

March 7, 2008

FINANCIAL REPORT FOR THE FIFTH PERIOD ENDED JANUARY 31, 2008

JAPAN LOGISTICS FUND, Inc. is listed on the Tokyo Stock Exchange with the securities code number 8967. URL:<http://8967.jp>
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Scheduled date for submission of annual security report: April 25, 2008
Scheduled date for commencing dividend payments: April 9, 2008

The financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Figures have been rounded down to eliminate amounts of less than one million yen.

1. PERFORMANCE FOR THE FIFTH FISCAL PERIOD (AUG. 1, 2007- JAN. 31, 2008)

(1) Business Results (Millions in Yen)

	Revenues	Rate of Change	Operating Income	Rate of Change	Ordinary Income	Rate of Change
5 th Period	3,519	11.9%	1,763	17.6%	1,715	15.8%
4 th Period	3,143	0.3%	1,499	-9.3%	1,482	-10.3%

	Net Income	Rate of Change	Net Income per Unit (Yen)	ROE	ROA	Ordinary Income to Revenues
5 th Period	1,714	15.8%	14,278	2.2%	2.0%	48.8%
4 th Period	1,481	-10.3%	13,614	2.1%	2.0%	47.1%

(2) Distributions (Millions in Yen)

	Distributions per Unit (Yen)	Total Distributions	Distribution in Excess of Earnings per Unit (Yen)	Total Distribution in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
5 th Period	14,022	1,714	0	—	100.0%	2.0%
4 th Period	13,615	1,481	0	—	100.0%	2.1%

Note: The payout ratio is rounded down to the nearest first decimal place.

(3) Financial Position (Millions in Yen)

	Total Asset	Unitholders' Equity	Unitholders' Equity to Total Asset	Unitholders' Equity per Unit (Yen)
5 th Period	97,619	83,736	85.8%	684,680
4 th Period	75,640	70,846	93.7%	651,165

(4) Cash Flows (Millions in Yen)

	Cash Flows from Operating Activities	Cash Flows from Investment Activities	Cash Flows from Financing Activities	Cash and Cash Equivalent at the end of the period
5 th Period	2,290	-23,112	19,127	4,178
4 th Period	2,152	-1,149	-1,649	5,873

2. FORECASTS OF RESULTS FOR 6th AND 7th PERIOD (Millions in Yen)

	Revenue	Operating Income	Ordinary Income	Net Income	Distributions per Unit (Yen)	Distribution in Excess of Earnings per Unit (Yen)
6 th Period	3,880	1,826	1,774	1,773	14,500	0
7 th Period	3,944	1,869	1,811	1,810	14,800	0

(Reference) Net income per unit (Yen)

6th Period: 14,500

7th Period: 14,800

3. OTHERS

- (1) Changes in accounting policies
 - ① Changes by amendment of the accounting system: No
 - ② Other changes: No
- (2) The number of units issued and outstanding
 - ① The number of units outstanding totaled 122,300 as of January 31, 2008, and 108,800 as of July 31, 2007.

Japan Logistics Fund, Inc.
Announcement of 5th Fiscal Period Results

Investment Policies and Investment Situation

A. Investment Policies

As a real estate investment trust specializing in logistics centers, Japan Logistics Fund, Inc. is committed to achieving sustained portfolio growth through selective investments in quality logistics center properties. It will manage assets with the view of achieving stable returns over the medium and long term through diversified investments and optimum management.

B. Investment Situation

1. Current Situation for the Period under Review

a) Major trends

Japan Logistics Fund is Japan's first real estate investment trust (REIT) specializing in investments in logistics centers, with a focus on properties in the greater Tokyo area and in the Kinki, Chubu, and Kyushu regions. JLF was established on February 22, 2005, under the Securities Investment Trust Law, with Mitsui & Co., Logistics Partners Ltd. as its founder and asset manager, and was listed on the Tokyo Stock Exchange's REIT section on May 9 of the same year (securities code: 8967).

During the six months ended January 31, 2008, JLF acquired the Yokohama Fukuura Logistics Center and four other properties for a total of ¥23,233 million. As of the end of January 31, 2008, JLF held 22 properties at a total acquisition value of ¥94,248 million, had total assets of ¥97,619 million, and had 122,300 investment units outstanding.

b) Investment environment and investment results

As global real estate prices hold to a high level, investments continue to be made actively in Japanese real estate that is said to be relatively undervalued, and competition over the acquisition of quality properties is continuing in the real estate market.

Expectations for an expanding market and the reaffirmation of such properties' potential for generating stable revenues over the medium to long term are augmenting market interest in investing in logistics center properties. As a result, the acquisition environment has become more challenging as with other categories of investment properties.

JLF works together with Mitsui & Co., Ltd., The Chuo Mitsui Trust and Banking Co., Ltd., and Kenedix, Inc., the shareholders of JLF's asset management company, and utilizes their broad network to collect information on properties and to acquire assets. Such efforts and the benefit of being the first to promote logistics center REITs enabled JLF to acquire its current portfolio of 22 properties at relatively advantageous terms. JLF's tenants include such major logistics companies as the Sagawa Express Group, Yamato Transport Co., Ltd., and Ricoh Logistics System Co., Ltd., as well as group companies of Mitsui & Co., Ltd., like Trinet Logistics Co., Ltd. Portfolio occupancy rate was 98.1% as of the end of 5th fiscal period.

c) Fund raising

JLF issued new investment units in August 2007 in order to raise funds for the acquisition of new properties. As a result as of the end of the current fiscal period, investment units outstanding totaled 122,300 units (increase of 13,500 units from the end of the prior fiscal period) and unit holders' paid-in capital totaled ¥82,021 million (increase of ¥12,656 million from the end of the prior fiscal period). In the current fiscal period, JLF raised funds through interest-bearing debt for the first time since its founding. The smooth functioning of basic agreement on debt finance and short-term credit lines that were prepared earlier enabled JLF to raise unsecured and non-guaranteed funds under competitive terms from the start.

In passing, JLF acquired issuer credit ratings of "A1" from Moody's Investors Service and "AA" from Rating and Investment Information, Inc.

d) Business results and cash dividend

As a result, JLF recorded operating revenues of ¥ 3,519 million and operating income of ¥ 1,763 million in 5th fiscal period. Ordinary income was ¥ 1,715 million, and net income came to ¥ 1,714 million.

In order to take advantage of a special measure of the tax code (Article 67 Section 15 of the Special Taxation Measures Law) and to allow for the maximum amount of profit distribution to be treated as a tax-deductible loss, the full amount of unappropriated retained earnings at the end of the current period is to be distributed to unit holders, rounding down the fraction of ¥1 per unit. The resulting cash dividend will be ¥14,022 per unit.

2. Outlook for 6th Fiscal Period (February 1, 2008- July 31, 2008)

a) Operating environment

While downside risk for the United States economy stemming from the subprime mortgage crisis and high crude oil prices are matters of concern for the Japanese economy, the corporate sector remains strong, and the household sector is foreseen to improve gradually. In the logistics industry, freight volume accompanying consumption is growing steadily. This together with the ongoing strength of international trade makes it reasonable to conclude that the underlying demand for logistics centers will remain stable.

Logistics companies continue to work vigorously at optimizing overall logistics, and the reengineering, consolidation, and liquidation of domestic logistics infrastructure is giving rise to growing instances of consolidating dispersed regional inventories at large urban logistics centers. The idea of separating ownership from use and management of logistics center properties has become widely accepted, and a growing number of companies are expected to lease new facilities in order to reduce the risk of owning real estate, a non-core asset. Moreover, the growth of third-party logistics companies that provide high-quality full-line logistics services without owning assets is generating new demand for logistics centers. Such changes in the operating environment should increase the value of entities like JLF that own logistics centers on a long-term basis.

However, in the immediate climate for acquiring logistics centers, demand is expected to remain high for real estate investments, and competition with rival companies over the acquisition of logistics center properties is predicted to increase.

b) Future investment policies and pending issues

Under such an investment climate, JLF will aim to achieve stable revenues over the medium to long term based on the following policies:

(1) Management of portfolio properties

- **Renewal of lease contracts**

Regarding the renewal of lease contracts, JLF will adhere to the basic policy of the management of properties to provide medium- to long-term leases to existing tenants. JLF will also seek to stabilize revenues by converting current leases to long-term contracts. When an existing tenant decides to leave a property, JLF will engage in leasing activities to maintain occupancy without interruption with the view of upholding profitability.

Lease contracts held by JLF for logistics center properties have an average length of 6.1 years when weighted by annual rent receipts, a figure that promises stable revenues.

- **Strengthen tenant relations**

By maintaining close contacts with existing tenants, JLF will work to increase their overall satisfaction. More specifically, the company will respond to needs for greater floor area in existing logistics centers, and will also increase their functionality and otherwise renovate them as appropriate in line with tenant needs and industry trends.

- **Appropriate maintenance of portfolio properties**

JLF will maintain and renovate portfolio properties so that the construct-related expenses remain relatively unchanged over time. Appropriate property management companies will be selected to provide efficient management suited to the characteristics of each property. In addition, JLF will work to optimize the maintenance of portfolio properties by improving the maintenance quality of the asset management company and by standardizing various procedures.

(2) Acquisition of new properties

- **Gathering of property information**

To avoid as much as possible, excessive price and acquisition competition with private funds, JLF will make use of the extensive networks of Mitsui & Co., Ltd., The Chuo Mitsui Trust and Banking Co., Ltd., and Kenedix, Inc., the shareholders of JLF's asset management company, to pursue the early acquisition of property information and direct transactions. In addition, the company will endeavor to secure independent ways for information gathering to establish a framework for acquiring properties with even more favorable terms.

- **Specifications for new properties**

In the acquisition of properties, JLF will base investment decisions on the location and all-purposeness of facilities, which are essential factors for the stable and long-term management of logistics centers. Specifically, the company will avoid acquisitions of specialized structures and facilities suited only to tenants in certain industries. Specifications that satisfy broad-based logistics demand will be the most important decision-making criterion.

- **Portfolio diversification**

To minimize fluctuations in revenues arising from local events, such as local economic changes or earthquakes, JLF will acquire properties so as to maintain geographical diversification of its portfolio. In order to minimize fluctuations in revenues resulting from tenants leaving properties, the company will work to build a portfolio that is diversified in terms of tenants, tenant industries, and the remaining periods of lease contracts.

(3) Financial strategies

In carrying out financial activities by borrowing from financial institutions and by making public offerings, JLF will give maximum priority to the sustained growth of per investment unit profit, and will maintain a conservative debt ratio. Regarding debt financing, the company will seek to diversify funding sources and methods to reduce refinancing risks and will consider the possibility of issuing bonds or commercial paper. Furthermore, JLF will undertake efficient cash management, by having the lease deposits and security deposits received from trustee banks released in full, for instance, to help fund the acquisition of properties.

Japan Logistics Fund, Inc.
Balance Sheets
As of January 31, 2008 and July 31, 2007

	January 31, 2008 (JPY in thousands)	July 31, 2007 (JPY in thousands)
Assets		
Current Assets:		
Cash and cash equivalent	4,178,998	5,873,225
Tenant receivers	16,780	16,203
Advance payments	17,407	31,668
Deferred tax assets	18	18
Consumption tax refund receivables	696,665	7,727
Other current assets	—	—
Total Current Assets	4,899,870	5,928,844
Investment Properties:		
Land	43,421,980	34,760,089
Building	50,760,418	36,205,579
Building improvement	1,875,570	1,219,058
Machinery and equipment	7,352	6,992
	96,065,322	72,191,719
Less: accumulated depreciation	(3,356,035)	(2,491,052)
Total Investment Properties, net	92,709,286	69,700,667
Intangible Assets:		
Other intangible assets	474	503
Total Intangible Assets	474	503
Other Assets:		
Deposit	10,000	10,000
Total Other Assets	10,000	10,000
Total Assets	97,619,631	75,640,016

Note: The Sum may not equal the total due to rounding.

Japan Logistics Fund, Inc.
Balance Sheets
As of January 31, 2008 and July 31, 2007

	January 31, 2008 (JPY in thousands)	July 31, 2007 (JPY in thousands)
Liabilities		
Current Liabilities:		
Short-term debt	5,000,000	—
Accounts payable	136,070	30,245
Rent received in advance	651,532	539,114
Accrued expenses and other liabilities	445,449	337,691
Total Current Liabilities	<u>6,233,053</u>	<u>907,052</u>
Non-current liabilities:		
Long-term debt	3,000,000	—
Tenant leasehold and security deposit	4,650,196	3,886,180
Total Current Liabilities	<u>7,650,196</u>	<u>3,886,180</u>
Total liabilities	<u>13,883,249</u>	<u>4,793,232</u>
Unitholders` Equity:		
Unitholders` capital 2,000,000 units authorized 122,300 units issued and outstanding	82,021,487	69,365,426
Retained earnings	1,714,895	1,481,357
Total Unitholders` Equity	<u>83,736,382</u>	<u>70,846,783</u>
Total Assets	<u>97,619,631</u>	<u>75,640,016</u>

Note: The Sum may not equal the total due to rounding.

Japan Logistics Fund, Inc.
Statement of Income and Retained Earnings
For the Six Months Ended January 31, 2008
And for the Six Months Ended July 31, 2007

	January 31, 2008 (JPY in thousands)	July 31, 2007 (JPY in thousands)
Revenue:		
Rental revenue	3,418,249	3,054,755
Other income	101,077	89,140
	<u>3,519,327</u>	<u>3,143,896</u>
Operating Expenses:		
Property-related management expenses	1,400,991	1,341,976
Asset management fees	259,381	226,262
Custodian fees	9,405	7,556
General administration fees	50,833	38,676
Other	35,032	30,208
	<u>1,755,643</u>	<u>1,644,679</u>
Operating Income	1,763,684	1,499,216
Non-Operating Revenues:		
Interest income	5,507	9,121
Non-operating revenues	4,084	0
	<u>9,591</u>	<u>9,121</u>
Non-Operating Expenses:		
Interest costs	26,317	—
New investment unit issue costs	22,263	24,779
Other non-operating expenses	8,873	1,272
	<u>57,455</u>	<u>26,051</u>
Income before Income Taxes	1,715,820	1,482,286
Current and Deferred Income Taxes	970	988
Net Income	<u>1,714,849</u>	<u>1,481,298</u>
Distribution per Unit (Yen)	14,022	13,615

Note: The Sum may not equal the total due to rounding.

Japan Logistics Fund, Inc.
Statements Cash Flows
For the Six Months Ended January 31, 2008
And for the Six Months Ended July 31, 2007

	January 31, 2008 (JPY in thousands)	July 31, 2007 (JPY in thousands)
Cash Flows from Operating Activities:		
Income before income taxes	1,715,820	1,482,286
Depreciation and amortization	867,545	708,725
Offering Cost	22,263	24,779
Interest Cost	26,317	—
Others, net	(341,178)	(63,786)
Net Cash Provided by Operating Activities	2,290,768	2,152,005
Cash Flows from Investing Activities:		
Purchase of property and equipment	(23,876,764)	(1,111,878)
Proceed from deposit	868,029	3,952
Payment for deposit	(104,013)	(41,245)
Net Cash Used in Investing Activities	(23,112,748)	(1,149,171)
Cash Flows from Financing Activities		
Short-term debt	5,000,000	—
Long-term debt	3,000,000	—
Offering cost	(46,723)	(320)
Proceeds from issuance of investment units	12,656,061	—
Distribution payment	(1,481,584)	(1,648,710)
Net Cash Provided by Financing Activities	19,127,753	(1,649,030)
Net Change in Cash and Cash Equivalent	(1,694,226)	(646,197)
Cash and cash equivalent at the beginning of the period	5,873,225	6,519,422
Cash and Cash Equivalent at the end of the period	4,178,998	5,873,225

Note: The Sum may not equal the total due to rounding.

Portfolio Information I

No.	Property Name	Location	Year Built	Property Age (Year)	Land Area (㎡)	Gross Rentable Area (㎡)	Occupancy Rate (%)	PML (%)
M-1	Funabashi	Funabashi, Chiba	10/27/93	14.3	16,718	29,556.79	100.0	13.0
M-2	Urayasu	Urayasu, Chiba	10/08/86	21.3	19,136	9,543.72	100.0	18.3
M-3	Hiratsuka	Hiratsuka, Kanagawa	09/21/90	17.4	12,795.97	11,225.72	100.0	21.1
M-4	Tokyo Shinkiba	Koto-ku, Tokyo	03/15/93	14.9	5,798.90	10,616.80	100.0	17.6
M-5	Urayasu Chidori	Urayasu, Chiba	01/10/06	2.1	16,421	31,790.42	100.0	13.8
M-6	Funabashi Nishiura	Funabashi, Chiba	01/24/06	2.0	18,192.07	35,134.44	100.0	7.1
M-7	Funabashi Nishiura II	Funabashi, Chiba	12/26/85	22.1	39,686	73,859.32	100.0	11.5
M-8	Kawasaki	Kawasaki, Kanagawa	07/14/89	18.6	21,622.41	41,630.54	100.0	14.6
M-9	Narashino	Narashino, Chiba	10/05/05	2.3	14,027.60	2,442.87	100.0	11.3
M-10	Yokosuka	Yokosuka, Kanagawa	07/31/90	17.5	11,790.09	21,364.11	100.0	22.0
M-11	Yachiyo	Yachiyo, Chiba	04/24/72	35.8	29,103.38	17,689.95	100.0	9.1
M-12	Yokohama Fukuura	Yokohama, Kanagawa	02/25/07	0.9	20,080.79	35,882.64	72.2	16.3
M-13	Yachiyo II	Yachiyo, Chiba	08/24/07	0.4	17,012.01	32,389.70	100.0	7.6
T-1	Daito	Daito, Osaka	07/31/89	18.5	71,837.28	76,208.70	100.0	16.3
T-2	Osaka Fukuzaki	Osaka, Osaka	10/28/04	3.3	16,576.21	23,726.80	100.0	14.1
T-3	Chubu Haruhi	Nishikasugai, Aichi	-	-	10,457.02	10,457.02	100.0	-
T-4	Kadoma	Kadoma, Osaka	03/26/93	14.9	3,975.60	7,293.92	100.0	13.3
T-5	Komaki	Komaki, Aichi	08/05/94	13.5	11,057.18	9,486.45	100.0	8.7
O-1	Maebashi	Maebashi, Gunma	02/04/05	3.0	16,241.43	3,455.53	100.0	9.0
O-2	Hanyu	Hanyu, Saitama	10/20/05	2.3	20,988.43	3,518.58	100.0	11.6
O-3	Kakogawa	Kakogawa, Hyogo	08/10/07	0.5	16,528	9,262.21	100.0	4.7
O-4	Saitama Kisai	Kitasaitama, Saitama	03/31/07	0.8	26,530.67	24,574.40	100.0	10.5
				11.1	436,576.04	521,110.63	98.1	10.2

Note: Weighted average property age by acquisition price

Portfolio Information II

No.	Property Name	Acquisition Price (million yen)	Share (%)	Appraisal Value (million yen)	DCF Method Cap (%)	Terminal Cap (%)	Direct Cap (%)	Annual Rental Revenue	Share (%)	Number of Tenant(s)
M-1	Funabashi	8,675	9.2	9,970	5.1	5.5	-	872.0	11.5	4
M-2	Urayasu	2,902	3.1	5,240	5.0	-	-	242.4	3.2	1
M-3	Hiratsuka	1,466	1.6	2,100	5.5	6.0	5.7	150.9	2.0	1
M-4	Tokyo Shinkiba	2,454	2.6	3,340	1-3 years: 4.9 4-10 years: 5.1	5.4	5.1	180.6	2.4	1
M-5	Urayasu Chidori	6,000	6.4	9,610	1-5 years: 4.8 6-10 years: 5.0	5.1	4.8	494.8	6.5	1
M-6	Funabashi Nishiura	5,700	6.0	7,490	1-3 years: 4.9 4-10 years: 5.1	5.3	5.0	435.9	5.7	2
M-7	Funabashi Nishiura II	9,330	9.9	12,300	1-8 years: 4.9 9-10 years: 5.1	5.7	5.4	780.3	10.2	1
M-8	Kawasaki	10,905	11.6	13,700	5.0	5.2	4.9	N.A.	N.A.	1
M-9	Narashino	1,690	1.8	2,130	1-3 years: 5.2 4-10 years: 5.4	5.4	5.1	121.2	1.6	1
M-10	Yokosuka	3,305	3.5	4,310	5.6	6.2	5.9	296.7	3.9	1
M-11	Yachiyo	2,266	2.4	2,680	5.5	6.0	5.7	181.2	2.4	1
M-12	Yokohama Fukuura	9,800	10.4	10,400	5.4	5.5	5.2	N.A.	N.A.	3
M-13	Yachiyo II	5,300	5.6	6,250	1-10 years: 5.1 11 years: 5.3	5.7	5.4	387.9	5.1	1
T-1	Daito	7,617	8.1	11,800	5.5	5.6	5.3	876.1	11.5	2
T-2	Osaka Fukuzaki	4,096	4.3	5,550	5.4	5.5	5.2	339.8	4.5	1
T-3	Chubu Haruhi	685	0.7	791	5.3	5.6	-	33.2	0.4	1
T-4	Kadoma	989	1.0	1,180	5.5	5.6	5.3	N.A.	N.A.	1
T-5	Komaki	2,100	2.2	2,110	1-7 years: 5.3 8-10 years: 5.5	5.6	5.3	N.A.	N.A.	1
O-1	Maebashi	1,230	1.3	1,380	1-2 years: 5.5 3-10 years: 5.7	5.7	5.4	87.6	1.2	1
O-2	Hanyu	1,705	1.8	1,900	1-3 years: 5.5 4-10 years: 5.7	5.8	5.5	118.8	1.6	1
O-3	Kakogawa	2,023	2.1	2,260	5.7	5.8	5.5	140.4	1.8	1
O-4	Saitama Kisai	4,010	4.3	4,300	1-3 years: 5.4 4 years: 5.5 5-10 years: 5.6	5.8	5.5	N.A.	N.A.	2
		94,248	100.0	120,791				7,615.6	100.0	30

Note: Weighted average property age by acquisition price

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