REIT Financial Report for the 15th Fiscal Period Ended January 31, 2013

March 13, 2013

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

Name of asset management company: Mitsui & Co., Logistics Partners Ltd.
Representative: Takayuki Kawashima, President
Contact: Ryota Sekiguchi, Manager, Corporate Planning & Finance Dept TEL: +81-3-3238-7171
Scheduled date for submission of Securities Report: April 26, 2013
Scheduled date for commencing dividend payments: April 4, 2013
IR Material: Will be posted on the website
IR Meeting: Will be held for institutional investors and security analysts

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

1. Performance for the 15th Fiscal Period (August 1, 2012 to January 31, 2013)

(1) Operating Results

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
15th Fiscal Period	5,888	4.5	3,025	4.3	2,696	3.0	2,695	3.0
14th Fiscal Period	5,637	1.4	2,899	0.8	2,618	0.9	2,617	0.9

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
15th Fiscal Period	18,214	2.7	1.7	45.8
14th Fiscal Period	17,688	2.6	1.8	46.5

(2) Dividends

	Dividends per Unit (excluding distributions in excess of earnings)	Total Dividends	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distributions to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
15th Fiscal Period	18,215	2,695	0	0	100.0	2.7
14th Fiscal Period	17,689	2,617	0	0	100.0	2.6

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

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
As of	Millions of yen	Millions of yen	%	Yen
January 31, 2013	160,617	100,255	62.4	677,403
July 31, 2012	151,545	100,177	66.1	676,878

(Reference) Unitholders' equity 15th Fiscal Period: ¥100,255 million 14th Fiscal Period: ¥100,177 million

(4) Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
15th Fiscal Period	4,351	(9,547)	6,382	10,749
14th Fiscal Period	3,529	(6,545)	3,905	9,562

2. Forecasts for the 16th Fiscal Period (February 1, 2013 to July 31, 2013) and the 17th Fiscal Period (August 1, 2013 to January 31, 2014)

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
Fiscal period ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
July 31, 2013	5,971	1.4	2,457	(18.8)	2,117	(21.5)	2,116	(21.5)	14,300	3,200
January 31, 2014	5,877	(1.6)	3,020	22.9	2,667	26.0	2,666	26.0	18,000	0

(Reference) Forecast for net income per 16th Fiscal Period: ¥14,300 17th Fiscal Period: ¥18,000

3. Other

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

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

(2) Number of investment units issued and outstanding

(i) Number of investment units (including treasury investment units) issued and outstanding at end of period
15th Fiscal Period: 148,000 units 14th Fiscal Period: 148,000 units

(ii) Number of treasury investment units issued and outstanding at end of period
15th Fiscal Period: 0 unit 14th Fiscal Period: 0 unit

(Note) For the number of investment units serving as the basis of calculation of net income per unit, please refer to "Per unit information" on page 25.

* Explanation on the financial audit

Financial audit procedures in accordance with the Financial Instruments and Exchange Act have not yet finished as of March 13, 2013.

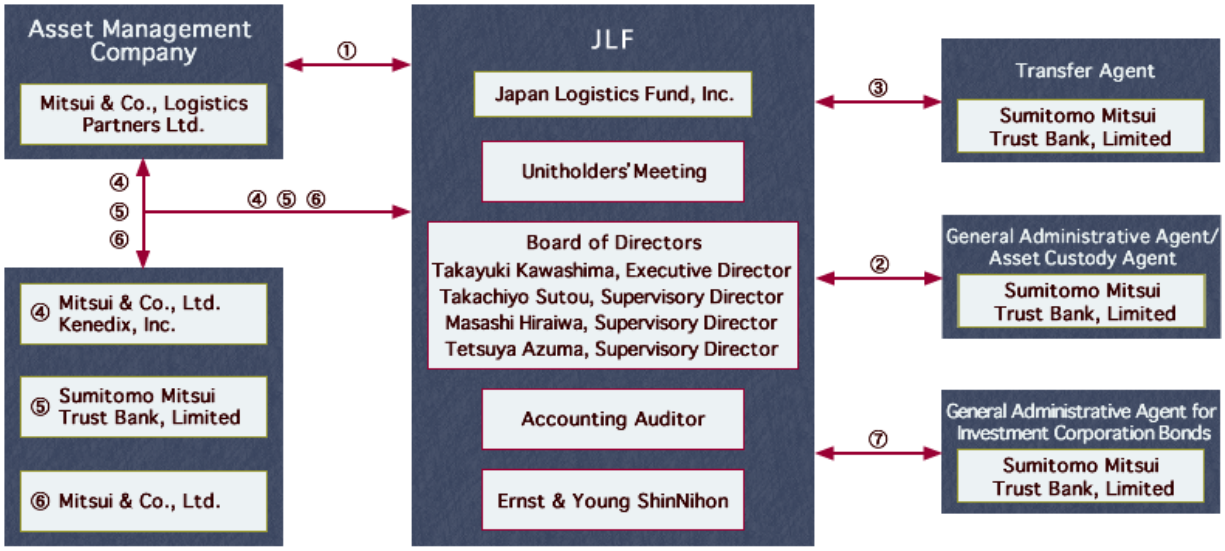
* Explanation on the appropriate use of s and other notes

(Note to forward-looking statements)

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

For notes regarding assumptions on which the forecasts are based and the use of forecasts, please refer to "2. Management Discussions and Analysis (2) Asset Management Status (ii) Outlook for the Next Fiscal Period D. Forecasts" on page 8.

1. Overview of Affiliates of JLF



① Asset Management Service Agreement
② Service Agreement for General Administration and Asset Custody
③ Service Agreement for Transfer Agency and Manager of Special Accounts
④ Pipeline Agreement
⑤ Basic Service Agreement for Brokerage, Information on Real Estate to Be Transacted and Support for Acquisition of Newly Developed Properties
⑥ Basic Agreement for Support Services Relating to Property Acquisitions
⑦ Fiscal Agency Agreement

(Note 1) The names of JLF and its affiliates, asset management roles and outline of related operations (including other major related parties of JLF) are omitted from disclosure, as there have been no material changes since the latest Securities Report (submitted on October 26, 2012).

2. Management Discussions and Analysis

(1) Asset Management Policies

Disclosure is omitted, as there have been no material changes in the "Investment Policy," "Investment Target," and "Distribution Policy" since the latest Securities Report (submitted on October 26, 2012).

(2) Asset Management Status

(i) Summary of Results for the 15th Fiscal Period

A. Background of JLF

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

As of the end of the 15th fiscal period (January 31, 2013), JLF had a total of 30 properties under management (total acquisition cost ¥158,600 million) including Tatsumi Logistics Center which was acquired during the period (acquisition cost ¥9,000 million), and the total value of assets amounted to ¥160,617 million.

B. Investment Environment and Management Performance

During the fiscal period ended January 31, 2013, the Japanese economy remained weak overall. Exports and production in the mining and manufacturing industries continued to be sluggish due mainly to the slowdown of overseas economies, whilst capital spending also declined. On the other hand, reconstruction demand from the Great East Japan Earthquake saw an upward trend especially in investments in the public and housing sectors, which underpinned the Japanese economy along with robust consumer

spending.

In the leasing market for logistics facilities, the vacancy rate of large logistics facilities remained low backed by strong demand driven by the accelerated opening of new business hubs by internet commerce companies and apparel companies as well as business expansion by growing third party logistics (hereinafter, "3PL") companies. Despite signs of a rise in the asking price of rents in some areas reflecting a tight balance between supply and demand, our tenants have been increasingly focused on streamlining their logistics costs in line with the expansion of same-day delivery and free delivery services. As a result, the overall rent level remained flat.

Regarding investment in logistics facilities, logistics facilities have gained the status of a recognized asset class in the J-REIT market as logistics facilities have become recognized as "income properties" in line with full-fledged market entry by leading domestic real estate companies and a new listing of J-REITs specialized in logistics facilities.

Under these circumstances, JLF acquired its 30th property, the Tatsumi Logistics Center, in September 2012. The property was developed by JLF's sponsor Mitsui & Co., Ltd. This property locates in a premium area in Tatsumi and equips with highly versatile specs and long-term contracts with AAA tenants. By utilizing JLF's know-how during the development process, we could acquire this "attractive property" at an "attractive price" at a NOI yield of 5.6%. In addition, as a result of JLF's continued efforts to boost and stabilize portfolio earnings including successful renewal of contracts with multiple existing tenants during the period, JLF increased its earnings by 3.0% from the previous fiscal period. JLF successfully maintained its high occupancy rates in the properties owned and recorded an overall occupancy rate of 97.1% at the end of the fiscal period.

C. Capital Procurement

During the 15th fiscal period ended January 31, 2013, JLF financed ¥9,000 million for Tatsumi Logistics Center acquisition. JLF also effectively concluded refinance of ¥4,000 million long term loans with significantly extending its maturity. In these finances, JLF challenged 10-year long term loans for the first time, and successfully achieved extending average loan term and reducing overall debt cost simultaneously, by leveraging positive lending attitude of Japanese financial institutions and historically low level interest rate. As a result, total interest-bearing debt as of the end of the 15th fiscal period amounted to ¥52,700 million, and its LTV (Note) was 28.9%, reflecting a conservative financial management policy. JLF holds the highest-level credit rating among all J-REITs and intends to maintain its financial policy of securing a sound balance sheet and adequate liquidity on-hand.

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

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

Credit rating of JLF at the end of the 15th fiscal period

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA (Outlook: Stable)
	Long-term issue rating	First issue of unsecured investment corporation bonds AA
Moody's Japan K.K. (Moody's)	Issuer rating	A1 (Outlook: Stable)

D. Performance and Distributions

As a result of the above, JLF posted operating revenue of ¥5,888 million, operating income of ¥3,025 million, ordinary income of ¥2,696 million and net income of ¥2,695 million.

In order to take advantage of the application of a special taxation measure under Article 67, Item 15 (Act on Special Measures Concerning Taxation; Act No. 26 of 1957; including revisions enforced thereafter) (hereafter, the "Special Taxation Measures Act") that allows the maximum amount of distribution of earnings to be treated as a tax-deductible expense, JLF decided to distribute to unitholders the full amount of retained earnings as of the end of the fiscal period excluding fractions below one yen of the amount of dividends per investment unit. As a result, JLF's dividend per investment unit was ¥18,215.

(ii) Outlook for the Next Fiscal Period

A. Recognition of the Environment

Despite negative factors including the downturn of overseas economies, fluctuations in the foreign exchange market, geopolitical risks, etc., the Japanese economy is expected to rebound moderately backed by the policy effects of various economic stimulus measures by the government as well as a steady flow of individual spending centering on food, beverages and consumer staples. In particular, the share of internet commerce of consumer spending has been increasing each year and is expected to result in continuous growth in logistics demand. In the J-REIT market, inflows of funds have continued due mainly to significant monetary easing and anticipation of a more positive outlook for the Japanese economy. Amid such a situation, the J-REIT market is expected to further expand in future in line with the acceleration of property acquisition and financing activities by J-REITs.

While several large-scale logistics facilities will be completed towards the second half of 2013, tenant leasing is expected to progress relatively smoothly reflecting robust floor demand which is likely to continue among internet commerce, apparel and 3PL customers. Moreover, there has been increasing expectation of a rise in rents as the supply-demand balance is expected to remain steady in the foreseeable future, due partially to redeployment demand from tenants in small/decrepit facilities. As demand for large-scale logistics facilities is likely to remain robust in the future, we anticipate that competition over the acquisition of large construction sites for new development will continue among developers including leading real estate companies.

Based on its new growth initiative "stable + Growth," JLF aims to achieve the growth of investors' equity value while maintaining a stable revenue flow as in the past. JLF will proactively pursue OBR (Own Book Redevelopment) as a pillar of its growth strategies, and launched the redevelopment project for Yachiyo Logistics Center has been confirmed as the second OBR after Daito Logistics Center. JLF believes that in order to successfully implement OBR, a fund will need (i) a successful development track record, (ii) proven expertise of its asset management company, (iii) a portfolio with redevelopment capacity, (iv) financial health and (v) fund operations with a high level of flexibility. Only JLF meets all of the above requirements, and is able to implement OBR successfully. As a pioneer of "REIT specialized in logistics facilities", JLF will aim to realize "stable + Growth" based on its unique growth strategies.

B. Future Asset Management Policies and Issues to be Addressed

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

(a) Operational management of portfolio properties

- Leasing management

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

  The properties currently held by JLF have an average leasing period of 6.3 years when calculated on a weighted average basis using annual rent, indicating that JLF will continue to earn stable income.

- Strengthening of tenant relations

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

- Appropriate property maintenance and additional investment

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

  Furthermore, JLF considers additional investments if necessary, taking into consideration tenant requests, the leasing needs of facilities, floor area ratios, and other factors in determining portfolio properties that have locational advantages in the leasing market and those that can gain higher competitiveness through building/facility renewal while identifying properties that no

longer offer economic benefits due to the increased maintenance cost burden caused by deterioration over time.

(b) Acquisition of new properties

- Sourcing of property information

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

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

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

(c) Financial strategy

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

C. Significant Subsequent Events

JLF's asset management company resolved the following redevelopment project at its Board of Directors' meeting held on March 13, 2013. For details of the project, please refer to the "Notice Concerning Redevelopment Project of Yachiyo Logistics Center" announced as of March 13, 2013.

(a) Outline of the redevelopment project

JLF will redevelop Yachiyo Logistics Center with the aim of maximizing its asset value.

(b) Contents of the redevelopment project

Property name:	Yachiyo Logistics Center (M-11)
Construction costs (tentative):	5,797 million yen
Funding method:	To be determined
Demolition period (tentative):	April 2013 to July 2013
New construction period (tentative)	October 2013 to September 2014
Scheduled completion date:	September 2014

JLF currently estimates a total of 622 million yen in terms of demolition-related costs for the project (349 million yen in loss on write-offs of noncurrent assets and 273 million yen in demolition and write-offs-related cost). The costs will be posted for the 16th fiscal period ending July 2013 during which the demolition is scheduled to be carried out.

[Reference Information]

< Acquisition of New Property>

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

[M-21 Kashiwa Logistics Center]

Assets to be acquired	The trust beneficiary right of real estate	
Acquisition price	¥3,725 million	
Scheduled date of acquisition	March 1, 2013	
Location (Address)	667-1, Oaota Aza, Kashiwa-shi, Chiba	
Purpose of use	Warehouse	
Site area	10,942m^2 (Note 1)	
Total floor area	20,550.74m^2 (Note 2)	
Structure	Steel frame with alloy roofing sheet 6-story building	
Date of completion	October 31, 2006	
Type of ownership	Land: Right pertaining to reserved land (Note 3)	Building: Ownership

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

(Note 2) According to the indication of the real estate registry

(Note 3) A right pertaining to reserved land is a general name for (1) usufruct of reserved land and (2) the beneficiary right to obtain ownership of the reserved land on the day directly following the day of public notice of replotting disposition of said reserved land

<Debt Financing>

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

Lender	Sumitomo Mitsui Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation	Nippon Life Insurance Company
Amount borrowed	¥2,000 million	¥1,000 million	¥500 million
Interest rate	1.18125%	1.18125%	1.18125%
Borrowing date	February 28, 2013	February 28, 2013	February 28, 2013
Maturity date	February 28, 2023	February 28, 2023	February 28, 2023
Borrowing method / Secured or not	Unsecured/Non-guaranteed		
Repayment method	Lump-sum payment on the maturity date		
Purpose	Acquisition of the trust beneficiary right of real estate		

Lender	Development Bank of Japan	Development Bank of Japan
Amount borrowed	¥2,000 million	¥2,000 million
Interest rate	1.03625%	1.35000%
Borrowing date	March 11, 2013	March 11, 2013
Maturity date	February 28, 2022	February 29, 2024
Borrowing method / Secured or not	Unsecured/Non-guaranteed	
Repayment method	Lump-sum payment on the maturity date	
Purpose	To refinance the existing loan	

D. Forecasts

Forecasts for the 16th fiscal period (February 1, 2013 to July 31, 2013) and the 17th fiscal period (August 1, 2013 to January 31, 2014) are as follows. Please refer to "Assumptions for Forecasts" for the assumptions underlying these forecasts.

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
Fiscal period ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
July 31, 2013	5,971	1.4	2,457	(18.8)	2,117	(21.5)	2,116	(21.5)	14,300	3,200
January 31, 2014	5,877	(1.6)	2,913	22.9	2,667	26.0	2,666	26.0	18,000	0

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

Assumptions Underlying the Forecasts for the 16th Fiscal Period (February 1, 2013 to July 31, 2013) and the 17th Fiscal Period (August 1, 2013 to January 31, 2014)

Item	Assumption
Calculation period	16th Fiscal Period : February 1, 2013 to July 31, 2013 (181 days) 17th Fiscal Period : August 1, 2013 to January 31, 2014 (184 days)
Properties owned	・ Forecasts assume that JLF owns a total of 31 properties including 30 existing properties as of January 31, 2013, plus Kashiwa Logistics Center acquired on March 1, 2013, and no other acquisitions or sales are made. ・ There may be fluctuations caused by additional acquisitions and sales of properties.
Total number of investment units issued	・Forecasts assume 148,000 units as of January 31, 2013.
Interest-bearing debt	・ As of March 13, 2013, JLF's interest-bearing debt balance totals ¥56,200 million. The forecasts assume that the balance of interest-bearing debt in the 16th and 17th fiscal periods. ・ The forecasts assume that among the interest-bearing debt of ¥56,200 million as of March 13, 2013, long-term loans payable of ¥2,000 million due in the 17th fiscal period will be refinanced by new loans or cash in hand.
Operating revenue	・ The rent revenue is estimated based on the lease contracts in effect as of March 13, 2013 and taking into account the fluctuation factors such as the market environment and rent levels based on negotiations with lessees.
Operating expenses	・ Generally, in real estate purchase and sale, property tax and city planning tax are prorated based on the period of ownership with the previous holder and settled at the time of acquisition. JLF, however, recognizes the amount of settlement as part of the acquisition cost. With respect to Kashiwa Logistics Center, which was acquired on March 1, 2013, the settlement amount for property tax, city planning tax, etc. included in the acquisition cost is approximately ¥20 million. ・Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. Repair : the 16th Fiscal Period ¥34 million, the 17th Fiscal Period ¥115 million Taxes and dues : ¥494 million, ¥494 million Outsourcing service : ¥135 million, ¥124 million Depreciation : ¥1,321 million, ¥1,316 million Loss on write-offs of noncurrent assets : ¥948 million, ¥217 million ・ Expenses other than depreciation and loss on write-offs of noncurrent assets are computed based on past actual results and taking into account the expense fluctuation factors. ・ Actual repair expenses for each operating period, however, may differ considerably from forecasts mainly

	because repair expenses may be incurred suddenly due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one fiscal period to another, and repair expenses, by nature, are not incurred on a regular basis. ・ Depreciation, including incidental expenses and additional capital expenditure for the future, is calculated using the straight-line method. ・ Other expenses related to the rent business for the fiscal period ending July 2013 include demolition-related costs for the redevelopment project of Yachiyo Logistics Center (622 million yen in loss on write-off of noncurrent assets).
Non-operating expenses	・ Non-operating expenses (including interest expenses, interest expenses on investment corporation bonds, and others) are assumed to be ¥341 million for the 16th fiscal period and ¥354 million for the 17th fiscal period.
Dividends per unit (excluding distributions in excess of earnings)	・ Dividends per unit (excluding distributions in excess of earnings) are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF. ・ The amount of dividends per unit (excluding distributions in excess of earnings) may fluctuate, due to various factors such as transfer of management assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the additional issuance of new investment units.
Distributions in excess of earnings per unit	・ Distributions in excess of earnings per unit are calculated based on the policy defined in the Articles of Incorporation of JLF and the policy defined under the "Rules on cash distributions in excess of earnings", internal rules of the asset management company. JLF estimates a total of 473 million yen in terms of distributions in excess of earnings for the fiscal period ending July 2013 based on an assumption of demolition-related costs (622 million yen in loss on write-offs of noncurrent assets) for the redevelopment of Yachiyo Logistics Center that is expected to be incurred during the period. ・ Cash distributions in excess of earnings by JLF are limited to the following two cases. JLF will not make cash distributions in excess of earnings for other cases in principle. (i) For evening out the total amount of distributions in cases where a significant decrease in the amount of distributions in earnings is expected due to a loss on write-offs of noncurrent assets and other accounting losses related to OBR, (ii) For meeting requirements for special measures concerning taxation for investment corporations in cases where the amount of income is less than 90% of the distributable dividend amount of JLF ・ Prior to making cash distributions in excess of earnings, JLF aims to minimize the amount of loss through reasonable operational efforts including the acquisition and sale of assets, review of costs, etc. The amount of cash distributions in excess of earnings shall be determined based on the amount of loss minimized through JLF's operational efforts within the range of up to 60% of the amount of depreciation and amortization incurred during the period. In determining the amount of cash distributions in excess of earnings, JLF takes into account the followings: (i) securing necessary funds to maintain the asset value of owned properties, (ii) maintaining the investment corporation LTV level less than 50% after making cash contributions in excess of earnings, and (iii) securing sufficient liquidity of cash in hand after making cash contributions in excess of earnings.
Other	・ The forecasts assume that no revisions that impact the above projections are made to laws, regulations, tax rules, accounting standards, listing rules, the rules of The Investment Trusts Association, Japan, or others. ・ The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions.

(3) Investment risks

Disclosure is omitted as there have been no significant changes from the "Investment Risks" of the latest Securities Report (submitted on October 26, 2012).

3. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	15th Fiscal Period (as of January 31, 2013)	14th Fiscal Period (as of July 31, 2012)
Assets		
Current assets		
Cash and deposits	8,026,046	6,968,222
Cash and deposits in trust	2,798,945	2,668,912
Operating accounts receivable	45,315	48,401
Prepaid expenses	15,078	33,134
Deferred tax assets	15	16
Consumption taxes receivable	-	127,744
Income taxes receivable	199	58
Other	40	40
Total current assets	10,885,641	9,846,531
Noncurrent assets		
Property, plant and equipment		
Buildings	6,217,747	6,185,350
Accumulated depreciation	(898,688)	(815,534)
Buildings, net	5,319,058	5,369,815
Structures	120,895	120,895
Accumulated depreciation	(28,964)	(26,006)
Structures, net	91,930	94,888
Tools, furniture and fixtures	770	500
Accumulated depreciation	(183)	(143)
Tools, furniture and fixtures, net	586	356
Land	6,391,096	6,391,096
Buildings in trust	80,865,254	77,194,839
Accumulated depreciation	(12,397,520)	(11,265,592)
Buildings in trust, net	68,467,734	65,929,246
Structures in trust	2,444,030	2,398,295
Accumulated depreciation	(656,577)	(600,181)
Structures in trust, net	1,787,452	1,798,114
Tools, furniture and fixtures in trust	22,811	21,453
Accumulated depreciation	(9,265)	(7,874)
Tools, furniture and fixtures in trust, net	13,546	13,578
Land in trust	67,408,393	61,928,246
Total property, plant, and equipment	149,479,798	141,525,343
Intangible assets		
Other	539	609
Total intangible assets	539	609
Investments and other assets		
Long-term prepaid expenses	214,891	132,091
Guarantee deposits	10,010	10,010
Other	2,000	2,000
Total investments and other assets	226,901	144,101
Total noncurrent assets	149,707,238	141,670,054
Deferred assets		
Investment corporation bond issuance costs	24,268	28,603
Total deferred assets	24,268	28,603
Total assets	160,617,148	151,545,189

(Thousands of yen)

	15th Fiscal Period (as of January 31, 2013)	14th Fiscal Period (as of July 31, 2012)
Liabilities		
Current liabilities		
Operating accounts payable	448,869	601,074
Current portion of long-term loans payable	6,000,000	8,000,000
Distribution payable	8,598	9,618
Accrued expenses	577,684	535,187
Income taxes payable	668	650
Consumption taxes payable	34,679	-
Advances received	1,009,465	966,007
Provision for loss on disaster	23,131	23,131
Total current liabilities	8,103,097	10,135,669
Noncurrent liabilities		
Investment corporation bond	8,000,000	8,000,000
Long-term loans payable	38,700,000	27,700,000
Tenant leasehold and security deposits	1,074,027	1,229,526
Tenant leasehold and security deposits in trust	4,408,942	4,227,666
Long-term deposits received	75,325	74,382
Total noncurrent liabilities	52,258,294	41,231,575
Total liabilities	60,361,392	51,367,244
Net assets		
Unitholders' equity		
Unitholders' capital	97,559,929	97,559,929
Surplus		
Unappropriated retained earnings (undisposed loss)	2,695,827	2,618,015
Total surplus	2,695,827	2,618,015
Total unitholders' equity	100,255,756	100,177,944
Total net assets	100,255,756	100,177,944
Total liabilities and net assets	160,617,148	151,545,189

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Operating revenue		
Rent revenue-real estate	5,705,763	5,481,085
Other lease business revenue	182,886	156,308
Total operating revenue	5,888,649	5,637,394
Operating expenses		
Expenses related to rent business	2,294,769	2,206,711
Asset management fee	461,355	436,716
Asset custody fee	15,933	14,904
Administrative service fees	26,480	24,564
Directors' compensations	4,800	3,600
Other operating expenses	59,420	50,942
Total operating expenses	2,862,760	2,737,440
Operating income	3,025,889	2,899,954
Non-operating income		
Interest income	280	251
Interest on securities	2,028	1,638
Refund of property taxes	-	4,145
Interest on refund	1,662	997
Insurance income	5,995	4,217
Reversal of distribution payable	1,380	1,654
Other	6	8
Total non-operating income	11,353	12,913
Non-operating expenses		
Interest expenses	256,688	222,991
Borrowing related expenses	35,652	28,824
Interest expenses on investment corporation bond	38,350	37,858
Amortization of investment corporation bond issuance costs	4,335	4,288
Other	5,500	0
Total non-operating expenses	340,526	293,961
Ordinary income	2,696,716	2,618,905
Income before income taxes	2,696,716	2,618,905
Income taxes-current	932	968
Income taxes-deferred	0	3
Total income taxes	932	972
Net income	2,695,783	2,617,932
Retained earnings brought forward	43	82
Unappropriated retained earnings (undisposed loss)	2,695,827	2,618,015

(3) Statement of Changes in Net Assets

(Thousands of yen)

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Unitholders' equity		
Unitholders' capital		
Balance at the beginning of period	97,559,929	97,559,929
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of period	97,559,929	97,559,929
Surplus		
Unappropriated retained earnings (undisposed loss)		
Balance at the beginning of period	2,618,015	2,595,706
Changes of items during the period		
Dividends from surplus	(2,617,972)	(2,595,624)
Net income	2,695,783	2,617,932
Total changes of items during the period	77,811	22,308
Balance at the end of period	2,695,827	2,618,015
Total surplus		
Balance at the beginning of period	2,618,015	2,595,706
Changes of items during the period		
Dividends from surplus	(2,617,972)	(2,595,624)
Net income	2,695,783	2,617,932
Total changes of items during the period	77,811	22,308
Balance at the end of period	2,695,827	2,618,015
Total unitholders' equity		
Balance at the beginning of period	100,177,944	100,155,636
Changes of items during the period		
Dividends from surplus	(2,617,972)	(2,595,624)
Net income	2,695,783	2,617,932
Total changes of items during the period	77,811	22,308
Balance at the end of period	100,255,756	100,177,944
Total net assets		
Balance at the beginning of period	100,177,944	100,155,636
Changes of items during the period		
Dividends from surplus	(2,617,972)	(2,595,624)
Net income	2,695,783	2,617,932
Total changes of items during the period	77,811	22,308
Balance at the end of period	100,255,756	100,177,944

(4) Distribution Information

(Yen)

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
I. Unappropriated retained earnings	2,695,827,124	2,618,015,586
II. Distributions	2,695,820,000	2,617,972,000
Distributions per unit	18,215	17,689
III. Retained earnings to be carried forward	7,124	43,586
Method of calculation of distributions	The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special measures Concerning Taxation. Based on these policies, JLF decided to distribute earnings of ¥2,695,820,000, which is the maximum multiple of total number of investment units issued 148,000 units within the amount of unappropriated retained earnings at the end of period. JLF does not make cash distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.	The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special measures Concerning Taxation. Based on these policies, JLF decided to distribute earnings of ¥2,617,972,000, which is the maximum multiple of total number of investment units issued 148,000 units within the amount of unappropriated retained earnings at the end of period. JLF does not make cash distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.

(5) Statement of Cash Flows

(Thousands of yen)

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Net cash provided by (used in) operating activities		
Income before income taxes	2,696,716	2,618,905
Depreciation and amortization	1,284,098	1,230,976
Amortization of investment corporation bond issuance costs	4,335	4,288
Interest income	(280)	(251)
Interest on securities	(2,028)	(1,638)
Interest expenses	295,039	260,849
Loss on write-offs of noncurrent assets	12,107	57,672
Decrease (Increase) in operating accounts receivable	3,086	(567)
Decrease (Increase) in consumption taxes receivable	127,744	(127,744)
Increase (decrease) in consumption taxes payable	34,679	(79,774)
Increase (decrease) in operating accounts payable	170,043	(131,354)
Increase (decrease) in accrued expenses	19,216	8,661
Increase (decrease) in advances received	43,457	23,791
Other, net	(66,123)	(88,222)
Subtotal	4,622,091	3,775,590
Interest income received	2,308	1,889
Interest expenses paid	(271,352)	(246,526)
Payments for loss on disaster	-	(475)
Income taxes paid	(1,054)	(1,091)
Net cash provided by (used in) operating activities	4,351,993	3,529,387
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(41,220)	(47,782)
Purchase of property, plant and equipment in trust	(9,531,619)	(6,573,303)
Purchase of Intangible Assets	(405)	-
Proceeds from tenant leasehold and security deposits	-	27,000
Repayments of tenant leasehold and security deposits	(155,499)	(80,610)
Proceeds from tenant leasehold and security deposits in trust	281,354	129,599
Repayments of tenant leasehold and security deposits in trust	(100,078)	-
Payments for guarantee deposits	-	(10)
Net cash provided by (used in) investing activities	(9,547,467)	(6,545,105)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	13,000,000	13,000,000
Repayment of long-term loans payable	(4,000,000)	(6,500,000)
Distributions paid	(2,617,611)	(2,594,390)
Net cash provided by (used in) financing activities	6,382,388	3,905,609
Net increase (decrease) in cash and cash equivalents	1,186,914	889,891
Cash and cash equivalents at the beginning of period	9,562,752	8,672,860
Cash and cash equivalents at the end of period	10,749,666	9,562,752

(6) Notes on Assumption of Going Concern

Not applicable

(7) Summary of Significant Accounting Policies

(i) Depreciation Method for Noncurrent Assets

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

The straight-line method is used.

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

Buildings	2 to 50 years
Structures	2 to 45 years
Tools, furniture, and fixtures	2 to 15 years

B. Intangible assets

The straight-line method is used.

(ii) Accounting for deferred assets

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

(iii) Accounting for provisions

Provision for loss on disaster

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

(iv) Accounting for income and expenses

Accounting for property taxes

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

The amount of property tax, etc. paid to the seller as part of settlement for acquisition of real estate and real estate in trust is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. In the 15th period, the property tax, etc. were included in the acquisition cost of real estate were ¥6,033 thousand yen. In the 14th period, the property tax, etc. included in the acquisition cost of real estate were ¥26,833 thousand yen.

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

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

(vi) Other significant basis for preparation of financial statements

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

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

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

(a) Cash and deposits in trust

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

(c) Tenant leasehold and security deposits in trust

B. Method of accounting for consumption taxes

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

(8) Notes to Financial Statements

[Notes to Balance Sheet]

(i) Commitment Line Contracts

JLF has the commitment line contracts with the banks.

(Thousands of yen)

	15th Fiscal Period (as of January 31, 2013)	14th Fiscal Period (as of July 31, 2012)
Total amount specified in the commitment line contracts	10,000,000	10,000,000
Loan balance at end of period	-	-
Outstanding loan commitments at end of period	10,000,000	10,000,000

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

(Thousands of yen)

15th Fiscal Period (as of January 31, 2013)	14th Fiscal Period (as of July 31, 2012)
50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income (loss) from real estate leasing business

(Thousands of yen)

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)		14th Fiscal Period (from February 1, 2012 to July 31, 2012)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	5,584,573		5,364,508	
Land rents received	16,638		16,638	
Facility charges	104,552	5,705,763	99,938	5,481,085
Other lease business revenue				
Parking charges	17,926		17,455	
Utilities charges	152,399		127,751	
Other operating income	12,559	182,886	11,102	156,308
Total real estate leasing business revenue		5,888,649		5,637,394
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	440,368		451,643	
Outsourcing service expenses	143,356		128,598	
Utilities expenses	161,091		132,337	
Repair expenses	180,816		144,432	
Insurance expenses	21,013		20,925	
Other expenses related to rent business	51,987		40,161	
Depreciation	1,284,028		1,230,940	
Loss on write-offs of noncurrent assets	12,107		57,672	
Total real estate leasing business expenses		2,294,769		2,206,711
(iii) Income (loss) from real estate leasing business ((i)−(ii))		3,593,880		3,430,682

[Notes to Statement of Changes in Net Assets]

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

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Total number of investment units authorized	2,000,000 units	2,000,000 units
Total number of investment units issued and outstanding	148,000 units	148,000 units

[Notes to Statement of Cash Flows]

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

(Thousands of yen)

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Cash and deposits	8,026,046	6,968,222
Cash and deposits in trust	2,798,945	2,668,912
Long-term deposits received (Note)	(75,325)	(74,382)
Cash and cash equivalents	10,749,666	9,562,752

(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)

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Future lease payments receivable		
Due within one year	10,128,328	9,187,947
Due after one year	52,812,221	49,456,083
Total	62,940,549	58,644,031

[Financial Instruments]

(i) Matters concerning the status of financial instruments

A. Policies on financial instruments

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

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

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

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

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

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

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

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

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

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

C. Description of financial instruments

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

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

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

(Thousands of yen)

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

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

(Thousands of yen)

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

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

Assets

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

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

Liabilities

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

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

(3) Investment corporation bond

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

(Note 2) Scheduled redemption amount of financial claims after the closing date

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

(Thousands of yen)

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

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

(Thousands of yen)

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

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

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

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term loans payable	6,000,000	10,000,000	-	2,700,000	7,000,000	19,000,000
Investment corporation bond	-	-	8,000,000	-	-	-
Total	6,000,000	10,000,000	8,000,000	2,700,000	7,000,000	19,000,000

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

(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	8,000,000	7,000,000	5,000,000	1,700,000	5,000,000	9,000,000
Investment corporation bond	-	-	-	8,000,000	-	-
Total	8,000,000	7,000,000	5,000,000	9,700,000	5,000,000	9,000,000

[Notes to Investment Securities]

Not applicable to the 15th and 14th fiscal period.

[Notes to Derivatives]

(i) Transactions applicable to hedge accounting

Not applicable to the 15th and 14th fiscal period.

(ii) Transactions not applicable to hedge accounting

Not applicable to the 15th and 14th fiscal period.

[Notes to Retirement Benefits]

Not applicable to the 15th and 14th fiscal period.

[Tax Effect Accounting]

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

(Thousands of yen)

	15th Fiscal Period (as of January 31, 2013)	14th Fiscal Period (as of July 31, 2012)
Deferred tax assets		
Enterprise tax not deductible	15	16
Total deferred tax assets	15	16
Deferred tax assets, net	15	16

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

	15th Fiscal Period (as of January 31, 2013)	14th Fiscal Period (as of July 31, 2012)
Effective statutory tax rate	36.59%	39.33%
Adjustments		
Deductible cash distributions	(36.58%)	(39.31%)
Other	0.02%	0.02%
Effective tax rate after applying tax effect accounting	0.03%	0.04%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 15th and 14th fiscal period, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the 15th and 14th fiscal period.

(ii) Subsidiaries and affiliates

Not applicable to the 15th and 14th fiscal period.

(iii) Sister companies

Not applicable to the 15th and 14th fiscal period.

(iv) Directors and principal individual unitholders

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

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Takayuki Kawashima	-	-	Executive Director of Japan Logistics Fund, Inc. and President of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	524,355 (Note 2) (Note 3)	Accrued expenses	323,993 (Note 3)

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

(Note 2) Asset management fee contains acquisition fee of 63,000 thousand yen which was included to the book value of the acquired properties.

(Note 3) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

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

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

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

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

(Note 2) Asset management fee contains acquisition fee of 44,520 thousand yen which was included to the book value of the acquired properties.

(Note 3) Of the above amounts, the transaction amount does not include consumption taxes while the balance at the end of fiscal period does.

(Note 4) Reiji Fujita resigned as the executive director of JLF on June 28, 2012. Instead, Kenichiro Matsuoka was appointed as the new executive director on June 29, 2012. The amount includes the transactions when Mr. Fujita was the executive director.

[Notes to Asset Write-off Obligations]

Not applicable to the 15th and 14th fiscal period.

[Lease Properties]

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

(Thousands of yen)

		15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Amount on the Balance Sheet			
	Balance at beginning of period	141,525,343	135,914,848
	Changes during period	7,954,455	5,610,494
	Balance at end of period	149,479,798	141,525,343
Fair value at end of period		182,446,000	174,195,000

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

(Note 2) The increase of the lease properties in the 15th period is mainly by the acquisition of Tatsumi Logistics center (9,092,221 thousand yen). The increase of the lease properties in the 14th period is mainly by the acquisition of Souka Logistics center (6,438,348 thousand yen).

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

The income (loss) concerning lease properties, etc. for the 15th and 14th fiscal periods is indicated under "Notes to Statement of Income and Retained Earnings" above

[Segment Information]

(i) Segment information

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

(ii) Related information

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

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

(Thousands of yen)

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

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

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

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

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

(Thousands of yen)

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

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

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

[Per Unit Information]

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Net assets per unit	¥677,403	¥676,878
Net income per unit	¥18,214	¥17,688

(Note 1) Net income per unit was calculated by dividing net income by average number of investment units during period. Diluted net income per unit is not stated as there are no dilutive investment units.

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

(Thousands of yen)

	15th Fiscal Period (from August 1, 2012 to January 31, 2013)	14th Fiscal Period (from February 1, 2012 to July 31, 2012)
Net income	2,695,783	2,617,932
Amount not attributable to common unitholders	—	—
Net income pertaining to common investment units	2,695,783	2,617,932
Average number of investment units during period	148,000 units	148,000 units

[Notes to Significant Subsequent Events]

JLF's asset management company resolved the following redevelopment project at its Board of Directors' meeting held on March 13, 2013.

(a) Outline of the redevelopment project

JLF will redevelop Yachiyo Logistics Center with the aim of maximizing its asset value.

(b) Contents of the redevelopment project

Property name:	Yachiyo Logistics Center (M-11)
Construction costs (tentative):	5,797 million yen
Funding method:	To be determined
Demolition period (tentative):	April 2013 to July 2013
New construction period (tentative)	October 2013 to September 2014
Scheduled completion date:	September 2014

JLF currently estimates a total of 622 million yen in terms of demolition-related costs for the project (349 million yen in loss on write-offs of noncurrent assets and 273 million yen in demolition and write-offs-related cost). The costs will be posted for the 16th fiscal period ending July 2013 during which the demolition is scheduled to be carried out.

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

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

Date	Summary	Total number of investment units issued		Total investments (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
February 22, 2005	Private placement offering	1,000	1,000	500	500	(Note 1)
May 6, 2005	Capital increase through public offering	55,700	56,700	29,562	30,062	(Note 2)
June 1, 2005	Capital increase through third-party allotment	2,800	59,500	1,486	31,548	(Note 3)
February 8, 2006	Capital increase through public offering	46,500	106,000	35,668	67,217	(Note 4)
March 8, 2006	Capital increase through third-party allotment	2,800	108,800	2,147	69,365	(Note 5)
August 31, 2007	Capital increase through public offering	13,500	122,300	12,656	82,021	(Note 6)
February 23, 2010	Capital increase through public offering	8,500	130,800	5,123	87,145	(Note 7)
March 25, 2010	Capital increase through third-party allotment	500	131,300	301	87,446	(Note 8)
August 30, 2010	Capital increase through public offering	16,000	147,300	9,689	97,136	(Note 9)
September 24, 2010	Capital increase through third-party allotment	700	148,000	423	97,559	(Note 10)

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

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

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

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

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

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

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

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

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

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

4. Changes in Directors

(1) Changes in Directors of JLF

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

Directors of JLF as of January 31, 2013 are as follows.

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

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

(2) Changes in Directors of the asset management company

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

Directors of the asset management company as of January 31, 2013, are as follows.

Title	Name			
President	Takayuki Kawashima			
Director	Kenichiro Matsuoka	Isao Kuramoto	Yukio Hishida	
	Masato Hisamune	Masahiko Tsumoto	Hiroshi Yoshida	Akihiro Asano
Corporate Auditor	Nobuyoshi Itoigawa			

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

5. Reference Information

(1) Asset composition of JLF

Type of assets	Use of assets	Region (Note 2)	15th Fiscal Period (as of January 31, 2013)		14th Fiscal Period (as of July 31, 2012)	
			Total amount held (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)	Total amount held (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)
Real estate	Logistics facility	Tokyo Metropolitan Area	6,078	3.8	6,123	4.0
		Kinki/Chubu/Kyushu Areas	5,724	3.6	5,732	3.8
		Other Areas	-	0.0	-	0.0
	Subtotal		11,802	7.3	11,856	7.8
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	114,545	71.3	106,331	70.2
		Kinki/Chubu/Kyushu Areas	13,247	8.2	13,347	8.8
		Other Areas	9,883	6.2	9,989	6.6
	Subtotal		137,677	85.7	129,669	85.6
Deposits and other assets (Note 5)			11,137	6.9	10,019	6.6
Total assets			160,617	100.0	151,545	100.0

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

(Note 2) For region, please refer to "Geographical regions" below.

(Note 3) The total amount owned is based on the figures posted on the Balance Sheets as of the end of the fiscal period (real estate and real estate in trust are presented in book values after depreciation), and figures below one million yen have been omitted.

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

(Note 5) Deposits and other assets include deposit in trust assets of ¥2,798 million for the 15th fiscal period and of ¥2,668 million for the 14th fiscal period.

<Area classification>

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

	15th Fiscal Period (as of January 31, 2013)		14th Fiscal Period (as of July 31, 2012)	
	Amount (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)	Amount (Millions of yen) (Note 1)	Percentage to total assets (%) (Note 2)
Total liabilities	60,361	37.6	51,367	33.9
Total net assets	100,255	62.4	100,177	66.1
Total assets	160,617	100.0	151,545	100.0

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

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

(2) Real estate investment portfolio

(i) List of portfolio properties

JLF owns the following real estate, etc.

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	% of the portfolio (Note 3)	Total leasable area (m^2) (Note 4)	Leased area (m^2) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
M-1	Funabashi	Trust beneficiary right of real estate	8,675	5.5	29,556.79	29,003.44	3	98.1	13.0
M-2	Urayasu	Trust beneficiary right of real estate	2,902	1.8	9,543.72	9,543.72	1	100.0	18.3
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	0.9	11,225.72	11,225.72	1	100.0	21.1 (Note 7)
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	1.5	10,616.80	10,616.80	1	100.0	17.6
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	3.8	31,790.42	31,790.42	1	100.0	13.8
M-6	Funabashi	Trust beneficiary right of real estate	5,700	3.6	35,134.44	35,134.44	2	100.0	7.1
M-7	Funabashi Nishiura II	Trust beneficiary right of real estate	9,330	5.9	73,859.32	73,859.32	1	100.0	11.5
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	6.9	41,630.54	41,630.54	1	100.0	14.6
M-9	Narashino	Trust beneficiary right of real estate	1,690	1.1	2,442.87	2,442.87	1	100.0	11.3
M-10	Yokosuka	Trust beneficiary right of real estate	3,305	2.1	21,364.11	—	—	0.0	22.0 (Note 7)
M-11	Yachiyo	Trust beneficiary right of real estate	2,266	1.4	17,689.95	17,689.95	1	100.0	9.1
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	6.2	35,882.64	35,882.64	3	100.0	16.3
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	3.3	32,389.70	32,389.70	1	100.0	7.6
M-14	Urayasu Chidori II	Real estate	1,640	1.0	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	Real estate	4,550	2.9	18,686.12	18,686.12	1	100.0	11.8
M-16	Shinonome	Trust beneficiary right of real estate	11,800	7.4	16,175.31 (Note 8)	16,175.31 (Note 8)	1	100.0	14.4

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	% of the portfolio (Note 3)	Total leasable area (m^2) (Note 4)	Leased area (m^2) (Note 5)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 6)
M-17	Narashino II	Trust beneficiary right of real estate	7,875	5.0	43,208.86 (Note 8)	43,208.86 (Note 8)	3	100.0	11.1
M-18	Ichikawa II	Trust beneficiary right of real estate	17,415	11.0	66,497.99 (Note 8)	66,497.99 (Note 8)	2	100.0	4.2
M-19	Souka	Trust beneficiary right of real estate	6,360	4.0	21,320.42 (Note 8)	21,320.42 (Note 8)	3	100.0	12.7
M-21	Kashiwa	Trust beneficiary right of real estate	9,000	5.7	29,394.56	29,394.56	1	100.0	14.6
subtotal for the Tokyo Metropolitan Area			128,433	81.0	525,208.52	503,291.06	29	96.0	—
T-1	Daito	Trust beneficiary right of real estate	9,762	6.2	92,730.14	92,730.14	1	100.0	13.8
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	2.6	23,726.80	23,726.80	1	100.0	14.1
T-3	Chubu Haruhi (land title)	Real estate	685	0.4	10,457.02	10,457.02	1	100.0	—
T-4	Kadoma	Real estate	989	0.6	7,293.92	7,293.92	1	100.0	13.3
T-5	Komaki	Real estate	2,100	1.3	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	Real estate	1,800	1.1	10,708.41	10,708.41	1	100.0	8.3
Subtotal for Kinki/Chubu/Kyushu Areas			19,432	12.3	154,402.74	154,402.74	6	100.0	—
O-1	Maebashi	Trust beneficiary right of real estate	1,230	0.8	3,455.53	3,455.53	1	100.0	9.0
O-2	Hanyu	Trust beneficiary right of real estate	1,705	1.1	3,518.58	3,518.58	1	100.0	11.6
O-3	Saitama Kisai	Trust beneficiary right of real estate	4,010	2.5	24,574.40	24,574.40	1	100.0	10.5
O-4	Kazo	Trust beneficiary right of real estate	3,790	2.4	25,130.62	25,130.62	1	100.0	9.5
Subtotal for other Areas			10,735	6.8	56,679.13	56,679.13	4	100.0	—
Portfolio total			158,600	100.0	765,684.95	743,767.49	39	97.1	9.0

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

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

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

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

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

(Note 6) As for the PML (Probable Maximum Loss) figures, Shimizu Corporation has prepared an earthquake risk research report with regard to portfolio properties owned by JLF. Such report, however, does not guarantee the contents provided and simply reflects the opinion of the research institution. PML is the projected loss ratio in an earthquake. While no consistent, clear definition of PML is available, it is the ratio of projected loss amount against building replacement cost for which the loss value and the probability rate against large and small earthquakes that could possibly occur in a period of 475 years were computed and statistically applied. The calculations are performed based on onsite research on each respective property, assessment of building status, checking consistency with the floor plan, ground conditions at each site, regional factors, and structural conditions. Loss herein refers to physical damage only, and does not take into consideration secondary damage to people's lives and other facilities in the vicinity. Damage factors include structural damage and internal and external physical damage, and do not consider fire on site caused by an earthquake or fire spreading from another facility.

(Note 7) Earthquake insurance is secured as the PML value exceeds 20%.

(Note 8) Figures for quasi-co-ownership are indicated.
Shinonome Logistics Center: 47%
Narashino Logistics Center II: 90%
Ichikawa Logistics Center II: 90%
Souka Logistics Center II: 50%

(ii) Diversification of portfolio

Diversification of portfolio properties owned by JLF is described below.

A. Ratio by region

Region	Total leasable area (m^2)	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	544,603.08	72.4	128,433	81.0
Kinki/Chubu/Kyushu Areas	154,402.74	20.2	19,432	12.3
Other Areas	56,679.13	7.4	10,735	6.8
Total	765,684.95	100.0	158,600	100.0

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

B. Ratio by total leasable area

Total leasable area (m^2)	Number of properties	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Over 30,000 m^2	9	30.0	82,087	51.8
Over 10,000 m^2 but 30,000 m^2 or less	14	46.7	64,257	40.5
10,000 m^2 or less	7	23.3	12,256	7.7
Total	30	100.0	158,600	100.0

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

C. Ratio by leasehold period

Leasehold period (Residual period)	Leased area (m^2)	Ratio (%) (Note 1)	Annual rent (Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	140,815.13	18.9	2,655,667,524	23.5
Over 5 years but within 10 years	170,134.82	22.9	2,490,179,400	22.1
Over 3 years but within 5 years	49,990.50	6.7	700,710,996	6.2
Within 3 years (initial agreement)	310,923.88	41.8	4,227,366,408	37.5
Within 3 years (automatic renewal)	71,903.16	9.7	1,212,168,444	10.7
Total	743,767.49	100.0	11,286,092,772	100.0

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

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

(iii) Performance of portfolio properties

The following provides a summary of performance for the 15th fiscal period of real estate, etc. owned by JLF.

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

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

(Millions of yen)

Property No.	M-1	M-2	M-3	M-4	M-5
Name of real estate, etc.	Funabashi Logistics Center	Urayasu Logistics Center	Hiratsuka Logistics Center	Shinkiba Logistics Center	Urayasu Chidori Logistics Center
Time of commencement	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012
Time of termination	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013
Number of days under management	184	184	184	184	184
Book value at end of period	7,156	2,841	1,398	2,279	5,466
Appraised value at end of period	8,860	4,890	1,740	3,050	8,830
DCF method	8,860	4,890	1,750	3,030	8,710
Discount rate	5.2%	5.1% (Note 1)	5.6%	5.0%/5.2%	4.9%/5.1%
Terminal capitalization rate	5.5%	－(Note 1)	6.1%	5.5%	5.2%
DC method	－	－	1,800	3,110	9,100
Capitalization rate	－	－	5.8%	5.2%	4.9%
Cumulated price	4,510	4,080	1,480	2,540	6,760
(i) Total real estate leasing business revenue	469	121	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Rent revenue - real estate	415	121			
Other lease business revenue	54	－			
(ii) Total real estate leasing business expenses	205	12			
Taxes and dues	23	2			
Outsourcing service expenses	25	1			
Utilities expenses	39	－			
Repair expenses	23	0			
Insurance expenses	1	0			
Other expenses related to rent business	13	1			
Depreciation and amortization	78	6	10	13	50
Loss on write-off of noncurrent assets	0	－	－	0	－
(iii) Income from real estate leasing business (= (i) - (ii))	264	109	1	57	174
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	342	115	11	70	225
(v) Capital expenditure	9	4	－	6	－
(vi) NCF (= (iv) - (v))	333	110	11	64	225

(Note 1) The terminal value discount rate is 5.4%. The final capitalization rate reflects the reclamation sales price.

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

(Millions of yen)

Property No.	M-6	M-7	M-8	M-9	M-10
Name of real estate, etc.	Funabashi Nishiura Logistics Center	Funabashi Nishiura Logistics Center II	Kawasaki Logistics Center	Narashino Logistics Center	Yokosuka Logistics Center
Time of commencement	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012
Time of termination	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013
Number of days under management	184	184	184	184	184
Book value at end of period	4,840	8,181	10,188	1,582	3,219
Appraised value at end of period	6,870	12,000	12,100	2,080	3,090
DCF method	6,820	12,100	12,600	2,050	3,080
Discount rate	5.0%/5.2%	5.0%/5.2%	4.9%/5.1%	5.5%	5.7%
Terminal capitalization rate	5.4%	5.8%	5.3%	5.5%	6.3%
DC method	6,970	11,900	12,800	2,140	3,110
Capitalization rate	5.1%	5.5%	5.0%	5.2%	6.0%
Cumulated price	3,740	6,170	8,470	1,170	1,540
(i) Total real estate leasing business revenue	223	392	Not disclosed (Note)	60	0
Rent revenue - real estate	207	390		60	—
Other lease business revenue	15	2		0	0
(ii) Total real estate leasing business expenses	113	137		18	63
Taxes and dues	25	21		3	11
Outsourcing service expenses	3	3		0	3
Utilities expenses	13	—		—	2
Repair expenses	1	16		1	3
Insurance expenses	0	1		0	1
Other expenses related to rent business	0	2		0	1
Depreciation and amortization	67	92	69	11	29
Loss on write-off of noncurrent assets	0	0	0	—	9
(iii) Income from real estate leasing business (= (i) - (ii))	109	254	277	42	(63)
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	177	347	348	53	(24)
(v) Capital expenditure	2	20	39	—	15
(vi) NCF (= (iv) - (v))	175	326	308	53	(39)

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

(Millions of yen)

Property No.	M-11	M-12	M-13	M-14	M-15
Name of real estate, etc.	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center	Yachiyo Logistics Center II	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center
Time of commencement	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012
Time of termination	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013
Number of days under management	184	184	184	184	184
Book value at end of period	2,053	8,967	4,769	1,572	4,506
Appraised value at end of period	2,410	10,000	6,240	1,680	4,690
DCF method	2,380	9,960	6,230	1,650	4,640
Discount rate	5.6%	5.5%	5.2%/5.4%	5.2%	5.2%/5.3%
Terminal capitalization rate	6.1%	5.6%	5.8%	5.3%	5.3%
DC method	2,570	10,200	6,270	1,750	4,810
Capitalization rate	5.8%	5.3%	5.5%	5.0%	5.0%
Cumulated price	1,770	6,480	3,130	1,350	3,130
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	193	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate			193		
Other lease business revenue			—		
(ii) Total real estate leasing business expenses			90		
Taxes and dues			14		
Outsourcing service expenses			0		
Utilities expenses			0		
Repair expenses			2		
Insurance expenses			0		
Other expenses related to rent business			1		
Depreciation and amortization	17	84	69	16	29
Loss on write-off of noncurrent assets	—	—	—	—	—
(iii) Income from real estate leasing business (= (i) - (ii))	34	202	103	28	95
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	51	287	173	44	124
(v) Capital expenditure	—	—	—	—	—
(vi) NCF (= (iv) - (v))	51	287	173	44	124

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

(Millions of yen)

Property No.	M-16	M-17	M-18	M-19	M-20
Name of real estate, etc.	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)	Ichikawa Logistics Center II (Note 1)	Souka Logistics Center (Note 1)	Tatsumi Logistics Center
Time of commencement	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012	September 3, 2012
Time of termination	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013
Number of days under management	184	184	184	184	151
Book value at end of period	11,759	7,479	16,995	6,318	9,049
Appraised value at end of period	12,300	8,360	18,600	6,620	9,460
DCF method	12,200	8,350	18,500	6,600	9,440
Discount rate	5.3%	5.4%	5.0%/5.1%	5.2%	4.9%/5.1%
Terminal capitalization rate	5.4%	5.5%	5.3%	5.5%	5.3%
DC method	12,500	8,380	18,900	6,650	9,520
Capitalization rate	5.1%	5.2%	5.0%	5.2%	5.0%
Cumulated price	9,100	5,000	15,100	5,700	9,160
(i) Total real estate leasing business revenue	352	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Rent revenue - real estate	352				
Other lease business revenue	0				
(ii) Total real estate leasing business expenses	82				
Taxes and dues	27				
Outsourcing service expenses	0				
Utilities expenses	—				
Repair expenses	0				
Insurance expenses	0				
Other expenses related to rent business	0				
Depreciation and amortization	53	91	120	65	42
Loss on write-off of noncurrent assets	—	1	—	—	—
(iii) Income from real estate leasing business (= (i) - (ii))	269	135	380	139	187
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	322	227	501	204	229
(v) Capital expenditure	1	6	1	—	—
(vi) NCF (= (iv) - (v))	321	221	499	204	229

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

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

(Millions of yen)

Property No.	T-1	T-2	T-3	T-4	T-5
Name of real estate, etc.	Daito Logistics Center	Osaka Fukuzaki Logistics Center	Chubu Haruhi Logistics Center (land title)	Kadoma Logistics Center	Komaki Logistics Center
Time of commencement	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012
Time of termination	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013
Number of days under management	184	184	184	184	184
Book value at end of period	9,596	3,651	731	1,091	2,014
Appraised value at end of period	16,300	5,280	806	1,230	1,900
DCF method	16,700	5,250	837	1,230	1,900
Discount rate	5.6%	5.5%	5.4%	5.4%/5.6%	5.4%/5.6%
Terminal capitalization rate	5.7%	5.6%	5.7%	5.7%	5.7%
DC method	17,100	5,360	—	1,230	1,910
Capitalization rate	5.4%	5.3%	—	5.4%	5.4%
Cumulated price	10,600	2,670	—	1,240	1,060
(i) Total real estate leasing business revenue	Not disclosed (Note)	163	16	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate		163	16		
Other lease business revenue		—	—		
(ii) Total real estate leasing business expenses		52	3		
Taxes and dues		17	3		
Outsourcing service expenses		0	0		
Utilities expenses		—	—		
Repair expenses		1	—		
Insurance expenses		0	—		
Other expenses related to rent business		2	—		
Depreciation and amortization	86	30	—	9	14
Loss on write-off of noncurrent assets	—	—	—	0	0
(iii) Income from real estate leasing business (= (i) - (ii))	353	110	12	27	41
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	440	141	12	37	56
(v) Capital expenditure	17	—	—	0	1
(vi) NCF (= (iv) - (v))	422	141	12	37	54

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

(Millions of yen)

Property No.	T-6	O-1	O-2	O-3	O-4
Name of real estate, etc.	Komaki Logistics Center II	Maebashi Logistics Center	Hanyu Logistics Center	Saitama Kisai Logistics Center	Kazo Logistics Center
Time of commencement	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012	August 1, 2012
Time of termination	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013	January 31, 2013
Number of days under management	184	184	184	184	184
Book value at end of period	1,886	1,084	1,531	3,665	3,601
Appraised value at end of period	1,570	1,370	1,860	4,230	4,030
DCF method	1,560	1,360	1,830	4,200	4,030
Discount rate	5.3%/5.5%	5.8%	5.8%	5.5%/5.7%	5.6%
Terminal capitalization rate	5.7%	5.8%	5.9%	5.9%	5.7%
DC method	1,590	1,400	1,920	4,290	4,030
Capitalization rate	5.4%	5.5%	5.6%	5.6%	5.4%
Cumulated price	1,060	706	1,140	2,510	2,790
(i) Total real estate leasing business revenue	Not disclosed (Note)	43	59	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate		43	59		
Other lease business revenue		—	—		
(ii) Total real estate leasing business expenses		15	18		
Taxes and dues		3	3		
Outsourcing service expenses		0	0		
Utilities expenses		—	—		
Repair expenses		0	0		
Insurance expenses		0	0		
Other expenses related to rent business		0	0		
Depreciation and amortization	16	10	13	36	46
Loss on write-off of noncurrent assets	—	—	—	—	0
(iii) Income from real estate leasing business (= (i) - (ii))	23	28	40	82	67
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	39	38	53	118	113
(v) Capital expenditure	30	—	—	0	—
(vi) NCF (= (iv) - (v))	9	38	53	118	113

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

(3) Capital expenditure for assets under management

(i) Scheduled capital expenditure

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

Name of real estate, etc. (Location)	Purpose	Scheduled period	Estimated construction cost (Millions of yen) (Note)		
			Total amount	Payment for the period	Total amount paid
Funabashi Logistics Center (Funabashi-shi, Chiba)	Exterior wall repair	July 2013	59	—	—
Kawasaki Logistics Center (Kawasaki-shi, Kanagawa)	Elevator replacement	June 2013	51	—	—
Urayasu chidori Logistics Center II (Urayasu-shi, Chiba)	Gas heat pump replacement	June 2013	33	—	—
Other real estate, etc.	—	—	84		
Capital expenditure due to disaster	—	—	19		
Total			247		

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

(ii) Capital expenditure during the fiscal period

The following provides a summary of major construction work applicable to capital expenditure performed during the fiscal period in connection with the real estate, etc. owned by JLF. Capital expenditure for the 15th fiscal period totals ¥158 million. In addition, repair expenses of ¥180 million are classified under operating expenses for the fiscal period.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note)
Kawasaki Logistics Center (Kawasaki-shi, Kanagawa)	Elevator replacement	From August 2012 to October 2012	39
Komaki Logistics Center II (Komaki-shi, Aichi)	Roof replacement	From October 2012 to January 2013	30
Yokosuka Logistics Center (Yokosuka-shi, Kanagawa)	Exterior wall repair	August 2013	15
Other real estate, etc.	—	—	72
Total			158

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

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

Not applicable

(4) Summary of tenants

(i) Summary of leasing status

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

Name of property	Name of tenant	Business lines	Leased area (m^2)	Annual rent (Millions of yen) (Note 1) (Note 2) (Note 3)	Expiry of contract	Lease deposits and guarantees (Millions of yen) (Note 2) (Note 3)
Funabashi Logistics Center	Yamato Transport Co., Ltd.	Trucking business	264.46	685	April 30, 2013	424
			757.03		October 31, 2013	
			19,795.05		October 31, 2013	
	Sojitz Corporation	Other investment business	7,833.88	129	October 31, 2013	90
	Other (one company)	-	353.02	5	-	3
	Property total	-	29,003.44	821	-	519
Urayasu Logistics Center	Nippon Steel Trading Co., Ltd.	Steel sales and construction work	9,543.72	242	May 27, 2014	121
Hiratsuka Logistics Center	Nissho Shipping Co., Ltd.	Warehousing, transport, and railroad transport services	11,225.72	Not disclosed	August 31, 2013	Not disclosed
Shinkiba Logistics Center	Nakano Shokai Co., Ltd.	General merchandise warehousing and transport agency business	10,616.80	Not disclosed	February 28, 2015	Not disclosed
Urayasu Chidori Logistics Center	Tri-net Logistics Co., Ltd.	General merchandise warehousing business	31,790.42	Not disclosed	March 31, 2017	Not disclosed
Funabashi Nishiura Logistics Center	Tri-net Logistics Co., Ltd.	General merchandise warehousing business	28,076.16	Not disclosed	January 31, 2016	Not disclosed
	Chubu Transport Co., Ltd.	Warehousing and transport business	7,058.28	Not disclosed	January 31, 2016	Not disclosed
	Property total	-	35,134.44	414	—	217
Funabashi Nishiura Logistics Center II	Tri-net Logistics Co., Ltd.	General merchandise warehousing business	73,859.32	780	October 13, 2015	130
Kawasaki Logistics Center	Sagawa Global Logistics Co., Ltd.	Transport-related services	41,630.54	Not disclosed	August 31, 2015	Not disclosed
Narashino Logistics Center	Sagawa Express Co., Ltd.	General merchandise trucking business	2,442.87	121	October 20, 2025	60
Yokosuka Logistics Center	-	-	—	—	-	—
Yachiyo Logistics Center	TOTO LTD.	Sanitary ware manufacturing	17,689.95	Not disclosed	March 31, 2013	Not disclosed
Yokohama Fukuura Logistics Center	Sagawa Express Co., Ltd.	General merchandise trucking business	3,806.58	Not disclosed	March 20, 2027	Not disclosed
	Terrada Warehouse Company	Office leasing, General merchandise warehousing business	10,109.22	Not disclosed	March 20, 2019	Not disclosed
	Nippon Express Co., Ltd.	General merchandise trucking business	12,000.10	Not disclosed	January 31, 2015	Not disclosed
			9,966.74			
	Property total	-	35,882.64	Not disclosed	—	Not disclosed

Name of property	Name of tenant	Business lines	Leased area (m^2)	Annual rent (Millions of yen) (Note 1) (Note 2) (Note 3)	Expiry of contract	Lease deposits and guarantees (Millions of yen) (Note 2) (Note 3)
Yachiyo Logistics Center II	Amazon Japan Logistics Co., Ltd.	Mail order sales and general logistics service	32,389.70	387	September 30, 2022	129
Urayasu Chidori Logistics Center II	Nakano Shokai Co., Ltd.	General merchandise warehousing and transport agency business	6,192.80	Not disclosed	February 7, 2014	Not disclosed
Ichikawa Logistics Center	Tokyo Logistics Factory Co., Ltd.	General merchandise warehousing and general merchandise trucking business	18,686.12	Not disclosed	March 31, 2023	Not disclosed
Shinonome Logistics Center (Note 4)	Sagawa Express Co., Ltd.	General merchandise trucking business	34,415.56	1,500	February 20, 2026	2,750
Narashino Logistics Center II (Note 4)	Nakano Shokai Co., Ltd.	General merchandise warehousing and transport agency business	18,590.42	Not disclosed	April 30, 2013	Not disclosed
	Yamato Logistics Co., Ltd.	Truck and freight transport service	15,109.07	Not disclosed	October 31, 2015	Not disclosed
	Mitsui-Soko Logistics Co., Ltd.	General merchandise warehousing and transport agency business	14,310.36	Not disclosed	October 31, 2014	Not disclosed
	Property total	-	48,009.85	Not disclosed	-	Not disclosed
Ichikawa Logistics Center II (Note 4)	TOMY Company, Ltd.	Wholesale of toys and entertainment products	57,112.86	Not disclosed	November 1, 2019	Not disclosed
	JR EAST LOGISTICS CO., LTD.	General merchandise trucking business	16,773.80	Not disclosed	May 31, 2017	Not disclosed
	Property total	-	73,886.66	Not disclosed	-	Not disclosed
Souka Logistics Center (Note 4)	Mitsui-Soko Co., Ltd.	Warehousing	20,639.35	Not disclosed	March 31, 2017	Not disclosed
	Koyama Kigyo Co., Ltd.	Warehousing	11,000.85	Not disclosed	January 31, 2020	Not disclosed
	Sangetsu Co., Ltd.	Wholesale of construction materials	11,000.64	Not disclosed	April 30, 2018	Not disclosed
	Property Total	-	42,640.84	Not disclosed	-	Not disclosed
Tatsumi Logistics Center	Nakano Shokai Co., Ltd.	General merchandise warehousing and transport agency business	29,394.56	Not disclosed	February 28, 2022	Not disclosed
Daito Logistics Center	SETTSU WAREHOUSE Co., Ltd.	General merchandise warehousing and general merchandise trucking business	3,493.64	Not disclosed	May 31, 2029	Not disclosed
			89,236.50		July 31, 2030	
Osaka Fukuzaki Logistics Center	Ricoh Logistics System Co., Ltd.	General merchandise trucking business and general merchandise warehousing business	23,726.80	326	November 30, 2014	210
Chubu Haruhi Logistics Center (land title)	Mitsubishi Shokuhin Co., Ltd.	Wholesale of dry food	10,457.02	33	November 30, 2015	—
Kadoma Logistics Center	Kowa Company, Ltd.	Manufacture and sale of pharmaceuticals, etc.	7,293.92	Not disclosed	March 31, 2013	Not disclosed
Komaki Logistics Center	NIPPON ACCESS,INC.	Wholesale of foodstuffs	9,486.45	Not disclosed	August 31, 2014	Not disclosed

Name of property	Name of tenant	Business lines	Leased area (m^2)	Annual rent (Millions of yen) (Note 1) (Note 2) (Note 3)	Expiry of contract	Lease deposits and guarantees (Millions of yen) (Note 2) (Note 3)
Komaki Logistics Center II	Arata Corporation	Wholesale	10,708.41	Not disclosed	August 31, 2022	Not disclosed
Maebashi Logistics Center	Sagawa Express Co., Ltd.	General merchandise trucking business	3,455.53	87	February 20, 2025	43
Hanyu Logistics Center	Sagawa Express Co., Ltd.	General merchandise trucking business	3,518.58	118	October 20, 2025	59
Saitama Kisai Logistics Center	TRANCOM CO., LTD.	General merchandise trucking business	24,574.40	Not disclosed	May 31, 2017	Not disclosed
Kazo Logistics Center	Hitachi Transport System, Ltd.	General merchandise trucking business	25,130.62	Not disclosed	April 30, 2018	Not disclosed

(Note 1) Annual rent represents either annual rent in the lease contract or monthly rent in the lease contract times 12. If the property has multiple tenants, the number is the sum of the all contracts.

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

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

(Note 4) The portion of quasi-co-ownership of beneficiary right of real estate in trust is owned, but data pertaining to the entire property (100%) is provided.

Shinonome Logistics Center: 47%
Narashino Logistics Center II: 90%
Ichikawa Logistics Center II: 90%
Souka Logistics Center: 50%

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

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

Name of tenant	Business Lines	Name of real estate, etc.	Leased area (m^2)	Annual rent (Millions of yen) (Note 1)	Lease deposits and guarantees (Millions of yen) (Note 1)	Lease ratio (%) (Note 2)
Tri-net Logistics Co., Ltd.	General merchandise warehousing business	Funabashi Nishiura Logistics Center II	73,859.32	780	130	9.9
		Urayasu Chidori Logistics Center	31,790.42	Not disclosed (Note 3)	Not disclosed (Note 3)	4.3
		Funabashi Nishiura Logistics Center	28,076.16	Not disclosed (Note 3)	Not disclosed (Note 3)	3.8
		Subtotal	133,725.90	Not disclosed (Note 3)	Not disclosed (Note 3)	18.0
SETTSU WAREHOUSE Co., Ltd.	General merchandise warehousing and general merchandise trucking business	Daito Logistics Center	92,730.14	Not disclosed (Note 3)	Not disclosed (Note 3)	12.5
Total for all tenants			743,767.49	11,286	5,506	100.0

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

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

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

(iii) Lease terms of major tenants

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

Tri-net Logistics Co., Ltd.	
Funabashi Nishiura Logistics Center II	
Expiry of contract:	October 13, 2015
Type of contract:	Normal lease contract (10-year term)
Change in rent:	No particular provision.
Contract renewal:	If, at least 6 months prior to the expiry of the term of leasehold, the lessor does not notify the lessee in writing to reject renewal of the contract and the lessee does not notify the lessor to terminate the contract, the leasehold agreement is renewed for one year from the date following the expiry of the leasehold period, and the same applies thereafter.
Cancellation before expiry:	As a general rule, the contract cannot be cancelled during the course of the term. The lessee shall, if cancelling the contract due to circumstances of the lessee, pay the lessor penalty fee of lease deposits plus rent for the residual period of the leasehold term from the date of cancellation to expiry.
Urayasu Chidori Logistics Center	
Expiry of contract:	March 31, 2015
Type of contract:	Fixed-term lease contract (2 years 3 months)
Change in rent:	Rent cannot be changed.
Contract renewal:	There is no renewal of contract; provided, however, that parties agree to re-enter into the contract.
Cancellation before expiry:	The contract cannot be cancelled during the course of the term.
Funabashi Nishiura Logistics Center	
Expiry of contract:	January 31, 2016
Type of contract:	Fixed-term lease contract (10-year term)
Change in rent:	Rent cannot be changed during the five years from the initial date of the leasehold contract. If, after five years have passed since the initial date of the leasehold contract, there are revisions to the rates of taxes and public dues associated with the land and buildings, a new taxation system is introduced, or significant changes to economic conditions take place, rent may be changed based on discussion by the parties.
Contract renewal:	There is no renewal of contracts. If, however, the parties agree to the terms and conditions for re-entering into a contract based on discussion at least 6 months prior to the expiry of the leasehold period, the leasehold contract may be newly concluded starting from the date following the expiry of the original leasehold period.
Cancellation before expiry:	The contract cannot be cancelled.

SETTSU WAREHOUSE Co., Ltd.	
Daito Logistics Center	
<Warehouse I, Warehouse II, Office I>	
Expiry of contract:	July 31, 2030
Type of contract:	Normal lease contract (20-year term)
Change in rent:	Discussion on changes in rent may be held every two years after August 1, 2010 (hereafter, "the date of change in leasehold period") (every year after 20 years have passed since the date of change in leasehold period) in consideration of fluctuations in economic conditions, increase in taxes and public dues and other burdens associated with the land or building, rent prices of buildings in the vicinity, and other factors.
Contract renewal:	The contract is automatically renewed for another period of three years under the same terms and conditions if no particular indication of intent in writing to the other party is made at least 12 months prior to the expiry of the leasehold period, and the same applies thereafter.
Cancellation before expiry:	The contract cannot be cancelled for 15 years from the date of change in leasehold period. The contract may be cancelled if 15 years have passed since the date of change in leasehold period by written notification of the intent at least 12 months prior to the desired cancellation date. In the event that the other party violates the provisions of the leasehold contract, the contract may be cancelled if the other party does not take corrective action despite having been given a warning in writing with the appropriate period of correction specified. If the lessee falls under a situation subject to cancellation stipulated under the leasehold contract, the lessor may immediately cancel the contract by written notification. In the case that the lessor cancels the contract, the lessee pays as a penalty fee, (i) the restoration cost and (ii) the amount of rent for the residual period up to the day when 15 years pass from the date of change in the leasehold period. If, however, the lessee introduces a candidate for an alternative lessee and the lessor enters into a new leasehold contract under terms and conditions of a substantially comparable level or higher, the lessee is exempted from paying, with regard to (ii) above, the amount of rent corresponding to the period after the start of rent payment based on the new leasehold contract.

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

(5) Information concerning major real estate and other properties

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

Name of real estate, etc.		Ichikawa Logistics Center II
Total number of tenants		2
Real estate leasing business revenue		Not disclosed (Note 1)
Ratio to the total amount of real estate leasing business revenue		Not disclosed (Note 1)
Leased area (m^2)		66,497.99 (Note 2)
Total leasable area (m^2)		66,497.99 (Note 2)
Occupancy rate in the past five years		
	July 31, 2008	—
	January 31, 2009	—
	July 31, 2009	—
	January 31, 2010	—
	July 31, 2010	—
	January 31, 2011	100.0%
	July 31, 2011	100.0%
	January 31, 2012	100.0%
	July 31, 2012	100.0%
	January 31, 2013	100.0%

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

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