

REIT Financial Report for the six-month period ended January 31, 2024 (The 37th Period)

March 15, 2024

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

Name of asset management company: Mitsui & Co., Logistics Partners Ltd.
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Scheduled date for submission of Securities Report: April 26, 2024
 Scheduled date for commencing dividend payments: April 8, 2024
 IR Material: Will be posted on the website
 IR Meeting: Will be held for institutional investors and security analysts

(Figures are rounded down to the nearest million yen)

1. Performance for the six-month period ended January 31, 2024 (The 37th Period from August 1, 2023 to January 31, 2024)

(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	%
January 31, 2024	10,147	0.1	5,301	1.2	4,862	1.0	4,861	1.0
July 31, 2023	10,139	-0.2	5,238	-1.6	4,811	-1.6	4,810	-1.6

	Net Income per Unit	Net Income to Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenue
	Yen	%	%	%
January 31, 2024	5,209	3.4	1.8	47.9
July 31, 2023	5,150	3.4	1.8	47.5

(2) Dividends

	Dividends per Unit (excluding Distributions in excess of earnings)	Total Dividends (excluding Distributions in excess of earnings)	Distributions in excess of earnings per Unit	Total Distributions in excess of earnings	Payout Ratio	Distributions to Net Assets
Period ended	Yen	Millions of yen	Yen	Millions of yen	%	%
January 31, 2024	5,223	4,861	-	-	99.9	3.4
July 31, 2023	5,151	4,811	-	-	100.0	3.4

(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
January 31, 2024	273,680	142,401	52.0	153,004
July 31, 2023	274,933	143,294	52.1	153,419

(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
January 31, 2024	6,600	-518	-5,746	15,089
July 31, 2023	7,405	-565	-4,889	14,753

2. Forecasts for the six-month period ending July 2024 (the 38th Period from February 1, 2024 to July 31, 2024) and the six-month period ending January 2025 (the 39th Period from August 1, 2024 to January 31, 2025)

(% represents change from the previous period)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Dividends per Unit (excluding distributions in excess of earnings)	Distributions in Excess of Earnings per Unit
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen	Yen
Period ending July 31, 2024	10,758	6.0	5,743	8.3	5,309	9.2	5,308	9.2	5,300	-
January 31, 2025	10,231	-4.9	5,267	-8.3	4,830	-9.0	4,829	-9.0	5,300	-

(Reference) Forecast for net income per unit July 31, 2024: 5,703 yen January 31, 2025: 5,188 yen

(Note 1) Dividends per Unit for the period ending July 31, 2024 is based on the assumption that 376 million yen will be retained from unappropriated retained earnings of 5,308 million yen for the period by utilizing the advanced depreciation method, etc. stipulated in the Act on Special Measures Concerning Taxation.

(Note 2) Dividends per Unit for the period ending January 31, 2025 is based on the assumption that unappropriated retained earnings of 4,829 million yen for the period plus a portion of internal reserves (104 million yen) will be reversed as a source of payment.

*** 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 | | | | |
| January 31, 2024: | 930,700 units | July 31, 2023: | 934,000 units | |
| (ii) Number of treasury investment units issued and outstanding at end of period | | | | |
| January 31, 2024: | 0 unit | July 31, 2023: | 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 28.

*** 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 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 D. Forecasts" on page 5.

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1. Management Discussions and Analysis

(1) Asset Management Status

(i) Summary of Results for the six-month period ended January 31, 2024 (The 37th Period)

A. Background of JLF

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

As of January 31, 2024 (the end of The 37th Period), JLF owns 52 properties under management with a total acquisition price of 290,590 million yen and total assets of 273,680 million yen.

B. Investment Environment and Management Performance

In the six-month period under review, Japan's economy recovered modestly. Exports and industrial production held steady in the face of slowing economic recoveries overseas. Corporate earnings improved, thanks to progress in raising prices, a recovery in the flow of people driven by economic recovery, and a rebound in automotive production as supply constraints eased. These factors drove strong demand for capital goods related to digitalization and automation as capital expenditures gained momentum. Consumer prices (excluding fresh foods) grew in the low 2% range compared to last year, driven by the lingering effects of price increases to cover higher import prices and a moderate increase in service prices. Looking at the financial environment, the Bank of Japan continued flexible operations on short- and long-term interest rates (yield curve control) while the rise in long-term interest rates in Japan paused. Meanwhile, the TSE REIT index fluctuated given uncertainties in the outlook for monetary policy.

In the logistics leasing market, demand driven mainly by logistics companies was confirmed in the Tokyo Metropolitan Area. Although demand has softened somewhat in the outskirts along the Metropolitan Central Expressway, there has been rent growth in properties in good locations with high specifications and submarkets with limited vacancy. In Osaka, demand was driven by logistics companies as well as manufacturers looking to consolidate space and improve logistics. In Fukuoka, logistics companies handling general consumer goods such as food products and sundries drove demand for new and additional space. In both markets, pre-leasing in buildings coming online by December 2024 look strong. In Nagoya, the rise in new supply catalyzed demand from automotive, machinery and other segments of the manufacturing industry and led to record-high levels of new demand. In other parts of Japan, strong demand outstripped new supply, driven by demand to newly occupy or consolidate space for producing or storing semiconductors and general consumer goods and to establish a footprint outside Tokyo to comply with stricter environmental and labor-force requirements.

Amid this environment, JLF continues to strive to achieve stability and sustainable growth in DPU and NAVPU. We made progress in securing an external growth pipeline that is mindful of our capital cost by leveraging our know-how related to logistics redevelopment from our track record in Own Book Redevelopment (OBR) (Note 1) to pursue cooperative development projects with business partners (Note 2). We also continue to achieve strong internal growth, signing multiple lease renewals at higher rent prices.

(Note 1) “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 2) “Cooperative developments with business partners” refers to initiatives where JLF is involved from the initial phases of the development of a logistics facility and thereby aims to acquire the property at a discounted price compared to bidding in the real estate acquisition market.

C. Overview of Financial Strategy

During the six-month period under review, JLF refinanced 1,000 million yen of long-term borrowings that matured in September 2023, 2,000 million yen in long-term loans that matured in November 2023, and 6,000 million yen in long-term loans that matured in December 2023. 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 funding costs and diversified its sources of funding.

Furthermore, during the six-month period under review, based on the judgment that JLF's investment unit price was undervalued compared to NAVPU, in November 2023 we decided to implement an investment unit buyback program to improve capital cost and

increase unitholder value over the medium to long term. The investment unit buyback program was executed from November through January 2024 under a purchase agreement entered into with a securities brokerage, where the broker purchased shares from the market on the Tokyo Stock Exchange. All investment units acquired through the buyback program were canceled in January 2024. A total of 3,300 investment units (equivalent to 0.35% of the total number of investment units issued and outstanding before the acquisition and cancellation) were acquired and canceled through the buyback program during the six-month period under review for a total acquisition amount of 936 million yen.

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 29.1% 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, 2023

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

D. Performance and Distributions

As a result of the above, JLF posted operating revenue of 10,147 million yen, operating income of 5,301 million yen, ordinary income of 4,862 million yen and net income of 4,861 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 5,223 yen.

(ii) Outlook for the Next Six-month Period

A. Recognition of the Environment

For some time to come, the Japanese economy is expected to undergo downward pressure from the slowing recoveries in economies overseas. Nevertheless, pent-up demand is expected to surface, and a moderate recovery should continue. Thereafter, a positive cycle of income to expenditures should strengthen and lead to growth outstripping the potential growth rate. The main scenario is for inflation rates in countries to gradually decline while economies around the globe continue to grow, albeit with some disparity by nation or region. That said, the risk remains that wage growth could lead to sustained inflation mainly in developed nations. It remains prudent to keep a watchful eye on increasing uncertainties about the impact from the rapid rate hikes implemented on financial and foreign-exchange markets as well as economies and the prices of goods.

In the logistics leasing market, new supply should settle down to historical average levels in the Tokyo Metropolitan Area in 2024 and 2025. Nevertheless, absorption of vacancies in the outskirts of Tokyo may take time, and the slack in supply and demand is expected to remain for some time. Meanwhile, there will continue to be significant amounts of supply coming online in Osaka, Nagoya, and Fukuoka, but vacancy rates are expected to stabilize near or fall from 2023 levels, due to efforts in the logistics industry to comply with stricter environmental and labor-force requirements and manufacturers bolstering supply chains.

Acquisition yields in the logistics acquisition market should remain compressed, given the relatively large yield gap compared to

global markets and investor demand for the defensive nature of logistics cash flows.

Amid this environment, JLF announced its Develop the Value strategy in March 2022. The strategy aims to achieve further stability and growth in DPU and NAVPU through the evolution and deeper development of our various operational strategies, with a target DPU between 5,600 and 5,700 yen.

Moving forward, we will continue to mitigate risk assuming a variety of business environments, maintain stability, and leverage our unique competitive edge to generate growth opportunities and pursue an increase in unitholder value.

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

- Strengthening of tenant relations

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

- Appropriate property maintenance and additional investment

JLF conducts repairs and renovations of properties owned by keeping related costs at a certain level. In addition, JLF strives to maintain an optimal level of maintenance management of 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. In public offerings, the policy is to consider the growth of unitholder value, including the growth of distributions per unit and NAV per unit. 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

<Asset disposed>

JLF has decided the disposition of the following asset on March 15, 2024.

[M-14 Urayasu Logistics Center II]

Asset disposed	Real estate
Planned disposition price	2,060 million yen
Date of contracts	March 15, 2024
Planned date of delivery	March 27, 2024
Buyer	Not disclosed (Note)
Effect on profit and loss	In the six-month period ending July 31, 2024 (February 1, 2024 to July 31, 2024), JLF plans to record a gain on sales of real estate in the amount of 682 million yen, of which 376 million yen will be reserved in the reserve for reduction entry.

(Note) The buyer is a domestic investment corporation that remains undisclosed because consent has not been obtained from the buyer. The buyer is not an interested party or the like under the Investment Trust Act.

[Reference Information]

<Borrowings>

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

Lender	Development Bank of Japan Inc.	Nippon Life Insurance Company (Green Loan)	Mitsui Sumitomo Insurance Company, Limited
Amount borrowed	2,000 million yen	2,500 million yen	1,000 million yen
Interest rate	1.39250%	1.23000 %	0.83625 %
Date of borrowing	February 29, 2024		
Repayment date	February 28, 2034	August 31, 2033	February 28, 2029
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	-	Misato Logistics Center Fukuoka Kashiihama Logistics Center	-

<Asset acquired>

JLF has decided the acquisition of the following asset on March 15, 2024.

[O-6 Ishikari Logistics Center]

Asset acquired	Real estate trust beneficiary right (quasi-co-ownership interest 55%)	
Acquisition price	1,311 million yen	
Acquisition timing	March 29, 2024	
Location	2-782-6, Shinko-nishi, Ishikari City, Hokkaido, and others	
Asset type	Warehouse	
Site	28,817.47 m ² (Note)	
Gross floor area	21,844.93 m ² (Note)	
Structure	4-story reinforced concrete structure with a flat-topped roof, and others	
Built in:	March 3, 1992 and others	
Form of ownership	Land: ownership rights	Building: ownership rights

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

D. Forecasts

Forecasts for the six-month period ending July 2024 (from February 1, 2024 to July 31, 2024) and the six-month period ending January 2025 (from August 1, 2024 to January 31, 2025) are as follows. Please refer to "Assumptions Underlying the Forecasts for the six-month period ending July 31, 2024 and the six-month period ending January 31, 2025" 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
July 31, 2024	10,758	6.0	5,743	8.3	5,309	9.2	5,308	9.2	5,300	-
January 31, 2025	10,231	-4.9	5,267	-8.3	4,830	-9.0	4,829	-9.0	5,300	-

(Note1) 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.

(Note2) Dividends per Unit for the period ending July 31, 2024 is based on the assumption that 376 million yen will be retained from unappropriated retained earnings of 5,308 million yen for the period by utilizing the advanced depreciation method, etc. stipulated in the Act on Special Measures Concerning Taxation.

(Note3) Dividends per Unit for the period ending January 31, 2025 is based on the assumption that unappropriated retained earnings of 4,829 million yen for the period plus a portion of internal reserves (104 million yen) will be reversed as a source of payment.

Assumptions Underlying the Forecasts for the six-month period ending July 31, 2024 and the six-month period ending January 31, 2025

Item	Assumptions															
Calculation period	<ul style="list-style-type: none"> For the six-month period ending July 31, 2024: February 1, 2024 to July 31, 2024 For the six-month period ending January 31, 2025: August 1, 2024 to January 31, 2025 															
Properties owned	<ul style="list-style-type: none"> From the 52 properties owned by JLF as of the publication of this document, it is assumed that JLF will dispose Urayasu Chidori Logistics Center II (planned disposition price: 2,060 million yen) on March 27, 2024 and acquire Ishikari Logistics Center (co-ownership interest: 55%) (planned acquisition price: 1,311 million yen) on March 29, 2024, and that no other additional properties will be acquired (including the acquisition of Amagasaki Logistics Center, for which a trust beneficiary right purchase agreement is executed) or disposed until January 31, 2025. The number of properties owned at the end of the six-month period ending July 31, 2024 and January 31, 2025 is assumed to be 52. 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. The scheduled date of acquisition of the property has not yet been determined, but it is scheduled to be the date designated by JLF by April 2, 2026. There may be fluctuations, mainly due to the transfer of assets under management. 															
Total number of investment units issued	<ul style="list-style-type: none"> The forecasts assume 930,700 units outstanding, the total number of investment units issued and outstanding as of the publication of this document, they are assumed that there will be no issuance of new investment units and no buyback or cancellation of owned investment units by the end of the fiscal period ending January 31, 2025. 															
Interest-bearing debt	<ul style="list-style-type: none"> 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 1,000 million yen in the six-month period ending July 2024 by using new borrowings. The acquisition of Ishikari Logistics Center (co-ownership interest: 55%), which is assumed to be made on March 29, 2024, is assumed to be made with cash and deposits on hand, and no new borrowings, etc. are assumed to be procured. The interest-bearing debt outstanding is expected to be 119,700 million yen as of July 31, 2024 and January 31, 2025. 															
Operating revenue	<ul style="list-style-type: none"> The rent revenue is estimated based on the lease contracts in effect as of the publication (however, the lease contract of Ishikari Logistics Center will be in effect as of the date of the acquisition), and considering the fluctuation factors such as the market environment and rent levels based on negotiations with lessees. JLF expects to gain 682 million yen as gains on sale of real estate, etc., in the period ending July 31, 2024 in connection with the disposition of Urayasu Chidori Logistics Center II. 															
Operating expenses	<ul style="list-style-type: none"> When acquiring real estate, etc., JLF will include in the acquisition cost the amount equivalent to the fixed asset tax and city planning tax (“Property tax, etc.”) for the fiscal year of acquisition. The amount equivalent to Property tax, etc. to be included in the acquisition cost of Ishikari Logistics Center (quasi co-ownership interest: 55%), which is scheduled to be acquired on March 29, 2024, is expected to be 6 million yen. Breakdown of expenses related to the rent business, which comprise the core part of operating expenses, is as follows. <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>For the six-month period ending July 31, 2024</th> <th>For the six-month period ending January 31, 2025</th> </tr> </thead> <tbody> <tr> <td>Taxes and dues:</td> <td>906 million yen</td> <td>904 million yen</td> </tr> <tr> <td>Outsourcing services:</td> <td>295 million yen</td> <td>344 million yen</td> </tr> <tr> <td>Repair expenses:</td> <td>303 million yen</td> <td>233 million yen</td> </tr> <tr> <td>Depreciation:</td> <td>1,874 million yen</td> <td>1,874 million yen</td> </tr> </tbody> </table>		For the six-month period ending July 31, 2024	For the six-month period ending January 31, 2025	Taxes and dues:	906 million yen	904 million yen	Outsourcing services:	295 million yen	344 million yen	Repair expenses:	303 million yen	233 million yen	Depreciation:	1,874 million yen	1,874 million yen
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Taxes and dues:	906 million yen	904 million yen														
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Repair expenses:	303 million yen	233 million yen														
Depreciation:	1,874 million yen	1,874 million yen														

Item	Assumptions						
	<table border="0" style="width: 100%;"> <tr> <td style="width: 40%;">Loss on write-offs of noncurrent assets:</td> <td style="width: 30%; text-align: center;">19 million yen</td> <td style="width: 30%; text-align: center;">9 million yen</td> </tr> <tr> <td>Other:</td> <td style="text-align: center;">507 million yen</td> <td style="text-align: center;">545 million yen</td> </tr> </table> <ul style="list-style-type: none"> • Expenses other than depreciation and loss on write-offs of noncurrent assets are calculated based on past track with expense fluctuation factors taken into account. • Actual repair expenses for each operating period may differ considerably from forecasts, mainly because unexpected repair expenses may be incurred due to building damage and other unforeseeable factors, the amount of repair expenses generally differs considerably from one six-month period to another, and repair expense, by nature, are not incurred on a regular basis. • Depreciation is calculated using the straight-line method, with considering incidental expenses and additional capital expenditure for the future. • Among operating expenses other than real estate leasing business, asset management fees are expected to be 933 million yen for the six-month period ending July 31, 2024 and 886 million yen for the six-month period ending January 31, 2025. 	Loss on write-offs of noncurrent assets:	19 million yen	9 million yen	Other:	507 million yen	545 million yen
Loss on write-offs of noncurrent assets:	19 million yen	9 million yen					
Other:	507 million yen	545 million yen					
Non-Operating Expenses	<ul style="list-style-type: none"> • As non-operating expenses, JLF assumes 434 million yen for the six-month period ending July 31, 2024 and 437 million for the six-month period ending January 31, 2025. Regarding the interest expenses and interest expenses on investment corporation bonds among the non-operating expenses, JLF assumes 376 million yen for the six-month period ending July 31, 2024 and 382 million yen for the six-month period ending January 31, 2025. Regarding financing fees, JLF assumes 52 million yen for the six-month period ending July 31, 2024 and 48 million yen for the six-month period ending January 31, 2025. 						
Dividends per Unit (Excluding distributions in Excess of earnings)	<ul style="list-style-type: none"> • Dividends per unit are calculated based on the cash distribution policy defined under the Articles of Incorporation of JLF. • Dividends per Unit for the period ending July 31, 2024 is based on the assumption that 376 million yen will be retained from unappropriated retained earnings of 5,308 million yen for the period by utilizing the advanced depreciation method, etc. stipulated in the Act on Special Measures Concerning Taxation. • Dividends per Unit for the period ending January 31, 2025 is based on the assumption that unappropriated retained earnings of 4,829 million yen for the period plus a portion of internal reserves (104 million yen) will be reversed as a source of payment. • Dividends per unit may fluctuate, due to various factors such as acquisitions and sales of assets, fluctuations in rent income caused by tenant movements, unforeseeable repairs incurred, interest rate fluctuations and the issuance of new investment units. 						
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> • JLF does not plan any distributions in excess of earnings at this moment. 						
Other	<ul style="list-style-type: none"> • The forecasts assume that no revisions that impact the above projections are made to laws, regulations, tax rules, accounting standards, listing rules, the rules of The Investment Trust Association, Japan, or others. • The forecasts assume that no material unforeseeable changes occur with regard to the general economic trends and real estate market conditions. 						

(2) Investment risks

For details of risks related to repayment of the borrowings, please refer to “Investment Risks” described on a Securities Report (Japanese) submitted on October 30, 2023.

2. Financial Statements

(1) Balance Sheet

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2023
Assets		
Current assets		
Cash and deposits	10,457,645	10,089,756
Cash and deposits in trust	4,829,072	4,860,454
Operating accounts receivable	533,864	607,980
Prepaid expenses	5,951	5,010
Other	48	852
Total current assets	15,826,583	15,564,053
Non-current assets		
Property, plant and equipment		
Buildings	19,988,271	19,884,724
Accumulated depreciation	-4,615,401	-4,357,769
Buildings, net	15,372,869	15,526,954
Structures	637,817	613,888
Accumulated depreciation	-207,434	-194,375
Structures, net	430,383	419,512
Tools, furniture and fixtures	19,619	19,516
Accumulated depreciation	-8,784	-7,366
Tools, furniture and fixtures, net	10,835	12,149
Land	13,486,139	13,486,139
Buildings in trust	134,665,217	134,492,206
Accumulated depreciation	-39,397,716	-37,906,717
Buildings in trust, net	95,267,500	96,585,489
Structures in trust	3,804,415	3,804,415
Accumulated depreciation	-1,779,898	-1,714,541
Structures in trust, net	2,024,517	2,089,873
Tools, furniture and fixtures in trust	56,040	53,041
Accumulated depreciation	-26,841	-29,132
Tools, furniture and fixtures in trust, net	29,199	23,909
Land in trust	130,875,705	130,875,705
Construction in progress in trust	11,000	-
Total property, plant and equipment	257,508,150	259,019,734
Intangible assets		
Other	2,894	3,782
Total intangible assets	2,894	3,782
Investments and other assets		
Investment securities	7,550	7,550
Long-term prepaid expenses	226,079	244,230
Deferred tax assets	15	7
Guarantee deposits	10,020	10,020
Derivatives	57,894	38,372
Other	2,000	2,000
Total investments and other assets	303,559	302,180
Total non-current assets	257,814,604	259,325,697
Deferred assets		
Investment corporation bond issuance costs	39,039	43,393
Total deferred assets	39,039	43,393
Total assets	273,680,226	274,933,145

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2023
Liabilities		
Current liabilities		
Operating accounts payable	855,114	776,878
Current portion of long-term borrowings	6,500,000	15,500,000
Distributions payable	5,329	5,334
Accrued expenses	1,281,842	1,293,221
Income taxes payable	837	766
Accrued consumption taxes	249,632	675,942
Advances received	1,820,047	1,815,779
Total current liabilities	10,712,803	20,067,923
Non-current liabilities		
Investment corporation bonds	13,700,000	13,700,000
Long-term borrowings	99,500,000	90,500,000
Leasehold and guarantee deposits received	1,362,627	1,362,627
Leasehold and guarantee deposits received in trust	5,725,773	5,757,677
Long-term deposits received	252,156	250,862
Derivatives liabilities	25,705	-
Total non-current liabilities	120,566,263	111,571,167
Total liabilities	131,279,066	131,639,091
Net assets		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	140,559,170	140,559,170
Deduction from unitholders' capital (Note (ii))	-5,837,550	-4,900,686
Unitholders' capital, net	134,721,619	135,658,483
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)	4,861,443	4,811,290
Total surplus	7,647,350	7,597,198
Total unitholders' equity	142,368,970	143,255,681
Valuation and translation adjustments		
Deferred gains or losses on hedges	32,189	38,372
Total valuation and translation adjustments	32,189	38,372
Total net assets (Note (iv))	142,401,159	143,294,054
Total liabilities and net assets	273,680,226	274,933,145

(2) Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended January 31, 2024	For the six-month period ended July 31, 2023
Operating revenue		
Leasing business revenue (Note)	9,825,870	9,803,140
Other leasing business revenue (Note)	321,766	335,928
Total operating revenue	10,147,636	10,139,068
Operating expenses		
Expenses related to leasing business (Note)	3,791,915	3,852,478
Asset management fees	894,610	895,572
Asset custody fees	26,465	26,462
Administrative service fees	37,615	38,285
Remuneration for directors (and other officers)	7,200	7,200
Other operating expenses	88,255	80,181
Total operating expenses	4,846,062	4,900,180
Operating profit	5,301,573	5,238,888
Non-operating income		
Interest income	26	25
Dividend income	377	-
Interest on tax refund	-	312
Gain on forfeiture of unclaimed distributions	956	431
Other	0	98
Total non-operating income	1,361	867
Non-operating expenses		
Interest expenses	314,135	308,647
Financing fees	55,361	51,855
Interest expenses on investment corporation bonds	63,530	62,369
Amortization of investment corporation bond issuance costs	4,353	4,282
Other	3,455	1,000
Total non-operating expenses	440,837	428,155
Ordinary profit	4,862,097	4,811,600
Profit before income taxes	4,862,097	4,811,600
Income taxes - current	918	770
Income taxes - deferred	-7	12
Total income taxes	911	782
Profit	4,861,186	4,810,817
Retained earnings brought forward	256	473
Unappropriated retained earnings (undisposed loss)	4,861,443	4,811,290

(3) Statement of Changes in Net Assets
For the six-month period ended January 31, 2024

(Thousands of yen)

	Unitholders' equity									
	Unitholders' capital			Surplus					Owned Investment units	Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	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	140,559,170	-4,900,686	135,658,483	2,219,363	566,543	2,785,907	4,811,290	7,597,198	-	143,255,681
Changes during period										
Dividends of surplus							-4,811,034	-4,811,034		-4,811,034
Profit							4,861,186	4,861,186		4,861,186
Purchase of treasury investment units									-936,863	-936,863
Cancellation of treasury investment units		-936,863	-936,863						936,863	-
Net changes in items other than unitholders' equity										
Total changes during period	-	-936,863	-936,863	-	-	-	50,152	50,152	-	-886,711
Balance at end of period	140,559,170	-5,837,550	134,721,619	2,219,363	566,543	2,785,907	4,861,443	7,647,350	-	142,368,970

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	38,372	38,372	143,294,054
Changes during period			
Dividends of surplus			-4,811,034
Profit			4,861,186
Purchase of treasury investment units			-936,863
Cancellation of treasury investment units			-
Net changes in items other than unitholders' equity	-6,182	-6,182	-6,182
Total changes of items during period	-6,182	-6,182	-892,894
Balance at end of period	32,189	32,189	142,401,159

For the six-month period ended July 31, 2023

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus					Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital	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	140,559,170	-4,900,686	135,658,483	2,219,363	566,543	2,785,907	4,889,963	7,675,870	
Changes during period									
Dividends of surplus							-4,889,490	-4,889,490	-4,889,490
Profit							4,810,817	4,810,817	4,810,817
Net changes in items other than unitholders' equity									
Total changes during period	-	-	-	-	-	-	-78,672	-78,672	-78,672
Balance at end of period	140,559,170	-4,900,686	135,658,483	2,219,363	566,543	2,785,907	4,811,290	7,597,198	143,255,681

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	93,005	93,005	143,427,359
Changes during period			
Dividends of surplus			-4,889,490
Profit			4,810,817
Net changes in items other than unitholders' equity	-54,633	-54,633	-54,633
Total changes during period	-54,633	-54,633	-133,305
Balance at end of period	38,372	38,372	143,294,054

(4) Distribution Information

	(Yen)	
	For the six-month period ended January 31, 2024	For the six-month period ended July 31, 2023
I. Unappropriated retained earnings	4,861,443,214	4,811,290,958
II. Distributions	4,861,046,100	4,811,034,000
(Distributions per unit)	(5,223)	(5,151)
III. Retained earnings to be carried forward	397,114	256,958
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 4,861,046,100 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (930,700 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 4,811,034,000 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>

(5) Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended January 31, 2024	For the six-month period ended July 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,862,097	4,811,600
Depreciation	1,886,215	1,900,160
Amortization of investment corporation bond issuance costs	4,353	4,282
Interest income	-26	-25
Dividend income	-377	-
Interest expenses	377,665	371,016
Loss on retirement of non-current assets	13,917	17,203
Decrease (increase) in operating accounts receivable	74,115	39,505
Decrease (increase) in consumption taxes refund receivable	-	84,489
Increase (decrease) in accrued consumption taxes	-426,310	675,942
Decrease (increase) in prepaid expenses	-941	1,821
Decrease (increase) in long-term prepaid expenses	18,150	-816
Increase (decrease) in operating accounts payable	177,282	-160,057
Increase (decrease) in accrued expenses	3,975	11,600
Increase (decrease) in advances received	4,268	29,992
Other, net	955	-5,800
Subtotal	6,995,341	7,780,917
Interest and dividends received	404	25
Interest paid	-394,128	-374,493
Income taxes refund (paid)	-847	-1,023
Net cash provided by (used in) operating activities	6,600,770	7,405,425
Cash flows from investing activities		
Purchase of property, plant and equipment	-105,613	-114,545
Purchase of property, plant and equipment in trust	-381,093	-339,304
Refund from leasehold and guarantee deposits received	-	-50,579
Proceeds from leasehold and guarantee deposits received in trust	4,847	9,323
Refund of leasehold and guarantee deposits received in trust	-36,751	-70,500
Net cash provided by (used in) investing activities	-518,611	-565,606
Cash flows from financing activities		
Proceeds from long-term borrowings	9,000,000	7,500,000
Repayments of long-term borrowings	-9,000,000	-7,500,000
Payments for treasury investment units	-936,863	-
Distributions paid	-4,810,082	-4,889,690
Net cash provided by (used in) financing activities	-5,746,945	-4,889,690
Net increase (decrease) in cash and cash equivalents	335,213	1,950,128
Cash and cash equivalents at beginning of period	14,753,971	12,803,843
Cash and cash equivalents at end of period (Note)	15,089,185	14,753,971

(6) Notes on Assumption of Going Concern

Not applicable to the six-month period ended January 31, 2024.

(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 75 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 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 not applicable in current period and 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 in trust 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 January 31, 2024	As of July 31, 2023
Total amount specified in the commitment line contracts	31,900,000	31,900,000
Borrowing balance at end of period	-	-
Outstanding borrowing commitments at end of period	31,900,000	31,900,000

(ii) Status of cancellation of own investment units

	As of January 31, 2024	As of July 31, 2023
Total number own investment units cancelled	23,227 units	19,927 units
Total amount of cancellation	5,373,126 thousand yen	4,436,262 thousand yen

(Note) The number of invest units cancelled during the period under review was 3,300 units, and the amount cancelled was 936,863 thousand yen.

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

Items	Breakdown	
	As of January 31, 2024	As of July 31, 2023
Corresponding property	Ichikawa Logistics Center II / land	
Reason for recognition and amount	Gain on sales of real estate properties of 2,618,320 thousand yen due to sales of Funabashi Nishiura Logistics Center II and Yokosuka Logistics Center.	
Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.	
Description of reversal in the period	Not applicable.	
	As of January 31, 2024	As of July 31, 2023
Balance before provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen
Reversal in the statement of income and retained earnings	-	-
Amount on the balance sheet	2,219,363 thousand yen	2,219,363 thousand yen
Provision as disclosed in (4) Distribution Information	-	-
Reversal as disclosed in (4) Distribution Information	-	-
Balance after provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen

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

	(Thousands of yen)	
	As of January 31, 2024	As of July 31, 2023
	50,000	50,000

[Notes to Statement of Income and Retained Earnings]

Breakdown of income from real estate leasing business

	(Thousands of yen)	
	For the six-month period ended January 31, 2024	For the six-month period ended July 31, 2023
(i) Real estate leasing business revenue		
Rent revenue-real estate		
Rent income	9,565,784	9,543,055
Land rents received	600	600
Facility charges	259,485	259,485
Other lease business revenue	9,825,870	9,803,140
Parking charges	31,013	31,205
Utilities charges	273,019	282,072
Other operating income	17,733	22,650
Total real estate leasing business revenue	10,147,636	335,928
(ii) Real estate leasing business expenses		
Expenses related to rent business		
Taxes and dues	896,834	896,540
Outsourcing service expenses	310,034	286,459
Utilities expenses	289,475	302,791
Repair expenses	322,917	331,651
Insurance expenses	26,936	26,557
Other expenses related to rent business	46,471	92,002
Depreciation	1,885,327	1,899,271
Loss on retirement of non-current assets	13,917	17,203
Total real estate leasing business expenses	3,791,915	3,852,478
(iii) Income from real estate leasing business		
((i) - (ii))	6,355,720	6,286,590

[Notes to Statement of Changes in Net Assets]

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

	For the six-month period ended January 31, 2024	For the six-month period ended July 31, 2023
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	930,700 units	934,000 units

[Notes to Statement of Cash Flows]

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

	(Thousands of yen)	
	For the six-month period ended January 31, 2024	For the six-month period ended July 31, 2023
Cash and deposits	10,457,645	10,089,756
Cash and deposits in trust	4,829,072	4,860,454
Long-term deposits received (Note)	-197,533	-196,239
Cash and cash equivalents	15,089,185	14,753,971

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

[Lease Transactions]

Operating lease transactions (as a lessor)

	(Thousands of yen)	
	For the six-month period ended January 31, 2024	For the six-month period ended July 31, 2023
Future lease payments receivable		
Due within one year	17,001,379	16,762,206
Due after one year	43,409,303	43,015,870
Total	60,410,683	59,778,076

[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 January 31, 2024 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	6,500,000	6,522,103	22,103
(2) Investment corporation bond	13,700,000	13,652,947	-47,052
(3) Long-term borrowings	99,500,000	99,332,284	-167,715
Total liabilities	119,700,000	119,507,335	-192,664
Derivative transactions *	32,189	32,189	-

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

Carrying amount, fair value and their differences as of July 31, 2023 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	15,500,000	15,592,821	92,821
(2) Investment corporation bond	13,700,000	13,681,856	-18,143
(3) Long-term borrowings	90,500,000	90,588,572	88,572
Total liabilities	119,700,000	119,863,250	163,250
Derivative transactions *	38,372	38,372	-

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

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

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

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

(2) Investment corporation bond

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

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

Derivative transactions

See "Notes to Derivatives" below.

(Note 2) Lease and guarantee deposited and lease and guarantee deposited in trust are omitted due to immateriality.

(Note 3) Carrying amount of stocks without market quotation on the balance sheet

(Thousands of yen)

	As of January 31, 2024	As of July 31, 2023
Investment securities	7,550	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 January 31, 2024

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term borrowings	6,500,000	12,000,000	14,500,000	17,500,000	16,500,000	39,000,000
Investment corporation bond	-	3,000,000	-	2,000,000	1,700,000	7,000,000
Total	6,500,000	15,000,000	14,500,000	19,500,000	18,200,000	46,000,000

As of July 31, 2023

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term borrowings	15,500,000	6,500,000	11,500,000	14,500,000	14,000,000	44,000,000
Investment corporation bond	-	-	3,000,000	2,000,000	1,700,000	7,000,000
Total	15,500,000	6,500,000	14,500,000	16,500,000	15,700,000	51,000,000

[Notes to Investment Securities]

Not applicable to the six-month period ended January 31, 2024 and the six-month period ended July 31, 2023.

[Notes to Derivatives]

(i) Transactions not applicable to hedge accounting

Not applicable to the six-month period ended January 31, 2024 and the six-month period ended July 31, 2023.

(ii) Transactions applicable to hedge accounting

For the six-month period ended January 31, 2024

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	10,500,000	10,500,000	32,189	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	4,000,000	3,000,000	*	-

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

For the six-month period ended July 31, 2023

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	38,372	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	6,000,000	3,000,000	*	-

* 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 January 31, 2024 and the six-month period ended July 31, 2023.

[Tax Effect Accounting]

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

	(Thousands of yen)	
	As of January 31, 2024	As of July 31, 2023
Deferred tax assets, current		
Enterprise tax not deductible	15	7
Subtotal deferred tax, current	15	7
Total deferred tax assets, current	15	7
Deferred tax assets, net, current	15	7

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

	As of January 31, 2024	As of July 31, 2023
Effective statutory tax rate	31.46%	31.46%
Adjustments		
Deductible cash distributions	-31.45%	-31.46%
Other	0.01%	0.02%
Effective tax rate after applying tax effect accounting	0.02%	0.02%

[Notes to Equity in Earnings of Affiliates]

Not applicable to the six-month period ended January 31, 2024 and the six-month period ended July 31, 2023, for JLF does not have affiliates.

[Transactions with Related Parties]

(i) Parent company and principal corporate unitholders

Not applicable to the six-month period ended January 31, 2024 and the six-month period ended July 31, 2023.

(ii) Subsidiaries and affiliates

Not applicable to the six-month period ended January 31, 2024 and the six-month period ended July 31, 2023.

(iii) Sister companies

Not applicable to the six-month period ended January 31, 2024 and the six-month period ended July 31, 2023.

(iv) Directors and principal individual unitholders

For the six-month period ended January 31, 2024

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	Seiichi Suzuki	-	-	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)	894,610 (Note 2) (Note 3)	Accrued expenses	984,071 (Note 3)

(Note 1) This is a transaction executed by Seiichi Suzuki 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) Naohiro Kameoka resigned as of July 31, 2023. Ryota Sekiguchi, who was elected as a substitute executive director at the general meeting of unitholders held on October 20, 2022, was appointed an executive director as of August 1, and resigned on October 23. Seiichi Suzuki, who was elected as an executive director at the general meeting of unitholders held on October 23, 2023, was newly appointed as an executive director in the same day. The transaction amount includes the period during which Ryota Sekiguchi as an executive director.

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

For the six-month period ended July 31, 2023

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)	895,572 (Note 2)	Accrued expenses	985,129 (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 January 31, 2024 and the six-month period ended July 31, 2023.

[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 January 31, 2024	For the six-month period ended July 31, 2023
Amount on the balance sheet		
Balance at the beginning of the period	259,019,734	260,521,093
Changes during the period	-1,522,584	-1,501,358
Balance at the end of the period	257,497,150	259,019,734
Fair value at the end of the period	411,330,000	409,550,000

(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 fair value at the end of the six-month period is the appraisal value provided by outside real estate appraisers. Of the fair value at the end of the period for the six-month period ended January 2024, the planned disposition price is used for Urayasu Chidori Logistics Center II, for which a transfer agreement was concluded on March 15, 2024.

The income concerning lease properties, etc. for the six-month period ended January 31, 2024 and the six-month period ended July 31, 2023 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 January 31, 2024

(Thousands of yen)

Hedge accounting method	Revenue from contracts with customers (Note)	Sales to external customers
Sale of real estate, etc.	-	-
Utility revenues	273,019	273,019
Other	-	9,874,617
Total	273,019	10,147,636

(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, 2024, 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, 2024
Receivables arising from contracts with customers (beginning balance)	65,724
Receivables arising from contracts with customers (ending balance)	55,335
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 July 31, 2023

(Thousands of yen)

Hedge accounting method	Revenue from contracts with customers (Note)	Sales to external customers
Sale of real estate, etc.	-	-
Utility revenues	282,072	282,072
Other	-	9,856,996
Total	282,072	10,139,068

(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, 2023, 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 July 31, 2023
Receivables arising from contracts with customers (beginning balance)	74,617
Receivables arising from contracts with customers (ending balance)	65,724
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 January 31, 2024

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

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

For the six-month period ended July 31, 2023

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

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

[Per Unit Information]

	For the six-month period ended January 31, 2024	For the six-month period ended July 31, 2023
Net assets per unit	153,004yen	153,419yen
Profit per unit	5,209yen	5,150yen

(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 January 31, 2024	For the six-month period ended July 31, 2023
Profit	4,861,186	4,810,817
Amount not attributable to common unitholders	-	-
Profit pertaining to common investment units	4,861,186	4,810,817
Average number of investment units during period	933,183 units	934,000 units

[Notes to Significant Subsequent Events]

JLF has decided disposition of the following asset on March 15, 2024.

[M-14 Urayasu Logistics Center II]

Asset disposed	Real estate
Planned disposition price	2,060 million yen
Date of contracts	March 15, 2024
Planned date of delivery	March 27, 2024
Buyer	Not disclosed (Note)
Effect on profit and loss	In the six-month period ending July 31, 2024 (February 1, 2024 to July 31, 2024), JLF plans to record a gain on sales of real estate in the amount of 682 million yen, of which 376 million yen will be reserved in the reserve for reduction entry.

(Note) The buyer is a domestic investment corporation that remains undisclosed because consent has not been obtained from the buyer. The buyer is not an interested party or the like under the Investment Trusts Act.

(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)
January 31, 2024	Cancellation	-3,300	930,700	-936	134,721	(Note 22)

- (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.
- (Note 22) Investment units were repurchased through open-market transactions on the Tokyo Stock Exchange from November 24, 2023 to January 12, 2024 based on a purchase contract with a securities broker. All the acquired investment units were cancelled on January 31, 2024 based on a resolution at a meeting of the Board of Directors of JLF held on November 22, 2023.

3. Reference Information

(1) Asset composition of JLF

Type of assets	Use of assets	Region (Note 2)	As of January 31, 2024		As of July 31, 2023	
			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	10,786	3.9	10,878	4.0
		Osaka Area, Nagoya Area and Fukuoka Area	17,012	6.2	17,048	6.2
		Other Areas	1,501	0.5	1,517	0.6
	Subtotal		29,300	10.7	29,444	10.7
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	210,217	76.8	211,515	76.9
		Osaka Area, Nagoya Area and Fukuoka Area	17,077	6.2	17,151	6.2
		Other Areas	901	0.3	908	0.3
	Subtotal		228,196	83.4	229,574	83.5
Deposits and other assets (Note 5)			16,183	5.9	15,913	5.8
Total assets			273,680	100.0	274,933	100.0

(Note 1) Descriptions under "3. Reference Information" are effective as of January 31, 2024, 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 4,829 million yen for the six-month period ended January 31, 2024 and of 4,860 million yen for the six-month period ended July 31, 2023.

<Area classification>

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

	As of January 31, 2024		As of July 31, 2023	
	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	131,279	48.0	131,639	47.9
Total net assets	142,401	52.0	143,294	52.1
Total assets	273,680	100.0	274,933	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	8,745 (Note 5)	8,894	16,900	3.0
M-3	Hiratsuka	Trust beneficiary right of real estate	1,466	1,201	1,780	0.5
M-4	Shinkiba	Trust beneficiary right of real estate	2,454	2,130	3,960	0.8
M-5	Urayasu Chidori	Trust beneficiary right of real estate	6,000	4,813	11,500	2.1
M-6	Funabashi Nishiura	Trust beneficiary right of real estate	5,700	3,905	8,020	2.0
M-8	Kawasaki	Trust beneficiary right of real estate	10,905	9,008	12,700	3.8
M-9	Narashino	Trust beneficiary right of real estate	1,690	1,391	2,330	0.6
M-11	Yachiyo	Trust beneficiary right of real estate	7,892 (Note 6)	6,769	13,500	2.7
M-12	Yokohama Fukuura	Trust beneficiary right of real estate	9,800	7,443	12,300	3.4
M-13	Yachiyo II	Trust beneficiary right of real estate	5,300	3,575	8,570	1.8
M-14	Urayasu Chidori II	Real estate	1,640	1,356	1,940	0.6
M-15	Ichikawa	Real estate	4,550	3,928	5,870	1.6
M-16	Shinonome (Note 7)	Trust beneficiary right of real estate	11,800	11,060	15,900	4.1
M-17	Narashino II (Note 7)	Trust beneficiary right of real estate	7,875	5,837	11,200	2.7
M-18	Ichikawa II (Note 7)	Trust beneficiary right of real estate	17,415	14,591	24,500	6.0
M-19	Souka	Trust beneficiary right of real estate	14,440 (Note 8)	12,809	18,700	5.0
M-20	Tatsumi	Trust beneficiary right of real estate	9,000	7,986	16,100	3.1
M-21	Kashiwa	Trust beneficiary right of real estate	3,725	3,155	4,920	1.3
M-22	Musashimurayama	Trust beneficiary right of real estate	8,650	7,612	11,000	3.0

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-23	Kashiwa II	Trust beneficiary right of real estate	3,795 (Note 9)	3,484	5,380	1.3
M-24	Shin-Koyasu (Note 7)	Trust beneficiary right of real estate	9,696	8,554	13,200	3.3
M-25	Misato	Trust beneficiary right of real estate	3,873	3,316	5,140	1.3
M-26	Sagamihara	Trust beneficiary right of real estate	8,032	6,912	12,700	2.8
M-27	Chiba Kita	Real estate	1,459	1,718	2,770	0.5
M-28	Chiba Kita II	Trust beneficiary right of real estate	4,608	4,339	6,630	1.6
M-29	Urayasu Chidori III	Trust beneficiary right of real estate	1,053	1,023	1,750	0.4
M-30	Zama	Trust beneficiary right of real estate	1,728	1,714	2,650	0.6
M-31	Shinkiba II	Trust beneficiary right of real estate	15,270	14,620	21,000	5.3
M-32	Yokohama Machida	Trust beneficiary right of real estate	25,452	24,467	28,600	8.8
M-34	Shiroi	Real estate	3,875	3,782	5,510	1.3
M-35	Toda	Trust beneficiary right of real estate	2,052	1,954	2,640	0.7
M-36	Ichikawa III	Trust beneficiary right of real estate	3,850	3,719	5,930	1.3
M-37	Fujisawa	Trust beneficiary right of real estate	4,305	4,079	4,650	1.5
M-38	Hanyu	Trust beneficiary right of real estate	1,705	1,316	2,040	0.6
M-39	Saitama Kisai	Trust beneficiary right of real estate	4,010	3,041	5,400	1.4
M-40	Kazo	Trust beneficiary right of real estate	3,790	2,831	5,270	1.3
M-41	Kuki (Note 7)	Trust beneficiary right of real estate	8,577	8,547	9,350	3.0
M-42	Itabashi	Trust beneficiary right of real estate	4,105	4,109	4,320	1.4
Subtotal for the Tokyo Metropolitan Area			250,284	221,003	346,620	86.1
T-1	Daito	Trust beneficiary right of real estate	9,762 (Note 10)	9,001	20,900	3.4

Property Number	Name of the Logistics Center	Type of Ownership	Acquisition price (Millions of yen) (Note 2)	Book value (Millions of yen) (Note 2)	Appraisal value at end of period (Millions of yen) (Note 3)	% of the portfolio (Note 4)
T-2	Osaka Fukuzaki	Trust beneficiary right of real estate	4,096	3,211	7,420	1.4
T-3	Kiyosu	Real estate	3,010 (Note 11)	2,669	6,380	1.0
T-4	Kadoma	Real estate	989	981	1,900	0.3
T-5	Komaki	Real estate	2,100	1,794	1,930	0.7
T-6	Komaki II	Real estate	1,800	1,666	1,660	0.6
T-7	Fukuoka Hakozaiki Futo	Trust beneficiary right of real estate	2,797	2,509	3,950	1.0
T-9	Fukuoka Kashiihama	Trust beneficiary right of real estate	2,750	2,355	4,250	0.9
T-10	Kasugai	Real estate	3,500 (Note 12)	3,256	5,050	1.2
T-11	Takatsuki	Real estate	1,560 (Note 13)	1,520	1,850	0.5
T-12	Aisai	Real estate	2,510	2,566	3,000	0.9
T-13	Osaka Nishiyodogawa	Real estate	2,600	2,557	2,860	0.9
Subtotal for Osaka Area, Nagoya Area and Fukuoka Area			37,475	34,090	61,150	12.9
O-1	Maebashi	Trust beneficiary right of real estate	1,230	901	1,390	0.4
O-5	Sendaiko-kita	Real estate	1,600	1,501	2,050	0.6
Subtotal for other Areas			2,830	2,402	3,440	1.0
Portfolio total			290,590	257,497	411,210	100.0

(Properties to be acquired, etc.)

Property Number	Name of the properties	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 (Note 14)	Trust beneficiary right of real estate	TBD (Note 15)	-	4,950 (Note 16)	-

(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, adding 6,275 million yen, the construction price for the redevelopment of the building.
- (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) The figure is the sum of the acquisition prices on October 2, 2017 and November 31, 2019.
- (Note 14) The purchase contract for Amagasaki Logistics Center falls under forward commitments, etc. as defined in the "Comprehensive Supervisory Guidelines for Financial Instruments Business Operators, etc." established by the Financial Services Agency.
- (Note 15) The trust beneficiary right purchase agreement to be executed between RICOH LEASING COMPANY, LTD. (hereinafter referred to as "RL") and JLF in relation to the acquisition of Amagasaki Logistics Center shall make the following stipulations in the event the planned date of delivery falls under any of the following scenarios (1), (2), or (3).
 (1) Day before any date that would fall within the first year from the date that RL acquired the trust beneficiary rights associated with the property. As of the publication of this document, that would be April 3, 2023, through April 2, 2024.
 JPY 4,384 million
 However, a price shall be calculated and decided that achieves a predetermined IRR for the period of time RL owns the property.
 (2) Day before any date that would fall within the second year from the date that RL acquired the trust beneficiary rights associated with the property. As of the publication of this document, that would be April 3, 2024, through April 2, 2025.
 JPY 4,302 million
 However, a price shall be calculated and decided that achieves a predetermined IRR for the period of time RL owns the property.
 (3) Day before any date that would fall within the third year from the date that RL acquired the trust beneficiary rights associated with the property. As of the publication of this document, that would be April 3, 2025, through April 2, 2026.
 JPY 4,222 million
 However, a price shall be calculated and decided that achieves a predetermined IRR for the period of time RL owns the property.
- (Note 16) Appraisal value as of January 31, 2024 by Japan Valuers Co., Ltd. is indicated.

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

Property Number	Name of the Logistics Center	Total leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-2	Urayasu	37,378.68	37,378.68	1	100.0	2.3
M-3	Hiratsuka	11,418.57	11,418.57	1	100.0	11.9
M-4	Shinkiba	11,595.40	11,595.40	1	100.0	5.7
M-5	Urayasu Chidori	31,829.55	31,829.55	1	100.0	1.9
M-6	Funabashi Nishiura	35,809.99	35,809.99	2	100.0	0.1
M-8	Kawasaki	46,667.00	46,667.00	1	100.0	5.7
M-9	Narashino	4,123.60	4,123.60	1	100.0	1.8
M-11	Yachiyo	56,882.98	56,882.98	2	100.0	0.2
M-12	Yokohama Fukuura	40,160.35	40,160.35	3	100.0	7.4
M-13	Yachiyo II	32,389.75	32,389.75	1	100.0	2.9
M-14	Urayasu Chidori II	6,192.80	6,192.80	1	100.0	3.6
M-15	Ichikawa	18,735.76	18,735.76	1	100.0	2.0
M-16	Shinonome (Note 5)	24,380.84	24,380.84	1	100.0	5.6
M-17	Narashino II (Note 5)	43,508.54	43,508.54	1	100.0	2.4
M-18	Ichikawa II (Note 5)	67,065.02	67,065.02	2	100.0	0.1
M-19	Souka	55,300.10	55,300.10	3	100.0	2.7
M-20	Tatsumi	29,810.84	29,810.84	1	100.0	2.8
M-21	Kashiwa	20,550.73	20,550.73	1	100.0	0.8
M-22	Musashimurayama	40,884.25	40,884.25	1	100.0	2.2
M-23	Kashiwa II	50,159.55	50,159.55	1	100.0	1.9
M-24	Shin-Koyasu (Note 5)	36,251.63	36,251.63	2	100.0	4.4
M-25	Misato	19,405.45	19,405.45	1	100.0	0.9
M-26	Sagamihara	42,733.37	42,733.37	1	100.0	4.0
M-27	Chiba Kita	14,265.11	14,265.11	1	100.0	2.5
M-28	Chiba Kita II	25,595.13	25,595.13	1	100.0	1.6
M-29	Urayasu Chidori III	5,587.80	5,587.80	1	100.0	2.0
M-30	Zama	9,352.06	9,352.06	1	100.0	7.9
M-31	Shinkiba II	41,270.00	41,270.00	3	100.0	1.7
M-32	Yokohama Machida	65,657.14	65,657.14	6	100.0	6.0

Property Number	Name of the Logistics Center	Total leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Total number of tenants	Occupancy rate (%)	PML value (%) (Note 3)
M-34	Shiroi	25,653.79	25,653.79	1	100.0	1.2
M-35	Toda	7,219.40	7,219.40	1	100.0	3.2
M-36	Ichikawa III	24,740.88	24,740.88	1	100.0	2.0
M-37	Fujisawa	16,443.72	16,443.72	1	100.0	14.9
M-38	Hanyu	5,919.53	5,919.53	1	100.0	1.7
M-39	Saitama Kisai	24,574.14	24,574.14	1	100.0	2.4
M-40	Kazo	25,189.47	25,189.47	1	100.0	1.7
M-41	Kuki (Note 5)	28,888.33	28,888.33	3	100.0	2.4
M-42	Itabashi	9,357.16	9,357.16	1	100.0	3.4
Subtotal for the Tokyo Metropolitan Area		1,092,948.41	1,092,948.41	55	100.0	-
T-1	Daito	97,391.00	97,391.00	1	100.0	11.2
T-2	Osaka Fukuzaki	23,736.68	23,736.68	1	100.0	11.4
T-3	Kiyosu	20,438.09	20,438.09	1	100.0	5.0
T-4	Kadoma	7,416.19	7,416.19	1	100.0	10.6
T-5	Komaki	9,486.45	9,486.45	1	100.0	2.1
T-6	Komaki II	11,104.45	11,104.45	1	100.0	2.5
T-7	Fukuoka Hakozaki Futo	24,463.69	24,463.69	1	100.0	1.3
T-9	Fukuoka Kashiihama	21,217.48	21,217.48	2	100.0	1.6
T-10	Kasugai	22,246.29	22,246.29	1	100.0	2.0
T-11	Takatsuki	7,305.33	7,305.33	1	100.0	11.1
T-12	Aisai	13,852.46	13,852.46	1	100.0	3.6
T-13	Osaka Nishiyodogawa	10,213.81	10,213.81	1	100.0	5.1
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	1.0
O-5	Sendaiko-kita	10,634.24	10,634.24	1	100.0	7.3
Subtotal for other Areas		16,050.66	16,050.66	2	100.0	-
Portfolio total		1,377,870.99	1,377,870.99	70	100.0	1.5

(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, Tokio Marine dR Co., Ltd. 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. Shimizu Corporation, which had been the contractor for the calculation of PML values up to the previous period, has decided to discontinue its services, and the contractor has been changed to Tokio Marine dR Co., Ltd. beginning this period. As a result, the PML values have changed.

(Note 4) 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 ²)	Ratio (%) (Note)	Acquisition price (Millions of yen)	Ratio (%) (Note)
Tokyo Metropolitan Area	1,092,948.41	79.3	250,284	86.1
Osaka Area, Nagoya Area and Fukuoka Area	268,871.92	19.5	37,475	12.9
Other Areas	16,050.66	1.2	2,830	1.0
Total	1,377,870.99	100.0	290,590	100.0

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

B. Ratio by total rentable area (Note 1)

Total rentable area (m ²)	Number of properties	Ratio (%) (Note 2)	Acquisition price (Millions of yen)	Ratio (%) (Note 2)
Over 30,000 m ²	19	36.5	195,108	67.1
Over 10,000 m ² but 30,000 m ² or less	22	42.3	75,629	26.0
10,000 m ² or less	11	21.2	19,852	6.8
Total	52	100.0	290,590	100.0

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

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

C. Ratio by leasehold period

Leasehold period (Residual period)	Leased area (m ²)	Ratio (%) (Note 1)	Annual rent (Millions of Yen) (Note 2)	Ratio (%) (Note 1)
Over 10 years	67,796.70	4.9	1,140	6.0
Over 5 years but within 10 years	245,317.60	17.8	3,211	16.8
Over 3 years but within 5 years	177,468.63	12.9	2,513	13.1
Within 3 years	887,288.06	64.4	12,271	64.1
Total	1,377,870.99	100.0	19,136	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 January 31, 2024 of real estate, etc. owned by JLF. The "performance data" for each piece of real estate, etc. provide the following.

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

(Millions of yen)

Property No.	M-2	M-3	M-4	M-5	M-6
Name of real estate, etc.	Urayasu Logistics Center	Hiratsuka Logistics Center	Shinkiba Logistics Center	Urayasu Chidori Logistics Center	Funabashi Nishiura Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
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	63	9	15	36	38
Loss on write-off of noncurrent assets	-	-	-	-	0
(iii) Income from real estate leasing business (= (i) - (ii))	250	33	62	201	125
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	313	43	77	237	164
(v) Capital expenditure	-	-	0	0	0
(vi) NCF (= (iv) - (v))	313	43	77	237	163

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

(Millions of yen)

Property No.	M-8	M-9	M-11	M-12	M-13
Name of real estate, etc.	Kawasaki Logistics Center	Narashino Logistics Center	Yachiyo Logistics Center	Yokohama Fukuura Logistics Center	Yachiyo Logistics Center II
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue		60			193
Rent revenue - real estate		60			193
Other lease business revenue		-			-
(ii) Total real estate leasing business expenses		14			60
Taxes and dues	Not disclosed (Note)	4	Not disclosed (Note)	Not disclosed (Note)	13
Outsourcing service expenses		0			0
Utilities expenses		-			0
Repair expenses		0			2
Insurance expenses		0			0
Other expenses related to rent business		0			0
Depreciation and amortization	78	8	71	54	41
Loss on write-off of noncurrent assets	0	-	0	0	0
(iii) Income from real estate leasing business (= (i) - (ii))	203	46	210	230	133
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	281	54	282	284	175
(v) Capital expenditure	0	-	15	0	19
(vi) NCF (= (iv) - (v))	281	54	266	284	156

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

(Millions of yen)

Property No.	M-14	M-15	M-16	M-17	M-18
Name of real estate, etc.	Urayasu Chidori Logistics Center II	Ichikawa Logistics Center	Shinonome Logistics Center (Note 1)	Narashino Logistics Center II (Note 1)	Ichikawa Logistics Center II (Note 1)
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue			355		
Rent revenue - real estate			354		
Other lease business revenue			0		
(ii) Total real estate leasing business expenses			70		
Taxes and dues	Not disclosed (Note 2)	Not disclosed (Note 2)	29	Not disclosed (Note 2)	Not disclosed (Note 2)
Outsourcing service expenses			0		
Utilities expenses			-		
Repair expenses			0		
Insurance expenses			0		
Other expenses related to rent business			0		
Depreciation and amortization	11	22	38	62	108
Loss on write-off of noncurrent assets	-	-	0	0	1
(iii) Income from real estate leasing business (= (i) - (ii))	27	99	284	61	383
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	39	121	323	123	493
(v) Capital expenditure	-	1	1	13	17
(vi) NCF (= (iv) - (v))	39	119	321	110	475

(Note 1) Figures for joint ownership are indicated.

Shinonome Logistics Center: 47%

Narashino Logistics Center II: 90%

Ichikawa Logistics Center II: 90%

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

(Millions of yen)

Property No.	M-19	M-20	M-21	M-22	M-23
Name of real estate, etc.	Souka Logistics Center	Tatsumi Logistics Center	Kashiwa Logistics Center	Musashi murayama Logistics Center	Kashiwa Logistics Center II
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
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	103	45	26	43	36
Loss on write-off of noncurrent assets	-	-	-	-	-
(iii) Income from real estate leasing business (= (i) - (ii))	279	233	80	202	127
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	382	279	107	246	163
(v) Capital expenditure	2	0	-	-	5
(vi) NCF (= (iv) - (v))	380	278	107	246	157

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

(Millions of yen)

Property No.	M-24	M-25	M-26	M-27	M-28
Name of real estate, etc.	Shin-Koyasu Logistics Center (Note 1)	Misato Logistics Center	Sagamihara Logistics Center	Chiba Kita Logistics Center	Chiba Kita Logistics Center II
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
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	63	25	31
Loss on write-off of noncurrent assets	0	0	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	199	83	161	39	104
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	257	112	224	65	136
(v) Capital expenditure	2	0	-	10	0
(vi) NCF (= (iv) - (v))	255	112	224	55	135

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

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

(Millions of yen)

Property No.	M-29	M-30	M-31	M-32	M-34
Name of real estate, etc.	Urayasu Chidori Logistics Center III	Zama Logistics Center	Shinkiba Logistics Center II	Yokohama Machida Logistics Center	Shiroi Logistics Center
Number of days under management	184	184	184	184	184
(i) Total real estate leasing business revenue					
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	5	9	74	94	44
Loss on write-off of noncurrent assets	-	-	-	0	-
(iii) Income from real estate leasing business (= (i) - (ii))	32	51	322	392	60
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	37	60	396	486	105
(v) Capital expenditure	6	23	0	1	-
(vi) NCF (= (iv) - (v))	30	36	396	485	105

(Note) 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	184	184	184	184	184
(i) Total real estate leasing business revenue	Not disclosed (Note)	Not disclosed (Note)	Not disclosed (Note)	61	Not disclosed (Note)
Rent revenue – real estate				59	
Other lease business revenue				1	
(ii) Total real estate leasing business expenses				15	
Taxes and dues				3	
Outsourcing service expenses				0	
- Utilities expenses				-	
Repair expenses				2	
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	-	-	-	-	4
(iii) Income from real estate leasing business (= (i) – (ii))	34	104	64	45	92
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	49	126	94	53	119
(v) Capital expenditure	-	-	-	-	24
(vi) NCF (= (iv) – (v))	49	126	94	53	95

(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)	Itabashi Logistics Center	Daito Logistics Center	Osaka Fukuzaki Logistics Center
Number of days under management	184	184	184	184	184
(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	34	37	12	100	20
Loss on write-off of noncurrent assets	0	-	-	-	-
(iii) Income from real estate leasing business (= (i) – (ii))	79	133	70	375	126
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	113	171	82	476	147
(v) Capital expenditure	0	0	1	91	-
(vi) NCF (= (iv) – (v))	113	170	81	385	147

(Note 1) Figures for joint ownership are indicated. Kuki Logistics Center: 44.5%

(Note 2) 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	184	184	184	184	184
(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	9	15	19	21
Loss on write-off of noncurrent assets	-	-	0	0	-
(iii) Income from real estate leasing business (= (i) – (ii))	101	37	-25	36	66
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	134	47	-8	56	87
(v) Capital expenditure	-	-	70	28	-
(vi) NCF (= (iv) – (v))	134	47	-79	27	87

(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	184	184	184	184	184
(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	27	36	10	20	11
Loss on write-off of noncurrent assets	-	-	-	4	0
(iii) Income from real estate leasing business (= (i) – (ii))	43	77	28	34	39
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	70	113	38	59	50
(v) Capital expenditure	4	-	-	7	19
(vi) NCF (= (iv) – (v))	65	113	38	52	30

(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	184	184
(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	23	
Taxes and dues	2	
Outsourcing service expenses	0	
Utilities expenses	-	
Repair expenses	11	
Insurance expenses	0	
Other expenses related to rent business	0	
Depreciation and amortization	8	16
Loss on write-off of noncurrent assets	0	-
(iii) Income from real estate leasing business (= (i) – (ii))	20	43
(iv) NOI from leasing business (= (iii) + depreciation and amortization + loss on write-off of noncurrent assets)	28	59
(v) Capital expenditure	0	-
(vi) NCF (= (iv) – (v))	27	59

(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
Urayasu Chidori Logistics Center (Urayasu, Chiba)	Air conditioner renewal work (2nd term)	July 2024	204	-	-
Musashi Murayama Logistics Center (Musashimurayama, Tokyo)	Fire prevention compartment formation work	From April 2024 to March 2026	758	9	9
Hanyu Logistics Center (Hanyu, Saitama)	Restrooms renewal work of office building	December 2024	15	-	-
Hanyu Logistics Center (Hanyu, Saitama)	Raw water pump tank expansion	December 2024	15	-	-
Kazo Logistics Center (Kazo, Saitama)	LED lighting installation	July 2024	43	-	-
Daito Logistics Center (Daito, Osaka)	Roof repair work of office II	July 2024	99	-	-
Daito Logistics Center (Daito, Osaka)	Outer wall waterproofing on south and east facades of warehouse II	January 2025	56	-	-
Daito Logistics Center (Daito, Osaka)	Air conditioner renewal work of office II	January 2025	68	-	-
Osaka Fukuzaki Logistics Center (Osaka, Osaka)	LED lighting installation	March 2024	35	-	-
Kadoma Logistics Center (Kadoma, Osaka)	Freight elevator renewal work	December 2025	87	-	-
Komaki Logistics Center II (Komaki, Aichi)	Shutter facility renewal work	July 2024	27	-	-
Takatsuki Logistics Center (Takatsuki, Osaka)	Outer wall repair work on east and south facades	January 2025	20	-	-

(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)
Daito Logistics Center (Daito, Osaka)	Outer wall waterproofing work on north facades of warehouse I	January 2024	62
Komaki Logistics Center (Komaki, Aichi)	Water tank and water supply pump renewal work	January 2024	21
Komaki Logistics Center (Komaki, Aichi)	Restrooms renewal work	December 2023	41

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

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

Not applicable

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

10 major tenants

The following tenants use the 10 largest areas of real estate owned and leased by JLF as of January 31, 2024.

Name of tenant	Name of real estate, etc.	Leased area (m ²)	Lease ratio (%) (Note 1)
Nakano Shokai co., Ltd.	Kashiwa Logistics Center II	137,615.49	10.0
	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	8.7
	Kasugai Logistics Center		
SBS RICOH LOGISTICS SYSTEM Co., Ltd.	Osaka Fukuzaki Logistics Center	62,333.57	4.5
	Shin-Koyasu Logistics Center (Note 2)		
	Souka Logistics Center		
SAGAWA EXPRESS CO., LTD.	Hanyu Logistics Center	57,376.56	4.2
	Yokohama Fukuura Logistics Center		
	Narashino Logistics Center		
	Shin-Koyasu Logistics Center (Note 2)		
	Maebashi Logistics Center		
	Shinonome Logistics Center (Note 2)		
Sagawa Global Logistics Co., Ltd.	Kawasaki Logistics Center	53,617.90	3.9
	Kuki Logistics Center (Note 2)		
TOMY Company, Ltd.	Ichikawa Logistics Center II (Note 2)	51,874.96	3.8
MITSUI-SOKO LOGISTICS Co., Ltd.	Narashino Logistics Center II (Note 2)	43,508.54	3.2
LOGISTEED East Japan, Ltd. (Note 3)	Yachiyo Logistics Center	43,032.60	3.1
DHL Supply Chain Ltd. (Japan)	Sagamihara Logistics Center	42,733.37	3.1
VANTEC CORPORATION	Musashi Murayama Logistics Center	40,884.25	3.0
Total for all tenants		1,377,870.99	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%

Kuki Logistics Center: 44.5%

(Note 3) As of October 1, 2023, the company changed its name from LOGISTEED Metropolitan, Ltd. to LOGISTEED East Japan, Ltd..