REIT Financial Report for the Fiscal Period ended July 31, 2016 (The 22nd Period)

September 12, 2016

Name of REIT issuer: Japan Logistics Fund, Inc. Stock exchange listing: Tokyo Stock Exchange
Security code: 8967 URL: http://8967.jp/eng
Representative: Keita Tanahashi , Executive Director

Name of asset management company: Mitsui & Co., Logistics Partners Ltd.
Representative: Keita Tanahashi, President
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Scheduled date for submission of Securities Report: October 28, 2016
Scheduled date for commencing dividend payments: October 6, 2016
IR Material: Will be posted on the website
IR Meeting: Will be held for institutional investors and security analysts

(Figures are rounded down to the nearest million yen)

1. Performance for the Fiscal Period ended July 2016 (The 22nd Period from February 1, 2016 to July 31, 2016)

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
The 22nd Period	7,584	0.4	3,936	(1.4)	3,563	0.4	3,562	0.4
The 21st Period	7,554	6.8	3,991	10.8	3,549	10.6	3,548	10.6

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
The 22nd Period	4,048	2.8	1.7	47.0
The 21st Period	4,092	2.9	1.7	47.0

(2) Dividends

	Dividends per Unit (excluding Distributions in excess of earnings)	Total Dividends (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
	Yen	Millions of yen	Yen	Millions of yen	%	%
The 22nd Period	4,048	3,562	0	0	99.9	2.8
The 21st Period	4,033	3,549	0	0	100.0	2.8

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

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
The 22nd Period	209,384	128,605	61.4	146,142
The 21st Period	209,459	128,592	61.4	146,127

(Reference) Unitholders' equity The 22nd Period: 128,605 million yen The 21st Period: 128,592 million yen

(4) Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
The 22nd Period	5,274	(1,057)	(3,555)	10,435
The 21st Period	5,714	(8,935)	6,019	9,773

2. Forecasts for the Fiscal Period ending January 2017 (The 23rd Period from August 1, 2016 to January 31, 2017) and the Fiscal Period ending July 2017 (The 24th Period from February 1, 2017 to July 31, 2017)

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
The 23rd Period	7,678	1.2	3,943	0.2	3,556	(0.2)	3,555	(0.2)	4,040	0
The 24th Period	7,722	0.6	4,004	1.6	3,608	1.5	3,607	1.5	4,100	0

(Reference) Forecast for net income per unit The 24th Period: 4,100 yen The 23rd Period: 4,040 yen

* Other

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

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

(2) Number of investment units issued and outstanding

(i) Number of investment units (including treasury investment units) issued and outstanding at the end of each period
The 22nd Period: 880,000 units The 21st Period: 880,000 units

(ii) Number of treasury investment units issued and outstanding at end of period
The 22nd Period: 0 unit The 21st 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 24.

* Explanation on the financial audit

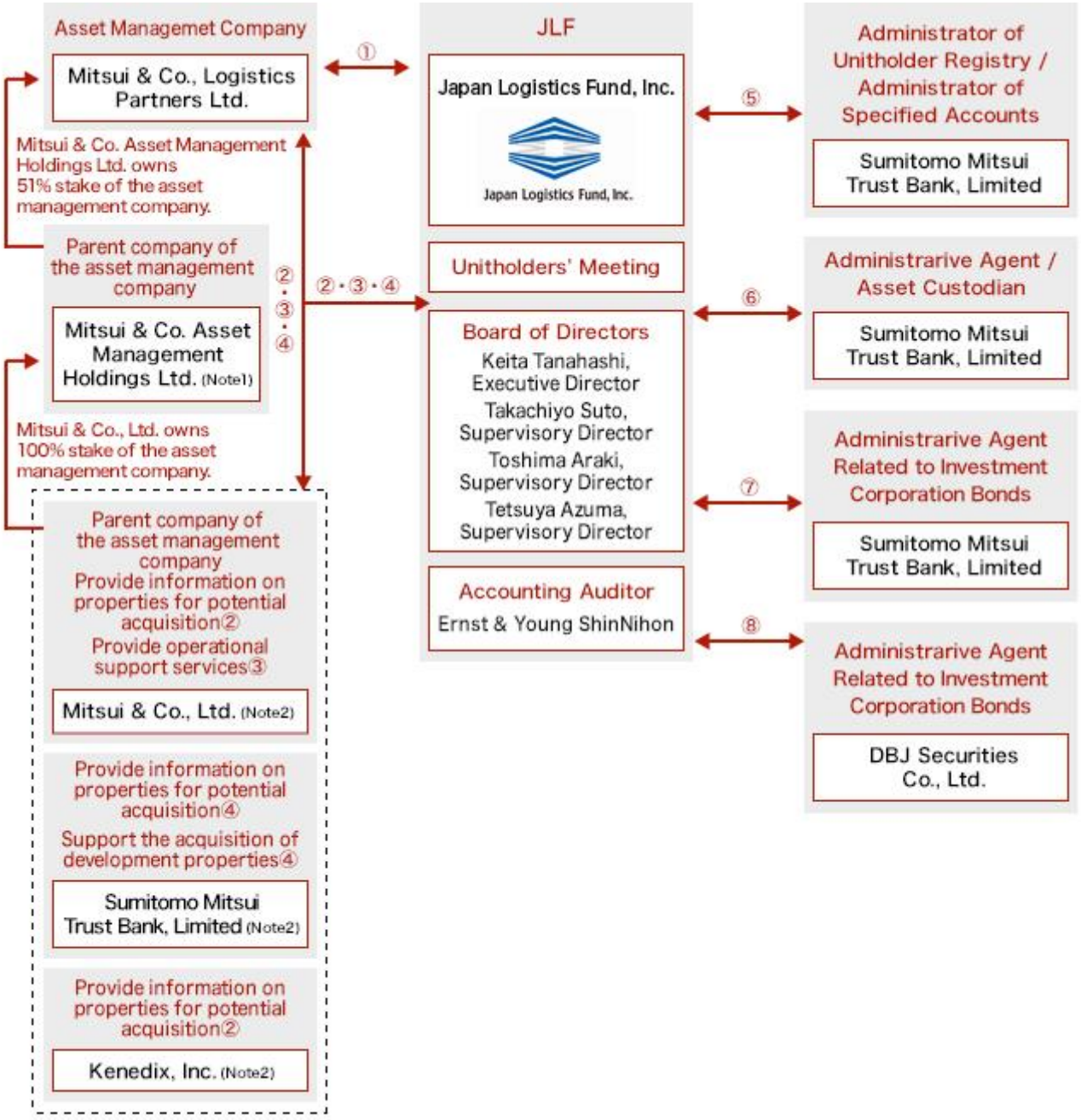
Financial audit procedures in accordance with the Financial Instruments and Exchange Act have not yet finished as of September 12, 2016.

* Explanation on the appropriate use of forecasts and other notes

(Note to forward-looking statements)

1. This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by the Japan Logistics Fund, Inc. (hereafter referred to as "JLF"), and the actual operating results, etc. may differ significantly from that anticipated by JLF due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "2. Management Discussions and Analysis (2) Asset Management Status (ii) Outlook for the Next Fiscal Period D. Forecasts" on page 6.

1. Overview of Affiliates of JLF



①Asset Management Agreement
②Agreement Related to Support for the Acquisition of Logistics Real Estate
③Basic Agreement Related to Operational Support Service in the Acquisition of Properties
④Basic Agreement Related to the Provision of Brokerage Information on Real Estate and the like / Agreement Related to the Support of the Acquisition of Development Properties
⑤Agreement for Administrative Agent and Asset Custody
⑥Agreement for Administration of Unitholder Registry and Specified Accounts
⑦Fiscal Agency Agreement
⑧Agreement for Administration of Private Placement and Investment Corporation Bond Registry

(Note 1) Mitsui & Co. Asset Management Holdings Ltd. is a wholly-owned subsidiary of Mitsui & Co., Ltd.

(Note 2) Hereinafter, Mitsui & Co. Ltd., Sumitomo Mitsui Trust Bank, Limited, and Kenedix, Inc., companies that provide information on properties, may individually or collectively called be "sponsor(s)."

(Note 3) 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 (Japanese) (submitted on April 27, 2016).

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 (Japanese) (submitted on April 27, 2016).

(2) Asset Management Status

(i) Summary of Results for the Fiscal Period ended July 2016 (The 22nd Period)

A. Background of JLF

JLF is the first J- REIT dedicated to "logistics properties" with real estate and other assets used for logistic facilities primarily in the Tokyo Metropolitan, Kinki, Chubu and Kyushu areas as investment targets. Based on the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; including revisions enforced thereafter) (hereinafter, "the Investment Trust Act"), JLF was founded on February 22, 2005 with Mitsui & Co., Logistics Partners Ltd. as the founding planner, and was listed on the REIT section of the Tokyo Stock Exchange, Inc. (hereinafter, "Tokyo Stock Exchange") on May 9 of the same year (security code: 8967). As of the end of the July 2016 (The 22nd Period), JLF had a total of 42 properties under management with total acquisition price of 212,603 million yen and total assets of 209,834 million yen.

B. Investment Environment and Management Performance

During the 22nd fiscal period under review, the Japanese economy as a whole continued to recover moderately, primarily as a result of the gradual increase in capital expenditure based on growth in corporate earnings and strong consumer spending in response to steady improvement in employment and personal income, despite some impact of slower growth in emerging economies on exports and production.

In the logistics properties leasing market, growth in demand for large logistics properties was driven by the demand from third-party logistics (3PL) providers which contracted to combine distribution centers for apparel, drugstores, and the demand from activities of e-commerce businesses including their expansion of new distribution centers. Meanwhile, the supply of large distribution centers particularly in the Tokyo metropolitan area continues at a high level and some properties located in emerging areas where distribution centers did not concentrate in the past have not been leased as expected after completion. As a result, the latest vacancy rate has increased.

In the logistics properties acquisition market, investors both in Japan and abroad were even more eager to invest in logistics properties, since it can secure the yield relatively higher than those on other types of investments, while investment opportunities were decreasing due to monetary easing worldwide. More REITs concentrating their investments on logistics facilities have gone public. As a result, the number of transactions and total value of logistics properties between January and April 2016 have been increasing at an accelerating pace which is faster than that of the same period of the previous year.

Under these circumstances, JLF promoted the acquisition of property at "appropriate price" that JLF considered in order to achieve a sustainable external growth toward the medium-term business plan "Stable + Growth 2.0", which was announced in March 2016, and decided to acquire Shinkiba Logistics Center II, using a sponsor pipeline (Planned acquisition price: 15,270 million yen) (Note). As an effort for continuous internal growth, JLF has started the redevelopment of the Kiyosu Logistics Center, which will be the third round of OBR (Own Book Redevelopment, which means the redevelopment of properties held by JLF on its own). Additionally, JLF has decided to acquire a new building (Kasugai Logistics Center (building)) constructed on the land of Kasugai Logistics Center (land) as the fourth round OBR based on a business agreement with a construction company.

Note: The acquisition of Shinkiba Logistics Center and Kasugai Logistics Center (building) is subject to the forward commitment, etc. in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. issued by the Financial Services Agency (hereinafter, the "Forward Commitment, etc.").

C. Capital Procurement

In the fiscal period under review, JLF further diversified its financing methods by issuing investment corporation bonds for 1,700 million yen through private placement (limited to qualified institutional investors) for the first time to repay long-term borrowings that came due. It also prolonged the debt financing period and reduced debt financing costs. Because the acquisition of Shinkiba Logistics Center II is subject to the Forward Commitment, etc., a short-term commitment line with maximum borrowings of 11,000 million yen used to acquire this asset has been established to ensure the means for handling contingencies, such as temporary changes in the market environment that may occur in the future.

As a result, as of the end of the 22nd Period, the total amount of interest-bearing debt stood at 71,700 million yen and the LTV (Loan to Value) (Note) was 26.7%, thus JLF continues to conduct stable financial operations. Furthermore, JLF has maintained the highest-level credit rating among all J-REITs, and intends to continue its financial policy of securing a sound balance sheet and adequate on-hand liquidity.

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

(Figures are rounded off to the first decimal place)

Credit rating of JLF at the end of the 22nd Period

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

D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 7,584 million yen, operating income of 3,936 million yen, ordinary income of 3,563 million yen and net income of 3,562 million yen.

Based on a special taxation measure under Article 67, Item 15 (Act on Special Measures Concerning Taxation; Act No. 26 of 1957; including revisions enforced thereafter) (hereafter, the "Special Taxation Measures Act") that allows the maximum amount of distribution of earnings to be treated as a tax-deductible expense, JLF decided to distribute to unitholders the full amount of net income excluding fractions below one yen of the amount of dividends per investment unit. As a result, JLF's dividend per investment unit was 4,048 yen.

(ii) Outlook for the Next Fiscal Period

A. Recognition of the Environment

The Japanese economy is expected to maintain a moderate growth trend, along with a recovery in exports when overseas economies rebound from stagnation, due to strong domestic demand based largely on a gradual increase in capital expenditure backed by growth in domestic corporate earnings, particularly in non-manufacturing industries, and growing personal spending associated with steady improvement in employment and personal income. However, the economic slowdown in China and other emerging and resource-rich countries, the Brexit issue in the U.K., trends in the U.S. economy, geopolitical risks, and other risks that may significantly affect the Japanese economy, and thus must be continuously monitored.

In the logistics facilities market, the new supply of properties, particularly in the Tokyo metropolitan area, continues at a high level against the backdrop of the strong willingness of investors in Japan and abroad to invest, and development has been expanding to new areas where there was no real concentration of distribution facilities in the past. While the overall demand for large logistics facilities remains strong, those in some new areas need time before tenants can be decided or are forced to ease the lease terms, which raises the vacancy rate of the entire greater Tokyo area and prevents an increase in the level of real rent. JLF believes that it is now more important than ever to estimate the factors that affect cash flow stability such as property locations, building specifications, and lease agreement.

In this environment, JLF will build a framework that will enable it to respond accurately to future changes in the financial and real estate markets in order to achieve "Stable + Growth 2.0," while at the same time aiming for sustainable external growth through the acquisition of property at an "appropriate price" that JLF considers.

B. Future Asset Management Policies and Issues to be Addressed

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

(a) Operational management of portfolio properties

- Leasing management

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

  The properties currently held by JLF have an average leasing period of 6.7 years when calculated on a weighted average basis using annual rent, indicating that JLF will continue to earn stable income.

- Strengthening of tenant relations

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

- Appropriate property maintenance and additional investment

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

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

(b) Acquisition of new properties

- Sourcing of property information
  Unlike other asset types, logistics properties have limited transaction volumes in the market. Therefore, JLF believes that collecting a broad range of information and making precise investment decisions based on the information gathered lead to achieve high competitiveness. In order to avoid unnecessary price competition, JLF will work to obtain early access to property information and promote negotiated transactions by leveraging the extensive networks of sponsors and the information sourcing channels of the asset management company.
- Specifications of properties for acquisition
  When acquiring properties, JLF will make investment decisions with a focus on the location and versatility of properties which are essential factors in pursuing stable and long-term management of logistics properties. As a general rule, JLF avoids acquiring, in particular, properties with unique structural and facility features that suit only certain types of tenants in certain industries. Rather, JLF's most important criterion for making investment decisions is versatility of specifications that can satisfy broad logistical demand.
- Diversification of portfolio
  To minimize fluctuations in revenue arising from factors such as a tenant's request to lower rent or a tenant moving out of a property, JLF acquires properties that will help reduce risk of over-concentration of tenants by avoiding excessive dependency on single tenant or industry of tenants and diversifying lease period expirations.

(c) Financial strategy

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

C. Significant Subsequent Events

Not applicable to the 22nd Period (from February 1, 2016 to July 31, 2016).

[Reference Information]

Not applicable to the 22nd Period (from February 1, 2016 to July 31, 2016).

D. Forecasts

Forecasts for the Fiscal Period ending January 2017 (The 23rd Period from August 1, 2016 to January 31, 2017) and the Fiscal Period ending July 2017 (The 24th Period from February 1, 2017 to July 31, 2017) are as follows. Please refer to "Assumptions Underlying the Forecasts for the 23rd Period (from August 1, 2016 to January 31, 2017) and the 24th Period (from February 1, 2017 to July 31, 2017)" for the assumptions underlying these forecasts.

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
The 23rd Period	7,678	1.2	3,943	0.2	3,556	(0.2)	3,555	(0.2)	4,040	0
The 24th Period	7,722	0.6	4,004	1.6	3,608	1.5	3,607	1.5	4,100	0

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

Assumptions Underlying the Forecasts for the Forecasts for the 23rd Period (from August 1, 2016 to January 31, 2017) and the 24th Period (from February 1, 2017 to July 31, 2017)

Item	Assumptions
Calculation period	・ Fiscal Period Ending January 31, 2017: August 1, 2016 to January 31, 2017 ・ Fiscal Period Ending July 31, 2017 : February 1, 2016 to July 31, 2017
Properties owned	・ Forecasts assume a total of 43 properties in the portfolio, including 42 existing properties as of September 12, 2016 and Shinkiba Logistics Center II expected to be acquired in March 2017. No other acquisitions and sales of properties is assumed. ・ The acquisition of Shinkiba Logistics Center II applies as "Forward Commitment" defined in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." ・ There may be fluctuation caused by additional acquisitions or sales of properties.
Total number of investment units issued	・ The forecasts assume 880,000 units outstanding as of September 12, 2016.
Interest-bearing debt	・Among the interest-bearing debt of 71,700 million yen outstanding as of September 12, 2016, 1,000 million yen of long-term loan will come due on the fiscal period ending January 2017 and 5,000 million yen of long-term loan will come due on the fiscal period ending July 2017. JLF intends to refinance these interest-bearing debt. ・To procure the acquisition of the above mentioned Shinkiba Logistics Center II, JLF will borrow new debt of 15,000 million yen. Therefore, expected interest-bearing debt outstanding at the end the fiscal period ending January 2017 and the fiscal period ending July 2017 are 71,700 million yen and 86,700 million yen, respectively.
Operating revenue	・ The rent revenue is estimated based on the lease contracts in effect as of September 12, 2016 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 transactions, property tax and city planning tax are prorated based on the period of ownership with the previous holder and settled at the time of acquisition. JLF capitalizes the amount of settlement as part of the acquisition cost. With respect to Shinkiba Logistics Center II expected to be acquired in March 2017, the property tax and city planning tax of 69 million yen will be capitalized. ・ Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. Taxes and dues: Fiscal Period Ending January 31, 2017: 681 million yen; Fiscal Period ending July 31, 2017: 681 million yen Outsourcing services: 186 million yen; 194 million yen Repair: 174 million yen; 81 million yen Depreciation: 1,697 million yen; 1,785 million yen Other: 257 million yen; 217 million yen ・ Expenses other than deprecation and loss on write-offs of noncurrent assets are calculated based on past truck records with expense fluctuation factors taken into account. ・ Actual repair expenses for each operating period may differ considerably from forecasts, mainly because unexpected repair expenses may be incurred due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one fiscal period to another, and repair expense, by nature, are not incurred on a regular basis. ・ Depreciation, including incidental expenses and additional capital expenditure for the future, is calculated using the straight-line method.
Non-Operating Expenses	・ Non-operating expenses including interest expenses and interest expenses on investment corporation bonds, etc. are assumed at 387 million yen for the Fiscal Period Ending January 31, 2017 and 397million yen for the Fiscal Period Ending July 31, 2017.
Dividends per Unit (Excluding distributions in excess of earnings)	・ Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF. ・ The amount of dividends per unit may fluctuate, due to various factors such as acquisitions and sales of assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the issuance of new investment units.
Distributions in Excess of Earnings per Unit	・ JLF does not plan at present any distributions 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 Trust Association, Japan, or others. ・ The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions.

(3) Investment risks

For details of risks related to repayment of the loans, please refer to "Investment Risks" described on a Securities Registration Statement (Japanese) submitted on April 27, 2016.

3. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	The 22nd Period (as of July 31, 2016)	The 21st Period (as of January 31, 2016)
Assets		
Current assets		
Cash and deposits	6,896,711	6,297,144
Cash and deposits in trust	3,810,097	3,745,434
Operating accounts receivable	309,601	325,233
Prepaid expenses	34,399	13,664
Deferred tax assets	18	6
Income taxes receivable	-	1,909
Other	88	70
Total current assets	11,050,916	10,383,464
Non-current assets		
Property, plant and equipment		
Buildings	7,029,587	7,017,457
Accumulated depreciation	(1,492,415)	(1,392,814)
Buildings, net	5,537,171	5,624,642
Structures	176,122	176,122
Accumulated depreciation	(53,589)	(48,518)
Structures, net	122,532	127,604
Tools, furniture and fixtures	770	770
Accumulated depreciation	(586)	(529)
Tools, furniture and fixtures, net	183	241
Land	8,047,890	8,044,883
Construction in progress	800,042	-
Buildings in trust	109,487,677	109,340,312
Accumulated depreciation	(19,869,092)	(18,338,465)
Buildings in trust, net	89,618,584	91,001,847
Structures in trust	3,267,465	3,259,992
Accumulated depreciation	(973,241)	(918,188)
Structures in trust, net	2,294,223	2,341,804
Tools, furniture and fixtures in trust	26,465	23,735
Accumulated depreciation	(15,991)	(14,737)
Tools, furniture and fixtures in trust, net	10,473	8,998
Land in trust	91,593,017	91,593,017
Total property, plant and equipment	198,024,120	198,743,039
Intangible assets		
Other	2,622	3,059
Total intangible assets	2,622	3,059
Investments and other assets		
Investment securities	-	2,634
Long-term prepaid expenses	251,260	277,668
Guarantee deposits	10,010	10,010
Other	2,000	2,000
Total investments and other assets	263,270	292,313
Total non-current assets	198,290,013	199,038,412
Deferred assets		
Investment corporation bond issuance costs	43,451	37,749
Total deferred assets	43,451	37,749
Total assets	209,384,381	209,459,625

(Thousands of yen)

	The 22nd Period (as of July 31, 2016)	The 21st Period (as of January 31, 2016)
Liabilities		
Current liabilities		
Operating accounts payable	340,978	435,656
Current portion of long-term loans payable	6,000,000	2,700,000
Distribution payable	6,604	5,920
Accrued expenses	710,397	705,131
Income taxes payable	844	631
Accrued consumption taxes	321,185	164,809
Advances received	1,339,742	1,342,066
Deposits received	-	353
Total current liabilities	8,719,752	5,354,569
Non-current liabilities		
Investment corporation bond	7,700,000	6,000,000
Long-term loans payable	58,000,000	63,000,000
Tenant leasehold and security deposits	820,906	820,906
Tenant leasehold and security deposits in trust	5,206,801	5,362,847
Long-term deposits received	331,130	328,875
Total non-current liabilities	72,058,838	75,512,629
Total liabilities	80,778,591	80,867,199
Net assets		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	123,288,165	123,288,165
Deduction from unitholders' capital	(464,424)	(464,424)
Unitholders' capital, net	122,823,741	122,823,741
Surplus		
Voluntary retained earnings		
Reserve for reduction entry of special provisions of replaced property	2,219,363	2,219,363
Total voluntary retained earnings	2,219,363	2,219,363
Unappropriated retained earnings (undisposed loss)	3,562,685	3,549,321
Total surplus	5,782,049	5,768,685
Total unitholders' equity	128,605,790	128,592,426
Total net assets	128,605,790	128,592,426
Total liabilities and net assets	209,384,381	209,459,625

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
Operating revenue		
Lease business revenue	7,403,658	7,351,937
Other lease business revenue	181,311	192,855
Distribution revenue of silent partnership	-	9,886
Total operating revenue	7,584,970	7,554,679
Operating expenses		
Expenses related to rent business	2,906,989	2,850,266
Asset management fee	609,921	603,086
Asset custody fee	20,240	20,039
Administrative service fees	33,553	31,871
Directors' compensations	5,400	5,400
Other operating expenses	72,312	52,347
Total operating expenses	3,648,416	3,563,012
Operating income	3,936,553	3,991,667
Non-operating income		
Interest income	490	337
Interest on refund	1	-
Insurance income	333	1,794
Compensation income	-	600
Reversal of distribution payable	605	557
Other	206	0
Total non-operating income	1,636	3,289
Non-operating expenses		
Interest expenses	289,684	291,985
Borrowing related expenses	34,665	36,801
Investment unit issuance expenses	-	37,391
Interest expenses on investment corporation bonds	47,501	68,246
Amortization of investment corporation bond issuance costs	1,960	4,478
Other	1,000	6,500
Total non-operating expenses	374,813	445,404
Ordinary income	3,563,376	3,549,552
Profit before income taxes	3,563,376	3,549,552
Income taxes - current	983	748
Income taxes - deferred	(11)	21
Total income taxes	972	770
Profit	3,562,404	3,548,782
Retained earnings brought forward	281	538
Unappropriated retained earnings (undisposed loss)	3,562,685	3,549,321

(3) Statement of Changes in Net Assets

The 22nd Period (from February 1, 2016 to July 31, 2016)

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus				Total unitholders' equity	Total net assets
				Voluntary retained earnings					
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital, net	Reserve for reduction entry of special provisions of replaced property	Voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	123,288,165	(464,424)	122,823,741	2,219,363	2,219,363	3,549,321	5,768,685	128,592,426	128,592,426
Changes of items during period									
Dividends of surplus						(3,549,040)	(3,549,040)	(3,549,040)	(3,549,040)
Profit						3,562,404	3,562,404	3,562,404	3,562,404
Total changes of items during period	-	-	-	-	-	13,364	13,364	13,364	13,364
Balance at end of current period	123,288,165	(464,424)	122,823,741	2,219,363	2,219,363	3,562,685	5,782,049	128,605,790	128,605,790

The 21st Period (from August 1, 2015 to January 31, 2016)

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus				Total unitholders' equity	Total net assets
				Voluntary retained earnings					
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital,net	Reserve for reduction entry of special provisions of replaced property	Voluntary retained earnings	Unappropriated retained earnings (undisposed loss)	Total surplus		
Balance at beginning of current period	114,023,665	(464,424)	113,559,241	2,219,363	2,219,363	3,209,318	5,428,682	118,987,923	118,987,923
Changes of items during period									
Issuance of new investment units	9,264,500		9,264,500					9,264,500	9,264,500
Dividends of surplus						(3,208,780)	(3,208,780)	(3,208,780)	(3,208,780)
Profit						3,548,782	3,548,782	3,548,782	3,548,782
Total changes of items during period	9,264,500	-	9,264,500	-	-	340,002	340,002	9,604,502	9,604,502
Balance at end of current period	123,288,165	(464,424)	122,823,741	2,219,363	2,219,363	3,549,321	5,768,685	128,592,426	128,592,426

(4) Distribution Information

(Yen)

	The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
I. Unappropriated retained earnings	3,562,685,695	3,549,321,469
II. Distributions	3,562,240,000	3,549,040,000
Distributions per unit	4,048	4,033
III. Retained earnings to be carried forward	445,695	281,469
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 3,562,240,000 yen, which is the maximum multiple of total number of investment units issued 880,000 units within the amount of unappropriated retained earnings at the end of period. JLF does not make 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 3,549,040,000 yen, which is the maximum multiple of total number of investment units issued 880,000 units within the amount of unappropriated retained earnings at the end of period. JLF does not make 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)

	The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
Cash flows from operating activities		
Profit before income taxes	3,563,376	3,549,552
Depreciation	1,707,493	1,718,125
Investment unit issuance expenses	-	37,391
Amortization of investment corporation bond issuance costs	1,960	4,478
Interest income	(490)	(337)
Interest expenses	337,186	360,231
Loss on retirement of non-current assets	19,958	7,824
Decrease (increase) in operating accounts receivable	15,632	(192,405)
Increase (decrease) in accrued consumption taxes	156,375	155,799
Increase (decrease) in operating accounts payable	(199,981)	251,172
Increase (decrease) in accrued expenses	9,432	13,571
Increase (decrease) in advances received	(2,324)	104,096
Other, net	5,648	89,333
Subtotal	5,614,268	6,098,836
Interest income received	490	337
Interest expenses paid	(341,354)	(382,839)
Income taxes (paid) refund	1,140	(1,934)
Net cash provided by (used in) operating activities	5,274,545	5,714,399
Cash flows from investing activities		
Purchase of property, plant and equipment	(816,761)	(1,517,285)
Purchase of property, plant and equipment in trust	(86,030)	(7,638,372)
Proceeds from tenant leasehold and security deposits	-	30,834
Proceeds from tenant leasehold and security deposits in trust	338	192,209
Repayments of tenant leasehold and security deposits in trust	(156,384)	(78,100)
Proceeds from redemption of investment securities	1,682	75,229
Net cash provided by (used in) investing activities	(1,057,155)	(8,935,484)
Cash flows from financing activities		
Increase in short-term loans payable	-	13,000,000
Decrease in short-term loans payable	-	(13,000,000)
Proceeds from long-term loans payable	-	8,000,000
Repayments of long-term loans payable	(1,700,000)	-
Proceeds from issuance of investment corporation bonds	1,700,000	-
Redemption of investment corporation bonds	-	(8,000,000)
Proceeds from issuance of investment units	-	9,264,500
Payments for investment unit issuance expenses	-	(37,391)
Payments for investment corporation bond issuance costs	(7,663)	-
Dividends paid	(3,547,750)	(3,208,064)
Net cash provided by (used in) financing activities	(3,555,413)	6,019,043
Net increase (decrease) in cash and cash equivalents	661,975	2,797,958
Cash and cash equivalents at beginning of period	9,773,806	6,975,847
Cash and cash equivalents at end of period	10,435,782	9,773,806

(6) Notes on Assumption of Going Concern

Not applicable to the 22nd Period.

(7) Summary of Significant Accounting Policies

(i) Standards and method of valuation of securities

Not applicable to the 22nd Period.

(ii) Depreciation method for non-current assets

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

The straight-line method is used.

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

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

B. Intangible assets

The straight-line method is used.

(iii) Accounting for deferred assets

Investment corporation bond issuance costs

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

(iv) Accounting for income and expenses

Accounting for property taxes

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

The amount of property tax, etc. paid to the seller as part of settlement for acquisition of real estate and real estate in trust is not accounted for as expenses but included in acquisition cost of the respective real estate, etc. No property tax, etc. was included in the acquisition cost of real estate, etc. in the 22nd Period. In the 21st Period, the property tax, etc. included in the acquisition cost of real estate, etc. was 16,898 thousand yen.

(v) Hedge accounting method

A. Hedge accounting method

The special treatment of interest rate swaps is applied because the interest rate swaps satisfy the requirements for this special treatment.

B. Hedging method and hedging objective

Hedging method: Interest rate swap transactions

Hedged items: Interest on borrowings

C. Hedging policy

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

D. Method of assessing hedge effectiveness

The assessment of hedge effectiveness is not performed because the interest rate swaps satisfy the requirements for the special treatment.

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

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

(vii) Other significant basis for preparation of financial statements

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

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

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

(a) Cash and deposits in trust

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

(c) Tenant leasehold and security deposits in trust

B. Method of accounting for consumption taxes

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

(8) Notes to Financial Statements

[Notes to Balance Sheet]

(i) Commitment line contracts

JLF has the commitment line contracts with the banks.

(Thousands of yen)

	The 22nd Period (as of July 31, 2016)	The 21st Period (as of January 31, 2016)
Total amount specified in the commitment line contracts	13,000,000	13,000,000
Loan balance at end of period	-	-
Outstanding loan commitments at end of period	13,000,000	13,000,000

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

Items	Breakdown	
Corresponding property	Ichikawa Logistics Center II / land	
Reason for recognition and amount	Gain on sales of real estate properties of 2,618,320 thousand yen due to sales of Funabashi Nishiura Logistics Center II and Yokosuka Logistics Center.	
Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.	
Description of reversal in the period	Not applicable.	
	The 22nd Period (as of July 31, 2016)	The 21st Period (as of January 31, 2016)
Balance before provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen
Reversal in the statement of income and retained earnings	-	-
Amount on the balance sheet	2,219,363 thousand yen	2,219,363 thousand yen
Provision as disclosed in (4) Distribution Information	-	-
Reversal as disclosed in (4) Distribution Information	-	-
Balance after provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen

(iii) Minimum amount of net assets prescribed in Article 67, Item 4 of the AITIC

(Thousands of yen)

The 22nd Period (as of July 31, 2016)	The 21st Period (as of January 31, 2016)
50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income from real estate leasing business

(Thousands of yen)

	The 22nd Period (from February 1, 2016 to July 31, 2016)		The 21st Period (from August 1, 2015 to January 31, 2016))	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	7,179,766		7,100,833	
Land rents received	86,998		114,210	
Facility charges	136,893	7,403,658	136,893	7,351,937
Other lease business revenue				
Parking charges	10,731		10,081	
Utilities charges	156,005		168,131	
Other operating income	14,574	181,311	14,642	192,855
Total real estate leasing business revenue		7,584,970		7,544,793
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	681,808		620,552	
Outsourcing service expenses	176,132		180,518	
Utilities expenses	158,862		175,468	
Repair expenses	92,385		88,869	
Insurance expenses	23,094		22,833	
Other expenses related to rent business	47,691		36,544	
Depreciation	1,707,056		1,717,654	
Loss on retirement of non-current assets	19,958		7,824	
Total real estate leasing business expenses		2,906,989		2,850,266
(iii) Income from real estate leasing business ((i)−(ii))		4,677,980		4,694,526

[Notes to Statement of Changes in Net Assets]

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

	The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	880,000 units	880,000 units

[Notes to Statement of Cash Flows]

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

(Thousands of yen)

	The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
Cash and deposits	6,896,711	6,297,144
Cash and deposits in trust	3,810,097	3,745,434
Long-term deposits received (Note)	(271,027)	(268,772)
Cash and cash equivalents	10,435,782	9,773,806

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

[Lease Transactions]

Operating lease transactions (as a lessor)

(Thousands of yen)

	The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
Future lease payments receivable		
Due within one year	13,431,517	13,810,916
Due after one year	61,644,032	66,982,541
Total	75,075,549	80,793,457

[Financial Instruments]

(i) Matters concerning the status of financial instruments

A. Policies on financial instruments

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

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

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

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

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

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

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

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

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

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

C. Description of financial instruments

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

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

Amounts on the Balance Sheet, fair value and their difference as of July 31, 2016 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	6,896,711	6,896,711	―
(2)Cash and deposits in trust	3,810,097	3,810,097	―
Total assets	10,706,809	10,706,809	―
(1)Current portion of long-term loans payable	6,000,000	6,034,220	34,220
(2)Investment corporation bond	7,700,000	8,423,876	723,876
(3)Long-term loans payable	58,000,000	60,171,601	2,171,601
Total liabilities	71,700,000	74,629,698	2,929,698
Derivative transactions	-	-	-

Amounts on the Balance Sheet, fair value and their difference as of January 31, 2016 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1)Cash and deposits	6,297,144	6,297,144	-
(2)Cash and deposits in trust	3,745,434	3,745,434	-
Total assets	10,042,578	10,042,578	-
(1)Current portion of long-term loans payable	2,700,000	2,716,816	16,816
(2)Investment corporation bond	6,000,000	6,405,000	405,000
(3)Long-term loans payable	63,000,000	64,770,025	1,770,025
Total liabilities	71,700,000	73,891,842	2,191,842
Derivative transactions	-	-	-

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

Assets

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

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

Liabilities

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

The fair value is calculated by discounting principal and interest at a rate to be applied when same amounts of loans are newly borrowed. (Regarding the long-term loans that are hedged by the interest rate swaps, the fair value is calculated by discounting principal and interest at a rate to be applied when same amounts of loans are newly borrowed. Because the interest rate swaps for special treatment are treated together with the long-term borrowings to be hedged, the principal includes the market value of the swaps.)

(2) Investment corporation bond

The market values have been determined, where market prices are available, based on the reference value announced by Japan Securities Dealers Association or, where market prices are not available, calculated using the present value resulted from discounting the total amount of principal and interest with an interest rate added with the remaining period and credit risk of the investment corporation bonds concerned.

Derivative transactions

See "Notes to Derivatives" below.

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

Not applicable to the 22nd and 21st Period.

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

The 22nd Period (as of July 31, 2016)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	6,896,711	-	-	-	-	-
Cash and deposits in trust	3,810,097	-	-	-	-	-
Total	10,706,809	-	-	-	-	-

The 21st Period (as of January 31, 2016)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	6,297,144	-	-	-	-	-
Cash and deposits in trust	3,745,434	-	-	-	-	-
Total	10,042,578	-	-	-	-	-

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

The 22nd Period (as of July 31, 2016)

(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	5,500,000	6,500,000	4,000,000	7,000,000	35,000,000
Investment corporation bond	-	-	-	-	-	7,700,000
Total	6,000,000	5,500,000	6,500,000	4,000,000	7,000,000	42,700,000

The 21st Period (as of January 31, 2016)

(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	2,700,000	8,000,000	2,500,000	10,500,000	7,000,000	35,000,000
Investment corporation bond	-	-	-	-	-	6,000,000
Total	2,700,000	8,000,000	2,500,000	10,500,000	7,000,000	41,000,000

[Notes to Investment Securities]

Not applicable to the 22nd and 21st Period.

[Notes to Derivatives]

(i) Transactions not applicable to hedge accounting

Not applicable to the 22nd and 21st Period.

(ii) Transactions applicable to hedge accounting

The 22nd Period (from February 1, 2016 to July 31, 2016)

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

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Special treatment of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	—

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

The 21st Period (from August 1, 2015 to January 31, 2016)

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

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Special treatment of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	—

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

[Notes to Retirement Benefits]

Not applicable to the 22nd and 21st Period.

[Tax Effect Accounting]

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

(Thousands of yen)

	The 22nd Period (as of July 31, 2016)	The 21st Period (as of January 31, 2016)
Deferred tax assets		
Enterprise tax not deductible	18	6
Total deferred tax assets	18	6
Deferred tax assets, net	18	6

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

	The 22nd Period (as of July 31, 2016)	The 21st Period (as of January 31, 2016)
Effective statutory tax rate	32.31%	32.31%
Adjustments		
Deductible cash distributions	(32.30%)	(32.31%)
Other	0.02%	0.02%
Effective tax rate after applying tax effect accounting	0.03%	0.02%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 22nd and 21st Period, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the 22nd and 21st Period.

(ii) Subsidiaries and affiliates

Not applicable to the 22nd and 21st Period.

(iii) Sister companies

Not applicable to the 22nd and 21st Period.

(iv) Directors and principal individual unitholders

The 22nd Period (from February 1, 2016 to July 31, 2016)

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Keita Tanahashi	-	-	Executive Director of Japan Logistics Fund, Inc. and President of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	609,921 (Note 2) (Note 3)	Accrued expenses	435,597 (Note 2)

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

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

(Note 3) Takayuki Kawasima resigned as the executive director of JLF on June 22, 2016. Instead, Keita Tanahashi was appointed as the new executive director on the same day. The amount includes the transactions when Mt. Kawashima was the executive director.

The 21st Period (from August 1, 2015 to January 31, 2016)

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)	665,022 (Note 2) (Note 3)	Accrued expenses	434,488 (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 includes acquisition fee of 61,936 thousand yen which was included in the book value of the acquired properties.

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

[Notes to Asset Write-off Obligations]

Not applicable to the 22nd and 21st Period.

[Notes to Lease Properties]

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

(Thousands of yen)

		The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
Amount on the balance sheet			
	Balance at the beginning of the period	198,743,039	191,313,433
	Changes during the period	(1,518,960)	7,429,605
	Balance at the end of the period	197,224,078	198,743,039
Fair value at the end of the period		268,150,000	264,762,000

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

(Note 2) The increase of the lease properties in the 21st Period is mainly by the acquisition of Chiba Kita Logistics Center (1,509,001 thousand yen), Chiba Kita Logistics Center II (4,653,030 thousand yen), Urayasu Chidori Logistics Center III (1,068,474 thousand yen) and Zama Logistics Center (1,751,894 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 amount on the Balance sheet of Kiyosu Logistics Center (land) does not include construction in progress (800,042 thousand yen for the 22nd Period), as its land appraisal value is included as term-end market value because it is under development.

The income concerning lease properties, etc. for the 22nd and 21st Periods is indicated under "Notes to Statement of Income and Retained Earnings" above.

[Segment Information]

(i) Segment information

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

(ii) Related information

The 22nd Period (from February 1, 2016 to July 31, 2016)

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

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

The 21st Period (from August 1, 2015 to January 31, 2016)

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

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

[Per Unit Information]

	The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
Net assets per unit	146,142yen	146,127yen
Profit per unit	4,048yen	4,092 yen

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

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

(Thousands of yen)

	The 22nd Period (from February 1, 2016 to July 31, 2016)	The 21st Period (from August 1, 2015 to January 31, 2016)
Profit	3,562,404	3,548,782
Amount not attributable to common unitholders	-	-
Profit pertaining to common investment units	3,562,404	3,548,782
Average number of investment units during period	880,000 units	867,105 units

[Notes to Significant Subsequent Events]

Not applicable to the 22nd Period (from February 1, 2016 to July 31, 2016).

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

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

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

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

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

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

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

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

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

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

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

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

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

(Note 11) Distribution in Excess of Earnings was resolved at the price of 3,138 yen per unit in order to level out the loss associated with OBR.

(Note 12) Investment units were newly issued at the price of 947,700 yen per unit (net proceeds of 914,652 yen) for new properties acquisition and partial repayment of bank loans.

(Note 13) Investment units were newly issued through third-party allotment at the price of 914,652 yen per unit for partial repayment of bank loans.

(Note 14) JLF has implemented a 5 - for - 1 investment unit split.

(Note 15) Investment units were newly issued at the price of 191,782 yen per unit (net proceeds of 185,290 yen) for partial new properties acquisition and repayment of borrowings with respect to the acquisition of new properties.

(Note 16) Investment units were newly issued through third-party allotment at the price of 185,290 yen per unit for financing future acquisition of specified assets, partial repayment of the borrowings or partial redemption of the investment corporation bond.

4. Changes in Directors

(1) Changes in Directors of JLF

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

Directors of JLF as of July 31, 2016 are as follows.

Title	Name		
Executive Director	Keita Tanahashi		
Supervisory Director	Takachiyo Suto	Toshima Araki	Tetsuya Azuma

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

(2) Changes in Directors of the asset management company

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

Directors of the asset management company as of July 31, 2016, are as follows.

Title	Name			
President	Keita Tanahashi			
Director	Koki Shoji	Yukio Hishida		
	Toshifumi Nagahama	Hideyuki Fukuta	Takehiko Iwahara	Taro Kaminaga
Corporate Auditor	Jiro Morishita			

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

5. Reference Information

(1) Asset composition of JLF

Type of assets	Use of assets	Region (Note 2)	The 22nd Period (as of July 31, 2016)		The 21st Period (as of January 31, 2016)	
			Total amount owned (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)	Total amount owned (Millions of yen) (Note 3)	Percentage to total assets (%) (Note 4)
Real estate	Logistics facility	Tokyo Metropolitan Area	7,303	3.5	7,350	3.5
		Kinki/Chubu/Kyushu Areas	6,404	3.1	6,447	3.1
		Other Areas	-	0.0	-	0.0
	Subtotal		13,707	6.5	13,797	6.6
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	147,237	70.3	148,342	70.8
		Kinki/Chubu/Kyushu Areas	27,063	12.9	27,318	13.0
		Other Areas	9,215	4.4	9,285	4.4
	Subtotal		183,516	87.6	184,945	88.3
Deposits and other assets (Note 5)			12,160	5.8	10,716	5.1
Total assets			209,384	100.0	209,459	100.0

(Note 1) Descriptions under "5. Reference Information" are effective as of July 31, 2016, as a general rule, unless otherwise indicated.

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

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

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

(Note 5) Deposits and other assets include; deposit in trust assets of 3,810 million yen for the 22nd Period and of 3,745 million yen for the 21st Period, Investment securities of 2 million yen for the 21st Period, Construction in progress of 800 million yen for the 22nd period.

<Area classification>

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

	The 22nd Period (as of July 31, 2016)		The 21st Period (as of January 31, 2016)	
	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	80,778	38.6	80,867	38.6
Total net assets	128,605	61.4	128,592	61.4
Total assets	209,384	100.0	209,459	100.0

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

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

(2) Investment Securities

(i) Major investment securities

A. Stocks

Not applicable

B. Securities other than stocks

Not applicable

(ii) List of portfolio properties

JLF owns the following real estate, etc.

A. The outline of portfolio properties held as of July 31, 2016 is as follows: Acquisition price, etc.

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-1	Funabashi	Trust beneficiary right of real estate	8,675	7,241	6,990	4.1
M-2	Urayasu	Trust beneficiary right of real estate	2,902	2,800	4,900	1.4
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,335	1,860	0.7
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,252	3,600	1.2
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	5,241	8,560	2.8
M-6	Funabashi Nishiura	Trust beneficiary right of real estate	5,700	4,481	7,960	2.7
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,841	11,700	5.1
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,507	2,290	0.8
M-11	Yachiyo	Trust beneficiary right of real estate	7,892 (Note 5)	7,915	11,300	3.7
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	8,406	11,100	4.6
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	4,325	7,220	2.5
M-14	Urayasu Chidori II	Real estate	1,640	1,504	1,800	0.8
M-15	Ichikawa	Real estate	4,550	4,306	5,390	2.1
M-16	Shinonome (Note 6)	Trust beneficiary right of real estate	11,800	11,419	14,700	5.6
M-17	Narashino II (Note 6)	Trust beneficiary right of real estate	7,875	6,876	9,580	3.7
M-18	Ichikawa II (Note 6)	Trust beneficiary right of real estate	17,415	16,165	22,400	8.2
M-19	Souka (Note 6)	Trust beneficiary right of real estate	6,360	5,876	7,950	3.0
M-20	Tatshumi	Trust beneficiary right of real estate	9,000	8,691	11,600	4.2
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,512	4,620	1.8
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	8,300	10,100	4.1
M-23	Kashiwa II (land)	Trust beneficiary right of real estate	2,500	2,526	2,540	1.2

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-24	Shin-Koyasu (Note 6)	Trust beneficiary right of real estate	9,696	9,439	11,400	4.6
M-25	Misato	Trust beneficiary right of real estate	3,873	3,774	4,610	1.8
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	7,936	9,560	3.8
M-27	Chiba Kita	Real estate	1,459	1,491	1,860	0.7
M-28	Chiba Kita II	Trust beneficiary right of real estate	4,608	4,580	5,170	2.2
M-29	Urayasu Chidori III	Trust beneficiary right of real estate	1,053	1,058	1,410	0.5
M-30	Zama	Trust beneficiary right of real estate	1,728	1,730	1,940	0.8
subtotal for the Tokyo Metropolitan Area			166,749	154,540	204,110	78.4
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 7)	9,070	18,600	4.6
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,449	6,210	1.9
T-3	Kiyosu (land)	Real estate	685	731	2,000	0.3
T-4	Kadoma	Real estate	989	1,075	1,650	0.5
T-5	Komaki	Real estate	2,100	1,941	1,990	1.0
T-6	Komaki II	Real estate	1,800	1,778	1,510	0.8
T-7	Fukuoka Hakozaki Futo	Trust beneficiary right of real estate	2,797	2,756	3,460	1.3
T-8	Tajimi	Trust beneficiary right of real estate	9,310 (Note 8)	9,105	11,600	4.4
T-9	Fukuoka Kashihama	Trust beneficiary right of real estate	2,750	2,680	3,300	1.3
T-10	Kasugai (land)	Real estate	830	877	1,110	0.4
Subtotal for Kinki/Chubu/Kyushu Areas			35,119	33,467	51,430	16.5
O-1	Maebashi	Trust beneficiary right of real estate	1,230	1,014	1,390	0.6
O-2	Hanyu	Trust beneficiary right of real estate	1,705	1,446	1,940	0.8
O-3	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,446	4,670	1.9
O-4	Kazo	Trust beneficiary right of real estate	3,790	3,308	4,610	1.8
Subtotal for other Areas			10,735	9,215	12,610	5.0
Portfolio total			212,603	197,224	268,150	100.0

Property Number	Name of the Logistics Center (Assets for which a post-dated acquisition contract has been signed.)	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen)	% of the portfolio (Note 4)
M-31	Shinkiba II (Note 9)	Trust beneficiary right of real estate	15,270	-	17,000 (Note 10)	-
T-10	Kasugai (building) (Note 11)	Real estate	2,749 (Note 12)	-	3,250 (Note 13)	-

(Note 1) Listed properties are primarily used as logistics facilities.
(Note 2) Acquisition price and book value are indicated with figures below one million yen omitted.
(Note 3) Appraisal value at end of period indicates appraisal value calculated based on the balance sheet date defined by Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. and Japan Real Estate Institute as the date of value estimate in accordance with the asset evaluation methods and standards specified under the Articles of Incorporation of JLF as well as the rules set forth by the Investment Trusts Association, Japan.
(Note 4) % of the portfolio represents the ratio of the acquisition price of each piece of real estate, etc. to the total acquisition price of real estate, etc. owned by JLF, and is indicated by rounding off to the first decimal place.
(Note 5) The figure is calculated by deducting 603 million yen of write-off cost of the former building from the acquisition price stated in the initial sales contract of 2,266 million yen, and adding 6,230 million yen stated in the construction contract relating to t the Building (including the construction contract for additional works).
(Note 6) Figures for co-ownership are indicated.
Shinonome Logistics Center : 47%
Narashino Logistics Center II : 90%
Ichikawa Logistics Center II : 90%
Souka Logistics Center : 50%
Shin-Koyasu Logistics Center : 51%
(Note 7) The figure is calculated by deducting 291 million yen of write-off cost of the building from the acquisition price stated in the initial sales contract of 7,617 million yen, and adding 2,437 million yen stated in the construction contract relating to the redevelopment of the Warehouse III.
(Note 8) The acquisition price states the sum of on October 8, 2013 and November 4, 2014.
(Note 9) An acquisition contract was signed on July 29, 2016, and the property is scheduled to be delivered on March 16, 2017.
(Note 10) JLF acquired the appraisal issued by Japan Real Estate Institute for the price as of July 25, 2016, and the figure indicates the value in the appraisal for the same date.
(Note 11) While an acquisition contract was signed on May 31, 2016, this building is a development-type property that is still under construction. The scheduled date of acquisition is, in principle, the day after one year from the date of the registration of ownership of the building.
(Note 12) The figure represents to the sales price stated in the initial acquisition contact. JLF is allowed to deduct a specified amount from the acquisition price under certain conditions. The acquisition price is subject to change.
(Note 13) To calculate the above appraisal value of Kasugai Logistics Center (land), JLF obtained the appraisal of land issued by Daiwa Real Estate Appraisal Co., Ltd., for the price as of July 31, 2016. The figure represents the amount remaining after deducting the appraisal value of Kasugai Logistics Center (land) from the combined appraisal value of the land and building as a whole, assuming the validity of the profit from the use of the property calculated in the appraisal process performed by Daiwa Real Estate Appraisal.

B. The outline of portfolio properties held as of July 31, 2016: The status of leasing of real estate properties, etc.

Property Number	Name of the Logistics Center	Total leasable area (m^2) (Note 1)	Leased area (m^2) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-1	Funabashi	29,556.79	29,556.79	1	100.0	13.0
M-2	Urayasu	9,543.72	5,523.67	2	57.9	18.3
M-3	Hiratsuka	11,225.72	11,225.72	1	100.0	21.1 (Note 4)
M-4	Shinkiba	10,616.80	10,616.80	1	100.0	17.6
M-5	Urayasu Chidori	31,790.42	31,790.42	1	100.0	13.8

Property Number	Name of the Logistics Center	Total leasable area (m^2) (Note 1)	Leased area (m^2) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-6	Funabashi Nishiura	35,134.44	35,134.44	2	100.0	7.1
M-8	Kawasaki	41,630.54	41,630.54	1	100.0	14.6
M-9	Narashino	2,442.87	2,442.87	1	100.0	11.3
M-11	Yachiyo	56,882.98	56,882.98	2	100.0	1.7
M-12	Yokohama Fukuura	35,882.64	35,882.64	3	100.0	16.3
M-13	Yachiyo II	32,389.70	32,389.70	1	100.0	7.6
M-14	Urayasu Chidori II	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	18,686.12	18,686.12	1	100.0	11.8
M-16	Shinonome (Note 5)	16,175.31	16,175.31	1	100.0	14.4
M-17	Narashino II (Note 5)	43,208.86	43,208.86	3	100.0	11.1
M-18	Ichikawa II (Note 5)	66,497.99	66,497.99	2	100.0	4.2
M-19	Souka (Note 5)	21,320.42	21,320.42	3	100.0	12.7
M-20	Tatshumi	29,394.56	29,394.56	1	100.0	14.6
M-21	Kashiwa	20,546.46	20,546.46	1	100.0	9.7
M-22	Musashimurayama	40,884.25	40,884.25	1	100.0	11.9
M-23	Kashiwa II (land)	54,418.30	54,418.30	1	100.0	-
M-24	Shin-Koyasu (Note 5)	29,674.47	29,674.47	2	100.0	11.4
M-25	Misato	19,407.18	19,407.18	1	100.0	10.9
M-26	Sagamihara	44,010.20	44,010.20	1	100.0	12.3
M-27	Chiba Kita	14,828.38	14,828.38	1	100.0	8.4
M-28	Chiba Kita II	25,080.00	25,080.00	1	100.0	6.8
M-29	Urayasu Chidori III	5,314.80	5,314.80	1	100.0	10.9
M-30	Zama	9,358.53	9,358.53	1	100.0	11.8
subtotal for the Tokyo Metropolitan Area		762,095.25	758,075.20	39	99.5	-
T-1	Daito	92,730.14	92,730.14	1	100.0	13.8
T-2	Osaka Fukuzaki	23,726.80	23,726.80	1	100.0	14.1
T-3	Kiyosu (land) (Note 6)	-	-	-	0.0	-
T-4	Kadoma	7,416.18	7,416.18	1	100.0	13.3
T-5	Komaki	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	10,708.41	10,708.41	1	100.0	8.3

Property Number	Name of the Logistics Center	Total leasable area (m^2) (Note 1)	Leased area (m^2) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
T-7	Fukuoka Hakozaki Futo	24,463.69	24,463.69	1	100.0	1.0
T-8	Tajimi	75,605.23	75,605.23	1	100.0	10.8
T-9	Fukuoka Kashihama	21,201.15	21,201.15	3	100.0	1.0
T-10	Kasugai (land) (Note 7)	15,767.90	-	0	0.0	-
Subtotal for Kinki/Chubu/Kyushu Areas		281,105.95	265,338.05	10	94.4	-
O-1	Maebashi	3,455.53	3,455.53	1	100.0	9.0
O-2	Hanyu	3,518.58	3,518.58	1	100.0	11.6
O-3	Saitama Kisai	24,574.40	24,574.40	1	100.0	10.5
O-4	Kazo	25,130.62	25,130.62	1	100.0	9.5
Subtotal for other Areas		56,679.13	56,679.13	4	100.0	-
Portfolio total		1,099,880.33	1,080,092.38	53	98.2	8.6

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

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

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

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

(Note 5) Figures for co-ownership are indicated.
Shinonome Logistics Center : 47%
Narashino Logistics Center II : 90%
Ichikawa Logistics Center II : 90%
Souka Logistics Center : 50%
Shin-Koyasu Logistics Center : 51%

(Note 6) As the lease agreement with the tenant of the land expired on November 30, 2015, JLF has launched the redevelopment project to construct a new building.

(Note 7) On May 31, 2016, JLF concluded an acquisition contract of the building to be constructed on the land. JLF also concluded a loan for use of the land with Yano General Construction Co., Ltd.

(iii) Diversification of portfolio

Diversification of portfolio properties owned by JLF is described below.

A. Ratio by region

Region	Total leasable area (m^2)	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	762,095.25	69.3	166,749	78.4
Kinki/Chubu/Kyushu Areas	281,105.95	25.6	35,119	16.5
Other Areas	56,679.13	5.2	10,735	5.0
Total	1,099,880.33	100.0	212,603	100.0

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

B. Ratio by total rentable area (Note 1)

Total rentable area (m^2)	Number of properties	Ratio (%) (Note 2)	Acquisition price (Millions of yen)	Ratio (%) (Note 2)
Over 30,000 m^2	16	38.1	136,998	64.4
Over 10,000 m^2 but 30,000 m^2 or less	16	38.1	59,883	28.2
10,000 m^2 or less	10	23.8	15,722	7.4
Total	42	100.0	212,603	100.0

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

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

C. Ratio by leasehold period

Leasehold period (Residual period)	Leased area (m^2)	Ratio (%) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	201,164.79	18.6	2,157	14.9
Over 5 years but within 10 years	456,500.82	42.3	6,735	46.4
Over 3 years but within 5 years	126,813.02	11.7	1,753	12.1
Within 3 years	295,613.75	27.4	3,873	26.7
Total	1,080,092.38	100.0	14,520	100.0

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

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

(iv) Performance of portfolio properties

The following provides a summary of performance for the 22nd Period of real estate, etc. owned by JLF.

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

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

(Millions of yen)

Property No.	M-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
Number of days under management	182	182	182	182	182
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues					
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	94	6	10	14	46
Loss on write-off of noncurrent assets	4	-	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	117	19	42	63	141
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	215	25	52	78	188
(v) Capital expenditure	9	0	-	3	52
(vi) NCF (= (iv) - (v))	205	25	52	74	135

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

(Millions of yen)

Property No.	M-6	M-8	M-9	M-11	M-12
Name of real estate, etc.	Funabashi Nishiura Logistics Center	Kawasaki Logistics Center	Narashino Logistics Center	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center
Number of days under management	182	182	182	182	182
(i) Total real estate leasing business revenue	241	Not disclosed (Note)	60	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate	228		60		
Other lease business revenue	13		-		
(ii) Total real estate leasing business expenses	106		17		
Taxes and dues	25		3		
Outsourcing service expenses	4		0		
Utilities expenses	10		-		
Repair expenses	2		0		
Insurance expenses	0		0		
Other expenses related to rent business	1		1		
Depreciation and amortization	61	74	10	79	78
Loss on write-off of noncurrent assets	0	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	134	218	43	192	206
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	196	292	53	272	285
(v) Capital expenditure	15	0	-	-	-
(vi) NCF (= (iv) - (v))	181	292	53	272	285

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

(Millions of yen)

Property No.	M-13	M-14	M-15	M-16	M-17
Name of real estate, etc.	Yachiyo Logistics Center II	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)
Number of days under management	182	182	182	182	182
(i) Total real estate leasing business revenue	193	Not disclosed (Note 2)	Not disclosed (Note 2)	354	Not disclosed (Note 2)
Rent revenue - real estate	193			354	
Other lease business revenue	-			0	
(ii) Total real estate leasing business expenses	81			75	
Taxes and dues	14			26	
Outsourcing service expenses	0			0	
Utilities expenses	0			-	
Repair expenses	0			0	
Insurance expenses	0			0	
Other expenses related to rent business	1			0	
Depreciation and amortization	64	16	27	46	82
Loss on write-off of noncurrent assets	-	-	-	0	14
(iii) Income from real estate leasing business (= (i) - (ii))	112	26	96	279	141
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	177	43	123	326	237
(v) Capital expenditure	3	-	-	0	30
(vi) NCF (= (iv) - (v))	173	43	123	325	207

(Note 1) Figures for joint ownership are indicated. Shinonome Logistics Center : 47% , Narashino Logistics Center II : 90%
(Note 2) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	M-18	M-19	M-20	M-21	M-22
Name of real estate, etc.	Ichikawa Logistics Center II (Note 1)	Souka Logistics Center (Note 1)	Tatsumi Logistics Center	Kashiwa Logistics Center	Musashi murayama Logistics Center
Number of days under management	182	182	182	182	182
(i) Total real estate leasing business revenue	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues					
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	120	51	51	37	60
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	373	126	202	81	190
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	494	178	253	119	250
(v) Capital expenditure	4	1	-	-	13
(vi) NCF (= (iv) - (v))	490	177	253	119	237

(Note 1) Figures for joint ownership are indicated. Ichikawa Logistics Center II : 90% , Souka Logistics Center : 50%

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

(Millions of yen)

Property No.	M-23	M-24	M-25	M-26	M-27
Name of real estate, etc.	Kashiwa Logistics Center II (land)	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center	Sagamihara Logistics Center	Chiba Kita Logistics Center
Number of days under management	182	182	182	182	182
(i) Total real estate leasing business revenue	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues					
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	-	64	31	73	17
Loss on write-off of noncurrent assets	-	-	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	74	196	80	147	32
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	74	260	112	221	50
(v) Capital expenditure	-	0	-	-	1
(vi) NCF (= (iv) - (v))	74	260	112	221	49

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

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

(Millions of yen)

Property No.	M-28	M-29	M-30	T-1	T-2
Name of real estate, etc.	Chiba Kita Logistics Center II	Urayasu Chidori Logistics Center III	Zama Logistics Center	Daito Logistics Center	Osaka Fukuzaki Logistics Center
Number of days under management	182	182	182	182	182
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues					
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	39	5	12	88	29
Loss on write-off of noncurrent assets	-	-	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	91	31	39	411	116
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	131	36	52	499	146
(v) Capital expenditure	-	-	-	26	-
(vi) NCF (= (iv) - (v))	131	36	52	472	146

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

(Millions of yen)

Property No.	T-3	T-4	T-5	T-6	T-7
Name of real estate, etc.	Kiyosu Logistics Center (land)	Kadoma Logistics Center	Komaki Logistics Center	Komaki Logistics Center II	Fukuoka Hakozaki Futo Logistics Center
Number of days under management	182	182	182	182	182
(i) Total real estate leasing business revenue	-	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate	-				
Other lease business revenue	-				
(ii) Total real estate leasing business expenses	3				
Taxes and dues	3				
Outsourcing service expenses	0				
Utilities expenses	-				
Repair expenses	-				
Insurance expenses	-				
Other expenses related to rent business	0				
Depreciation and amortization	-	10	15	17	25
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	(3)	33	38	31	56
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	(3)	44	53	49	81
(v) Capital expenditure	-	-	-	-	-
(vi) NCF (= (iv) - (v))	(3)	44	53	49	81

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

(Millions of yen)

Property No.	T-8	T-9	T-10	O-1	O-2
Name of real estate, etc.	Tajimi Logistics Center	Fukuoka Kashiihama Logistics Center	Kasugai Logistics Center (land)	Maebashi Logistics Center	Hanyu Logistics Center
Number of days under management	182	182	182	182	182
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	43	59
Rent revenue - real estate				43	59
Other lease business revenue				-	-
(ii) Total real estate leasing business expenses				14	17
Taxes and dues				3	3
Outsourcing service expenses				0	0
Utilities expenses				-	-
Repair expenses				-	-
Insurance expenses				0	0
Other expenses related to rent business				0	0
Depreciation and amortization	110	28	-	10	12
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	205	58	5	29	42
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	315	86	5	39	54
(v) Capital expenditure	-	-	-	-	-
(vi) NCF (= (iv) - (v))	315	86	5	39	54

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

(Millions of yen)

Property No.	O-3	O-4
Name of real estate, etc.	Saitama Kisai Logistics Center	Kazo Logistics Center
Number of days under management	182	182
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate		
Other lease business revenue		
(ii) Total real estate leasing business expenses		
Taxes and dues		
Outsourcing service expenses		
Utilities expenses		
Repair expenses		
Insurance expenses		
Other expenses related to rent business		
Depreciation and amortization	34	43
Loss on write-off of noncurrent assets	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	76	70
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	111	113
(v) Capital expenditure	6	24
(vi) NCF (= (iv) - (v))	104	89

(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
Kazo Logistics Center (Kazo, Saitama)	Exterior wall renewal	January 2017	46	-	-
Osaka Fukusaki Logistics Center (Osaka, Osaka)	Exterior wall renewal	January 2017	32	-	-
Urayasu Chidori Logistics Center (Urayasu, Chiba)	Exterior wall renewal	December 2016	21	-	-
Other real estate, etc.	-	-	99		
Total			200		

(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 22nd Period totals 193 million yen. In addition, repair expenses of 92 million yen are classified under operating expenses for the fiscal period.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note)
Urayasu Chidori Logistics Center (Urayasu, Chiba)	Exterior wall renewal	July 2016	52
Kazo Logistics Center (Kazo, Saitama)	Exterior wall renewal	July 2016	24
Narashino Logistics Center II (Narashino, Chiba)	Renewal of exterior asphalt	July 2016	18
Other real estate, etc.	-	-	98
Total			193

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

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

Not applicable

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

10 major tenants

The following tenants use the 10 largest areas of real estate owned and leased by JLF as of July 31, 2016.

Name of tenant	Name of real estate, etc.	Leased area (m^2)	Lease ratio (%) (Note 1)
Nippon Express Co., Ltd.	Tajimi Logistics Center	118,118.53	10.9
	Yokohama Fukuura Logistics Center		
	Kashiwa Logistics Center		
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	92,730.14	8.6
Hitachi Transport System, Ltd.	Yachiyo Logistics Center	82,991,60	7.7
	Kazo Logistics Center		
	Chiba Kita Logistics Center		
Nakano Shokai co.,ltd.	Tatsumi Logistics Center	81,206.43	7.5
	Fukuoka Hakozaki Futo Logistics Center		
	Narashino Logistics Center II (Note 2)		
	Shinkiba Logistics Center		
Tri-net Logistics Co., Ltd.	Urayasu Chidori Logistics Center	65,021.32	6.0
	Funabashi Nisihiura Logistics Center		
	Fukuoka Kashiihama Logistics Center		
Sumitomo Mitsui Finance & Leasing Co., Ltd.	Kashiwa Logistics Center II (land)	54,418.30	5.0
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,401.57	4.8
Ricoh Logistics Systems Co., Ltd.	Osaka Fukuzaki Logistics Center	47,062.37	4.4
	Shin-Koyasu Logistics Center (Note 2)		
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	44,010.20	4.1
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	41,630.54	3.9

Total for all tenants	1,080,092.38	100.0

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

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

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center : 51%