

# REIT Financial Report for the six-month period ended July 31, 2022 (The 34th Period)

September 13, 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

Name of asset management company: Mitsui & Co., Logistics Partners Ltd.  
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Scheduled date for submission of Securities Report: October 28, 2022

Scheduled date for commencing dividend payments: October 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 July 31, 2022 (The 34th Period from February 1, 2022 to July 31, 2022)

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
	Millions of	%	Millions of	%	Millions of	%	Millions of	%
July 31, 2022	9,613	3.7	5,090	5.6	4,628	5.0	4,627	5.0
January 31, 2022	9,269	1.3	4,820	12.1	4,410	12.7	4,408	12.7

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
July 31, 2022	4,971	3.3	1.7	48.1
January 31, 2022	4,871	3.3	1.7	47.6

### (2) Dividends

	Dividends per Unit (excluding Distributions in excess of earnings)	Total Dividends (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
Period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
July 31, 2022	4,955	4,627	-	-	100.0	3.3
January 31, 2022	4,871	4,408	-	-	99.9	3.3

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

### (3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
	Millions of yen	Millions of yen	%	Yen
July 31, 2022	273,789	143,074	52.3	153,185
January 31, 2022	260,342	134,522	51.7	148,631

### 4) Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
July 31, 2022	5,857	-15,846	8,865	12,389
January 31, 2022	6,961	-241	-4,345	13,512

2. Forecasts for the six-month period ending January 2023 (the 35th Period from August 1, 2022 to January 31, 2023) and the six-month period ending July 2023 (the 36th Period from February 1, 2023 to July 31, 2023)

(% represents change from the previous period)

Period ended	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
January 31, 2023	10,084	4.9	5,282	3.8	4,848	4.7	4,847	4.7	5,190	-
July 31, 2023	10,118	0.3	5,218	-1.2	4,792	-1.2	4,791	-1.2	5,130	-

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

July 31, 2023: 5,130 yen

**\* Other**

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

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

(2) Number of investment units issued and outstanding

(i) Number of investment units (including treasury investment units) issued and outstanding at the end of each period

July 31, 2022: 934,000 units January 31, 2022: 905,073 units

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

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

(Note) For the number of investment units serving as the basis of calculation of net income per unit, please refer to "Per Unit Information" on page 32

\* 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 July 31, 2022 (The 34th 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 July 31, 2022 (the end of the 34th Period), JLF owns 52 properties under management with a total acquisition price of 284,314 million yen and total assets of 273,789 million yen.

##### B. Investment Environment and Management Performance

During the period under review, the Japanese economy gained recovery momentum in the face of rising prices for natural resources as the effects of the COVID-19 pandemic eased. Overall, corporate earnings remained high, and capital investments recovered despite weakness in some sectors. Furthermore, the projected inflation rate is rising as consumer prices (excluding fresh foods) increased about 2% compared to last year, driven mainly by higher energy and food prices.

Mainly in the Tokyo Metropolitan Area, demand for space in the logistics leasing market continued to enjoy strong bottom support driven by e-commerce players, manufacturers bolstering online sales and supermarkets. Meanwhile, the high level of new supply has caused the balance between supply and demand to soften somewhat compared to the previous fiscal period.

Amid this environment, JLF continues to pursue stability and sustainable growth in DPU and NAVPU. Since the beginning of the period under review, external growth has been driven by acquisitions of the Itabashi Logistics Center (Acquisition price: 4,105 million yen. Appraisal NOI yield: 4.2%) in February 2022 and the Kuki Logistics Center (Quasi-co-ownership stake: 44.5%. Acquisition price: 8,577 million yen. Appraisal NOI yield (Note 1): 4.2%) in March 2022. Additionally, the OBR (Own Book Redevelopment) (Note 2) of Urayasu Logistics Center (Note 3) (Acquisition price: 8,781 million yen. Appraisal NOI yield: 6.9%), which began in September 2020, completed in July 2022. Meanwhile, portfolio operations remained favorable as the occupancy rate posted 100.0% as of the end of the period under review. Furthermore, strong internal growth was achieved as multiple existing properties had leases that were renewed at higher rents.

Moreover, in terms of ESG, following the acquisition of GRESB’s highest 5-star rating for the GRESB (Note 4) Real Estate Evaluation, JLF acquired an AA rating, the highest rating among J-REITs for the MSCI ESG ratings (Note 5).

JLF expects to achieve its current DPU target of 5,000 yen under its ACTIVE Asset Management strategy, thanks to initiatives aimed at external growth and strength in internal growth.

(Note 1) Appraisal NOI yield = Appraisal NOI\* / planned acquisition price  
(rounded to the first decimal point)

\*“Appraisal NOI” refers to the net operating income (i.e., the amount obtained by deducting operating expenses from operating revenues) using the direct capitalization approach as stated in each real estate appraisal report, and is the income before depreciation is deducted. Appraisal NOI differs from NCF, which is the amount after adding investment gain such as security deposits and deducting capital expenditures. The same applies hereinafter.

(Note 2) “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 hereinafter.

(Note 3) The acquisition price and appraisal NOI yield for Urayasu Logistics Center are assumptions as of February 9, 2022 and differ from actual figures. As of March 13, 2022, JLF has completed the redevelopment project of Urayasu Logistics Center and acquired the new building. For details, please refer to “C. Significant Subsequent Events[Reference Information]” on page 8.

(Note 4) GRESB is an annual benchmarking assessment to measure ESG (Environmental, Social and Governance) integration of real estate companies and funds, as well as the name of organization which runs the assessment. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI).

(Note 5) The MSCI ESG Rating is a global evaluation metric for ESG investing that comprehensively evaluates environmental, social and governance (ESG) efforts at more than 8,500 companies worldwide and grades companies in comparison to industry peers on a seven-point scale from CCC (lowest) to AAA (highest).

##### C. Overview of Financial Strategy

During the six-month period under review, JLF conducted its first public offering in approximately four and a half years since

September 2017 in February 2022. Through this public offering, JLF raised 8,314 million yen to fund property acquisitions, etc. As of the end of the period, JLF has issued 934,000 investment units (increased in 28,927 units from the previous period) and total unitholders' capital of 135,658 million yen.

Regarding interest-bearing liabilities, in February 2022, JLF raised 11,500 million yen to fund property acquisitions and repay 6,500 million yen in long-term loans maturing, and in March, JLF refinanced 3,000 million yen in long-term loans. Through these efforts, JLF has increased its resistance to rising interest rate fluctuations by fixing interest rates and diversifying repayment dates, and has also reduced average funding costs and diversified its sources of funding.

As a result, as of the end of the period under review, total interest-bearing liabilities stood at 119,700 million yen, and LTV (loan to value) was 43.7% based on total assets (Note1) and 29.8% 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 July 31, 2022

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

#### D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 9,613 million yen, operating income of 5,090 million yen, ordinary income of 4,628 million yen and net income of 4,627 million yen.

Distributions are subject to special taxation provisions (Special Taxation Measures Law (Act No. 26 of 1957, including subsequent amendments, hereinafter referred to as "Special Taxation Measures Law"), JLF 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 4,955 yen.

#### (ii) Outlook for the Next Six-month Period

##### A. Recognition of the Environment

Looking forward, the Japanese economy is expected to recover as the effects of the pandemic and supply constraints dissipate, demand for exports grows and monetary easing and economic measures provide support. Together, these factors should overcome downward pressures from rising prices for natural resources. However, aside from pandemic trends inside and outside of Japan, there are uncertainties that require attention. Depending on events in Ukraine, there is risk that prices for resources and grains could rise and stay high for a prolonged period. Additionally, as inflation worsens mainly in advanced economies, central banks accelerating rate hikes may struggle to balance economic growth with inflation fighting efforts.

In the logistics leasing market, a high level of new supply is planned for 2022 and beyond in the Tokyo and Nagoya metropolitan areas. As tenants have more choice about what space to occupy, the absorption of new space may decelerate. Heading into 2023, the balance between supply and demand is expected to loosen. However, the spread of e-commerce along with increased inventories and expanded logistics networks among manufacturers and retailers have been a strong source of demand. Any slack in the relationship between supply and demand may be temporary in response to supply volumes. Overall, the market is expected to remain solid.

In the logistics acquisition market, funds continue to flow into Japan's real estate market, given a weaker yen and low interest rates

relative to global markets, 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.

Amid this environment, JLF has put forth its new strategy, Develop the Value, following up on its ACTIVE Asset Management strategy. The new strategy builds on past operational strategies to target more stability and growth in DPU and NAVPU and aims to achieve a DPU target of 5,600 to 5,700 yen.

Moving forward, we will continue to pursue the enhancement of shareholder value by advancing an autonomous growth strategy regardless of the effects of changes in the environment in real estate and financial markets.

## 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

When renewing leases, we strive to stabilize and grow revenues. We advance long-term leases to stabilize revenues and conduct rent negotiations with an eye on the market environment and tenant circumstances to grow revenues. When a tenant decides to move out, JLF will perform leasing activities based on this policy so that leases are maintained without any discontinuity and revenues are secured by leveraging its sponsor network, intermediary companies well versed in logistics properties and in tenant information for respective regions, as well as the network of the asset management company.

The properties currently held by JLF have an average leasing period of 4.6 years when calculated on a weighted average basis using annual rent, indicating that JLF will continue to earn stable income.

- Strengthening of tenant relations

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

- Appropriate property maintenance and additional investment

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

Furthermore, JLF considers 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 stability and 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

Not applicable

[Reference Information]

&lt;Properties acquired&gt;

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

[M-02 Urayasu Logistics Center]

Asset acquired	Real estate trust beneficiary right	
Acquisition price	8,745 million yen (Note 1)	
Acquisition timing	August 1, 2022 (Note 2)	
Location	79 Minato, Urayasu, Chiba	
Asset type	Warehouse (Note 3)	
Site	19,136.00 m <sup>2</sup> (Note 3)	
Gross floor area	37,378.68 m <sup>2</sup> (Note 3)	
Structure	Reinforced concrete and steel structure , and alloy-plated steel sheet covered building, with 4 stories (Note 3)	
Built in:	July 15, 2022 (Note 3)	
Form of ownership	Land: ownership rights	Building: ownership rights

(Note 1) The amount of 2,469 million yen for the purchase price of the land as stated in the initial purchase agreement, plus 6,275 million yen for construction costs.

(Note 2) Although JLF owns both the land acquired in May 2005 and the new building, the date of acquisition of the new building is indicated.

(Note 3) The information is based on the real estate registry and may not match the current status.

&lt;Borrowings&gt;

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

Lender	Sumitomo Mitsui Trust Bank, Ltd.	Nippon Life Insurance Company (Green Loan)	Tokio Marine & Nichido Fire Insurance Co., Ltd. (Green Loan)
Amount borrowed	1,000 million yen	1,000 million yen	2,000 million yen
Interest rate	0.65500%	0.68000 %	0.41250 %
Date of borrowing	August 31, 2022		
Repayment date	August 31, 2028	August 31, 2030	February 28, 2027
Borrowing method/security	Unsecured/non-guaranteed		
Repayment method	Lump-sum repayment on due date		
Use of funds	To pay existing loans		
Assets to be appropriated	-	Tatsumi Logistics Center	Yokohama Machida Logistics Center



<Holding of General Unitholders' Meeting >

The Board of Directors of the Investment Corporation, at its meeting held on September 13, 2022, resolved that the 13rd Unitholders' Meeting to be held on October 20, 2022 would be subject to the election of one Executive Director (candidate: Naohiro Kameoka, the current Executive Director and President & CEO of the asset management company), the election of one substitute Executive Director (candidate: Ryota Sekiguchi, CFO of the asset management company), and the election of four Supervisory Directors (candidates: Yumiko Kikuchi (Note), Tsuyoshi Oyama and Motomi Oi, the current Supervisory Directors, and Kanae Kamoshita, the new candidate).

(Note) Although the maiden name and the name used for professional purposes are indicated, the name in the family register is Yumiko Ishida.

## D. Forecasts

Forecasts for the six-month period ending January 2023 (from August 1, 2022 to January 31, 2023) and the six-month period ending July 2023 (from February 1, 2023 to July 31, 2023) are as follows. Please refer to "Assumptions Underlying the Forecasts for the six-month period ending January 31, 2023 and the six-month period ending July 31, 2023" for the assumptions underlying these forecasts.

(% represents change from the previous period)

Period ended	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
January 31, 2023	10,084	4.9	5,282	3.8	4,848	4.7	4,847	4.7	5,190	-
July 31, 2023	10,118	0.3	5,218	-1.2	4,792	-1.2	4,791	-1.2	5,130	-

(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 January 31, 2023 and the six-month period ending July 31, 2023

Item	Assumptions																					
Calculation period	<ul style="list-style-type: none"> <li>For the six-month period ending January 31, 2023: August 1, 2022 to January 31, 2023</li> <li>For the six-month period ending July 31, 2023: February 1, 2023 to July 31, 2023</li> </ul>																					
Properties owned	<ul style="list-style-type: none"> <li>Forecasts assume a total of 52 properties in the portfolio. No acquisitions (including Amagasaki Logistics Center for which a trust beneficiary right purchase agreement is executed) or sales of properties by July 31, 2023, are assumed.</li> <li>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.</li> <li>There may be fluctuations, mainly due to the transfer of assets under management.</li> </ul>																					
Total number of investment units issued	<ul style="list-style-type: none"> <li>The forecasts assume 934,000 units outstanding, the total number of investment units issued and outstanding as of the publication of this document.</li> </ul>																					
Interest-bearing debt	<ul style="list-style-type: none"> <li>Among the interest-bearing debt of 119,700 million yen outstanding as of the publication of this document, JLF will repay long-term borrowings of 5,500 million yen due in the six-month period ending January 2023 and long-term borrowings of 7,500 million yen due in the six-month period ending July 2023 by using new borrowings.</li> <li>The interest-bearing debt outstanding is expected to be 119,700 million yen as of January 31, 2023 and July 31, 2023.</li> </ul>																					
Operating revenue	<ul style="list-style-type: none"> <li>The rent revenue is estimated based on the lease contracts in effect as of the publication of this document and considering the fluctuation factors such as the market environment and rent levels based on negotiations with lessees.</li> </ul>																					
Operating expenses	<ul style="list-style-type: none"> <li>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.</li> <li>Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. <table border="1" data-bbox="359 1590 1276 1982"> <thead> <tr> <th></th> <th>For the six-month period ending January 31, 2023</th> <th>For the six-month period ending July 31, 2023</th> </tr> </thead> <tbody> <tr> <td>Taxes and dues:</td> <td>827 million yen</td> <td>896 million yen</td> </tr> <tr> <td>Outsourcing services:</td> <td>288 million yen</td> <td>312 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td>292 million yen</td> <td>291 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,939 million yen</td> <td>1,899 million yen</td> </tr> <tr> <td>Loss on write-offs of noncurrent assets:</td> <td>11 million yen</td> <td>14 million yen</td> </tr> <tr> <td>Other:</td> <td>402 million yen</td> <td>424 million yen</td> </tr> </tbody> </table> </li> <li>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.</li> <li>Actual repair expenses for each operating period may differ considerably from forecasts, mainly because</li> </ul>		For the six-month period ending January 31, 2023	For the six-month period ending July 31, 2023	Taxes and dues:	827 million yen	896 million yen	Outsourcing services:	288 million yen	312 million yen	Repair expenses:	292 million yen	291 million yen	Depreciation:	1,939 million yen	1,899 million yen	Loss on write-offs of noncurrent assets:	11 million yen	14 million yen	Other:	402 million yen	424 million yen
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Item	Assumptions
	<p>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.</p> <ul style="list-style-type: none"> <li>• Depreciation is calculated using the straight-line method, with considering incidental expenses and additional capital expenditure for the future.</li> <li>• Among operating expenses other than real estate leasing business, asset management fees are expected to be 871 million yen for the six-month period ending January 31, 2023 and 890 million yen for the six-month period ending July 31, 2023.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>• As non-operating expenses, JLF assumes 434 million yen for the six-month period ending January 31, 2023 and 426 million for the six-month period ending July 31, 2023. Regarding the interest expenses and interest expenses on investment corporation bonds among the non-operating expenses, JLF assumes 380 million yen for the six-month period ending January 31, 2023 and 375 million yen for the six-month period ending July 31, 2023. Regarding depreciation of financing-related expenses among the non-operating expenses, JLF assumes 47 million yen for the six-month period ending January 31, 2023 and 45 million yen for the six-month period ending July 31, 2023.</li> </ul>
Dividends per Unit (Excluding distributions in Excess of earnings)	<ul style="list-style-type: none"> <li>• Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF.</li> <li>• Dividends per unit for the six-month period ending January 31, 2023 are calculated based on the assumption of the unappropriated retained earnings of 4,847 million yen for the said six-month period.</li> <li>• Dividends per unit for the six-month period ending July 31, 2023 are calculated based on the assumption of distributing the unappropriated retained earnings of 4,791 million yen for the said six-month period.</li> <li>• 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.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• JLF does not plan any distributions in excess of earnings at this moment.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions.</li> </ul>

## (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 April 27, 2022.

## 2. Financial Statements

## (1) Balance Sheet

(Thousands of yen)

	As of July 31, 2022	As of January 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	7,924,035	9,427,724
Cash and deposits in trust	4,658,980	4,276,960
Operating accounts receivable	580,387	546,320
Prepaid expenses	5,226	7,221
Consumption taxes receivable	192,760	—
Other	632	260
<b>Total current assets</b>	<b>13,362,022</b>	<b>14,258,488</b>
Non-current assets		
Property, plant and equipment		
Buildings	19,767,958	19,731,032
Accumulated depreciation	-3,840,607	-3,577,830
<b>Buildings, net</b>	<b>15,927,351</b>	<b>16,153,201</b>
Structures	613,888	613,888
Accumulated depreciation	-168,813	-155,978
<b>Structures, net</b>	<b>445,075</b>	<b>457,910</b>
Tools, furniture and fixtures	19,516	19,516
Accumulated depreciation	-4,534	-3,117
<b>Tools, furniture and fixtures, net</b>	<b>14,982</b>	<b>16,398</b>
Land	13,486,139	13,486,139
Construction in progress	4,492,754	1,560,416
Buildings in trust	127,726,155	123,136,000
Accumulated depreciation	-34,921,549	-33,408,583
<b>Buildings in trust, net</b>	<b>92,804,605</b>	<b>89,727,417</b>
Structures in trust	3,641,408	3,484,786
Accumulated depreciation	-1,581,821	-1,522,093
<b>Structures in trust, net</b>	<b>2,059,587</b>	<b>1,962,692</b>
Tools, furniture and fixtures in trust	37,714	36,840
Accumulated depreciation	-25,420	-24,359
<b>Tools, furniture and fixtures in trust, net</b>	<b>12,294</b>	<b>12,480</b>
Land in trust	130,769,705	122,358,070
Construction in progress in trust	50,515	—
<b>Total property, plant and equipment</b>	<b>260,063,012</b>	<b>245,734,727</b>
Intangible assets		
Other	5,558	6,446
<b>Total intangible assets</b>	<b>5,558</b>	<b>6,446</b>
Investments and other assets		
Investment securities	7,550	—
Long-term prepaid expenses	275,486	274,025
Deferred tax assets	8	21
Guarantee deposits	10,020	10,020
Derivatives	11,348	—
Other	2,000	2,000
<b>Total investments and other assets</b>	<b>306,414</b>	<b>286,067</b>
<b>Total non-current assets</b>	<b>260,374,985</b>	<b>246,027,242</b>
Deferred assets		
Investment corporation bond issuance costs	52,030	56,313
<b>Total deferred assets</b>	<b>52,030</b>	<b>56,313</b>
<b>Total assets</b>	<b>273,789,038</b>	<b>260,342,044</b>

(Thousands of yen)

	As of July 31, 2022	As of January 31, 2022
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	664,346	921,272
Current portion of long-term borrowings	17,000,000	19,000,000
Distributions payable	8,782	6,134
Accrued expenses	1,210,475	1,173,351
Income taxes payable	784	1,054
Accrued consumption taxes	—	395,314
Advances received	1,740,231	1,631,417
Total current liabilities	20,624,620	23,128,545
Non-current liabilities		
Investment corporation bonds	13,700,000	13,700,000
Long-term borrowings	89,000,000	82,000,000
Leasehold and guarantee deposits received	1,364,875	1,359,682
Leasehold and guarantee deposits received in trust	5,767,369	5,367,494
Long-term deposits received	248,274	246,981
Derivatives liabilities	9,073	16,859
Total non-current liabilities	110,089,593	102,691,016
Total liabilities	130,714,213	125,819,561
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	140,559,170	132,245,145
Deduction from unitholders' capital (Note (ii))	-4,900,686	-4,900,686
Unitholders' capital, net	135,658,483	127,344,458
Surplus		
Voluntary retained earnings		
Reserve for reduction entry of special provisions of replaced property (Note (iii))	2,219,363	2,219,363
Reserve for tax purpose reduction entry	566,543	566,543
Total voluntary retained earnings	2,785,907	2,785,907
Unappropriated retained earnings (undisposed loss)	4,628,158	4,408,975
Total surplus	7,414,066	7,194,883
Total unitholders' equity	143,072,549	134,539,341
Valuation and translation adjustments		
Deferred gains or losses on hedges	2,275	-16,859
Total valuation and translation adjustments	2,275	-16,859
Total net assets (Note (iv))	143,074,825	134,522,482
Total liabilities and net assets	273,789,038	260,342,044

## (2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2022
<b>Operating revenue</b>		
Leasing business revenue (Note)	9,329,196	8,996,843
Other leasing business revenue (Note)	283,971	272,277
Total operating revenue	9,613,167	9,269,121
<b>Operating expenses</b>		
Expenses related to rent business (Note)	3,550,436	3,504,248
Asset management fees	820,683	785,650
Asset custody fees	26,240	25,123
Administrative service fees	38,517	37,810
Directors' compensations	7,200	6,900
Other operating expenses	79,886	88,763
Total operating expenses	4,522,963	4,448,495
Operating profit	5,090,203	4,820,625
<b>Non-operating income</b>		
Interest income	23	21
Interest on refund	1,471	265
Reversal of distribution payable	394	509
Property tax adjustment at settlement	943	—
Other	0	0
Total non-operating income	2,834	796
<b>Non-operating expenses</b>		
Interest expenses	305,130	303,217
Borrowing related expenses	48,724	38,083
Investment unit issuance expenses	42,952	—
Interest expenses on investment corporation bonds	62,352	63,742
Amortization of investment corporation bond issuance costs	4,282	4,353
Other	1,000	2,000
Total non-operating expenses	464,442	411,396
Ordinary profit	4,628,595	4,410,025
Profit before income taxes	4,628,595	4,410,025
Income taxes - current	788	1,058
Income taxes - deferred	12	-8
Total income taxes	801	1,049
Profit	4,627,793	4,408,975
Retained earnings brought forward	364	—
Unappropriated retained earnings (undisposed loss)	4,628,158	4,408,975

(3) Statement of Changes in Net Assets  
For the six-month period ended July 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	566,543	2,785,907	4,408,975	7,194,883	134,539,341
Changes of items during period									
Issuance of new investment units	8,314,024		8,314,024						8,314,024
Dividends of surplus							-4,408,610	-4,408,610	-4,408,610
Profit							4,627,793	4,627,793	4,627,793
Net changes in items other than unitholders' equity									
Total changes of items during period	8,314,024	—	8,314,024	—	—	—	219,183	219,183	8,533,208
Balance at end of period	140,559,170	-4,900,686	135,658,483	2,219,363	566,543	2,785,907	4,628,158	7,414,066	143,072,549

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	-16,859	-16,859	134,522,482
Changes of items during period			
Issuance of new investment units			8,314,024
Dividends of surplus			-4,408,610
Profit			4,627,793
Net changes in items other than unitholders' equity	19,134	19,134	19,134
Total changes of items during period	19,134	19,134	8,552,342
Balance at end of period	2,275	2,275	143,074,825



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 changes of items 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 in items other than unitholders' equity	65,598	65,598	65,598
Total changes during period	65,598	65,598	130,223
Balance at end of period	-16,859	-16,859	134,522,482

## (4) Distribution Information

	(Yen)	
	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2022
I. Unappropriated retained earnings	4,628,158,863	4,408,975,524
II. Distributions	4,627,970,000	4,408,610,583
(Distributions per unit)	(4,955)	(4,871)
III. Retained earnings to be carried forward	188,863	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 4,627,970,000 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (934,000 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 4,408,610,583 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>

## (5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	4,628,595	4,410,025
Depreciation	1,880,053	1,863,719
Investment unit issuance expenses	42,952	—
Amortization of investment corporation bond issuance costs	4,282	4,353
Interest income	-23	-21
Interest expenses	367,482	366,959
Loss on retirement of non-current assets	7,804	9,001
Decrease (increase) in operating accounts receivable	-34,066	-32,128
Decrease (increase) in consumption taxes refund receivable	-192,760	21,667
Increase (decrease) in accrued consumption taxes	-395,314	395,314
Decrease (increase) in prepaid expenses	1,995	-1,898
Decrease (increase) in long-term prepaid expenses	-1,460	11,369
Increase (decrease) in operating accounts payable	-228,281	264,395
Increase (decrease) in accrued expenses	30,621	22,864
Increase (decrease) in advances received	108,814	-13,864
Other, net	-738	-718
Subtotal	6,219,955	7,321,039
Interest received	23	21
Interest expenses paid	-360,980	-359,083
Income taxes (paid) refund	-1,058	-880
Net cash provided by (used in) operating activities	5,857,940	6,961,096
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-3,026,304	-8,022
Purchase of property, plant and equipment in trust	-13,217,595	-380,383
Proceeds from leasehold and guarantee deposits received	5,193	83,044
Proceeds from leasehold and guarantee deposits received in trust	573,424	63,993
Refund of leasehold and guarantee deposits received in trust	-173,548	—
Purchase of investment securities	-7,550	—
Net cash provided by (used in) investing activities	-15,846,380	-241,367
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	14,500,000	9,000,000
Repayments of long-term borrowings	-9,500,000	-9,000,000
Proceeds from issuance of investment units	8,314,024	—
Payments of investment unit issuance expenses	-42,952	—
Distributions paid	-4,405,595	-4,345,061
Net cash provided by (used in) financing activities	8,865,476	-4,345,061
Net increase (decrease) in cash and cash equivalents	-1,122,963	2,374,667
Cash and cash equivalents at beginning of period	13,512,327	11,137,659
Cash and cash equivalents at end of period (Note)	12,389,364	13,512,327

(6) Notes on Assumption of Going Concern

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

(7) Summary of Significant Accounting Policies

(i) Valuation standard and method for assets

Investment securities

Other Securities

Stocks without market quotations

Valued at cost accounting method based on the moving average method.

(ii) Depreciation method for non-current assets

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

The straight-line method is used.

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

Buildings	2 to 73 years
Structures	2 to 58 years
Tools, furniture, and fixtures	2 to 15 years

B. Intangible assets

The straight-line method is used.

(iii) Accounting for deferred assets

A. Investment unit issuance expenses

All expensed at time of cash out.

B. Investment corporation bond issuance costs

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

(iv) 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. is 53,292 thousand yen in the current period and was not applicable in the previous period.

B. Revenue recognition policy

The following is a description of JLF'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 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 for which JLF is determined to be an agent, JLF recognizes revenues at the net amount received as charges for electricity, water, etc. supplied by another party, less the amount paid to such other party.

(v) Hedge accounting method

A. Hedge accounting method

Deferred hedge accounting is applied.

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

B. Hedging instruments and hedged items

Hedging instruments : Interest rate swap transactions

Hedged items: Interest on borrowings

C. Hedging policy

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

D. Method of assessing hedge effectiveness

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

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

Cash and cash equivalents consist of cash on hand, cash in trust, deposits and deposits in trust withdrawable on demand, and short-term

investments, which are easily convertible into cash, with low risk of price fluctuation and with a maturity of less than three months.

## (vii) Other significant basis for preparation of financial statements

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

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

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

(a) Cash and deposits in trust

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

(c) Tenant leasehold and security deposits in trust

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

## (ii) Status of cancellation of Buybacks

	As of July 31, 2022	As of January 31, 2022
	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	
	As of July 31, 2022	As of January 31, 2022
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 July 31, 2022	As of January 31, 2022
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 July 31, 2022	As of January 31, 2022
	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 July 31, 2022	For the six-month period ended January 31, 2022
(i) Real estate leasing business revenue		
Rent revenue-real estate		
Rent income	9,086,926	8,759,143
Land rents received	600	600
Facility charges	241,669	237,100
Other lease business revenue		
Parking charges	28,833	24,870
Utilities charges	239,266	229,686
Other operating income	15,870	17,721
Total real estate leasing business revenue	9,613,167	9,269,121
(ii) Real estate leasing business expenses		
Expenses related to rent business		
Taxes and dues	821,463	809,000
Outsourcing service expenses	278,114	277,244
Utilities expenses	250,149	224,106
Repair expenses	172,021	229,546
Insurance expenses	25,247	24,559
Other expenses related to rent business	116,468	67,348
Depreciation	1,879,165	1,862,831
Loss on retirement of non-current assets	7,804	9,610
Total real estate leasing business expenses	3,550,436	3,504,248
(iii) Income from real estate leasing business		
((i) - (ii))	6,062,731	5,764,872

## [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 July 31, 2022	For the six-month period ended January 31, 2022
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	934,000 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 July 31, 2022	For the six-month period ended January 31, 2022
Cash and deposits	7,924,035	9,427,724
Cash and deposits in trust	4,658,980	4,276,960
Long-term deposits received (Note)	-193,651	-192,357
Cash and cash equivalents	12,389,364	13,512,327

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

## [Lease Transactions]

## Operating lease transactions (as a lessor)

	(Thousands of yen)	
	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2022
Future lease payments receivable		
Due within one year	16,316,725	15,943,048
Due after one year	44,570,192	48,011,436
<b>Total</b>	<b>60,886,917</b>	<b>63,954,484</b>

## [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.

Variable interest rate borrowings are exposed to the risk of interest rate fluctuations. Derivative transactions are utilized for certain borrowings as hedges by JLF to mitigate this risk. See "(iv) Hedge accounting method" above under "Summary of Significant Accounting Policies" for details about the hedging instruments, hedged items, hedging policy, and method of assessing hedge effectiveness, etc. in hedge accounting.

## C. Description of financial instruments

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

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

Carrying amount, fair value and their differences as of July 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	17,000,000	17,076,703	76,703
(2) Investment corporation bond	13,700,000	13,914,285	214,285
(3) Long-term borrowings	89,000,000	89,923,544	923,544
<b>Total liabilities</b>	<b>119,700,000</b>	<b>120,914,533</b>	<b>1,214,533</b>
Derivative transactions *	2,275	2,275	-

\* 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 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 parentheses.

(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) Carrying amount of stocks without market quotation on the balance sheet

(Thousands of yen)

	As of July 31, 2022	As of January 31, 2022
Investment securities	7,550	-

Investment securities

The balance sheet amounts shown above are not subject to disclosure of fair value in accordance with Paragraph 5 of the "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, March 31, 2020).

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

As of July 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	17,000,000	15,500,000	6,500,000	7,500,000	12,500,000	47,000,000
Investment corporation bond	-	-	-	3,000,000	2,000,000	8,700,000
Total	17,000,000	15,500,000	6,500,000	10,500,000	14,500,000	55,700,000

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

[Notes to Investment Securities]

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



## [Notes to Derivatives]

## (i) Transactions not applicable to hedge accounting

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

## (ii) Transactions applicable to hedge accounting

For the six-month period ended July 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	2,275	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 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.

## [Notes to Retirement Benefits]

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

## [Tax Effect Accounting]

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

	(Thousands of yen)	
	As of July 31, 2022	As of January 31, 2022
Deferred tax assets, current		
Enterprise tax not deductible	8	21
Deferred gains or losses on hedges	-	5,304
Subtotal deferred tax, current	8	5,325
Valuation Allowance	-	-5,304
Total deferred tax assets, current	8	21
Deferred tax assets, net, current	8	21

## (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 July 31, 2022	As of January 31, 2022
Effective statutory tax rate	31.46%	31.46%
Adjustments		
Deductible cash distributions	-31.46%	-31.45%
Reversal of reserve for reduction entry	-	-
Other	0.02%	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 July 31, 2022 and the six-month period ended January 31, 2022, 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 July 31, 2022 and the six-month period ended January 31, 2022.

## (ii) Subsidiaries and affiliates

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

## (iii) Sister companies

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

## (iv) Directors and principal individual unitholders

For the six-month period ended July 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 & CEO of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	909,460 (Note 2)	Accrued expenses	902,751 (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 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 & CEO 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 & CEO 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 to Asset Write-off Obligations]

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

[Notes to Lease Properties]

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

(Thousands of yen)

	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2022
Amount on the balance sheet		
Balance at the beginning of the period	244,174,310	245,635,466
Changes during the period	11,345,431	-1,461,155
Balance at the end of the period	255,519,741	244,174,310
Fair value at the end of the period	402,010,000	383,180,000

(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, 2022 is mainly by the acquisition of Kuki Logistics Center (8,688,812 thousand yen) and Itabashi Logistics Center (4,156,999 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 July 31, 2022 and the six-month period ended January 31, 2022 is indicated under "Notes to Statement of Income and Retained Earnings" above.

## [Notes to Revenue Recognition]

## (i) Information on the breakdown of revenue from contracts with customers

For the six-month period ended July 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	239,266	239,266
Other	-	9,373,900
Total	239,266	9,613,167

(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 July 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)	51,063
Receivables arising from contracts with customers (ending balance)	63,781
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 for the customer, as the lessee, for the portion of the performance completed by the end of the fiscal period, and therefore, in accordance with Paragraph 19 of the Implementation Guidance of the Accounting Standard for Revenue Recognition, JLF has recognized revenue at the amount it has the right to claim. 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 to the financial statements.

## (i) Information on the breakdown of 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 for the customer, as the lessee, for the portion of the performance completed by the end of the fiscal period, and therefore, in accordance with Paragraph 19 of the Implementation Guidance of the Accounting Standard for Revenue Recognition, JLF has recognized revenue at the amount it has the right to claim. 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 to the financial statements.

[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 July 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 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.

[Per Unit Information]

	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2022
Net assets per unit	153,185yen	148,631yen
Profit per unit	4,971yen	4,871yen

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

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

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

(Thousands of yen)

	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2022
Profit	4,627,793	4,408,975
Amount not attributable to common unitholders	-	-
Profit pertaining to common investment units	4,627,793	4,408,975
Average number of investment units during period	930,803 units	905,073 units

[Notes to Significant Subsequent Events]

Not applicable.

## (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)
February 21, 2022	Capital increase through public offering	28,927	934,000	8,314	135,658	(Note 21)

(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.
- (Note 21) Investment units were newly issued at the price of 297,430 yen per unit (net proceeds of 287,414 yen) for a portion of the acquisition and the construction costs associated with the redevelopment. Additionally, they made up the decline in cash on hand used for the acquisition.



### 3. Reference Information

#### (1) Asset composition of JLF

Type of assets	Use of assets	Region (Note 2)	As of July 31, 2022		As of January 31, 2022	
			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	11,019	4.0	11,126	4.3
		Osaka Area, Nagoya Area and Fukuoka Area	17,303	6.3	17,420	6.7
		Other Areas	1,550	0.6	1,566	0.6
	Subtotal		29,873	10.9	30,113	11.6
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	207,407	75.8	195,871	75.2
		Osaka Area, Nagoya Area and Fukuoka Area	17,316	6.3	17,266	6.6
		Other Areas	922	0.3	922	0.4
	Subtotal		225,646	82.4	214,060	82.2
Deposits and other assets (Note 5)			18,269	6.7	16,167	6.2
Total assets			273,789	100.0	260,342	100.0

(Note 1) Descriptions under "3. Reference Information" are effective as of July 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 fiscal period (real estate and real estate in trust are presented in book values after depreciation), and figures below one million yen have been omitted.

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

(Note 5) Deposits and other assets include; deposit in trust assets of 4,658 million yen for the six-month period ended July 31, 2022 and of 4,276 million yen for the six-month period ended January 31, 2022.

#### <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 July 31, 2022		As of January 31, 2022	
	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	130,714	47.7	125,819	48.3
Total net assets	143,074	52.3	134,522	51.7
Total assets	273,789	100.0	260,342	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

Name of stock	Number of shares	Acquisition price (Thousands of yen)		Fair value (Thousands of yen) (Note 2)		Unrealized gain/loss (Thousands of yen)	Remarks
		Per share	Total	Per share	Total		
Kuki Shobu Industrial Park Management Center (Note 1)	7,550	1	7,550	1	7,550	-	-

(Note 1) In connection with the acquisition of the Kuki Logistics Center, JLF acquired shares in accordance with the share handling rules of the industrial park management company in which the property is located, in proportion to the land holding area.

(Note 2) As the shares are unlisted, the book value is shown.

## 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	15,400	0.9
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,226	1,890	0.5
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,144	3,930	0.9
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	4,827	11,300	2.1
M-6	Funabashi Nishiura	Trust beneficiary right of real estate	5,700	4,020	7,770	2.0
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,239	12,600	3.8
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,406	2,380	0.6
M-11	Yachiyo	Trust beneficiary right of real estate	7,892 (Note 6)	6,967	13,400	2.8
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	7,559	12,100	3.4
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	3,676	8,370	1.9
M-14	Urayasu Chidori II	Real estate	1,640	1,379	1,840	0.6
M-15	Ichikawa	Real estate	4,550	4,000	6,180	1.6
M-16	Shinonome (Note 7)	Trust beneficiary right of real estate	11,800	11,118	15,400	4.2

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
M-17	Narashino II (Note 7)	Trust beneficiary right of real estate	7,875	6,003	11,100	2.8
M-18	Ichikawa II (Note 7)	Trust beneficiary right of real estate	17,415	14,892	24,900	6.1
M-19	Souka	Trust beneficiary right of real estate	14,440 (Note 8)	13,120	18,500	5.1
M-20	Tatsumi	Trust beneficiary right of real estate	9,000	8,122	15,200	3.2
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,235	4,850	1.3
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	7,742	11,400	3.0
M-23	Kashiwa II	Trust beneficiary right of real estate	3,795 (Note 9)	3,576	4,550	1.3
M-24	Shin-Koyasu (Note 7)	Trust beneficiary right of real estate	9,696	8,719	13,200	3.4
M-25	Misato	Trust beneficiary right of real estate	3,873	3,403	5,150	1.4
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	7,070	12,400	2.8
M-27	Chiba Kita	Real estate	1,459	1,722	2,570	0.5
M-28	Chiba Kita II	Trust beneficiary right of real estate	4,608	4,423	6,460	1.6
M-29	Urayasu Chidori III	Trust beneficiary right of real estate	1,053	1,027	1,580	0.4
M-30	Zama	Trust beneficiary right of real estate	1,728	1,714	2,600	0.6
M-31	Shinkiba II	Trust beneficiary right of real estate	15,270	14,845	20,700	5.4
M-32	Yokohama Machida	Trust beneficiary right of real estate	25,452	24,726	28,000	9.0
M-34	Shiroi	Real estate	3,875	3,916	5,260	1.4
M-35	Toda	Trust beneficiary right of real estate	2,052	1,999	2,550	0.7
M-36	Ichikawa III	Trust beneficiary right of real estate	3,850	3,777	5,540	1.4
M-37	Fujisawa	Trust beneficiary right of real estate	4,305	4,169	4,550	1.5
M-38	Hanyu	Trust beneficiary right of real estate	1,705	1,336	2,030	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)
M-39	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,087	5,090	1.4
M-40	Kazo	Trust beneficiary right of real estate	3,790	2,925	5,000	1.3
M-41	Kuki (Note 7)	Trust beneficiary right of real estate	8,577	8,657	9,170	3.0
M-42	Itabashi	Trust beneficiary right of real estate	4,105	4,144	4,330	1.4
Subtotal for the Tokyo Metropolitan Area			244,009	218,427	339,240	85.8
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 10)	9,038	20,100	3.4
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,272	7,150	1.4
T-3	Kiyosu	Real estate	3,010 (Note 11)	2,769	6,040	1.1
T-4	Kadoma	Real estate	989	998	1,790	0.3
T-5	Komaki	Real estate	2,100	1,764	2,190	0.7
T-6	Komaki II	Real estate	1,800	1,667	1,700	0.6
T-7	Fukuoka Hakozaki Futo	Trust beneficiary right of real estate	2,797	2,572	3,950	1.0
T-9	Fukuoka Kashiihama	Trust beneficiary right of real estate	2,750	2,433	3,790	1.0
T-10	Kasugai	Real estate	3,500 (Note 12)	3,365	5,040	1.2
T-11	Takatsuki	Real estate	1,560	1,551	1,840	0.5
T-12	Aisai	Real estate	2,510	2,625	2,990	0.9
T-13	Osaka Nishiyodogawa	Real estate	2,600	2,561	2,840	0.9
Subtotal for Osaka Area, Nagoya Area and Fukuoka Area			37,475	34,619	59,420	13.2
O-1	Maebashi	Trust beneficiary right of real estate	1,230	922	1,350	0.4
O-5	Sendaiko-kita	Real estate	1,600	1,550	2,000	0.6
Subtotal for other Areas			2,830	2,472	3,350	1.0
Portfolio total			284,314	255,519	402,010	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 14)	—	4,780 (Note 15)	—

(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) 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 7) 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%  
 Kuki Logistics Center: 44.5%

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

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

(Note 10) 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 11) 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 12) 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 13) 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 14) 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.

(Note 15) 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.

## 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 <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (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

Property Number	Name of the Logistics Center	Total leasable area (m <sup>2</sup> ) (Note 1)	Leased area (m <sup>2</sup> ) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-34	Shiroi	25,653.79	25,653.79	1	100.0	9.4
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
M-41	Kuki (Note 6)	28,888.33	28,888.33	3	100.0	9.0
M-42	Itabashi	9,357.16	9,357.16	1	100.0	12.4
Subtotal for the Tokyo Metropolitan Area		1,054,083.54	1,054,083.54	55	100.0	-
T-1	Daito	97,391.00	97,391.00	1	100.0	12.8
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 Hakozaki 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		268,871.92	268,871.92	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		1,339,006.12	1,339,006.12	70	100.0	8.5

(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. In addition, JLF has acquired the building constructed by the redevelopment project on August 1, 2022.

(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%  
 Kuki Logistics Center: 44.5%

### (iii) Diversification of portfolio

Diversification of portfolio properties owned by JLF is described below.

#### A. Ratio by region

Region	Total leasable area (m <sup>2</sup> )	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	1,054,083.54	78.7	244,009	85.8
Osaka Area, Nagoya Area and Fukuoka Area	268,871.92	20.1	37,475	13.2
Other Areas	16,050.66	1.2	2,830	1.0
Total	1,339,006.12	100.0	284,314	100.0

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

#### B. Ratio by total rentable area (Note 1)

Total rentable area (m <sup>2</sup> )	Number of properties	Ratio (%) (Note 2)	Acquisition price (Millions of yen)	Ratio (%) (Note 2)
Over 30,000 m <sup>2</sup>	18	34.6	186,362	65.5
Over 10,000 m <sup>2</sup> but 30,000 m <sup>2</sup> or less	22	42.3	75,629	26.6
10,000 m <sup>2</sup> or less	12	23.1	22,321	7.9
Total	52	100.0	284,314	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 <sup>2</sup> )	Ratio (%) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	92,260.39	6.9	1,346	7.4
Over 5 years but within 10 years	286,576.94	21.4	3,942	21.5
Over 3 years but within 5 years	244,523.90	18.3	3,952	21.6
Within 3 years	715,644.89	53.4	9,066	49.5
Total	1,339,006.12	100.0	18,309	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, 2022 of real estate, etc. owned by JLF.

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

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

(Millions of yen)

Property No.	M-2	M-3	M-4	M-5	M-6
Name of real estate, etc.	Urayasu Logistics Center	Hiratsuka Logistics Center	Shinkiba Logistics Center	Urayasu Chidori Logistics Center	Funabashi Nishiura Logistics Center
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue	-				
Rent revenue - real estate	-				
Other lease business revenue	-				
(ii) Total real estate leasing business expenses	8				
Taxes and dues	7	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses	-				
Utilities expenses	-				
Repair expenses	-				
Insurance expenses	-				
Other expenses related to rent business	0				
Depreciation and amortization	-	9	14	35	39
Loss on write-off of noncurrent assets	0	0	—	0	0
(iii) Income from real estate leasing business (= (i) - (ii))	-8	42	56	166	122
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	-8	52	71	202	162
(v) Capital expenditure	-	0	—	11	0
(vi) NCF (= (iv) - (v))	-8	52	71	191	162

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

(Millions of yen)

Property No.	M-8	M-9	M-11	M-12	M-13
Name of real estate, etc.	Kawasaki Logistics Center	Narashino Logistics Center	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center	Yachiyo Logistics Center II
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue		60			193
Rent revenue - real estate		60			193
Other lease business revenue		-			-
(ii) Total real estate leasing business expenses		31			59
Taxes and dues	Not disclosed (Note)	4	Not disclosed (Note)	Not disclosed (Note)	13
Outsourcing service expenses		0			0
Utilities expenses		-			0
Repair expenses		17			-
Insurance expenses		0			0
Other expenses related to rent business		0			0
Depreciation and amortization	79	8	79	55	42
Loss on write-off of noncurrent assets	0	-	-	-	1
(iii) Income from real estate leasing business (= (i) - (ii))	216	28	204	231	134
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	296	36	284	286	178
(v) Capital expenditure	6	-	-	-	3
(vi) NCF (= (iv) - (v))	290	36	284	286	174

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

(Millions of yen)

Property No.	M-14	M-15	M-16	M-17	M-18
Name of real estate, etc.	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)	Ichikawa Logistics Center II (Note 1)
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue			355		
Rent revenue - real estate			354		
Other lease business revenue			0		
(ii) Total real estate leasing business expenses			84		
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	27	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses			0		
Utilities expenses			-		
Repair expenses			18		
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	0
(iii) Income from real estate leasing business (= (i) - (ii))	31	91	270	155	377
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	42	119	307	234	485
(v) Capital expenditure	0	0	33	11	5
(vi) NCF (= (iv) - (v))	41	118	273	222	480

(Note 1) Figures for joint ownership are indicated.

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

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

(Millions of yen)

Property No.	M-19	M-20	M-21	M-22	M-23
Name of real estate, etc.	Souka Logistics Center	Tatsumi Logistics Center	Kashiwa Logistics Center	Musashi murayama Logistics Center	Kashiwa Logistics Center II
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	118	44	27	46	36
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	258	175	84	199	102
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	376	221	112	246	138
(v) Capital expenditure	0	15	-	25	-
(vi) NCF (= (iv) - (v))	375	205	112	220	138

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

(Millions of yen)

Property No.	M-24	M-25	M-26	M-27	M-28
Name of real estate, etc.	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center	Sagamihara Logistics Center	Chiba Kita Logistics Center	Chiba Kita Logistics Center II
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	58	29	65	24	31
Loss on write-off of noncurrent assets	0	-	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	198	83	158	39	103
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	256	112	223	64	135
(v) Capital expenditure	0	-	-	-	1
(vi) NCF (= (iv) - (v))	256	112	223	64	133

(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	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue - real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note 2)	Not disclosed (Note)
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	—	—	0	—
(iii) Income from real estate leasing business (= (i) - (ii))	32	51	311	373	61
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	37	60	395	467	105
(v) Capital expenditure	0	—	—	0	—
(vi) NCF (= (iv) - (v))	36	60	395	467	105

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

(Millions of yen)

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	181	181	181	181	181
(i) Total real estate leasing business revenue				59	
Rent revenue – real estate				59	
Other lease business revenue				-	
(ii) Total real estate leasing business expenses				13	
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	3	Not disclosed (Note)
Outsourcing service expenses				0	
- Utilities expenses				-	
Repair expenses				0	
Insurance expenses				0	
Other expenses related to rent business				0	
Depreciation and amortization	14	22	30	8	23
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) – (ii))	34	103	64	45	99
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	49	125	94	54	123
(v) Capital expenditure	-	-	-	-	-
(vi) NCF (= (iv) – (v))	49	125	94	54	123

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



(Millions of yen)

Property No.	M-40	M-41	M-42	T-1	T-2
Name of real estate, etc.	Kazo Logistics Center	Kuki Logistics Center (Note 1) (Note 2)	Itabashi Logistics Center (Note 3)	Daito Logistics Center	Osaka Fukuzaki Logistics Center
Number of days under management	181	153	172	181	181
(i) Total real estate leasing business revenue					
Rent revenue – real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)	Not disclosed (Note 4)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	44	30	12	95	20
Loss on write-off of noncurrent assets	0	-	-	0	-
(iii) Income from real estate leasing business (= (i) – (ii))	68	131	74	382	130
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	112	162	87	477	150
(v) Capital expenditure	0	—	—	181	33
(vi) NCF (= (iv) – (v))	111	162	87	295	117

(Note 1) Kuki Logistics Center was acquired on March 1, 2022.

(Note 2) Figures for joint ownership are indicated. Kuki Logistics Center: 44.5%

(Note 3) Itabashi Logistics Center was acquired on February 10, 2022.

(Note 4) Not disclosed as the tenant did not agree to disclosure.

(Millions of yen)

Property No.	T-3	T-4	T-5	T-6	T-7
Name of real estate, etc.	Kiyosu Logistics Center	Kadoma Logistics Center	Komaki Logistics Center	Komaki II Logistics Center	Fukuoka Hakozaiki Futo Logistics Center
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue – real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)
Outsourcing service expenses					
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	33	10	15	18	22
Loss on write-off of noncurrent assets	-	0	-	0	-
(iii) Income from real estate leasing business (= (i) – (ii))	96	33	34	25	67
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	130	44	49	43	89
(v) Capital expenditure	-	1	0	27	-
(vi) NCF (= (iv) – (v))	130	43	49	16	89

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

(Millions of yen)

Property No.	T-9	T-10	T-11	T-12	T-13
Name of real estate, etc.	Fukuoka Kashiihama Logistics Center	Kasugai Logistics Center	Takatsuki Logistics Center	Aisai Logistics Center	Osaka Nishiyodogawa Logistics Center
Number of days under management	181	181	181	181	181
(i) Total real estate leasing business revenue					
Rent revenue – real estate					
Other lease business revenue					
(ii) Total real estate leasing business expenses					
Taxes and dues	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Outsourcing service expenses	(Note)	(Note)	(Note)	(Note)	(Note)
Utilities expenses					
Repair expenses					
Insurance expenses					
Other expenses related to rent business					
Depreciation and amortization	27	36	10	20	12
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) – (ii))	51	77	27	45	38
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	79	113	38	65	50
(v) Capital expenditure	0	-	2	-	9
(vi) NCF (= (iv) – (v))	78	113	36	65	41

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

(Millions of yen)

Property No.	O-1	O-5
Name of real estate, etc.	Maebashi Logistics Center	Sendaiko-kita Logistics Center
Number of days under management	181	181
(i) Total real estate leasing business revenue	43	Not disclosed (Note)
Rent revenue – real estate	43	
Other lease business revenue	-	
(ii) Total real estate leasing business expenses	15	
Taxes and dues	2	
Outsourcing service expenses	0	
Utilities expenses	-	
Repair expenses	0	
Insurance expenses	0	
Other expenses related to rent business	0	
Depreciation and amortization	7	16
Loss on write-off of noncurrent assets	2	-
(iii) Income from real estate leasing business (= (i) – (ii))	27	44
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	38	60
(v) Capital expenditure	10	-
(vi) NCF (= (iv) – (v))	28	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	32	157
Daito Logistics Center (Daito, Osaka)	Remodeling work of Warehouse I	From April 2020 to August, 2022	734	146	550
Urayasu Chidori Logistics Center (Urayasu, Chiba)	Air conditioner renewal work	From February 2023 to July 2024	262	-	-
Chiba Kita Logistics Center (Chiba, Chiba)	Roof fluorine coating work	January, 2023	59	-	-
Urayasu Chidori Logistics Center III (Urayasu, Chiba)	Interior renewal work	January 2023	15	-	-
Urayasu Chidori Logistics Center III (Urayasu, Chiba)	High-voltage power receiving equipment renewal work	June 2023	20	-	-
Takatsuki Logistics Center (Takatsuki, Osaka)	Exterior wall repair work on east and south facades	July 2023	38	-	-

(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)
Daito Logistics Center (Daito, Osaka)	Remodeling work of Warehouse I (Note 2)	July, 2022	109
Osaka Fukuzaki Logistics Center (Osaka, Osaka)	Waterproof fortification of south exterior wall	July 2022	33
Komaki Logistics Center II (Komaki, Aichi)	Elevator renewal work	March 2022	26
Maebashi Logistics Center (Maebashi, Gunma)	Air conditioner renewal work	May 2022	10

(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 ended July 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 July 31, 2022.

Name of tenant	Name of real estate, etc.	Leased area (m <sup>2</sup> )	Lease ratio (%) (Note 1)
Nakano Shokai co., ltd.	Kashiwa Logistics Center II	137,615.49	10.3
	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	119,637.29	8.9
	Kasugai Logistics Center		
SBS RICOH LOGISTICS SYSTEM Co., Ltd.	Osaka Fukuzaki Logistics Center	62,333.57	4.7
	Shin-Koyasu Logistics Center (Note 2)		
	Souka Logistics Center		
SAGAWA EXPRESS CO., LTD.	Hanyu Logistics Center	57,376.56	4.3
	Yokohama Fukuura Logistics Center		
	Narashino Logistics Center		
	Shin-Koyasu Logistics Center (Note 2)		
	Maebashi Logistics Center		
	Shinonome Logistics Center (Note 2)		
-(Note 3)	-(Note 3)	53,617.90	4.0
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,874.96	3.9
MITSUI-SOKO LOGISTICS Co.,Ltd.	Narashino Logistics Center II (Note 2)	43,508.54	3.2
Hitachi Transport System Metropolitan Co., Ltd.	Yachiyo Logistics Center	43,032.60	3.2
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	42,733.37	3.2
VANTEC CORPORATION	Musashi Murayama Logistics Center	40,884.25	3.1

Total for all tenants		1,339,006.12	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%

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