

# **Japan Logistics Fund Inc. Semiannual Report**

For the six-month period ended January 31, 2023

May 2023



**Japan Logistics Fund, Inc.**  
日本ロジスティクスファンド投資法人

## **Management Discussion and Analysis**

### **Background of JLF**

Japan Logistics Fund, Inc. (JLF) is Japan's first dedicated logistics REIT, founded with the aim of contributing to the Japanese economy by converging the flow of money (finance) with the flow of goods (logistics), which is the lifeblood of the economy. To that end, we leverage the history and experience of Mitsui & Co., Ltd., which as a general trading company has worked in logistics operations for long time globally.

Based on the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951; including revisions enforced thereafter) (AITIC), JLF was founded on February 22, 2005 by Mitsui & Co., Logistics Partners Ltd. (MLP) as the asset manager, and was listed on the REIT section of the Tokyo Stock Exchange on May 9 of the same year (security code: 8967).

Since JLF's initial public offering, we have applied a discerning eye for logistics sites, building specifications, tenant needs and other factors to investment decisions that are tied to real demand. In the process, we have built a portfolio that can be expected to deliver solid earnings over the medium- to long-term. As Japan's first dedicated logistics REIT entering a market of REITs invested mainly in office and residential assets, JLF became a pioneer and has since demonstrated to the market a track record of the logistics sector's ability to deliver solid cash distributions to its investors.

### **Basic Policy**

As the pioneer dedicated to logistics properties, JLF aspires to provide "stability" and "growth" of dividends in the medium- to long-term by leveraging its unparalleled experience and expertise in logistics business and in financial markets. Logistics is a series of economic activities, such as transportation, storage, loading/unloading, packaging, labeling, sorting, or information integration, which connect manufacturers and consumers directly. We believe logistics is a vital function supporting the foundations of industry and people's life in Japan. As a consequence, demand for logistics properties is likely to be solid in the long term. These days, supply chain management which optimizes the entire logistics process is becoming widespread. It is imperative to construct logistics systems that can be flexibly adjusted based on consumers' various needs. Therefore, logistics business providers now actively seek highly versatile logistics facilities in order to build elastic logistics systems. Furthermore, consolidation of logistics functions to improve efficiency, as well as separation of ownership and use of logistics facilities to reinforce balance sheets, are growing trends in the logistics business. Given the current environment, we see great investment opportunities in this area.

### **Investment Policy**

#### **Acquisition of new properties**

Compared with other asset types, logistics properties tend to have less liquidity in the acquisition market. We believe, therefore, that collecting a broad range of information and making precise investment decisions based on the information gathered is the only way to achieve high quality property acquisitions. In order to avoid unnecessary price competition, we strive to gain early access to property information and promote negotiated transactions by leveraging our sponsors' extensive networks and the information sourcing channels of MLP. When acquiring properties, we make investment decisions focusing on the location and versatility of properties, which are essential factors in pursuing long-term stability in managing logistics properties. As a general rule, we avoid acquiring properties with unique structural features that suit only certain types of tenants in certain industries. Instead, we prefer properties with specifications that meet broad logistical demand. To minimize fluctuations in revenue arising from factors such as rent reduction requests from tenants or unexpected tenants' departure, we acquire properties that will help reduce the risk of over-concentration of tenants by avoiding excessive dependency on a single tenant

or industry, and will help diversify lease period expirations.

### Portfolio Management

In renewing existing lease contracts, we prefer generating solid revenue flows, such as by urging the existing tenant to renew the lease with a longer term. At the same time, we aim to increase rent revenues thorough strategic negotiations. In case that a tenant decides to move out, we conduct leasing activities based on this policy so that leases are maintained without any discontinuity and that revenues are secured, by leveraging our sponsor network, intermediary companies well versed in logistics properties and tenant information, and the network of the asset manager.

We promote the improvement of the overall satisfaction level of tenants by maintaining close contact with them. Specifically, we respond to tenants' needs with respect to expanding rental space, making functional improvements in line with tenant and industry needs, and implementing renewal of the properties. We conduct repairs and renovations of properties by keeping related costs below a certain level. In addition, we strive to maintain an optimal level of maintenance management for the properties by selecting appropriate property management companies that can provide efficient management in line with the characteristics of each property, by improving the quality of the property management control at the asset manager, and by standardizing various procedures. Furthermore, we will make additional investments in properties with locational advantage in terms of leasing and properties with OBR (Own Book Redevelopment) potential, taking into consideration tenant requests, the leasing needs of facilities, floor area ratios and other factors.

### Financial strategy

We set the highest priority on stability and growth of dividends while maintaining relatively conservative LTV (Loan to Value) in financing. When pursuing debt financing, we diversify funding sources and repayment due dates. In addition, with regard to tenant leasehold and security deposits, we may use such deposits to partially fund property acquisitions for efficient cash management purpose.

### **Strategic and Financial Review of the six-month period ended January 31, 2023 (The 35th Period from August 1, 2022 to January 31, 2023)**

During the six-month period under review, the Japanese economy gained recovery momentum, striking a balance between containing the spread of COVID-19 and promoting economic activity in the face of rising prices for natural resources. Corporate earnings continued at high levels, and business sentiment remained stable. Against this backdrop, capital expenditures rose modestly.

Furthermore, the projected inflation rate is rising as consumer prices (excluding fresh foods) rose in the low 3% range compared to last year, driven mainly by higher energy, food and durable goods prices. In terms of the financial environment, overseas countries continue to raise interest rates to head off rising prices. In December 2022, the Bank of Japan decided to review some of its yield curve control operations. As a result, Japanese interest rates rose compared to the previous period. In response, the TSE REIT Index has fluctuated.

In the logistics leasing market, the Tokyo Metropolitan Area has seen bottom support for demand for logistics space, mainly from ecommerce players, manufacturers bolstering online sales and drug stores. Nevertheless, new supply in areas along National Route 16 and the Metropolitan Intercity Expressway, in particular, has dampened the pace of absorption, creating more slack in the relationship between supply and demand than in the previous period. Meanwhile, in other parts of Japan including Osaka, Nagoya and Fukuoka, the supply and demand environment remains unchanged from the previous period. In the Nagoya area in particular, the manufacturing industry is driving demand while, overall, tenants have been active. The broader tenant base across industries has contributed to a lower vacancy rate compared to the previous period.

Amid this environment, JLF continues to pursue stability and sustainable growth in DPU and NAVPU. In terms of external growth in the six-month period under review and beyond, JLF took delivery on the building of the Urayasu Logistics Center (Acquisition price: 8,745 million yen. Appraisal NOI yield: 6.9% (Note 1)) in August 2022, following the July 2022 completion of construction on the OBR (Own Book Redevelopment) (Note 2) project that had been in progress since September 2020. Meanwhile, portfolio operations remained favorable as the occupancy rate posted 100.0% as of the end of the period under review. Furthermore, strong internal growth was achieved as multiple existing properties had leases that were renewed at higher rents. Moreover, JLF made more progress on the ESG front following the acquisition of GRESB's highest 5-star rating in the 2022 GRESB (Note 3) Real Estate Evaluation. JLF acquired an AA rating, the highest rating among J-REITs for the MSCI ESG ratings (Note 4), and was included in the MSCI Japan ESG Select Leaders Index (Note 5).

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

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

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

(Note 2) "OBR" (Own Book Redevelopment) is the redevelopment of properties owned by JLF itself. "Redevelopment" refers to the act of JLF building a new building on land that JLF owns after the existing building has been demolished. JLF collaborates with players such as construction companies, who build the new building on land JLF owns. After the building is complete, JLF acquires said building at a timing of its discretion. The same applies hereinafter.

(Note 3) GRESB is an annual benchmarking assessment to measure ESG (Environmental, Social and Governance) integration of real estate companies and funds, as well as the name of organization which runs the assessment. It was founded in 2009 by a group of major European pension funds who played leading roles in launching Principles for Responsible Investment (PRI).

(Note 4) The MSCI ESG Rating is a global evaluation metric for ESG investing that comprehensively evaluates environmental, social and governance (ESG) efforts at more than 8,500 companies worldwide and grades companies in comparison to industry peers on a seven-point scale from CCC (lowest) to AAA (highest).

(Note 5) The MSCI Japan ESG Select Leaders Index is an index where MSCI selects from among names included in the MSCI Japan IMI Index those companies that excel in ESG. It is used as an investment benchmark by Japan's Government Pension Investment Fund (GPIF).

## Results of Operations

The following table illustrates the financial results of the six-month period January 31, 2023 (The 35<sup>th</sup> Period from August 1, 2022 to January 31, 2023) and the six-month period ended July 31, 2022 (The 34<sup>th</sup> Period from February 1, 2022 to July 31, 2022):

	Period ended January 31, 2023	Period ended July 31, 2022
Operating revenue	¥10,156 million	¥9,613 million
Operating expenses	¥4,831 million	¥4,522 million
Operating income	¥5,324 million	¥5,090 million
Ordinary income	¥4,890 million	¥4,628 million
Net income	¥4,889 million	¥4,627 million
Earnings per unit	¥5,235	¥4,971
Distributions in excess of earnings per unit	¥0	¥0
Dividends per unit	¥5,235	¥4,955

In the 35<sup>th</sup> Period from August 1, 2022 to January 31, 2023, net income increased 261 million yen from the previous period to 4,889 million yen. Major factors for the change in net income were as follows.

Acquisition of Urayasu LC (redevelopment) (acquired August 2022)	+ 286 million yen
Acquisition of Kuki LC and Itabashi LC (full period contribution)	+ 31 million yen
Increase in rent revenue and Facility charges	+ 37 million yen
Other existing properties (decrease in R&M costs)	- 85 million yen
Other existing properties (increase in utilities expenses)	- 19 million yen
Other existing properties (decrease in leasing fees and others)	+ 45 million yen
G&A expenses	- 61 million yen
Non-operating P/L	+ 28 million yen

As a result of the above, JLF posted operating revenue of 10,156 million yen, operating income of 5,324 million yen, ordinary income of 4,890 million yen and net income of 4,889 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"), and 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 5,235 yen.

## **Business Outlook**

### **Recognition of the Environment**

Looking forward, the Japanese economy is expected to recover as the dissipating effects of COVID-19 and supply constraints set the stage for a loose financial environment and economic support from the government. Together, these factors should overcome downward pressures from rising prices for natural resources and decelerating economies overseas. However, aside from COVID-19 trends inside and outside of Japan, there are uncertainties that require attention. As inflation continues to rise mainly in advanced economies, central banks sustaining rate hikes may struggle to balance economic growth with inflation-fighting efforts. Additionally, depending on events in Ukraine, there is risk that prices for resources and grains could rise and stay high for a prolonged period of time.

In the logistics leasing market, the spread of e-commerce, the expansion of logistics networks, and the shift among manufacturers and retailers from just-in-time to just-in-case have combined to feed healthy demand for logistics space. However, in 2023 and beyond, high levels of new supply are planned for mainly the Tokyo and Osaka metropolitan areas, giving tenants more choice. As a result, uptake of this new space may decelerate, leading to prolonged slack in the relationship between supply and demand.

In the logistics acquisition market, the environment is expected to remain harsh, backed by demand from many investors for the defensive nature of cash flows from logistics properties. Meanwhile, the impact on transaction prices for logistics properties from volatile interest rate trends needs to be watched closely.

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

Moving forward, we will continue to maintain stability and increase resilience against changes in external environments such as real estate and financial markets.

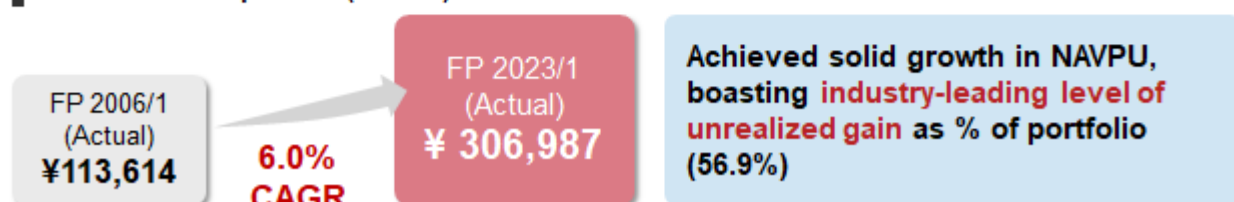
## Growing DPU and NAVPU

### Distributions per Unit (DPU)



- Grow to **run-rate DPU of ¥5,170** (+¥40 vs. previous run-rate DPU) due to contributions from internal growth
- **Aim to reach ¥5,600 - ¥5,700** through “Develop the Value” strategy

### Net Asset Value per Unit (NAVPU)



Japan Logistics Fund, Inc.

Since its IPO, JLF has constantly pursued a strategy of stability and sustainable growth in DPU and NAVPU.

JLF’s DPU for FP 2023/1 was 5,235 yen. JLF’s compound annual growth rate since IPO through the FP 2023/1 has been 4.8%, putting it on par with the solid DPU growth trajectories of other logistics REITs in Japan. The DPU for FP 2023/7 is forecast to be 5,130 yen, accounting for the expensing of property taxes on properties acquired in 2022. The DPU for FP 2024/1 is projected to grow to 5,170 yen.

JLF’s run-rate DPU is 5,170 yen, on par with our forecast for FP 2024/1. We aim to absorb the impact of headwinds such as cost inflation and interest rate increases by remaining flexible and continuing to achieve internal growth on rent hikes that outstrip cost pressures. By doing so, we look to grow the run-rate DPU to 5,170 yen, which is 40 yen higher than the 5,130-yen target set in the previous period. In the meantime, we will continue to pursue our Develop the Value strategy with the aim of reaching our forward-looking DPU target of 5,600 to 5,700 yen.

Moreover, NAVPU has grown at a CAGR of 6.0% from JLF’s IPO through the end of January 2023.

With the longest track record among logistics REITs in Japan, JLF boasts a high-quality portfolio with a sector-leading 67% of its portfolio (by acquisition price) located in the Tokyo Bay Area or inside National Route 16--areas where the leasing market enjoys stability. This high-quality portfolio has led to J-REIT’s top-class 56.9% unrealized gain as a percentage of portfolio value (as of the end of January 2023) and enabled solid growth in NAV.

# Promoting our Develop the Value Strategy

Execute independent strategy capable of responding to changes in the external environment  
Maintain **stability** and generate **growth opportunities**

	Independence	Resilience against changes to the external environmental
	Competitive edge built by JLF	Currently promoting strategies responsive to changes in the business environment resulting from high inflation and interest rate hikes
Investment strategy	<ul style="list-style-type: none"> <li>➢ Diverse acquisition means</li> <li>➢ Joint development and OBR projects that structurally <b>generate superior yields</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Select independent acquisition method based on environment</li> <li>■ Leverage bridge schemes and the like to secure flexibility in acquisition timing</li> </ul>
Portfolio strategy	<ul style="list-style-type: none"> <li>➢ Rent gap and negotiation abilities</li> <li>➢ <b>Portfolio in favorable locations</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Diversification of lease maturities</li> <li>■ Introduce CPI escalator clauses into leases and shorten lease durations in competitive assets</li> <li>■ Avoid risk of rising operational costs (utilities and maintenance and repairs)</li> </ul>
Financing strategies	<ul style="list-style-type: none"> <li>➢ <b>Rich unrealized gain and favorable credit</b></li> <li>➢ Structurally advantageous <b>liquidity on hand</b></li> </ul>	<ul style="list-style-type: none"> <li>■ Diversify debt maturities and lock in interest rates to reduce risk of higher rates</li> <li>■ Study PO opportunities with an eye on financial market trends</li> </ul>
ESG strategy	<ul style="list-style-type: none"> <li>➢ <b>Industry-leading</b> ratings from third parties</li> </ul>	<ul style="list-style-type: none"> <li>■ Advancing an awareness of risks and opportunities and appropriate responses in relation to ESG</li> </ul>

Japan Logistics Fund, Inc.

Since 2022, we have promoted a Develop the Value strategy at JLF that aims to strengthen our independence, secure a differentiated and competitive edge, and build resilience against changes in the external environment that enables JLF to respond appropriately with flexibility to achieve stability and growth in unitholder value by measures such as DPU and NAVPU.

Our independence provides JLF with an edge by drawing deeply from various operational strategies we have developed over time. Meanwhile, the business environment is changing under the impact of factors such as high inflation and interest rate increases. We are promoting a strategy that prepares for those changes. By deploying operational strategies that balance independence with resilience against the external environment, we aim to maintain stability and generate growth opportunities. We have deployed an investment strategy based on diverse acquisition means including a long track record of redevelopment (OBR) projects on portfolio assets, with a recent focus on joint development projects that deliver structurally advantageous yields. The current pipeline leverages bridge schemes to secure flexibility in acquisition timing and enable appropriate response to changes in the funding environment and the like. We also select independent acquisition means, depending on changes in the real estate acquisition market environment.

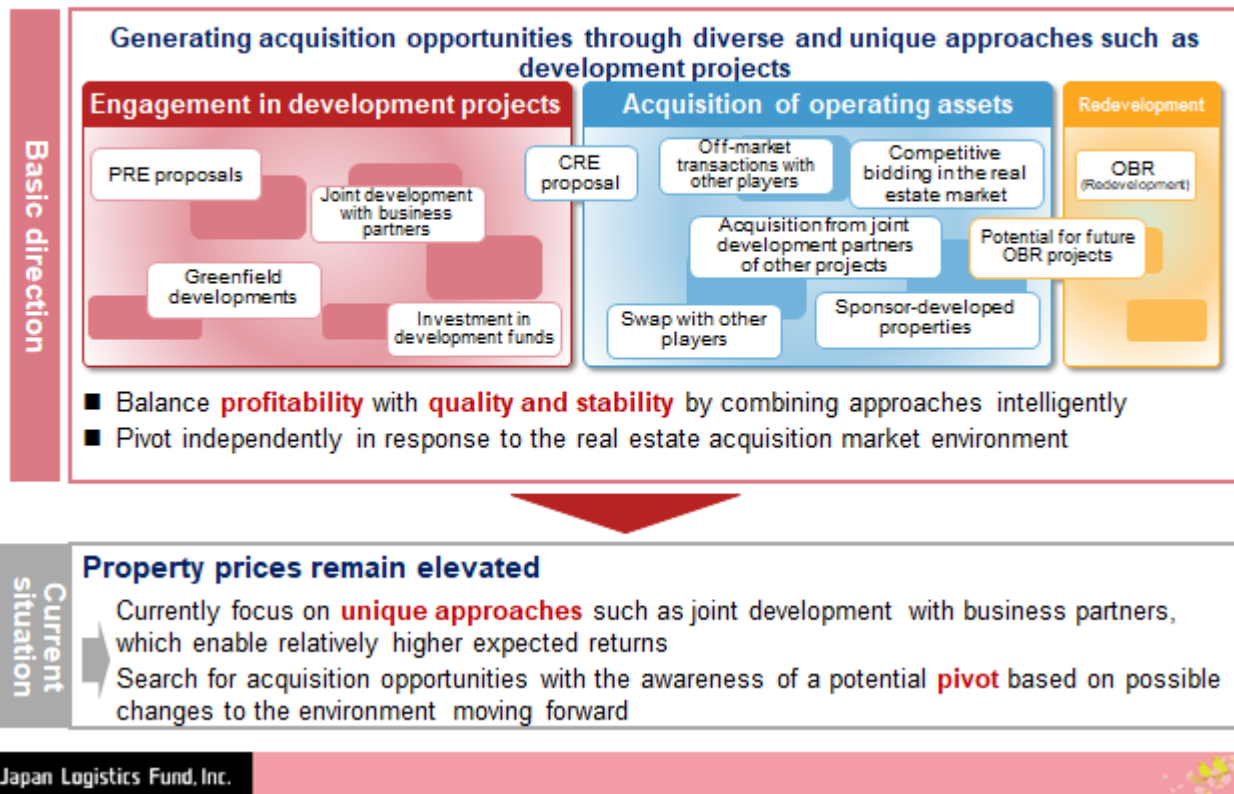
Under our portfolio strategy, we promote internal growth leveraging a portfolio in favorable locations and the asset manager's negotiating strength rooted in analytical capabilities in rent gaps and submarket conditions. Furthermore, we aim to diversify lease maturities to bolster the portfolio against changes in the leasing market. We have also introduced CPI escalator clauses and, at competitive properties, shorter lease durations to drive rental growth that outstrips cost increases. We have protected the portfolio from future cost increases by reviewing lease terms related to utilities and maintenance and repairs costs.

Our financing strategies are bolstered by strong credit and an industry-leading unrealized gain as a percentage of portfolio value. JLF does not pay out distributions in excess of profits, providing an operational strength in the form of structurally large liquidity on hand. Meanwhile, we have prepared against the risk of higher interest costs in the face of rising interest rates by diversifying debt maturities and maintaining a high level of fixed interest rates in the debt portfolio. Moreover, to

decide the timing of executing secondary offerings aimed at growing DPU and NAVPU, we consider JLF's unit price as a matter of course, as well as the financial environment in interest rates and capital markets.

We have made progress in our ESG strategy in recent years. JLF has received the highest level of third-party evaluations among J-REITs. Moving forward, we will continue to promote action based on an appropriate recognition of ESG-related risks and opportunities.

# Property acquisition strategy



JLF's investment strategy does not solely rely on acquiring operational assets from our sponsors or participating in competitive biddings in the real estate acquisition market. We strive to build a structure capable of generating acquisition opportunities in all environments by leveraging diverse and unique approaches. These approaches include joint developments with business partners, where JLF gets involved from the development phase of a logistics property, and redevelopment (OBR) projects. They also include CRE proposals, where JLF encourages the disposition of real estate assets held by operating companies, and off-market transactions, which leverage JLF's vast network. Moreover, we aim to balance profitability with quality and stability by deftly combining a variety of acquisition means.

Given today's elevated real estate prices, we are focused on unique approaches, such as joint development with business partners, which can be expected to deliver relatively high profitability. However, depending on how the external environment changes moving forward, acquisition opportunities may emerge from the real estate acquisition market. In this way, we strive to pivot our focus independently in response to changes in the real estate acquisition market environment.

# Property Acquisition Pipeline

**Solid progress building up pipeline**  
Also implementing risk controls such as **flexibility in acquisition timing**

Pipeline status			Gross floor area	Completion of construction	Status	Bridge period
Engagement in development projects	Joint development with business partners	Amagasaki (Osaka Area)	13,669m²	2022/11 Completed	Forward Commitment (100% occupied)	Until April 2, 2026
		Ichinomiya (Nagoya Area)	78,717m²	2023	First right of refusal, etc.	Until March 31, 2026
		Ichinomiya II (Nagoya Area)	71,089m²	2023	First right of refusal, etc.	3 years after it is leased up
		Fukuoka Tachiarai (Fukuoka Area)	13,118m²	2023	First right of refusal, etc.	4 years after completion of construction
		New Kazo II (Tokyo Met. Area)	15,855m²	2024	First right of refusal, etc.	
		New Narita (Tokyo Met. Area)	11,717m²	2024	First right of refusal, etc.	3 years after completion of construction
Acquisition of operating assets	Sponsor-developed properties	Project A (Osaka Area)	90,074m²	2024	First right of refusal, etc.	Under negotiation
	Off-market transactions	New Ishikari project (Other Area)	23,148m²	Completed	First right of refusal, etc. (100% occupied)	
	CRE proposal	Shin Kiba project (Tokyo Met. Area)	19,234m²	Completed	First right of refusal, etc. (100% occupied)	5 years

## Working on other projects behind the scenes

Number of leads obtained	2021 353	+77%	2022 599	Number of leads studied	2021 20	+50%	2022 33
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Japan Logistics Fund, Inc.

We recognize that external growth continues to be an important element in driving stability and growth in DPU and NAVPU and are making solid progress building out JLF's pipeline. At the same time, we are cognizant of risks resulting from rapid changes in the external environment, such as the funding environment, and aim to secure flexibility in acquisition timing by building bridge schemes.

The Amagasaki LC (GFA: 13,669 m<sup>2</sup>) is a joint development project with a business partner. The property completed construction in November 2022 and is 100% occupied. JLF entered into a forward commitment with a leasing company to acquire that property. The planned acquisition date is on or before April 2, 2026.

Construction projects on the Ichinomiya LC (GFA: 78,717 m<sup>2</sup>), Ichinomiya LC II (GFA: 71,089 m<sup>2</sup>), Fukuoka Tachiarai LC (GFA: 13,118 m<sup>2</sup>), Kazo LC II (GFA: 15,855 m<sup>2</sup>) and Narita LC (GFA: 11,717 m<sup>2</sup>) are scheduled to complete in 2023 and 2024. For each of the properties, bridge schemes have been built for post-development, and JLF has obtained right of refusal from the bridge entity. The bridge period on the Ichinomiya LC extends out to March 31, 2026, and the others last for 3 to 4 years after completion of construction or leasing. Leveraging a bridge scheme gives JLF flexibility to time the acquisition. With a discerning eye on funding and other external environmental factors, we aim to acquire these properties at the appropriate time to enhance unitholder value.

Meanwhile, we have also worked to build out a pipeline of operating assets, specifically, Project A (GFA: 90,074 m<sup>2</sup>), which is a sponsor-developed property, Ishikari PJ (GFA: 23,148 m<sup>2</sup>), arrived at through an off-market transaction with another player, and Shinkiba PJ (GFA: 19,234 m<sup>2</sup>), which was brought to sale by our CRE proposal.

To solidly grow the pipeline, we are working to strengthen our property acquisition organization by, for one, adding people. Competition remains fierce in the real estate acquisition market. Nevertheless, we saw a 77% increase in the number of leads obtained in 2022 compared to the previous year and a 50% increase in the number of leads studied, thanks to our enhanced organization.

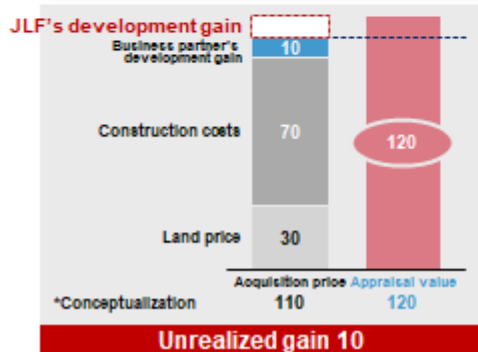
# Promoting Joint Developments with Business Partners

## Joint development value chain



## Acquisition price structure





Able to secure advantageous yield



## Desired yield on pipeline property

Aim to acquire at a yield that is superior to yields on market transactions  
Fully cognizant of capital costs during acquisition

Property name	Amagasaki	Ichinomiya, Ichinomiya II, Fukuoka Tachiarai, Kazo II
Appraisal NOI yield	4.5~4.7%	Average: High 4% range
Comparison to market yield	+60-80 bps approximately	+30-70 bps approximately

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We are most focused on joint developments with business partners. Here, we have sourced development land ourselves and recruited third-party partners to develop logistics facilities. After development and the establishment of a bridge scheme to provide flexibility in acquisition timing, JLF will eventually acquire the property. In addition to obtaining leads on development land, by engaging proactively in the development process, from building planning to tenant leasing, JLF is positioned to share with its business partner development gains that would ordinarily be go to the developer. This approach makes it possible to acquire properties at structurally advantageous yields.

Pipeline properties Amagasaki LC, Ichinomiya LC, Ichinomiya LC II, Fukuoka Tachiarai LC, and Kazo LC II have average appraisal NOI yields in the high 4% range--about 30 to 80 basis points higher than estimated market yields. Of course, in pursuing these acquisitions, we will remain mindful of JLF's capital cost, including implied cap rate, at the time of acquisition.

# OBR Projects and Dispositions

## OBR projects (redevelopment of portfolio assets)

Study implementing OBR projects at appropriate timing while being mindful of its impact on the portfolio

- Currently 8 OBR candidates
- Approximately 158,000m<sup>2</sup> potential addition to GFA (equivalent to approximately 11% of portfolio)

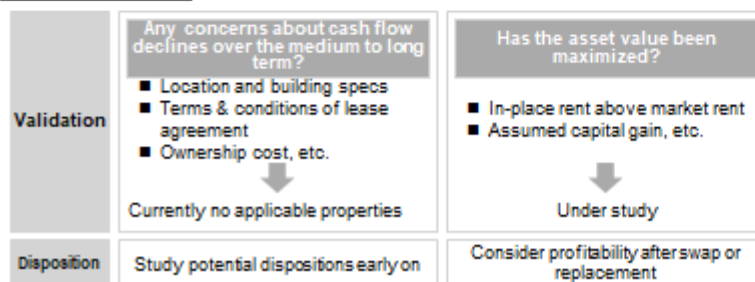
### Lease maturities at OBR-candidate properties

	~ FP 2026/1 (~ 3 years)	~ FP 2028/1 (~ 5 years)	FP 2028/7~ (5+ years)
Number of properties	5	1	2

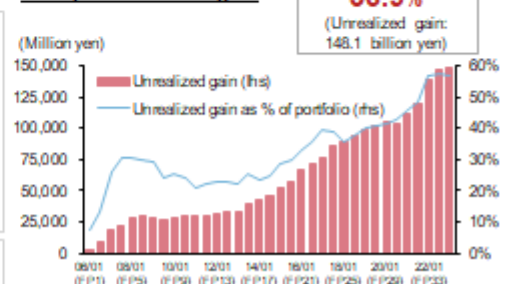
## Property sale

We validate cash flow stability of every portfolio property every fiscal period

### Validation overview



### Plenty of unrealized gain



Japan Logistics Fund, Inc.

We have a track record of completing 5 OBR projects, which are an investment approach that is unique to JLF.

We regularly draft OBR scenarios for all portfolio assets, identify properties that meet OBR criteria, and validate investment benefits including post-OBR NOI yield, appraisal value growth and investment benefit measures such as ROIC.

Currently, we have identified 8 OBR candidates in the existing portfolio. Executing OBR projects on all these properties could potentially grow portfolio gross area by about 158,000 m<sup>2</sup>, adding about 11% to the portfolio.

These 8 properties are currently operating at 100% occupancy. Looking at the leases in place with tenants, five expire by the end of January 2026, another one by the end of January 2028, and another two thereafter. We will study executing OBR projects on these properties at the appropriate timing. We also need to take into consideration factors such as long-term relationships with existing tenants and the impact on the overall portfolio from one-off costs including fixed asset writedowns. Therefore, lease expiration does not automatically trigger the decision to move forward with an OBR project. Nevertheless, OBRs represent one of JLF's unique strengths, and the execution of further OBR projects will be studied at the appropriate timing. Note that, upon reaching the lease's expiration, if the tenant wished to renew the lease at a rent level JLF deemed reasonable, JLF may decide to renew the lease rather than execute an OBR project.

We also validate portfolio properties for factors such as the stability of cash flows over the medium- to long-term. Presently, there are no properties that should be sold due to concerns about declining cash flows over the medium- to long-term.

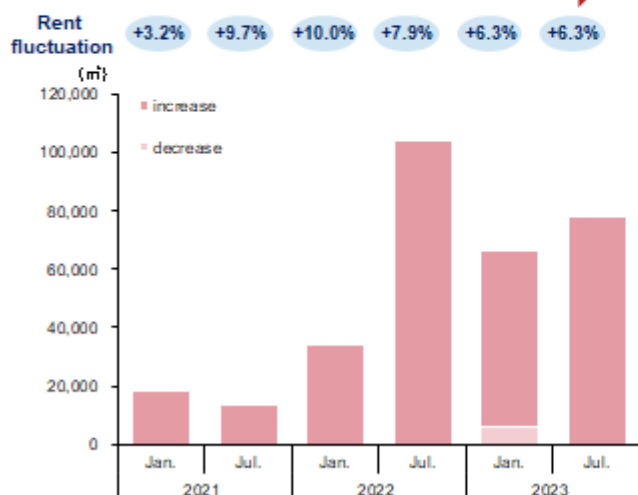
Furthermore, JLF boasts an industry-leading unrealized gain equal to 56.9% of portfolio value; so, one can expect a capital gain would be realized upon disposition. We also validate the disposition of properties where appropriate management has resulted in the maximization of asset value. However, disposition would result in reduced portfolio cash flows; therefore, the asset would need to be replaced. Our policy is to make disposition decisions based on a judgment of how any asset replacement would change factors such as portfolio profitability.

# Rental Growth

Continue to achieve strong rental growth through strategic negotiations based on analysis of the rent gap, market rent trends and trends at the tenant, etc.

Status of leases matured or maturing in the recent periods (excluding regular leases)

Aim to grow rent 3% to 4% or more



Recent lease renewals

Single-tenant property located in Tokyo Inland

Rent growth (%)  
**+11.2%**

■ Accurately assess trends at tenant and the goods handled to eliminate rent gap

Single-tenant property located in Tokyo Inland

Rent growth (%)  
**+3.5%**

■ Mitigated future downtime risk and achieved rent hike by gaining permission to implement major renovations to dedicated space

Single-tenant property located in Osaka Inland

Rent growth (%)  
**+2.6%**

■ Negotiated renewal based on accurate assessment of tenant's likelihood to stay in place

Japan Logistics Fund, Inc.

JLF continues to make progress in rental growth.

We estimate the rent gap on JLF's portfolio averages in the high single digits as a percentage, given the rise in market rents for logistics properties, among other things. This should provide many opportunities to raise rents as leases expire.

We continue to grow rent. Indeed, rent fluctuation has been in positive territory, indicating rent growth, for each period from the fiscal period ended January 2021 through the fiscal period ending July 2023. We are sustaining rental growth momentum, with 6.3% rental growth in FP 2023/1 and FP 2023/7.

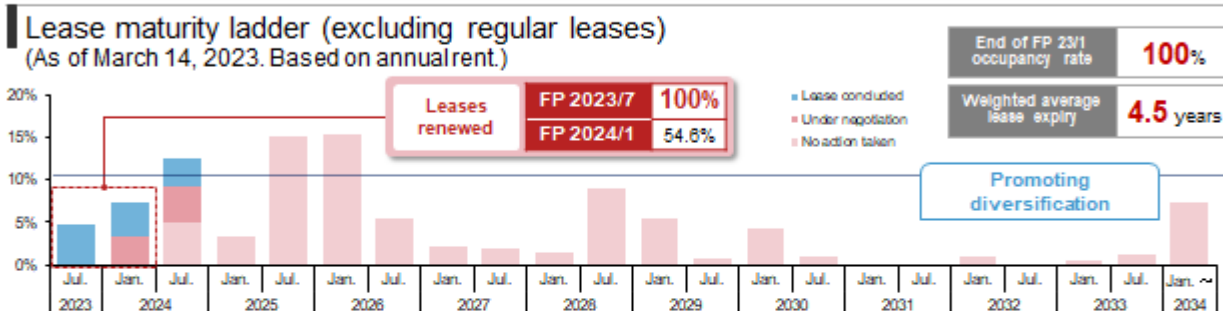
We achieved the following ambitious results aimed at closing the rent gap on the individual leases signed during the fiscal period ended January 2023.

- In a single-tenant property located in Tokyo Inland Area, we proposed a lease term that was in line with tenant needs and informed by trends at the tenant and the goods handled. At the same time, we achieved a 11.2% rent hike, thanks to ambitious negotiations and a relatively large rent gap.
- In another single-tenant property located in Tokyo Inland Area, we won a 3.5% rent hike as well as permission to implement large-scale renovations while the tenant remains in place. These renovations would be required if in the future we needed to re-tenant the property.
- At a single-tenant property in Osaka Inland Area, we achieved a 2.6% rent hike, thanks to ambitious negotiations and our judgment that the tenant was unlikely to relocate, given trends at the tenant and the goods handled.

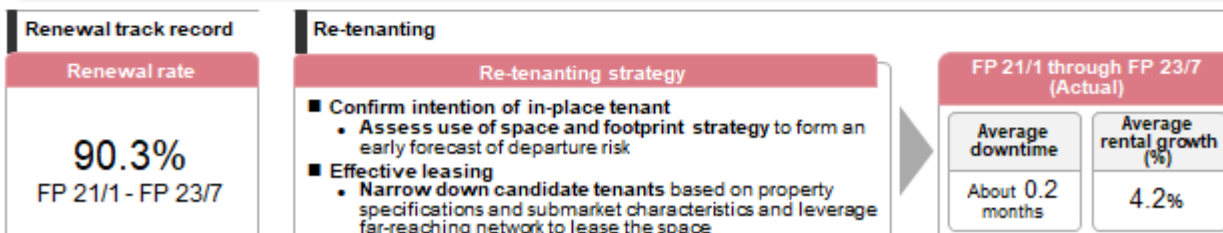
The rate of rent growth varies depending on the rent gap on leases due to expire, but we aim to sustain rent growth averaging about 3% to 4% or more on leases expiring in the fiscal period ending January 2024 and beyond, as well.

## Portfolio Stability

### Spread out lease maturities and mitigate departure risk



### Maintain rent stability through high levels of renewals and strategic re-tenanting



Japan Logistics Fund, Inc.

We are also mindful of portfolio stability.

We continue to maintain high occupancy, with portfolio occupancy at 100% as of the end of January 2023. We are mindful of spreading out maturities when renewing tenant leases to avoid the concentration of departure risk in specific timeframes. We have completed renewing all leases set to expire in the fiscal period ending July 2023. We have completed 54.6% of leases set to expire in the fiscal period ending January 2024 and are negotiating with the remaining tenants with the aim to renew their leases. So, we expect high occupancy to continue for some time.

Furthermore, JLF leverages the favorable locations and competitiveness of its portfolio to achieve high levels of tenant retention and stability in rental revenues through strategic re-tenanting upon tenant departure. Of the leases that expired or are set to expire between August 2020 and July 2023, 90.3% have been renewed. When tenants do leave, we work to assess the tenant's situation and arrive at an early forecast of trends while we engage in effective leasing activities. As a result, average downtime on re-tenanting situations that arose between August 2020 and July 2023 was about 0.2 months. Average rental growth was 4.2%. So, we have been able to achieve a smooth transition in tenants and rental growth.

# Resistance to environmental changes

## Control lease terms & conditions in preparation for inflation

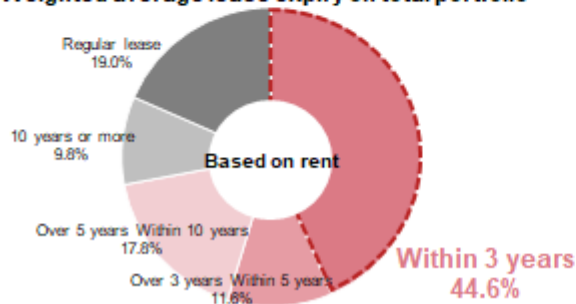
### Shorter lease durations

Promote shorter leases at highly competitive properties

Capture opportunities to raise rent upon renewal

	Recent leases (FP 21/1 - FP 23/1)	Portfolio total (excluding regular leases)
Weighted average lease period	4.3 years	9.4 years

Weighted average lease expiry on total portfolio



### Review terms & conditions

Introduce CPI escalator clauses

Work to introduce to lay groundwork for rent increases during inflationary periods

Done MOI at Tokyo Inland property

Switch to fixed-term leases

Capture opportunities to raise rent upon lease expiration  
Confirm tenant intentions and promote switching away from regular lease

Done Signed lease at Tokyo Bay property

Pass on maintenance and repairs costs to tenant

Avert risk of increased maintenance and repairs costs during inflationary periods  
Negotiate with tenant depending on state of property

Done Signed lease at Tokyo Inland property

Avert risk of cost inflation

Japan Logistics Fund, Inc.

We are also managing portfolio operations to protect JLF against high rate of inflation.

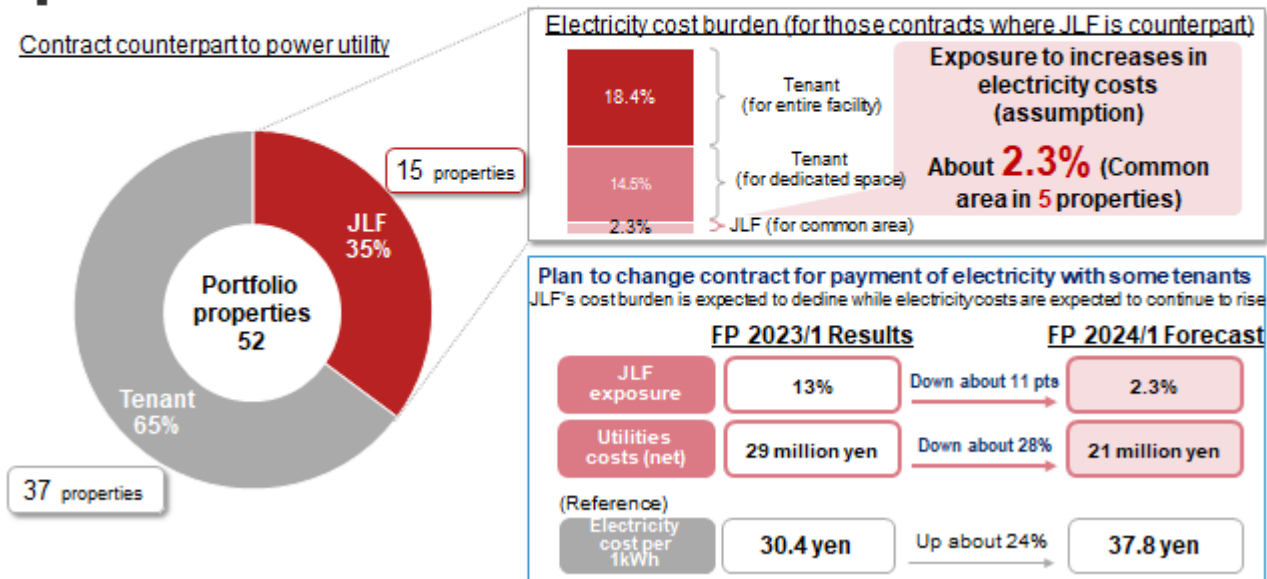
At those portfolio properties we believe will maintain competitiveness over the medium- to long-term, we are generating rental growth opportunities upon lease expiration by intentionally shortening lease terms. Indeed, the weighted average lease period of leases renewed over the past 3 years has been 4.3 years, compared to 9.4 years for the total portfolio. Meanwhile, 44.6% of the portfolio has leases set to expire within the next 3 years, providing frequent opportunities for incremental rental growth. Highly competitive properties enjoy high tenant retention and smooth re-tenanting and therefore cause little concern in terms of operational stability. However, at properties that require attention, for example, due to new supply within a specific timeframe in the surrounding submarket, we prefer the stability of longer-term leases. Looking at individual leases, we have made progress generating opportunities to raise rent by introducing CPI escalator clauses at Tokyo Inland properties or switching from regular leases to fixed-term leases in Tokyo Bay Area properties. We have also worked to avert the risk of future cost increases. For example, at a Tokyo Inland property, we shifted the burden of maintenance and repair expenses from JLF to the tenant.

## Responding to Risk of Operational Cost Increases

**Limited exposure to increases in electricity costs  
Switch over tenant leases to further mitigate impact**

**Electricity contracts at portfolio properties** Estimates as of the end of July 2023

Contract counterpart to power utility



Japan Logistics Fund, Inc.

The recent surge in fuel costs impacts JLF and other J-REIT operations in the form of increased electricity costs. At JLF, the impact of the electricity rate increase is expected to shrink to approximately 2.3% of the total portfolio's electricity consumption (common areas of 5 properties) by the end of July 2023.

At 37 of the 52 properties in the JLF portfolio, 65% of tenants (based on electricity usage) contract directly with a power utility. JLF contracts with a power utility at only 15 of its properties, or 35% of its tenants (based on electricity usage).

Furthermore, in most properties where JLF contracts with a power utility, a "pass-through structure" is used. Under this structure, the tenants bear the total cost of electricity for the entire property or for the tenant's dedicated space.

In the fiscal period ended January 2023, JLF had 13% exposure to increased electricity costs. However, by the end of July 2023, we expect that to decline to 2.3% because of subsequent revisions to tenant leases. JLF's remaining exposure to increased electricity costs will be limited to the common areas in 5 properties. Our business performance forecasts use conservative assumptions that anticipate continued increases to electricity tariffs. However, because of revisions to our lease contracts, net utilities costs are expected to decline about 28% to 21 million yen in the fiscal period ending January 2024, from 29 million yen in the fiscal period ended January 2023.

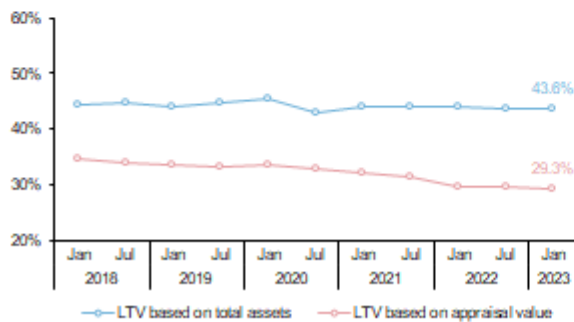
## Stable Financial Foundation

**Strive to maintain a stable financial foundation by controlling LTV at sound levels**  
**Leverage favorable credit to build relationships with diverse range of financial institutions**

Amount of interest-bearing debt	<b>119,700</b> million yen	Weighted average cost of debt	<b>0.68%</b>	Credit Ratings	JCR <b>AA (stable)</b> R&I <b>AA- (stable)</b>
Commitment line limit	<b>31,900</b> million yen	Weighted average debt maturity	<b>4.6</b> years	LTV	Based on total assets <b>43.6%</b> Based on appraisal value <b>29.3%</b>

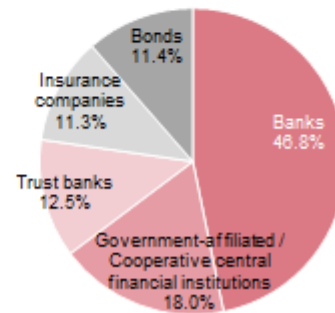
### Change in LTV

#### Controlling LTV at sound levels



### Funding sources

#### Diverse range of funding sources and means



Japan Logistics Fund, Inc.

JLF continues to maintain a stable financial foundation.

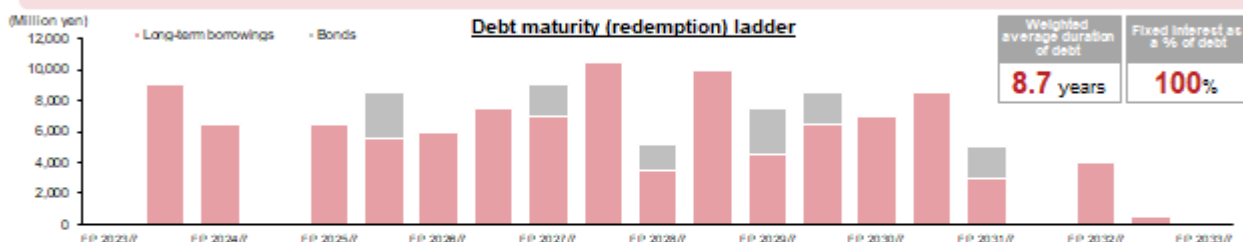
Total interest-bearing debt was 119,700 million yen. Weighted average cost of debt was 0.68%. And weighted average debt maturity was 4.6 years. JLF has a commitment line of 31,900 million yen to provide flexibility in property acquisition or refinancing.

We control leverage at a sound level. As of the end of January 2023, LTV based on total assets was 43.6% and LTV based on appraisal value was 29.3%. We also maintain sound credit ratings, with an AA (Stable) from JCR and an AA- (Stable) from R&I. We leverage our favorable credit to diversify funding means and sources and secure funding stability.

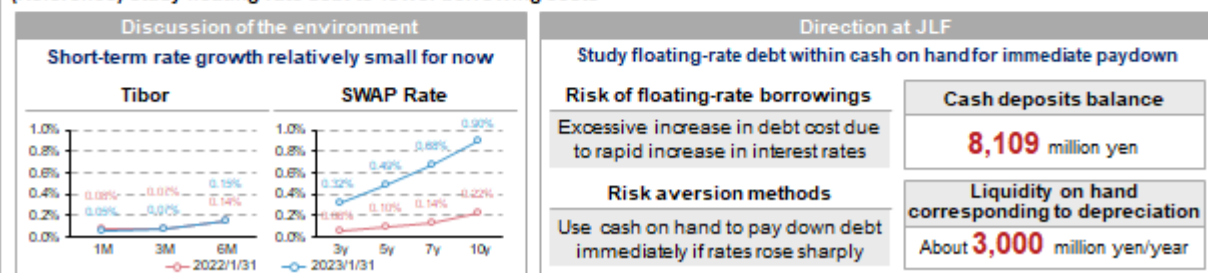
## Basic Direction for Interest-bearing Debt

In order to secure resilience against interest rate increases Spread out debt maturities as well as strive to maintain average debt durations and a large percentage of debt on fixed rates

Average amount of re-financing about 6,500 million yen per period (about 5.4% of total debt)



(Reference) Study floating rate debt to lower borrowing costs



Japan Logistics Fund, Inc.

Operationally, securing resilience against interest rate increases is an important theme for JLF related to interest-bearing debt. At JLF, our basic policy is to spread out maturities while maintaining weighted average durations of debt and keeping fixed interest as a percentage of debt high.

We are most focused on spreading out maturities. This is important not only for resilience against interest rate increases, but also to reduce refinancing risk. Each period, our average refinance amount is about 6,500 million yen, or about 5.4% of total interest-bearing debt.

Additionally, we secure resilience against interest rate increases by taking longer duration on debt (8.7 years as of March 14, 2023) and a high level of fixed interest as a percentage of debt (100% as of March 14, 2023).

Recently there has been a marked increase in swap costs compared to short-term interest rates. While Tibor has remained fairly stable from 2022 into 2023, 3-year to 10-year swap rates have risen 30 to 70 basis points. Amid this environment, we also study blending in floating-rate debt to the extent we can maintain a high level of fixed interest as a percentage of debt. However, considering the impact on JLF's costs from a sudden increase in short-term interest rates, we plan to limit any floating-rate debt to an amount that can be paid down with cash on hand. We look to take risk to the extent it can be controlled and mitigate any impact on JLF profits that would be caused by rising interest rates.

## Studying the optimal capital strategy

In principle, JLF execute the optimal capital strategy with consideration given to the financial market environment and P/NAV trends

### Trends in unit price and NAVPU



#### When P/NAV is 1.0x or higher

Strive to maintain or increase unit price  
**Study executing follow-on offering with consideration of the financial market environment, such as interest rate and unit price trends**

#### When P/NAV is far below 1.0x

Aim to recover P/NAV to 1.0x or higher  
**Consider acquisition of own investment units using cash on hand at the most effective time**

Japan Logistics Fund, Inc.

We execute the optimal capital policy depending on the environment.

This is JLF's basic direction for capital policy.

When price to NAV is trading on par or at a premium, we will strive to maintain or improve investment unit prices through appropriate management and IR activities. Furthermore, we will aim to grow DPU and NAVPU through follow-on offerings tied to property acquisitions executed at yields that are cognizant of capital cost measures such as implied cap rate. We will strive to time follow-on offerings appropriately, considering not only JLF's investment unit price, but also the financial market environment, including trends in interest rates and the J-REIT market.

Unfortunately, depending on the external environment, there may be times when JLF's investment unit price trades at a substantial discount to NAV. In such cases, we would study leveraging liquidity on hand to drive unitholder returns through buybacks. We would aim to execute buybacks at a time that would be effective to recover the investment unit price by discerning the financial market environment.

# Promoting ESG for Sustainable Business Value Creation

Advance an awareness of risks and opportunities and appropriate responses in relation to ESG and engage in improving ESG issues

## Acquired highest external evaluations for a J-REIT

- Acquired AAMSCI ESG rating, the highest for a J-REIT, and included in the **MSCI Japan ESG Select Leaders Index** (as of March 14, 2023)



2022 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

- In 2022, acquired 5-star GRESB rating, the highest rating for a J-REIT



## Progress in green building certifications

- Acquired green building certifications at **41** properties (**78.6%** of portfolio)
- Achieved target for green building certifications (75% or more by the end of FY 2022)



## Set net zero targets

- Regarding GHG emissions (Scope 1 and 2) resulting from JLF business activities, set target to **reduce 42% by FY 2030** (vs. FY 2021) and reach **net zero by FY 2050**
- **Acquired SBT validation for SMEs**, validating that JLF's FY 2030 targets align with the Paris Agreement



Japan Logistics Fund, Inc.

At JLF, we believe that corporations now need to consider ESG initiatives aimed at achieving a sustainable society through a variety of economic activities. That, of course, includes environmental (E) measures primarily aimed at climate change. It also entails social (S) and governance (G) issues, such as workstyle reforms, coexistence with our communities and stronger governance of management and fund operations. ESG initiatives are one of the top priorities at JLF. We are continuously working to improve ESG-related issues (materialities), including the following most recent initiatives.

### a. Acquired the highest third-party rating for a J-REIT

JLF enjoys an MSCI ESG rating of AA, the highest for a J-REIT and an improvement of 3 notches in 2 years. As a result, JLF has been included in the MSCI Japan ESG Select Leaders Index in December 2022. We believe that inclusion in the index will contribute to expanding the investor base and improving liquidity.

In the 2022 GRESB Real Estate Assessment, JLF has acquired the highest “5-star” GRESB rating, which is rated on a 5-point scale based on a global ranking of the overall score.

### b. Progress in acquiring Green Building Certifications

JLF owns many environmentally friendly properties. As of March 14, 2023, 41 of the properties owned by JLF (or 78.6% of the existing portfolio by gross leasable area) have received Green Building Certifications from: Certification for CASBEE Real Estate; CASBEE for Buildings (New Construction); BELS Assessment; or DBJ Green Building Certification. About important ESG matters (materialities), JLF had set as a KPI acquiring Green Building Certifications for 75% of its portfolio by FY 2022, and has achieved that target.

### c. Setting a net zero target

JLF possesses a strong sense of ownership for ESG issues and based on its desire to share an awareness of those issues with

investors, has signed on to a variety of initiatives.

In August 2021, the asset manager became a signatory to the Principles for Responsible Investing and, in August 2022, conducted information disclosures aligned with TCFD recommendations.

As for Measures and Targets under TCFD recommendations, we have set a target to reduce greenhouse gas emissions from JLF's business activities (Scope 1 & 2) 42% by FY 2030 (compared to FY 2021) and to net zero by FY 2050.

With the signing of the Paris Agreement, the world is focused on net zero greenhouse gas emissions, and institutional investors have a policy of investing in companies that will achieve net zero emissions. That may affect JLF's fund-raising environment in the future. To show that JLF's net zero target aligns with the Paris Agreement, we have obtained SBT validation for SMEs.

## Dear investors

For some time, JLF has been building a foundation to enable it to pursue an independent growth strategy and stable growth regardless of changes in the business environment. Meanwhile, in recent years, the environment surrounding REIT operations has changed substantially. It has become increasingly important to respond appropriately and effectively to a variety of changes, such as interest rate hikes, inflation, the shift to living with COVID, increased geopolitical risks and the like.

The prolonged period of low interest rates made low-cost funding possible, and priority was given to acquiring properties through follow-on offerings on a regular basis. External growth continues to be the primary growth driver, and the importance of expanding the property acquisition pipeline remains unchanged. However, the rapid change in the business environment has increased the complexity of REIT operations, driving a need for operational reforms that shift away from singular reliance on a property pipeline as a means of growth to more diverse measures and resilience against change.

At JLF, we have achieved favorable internal growth by maintaining high occupancy and continuing to raise rents. Our ESG initiatives led to our inclusion in the MSCI Japan ESG Select Leaders Index. Additionally, we have made progress in accelerating property pipeline growth to address recognized external growth challenges. Moreover, through strategic negotiations with tenants, we have advanced contracts that factor in inflation and review utilities costs. At the same time, on the finance front, we have diversified and lengthened debt maturities and strengthened our resilience against interest rate hikes by locking in rates. We have improved not just the size but the quality of the property pipeline, by increasing flexibility in acquisition timing, leveraging structures that enable JLF to time the acquisitions in a way that contributes to shareholder value.

Since I became President, I have advocated an Investors First spirit. By implementing a Develop the Value strategy and solidly pursuing an independent growth strategy, we aim to continue to respond appropriately and effectively to changes in the business environment and achieve stable growth in DPU and NAVPU. I hope to enjoy your continued support.



Naohiro Kameoka

President & CEO

Mitsui & Co., Logistics Partners Ltd.

## **Risks**

### *Risk Profiles*

The principal risks with respect to investment in JLF are as follows:

(i) Risks related to the marketability of the investment securities or the investment corporation bonds

- Risk associated with the fluctuation of market prices of the investment units or investment corporation bonds of JLF
- Risk associated with the distribution of cash and investment units buyback programs and etc.
- Risk associated with the fluctuation of income and expenses
- Risk due to the fact that the rights of unitholders and the rights of shareholders are not always identical
- Risk associated with JLF's investment units transactions in the market
- Risk associated with the redemption and coupon payment of the investment corporation bonds of JLF

(ii) Risks related to the management policy of the investment corporation

- Risk due to the fact that the investment target is logistics properties primarily
- Risk associated with the dependency on a small number of tenants
- Risk associated with single tenant properties
- Risk of not being able to purchase properties from Mitsui & Co., Ltd. and Sumitomo Mitsui Trust Bank, Limited as planned
- Risk of not being able to acquire or transfer of real estate
- Risk associated with funding through issuance of new investment units, borrowings and issuance of investment corporation bonds
- Risk associated with the dilution of value when new investment units are issued
- Risk associated with redevelopment projects (OBR)
- Risk associated with investment in data center

(iii) Risks related to parties concerned and framework of the investment corporation

- Risk associated with the dependency on Mitsui & Co., Ltd., Mitsui & Co. Asset Management Holdings Ltd., Sumitomo Mitsui Trust Bank, Limited and Kenedix, Inc., and with conflicts of interest
- Risk associated with the dependency on interested parties of JLF and with conflicts of interest
- Risk of dependency on executive officers of JLF and personnel of MLP
- Risk associated with changes in the investment policy of JLF
- Risk of bankruptcy or deregistration of JLF
- Risk associated with deposits and guarantees

(iv) Legal risks related to beneficial interests of real estate and trusts

- Risk associated with defects of real estate
- Risk associated with lease contracts
- Risk that accompanies damage, loss and deterioration of real estate due to disasters, and degradation of the surrounding environment
- Risk associated with owner liability and repair/maintenance costs related to real estate
- Risk associated with administrative laws and regulations related to real estate
- Risk associated with the establishment or amendment of laws
- Risk of being affected by bankruptcy, etc. of the seller
- Risk associated with the master lease company
- Risk associated with subleasing

- Risk associated with the use of real estate by tenants, etc.
- Risk associated with joint-ownership of properties
- Risk associated with sectional ownership buildings
- Risk associated with properties with leased land
- Risk associated with properties with leased building
- Risk associated with properties with limited proprietary right of land
- Risk associated with development properties, etc.
- Risk associated with detrimental substances
- Risk associated with specific facilities under the Water Pollution Prevention Act
- Risk associated with reserve land
- Specific risk when owning real estate in the form of trust beneficiary rights
- Risk associated with joint-ownership, etc. of trust beneficiary rights
- Risk related to forward commitment, etc.
- Risk related to landfill
- Risk to global warming countermeasures

(v) Risks related to a taxation system

- Risk associated with requirements for dividend deductibility
- Risk of dividend deductibility requirements not being fulfilled ex-post facto due to corrections following tax inquiries, etc.
- Risk of reduced tax system accompanying the acquisition of real estate not being applied
- Risk associated with changes in the general tax system

(vi) Other

- Risk associated with expert reports, etc.
- Risk associated with the dependency on market reports
- Risk associated with the application of impairment accounting
- Risk of increased tax burden due to discrepancy between accounting and taxation
- Risk associated with investment in silent partnership equity interests
- Risk to ESG assessment

The current risk profile of the JLF and the risk management systems employed by the MLP to manage those risks:

The appropriateness and effectiveness of the risk management structure are regularly evaluated and enhanced by the MLP. Deposits are exposed to risks of bankruptcy of the financial institutions which hold the deposit, and other credit risks. Such risks are, however, managed by limiting short-term deposits and depositing financial institutions with high credit ratings. Loans and investment corporation bonds are mainly used for asset acquisition or debt repayment, etc. While loans and bonds are exposed to liquidity risk at the time of due date and maturity date, such risk is controlled by diversifying lenders and maturity and due dates, diversifying financing means, establishing commitment lines to secure liquidity as well as monitoring cash flows periodically. JLF has 31.9 billion yen of commitment lines as of April 30, 2023.

Debt with a floating interest rate is exposed to interest rate fluctuation risks. JLF will manage the risk by maintaining conservative level of LTV and by increasing fixed-rate debt ratio.

Circumstances in which the JLF may use leverage:

JLF may take out loans or issue long-term or short-term investment corporation bonds for the purpose of acquiring assets, repair of properties, payment for dividends, payment for working capital of JLF, or repayment of obligations (including repayment of tenant leasehold or security deposits, and obligations related to loans or long-term or short-term corporate bonds) and other activities.

The types and sources of leverage permitted and associated risks:

JLF may raise funds through loans and issuance of investment corporation bonds.

Associated risks are;

- There are risks of delinquency in payment of principal or interest, or insolvency with regard to investment corporation bonds due to deterioration of JLF's credit status or other reasons.
- There is no guarantee that monetary debt and issuance of investment corporation bonds can be made at a timing or on terms that JLF desires since the possibility and terms of monetary debt and issuance of investment corporation bonds are affected by JLF's economic credibility, interest rate environment and other factors. As a result, there is a possibility that JLF will not be able to purchase assets that it had planned to purchase, forced to sell assets that it had not planned to sell, or face cash-flow issues.
- In cases where JLF makes loans or issues investment corporation bonds, financial covenants such as restricting monetary distribution to unitholders (including distribution in excess of earnings) may be imposed, collateral may be set to assets under management, or changes to articles of incorporation may be restricted. Such restrictions may affect the operation of JFL or may have a negative influence over the amount of monetary distribution, etc. to unitholders. All of JLF's debt as of the date of this document are unsecured; however, financial covenants have been imposed prescribing that a certain level of financial indicator figures must be maintained based on assets and liabilities, etc.
- The interest rate of loans and investment corporation bonds depends on the market trend at the time of the loan or issuance of the investment corporation bond, and will be influenced by subsequent market trends if the interest rate is variable. If the interest rate of the loan and investment corporation bond rise or if the amount of JLF's loan and investment corporation bond issuance increase, the amount of JLF's interest payment will increase. Such increase may have a negative impact on the amount of monetary distribution, etc. to unitholders.

Any restrictions on leverage:

The borrowing of funds will be limited to borrowings from qualified institutional investors that are prescribed in Article 2, Paragraph 3, Item 1 of the Financial Instruments and Exchange Act (only institutional investors prescribed in Article 67-15 of the Act on Special Measures concerning Taxation). The amount limit of the borrowings and investment corporation bond issuance shall be 1 trillion yen, respectively, and the sum of the two shall not exceed 1 trillion yen.

Any restrictions on collateral and asset reuse arrangements:

When borrowing funds or issuing investment corporation bonds, JLF may offer assets under management as collateral.

Maximum level of leverage which the MLP is entitled to employ on behalf of the JLF:

The upper limit of the percentage of the balance of borrowings and investment corporation bonds to JLF's total assets (hereinafter referred to as the "Percentage of Liabilities") will be 60%. However, the Percentage may temporarily exceed 60% due to acquisitions of new assets, etc. In order to secure the financial health and future margin for growth, JLF will maintain a lower Percentage of Liabilities and pursue conservative management for the time being.

## Asset Management Report

### 1. Outline of Asset Management Operation

#### (1) Changes in Key Indicators

Management period	For the six-month period ended January 31, 2021	For the six-month period ended July 31, 2021	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2023
Operating Revenue (Millions of yen)	9,120	9,154	9,269	9,613	10,156
of which real estate leasing business revenue (Millions of yen)	9,120	9,154	9,269	9,613	10,156
Operating Expenses (Millions of yen)	4,605	4,852	4,448	4,522	4,831
of which real estate leasing business expenses (Millions of yen)	3,692	3,918	3,504	3,550	3,797
Operating profit (Millions of yen)	4,514	4,302	4,820	5,090	5,324
Ordinary profit (Millions of yen)	4,120	3,914	4,410	4,628	4,890
Profit (Millions of yen)	4,120	3,913	4,408	4,627	4,889
Total assets (Millions of yen)	259,848	259,430	260,342	273,789	274,670
(Period-on-period change) (%)	(-2.3)	(-0.2)	(+0.4)	(+5.2)	(+0.3)
Net assets (Millions of yen)	134,810	134,392	134,522	143,074	143,427
(Period-on-period change) (%)	(-3.4)	(-0.3)	(+0.1)	(+6.4)	(+0.2)
Unitholders' capital (Millions of yen)	127,344	127,344	127,344	135,658	135,658
The number of investment units outstanding (Units)	905,073	905,073	905,073	934,000	934,000
Net Assets per Unit (Yen)	148,950	148,487	148,631	153,185	153,562
Total Dividends (Millions of yen)	4,344	4,344	4,408	4,627	4,889
Dividends per Unit (Yen)	4,800	4,800	4,871	4,955	5,235
of which earnings Distribution per Unit (Yen)	4,800	4,800	4,871	4,955	5,235
of which Distributions in excess of earnings per Unit (Yen)	-	-	-	-	-
Ordinary profit to total assets (Annualized) (Note 1) (%)	1.6 (3.1)	1.5 (3.0)	1.7 (3.4)	1.7 (3.5)	1.8 (3.5)
Profit to Net Assets (Annualized) (Note 2) (%)	3.0 (6.0)	2.9 (5.9)	3.3 (6.5)	3.3 (6.7)	3.4 (6.8)
Capital adequacy ratio (Note 3) (%)	51.9	51.8	51.7	52.3	52.2
(Period-on-period change)	(-0.6)	(-0.1)	(-0.1)	(+0.6)	(-0.1)
Number of days under management (Days)	184	181	184	181	184
Payout Ratio (Note 4) (%)	105.4	111.0	99.9	100.0	99.9

Management period	For the six-month period ended January 31, 2021	For the six-month period ended July 31, 2021	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2023
Number of properties held at end of period (Bldgs.)	49	50	50	52	52
Total leasable area at end of period (Note 5) (m <sup>2</sup> )	1,287,871.43	1,301,723.89	1,300,760.62	1,339,006.12	1,376,384.80
Number of tenants at end of period (Tenants)	65	65	66	70	71
Occupancy rate at end of period (%)	98.8	98.9	100.0	100.0	100.0
Depreciation and amortization (Millions of yen)	1,887	1,898	1,862	1,879	1,937
Capital expenditure (Millions of yen)	762	787	410	386	427
NOI (Net Operating profit) from leasing business (Note 6) (Millions of yen)	7,598	7,389	7,637	7,949	8,310
FFO (Funds From Operation) (Note 7) (Millions of yen)	6,291	6,067	6,281	6,514	6,841
FFO per unit (Note 8) (Yen)	6,951	6,704	6,940	6,975	7,325

(Note 1) Ordinary profit to Total assets = Ordinary profit / {(Total assets at the beginning of the period + Total assets at the end of the period) / 2} x 100 (Figures are rounded off to the nearest one decimal place.)

(Note 2) Profit to Net assets = Profit / {(Net assets at the beginning of the period + Net assets at the end of the period) / 2} x 100 (Figures are rounded off to the nearest one decimal place.)

(Note 3) Capital adequacy ratio = Net assets at the end of the period / Total assets at the end of the period x 100 (Figures are rounded off to the nearest one decimal place.)

(Note 4) Payout Ratio = Total Dividends / Profit x 100 (Figures are rounded down to one decimal place.)

(Note 5) The total leasable area is calculated mainly based on the leased area associated with buildings covered in the relevant lease contracts for the respective properties.

(Note 6) NOI from leasing business = Real estate leasing business revenue – Real estate leasing business expenses + Depreciation and amortization + Loss on retirement of noncurrent assets.

(Note 7) FFO = Profit + Depreciation and amortization + Loss on retirement of noncurrent assets + Loss on sale of real estate - Gain on sale of real estate

(Note 8) FFO per Unit = FFO / The number of investment units outstanding (Figures are rounded off to the nearest integral number.)

(Note 9) For amounts in units of millions of yen, figures are rounded down to the nearest million yen.

(2) Status of Capital Increase, etc.

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

Date	Summary	Total number of investment units issued		Unitholders' capital (Millions of yen)		Remarks
		Change	Balance	Change	Balance	
February 22, 2005	Private placement offering	1,000	1,000	500	500	(Note 1)
May 6, 2005	Capital increase through public offering	55,700	56,700	29,562	30,062	(Note 2)
June 1, 2005	Capital increase through third-party allotment	2,800	59,500	1,486	31,548	(Note 3)
February 8, 2006	Capital increase through public offering	46,500	106,000	35,668	67,217	(Note 4)
March 8, 2006	Capital increase through third-party allotment	2,800	108,800	2,147	69,365	(Note 5)
August 31, 2007	Capital increase through public offering	13,500	122,300	12,656	82,021	(Note 6)
February 23, 2010	Capital increase through public offering	8,500	130,800	5,123	87,145	(Note 7)
March 25, 2010	Capital increase through third-party allotment	500	131,300	301	87,446	(Note 8)
August 30, 2010	Capital increase through public offering	16,000	147,300	9,689	97,136	(Note 9)
September 24, 2010	Capital increase through third-party allotment	700	148,000	423	97,559	(Note 10)
September 13, 2013	Distribution in Excess of Earnings	-	148,000	-464	97,095	(Note 11)
October 2, 2013	Capital increase through public offering	16,000	164,000	14,634	111,729	(Note 12)
October 28, 2013	Capital increase through third-party allotment	2,000	166,000	1,829	113,559	(Note 13)
February 1, 2014	Investment Unit Split	664,000	830,000	-	113,559	(Note 14)
September 16, 2015	Capital increase through public offering	47,500	877,500	8,801	122,360	(Note 15)
October 15, 2015	Capital increase through third-party allotment	2,500	880,000	463	122,823	(Note 16)
September 27, 2017	Capital increase through public offering	42,750	922,750	8,509	131,332	(Note 17)
October 19, 2017	Capital increase through third-party allotment	2,250	925,000	447	131,780	(Note 18)
July 13, 2018	Cancellation	-11,000	914,000	-2,436	129,344	(Note 19)
January 11, 2019	Cancellation	-8,927	905,073	-1,999	127,344	(Note 20)
February 21, 2022	Capital increase through public offering	28,927	934,000	8,314	135,658	(Note 21)

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

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

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

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

- (Note 5) Investment units were newly issued through third-party allotment at the price of 767,070 yen per unit for new properties acquisition.
- (Note 6) Investment units were newly issued at the price of 971,180 yen per unit (net proceeds of 937,486 yen) for new properties acquisition.
- (Note 7) Investment units were newly issued at the price of 624,680 yen per unit (net proceeds of 602,784 yen) for a new property acquisition.
- (Note 8) Investment units were newly issued through third-party allotment at the price of 602,784 yen per unit for partial repayment of bank borrowings.
- (Note 9) Investment units were newly issued at the price of 627,590 yen per unit (net proceeds of 605,592 yen) for a new property acquisition.
- (Note 10) Investment units were newly issued through third-party allotment at the price of 605,592 yen per unit for partial repayment of bank borrowings.
- (Note 11) Distribution in Excess of Earnings was resolved at the price of 3,138 yen per unit in order to level out the loss associated with OBR (Own Book Redevelopment).
- (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.

#### Changes in market price of investment securities

The market price of JLF's investment securities listed on the Tokyo Stock Exchange REIT Market changed during each fiscal period as follows:

For the six months ended	January 31, 2021	July 31, 2021	January 31, 2022	July 31, 2022	January 31, 2023
Highest	324,500 yen	347,500 yen	362,500 yen	331,000 yen	335,500 yen
Lowest	277,200 yen	288,800 yen	292,800 yen	290,900 yen	294,600 yen

(3) Distributions, etc.

For the distribution for the fiscal period under review, in accordance with the distribution policy stipulated in the Articles of Incorporation of JLF, 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"), and 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 order to achieve the maximum amount of profit distribution deductible for tax purposes, resulting in a distribution per unit of 5,235 yen.

Fiscal period		For the six-month period ended January 31, 2021	For the six-month period ended July 31, 2021	For the six-month period ended January 31, 2022	For the six-month period ended July 31, 2022	For the six-month period ended January 31, 2023
Total amount of unappropriated retained earnings	Thousands of yen	4,120,082	3,913,125	4,408,975	4,628,158	4,889,963
Accumulated earnings	Thousands of yen	-	-	364	188	473
Total amount of cash distributions	Thousands of yen	4,344,350	4,344,350	4,408,610	4,627,970	4,889,490
Dividends per unit	Yen	4,800	4,800	4,871	4,955	5,235
of which total amount of earnings distributions	Thousands of yen	4,344,350	4,344,350	4,408,610	4,627,970	4,889,490
Earnings distribution per unit	Yen	4,800	4,800	4,871	4,955	5,235
of which total amount of capital refunds	Thousands of yen	-	-	-	-	-
Capital refunds per unit	Yen	-	-	-	-	-
Portion of total amount of capital refunds that is total amount of distributions from reserve for adjustment of temporary differences, etc.	Thousands of yen	-	-	-	-	-
(Portion of capital refunds per unit that is distribution from reserve for adjustment of temporary differences, etc. per unit)	Yen	-	-	-	-	-
Portion of total amount of capital refunds that is total amount of distributions from distribution of reduction in capital, etc. under the tax law	Thousands of yen	-	-	-	-	-
(Portion of capital refunds per units that is distribution from distribution of reduction in capital, etc. under the tax law)	Yen	-	-	-	-	-

(4) Significant Subsequent Events

Not applicable.

[Reference Information]

<Borrowings>

JLF made the following borrowings during period between the end of the current fiscal period up until the issuance date of this report.

Lender	Sumitomo Mitsui Banking Corporation	Nippon Life Insurance Company (Green Loan)	MUFG Bank, Ltd.	The Norinchukin Bank (Green Loan)
Amount borrowed	4,000 million yen	500 million yen	2,000 million yen	1,000 million yen
Interest rate	0.68250%	1.13000%	0.99250%	1.17625%
Date of borrowing	February 28, 2023			
Repayment date	February 28, 2026	August 31, 2032	February 28, 2029	February 29, 2032
Borrowing method/security	Unsecured/non-guaranteed			
Repayment method	Lump-sum repayment on due date			
Use of funds	Repayment of existing loans			
Assets to be appropriated	-	Kashiwa Logistics Center	-	Kashiwa Logistics Center

## 2. Outline of JLF

### (1) Status of Unitholders' Capital

Fiscal period	As of January 31, 2021	As of July 31, 2021	As of January 31, 2022	As of July 31, 2022	As of January 31, 2023
Total number of investment units authorized (Units)	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total number of investment units issued (Units)	905,073	905,073	905,073	934,000	934,000
Unitholders' capital (Millions of yen)	127,344	127,344	127,344	135,658	135,658
Number of unitholders (Persons)	12,211	11,683	11,248	11,118	10,824

## (2) Matters Concerning Investment Units

Major unitholders as of January 31, 2023 are as follows:

Name	Address	Number of investment units owned (Units)	Portion in the total number of investment units issued (%)
Custody Bank of Japan, Ltd. (Trust Account)	1-8-12 Harumi, Chuo-ku, Tokyo	257,377	27.55
The Master Trust Bank of Japan, Ltd. (Trust Account)	2-11-3 Hamamatsu-cho, Minato-ku, Tokyo	161,222	17.26
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	2-2-2 Otemachi, Chiyoda-ku, Tokyo	42,767	4.57
SMBC Nikko Securities Inc.	3-3-1 Marunouchi, Chiyoda-ku, Tokyo	21,819	2.33
Mizuho Securities Co., Ltd.	1-5-1 Otemachi, Chiyoda-ku, Tokyo	15,741	1.68
STATE STREET BANK AND TRUST COMPANY 505001	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A.	15,002	1.60
STATE STREET BANK WEST CLIENT - TREATY 505234	1776 HERITAGE DRIVE, NORTH QUINCY, MA 02171 U.S.A.	14,192	1.51
Meiji Yasuda Life Insurance Company	2-1-1 Marunouchi, Chiyoda-ku, Tokyo	12,450	1.33
JP MORGAN CHASE BANK 385781	25 BANK STREET, CANARY WHARF, LONDON, E14 5JP, UNITED KINGDOM	10,920	1.16
STATE STREET BANK AND TRUST COMPANY 505103	P.O.BOX 351 BOSTON MASSACHUSETTS 02101 U.S.A.	10,227	1.09
Total		561,717	60.14

(Note) The "Portion in the total number of investment units issued" is indicated with figures rounded down to two decimal places.

(3) Matters Concerning Officers, etc.

A. The executive director, supervisory directors and accounting auditor for the six-month period January 31, 2023 are as follows:

Title	Name	Major concurrent posts outside JLF	Total compensation or fee for the six-month period ended January 31, 2023 (Thousands of yen)
Executive Director (Note 1) (Note 2)	Naohiro Kameoka	President & CEO, Mitsui & Co., Logistics Partners Ltd.	-
Supervisory Director (Note 1) (Note 2)	Toshima Araki	Lawyer, Mahoroba Law Office Corporate Auditor, SAZABY LEAGUE, Ltd. Corporate Auditor, Forum Engineering Inc.	7,500
	Yumiko Kikuchi (Note 3)	Executive Director (Chairman, International Relations Committee), Japan Association of Real Estate Counselors Trustee, Hosei University	
	Tsuyoshi Oyama	Representative Director, RAF Laboratory Co., Ltd. Executive Adviser, Nikkei Financial Technology Research Institute, Inc.	
	Motomi Oi	CPA, Oi CPA Office Director, Rookie Corporation Outside Auditor, Ryoyo Electro Corporation	
	Kanae Kamoshita	Lawyer, Utops Law Office Supervisor, Japan Innovation Network	
Accounting auditor (Note 4) (Note 5)	Ernst & Young ShinNihon LLC	-	12,500

(Note 1) The Executive Director and Supervisory Directors do not own investment units of JLF under their own or other names, and might serve as directors or auditors of entities other than the above, but there are no mutual business interests between JLF and such entities, including those above.

(Note 2) Naohiro Kameoka was reappointed as Executive Director at the 13th Unitholders' Meeting held on October 20, 2022. In addition, Yumiko Kikuchi, Tsuyoshi Oyama and Motomi Oi were reappointed as Supervisory Directors, and Kanae Kamoshita was newly appointed and assumed office on the same day. Former Supervisory Director Toshima Araki resigned on the same day. The "Total compensation or fee for the six-month period ended January 31, 2023" includes the compensation paid to the directors who retired during the fiscal period.

(Note 3) Although the name used for Yumiko Kikuchi is her maiden name and occupation, her name in the family register is Yumiko Ishida.

(Note 4) The audit contract with an accounting auditor is renewed every fiscal period. The renewal requires deliberation about reappointment or non-reappointment at a meeting of the Board of Directors.

(Note 5) The accounting auditor's compensation includes compensation for the audit of English financial statements.

(4) Asset Management Company, Custodian and Administrative agent

Asset management company, custodian and administrative agent as of January 31, 2023 are as follows:

Business	Name
Asset management company	Mitsui & Co., Logistics Partners Ltd.
Custodian of assets	Sumitomo Mitsui Trust Bank, Limited
Administrative agent	Sumitomo Mitsui Trust Bank, Limited

### 3. Investment Assets of JLF

			As of January 31, 2023		As of July 31, 2022	
Type of assets	Use of assets	Region (Note 1)	Total amount owned (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)	Total amount owned (Millions of yen) (Note 2)	Percentage to total assets (%) (Note 3)
Real estate	Logistics facility	Tokyo Metropolitan Area	10,982	4.0	11,019	4.0
		Osaka Area, Nagoya Area and Fukuoka Area	17,177	6.3	17,303	6.3
		Other Areas	1,534	0.6	1,550	0.6
	Subtotal		29,694	10.8	29,873	10.9
Real estate in trust	Logistics facility	Tokyo Metropolitan Area	212,668	77.4	207,407	75.8
		Osaka Area, Nagoya Area and Fukuoka Area	17,241	6.3	17,316	6.3
		Other Areas	916	0.3	922	0.3
	Subtotal		230,826	84.0	225,646	82.4
Deposits and other assets (Note 4)			14,149	5.2	18,269	6.7
Total assets			274,670	100.0	273,789	100.0

(Note 1) For region, please refer to "Area classification" below.

(Note 2) 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 3) Figures are rounded off to the first decimal place.

(Note 4) Deposits and other assets include; deposit in trust assets of 4,878 million yen for the six-month period ended January 31, 2023 and of 4,658 million yen for the six-month period ended July 31, 2022.

#### <Area classification>

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

#### (2) Major Assets Held

The outline of major assets held by JLF is as follows:

Name of real estate, etc.	Book value (Millions of yen) (Note 1)	Total leasable area (m <sup>2</sup> ) (Note 2)	Leased area (m <sup>2</sup> ) (Note 3)	Occupancy rate (%) (Note 4)	Portion of real estate leasing business revenue (%) (Note 4)	Primary use
Urayasu Logistics Center	8,960	37,378.68	37,378.68	100.0	- (Note 5)	Logistics facility
Hiratsuka Logistics Center	1,216	11,418.57	11,418.57	100.0	- (Note 5)	Logistics facility
Shinkiba Logistics Center	2,140	11,595.40	11,595.40	100.0	- (Note 5)	Logistics facility
Urayasu Chidori Logistics Center	4,795	31,829.55	31,829.55	100.0	- (Note 5)	Logistics facility
Funabashi Nishiura Logistics Center	3,981	34,723.80	34,723.80	100.0	- (Note 5)	Logistics facility
Kawasaki Logistics Center	9,164	46,667.00	46,667.00	100.0	- (Note 5)	Logistics facility
Narashino Logistics Center	1,399	4,123.60	4,123.60	100.0	0.6	Logistics facility
Yachiyo Logistics Center	6,893	56,882.98	56,882.98	100.0	- (Note 5)	Logistics facility
Yokohama Fukuura Logistics Center	7,551	40,160.35	40,160.35	100.0	- (Note 5)	Logistics facility
Yachiyo Logistics Center II	3,638	32,389.75	32,389.75	100.0	1.9	Logistics facility
Urayasu Chidori Logistics Center II	1,379	6,192.80	6,192.80	100.0	- (Note 5)	Logistics facility
Ichikawa Logistics Center	3,973	18,735.76	18,735.76	100.0	- (Note 5)	Logistics facility
Shinonome Logistics Center (Note 7)	11,128	24,380.84	24,380.84	100.0	3.5	Logistics facility
Narashino Logistics Center II (Note 7)	5,925	43,508.54	43,508.54	100.0	- (Note 5)	Logistics facility
Ichikawa Logistics Center II (Note 7)	14,790	67,065.02	67,065.02	100.0	- (Note 5)	Logistics facility
Souka Logistics Center	13,014	55,300.10	55,300.10	100.0	- (Note 5)	Logistics facility
Tatsumi Logistics Center	8,077	29,810.84	29,810.84	100.0	- (Note 5)	Logistics facility
Kashiwa Logistics Center	3,208	20,550.73	20,550.73	100.0	- (Note 5)	Logistics facility
Musashimurayama Logistics Center	7,699	40,884.25	40,884.25	100.0	- (Note 5)	Logistics facility
Kashiwa Logistics Center II	3,539	50,159.55	50,159.55	100.0	- (Note 5)	Logistics facility
Shin-Koyasu Logistics Center (Note 7)	8,662	36,251.63	36,251.63	100.0	- (Note 5)	Logistics facility
Misato Logistics Center	3,374	19,405.45	19,405.45	100.0	- (Note 5)	Logistics facility
Sagamihara Logistics Center	7,039	42,733.37	42,733.37	100.0	- (Note 5)	Logistics facility
Chiba Kita Logistics Center	1,757	13,865.11	13,865.11	100.0	- (Note 5)	Logistics facility
Chiba Kita Logistics Center II	4,397	25,595.13	25,595.13	100.0	- (Note 5)	Logistics facility
Urayasu Chidori Logistics Center III	1,025	5,587.80	5,587.80	100.0	- (Note 5)	Logistics facility
Zama Logistics Center	1,708	9,352.06	9,352.06	100.0	- (Note 5)	Logistics facility
Shinkiba Logistics Center II	14,768	41,270.00	41,270.00	100.0	- (Note 5)	Logistics facility
Yokohama Machida Logistics Center	24,653	65,657.14	65,657.14	100.0	- (Note 5)	Logistics facility
Shiroi Logistics Center	3,872	25,653.79	25,653.79	100.0	- (Note 5)	Logistics facility

Name of real estate, etc.	Book value (Millions of yen) (Note 1)	Total leasable area (m <sup>2</sup> ) (Note 2)	Leased area (m <sup>2</sup> ) (Note 3)	Occupancy rate (%) (Note 4)	Portion of real estate leasing business revenue (%) (Note 4)	Primary use
Toda Logistics Center	1,984	7,219.40	7,219.40	100.0	- (Note 5)	Logistics facility
Ichikawa Logistics Center III	3,754	24,740.88	24,740.88	100.0	- (Note 5)	Logistics facility
Fujisawa Logistics Center	4,139	16,443.72	16,443.72	100.0	- (Note 5)	Logistics facility
Hanyu Logistics Center	1,330	5,919.53	5,919.53	100.0	0.6	Logistics facility
Saitama Kisai Logistics Center	3,065	24,574.14	24,574.14	100.0	- (Note 5)	Logistics facility
Kazo Logistics Center	2,882	25,189.47	25,189.47	100.0	- (Note 5)	Logistics facility
Kuki Logistics Center (Note 7)	8,620	28,888.33	28,888.33	100.0	- (Note 5)	Logistics facility
Itabashi Logistics Center	4,132	9,357.16	9,357.16	100.0	- (Note 5)	Logistics facility
Daito Logistics Center	9,032	97,391.00	97,391.00	100.0	- (Note 5)	Logistics facility
Osaka Fukuzaki Logistics Center	3,252	23,736.68	23,736.68	100.0	- (Note 5)	Logistics facility
Kiyosu Logistics Center	2,735	20,438.09	20,438.09	100.0	- (Note 5)	Logistics facility
Kadoma Logistics Center	989	7,416.19	7,416.19	100.0	- (Note 5)	Logistics facility
Komaki Logistics Center	1,754	9,486.45	9,486.45	100.0	- (Note 5)	Logistics facility
Komaki Logistics Center II	1,666	11,104.45	11,104.45	100.0	- (Note 5)	Logistics facility
Fukuoka Hakozaki Futo Logistics Center	2,551	24,463.69	24,463.69	100.0	- (Note 5)	Logistics facility
Fukuoka Kashiihama Logistics Center	2,405	21,217.48	21,217.48	100.0	- (Note 5)	Logistics facility
Kasugai Logistics Center	3,328	22,246.29	22,246.29	100.0	- (Note 5)	Logistics facility
Takatsuki Logistics Center	1,541	7,305.33	7,305.33	100.0	- (Note 5)	Logistics facility
Aisai Logistics Center	2,604	13,852.46	13,852.46	100.0	- (Note 5)	Logistics facility
Osaka-Nishiyodogawa Logistics Center	2,556	10,213.81	10,213.81	100.0	- (Note 5)	Logistics facility
Maebashi Logistics Center	916	5,416.42	5,416.42	100.0	0.4	Logistics facility
Sendaiko-kita Logistics Center	1,534	10,634.24	10,634.24	100.0	- (Note 5)	Logistics facility
Total	260,521	1,376,384.80	1,376,384.80	100.0	100.0	

(Note 1) The book value is indicated with figures rounded down to the nearest million yen.

(Note 2) The total leasable area is calculated based on the leased area for the building described in the lease agreement for each property.

(Note 3) The leased area is the sum of the leased floor area of the building as stated in the lease agreement for each property.

(Note 4) The occupancy rate and the portion of real estate leasing business revenue are indicated with figures rounded off to the nearest one decimal place.

(Note 5) Not disclosed as the tenant did not agree to disclosure.

(Note 6) Figures for co-ownership are indicated.

Shinonome Logistics Center: 47%, Narashino Logistics Center II: 90%, Ichikawa Logistics Center II: 90%, Shin-Koyasu Logistics Center: 51%, Kuki Logistics Center: 44.5%

### (3) Details of Properties

[Details of real estate Portfolio Properties]

The outline of portfolio properties held as of January 31, 2023 is as follows:

Name of real estate, etc. (Properties to be acquired, etc.)	Location	Type of ownership	Book value (Note1) (Millions of yen)	Appraised value at end of period (Note 2) (Millions of yen)
Urayasu Logistics Center	79 Minato, Urayasu, Chiba	Trust beneficiary right of real estate	8,960	16,200
Hiratsuka Logistics Center	1-4 Nagatoro, Hiratsuka, Kanagawa	Trust beneficiary right of real estate	1,216	1,910
Shinkiba Logistics Center	2-5-2 Shin-kiba, Koto-ku, Tokyo	Trust beneficiary right of real estate	2,140	3,940
Urayasu Chidori Logistics Center	12-2 Chidori, Urayasu, Chiba	Trust beneficiary right of real estate	4,795	11,600
Funabashi Nishiura Logistics Center	3-4-1 Nishiura, Funabashi, Chiba	Trust beneficiary right of real estate	3,981	8,000
Kawasaki Logistics Center	2-32-1 Sakuramoto, Kawasaki, Kanagawa	Trust beneficiary right of real estate	9,164	12,700
Narashino Logistics Center	3-2-2 Akanehama, Narashino, Chiba	Trust beneficiary right of real estate	1,399	2,380
Yachiyo Logistics Center	1734-4 Kamikouya, Yachiyo, Chiba	Trust beneficiary right of real estate	6,893	13,400
Yokohama Fukuura Logistics Center	2-3-1 Fukuura, Kanazawa-ku, Yokohama, Kanagawa	Trust beneficiary right of real estate	7,551	12,100
Yachiyo Logistics Center II	2039-1, Kamikouya, Yachiyo, Chiba	Trust beneficiary right of real estate	3,638	8,390
Urayasu Chidori Logistics Center II	10-1 Chidori, Urayasu, Chiba	Real estate	1,379	1,880
Ichikawa Logistics Center	1-8-36 Tajiri, Ichikawa, Chiba	Real estate	3,973	6,190
Shinonome Logistics Center	2-13-32 Shinonome, Koto-ku, Tokyo	Trust beneficiary right of real estate	11,128	15,500
Narashino Logistics Center II	3-6-3 Akanehama, Narashino, Chiba	Trust beneficiary right of real estate	5,925	11,100
Ichikawa Logistics Center II	1 Takahama-machi, Ichikawa, Chiba	Trust beneficiary right of real estate	14,790	25,200
Souka Logistics Center	1-6-39, Aoyagi, Souka, Saitama	Trust beneficiary right of real estate	13,014	18,500
Tatsumi Logistics Center	3-8-5, Tatsumi, Koto-ku, Tokyo	Trust beneficiary right of real estate	8,077	15,600
Kashiwa Logistics Center	6 Kashiwa Inter-Minami, Kashiwa, Chiba	Trust beneficiary right of real estate	3,208	4,980
Musashimurayama Logistics Center	1-26-1 Inadaira, Musashimurayama, Tokyo	Trust beneficiary right of real estate	7,699	11,700
Kashiwa Logistics Center II	1823-1, Fujigaya, Kashiwa, Chiba	Trust beneficiary right of real estate	3,539	5,090
Shin-Koyasu Logistics Center	3-12 Moriyacho, Kanagawa-ku, Yokohama, Kanagawa	Trust beneficiary right of real estate	8,662	13,200
Misato Logistics Center	480-1 Nizo, Misato, Saitama	Trust beneficiary right of real estate	3,374	5,170
Sagamihara Logistics Center	5-9-1 Nishi-Hashimoto, Midori- ku, Sagamihara, Kanagawa	Trust beneficiary right of real estate	7,039	12,400
Chiba Kita Logistics Center	1004 Yokodocho, Hanamigawa-ku, Chiba, Chiba	Real estate	1,757	2,620
Chiba Kita Logistics Center II	55-1 Naganumacho, Inage-ku, Chiba, Chiba	Trust beneficiary right of real estate	4,397	6,470
Urayasu Chidori Logistics Center III	15-19 Chidori, Urayasu, Chiba	Trust beneficiary right of real estate	1,025	1,770
Zama Logistics Center	1-1-43 Komatsubara, Zama, Kanagawa	Trust beneficiary right of real estate	1,708	2,600

Name of real estate, etc. (Properties to be acquired, etc.)	Location	Type of ownership	Book value (Note1) (Millions of yen)	Appraised value at end of period (Note 2) (Millions of yen)
Shinkiba Logistics Center II	2-13-10 Shin-kiba, Koto-ku, Tokyo	Trust beneficiary right of real estate	14,768	20,700
Yokohama Machida Logistics Center	7-30-1 Tsuruma, Machida, Tokyo	Trust beneficiary right of real estate	24,653	28,800
Shiroi Logistics Center	98 Naka Shiroi, Chiba	Real estate	3,872	5,400
Toda Logistics Center	1-5-3, Bijogi-kita, Toda, Saitama	Trust beneficiary right of real estate	1,984	2,630
Ichikawa Logistics Center III	17-18 Futamata-shinmachi, Ichikawa, Chiba	Trust beneficiary right of real estate	3,754	5,920
Fujisawa Logistics Center	9 Kiriharacho, Fujisawa, Kanagawa	Trust beneficiary right of real estate	4,139	4,550
Hanyu Logistics Center	1-371-8 Kawasaki, Hanyu, Saitama	Trust beneficiary right of real estate	1,330	2,030
Saitama Kisai Logistics Center	802-2 Nishinoya, Kazo, Saitama	Trust beneficiary right of real estate	3,065	5,220
Kazo Logistics Center	1-2-1 Minami Shinozaki, Kazo, Saitama	Trust beneficiary right of real estate	2,882	5,140
Kuki Logistics Center	8 Kawaraicho, Kuki, Saitama	Trust beneficiary right of real estate	8,620	9,170
Itabashi Logistics Center	1-15-5 Shingashi, Itabashi-ku, Tokyo	Trust beneficiary right of real estate	4,132	4,370
Daito Logistics Center	2-1-1, Midorigaoka, Daito, Osaka	Trust beneficiary right of real estate	9,032	21,000
Osaka Fukuzaki Logistics Center	2-1-36 Fukuzaki, Minato-ku, Osaka, Osaka	Trust beneficiary right of real estate	3,252	7,170
Kiyosu Logistics Center	92 Haruhi-gogashima, Kiyosu, Aichi	Real estate	2,735	6,200
Kadoma Logistics Center	9-7 Tonoshima-cho, Kadoma, Osaka	Real estate	989	1,900
Komaki Logistics Center	790-1 Nagata, Shimozue, Komaki, Aichi	Real estate	1,754	2,200
Komaki Logistics Center II	548-1, Nishinoshima Komaki, Aichi	Real estate	1,666	1,700
Fukuoka Hakozaiki Futo Logistics Center	4-2-6 Hakozaiki Futo, Higashi- ku, Fukuoka, Fukuoka	Trust beneficiary right of real estate	2,551	3,950
Fukuoka Kashiihama Logistics Center	2-1-10 Kashiihama Futo, Higashi- ku, Fukuoka, Fukuoka	Trust beneficiary right of real estate	2,405	3,930
Kasugai Logistics Center	5-1-3 Takamori-dai, Kasugai, Aichi	Real estate	3,328	5,040
Takatsuki Logistics Center	3-21-1 Zushi, Takatsuki, Osaka	Real estate	1,541	1,840
Aisai Logistics Center	32-6 Eda Minami-kawata, Aisai, Aichi	Real estate	2,604	3,010
Osaka Nishiyodogawa Logistics Center	2-9-133 Nakajima, Nishiyodogawa-ku, Osaka, Osaka	Real estate	2,556	2,840
Maebashi Logistics Center	258-14 Kamimasuda-machi, Maebashi, Gunma	Trust beneficiary right of real estate	916	1,360
Sendaiko-kita Logistics Center	4-15-12 Minato Miyagino-ku, Sendai, Miyagi	Real estate	1,534	2,050
Total			260,521	408,710

(Properties to be acquired, etc.)

Name of real estate, etc. (Properties to be acquired, etc.) (Note 3)	Location	Type of ownership	Book value (Note1) (Millions of yen)	Appraised value at end of period (Note 2) (Millions of yen)
Amagasaki Logistics Center (Note 4)	145-1, Nishi Mukoujima-cho, Amagasaki, Hyogo	Trust beneficiary right of real estate	-	4,970 (Note 5)

(Note 1) The book value does not include construction in progress.

(Note 2) The appraised value at end of period is based on the value appraised by a real estate appraiser as of the end of the fiscal period in accordance with the method and criteria of asset appraisal provided for by the Articles of Incorporation of JLF and the regulations specified by The Investment Trusts Association, Japan.

(Note 3) The Purchase Agreement 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.

(Note 4) The scheduled delivery date is a date no later than April 2, 2026 and designated by JLF.

(Note 5) The appraised value is based on the value appraised by Japan Valuers Co., Ltd. as of January 10, 2023.

The status of leasing of real estate properties, etc. held by JLF is as follows:

Name of real estate, etc.	For the six-month period ended January 31, 2023				For the six-month period ended July 31, 2022			
	Total number of tenants [as of end of period] (tenants)	Occupanc y rate [as of end of period] (%) (Note 1)	Real estate leasing business revenue [during the period] (Millions of yen)	Portion of real estate leasing business revenue (%) (Note 1)	Total number of tenants [as of end of period] (tenants)	Occupanc y rate [as of end of period] (%) (Note 1)	Real estate leasing business revenue [during the period] (Millions of yen)	Portion of real estate leasing business revenue (%) (Note 1)
Urayasu Logistics Center	1	100.0	- (Note 2)	- (Note 2)	-	0.0	-	-
Hiratsuka Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Shinkiba Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Urayasu Chidori Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Funabashi Nishiura Logistics Center	3	100.0	- (Note 2)	- (Note 2)	3	100.0	- (Note 2)	- (Note 2)
Kawasaki Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Narashino Logistics Center	1	100.0	60	0.6	1	100.0	60	0.6
Yachiyo Logistics Center	2	100.0	- (Note 2)	- (Note 2)	2	100.0	- (Note 2)	- (Note 2)
Yokohama Fukuura Logistics Center	3	100.0	- (Note 2)	- (Note 2)	3	100.0	- (Note 2)	- (Note 2)
Yachiyo Logistics Center II	1	100.0	193	1.9	1	100.0	193	2.0
Urayasu Chidori Logistics Center II	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Ichikawa Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Shinonome Logistics Center	1	100.0	355	3.5	1	100.0	355	3.7
Narashino Logistics Center II	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Ichikawa Logistics Center II	2	100.0	- (Note 2)	- (Note 2)	2	100.0	- (Note 2)	- (Note 2)
Souka Logistics Center	3	100.0	- (Note 2)	- (Note 2)	3	100.0	- (Note 2)	- (Note 2)
Tatsumi Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Kashiwa Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Musashimurayama Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Kashiwa Logistics Center II	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Shin-Koyasu Logistics Center	2	100.0	- (Note 2)	- (Note 2)	2	100.0	- (Note 2)	- (Note 2)
Misato Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Sagamihara Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Chiba Kita Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Chiba Kita Logistics Center II	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Urayasu Chidori Logistics Center III	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)

Name of real estate, etc.	For the six-month period ended January 31, 2023				For the six-month period ended July 31, 2022			
	Total number of tenants [as of end of period] (tenants)	Occupanc y rate [as of end of period] (%) (Note 1)	Real estate leasing business revenue [during the period] (Millions of yen)	Portion of real estate leasing business revenue (%) (Note 1)	Total number of tenants [as of end of period] (tenants)	Occupanc y rate [as of end of period] (%) (Note 1)	Real estate leasing business revenue [during the period] (Millions of yen)	Portion of real estate leasing business revenue (%) (Note 1)
Zama Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Shinkiba Logistics Center II	3	100.0	- (Note 2)	- (Note 2)	3	100.0	- (Note 2)	- (Note 2)
Yokohama Machida Logistics Center	6	100.0	- (Note 2)	- (Note 2)	6	100.0	- (Note 2)	- (Note 2)
Shiroi Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Toda Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Ichikawa Logistics Center III	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Fujisawa Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Hanyu Logistics Center	1	100.0	59	0.6	1	100.0	59	0.6
Saitama Kisai Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Kazo Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Kuki Logistics Center	3	100.0	- (Note 2)	- (Note 2)	3	100.0	- (Note 2)	- (Note 2)
Itabashi Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Daito Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Osaka Fukuzaki Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Kiyosu Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Kadoma Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Komaki Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Komaki Logistics Center II	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Fukuoka Hakozaki Futo Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Fukuoka Kashiihama Logistics Center	2	100.0	- (Note 2)	- (Note 2)	2	100.0	- (Note 2)	- (Note 2)
Kasugai Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Takatsuki Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Aisai Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Osaka Nishiyodogawa Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)
Maebashi Logistics Center	1	100.0	43	0.4	1	100.0	43	0.5
Sendaiko-kita Logistics Center	1	100.0	- (Note 2)	- (Note 2)	1	100.0	- (Note 2)	- (Note 2)

Name of real estate, etc.	For the six-month period ended January 31, 2023				For the six-month period ended July 31, 2022			
	Total number of tenants [as of end of period] (tenants)	Occupancy rate [as of end of period] (%) (Note 1)	Real estate leasing business revenue [during the period] (Millions of yen)	Portion of real estate leasing business revenue (%) (Note 1)	Total number of tenants [as of end of period] (tenants)	Occupancy rate [as of end of period] (%) (Note 1)	Real estate leasing business revenue [during the period] (Millions of yen)	Portion of real estate leasing business revenue (%) (Note 1)
Total	71	100.0	10,156	100.0	70	100.0	9,613	100.0

(Note 1) The occupancy rate and the portion of real estate leasing business revenue are indicated with figures rounded off to the nearest one decimal place.

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

[Statements of Renewable Energy Power Generation Facilities, etc.]

Not applicable.

[Statements of Rights to Operate a Public Facility, etc.]

Not applicable.

[Details of securities Portfolio Property]

Name of stock	Number of shares	Acquisition price (Thousands of yen)		Fair value (Thousands of yen) (Note)		Unrealized gain/loss (Thousands of yen)	Remarks	% of the Portfolio
		Per share	Total	Per share	Total			
Kuki Shobu Industrial Park Management Center	7,550	1	7,550	1	7,550	-	(Note)	0.0

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

#### (4) Outstanding Contract Amounts, etc. and Current Prices of Specified Transactions

The Outstanding contract amounts, etc. and current prices of specified transactions as of January 31, 2023 is as follows:

(Thousands of yen)

Division	Type of derivative transactions	Contract amount, etc. (Note 1)		Market value (Note 2) (Note 3)
			Amount that exceeds one year	
Over-the-counter	Interest rate swap transactions Receive variable, pay fixed	13,000,000	11,000,000	93,005
Total		13,000,000	11,000,000	93,005

(Note 1) Contract amount, etc. is measured at the amount calculated by the counter party to the interest rate swaps contracts based on the prevailing market interest rates and other assumptions.

(Note 2) The fair value is calculated based on prices and other conditions presented by counterparty of the agreement.

(Note 3) Because the interest rate swap transactions qualify special treatment stipulated in the financial instruments accounting standard, market value of the swaps are omitted.

#### (5) Status of Other Assets

Trust beneficiary rights with real estate, etc. as trust assets are all included in the table in (3) Details of Portfolio Properties above. There are no other significant investment assets that were specified assets as of January 31, 2023.

#### (6) Status of Asset Holding by Country and Region

Not applicable for countries and regions other than Japan.

#### 4. Capital Expenditure for Properties

##### (1) 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 (1st term)	July 2023	91	-	-
Kazo Logistics Center (Kazo, Saitama)	LED lighting installation	July 2023	32	-	-
Urayasu Chidori Logistics Center (Urayasu, Chiba)	Air conditioner renewal work (2nd term)	January 2024	101	-	-
Daito Logistics Center (Daito, Osaka)	Outer wall waterproofing work on north of Warehouse I	January 2024	62	-	-

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

##### (2) Capital Expenditure during the Fiscal Period

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

Name of real estate, etc. (Location)	Purpose	Period	Amount of expenditure (Millions of yen) (Note)
Chiba Kita Logistics Center (Chiba, Chiba)	Roof fluorine coating work	January 2023	51

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

##### (3) Reserve for Long-Term Repair Plan (Reserve for Repairs)

Not applicable.

## 5. Expenses and Liabilities

### (1) Expenses Related to Asset Management, etc.

(Thousands of yen)

Item	For the six-month period ended January 31, 2023	For the six-month period ended July 31, 2022
(a) Asset management fee	876,970	820,683
of which Management Fee I	556,479	534,612
Management Fee II	320,491	286,071
(b) Asset custody fee	26,406	26,240
(c) Administrative service fees	37,908	38,517
(d) Directors' compensations	7,500	7,200
(e) Other expenses	85,191	79,886
Total	1,033,977	972,527

(Note) In addition to the amounts stated above, asset management fees include 44,673 thousand yen in the six-month period ended January 31, 2023 for the construction on the redevelopment project of Urayasu Logistics Center, and 88,777 thousand yen in the six-month period ended July 31, 2022 for the acquisition of Kuki Logistics Center and Itabashi Logistics Center, which were included in the acquisition cost of real estate, etc.

(2) Status of Borrowings

The status of borrowings from each financial institution as of January 31, 2023 is as follows:

The status of borrowings from each financial institution as of January 31, 2023 is as follows.								
Classification (Lender)		Borrowing date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Current portion of long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	August 31, 2012	2,000	-	1.13000%	August 31, 2022	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2013	2,000	2,000	1.11125%	February 28, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	February 28, 2013	500	500	1.18125%	February 28, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	December 27, 2013	-	3,000	1.29625%	December 27, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	1,500				
	Development Bank of Japan Inc.		-	1,000				
	Nippon Life Insurance Company		-	500				
	Sumitomo Mitsui Banking Corporation	February 25, 2014	3,000	3,000	1.04875%	February 28, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Shinkin Central Bank	December 4, 2015	500	-	0.40600%	November 30, 2022	(Note 2)	Unsecured/ Non-guaranteed
	The Norinchukin Bank	December 4, 2015	1,000	-	0.40600%	November 30, 2022	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 4, 2015	-	2,000	0.45075%	November 30, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	September 30, 2016	-	1,000	0.20000%	September 29, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	August 31, 2017	2,000	-	0.24380%	August 31, 2022	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	August 31, 2017	2,000	2,000	0.30000%	February 28, 2023	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	September 28, 2018	4,000	-	0.31000%	September 30, 2022	(Note 2)	Unsecured/ Non-guaranteed
Subtotal		17,000	16,500					

Classification (Lender)		Borrowing date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Long-term borrowings	Development Bank of Japan Inc.	March 11, 2013	2,000	2,000	1.25000%	February 29, 2024	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	December 27, 2013	3,000	-	1.29625%	December 27, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		1,500	-				
	Development Bank of Japan Inc.		1,000	-				
	Nippon Life Insurance Company		500	-				
	Nippon Life Insurance Company	March 24, 2014	2,500	2,500	1.04000%	February 29, 2024	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 31, 2015	1,000	1,000	0.59000%	March 29, 2024	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	March 31, 2015	1,000	1,000	0.77240%	March 31, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 4, 2015	2,000	-	0.45075%	November 30, 2023	(Note 2)	Unsecured/ Non-guaranteed
	The Bank of Fukuoka	December 4, 2015	500	500	0.52800%	November 28, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Trust & Banking Co., Ltd.	December 4, 2015	2,000	2,000	0.60250%	November 28, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	September 30, 2016	1,000	-	0.20000%	September 29, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	February 3, 2017	1,000	1,000	0.25875%	February 29, 2024	(Note 2)	Unsecured/ Non-guaranteed
	Resona Bank, Ltd.	February 3, 2017	2,000	2,000	0.46600%	February 3, 2027	(Note 2)	Unsecured/ Non-guaranteed
	The Bank of Fukuoka	March 15, 2017	2,000	2,000	0.38000%	March 31, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.	March 15, 2017	2,500	2,500	0.55375%	March 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.	March 15, 2017	2,500	2,500	0.60750%	March 30, 2029	(Note 2)	Unsecured/ Non-guaranteed

Classification (Lender)		Borrowing date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Long-term borrowings	Resona Bank, Ltd.	August 31, 2017	2,000	2,000	0.48205%	August 31, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	August 31, 2017	3,000	3,000	0.48205%	August 31, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.	August 31, 2017	4,500	4,500	0.49313%	August 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.	August 31, 2017	4,500	4,500	0.54375%	August 31, 2029	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	September 28, 2018	5,000	5,000	0.65000%	September 30, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 26, 2019	3,500	3,500	0.36750%	March 26, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	March 26, 2019	1,000	1,000	0.46005%	March 26, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	August 31, 2020	2,000	2,000	0.47255%	August 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	August 31, 2020	2,000	2,000	0.55875%	August 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	The 77 Bank, Ltd.	December 25, 2020	500	500	0.39255%	December 25, 2028	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	December 25, 2020	1,000	1,000	0.55000%	December 25, 2029	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	December 25, 2020	1,500	1,500	0.48625%	December 25, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 26, 2021	2,000	2,000	0.27830%	February 28, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 26, 2021	2,000	2,000	0.47761%	August 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	February 26, 2021	1,500	1,500	0.60000%	February 28, 2031	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	May 31, 2021	1,500	1,500	0.55000%	February 28, 2031	(Note 2)	Unsecured/ Non-guaranteed
	Shinkin Central Bank	August 31, 2021	1,000	1,000	0.32000%	August 31, 2025	(Note 2)	Unsecured/ Non-guaranteed
	The Norinchukin Bank	August 31, 2021	1,000	1,000	0.42630%	August 31, 2029	(Note 2)	Unsecured/ Non-guaranteed

Classification (Lender)		Borrowing date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Long-term borrowings	Nippon Life Insurance Company	August 31, 2021	2,000	2,000	0.32000%	January 31, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	September 30, 2021	2,000	2,000	0.26161%	September 30, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	September 30, 2021	3,000	3,000	0.49576%	September 30, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2022	2,000	2,000	0.35000%	February 28, 2026	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	February 28, 2022	2,500	2,500	0.37500%	August 31, 2026	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	February 28, 2022	1,000	1,000	0.41000%	February 29, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	February 28, 2022	1,000	1,000	0.47875%	February 28, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Resona Bank, Ltd.	February 28, 2022	1,000	1,000	0.50000%	July 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	The 77 Bank, Ltd.	February 28, 2022	1,000	1,000	0.62000%	July 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Kansai Mirai Bank, Limited	February 28, 2022	1,000	1,000	0.57000%	February 29, 2032	(Note 2)	Unsecured/ Non-guaranteed
	SBI Shinsei Bank, Limited (Note 3)	February 28, 2022	1,000	1,000	0.62000%	February 29, 2032	(Note 2)	Unsecured/ Non-guaranteed
	The Yamaguchi Bank, Ltd.	February 28, 2022	1,000	1,000	0.67000%	February 29, 2032	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	March 31, 2022	3,000	3,000	0.41000%	September 30, 2026	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	August 31, 2022	-	1,000	0.55500%	August 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	August 31, 2022	-	1,000	0.68000%	August 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	August 31, 2022	-	2,000	0.41250%	February 28, 2027	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	September 30, 2022	-	3,000	0.83000%	March 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	SBI Shinsei Bank, Limited (Note 3)	September 30, 2022	-	1,000	0.76625%	September 30, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Shinkin Central Bank	November 30, 2022	-	500	0.63000%	November 30, 2027	(Note 2)	Unsecured/ Non-guaranteed

Classification (Lender)		Borrowing date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Long-term borrowings	The Norinchukin Bank	November 30, 2022	-	1,000	0.82063%	May 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Subtotal		89,000	89,500				
Total			106,000	106,000				

(Note 1) The average interest rate indicates a weighted average of interest rates for the period. Regarding the borrowings hedged by interest rate swaps to avoid interest rate fluctuation risk, the average interest rate indicates a weighted average of interest rates adjusted by considering the effect of the interest rate swaps.

(Note 2) All the funds were used for the purchase of real estate properties or trust beneficiary rights of real estate, repayment of borrowings.

(Note 3) Shinsei Bank, Ltd. changed its trade name to SBI Shinsei Bank, Limited as of January 4, 2023. The same applies in each of the following descriptions.

(3) Status of Investment Corporation Bonds

The status of investment corporation bonds issued as of January 31, 2023 is as follows:

Issue	Issue date	Balance at beginning of period (Millions of yen)	Balance at end of period (Millions of yen)	Interest rate	Maturity date	Repayment method	Purpose	Note
#2 <sup>nd</sup> Unsecured Investment Corporation Bond	December 27, 2013	3,000	3,000	1.28000%	December 26, 2025	Lump-sum payment on the maturity date	(Note 1)	(Note 2)
#3 <sup>rd</sup> Unsecured Investment Corporation Bond	March 12, 2014	3,000	3,000	1.62000%	March 12, 2029	Lump-sum payment on the maturity date	(Note 1)	(Note 2)
#4 <sup>th</sup> Unsecured Investment Corporation Bond (Private offering to qualified institutional investors)	February 8, 2016	1,700	1,700	0.53500%	February 8, 2028	Lump-sum payment on the maturity date	(Note 1)	(Note 2)
#5 <sup>th</sup> Unsecured Investment Corporation Bond	April 20, 2017	2,000	2,000	0.48000%	April 20, 2027	Lump-sum payment on the maturity date	(Note 1)	(Note 2)
#6 <sup>th</sup> Unsecured Investment Corporation Bond	November 18, 2019	2,000	2,000	0.53000%	November 16, 2029	Lump-sum payment on the maturity date	(Note 1)	(Note 2)
#7 <sup>th</sup> Unsecured Investment Corporation Bond (Green Bond)	April 26, 2021	2,000	2,000	0.49000%	April 25, 2031	Lump-sum payment on the maturity date	(Note 1)	(Note 2)
Total		13,700	13,700					

(Note 1) The funds are used for the repayment of borrowings.

(Note 2) This investment corporation bond is equipped with the same rank rider limited among certain investment corporation bonds.

(4) Status of Short-Term Investment Corporation Bonds

Not applicable.

(5) Status of Investment unit warrants

Not applicable.

**6. Trading For the six-month period ended January 31, 2023**

(1) Status, etc. of Real Estate Properties and Asset-Backed Securities Trading

Not applicable.

(2) Status, etc. of Another Assets Trading

Not applicable.

(3) Valuation of Specified Assets, etc.

A. Real Estate Properties

Not applicable.

B. Others

Not applicable.

(4) Status of Transactions with Interested Parties, etc. and Major Shareholders

A. Transactions

Not applicable.

B. Fees, etc. Paid to Interested Parties, etc. and Major Shareholders

(Thousands of yen)

Classification	Total amount paid (A)	Details of transactions with interested parties, etc. and major shareholders		Portion (B) / (A)
		Name of party to which fees were paid	Amount paid (B)	
Insurance expenses	27,351	Mitsuibussan Insurance Co., Ltd.	26,033	95.2%
Asset custody fee	26,406	Sumitomo Mitsui Trust Bank, Limited	26,406	100.0%
Administrative service fees	37,908	Sumitomo Mitsui Trust Bank, Limited	37,908	100.0%
Other expenses	37,653	Sumitomo Mitsui Trust Bank, Limited	18,875	50.1%

(Note 1) Interested parties, etc. are comprised of interested parties, etc. of an asset management company with which JLF has an asset management consignment contract as defined in Article 123 of the Order for Enforcement of the Investment Trust Act.

(Note 2) Other than above fees, etc., JLF paid brokerage fee to interested parties in the six-month period ended January 31, 2023, details below:

Mitsui & Co., Asset Management Holdings Ltd. 41,536 thousand yen

(5) Status, etc. of Transactions with the Asset Management Company Pertaining to Its Business Other than Asset Management

As of January 31, 2023, MLP does not follow any side business. Therefore, there is not applicable in this item.

**7. Financial Information**

(1) Financial Position and Operating Results

For the financial position and operating results, please refer to the accompanying documents: Balance Sheets, Statements of Income, Statements of Unitholders' Equity, Notes to Financial Statements and Statements of Cash Distribution.

(2) Changes in Calculation Method for Depreciation

Not applicable.

(3) Changes in Valuation Method of Real Estate Properties, etc.

Not applicable.

(4) Status, etc. of Beneficiary Certificates of Investment Trusts Established by JLF

Not applicable.

## 8. Other Information

### (1) Notice

#### A. General Unitholders' Meeting

The 13th General Unitholders' Meeting was held on October 20, 2022. A summary of the items approved at the general meeting of unitholders is as follows:

Agenda Item	Summary
Agenda Item No. 1 Appointment of one Executive Officer	Naohiro Kameoka (reappointment) was elected as Executive Officer as proposed.
Agenda Item No. 2 Substitute Appointment of one Executive Officer	Ryota Sekiguchi (new appointment) was elected as a substitute Executive Officer as proposed.
Agenda Item No. 3 Appointment of 4 Supervisory Directors	As originally proposed, four persons were elected as supervisory directors: Yumiko Kikuchi (reappointment), Tsuyoshi Oyama (reappointment), Motomi Oi (reappointment), and Kanae Kamoshita (new appointment).

#### B. Investment Corporation Board of Directors

Not applicable.

### (2) Disclosure relating to overseas real estate investment corporation

Not applicable.

### (3) Disclosure relating to property held by overseas real estate investment corporation

Not applicable.

### (4) Others

For the purpose of this report, amounts that are below one unit are rounded down to one unit and percentages are rounded off to the nearest unit unless otherwise specified.

## Independent Auditor's Report

The Board of Directors  
Japan Logistics Fund, Inc.

### Opinion

We have audited the accompanying financial statements of Japan Logistics Fund, Inc. (the "Company"), which comprise the balance sheet as at January 31, 2023, and the statements of income and retained earnings, changes in net assets, and cash flows for the six-month period then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2023, and its financial performance and its cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information comprises the information included in the Semi Annual Report that contains audited financial statements but does not include the financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. Supervisory Directors are responsible for overseeing the Company's reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Responsibilities of Management and Supervisory Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

Supervisory Directors are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Executive Director regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Executive Director with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan**

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC  
Tokyo, Japan

April 20, 2023

竹之内 和徳

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Kazunori Takenouchi  
Designated Engagement Partner  
Certified Public Accountant

寺岡 久仁子

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Kuniko Teraoka  
Designated Engagement Partner  
Certified Public Accountant

**Financial Statements**  
**Balance Sheet**

(Thousands of yen)

	As of January 31, 2023	As of July 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	8,120,116	7,924,035
Cash and deposits in trust	4,878,672	4,658,980
Operating accounts receivable	647,485	580,387
Prepaid expenses	6,832	5,226
Consumption taxes receivable	84,489	192,760
Other	158	632
Total current assets	13,737,754	13,362,022
Non-current assets		
Property, plant and equipment		
Buildings	19,858,063	19,767,958
Accumulated depreciation	-4,095,461	-3,840,607
Buildings, net	15,762,601	15,927,351
Structures	613,888	613,888
Accumulated depreciation	-181,621	-168,813
Structures, net	432,267	445,075
Tools, furniture and fixtures	19,516	19,516
Accumulated depreciation	-5,950	-4,534
Tools, furniture and fixtures, net	13,565	14,982
Land	13,486,139	13,486,139
Construction in progress	3,343	4,492,754
Buildings in trust	134,212,301	127,726,155
Accumulated depreciation	-36,439,486	-34,921,549
Buildings in trust, net	97,772,814	92,804,605
Structures in trust	3,801,025	3,641,408
Accumulated depreciation	-1,648,440	-1,581,821
Structures in trust, net	2,152,585	2,059,587
Tools, furniture and fixtures in trust	52,577	37,714
Accumulated depreciation	-27,165	-25,420
Tools, furniture and fixtures in trust, net	25,412	12,294
Land in trust	130,875,705	130,769,705
Construction in progress in trust	—	50,515
Total property, plant and equipment	260,524,437	260,063,012
Intangible assets		
Other	4,670	5,558
Total intangible assets	4,670	5,558
Investments and other assets		
Investment securities	7,550	7,550
Long-term prepaid expenses	243,414	275,486
Deferred tax assets	20	8
Guarantee deposits	10,020	10,020
Derivatives	93,005	11,348
Other	2,000	2,000
Total investments and other assets	356,009	306,414
Total non-current assets	260,885,117	260,374,985
Deferred assets		
Investment corporation bond issuance costs	47,676	52,030
Total deferred assets	47,676	52,030
Total assets	274,670,548	273,789,038

(Thousands of yen)

	As of January 31, 2023	As of July 31, 2022
<b>Liabilities</b>		
Current liabilities		
Operating accounts payable	979,012	664,346
Current portion of long-term borrowings	16,500,000	17,000,000
Distributions payable	5,966	8,782
Accrued expenses	1,285,098	1,210,475
Income taxes payable	1,019	784
Advances received	1,785,786	1,740,231
Deposits received	4,675	—
Total current liabilities	20,561,558	20,624,620
Non-current liabilities		
Investment corporation bonds	13,700,000	13,700,000
Long-term borrowings	89,500,000	89,000,000
Leasehold and guarantee deposits received	1,413,207	1,364,875
Leasehold and guarantee deposits received in trust	5,818,854	5,767,369
Long-term deposits received	249,568	248,274
Derivatives liabilities	—	9,073
Total non-current liabilities	110,681,630	110,089,593
Total liabilities	131,243,189	130,714,213
<b>Net assets</b>		
Unitholders' equity		
Unitholders' capital		
Unitholders' capital, gross	140,559,170	140,559,170
Deduction from unitholders' capital (Note 4 (2))	-4,900,686	-4,900,686
Unitholders' capital, net	135,658,483	135,658,483
Surplus		
Voluntary retained earnings		
Reserve for reduction entry of special provisions of replaced property (Note 4 (3))	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)	4,889,963	4,628,158
Total surplus	7,675,870	7,414,066
Total unitholders' equity	143,334,354	143,072,549
Valuation and translation adjustments		
Deferred gains or losses on hedges	93,005	2,275
Total valuation and translation adjustments	93,005	2,275
Total net assets (Note 4 (4))	143,427,359	143,074,825
Total liabilities and net assets	274,670,548	273,789,038

# Statement of Income and Retained Earnings

(Thousands of yen)

	For the six-month period ended January 31, 2023	For the six-month period ended July 31, 2022
Operating revenue		
Leasing business revenue (Note 5(1))	9,763,626	9,329,196
Other leasing business revenue (Note 5(1))	392,521	283,971
Total operating revenue	10,156,148	9,613,167
Operating expenses		
Expenses related to leasing business (Note 5(1))	3,797,885	3,550,436
Asset management fee	876,970	820,683
Asset custody fee	26,406	26,240
Administrative service fees	37,908	38,517
Directors compensation	7,500	7,200
Other operating expenses	85,191	79,886
Total operating expenses	4,831,863	4,522,963
Operating profit	5,324,285	5,090,203
Non-operating income		
Interest income	24	23
Interest on refund	743	1,471
Reversal of distribution payable	305	394
Property tax adjustment at settlement	—	943
Other	33	0
Total non-operating income	1,107	2,834
Non-operating expenses		
Interest expenses	316,401	305,130
Borrowing related expenses	48,107	48,724
Investment unit issuance expenses	—	42,952
Interest expenses on investment corporation bonds	63,742	62,352
Amortization of investment corporation bond issuance costs	4,353	4,282
Other	2,000	1,000
Total non-operating expenses	434,605	464,442
Ordinary profit	4,890,786	4,628,595
Profit before income taxes	4,890,786	4,628,595
Income taxes - current	1,023	788
Income taxes - deferred	-11	12
Total income taxes	1,012	801
Profit	4,889,774	4,627,793
Retained earnings brought forward	188	364
Unappropriated retained earnings (undisposed loss)	4,889,963	4,628,158

# Statement of Changes in Net Assets

For the six-month period ended January 31, 2023

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus					Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings			Unappropriated retained earnings (undisposed loss)	Total surplus	
				Reserve for reduction entry of special provisions of replaced property	Reserve for tax purpose reduction entry	Voluntary retained earnings			
Balance at beginning of period	140,559,170	-4,900,686	135,658,483	2,219,363	566,543	2,785,907	4,628,158	7,414,066	143,072,549
Changes of items during period									
Dividends of surplus							-4,627,970	-4,627,970	-4,627,970
Profit							4,889,774	4,889,774	4,889,774
Net changes of items other than unitholders' equity									
Total changes of items during period	—	—	—	—	—	—	261,804	261,804	261,804
Balance at end 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	143,334,354

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	2,275	2,275	143,074,825
Changes of items during period			
Dividends of surplus			-4,627,970
Profit			4,889,774
Net changes of items other than unitholders' equity	90,730	90,730	90,730
Total changes of items during period	90,730	90,730	352,534
Balance at end of period	93,005	93,005	143,427,359

For the six-month period ended July 31, 2022

(Thousands of yen)

	Unitholders' equity								
	Unitholders' capital			Surplus					Total unitholders' equity
	Unitholders' capital, gross	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary retained earnings			Unappropriated retained earnings (undisposed loss)	Total surplus	
				Reserve for reduction entry of special provisions of replaced property	Reserve for tax purpose reduction entry	Voluntary retained earnings			
Balance at beginning of period	132,245,145	-4,900,686	127,344,458	2,219,363	566,543	2,785,907	4,408,975	7,194,883	134,539,341
Changes of items during period									
Issuance of new investment units	8,314,024		8,314,024						8,314,024
Dividends of surplus							-4,408,610	-4,408,610	-4,408,610
Profit							4,627,793	4,627,793	4,627,793
Net changes of items other than unitholders' equity									
Total changes of items during period	8,314,024	—	8,314,024	—	—	—	219,183	219,183	8,533,208
Balance at end of period	140,559,170	-4,900,686	135,658,483	2,219,363	566,543	2,785,907	4,628,158	7,414,066	143,072,549

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

# Statement of Cash Flows

(Thousands of yen)

	For the six-month period ended January 31, 2023	For the six-month period ended July 31, 2022
Cash flows from operating activities		
Profit before income taxes	4,890,786	4,628,595
Depreciation	1,938,515	1,880,053
Investment unit issuance expenses	—	42,952
Amortization of investment corporation bond issuance costs	4,353	4,282
Interest income	-24	-23
Interest expenses	380,144	367,482
Loss on retirement of non-current assets	14,590	7,804
Decrease (increase) in operating accounts receivable	-67,098	-34,066
Decrease (increase) in consumption taxes refund receivable	108,270	-192,760
Increase (decrease) in accrued consumption taxes	—	-395,314
Decrease (increase) in prepaid expenses	-1,606	1,995
Decrease (increase) in long-term prepaid expenses	32,072	-1,460
Increase (decrease) in operating accounts payable	305,856	-228,281
Increase (decrease) in accrued expenses	69,371	30,621
Increase (decrease) in advances received	45,555	108,814
Other, net	4,844	-738
Subtotal	7,725,631	6,219,955
Interest income received	24	23
Interest expenses paid	-374,892	-360,980
Income taxes (paid) refund	-788	-1,058
Net cash provided by (used in) operating activities	7,349,976	5,857,940
Cash flows from investing activities		
Purchase of property, plant and equipment	-2,047,393	-3,026,304
Purchase of property, plant and equipment in trust	-357,439	-13,217,595
Proceeds from leasehold and guarantee deposits received	48,331	5,193
Proceeds from leasehold and guarantee deposits received in trust	68,722	573,424
Refund of leasehold and guarantee deposits received in trust	-17,237	-173,548
Purchase of investment securities	—	-7,550
Net cash provided by (used in) investing activities	-2,305,016	-15,846,380
Cash flows from financing activities		
Proceeds from long-term borrowings	9,500,000	14,500,000
Repayments of long-term borrowings	-9,500,000	-9,500,000
Proceeds from issuance of investment units	—	8,314,024
Payments of investment unit issuance expenses	—	-42,952
Distributions paid	-4,630,481	-4,405,595
Net cash provided by (used in) financing activities	-4,630,481	8,865,476
Net increase (decrease) in cash and cash equivalents	414,478	-1,122,963
Cash and cash equivalents at beginning of period	12,389,364	13,512,327
Cash and cash equivalents at end of period (Note7)	12,803,843	12,389,364

## Notes to Financial Statements

### 1. Organization

JLF is the first logistics properties focused J-REIT, with target areas of Tokyo Metropolitan area, Osaka, Nagoya and Fukuoka Area. Based on the AITIC, JLF was founded on February 22, 2005 by MLP as the asset management company and was listed on the REIT section of the Tokyo Stock Exchange on May 9 of the same year (securities code: 8967).

As of January 31, 2023 (the end of the 35th Period), JLF owns 52 properties under management with a total acquisition price of 290,590 million yen and total assets of 274,670 million yen.

### 2. Basis of Presenting Financial Statements

JLF maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (Japanese GAAP), including provisions set forth in the Financial Instrument and Exchange Act of Japan, the AITIC, the Companies Act of Japan and the related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are prepared from the Japanese financial statements of JLF, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of JLF filed with the Kanto Local Finance Bureau of the Ministry of Finance. The amounts in the financial statements originally prepared in Japanese have been rounded off to the nearest thousand in the accompanying financial statements unless otherwise specified. JLF does not prepare consolidated financial statements, as JLF has no subsidiaries.

### 3. Summary of Significant Accounting Policies

#### (1) 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.

#### (2) Depreciation method for non-current assets

##### (i) 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
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Structures	2 to 58 years
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Tools, furniture, and fixtures	2 to 15 years
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##### (ii) Intangible assets

The straight-line method is used.

#### (3) Accounting for deferred assets

Investment corporation bond issuance costs

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

#### (4) Accounting for income and expenses

##### (i) 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 the current period, and was 53,292 thousand yen in the previous period.

##### (ii) 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.

#### (5) Hedge accounting method

- (i) 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.
- (ii) Hedging instruments and hedged items  
Hedging instruments: Interest rate swap transactions  
Hedged items: Interest on borrowings
- (iii) 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.
- (iv) 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.
- (6) 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) Leasehold and guarantee deposits received in trust
- (7) 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.

#### 4. Notes to Balance Sheet

##### (1) Commitment line contracts

The Company has the commitment line contracts with the banks.

	(Thousands of yen)	
	As of January 31, 2023	As of July 31, 2022
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

##### (2) Status of cancellation of own investment units

	As of January 31, 2023	As of July 31, 2022
Total number own investment units cancelled	19,927 units	19,927 units
Total amount of cancellation	4,436,262 thousand yen	4,436,262 thousand yen

(Note) There are no cancellation of own investment units during the six-month period under review.

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

Items	Breakdown	
Corresponding property	Ichikawa Logistics Center II / land	
Reason for recognition and amount	Gain on sales of real estate properties of 2,618,320 thousand yen due to sales of Funabashi Nishiura Logistics Center II and Yokosuka Logistics Center.	
Policy for reversal	Reversal into retained earnings is made in accordance with tax regulations.	
Description of reversal in the period	Not applicable.	
	As of January 31, 2023	As of July 31, 2022
Balance before provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen
Reversal in the statement of income and retained earnings	-	-
Amount on the balance sheet	2,219,363 thousand yen	2,219,363 thousand yen
Provision as disclosed in 22. Distribution Information	-	-
Reversal as disclosed in 22. Distribution Information	-	-
Balance after provision and reversal in the period	2,219,363 thousand yen	2,219,363 thousand yen

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

		(Thousands of yen)
	As of January 31, 2023	As of July 31, 2022
	50,000	50,000

## 5. 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, 2023	For the six-month period ended July 31, 2022
(i) Real estate leasing business revenue		
Rent revenue-real estate		
Rent income	9,506,404	9,086,926
Land rents received	600	600
Facility charges	256,622	241,669
Other lease business revenue		
Parking charges	30,660	28,833
Utilities charges	345,864	239,266
Other operating income	15,996	15,870
Total real estate leasing business revenue	10,156,148	9,613,167
(ii) Real estate leasing business expenses		
Expenses related to rent business		
Taxes and dues	827,160	821,463
Outsourcing service expenses	287,328	278,114
Utilities expenses	375,711	250,149
Repair expenses	257,747	172,021
Insurance expenses	26,425	25,247
Other expenses related to rent business	71,294	116,468
Depreciation	1,937,627	1,879,165
Loss on retirement of non-current assets	14,590	7,804
Total real estate leasing business expenses	3,797,885	3,550,436
(iii) Income from real estate leasing business		
((i) - (ii))	6,358,262	6,062,731

## 6. 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, 2023	For the six-month period ended July 31, 2022
Total number of investment units authorized	10,000,000 units	10,000,000 units
Total number of investment units issued and outstanding	934,000 units	934,000 units

## 7. 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, 2023	For the six-month period ended July 31, 2022
Cash and deposits	8,120,116	7,924,035
Cash and deposits in trust	4,878,672	4,658,980
Long-term deposits received (Note)	-194,945	-193,651
Cash and cash equivalents	12,803,843	12,389,364

(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.

## 8. Lease Transactions

Operating lease transactions (as a lessor)

	(Thousands of yen)	
	For the six-month period ended January 31, 2023	For the six-month period ended July 31, 2022
Future lease payments receivable		
Due within one year	17,289,231	16,316,725
Due after one year	49,022,353	44,570,192
Total	66,311,585	60,886,917

## 9. Financial Instruments

### (1) Matters concerning the status of financial instruments

#### (i) 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 borrowing 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.

#### (ii) 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 sheets 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 "(5) 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.

#### (iii) 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.

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

Carrying amount, fair value and their differences as of January 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	16,500,000	16,616,023	116,023
(2) Investment corporation bond	13,700,000	13,646,909	-53,090
(3) Long-term borrowings	89,500,000	90,012,522	512,522
Total liabilities	119,700,000	120,275,455	575,455
Derivative transactions *	93,005	93,005	-

\*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, 2022 are as follows. Notes to "Cash and bank deposits" and "Cash and bank deposits in trust" are omitted because the fair value approximates the book value due to cash and short-term settlements.

(Thousands of yen)

	Amount on the balance sheet	Fair value	Difference
(1) Current portion of long-term borrowings	17,000,000	17,076,703	76,703
(2) Investment corporation bond	13,700,000	13,914,285	214,285
(3) Long-term borrowings	89,000,000	89,923,544	923,544
Total liabilities	119,700,000	120,914,533	1,214,533
Derivative transactions *	2,275	2,275	-

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

(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 "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

	As of January 31, 2023	As of July 31, 2022
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, 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	16,500,000	6,500,000	12,000,000	9,500,000	17,500,000	44,000,000
Investment corporation bond	—	—	3,000,000	—	2,000,000	8,700,000
Total	16,500,000	6,500,000	15,000,000	9,500,000	19,500,000	52,700,000

As of July 31, 2022

(Thousands of yen)

	Within 1 year	1~2 years	2~3 years	3~4 years	4~5 years	After 5 years
Long-term borrowings	17,000,000	15,500,000	6,500,000	7,500,000	12,500,000	47,000,000
Investment corporation bond	—	—	—	3,000,000	2,000,000	8,700,000
Total	17,000,000	15,500,000	6,500,000	10,500,000	14,500,000	55,700,000

## 10. Derivatives

### (1) Transactions not subject to hedge accounting

Not applicable for the six-month periods ended January 31, 2023 and July 31, 2022.

### (2) Transactions subject to hedge accounting

For the six-month period ended January 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	93,005	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	4,000,000	*	-

\* 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, 2022

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

Hedge accounting method	Type of derivative transactions	Primary hedged items	Contract amount (Thousands of yen)		Fair value (Thousands of yen)	Method used to calculate the fair value
				Amount over one year		
Deferred hedge accounting	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,000,000	7,000,000	2,275	Based on prices and other conditions presented by financial institutions
Special treatment for hedge accounting of interest rate swaps	Interest rate swap transactions Receive variable, pay fixed	Long-term borrowings	7,500,000	6,000,000	*	-

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

## 11. Tax Effect Accounting

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

	(Thousands of yen)	
	As of January 31, 2023	As of July 31, 2022
Deferred tax assets, current		
Enterprise tax not deductible	20	8
Deferred gains or losses on hedges	-	-
Subtotal deferred tax, current	20	8
Valuation allowance	-	-
Total deferred tax assets, current	20	8
Deferred tax assets, net, current	20	8

### (2) 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, 2023	As of July 31, 2022
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%

## 12. Transactions with Related Parties

### (1) Parent company and principal corporate unitholders

Not applicable to the six-month period ended January 31, 2023 and the six-month period ended July 31, 2022.

### (2) Subsidiaries and affiliates

Not applicable to the six-month period ended January 31, 2023 and the six-month period ended July 31, 2022.

### (3) Sister companies

Not applicable to the six-month period ended January 31, 2023 and the six-month period ended July 31, 2022.

### (4) Directors and principal individual unitholders

For the six-month period ended January 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)	921,643 (Note 2)	Accrued expenses	964,667 (Note 2)

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

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

For the six-month period ended July 31, 2022

Classification	Name of company or individual	Address	Paid-in capital or investment	Business description or occupation	Voting rights holding ratio	Nature of transaction	Transaction amount (Thousands of yen)	Account	Balance at end of period (Thousands of yen)
Director or the close relative	Naohiro Kameoka	-	-	Executive Director of Japan Logistics Fund, Inc. and President & CEO of Mitsui & Co., Logistics Partners Ltd.	-	Payment of asset management fee to Mitsui & Co., Logistics Partners Ltd. (Note 1)	909,460 (Note 2)	Accrued expenses	902,751 (Note 2)

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

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

### 13. 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, 2023	For the six-month period ended July 31, 2022
Amount on the balance sheet		
Balance at the beginning of the period	255,519,741	244,174,310
Changes during the period	5,001,351	11,345,431
Balance at the end of the period	260,521,093	255,519,741
Fair value at the end of the period	408,710,000	402,010,000

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

(Note 2) The increase of the lease properties in the six-month period ended January 31, 2023 is mainly by the construction on the redevelopment project of Urayasu Logistics Center (6,419,881 thousand yen), and

the increase of the lease properties in the six-month period ended July 31, 2022 is mainly by the acquisition of Kuki Logistics Center (8,688,812 thousand yen) and Itabashi Logistics Center (4,156,999 thousand yen).

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

The income concerning lease properties, etc. for the six-month period ended January 31, 2023 and the six-month period ended July 31, 2022 is indicated under "Notes to Statement of Income and Retained Earnings" above.

#### 14. Revenue Recognition

For the six-month period ended January 31, 2023

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

(Thousands of yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Sale of real estate, etc.	-	-
Utility revenues	345,864	345,864
Other	-	9,810,283
Total	345,864	10,156,148

(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, 2023, as described in the Notes to Summary of 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)

	For the six-month period ended January 31, 2023
Receivables arising from contracts with customers (beginning balance)	63,781
Receivables arising from contracts with customers (ending balance)	74,617
Contract assets (beginning balance)	-
Contract assets (ending balance)	-
Contract liabilities (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.

For the six-month period ended July 31, 2022

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

(Thousands of yen)

	Revenue from contracts with customers (Note)	Sales to external customers
Sale of real estate, etc.	-	-
Utility revenues	239,266	239,266
Other	-	9,373,900
Total	239,266	9,613,167

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

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

For the six-month period ended July 31, 2022, as described in the Notes to Summary of 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)

	For the six-month period ended July 31, 2022
Receivables arising from contracts with customers (beginning balance)	51,063
Receivables arising from contracts with customers (ending balance)	63,781
Contract assets (beginning balance)	-
Contract assets (ending balance)	-
Contract liabilities (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.

## 15. Segment Information

(1) Segment information

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

(2) Related information

For the six-month period ended January 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.

For the six-month period ended July 31, 2022

A. Information by product and service

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

B. Information by region

(a) Net sales

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

(b) Property, plant, and equipment

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

C. Information by major tenant

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

## 16. Per Unit Information

	For the six-month period ended January 31, 2023	For the six-month period ended July 31, 2022
Net assets per unit	153,562 yen	153,185 yen
Profit per unit	5,235 yen	4,971 yen

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

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

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

(Thousands of yen)

	For the six-month period ended January 31, 2023	For the six-month period ended July 31, 2022
Profit	4,889,774	4,627,793
Amount not attributable to common unitholders	-	-
Profit pertaining to common investment units	4,889,774	4,627,793
Average number of investment units during period	934,000 units	930,803 units

## 17. Significant Subsequent Events

Not applicable.

## 18. Securities

### (1) 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.

### (2) Securities other than stocks

Not applicable.

## 19. Contract Amounts and Fair Value of Derivative Transactions

(Thousands of yen)

Classification	Type of derivative transactions	Contract amount (Note 1)		Fair value (Note 2) (Note 3)
			Amount over one year	
Over-the-counter	Interest rate swap transactions Receive variable, pay fixed	13,000,000	11,000,000	93,005
Total		13,000,000	11,000,000	93,005

(Note 1) The contract amount represents the notional principal amount of the interest rate swaps.

(Note 2) The fair value is calculated based on prices and other conditions presented by counterparty of the agreement.

(Note 3) In the amount of fair value, the transactions for which special treatment for interest rate swaps is applied in accordance with Accounting Standard for Financial Instruments (ASBJ Statement No. 10 issued on July 4, 2019) are not carried at fair value in the Balance Sheet.

## 20. Property, Plant and Equipment, and Intangible Assets

(Thousands of yen)

Type of asset		Balance at beginning of the period	Amount of increase during the period	Amount of decrease during the period	Balance at end of the period	Accumulated depreciation / Accumulated amortization		Net balance at end of the period	Remarks
							Depreciation and amortization		
Property, plant and equipment	Buildings (including accompanying facilities)	19,767,958	103,645	13,540	19,858,063	4,095,461	267,040	15,762,601	
	Structures	613,888	—	—	613,888	181,621	12,808	432,267	
	Tools, furniture and fixtures	19,516	—	—	19,516	5,950	1,416	13,565	
	Land	13,486,139	—	—	13,486,139	—	—	13,486,139	
	Construction in progress	4,492,754	2,686,844	7,176,255	3,343	—	—	3,343	(Note 1)
	Buildings in trust (including accompanying facilities in trust)	127,726,155	6,568,749	82,603	134,212,301	36,439,486	1,587,864	97,772,814	(Note 2)
	Structures in trust	3,641,408	160,310	693	3,801,025	1,648,440	66,752	2,152,585	(Note 2)
	Tools, furniture and fixtures in trust	37,714	14,863	—	52,577	27,165	1,745	25,412	
	Land in trust	130,769,705	106,000	—	130,875,705	—	—	130,875,705	
	Construction in progress in trust	50,515	—	50,515	—	—	—	—	
Subtotal		300,605,758	9,640,414	7,323,610	302,922,562	42,398,125	1,937,627	260,524,437	
Intangible assets		9,344	—	—	9,344	4,673	888	4,670	
Total		300,615,103	9,640,414	7,323,610	302,931,906	42,402,799	1,938,515	260,529,107	

(Note 1) The increase in the current period was mainly due to expenditures for the redevelopment project of the Urayasu Logistics Center. In addition, the decrease in the current period was due to the completion of the redevelopment project of the Urayasu Logistics Center.

(Note 2) The increase in the current period was mainly due to the completion of the redevelopment project of the Urayasu Logistics Center.

## 21. Investment Corporation Bond

Issue	Issue date	Balance at beginning of the period (Thousands of yen)	Amount of increase during the period (Thousands of yen)	Amount of decrease during the period (Thousands of yen)	Balance at end of the period (Thousands of yen)	Interest rate	Redemption maturity date	Use	Collateral
#2 <sup>nd</sup> Unsecured Investment Corporation Bond	December 27, 2013	3,000,000	-	-	3,000,000	1.28000%	December 26, 2025	(Note 1)	(Note 2)
#3 <sup>rd</sup> Unsecured Investment Corporation Bond	March 12, 2014	3,000,000	-	-	3,000,000	1.62000%	March 12, 2029	(Note 1)	(Note 2)
#4 <sup>th</sup> Unsecured Investment Corporation Bond	February 8, 2016	1,700,000	-	-	1,700,000	0.53500%	February 8, 2028	(Note 1)	(Note 2)
#5 <sup>th</sup> Unsecured Investment Corporation Bond	April 20, 2017	2,000,000	-	-	2,000,000	0.48000%	April 20, 2027	(Note 1)	(Note 2)
#6 <sup>th</sup> Unsecured Investment Corporation Bond	November 18, 2019	2,000,000	-	-	2,000,000	0.53000%	November 16, 2029	(Note 1)	(Note 2)
#7 <sup>th</sup> Unsecured Investment Corporation Bond	April 26, 2021	2,000,000	-	-	2,000,000	0.49000%	April 25, 2031	(Note 1)	(Note 2)
Total		13,700,000	-	-	13,700,000				

(Note 1) The funds are used for the repayment of borrowings.

(Note 2) This investment corporation bond is equipped with the same rank rider limited among certain investment corporation bonds.

(Note 3) The redemption schedule of investment corporation bond for each of the five years after the balance sheet date is as follows:

(Thousands of yen)

	Within 1 year	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years
Investment corporation bond	-	-	3,000,000	-	2,000,000

## 22. Borrowings

Classification (Lender)		Borrowing date	Balance at beginning of period (Thousands of yen)	Amount of increase during the period (Thousands of yen)	Amount of decrease during the period (Thousands of yen)	Balance at end of period (Thousands of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Current portion of long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	August 31, 2012	2,000,000	-	2,000,000	-	1.13000%	August 31, 2022	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2013	2,000,000	-	-	2,000,000	1.11125%	February 28, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	February 28, 2013	500,000	-	-	500,000	1.18125%	February 28, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	December 27, 2013	-	3,000,000	-	3,000,000	1.29625%	December 27, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited		-	1,500,000	-	1,500,000				
	Development Bank of Japan Inc.		-	1,000,000	-	1,000,000				
	Nippon Life Insurance Company		-	500,000	-	500,000				
	Sumitomo Mitsui Banking Corporation	February 25, 2014	3,000,000	-	-	3,000,000	1.04875%	February 28, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Shinkin Central Bank	December 4, 2015	500,000	-	500,000	-	0.40600%	November 30, 2022	(Note 2)	Unsecured/ Non-guaranteed
	The Norinchukin Bank	December 4, 2015	1,000,000	-	1,000,000	-	0.40600%	November 30, 2022	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 4, 2015	-	2,000,000	-	2,000,000	0.45075%	November 30, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	September 30, 2016	-	1,000,000	-	1,000,000	0.20000%	September 29, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	August 31, 2017	2,000,000	-	2,000,000	-	0.24380%	August 31, 2022	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	August 31, 2017	2,000,000	-	-	2,000,000	0.30000%	February 28, 2023	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	September 28, 2018	4,000,000	-	4,000,000	-	0.31000%	September 30, 2022	(Note 2)	Unsecured/ Non-guaranteed
	Subtotal		17,000,000	9,000,000	9,500,000	16,500,000				
Long-term borrowings	Development Bank of Japan Inc.	March 11, 2013	2,000,000	-	-	2,000,000	1.25000%	February 29, 2024	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	December 27, 2013	3,000,000	-	3,000,000	-	1.29625%	December 27, 2023	(Note 2)	Unsecured/ Non-guaranteed

Classification (Lender)		Borrowing date	Balance at beginning of period (Thousands of yen)	Amount of increase during the period (Thousands of yen)	Amount of decrease during the period (Thousands of yen)	Balance at end of period (Thousands of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Long-term borrowings	Sumitomo Mitsui Trust Bank, Limited	December 27, 2013	1,500,000	-	1,500,000	-	1.29625%	December 27, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.		1,000,000	-	1,000,000	-				
	Nippon Life Insurance Company		500,000	-	500,000	-				
	Nippon Life Insurance Company	March 24, 2014	2,500,000	-	-	2,500,000	1.04000%	February 29, 2024	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 31, 2015	1,000,000	-	-	1,000,000	0.59000%	March 29, 2024	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	March 31, 2015	1,000,000	-	-	1,000,000	0.77240%	March 31, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	December 4, 2015	2,000,000	-	2,000,000	-	0.45075%	November 30, 2023	(Note 2)	Unsecured/ Non-guaranteed
	The Bank of Fukuoka	December 4, 2015	500,000	-	-	500,000	0.52800%	November 28, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Trust & Banking Co., Ltd.	December 4, 2015	2,000,000	-	-	2,000,000	0.60250%	November 28, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	September 30, 2016	1,000,000	-	1,000,000	-	0.20000%	September 29, 2023	(Note 2)	Unsecured/ Non-guaranteed
	Mitsui Sumitomo Insurance Company, Limited	February 3, 2017	1,000,000	-	-	1,000,000	0.25875%	February 29, 2024	(Note 2)	Unsecured/ Non-guaranteed
	Resona Bank, Ltd.	February 3, 2017	2,000,000	-	-	2,000,000	0.46600%	February 3, 2027	(Note 2)	Unsecured/ Non-guaranteed
	The Bank of Fukuoka	March 15, 2017	2,000,000	-	-	2,000,000	0.38000%	March 31, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.	March 15, 2017	2,500,000	-	-	2,500,000	0.55375%	March 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.	March 15, 2017	2,500,000	-	-	2,500,000	0.60750%	March 30, 2029	(Note 2)	Unsecured/ Non-guaranteed
	Resona Bank, Ltd.	August 31, 2017	2,000,000	-	-	2,000,000	0.48205%	August 31, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	August 31, 2017	3,000,000	-	-	3,000,000	0.48205%	August 31, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.	August 31, 2017	4,500,000	-	-	4,500,000	0.49313%	August 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Development Bank of Japan Inc.	August 31, 2017	4,500,000	-	-	4,500,000	0.54375%	August 31, 2029	(Note 2)	Unsecured/ Non-guaranteed

Classification (Lender)		Borrowing date	Balance at beginning of period (Thousands of yen)	Amount of increase during the period (Thousands of yen)	Amount of decrease during the period (Thousands of yen)	Balance at end of period (Thousands of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Long-term borrowings	MUFG Bank, Ltd.	September 28, 2018	5,000,000	-	-	5,000,000	0.65000%	September 30, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	March 26, 2019	3,500,000	-	-	3,500,000	0.36750%	March 26, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	March 26, 2019	1,000,000	-	-	1,000,000	0.46005%	March 26, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	August 31, 2020	2,000,000	-	-	2,000,000	0.47255%	August 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	August 31, 2020	2,000,000	-	-	2,000,000	0.55875%	August 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	The 77 Bank, Ltd.	December 25, 2020	500,000	-	-	500,000	0.39255%	December 25, 2028	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	December 25, 2020	1,000,000	-	-	1,000,000	0.55000%	December 25, 2029	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	December 25, 2020	1,500,000	-	-	1,500,000	0.48625%	December 25, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 26, 2021	2,000,000	-	-	2,000,000	0.27830%	February 28, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 26, 2021	2,000,000	-	-	2,000,000	0.47761%	August 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	February 26, 2021	1,500,000	-	-	1,500,000	0.60000%	February 28, 2031	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	May 31, 2021	1,500,000	-	-	1,500,000	0.55000%	February 28, 2031	(Note 2)	Unsecured/ Non-guaranteed
	Shinkin Central Bank	August 31, 2021	1,000,000	-	-	1,000,000	0.32000%	August 31, 2025	(Note 2)	Unsecured/ Non-guaranteed
	The Norinchukin Bank	August 31, 2021	1,000,000	-	-	1,000,000	0.42630%	August 31, 2029	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	August 31, 2021	2,000,000	-	-	2,000,000	0.32000%	January 31, 2027	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	September 30, 2021	2,000,000	-	-	2,000,000	0.26161%	September 30, 2025	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	September 30, 2021	3,000,000	-	-	3,000,000	0.49576%	September 30, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Banking Corporation	February 28, 2022	2,000,000	-	-	2,000,000	0.35000%	February 28, 2026	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	February 28, 2022	2,500,000	-	-	2,500,000	0.37500%	August 31, 2026	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	February 28, 2022	1,000,000	-	-	1,000,000	0.41000%	February 29, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Mizuho Bank, Ltd.	February 28, 2022	1,000,000	-	-	1,000,000	0.47875%	February 28, 2030	(Note 2)	Unsecured/ Non-guaranteed

Classification (Lender)		Borrowing date	Balance at beginning of period (Thousands of yen)	Amount of increase during the period (Thousands of yen)	Amount of decrease during the period (Thousands of yen)	Balance at end of period (Thousands of yen)	Average interest rate (Note 1)	Repayment due date	Use	Remarks
Long-term borrowings	Resona Bank, Ltd.	February 28, 2022	1,000,000	-	-	1,000,000	0.50000%	July 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	The 77 Bank, Ltd.	February 28, 2022	1,000,000	-	-	1,000,000	0.62000%	July 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Kansai Mirai Bank, Limited	February 28, 2022	1,000,000	-	-	1,000,000	0.57000%	February 29, 2032	(Note 2)	Unsecured/ Non-guaranteed
	SBI Shinsei Bank, Limited (Note 3)	February 28, 2022	1,000,000	-	-	1,000,000	0.62000%	February 29, 2032	(Note 2)	Unsecured/ Non-guaranteed
	The Yamaguchi Bank, Ltd.	February 28, 2022	1,000,000	-	-	1,000,000	0.67000%	February 29, 2032	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	March 31, 2022	3,000,000	-	-	3,000,000	0.41000%	September 30, 2026	(Note 2)	Unsecured/ Non-guaranteed
	Sumitomo Mitsui Trust Bank, Limited	August 31, 2022	-	1,000,000	-	1,000,000	0.55000%	August 31, 2028	(Note 2)	Unsecured/ Non-guaranteed
	Nippon Life Insurance Company	August 31, 2022	-	1,000,000	-	1,000,000	0.68000%	August 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	August 31, 2022	-	2,000,000	-	2,000,000	0.41250%	February 28, 2027	(Note 2)	Unsecured/ Non-guaranteed
	MUFG Bank, Ltd.	September 30, 2022	-	3,000,000	-	3,000,000	0.83000%	March 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
	SBI Shinsei Bank, Limited (Note 3)	September 30, 2022	-	1,000,000	-	1,000,000	0.76625%	September 30, 2030	(Note 2)	Unsecured/ Non-guaranteed
	Shinkin Central Bank	November 30, 2022	-	500,000	-	500,000	0.63000%	November 30, 2027	(Note 2)	Unsecured/ Non-guaranteed
	The Norinchukin Bank	November 30, 2022	-	1,000,000	-	1,000,000	0.82063%	May 31, 2030	(Note 2)	Unsecured/ Non-guaranteed
Subtotal			89,000,000	9,500,000	9,000,000	89,500,000				
Total			106,000,000	18,500,000	18,500,000	106,000,000				

(Note 1) The average interest rate indicates a weighted average of interest rates for the period. Regarding the borrowings hedged by interest rate swaps to avoid interest rate fluctuation risk, the average interest rate indicates a weighted average of interest rates adjusted by considering the effect of the interest rate swaps.

(Note 2) All the funds were used for the purchase of real estate properties or trust beneficiary rights of real estate, or repayment of borrowings.

(Note 3) Shinsei Bank, Ltd. changed its trade name to SBI Shinsei Bank, Limited as of January 4, 2023. The same applies in each of the following descriptions.

(Note 4) Annual repayments of long-term borrowings (except for the current portion) scheduled for the next five years after the balance sheet date are as follows:

(Thousands of yen)

	Due after 1 year, but within 2 years	Due after 2 years, but within 3 years	Due after 3 years, but within 4 years	Due after 4 years, but within 5 years
Long-term borrowings	6,500,000	12,000,000	9,500,000	17,500,000

## 23. Distribution Information

		(Yen)
	For the six-month period ended January 31, 2023	For the six-month period ended July 31, 2022
I. Unappropriated retained earnings	4,889,963,096	4,628,158,863
II. Distributions	4,889,490,000	4,627,970,000
(Distributions per unit)	(5,235)	(4,955)
III. Retained earnings to be carried forward	473,096	188,863
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 4,889,490,000 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (934,000 units), in an amount not exceeding unappropriated retained earnings for the period.</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 4,627,970,000 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (934,000 units), in an amount not exceeding unappropriated retained earnings for the period.</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>