly by the disposition of Funabashi Logistics Center (6,878,546 thousand yen)

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

The income concerning lease properties, etc. for the 28th and 27th 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 28th Period (from February 1, 2019 to July 31, 2019)

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 the 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

Tenant	Operating revenue	Segment
Nakano Shokai co., ltd.	Not disclosed (Note)	Real estate leasing business

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

The 27th Period (from August 1, 2018 to January 31, 2019)

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 the Statement of Income and Retained Earnings.

(b) Property, plant, and equipment

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

C. Information by major tenant

Description is omitted as net sales for all single external customers are less than 10% of the operating revenue on the Statement of Income and Retained Earnings.

[Per Unit Information]

	The 28 th Period (from February 1, 2019 to July 31, 2019)	The 27 th Period (from August 1, 2018 to January 31, 2019)
Net assets per unit	148,151 yen	148,213 yen
Profit per unit	4,700 yen	5,093 yen

(Note 1) Profit per unit was calculated by dividing profit by average number of investment units during period.

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

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

(Thousands of yen)

	The 28 th Period (from February 1, 2019 to July 31, 2019)	The 27 th Period (from August 1, 2018 to January 31, 2019)
Profit	4,254,382	4,628,352
Amount not attributable to common unitholders	-	-
Profit pertaining to common investment units	4,254,382	4,628,352
Average number of investment units during period	905,073 units	908,602 units

[Notes to Significant Subsequent Events]

Not applicable to the 28th Period (from February 1, 2019 to July 31, 2019)

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

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

Date	Summary	Total number of investment units issued		Unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
February 22, 2005	Private placement offering	1,000	1,000	500	500	(Note 1)
May 6, 2005	Capital increase through public offering	55,700	56,700	29,562	30,062	(Note 2)
June 1, 2005	Capital increase through third-party allotment	2,800	59,500	1,486	31,548	(Note 3)
February 8, 2006	Capital increase through public offering	46,500	106,000	35,668	67,217	(Note 4)
March 8, 2006	Capital increase through third-party allotment	2,800	108,800	2,147	69,365	(Note 5)
August 31, 2007	Capital increase through public offering	13,500	122,300	12,656	82,021	(Note 6)
February 23, 2010	Capital increase through public offering	8,500	130,800	5,123	87,145	(Note 7)
March 25, 2010	Capital increase through third-party allotment	500	131,300	301	87,446	(Note 8)
August 30, 2010	Capital increase through public offering	16,000	147,300	9,689	97,136	(Note 9)
September 24, 2010	Capital increase through third-party allotment	700	148,000	423	97,559	(Note 10)
September 13, 2013	Distribution in Excess of Earnings	-	148,000	-464	97,095	(Note 11)
October 2, 2013	Capital increase through public offering	16,000	164,000	14,634	111,729	(Note 12)
October 28, 2013	Capital increase through third-party allotment	2,000	166,000	1,829	113,559	(Note 13)
February 1, 2014	Investment Unit Split	664,000	830,000	-	113,559	(Note 14)
September 16, 2015	Capital increase through public offering	47,500	877,500	8,801	122,360	(Note 15)
October 15, 2015	Capital increase through third-party allotment	2,500	880,000	463	122,823	(Note 16)
September 27, 2017	Capital increase through public offering	42,750	922,750	8,509	131,332	(Note 17)
October 19, 2017	Capital increase through third-party allotment	2,250	925,000	447	131,780	(Note 18)
July 13, 2018	Cancellation	-11,000	914,000	-2,436	129,344	(Note 19)
January 11, 2019	Cancellation	-8,927	905,073	-1,999	127,344	(Note 20)

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

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

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

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

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

- (Note 6) Investment units were newly issued at the price of 971,180 yen per unit (net proceeds of 937,486 yen) for new properties acquisition.
- (Note 7) Investment units were newly issued at the price of 624,680 yen per unit (net proceeds of 602,784 yen) for a new property acquisition.
- (Note 8) Investment units were newly issued through third-party allotment at the price of 602,784 yen per unit for partial repayment of bank loans.
- (Note 9) Investment units were newly issued at the price of 627,590 yen per unit (net proceeds of 605,592 yen) for a new property acquisition.
- (Note 10) Investment units were newly issued through third-party allotment at the price of 605,592 yen per unit for partial repayment of bank loans.
- (Note 11) Distribution in Excess of Earnings was resolved at the price of 3,138 yen per unit in order to level out the loss associated with OBR.
- (Note 12) Investment units were newly issued at the price of 947,700 yen per unit (net proceeds of 914,652 yen) for new properties acquisition and partial repayment of bank loans.
- (Note 13) Investment units were newly issued through third-party allotment at the price of 914,652 yen per unit for partial repayment of bank loans.
- (Note 14) JLF has implemented a 5 - for - 1 investment unit split.
- (Note 15) Investment units were newly issued at the price of 191,782 yen per unit (net proceeds of 185,290 yen) for partial new properties acquisition and repayment of borrowings with respect to the acquisition of new properties.
- (Note 16) Investment units were newly issued through third-party allotment at the price of 185,290 yen per unit for financing future acquisition of specified assets, partial repayment of the borrowings or partial redemption of the investment corporation bond.
- (Note 17) Investment units were newly issued at the price of 206,017 yen per unit (net proceeds of 199,044 yen) for partial repayment of borrowings with respect to the acquisition of new properties and making up the decline in cash on hand used for the acquisitions.
- (Note 18) Investment units were newly issued through third-party allotment at the price of 199,044 yen per unit for financing future acquisition of specified assets and repayment of the borrowings.
- (Note 19) Investment units were repurchased through open-market transactions on the Tokyo Stock Exchange from March 14, 2018 to May 31, 2018 based on a discretionary transaction contract with a securities broker. All the acquired investment units were cancelled on July 13, 2018 based on a resolution at a meeting of the Board of Directors of JLF held on June 27, 2018.
- (Note 20) Investment units were repurchased through open-market transactions on the Tokyo Stock Exchange from September 13, 2018 to October 31, 2018 based on a discretionary transaction contract with a securities broker. All the acquired investment units were cancelled on January 11, 2019 based on a resolution at a meeting of the Board of Directors of JLF held on November 28, 2018.

3. Reference Information

(1) Asset composition of JLF

Type of assets	Use of assets	Region (Note 2)	The 28 th Period (as of July 31, 2019)		The 27 th Period (as of January 31, 2019)	
			Total amount owned (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)	Total amount owned (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)
Real estate	Logistics facility	Tokyo Metropolitan Area	6,993	2.7	7,039	2.7
		Kinki/Chubu/Kyushu Areas	15,349	5.9	15,475	6.0
		Other Areas	1,632	0.6	1,640	0.6
	Subtotal	23,975	9.2	24,155	9.3	
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	190,001	72.9	185,248	71.5
		Kinki/Chubu/Kyushu Areas	25,733	9.9	25,903	10.0
		Other Areas	8,763	3.4	8,859	3.4
	Subtotal	224,498	86.1	220,012	84.9	
Deposits and other assets (Note 5)			12,235	4.7	15,094	5.8
Total assets			260,709	100.0	259,262	100.0

(Note 1) Descriptions under "3. Reference Information" are effective as of July 31, 2019, 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.

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

(Note 5) Deposits and other assets include; deposit in trust assets of 4,317 million yen for the 28th Period and of 4,236 million yen for the 27th Period.

<Area classification>

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

	The 28 th Period (as of July 31, 2019)		The 27 th Period (as of January 31, 2019)	
	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	126,622	48.6	125,118	48.3
Total net assets	134,087	51.4	134,144	51.7
Total assets	260,709	100.0	259,262	100.0

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

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

(2) Investment Securities

(i) Major investment securities

A. Stocks

Not applicable

B. Securities other than stocks

Not applicable

(ii) List of portfolio properties

JLF owns the following real estate, etc.

A. The outline of portfolio properties held as of July 31, 2019 is as follows: Acquisition price, etc.

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-2	Urayasu	Trust beneficiary right of real estate	2,902	2,764	5,410	1.1
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,277	1,810	0.5
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,184	3,710	0.9
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	5,015	9,200	2.2
M-6	Funabashi Nishiura	Trust beneficiary right of real estate	5,700	4,274	7,650	2.1
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,502	12,300	4.0
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,453	2,340	0.6
M-11	Yachiyo	Trust beneficiary right of real estate	7,892 (Note 5)	7,443	12,300	2.9
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	7,980	12,100	3.6
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	3,985	7,810	2.0
M-14	Urayasu Chidori II	Real estate	1,640	1,437	1,930	0.6
M-15	Ichikawa	Real estate	4,550	4,150	5,840	1.7
M-16	Shinonome (Note 6)	Trust beneficiary right of real estate	11,800	11,143	14,900	4.4
M-17	Narashino II (Note 6)	Trust beneficiary right of real estate	7,875	6,430	10,200	2.9
M-18	Ichikawa II (Note 6)	Trust beneficiary right of real estate	17,415	15,498	23,500	6.4
M-19	Souka	Trust beneficiary right of real estate	14,440 (Note 7)	13,455	16,900	5.3
M-20	Tatsumi	Trust beneficiary right of real estate	9,000	8,384	12,100	3.3
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,441	4,560	1.4
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	7,985	10,900	3.2
M-23	Kashiwa II	Trust beneficiary right of real estate	3,795 (Note 8)	3,755	4,400	1.4
M-24	Shin-Koyasu (Note 6)	Trust beneficiary right of real estate	9,696	9,049	11,900	3.6

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-25	Misato	Trust beneficiary right of real estate	3,873	3,584	4,810	1.4
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	7,494	10,300	3.0
M-27	Chiba Kita	Real estate	1,459	1,405	2,030	0.5
M-28	Chiba Kita II	Trust beneficiary right of real estate	4,608	4,504	5,920	1.7
M-29	Urayasu Chidori III	Trust beneficiary right of real estate	1,053	1,053	1,440	0.4
M-30	Zama	Trust beneficiary right of real estate	1,728	1,705	2,030	0.6
M-31	Shinkiba II	Trust beneficiary right of real estate	15,270	15,350	18,300	5.6
M-32	Yokohama Machida	Trust beneficiary right of real estate	25,452	25,287	26,300	9.4
M-35	Toda	Trust beneficiary right of real estate	2,052	2,087	2,310	0.8
M-36	Ichikawa III	Trust beneficiary right of real estate	3,850	3,907	5,230	1.4
Subtotal for the Tokyo Metropolitan Area			214,073	196,994	270,430	79.1
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 9)	8,658	19,600	3.6
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,371	6,620	1.5
T-3	Kiyosu	Real estate	3,010 (Note 10)	2,969	5,470	1.1
T-4	Kadoma	Real estate	989	1,018	1,550	0.4
T-5	Komaki	Real estate	2,100	1,857	2,080	0.8
T-6	Komaki II	Real estate	1,800	1,687	1,590	0.7
T-7	Fukuoka Hakozaki Futo	Trust beneficiary right of real estate	2,797	2,668	3,660	1.0
T-8	Tajimi	Trust beneficiary right of real estate	9,310 (Note 11)	8,455	12,300	3.4
T-9	Fukuoka Kashiwhama	Trust beneficiary right of real estate	2,750	2,579	3,460	1.0
T-10	Kasugai	Real estate	3,500 (Note 12)	3,581	4,760	1.3
T-11	Takatsuki	Real estate	1,559	1,606	1,660	0.6
T-13	Osaka Nishiyodogawa	Real estate	2,600	2,628	2,700	1.0
Subtotal for Kinki/Chubu/Kyushu Areas			44,274	41,083	65,450	16.4
O-1	Maebashi	Trust beneficiary right of real estate	1,230	956	1,330	0.5

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
O-2	Hanyu	Trust beneficiary right of real estate	1,705	1,374	1,970	0.6
O-3	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,259	4,860	1.5
O-4	Kazo	Trust beneficiary right of real estate	3,790	3,172	4,870	1.4
O-5	Sendaiko-kita	Real estate	1,600	1,632	1,900	0.6
Subtotal for other Areas			12,335	10,395	14,930	4.6
Portfolio total			270,682	248,473	350,810	100.0

(Properties to be acquired, etc.)

Property Number	Name of the properties (Note 13)	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-33	Yachiyo III (Note 14)	Real estate	3,286	—	4,110	—
M-34	Shiroi (Note 15)	Real estate	4,052 (Note 16)	—	4,970	—
M-37	Fujisawa	Trust beneficiary right of real estate	4,305 (Note 16)	—	4,350	—
T-12	Aisai (Note 17)	Real estate	2,510 (Note 16)	—	2,720 (Note 18)	—

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

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

(Note 3) Appraisal value, as a general rule, 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. Japan Real Estate Institute and CBRE, Inc. as the date of value estimate in accordance with the asset evaluation methods and standards specified under the Articles of Incorporation of JLF as well as the rules set forth by the Investment Trusts Association, Japan.

(Note 4) % of the portfolio represents the ratio of the acquisition price of each piece of real estate, etc. to the total acquisition price of real estate, etc. owned by JLF, and is indicated by rounding off to the first decimal place.

(Note 5) The figure is calculated by deducting the costs associated with write-offs and demolition of the former building in July 2013 (603 million yen), and adding the amount stated in the construction contract relating to the building after redevelopment (including the construction contract for additional works) (6,230 million yen) to the sale price stated in the initial sales contract (2,266 million yen).

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

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center: 51%

(Note 7) The figure is the sum of the acquisition prices on March 27, 2012 and February 6, 2017.

(Note 8) The figure is the sum of the acquisition prices on September 20, 2013 and March 1, 2018.

(Note 9) The figure is calculated by deducting the costs associated with write-offs and demolition of the former building in July 2009 (291 million yen), and adding the amount stated in the construction contract relating to the Warehouse III (2,437 million yen) to the sale price stated in the initial sales contract (7,617 million yen).

(Note 10) The figure is calculated by adding the construction cost relating to the redevelopment (2,325 million yen) to the sale price stated in the initial sales contract (685 million yen).

(Note 11) The figure is the sum of the acquisition prices on October 8, 2013 and November 4, 2014.

(Note 12) The figure is calculated by adding the acquisition price for the newly constructed building by redevelopment (2,670 million yen) to the sale price stated in the initial sales contract (830 million yen).

(Note 13) The Purchase Agreement regarding the properties to be acquired, (as for Ichikawa Logistics Center III, Fixed-term Lease Contract

with a Termination Clause with the grants to JLF an option to purchase the property) corresponds to the forward commitment, etc. stipulated in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” set by the Financial Services Agency.

(Note 14) The property was acquired on September 2, 2019 for 3,286 million yen.

(Note 15) The date of delivery of the property will be a date no later than the date on which one year has elapsed from the date of application for building preservation registration and shall be a date designated separately by JLF (or if a date has been agreed separately by JLF and JA Mitsui Leasing Tatemono Co., Ltd., such agreed date). In addition, JLF concluded a fixed-term lease contract with JA Mitsui Leasing Tatemono Co., Ltd. on February 22, 2018, subject to a condition precedent that the building has been completed and an application for building preservation registration has been filed pertaining to the building. Therefore, with an application for building preservation registration filed on May 15, 2019, the relevant fix-term lease contract took effect on the same date (As a result, JLF acquired the leasehold right to the property). JLF also concluded a fixed-term lease contract with a sublessee of the building, and based on which, sublet part of the said building on September 1, 2019. An overview of the property is as follows.

[M-34 Shiroy Logistics Center]

Location	98-87 Konauchi, Naka, Shiroy, Chiba and Others
Usage	Warehouse (Note)
Site area	14,322.86 m ² (Note)
Total floor area	25,653.78 m ² (Note)
Structure/Story	Steel-frame structure, alloy plated steel sheet roof, 3 stories
Date of completion	May 15, 2019 (Note)

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

(Note 16) The figure indicates the acquisition price stated in the purchase agreement. The acquisition price may change in the future because the purchase agreement specifies that if the contract price or other costs for the development of the property fluctuate in the period up to and including the date of delivery of the property, the acquisition price shall be changed accordingly. Moreover, Fujisawa Logistics Center was acquired on August 1, 2019 for 4,305 million yen.

(Note 17) This property is a development project, and the building is still under construction. The date of delivery of the property will be the day after one year from the later date of either the completion date of building preservation registration or the completion date of construction (or the agreed date if a date no later than the date on which two years have elapsed from the date of conclusion of the contract has been agreed separately by JLF and Lonco Japan Co., Ltd. as the delivery date of the property).

(Note 18) As of the date of the appraisal, the building has not yet been completed, and thus the appraisal value of the property was calculated by using “Appraisal of Uncompleted Buildings” stipulated in the Real Estate Appraisal Standards. As a result, the figure is an appraisal value based on the assumption that the building is a property following completion that has been completed as planned, has received the delivery of the inspection certificate and has undergone registration.

B. The outline of portfolio properties held as of July 31, 2019: The status of leasing of real estate properties, etc.

Property Number	Name of the Logistics Center	Total leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-2	Urayasu	9,543.72	8,373.34	4	87.7	18.3
M-3	Hiratsuka	11,225.72	11,225.72	1	100.0	(Note 4) 21.1
M-4	Shinkiba	10,616.80	10,616.80	1	100.0	17.6
M-5	Urayasu Chidori	31,790.42	31,790.42	1	100.0	13.8
M-6	Funabashi Nishiura	34,319.12	34,319.12	3	100.0	7.1
M-8	Kawasaki	41,630.54	41,630.54	1	100.0	14.6
M-9	Narashino	2,442.87	2,442.87	1	100.0	11.3
M-11	Yachiyo	56,882.98	56,882.98	2	100.0	1.7
M-12	Yokohama Fukuura	35,882.64	35,882.64	3	100.0	16.3
M-13	Yachiyo II	32,389.70	32,389.70	1	100.0	7.6
M-14	Urayasu Chidori II	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	18,686.12	18,686.12	1	100.0	11.8
M-16	Shinonome (Note 5)	16,175.31	16,175.31	1	100.0	14.4
M-17	Narashino II (Note 5)	43,208.86	43,208.86	3	100.0	11.1
M-18	Ichikawa II (Note 5)	66,497.99	66,497.99	2	100.0	4.2
M-19	Souka	42,640.84	42,640.84	3	100.0	12.7
M-20	Tatsumi	29,394.56	29,394.56	1	100.0	14.6
M-21	Kashiwa	20,546.46	20,546.46	1	100.0	9.7
M-22	Musashimurayama	40,884.25	40,884.25	1	100.0	11.9
M-23	Kashiwa II	50,126.79	50,126.79	1	100.0	7.1
M-24	Shin-Koyasu (Note 5)	29,674.47	29,674.47	2	100.0	11.4
M-25	Misato	19,407.18	19,407.18	1	100.0	10.9
M-26	Sagamihara	44,010.20	44,010.20	1	100.0	12.3
M-27	Chiba Kita	14,828.38	14,828.38	1	100.0	8.4
M-28	Chiba Kita II	25,080.00	25,080.00	1	100.0	6.8
M-29	Urayasu Chidori III	5,314.80	5,314.80	1	100.0	10.9
M-30	Zama	9,358.53	9,358.53	1	100.0	11.8
M-31	Shinkiba II	38,512.20	38,512.20	3	100.0	11.3
M-32	Yokohama Machida	64,816.35	64,816.35	6	100.0	12.2

Property Number	Name of the Logistics Center	Total leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-35	Toda	6,638.58	6,638.58	1	100.0	11.7
M-36	Ichikawa III	23,880.20	23,880.20	1	100.0	10.9
Subtotal for the Tokyo Metropolitan Area		882,599.38	881,429.00	52	99.9	-
T-1	Daito	92,730.14	92,730.14	1	100.0	12.9
T-2	Osaka Fukuzaki	23,726.80	23,726.80	1	100.0	14.1
T-3	Kiyosu	19,761.25	19,761.25	1	100.0	10.0
T-4	Kadoma	7,416.18	7,416.18	1	100.0	13.3
T-5	Komaki	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	10,708.41	10,708.41	1	100.0	8.3
T-7	Fukuoka Hakozaki Futo	24,463.69	24,463.69	1	100.0	1.0
T-8	Tajimi	75,605.23	75,605.23	1	100.0	10.8
T-9	Fukuoka Kashihama	21,201.15	21,201.15	2	100.0	1.0
T-10	Kasugai	20,544.26	20,544.26	1	100.0	8.9
T-11	Takatsuki	7,158.85	7,158.85	1	100.0	9.5
T-13	Osaka Nishiyodogawa	9,341.61	9,341.61	1	100.0	10.2
Subtotal for Kinki/Chubu/Kyushu Areas		322,144.02	322,144.02	13	100.0	-
O-1	Maebashi	3,455.53	3,455.53	1	100.0	9.0
O-2	Hanyu	3,518.58	3,518.58	1	100.0	11.6
O-3	Saitama Kisai	24,574.40	24,574.40	1	100.0	10.5
O-4	Kazo	25,130.62	25,130.62	1	100.0	9.5
O-5	Sendaiko-Kita	9,626.21	9,626.21	1	100.0	10.6
Subtotal for other Areas		66,305.34	66,305.34	5	100.0	-
Portfolio total		1,271,048.74	1,269,878.36	70	99.9	8.4

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

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

(Note 3) As for the PML (Probable Maximum Loss) figures, Shimizu Corporation has prepared an earthquake risk research report with regard to portfolio properties owned by JLF. Such report, however, does not guarantee the contents provided and simply reflects the opinion of the research institution. PML is the projected loss ratio in an earthquake. While no consistent, clear definition of PML is available, it is the ratio of projected loss amount against building replacement cost for which the loss value and the probability rate against large and small earthquakes that could possibly occur in a period of 475 years were computed and statistically applied. The calculations are performed based on onsite research on each respective property, assessment of building status, checking consistency with the floor plan, ground conditions at each site, regional factors, and structural conditions. Loss herein refers to physical damage only, and does

not take into consideration secondary damage to people's lives and other facilities in the vicinity. Damage factors include structural damage and internal and external physical damage, and do not consider fire on site caused by an earthquake or fire spreading from another facility.

(Note 4) Earthquake insurance is secured as the PML value exceeds 20%.

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

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center: 51%

(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	882,599.38	69.4	214,073	79.1
Kinki/Chubu/Kyushu Areas	322,144.02	25.3	44,274	16.4
Other Areas	66,305.34	5.2	12,335	4.6
Total	1,271,048.74	100.0	270,682	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	18	37.5	187,095	69.1
Over 10,000 m ² but 30,000 m ² or less	17	35.4	60,739	22.4
10,000 m ² or less	13	27.1	22,848	8.4
Total	48	100.0	270,682	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	157,668.24	12.4	2,160	12.4
Over 5 years but within 10 years	240,982.03	19.0	4,150	23.8
Over 3 years but within 5 years	386,387.55	30.4	4,000	22.9
Within 3 years	484,840.54	38.2	7,130	40.9
Total	1,269,878.36	100.0	17,441	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 28th Period of real estate, etc. owned by JLF.

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

- The amounts indicated under "Performance data" are not intended to provide or guarantee future values.
- Amounts are presented with figures below one million yen omitted, and are posted on an accrual basis in principle.
- "Real estate leasing business revenue" includes rent, common area maintenance fees, and income from parking charges, utilities expenses, and other.
- "Taxes and public dues" includes property tax and city planning tax. As a general rule, the obligation to pay property tax and city planning tax comes into effect on January 1 of each year. Such tax payments, however, are not posted as real estate leasing business expenses, as JLF, when settling property and city planning taxes incurred at the time of property acquisition, includes the amount settled as part of the acquisition cost.
- "Repair expenses" may vary when JLF holds properties for a long period of time as such expenses differ from period to period, and, by nature, do not arise on a regular basis.
- "Insurance expenses" posted represents the portion of casualty insurance corresponding to the respective period.
- "Other expenses" includes trust fees.

(Millions of yen)

Property No.	M-2	M-3	M-4	M-5	M-6
Name of real estate, etc.	Urayasu Logistics Center	Hiratsuka Logistics Center	Shinkiba Logistics Center	Urayasu Chidori Logistics Center	Funabashi Nishiura Logistics Center
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	6	9	14	46	60
Loss on write-off of noncurrent assets	0	0	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	44	40	63	156	87
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	50	50	77	203	147
(v) Capital expenditure	0	2	1	0	-
(vi) NCF (= (iv) - (v))	49	47	76	202	147

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

(Millions of yen)

Property No.	M-8	M-9	M-11	M-12	M-13
Name of real estate, etc.	Kawasaki Logistics Center	Narashino Logistics Center	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center	Yachiyo Logistics Center II
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue	Not disclosed (Note)	62	Not disclosed (Note)	Not disclosed (Note)	193
Rent revenue - real estate		60			193
Other lease business revenue		2			-
(ii) Total real estate leasing business expenses		18			88
Taxes and dues		4			13
Outsourcing service expenses		0			0
Utilities expenses		-			0
Repair expenses		2			9
Insurance expenses		0			0
Other expenses related to rent business		0			0
Depreciation and amortization	77	10	80	78	62
Loss on write-off of noncurrent assets	-	-	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	214	44	186	199	105
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	291	54	266	278	168
(v) Capital expenditure	3	-	-	7	8
(vi) NCF (= (iv) - (v))	288	54	266	270	160

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

(Millions of yen)

Property No.	M-14	M-15	M-16	M-17	M-18
Name of real estate, etc.	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)	Ichikawa Logistics Center II (Note 1)
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue			354		
Rent revenue - real estate			354		
Other lease business revenue			0		
(ii) Total real estate leasing business expenses			79		
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	27	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses			0		
Utilities expenses			-		
Repair expenses			3		
Insurance expenses			0		
Other expenses related to rent business			0		
Depreciation and amortization	11	26	46	77	107
Loss on write-off of noncurrent assets	-	-	0	2	4
(iii) Income from real estate leasing business (= (i) - (ii))	31	93	275	144	373
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	43	120	322	223	485
(v) Capital expenditure	-	-	3	7	12
(vi) NCF (= (iv) - (v))	43	120	319	216	472

(Note 1) Figures for joint ownership are indicated.

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

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

(Millions of yen)

Property No.	M-19	M-20	M-21	M-22	M-23
Name of real estate, etc.	Souka Logistics Center	Tatsumi Logistics Center	Kashiwa Logistics Center	Musashi murayama Logistics Center	Kashiwa Logistics Center II
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	115	50	38	60	36
Loss on write-off of noncurrent assets	15	-	-	1	-
(iii) Income from real estate leasing business (= (i) - (ii))	214	202	58	186	90
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	345	253	97	248	126
(v) Capital expenditure	22	-	36	8	0
(vi) NCF (= (iv) - (v))	322	253	60	239	126

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

(Millions of yen)

Property No.	M-24	M-25	M-26	M-27	M-28
Name of real estate, etc.	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center	Sagamihara Logistics Center	Chiba Kita Logistics Center	Chiba Kita Logistics Center II
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	64	31	73	12	28
Loss on write-off of noncurrent assets	-	-	-	1	0
(iii) Income from real estate leasing business (= (i) - (ii))	196	80	149	37	100
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	260	112	222	51	129
(v) Capital expenditure	-	-	-	6	30
(vi) NCF (= (iv) - (v))	260	112	222	45	99

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

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

(Millions of yen)

Property No.	M-29	M-30	M-31	M-32	M-35
Name of real estate, etc.	Urayasu Chidori Logistics Center III	Zama Logistics Center	Shinkiba Logistics Center II	Yokohama Machida Logistics Center	Toda Logistics Center
Number of days under management	181	181	181	181	59
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	4	7	84	102	4
Loss on write-off of noncurrent assets	-	0	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	27	44	193	360	13
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	32	52	278	462	17
(v) Capital expenditure	-	10	-	2	-
(vi) NCF (= (iv) - (v))	32	41	278	460	17

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

Property No.	M-36
Name of real estate, etc.	Ichikawa Logistics Center III
Number of days under management	181
(i) Total real estate leasing business revenue	Not disclosed (Note)
Rent revenue - real estate	
Other lease business revenue	
(ii) Total real estate leasing business expenses	
Taxes and dues	
Outsourcing service expenses	
Utilities expenses	
Repair expenses	
Insurance expenses	
Other expenses related to rent business	
Depreciation and amortization	18
Loss on write-off of noncurrent assets	-
(iii) Income from real estate leasing business (= (i) - (ii))	94
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	112
(v) Capital expenditure	-
(vi) NCF (= (iv) - (v))	112

(Note) 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	Kiyosu Logistics Center	Kadoma Logistics Center	Komaki Logistics Center
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	81	25	33	10	15
Loss on write-off of noncurrent assets	0	-	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	411	127	96	26	9
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	493	153	130	36	25
(v) Capital expenditure	17	-	-	1	-
(vi) NCF (= (iv) - (v))	476	153	130	35	25

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

(Millions of yen)

Property No.	T-6	T-7	T-8	T-9	T-10
Name of real estate, etc.	Komaki II Logistics Center	Fukuoka Hakozaiki Futo Logistics Center	Tajimi Logistics Center	Fukuoka Kashiihama Logistics Center	Kasugai Logistics Center
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	17	25	109	26	36
Loss on write-off of noncurrent assets	-	-	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	32	61	207	46	76
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	50	87	316	73	112
(v) Capital expenditure	—	30	3	47	-
(vi) NCF (= (iv) - (v))	50	56	313	25	112

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

(Millions of yen)

Property No.	T-11	T-13	O-1	O-2	O-3
Name of real estate, etc.	Takatsuki Logistics Center	Osaka Nishiyodogawa Logistics Center	Maebashi Logistics Center	Hanyu Logistics Center	Saitama Kisai Logistics Center
Number of days under management	181	181	181	181	181
Total real estate leasing business revenue			43	59	
Rent revenue - real estate			43	59	
Other lease business revenue			-	-	
Total real estate leasing business expenses			13	17	
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	2	3	Not disclosed (Note)
Outsourcing service expenses			0	0	
Utilities expenses			-	-	
Repair expenses			0	-	
Insurance expenses			0	0	
Other expenses related to rent business			0	0	
Depreciation and amortization	11	12	8	12	32
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	25	43	30	42	90
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	37	55	39	54	122
(v) Capital expenditure	-	-	-	-	-
(vi) NCF (= (iv) - (v))	37	55	39	54	122

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

(Millions of yen)

Property No.	O-4	O-5
Name of real estate, etc.	Kazo Logistics Center	Sendaiko-kita Logistics Center
Number of days under management	181	181
(i) Total real estate leasing business revenue		
Rent revenue - real estate		
Other lease business revenue		
(ii) Total real estate leasing business expenses		
Taxes and dues		
Outsourcing service expenses		
Utilities expenses		
Repair expenses		
Insurance expenses		
Other expenses related to rent business		
Depreciation and amortization	43	16
Loss on write-off of noncurrent assets	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	67	41
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	111	57
(v) Capital expenditure	-	7
(vi) NCF (= (iv) - (v))	111	50

(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
Zama Logistics Center (Zama, Kanagawa)	Renovation works for logistics companies use	December 2019	100	-	-
Daito Logistics Center (Daito, Osaka)	Renovation work due to formation of fire protection division	From November 2019 to October 2022	750	-	-
Fukuoka Hakozaki Futo Logistics Center (Fukuoka, Fukuoka)	LED lighting installation	July 2020	43	-	-

(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.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note)
Kashiwa Logistics Center (Kashiwa, Chiba)	Exterior wall renewal	July 2019	36
Fukuoka Kashiihama Logistics Center (Fukuoka, Fukuoka)	Additional installation of vertical conveyer	July 2019	40

(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, 2019.

Name of tenant	Name of real estate, etc.	Leased area (m ²)	Lease ratio (%) (Note 1)
Nakano Shokai co., ltd.	Kashiwa Logistics Center II	152,746.87	12.0
	Tatsumi Logistics Center		
	Fukuoka Hakozaki Futo Logistics Center		
	Narashino Logistics Center II (Note 2)		
	Fukuoka Kashiihama Logistics Center		
	Shinkiba Logistics Center		
	Shinkiba Logistics Center II		
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	113,274.40	8.9
	Kasugai Logistics Center		
Nippon Express Co., Ltd.	Tajimi Logistics Center	97,572.07	7.7
	Yokohama Fukuura Logistics Center		
SBS RICOH LOGISTICS SYSTEM Co., Ltd.	Osaka Fukuzaki Logistics Center	57,756.92	4.5
	Shin-Koyasu Logistics Center (Note 2)		
	Souka Logistics Center		
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,401.57	4.0
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	44,010.20	3.5
Hitachi Transport System Metropolitan Co., Ltd.	Yachiyo Logistics Center	43,032.60	3.4
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	41,630.54	3.3
VANTEC CORPORATION	Musashi murayama Logistics Center	40,884.25	3.2
Hitachi Transport System, Ltd.	Kazo Logistics Center	39,959.00	3.1
	Chiba Kita Logistics Center		
Total for all tenants		1,269,878.36	100.0

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

(Note 2) Figures for co-ownership are indicated.

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center: 51%