

September 1, 2011

**FINANCIAL REPORT
FOR THE 12th FISCAL PERIOD
(February 1, 2011 – July 31, 2011)**

Japan Logistics Fund, Inc. (JLF) 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 securities report: October 26, 2011
 Scheduled date for commencing dividends payment: October 3, 2011

The financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Unless otherwise stated, monetary amounts have been rounded down to the ¥1 million, and percentage figures have been rounded to one decimal point.

1. PERFORMANCE FOR THE 12th FISCAL PERIOD

The 12th Fiscal Period is from February 1, 2011 to July 31, 2011.

(1) Operating Results

| | Operating Revenue | Change | Operating Income | Change | Ordinary Income | Change | Net Income | Change |
|--------------------------------|-------------------|--------|------------------|--------|-----------------|--------|------------|--------|
| 12 th Fiscal Period | ¥5,525mn | 1.7% | ¥2,953mn | 2.0% | ¥2,667mn | 2.8% | ¥2,366mn | (8.8%) |
| 11 th Fiscal Period | ¥5,433mn | 12.4% | ¥2,895mn | 13.6% | ¥2,595mn | 14.0% | ¥2,594mn | 14.0% |

| | Net Income per Unit | Net Income to Net Assets | Ordinary Income to Total Assets | Ordinary Income to Operating Revenue |
|--------------------------------|---------------------|--------------------------|---------------------------------|--------------------------------------|
| 12 th Fiscal Period | ¥15,991 | 2.4% | 1.8% | 48.3% |
| 11 th Fiscal Period | ¥17,857 | 2.7% | 1.9% | 47.8% |

(2) Distributions

| | Distributions per Unit (excluding distributions in excess of earnings) | Total Distributions | Distributions in Excess of Earnings per Unit | Total Distributions in Excess of Earnings | Payout Ratio | Distributions to Net Assets |
|--------------------------------|--|---------------------|--|---|--------------|-----------------------------|
| 12 th Fiscal Period | ¥15,991 | ¥2,366mn | – | – | 99.9% | 2.4% |
| 11 th Fiscal Period | ¥17,528 | ¥2,594mn | – | – | 99.9% | 2.6% |

(3) Financial Position

| | Total Assets | Net Assets | Net Assets to Total Assets | Net Assets per Unit |
|--------------------------------|--------------|------------|----------------------------|---------------------|
| 12 th Fiscal Period | ¥144,853mn | ¥99,926mn | 69.0% | ¥675,179 |
| 11 th Fiscal Period | ¥145,523mn | ¥100,154mn | 68.8% | ¥676,716 |

Reference: Unitholders' equity 12th Fiscal Period: ¥99,926mn 11th Fiscal Period: ¥100,154mn

(4) Cash Flows

| | Net Cash Provided by (Used in) Operating Activities | Net Cash Provided by (Used in) Investment Activities | Net Cash Provided by (Used in) Financing Activities | Cash and Cash Equivalents at End of Period |
|--------------------------------|---|--|---|--|
| 12 th Fiscal Period | ¥4,138mn | (¥1,035mn) | (¥2,599mn) | ¥7,743mn |
| 11 th Fiscal Period | ¥4,231mn | (¥17,542mn) | ¥14,767mn | ¥7,239mn |

2. FORECASTS FOR THE 13th AND 14th FISCAL PERIODS

13th Fiscal Period is a six-month period from August 1, 2011 to January 31, 2012.

14th Fiscal Period is a six-month period from February 1, 2012 to July 31, 2012.

| | Operating Revenue | Period-on-Period Change | Operating Income | Period-on-Period Change | Ordinary Income | Period-on-Period Change |
|--------------------------------|-------------------|-------------------------|------------------|-------------------------|-----------------|-------------------------|
| 13 th Fiscal Period | ¥5,539mn | 0.3% | ¥2,877mn | (2.6%) | ¥2,577mn | (3.4%) |
| 14 th Fiscal Period | ¥5,404mn | (2.4%) | ¥2,782mn | (3.3%) | ¥2,473mn | (4.0%) |

| | Net Income | Period-on-Period Change | Distribution per Unit (excluding distribution in excess of earnings) | Distribution in Excess of Earnings per Unit |
|--------------------------------|------------|-------------------------|---|--|
| 13 th Fiscal Period | ¥2,576mn | 8.9% | ¥17,400 | ¥0 |
| 14 th Fiscal Period | ¥2,472mn | (4.0%) | ¥16,700 | ¥0 |

Reference: Estimated net income per unit Twelfth Fiscal Period: ¥17,400 Thirteenth Fiscal Period: ¥16,700

3. OTHER

(1) Changes in accounting policies

- (i) Changes accompanying amendments of accounting standards, etc.: No
- (ii) Changes other than (i): No

(2) Number of investment units issued and outstanding

- (i) Number of investment units (including own investment units) issued and outstanding at end of period:
 - 12th Fiscal Period: 148,000 units
 - 11th Fiscal Period: 148,000 units
- (ii) Number of own investment units issued and outstanding at end of period:
 - 12th Fiscal Period: 0 units
 - 11th Fiscal Period: 0 units

ANNOUNCEMENT OF 12th FISCAL PERIOD RESULTS

Management Discussion and Analysis

1. Asset Management Policies

As a real estate investment trust (REIT) specializing in logistics properties, Japan Logistics Fund, Inc. (JLF) commits to achieve sustainable growth through selective investments in high-quality logistics properties. JLF will manage assets with the view of achieving stable returns over the medium-to-long term period through diversified investments and optimum management.

2. Asset Management Situation

(1) Overview of the Period under Review

The fiscal period under review in this financial report is the 12th Fiscal Period from February 1, 2011 to July 31, 2011.

(a) About JLF

JLF invests in real estates that are used as logistics centers, with a regional focus in the Tokyo Metropolitan Area, Kinki region, Chubu region and Kyushu region. JLF was established on February 22, 2005 under the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951; including amendments thereto) with Mitsui & Co., Logistics Partners Ltd. as its founder, and was listed on the Tokyo Stock Exchange's REIT section on May 9 of the same year (securities code: 8967). As of the end of the 12th Fiscal Period (July 31, 2011), JLF holds a total of 28 real estate properties (total acquisition value of ¥143,240 million), and total assets of ¥144,853 million.

(b) Investment Environment and Asset Management Results

Great East Japan Earthquake (hereafter referred to as "The Earthquake") which struck Japan on March, 2011, severely deterred self-sustaining recovery of Japanese economy. The improvement of consumer minds, however, was observed as Government of Japan devised reconstruction assistance projects and as damaged productive facilities and logistics network recovered. Still, Europe's debt crisis and the budgetary turmoil in the U.S., along with the global economic slowdown, resulted in rapid yen appreciation which became the burden of Japanese economic recovery.

<Leasing Market>

In addition to floor demand associated with tenant's strategic logistics center consolidation, substitution demand for damaged facilities due to The Earthquake arose. As a result, occupancy rate in some area showed a sign of improvement and market rent stayed stable. JLF identified the substitution demand and concluded a new leasing contract with a new tenant which suffered from The Earthquake. JLF's occupancy rate at the end of the 12th period was 99.9%.

<Acquisition Market>

Some people apprehended stagnating acquisition market of logistics properties because of The Earthquake. In the process of reconstruction, however, the importance and the stability of logistics business were refocused and the number of players who vigorously invest in logistics properties increased. Also, the supply of large scale properties locating in competitive area such as the Tokyo Metropolitan Bay Area remained to be limited. This led to the transaction volume stays low, and the competition for acquiring properties got hardened. While financial stability and robust tenant demand for large scale properties enabled major logistics companies and real estate developers to initiate several construction and development projects.

(c) Capital Procurement

During the 12th period, JLF refinanced a ¥1,700mn of 3-year loan due February 2011, with a longer term of 5-year loan (The Bank of Tokyo-Mitsubishi UFJ, Ltd.) At the end of the 12th period, JLF holds the total interest-bearing debt of ¥37,200mn and an interest-bearing debt ratio* of 27.6%. JLF will maintain its stable capital structure. As for the ¥10,000mn commitment line due at the end of the 12th period, JLF successfully renew its due with the same lender, amount, and conditions under current uncertain financial environment after The Earthquake. Together with a total of ¥20,000mn unused short-term loan capacity, JLF will make its best in order to keep its financial stability as well as its flexible financing for future acquisition opportunities.

* interest-bearing debt ratio = Total Debt / (Total Debt + Total Unitholders' Equity), rounded down to the one decimal point

Credit rating of JLF at the end of 12th period

| Credit Rating Agencies | Rating | |
|---|------------------------|-----------------------------------|
| Rating and Investment Information, Inc. (R&I) | Issuer rating | AA (Outlook: Stable) |
| | Long-term issue rating | Investment corporation bond AA |
| Moody's Japan K.K. (Moody's) | Issuer rating | A1 (Outlook: Negative) |

(d) Business Results and Cash Distributions

As a result of the 12th period, JLF recorded operating revenue of ¥5,525mn, operating income of ¥2,953mn, ordinary income of ¥2,667mn. JLF recognized extraordinary loss of ¥300mn in association with The Earthquake, and recorded net income of ¥2,366mn. In order to take advantage of a special measure of the tax code (Article 67-15 of the Special Taxation Measures Law) that allows the maximum amount of distribution of earnings to be treated as a tax-deductible expense, JLF decided to distribute to unitholders the full amount of retained earnings excluding fractions of the distribution per investment unit that are less than ¥1. Accordingly, JLF declared a distribution per investment unit of ¥15,991.

(2) Outlook for the Next Fiscal Period

(a) Recognition of the Environment

The impact of The Earthquake and the rapid yen appreciation make future prospect of Japanese economy uncertain. Restore of capital stocks illustrated by increasing capital spending and housing investment, however, implies possibility of production activities to turn around. JLF expects Japanese economy continues to grow slowly. The domestic cargo volume may grow weak after The Earthquake. As for the individual consumption that leads to steady cargo volume, however, shows a sign of recovery along with the improving consumer mind. The Bank of Japan continued purchasing J-REIT through the Asset Purchase Program, which contributes to the stability of J-REIT market. By taking advantage of this steady market environment, external growth accompanied by new unit issuance is expected.

<Leasing Market>

As described above, occupancy rate in some area increased due to substitution demand for damaged facilities due to The Earthquake. It is possible that the substitution demand may disappear as the tenants' logistics networks restore. Even though, JLF believes the superiority in tenants' preference for large scale logistics properties which locates in competitive area such as the Tokyo Metropolitan Area will keep constant. By leveraging information gathered through tenant networks, JLF will keep eyes on tenant needs after The Earthquake. Based on steady floor demand/supply balance, market rent will be stable for the time being. In the meantime, several new construction projects have started in order to seize this opportunity. Hence, in medium-to-long term new floor supply will increase which may result in loosening the balance. JLF intends to offer extending the lease contracts to its current tenants with carefully observing any change in the balance.

<Acquisition Market>

While the number of players who vigorously invest in logistics properties increased, supply for large scale logistics properties continued to be limited. Competition for acquiring logistics properties deepened its seriousness. Therefore, JLF believes further effort such as obtaining exclusive deal information by leveraging sponsor networks, and proactively sourcing deals by Asset Management Company will be highly important in order to acquire properties continuously. Moreover, under circumstances that major logistics companies and real estate developers to initiate several construction and development projects, JLF will promote sourcing development projects through sponsor network and collaboration with real estate developers to pursue acquisition opportunities. JLF commits, with long term investment horizon, to build stable portfolio through further AUM expansion.

(b) Future Asset Management Policies and Pending Issues

Under this investment environment, JLF will conduct asset management to achieve stable revenue over the medium to long term period based on the following policies:

(i) Operational management of portfolio properties

- Leasing Management

In renewing the existing lease contracts, JLF promotes longer term contracts in order to seek for

stable revenue flow. When an existing tenant decides to leave, JLF will engage in leasing activities so that it has no discontinuity in leasing, by leveraging its sponsor networks, external partners, and Asset Management Company's own networks. The properties currently held by JLF have an average leasing period of 7.0 years when calculated by a weighted average based on annual rent, the figure that indicates JLF's stability to continue.

- Strengthening of tenant relations

By maintaining close contacts with existing tenants, JLF tries to increase the level of the tenants' overall satisfaction. Specifically, JLF focuses its effort on capturing the tenants' needs for expanding rental floor in existing properties as well as on investing additional capital expenditures in functionality improvements and renovations based on the tenant needs and their industry's trends

- Appropriate maintenance of properties

JLF conducts repairs and renovations on properties so that the related expenses and expenditures remain under certain level. In addition, JLF optimizes the maintenance management of the properties by selecting appropriate property management companies which provide efficient maintenance suited to the characteristics of each property, as well as by improving the quality and standardizing the various procedures of maintenance at the Asset Management Company. Furthermore, JLF plans to invest additional capital expenditures to the portfolio properties which have location advantage in leasing and have upside potential if renewed, or is too costly to hold because of aged deterioration.

(ii) New property acquisitions

- Sourcing of property information

Unlike other asset type, logistics properties have limited transaction volume in acquisition market. JLF believes, therefore, it is imperative to gather broad range of deal information and to make precise decision based on the information gathered. In order to avoid price competition as much as possible, JLF will strive to promote negotiated transactions by leveraging the extensive networks of the sponsors; Mitsui & Co., Ltd., The Chuo Mitsui Trust and Banking Company, Ltd. and Kenedix, Inc. In addition, JLF and the Asset Management Company will endeavor securing new deal information sourcing channels to establish a framework for acquiring properties at even more favorable terms.

- Specifications of properties for acquisition

In acquiring properties, JLF will make investment decisions with emphasis on the location and versatility of properties, which are essential factors for stable and long-term management of logistics properties. Especially, as a general rule, JLF will avoid acquiring properties that suite only for tenants in certain industries. Specifications that satisfy broad logistics demand will be the most important decision-making criterion.

- Diversification of the portfolio

To minimize fluctuations in revenue arising from economic changes, earthquakes and other events that seriously impact specific regions, JLF will acquire properties with geographical diversification of its portfolio. At the same time, to minimize lease contract termination risk and rent reduction risk, JLF will diversify its tenant base so that it can avoid excessive dependency on a single tenant and a certain industry as well as excessive concentration of lease contract expiration.

(iii) Financial strategy

JLF sets its priority in sustainable growth of its distribution per unit. In order to achieve the growth, with conservative interest-bearing debt ratio in mind, JLF will raise funds through the mixture of bank loans, issuing investment corporation bonds, and issuing new investment units. Regarding interest-bearing debt financing, JLF will diversify funding sources and repayment schedule. Furthermore, regarding tenant leasehold and security deposits, JLF will utilize efficient cash management such as using it to fund property acquisitions.

FINANCIAL STATEMENTS

1. Balance Sheets

(Unit: thousand yen)

| | 11 th Fiscal Period (as of January 31, 2011) | 12 th Fiscal Period (as of July 31, 2011) |
|---|--|---|
| Assets | | |
| Current assets | | |
| Cash and deposits | 4,668,400 | 5,229,837 |
| Cash and deposits in trust | 2,571,060 | 2,513,668 |
| Operating accounts receivable | 23,156 | 23,297 |
| Prepaid expenses | 18,862 | 35,275 |
| Deferred tax assets | 19 | 19 |
| Consumption taxes receivable | 287,517 | - |
| Other | 249 | 40 |
| Total current assets | 7,569,268 | 7,802,138 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Buildings | 6,119,622 | 6,130,801 |
| Accumulated depreciation | (567,931) | (652,922) |
| Buildings, net | 5,551,690 | 5,477,878 |
| Structures | 112,415 | 112,525 |
| Accumulated depreciation | (18,436) | (20,387) |
| Structures, net | 93,979 | 92,137 |
| Tools, furniture and fixtures | 500 | 500 |
| Accumulated depreciation | (31) | (68) |
| Tools, furniture and fixtures, net | 468 | 431 |
| Land | 6,391,096 | 6,391,096 |
| Buildings in trust | 72,880,618 | 73,091,444 |
| Accumulated depreciation | (8,160,525) | (9,184,910) |
| Buildings in trust, net | 64,720,092 | 63,906,534 |
| Structures in trust | 2,297,711 | 2,304,931 |
| Accumulated depreciation | (446,400) | (489,859) |
| Structures in trust, net | 1,851,310 | 1,815,072 |
| Machinery and equipment in trust | 1,842 | 1,842 |
| Accumulated depreciation | (274) | (344) |
| Machinery and equipment in trust, net | 1,567 | 1,498 |
| Tools, furniture and fixtures in trust | 15,939 | 15,939 |
| Accumulated depreciation | (4,597) | (5,575) |
| Tools, furniture and fixtures in trust, net | 11,342 | 10,363 |
| Land in trust | 59,178,830 | 59,219,717 |
| Total property, plant and equipment | 137,800,379 | 136,914,730 |
| Intangible assets | | |
| Other | 298 | 269 |
| Total intangible assets | 298 | 269 |
| Investments and other assets | | |
| Long-term prepaid expenses | 100,453 | 87,174 |
| Guarantee deposits | 10,000 | 10,000 |
| Other | 2,000 | 2,000 |
| Total investments and other assets | 112,453 | 99,174 |
| Total noncurrent assets | 137,913,131 | 137,014,173 |
| Deferred assets | | |
| Investment corporation bond issuance costs | 41,491 | 37,226 |
| Total deferred assets | 41,491 | 37,226 |
| Total assets | 145,523,890 | 144,853,538 |

(Unit: thousand yen)

| | 11 th Fiscal Period | 12 th Fiscal Period |
|--|--------------------------------|--------------------------------|
| | (as of January 31, 2011) | (as of July 31, 2011) |
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 454,106 | 458,082 |
| Current portion of long-term loans payable | 2,700,000 | 7,500,000 |
| Distribution payable | 12,619 | 10,658 |
| Accrued expenses | 502,642 | 520,898 |
| Income taxes payable | 833 | 768 |
| Accrued consumption taxes | - | 207,545 |
| Advances received | 937,193 | 955,169 |
| Deposits received | 33,712 | - |
| Provision for loss on disaster | - | 38,266 |
| Total current liabilities | 4,641,107 | 9,691,389 |
| Noncurrent liabilities | | |
| Investment corporation bond | 8,000,000 | 8,000,000 |
| Long-term loans payable | 26,500,000 | 21,700,000 |
| Tenant leasehold and security deposits | 2,062,256 | 1,337,646 |
| Tenant leasehold and security deposits in trust | 4,166,412 | 4,197,863 |
| Total noncurrent liabilities | 40,728,668 | 35,235,509 |
| Total liabilities | 45,369,776 | 44,926,899 |
| Net Assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 97,559,929 | 97,559,929 |
| Surplus | | |
| Unappropriated retained earnings (undisposed loss) | 2,594,184 | 2,366,709 |
| Total surplus | 2,594,184 | 2,366,709 |
| Total unitholders' equity | 100,154,113 | 99,926,638 |
| Valuation and translation adjustments | | |
| Total net assets | 100,154,113 | 99,926,638 |
| Total liabilities and net assets | 145,523,890 | 144,853,538 |

2. Statements of Income

(Unit: thousand yen)

| | 11 th Fiscal Period | | 12 th Fiscal Period | |
|--|--------------------------------|------------------|--------------------------------|------------------|
| | From: | August 1, 2010 | From: | February 1, 2011 |
| | To: | January 31, 2011 | To: | July 31, 2011 |
| Operating revenue | | | | |
| Rent revenue – real estate | 5,278,632 | | 5,389,118 | |
| Other lease business revenue | 155,316 | | 136,669 | |
| Total operating revenue | 5,433,949 | | 5,525,787 | |
| Operating expenses | | | | |
| Expenses related to rent business | 2,035,795 | | 2,045,787 | |
| Asset management fee | 413,046 | | 428,406 | |
| Asset custody fee | 14,272 | | 14,417 | |
| Administrative service fees | 22,995 | | 24,209 | |
| Directors' compensations | 5,400 | | 5,400 | |
| Other operating expenses | 47,295 | | 54,168 | |
| Total operating expenses | 2,538,806 | | 2,572,388 | |
| Operating income | 2,895,142 | | 2,953,399 | |
| Non-operating income | | | | |
| Interest income | 510 | | 365 | |
| Interest on securities | 379 | | 769 | |
| Interest on refund | 2,586 | | 237 | |
| Insurance Income | 1,736 | | 446 | |
| Reversal of distribution payable | 490 | | 1,111 | |
| Other | 2,666 | | 0 | |
| Total non-operating income | 8,370 | | 2,929 | |
| Non-operating expenses | | | | |
| Interest expenses | 235,530 | | 216,823 | |
| Borrowing related expenses | 29,424 | | 29,608 | |
| Investment unit issuance expenses | 23,285 | | - | |
| Interest expenses on investment corporation bonds | 13,117 | | 37,684 | |
| Amortization of investment corporation bond issuance costs | 1,484 | | 4,264 | |
| Other | 5,500 | | 0 | |
| Total non-operating expenses | 308,341 | | 288,380 | |
| Ordinary income | 2,595,172 | | 2,667,947 | |
| Extraordinary loss | | | | |
| Loss on disaster | - | | 300,282 | |
| Total extraordinary loss | - | | 300,282 | |
| Income before income taxes | 2,595,172 | | 2,367,665 | |
| Income taxes – current | 1,011 | | 995 | |
| Income taxes – deferred | (2) | | 0 | |
| Total income taxes | 1,009 | | 996 | |
| Net income | 2,594,163 | | 2,366,668 | |
| Retained earnings brought forward | 21 | | 40 | |
| Unappropriated retained earnings (undisposed loss) | 2,594,184 | | 2,366,709 | |

3. Statements of Cash Flows

(Unit: thousand yen)

| | 11 th Fiscal Period | | 12 th Fiscal Period | |
|---|--------------------------------|------------------|--------------------------------|------------------|
| | From: | August 1, 2010 | From: | February 1, 2011 |
| | To: | January 31, 2011 | To: | July 31, 2011 |
| Net cash provided by (used in) operating activities | | | | |
| Income before income taxes | 2,595,172 | | 2,367,665 | |
| Depreciation and amortization | 1,168,591 | | 1,177,793 | |
| Investment unit issuance expenses | 23,285 | | - | |
| Amortization of investment corporation bond issuance costs | 1,484 | | 4,264 | |
| Interest income | (510) | | (365) | |
| Interest on securities | (379) | | (769) | |
| Interest expenses | 248,648 | | 254,508 | |
| Loss on retirement of noncurrent assets | 36,138 | | 584 | |
| Loss on disaster | - | | 300,282 | |
| Decrease (increase) in operating accounts receivable | 14,389 | | (140) | |
| Decrease (increase) in consumption taxes refund receivable | 84,484 | | 287,517 | |
| Increase (decrease) in accrued consumption taxes | - | | 207,545 | |
| Increase (decrease) in operating accounts payable | 188,647 | | (146,064) | |
| Increase (decrease) in accrued expenses | (4,862) | | 8,053 | |
| Increase (decrease) in advances received | 81,438 | | 17,975 | |
| Other, net | 41,641 | | (5,310) | |
| Subtotal | 4,478,167 | | 4,473,540 | |
| Interest income received | 890 | | 1,134 | |
| Interest expenses paid | (246,957) | | (240,293) | |
| Payments for loss on disaster | - | | (95,022) | |
| Income taxes paid | (1,011) | | (1,060) | |
| Net cash provided by (used in) operating activities | 4,231,089 | | 4,138,299 | |
| Net cash provided by (used in) investment activities | | | | |
| Purchase of property, plant and equipment | (3,915) | | (14,942) | |
| Purchase of property, plant and equipment in trust | (17,653,022) | | (294,709) | |
| Proceeds from tenant leasehold and security deposits | 269,750 | | 99,000 | |
| Repayments of tenant leasehold and security deposits | (68,910) | | (823,610) | |
| Proceeds from tenant leasehold and security deposits in trust | 79,281 | | 31,451 | |
| Repayments of tenant leasehold and security deposits in trust | (165,804) | | (32,438) | |
| Net cash provided by (used in) investment activities | (17,542,619) | | (1,035,249) | |
| Net cash provided by (used in) financing activities | | | | |
| Increase in short-term loans payable | 18,000,000 | | - | |
| Decrease in short-term loans payable | (18,000,000) | | - | |
| Proceeds from long-term loans payable | 2,000,000 | | 1,700,000 | |
| Repayment of long-term loans payable | (3,000,000) | | (1,700,000) | |
| Proceeds from issuance of investment units | 10,113,386 | | - | |
| Payments for investment unit issuance expenses | (31,835) | | (2,000) | |
| Proceeds from issuance of investment corporation bonds | 8,000,000 | | - | |
| Payment of investment corporation bond issuance costs | (40,963) | | (2,012) | |
| Dividends paid | (2,273,513) | | (2,594,993) | |
| Net cash provided by (used in) financing activities | 14,767,074 | | (2,599,006) | |
| Net increase (decrease) in cash and cash equivalents | 1,455,544 | | 504,043 | |
| Cash and cash equivalents at beginning of period | 5,783,916 | | 7,239,461 | |
| Cash and cash equivalents at end of period | 7,239,461 | | 7,743,505 | |

PORTFOLIO INFORMATION I

| No. | Property Name | Location | Year Built | Land Area | Gross Rentable Floor Area | Occupancy Rate | PML |
|---------------------------------------|-----------------------|---------------------|------------------|------------|---------------------------|----------------|------|
| | | | (mm/dd/yy) | (㎡) | (㎡) | (%) | (%) |
| M-1 | Funabashi | Funabashi, Chiba | 10/27/93 | 16,718 | 29,556.79 | 97.2 | 13.0 |
| M-2 | Urayasu | Urayasu, Chiba | 10/08/86 etc. | 19,136 | 9,543.72 | 100.0 | 18.3 |
| M-3 | Hiratsuka | Hiratsuka, Kanagawa | 09/21/90 | 12,795.97 | 11,225.72 | 100.0 | 21.1 |
| M-4 | Shinkiba | Koto-ku, Tokyo | 03/15/93 | 5,798.90 | 10,616.80 | 100.0 | 17.6 |
| M-5 | Urayasu Chidori | Urayasu, Chiba | 01/10/06 | 16,421 | 31,790.42 | 100.0 | 13.8 |
| M-6 | Funabashi Nishiura | Funabashi, Chiba | 01/24/06 | 18,192.07 | 35,134.44 | 100.0 | 7.1 |
| M-7 | Funabashi Nishiura II | Funabashi, Chiba | 12/26/85 etc. | 39,686 | 73,859.32 | 100.0 | 11.5 |
| M-8 | Kawasaki | Kawasaki, Kanagawa | 07/14/89 | 21,622.41 | 41,630.54 | 100.0 | 14.6 |
| M-9 | Narashino | Narashino, Chiba | 10/05/05 | 14,027.60 | 2,442.87 | 100.0 | 11.3 |
| M-10 | Yokosuka | Yokosuka, Kanagawa | 07/31/90 | 11,790.09 | 21,364.11 | 100.0 | 22.0 |
| M-11 | Yachiyo | Yachiyo, Chiba | 04/24/72 etc. | 29,103.38 | 17,689.95 | 100.0 | 9.1 |
| M-12 | Yokohama Fukuura | Yokohama, Kanagawa | 02/25/07 | 20,080.79 | 35,882.64 | 100.0 | 16.3 |
| M-13 | Yachiyo II | Yachiyo, Chiba | 08/24/07 | 17,012.01 | 32,389.70 | 100.0 | 7.6 |
| M-14 | Urayasu Chidori II | Urayasu, Chiba | 01/16/01 | 2,645.34 | 6,192.80 | 100.0 | 13.1 |
| M-15 | Ichikawa | Ichikawa, Chiba | 02/25/08 | 9,801.27 | 18,686.12 | 100.0 | 11.8 |
| M-16 | Shinonome | Koto-ku, Tokyo | 02/08/06 | 14,233.16 | 16,175.31 | 100.0 | 14.4 |
| M-17 | Narashino II | Narashino, Chiba | 01/20/08 | 22,518.00 | 43,208.86 | 100.0 | 11.1 |
| M-18 | Ichikawa II | Ichikawa, Chiba | 10/09/09 | 34,854.52 | 66,497.99 | 100.0 | 4.2 |
| T-1 | Daito | Daito, Osaka | 07/31/89 etc. | 71,837.28 | 92,730.14 | 100.0 | 13.8 |
| T-2 | Osaka Fukuzaki | Osaka, Osaka | 10/28/04 | 16,576.21 | 23,726.80 | 100.0 | 14.1 |
| T-3 | Chubu Haruhi | Kiyosu, Aichi | – | 10,457.02 | 10,457.02 (land area) | 100.0 | – |
| T-4 | Kadoma | Kadoma, Osaka | 03/26/93 | 3,975.60 | 7,293.92 | 100.0 | 13.3 |
| T-5 | Komaki | Komaki, Aichi | 08/05/94 | 11,057.18 | 9,486.45 | 100.0 | 8.7 |
| T-6 | Komaki II | Komaki, Aichi | 03/27/92 etc. | 9,740.44 | 10,708.41 | 100.0 | 8.3 |
| O-1 | Maebashi | Maebashi, Gunma | 02/04/05 | 16,241.43 | 3,455.53 | 100.0 | 9.0 |
| O-2 | Hanyu | Hanyu, Saitama | 10/20/05 | 20,988.43 | 3,518.58 | 100.0 | 11.6 |
| O-3 | Saitama Kisai | Kazo, Saitama | 03/31/07 | 26,530.67 | 24,574.40 | 100.0 | 10.5 |
| O-4 | Kazo | Kazo, Saitama | 03/04/08 | 13,039.17 | 25,130.62 | 100.0 | 9.5 |
| Portfolio Total/Average (Note) | | | | 526,879.94 | 714,969.97 | 99.9 | 9.3 |

Note : The indicated figures (the figures for each property) do not necessarily add up to the total (the figure for the portfolio) due to rounding.

PORTFOLIO INFORMATION II

| No. | Property Name | Acquisition Price | | Appraisal Value at End of Period (million yen) | DCF Method | | Direct Capitalization Method Cap Rate (%) | Annual Rent | | Number of Tenants |
|-------------------------------|-----------------------|-------------------|--------------|---|---------------|-------------------|--|---------------|--------------|-------------------|
| | | Amount | Share | | Discount Rate | Terminal Cap Rate | | Amount | Share | |
| | | (million yen) | (%) | | (%) | (%) | | (million yen) | (%) | |
| M-1 | Funabashi | 8,675 | 6.1 | 9,070 | 5.2 | 5.5 | – | 842 | 7.9 | 3 |
| M-2 | Urayasu | 2,902 | 2.0 | 4,870 | 5.1 | – | – | 242 | 2.3 | 1 |
| M-3 | Hiratsuka | 1,466 | 1.0 | 1,710 | 5.6 | 6.1 | 5.8 | N/A | N/A | 1 |
| M-4 | Shinkiba | 2,454 | 1.7 | 3,020 | 5.0/5.2 | 5.5 | 5.2 | N/A | N/A | 1 |
| M-5 | Urayasu Chidori | 6,000 | 4.2 | 9,250 | 4.9/5.1 | 5.2 | 4.9 | 494 | 4.6 | 1 |
| M-6 | Funabashi Nishiura | 5,700 | 4.0 | 6,790 | 5.0/5.2 | 5.4 | 5.1 | 410 | 3.8 | 2 |
| M-7 | Funabashi Nishiura II | 9,330 | 6.5 | 11,900 | 5.0/5.2 | 5.8 | 5.5 | 780 | 7.3 | 1 |
| M-8 | Kawasaki | 10,905 | 7.6 | 12,700 | 5.1 | 5.3 | 5.0 | N/A | N/A | 1 |
| M-9 | Narashino | 1,690 | 1.2 | 2,070 | 5.5 | 5.5 | 5.2 | 121 | 1.1 | 1 |
| M-10 | Yokosuka | 3,305 | 2.3 | 3,140 | 5.7 | 6.3 | 6.0 | N/A | N/A | 1 |
| M-11 | Yachiyo | 2,266 | 1.6 | 2,380 | 5.6 | 6.1 | 5.8 | N/A | N/A | 1 |
| M-12 | Yokohama Fukuura | 9,800 | 6.8 | 10,000 | 5.5 | 5.6 | 5.3 | N/A | N/A | 3 |
| M-13 | Yachiyo II | 5,300 | 3.7 | 6,220 | 5.2/5.4 | 5.8 | 5.5 | 387 | 3.6 | 1 |
| M-14 | Urayasu Chidori II | 1,640 | 1.1 | 1,670 | 5.2 | 5.3 | 5.0 | N/A | N/A | 1 |
| M-15 | Ichikawa | 4,550 | 3.2 | 4,670 | 5.2/5.3 | 5.3 | 5.0 | N/A | N/A | 1 |
| M-16 | Shinonome | 11,800 | 8.2 | 12,200 | 5.3 | 5.4 | 5.1 | 705 | 6.6 | 1 |
| M-17 | Narashino II | 7,875 | 5.5 | 8,330 | 5.4 | 5.5 | 5.2 | N/A | N/A | 3 |
| M-18 | Ichikawa II | 17,415 | 12.2 | 18,600 | 5.0/5.1 | 5.3 | 5.0 | N/A | N/A | 2 |
| T-1 | Daito | 9,762 | 6.8 | 16,400 | 5.6 | 5.7 | 5.4 | N/A | N/A | 1 |
| T-2 | Osaka Fukuzaki | 4,096 | 2.9 | 5,230 | 5.5 | 5.6 | 5.3 | 326 | 3.1 | 1 |
| T-3 | Chubu Haruhi | 685 | 0.5 | 784 | 5.4 | 5.7 | – | 33 | 0.3 | 1 |
| T-4 | Kadoma | 989 | 0.7 | 1,170 | 5.6 | 5.7 | 5.4 | N/A | N/A | 1 |
| T-5 | Komaki | 2,100 | 1.5 | 1,880 | 5.4/5.6 | 5.7 | 5.4 | N/A | N/A | 1 |
| T-6 | Komaki II | 1,800 | 1.3 | 1,720 | 5.5 | 5.7 | 5.4 | 123 | 1.2 | 1 |
| O-1 | Maebashi | 1,230 | 0.9 | 1,360 | 5.8 | 5.8 | 5.5 | 87 | 0.8 | 1 |
| O-2 | Hanyu | 1,705 | 1.2 | 1,860 | 5.8 | 5.9 | 5.6 | 118 | 1.1 | 1 |
| O-3 | Saitama Kisai | 4,010 | 2.8 | 4,260 | 5.6/5.7 | 5.9 | 5.6 | N/A | N/A | 1 |
| O-4 | Kazo | 3,790 | 2.6 | 3,770 | 5.6 | 5.7 | 5.4 | 248 | 2.3 | 1 |
| Portfolio Total (Note) | | 143,240 | 100.0 | 167,024 | | | | 10,682 | 100.0 | 36 |

Note : The indicated figures (the figures for each property) do not necessarily add up to the total (the figure for the portfolio) due to rounding.

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