

JAPAN LOGISTICS FUND

-11TH PERIOD FINANCIAL RESULTS-

MARCH, 2011



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Overview: Sustainable Growth and Diversified Financing Source

DPU Forecast: **¥17,000 (12th Period) / ¥16,500 (13th Period)**

11th Period Results Announcement

11th DPU ¥17,528

- ✓ Occupancy Rate (The end of 11th period) : 96.6 %
- ✓ Interest Bearing Debt Ratio : 27.6 %
- ✓ Prev. Forecast vs. Actual : +328 Yen (+1.91%)

2010.11

1st Investment Corporation Bond Issuance

- ✓ Issued our 1st Investment Corporation Bond to diversify financing source
- ✓ Amount : ¥8,000 Mil.
- ✓ Term : 5 Years
- ✓ Rate : 0.95% (5-year SWAP + 32bps)
- ✓ Rating : AA (R&I)

2010.8-9

Acquisition of Ichikawa Logistics Center II / Public Offering

- ✓ Acquisition based on the Pipeline Support Agreement w/ ProLogis
- ✓ Acquisition Price : ¥17,415 Mil. (equivalent to 90% stake)
- ✓ Units Issued : 16,700 Units (total units after this offering : 148,000 Units)
- ✓ Price / Unit : ¥605,592
- ✓ Total Amount : ¥10,113 Mil.

11th Period Highlight : New Acquisition and 4th PO

M-18 Ichikawa Logistics Center II

Asset Type	Real Estate Trust Beneficiary Right (90% stake of the property)
Location	Ichikawa-shi, Chiba
Acquisition Date	September 3, 2010
Acquisition Price	¥17,415 Mil.
NOI Yield	5.6%
Occupancy Rate	100%
Tenants	TOMY Company, Ltd. JR East Logistics Co., Ltd.

Property View



4th Public Offering Summary

Launch	: August 12, 2010
Units Issued	: 16,700 units*
Offering Price	: ¥627,590 / unit
Issuing Price	: ¥605,592 / unit
Total Proceeds	: ¥10,113 Mil.*
Payment Date	: August 30, 2010

*Including over allotment

Short Term Loan Financing

Borrowed ¥7,000 Mil. short term loan, in addition to the PO
Interest bearing debt ratio increased to **27.6%**, from 25.7%

Lender	Amount (Mil. JPY)	Borrowing Date
Mizuho Corporate Bank	3,000	Sep. 2, 2010
The Chuo Mitsui Trust and Banking Co.*	2,000	
Mitsubishi UFJ Trust and Banking Corp.*	2,000	

*Borrowed based on commitment line agreements

11th Period Highlight : Refinancing

Refinancing at a Glance

Nov. 2010 : Refinanced total of ¥10,000 Mil. loans

Short Term Loan:

¥7,000 Mil. (Com. Line borrowed for Ichikawa II acquisition)

Long Term Loan:

¥3,000 Mil. (from SMBC, due Nov. 2010)

Lender	Amount (Mil. JPY)	Term
1 st Investment Corporation Bond	8,000	5 Years
Mitsubishi UFJ Trust and Banking Corp.	2,000	3 Years

Indices on Debt (as of 1/31/2011)

■ Avg. Term of Loans

4.08 yrs.

■ Long Term Debt Ratio

92.7%

■ Duration

2.70 yrs.

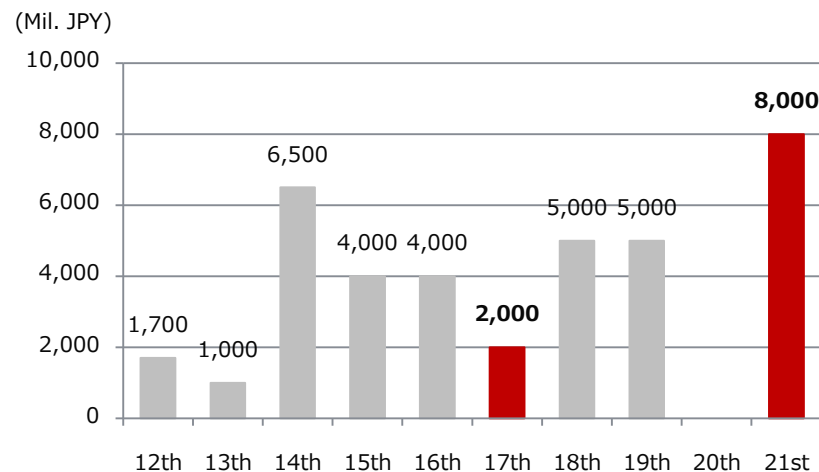
■ Debt Cost

1.50%
(Including Upfront Fees)

Summary of the 1st Investment Corporation Bond

Pricing Date	: 11/18/2010
Amount	: ¥8,000 Mil.
Payment Date	: 11/29/2010
Redemption Date	: 11/27/2015 (5 Years)
Rate	: 0.95% (5-yr SWAP + 32bps)
Rating	: AA (R&I)

Debt Maturity Ladder



11th Period Highlight : Portfolio Management

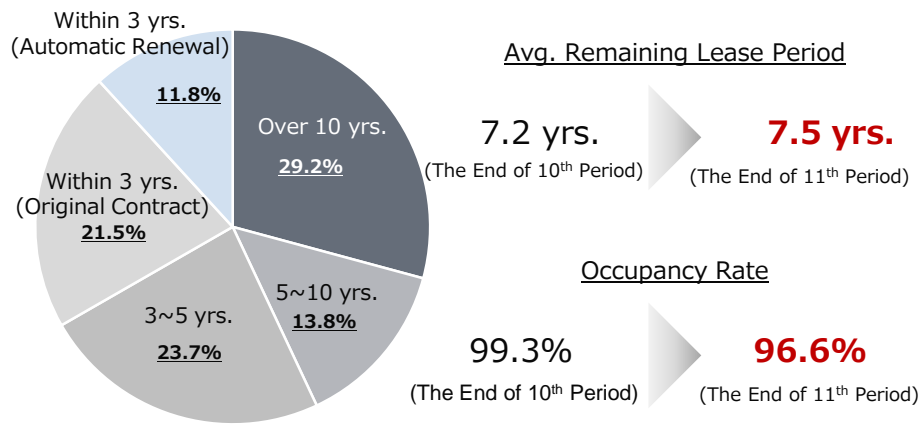
Rent Renewal (Agreed in 11th)

Annual Rent of the Portfolio (Lease Contract Base)

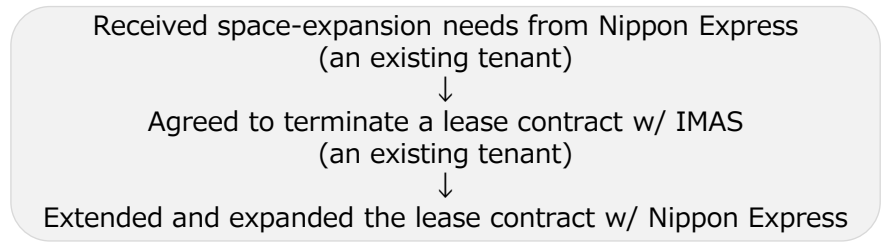
¥9,470 Mil. (The end of 10th period) **+10.9%** **¥10,504 Mil.** (The end of 11th period)

Factor	Impact	#	Examples
Renewal	-0.3%	2	Kawasaki, Urayasu Chidori II
Lease Termination	-6.6%	5	Shinkiba, Yachiyo, Saitama Kisai
Lease Initiation	+3.4%	4	Hiratsuka, Shinkiba, Saitama Kisai
New Properties into Operation	+14.4%	3	Ichikawa II, Daito
Total	+10.9%		

Average Remaining Lease Period

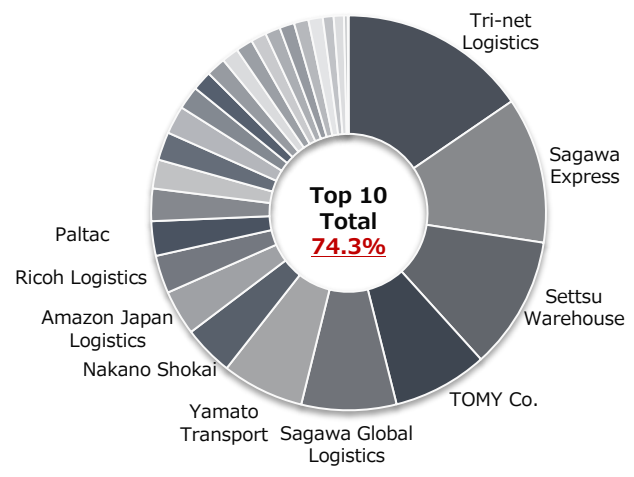


Yokohama Fukuura Logistics Center : Tenant Change



Before	Rental Area	Expiration
IMAS	12,000.10m ²	3/31/2014
Nippon Express	9,966.74m ²	10/31/2013
After	Rental Area	Expiration
Nippon Express	21,966.84m²	1/31/2015

Diversification of Cash Flow (The End of 11th Period, Annual Rent Base)





CHAPTER 1. The 11th Period Financial Results

Achievements and Forecasts

	10 th Actual	11 th Actual			12 th Forecast*1		13 th Forecast*1	
	From 2/1/2010	From 8/1/2010	Difference	% change	From 2/1/2011	Difference	From 8/1/2011	Difference
	To 7/31/2010	To 1/31/2011			To 7/31/2011		To 1/31/2012	
Revenue	¥4,834 Mil.	¥5,433 Mil.	+599 Mil.	+12.4%	¥5,471 Mil.	+38 Mil. Yen	¥5,360 Mil.	-73 Mil. Yen
Ordinary Income	¥2,276 Mil.	¥2,595 Mil.	+318 Mil.	+14.0%	¥2,517 Mil.	-78 Mil. Yen	¥2,444 Mil.	-151 Mil. Yen
Net Income	¥2,275 Mil.	¥2,594 Mil.	+318 Mil.	+14.0%	¥2,516 Mil.	-78 Mil. Yen	¥2,443 Mil.	-151 Mil. Yen
DPU	¥17,330	¥17,528	+198 Yen	+1.1%	¥17,000	-528 Yen	¥16,500	-1,028 Yen
FFOPU	¥25,258	¥25,668	+410 Yen	+1.6%	¥24,900	-768 Yen	¥24,600	-1,068 Yen
Pay Out Ratio	68.6%	68.3%			68.3%		67.1%	
U. Outstanding	131,300 Units	148,000 Units			148,000 Units		148,000 Units	
Properties	27 Properties	28 Properties			28 Properties		28 Properties	
IBD Ratio*2	25.7%	27.6%			27.6%		27.6%	

11th Overview (Comp. w/ 10th)

Major Changes on Revenue

- Acquisition of Ichikawa II (+478)
- New warehouse of Daito / Narashino II into full operation (+200)
- Lease termination / rent reduction (-110)

Other Changes

- Increase in expenditures for rent business (-218)
- Increase in AM fee & operating expenses (-34)
- Increase in debt financing costs (-19)

12th /13th Points (Comp. w/ 11th)

12th Period

- Absorb negative impact of lease termination / rent reduction through full operation of Ichikawa II
- Fixed asset tax incurs (Narashino II, Ichikawa II, New warehouse of Daito)

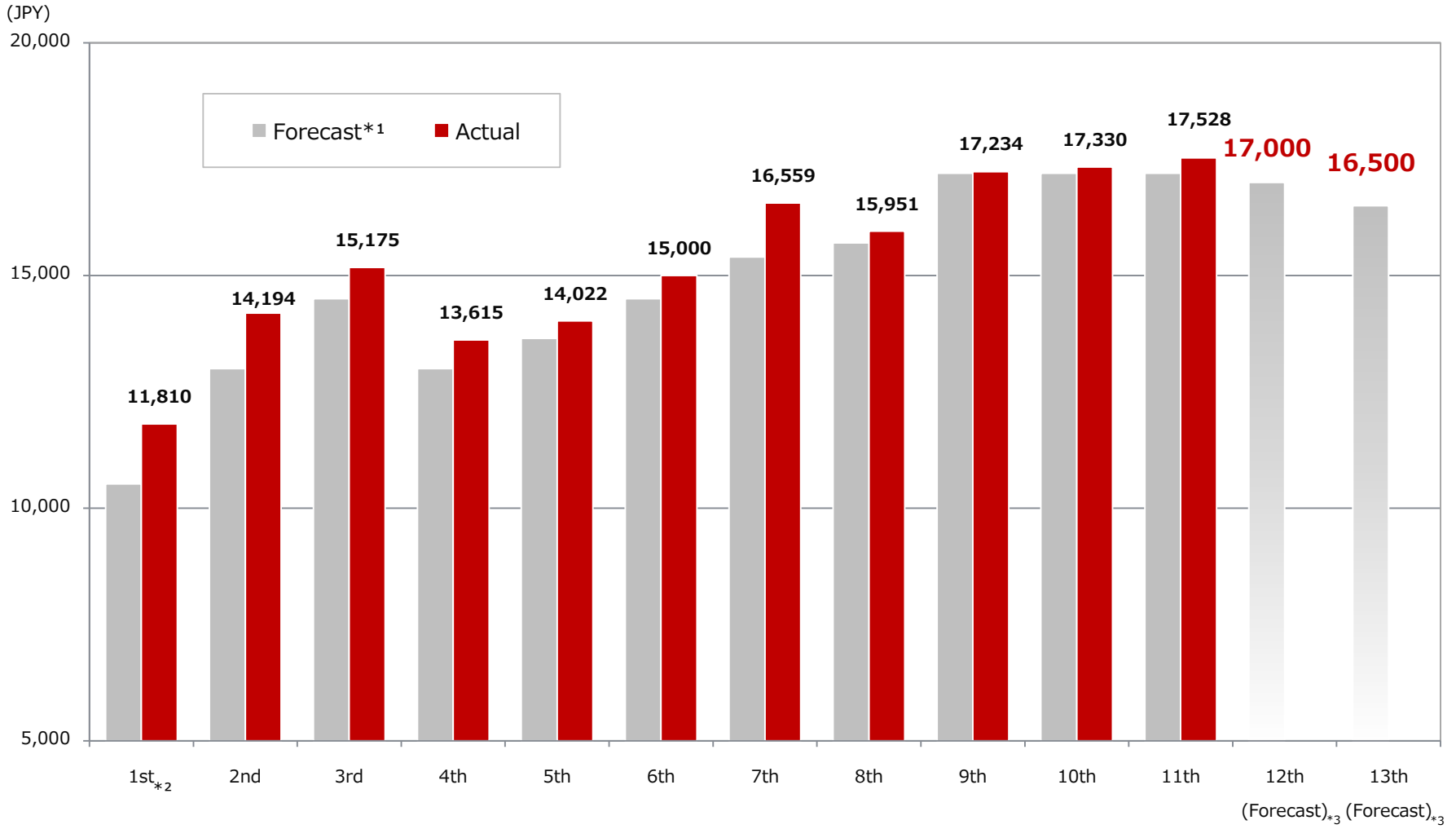
13th Period

- Impact of lease termination of Yokosuka Logistics Center

*1The forecasts are calculated under certain conditions, as of 3/2/2011. The forecasts may change due to unexpected lease termination, asset sale/purchase or financing activities. The forecasts do not guarantee any future dividends payment.

*2IBD (Interest Bearing Debt) Ratio = IBD / (IBD + Unitholders' Capital)

DPU History



*1 Forecast stands for the DPU announced on the previous Period.

*2 The 1st Period had 268 days. However, the graph above shows "normalized" (i.e. semi annual) base for comparison purpose

*3 The forecasts of 12th period and 13th period are calculated under certain conditions, as of 3/2/2011. The forecasts may change due to unexpected lease termination, asset sale/purchase or financing activities. The forecasts do not guarantee any future dividends payment.

Reviews on Rent Business

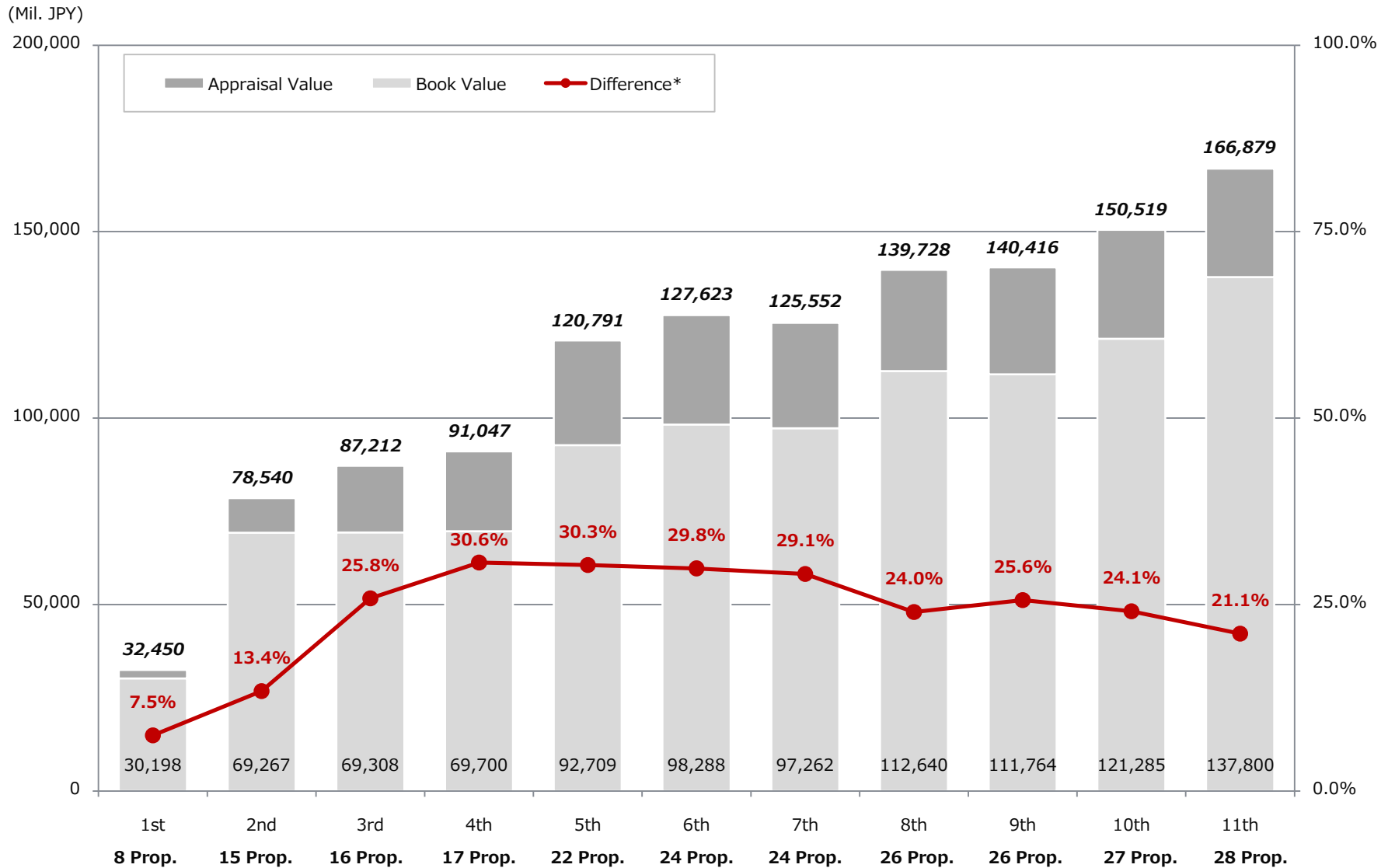
(Mil. JPY)

	10 th Period (Actual)	11 th Period (Actual)		12 th Period (Forecast)*1	13 th Period (Forecast)*1
	From 2/1/2010 To 7/31/2010	From 8/1/2010 To 1/31/2011	Change	From 2/1/2011 To 7/31/2011	From 8/1/2011 To 1/31/2012
Total Revenues Related to Rent Business	4,834	5,433	+599	5,471	5,360
Total Expenses Related to Rent Business	1,817	2,035	+218	2,111	2,079
Fixed Asset tax	406	406	-0	496	496
Property management fee	96	113	+16	123	122
Utilities expenses	94	126	+32	141	135
renovations & maintenances	112	116	+4	98	46
Insurance	20	22	+1	22	22
Other expenses	44	44	-0	49	46
Depreciation and amortization (A)	1,040	1,168	+127	1,177	1,177
Loss on retirement of fixed assets (B)	0	36	+35	2	31
P/L on rent business (C)	3,017	3,398	+380	3,360	3,280
NOI (A+B+C) (D)	4,058	4,602	+544	4,540	4,489
Capital Expenditures (E)	49	140	+90	117	300
NCF (D-E)	4,008	4,462	+453	4,423	4,188
Total Book Value of Investment Properties	121,285	137,800	+16,514	136,737	135,829
NOI Yield (Annualized)*2	6.7%	6.6%	-0.1%	6.7%	6.6%
Operating Income Yield (Annualized)*2	5.0%	4.9%	-0.1%	5.0%	4.8%

*1 The forecasts are calculated under certain conditions, as of 3/2/2011. The forecasts may change due to unexpected lease termination, asset sale/purchase or financing activities. The forecasts do not guarantee any future dividends payment.

*2 NOI Yield (Annualized) = NOI / Book Value of the Portfolio / Operating Days of the Period × 365; Operating Income Yield (Annualized) = P/L on rent business / Book Value of the Portfolio / Operating Days of the Period × 365

Appraisal Value

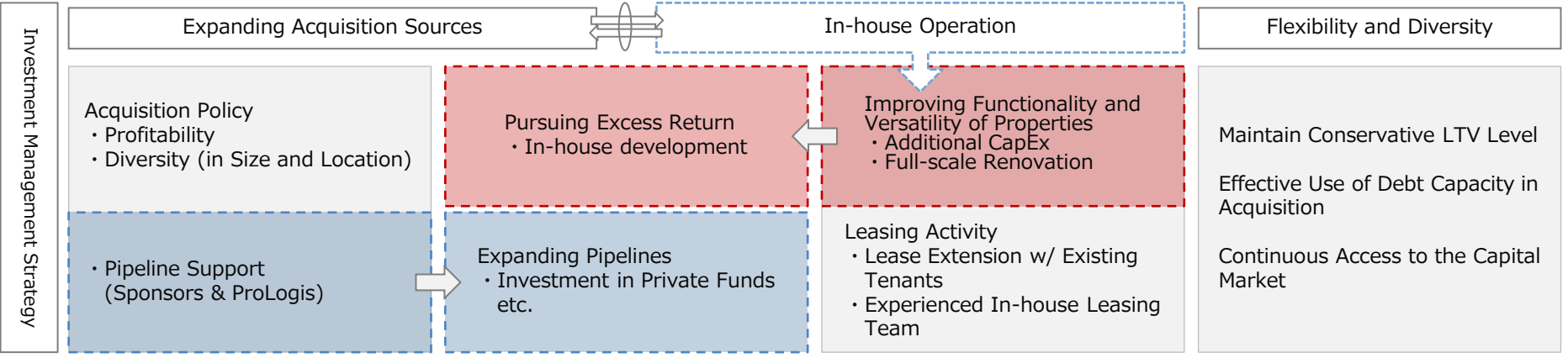
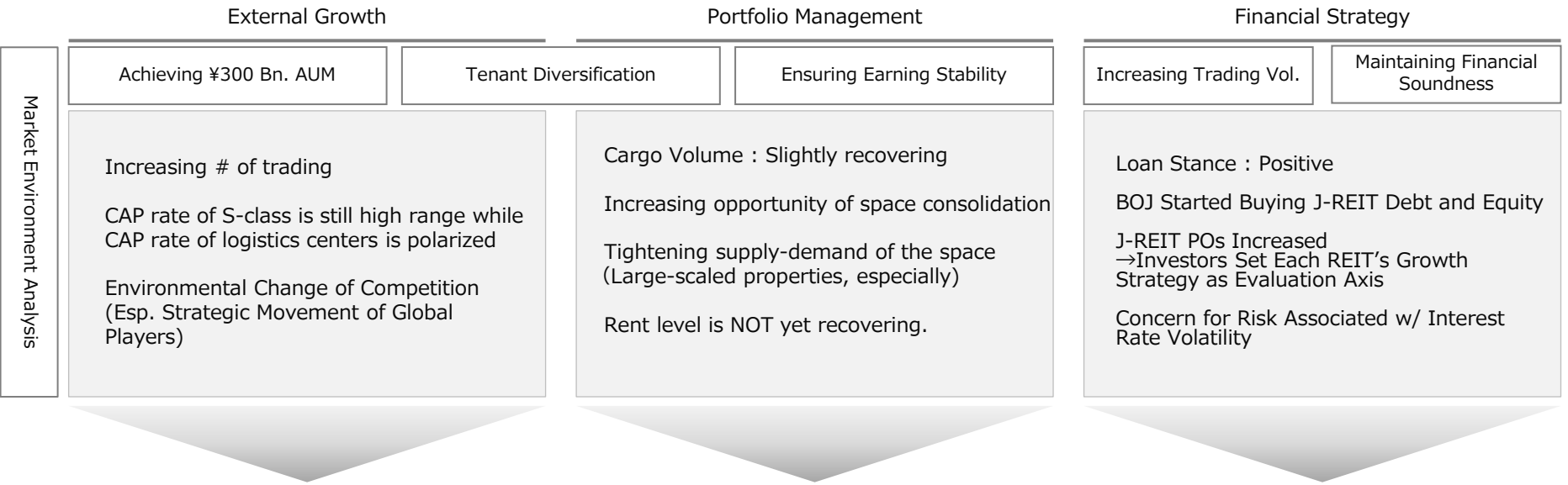


*Difference = (Appraisal Value - Book Value) / Book Value



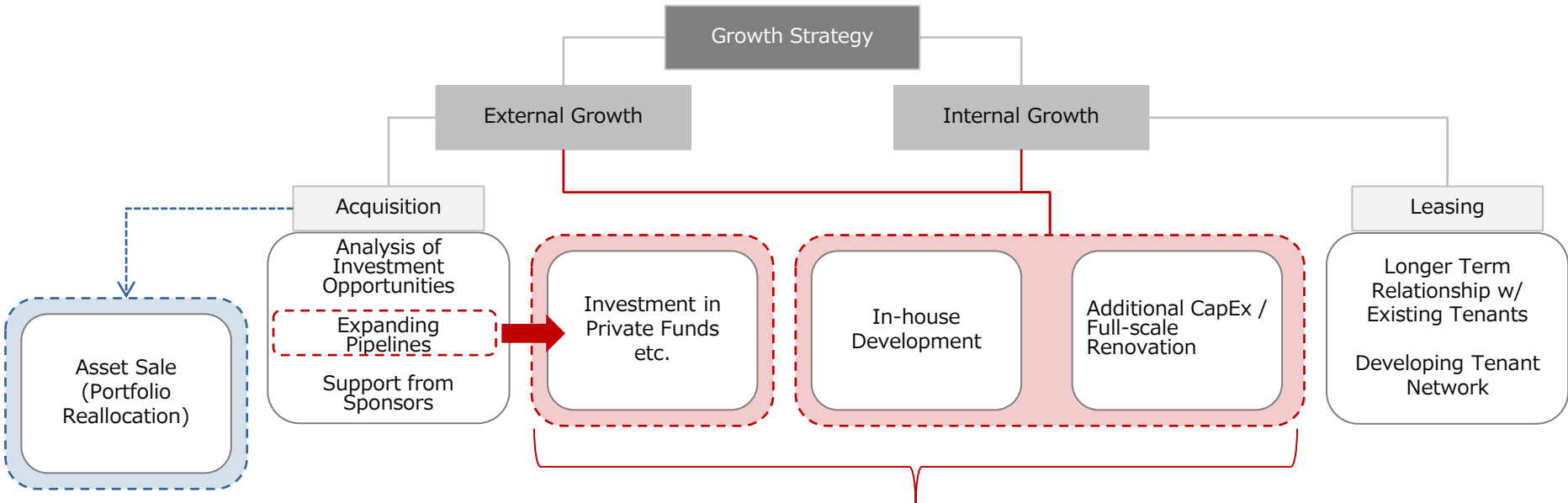
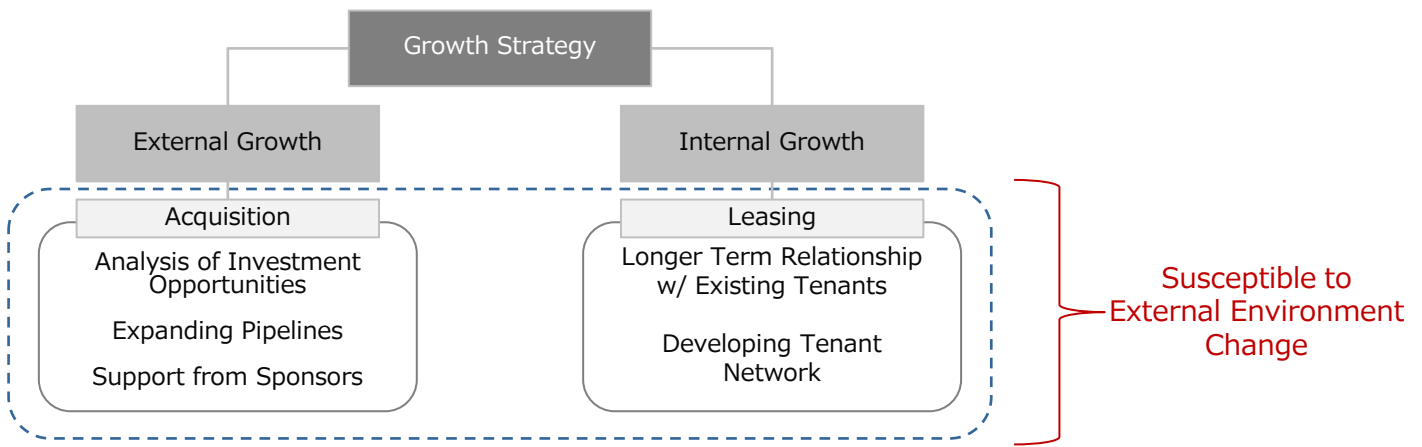
CHAPTER 2. Strategic Overview

Market Environment Analysis and Investment Management Strategy

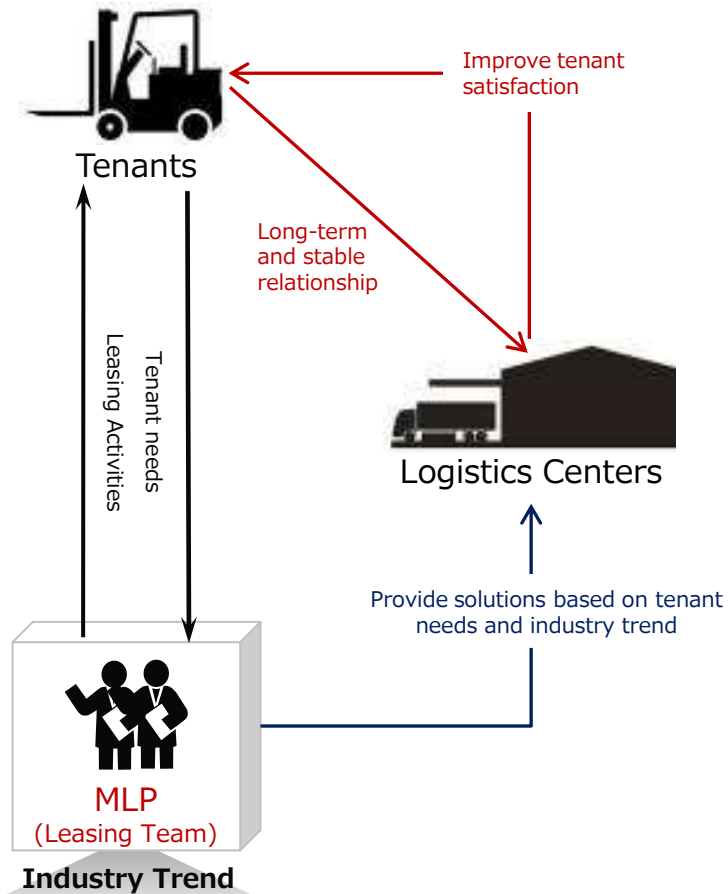


Enhance Our "Quality" Portfolio which Generates Stable DPU Flows for Long Term

Extending Growth Strategy



Portfolio Management : Basic Policy



Additional CapEx (Full-scale Renovation)

- In case additional CapEx, which enhances functionality and versatility of the properties, is necessary in order to respond new demand from the existing / potential tenants



In-house Development

- In case maintenance cost resulted from aged deterioration rose to economically irrational level
- In case recovering competitiveness is possible by developments which enables effective application of un-used floor-area ratio



Asset Sale (Portfolio Reallocation)

- In case recovering competitiveness is difficult (even after additional CapEx and full-scale renovation) due to change of location attractiveness

Portfolio Management : Yokosuka Logistics Center

■ Property Profile



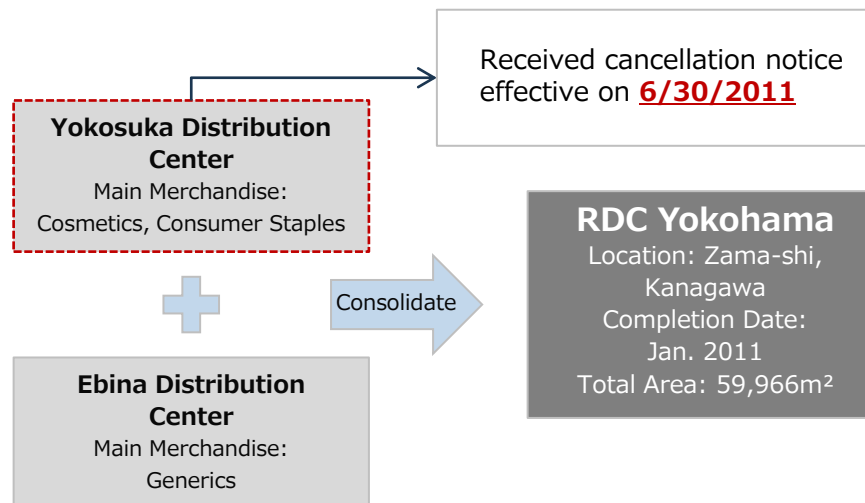
Location	Natsushima-cho Yokosuka-shi, Kanagawa	Structure / Layer	Steel-framed, galvanized steel plate roof, 5-story
Acquisition Date	Feb. 9, 2006	Completion Date	Jul. 31, 1990
Land Area	11,790.09m ²	Acquisition Price	¥3,305 Mil.
Total Floor Area	21,424.03m ²	Book / Appraisal Value*	¥3,047 Mil. / ¥3,520 Mil.
Total Rentable Area	21,364.11m ²	NOI / Operating Income Yield*	8.6% / 6.9%

*As of 1/31/2011

■ Lease Contract

Tenant	Paltac Corporation
Industry	General Merchandise Wholesale
Type of the Contract	Fixed-term Contract (8 yrs. at the beginning of the contract. Automatic renewal now.)
Rental Area	21,364.11m ²
Annual Rent (exclude consumption tax)	¥296 Mil. (% of the portfolio at the end of 11 th period : 2.8%)
Safety Deposit	¥800 Mil.
Term of the Contract	Sep. 30, 2011
Cancellation Policy	If one party wants to terminate the lease on its own convenience, notice to the other party 6 months before the termination date.

Paltac Consolidates Logistics Centers in Kanagawa Area



*"RDC" = Regional Distribution Center.

Portfolio Management : Yokosuka Logistics Center

■ Situation Analysis

【Yokosuka Area】

- Logistics facilities are scarce in this area, and thus there is little property to compete with.
- It may be difficult to identify large logistics facility needs in the area. A couple of car factories were closed due to economic slowdown in the neighboring area, which shows weaker demand for warehouses.

【Tenant Needs】

Promising tenants would be the Internet/mail orders and consumer staples as following reasons;

- 1) Adjacent to the Tokyo Metropolitan Area
- 2) 24h operative
- 3) Easy access to the labor market

【Property】

Facilities of the property (such as office space and elevators) are designed for a single tenant use. It may be a little bit over engineered for smaller tenants.



■ Strategic Leasing Activity

Option 1. Additional CapEx

CapEx to improve functionality and versatility based on the prospective tenants needs.

- Add more elevators , increase office space
- Renew facilities for partial rent use

Option 2. Leveraging Internal Resources

Search tenants by leveraging experienced internal leasing team as well as broaden information sources.

- Garnering information through the existing tenants of other properties
- Effective use of sponsor networks
- Direct marketing to the potential local tenants

■ (Reference) DPU Simulation

		Condition A		Rental Area	
		50%	75%	100%	
Rent Level	50%	+240	+360	+480	
	75%	+360	+550	+730	
	100%	+480	+730	+970	

<Premises>
 Units O/S : 148,000 Units
 Total Rentable Area : 21,424.03m² = 100%
 Rent Level : ¥290 Mil. = 100%
 Deducted the amount of expected depreciation as a result of additional capex.
 The table shown above is for explanatory purpose only, and do not guarantee any future dividends payment.

Portfolio Management : Yachiyo Logistics Center

■ Property Profile



Location	Yachiyo-shi, Chiba		
Land Area	29,103.38m ²	Rentable Area	17,689.95m ²
Structure	Steel-framed, slate roof		
Completion Date	Apr. 24, 1972 Sep. 11, 2000 (Partially Renovated)		
Book Value	¥2,124 Mil.		

■ Situation Analysis

【Chiba Area】

Total area of warehouse construction started peaked out in 2007. In 2009, it hit the lowest since 1990's (around 90,000 Tsubo). Even though logistics properties concentration area extended from Urayasu area to Narashino area, the number of new developments stays low due to economic slowdown.

【Yachiyo Area】

Demographic inflows to Yachiyo-shi continues as one of the bedroom suburbs of Tokyo Metropolitan area. There are several industrial complexes in the city. It positions itself as a manufacturing hub.

Residential area locates in the neighborhood that gives the property an easy access to the labor market. Also, its location inside an industrial complex enables it operating for 24h.

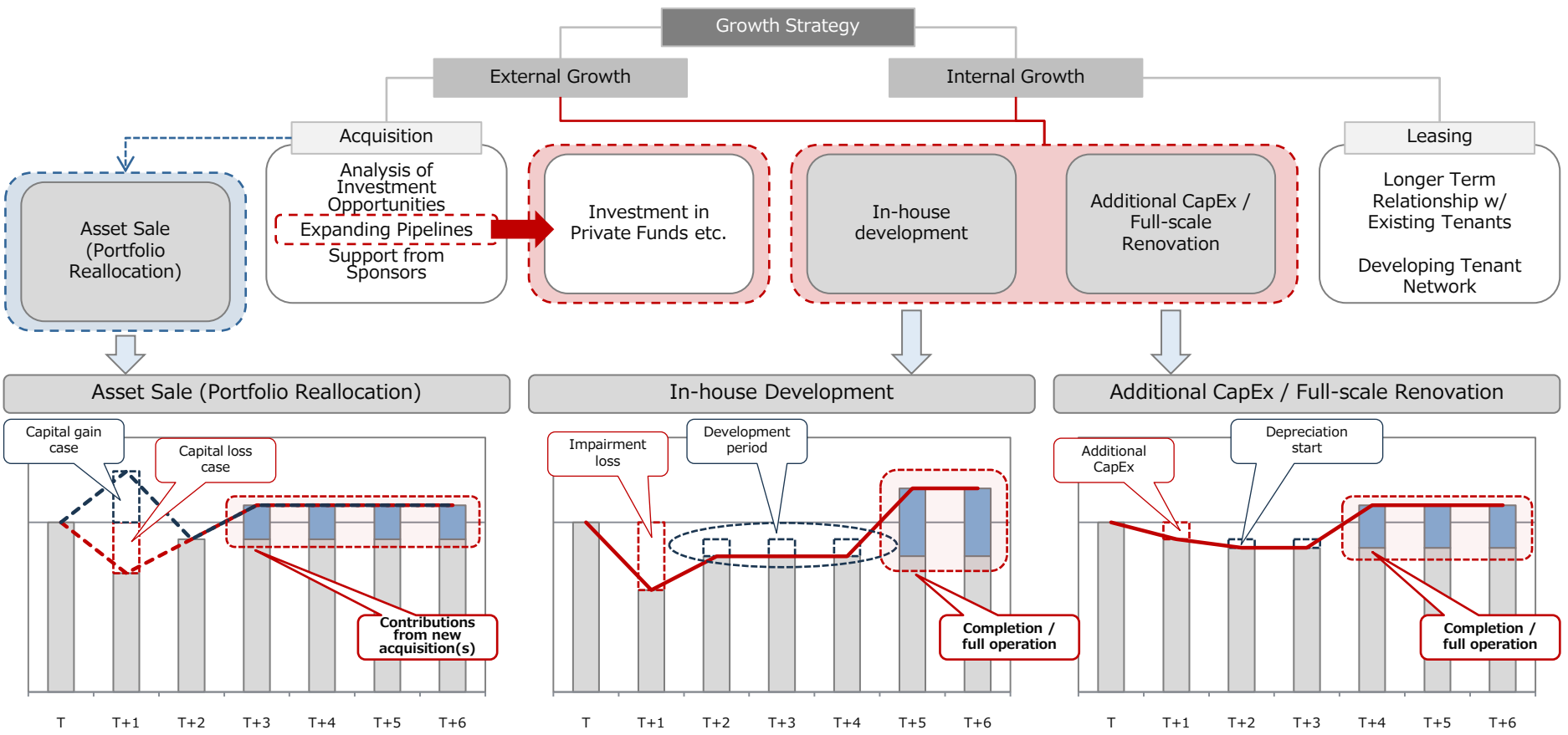
Mainly along the Rout 16, its distribution area ranges from Chiba, Tokyo, Saitama to southern Ibaraki. It also has a potential as a nation wide distribution center (e.g. Amazon Japan Logistics at Yachiyo Logistics Center II)

■ Leasing Activities and Alternatives

Contacted over 260 potential tenants, conducted 3 previews and received 11 detailed inquiries

Alternatives	Pros	Cons
1 Sale	<ul style="list-style-type: none"> Long term maintenance cost reduction (Non-recurring profit/loss only) 	<ul style="list-style-type: none"> Potential capital loss Sacrifice opportunity for profitability improvement Difficulty in proactive scheduling
2 Development	<ul style="list-style-type: none"> Effective application of un-used floor-area ratio (un-used floor-area ratio of 138%) 	<ul style="list-style-type: none"> Substantial impairment loss impact on dividends Rise of non-operating period as a result of development (~2yrs.) Risks associated w/ development
3 Full-scale Renovation	<ul style="list-style-type: none"> Less non-operating period (comp. w/ development) Less investment (comp. w/ development) 	<ul style="list-style-type: none"> Concern on maintenance cost increase Sacrifice opportunity for profitability improvement

(Reference) Extending Growth Strategy : DPU Image



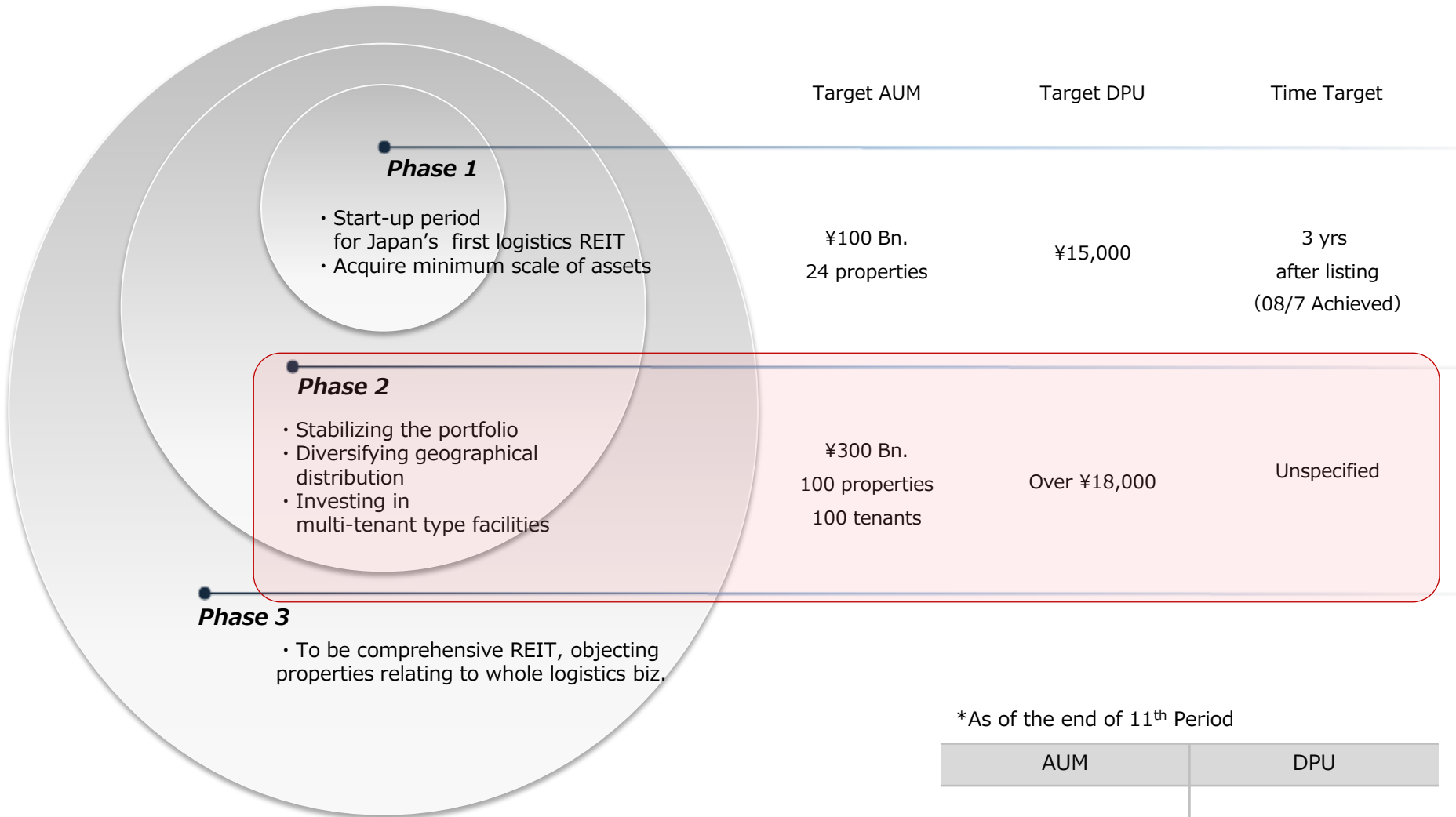
Treatment for Non-recurrent Loss = Stabilizing DPU Flows

(Capital Loss Case)
Set Deal w/ Appraisal Gain Asset
+
New Acquisition w/ Proceeds

Distribution in Excess of Earnings
+
Pursuing Excess Return

* The graphs illustrated above are for explanatory purpose only, and do not guarantee any future dividends payment.

External Growth : Basic Scenario



*As of the end of 11th Period

AUM	DPU
¥143.2 Bn. 28 properties	¥17,528

External Growth : Acquisition Pipelines

Sponsor Network

Pipeline Support from Alliance Partners

MLP Network

Information on Properties

Information



M-8 Kawasaki

Warehousing



O-4 Kazo

Pipeline Support Agreement w/ ProLogis



M-17
Narashino II



M-18
Ichikawa II



M-16 Shinonome



T-4 Kadoma

- Collaboration of sponsors w/ different industries i.e. Trading Company / Trust Bank / Real Estate
- Broadening information sources

- Reorganization of global players
- Appetite for construction of developers
- Exit strategy of private funds
- CMBS redemption

- Track record as the only J-REIT AM which specializes in logistics properties
- Existing tenants / lender relationship

Development Projects



M-5 Urayasu
Chidori



M-6 Funabashi
Nishiura

- Exploring new development projects utilizing sponsor network
- Investment in private funds etc.

- Exploring new development projects
- New alliances (private funds, developers etc.)

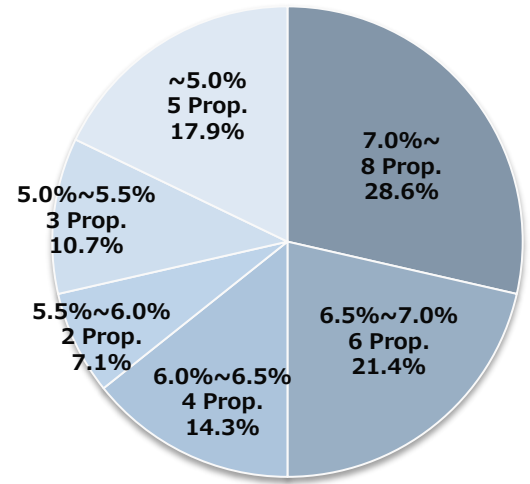


T-1 Daito

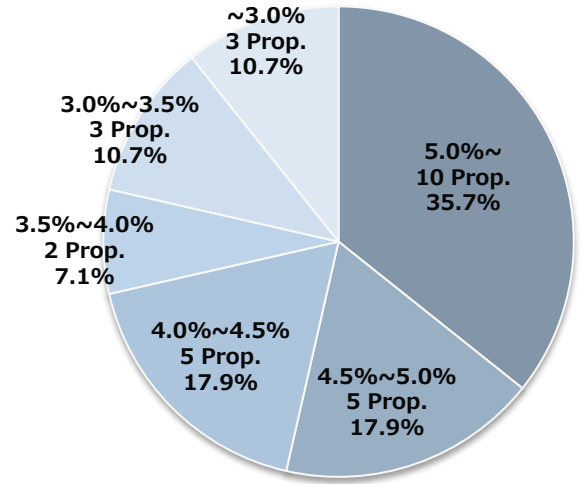
- Internal growth opportunity, a rare case in logistics properties (pursuing excess return)
- Successful track record in Daito Logistics Center

External Growth : Portfolio Diversification

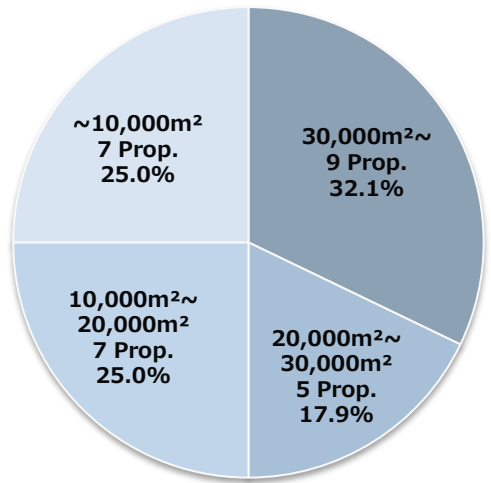
By NOI Yield



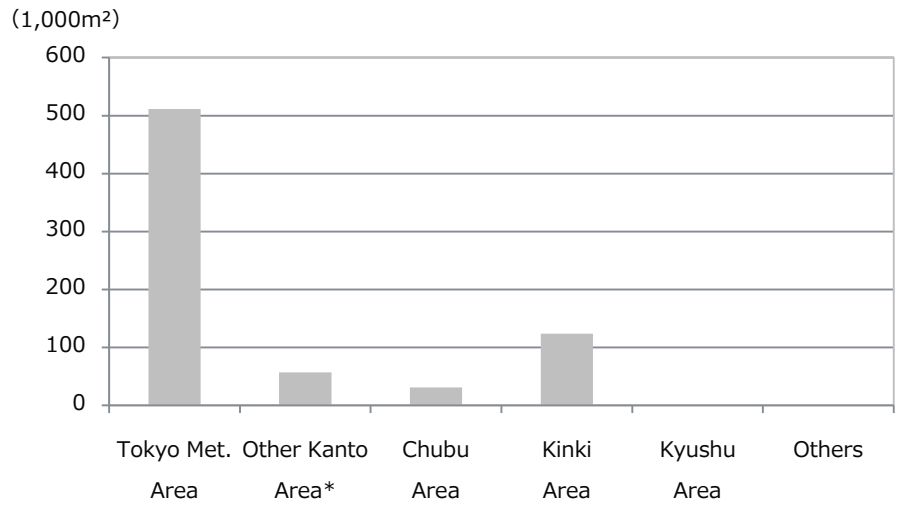
By Operating Income



By Size



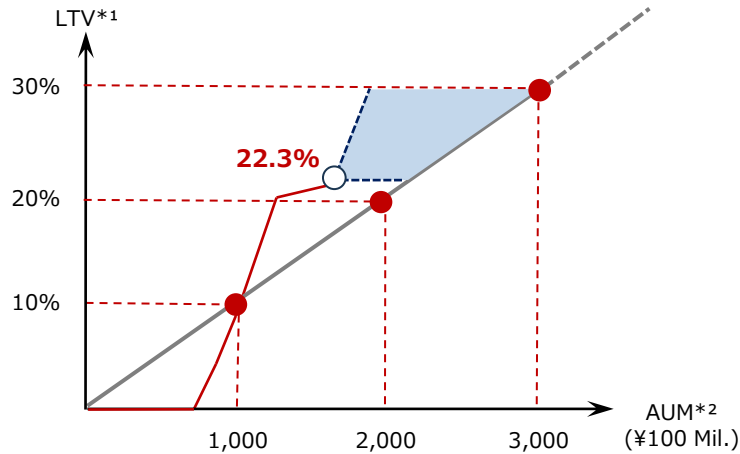
By Region (Total Rentable Space base)



*Northern Saitama & Gunma

Financial Strategy : Basic Policy

Leverage Control



Equity Finance

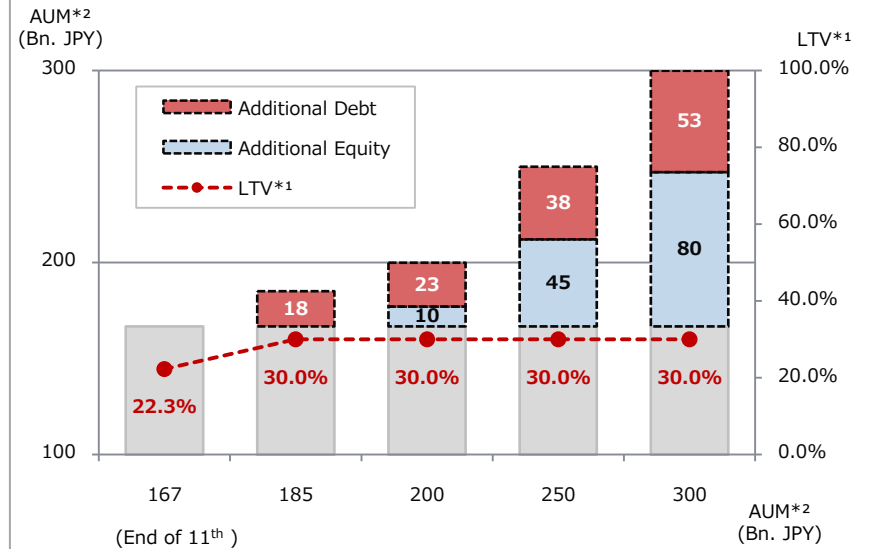
As more inflows to the capital market, equity finance could be an option as long as steady DPU growth is possible

Book Value Per Unit : **¥670,000**

Net Asset Value*4 Per Unit : **¥870,000**

(The End of 11th Period)

(Reference) Financing Image at LTV30%*3



Debt Finance

While maintaining conservative LTV level, preemptive debt finance could be the better alternative toward growth without sacrificing acquisition opportunities

Debt Capacity to LTV30% : **¥18.3 Bn.**

(The End of 11th Period)

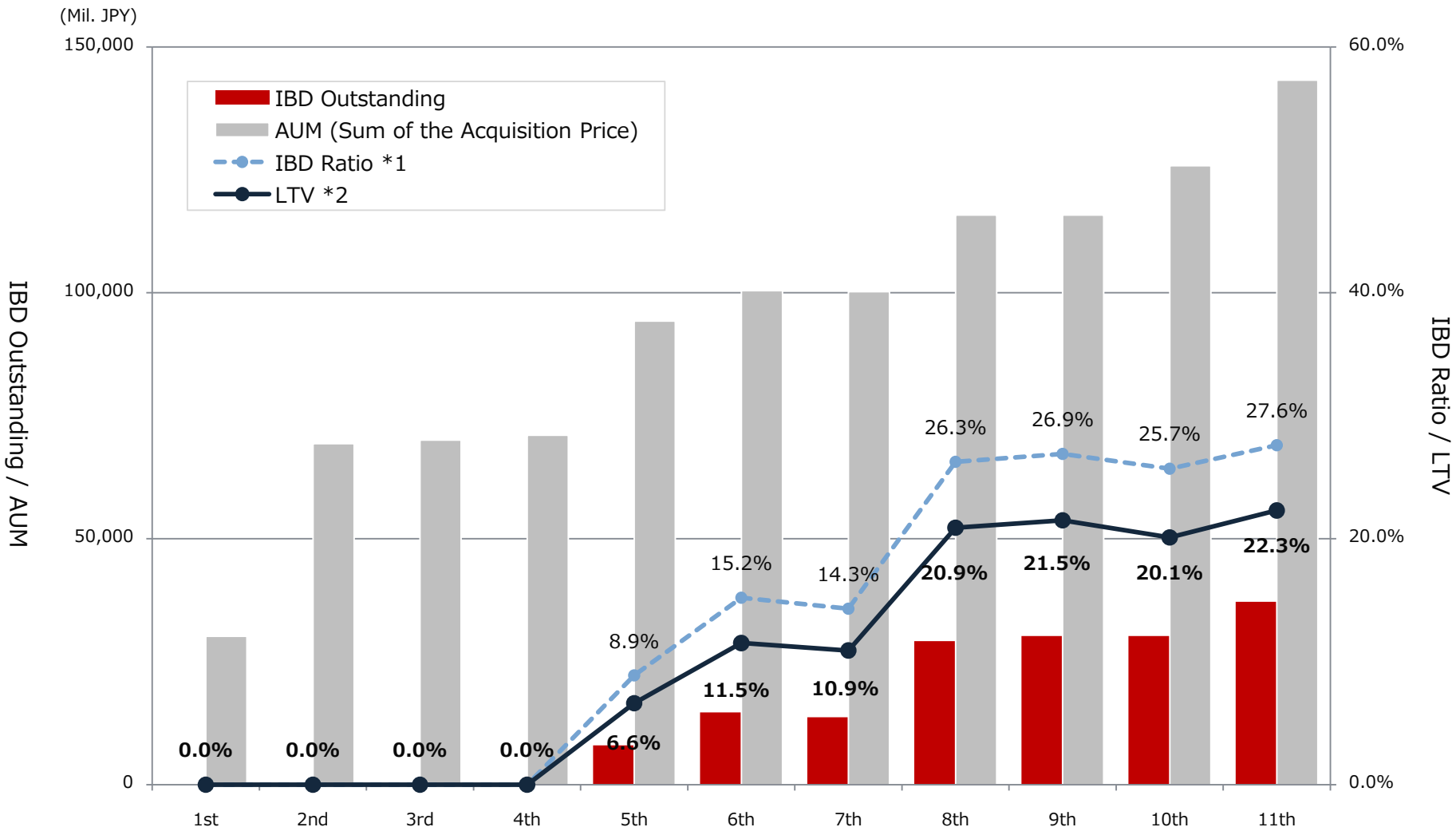
*1 LTV = IBD / Appraisal Value × 100

*2 Assumes AUM = Appraisal Value

*3 An imaginary calculation of debt and equity capacity at each AUMs w/ maintaining LTV 30%. The graph shown above is for explanatory purpose only, and does not guarantee any future finance.

*4 Net Asset Value = Unitholders' Capital + Appraisal Value - Book Value

Financial Strategy : IBD Ratio and LTV



*1 IBD (Interest Bearing Debt) Ratio = $\frac{\text{IBD Outstanding}}{\text{IBD Outstanding} + \text{Unitholders' Capital}} \times 100$
 *2 LTV (%) = $\frac{\text{IBD Outstanding}}{\text{Appraisal Value}} \times 100$

Financial Strategy : Interest Bearing Debt (as of 3/2/2011)

■ Interest Bearing Debt

		Loan Amt. (Mil. JPY)	Term of Loan	Contract Date	Maturity Date	Interest Rate	Fixed/Floating Interest
Long-term Debt	Mitsui Sumitomo Insurance	1,000	3 Years	2008.9	2011.9	1.43000%	Fixed
	Sumitomo Mitsui Banking Corp.	5,000	5 Years	2009.2	2014.2	1.99125%	
	The Bank of Tokyo Mitsubishi UFJ	4,500	3 Years	2009.2	2012.2	1.64625%	
	Mitsubishi UFJ Trust and Banking	2,000	3 Years	2009.2	2012.2	1.64625%	
	Development Bank of Japan	4,000	4 Years	2009.3	2013.3	1.79200%	
	Sumitomo Mitsui Banking Corp.	5,000	5 Years	2009.9	2014.9	1.97625%	
	Mizuho corporate Bank	4,000	3 Years	2009.9	2012.9	1.54375%	
	The Bank of Tokyo Mitsubishi UFJ	1,700	5 Years	2011.2	2016.2	1.27500%	
	Mitsubishi UFJ Trust and Banking	2,000	3 Years	2010.11	2013.11	0.45000%	Floating (1M TIBOR)
Investment Corporation Bond	1 st Investment Corporation Bond	8,000	5 Years	2010.11	2015.11	0.95000%	Fixed
Total		37,200					

■ Commitment Line

Lender	Limit (Mil. JPY)	Maturity Date	Debt Finance Period	Collateral	Purpose of Loans
The Chuo Mitsui Trust and Banking Company, Limited	5,000	July 31, 2011	Within 6 month	Unsecured/ non-guaranteed	Acquiring specific asset Refinancing etc.
Mitsubishi UFJ Trust and Banking Corp.	5,000				
Total	10,000				

Financial Strategy : Interest Bearing Debt (as of 3/2/2011)

Credit Ratings

Rating and Investment Information, Inc. (R&I)

AA (Outlook Stable)

Moody's Investors Service, Inc.

A1 (Outlook Negative)

Indices on Debt

■ Avg. Term of Loans

4.17 yrs.

■ Long Term Debt Ratio

79.8%

■ Duration

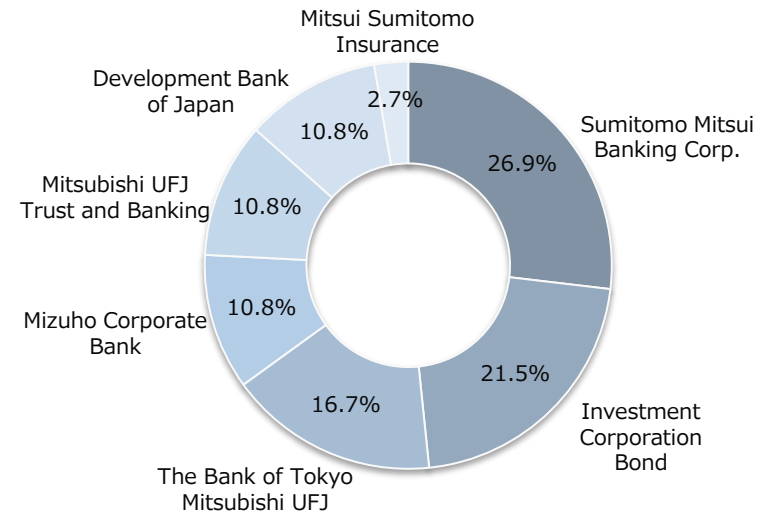
2.85 yrs.

■ Debt Cost

1.50%

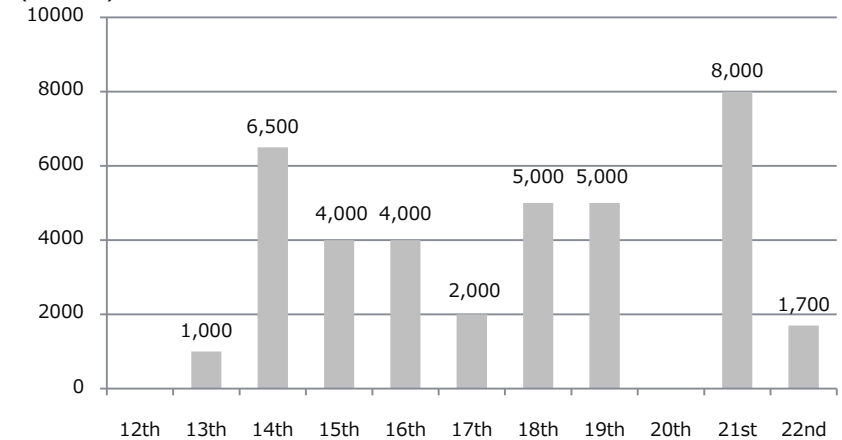
(Including Upfront Fees)

Lender Distribution



Debt Maturity Ladder

(Mil. JPY)

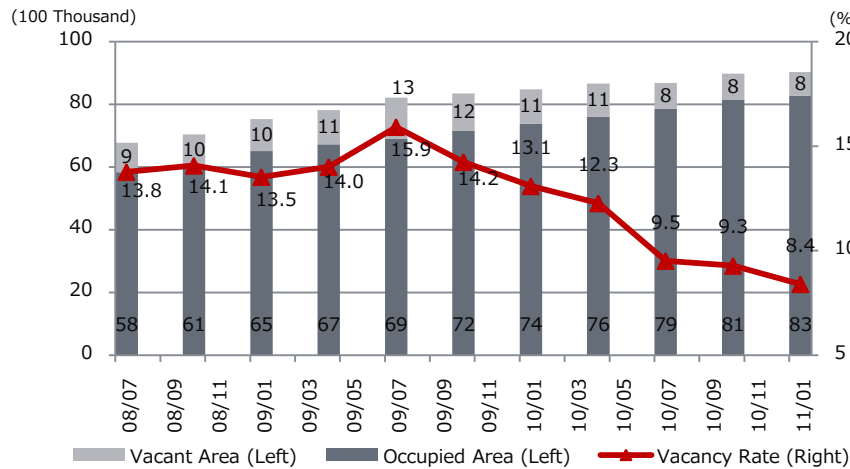




Appendix 1. Japanese Logistics Market Overview

Japanese Logistics Market Overview

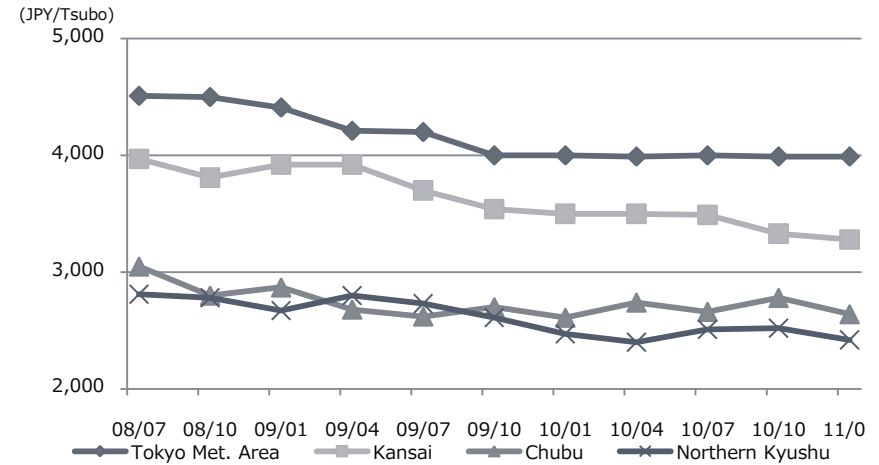
Vacancy Rate of the Major Cities*



(Source) Mitsui & Co., Ltd.

* "Major Cities" includes; Metropolitan Area (Tokyo, Saitama, Chiba, Kanagawa), Chubu Area (Aichi), Kansai Area (Osaka, Hyogo), and Northern Kyushu (Fukuoka, Saga)

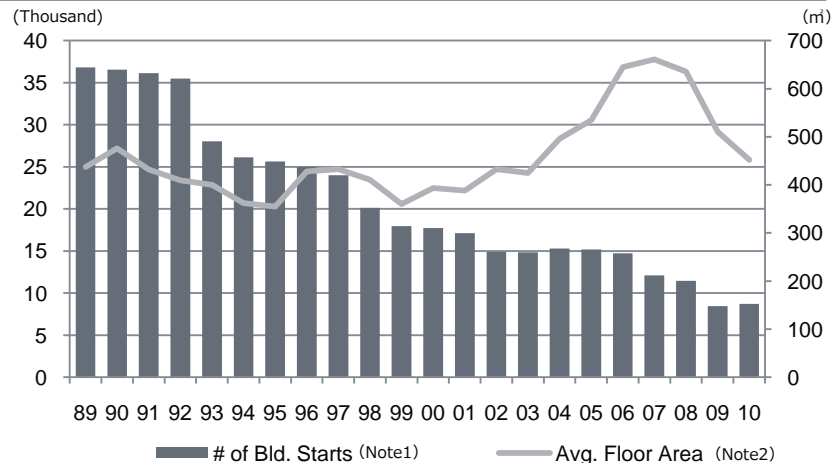
Rent (Ask) of the Major Cities*



(Source) Mitsui & Co., Ltd.

* "Major Cities" includes; Metropolitan Area (Tokyo, Saitama, Chiba, Kanagawa), Chubu Area (Aichi), Kansai Area (Osaka, Hyogo), and Northern Kyushu (Fukuoka, Saga)

Number of Warehouse Building Starts and Average Floor Area

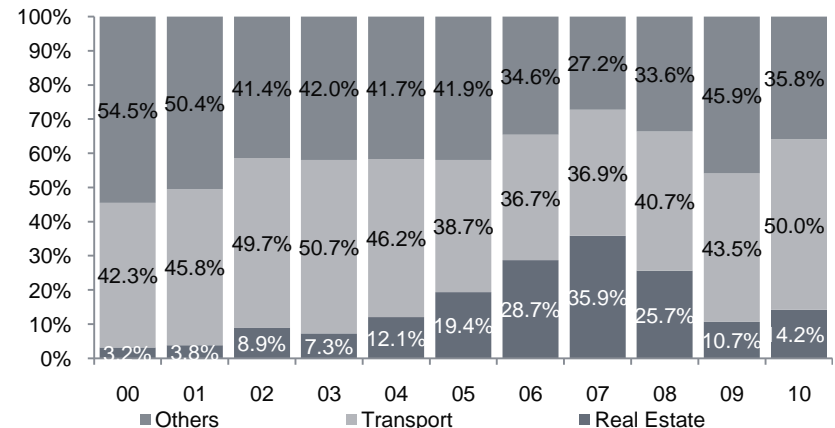


(Source) Ministry of Land, Infrastructure, Transport and Tourism

Note1: Number of Buildings Starts includes warehouses with structures of Steel-frame Reinforced Concrete, Reinforced Concrete, and Steel-frame structure, and excludes those with wooden.

Note2: Average Floor Area is calculated by the sum of the newly built floor area divided by the number of buildings newly constructed.

Value of Construction Orders Received, by Investors



(Source) Ministry of Land, Infrastructure, Transport and Tourism

Note: "Others" include Agriculture, Forestry, and Fishery, Mining and Construction, Manufacturing, Electric Power, Gas, District Heating, and City water, Information and Communications, Wholesale and retail trade, Finance and Insurance, Service

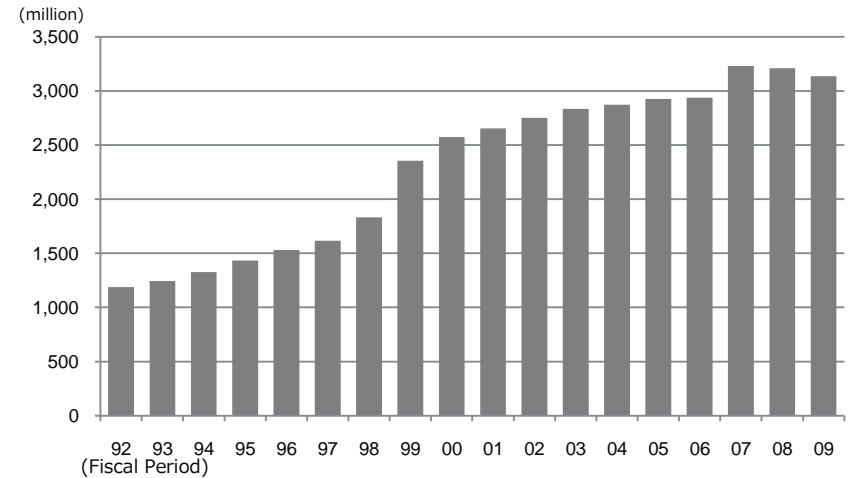
Japanese Logistics Market Overview

Stocks Volume in Warehouses



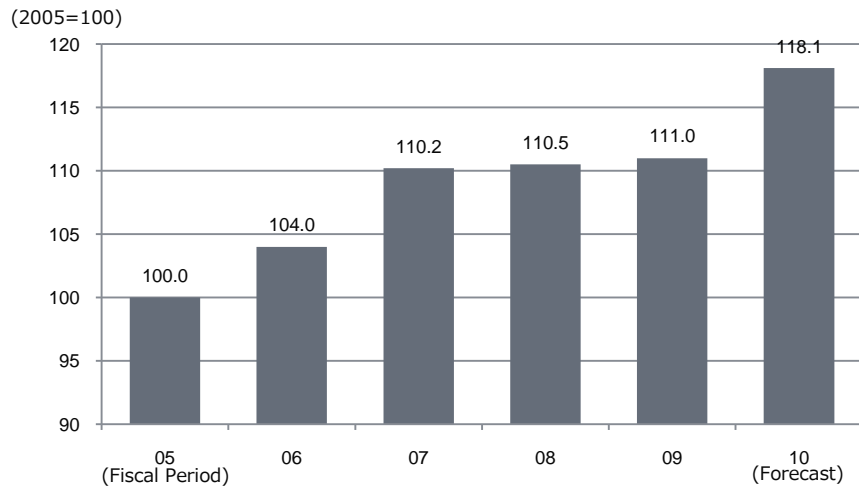
(Source) Ministry of Land, Infrastructure, Transport and Tourism
 Note: The number is an aggregation of the 21 major warehousing companies' stock volume

Courier Service Volume



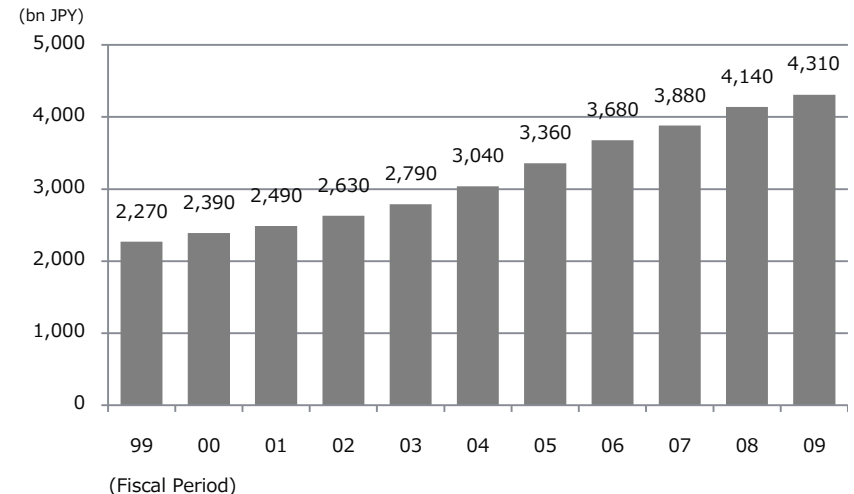
(Source) Ministry of Land, Infrastructure, Transport and Tourism
 Note: Total of grand transportation and air transportation

Sales of 3PLs



(Source) "Logi-Biz, September 2010"

Sales of the Internet/Mail Orders



(Source) Japan Direct Marketing Association

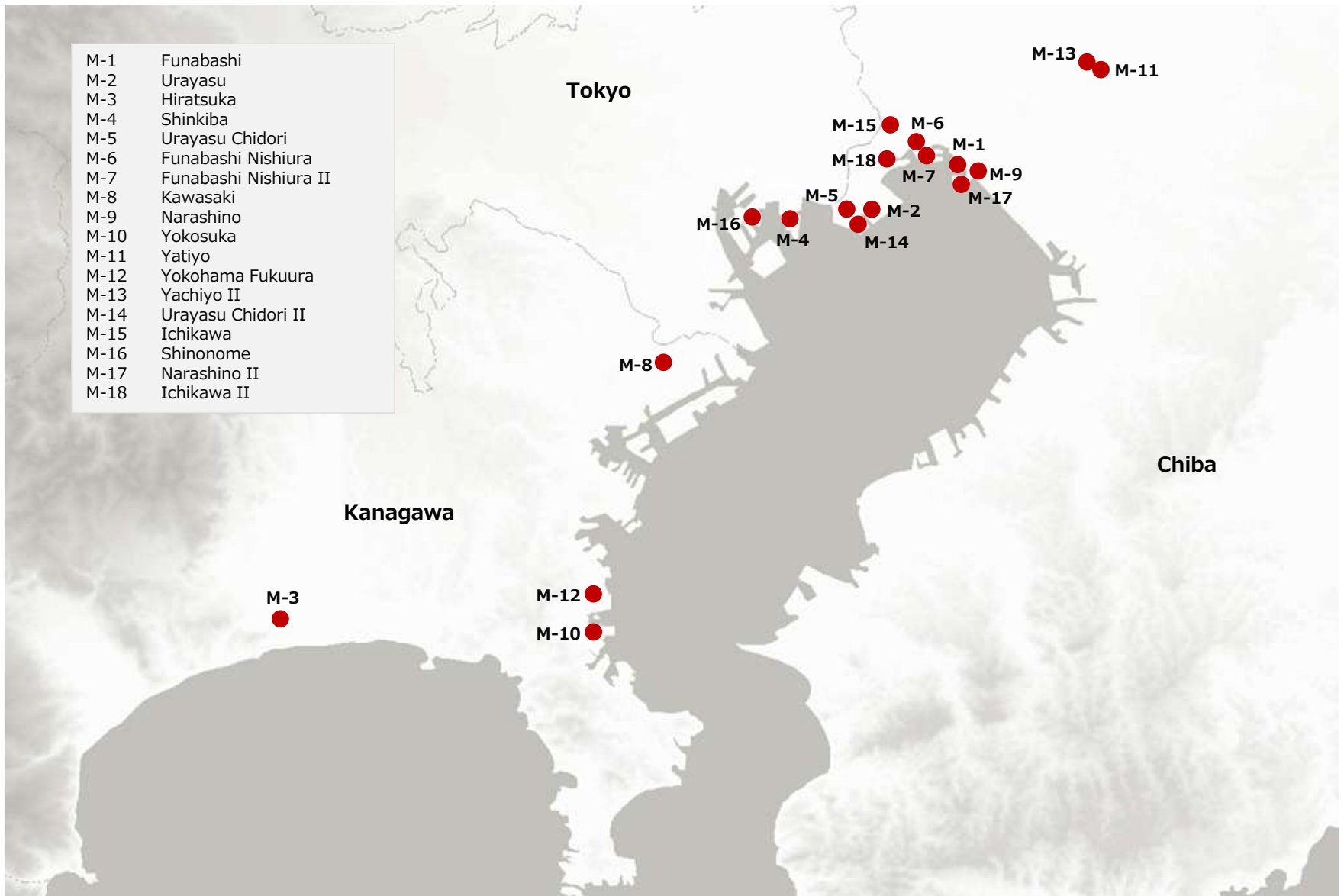


Appendix 2. Portfolio Summary

Portfolio at a Glance (as of 3/2/2011)

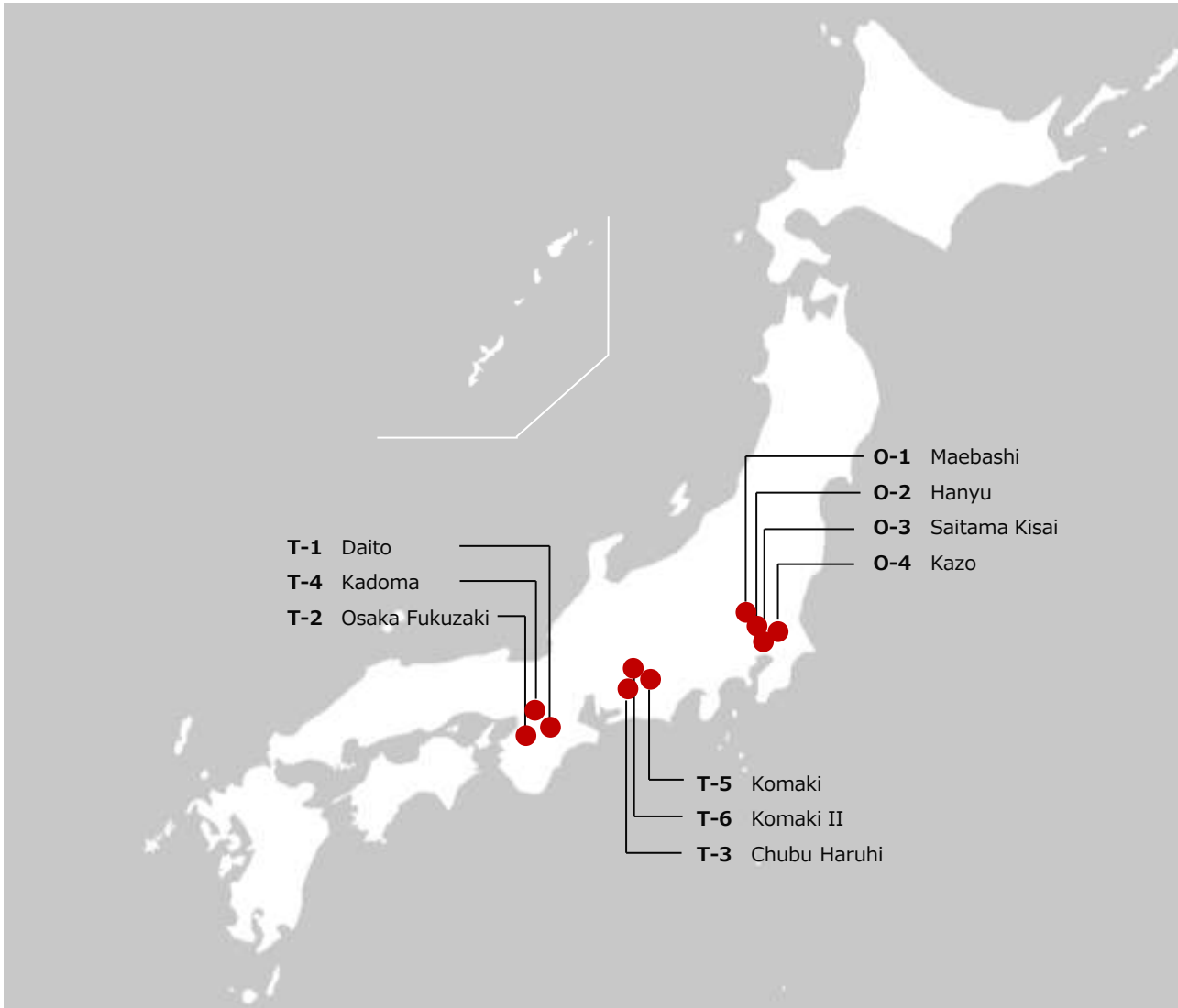
	Property Name	Location	Year Built	Acquisition Price		Gross Rentable (m ²)	# of tenants	Occupancy Rate
				(Mil ¥)	(Ratio)			
M-1	Funabashi	Funabashi, Chiba	10/27/1993	8,675	6.1%	29,556.79	3	97.2%
M-2	Urayasu	Urayasu, Chiba	10/08/1986	2,902	2.0%	9,543.72	1	100.0%
M-3	Hiratsuka	Hiratsuka, Kanagawa	09/21/1990	1,466	1.0%	11,225.72	1	100.0%
M-4	Shinkiba	Koto-ku, Tokyo	03/15/1993	2,454	1.7%	10,616.80	1	100.0%
M-5	Urayasu Chidori	Urayasu, Chiba	01/10/2006	6,000	4.2%	31,790.42	1	100.0%
M-6	Funabashi Nishiura	Funabashi, Chiba	01/24/2006	5,700	4.0%	35,134.44	2	100.0%
M-7	Funabashi Nishiura II	Funabashi, Chiba	12/26/1985	9,330	6.5%	73,859.32	1	100.0%
M-8	Kawasaki	Kawasaki, Kanagawa	07/14/1989	10,905	7.6%	41,630.54	1	100.0%
M-9	Narashino	Narashino, Chiba	10/05/2005	1,690	1.2%	2,442.87	1	100.0%
M-10	Yokosuka	Yokosuka, Kanagawa	07/31/1990	3,305	2.3%	21,364.11	1	100.0%
M-11	Yachiyo	Yachiyo, Chiba	04/24/1972	2,266	1.6%	17,689.95	-	0.0%
M-12	Yokohama Fukuura	Yokohama, Kanagawa	02/25/2007	9,800	6.8%	35,882.64	3	100.0%
M-13	Yachiyo II	Yachiyo, Chiba	08/24/2007	5,300	3.7%	32,389.70	1	100.0%
M-14	Urayasu Chidori II	Urayasu, Chiba	01/16/2001	1,640	1.1%	6,192.80	1	100.0%
M-15	Ichikawa	Ichikawa, Chiba	02/25/2008	4,550	3.2%	18,686.12	1	100.0%
M-16	Shinonome	Koto-ku, Tokyo	02/08/2006	11,800	8.2%	16,175.31	1	100.0%
M-17	Narashino II	Narashino, Chiba	01/20/2008	7,875	5.5%	43,208.86	3	100.0%
M-18	Ichikawa II	Ichikawa, Chiba	10/09/2009	17,415	12.2%	66,497.99	2	100.0%
Metropolitan Area (Bay, Inland) Subtotal				113,073	78.9%	503,888.10	25	96.3%
T-1	Daito	Daito, Osaka	07/31/1989	9,762	6.8%	92,730.14	1	100.0%
T-2	Osaka Fukuzaki	Osaka, Osaka	10/28/2004	4,096	2.9%	23,726.80	1	100.0%
T-3	Chubu Haruhi	Kiyosu, Aichi	-	685	0.5%	10,457.02	1	100.0%
T-4	Kadoma	Kadoma, Osaka	03/26/1993	989	0.7%	7,293.92	1	100.0%
T-5	Komaki	Komaki, Aichi	08/05/1994	2,100	1.5%	9,486.45	1	100.0%
T-6	Komaki II	Komaki, Aichi	03/27/1992	1,800	1.3%	10,708.41	1	100.0%
Kinki Area, Chubu Area and Kyushu Area Subtotal				19,432	13.6%	154,402.74	6	100.0%
O-1	Maebashi	Maebashi, Gunma	02/04/2005	1,230	0.9%	3,455.53	1	100.0%
O-2	Hanyu	Hanyu, Saitama	10/20/2005	1,705	1.2%	3,518.58	1	100.0%
O-3	Saitama Kisai	Kazo, Saitama	03/31/2007	4,010	2.8%	24,574.40	1	100.0%
O-4	Kazo	Kazo, Saitama	03/04/2008	3,790	2.6%	25,130.62	1	100.0%
Other Area Subtotal				10,735	7.5%	56,679.13	4	100.0%
Portfolio Total				143,240	100.0%	714,969.97	35	97.4%

Metropolitan Area



Portfolio Map

■ Kinki, Chubu, Kyushu and Other Regions



Appraisal Value (End of the 11th Period)

	Appraisal Value	Book Value		DCF Method		Direct Discount Method
	(Mil. JPY)	(Mil. JPY)	Difference	Discount Rate	Terminal Cap	Cap Rate
Funabashi	9,050	7,448	21.5%	5.2%	5.5%	-
Urayasu	4,870	2,859	70.3%	5.1%	-	-
Hiratsuka	1,710	1,422	20.2%	5.6%	6.1%	5.8%
Shinkiba	3,000	2,305	30.1%	5.0%/5.2%	5.5%	5.2%
Urayasu Chidori	9,310	5,608	66.0%	4.9%/5.1%	5.2%	4.9%
Funabashi Nishiura	6,790	5,092	33.3%	5.0%/5.2%	5.4%	5.1%
Funabashi Nishiura II	11,900	8,431	41.1%	5.0%/5.2%	5.8%	5.5%
Kawasaki	12,700	10,380	22.3%	5.1%	5.3%	5.0%
Narashino	2,070	1,603	29.1%	5.5%	5.5%	5.2%
Yokosuka	3,520	3,047	15.5%	5.7%	6.3%	6.0%
Yachiyo	1,860	2,124	-12.4%	5.6%	6.1%	5.8%
Yokohama Fukuura	9,990	9,306	7.3%	5.5%	5.6%	5.3%
YachiyoII	6,220	5,043	23.3%	5.2%/5.4%	5.8%	5.5%
Urayasu Chidori II	1,670	1,637	2.0%	5.2%	5.3%	5.0%
Ichikawa	4,670	4,622	1.0%	5.2%/5.3%	5.3%	5.0%
Shinonome	12,200	11,928	2.3%	5.3%	5.4%	5.1%
Narashino II	8,370	7,820	7.0%	5.3%/5.4%	5.5%	5.2%
Ichikawa II	18,700	17,477	7.0%	5.0%/5.1%	5.3%	5.0%
Daito	16,300	9,818	66.0%	5.6%	5.7%	5.4%
Osaka Fukuzaki	5,220	3,778	38.2%	5.5%	5.6%	5.3%
Chubu Haruhi	779	731	6.5%	5.4%	5.7%	-
Kadoma	1,160	1,120	3.5%	5.6%	5.7%	5.4%
Komaki	1,890	2,067	-8.6%	5.4%/5.6%	5.7%	5.4%
Komaki II	1,780	1,857	-4.2%	5.5%	5.7%	5.4%
Maebashi	1,360	1,126	20.7%	5.8%	5.8%	5.5%
Hanyu	1,860	1,585	17.3%	5.8%	5.9%	5.6%
Saitama Kisai	4,150	3,811	8.9%	5.6%/5.7%	5.9%	5.6%
Kazo	3,780	3,742	1.0%	5.6%	5.7%	5.4%
Total	166,879	137,800		Weighted Avg. Cap Rate		5.2%

Appraisal Value History

	10 th Period (Mil. JPY)	9 th Period (Mil. JPY)	8 th Period (Mil. JPY)	7 th Period (Mil. JPY)	6 th Period (Mil. JPY)	5 th Period (Mil. JPY)	4 th Period (Mil. JPY)	3 rd Period (Mil. JPY)	2 nd Period (Mil. JPY)	1 st Period (Mil. JPY)
Funabashi	9,300	9,300	9,530	9,670	9,970	9,970	9,980	9,970	9,770	9,670
Urayasu	4,880	4,880	4,890	5,080	5,240	5,240	4,160	4,010	3,440	3,140
Hiratsuka	2,050	2,050	2,050	2,060	2,100	2,100	1,990	1,930	1,770	1,680
Shinkiba	2,970	3,230	3,260	3,290	3,360	3,340	3,160	3,100	2,910	2,720
Urayasu Chidori	9,290	9,290	9,270	9,450	9,630	9,610	9,200	8,810	6,710	-
Funabashi Nishiura	7,250	7,250	7,250	7,350	7,500	7,490	7,160	7,330	6,750	-
Funabashi Nishiura II	11,900	12,000	12,000	12,100	12,300	12,300	11,800	11,600	10,800	-
Kawasaki	13,000	12,900	12,900	13,100	13,700	13,700	13,200	12,800	11,900	-
Narashino	2,060	2,060	2,060	2,090	2,130	2,130	2,050	2,010	1,870	-
Yokosuka	4,210	4,200	4,200	4,260	4,330	4,310	4,130	4,050	3,840	-
Yachiyo	1,880	1,880	1,900	2,640	2,680	2,680	2,600	2,520	2,380	-
Yokohama Fukuura	10,400	10,400	10,300	10,200	10,500	10,400	-	-	-	-
YachiyoII	6,200	6,190	6,220	6,270	6,360	6,250	-	-	-	-
Urayasu Chidori II	1,660	1,690	1,690	1,730	1,770	-	-	-	-	-
Ichikawa	4,660	4,650	4,650	4,710	4,800	-	-	-	-	-
Shinonome	12,200	12,200	12,200	-	-	-	-	-	-	-
Narashino II	8,370	-	-	-	-	-	-	-	-	-
Ichikawa II	-	-	-	-	-	-	-	-	-	-
Daito	16,300	14,300	13,300	12,800	11,800	11,800	11,300	10,220	8,790	8,000
Osaka Fukuzaki	5,200	5,190	5,190	5,470	5,560	5,550	5,300	5,030	4,550	4,230
Chubu Haruhi	779	776	778	792	803	791	767	722	-	-
Kadoma	1,160	1,150	1,150	1,160	1,180	1,180	1,080	-	-	-
Komaki	1,890	1,920	2,050	2,070	2,110	2,110	-	-	-	-
Komaki II	1,780	1,780	1,780	1,790	-	-	-	-	-	-
Maebashi	1,360	1,350	1,350	1,360	1,380	1,380	1,320	1,290	1,270	1,230
Hanyu	1,870	1,870	1,850	1,880	1,910	1,900	1,850	1,820	1,790	1,780
Saitama Kisai	4,140	4,160	4,160	4,230	4,310	4,300	-	-	-	-
Kazo	3,760	3,750	3,750	-	-	-	-	-	-	-
Kakogawa	-	-	-	-	2,200	2,260	-	-	-	-
Total	150,519	140,416	139,728	125,552	127,623	120,791	91,047	87,212	78,540	32,450

Yield of the Portfolio

■ NOI Yield (to Book Value)

(%)

# of properties	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th (Forecast)	13 th (Forecast)
1 st	8	8.5	8.3	8.2	8.5	8.2	8.5	8.4	8.6	8.1	7.8	8.4	
2 nd	15		7.3	7.8	7.4	7.7	7.8	7.6	8.0	7.5	7.5	7.6	
3 rd	16			7.7	7.4	7.6	7.7	7.6	7.9	7.5	7.5	7.6	
4 th	17				7.3	7.5	7.6	7.5	7.9	7.4	7.4	7.6	
5 th	22					6.4	6.9	7.1	7.5	7.1	7.2	7.2	
6 th	24						6.6	7.0	7.3	7.0	7.1	7.1	6.7
7 th	24							6.9	7.3	7.0	7.0	7.1	6.6
8 th	26								7.0	6.8	6.8	6.8	6.6
9 th	26									6.8	6.8	6.8	6.6
10 th	27										6.7	6.8	6.6
11 th	28											6.6	6.6

Note: The forecasts are calculated under certain conditions, as of 3/2/2011. The forecasts may change due to unexpected lease termination or asset sale/purchase.

Yield of the Portfolio

■ Operating Income Yield (to Book Value)






(%)

# of properties	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	9 th	10 th	11 th	12 th (Forecast)	13 th (Forecast)
1 st	8	6.7	6.3	6.3	6.5	6.3	6.5	6.3	4.5	6.3	6.1	6.6	
2 nd	15		5.4	5.7	5.3	5.6	5.7	5.5	5.1	5.7	5.8	5.8	
3 rd	16			5.7	5.3	5.6	5.7	5.5	5.1	5.7	5.7	5.7	
4 th	17				5.2	5.5	5.6	5.4	5.1	5.6	5.7	5.7	
5 th	22					4.5	4.9	5.0	4.9	5.3	5.4	5.3	
6 th	24						4.7	5.0	4.8	5.2	5.3	5.2	5.0
7 th	24							4.9	4.8	5.1	5.3	5.2	4.8
8 th	26								4.6	5.1	5.1	5.1	
9 th	26									5.1	5.1	5.1	
10 th	27										5.0	5.0	
11 th	28											4.9	

Note: The forecasts are calculated under certain conditions, as of 3/2/2011. The forecasts may change due to unexpected lease termination or asset sale/purchase.

P/L of Each Properties (11th Period)

(Mil. JPY)

	M-1 Funabashi		M-2 Urayasu		M-3 Hiratsuka		M-4 Shinkiba		M-5 Urayasu Chidori	
										
Location	Funabashi-shi, Chiba		Urayasu-shi, Chiba		Hiratsuka-shi, Chiba		Kohtoh-ku, Tokyo		Urayasu-shi, Chiba	
Major Tenant	Yamato Transport etc.		Nippon Steel Trading		Nissho Kaiun		Nakano Shokai		Tri-net Logistics	
	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th
Operating Days	181	184	181	184	181	184	181	184	181	184
Revenues from rent business	478	473	121	121	75	Not Disclosed	90	Not Disclosed	247	247
Rent*1	427	419	121	121	75		90		247	247
Others*2	50	54	-	-	-		-		-	-
Expenditures for rent business	220	206	18	17	22		47		73	75
Fixed asset Tax	26	26	7	7	8		11		17	17
PM fees*3	24	25	1	1	1		0		4	4
Utilities expense	36	37	-	-	-		-		-	-
renovation/maintenance	12	0	1	0	0		20		0	2
Insurance	1	1	0	0	1		0		0	0
Others*4	14	13	1	1	0		0		0	0
Dep. & Amt. (A)	105	88	6	6	9	9	13	13	49	49
Loss on fixed asset retirement (B)	-	14	-	-	0	-	0	-	-	-
P/L on rent business (C)	257	267	102	103	53	26	42	27	173	171
NOI (A+B+C) (D)	362	370	109	110	62	35	56	41	222	220
CapEx. (E)	4	2	3	-	2	11	10	5	-	-
NCF (D-E)	358	367	105	110	59	23	45	35	222	220
Book Value	7,548	7,448	2,865	2,859	1,420	1,422	2,313	2,305	5,657	5,608
NOI Yield	9.7%	9.9%	7.7%	7.6%	8.9%	5.0%	4.9%	3.5%	7.9%	7.8%
Op. Income Yield	6.9%	7.1%	7.2%	7.2%	7.6%	3.6%	3.7%	2.4%	6.2%	6.1%

*1 Includes CAM charges

*2 Heating, lighting, water, sewerage and parking

*3 Property management fee and other maintenance costs

*4 Custodian fees etc.

P/L of Each Properties (11th Period)

(Mil. JPY)

	M-6 Funabashi Nishiura		M-7 Funabashi Nishiura II		M-8 Kawasaki		M-9Narashino		M-10 Yokosuka	
										
Location	Funabashi-shi, Chiba		Funabashi-shi, Chiba		Kawasaki-shi, Kanagawa		Narashino-shi, Chiba		Yokosuka-shi, Kanagawa	
Major Tenant	Tri-net Logistics		Tri-net Logistics		Sagawa Global Logistics		Sagawa Express		Paltac	
	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th
Operating Days	181	184	181	184	181	184	181	184	181	184
Revenues from rent business	231	232	392	392	Not Disclosed	Not Disclosed	60	60	148	148
Rent*1	217	217	390	390			60	60	148	148
Others*2	13	14	2	2			0	0	0	0
Expenditures for rent business	113	114	167	174			17	17	51	42
Fixed asset Tax	28	28	23	23			4	4	12	12
PM fee*3	3	3	3	3			0	0	0	0
Utilities expense	10	12	-	-			-	-	-	-
renovation/maintenance	0	0	47	53			0	-	8	-
Insurance	0	0	2	2			0	0	1	1
Others*4	0	0	2	2			0	0	1	1
Dep. & Amt. (A)	67	67	88	89	67	67	11	11	26	26
Loss on fixed asset retirement (B)	-	-	0	-	-	22	-	-	-	-
P/L on rent business (C)	118	118	224	218	301	276	42	43	96	105
NOI (A+B+C) (D)	186	186	313	307	369	365	54	54	123	132
CapEx. (E)	2	0	14	18	4	82	-	0	4	-
NCF (D-E)	183	185	298	288	365	282	54	54	118	132
Book Value	5,159	5,092	8,501	8,431	10,387	10,380	1,614	1,603	3,074	3,047
NOI Yield	7.3%	7.3%	7.4%	7.2%	7.2%	7.0%	6.8%	6.8%	8.1%	8.6%
Op. Income Yield	4.6%	4.6%	5.3%	5.1%	5.9%	5.3%	5.4%	5.4%	6.3%	6.9%

*1 Includes CAM charges






*2 Heating, lighting, water, sewerage and parking

*3 Property management fee and other maintenance costs

*4 Custodian fees etc.

P/L of Each Properties (11th Period)

(Mil. JPY)

	M-11 Yachiyo		M-12 Yokohama Fukuura		M-13 Yachiyo II		M-14 Urayasu Chidori II		M-15 Ichikawa	
										
Location	Yachiyo-shi, Chiba		Yokohama-shi, Kanagawa		Yachiyo-shi, Chiba		Urayasu-shi, Chiba		Ichikawa-shi, Chiba	
Major Tenant	-		Sagawa Express etc.		Amazon Japan Logistics		Nakano Shokai		Tokyo logistics Factory	
	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th
Operating Days	181	184	181	184	181	184	181	184	181	184
Revenues from rent business	63	21	Not Disclosed	Not Disclosed	193	193	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed
Rent*1	63	21			193	193				
Others*2	0	0			-	0				
Expenditures for rent business	29	27			89	89				
Fixed asset Tax	6	6			16	16				
PM fee*3	0	0			0	0				
Utilities expense	-	-			0	0				
renovation/maintenance	2	0			0	-				
Insurance	0	0			0	0				
Others*4	0	0			1	1				
Dep. & Amt. (A)	17	17	85	85	69	69	16	16	29	29
Loss on fixed asset retirement (B)	-	-	-	-	-	0	-	-	-	-
P/L on rent business (C)	33	-6	207	207	104	104	28	26	93	94
NOI (A+B+C) (D)	51	11	292	292	173	174	44	43	122	123
CapEx. (E)	-	0	-	-	-	0	1	-	-	-
NCF (D-E)	51	10	292	292	173	174	43	43	122	123
Book Value	2,142	2,124	9,392	9,306	5,113	5,043	1,653	1,637	4,651	4,622
NOI Yield	4.8%	1.0%	6.3%	6.2%	6.9%	6.9%	5.5%	5.2%	5.3%	5.3%
Op. Income Yield	3.1%	-0.6%	4.4%	4.4%	4.1%	4.1%	3.5%	3.2%	4.1%	4.1%

*1 Includes CAM charges






*2 Heating, lighting, water, sewerage and parking

*3 Property management fee and other maintenance costs

*4 Custodian fees etc.

P/L of Each Properties (11th Period)

(Mil. JPY)

	M-16 Shinonome		M-17 Narashino II		M-18 Ichikawa II		T-1 Daito		T-2 Osaka Fukuzaki	
										
Location	Kohtoh-ku, Tokyo		Narashino-shi, Chiba		Ichikawa-shi, Chiba		Daito-shi, Osaka		Osaka-shi, Osaka	
Major Tenant	Sagawa Express		Nakano Shokai etc.		TOMY, JR East Logistics		Settsu Warehouse		Riicoh Logistics Systems	
	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th
Operating Days	181	184	181	184		151	181	184	181	184
Revenues from rent business	352	352	Not Disclosed	Not Disclosed		Not Disclosed	Not Disclosed	Not Disclosed	163	163
Rent*1	352	352							163	163
Others*2	-	-							-	-
Expenditures for rent business	85	82							58	56
Fixed asset Tax	27	27							19	19
PM fee*3	0	0							0	0
Utilities expense	-	-							-	-
renovation/maintenance	2	0							2	0
Insurance	0	0							0	0
Others*4	0	0							2	2
Dep. & Amt. (A)	53	53	75	90	100	54	87	32	32	
Loss on fixed asset retirement (B)	-	-	-	-	-	-	0	-	-	
P/L on rent business (C)	267	269	148	178	350	300	406	104	107	
NOI (A+B+C) (D)	320	322	224	269	451	354	493	137	140	
CapEx. (E)	-	0	-	-	-	-	10	-	-	
NCF (D-E)	320	322	224	269	451	354	482	137	140	
Book Value	11,981	11,928	7,911	7,820	17,477	9,894	9,818	3,811	3,778	
NOI Yield	5.4%	5.4%	6.8%	6.8%	6.2%	7.2%	10.0%	7.3%	7.4%	
Op. Income Yield	4.5%	4.5%	4.5%	4.5%	4.9%	6.1%	8.2%	5.5%	5.6%	

*1 Includes CAM charges






*2 Heating, lighting, water, sewerage and parking

*3 Property management fee and other maintenance costs

*4 Custodian fees etc.

P/L of Each Properties (11th Period)

(Mil. JPY)

	T-3 Chubu Haruhi		T-4 Kadoma		T-5 Komaki		T-6 Komaki II		O-1 Maebashi	
										
Location	Kiyosu-shi, Aichi		Kadoma-shi, Osaka		Komaki-shi, Aichi		Komaki-shi, Aichi		Maebashi-shi, Gunma	
Major Tenant	Ryoshoku Liquor		Kowa		Nippon access		Footwork Express		Sagawa Express	
	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th	10 th	11 th
Operating Days	181	184	181	184	181	184	181	184	181	184
Revenues from rent business	16	16	Not Disclosed	Not Disclosed	Not Disclosed	Not Disclosed	61	61	43	43
Rent*1	16	16					61	61	43	43
Others*2	-	-					0	0	-	-
Expenditures for rent business	3	3					27	26	16	16
Fixed asset Tax	3	3					4	4	4	4
PM fee*3	0	0					1	1	0	0
Utilities expense	-	-					-	-	-	-
renovation/maintenance	-	-					-	-	-	-
Insurance	-	-					0	0	0	0
Others*4	0	-					0	0	0	0
Dep. & Amt. (A)	-	-	10	10	22	19	20	19	10	10
Loss on fixed asset retirement (B)	-	-	-	-	-	-	-	-	-	-
P/L on rent business (C)	12	12	25	26	32	20	33	35	27	27
NOI (A+B+C) (D)	12	12	36	36	55	40	54	54	38	38
CapEx. (E)	-	-	0	-	-	6	-	0	-	-
NCF (D-E)	12	12	35	36	55	34	54	54	38	38
Book Value	731	731	1,131	1,120	2,081	2,067	1,876	1,857	1,137	1,126
NOI Yield	3.5%	3.5%	6.5%	6.5%	5.4%	3.9%	5.9%	5.9%	6.8%	6.8%
Op. Income Yield	3.5%	3.5%	4.6%	4.6%	3.1%	2.0%	3.6%	3.8%	4.9%	4.9%

*1 Includes CAM charges




*2 Heating, lighting, water, sewerage and parking

*3 Property management fee and other maintenance costs

*4 Custodian fees etc.

P/L of Each Properties (11th Period)

(Mil. JPY)

	O-2 Hanyu		O-3 Saitama Kisai		O-4 Kazo			
								
Location	Hanyu-shi, Saitama		Kazo-shi, Saitama		Kazo-shi, Saitama			
Major Tenant	Sagawa Express		Trancom		Hitachi Transport System			
	10 th	11 th	10 th	11 th	10 th	11 th		
Operating Days	181	184	181	184	181	184		
Revenues from rent business	59	59	Not Disclosed	Not Disclosed	124	124		
Rent*1	59	59			124	124		
Others*2	-	-			-	-		
Expenditures for rent business	18	18			64	64		
Fixed asset Tax	4	4			15	15		
PM fee*3	0	0			1	1		
Utilities expense	-	-			0	0		
renovation/maintenance	-	-			0	-		
Insurance	0	0			0	0		
Others*4	0	0			0	2		
Dep. & Amt. (A)	13	13	36	36	45	45		
Loss on fixed asset retirement (B)	-	-	-	-	-	-		
P/L on rent business (C)	40	40	83	78	59	59		
NOI (A+B+C) (D)	53	53	119	115	105	104		
CapEx. (E)	-	-	-	-	-	-		
NCF (D-E)	53	53	119	115	105	104		
Book Value	1,598	1,585	3,847	3,811	3,787	3,742		
NOI Yield	6.8%	6.7%	6.3%	6.0%	5.6%	5.5%		
Op. Income Yield	5.1%	5.1%	4.4%	4.1%	3.2%	3.1%		

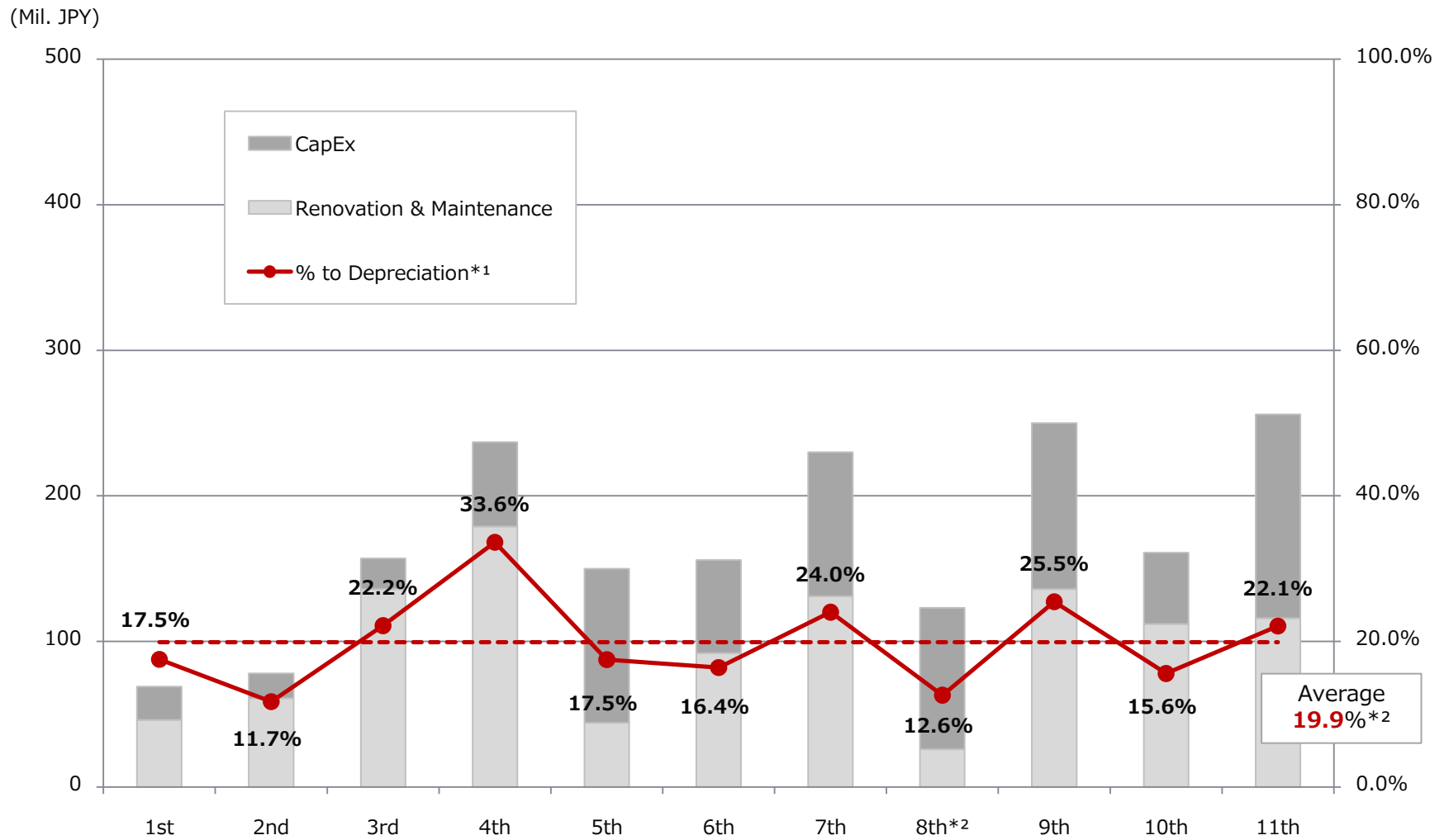
*1 Includes CAM charges

*2 Heating, lighting, water, sewerage and parking

*3 Property management fee and other maintenance costs

*4 Custodian fees etc.

Renovation, Maintenance and CapEx



*1 % to Depreciation = (Renovation & Maintenance + CapEx) / Depreciation x 100

*2 Actual CapEx of 8th Period is ¥480 Mil. However, the graph above is calculated by deducting ¥382 Mil., re-construction cost of Daito logistics center.



Appendix 3. Financial Statements

Balance Sheet

(Thousand JPY)

	10 th Period As of 7/31/2010	11 th Period As of 1/31/2011
Assets		
Current Assets	6,230,584	7,569,268
Cash and deposits	3,485,189	4,668,400
Cash and deposits in trust	2,298,727	2,571,060
Operating accounts receivable	37,546	23,156
Prepaid expenses	37,101	18,862
Deferred tax assets	17	19
Consumption tax receivable	372,002	287,517
Other	-	249
Noncurrent assets	121,421,638	137,913,131
Property, plant and equipment	121,285,989	137,800,379
Buildings	5,637,653	5,551,690
Structures	96,765	93,979
Tools, furniture and fixtures	-	468
Land	6,391,096	6,391,096
Buildings in trust	55,847,800	64,720,092
Structures in trust	1,695,399	1,851,310
Machinery and equipment in trust	1,637	1,567
Tools, furniture and fixtures in trust	7,160	11,342
Land in trust	51,608,476	59,178,830
Intangible assets	327	298
Investments and other assets	135,321	112,453
Long-term prepaid expenses	123,321	100,453
Guarantee deposits	10,000	10,000
Other	2,000	2,000
Deferred assets	-	41,491
Investment corporation bond issuance costs	-	41,491
Total assets	127,652,222	145,523,890

	10 th Period As of 7/31/2010	11 th Period As of 1/31/2011
Liabilities		
Current liabilities	6,283,440	4,641,107
Operating accounts payable	203,305	454,106
Current portion of long-term loans payable	4,700,000	2,700,000
Distribution payable	11,193	12,619
Accrued expenses	512,351	502,642
Income taxes payable	833	833
Advances received	855,755	937,193
Deposits received	-	33,712
Noncurrent liabilities	31,646,789	40,728,668
Investment corporation bond	-	8,000,000
Long-term loans payable	25,500,000	26,500,000
Tenant leasehold and security deposits	1,861,415	2,062,256
Tenant leasehold and security deposits in trust	4,285,373	4,166,412
Total liabilities	37,930,229	45,369,776
Net assets		
Unitholders' equity	89,721,993	100,154,113
Unitholders' capital	87,446,543	97,559,929
Surplus	2,275,450	2,594,184
Unappropriated retained earnings (undisposable loss)	2,275,450	2,594,184
Total net assets	89,721,993	100,154,113
Total liabilities and net assets	127,652,222	145,523,890

Income Statement

(Thousand JPY)

	10 th Period From 2/1/2010 To 7/31/2010	11 th Period From 8/1/2010 To 1/31/2011
Operating revenue	4,834,704	5,433,949
Rent Revenue – real estate	4,709,846	5,278,632
Other lease business revenue	124,858	155,316
Operating expenses	2,285,254	2,538,806
Expenses related to rent business	1,817,122	2,035,795
Asset management fee	371,415	413,046
Asset custody fee	12,649	14,272
Administrative service fees	21,044	22,995
Directors' compensation	5,400	5,400
Other operating expenses	57,622	47,295
Operating income	2,549,449	2,895,142
Non-operating income	13,771	8,370
Interest income	486	510
Interest on securities	660	379
Interest on refund	1,261	2,586
Insurance income	8,048	1,736
Reversal of distribution payable	1,612	490
Other	1,702	2,666
Non-operating expenses	286,882	308,341
Interest expenses	232,057	235,530
Borrowing related expenses	28,209	29,424
Investment unit issuance expenses	25,482	23,285
Interest expenses on investment corporation bonds	-	13,117
Amortization of investment corporation bond issuance costs	-	1,484
Other	1,134	5,500
Ordinary income	2,276,339	2,595,172
Income before income taxes	2,276,339	2,595,172
Income taxes – current	958	1,011
Income taxes – deferred	3	-2
Net income	2,275,376	2,594,163
Retained earnings brought forward	73	21
Unappropriated retained earnings (undisposed loss)	2,275,450	2,594,184

Cash Flow Statement

(Thousand JPY)

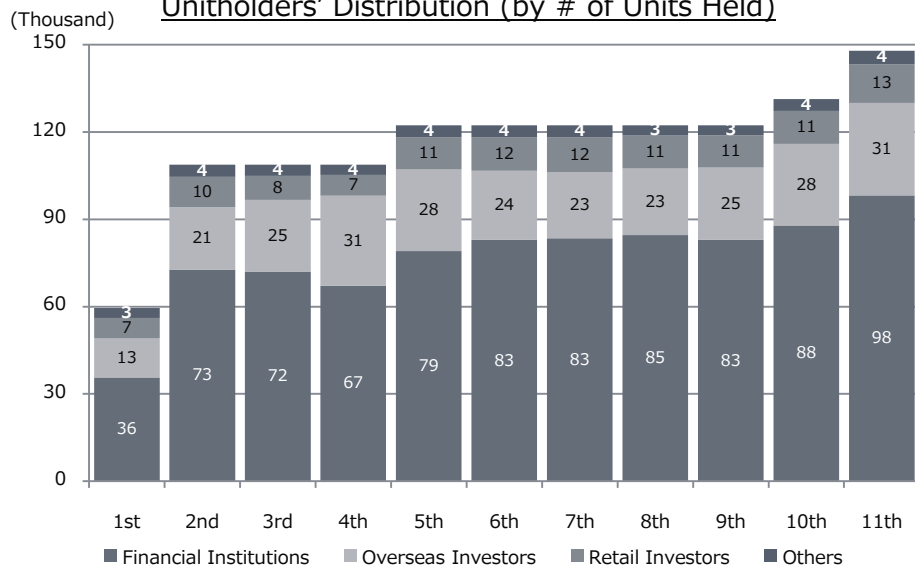
	10 th Period From 2/1/2010 To 7/31/2010	11 th Period From 8/1/2010 To 1/31/2011
Net cash provided by (used in) operating activities	2,805,322	4,231,089
Income before income taxes	2,276,339	2,595,172
Depreciation and amortization	1,040,879	1,168,591
Investment unit issuance expenses	25,482	23,285
Amortization of investment corporation bond issuance costs	-	1,484
Interest income	(486)	(510)
Interest income on securities	(660)	(379)
Interest expenses	232,057	248,648
Loss on retirement of noncurrent assets	260	36,138
Decrease (increase) in operating accounts receivable	(397)	14,389
Decrease (increase) in consumption taxes refund receivable	(372,002)	84,484
Increase (decrease) in accrued consumption taxes	(178,731)	-
Increase (decrease) in operating accounts payable	(56,255)	188,647
Increase (decrease) in accrued expenses	3,979	(4,862)
Increase (decrease) in advances received	87,007	81,438
Others, net	(13,948)	41,641
Subtotal	3,043,522	4,478,167
Interest income received	1,146	890
Interest expense paid	(238,873)	(246,957)
Income taxes paid	(473)	(1,011)
Net cash provided by (used in) investing activities	(9,232,629)	(17,542,619)
Purchase of property, plant, and equipment	(550)	(3,915)
Purchase of property, plant and equipment in trust	(9,535,443)	(17,653,022)
Proceeds from tenant leasehold and security deposits	220,092	269,750
Repayments of tenant leasehold and security deposits	(25,359)	(68,910)
Proceeds from tenant leasehold and security deposits in trust	108,630	79,281
Repayments of tenant leasehold and security deposits in trust	-	(165,804)
Net Cash provided by (used in) financing activities	3,304,654	14,767,074
Increase in short-term loans payable	1,000,000	18,000,000
Decrease in short-term loans payable	(1,000,000)	(18,000,000)
Proceeds from long-term loans payable	-	2,000,000
Repayment of long-term loans payable	-	(3,000,000)
Proceeds from issuance of investment units	5,425,056	10,113,386
Payments for investment unit issuance expenses	(14,931)	(31,835)
Proceeds from issuance of investment corporation bonds	-	8,000,000
Payments of investment corporation bond issuance costs	-	(40,963)
Dividends paid	(2,105,469)	(2,273,513)
Net increase (decrease) in cash and cash equivalents	(3,122,651)	1,455,544
Cash and cash equivalents at beginning of period	8,906,568	5,783,916
Cash and cash equivalents at end of period	5,783,916	7,239,461



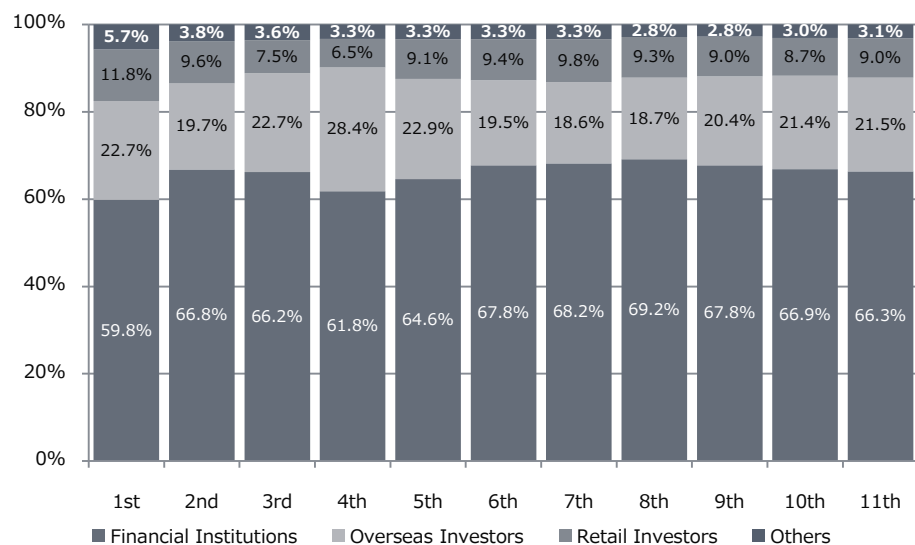
Appendix 4. Miscellaneous Issues

Unitholders

Unitholders' Distribution (by # of Units Held)



Unitholders' Distribution (by Attribution)

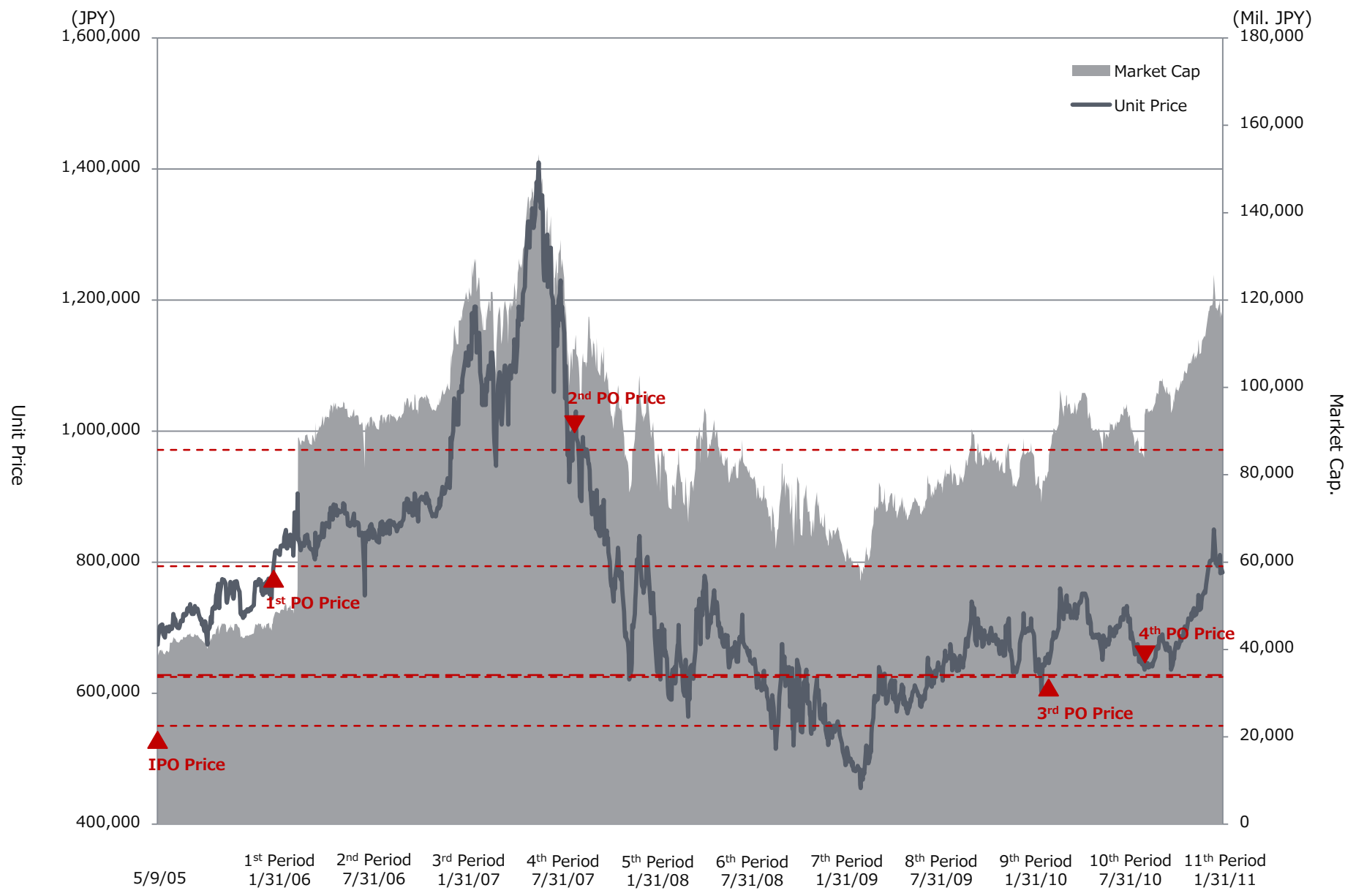


Top 10 Unitholders (The End of 11th Period)

	Investors' Name	Units Held	%*
1	Japan Trustee Services Banking Co., Ltd. (Trust Account)	21,625	14.61
2	The Nomura Trust and Banking Co., Ltd. (Trust Account)	17,161	11.59
3	Trust & Custody Services Bank, Ltd. (Trust Account)	14,240	9.62
4	The Master Trust Bank of Japan. Ltd. (Trust Account)	6,341	4.28
5	The Bank of New York, Treaty JASDEC Account	4,773	3.22
6	North Pacific Bank Ltd.	3,205	2.16
7	American Life Insurance Company G.A.L.	3,097	2.09
8	The National Mutual Insurance Federation of Agricultural Cooperatives	2,557	1.72
9	Nomura Bank Luxemburg S.A.	2,363	1.59
10	The Chugoku Bank, Ltd.	2,119	1.43
Total		77,481	52.35

*% of the units outstanding, rounded down the 2 digits after decimal point

Unit Price and Market Capitalization



- Monetary amounts are rounded down to millions or thousands of yen.
- Percentage figures are rounded off to the first decimal place .
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