

REIT Financial Report for the six-month period ended January 31, 2022 (The 33rd Period)

March 16, 2022

Name of REIT issuer: Japan Logistics Fund, Inc. Stock exchange listing: Tokyo Stock Exchange
 Security code: 8967 URL: <https://8967.jp/en>
 Representative: Naohiro Kameoka, Executive Director

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Scheduled date for submission of Securities Report: April 27, 2022

Scheduled date for commencing dividend payments: April 6, 2022

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 six-month period ended January 31, 2022 (The 33rd Period from August 1, 2021 to January 31, 2022)

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
Period ended	Millions of	%	Millions of	%	Millions of	%	Millions of	%
January 31, 2022	9,269	1.3	4,820	12.1	4,410	12.7	4,408	12.7
July 31, 2021	9,154	0.4	4,302	-4.7	3,914	-5.0	3,913	-5.0

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
Period ended	Yen	%	%	%
January 31, 2022	4,871	3.3	1.7	47.6
July 31, 2021	4,323	2.9	1.5	42.8

(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
Period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
January 31, 2022	4,871	4,408	-	-	99.9	3.3
July 31, 2021	4,800	4,344	-	-	111.0	3.2

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

Dividends per unit for the six-month period ended July 31, 2021 were calculated by adding 431 million yen as reversal of reserve for reduction entry to unappropriated retained earnings for the six-month period under review and dividing it by the total number of investment units issued and outstanding.

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
Period ended	Millions of yen	Millions of yen	%	Yen
January 31, 2022	260,342	134,522	51.7	148,631
July 31, 2021	259,430	134,392	51.8	148,487

(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
Period ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2022	6,961	-241	-4,345	13,512
July 31, 2021	6,472	-5,136	-4,360	11,137

2. Forecasts for the six-month period ending July 2022 (the 34th Period from February 1, 2022 to July 31, 2022) and the six-month period ending January 2023 (the 35th Period from August 1, 2022 to January 31, 2023)

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distribution s in excess of earnings)	Distributions in Excess of Earnings per Unit
Period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
July 31, 2022	9,572	3.3	5,060	5.0	4,596	4.2	4,595	4.2	4,920	0
January 31, 2023	10,055	5.0	5,286	4.5	4,848	5.5	4,847	5.5	5,190	0

(Reference) Forecast for net income per unit July 31, 2022: 4,920 yen January 31, 2023: 5,190 yen

* Other

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

- | | |
|---|------|
| (i) Changes in accounting policies due to revisions to accounting standards | Yes |
| (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

January 31, 2022: 905,073 units July 31, 2021: 905,073 units

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

January 31, 2022: 0 unit July 31, 2021: 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 34

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

* Remarks:

(Note to forward-looking statements)

This document contains forecasts and other forward-looking statements based on the information currently available and on certain assumptions judged as rational by the Japan Logistics Fund, Inc. (hereafter referred to as "JLF"), and the actual operating results, etc. may differ significantly from that anticipated by JLF due to various factors. Moreover, the forecasts are not intended to guarantee any amount of dividend distribution and distribution in excess of earnings. For notes regarding assumptions underlying these forecasts, please refer to "1. Management Discussions and Analysis (1) Asset Management Status (ii) Outlook for the Next Six-month Period" on page 5

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1 Management Discussions and Analysis

(1) Asset Management Status

(i) Summary of Results for the six-month period ended January 31, 2022 (The 33rd 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, Osaka, Nagoya and Fukuoka 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 January 31, 2022 (the end of the 33rd Period), JLF owns 50 properties under management with a total acquisition price of 271,631 million yen and total assets of 260,342 million yen.

B. Investment Environment and Management Performance

During the period under review, the Japanese economy showed recovery momentum, despite the harsh circumstances that prevail inside and outside Japan due to the impact from COVID-19. Overseas, despite some variance by country or region, in general, economies are recovering. That should lead to a continued increase in exports and industrial production for the Japanese economy. Moreover, corporate earnings and sentiment are improving in general, and capital expenditures are recovering despite weakness in some industries. Meanwhile, the pandemic continues to weaken the labor and income environment. Nevertheless, downward pressure on service industries such as dining and lodging is easing as a recovery in personal consumption emerges.

In the logistics leasing market, vacancy rates declined further as stay-at-home consumption led to continued demand for space from e-commerce players and manufacturers and retailers recognized the need to bolster inventories and expand logistics networks to counter supply chain disruptions triggered by the pandemic. Amid this environment, JLF’s portfolio has maintained favorable operations, with an occupancy rate of 100.0% as of the end of the period under review. Moreover, portfolio management has focused on stability of long-term cash flows through a strategy of “ACTIVE Asset Management”, which aims to achieve stability and sustainable growth in distributions per unit and NAV per unit.

Moreover, portfolio management has focused on stability of long-term cash flows through a strategy of ACTIVE Asset Management, which aims to achieve stability and sustainable growth in distributions per unit and NAV per unit. As part of this ACTIVE Asset Management initiative, after renovations completed in the previous period at Chiba Kita Logistics Center, the property was re-tenanted this period at a rent level that is substantially higher than the previous tenant and closes the rent gap. Meanwhile, an OBR* project is under way at the Urayasu Logistics Center, and tenant leasing has finished before the completion of construction. Also, there are plans to renew leases at higher rent prices at multiple properties, clearing the runway for powerful internal growth.

(Note) " OBR" (Own Book Redevelopment) is the redevelopment of properties owned by JLF itself. “Redevelopment” refers to the act of JLF building a new building on land that JLF owns after the existing building has been demolished. JLF collaborates with players such as construction companies, who build the new building on land JLF owns. After the building is complete, JLF acquires said building at a timing of its discretion. The same applies hereafter.

C. Overview of Financial Strategy

During the six-month period under review, 4,000 million yen in long-term loans maturing in August 2021 and 5,000 million yen in long-term loans maturing in September 2021 were refinanced, leading to the distribution of maturities and longer average loan durations. As a result, as of the end of the period under review, total interest-bearing liabilities stood at 114,700 million yen, and LTV (loan to value) was 44.1% based on total assets (Note1) and 29.9% based on appraisal value (Note2) , maintaining stable financial operations.

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

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

Credit rating of JLF as of January 31, 2022

Credit Rating Agency	Rating	
Rating and Investment Information, Inc. (R&I)	Issuer rating	AA- (Outlook: Stable)
	Long-term bond rating	#2 nd unsecured investment corporation bonds #3 rd unsecured investment corporation bonds #5 th unsecured investment corporation bonds
		AA-
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer rating	AA (Outlook: Stable)
	Bond rating	#6 th unsecured investment corporation bonds AA
		#7 th unsecured investment corporation bonds (Green Bonds) AA

D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 9,269 million yen, operating income of 4,820 million yen, ordinary income of 4,410 million yen and net income of 4,408 million yen.

Distributions are subject to special taxation provisions (Special Taxation Measures Law (Act No. 26 of 1957, hereinafter referred to as "Special Taxation Measures Law"). The distribution is subject to special taxation provisions (Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments). (Act on Special Measures Concerning Taxation (Act No. 26 of 1957, including subsequent amendments))), the Investment Corporation decided to distribute the entire amount of unappropriated retained earnings for the fiscal period, excluding fractions of less than one yen per unit, in an attempt to make the maximum amount of profit distribution deductible for tax purposes, resulting in a distribution per unit of 4,871 yen.

(ii) Outlook for the Next Six-month Period

A. Recognition of the Environment

Looking at the economic environment in Japan, although there is still a sense of caution about the COVID-19 infection for the time being, the economy is expected to improve at a moderate pace as the effects of the infection gradually abate, thanks to the recovery of foreign demand, an accommodative financial environment, and the effects of the government's economic measures. However, there is a high degree of uncertainty regarding the timing of the convergence of the COVID-19 infection and the impact it will have on the domestic and overseas economies, so we need to keep a close watch on the situation.

In the logistics real estate leasing market, demand continues to be strong as e-commerce increases penetration and manufacturers, retailers and other clients increase inventories and expand logistics networks. In 2022 and beyond, a high level of new supply is planned mainly in the Tokyo Metropolitan Area. However, vacancy rates continue to track at low levels in the Tokyo and Osaka metropolitan areas. Given the fact that buildings are making solid progress in pre-leasing space in advance of construction completion, the probability of disruptions to the balance between supply and demand is low, and rents are expected to show stability. In the market for the sale and purchase of logistics real estate, funds continue to flow into the real estate market in Japan, where interest rates remain low from a global perspective despite recent upward movement in rates. Demand from many investors who focus on the defensive nature of cash flows from logistics properties is expected to continue to drive appreciation in prices for logistics properties. Therefore, expectations are that transaction yields will stay low, and the acquisition environment will remain harsh.

Under this environment, in February 2022, JLF executed a follow-on offering that is accretive to both distributions per unit and NAV per unit, bringing within reach our run-rate DPU target of 5,000 yen, demonstrating the full effect of our ACTIVE Asset Management approach. See below (C. Significant Subsequent Events) for details on the follow-on offering.

Moving forward, JLF will continue to pursue stability and sustainable growth in distributions per unit and NAV per unit by managing operations in a way that is resilient against changes in the environment of the real estate and financial markets and seek opportunities to acquire properties through off-market negotiations.

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

- Strengthening of tenant relations

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

- Appropriate property maintenance and additional investment

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

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

(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 borrowings 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

Significant subsequent events for JLF occurring after the end of the period under review (January 31, 2022) are as follows.

<Issuance of new investment units>

At a Board of Directors meeting held February 9, 2022, JLF approved the issuance of new investment units, and payment for the issuance of new investment units through public offering completed February 21, 2022. As a result, 8,314,024,778 yen was procured and included in its entirety in unitholders' equity, bringing total unitholders' equity to 135,658,483,378 yen as of February 21, 2022, and the total number of investment units issued and outstanding to 934,000 units.

Issuance of new investment units through a public offering

Number of new investment units issued	28,927 units
Total sum of issue price (offer price)	8,603,757,610 yen (297,430 yen per unit)
Total sum of issue amount (paid in amount)	8,314,024,778 yen (287,414 yen per unit)
Payment date	February 21, 2022
Distribution start date:	February 1, 2022

<Use of funds>

The funds will be used to fund a portion of the acquisition of trust beneficiary rights in the Kuki Logistics Center (quasi-co-ownership stake: 44.5%) as set forth in the "Notice Concerning Acquisition of New Assets" released February 9, 2022, and a portion of the construction costs associated with redevelopment of the Urayasu Logistics Center as set forth in the "Notice Concerning Redevelopment Project of Urayasu Logistics Center" published September 14, 2020, and the "Notice Concerning Status of Redevelopment Project of Urayasu Logistics Center" published February 9, 2022. Additionally, the funds will be applied to cash on hand, which decreased due to its use to acquire trust beneficiary rights in the Itabashi Logistics Center as set forth in the "Notice Concerning Acquisition of New Assets" published on February 9, 2022.

[Reference Information]

<Properties acquired>

JLF acquired the following assets between the end of the period and the date of the publication of this document.

[M-41 Kuki Logistics Center]

Asset acquired	Real estate trust beneficiary right (quasi-co-ownership stake 44.5%)	
Acquisition price	8,577 million yen	
Acquisition timing	March 1, 2022	
Location	8 Kawaraicho, Kuki, Saitama	
Asset type	Warehouse, break rooms, trash yard (Note 1)	
Site	33,122.92 m ² (Note 1) (Note 2)	
Gross floor area	66,668.87 m ² (Note 1) (Note 2)	
Structure	Steel-framed and alloy-plated steel sheet covered building, with 4 stories (Note 1)	
Built in:	June 15, 2020 (Note 1)	
Form of ownership	Land: ownership rights	Building: ownership rights

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

(Note 2) Information provided for 100% of the Property as a whole

[M-42 Itabashi Logistics Center]

Asset acquired	Real estate trust beneficiary right	
Acquisition price	4,105 million yen	
Acquisition timing	February 10, 2022	
Location	1-15-5 Shingashi, Itabashi-ku, Tokyo	
Asset type	Warehouse (Note)	
Site	4,600.89 m ² (Note)	
Gross floor area	8,723.96 m ² (Note)	
Structure	Steel-framed and alloy-plated steel sheet covered building, with 4 stories (Note)	
Built in:	November 13, 2018 (Note)	
Form of ownership	Land: ownership rights	Building: ownership rights

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

<Borrowings>

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

Lender	Sumitomo Mitsui Banking Corporation	MUFG Bank, Ltd.	Sumitomo Mitsui Trust Bank, Ltd.
Amount borrowed	2,000 million yen	2,500 million yen	1,000 million yen
Interest rate	0.43000%	0.37500%	0.51000%
Date of borrowing	February 28, 2022		
Repayment date	February 28, 2026	August 31, 2026	February 29, 2028
Borrowing method/security	Unsecured/non-guaranteed		
Repayment method	Lump-sum repayment on due date		
Use of funds	Proceeds will be used to partially fund the acquisition of the real estate trust beneficiary rights and acquisition costs related thereto, as well as construction costs associated with redevelopment		

Lender	Mizuho Bank, Ltd.	Resona Bank, Limited	The 77 Bank, Ltd.
Amount borrowed	1,000 million yen	1,000 million yen	1,000 million yen
Interest rate	0.55875%	0.62001%	0.62000%
Date of borrowing	February 28, 2022		
Repayment date	February 28, 2030	July 31, 2030	
Borrowing method/security	Unsecured/non-guaranteed		
Repayment method	Lump-sum repayment on due date		
Use of funds	Proceeds will be used to partially fund the acquisition of the real estate trust beneficiary rights and acquisition costs related thereto, as well as construction costs associated with redevelopment		

Lender	Kansai Mirai Bank, Limited	Shinsei Bank, Limited	The Yamaguchi Bank, Ltd.
Amount borrowed	1,000 million yen	1,000 million yen	1,000 million yen
Interest rate	0.67000%	0.67000%	0.67000%
Date of borrowing	February 28, 2022		
Repayment date	February 29, 2032		
Borrowing method/security	Unsecured/non-guaranteed		
Repayment method	Lump-sum repayment on due date		
Use of funds	Proceeds will be used to partially fund the acquisition of the real estate trust beneficiary rights and acquisition costs related thereto, as well as construction costs associated with redevelopment		

D. Forecasts

Forecasts for the six-month period ending July 2022 (from February 1, 2022 to July 31, 2022) and the six-month period ending January 2023 (from August 1, 2022 to January 31, 2023) are as follows. Please refer to "Assumptions Underlying the Forecasts for the six-month period ending July 31, 2022 and the six-month period ending January 31, 2023" 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
Period ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
July 31, 2022	9,572	3.3	5,060	5.0	4,596	4.2	4,595	4.2	4,920	0
January 31, 2023	10,055	5.0	5,286	4.5	4,848	5.5	4,847	5.5	5,190	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 six-month period ending July 31, 2022 and the six-month period ending January 31, 2023

Item	Assumptions																
Calculation period	<ul style="list-style-type: none">For the six-month period ending July 31, 2022: February 1, 2022 to July 31, 2022For the six-month period ending January 31, 2023: August 1, 2022 to January 31, 2023																
Properties owned	<ul style="list-style-type: none">Forecasts assume a total of 52 properties in the portfolio, which, in addition to the 50 existing properties owned by JLF as of January 31, 2022 (the end of the fiscal period ended January 2022), also includes the Itabashi Logistics Center, to be acquired on February 10, 2022, and the Kuki Logistics Center (44.5% quasi-co-ownership interest), to be acquired on March 1, 2022 (along with the Urayasu Logistics Center, collectively referred to as the “New Assets”). The building for the Urayasu Logistics Center, which is currently under redevelopment as of March 16, 2022, is expected to be acquired after the completion of construction as of August 1, 2022. No other acquisitions (including Amagasaki Logistics Center for which a trust beneficiary right purchase agreement is executed) or sales of properties by January 31, 2023, are assumed.The trust beneficiary rights purchase agreement associated with the acquisition of the Amagasaki Logistics Center qualifies as a forward commitment as stipulated by the Comprehensive Guidelines for the Supervision of Financial Instruments Operators, etc., set forth by the Financial Services Agency. This property is a development property which has yet to be completed (construction to be completed November 2022). Its planned acquisition date is not yet decided, but will be the date designated by JLF, which is a date no later than one year after the earliest of either the date on which the building is completed, the inspection certificate for the building is obtained, and the application for registration of indication of the building is accepted, or the date on which the seller receives delivery of the building from the construction company of the building.There may be fluctuations, mainly due to the transfer of assets under management.																
Total number of investment units issued	<ul style="list-style-type: none">The forecasts assume 934,000 units outstanding, the total number of investment units issued and outstanding as of the publication of this document.																
Interest-bearing debt	<ul style="list-style-type: none">Among the interest-bearing debt of 119,700 million yen outstanding as of March 16, 2022, JLF will repay long-term borrowings of 3,000 million yen due in the six-month period ending July 2022 and long-term borrowings of 9,500 million yen due in the six-month period ending January 2023 by using new long-term borrowings.The interest-bearing debt outstanding is expected to be 119,700 million yen as of July 31, 2022, and January 31, 2023.																
Operating revenue	<ul style="list-style-type: none">The rent revenue is estimated based on the lease contracts in effect as of March 16, 2022 and considering the fluctuation factors such as the market environment and rent levels based on negotiations with lessees.																
Operating expenses	<ul style="list-style-type: none">When acquiring real estate, etc., JLF will include in the acquisition cost the amount equivalent to the fixed asset tax and city planning tax (“Property tax, etc.”) for the fiscal year of acquisition. With respect to the scheduled acquisition of Itabashi Logistics Center on February 10, 2022, and Kuki Logistics Center (44.5% quasi-co-ownership interest) on March 1, 2022, a total of 55 million yen of the Property tax, etc., will be capitalized.Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. <table><tr><td></td><td>For the six-month period ending July 31, 2022</td><td>For the six-month period ending January 31, 2023</td></tr><tr><td>Taxes and dues:</td><td>822 million yen</td><td>828 million yen</td></tr><tr><td>Outsourcing services:</td><td>278 million yen</td><td>292 million yen</td></tr><tr><td>Repair expenses:</td><td>177 million yen</td><td>250 million yen</td></tr><tr><td>Depreciation:</td><td>1,879 million yen</td><td>1,939 million yen</td></tr></table>			For the six-month period ending July 31, 2022	For the six-month period ending January 31, 2023	Taxes and dues:	822 million yen	828 million yen	Outsourcing services:	278 million yen	292 million yen	Repair expenses:	177 million yen	250 million yen	Depreciation:	1,879 million yen	1,939 million yen
	For the six-month period ending July 31, 2022	For the six-month period ending January 31, 2023															
Taxes and dues:	822 million yen	828 million yen															
Outsourcing services:	278 million yen	292 million yen															
Repair expenses:	177 million yen	250 million yen															
Depreciation:	1,879 million yen	1,939 million yen															

Item	Assumptions
	<p>Loss on write-offs of noncurrent assets: 6 million yen 4 million yen</p> <p>Other: 366 million yen 407 million yen</p> <ul style="list-style-type: none"> • Expenses other than depreciation and loss on write-offs of noncurrent assets are calculated based on past track records with expense fluctuation factors taken into account. • Actual repair expenses for each operating period may differ considerably from forecasts, mainly because unexpected repair expenses may be incurred due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one six-month 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. • Among operating expenses other than real estate leasing business, asset management fees are expected to be 816 million yen for the six-month period ending July 31, 2022 and 870 million yen for the six-month period ending January 31, 2023.
Non-Operating Expenses	<ul style="list-style-type: none"> • As non-operating expenses, JLF assumes 464 million yen for the six-month period ending July 31, 2022 and 438 million for the six-month period ending January 31, 2023. Regarding the interest expenses and interest expenses on investment corporation bonds among the non-operating expenses, JLF assumes 367 million yen for the six-month period ending July 31, 2022 and 385 million yen for the six-month period ending January 31, 2023. Regarding depreciation of financing-related expenses among the non-operating expenses, JLF assumes 48 million yen for the six-month period ending July 31, 2022 and 47 million yen for the six-month period ending January 31, 2023. • Forecasts include 43 million yen in costs in the six-month period ending July 31, 2022 for the issuance of new investment units resolved at the Board of Directors meeting on February 9, 2022.
Dividends per Unit (Excluding distributions in Excess of earnings)	<ul style="list-style-type: none"> • Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF. • Dividends per unit for the six-month period ending July 31, 2022 are calculated based on the assumption of the unappropriated retained earnings of 4,595 million yen for the said six-month period. • Dividends per unit for the six-month period ending January 31, 2023 are calculated based on the assumption of distributing the unappropriated retained earnings of 4,847 million yen for the said six-month period. • Dividends per unit may fluctuate, due to various factors such as acquisitions and sales of assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the issuance of new investment units.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> • JLF does not plan any distributions in excess of earnings at this moment.
Other	<ul style="list-style-type: none"> • The forecasts assume that no revisions that impact the above projections are made to laws, regulations, tax rules, accounting standards, listing rules, the rules of The Investment Trust Association, Japan, or others. • The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions.

(2) Investment risks

For details of risks related to repayment of the borrowings, please refer to “Investment Risks” described on a Securities Report (Japanese) submitted on February 9, 2022.

2. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of January 31, 2022	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	9,427,724	7,047,114
Cash and deposits in trust	4,276,960	4,281,609
Operating accounts receivable	546,320	514,192
Prepaid expenses	7,221	5,322
Consumption taxes receivable	—	21,667
Other	260	51
Total current assets	14,258,488	11,869,958
Non-current assets		
Property, plant and equipment		
Buildings	19,731,032	19,669,903
Accumulated depreciation	-3,577,830	-3,313,414
Buildings, net	16,153,201	16,356,489
Structures	613,888	613,888
Accumulated depreciation	-155,978	-142,830
Structures, net	457,910	471,058
Tools, furniture and fixtures	19,516	19,516
Accumulated depreciation	-3,117	-1,701
Tools, furniture and fixtures, net	16,398	17,814
Land	13,486,139	13,486,139
Construction in progress	1,560,416	1,559,496
Buildings in trust	123,136,000	122,841,193
Accumulated depreciation	-33,408,583	-31,931,366
Buildings in trust, net	89,727,417	90,909,827
Structures in trust	3,484,786	3,484,786
Accumulated depreciation	-1,522,093	-1,462,022
Structures in trust, net	1,962,692	2,022,764
Tools, furniture and fixtures in trust	36,840	36,687
Accumulated depreciation	-24,359	-23,384
Tools, furniture and fixtures in trust, net	12,480	13,302
Land in trust	122,358,070	122,358,070
Total property, plant and equipment	245,734,727	247,194,963
Intangible assets		
Other	6,446	7,335
Total intangible assets	6,446	7,335
Investments and other assets		
Long-term prepaid expenses	274,025	285,395
Deferred tax assets	21	13
Guarantee deposits	10,020	10,020
Other	2,000	2,000
Total investments and other assets	286,067	297,428
Total non-current assets	246,027,242	247,499,727
Deferred assets		
Investment corporation bond issuance costs	56,313	60,667
Total deferred assets	56,313	60,667
Total assets	260,342,044	259,430,352

(Thousands of yen)

	As of January 31, 2022	As of July 31, 2021
Liabilities		
Current liabilities		
Operating accounts payable	921,272	633,686
Current portion of long-term borrowings	19,000,000	18,500,000
Distributions payable	6,134	7,354
Accrued expenses	1,173,351	1,142,611
Income taxes payable	1,054	877
Advances received	395,314	—
Derivatives liabilities	1,631,417	1,645,281
Other	—	59
Total current liabilities	23,128,545	21,929,870
Non-current liabilities		
Investment corporation bonds	13,700,000	13,700,000
Long-term borrowings	82,000,000	82,500,000
Leasehold and guarantee deposits received	1,359,682	1,276,637
Leasehold and guarantee deposits received in trust	5,367,494	5,303,500
Long-term deposits received	246,981	245,687
Derivatives liabilities	16,859	82,398
Total non-current liabilities	102,691,016	103,108,222
Total liabilities	125,819,561	125,038,093
Net assets		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	132,245,145	132,245,145
Deduction from unitholders' capital	-4,900,686	-4,900,686
Unitholders' capital, net	127,344,458	127,344,458
Surplus		
Voluntary retained earnings		
Reserve for reduction entry of special provisions of replaced property	2,219,363	2,219,363
Reserve for tax purpose reduction entry	566,543	997,768
Total voluntary retained earnings	2,785,907	3,217,132
Unappropriated retained earnings (undisposed loss)	4,408,975	3,913,125
Total surplus	7,194,883	7,130,257
Total unitholders' equity	134,539,341	134,474,716
Valuation and translation adjustments		
Deferred gains or losses on hedges	-16,859	-82,457
Total valuation and translation adjustments	-16,859	-82,457
Total net assets	134,522,482	134,392,258
Total liabilities and net assets	260,342,044	259,430,352

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
Operating revenue		
Lease business revenue	8,996,843	8,905,446
Other lease business revenue	272,277	249,096
Total operating revenue	9,269,121	9,154,542
Operating expenses		
Expenses related to rent business	3,504,248	3,918,842
Asset management fee	785,650	770,168
Asset custody fee	25,123	25,111
Administrative service fees	37,810	39,099
Directors' compensations	6,900	5,400
Other operating expenses	88,763	93,803
Total operating expenses	4,448,495	4,852,425
Operating profit	4,820,625	4,302,117
Non-operating income		
Interest income	21	29
Interest on refund	265	1,173
Reversal of distribution payable	509	945
Other	0	0
Total non-operating income	796	2,148
Non-operating expenses		
Interest expenses	303,217	293,701
Borrowing related expenses	38,083	31,572
Interest expenses on investment corporation bonds	63,742	60,063
Amortization of investment corporation bond issuance costs	4,353	3,921
Other	2,000	1,000
Total non-operating expenses	411,396	390,258
Ordinary profit	4,410,025	3,914,007
Profit before income taxes	4,410,025	3,914,007
Income taxes — current	1,058	882
Income taxes — deferred	-8	-0
Total income taxes	1,049	881
Profit	4,408,975	3,913,125
Retained earnings brought forward	—	—
Unappropriated retained earnings (undisposed loss)	4,408,975	3,913,125

(3) Statement of Changes in Net Assets

For the six-month period ended January 31, 2022

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus					Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings			Unappropriated retained earnings (undisposed loss)	Total surplus	
				Reserve for reduction entry of special provisions of replaced property	Reserve for tax purpose reduction entry	Voluntary retained earnings			
Balance at beginning of period	132,245,145	-4,900,686	127,344,458	2,219,363	997,768	3,217,132	3,913,125	7,130,257	134,474,716
Changes of items during period									
Reversal of reserve for tax purpose reduction entry					-431,224	-431,224	431,224	—	—
Dividends of surplus							-4,344,350	-4,344,350	-4,344,350
Profit							4,408,975	4,408,975	4,408,975
Net changes in items other than unitholders' equity									
Total of items changes during period	—	—	—	—	-431,224	-431,224	495,849	64,625	64,625
Balance at end of period	132,245,145	-4,900,686	127,344,458	2,219,363	566,543	2,785,907	4,408,975	7,194,883	134,539,341

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	-82,457	-82,457	134,392,258
Changes during period			
Reversal of reserve for tax purpose reduction entry			—
Dividends of surplus			-4,344,350
Profit			4,408,975
Net changes of items other than unitholders' equity	65,598	65,598	65,598
Total changes of items during period	65,598	65,598	130,223
Balance at end of period	-16,859	-16,859	134,522,482

For the six-month period ended July 31, 2021

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus					Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings			Unappropriated retained earnings (undisposed loss)	Total surplus	
				Reserve for reduction entry of special provisions of replaced property	Reserve for tax purpose reduction entry	Voluntary retained earnings			
Balance at beginning of period	132,245,145	-4,900,686	127,344,458	2,219,363	1,222,036	3,441,399	4,120,082	7,561,482	134,905,941
Changes of items during period									
Provision of reserve for tax purpose reduction entry					-224,267	-224,267	224,267	—	—
Dividends of surplus							-4,344,350	-4,344,350	-4,344,350
Profit							3,913,125	3,913,125	3,913,125
Net changes of items other than unitholders' equity									
Total changes of items during period	—	—	—	—	-224,267	-224,267	-206,957	-431,224	-431,224
Balance at end of period	132,245,145	-4,900,686	127,344,458	2,219,363	997,768	3,217,132	3,913,125	7,130,257	134,474,716

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	-95,189	-95,189	134,810,751
Changes during period			
Provision of reserve for tax purpose reduction entry			—
Dividends of surplus			-4,344,350
Profit			3,913,125
Net changes in items other than unitholders' equity	12,732	12,732	12,732
Total changes during period	12,732	12,732	-418,492
Balance at end of period	-82,457	-82,457	134,392,258

(4) Distribution Information

		(Yen)	
		For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
I.	Unappropriated retained earnings	4,408,975,524	3,913,125,701
II.	Reversal of voluntary retained earnings		
	Reversal of reserve for reduction entry	-	431,224,699
III.	Distributions	4,408,610,583	4,344,350,400
	(Distributions per unit)	(4,871)	(4,800)
IV.	Retained earnings to be carried forward	364,941	-
Method of calculation of distributions	<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on this policy, JLF decided to distribute 4,408,610,583 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (905,073 units) within the amount of unappropriated retained earnings.</p> <p>JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.</p>		<p>The amount of distribution is limited to the amount of income in accordance with the cash distribution policy stipulated in Article 39 (1) of the Articles of Incorporation of JLF, and shall exceed the amount equivalent to 90% of the distributable dividend amount of JLF provided in Article 67.15 of the Act on Special Measures Concerning Taxation. Based on this policy, JLF decided to distribute 4,344,350,400 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (905,073 units) and does not exceed the amount obtained by adding the reversal amount of the reserve for reduction entry to unappropriated retained earnings.</p> <p>JLF does not make distributions in excess of earnings as stipulated in Article 39 (2) of the Articles of Incorporation of JLF.</p>

(5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended July 31, 2021	For the six-month period ended January 31, 2021
Cash flows from operating activities		
Profit before income taxes	4,410,025	3,914,007
Depreciation	1,863,719	1,899,112
Amortization of investment corporation bond issuance costs	4,353	3,921
Interest income	-21	-29
Interest expenses	366,959	353,765
Loss on retirement of non-current assets	9,001	48,908
Decrease (increase) in operating accounts receivable	-32,128	60,402
Decrease (increase) in consumption taxes refund receivable	21,667	399,978
Increase (decrease) in accrued consumption taxes	395,314	—
Decrease (increase) in prepaid expenses	-1,898	1,857
Decrease (increase) in long-term prepaid expenses	11,369	20,927
Increase (decrease) in operating accounts payable	264,395	-198,111
Increase (decrease) in accrued expenses	22,864	299,548
Increase (decrease) in advances received	-13,864	16,171
Other, net	-718	-811
Subtotal	7,321,039	6,819,647
Interest income received	21	29
Interest expenses paid	-359,083	-345,986
Income taxes (paid) refund	-880	-881
Net cash provided by (used in) operating activities	6,961,096	6,472,809
Cash flows from investing activities		
Purchase of property, plant and equipment	-8,022	-4,685,186
Purchase of property, plant and equipment in trust	-380,383	-527,525
Proceeds from leasehold and guarantee deposits received	83,044	142,951
Repayments of leasehold and guarantee deposits received	—	-58,235
Proceeds from leasehold and guarantee deposits received in trust	63,993	62,101
Repayments of leasehold and guarantee deposits received in trust	—	-70,500
Net cash provided by (used in) investing activities	-241,367	-5,136,394
Cash flows from financing activities		
Proceeds from short-term borrowings	—	1,500,000
Repayments of short-term borrowings	—	-1,500,000
Proceeds from long-term borrowings	9,000,000	9,000,000
Repayments of long-term borrowings	-9,000,000	-11,000,000
Proceeds from issuance of investment corporation bonds	—	2,000,000
Payments of investment corporation bond issuance costs	—	-15,537
Distributions paid	-4,345,061	-4,345,305
Net cash provided by (used in) financing activities	-4,345,061	-4,360,843
Net increase (decrease) in cash and cash equivalents	2,374,667	-3,024,427
Cash and cash equivalents at beginning of period	11,137,659	14,162,087
Cash and cash equivalents at end of period	13,512,327	11,137,659

(6) Notes on Assumption of Going Concern

Not applicable to the six-month period ended January 31, 2022.

(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 71 years
Structures	2 to 48 years
Tools, furniture, and fixtures	2 to 15 years

B. Intangible assets

The straight-line method is used.

(ii) Accounting for deferred assets

Investment corporation bond issuance costs

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

(iii) Accounting for income and expenses

A. Accounting for property taxes

Concerning fixed property tax, city planning tax, depreciated asset tax, etc. on real estate, etc. owned, of the tax amount levied and determined, the method of accounting for the amount corresponding to the concerned fiscal period as expenses related to real estate leasing business is adopted.

In acquiring real estate or trust beneficiary rights that have real estate as assets in trust, the amount equivalent to fixed property taxes, etc. for the year of acquisition is included in the acquisition cost. The amount equivalent to fixed property tax, etc. included in the cost of acquisition of real estate, etc. was 16,113 thousand yen in the previous period and is not applicable in the current period.

B. Basis for recording revenues

The following is a description of the Fund's principal performance obligations with respect to revenue arising from contracts with customers and the normal point in time at which such performance obligations are satisfied (the normal point in time at which revenue is recognized).

(a) Sales of real estate and other assets

Revenue from sales of real estate and other assets is recognized when the customer, the buyer, obtains control of the real estate and other assets by fulfilling delivery obligations stipulated in the contract for the sale of real estate and other assets.

(b) Utility revenues

Utility expense revenues are recognized based on the electricity, water, and other supplies to the lessee, which is the customer, in accordance with the real estate lease contract and related agreements.

For those utilities revenues that the Fund has determined to be an agent, the Fund recognizes as revenues the net amount received as charges for electricity, water, etc. supplied by the other party, less the amount paid to such other party.

(iv) Hedge accounting method

A. Hedge accounting method

Deferred hedge accounting is applied.

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

B. Hedging method and hedging objective

Hedging method: Interest rate swap transactions

Hedged items: Interest on borrowings

C. Hedging policy

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

D. Method of assessing hedge effectiveness

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

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

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

(vi) Other significant basis for preparation of financial statements

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

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

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

(a) Cash and deposits in trust

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

(c) Tenant leasehold and security deposits in trust

B. Method of accounting for consumption taxes

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

(8) Notes to Changes in Accounting Policies

(Application of Accounting Standard for Revenue Recognition, etc.)

The "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as "Accounting Standard for Revenue Recognition") JLF has adopted the Accounting Standard for Revenue Recognition and others from the beginning of the current fiscal year, and recognizes revenue at the amount expected to be received in exchange for the promised goods or services when control of the promised goods or services is transferred to the customer.

The effect of this change on the financial statements for the current period is immaterial.

In accordance with the transitional treatment prescribed in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, the "Revenue Recognition-Related Notes" for the previous period are not presented.

(Application of Accounting Standard for Measurement of Fair Value)

Accounting Standard for Measurement of Fair Value" (ASBJ Statement No. 30, July 4, 2019. Hereafter referred to as "Accounting Standard for Calculation of Fair Value") and others were applied from the beginning of the current period, and the new accounting policies prescribed by the Accounting Standard for Calculation of Fair Value and others were applied prospectively in accordance with the transitional treatment prescribed in paragraph 19 of the Accounting Standard for Calculation of Fair Value Calculation and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019).

The impact of this change on the current year's financial statements is not material.

(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)	
	As of January 31, 2022	As of July 31, 2021
Total amount specified in the commitment line contracts	31,900,000	17,500,000
Loan balance at end of period	-	-
Outstanding loan commitments at end of period	31,900,000	17,500,000

(ii) Status of cancellation of Buybacks

	As of January 31, 2022	As of July 31, 2021
	19,927 units	19,927 units
	4,436,262 thousand yen	4,436,262 thousand yen

(Note) There are no cancelled buybacks during the six-month period under review.

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

Items	Breakdown	
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.	
	As of January 31, 2022	As of July 31, 2021
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)	
	As of January 31, 2022	As of July 31, 2021
	50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income from real estate leasing business

	(Thousands of yen)	
	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
(i) Real estate leasing business revenue		
Rent revenue-real estate		
Rent income	8,759,143	8,673,238
Land rents received	600	600
Facility charges	237,100	231,608
Other lease business revenue		
Parking charges	24,870	24,561
Utilities charges	229,686	189,310
Other operating income	17,721	35,224
Total real estate leasing business revenue	9,269,121	9,154,542
(ii) Real estate leasing business expenses		
Expenses related to rent business		
Taxes and dues	809,000	810,848
Outsourcing service expenses	277,244	263,620
Utilities expenses	224,106	181,358
Repair expenses	229,546	392,160
Insurance expenses	24,559	24,421
Other expenses related to rent business	67,348	92,299
Depreciation	1,862,831	1,898,224
Loss on retirement of non-current assets	9,610	255,908
Total real estate leasing business expenses	3,504,248	3,918,842
(iii) Income from real estate leasing business		
((i) - (ii))	5,764,872	5,235,700

[Notes to Statement of Changes in Net Assets]

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

	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	905,073 units	905,073 units

[Notes to Statement of Cash Flows]

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

	(Thousands of yen)	
	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
Cash and deposits	9,427,724	7,047,114
Cash and deposits in trust	4,276,960	4,281,609
Long-term deposits received (Note)	-192,357	-191,063
Cash and cash equivalents	13,512,327	11,137,659

(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)	
	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
Future lease payments receivable		
Due within one year	15,943,048	15,418,083
Due after one year	48,011,436	49,104,112
Total	63,954,484	64,522,196

[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.

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

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

C. Description of financial instruments

As certain assumptions are applied in performing calculation of Fair value of financial instruments, 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

Carrying amount, fair value and their differences as of January 31, 2022 are as follows. Notes to "Cash and bank deposits" and "Cash and bank deposits in trust" are omitted because the fair value approximates the book value due to cash and short-term settlements.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Current portion of long-term borrowings	19,000,000	19,065,419	65,419
(2) Investment corporation bond	13,700,000	13,927,787	227,787
(3) Long-term borrowings	82,000,000	83,020,824	1,020,824
Total liabilities	114,700,000	116,014,031	1,314,031
Derivative transactions *	(16,859)	(16,859)	-

*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

Carrying amount, fair value and their differences as of July 31, 2021 are as follows. Notes to "Cash and bank deposits" and "Cash and bank deposits in trust" are omitted because the fair value approximates the book value due to cash and short-term settlements.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Current portion of long-term borrowings	18,500,000	18,558,328	58,328
(2) Investment corporation bond	13,700,000	13,986,561	286,561
(3) Long-term borrowings	82,500,000	83,673,853	1,173,853
Total liabilities	114,700,000	116,218,743	1,518,743
Derivative transactions *	(82,457)	(82,457)	-

*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.

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

The fair value of long-term borrowings with fixed interest rates is calculated by discounting such borrowings at rates that would be applied if new borrowings with the same amount are borrowed under similar terms and conditions. (However, long-term borrowings that are subject to specially designated accounting for interest swaps are calculated by discounting such borrowings at reasonably estimated rates that would be applied if new borrowings 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) Lease and guarantee deposited and lease and guarantee deposited in trust are omitted due to immateriality.

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

As of January 31, 2022

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term borrowings	19,000,000	16,500,000	6,500,000	12,000,000	2,000,000	45,000,000
Investment corporation bond	-	-	-	3,000,000	-	10,700,000
Total	19,000,000	16,500,000	6,500,000	15,000,000	2,000,000	55,700,000

As of July 31, 2021

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term borrowings	18,500,000	17,000,000	15,500,000	6,500,000	2,500,000	41,000,000
Investment corporation bond	-	-	-	-	3,000,000	10,700,000
Total	18,500,000	17,000,000	15,500,000	6,500,000	5,500,000	51,700,000

[Notes to Investment Securities]

Not applicable to the six-month period ended January 31, 2022 and the six-month period ended July 31, 2021.

[Notes to Derivatives]

(i) Transactions not applicable to hedge accounting

Not applicable to the six-month period ended January 31, 2022 and the six-month period ended July 31, 2021.

(ii) Transactions applicable to hedge accounting

For the six-month period ended January 31, 2022

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	7,000,000	7,000,000	-16,859	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	6,000,000	*	-

* 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.

For the six-month period ended July 31, 2021

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	7,000,000	-82,457	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 six-month period ended January 31, 2022 and the six-month period ended July 31, 2021.

[Tax Effect Accounting]

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

	(Thousands of yen)	
	As of January 31, 2022	As of July 31, 2021
Deferred tax assets, current		
Enterprise tax not deductible	21	13
Deferred gains or losses on hedges	5,304	25,941
Subtotal deferred tax, current	5,325	25,954
Valuation Allowance	-5,304	-25,941
Total deferred tax assets, current	21	13
Deferred tax assets, net, current	21	13

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

	As of January 31, 2022	As of July 31, 2021
Effective statutory tax rate	31.46%	31.46%
Adjustments		
Deductible cash distributions	-31.45%	-34.92%
Reversal of reserve for reduction entry	-	3.47%
Other	0.01%	0.01%
Effective tax rate after applying tax effect accounting	0.02%	0.02%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the six-month period ended January 31, 2022 and the six-month period ended July 31, 2021, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the six-month period ended January 31, 2022 and the six-month period ended July 31, 2021.

(ii) Subsidiaries and affiliates

Not applicable to the six-month period ended January 31, 2022 and the six-month period ended July 31, 2021.

(iii) Sister companies

Not applicable to the six-month period ended January 31, 2022 and the six-month period ended July 31, 2021.

(iv) Directors and principal individual unitholders

For the six-month period ended January 31, 2022

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Naohiro Kameoka	-	-	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)	785,650 (Note 2)	Accrued expenses	864,215 (Note 2)

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

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

For the six-month period ended July 31, 2021

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Naohiro Kameoka	-	-	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)	787,738 (Note 2)	Accrued expenses	847,185 (Note 2)

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

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

[Notes July to Asset Write-off Obligations]

Not applicable to the six-month period ended January 31, 2022 and the six-month period ended July 31, 2021.

[Notes to Lease Properties]

JLF holds logistics properties for lease in the Tokyo Metropolitan area and other areas. The amounts on the Balance Sheet changes during the six-month period, and fair value of lease properties are as follows

	(Thousands of yen)	
	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
Amount on the balance sheet		
Balance at the beginning of the period	245,635,466	244,081,362
Changes during the period	-1,461,155	1,554,104
Balance at the end of the period	244,174,310	245,635,466
Fair value at the end of the period	383,180,000	364,920,000

(Note 1) The amount on the balance sheet is acquisition cost less accumulated depreciation. The amount on the balance sheet does not include the amount of the construction in progress.

(Note 2) The increase of the lease properties in the six-month period ended July 31, 2021 is mainly by the acquisition of Aisai Logistics Center (2,663,502 thousand yen).

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

The income concerning lease properties, etc. for the six-month period ended January 31, 2022 and the six-month period ended July 31, 2021 is indicated under "Notes to Statement of Income and Retained Earnings" above.

[Notes to Revenue Recognition]

(i) Information that breaks down revenue from contracts with customers

For the six-month period ended January 31, 2022

	(Thousands of yen)	
Hedge accounting method	Revenue from contracts with customers (Note)	Sales to external customers
Sale of real estate, etc.	-	-
Utility revenues	229,686	229,686
Other	-	9,039,435
Total	229,686	9,269,121

(Note) Rental business income and other income subject to ASBJ Statement No. 13 "Accounting Standard for Lease Transactions" is not included in "Revenue from Contracts with Customers" because the revenue recognition accounting standard does not apply to such income. Revenues from contracts with customers mainly include revenues from sales of real estate and utilities.

(ii) Information that provides a basis for understanding revenue from contracts with customers.

For the six-month period ended January 31, 2022, as described in the Notes to Significant Accounting Policies.

(iii) Information about the relationship between the satisfaction of performance obligations under contracts with customers and cash flows from such contracts, and the amount and timing of revenue expected to be recognized in subsequent periods from contracts with customers that existed at the end of the current period.

A. Outstanding contract assets and liabilities, etc.

	(Thousands of yen)
Hedge accounting method	For the six-month period ended January 31, 2022
Receivables arising from contracts with customers (beginning balance)	48,737
Receivables arising from contracts with customers (ending balance)	51,063
Contract assets (beginning balance)	-
Contract assets (ending balance)	-

Contractual liability (beginning balance)	-
Contract liabilities (ending balance)	-

B. Transaction price allocated to remaining performance obligations

Not applicable.

JLF has the right to receive from the customer the amount of consideration that directly corresponds to the value to the customer, the lessee, for the portion of the performance completed by the end of the fiscal year, and therefore, in accordance with Paragraph 19 of the Implementation Guidance of the Accounting Standard for Revenue Recognition, the Company has recognized revenue at the amount it has the right to claim. The Company recognizes the following Accordingly, the provisions of paragraph 80-22(2) of the Accounting Standard for Revenue Recognition have been applied and the transaction price allocated to the remaining performance obligations has not been included in the notes.

[Segment Information]

(i) Segment information

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

(ii) Related information

For the six-month period ended January 31, 2022

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.

For the six-month period ended July 31, 2021

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]

	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
Net assets per unit	148,631yen	148,487yen
Profit per unit	4,871yen	4,323yen

(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.

	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2021
Profit	4,408,975	3,913,125
Amount not attributable to common unitholders	-	-
Profit pertaining to common investment units	4,408,975	3,913,125
Average number of investment units during period	905,073 units	905,073 units

(Thousands of yen)

[Notes to Significant Subsequent Events]

The following is a list of significant events that have occurred in JLF since the end of the current period (January 31, 2022).

Issue of new investment units

At the Board of Directors meeting held on February 9, 2022, JLF resolved to issue new investment units, and payment for the issuance of new investment units by public offering was completed on February 21, 2022. As a result, 8,314,024,778 yen was raised and the entire amount was used as unitholders' capital, bringing the total unitholders' capital to 135,658,483,378 yen and the total number of investment units issued to 934,000 units as of February 21, 2022.

<Issuance of new investment units by public offering>

Number of new investment units issued: 28,927 units

Total Issue Price (Offering Price): 8,603,757,610 yen (297,430 yen per unit)

Total issue price (paid-in amount): 8,314,024,778 yen (287,414 yen per unit)

Payment date: February 21, 2022

Date of distribution : February 1, 2022

<Use of Funds>

The acquisition of the Kuki Logistics Center (44.5% quasi co-ownership interest), which is a real estate trust beneficiary right as described in the "Notice Concerning Acquisition of New Assets " released on February 9, 2022, and the acquisition of the Urayasu Logistics Center Redevelopment Project as described in the " Notice Concerning Redevelopment Project of Urayasu Logistics Center" released on September 14, 2020, and the acquisition of the Kuki Logistics Center in 2022. The funds will be used to partially pay for the construction work associated with the redevelopment of the Urayasu Logistics Center as described in the " Notice Concerning Status of Redevelopment Project of Urayasu Logistics Center " released on February 9, 2022, as well as for the acquisition of the real estate trust beneficiary interests in the "Notice Concerning Acquisition of Trust Beneficiary Interests in Domestic Real Estate" released on February 9, 2022. The funds will be used for the acquisition of "Itabashi Logistics Center", which will reduce the amount of cash on hand.

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

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

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

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

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

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

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

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

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

3. Reference Information**(1) Asset composition of JLF**

Composition of Assets						
Type of assets	Use of assets	Region (Note 2)	As of January 31, 2022		As of July 31, 2021	
			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	11,126	4.3	11,210	4.3
		Osaka Area, Nagoya Area and Fukuoka Area	17,420	6.7	17,537	6.8
		Other Areas	1,566	0.6	1,583	0.6
	Subtotal		30,113	11.6	30,331	11.7
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	195,871	75.2	197,126	76.0
		Osaka Area, Nagoya Area and Fukuoka Area	17,266	6.6	17,247	6.6
		Other Areas	922	0.4	929	0.4
	Subtotal		214,060	82.2	215,303	83.0
Deposits and other assets (Note 5)			16,167	6.2	13,794	5.3
Total assets			260,342	100.0	259,430	100.0

(Note 1) Descriptions under "3. Reference Information" are effective as of January 31, 2022, 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 six-month 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 4,276 million yen for the six-month period ended January 31, 2022 and of 4,281 million yen for the six-month period ended July 31, 2021.

<Area classification>

Area classification	Region
Tokyo Metropolitan Area	Tokyo, Kanagawa, Chiba and Saitama
Osaka Area	Osaka, Hyogo and Kyoto
Nagoya Area	Aichi, Gifu and Mie
Fukuoka Area	Fukuoka and Saga
Other Areas	Other than above

	As of January 31, 2022		As of July 31, 2021	
	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	125,819	48.3	125,038	48.2
Total net assets	134,522	51.7	134,392	51.8
Total assets	260,342	100.0	259,430	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 (Acquisition price, etc.)

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-2	Urayasu	Trust beneficiary right of real estate	2,469 (Note 5)	2,498	15,300 (Note 6)	0.9
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,236	1,890	0.5
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,159	3,900	0.9
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	4,852	10,200	2.2
M-6	Funabashi Nishiura	Trust beneficiary right of real estate	5,700	4,059	7,770	2.1
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,313	12,600	4.0
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,414	2,370	0.6
M-11	Yachiyo	Trust beneficiary right of real estate	7,892 (Note 7)	7,046	13,100	2.9
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	7,614	12,100	3.6
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	3,716	8,360	2.0
M-14	Urayasu Chidori II	Real estate	1,640	1,390	1,850	0.6
M-15	Ichikawa	Real estate	4,550	4,027	6,180	1.7
M-16	Shinonome (Note 8)	Trust beneficiary right of real estate	11,800	11,121	15,100	4.3
M-17	Narashino II (Note 8)	Trust beneficiary right of real estate	7,875	6,071	11,100	2.9
M-18	Ichikawa II (Note 8)	Trust beneficiary right of real estate	17,415	14,994	24,700	6.4
M-19	Souka	Trust beneficiary right of real estate	14,440 (Note 9)	13,237	18,300	5.3
M-20	Tatsumi	Trust beneficiary right of real estate	9,000	8,152	14,700	3.3
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,262	4,850	1.4
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	7,763	11,400	3.2
M-23	Kashiwa II	Trust beneficiary right of real estate	3,795 (Note 10)	3,612	4,550	1.4
M-24	Shin-Koyasu (Note 8)	Trust beneficiary right of real estate	9,696	8,777	12,800	3.6

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-25	Misato	Trust beneficiary right of real estate	3,873	3,432	5,150	1.4
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	7,135	12,100	3.0
M-27	Chiba Kita	Real estate	1,459	1,747	2,560	0.5
M-28	Chiba Kita II	Trust beneficiary right of real estate	4,608	4,453	6,470	1.7
M-29	Urayasu Chidori III	Trust beneficiary right of real estate	1,053	1,031	1,590	0.4
M-30	Zama	Trust beneficiary right of real estate	1,728	1,723	2,540	0.6
M-31	Shinkiba II	Trust beneficiary right of real estate	15,270	14,929	20,200	5.6
M-32	Yokohama Machida	Trust beneficiary right of real estate	25,452	24,820	27,900	9.4
M-34	Shiroi	Real estate	3,875	3,961	5,130	1.4
M-35	Toda	Trust beneficiary right of real estate	2,052	2,014	2,470	0.8
M-36	Ichikawa III	Trust beneficiary right of real estate	3,850	3,799	5,540	1.4
M-37	Fujisawa	Trust beneficiary right of real estate	4,305	4,199	4,530	1.6
M-38	Hanyu	Trust beneficiary right of real estate	1,705	1,344	1,990	0.6
M-39	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,111	5,090	1.5
M-40	Kazo	Trust beneficiary right of real estate	3,790	2,969	5,200	1.4
Subtotal for the Tokyo Metropolitan Area			231,326	206,998	321,580	85.2
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 11)	8,952	19,800	3.6
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,259	6,980	1.5
T-3	Kiyosu	Real estate	3,010 (Note 12)	2,802	5,790	1.1
T-4	Kadoma	Real estate	989	1,007	1,680	0.4
T-5	Komaki	Real estate	2,100	1,779	2,140	0.8
T-6	Komaki II	Real estate	1,800	1,658	1,700	0.7
T-7	Fukuoka Hakozaiki Futo	Trust beneficiary right of real estate	2,797	2,595	3,900	1.0
T-9	Fukuoka Kashiihama	Trust beneficiary right of real estate	2,750	2,459	3,690	1.0
T-10	Kasugai	Real estate	3,500 (Note 13)	3,401	5,040	1.3
T-11	Takatsuki	Real estate	1,560	1,559	1,820	0.6

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
T-12	Aisai	Real estate	2,510	2,646	2,910	0.9
T-13	Osaka Nishiyodogawa	Real estate	2,600	2,564	2,820	1.0
Subtotal for Osaka Area, Nagoya Area and Fukuoka Area			37,475	34,686	58,270	13.8
O-1	Maebashi	Trust beneficiary right of real estate	1,230	922	1,330	0.5
O-5	Sendaiko-kita	Real estate	1,600	1,566	2,000	0.6
Subtotal for other Areas			2,830	2,489	3,300	1.0
Portfolio total			271,631	244,174	383,180	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)
T-14	Amagasaki	Trust beneficiary right of real estate	4,467 (Note 15)	—	4,780 (Note 6)	—

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

(Note 2) Acquisition price and book value are rounded down to the nearest million yen. The book value does not include the construction in progress.

(Note 3) Appraisal value, as a general rule, at end of period indicates appraisal value calculated based on the balance sheet date defined by Tanizawa Sōgō Appraisal Co., Ltd., Daiwa Real Estate Appraisal Co., Ltd. Japan Real Estate Institute, CBRE, Inc., JLL Morii Valuation & Advisory K.K. and Japan Valuers Co., Ltd. as the date of value estimate in accordance with the asset evaluation methods and standards specified under the Articles of Incorporation of JLF as well as the rules set forth by the Investment Trusts Association, Japan.

(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 amount is calculated by subtracting 432 million yen, the amount equivalent to the building that was demolished in December 2020, from the acquisition price of 2,902 million yen stated in the original purchase agreement.

(Note 6) Since the building has not been completed as of the date of valuation, an appraisal of the uncompleted building was conducted in accordance with the Real Estate Appraisal Standards, and the amount based on such appraisal is stated.

(Note 7) The amount is calculated by subtracting 603 million yen, the amount equivalent to the building that was demolished in July 2013, from the acquisition price of 2,266 million yen stated in the original purchase agreement, and adding 6,230 million yen, the construction price for the redevelopment of the building.

(Note 8) 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 9) The figure is the sum of the acquisition prices on March 27, 2012 and February 6, 2017.

(Note 10) The figure is the sum of the acquisition prices on September 20, 2013 and March 1, 2018.

(Note 11) The amount is calculated by subtracting 291 million yen, the amount equivalent to the building that was demolished in July 2009, from the acquisition price of 7,617 million yen stated in the original purchase agreement, and adding 2,437 million yen, the construction price of the redeveloped Warehouse III.

(Note 12) The amount is the sum of the acquisition price of 685 million yen stated in the original purchase agreement and the construction price of 2,325 million yen for the redevelopment of the building.

(Note 13) The amount is calculated by adding the acquisition price of 2,670 million yen for the building newly constructed through the redevelopment project to the acquisition price of 830 million yen stated in the original purchase agreement.

(Note 14) Sales contracts for real estate, etc. fall under forward commitments, etc. as defined in the "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." established by the Financial Services Agency.

- (Note 15) The sales price is the amount stipulated in the trust beneficiary interests purchase agreement for the acquisition of Amagasaki Logistics Center. Such purchase price may be subject to change in the event that the amount of fixed property tax and city planning tax on the said property after completion of construction changes from the amount assumed at the time of execution of the said purchase agreement.

B. The outline of portfolio properties (The status of leasing of real estate properties, etc.)

Property Number	Name of the Logistics Center	Total leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-2	Urayasu (Note 4)	-	-	-	0.0	-
M-3	Hiratsuka	11,418.57	11,418.57	1	100.0	(Note 5) 21.1
M-4	Shinkiba	11,595.40	11,595.40	1	100.0	17.6
M-5	Urayasu Chidori	31,829.55	31,829.55	1	100.0	13.8
M-6	Funabashi Nishiura	34,723.80	34,723.80	3	100.0	7.1
M-8	Kawasaki	46,667.00	46,667.00	1	100.0	14.6
M-9	Narashino	4,123.60	4,123.60	1	100.0	11.3
M-11	Yachiyo	56,882.98	56,882.98	2	100.0	1.7
M-12	Yokohama Fukuura	40,160.35	40,160.35	3	100.0	16.3
M-13	Yachiyo II	32,389.75	32,389.75	1	100.0	7.6
M-14	Urayasu Chidori II	6,192.80	6,192.80	1	100.0	13.1
M-15	Ichikawa	18,735.76	18,735.76	1	100.0	11.8
M-16	Shinonome (Note 6)	24,380.84	24,380.84	1	100.0	14.4
M-17	Narashino II (Note 6)	43,508.54	43,508.54	1	100.0	11.1
M-18	Ichikawa II (Note 6)	67,065.02	67,065.02	2	100.0	4.2
M-19	Souka	55,300.10	55,300.10	3	100.0	12.7
M-20	Tatsumi	29,810.84	29,810.84	1	100.0	14.6
M-21	Kashiwa	20,550.73	20,550.73	1	100.0	9.7
M-22	Musashimurayama	40,884.25	40,884.25	1	100.0	11.9
M-23	Kashiwa II	50,159.55	50,159.55	1	100.0	7.1
M-24	Shin-Koyasu (Note 6)	36,251.63	36,251.63	2	100.0	11.4
M-25	Misato	19,405.45	19,405.45	1	100.0	10.9
M-26	Sagamihara	42,733.37	42,733.37	1	100.0	12.3
M-27	Chiba Kita	13,865.11	13,865.11	1	0.0	8.4
M-28	Chiba Kita II	25,595.13	25,595.13	1	100.0	6.8
M-29	Urayasu Chidori III	5,587.80	5,587.80	1	100.0	10.9
M-30	Zama	9,352.06	9,352.06	1	100.0	11.8
M-31	Shinkiba II	41,270.00	41,270.00	3	100.0	11.3
M-32	Yokohama Machida	65,657.14	65,657.14	6	100.0	12.2
M-34	Shiroi	25,653.79	25,653.79	1	100.0	9.4

Property Number	Name of the Logistics Center	Total leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-35	Toda	7,219.40	7,219.40	1	100.0	11.7
M-36	Ichikawa III	24,740.88	24,740.88	1	100.0	10.9
M-37	Fujisawa	16,443.72	16,443.72	1	100.0	12.3
M-38	Hanyu	5,919.53	5,919.53	1	100.0	11.6
M-39	Saitama Kisai	24,574.14	24,574.14	1	100.0	10.5
M-40	Kazo	25,189.47	25,189.47	1	100.0	9.5
Subtotal for the Tokyo Metropolitan Area		1,015,838.05	1,015,838.05	51	100.0	-
T-1	Daito	97,390.99	97,390.99	1	100.0	12.9
T-2	Osaka Fukuzaki	23,736.68	23,736.68	1	100.0	14.1
T-3	Kiyosu	20,438.09	20,438.09	1	100.0	10.0
T-4	Kadoma	7,416.19	7,416.19	1	100.0	13.3
T-5	Komaki	9,486.45	9,486.45	1	100.0	8.7
T-6	Komaki II	11,104.45	11,104.45	1	100.0	8.3
T-7	Fukuoka Hakozaiki Futo	24,463.69	24,463.69	1	100.0	1.0
T-9	Fukuoka Kashiihama	21,217.48	21,217.48	2	100.0	1.0
T-10	Kasugai	22,246.29	22,246.29	1	100.0	8.9
T-11	Takatsuki	7,305.33	7,305.33	1	100.0	9.5
T-12	Aisai	13,852.46	13,852.46	1	100.0	11.5
T-13	Osaka Nishiyodogawa	10,213.81	10,213.81	1	100.0	10.2
Subtotal for Osaka Area, Nagoya Area and Fukuoka Area		268,871.91	268,871.91	13	100.0	-
O-1	Maebashi	5,416.42	5,416.42	1	100.0	9.0
O-5	Sendaiko-kita	10,634.24	10,634.24	1	100.0	10.6
Subtotal for other Areas		16,050.66	16,050.66	2	100.0	-
Portfolio total		1,300,760.62	1,300,760.62	66	100.0	8.4

(Note 1) The total leasable area is calculated based on the leased area for the building described in the lease agreement for each property. The same applies to the information provided in “3. Reference Information” here.

(Note 2) The leased area is the sum of the leased floor area of the building as stated in the lease agreement for each property. The same applies to the information provided in “3. Reference Information” here.

(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) A redevelopment project to construct a new building has begun in September 2020.

(Note 5) Earthquake insurance is secured as the PML value exceeds 20%.

(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%

(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	1,015,838.05	78.1	231,326	85.2
Osaka Area, Nagoya Area and Fukuoka Area	268,871.91	20.7	37,475	13.8
Other Areas	16,050.66	1.2	2,830	1.0
Total	1,300,760.62	100.0	271,631	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	17	34.0	177,785	65.5
Over 10,000 m ² but 30,000 m ² or less	22	44.0	75,629	27.8
10,000 m ² or less	11	22.0	18,216	6.7
Total	50	100.0	271,631	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	92,260.39	7.1	1,346	7.7
Over 5 years but within 10 years	241,376.72	18.6	3,243	18.4
Over 3 years but within 5 years	352,990.10	27.1	5,169	29.4
Within 3 years	614,133.41	47.2	7,819	44.5
Total	1,300,760.62	100.0	17,578	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 six-month period ended July 31, 2021 of real estate, etc. owned by JLF.

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

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

(Millions of yen)

Property No.	M-2	M-3	M-4	M-5	M-6
Name of real estate, etc.	Urayasu Logistics Center	Hiratsuka Logistics Center	Shinkiba Logistics Center	Urayasu Chidori Logistics Center	Funabashi Nishiura Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	-	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Rent revenue - real estate	-				
Other lease business revenue	-				
(ii) Total real estate leasing business expenses	8				
Taxes and dues	7				
Outsourcing service expenses	-				
Utilities expenses	-				
Repair expenses	-				
Insurance expenses	-				
Other expenses related to rent business	0				
Depreciation and amortization	-	10	14	37	43
Loss on write-off of noncurrent assets	0	-	0	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	-8	41	36	176	119
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	-7	51	51	214	163
(v) Capital expenditure	-	-	35	-	5
(vi) NCF (= (iv) - (v))	-7	51	16	214	158

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

(Millions of yen)

Property No.	M-8	M-9	M-11	M-12	M-13
Name of real estate, etc.	Kawasaki Logistics Center	Narashino Logistics Center	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center	Yachiyo Logistics Center II
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	Not disclosed (Note)	60	Not disclosed (Note)	Not disclosed (Note)	193
Rent revenue - real estate		60			193
Other lease business revenue		-			-
(ii) Total real estate leasing business expenses		14			60
Taxes and dues		4			13
Outsourcing service expenses		0			0
Utilities expenses		-			0
Repair expenses		0			0
Insurance expenses		0			0
Other expenses related to rent business		0			0
Depreciation and amortization	79	8	79	55	44
Loss on write-off of noncurrent assets	-	-	0	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	206	46	180	230	133
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	286	54	261	286	178
(v) Capital expenditure	-	-	1	-	9
(vi) NCF (= (iv) - (v))	286	54	259	286	169

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

(Millions of yen)

Property No.	M-14	M-15	M-16	M-17	M-18
Name of real estate, etc.	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)	Ichikawa Logistics Center II (Note 1)
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	Not disclosed (Note 2)	Not disclosed (Note 2)	355	Not disclosed (Note 2)	Not disclosed (Note 2)
Rent revenue - real estate			354		
Other lease business revenue			0		
(ii) Total real estate leasing business expenses			80		
Taxes and dues			27		
Outsourcing service expenses			0		
Utilities expenses			-		
Repair expenses			14		
Insurance expenses			0		
Other expenses related to rent business			0		
Depreciation and amortization	11	27	36	77	107
Loss on write-off of noncurrent assets	0	0	1	2	0
(iii) Income from real estate leasing business (= (i) - (ii))	31	81	274	150	381
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	42	108	311	230	489
(v) Capital expenditure	3	2	36	5	9
(vi) NCF (= (iv) - (v))	39	105	274	225	479

(Note 1) Figures for joint ownership are indicated.

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

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

(Millions of yen)

Property No.	M-19	M-20	M-21	M-22	M-23
Name of real estate, etc.	Souka Logistics Center	Tatsumi Logistics Center	Kashiwa Logistics Center	Musashi murayama Logistics Center	Kashiwa Logistics Center II
Number of days under management	184	184	184	184	184
(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	118	44	39	46	36
Loss on write-off of noncurrent assets	-	-	0	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	262	205	73	202	99
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	380	250	112	249	136
(v) Capital expenditure	-	-	12	6	2
(vi) NCF (= (iv) - (v))	380	250	100	243	133

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

(Millions of yen)

Property No.	M-24	M-25	M-26	M-27	M-28
Name of real estate, etc.	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center	Sagamihara Logistics Center	Chiba Kita Logistics Center	Chiba Kita Logistics Center II
Number of days under management	184	184	184	184	184
(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	58	29	73	24	31
Loss on write-off of noncurrent assets	-	0	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	195	83	149	0	95
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	254	112	222	24	126
(v) Capital expenditure	0	0	-	17	16
(vi) NCF (= (iv) - (v))	253	111	222	7	110

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

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

(Millions of yen)

Property No.	M-29	M-30	M-31	M-32	M-34
Name of real estate, etc.	Urayasu Chidori Logistics Center III	Zama Logistics Center	Shinkiba Logistics Center II	Yokohama Machida Logistics Center	Shiroi Logistics Center
Number of days under management	184	184	184	184	184
(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)
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	5	8	84	93	44
Loss on write-off of noncurrent assets	-	0	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	32	51	292	380	61
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	37	60	376	474	106
(v) Capital expenditure	-	2	-	0	-
(vi) NCF (= (iv) - (v))	37	57	376	473	106

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

Property No.	M-35	M-36	M-37	M-38	M-39
Name of real estate, etc.	Toda Logistics Center	Ichikawa Logistics Center III	Fujisawa Logistics Center	Hanyu Logistics Center	Saitama Kisai Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	59	Not disclosed (Note)
Rent revenue – real estate				59	
Other lease business revenue				-	
(ii) Total real estate leasing business expenses				17	
Taxes and dues				3	
Outsourcing service expenses				0	
- Utilities expenses				-	
Repair expenses				1	
Insurance expenses				0	
Other expenses related to rent business				0	
Depreciation and amortization	14	22	30	7	25
Loss on write-off of noncurrent assets	-	-	-	2	-
(iii) Income from real estate leasing business (= (i) – (ii))	33	106	65	41	97
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	48	128	95	52	123
(v) Capital expenditure	-	-	-	12	3
(vi) NCF (= (iv) – (v))	48	128	95	40	119

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

Property No.	M-40	T-1	T-2	T-3	T-4
Name of real estate, etc.	Kazo Logistics Center	Daito Logistics Center	Osaka Fukuzaki Logistics Center	Kiyosu Logistics Center	Kadoma Logistics Center
Number of days under management	184	184	184	184	184
(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	44	91	20	33	10
Loss on write-off of noncurrent assets	-	0	-	-	-
(iii) Income from real estate leasing business (= (i) – (ii))	68	386	127	97	31
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	112	478	147	130	41
(v) Capital expenditure	-	179	-	-	16
(vi) NCF (= (iv) – (v))	112	298	147	130	24

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

(Millions of yen)

Property No.	T-5	T-6	T-7	T-9	T-10
Name of real estate, etc.	Komaki Logistics Center	Komaki II Logistics Center	Fukuoka Hakozaiki Futo Logistics Center	Fukuoka Kashiikama Logistics Center	Kasugai Logistics Center
Number of days under management	184	184	184	184	184
(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	15	17	26	27	36
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) – (ii))	35	29	55	46	76
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	51	47	81	73	113
(v) Capital expenditure	-	19	-	5	-
(vi) NCF (= (iv) – (v))	51	27	81	68	113

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

(Millions of yen)

Property No.	T-11	T-12	T-13	O-1	O-5
Name of real estate, etc.	Takatsuki Logistics Center	Aisai Logistics Center	Osaka Nishiyodogawa Logistics Center	Maebashi Logistics Center	Sendaiko-kita Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	43	Not disclosed (Note)
Rent revenue – real estate				43	
Other lease business revenue				-	
(ii) Total real estate leasing business expenses				19	
Taxes and dues				2	
Outsourcing service expenses				0	
Utilities expenses				-	
Repair expenses				7	
Insurance expenses				0	
Other expenses related to rent business				0	
Depreciation and amortization	10	20	12	7	16
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) – (ii))	27	55	43	24	44
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	38	76	56	32	60
(v) Capital expenditure	3	-	-	-	-
(vi) NCF (= (iv) – (v))	34	76	56	32	60

(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
Shinonome Logistics Center (Koto, Tokyo)	Rooftop and outer wall waterproofing, and greening work	From October, 2020 to August, 2022	186	125	125
Daito Logistics Center (Daito, Osaka)	Remodeling work of Warehouse I	From April, 2020 to August, 2022	734	146	403
Chiba Kita Logistics Center (Chiba, Chiba)	Roof fluorine coating work	January, 2023	59	-	-
Maebashi Logistics Center (Maebashi, Gunma)	Air conditioner renewal work	June, 2022	11	-	-
Osaka Fukuzaki Logistics Center (Osaka, Osaka)	Waterproof fortification of the south exterior wall	July, 2022	33	-	-
Komaki Logistics Center II (Komaki, Aichi)	Elevator renewal work	March, 2022	26	-	-
Komaki Logistics Center II (Komaki, Aichi)	Shutter facility repair work	January, 2023	21	-	-

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

(ii) Capital expenditure during the six-month period

The following provides a summary of major construction work applicable to capital expenditure performed during the six-month period in connection with the real estate, etc. owned by JLF.

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note 1)
Shinkiba Logistics Center (Koto, Tokyo)	Waterproof fortification of the outer wall of the south and west face	January, 2022	23
Daito Logistics Center (Daito, Osaka)	Remodeling work of Warehouse I (Note 2)	January, 2022	178
Kadoma Logistics Center (Kadoma, Osaka)	Waterproofing work on the roof	January, 2022	16
Komaki Logistics Center II (Komaki, Aichi)	Shutter facility repair work	January, 2022	19

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

(Note 2) Of the total amount of construction work scheduled to be carried out over the period from April 2020 to August 2022, the amount of work completed in the six-month period ending January 2022 is shown.

(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 January 31, 2022.

Name of tenant	Name of real estate, etc.	Leased area (m ²)	Lease ratio (%) (Note 1)
Nakano Shokai co., Ltd.	Kashiwa Logistics Center II	137,615.49	10.6
	Tatsumi Logistics Center		
	Fukuoka Hakozaki Futo Logistics Center		
	Fukuoka Kashiihama Logistics Center		
	Shinkiba Logistics Center		
	Shinkiba Logistics Center II		
SETTSU WAREHOUSE Co., Ltd.	Daito Logistics Center	119,637.28	9.2
	Kasugai Logistics Center		
SBS RICOH LOGISTICS SYSTEM Co., Ltd.	Osaka Fukuzaki Logistics Center	62,333.57	4.8
	Shin-Koyasu Logistics Center (Note 2)		
	Souka Logistics Center		
SAGAWA EXPRESS CO., LTD.	Hanyu Logistics Center	57,376.56	4.4
	Yokohama Fukuura Logistics Center		
	Narashino Logistics Center		
	Shin-Koyasu Logistics Center (Note 2)		
	Maebashi Logistics Center		
	Shinonome Logistics Center (Note 2)		
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,874.96	4.0
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	46,667.00	3.6
MITSUI-SOKO LOGISTICS Co.,Ltd.	Narashino Logistics Center II (Note 2)	43,508.54	3.3
Hitachi Transport System Metropolitan Co., Ltd.	Yachiyo Logistics Center	43,032.60	3.3
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	42,733.37	3.3
VANTEC CORPORATION	Musashi Murayama Logistics Center	40,884.25	3.1
Total for all tenants		1,300,760.62	100.0

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

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

Shinonome Logistics Center II: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

Shin-Koyasu Logistics Center: 51%