REIT Financial Report for the Fiscal Period ended July 31, 2018 (The 26th Period)

September 12, 2018

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 30, 2018
Scheduled date for commencing dividend payments:	October 5, 2018
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 2018 (The 26th Period from February 1, 2018 to July 31, 2018)

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of	%	Millions of	%	Millions of	%	Millions of	%
The 26th Period	9,081	2.5	4,584	0.9	4,145	2.4	4,115	1.7
The 25th Period	8,857	10.8	4,541	11.6	4,049	10.1	4,048	10.1

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
The 26th Period	4,477	3.0	1.6	45.6
The 25th Period	4,444	3.0	1.6	45.7

(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 26th Period	4,503	4,115	0	0	99.9	3.0
The 25th Period	4,376	4,047	0	0	99.9	3.0

(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 26th Period	263,254	135,702	51.5	148,470
The 25th Period	265,802	138,066	51.9	149,260

(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 26th Period	6,723	-3,701	-6,510	12,210
The 25th Period	6,895	-29,828	28,259	15,698

2. Forecasts for the Fiscal Period ending January 2019 (the 27th Period from August 1, 2018 to January 31, 2019) and the Fiscal Period ending July 2019 (the 28th Period from February 1, 2019 to July 31, 2019)

(% 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 27th Period	9,894	8.9	5,223	13.9	4,589	10.7	4,588	11.5	4,660	0
The 28th Period	8,979	-9.2	4,577	-12.4	4,178	-8.9	4,177	-8.9	4,570	0

(Reference) Forecast for net income per unit The 27th Period: 5,019 yen The 28th Period: 4,571 yen

Regarding the amount of dividends per unit for the Fiscal Period ending January 2019, the figure assumes that among 4,588 million yen out of the unappropriated retained earnings, 330 million yen for the Period will be reserved internally by applying a reduction entry system specified in the Act on Special Measures concerning Taxation.

* 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 26th Period: 914,000 units The 25th Period: 925,000 units

(ii) Number of treasury investment units issued and outstanding at end of period
The 26th Period: 0 unit The 25th 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 32.

* 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, 2018.

* Explanation on the appropriate use of forecasts and other notes

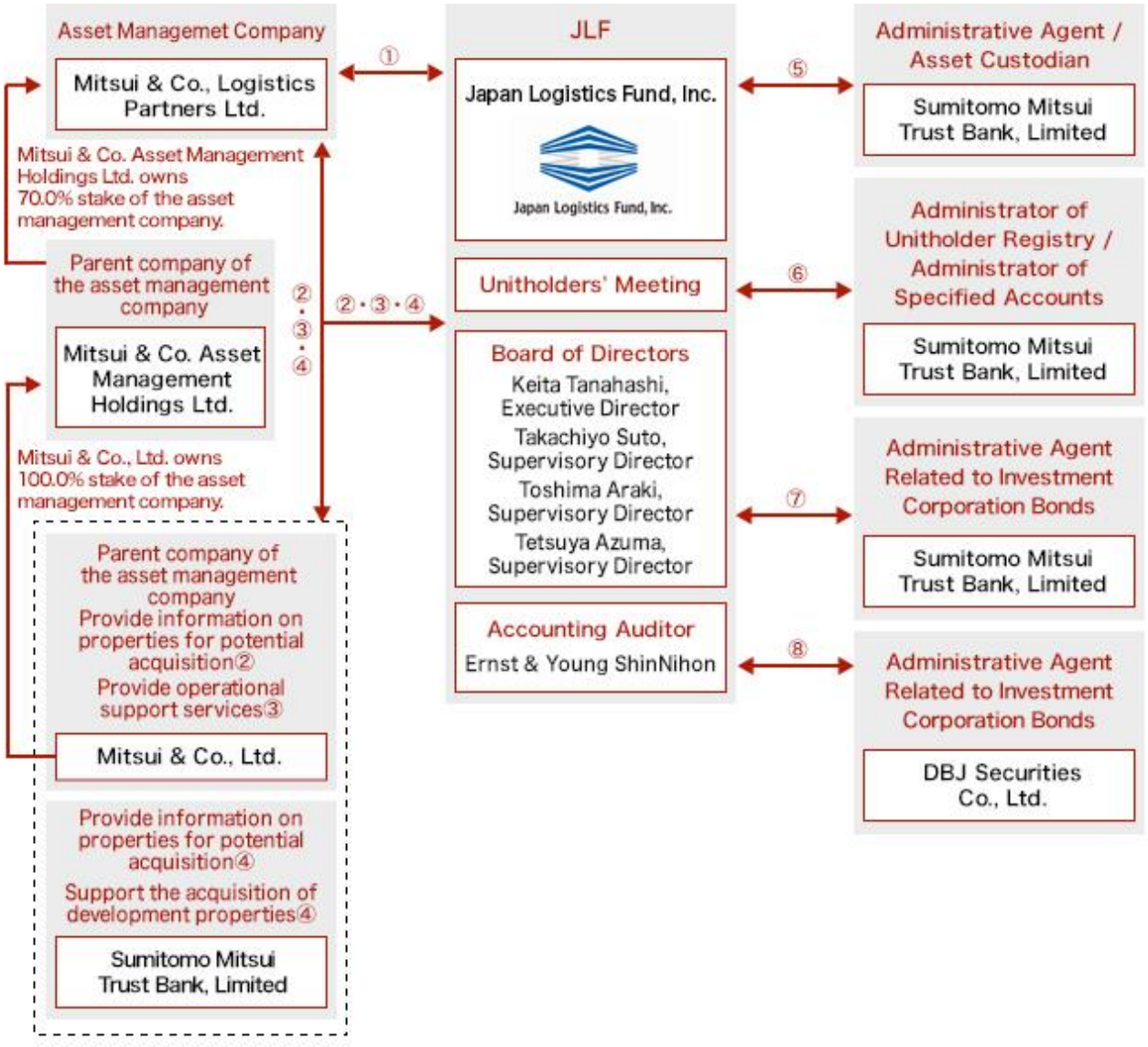
(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by the Japan Logistics Fund, Inc. (hereafter referred to as "JLF"), and the actual operating results, etc. may differ significantly from that anticipated by JLF due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "2. Management Discussions and Analysis (2) Asset Management Status (ii) Outlook for the Next Fiscal Period D. Forecasts" on page 11.

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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 Administration of Unitholder Registry and Specified Accounts
⑥Agreement for Administrative Agent and Asset Custody
⑦Fiscal Agency Agreement
⑧Agreement for Administration of Private Placement and Investment Corporation Bond Registry

(Note 1) Mitsui & Co. Asset Management Holdings Ltd. (hereinafter referred to as "MAH") is a wholly-owned subsidiary of Mitsui & Co., Ltd.

(Note 2) Hereinafter, Mitsui & Co. Ltd. and Sumitomo Mitsui Trust Bank, Limited, companies that provide information on properties, as well as Kenedix, Inc., one of the shareholders of the asset management company, 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 26, 2018).

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 26, 2018).

(2) Asset Management Status

(i) Summary of Results for the Fiscal Period ended July 2018 (The 26th Period)

A. Background of JLF

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

As of July 31, 2018 (the end of the 26th Period), JLF had a total of 46 properties under management with total acquisition price of 270,855 million yen and total assets of 263,254 million yen.

B. Investment Environment and Management Performance

During the 26th fiscal period under review, the Japanese economy continued to grow moderately, mainly due to an increase in capital expenditure on the back of solid corporate earnings, a rise in exports due to the steady growth of overseas economies and an increase in consumer spending in response to a steady improvement in employment and income.

In the J-REIT market, the underlying trend of individual investors was net selling because new listings and capital increase through public offering occurred one after another at the beginning of 2018. The outflow of funds from the investment trust sector, which had continued since 2017, also remained unchanged. However, overseas investors were significant net purchasers in 2018, which absorbed the selling pressure from individual investors and the investment trust sector. As a result, the Tokyo Stock Exchange REIT Index showed solid performance.

In the logistics properties acquisition market, real estate companies and funds that began investing in logistics properties in earnest were observed against the backdrop of the continuously favorable capital procurement environment. Given that active transactions mainly by these investors are continuing, the market capitalization rate is on a moderate downward trend.

In the logistics properties leasing market, while the supply of new facilities remains at high levels nationwide, new demand exceeded new supply in the second quarter of 2018, and the vacancy rate declined. Even in the Kinki District, where the vacancy rate is relatively high because of a large supply, vacancies in existing properties are steadily decreasing, showing signs of improvement in the supply-demand balance. Demand for logistics facilities remains robust on the back of the expanding e-commerce market, but there are differences in the strength of rent levels depending on the areas and individual properties.

Under these circumstances, JLF emphasized guaranteed cash flows based on the characteristics of individual real estate such as locations, building specifications and other aspects through activities in the real estate market as well as JLF's own activities. JLF also worked to increase dividends per unit through continuous property acquisition by creating acquisition opportunities outside the market, taking advantage of the sponsor network and the knowledge of the asset management company. During the period, JLF acquired Kashiwa Logistics Center II (building) for 1,295 million yen and Sendaiko-kita Logistics Center for 1,600 million yen in March 2018, mainly by promoting JLF's own activities, and acquired Toda Logistics Center for 2,052 million yen (planned) (Note 1) and the purchase option for Ichikawa Logistics Center III for 3,850 million yen (planned) (Note 2) in June 2018. Through these activities, JLF has achieved property acquisition at a higher yield than activities in the real estate market.

(Note 1) The sale and purchase agreement for Toda Logistics Center qualifies as a forward commitment as stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. established by the Financial Services Agency.

(Note 2) Ichikawa Logistics Center III qualifies as a forward commitment as stipulated in the Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. established by the Financial Services Agency. The planned acquisition price indicates a price based on the assumption that it will be acquired on March 1, 2019.

C. Capital Procurement

In pursuit of "growth" and "stability" in sustainable dividends per unit, JLF aims to reduce debt financing costs by taking advantage of the current low interest rate environment while seeking to achieve stability in its financial foundation. JLF also pays attention to the diversification of repayment dates and the extension of the debt financing period in preparation for the risk that interest rates will rise in the future. During the period, JLF refinanced loans (2,500 million yen) that came due in February 2018 and achieved a reduction in debt financing costs and an extension of the debt financing period. In addition, associated with the maturity of some existing commitment line agreements, JLF has decided to increase the limit by 2,000 million yen for responding to the mobilized acquisition of properties. As a result, the total limit of commitment

line agreements has risen to 17,500 million yen (Note 1).
As of the end of the 26th fiscal period, the total amount of interest-bearing debt stood at 117,700 million yen, and LTV (Loan to Value) was 44.7% based on total assets (Note 1) and 34.1% based on appraisal value (Note 2), thus JLF continued to conduct stable financial operations. JLF intends to maintain its financial policy of securing a sound balance sheet and adequate on-hand liquidity.

(Note 1) Based on a resolution during the period, JLF has created new commitment line agreements that will be applied from the next period.

(Note 2) Total assets-based LTV = Interest-bearing debt / total assets × 100 (figures are rounded off to one decimal place)

(Note 3) Appraisal value-based LTV = Interest-bearing debt / appraisal value × 100 (figures are rounded off to one decimal place)

Credit rating of JLF at the end of the 26th Period

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

D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 9,081 million yen, operating income of 4,584 million yen, ordinary income of 4,145 million yen and net income of 4,115 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 4,503 yen.
Moreover, JLF has undertaken a comprehensive examination of performance of investment unit price, financial condition and market circumstance, etc. Consequently, JLF has implemented its investment unit buyback program under a discretionary investment contract with a broker and let the broker purchase from the market, Tokyo Stock Exchange, as well as cancelled all acquired investment units, in the pursuit of higher capital efficiency and returns to unitholders. The total number and amount of investment units that JLF acquired and cancelled are 11,000 investment units (1.2% of the total number of issued investment units (before this buyback program)), and 2,436 million yen in the fiscal period ended July 31, 2018.

(ii) Outlook for the Next Fiscal Period

A. Recognition of the Environment

The Japanese economy has benefited from a favorable environment surrounding consumer spending, including a gradual increase in nominal wages reflecting the tightening labor supply. In addition, given that corporate earnings are expected to remain solid and that companies maintain strong motivation for capital expenditure, the Japanese economy is expected to continue to grow moderately. However, given many uncertainties over political developments in the United States and Europe, particularly the direction of the trade policy of the United States, it is necessary to be mindful of the risk that turmoil in the international financial market, a steep rise in crude oil prices and the sharp appreciation of the yen will have a negative impact on the Japanese economy.
In the logistics properties acquisition market, real estate companies, which have newly entered the market, in addition to the existing players such as J-REITs, private REITs and private funds, are expected to maintain a strong willingness to invest because of the outlook that the low interest rate environment will continue, and the market capitalization rate is likely to maintain a downward trend.
In the logistics properties leasing market, because the supply of large new facilities is expected to continue, the vacancy rate may rise in some areas and properties, and these trends need to be cautiously monitored, including their impact on rents.
Given this situation, JLF will continue to promote property acquisition with a focus on guaranteed cash flows based on the characteristics of individual real estate, such as locations and building specifications, through activities in the real estate market as well as JLF's own activities. In addition, JLF will strive to increase dividends per unit through the continuous acquisition of properties by creating acquisition opportunities outside the market, taking advantage of the

sponsor network and the knowledge of the asset management company. JLF believes that it is critically important to achieve external growth with balanced investment strategies involving not only large-scale multi-tenant logistics facilities that have been increasingly supplied to the market recently, but also highly versatile single logistics facilities that can accommodate a range of tenant requirements in terms of location advantages and facility specifications. JLF will continue to pursue "growth" and "stability" in dividends per unit by solidly managing its portfolio through the expansion of the asset size based on the concept above.

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 5.6 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.

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

C. Significant Subsequent Events

Disposition of Properties

JLF has decided to dispose the following asset on September 12, 2018.

[Funabashi Logistics Center]

Type of the asset	:	The trust beneficiary right of real estate
Expected disposition price	:	7,900 million yen
Date of contract	:	September 12, 2018
Expected date of disposition	:	October 1, 2018
Buyer	:	Funabashi Logistics Real Estate Sales LLC
Impact on profit & loss	:	JLF will recognize gain on sales of properties of 926 million yen, and retain 330 million yen of reserve for reduction entry by special provisions from the gain in the fiscal period ending January 2019 (the 27th Period from August 1, 2018 to January 31, 2019).

Investment Unit Buyback Program

Board of Directors of JLF has resolved the investment unit buyback program based on Article 80-2 of the Investment Trust Act applied pursuant to Article 80-5, Paragraph 2 of the Investment Trusts Act on September 12, 2018. After the completion of the buyback program, JLF plans to cancel all owned investment units in Fiscal Period Ending January 31, 2019 (27th Fiscal Period).

1. Reasons for the Investment Unit Buyback Program

After comprehensively examining the level of investment unit price, financial position, and market conditions, etc. JLF has concluded that improving capital efficiency and returns to unitholders through this buyback program and cancellations of owned investment units will contribute to the growth of unitholder value over the medium to long term.

2. Details of Matters concerning the Buyback Program

Planned total number of investment units for this buyback program	:	Up to 9,000 units
Planned total amount of investment units for this buyback program	:	Up to 2.0 billion yen
Buyback period	:	From September 13, 2018 to December 28, 2018
Method of the buybacks	:	JLF plans to enter into a discretionary transaction contract with a broker and let the broker purchase from the market, Tokyo Stock Exchange.

(Reference Information)

JLF estimates the impacts on forecasted DPUs after considering the buyback program as described below. Regarding the assumptions underlying the forecasts, please refer to" Assumptions Underlying the Forecasts for the 27th Period (from August 1, 2018 to January 31, 2019)" and the 28th Period (from February 1, 2019 to July 31, 2019) on page 11.

	The 27th Period (Fiscal Period ending January 2019)	The 28th Period (Fiscal Period ending July 2019)
Expected Net Income	4,588 million yen	4,177 million yen
(a) DPU forecasts (without considering this buyback program)	4,660 yen	4,570 yen
(b) Adjusted DPU forecasts (with considering this buyback program)	4,700 yen	4,620 yen
Impact on DPU forecasts ((b)-(a))	+40 yen	+50 yen

[Reference Information]

<Loans >

JLF has decided to borrow the following loans after the end of the period up until the date of this report.

Lender	MUFG Bank, Ltd.
Amount borrowed	5,000 million yen
Interest rate	Not decided (Note)
Date of borrowing	September 28, 2018
Repayment date	September 30, 2027
Borrowing method/security	Unsecured and non-guaranteed
Repayment method	Lump-sum repayment on due date
Use of funds	To repay existing loan

Lender	MUFG Bank, Ltd.
Amount borrowed	4,000 million yen
Interest rate	Not decided (Note)
Date of borrowing	September 28, 2018
Repayment date	September 30, 2022
Borrowing method/security	Unsecured and non-guaranteed
Repayment method	Lump-sum repayment on due date
Use of funds	To repay existing loan

(Note) The interest rate will be determined two business days before the date of borrowing.

D. Forecasts

Forecasts for the Fiscal Period ending January 2019 (The 27th Period from August 1, 2018 to January 31, 2019) and the Fiscal Period ending July 2019 (The 28th Period from February 1, 2019 to July 31, 2019) are as follows. Please refer to "Assumptions Underlying the Forecasts for the 27th Period (from August 1, 2018 to January 31, 2019) and the 28th Period (from February 1, 2019 to July 31, 2019) " 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 27th Period	9,894	8.9	5,223	13.9	4,589	10.7	4,588	11.5	4,660	0
The 28th Period	8,979	-9.2	4,577	-12.4	4,178	-8.9	4,177	-8.9	4,570	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 27th Period (from August 1, 2018 to January 31, 2019) and the 28th Period (from February 1, 2019 to July 31, 2019)

Item	Assumptions
Calculation period	・ Fiscal Period Ending January 31, 2019: August 1, 2018 to January 31, 2019 ・ Fiscal Period Ending July 31, 2019: February 1, 2019 to July 31, 2019
Properties owned	・ JLF assumes that it owns 46 properties as of September 12, 2018, will own 45 properties as of the end of the Fiscal Period ending January 2019, and will own 47 properties as of the end of the Fiscal Period ending July 2019, by disposing Funabashi Logistics Center on October 1, 2018 and acquiring Ichikawa Logistics Center III and Toda Logistics Center on March 31, 2019 and May 31, 2019, respectively. Neither acquiring nor selling any other properties until the end of the Fiscal Period ending July 2019 are expected. Regarding the acquisition of Ichikawa Logistics Center III, the forecast assumes JLF will acquire the property with 3,850 million yen while reserving an option to purchase the property with the price between 3,475 million yen and 3,850 million yen, pursuant to the provisions in the concluded agreement. Regarding the acquisition of Toda Logistics Center, the forecast assumes there will be no change in a sales price although the sale and purchase agreement specifies that the seller may request a change in the sales price if any additions or changes in construction work are made by request of JLF in relation to the said building. ・ The acquisition of Ichikawa Logistics Center III and Toda Logistics Center corresponds to the forward commitment, etc. stipulated in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.” set by the Financial Services Agency. ・ There may be fluctuation caused by additional acquisitions or sales of properties.
Total number of investment units issued	・ The number of investment units issued as of September 12, 2018 is 914,000 units, assuming there will be no other additional issuance of new investment units or buyback/cancellation of own investment units. In addition, the impact through the buyback program described in “2. Management Discussions and Analysis (2) Asset Management Status (ii) Outlook for the Next Fiscal Period C. Significant Subsequent Events” is not reflected to the forecasts. ・ If the buyback program described in “2. Management Discussions and Analysis (2) Asset Management Status (ii) Outlook for the Next Fiscal Period C. Significant Subsequent Events” is executed and JLF acquired the own investment units until the planned total number of 9,000 units, the number of investment units outstanding will be 905,000 units.

Item	Assumptions
Interest-bearing debt	・ Of the interest-bearing debt of 117,700 million yen outstanding as of September 12, 2018, JLF will repay 3,000 million yen before the due date, and refinance 9,000 million yen on September 28, 2018. JLF will also refinance 4,500 million yen due in the fiscal period ending July 2019. ・ The forecast assumes that no new loans will be allocated to the acquisition of Ichikawa Logistics Center III and Toda Logistics Center that are assumed to be carried out on March 31, 2019 and May 31, 2019, respectively. ・ The interest-bearing debt outstanding as of January 31, 2019 and July 31,2019 are assumed to be 114,700 million yen.
Operating revenue	・ The rent revenue is estimated based on the lease contracts (however, lease contracts effective as of acquisition dates, among other documents, with respect to Ichikawa Logistics Center III and Toda Logistics Center that are assumed to be acquired on March 31, 2019 and May 31, 2019, respectively) in effect as of September 12, 2018 and taking into account the fluctuation factors such as the market environment and rent levels based on negotiations with lessees. ・ Forecast expects 926 million yen of gain on sales of Funabashi Logistics Center.
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 Ichikawa Logistics Center III due to be acquired on March 31, 2019 and Toda Logistics Center due to be acquired on May 31, 2019, the property tax and city planning tax of approximately 23 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 July 31, 2019: 805 million yen; Fiscal Period Ending January 31, 2019: 791 million yen Outsourcing services: 248 million yen; 287 million yen Repair: 166 million yen; 193 million yen Depreciation: 1,976 million yen; 1,983 million yen Loss on write-offs of noncurrent assets: 29 million yen; 144 million yen Other: 293 million yen; 362 million yen ・ Expenses other than deprecation and loss on write-offs of noncurrent assets are calculated based on past track records with expense fluctuation factors taken into account. ・ Actual repair expenses for each operating period may differ considerably from forecasts, mainly because unexpected repair expenses may be incurred due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one fiscal period to another, and repair expense, by nature, are not incurred on a regular basis. ・ Depreciation is calculated using the straight-line method, with considering incidental expenses and additional capital expenditure for the future.
Non-Operating Expenses	・ The forecasts assume 635 million yen for the fiscal period ending January 31, 2019, and 399 million yen for the fiscal period ending July 31, 2019 as Non-operating expenses including interest expenses and interest expenses on investment corporation bonds, etc., respectively. ・ The forecasts also assume 246 million yen for the fiscal period ending January 2019 and 28 million yen for the fiscal period ending July 31, 2019 (including settlement of existing borrowings in conjunction with the refinancing of funds and repayment before the due date scheduled to be implemented on September 28, 2018) as depreciation of financing-related expenses.
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. ・ Regarding the amount of dividends per unit for the Fiscal Period ending January 2019, the figure assumes that among 4,588 million yen out of the unappropriated retained earnings, 330 million yen for the Period will be reserved internally by applying a reduction entry system specified in the Act on Special Measures concerning Taxation. ・ Regarding the amount of dividends per unit for the Fiscal Period ending July 2019, the figure assumes the unappropriated retained earnings of 4,178 million yen will be distributed. ・ 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.

Item	Assumptions
Distributions in Excess of Earnings per Unit	・ JLF does not plan any distributions in excess of earnings at this moment.
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 Report (Japanese) submitted on April 26, 2018.

3. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	The 26th Period (as of July 31, 2018)	The 25th Period (as of January 31, 2018)
Assets		
Current assets		
Cash and deposits	8,214,403	11,579,078
Cash and deposits in trust	4,190,015	4,312,223
Operating accounts receivable	542,135	406,408
Prepaid expenses	38,751	14,473
Deferred tax assets	14	25
Consumption taxes receivable	-	493,523
Other	22	26
Total current assets	12,985,342	16,805,760
Non-current assets		
Property, plant and equipment		
Buildings	13,507,642	12,696,590
Accumulated depreciation	-2,065,867	-1,880,807
Buildings, net	11,441,774	10,815,783
Structures	374,479	328,741
Accumulated depreciation	-82,116	-73,498
Structures, net	292,362	255,243
Tools, furniture and fixtures	770	770
Accumulated depreciation	-675	-655
Tools, furniture and fixtures, net	94	114
Land	9,954,416	9,037,687
Buildings in trust	130,453,258	129,023,054
Accumulated depreciation	-26,435,528	-24,788,545
Buildings in trust, net	104,017,729	104,234,508
Structures in trust	3,569,909	3,570,570
Accumulated depreciation	-1,225,457	-1,160,943
Structures in trust, net	2,344,452	2,409,627
Tools, furniture and fixtures in trust	28,875	27,983
Accumulated depreciation	-19,035	-18,289
Tools, furniture and fixtures in trust, net	9,840	9,693
Land in trust	121,931,262	121,931,262
Total property, plant and equipment	249,991,933	248,693,922
Intangible assets		
Other	959	1,356
Total intangible assets	959	1,356
Investments and other assets		
Long-term prepaid expenses	186,733	211,308
Guarantee deposits	10,020	10,020
Derivatives	28,520	26,620
Other	2,000	2,000
Total investments and other assets	227,273	249,948
Total non-current assets	250,220,167	248,945,227
Deferred assets		
Investment corporation bond issuance costs	49,148	51,886
Total deferred assets	49,148	51,886
Total assets	263,254,658	265,802,874

(Thousands of yen)

	The 26th Period (as of July 31, 2018)	The 25th Period (as of January 31, 2018)
Liabilities		
Current liabilities		
Operating accounts payable	474,612	737,747
Current portion of long-term loans payable	6,500,000	2,500,000
Distribution payable	7,093	7,649
Accrued expenses	850,773	874,734
Income taxes payable	898	1,131
Accrued consumption taxes	364,675	-
Advances received	1,580,781	1,558,566
Deposits received	-	21,459
Provision for loss on disaster	28,839	-
Total current liabilities	9,807,675	5,701,289
Non-current liabilities		
Investment corporation bonds	9,700,000	9,700,000
Long-term loans payable	101,500,000	105,500,000
Tenant leasehold and security deposits	1,113,480	1,113,480
Tenant leasehold and security deposits in trust	5,170,649	5,460,002
Long-term deposits received	254,298	253,078
Derivatives liabilities	6,065	8,824
Total non-current liabilities	117,744,494	122,035,385
Total liabilities	127,552,169	127,736,674
Net assets		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	132,245,145	132,245,145
Deduction from unitholders' capital	※2 -2,900,794	-464,424
Unitholders' capital, net	129,344,350	131,780,721
Surplus		
Voluntary retained earnings		
Reserve for reduction entry of special provisions of replaced property	※3 2,219,363	※3 2,219,363
Total voluntary retained earnings	2,219,363	2,219,363
Unappropriated retained earnings (undisposed loss)	4,116,319	4,048,318
Total surplus	6,335,683	6,267,682
Total unitholders' equity	135,680,034	138,048,403
Valuation and translation adjustments		
Deferred gains or losses on hedges	22,454	17,795
Total valuation and translation adjustments	22,454	17,795
Total net assets	※4 135,702,489	※4 138,066,199
Total liabilities and net assets	263,254,658	265,802,874

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	The 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Operating revenue		
Lease business revenue	※1 8,800,814	※1 8,579,901
Other lease business revenue	※1 281,154	※1 277,971
Total operating revenue	9,081,969	8,857,873
Operating expenses		
Expenses related to rent business	※1 3,609,388	※1 3,466,923
Asset management fee	757,616	720,738
Asset custody fee	25,609	25,194
Administrative service fees	40,097	36,053
Directors' compensations	5,400	5,400
Other operating expenses	59,699	62,017
Total operating expenses	4,497,811	4,316,327
Operating profit	4,584,158	4,541,545
Non-operating income		
Interest income	22	23
Interest on refund	64	1,959
Insurance income	504	1,312
Reversal of distribution payable	620	1,037
Other	216	300
Total non-operating income	1,428	4,633
Non-operating expenses		
Interest expenses	343,839	349,485
Borrowing related expenses	34,695	39,050
Investment unit issuance expenses	-	46,505
Interest expenses on investment corporation bonds	52,460	53,436
Amortization of investment corporation bond issuance costs	2,737	2,783
Other	6,298	5,500
Total non-operating expenses	440,031	496,761
Ordinary profit	4,145,554	4,049,418
Extraordinary losses		
Provision for loss on disaster	※2 28,839	-
Total extraordinary losses	28,839	-
Profit before income taxes	4,116,714	4,049,418
Income taxes - current	901	1,135
Income taxes - deferred	11	-17
Total income taxes	913	1,118
Profit	4,115,801	4,048,300
Retained earnings brought forward	518	18
Unappropriated retained earnings (undisposed loss)	4,116,319	4,048,318

(3) Statement of Changes in Net Assets

The 26th Period (from February 1, 2018 to July 31, 2018)

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus				Treasury investment units	Total unitholders' equity
				Voluntary retained earnings					
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	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	132,245,145	-464,424	131,780,721	2,219,363	2,219,363	4,048,318	6,267,682	-	138,048,403
Changes of items during period									
Dividends of surplus						-4,047,800	-4,047,800		-4,047,800
Profit						4,115,801	4,115,801		4,115,801
Acquisition of own investment units								-2,436,370	-2,436,370
Retirement of own investment units		-2,436,370	-2,436,370					2,436,370	-
Net changes of items other than unitholders' equity									
Total changes of items during period	—	-2,436,370	-2,436,370	-	-	68,001	68,001	-	-2,368,369
Balance at end of current period	132,245,145	-2,900,794	129,344,350	2,219,363	2,219,363	4,116,319	6,335,683	-	135,680,034

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	17,795	17,795	138,066,199
Changes of items during period			
Dividends of surplus			-4,047,800
Profit			4,115,801
Acquisition of own investment units			-2,436,370
Retirement of own investment units			-
Net changes of items other than unitholders' equity	4,658	4,658	4,658
Total changes of items during period	4,658	4,658	-2,363,710
Balance at end of current period	22,454	22,454	135,702,489

The 25th Period (from August 1, 2017 to January 31, 2018)

(Thousands of yen)

	Unitholders' equity							
	Unitholders' capital			Surplus				Total unitholders' equity
				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	3,678,418	5,897,782	128,721,523
Changes of items during period								
Issuance of new investment units	8,956,980		8,956,980					8,956,980
Dividends of surplus						-3,678,400	-3,678,400	-3,678,400
Profit						4,048,300	4,048,300	4,048,300
Net changes of items other than owners' equity								
Total changes of items during period	8,956,980	-	8,956,980	-	-	369,900	369,900	9,326,880
Balance at end of current period	132,245,145	-464,424	131,780,721	2,219,363	2,219,363	4,048,318	6,267,682	138,048,403

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	-14,865	-14,865	128,706,658
Changes of items during period			
Issuance of new investment units			8,956,980
Dividends of surplus			-3,678,400
Profit			4,048,300
Net changes of items other than owners' equity	32,661	32,661	32,661
Total changes of items during period	32,661	32,661	9,359,541
Balance at end of current period	17,795	17,795	138,066,199

(4) Distribution Information

(Yen)

	The 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
I. Unappropriated retained earnings	4,116,319,691	4,048,318,548
II. Distributions	4,115,742,000	4,047,800,000
Distributions per unit	4,503	4,376
III. Retained earnings to be carried forward	577,691	518,548
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 4,115,742,000 yen, which is the maximum multiple of total number of investment units issued 914,000 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 4,047,800,000 yen, which is the maximum multiple of total number of investment units issued 925,000 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 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Cash flows from operating activities		
Profit before income taxes	4,116,714	4,049,418
Depreciation	2,062,615	2,000,880
Investment unit issuance expenses	-	46,505
Amortization of investment corporation bond issuance costs	2,737	2,783
Interest income	-22	-23
Interest expenses	396,300	402,922
Loss on retirement of non-current assets	47,243	14,600
Increase (decrease) in provision for loss on disaster	28,839	-
Decrease (increase) in operating accounts receivable	-135,726	-45,005
Decrease (increase) in consumption taxes refund receivable	493,523	353,103
Increase (decrease) in accrued consumption taxes	364,675	-
Increase (decrease) in operating accounts payable	-258,501	261,543
Increase (decrease) in accrued expenses	12,166	60,412
Increase (decrease) in advances received	22,215	122,729
Other, net	-20,141	3,424
Subtotal	7,132,639	7,273,293
Interest income received	22	23
Interest expenses paid	-408,129	-377,061
Income taxes (paid) refund	-1,135	-784
Net cash provided by (used in) operating activities	6,723,397	6,895,470
Cash flows from investing activities		
Purchase of property, plant and equipment	-1,777,572	-4,427,491
Purchase of property, plant and equipment in trust	-1,634,534	-25,821,012
Proceeds from tenant leasehold and security deposits	-	88,800
Repayments of tenant leasehold and security deposits	-	-4,030
Proceeds from tenant leasehold and security deposits in trust	213,884	344,411
Repayments of tenant leasehold and security deposits in trust	-503,237	-9,139
Net cash provided by (used in) investing activities	-3,701,458	-29,828,461
Cash flows from financing activities		
Increase in short-term loans payable	-	5,000,000
Decrease in short-term loans payable	-	-5,000,000
Proceeds from long-term loans payable	2,500,000	26,000,000
Repayments of long-term loans payable	-2,500,000	-3,000,000
Proceeds from issuance of investment units	-	8,956,980
Payments for investment unit issuance expenses	-25,935	-20,569
Payments for acquisition of own investment units	-2,436,370	-
Dividends paid	-4,047,735	-3,677,137
Net cash provided by (used in) financing activities	-6,510,042	28,259,272
Net increase (decrease) in cash and cash equivalents	-3,488,103	5,326,282
Cash and cash equivalents at beginning of period	15,698,327	10,372,044
Cash and cash equivalents at end of period	12,210,224	※1 15,698,327

(6) Notes on Assumption of Going Concern

Not applicable to the 26th Period.

(7) Summary of Significant Accounting Policies

(i) Depreciation method for non-current assets

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

The straight-line method is used.

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

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

B. Intangible assets

The straight-line method is used.

(ii) Accounting for deferred assets

A. Investment unit issuance expenses

All expensed at time of cash out

B. Investment corporation bond issuance costs

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

(iii) Basis for recording provisions

Provision for loss on disaster

A reasonably estimated amount at the end of the 26th Period was recorded out of expenses spent for measures to deal with physical losses and damage caused by the earthquake that occurred in June 2018 in the northern part of Osaka.

(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. In the 26th Period, the property tax, etc. included in the acquisition cost of real estate was 23,822 thousand yen. In the 25th Period, the property tax, etc. included in the acquisition cost of real estate was 38,537 thousand yen.

(v) Hedge accounting method

A. Hedge accounting method

Deferred hedge accounting is applied.

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

B. Hedging method and hedging objective

Hedging method: Interest rate swap transactions

Hedged items: Interest on borrowings

C. Hedging policy

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

D. Method of assessing hedge effectiveness

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

(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.

(Accounting standards not yet applied)

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

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

(2) Scheduled date of application
The above standards will be applied from the beginning of the fiscal period ending January 31, 2022.

(3) Impact of applying the accounting standards
The level of the impact on the financial statements of applying the "Accounting Standard for Revenue Recognition" and the like is currently under review.

(8) Notes to Financial Statements

[Notes to Balance Sheet]

(i) Commitment line contracts

JLF has the commitment line contracts with the banks.

(Thousands of yen)

	The 26th Period (as of July 31, 2018)	The 25th Period (as of January 31, 2018)
Total amount specified in the commitment line contracts	15,500,000	15,500,000
Loan balance at end of period	-	-
Outstanding loan commitments at end of period	15,500,000	15,500,000

(ii) Status of cancellation of Buybacks

	The 26th Period (as of July 31, 2018)	The 25th Period (as of January 31, 2018)
	11,000 units	-
	2,436,370 thousand yen	-

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

Items	Breakdown	
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 26th Period (as of July 31, 2018)	The 25th Period (as of January 31, 2018)
Balance before provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen
Reversal in the statement of income and retained earnings	-	-
Amount on the balance sheet	2,219,363 thousand yen	2,219,363 thousand yen
Provision as disclosed in (4) Distribution Information	-	-
Reversal as disclosed in (4) Distribution Information	-	-
Balance after provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen

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

(Thousands of yen)

The 26th Period (as of July 31, 2018)	The 25th Period (as of January 31, 2018)
50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income from real estate leasing business

(Thousands of yen)

	The 26th Period (from February 1, 2018 to July 31, 2018)		The 25th Period (from August 1, 2017 to January 31, 2018)	
(i) Real estate leasing business revenue				
Rent revenue-real estate				
Rent income	8,575,232		8,299,820	
Land rents received	13,656		78,938	
Facility charges	211,926	8,800,814	201,143	8,579,901
Other lease business revenue				
Parking charges	23,500		21,701	
Utilities charges	236,206		241,789	
Other operating income	21,447	281,154	14,480	277,971
Total real estate leasing business revenue		9,081,969		8,857,873
(ii) Real estate leasing business expenses				
Expenses related to rent business				
Taxes and dues	814,972		679,820	
Outsourcing service expenses	245,570		234,476	
Utilities expenses	245,419		247,261	
Repair expenses	109,373		179,194	
Insurance expenses	26,545		25,344	
Other expenses related to rent business	58,045		85,743	
Depreciation	2,062,218		2,000,483	
Loss on retirement of non-current assets	47,243		14,600	
Total real estate leasing business expenses		3,609,388		3,466,923
(iii) Income from real estate leasing business ((i)−(ii))	5,472,581		5,390,949	

Losses caused by disasters

The 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Expenses for physical damage caused by the Northern Osaka Prefecture Earthquake that occurred in June 2018 are posted as extraordinary losses.	-

[Notes to Statement of Changes in Net Assets]

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

	The 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	914,000 units	925,000 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 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Cash and deposits	8,214,403	11,579,078
Cash and deposits in trust	4,190,015	4,312,223
Long-term deposits received (Note)	-194,194	-192,974
Cash and cash equivalents	12,210,224	15,698,327

(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 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Future lease payments receivable		
Due within one year	15,479,110	14,259,706
Due after one year	55,404,485	59,603,060
Total	70,883,596	73,862,766

[Financial Instruments]

(i) Matters concerning the status of financial instruments

A. Policies on financial instruments

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

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

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

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

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

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

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

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

Variable interest rate borrowings are exposed to the risk of interest rate fluctuations. Derivative transactions are used to hedge the risk of fluctuations in the interest rate payable for a portion of the borrowings. See "(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, 2018 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Cash and deposits	8,214,403	8,214,403	-
(2) Cash and deposits in trust	4,190,015	4,190,015	-
Total assets	12,404,418	12,404,418	-
(1) Current portion of long-term loans payable	6,500,000	6,559,091	59,091
(2) Investment corporation bond	9,700,000	10,159,917	459,917
(3) Long-term loans payable	101,500,000	103,323,393	1,823,393
Total liabilities	117,700,000	120,042,401	2,342,401
Derivative transactions *	22,454	22,454	-

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

Amounts on the Balance Sheet, fair value and their difference as of January 31, 2018 are as follows;

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Cash and deposits	11,579,078	11,579,078	-
(2) Cash and deposits in trust	4,312,223	4,312,223	-
Total assets	15,891,302	15,891,302	-
(1) Current portion of long-term loans payable	2,500,000	2,507,626	7,626
(2) Investment corporation bond	9,700,000	10,158,260	458,260
(3) Long-term loans payable	105,500,000	107,505,459	2,005,459
Total liabilities	117,700,000	120,171,345	2,471,345
Derivative transactions *	17,795	17,795	-

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

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

Assets

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

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

Liabilities

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

The fair value of some long-term loans with floating rate is almost equal to their book value because applicable interest rates of such loans are revised on a periodical basis. As such, the fair value of these loans is presented based on the relevant book value.

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

(2) Investment corporation bond

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

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

Derivative transactions

See "Notes to Derivatives" below.

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

Not applicable to the 26th and 25th Periods.

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

The 26th Period (as of July 31, 2018)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	8,214,403	-	-	-	-	-
Cash and deposits in trust	4,190,015	-	-	-	-	-
Total	12,404,418	-	-	-	-	-

The 25th Period (as of January 31, 2018)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Cash and deposits	11,579,078	-	-	-	-	-
Cash and deposits in trust	4,312,223	-	-	-	-	-
Total	15,891,302	-	-	-	-	-

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

The 26th Period (as of July 31, 2018)

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term loans payable	6,500,000	7,000,000	16,000,000	18,500,000	18,000,000	42,000,000
Investment corporation bond	-	-	-	-	-	9,700,000
Total	6,500,000	7,000,000	16,000,000	18,500,000	18,000,000	51,700,000

The 25th Period (as of January 31, 2018)

(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	2,500,000	10,500,000	10,000,000	18,000,000	16,500,000	50,500,000
Investment corporation bond	-	-	-	-	-	9,700,000
Total	2,500,000	10,500,000	10,000,000	18,000,000	16,500,000	60,200,000

[Notes to Investment Securities]

Not applicable to the 26th and 25th Periods.

[Notes to Derivatives]

(i) Transactions not applicable to hedge accounting

Not applicable to the 26th and 25th Periods.

(ii) Transactions applicable to hedge accounting

The 26th Period (from February 1, 2018 to July 31, 2018)

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

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	9,000,000	9,000,000	22,454	Based on prices and other conditions presented by financial institutions
Special treatment for hedge accounting of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	—

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

The 25th Period (from August 1, 2017 to January 31, 2018)

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

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	9,000,000	9,000,000	17,795	Based on prices and other conditions presented by financial institutions
Special treatment for hedge accounting of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	7,500,000	*	—

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

[Notes to Retirement Benefits]

Not applicable to the 26th and 25th Periods.

[Tax Effect Accounting]

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

(Thousands of yen)

	The 26th Period (as of July 31, 2018)	The 25th Period (as of January 31, 2018)
Deferred tax assets, current		
Enterprise tax not deductible	14	25
Total deferred tax assets, current	14	25
Deferred tax assets, net, current	14	25
Deferred tax assets, noncurrent		
Deferred losses on hedges	-	-
Valuation allowance	-	-
Total deferred tax assets, noncurrent	-	-
Deferred tax assets, net, noncurrent	-	-

(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 26th Period (as of July 31, 2018)	The 25th Period (as of January 31, 2018)
Effective statutory tax rate	31.74%	31.74%
Adjustments		
Deductible cash distributions	-31.73%	-31.73%
Other	0.01%	0.02%
Effective tax rate after applying tax effect accounting	0.02%	0.03%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the 26th and 25th Periods, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the 26th and 25th Periods.

(ii) Subsidiaries and affiliates

Not applicable to the 26th and 25th Periods.

(iii) Sister companies

Not applicable to the 26th and 25th Periods.

(iv) Directors and principal individual unitholders

The 26th Period (from February 1, 2018 to July 31, 2018)

Classify-cation	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	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)	777,881 (Note 2) (Note 3)	Accrued expenses	538,237 (Note 3)

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

(Note 2) Asset management fee includes acquisition fee of 20,265 thousand yen.

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

The 25th Period (from August 1, 2017 to January 31, 2018)

Classify-cation	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	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)	928,506 (Note 2) (Note 3)	Accrued expenses	525,335 (Note 3)

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

(Note 2) Asset management fee includes acquisition fee of 207,768 thousand yen, which were 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 July to Asset Write-off Obligations]

Not applicable to the 26th and 25th Periods.

[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 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Amount on the balance sheet			
	Balance at the beginning of the period	248,693,922	220,292,460
	Changes during the period	1,298,011	28,401,461
	Balance at the end of the period	249,991,933	248,693,922
Fair value at the end of the period		344,680,000	337,660,000

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

(Note 2) The increase of the lease properties in the 26th period is mainly by the acquisition of Kashiwa Logistics Center II (building) (1,327,631 thousand yen) and Sendaiko-kita Logistics Center (1,656,580 thousand yen). The increase of the lease properties in the 25th Period is mainly the acquisitions of Yokohama Machida Logistics Center (25,673,783 thousand yen) and Takatsuki Logistics Center (1,639,854 thousand yen), and the completion of Kasugai OBR (2,752,497 thousand yen).

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

The income concerning lease properties, etc. for the 26th and 25th 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 26th Period (from February 1, 2018 to July 31, 2018)

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

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

The 25th Period (from August 1, 2017 to January 31, 2018)

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

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

[Per Unit Information]

	The 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Net assets per unit	148,470 yen	149,260 yen
Profit per unit	4,477 yen	4,444 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 26th Period (from February 1, 2018 to July 31, 2018)	The 25th Period (from August 1, 2017 to January 31, 2018)
Profit	4,115,801	4,048,300
Amount not attributable to common unitholders	-	-
Profit pertaining to common investment units	4,115,801	4,048,300
Average number of investment units during period	919,119 units	910,790 units

[Notes to Significant Subsequent Events]

Disposition of Properties

JLF has decided to dispose the following assets on September 12, 2018.

[Funabashi Logistics Center]

Type of the assets	:	The trust beneficiary right of real estate
Expected disposition price	:	7,900 million yen
Date of contract	:	September 12, 2018
Expected date of disposition	:	October 1, 2018
Buyer	:	Funabashi Logistics Real Estate Sales LLC
Impact on profit & loss	:	JLF will recognize gain on sales of properties of 926 million yen, and retain 330 million yen of reserve for reduction entry by special provisions from the gain in the fiscal period ending January 2019 (the 27th Period from August 1, 2018 to January 31, 2019).

Investment Unit Buyback Program

Board of Directors of JLF has resolved the investment unit buyback program based on Article 80-2 of the Investment Trust Act applied pursuant to Article 80-5, Paragraph 2 of the Investment Trusts Act on September 12, 2018. After the completion of the buyback program, JLF plans to cancel all owned investment units in Fiscal Period Ending January 31, 2019 (27th Fiscal Period).

1. Reasons for the Investment Unit Buyback Program

After comprehensively examining the level of investment unit price, financial position, and market conditions, etc. JLF has concluded that improving capital efficiency and returns to unitholders through this buyback program and cancellations of owned investment units will contribute to the growth of unitholder value over the medium to long term.

2. Details of Matters concerning the Buyback Program

Planned total number of investment units for this buyback program	:	Up to 9,000 units
Planned total amount of investment units for this buyback program	:	Up to 2.0 billion yen
Buyback period	:	From September 13, 2018 to December 28, 2018
Method of the buybacks	:	JLF plans to enter into a discretionary transaction contract with a broker and let the broker purchase from the market, Tokyo Stock Exchange.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(Note 17) Investment units were newly issued at the price of 206,017 yen per unit (net proceeds of 199,044 yen) for partial repayment of borrowings with respect to the acquisition of new properties and making up the decline in cash on hand used for the acquisitions.

(Note 18) Investment units were newly issued through third-party allotment at the price of 199,044 yen per unit for financing future acquisition of specified assets and repayment of the borrowings.

(Note 19) Investment units were repurchased through open-market transactions on the Tokyo Stock Exchange from March 14, 2018 to May 31, 2018 based on a discretionary transaction contract with a securities broker. All the acquired investment units were cancelled on July 13, 2018 based on a resolution at a meeting of the Board of Directors of JLF held on June 27, 2018.

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, 2018 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, 2018, are as follows.

Title	Name		
President	Keita Tanahashi		
Director	Isao Kuramoto	Yasushi Ogaku	
	Toshifumi Nagahama	Kiyoshi Okubo	Takehiko Iwahara
Corporate Auditor	Ichiro Tsutsumi		

(Note) Yasushi Ogaku owns 9 units (rounded down to a decimal point) of JLF under employee stock purchase plan using cumulative investment as of July 31, 2018.

Other 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 26th Period (as of July 31, 2018)		The 25th Period (as of January 31, 2018)	
			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	7,078	2.7	7,129	2.7
		Kinki/Chubu/Kyushu Areas	12,954	4.9	12,979	4.9
		Other Areas	1,656	0.6	-	0.0
	Subtotal		21,688	8.2	20,108	7.6
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	193,303	73.4	193,256	72.7
		Kinki/Chubu/Kyushu Areas	26,124	9.9	26,355	9.9
		Other Areas	8,875	3.4	8,972	3.4
	Subtotal		228,303	86.7	228,585	86.0
Deposits and other assets (Note 5)			13,262	5.0	17,108	6.4
Total assets			263,254	100.0	265,802	100.0

(Note 1) Descriptions under "5. Reference Information" are effective as of July 31, 2018, as a general rule, unless otherwise indicated.
(Note 2) For region, please refer to "Area classification" below.
(Note 3) The total amount owned is based on the figures posted on the Balance Sheets as of the end of the fiscal period (real estate and real estate in trust are presented in book values after depreciation), and figures below one million yen have been omitted.
(Note 4) Figures are rounded off to the first decimal place.
(Note 5) Deposits and other assets include; deposit in trust assets of 4,190 million yen for the 26th Period and of 4,312 million yen for the 25th 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 26th Period (as of July 31, 2018)		The 25th Period (as of January 31, 2018)	
	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	127,552	48.5	127,736	48.1
Total net assets	135,702	51.5	138,066	51.9
Total assets	263,254	100.0	265,802	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, 2018 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	6,909	7,220	3.2
M-2	Urayasu	Trust beneficiary right of real estate	2,902	2,775	5,320	1.1
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,294	1,820	0.5
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,212	3,680	0.9
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	5,099	9,130	2.2
M-6	Funabashi Nishiura	Trust beneficiary right of real estate	5,700	4,395	7,530	2.1
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,590	12,300	4.0
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,466	2,310	0.6
M-11	Yachiyo	Trust beneficiary right of real estate	7,892 (Note 5)	7,603	12,000	2.9
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	8,129	11,800	3.6
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	4,096	7,680	2.0
M-14	Urayasu Chidori II	Real estate	1,640	1,449	1,910	0.6
M-15	Ichikawa	Real estate	4,550	4,203	5,770	1.7
M-16	Shinonome (Note 6)	Trust beneficiary right of real estate	11,800	11,233	14,900	4.4
M-17	Narashino II (Note 6)	Trust beneficiary right of real estate	7,875	6,576	10,100	2.9
M-18	Ichikawa II (Note 6)	Trust beneficiary right of real estate	17,415	15,696	23,500	6.4
M-19	Souka	Trust beneficiary right of real estate	14,440 (Note 7)	13,668	16,900	5.3
M-20	Tatsumi	Trust beneficiary right of real estate	9,000	8,486	12,200	3.3
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,434	4,560	1.4
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	8,097	10,700	3.2
M-23	Kashiwa II (Note 8)	Trust beneficiary right of real estate	3,795 (Note 9)	3,824	4,350	1.4

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	9,184	11,800	3.6
M-25	Misato	Trust beneficiary right of real estate	3,873	3,647	4,800	1.4
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	7,641	10,000	3.0
M-27	Chiba Kita	Real estate	1,459	1,425	1,970	0.5
M-28	Chiba Kita II	Trust beneficiary right of real estate	4,608	4,488	5,800	1.7
M-29	Urayasu Chidori III	Trust beneficiary right of real estate	1,053	1,062	1,440	0.4
M-30	Zama	Trust beneficiary right of real estate	1,728	1,686	2,030	0.6
M-31	Shinkiba II	Trust beneficiary right of real estate	15,270	15,514	17,800	5.6
M-32	Yokohama Machida	Trust beneficiary right of real estate	25,452	25,487	26,000	9.4
Subtotal for the Tokyo Metropolitan Area			216,846	200,381	267,320	80.1
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 10)	8,778	19,600	3.6
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,428	6,600	1.5
T-3	Kiyosu	Real estate	3,010 (Note 11)	3,036	5,380	1.1
T-4	Kadoma	Real estate	989	1,036	1,530	0.4
T-5	Komaki	Real estate	2,100	1,888	2,110	0.8
T-6	Komaki II	Real estate	1,800	1,709	1,610	0.7
T-7	Fukuoka Hakozaki Futo	Trust beneficiary right of real estate	2,797	2,674	3,580	1.0
T-8	Tajimi	Trust beneficiary right of real estate	9,310 (Note 12)	8,665	12,300	3.4
T-9	Fukuoka Kashiihama	Trust beneficiary right of real estate	2,750	2,578	3,280	1.0
T-10	Kasugai	Real estate	3,500 (Note 13)	3,654	4,690	1.3
T-11	Takatsuki	Real estate	1,559	1,629	1,640	0.6
Subtotal for Kinki/Chubu/Kyushu Areas			41,674	39,078	62,320	15.4
O-1	Maebashi	Trust beneficiary right of real estate	1,230	974	1,410	0.5
O-2	Hanyu	Trust beneficiary right of real estate	1,705	1,398	2,000	0.6
O-3	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,320	4,890	1.5

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
O-4	Kazo	Trust beneficiary right of real estate	3,790	3,182	4,860	1.4
O-5	Sendaiko-kita	Real estate	1,600	1,656	1,880	0.6
Subtotal for other Areas			12,335	10,531	15,040	4.6
Portfolio total			270,855	249,991	344,680	100.0

(Properties to be acquired, etc.)

Property Number	Name of the properties (Note 14)	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-33	Yachiyo III (Note 15)	Real estate	3,286 (Note 16)	-	4,140 (Note 17)	-
M-34	Shiroi (Note 18)	Trust beneficiary right of real estate	4,052 (Note 19)	-	4,980 (Note 17)	-
M-35	Toda (Note 20)	Trust beneficiary right of real estate	2,052 (Note 19)	-	2,200 (Note 17)	-
M-36	Ichikawa III (Note 21)	Trust beneficiary right of real estate	3,850 (Note 22)	-	4,450	-

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

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

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

(Note 6) Figures for co-ownership are indicated.
Shinonome Logistics Center: 47%
Narashino Logistics Center II: 90%
Ichikawa Logistics Center II: 90%
Shin-Koyasu Logistics Center: 51%

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

(Note 8) JLF acquired land on September 20, 2013, and the building on March 1, 2018.

(Note 9) The figure is the sum of the acquisition prices on September 20, 2013 and March 1, 2018.

(Note 10) The figure is calculated by deducting the costs associated with write-offs and demolition of the former building in July 2009 (291 million yen), and adding the amount stated in the construction contract relating to the Warehouse III (2,437 million yen) to the sale price stated in the initial sales contract (7,617 million yen).

(Note 11) The figure is calculated by adding the construction cost relating to the redevelopment (2,325 million yen) to the sale price stated in the initial sales contract (685 million yen).

(Note 12) The figure is the sum of the acquisition prices on October 8, 2013 and November 4, 2014.

(Note 13) The figure is calculated by adding the acquisition price for the newly constructed building by redevelopment (2,670 million yen) to the sale price stated in the initial sales contract (830 million yen).

(Note 14) The Purchase Agreement regarding the properties to be acquired, (as for Ichikawa Logistics Center III, Fixed-term Lease Contract with a Termination Clause with the grants to JLF an option to purchase the property) corresponds to the forward commitment, etc. stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." set by the Financial Services Agency.

(Note 15) JLF concluded the purchase agreement on September 26, 2017. However, the property is a development project, and the building is still under construction. The date of its delivery will, in principle, be the day after one year from the date of the registration of the

preservation of ownership of the building.

(Note 16) The figure indicates the sale price stated in the initial sales contract. Because the sales contract stipulates that unless a lease contract in the form and with content that satisfy JLF (hereinafter the "Qualified Lease Contract" in this Note 15) is concluded for this entire property by the date of delivery of the property or unless any other effective Qualified Lease Contract is concluded as of the date of delivery, 124 million yen shall be deducted from the sale price, and such sale price may change in the future.

(Note 17) As of the date of the appraisal, the building has not yet been completed, and thus the appraisal value of the property was calculated by using "Appraisal of Uncompleted Buildings" stipulated in the Real Estate Appraisal Standards. As a result, the figure is an appraisal value based on the assumption that the building is a property after completion that has been completed as planned, has received the delivery of the inspection certificate and has undergone registration.

(Note 18) This property is a development project, and the building is still under construction. The date of delivery of the property will be a date no later than the date on which one year has elapsed from the date of application for building preservation registration and shall be a date designated separately by JLF (or if a date has been agreed separately by JLF and JA Mitsui Leasing Tatemono Co., Ltd., such agreed date).

(Note 19) The figure indicates the purchase price that is determined to be stated in the sale and purchase agreement of Shiroi Logistics Center (hereinafter the "Sale and Purchase Agreement (Shiroi Logistics Center))." Such purchase price may change in the future as the Sale and Purchase Agreement (Shiroi Logistics Center) specifies that if contract prices or other costs for the development of this property fluctuate in the period up to and including the date of delivery of the property, the purchase price shall be changed accordingly.

(Note 20) The scheduled date of acquisition of this property is May 31, 2019.

(Note 21) JLF is granted a purchase option to acquire this property, and the exercise period of the purchase option will be from March 1, 2019 (planned) to February 28, 2023. Same exercise period will apply to disposition option of the seller.

(Note 22) The acquisition price (planned) will be a price within the range between 3,475 million yen and 3,850 million yen that was agreed in advance in parallel with the scheduled date of acquisition, and it indicates the acquisition price (planned) on the assumption that the property will be acquired on March 1, 2019.

B. The outline of portfolio properties held as of January 31, 2018: 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	6,680.73	3	70.0	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
M-6	Funabashi Nishiura	34,319.12	34,319.12	3	100.0	7.1
M-8	Kawasaki	41,630.54	41,630.54	1	100.0	14.6
M-9	Narashino	2,442.87	2,442.87	1	100.0	11.3
M-11	Yachiyo	56,882.98	56,882.98	2	100.0	1.7
M-12	Yokohama Fukuura	35,882.64	35,882.64	3	100.0	16.3
M-13	Yachiyo II	32,389.70	32,389.70	1	100.0	7.6
M-14	Urayasu Chidori II	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	18,686.12	18,686.12	1	100.0	11.8
M-16	Shinonome (Note 5)	16,175.31	16,175.31	1	100.0	14.4
M-17	Narashino II (Note 5)	43,208.86	43,208.86	3	100.0	11.1
M-18	Ichikawa II (Note 5)	66,497.99	66,497.99	2	100.0	4.2
M-19	Souka	42,640.84	42,640.84	3	100.0	12.7
M-20	Tatsumi	29,394.56	29,394.56	1	100.0	14.6
M-21	Kashiwa	20,546.46	20,546.46	1	100.0	9.7
M-22	Musashimurayama	40,884.25	40,884.25	1	100.0	11.9
M-23	Kashiwa II	50,126.79	50,126.79	1	100.0	7.1
M-24	Shin-Koyasu (Note 5)	29,674.47	29,674.47	2	100.0	11.4
M-25	Misato	19,407.18	19,407.18	1	100.0	10.9
M-26	Sagamihara	44,010.20	44,010.20	1	100.0	12.3
M-27	Chiba Kita	14,828.38	14,828.38	1	100.0	8.4
M-28	Chiba Kita II	25,080.00	25,080.00	1	100.0	6.8
M-29	Urayasu Chidori III	5,314.80	5,314.80	1	100.0	10.9
M-30	Zama	9,358.53	9,358.53	1	100.0	11.8
M-31	Shinkiba II	38,512.20	28,066.59	2	72.9	11.3

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)
M-32	Yokohama Machida	64,816.35	64,816.35	6	100.0	12.2
Subtotal for the Tokyo Metropolitan Area		881,637.39	868,328.79	49	98.5	-
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	19,761.25	19,761.25	1	100.0	10.0
T-4	Kadoma	7,416.18	7,416.18	1	100.0	13.3
T-5	Komaki	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	10,708.41	10,708.41	1	100.0	8.3
T-7	Fukuoka Hakozaki Futo	24,463.69	24,463.69	1	100.0	1.0
T-8	Tajimi	75,605.23	75,605.23	1	100.0	10.8
T-9	Fukuoka Kashiihama	21,201.15	11,503.98	2	54.3	1.0
T-10	Kasugai	20,544.26	20,544.26	1	100.0	8.9
T-11	Takatsuki	7,158.85	7,158.85	1	100.0	9.5
Subtotal for Kinki/Chubu/Kyushu Areas		312,802.41	303,105.24	12	96.9	-
O-1	Maebashi	3,455.53	3,455.53	1	100.0	9.0
O-2	Hanyu	3,518.58	3,518.58	1	100.0	11.6
O-3	Saitama Kisai	24,574.40	24,574.40	1	100.0	10.5
O-4	Kazo	25,130.62	25,130.62	1	100.0	9.5
O-5	Sendaiko-Kita	9,626.21	9,626.21	1	100.0	10.6
Subtotal for other Areas		66,305.34	66,305.34	5	100.0	-
Portfolio total		1,260,745.14	1,237,739.37	66	98.2	8.5

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

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

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

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

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

(iii) Diversification of portfolio

Diversification of portfolio properties owned by JLF is described below.

A. Ratio by region

Region	Total leasable area (m^2)	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	881,637.39	69.9	216,846	80.1
Kinki/Chubu/Kyushu Areas	312,802.41	24.8	41,674	15.4
Other Areas	66,305.34	5.3	12,335	4.6
Total	1,260,745.14	100.0	270,855	100.0

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

B. Ratio by total rentable area (Note 1)

Total rentable area (m^2)	Number of properties	Ratio (%) (Note 2)	Acquisition price (Millions of yen)	Ratio (%) (Note 2)
Over 30,000 m^2	18	39.1	187,095	69.1
Over 10,000 m^2 but 30,000 m^2 or less	17	37.0	65,564	24.2
10,000 m^2 or less	11	23.9	18,196	6.7
Total	46	100.0	270,855	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	161,161.88	13.0	2,238	12.9
Over 5 years but within 10 years	352,657.30	28.5	5,504	31.8
Over 3 years but within 5 years	314,565.00	25.4	3,936	22.8
Within 3 years	409,355.19	33.1	5,620	32.5
Total	1,237,739.37	100.0	17,299	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 26th 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	181	181	181	181	181
(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	93	6	10	14	47
Loss on write-off of noncurrent assets	4	-	-	-	9
(iii) Income from real estate leasing business (= (i) - (ii))	105	30	40	57	139
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	204	36	50	72	196
(v) Capital expenditure	13	-	-	-	30
(vi) NCF (= (iv) - (v))	190	36	50	72	166

(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	181	181	181	181	181
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	60	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate			60		
Other lease business revenue			-		
(ii) Total real estate leasing business expenses			17		
Taxes and dues			3		
Outsourcing service expenses			0		
Utilities expenses			-		
Repair expenses			0		
Insurance expenses			0		
Other expenses related to rent business			1		
Depreciation and amortization	63	74	10	80	77
Loss on write-off of noncurrent assets	22	0	-	-	1
(iii) Income from real estate leasing business (= (i) - (ii))	58	219	43	192	206
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	144	294	53	272	286
(v) Capital expenditure	28	37	0	-	32
(vi) NCF (= (iv) - (v))	116	257	53	272	253

(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	181	181	181	181	181
(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	80			75	
Taxes and dues	13			27	
Outsourcing service expenses	0			0	
Utilities expenses	0			-	
Repair expenses	2			0	
Insurance expenses	0			0	
Other expenses related to rent business	0			0	
Depreciation and amortization	62	12	26	46	79
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	113	28	97	278	147
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	175	41	124	325	227
(v) Capital expenditure	2	-	5	0	8
(vi) NCF (= (iv) - (v))	173	41	118	325	218

(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	Tatsumi Logistics Center	Kashiwa Logistics Center	Musashi murayama Logistics Center
Number of days under management	181	181	181	181	181
(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	114	51	38	60
Loss on write-off of noncurrent assets	0	1	-	-	5
(iii) Income from real estate leasing business (= (i) - (ii))	383	246	200	71	184
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	504	362	251	109	251
(v) Capital expenditure	1	8	-	-	33
(vi) NCF (= (iv) - (v))	503	353	251	109	218

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

(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	181	181	181	181	181
(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	29	64	31	73	17
Loss on write-off of noncurrent assets	-	-	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	104	197	80	148	36
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	134	261	112	222	53
(v) Capital expenditure	0	3	-	-	0
(vi) NCF (= (iv) - (v))	133	258	112	222	52

(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	M-31	M-32
Name of real estate, etc.	Chiba Kita Logistics Center II	Urayasu Chidori Logistics Center III	Zama Logistics Center	Shinkiba Logistics Center II	Yokohama Machida Logistics Center
Number of days under management	181	181	181	181	181
(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	37	5	9	84	102
Loss on write-off of noncurrent assets	1	0	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	15	30	42	192	374
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	54	36	52	277	476
(v) Capital expenditure	41	16	1	-	0
(vi) NCF (= (iv) - (v))	13	19	50	277	476

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

(Millions of yen)

Property No.	T-1	T-2	T-3	T-4	T-5
Name of real estate, etc.	Daito Logistics Center	Osaka Fukuzaki Logistics Center	Kiyosu Logistics Center	Kadoma Logistics Center	Komaki Logistics Center
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue	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	84	30	33	10	15
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	418	116	96	35	36
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	503	147	130	45	51
(v) Capital expenditure	0	24	-	-	-
(vi) NCF (= (iv) - (v))	502	122	130	45	51

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

(Millions of yen)

Property No.	T-6	T-7	T-8	T-9	T-10
Name of real estate, etc.	Komaki II Logistics Center	Fukuoka Hakozaki Futo Logistics Center	Tajimi Logistics Center	Fukuoka Kashiihama Logistics Center	Kasugai Logistics Center
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue	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	17	25	110	26	36
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	33	57	205	27	76
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	50	82	315	54	112
(v) Capital expenditure	-	17	-	3	-
(vi) NCF (= (iv) - (v))	50	65	315	50	112

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

(Millions of yen)

Property No.	T-11	O-1	O-2	O-3	O-4
Name of real estate, etc.	Takatsuki Logistics Center	Maebashi Logistics Center	Hanyu Logistics Center	Saitama Kisai Logistics Center	Kazo Logistics Center
Number of days under management	181	181	181	181	181
Total real estate leasing business revenue	Not disclosed (Note)	43	59	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate		43	59		
Other lease business revenue		-	-		
Total real estate leasing business expenses		14	17		
Taxes and dues		2	3		
Outsourcing service expenses		0	0		
Utilities expenses		-	-		
Repair expenses		-	0		
Insurance expenses		0	0		
Other expenses related to rent business		0	0		
Depreciation and amortization	11	10	12	32	42
Loss on write-off of noncurrent assets	-	-	-	-	-
) Income from real estate leasing business (= (i) - (ii))	26	29	42	90	70
) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	37	39	54	122	113
Capital expenditure	-	-	-	-	-
) NCF (= (iv) - (v))	37	39	54	122	113

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

(Millions of yen)

Property No.	O-5
Name of real estate, etc.	Sendaiko-kita Logistics Center
Number of days under management	153
(i) Total real estate leasing business revenue	Not disclosed (Note)
Rent revenue - real estate	
Other lease business revenue	
(ii) Total real estate leasing business expenses	
Taxes and dues	
Outsourcing service expenses	
Utilities expenses	
Repair expenses	
Insurance expenses	
Other expenses related to rent business	
Depreciation and amortization	13
Loss on write-off of noncurrent assets	-
(iii) Income from real estate leasing business (= (i) - (ii))	41
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	54
(v) Capital expenditure	5
(vi) NCF (= (iv) - (v))	49

(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
Kashiwa Logistics Center (Kashiwa, Chiba)	Exterior wall renewal	January 2019	52	-	-
Chiba-Kita Logistics Center II (Chiba, Chiba)	Exterior wall renewal	September 2018	47	-	-
Zama Logistics Center (Zama, Kanagawa)	Air conditioning equipment renewal	November 2018	34	-	-
Other real estate, etc.	-	-	485		
Total			619		

(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 26th Period totals 317 million yen. In addition, repair expenses of 109 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)
Kawasaki Logistics Center (Kawasaki, Kanagawa)	Disaster prevention equipment renewals	July 2018	34
Musashimurayama Logistics Center (Musashimurayama, Tokyo)	Lighting equipment renewal	July 2018	33
Chiba-Kita Logistics Center II (Chiba, Chiba)	Lighting equipment renewal	July 2018	30
Other real estate, etc.	-	-	219
Total			317

(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, 2018.

Name of tenant	Name of real estate, etc.	Leased area (m^2)	Lease ratio (%) (Note 1)
Nakano Shokai co., ltd.	Kashiwa Logistics Center Ⅱ	146,784.51	11.9
	Tatsumi Logistics Center		
	Fukuoka Hakozaki Futo Logistics Center		
	Narashino Logistics Center II (Note 2)		
	Shinkiba Logistics Center		
	Shinkiba Logistics Center II		
	Fukuoka Kashiihama Logistics Center		
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	113,274.40	9.2
	Kasugai Logistics Center		
Nippon Express Co., Ltd.	Tajimi Logistics Center	97,572.07	7.9
	Yokohama Fukuura Logistics Center		
Hitachi Transport System, Ltd.	Yachiyo Logistics Center	82,991.60	6.7
	Kazo Logistics Center		
	Chiba Kita Logistics Center		
Ricoh Logistics Systems Co., Ltd.	Osaka Fukuzaki Logistics Center	57,756.92	4.7
	Shin-Koyasu Logistics Center (Note 2)		
	Souka Logistics Center		
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,401.57	4.2
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	44,010.20	3.6
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	41,630.54	3.4
VANTEC CORPORATION	Musashi murayama Logistics Center	40,884.25	3.3
Sagawa Express Co., Ltd.	Shinonome Logistics Center	35,737.77	2.9
	Shin-Koyasu Logistics Center		
	Yokohama Fukuura Logistics Center		
	Maebashi Logistics Center		
	Hanyu Logistics Center		
	Narashino Logistics Center II (Note 2)		

Total for all tenants	1,237,739.37	100.0

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

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

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center: 51%